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September 24, 2013

Honorable Steve Stuart, Chair
Clark County Board of Commissioners
PO Box 5000
Vancouver, Washington

RE: Clark County Financial Trends Monitoring Report

Dear Commissioner Stuart,

The following represents our report of financial trends for Clark County for the ten year period ended December 31, 2012.

INTRODUCTION

This report has been compiled in accordance with the provisions of the Clark County Fiscal Policy Plan, and includes trends of key financial and economic indicators for the government and community of Clark County, Washington.

Information for the report is derived from various County financial records and reports, including the Comprehensive Annual Financial Report (CAFR), and from various other local and state governments and agencies.

FISCAL POLICIES

The report presents the 17 fiscal policies included in the Clark County Fiscal Policy Plan. These policies provide guidelines for the prudent management of the County's finances. These guidelines are not absolute rules, but variation from them should be carefully considered and of limited duration only. We have provided a brief narrative following each policy statement that represents our opinion of the degree to which the County is in compliance with the policy.
FINANCIAL INDICATORS

The report presents a combination of 29 financial measures and demographic indicators which can help highlight issues and trends. The analysis of each indicator gives guidance on what trends may mean in terms of Clark County’s fiscal health.

It is important to analyze the numbers that make up the indicators to obtain a better understanding of what is occurring and whether there is a need for concern. Therefore, formulas and the data sources are identified for each of the indicators. The indicators are divided into five categories: Revenues, Expenditures, Operating Position, Debt Structure, and Economic Base.

Regular analysis can highlight potential fiscal problems and provide the necessary information required for timely corrective action. By taking action to address weaknesses and to strengthen fiscal health, the county can help ensure that resources are available to fund the level of services required by the taxpayers.

RATING STRUCTURE

There is considerable variation in the way that local governments manage their finances. The variations make development of benchmarks difficult for many indicators. Ratings for these indicators were influenced by the model for evaluating financial condition that was developed by the International City/County Management Association in 2003.

The analysis of these indicators includes a “Warning Trend,” which helps to focus on conditions that currently exist or that should be avoided. Staff has evaluated each indicator and assigned a rating according to the following rating scheme of "positive," "negative," or "mixed", based on the following:

Green – the trend is positive and favorable.

Yellow – the trend is mixed and uncertain. The indicator should be watched carefully because it may move in a direction that could have a negative impact on the county’s financial health.

Red – the warning trend is negative and has been observed. More information should be gathered and if possible. If possible, corrective action should be taken.
A summary of the 29 indicators reveals the following:

- Comparing the 29 indicators in 2012 to 2011 shows that nine were rated higher, three were rated lower, one was new, and seventeen maintained their 2011 rating. The Economic Base indicator category posted the most improvement in 2012. Three of the seven Economic Base indicators improved while the rest maintained their 2011 rating. Improvements were observed in the Residential and Commercial Development, Community Unemployment, and Taxable Sale of Goods and Services indicators.

- Two of the seven indicators in the Expenditures category were rated higher in 2012. The Governmental Expenditures per Capita and General Fund Expenditures per Capita indicators improved while the Personnel indicator was rated lower in 2012.

- Two of the Revenue category indicators improved in 2012. The Intergovernmental Revenues per Capita indicator improved from negative to mixed while the Enterprise Operating Revenues and Expenses indicator improved from a mixed to positive rating. The General Fund Revenue per Capital and the Tax Revenue per Capita indicators received a lower rating of negative, in 2012, as compared to their mixed ratings in 2011.

- Of the three indicators in the Debt category the rating for the Overlapping Debt per Capita indicator improved from a mixed rating to a positive rating in 2012.

The eleven indicators receiving “positive” ratings in 2012 are discussed by category below:

- **Revenue:**
  - Enterprise Revenue and Expenses – Enterprise revenues spiked in 2012 due to payments from Clark Regional Wastewater District to the county that were used to retire revenue bonds. Although Enterprise expenses increased on average by 7.4% over the last ten years, these expenses increased only 2.2% in 2012 over 2011. The one time revenue from the bond refinancing has been removed.
  - Elastic Revenue as a Percent of Total Revenue – The increase in elastic revenues as a percentage of total operating revenues beginning in 2010 follows the recovering economy against the decline in operating revenues for the county.

- **Expenditures:**
  - Total Governmental Fund Expenditures Per Capita – Adjusting for CPI, governmental fund expenditures per capita decreased from $856 in 2003 to $677 in 2012.
  - General Fund Expenditures Per Capita – Total general fund expenditures increased only 2.6% from the 2011 level which almost mirrored the Consumer Price Index increase of 2.3%.

- **Operating Position:**
  - General Fund Surplus or Deficit – The general fund continued to recover from the levels attained in 2008 when the worst deficit observed during the ten year trend was recorded. The surplus for 2012 was approximately $3.0 million.
General Fund and Permanent Reserve Balance – Between 2009 and 2012, the General Fund balance increased each year. In 2012, it was 17.0 % of annual expenses and transfers.

Fund Balance – Road Fund – Since 2003, the fund balance in the Road Fund increased from $3.0 million to $29.8 million.

Fund Liquidity General Fund and Road Fund – Liquid assets in the General Fund increased from $10.8 million in 2003 to $31.0 million in 2012 while the liquid assets in the Road fund improved from $1.0 million in 2003 to $29.0 million in 2012.

 Debt:

 Long-Term Debt – Two positive trends continued in 2012. The amount of long-term decreased by $9.0 million from $143.0 million in 2011 to 134.0 million in 2012, while the long-term debt per capita decreased from $426 in 2004 to $311 in 2012.

 Overlapping Debt Per Capita – Overlapping debt per capita steadily increased until 2005, decreased by 4.0 % in 2006, had small annual increases through 2010, and decreased in 2011 and 2012.

 Economic Base:

 Registered/Participating Voters – In the past ten years, the number of registered voters in the general elections in Clark County increased by 39.8 %.

 The seven indicators receiving negative ratings in 2012 are discussed by category below:

 Revenue:

 Operating Revenue Per Capita – Total operating revenue per capita adjusted for inflation is the lowest it has been in over 10 years.

 General Fund Revenue Per Capita – The average annual increase in General Fund revenue over the last 5 years was less than 2.0 %, which is below the 3.5% 10-year average, indicating that most of the growth was prior to the 2008 recession.

 Tax Revenue Per Capita – Over the last ten years, adjusted for inflation, Tax Revenue per Capita increased annually only two times, in 2005 and 2010. In 2012, they were down less than 1.0 % when compared to 2011.

 Expenditures:

 Personnel Expenditures – The trend is negative because personnel costs as a percentage of operating expenditures are increasing.

 Employee Benefit Costs – Although benefit costs were flat compared to 2011 at 25.7 %, they have increased from 18.7% in 2003.

 Economic Base:

 Median Household Income – Although the median household income in Clark County rose from $54,951 to $56,054, adjusted for inflation, median household incomes dropped from $56,215 in 2011 to $56,054 in 2012.

 Assessed Property Values – The warning trend of a decline in assessed property values has been observed since 2008. Since 2008, total Clark County taxable assessed valuations have declined approximately 22.5 % to $35.6 billion.
SUMMARY

During 2008 and 2009 the full effect of the Great Recession was felt on the County's finances and economic environment. Indicators were predominately mixed or negative reflecting the weakest financial positions in the ten years covered by this report. For 2012, there is continued improvement in some areas as significant cost cutting measures were instituted by the County that has positively impacted the financial strength of the county.

The year 2008 was the first time that combined mixed and negative ratings exceeded favorable ratings. This decline was stabilized in 2009 and 2010. In 2011, there was a slight decline in ratings due to the continued lack of jobs added as the economy recovers. In 2012, there was a net improvement in 7 of the rated indicators.

There are signs of slight improvement, but there are major trends that will make significant improvement a challenge. Chief among these are high unemployment, a 6-year reduction in median income, and continued weakness in the housing market. In this environment, it is crucial that the County manage resources tightly and continue to maintain adequate reserves so that the County has the ability to accommodate small changes in the economy without immediately resorting to cuts in services.

Sincerely,

Greg Kimsey
Clark County Auditor
CLARK COUNTY FISCAL POLICIES
As of December 31, 2012

Background
The Fiscal Policy Plan was first adopted by the Board of County Commissioners in 1982 and amended on August 2, 1994. Its purpose is to assist decision-makers by providing information and guidelines that cumulatively should ensure that Clark County continues to pursue a financially prudent course.

In this document we quote the fiscal policies (in italics) and give a brief description of County practices that relate to that policy.

Policies

Policy 1
The County shall calculate and compile financial indicators, consistent with Appendix “A”, for each year. Any indicator showing an unfavorable trend shall be analyzed to determine why the change has occurred. The County Administrator is authorized to add or delete financial indicators to reflect the needs of the County and the availability of relevant information.

This information is provided as part of this report.

Policy 2
Clark County shall annually forecast revenues and expenditures for the next three to five years for the General Fund and Road Fund. Forecasts should reflect the County’s multi-year capital improvement plans. Other funds should be forecast to the extent that they are material and can be reasonably predicted.

As part of the biennial budget process, the Budget Office forecasts the General Fund in detail and major changes to this base for an additional four years. Public Works staff includes expenditure forecasts for the Road Fund as part of the six-year transportation capital construction program. Capital revenue restrictions have reduced long-term park construction to a minimal amount. Forecast of Clean Water maintenance and capital needs exceed long-term revenues.

Policy 3
Clark County shall proactively seek citizen involvement in evaluations of services and service levels.

Clark County’s budget process furnishes extensive opportunities for citizen involvement in the evaluation of programs and the allocation of resources. Budget meeting notices are published in local newspapers and public hearings are held, at which time the BOCC seeks input from staff and citizens, as it considers and ultimately adopts the budget. The County also has numerous advisory boards that provide citizen evaluation and advice on a continuous basis over many program areas.

Policy 4
Clark County will accept State and Federal money to fund programs mandated by law; or programs established as a local priority after taking local contributions into account.

The Board of County Commissioners approves grant-funded contracts. Most local match for grant-funded programs relate to infrastructure needs that are included in the County’s Comprehensive Plan and the Six-Year Transportation Improvement Program.
**Policy 5**
Clark County will set charges for each enterprise fund (sewer, solid waste, etc.) at a level which supports the direct and overhead costs of the enterprise, primarily by fees, grants, or other sources consistent with the direction of the Board of County Commissioners.

Net assets for enterprise funds are positive at the end of 2012. Rates charged to property owners to fund Clean Water produce a revenue stream that is inadequate for long-term maintenance and capital needs.

**Policy 6**
Clark County will pursue a fair and equitable process for the collection of property tax and all other revenues, with the goal of minimizing delinquencies.

At December 31, 2012, uncollected delinquent property tax amounted to $4.0 million ($2.1 million from 2012 and the remainder from levies for all prior years). 97.1% of the 2012 tax levy was collected by 12/31/12. During the last 10 years, the percent collected has never been less than 96.1%.

**Policy 7**
Clark County management is required to comply with budgetary restrictions. A reporting system will be provided to help managers monitor and adhere to financial constraints.

The Auditor’s Office monitors compliance with budgetary restrictions and provides departments with a variety of monthly reports to assist managers in controlling expenditures.

**Policy 8**
Clark County will provide for adequate maintenance of capital facilities and equipment, and for their orderly replacement, if necessary.

The County maintains two revolving funds that provide for maintenance, repair, and replacement of heavy equipment, vehicles, and personal computers. In addition, the County has adopted long-term major maintenance programs for facilities and parks. The replacement of the County’s human resource and payroll system was completed in 2005; the replacement of the Assessment and Tax Collection system was completed in 2009; and funding to replace the custody management system has been approved for 2012. In addition, the County’s financial system had a significant upgrade completed in 2012. In the past 10 years, the County has significantly upgraded its facilities, completing construction of the Public Service Center, the Community Health Center and the Exposition Center, as well as significant remodels of the Courthouse, Juvenile Detention facilities, and the Elections and Auto Licensing Building. The latest building upgrades include energy conservation and electrical generation by means of solar panels.

**Policy 9**
Clark County shall establish reserve funds to pay for needs caused by unforeseen events. Reserves shall be held to address the following circumstances: 1) Catastrophic reserves, to provide limited emergency funds in the event of natural or manmade disasters; 2) Operational reserves, to provide additional funds for limited, unexpected service needs; 3) Liquidity reserves, to provide funds sufficient to insure smooth running of the County and pay current obligations; and 4) Capital reserves to facilitate the orderly replacement or acquisition of capital facilities and equipment. An amount equivalent to between 6% and 10% of the General Fund operating budget shall be held in a separate reserve. Individual fund managers shall maintain reserves to address operational and liquidity needs for the funds under their control.
The County has a Permanent Reserve Fund to provide for operational and catastrophic needs. At December 31, 2012, the balance in the fund amounted to $6.6 million or 5.1% of the General Fund operating budget. The County failed to maintain the minimum 6.0% standard between 2003 to 2010. However, following the application of GASB 54, in 2011, the County reports the General Fund and Permanent Reserve as one fiscal entity. Combined, the unassigned fund balance of the two amounts to 17.0% of General Fund revenue, which is within the traditional range of 15.0 to 20.0%. Liquidity reserves are established in each fund. The County belongs to the Washington State Risk Pool for general liability coverage. The County has established capital reserves for vehicle and computer equipment replacements financed by charges to user departments.

**Policy 10**

**Capital improvements must be designed to provide sufficient benefits for the expected cost. Benefits can be economic or social values expressed in the capital improvement plan, or can be based on a cost benefit analysis of all relevant costs.**

Most capital expenditures are reflected in the County’s comprehensive plan and the six-year transportation improvement program. The economic and social values of these projects are expressed in these plans. Additional evaluation of capital improvements is performed at the departmental level and examined by the Budget Office. Formal cost/benefit analysis is not performed in all cases.

**Policy 11**

**Clark County shall develop and adopt multi-year capital improvement plans to guide current and future major capital facility and equipment expenditures.**

The capital facilities element of the comprehensive plan addresses infrastructure and utility needs and is augmented by more detailed plans such as the six year transportation improvement program and open space acquisition programs supporting the expenditure of Conservation Futures funds.

The County has formed a Finance Team made up of senior managers to review capital spending plans. Capital spending plans should comply with the Board of County Commissioners’ priorities: 1. Honor existing obligations (debt service), 2. Preserve existing assets, 3. Acquire new assets based on greatest need and the ability to maintain them.

Research is ongoing to replace analogue radio systems with digital equipment at the 911 center by 2015.

**Policy 12**

**Clark County will develop investment strategies to maximize return on investments while protecting the public’s assets.**

The County Treasurer performs various cash flow analyses to determine size and duration of investments; has established and implemented a local government investment pool to maximize buying power and flexibility; and has developed investment policies and standards to manage the County’s portfolio.

**Policy 13**

**The County shall restrict direct debt to the limit identified in Article 8, Section 6 of the Washington State Constitution. In addition, the County will be prudent when considering appropriate levels of debt, limiting debt service to the County’s current and future ability to finance that service without diminishing core services. In recognition of the value of the County’s ability to raise money at competitive rates, the County will also consider the impact of any new debt on future bond**
ratings. Biennial budget appropriations shall include debt service payments and reserve requirements identified in bond covenants for all outstanding debt.

At the end of 2012, the County's non-voted debt limit was $560.3 million. Outstanding General Obligation Bond Debt subject to this limit at the end of 2012 was $108.9 million, or 19.4% of the debt limit. Additional governmental debt subject to the non-voted debt limit includes public works trust fund loans, special assessment debt, and capital leases. Total net debt applicable to the limit was $133.0 million at December 31, 2012, no change from December 31, 2011.

Policy 14
Clark County recognizes that net direct debt service should be no more than ten percent (10%) of the operating revenues of the issuing fund and the General Fund combined.

Debt service in 2012, excluding enterprise funds, was $13.8 million, compared to $13.2 million in 2011. In 2012, total debt service for governmental funds as a percentage of total revenues generated in all paying funds and General Fund (excluding Community Services Grant Fund whose revenues are grant driven) was 5.3%.

Policy 15
Where possible, Clark County will use revenue or other self-supporting bonds instead of general obligation bonds except where significant interest differences become a primary consideration.

The County (including proprietary funds) had $162.3 million in total outstanding liabilities at December 31, 2012. At this time, the County has no outstanding Revenue Bond Debt.

Policy 16
Clark County will not use long-term debt to finance current operations. Long-term borrowing will be confined to capital improvements or similar projects with an extended life which cannot be financed from current revenues.

Long-term debt has been used to finance capital improvements or acquisition.

Policy 17
Clark County will keep the maturity of general obligation bonds consistent with or less than the expected lifetime of the project, with a goal of amortizing at least an average of 5.0% of project costs per year. All future long-term debt will have prepayment options unless alternative debt structures are judged more advantageous to the County.

Most general obligation bonds issued by the County have an outstanding life of 20 years or less. The County took advantage of a low interest environment in 2004, 2005 and 2012, and issued bonds with longer outstanding lives. Two bond issues (in 2004 and 2005) finance the community health center and the fairgrounds exposition center ($8.4 million total outstanding) and one has a 30 year repayment period. A conservation futures bond issued in 2005 ($16.9 million outstanding) has a 22 year repayment period. A refunding bond issued in 2012 ($45.6 million) has a 22 year repayment period.
Operating Revenue Per Capita

Description
Per capita revenue illustrates revenue changes relative to populations size. As population increases, it may be expected that the need for services would increase proportionately and, therefore, the level of per capita revenue should remain at least constant in real terms. Operating revenue per capita includes taxes, licenses & permits, fines & forfeitures, grants, and other miscellaneous sources of funds. It does not include revenue from proprietary activities.

Warning Trend: Decreasing Per Capita Operating Revenue in Constant Dollars

Clark County Trend: Negative

Formula:
Net operating revenues (constant dollars)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Operating Revenue (in $1,000s) Adjusted</th>
<th>Per Capita Revenue Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>300,881</td>
<td>808</td>
</tr>
<tr>
<td>2004</td>
<td>312,719</td>
<td>816</td>
</tr>
<tr>
<td>2005</td>
<td>319,195</td>
<td>815</td>
</tr>
<tr>
<td>2006</td>
<td>338,777</td>
<td>840</td>
</tr>
<tr>
<td>2007</td>
<td>349,405</td>
<td>842</td>
</tr>
<tr>
<td>2008</td>
<td>347,412</td>
<td>819</td>
</tr>
<tr>
<td>2009</td>
<td>323,841</td>
<td>751</td>
</tr>
<tr>
<td>2010</td>
<td>322,777</td>
<td>759</td>
</tr>
<tr>
<td>2011</td>
<td>304,159</td>
<td>711</td>
</tr>
<tr>
<td>2012</td>
<td>296,357</td>
<td>687</td>
</tr>
</tbody>
</table>

Highlights:
Total operating revenue per capita adjusted for inflation is the lowest its been in over 10 years. The current level at $687 is 17.8% below its peak of $842 in 2007.

The biggest change in revenue dollars from 2011 to 2012 was Intergovernmental revenue, which decreased 7.3% from $94.8 million to $87.9 million, while Charges for Services increased 9.2% from $41.7 million to $45.5 million. Miscellaneous revenue decreased by 17.9% from $12.5 million to $10.3 million.

The largest portion of operating revenue, 47.3%, is from taxes. Tax revenues increased only 2.5% in 2012, over 2011. The increase is partly from new construction, which added about 0.7% to the tax rolls.
General Fund Revenue Per Capita

Description
Per capita revenue illustrates revenue changes relative to populations size. As population increases, it may be expected that the need for services would increase proportionately and, therefore, the level of per capita revenue should remain at least constant in real terms. General Fund revenue per capita includes taxes, licenses & permits, fines & forfeitures, grants, and other miscellaneous sources of funds. General Fund revenues are used primarily to fund Public Safety, Law & Justice, and General Government. General Fund revenues are also used to support other funds that may be experiencing financial difficulty.

Warning Trend: Decreasing Per Capita General Fund Revenue in Constant Dollars

Clark County Trend: Negative

Formula:
General Fund revenues (constant dollars) / Population

Source:
Clark County Comprehensive Annual Financial Report (CAFR)

<table>
<thead>
<tr>
<th>Year</th>
<th>General Fund Revenue (in $1,000s)</th>
<th>Per Capita Revenue</th>
<th>General Fund Revenue (in $1,000s) Adjusted</th>
<th>Per Capita Revenue Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>98,448</td>
<td>264</td>
<td>121,387</td>
<td>326</td>
</tr>
<tr>
<td>2004</td>
<td>100,394</td>
<td>262</td>
<td>120,674</td>
<td>315</td>
</tr>
<tr>
<td>2005</td>
<td>110,854</td>
<td>283</td>
<td>129,921</td>
<td>332</td>
</tr>
<tr>
<td>2006</td>
<td>115,454</td>
<td>286</td>
<td>131,848</td>
<td>327</td>
</tr>
<tr>
<td>2007</td>
<td>120,074</td>
<td>289</td>
<td>132,202</td>
<td>327</td>
</tr>
<tr>
<td>2008</td>
<td>120,590</td>
<td>284</td>
<td>128,549</td>
<td>319</td>
</tr>
<tr>
<td>2009</td>
<td>121,370</td>
<td>281</td>
<td>129,260</td>
<td>303</td>
</tr>
<tr>
<td>2010</td>
<td>125,128</td>
<td>294</td>
<td>131,634</td>
<td>300</td>
</tr>
<tr>
<td>2011</td>
<td>128,555</td>
<td>300</td>
<td>131,512</td>
<td>307</td>
</tr>
<tr>
<td>2012</td>
<td>129,128</td>
<td>299</td>
<td>129,128</td>
<td>299</td>
</tr>
</tbody>
</table>

Highlights:
General Fund revenue per capita adjusted for inflation dipped slightly to $299 in 2012 from $300 in 2011. That is well below its peak of $327 in 2006. Total unadjusted revenue dollars increased less than 0.5% from $128.5 million to $129.1 million.

The average annual increase in General Fund revenue over the last 5 years has been less than 2%. This is below the 10 year average increase of 3.5%, indicating that most of the growth was prior to the 2008 recession.

A decrease in General Fund revenue may create challenges for supporting other funds that are experiencing financial difficulty.
Tax Revenue Per Capita

Description
Tax revenue includes current and delinquent real and personal property tax, as well as sales and use tax and various excise taxes. Tax revenue represents the largest revenue source for the County. A decline or diminished growth rate in tax revenue may indicate potential problems in the County’s tax revenue structure. Changes in tax revenue per capita are also impacted by changes in population.

Warning Trend: Decreasing Per Capita Tax Revenue in Constant Dollars

Clark County Trend: Negative

Formula:
Tax revenues (constant dollars) / Population

Source:
Clark County Comprehensive Annual Financial Report (CAFR)

<table>
<thead>
<tr>
<th>Year</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Revenue (in $1,000s)</td>
<td>108,171</td>
<td>114,220</td>
<td>127,008</td>
<td>125,805</td>
<td>134,249</td>
<td>135,629</td>
<td>131,504</td>
<td>135,629</td>
<td>136,795</td>
<td>140,183</td>
</tr>
<tr>
<td>Tax Rev Per Capita</td>
<td>291</td>
<td>298</td>
<td>324</td>
<td>312</td>
<td>323</td>
<td>320</td>
<td>305</td>
<td>318</td>
<td>320</td>
<td>325</td>
</tr>
<tr>
<td>Tax Rev Per Capita (Adj)</td>
<td>359</td>
<td>358</td>
<td>380</td>
<td>356</td>
<td>356</td>
<td>341</td>
<td>325</td>
<td>335</td>
<td>327</td>
<td>325</td>
</tr>
</tbody>
</table>

Highlights:
Tax revenue per capita adjusted for inflation was down less than 0.6% in 2012 compared to 2011. However, the trend is negative because of decreasing per capita tax revenue over the report period.

Property tax revenue makes up the largest portion of tax revenue at approximately 68.9% in 2012. Sales and use taxes have averaged 21.4% and excise taxes averaged 11.9% of total tax revenue.

Total tax revenue has increased approximately 39.9% over the last 10 years with only 2 years showing declines. The largest proportion of tax revenue dollars come from property tax revenue. Sales and use tax increased nearly 29.9% over the 10 year period and excise taxes increased 27.7%.
Intergovernmental Revenue

Description
Intergovernmental revenue is received from other governmental entities in the form of grants, sharing, or entitlements. Intergovernmental revenues generally are restricted to certain programs or have other stipulations in how they may be spent. They are a measure of the County’s ability to attract funding from outside sources, including the state and federal governments. A concern with intergovernmental revenues is that they are dependent on the financial condition of the government transferring the revenue.

Warning Trend: Changing amount of intergovernmental revenues as a percentage of total revenue

Clark County Trend: Mixed

Formula:
\[
\text{Intergovernmental revenues} \div \text{Total governmental revenues}
\]

Source:
Clark County Comprehensive Annual Financial Report (CAFR)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Intergovernmental Revenue (in $1,000s)</td>
<td>71,649</td>
<td>80,450</td>
<td>75,813</td>
<td>94,290</td>
<td>97,701</td>
<td>104,442</td>
<td>107,870</td>
<td>110,559</td>
<td>94,820</td>
</tr>
<tr>
<td>As % of Total Operating Revenue</td>
<td>29.4%</td>
<td>30.9%</td>
<td>27.8%</td>
<td>31.8%</td>
<td>30.8%</td>
<td>32.1%</td>
<td>35.5%</td>
<td>36.0%</td>
<td>31.9%</td>
</tr>
<tr>
<td>Per Capita Revenue</td>
<td>192</td>
<td>210</td>
<td>194</td>
<td>234</td>
<td>235</td>
<td>246</td>
<td>250</td>
<td>260</td>
<td>222</td>
</tr>
<tr>
<td>Per Capita Revenue (Adj)</td>
<td>237</td>
<td>252</td>
<td>227</td>
<td>267</td>
<td>259</td>
<td>262</td>
<td>266</td>
<td>274</td>
<td>227</td>
</tr>
</tbody>
</table>

Highlights:

Intergovernmental revenues were down in 2012 compared to 2011. Intergovernmental revenues as a percentage of total revenues went from 31.9% in 2011 to 30.2% in 2012, a drop of 5.6%. Intergovernmental revenues dropped significantly in 2011, partly due to decreases in Medicaid fee revenue.

The trend for intergovernmental revenue dollars over the past 10 years is positive. However, that may change with declines in revenue dollars over the last 2 years.

The decrease in intergovernmental revenues as a percentage of total revenues may continue because some mental health programs were moved out of the County to a new regional entity in late 2012.
Enterprise Revenue and Expenses

Description
Enterprise activities generate revenues by providing services to citizens, either directly or through another agency. Charges for the services are set to cover most costs including equipment repair and replacement and debt service. Enterprise revenues do not include interest income, grant revenue, capital contributions or transfers from other funds. Enterprise activities include Sanitary Sewer, Solid Waste, and Clean Water.

Warning Trend: Expenses in excess of revenues

Clark County Trend: Mixed
Source: Clark County Comprehensive Annual Financial Report (CAFR)

<table>
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<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenues (in $1,000s)</td>
<td>16,047</td>
<td>15,060</td>
<td>14,720</td>
<td>15,084</td>
<td>15,657</td>
<td>14,598</td>
<td>14,114</td>
<td>14,593</td>
<td>15,030</td>
<td>14,262*</td>
</tr>
<tr>
<td>Operating Expenses (in $1,000s)</td>
<td>10,149</td>
<td>11,344</td>
<td>11,311</td>
<td>10,725</td>
<td>13,510</td>
<td>17,228</td>
<td>14,901</td>
<td>14,263</td>
<td>15,319</td>
<td>15,307</td>
</tr>
</tbody>
</table>

Highlights:
Enterprise expenses have increased on average annually by 7.4%. However, in 2012, expenses increased only 2.2%. Clean Water expenses were down 6.3% in 2012 from 2011, which is well below their 10 year average annual increase of 7.3%.
Solid Waste continues to have operating expenses in excess of operating revenues ($1.0 million in 2012). Operating grant revenue and transfers have kept the fund solvent.

* To provide comparability, 2012 Enterprise revenues reflected here have been reduced for a one-time payment from Clark Regional Wastewater District (CRWWD). The payment of $12.4 million was used to retire revenue bonds. The County had secured the bonds on behalf of CRWWD to finance a significant upgrade to the wastewater treatment plant.
Elastic Revenue as a Percent of Total Revenue

Description
Elastic revenues are highly responsive to changes in the economic base and inflation. As the economic base expands or inflation goes up elastic revenues rise roughly in proportion. A good example is sales tax revenue that increases during good economic periods with increases in retail business and declines during poor times, even though the tax rate remains the same. Other examples of elastic revenue include permit and inspection fees, recording and licensing fees, and penalties and interest on delinquent taxes.

Warning Trend: Decreasing elastic operating revenues as a percentage of total operating revenues

Clark County Trend: Positive

Formula:
\[
\text{Elastic operating revenues} \div \text{Total operating revenues}
\]

Source:
Clark County Comprehensive Annual Financial Report (CAFR)

<table>
<thead>
<tr>
<th>Year</th>
<th>Elastic operating revenue (in $1,000s)</th>
<th>Total operating revenue (in $1,000s)</th>
<th>Elastic % of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>36,435</td>
<td>244,024</td>
<td>14.9%</td>
</tr>
<tr>
<td>2004</td>
<td>37,579</td>
<td>260,165</td>
<td>14.4%</td>
</tr>
<tr>
<td>2005</td>
<td>41,545</td>
<td>272,351</td>
<td>15.3%</td>
</tr>
<tr>
<td>2006</td>
<td>41,352</td>
<td>296,652</td>
<td>13.9%</td>
</tr>
<tr>
<td>2007</td>
<td>43,139</td>
<td>317,352</td>
<td>13.9%</td>
</tr>
<tr>
<td>2008</td>
<td>42,101</td>
<td>325,903</td>
<td>13.6%</td>
</tr>
<tr>
<td>2009</td>
<td>38,759</td>
<td>304,076</td>
<td>12.9%</td>
</tr>
<tr>
<td>2010</td>
<td>40,865</td>
<td>306,823</td>
<td>12.8%</td>
</tr>
<tr>
<td>2011</td>
<td>41,307</td>
<td>297,321</td>
<td>13.3%</td>
</tr>
<tr>
<td>2012</td>
<td>42,153</td>
<td>296,357</td>
<td>13.9%</td>
</tr>
</tbody>
</table>

Highlights:
Elastic revenues have averaged 13.9% of total operating revenues over the last 10 years. Elastic revenues have been between 12.8% at the low and 15.3% at the high during that period. Most elastic revenues come from sales and use tax, usually about half.

Building permit revenues, including commercial and residential permits, reached a peak of 12.5% of elastic revenues in 2004. Permit revenue dropped to 5.1% in 2008 and has recovered somewhat to approximately 8.1% in 2012.

The increase in elastic revenues as a percentage of total operating revenues beginning in 2010 follows the recovering economy against the decline of operating revenues for the County.
Total Governmental Fund Expenditures Per Capita

**Description**
Per capita operating expenditures reflect changes in expenditures relative to changes in population. As population increases, and the related expenses of providing services to a larger population increase, per capita expenditures should remain relatively level in constant dollars. If the indicator is trending differently, it may indicate that the cost of providing services is increasing in an unsustainable manner or that service levels are declining.

**Warning Trend:** Increasing Per Capita Operating Expenditures in Constant Dollars

**Clark County Trend:** Positive

Formula:
\[
\frac{\text{Total expenditures (constant dollars)}}{\text{Population}}
\]

Source:
Clark County Comprehensive Annual Financial Report (CAFR)

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Total Expenditures (in $1,000s)</td>
<td>258,594</td>
<td>275,611</td>
<td>278,963</td>
<td>280,546</td>
<td>296,168</td>
<td>336,307</td>
<td>313,238</td>
<td>289,223</td>
<td>282,679</td>
<td>291,760</td>
</tr>
<tr>
<td>Per Capita Expenditures (in $)</td>
<td>695</td>
<td>719</td>
<td>713</td>
<td>695</td>
<td>714</td>
<td>793</td>
<td>726</td>
<td>680</td>
<td>660</td>
<td>677</td>
</tr>
<tr>
<td>Total Expenditures (in $1,000s) Adjusted</td>
<td>318,846</td>
<td>331,284</td>
<td>326,945</td>
<td>320,384</td>
<td>326,081</td>
<td>358,503</td>
<td>333,599</td>
<td>304,262</td>
<td>289,180</td>
<td>291,760</td>
</tr>
<tr>
<td>Per Capita Expenditures Adjusted (in $)</td>
<td>856</td>
<td>864</td>
<td>835</td>
<td>794</td>
<td>786</td>
<td>845</td>
<td>774</td>
<td>715</td>
<td>676</td>
<td>677</td>
</tr>
</tbody>
</table>

**Highlights:**
Total governmental expenditures average increase from 2002 to 2008 was about 5.5%. 2008 was an outlier with an increase of 13.5% skewing the average. From the peak in 2008 until 2011, expenditures decreased 15.9%. 2012 increased over 2011 by 3.2%. Expenses over the 10 years reported are up 12.8%

Transportation spending, including capital outlay, increased 60.9% in 2012 and accounted for 20.2% of total expenditures. Public Safety was 25.3% of the total, Health and Human Services 16.7%, and General Government 13.1%. Judicial, Physical Environment, Economic Environment, Culture and Recreation, and Debt Service make up the remainder.

County-wide government expenditures per capita, adjusted for inflation, stayed even at $677 in 2012, compared to $676 in 2011.
Capital Project Expenditures Per Capita

Description
Per capita capital expenditures reflect changes in capital expenditures (CapEx) in governmental funds relative to changes in population. CapEx includes equipment that will last longer than one year and cost more than $5,000. It also includes Buildings, Transportation Infrastructure and Parks. CapEx may remain constant or even decline in the short run. If the decline persists over 3 years, it can be an indicator that capital outlay needs are being deferred, resulting in the use of obsolete equipment and forgoing needed maintenance on infrastructure.

Warning Trend: Increasing Per Capita Operating Expenditures in Constant Dollars

Clark County Trend: Mixed

**Formula:**
Capital expenditures (constant dollars) / Population

**Source:**
Clark County Comprehensive Annual Financial Report (CAFR)

<table>
<thead>
<tr>
<th>Year</th>
<th>Capital Expenditures (in $1,000s)</th>
<th>Capital Expenditures per Capita (in $)</th>
<th>Capital Expenditures (in $1,000s) Adjusted</th>
<th>Capital Expenditures Per Capita Adjusted (in $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>50,505</td>
<td>135.7</td>
<td>62,272</td>
<td>167.3</td>
</tr>
<tr>
<td>2004</td>
<td>58,002</td>
<td>151.3</td>
<td>69,719</td>
<td>181.9</td>
</tr>
<tr>
<td>2005</td>
<td>55,143</td>
<td>140.8</td>
<td>64,627</td>
<td>165.1</td>
</tr>
<tr>
<td>2006</td>
<td>35,814</td>
<td>88.8</td>
<td>40,900</td>
<td>101.4</td>
</tr>
<tr>
<td>2007</td>
<td>25,711</td>
<td>62.0</td>
<td>28,308</td>
<td>68.2</td>
</tr>
<tr>
<td>2008</td>
<td>45,822</td>
<td>108.0</td>
<td>48,846</td>
<td>115.1</td>
</tr>
<tr>
<td>2009</td>
<td>43,337</td>
<td>100.5</td>
<td>46,154</td>
<td>107.0</td>
</tr>
<tr>
<td>2010</td>
<td>19,880</td>
<td>46.7</td>
<td>20,913</td>
<td>49.2</td>
</tr>
<tr>
<td>2011</td>
<td>29,313</td>
<td>68.5</td>
<td>29,987</td>
<td>70.1</td>
</tr>
<tr>
<td>2012</td>
<td>17,851</td>
<td>41.4</td>
<td>17,851</td>
<td>41.4</td>
</tr>
</tbody>
</table>

Highlights:
Total Capital Expenditures decreased 39.1% in 2012 from 2011. The largest decrease was a 72.3% drop in Parks spending.

Capital Expenditures per Capita peaked in 2004 due to major construction projects such as the Public Service Center and Clark County Health Building in progress from 2003 to 2005. The trend has been generally declining since then even as the population has grown.

Previously, capital expenditures by the County Road Fund for transportation projects were reported separately. The current report incorporates those transportation expenditures with CapEx from other governmental funds.
General Fund Expenditures Per Capita

Description
General Fund accounts for all financial resources except those required to be accounted for in another fund including functional areas such as Public Safety and the Courts. As such, it is a barometer of general county government viability. Consistent levels of expenditures per capita may mean that the county is managing resources to match the growing population.

<table>
<thead>
<tr>
<th>Year</th>
<th>General Fund Expenditures (in $1,000s)</th>
<th>Per Capita Expenditures (in $)</th>
<th>General Fund Expenditures (in $1,000s) Adjusted</th>
<th>Per Capita Expenditures Adjusted (in $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>93,109</td>
<td>250</td>
<td>114,804</td>
<td>308</td>
</tr>
<tr>
<td>2004</td>
<td>96,359</td>
<td>251</td>
<td>115,824</td>
<td>302</td>
</tr>
<tr>
<td>2005</td>
<td>100,576</td>
<td>257</td>
<td>117,875</td>
<td>301</td>
</tr>
<tr>
<td>2006</td>
<td>105,084</td>
<td>260</td>
<td>120,006</td>
<td>297</td>
</tr>
<tr>
<td>2007</td>
<td>118,353</td>
<td>285</td>
<td>130,307</td>
<td>314</td>
</tr>
<tr>
<td>2008</td>
<td>128,550</td>
<td>303</td>
<td>137,034</td>
<td>323</td>
</tr>
<tr>
<td>2009</td>
<td>123,187</td>
<td>286</td>
<td>131,194</td>
<td>304</td>
</tr>
<tr>
<td>2010</td>
<td>120,406</td>
<td>283</td>
<td>126,668</td>
<td>298</td>
</tr>
<tr>
<td>2011</td>
<td>123,684</td>
<td>289</td>
<td>126,529</td>
<td>296</td>
</tr>
<tr>
<td>2012</td>
<td>126,890</td>
<td>294</td>
<td>126,890</td>
<td>294</td>
</tr>
</tbody>
</table>

Highlights:
Total General Fund Expenditures increased by 2.6% in 2012 over 2011, approximating the increase in the Consumer Price Index at 2.3%.

Public Safety accounts for over 50.1% of total General Fund Expenditures. General Government makes up 27.9% and Judicial expenditures are over 13.2% of the total. Other functional areas make up the remaining 8.8%.

Unadjusted General Fund expenditures per capita peaked in 2008 at $303, increasing 21.2% from 2003 ($250). Since 2008, General Fund expenditures have declined by about 1.3%.
Employees Per Capita

Description
Personnel costs are a major portion of the County’s operating budget. Tracking changes in the number of employees to population is a means to measure changes in expenditures. An increase in employees to population may indicate that expenditures are rising faster than revenues. An increase in employee per capita is not negative if a direct correlation can be shown to increased services.

Warning Trend: Significantly changing number of employees per capita

Clark County Trend: Mixed
Formula:
Number of Employees

| Population |

Source:

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</thead>
<tbody>
<tr>
<td>Number of FTE's</td>
<td>1,647</td>
<td>1,668</td>
<td>1,663</td>
<td>1,738</td>
<td>1,809</td>
<td>1,748</td>
<td>1,608</td>
<td>1,576</td>
<td>1,560</td>
</tr>
<tr>
<td>FTEs per 1,000 Capita</td>
<td>4.42</td>
<td>4.35</td>
<td>4.25</td>
<td>4.31</td>
<td>4.36</td>
<td>4.12</td>
<td>3.73</td>
<td>3.70</td>
<td>3.64</td>
</tr>
</tbody>
</table>

Highlights:
The actual number of employees per capita has been declining since 2008 due to budgetary constraints and changes in the economy.

Actual employees as of the end of 2012 totaled 1,514, or about 90.5% of those budgeted. There are a variety of reasons for the variance, including matching skillsets to position requirements, time taken to fill positions, and workforce planning changes.

The number of budgeted employees was essentially the same in 2012 as 2011 at 1,673. The number of budgeted employees peaked in 2007 at 1,916. The number of budgeted employees at the end of 2012 was 1,673, a decrease of 12.7%.
Personnel Expenditures

Description
Personnel costs include salaries, wages, employee benefits (including clothing allowance, vehicle allowance, and the employer portion of payroll taxes and retirement contribution). Some government functions are labor intensive such as General Government. Others are more capital intensive, such as Public Works. Changes in personnel costs as a percentage of operating expenses may be due to changes in personnel costs or changes in other expenditures.

Warning Trend: Increasing personnel expenditures as a % of Operating Expenditures

Clark County Trend: Negative

Formula:
Personnel Expenditures
Total Operating Expenditures

Source:
Clark County General Ledger

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Personnel Costs (in $1,000s)</th>
<th>As % of Operating Expenditures</th>
<th>Average Salary and Wage Costs per FTE (in $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>110,652</td>
<td>41.6%</td>
<td>54,600</td>
</tr>
<tr>
<td>2004</td>
<td>114,614</td>
<td>41.5%</td>
<td>54,796</td>
</tr>
<tr>
<td>2005</td>
<td>119,405</td>
<td>43.3%</td>
<td>57,033</td>
</tr>
<tr>
<td>2006</td>
<td>126,929</td>
<td>41.7%</td>
<td>57,271</td>
</tr>
<tr>
<td>2007</td>
<td>141,171</td>
<td>42.8%</td>
<td>60,203</td>
</tr>
<tr>
<td>2008</td>
<td>149,600</td>
<td>40.6%</td>
<td>64,395</td>
</tr>
<tr>
<td>2009</td>
<td>147,550</td>
<td>44.3%</td>
<td>68,299</td>
</tr>
<tr>
<td>2010</td>
<td>138,821</td>
<td>43.0%</td>
<td>66,023</td>
</tr>
<tr>
<td>2011</td>
<td>140,482</td>
<td>44.7%</td>
<td>66,782</td>
</tr>
<tr>
<td>2012</td>
<td>143,143</td>
<td>43.0%</td>
<td>70,260</td>
</tr>
</tbody>
</table>

Highlights:
The trend is negative because, as the red trend line in the graph indicates, personnel costs as a percentage of operating expenditures are increasing. This is true even though there was a decrease in 2012; personnel costs went from 44.7% in 2011 down to 43.0% in 2012.

Salaries and wages as a percentage of total personnel costs decreased from 81.3% in 2003 to 74.3% in 2012. Since 2008, salaries and wages have been about 74.5% of total personnel costs.

Salaries and wages increased in 2012 (2.3%) for the first time since 2008, possibly due to a lower number of vacant positions. From 2003 to 2008 Benefits increased on average 13.3%.
Employee Benefit Costs

Description
Employee benefits include health insurance and employer contributions for payroll taxes and retirement. Increases in benefit costs may be a reflection of the economy in general, such as the burgeoning cost of health care or attempts to manage an unfunded gap in pension liability.

Warning Trend: Increasing benefit costs as a % of Personnel Costs

Clark County Trend: Negative

Formula:
Benefit Costs
Total Personnel Costs

Source:
Clark County Financial Management System

<table>
<thead>
<tr>
<th>Benefits per FTE Adjusted</th>
<th>0</th>
<th>$5,000</th>
<th>$10,000</th>
<th>$15,000</th>
<th>$20,000</th>
<th>$25,000</th>
<th>$30,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Benefit Costs (in $1,000s)</td>
<td>20,742</td>
<td>23,205</td>
<td>24,537</td>
<td>27,398</td>
<td>32,257</td>
<td>37,011</td>
<td>37,720</td>
</tr>
<tr>
<td>Average Benefits per FTE</td>
<td>12,596</td>
<td>13,910</td>
<td>14,751</td>
<td>15,765</td>
<td>17,830</td>
<td>21,169</td>
<td>23,457</td>
</tr>
<tr>
<td>Benefit Costs as % of Total Personnel Expenditures</td>
<td>18.8%</td>
<td>20.3%</td>
<td>20.6%</td>
<td>21.6%</td>
<td>22.9%</td>
<td>24.7%</td>
<td>25.6%</td>
</tr>
</tbody>
</table>

Highlights:
Employee benefit costs as a percentage of total personnel costs were level the past two years, 25.7% in 2012 compared to 25.9% in 2011. The 10 year trend is up though, which accounts for the negative trend indicator.

The Benefits percentage of total personnel costs has increased from 18.8% in 2003 to around 25.7% in 2012. Benefits have been about 25.5% of total personnel costs since 2008.

From 2003 to 2008 Benefits increased on average 13.2%. In actual dollars benefits peaked in 2009 at $37.7M. Benefit costs in 2012 were $36.8M.
Repair and Maintenance Costs

Description
Repair and maintenance costs include repair and maintenance expenditures for buildings, fleet and data processing equipment and parks and road maintenance. This does not include major capital projects, acquisitions, or activity in enterprise funds.

Warning Trend: Increasing maintenance costs as a % of Depreciable Capital Assets

Clark County Trend: Mixed
Formula:
Maintenance Costs
Over Time
Source:
Clark County CAFR

Highlights:
Road maintenance increased significantly in 2012 over 2011 and 2010. The increase was due to a policy decision made in 2012 to focus more on preservation rather than building new roads. The amount spent on road maintenance in 2012 was 71.4% higher than in 2010.

Maintenance costs per road mile increased in 2012 due to completing necessary maintenance on a larger number of roads and reducing the backlog of maintenance projects than in past years.

Other maintenance costs have been fairly consistent as a percentage of depreciable capital assets. For 2012, at 7.7%, other maintenance costs are slightly below the 10 year average of 8.2% of depreciable capital assets. Fleet maintenance accounts for 53.7%.
**General Fund Surplus or Deficit**

**Description**
Consists of the annual change in fund balance for General Fund revenues and other resources minus General Fund expenditures and other uses.

**Warning Trend:** Repeated operating deficits might indicate an inability to sustain services in the long term.

**Clark County Trend:** Positive

**Formula:**
\[
\text{Surplus or (Deficit)} = \frac{\text{General Fund Revenues}}{\text{General Fund Revenue}}
\]

**Source:**
Clark County Comprehensive Annual Financial Report (CAFR)

**Highlights:**
The General Fund continued to recover from 2008 when the worst deficit during this ten year trend was recorded. The surplus for 2012 amounted to $3.0 million. General Fund revenues increased $0.6 million from 2011 to 2012, while expenditures increased $3.2 million during the same period with the difference being transfers and other sources/uses. The surplus is $1.6 million less than the surplus in 2011.

The 2008 operating deficit of $7.1 million was caused by the weakening economy which affected real estate and housing construction related revenues.

The deficit for 2004 was $4.3 million, mainly the result of one time transfers to eliminate operating deficits in other funds and for technology capital projects.
**Fund Balance—General Fund (& Permanent Reserve)**

**Description**

The level of unassigned fund balance for the General Fund (and Permanent Reserve Fund) may determine the County’s ability to withstand unexpected financial emergencies that may result from natural disasters, revenue shortfalls, unexpected maintenance costs or steep rises in inflation. Fund balances may also determine the County’s ability to manage monthly cash flows or accumulate funds for large-scale purchases without having to borrow.

**Warning Trend:** Declining unassigned fund balance as a percentage of net operating revenues.

**Clark County Trend: Positive**

**Formula:**

Combined General & Permanent Funds - Unassigned Fund Balances

General Fund Operating Exp. & Transfers Out

**Source:**
Clark County Comprehensive Annual Financial Report (CAFR)

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</tr>
</thead>
<tbody>
<tr>
<td>General Fund Unassigned Fund Balance (w/Permanent Reserve) (in $1,000s)</td>
<td>16,960</td>
<td>16,566</td>
<td>18,803</td>
<td>21,660</td>
<td>20,433</td>
<td>12,699</td>
<td>14,024</td>
<td>17,527</td>
<td>21,149</td>
<td>24,235</td>
</tr>
<tr>
<td>General Fund Designated Fund Balance (in $1,000s)</td>
<td>23</td>
<td>1,578</td>
<td>3,089</td>
<td>3,223</td>
<td>4,086</td>
<td>4,740</td>
<td>1,886</td>
<td>7,117</td>
<td>8,000</td>
<td>8,000</td>
</tr>
<tr>
<td>Permanent Reserve as % of General Fund Expenses &amp; Transfers</td>
<td>15.8%</td>
<td>15.4%</td>
<td>15.8%</td>
<td>17.5%</td>
<td>15.4%</td>
<td>9.2%</td>
<td>10.3%</td>
<td>12.7%</td>
<td>15.0%</td>
<td>17.0%</td>
</tr>
</tbody>
</table>

**Highlights:**

Accounting rule changes in 2011 require the General Fund and Permanent Reserve fund balances to be combined for reporting purposes.

The total unassigned General Fund fund balance continues to increase and at the end of 2012 was approximately 17.0% of annual expenditures and transfers.

Best practices indicate the General Fund ending fund balance should be between 15.0%-20.0% of annual expenditures. Between 2009 and 2012 the fund balance increased each year. In 2012, the unassigned General Fund fund balance was in the middle of this range.
Fund Balance—Road Fund

**Description**
The level of fund balances in the Road Fund may determine the County’s ability to withstand unexpected financial emergencies in this partially tax supported fund that may result from natural disasters, revenue shortfalls, unexpected maintenance costs or steep rises in inflation. Fund balances may also determine the County’s ability to manage monthly cash flows or accumulate funds for large-scale purchase without having to borrow.

### Clark County Trend: Positive

**Formula:**
- Road Fund Balances
- Operating Expenses

**Source:**
Clark County Comprehensive Annual Financial Report (CAFR)

### Highlights:
Fund balance for the Road Fund was $29.8 million in 2012, down from $32.0 million in 2011 (a $2.2 million decrease). Operating expenditures exceeded operating revenue by $3.9 million in 2012. The Road fund also received $2.0 million as proceeds from the sale of timber and previously purchased right of way land.

Total revenue increased $3.0 million from 2011. Road fund operating expenditures increased by $7.0 million from 2011, while capital outlay for road construction decreased by $2.2 million.

Road fund balance fluctuates with the timing of capital related road projects and the timing and amount of intergovernmental grant receipts.
Fund Liquidity General Fund and Road Fund

Description
A measure of the County’s short-run financial condition is its cash position. Cash position includes cash and investments. The level of this type of cash is referred to as liquidity. Liquidity measures the County’s ability to pay its short-term obligations. Low or declining liquidity can indicate that the County has overextended itself in the long-term.

Warning Trend: A liquidity ratio below 1 to 1, or a persistently declining trend, may foretell a cash flow problem.

Clark County Trend: Positive

Formula:
Cash & Investments
Liabilities

Source:
Clark County Comprehensive Annual Financial Report (CAFR)

<table>
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</tr>
</thead>
<tbody>
<tr>
<td>Liquid Assets-General Fund (In $1,000s)</td>
<td>10,833</td>
<td>13,226</td>
<td>17,399</td>
<td>18,497</td>
<td>18,228</td>
<td>11,921</td>
<td>10,039</td>
<td>17,784</td>
<td>28,969</td>
<td>30,995</td>
</tr>
<tr>
<td>Liquid Assets-Road Fund (In $1,000s)</td>
<td>1,032</td>
<td>3,596</td>
<td>7,598</td>
<td>5,619</td>
<td>12,496</td>
<td>10,278</td>
<td>14,623</td>
<td>20,127</td>
<td>31,579</td>
<td>29,050</td>
</tr>
<tr>
<td>Ratio (to 1)- Cash &amp; Investments to Liabilities-Gen. Fund</td>
<td>8.8</td>
<td>6.3</td>
<td>9.7</td>
<td>6.0</td>
<td>7.9</td>
<td>2.9</td>
<td>4.0</td>
<td>7.0</td>
<td>14.7</td>
<td>10.9</td>
</tr>
<tr>
<td>Ratio (to 1)- Cash &amp; Investments to Liabilities-Road Fund</td>
<td>1.1</td>
<td>1.9</td>
<td>3.9</td>
<td>2.4</td>
<td>4.2</td>
<td>6.8</td>
<td>7.4</td>
<td>15.5</td>
<td>7.4</td>
<td>4.5</td>
</tr>
</tbody>
</table>

Highlights:
General Fund’s liquidity ratio was 11 to 1 in 2012, down from 15 to 1 (27.0%) in 2011. In 2008 it was at the lowest point in the last ten years, as the result of declining cash and investments.

General Fund’s liquidity ratio has ranged from a low of 3 to 1 in 2008 to a high of 15 to 1 in 2011. The liquidity ratio has a 10 year average of 8 to 1.

Road Fund has $29.1 million in liquid assets at the end of 2012, down from $31.6 million in 2011.

The Road Fund’s liquidity ratio has fluctuated from a high of 16 to 1 in 2010 to a low of 1 to 1 in 2003. Road Fund liquidity is largely determined by the timing of revenues and expenditures for road projects.
Enterprise Funds Change in Net Assets

Description
Enterprise funds are supported by user fees and are intended to operate more like a business than a public entity supported by taxes. User fees and charges are established in enterprise funds to promote efficiency by shifting payment of costs to specific users of services and to avoid general taxation. The increase/decrease in net assets (revenue less expenses) is helpful in showing the health of the funds.

![Enterprise Funds Change in Net Assets Graph](In Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Increase/(Decrease) in Net Assets (In $1,000s)</th>
<th>Income -Adjusted for CPI* (In $1,000s)</th>
<th>Income (In Actual $1,000s)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>2,889</td>
<td>5,027</td>
<td>6,454</td>
</tr>
<tr>
<td>2004</td>
<td>27,055</td>
<td>4,237</td>
<td>5,305</td>
</tr>
<tr>
<td>2005</td>
<td>9,684</td>
<td>3,969</td>
<td>4,846</td>
</tr>
<tr>
<td>2006</td>
<td>16,673</td>
<td>4,528</td>
<td>5,388</td>
</tr>
<tr>
<td>2007</td>
<td>30,738</td>
<td>3,513</td>
<td>4,030</td>
</tr>
<tr>
<td>2008</td>
<td>21,878</td>
<td>366</td>
<td>407</td>
</tr>
<tr>
<td>2009</td>
<td>652</td>
<td>2,103</td>
<td>2,334</td>
</tr>
<tr>
<td>2010</td>
<td>(1,832)</td>
<td>4,531</td>
<td>4,966</td>
</tr>
<tr>
<td>2011</td>
<td>(381)</td>
<td>3,638</td>
<td>3,827</td>
</tr>
<tr>
<td>2012</td>
<td>11,187</td>
<td>15,678</td>
<td>15,678</td>
</tr>
</tbody>
</table>

*adjusted for depreciation expense

Warning Trend: Continuous year to year decreases in net assets

Clark County Trend: Mixed

Source:
Clark County Comprehensive Annual Financial Report (CAFR)

Highlights:
In 2004, net assets grew by $27.1 million; $3.1 million came from operations, $8.1 million for a contract prepayment in the sanitary sewer fund and $15.9 million in prior year adjustments for contributed storm water facilities in the clean water fund.

Net assets grew by $30.7 million in 2007 and by $21.9 million in 2008, most of which was from contributed sewer treatment plant and clean water assets.

For 2012, total net assets increased by $11.2 million as a result of the retirement of its revenue bonds. All enterprise funds have a positive fund balance.
Net Assets Insurance Reserves

**Description**  Includes year-end net assets for the County’s insurance reserve funds (General Liability, Industrial, and Unemployment Insurance). Adequate reserves or insurance coverage are necessary to meet claims as they may occur.

![Net Assets Insurance Reserves Graph](image)

**Warning Trend:** Deficit net assets.

**Clark County Trend:** Mixed

*Source:* Clark County Comprehensive Annual Financial Report (CAFR)

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</tr>
</thead>
<tbody>
<tr>
<td>General Liability Net Assets (in $1,000s)</td>
<td>2,732</td>
<td>2,766</td>
<td>2,957</td>
<td>3,027</td>
<td>3,276</td>
<td>3,137</td>
<td>3,118</td>
<td>3,190</td>
<td>3,842</td>
<td>3,585</td>
</tr>
<tr>
<td>Unemployment Insurance Net Assets (in $1,000s)</td>
<td>2,780</td>
<td>2,735</td>
<td>2,635</td>
<td>2,456</td>
<td>2,314</td>
<td>2,025</td>
<td>1,107</td>
<td>1,473</td>
<td>1,208</td>
<td>1,504</td>
</tr>
<tr>
<td>Industrial Insurance Net Assets (in $1,000s)</td>
<td>540</td>
<td>436</td>
<td>131</td>
<td>462</td>
<td>484</td>
<td>598</td>
<td>418</td>
<td>5</td>
<td>372</td>
<td>567</td>
</tr>
</tbody>
</table>

**Highlights:**

State Risk Pool members acquire $20.0 million (with another $5.0 million optional) of joint liability coverage on a “per occurrence” basis for 3rd-party bodily injury, personal injury, property damage, errors and omissions, and advertising injury. Clark County had a $500,000 deductible in 2012.

General liability has maintained cash reserves of about $3.0 million since 2003.

Unemployment insurance reserves decreased annually from 2003 to 2009 when they dropped to $1.1 million as unemployment claims increased from layoffs. In 2012, reserves of approximately $1.5 million are fairly consistent with the prior two years.

Industrial insurance (worker’s compensation) net assets decreased to a ten year low in 2012 of a $4.1 million deficit, due to accruing estimated long term claims liabilities for the first time.

In 2007, Industrial Insurance contribution rates were increased and net assets reached $598,000 in 2008 (climbing from a low of $131,000 in 2005).

In 2010, industrial insurance costs exceeded contributions by about $212,000 and reserves dropped to $5,215. Increased rates in 2011 rebuilt the current reserves.

The County maintains a $1.0 million commercial policy for excess worker’s compensation claims, with a $750,000 deductible.
Long-Term Debt

Description
Long term debt includes general obligation bonds, special assessment bonds, capital lease agreements, and advances (loans) due to other governments. Special revenue bonds and other enterprise fund debt is not included.

Warning Trend: High and increasing levels of debt could eventually strain repayment options, affect future interest rates, and hinder future ability to borrow funds for capital repairs and improvements.

Clark County Trend: Positive

Formula:
Long-Term Debt
Population

Source:
Clark County Comprehensive Annual Financial Report (CAFR)

<table>
<thead>
<tr>
<th>Year</th>
<th>Long-Term Debt (in $ millions)</th>
<th>Long-Term debt per capita (in $)</th>
<th>G.O. Bond Debt subject to non-voted debt limit (in $ millions)</th>
<th>G.O. Bond Debt as % of non-voted debt limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>107.9</td>
<td>290</td>
<td>97.7</td>
<td>23.7%</td>
</tr>
<tr>
<td>2004</td>
<td>163.2</td>
<td>426</td>
<td>151.6</td>
<td>34.2%</td>
</tr>
<tr>
<td>2005</td>
<td>164.9</td>
<td>421</td>
<td>150.9</td>
<td>29.4%</td>
</tr>
<tr>
<td>2006</td>
<td>158.0</td>
<td>392</td>
<td>145.0</td>
<td>22.6%</td>
</tr>
<tr>
<td>2007</td>
<td>151.3</td>
<td>365</td>
<td>138.8</td>
<td>19.3%</td>
</tr>
<tr>
<td>2008</td>
<td>156.7</td>
<td>369</td>
<td>133.3</td>
<td>18.7%</td>
</tr>
<tr>
<td>2009</td>
<td>150.3</td>
<td>349</td>
<td>127.5</td>
<td>20.5%</td>
</tr>
<tr>
<td>2010</td>
<td>143.1</td>
<td>336</td>
<td>121.8</td>
<td>21.4%</td>
</tr>
<tr>
<td>2011</td>
<td>143.0</td>
<td>334</td>
<td>115.9</td>
<td>20.7%</td>
</tr>
<tr>
<td>2012</td>
<td>134.0</td>
<td>311</td>
<td>108.9</td>
<td>19.4%</td>
</tr>
</tbody>
</table>

Highlights:
Long term debt amounts decreased by $8.8 million from 2011 to 2012, partially due to the County refunding nearly $7.0 million.

In 2004, a $57.4 million debt increase funded construction of the community health building and the fairgrounds exposition center, as well as park acquisitions.

Long term debt per capita has steadily decreased, from $426 in 2004 to $311 in 2012.
Debt Service Costs

**Description**
This includes expenditures for retirement of long term debt from the governmental funds. This does not include retirements of special assessment bonds, short term debt, or proprietary fund debt. High or increasing amounts of debt service can become a factor in bond ratings and can also encumber cash available for ongoing operating expenditures.

**Warning Trend:** High or increasing amounts of debt service.

**Clark County Trend:** Mixed

Source: Clark County Comprehensive Annual Financial Report (CAFR)

### Highlights:
Debt service cost decreased from a high of $15.0 million in 2005 to $13.0 million in 2007 and has remained stable since then.

In 2004, $57.0 million in general obligation bonds were issued, resulting in substantially higher debt service payments, beginning in 2005.
Overlapping Debt Per Capita

**Description**
This includes general obligation bonds for all taxing districts in Clark County, as well as bond anticipation notes and long term loans within the County’s governmental funds. It does not include the County’s proprietary fund debt, contracts payable, capital leases, special assessment bonds, or long term compensation payables. At some point, high levels of overlapping debt will strain taxpayers ability and willingness to pay more. This will make future levies and bonds requiring voter approval difficult to pass.

**Warning Trend:** Increasing overlapping debt.

**Clark County Trend:** Positive

Formula:  
\[
\text{Net operating revenues (constant dollars)} \div \text{Population}
\]

Source:  
Clark County Comprehensive Annual Financial Report (CAFR)

<table>
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</tr>
</thead>
<tbody>
<tr>
<td>Total Overlapping Debt (in $ millions)</td>
<td>850.3</td>
<td>903.0</td>
<td>971.5</td>
<td>959.5</td>
<td>991.8</td>
<td>1,016.1</td>
<td>1,048.5</td>
<td>1,043.3</td>
<td>1,008.7</td>
<td>974.2</td>
</tr>
<tr>
<td>Overlapping Debt Per Capita (in $)</td>
<td>2,284</td>
<td>2,356</td>
<td>2,481</td>
<td>2,378</td>
<td>2,390</td>
<td>2,395</td>
<td>2,432</td>
<td>2,453</td>
<td>2,357</td>
<td>2,259</td>
</tr>
<tr>
<td>County Debt as % of Total Debt</td>
<td>11.5%</td>
<td>16.6%</td>
<td>16.9%</td>
<td>16.3%</td>
<td>15.2%</td>
<td>15.5%</td>
<td>14.2%</td>
<td>13.6%</td>
<td>14.1%</td>
<td>13.7%</td>
</tr>
</tbody>
</table>

**Highlights:**
Overlapping debt per capita had steady increases until 2005, decreased by 4.0% in 2006, had small annual increases until 2010, and decreased in 2011 and 2012. Over the ten years, overlapping debt ranged from $2,259 to $2,481 with the lowest overlapping debt per capita occurring in 2012.

At December 31, 2012, school districts account for 55.5% of total overlapping debt, cities for 16.5%, and the County for 13.7%. The remaining debt belongs to fire districts, port districts, and libraries.

Total overlapping debt decreased by $3.5 million between 2011 and 2012 (3.4% decrease).
Population of Cities and County

Description:

Changes in population can directly affect the County’s revenues, such as property tax collections and cost of services. Population level indirectly relates to such issues as employment, income, and property value. An increasing population is generally considered positive. Fiscal hardship can occur as a result of rapid increases or decreases in population. It may be fiscally difficult to react to service level changes as a result of a sudden change in population.

Warning Trend:

Rapid Change in population

Clark County Trend: Mixed

Formula:

Population of the unincorporated areas in Clark County and the population of incorporated cities including Battle Ground, Camas, La Center, Ridgefield, Vancouver, Washougal, part of Woodland and Yacolt.

Source:

Based on census, if available, or as estimated by the Washington Office of Financial management as of April 1 of the year reported

<table>
<thead>
<tr>
<th>Year</th>
<th>Cities</th>
<th>Unincorporated County</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>192,475</td>
<td>179,825</td>
</tr>
<tr>
<td>2004</td>
<td>198,650</td>
<td>184,650</td>
</tr>
<tr>
<td>2005</td>
<td>202,545</td>
<td>188,955</td>
</tr>
<tr>
<td>2006</td>
<td>207,410</td>
<td>196,090</td>
</tr>
<tr>
<td>2007</td>
<td>213,865</td>
<td>201,135</td>
</tr>
<tr>
<td>2008</td>
<td>217,370</td>
<td>206,830</td>
</tr>
<tr>
<td>2009</td>
<td>220,785</td>
<td>210,415</td>
</tr>
<tr>
<td>2010</td>
<td>222,024</td>
<td>203,339</td>
</tr>
<tr>
<td>2011</td>
<td>223,390</td>
<td>204,610</td>
</tr>
<tr>
<td>2012</td>
<td>225,365</td>
<td>205,885</td>
</tr>
</tbody>
</table>

County as a % of Total

<table>
<thead>
<tr>
<th>Year</th>
<th>Cities</th>
<th>Unincorporated County</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>48.3%</td>
<td>48.2%</td>
</tr>
<tr>
<td>2004</td>
<td>48.2%</td>
<td>48.3%</td>
</tr>
<tr>
<td>2005</td>
<td>48.6%</td>
<td>48.6%</td>
</tr>
<tr>
<td>2006</td>
<td>48.5%</td>
<td>48.8%</td>
</tr>
<tr>
<td>2007</td>
<td>48.8%</td>
<td>48.8%</td>
</tr>
<tr>
<td>2008</td>
<td>47.8%</td>
<td>47.8%</td>
</tr>
<tr>
<td>2009</td>
<td>47.8%</td>
<td>47.7%</td>
</tr>
<tr>
<td>2010</td>
<td>47.7%</td>
<td>47.7%</td>
</tr>
<tr>
<td>2011</td>
<td>47.7%</td>
<td>47.7%</td>
</tr>
<tr>
<td>2012</td>
<td>47.7%</td>
<td>47.7%</td>
</tr>
</tbody>
</table>

Highlights:

Although the warning trend was not observed for this economic indicator due to county-wide population reaching a new high, the population of the unincorporated areas still lags behind the high reached in 2010.

Prior to 2012 the highest county-wide population was reached in 2009 at 431,200 residents.

Population in the entire county has grown by 15.8% in the ten years since 2003. The population in the incorporated areas grew faster at 17.1% while the population of the unincorporated areas of Clark County grew only 14.5% over the same 10-year period.

In comparison, the populations of Oregon’s Washington, Multnomah, and Clackamas counties grew 14.9%, 10.4%, and 8.0% respectively, over the last 10 years.
Median Household Income

**Description:**
Median household income is one measure of the County’s residents ability to pay taxes. Generally, the higher the median household income the more sales taxes and business taxes that the County generates. A decline in median household income results in a loss of consumer purchasing power that can result in lower sales taxes generated by the County.

**Warning Trend:**
Decline in the level, or growth rate, of median household income adjusted for inflation.

**Clark County Trend:** **NEGATIVE**

**Formula:**
For a geographic area, the “median” household income is determined by a standard distribution to be the income in which one-half are lower and one-half are higher.

**Source:**
Based on census, if available, or as estimated by the Washington Office of Financial management. Updated February 1, 2013.

**Highlights:**
Although the actual median household income in Clark County rose from $54,951 to $56,054, adjusted for inflation, median household incomes dropped from $56,215 in 2011 to $56,054 in 2012.

The warning indicator for this trend has been observed from 2008 through 2012.

Adjusted for inflation, median household incomes have decreased in both Clark County and the State of Washington in the last ten years by 12.2% and 11.6% respectively.

Clark County actual median income has been slightly lower than Washington State's actual median income for nine of the last 10 years. At its highest, the gap between Washington States and Clark County was $4,548 per household.
Registered/Participating Voters

Description:
Electoral participation in the general election indicates that the level of engagement and interest of the community in the political process. It is usually higher in the presidential election years.

Warning Trend:
Decline in the percentage of votes cast in a general election compared to total registered voters.

Clark County Trend: POSITIVE

Formula:
\[
\text{Percentage of Votes Cast} = \frac{\text{Total General Election Votes Cast}}{\text{Registered Voters in General Elections}} 
\]

Source:
Clark County Elections Office

Highlights
The warning indicator for this trend was not observed in 2012.

The all-time highest level of voter participation by registered voters in a general election of 85.3% occurred in the 2008 November presidential general election.

The pattern of voter participation has been fairly consistent over the last 10 years with the highest turnout in the presidential elections, as illustrated in the chart above for years 2004, 2008, and 2012.

In the past ten years, the number of registered voters in general elections in Clark County has increased by 39.8%, increasing from 173,952 to 243,155.
Assessed Property Values

Description:
The valuation of all real property located in Clark County as determined by the Clark County Assessor. This does not include real property owned by state and local governments, schools, fire districts, and other exempt organizations. A decline or diminished growth rate in real and personal property values may indicate a potential reduction in property tax revenues.

Warning Trend:
Decline in the assessed property values.

Clark County Trend: NEGATIVE

Formula:
Total real and personal property tax assessments minus assessed valuations exempt from taxation.

Source:
Clark County Assessors Office

Highlights:
The warning trend has been observed since 2008 for this indicator.

The highest county total assessed real and personal property value was approximately $47.0 billion in 2007. Since 2008, total Clark County taxable assessed valuations have declined approximately 22.5% to $35.6 billion.

Since 2008, in unincorporated Clark County, taxable assessed real and personal property valuations have declined 21.4% from a high of $22.5 billion to $17.7 billion.

From 2011 to 2012, after adjusting for inflation, in unincorporated Clark County, actual taxable assessed real and personal property valuations decreased 1.3%.
Residential & Commercial Development

Description:

Growth or decline of permits and the estimated value of the related residential or commercial construction is an indication of the economic vitality of the construction sector of the County’s economy.

Warning Trend:

Decline in residential and commercial development.

Clark County Trend: MIXED

Formula:

The number and value of building permits issued by the Clark County’s Building & Code Division of the Department of Community Development. Includes estimated value of construction at the time of application. Does not include the cost of land or actual cost of development.

Source:
Clark County Community Development

Highlights:

The warning trend was observed three of the past five years for both estimated residential and commercial development values and numbers of permits.

Over the last ten years, the estimated value of residential building permitted has decreased 44.8% from $330.9 million to $182.8 million while residential units developed decreased 76.0% from 2,408 units to only 577 in 2012.

Over the last ten years, the estimated value of commercial building permitted has decreased 51.3% from $147.9 million to $71.9 million while the number of commercial permits has increased from 225 in 2003 to 281 in 2012.
Community Employment

Description:

The unemployment rate and number of jobs in the community make up the employment base. A growing employment base will help to provide a cushion against economic downturn in individual business categories. A decline in employment base can indicate the early signs of an overall decline in economic activities and a decline in government revenues.

Warning Trend:
Increasing rate of local unemployment or a decrease in the number of jobs in the community

Clark County Trend: MIXED

Formula:
Local unemployment rate and the number of jobs in Clark County.

Source:

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<td>Clark County</td>
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<tr>
<td>Unemployment Rate</td>
<td>8.9%</td>
<td>6.3%</td>
<td>5.0%</td>
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<tr>
<td>Unemployment Rate</td>
<td>7.0%</td>
<td>5.9%</td>
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<td>4.8%</td>
<td>4.7%</td>
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<tr>
<td>Unemployment Rate</td>
<td>7.3%</td>
<td>6.1%</td>
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<td>10.8%</td>
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<tr>
<td>% of County Workforce with Jobs in Clark County</td>
<td>66.9%</td>
<td>65.5%</td>
<td>65.9%</td>
<td>66.8%</td>
<td>66.1%</td>
<td>66.4%</td>
<td>68.4%</td>
<td>67.3%</td>
<td>65.9%</td>
<td>67.5%</td>
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</table>

Highlights:

From 2003 to 2012, the civilian workforce in the county has grown from 194.2 thousand to 209.4 thousand as the unemployment rate in the county has decreased 6.7% from 8.9% to 8.3%.

In the last ten years, the number of jobs in Clark County has increased by 8.5% from 177.0 thousand to 192.0 thousand.

The 2012 Clark County unemployment rate of 8.3% is higher than the average in the State of Washington of 7.6% and the Portland Metro unemployment rate of 7.4%.

The percentage of the county’s civilian workforce employed in Clark County has improved slightly the last ten years from 66.9% to 67.5% in 2003 and 2012 respectively.
Taxable Sales of Goods and Services

Description:

Taxable sales are highly responsive to economic conditions and are a direct reflection of consumer confidence. When the economy is perceived to decline, confidence and disposable income trend down, which generally produces lower taxable sales and governmental revenues.

Warning Trend:

Decline in Adjusted Taxable Sales of Good and Services

Clark County Trend: MIXED

Formula:
The value of transactions involving the sale and purchase of taxable goods and services and includes use tax values. It excludes nontaxable transactions.

Source:
Washington Department of Revenue; Historical statistics updated July 28, 2013

Highlights:

The warning trend was last observed in 2009 when total County taxable sales of goods and services and taxable uses decreased by 14.6% from 2008.

Since 2003, the value of county-wide use tax events has increased 11.5% while total County taxable retail sales, services, and uses increased by 26.7%.

Over the last five years, adjusted for inflation, the total taxable retail sales, services and uses in the County’s unincorporated area and cities has decreased by 9.3% and 8.1% respectively.

After adjusting for inflation, the taxable sales of good and services and uses has grown by 2.4%, 1.3%, and 3.3% for 2010, 2011 and 2012 respectively.