Office of the Washington State Auditor
Pat McCarthy

Financial Statements and Federal Single Audit Report

Clark County Public Transportation Benefit Area

(C-TRAN)

For the period January 1, 2020 through December 31, 2021

Published June 21, 2022

Report No. 1030730

Office of the Washington State Auditor
Pat McCarthy

June 21, 2022

Board of Directors
C-TRAN
Vancouver, Washington

Report on Financial Statements and Federal Single Audit

Please find attached our report on C-TRAN's financial statements and compliance with federal laws and regulations.

We are issuing this report in order to provide information on the Authority's financial condition.

Sincerely,

Pat McCarthy, State Auditor

Olympia, WA

Americans with Disabilities

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C-TRAN
January 1, 2021 through December 31, 2021

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The results of our audit of C-TRAN are summarized below in accordance with Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Financial Statements

We issued an unmodified opinion on the fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP).

Internal Control over Financial Reporting:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies.

- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We noted no instances of noncompliance that were material to the financial statements of the Authority.

Federal Awards

Internal Control over Major Programs:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over major federal programs that we consider to be significant deficiencies.

- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We issued an unmodified opinion on the Authority’s compliance with requirements applicable to each of its major federal programs.

We reported no findings that are required to be disclosed in accordance with 2 CFR 200.516(a).

Identification of Major Federal Programs

The following programs were selected as major programs in our audit of compliance in accordance with the Uniform Guidance.

CFDA No.	Program or Cluster Title
20.500	Federal Transit Cluster – Federal Transit Capital Investment Grants
20.507	Federal Transit Cluster – Federal Transit Formula Grants
20.507	Federal Transit Cluster – COVID-19 – Federal Transit Formula Grants

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by the Uniform Guidance, was $1,177,646.

The Authority qualified as a low-risk auditee under the Uniform Guidance.

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

INDEPENDENT AUDITOR'S REPORT

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

C-TRAN
January 1, 2020 through December 31, 2021

Board of Directors
C-TRAN
Vancouver, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of C-TRAN, as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 10, 2022.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audits of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

REPORT ON COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

Pat McCarthy

Pat McCarthy, State Auditor

Olympia, WA

June 10, 2022

INDEPENDENT AUDITOR'S REPORT

Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

C-TRAN
January 1, 2021 through December 31, 2021

Board of Directors
C-TRAN
Vancouver, Washington

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

Opinion on Each Major Federal Program

We have audited the compliance of C-TRAN, with the types of compliance requirements identified as subject to audit in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2021. The Authority's major federal programs are identified in the auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States*;* and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination on the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

Performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances;
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed; and
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

Pat McCarthy

Pat McCarthy, State Auditor

Olympia, WA

June 10, 2022

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

C-TRAN
January 1, 2020 through December 31, 2021

Board of Directors
C-TRAN
Vancouver, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions

We have audited the accompanying financial statements of C-TRAN, as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of C-TRAN, as of December 31, 2021 and 2020, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Matters of Emphasis

As discussed in Note 11 to the financial statements, the full extent of COVID-19 pandemic's direct or indirect financial impact on the Authority is unknown. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Performing an audit in accordance with GAAS and *Government Auditing Standards*, includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time; and
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). This schedule is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2022 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Pat McCarthy

Pat McCarthy, State Auditor

Olympia, WA

June 10, 2022

FINANCIAL SECTION

C-TRAN
January 1, 2020 through December 31, 2021

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BASIC FINANCIAL STATEMENTS

Statement of Net Position – 2021 and 2020
Statement of Revenues, Expenses and Changes in Net Position – 2021 and 2020
Statement of Cash Flows – 2021 and 2020
Notes to Financial Statements – 2021 and 2020

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Schedule of Employer Contributions – PERS 1, PERS 2/3 – 2021 and 2020
Schedule of Proportionate Share of Net Pension Liability – PERS 1, PERS 2/3 – 2021 and 2020
Notes to Required Supplementary Information – 2021 and 2020

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Expenditures of Federal Awards – 2021
Notes to the Schedule of Expenditures of Federal Awards – 2021

CLARK COUNTY PTBA

MANAGEMENT DISCUSSION AND ANALYSIS

This Section of the Clark County PTBA Annual Report presents management's overview and analysis of the PTBA's financial performance for the fiscal year ended December 31, 2021. This Section should be read in conjunction with the financial statements, which follow this Section.

Financial Highlights

- The assets and deferred outflows of resources of the PTBA exceeded its liabilities and deferred inflows as of December 31, 2021, by $295,976,124. Of this amount, $142,682,691 may be used to meet the PTBA's ongoing obligations to provide services to the public, including the capital program, and to meet the obligations of creditors. As of December 31, 2020, assets exceeded liabilities and deferred inflow by $237,155,696, and $104,355,323 of this amount could have been used to meet the PTBA's ongoing obligations;
- In 2021, the PTBA's total Net Position increased by $58,820,429. This included a net income of $57,155,874 and was augmented by capital contributions of $1,560,568. In 2020 total net position increased by $26,757,519. This included a net income of $25,742,137, augmented by $1,015,382 in capital contributions
- The PTBA remained free of long-term debt;
- Sales tax revenues increased 21.3 percent compared to the prior year. The increase was due primarily to the increased sales in the retail market from construction contracting, auto sales, and miscellaneous retail stores.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the PTBA's basic financial statements. The notes to the financial statements also contain more detail on some of the information presented in the financial statements. The financial statements report information about the PTBA using accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information about its activities. The Statement of Net Position presents information on all of the PTBA's assets, liabilities, deferred inflows, and deferred outflows, with the difference between assets and deferred outflows compared to liabilities and deferred inflows, reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the PTBA is improving or deteriorating. The Statement of Revenues, Expenses, and Changes in Net Position present information showing how the PTBA's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are recorded in this statement for some

Items that will only result in cash flows in future periods (for example, sales tax collected by merchants but not yet remitted to the PTBA).

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided within financial statements.

Financial Analysis

The financial position of the PTBA improved in 2021 with an increase of $58,820,429 to Net Position. Transit is a capital-intensive enterprise. In 2021, 44 percent of the net position was invested in capital assets with an additional 48 percent being held by the Board of Director's designation for the capital program. This compares to 2020, where 56 percent of the net position was invested in capital assets with an additional 44 percent being held for the capital program.

Following is a summary of the PTBA's net position:

Statement of Net Position

	2021	Restated 2020	Restated 2019
Assets:			
Current Assets	$174,829,209	$122,536,261	$96,227,687
Other Noncurrent Assets	134,308	134,308	134,308
Capital Assets (Net)	130,008,744	132,666,064	135,423,134
Net Pension Asset	23,150,381	0	0
Total Assets	328,122,641	255,336,634	231,785,128
Deferred Outflows of Resources:			
Deferred Outflows-Pensions	2,971,869	3,365,580	3,181,074
Deferred Outflows-Asset Retirement Obligations	651,204	601,119	590,286
Total Deferred Outflows of Resources	3,623,073	3,966,699	3,771,360
Liabilities:			
Current Liabilities	7,971,456	7,730,919	7,600,571
Noncurrent Liabilities	3,488,967	11,256,733	11,602,595
Total Liabilities	11,460,423	18,987,651	19,203,166
Deferred Inflows of Resources:			
Deferred Inflows-Pensions	24,309,167	3,159,986	5,955,146
Total Deferred Inflows of Resources	24,309,167	3,159,986	5,955,146
Net Position:			
Invested in Capital Assets	130,008,744	132,666,064	135,423,134
Restricted for Capital	134,308	134,308	134,308
Restricted for Net Pension Asset	23,150,381	0	0
Unrestricted	142,682,691	104,355,323	74,840,735
TOTAL NET POSITION	**295,976,124**	**237,155,696**	**210,398,176**

The PTBA's net position increased by $58,820,429 during 2021 (compared to an increase of $26,757,519 during 2020). The following summary statement of revenues, expenses, and change in Net Position shows how the increase in net position occurred.

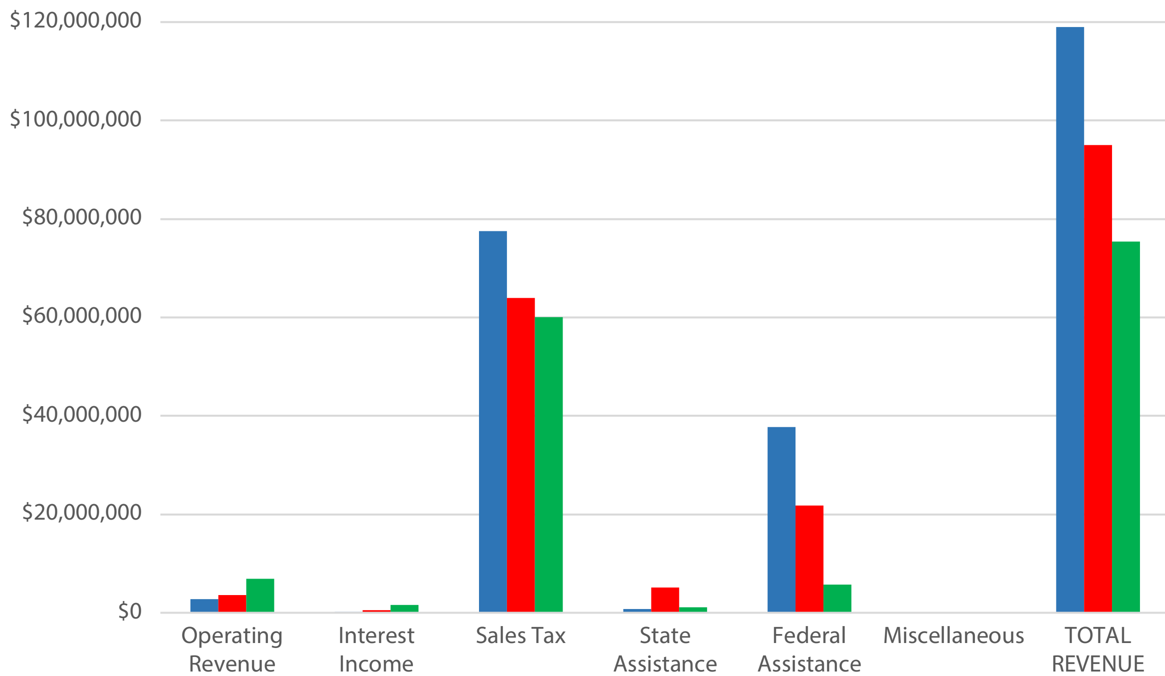
Statement of Revenues, Expenses, and Changes in Net Position

	2021	2020	2019
Operating Revenue:			
Passenger Fares	$2,779,151	$3,552,973	$6,855,157
Other Transit Revenue	264	296	899
Total Operating Revenue	2,779,415	3,553,269	6,856,056
Nonoperating Revenues:			
Taxes	77,531,343	63,934,242	60,042,187
Interest Income	158,376	560,127	1,636,378
Non Capital Grants	38,514,059	26,878,140	6,796,998
Other (Net)	54,017	35,866	39,701
Total Nonoperating Revenues	116,257,795	91,408,375	68,515,263
Total Revenues	119,037,210	94,961,644	75,371,319
Operating Expenses:			
Operations and Maintenance	42,792,590	45,898,914	49,072,175
Administration	9,210,399	9,619,558	9,479,658
Depreciation/Amortization	9,792,113	9,725,054	9,790,528
Total Operating Expenses	61,795,102	65,243,527	68,342,361
Nonoperating Expenses:			
Contributions to Road Projects	88,974	3,999,166	198,347
Gain/Loss on Sale of Asset	(2,739)	(23,186)	(37,470)
Total Nonoperating Expenses	86,235	3,975,980	160,877
Total Expenses	61,881,336	69,219,507	68,503,238
Net Income (Loss) Before Contributions	57,155,874	25,742,137	6,868,082
Capital Contributions - Federal	1,560,568	1,015,382	2,420,792
Capital Contributions - State	103,987	0	195,299
Capital Contributions - Other	0	0	2,973
Change in Net Position	58,820,429	26,757,519	9,487,146
Total Net Position, Beginning	237,155,696	210,398,176	200,911,030
TOTAL NET POSITION, ENDING	**295,976,124**	**237,155,696**	**210,398,176**

Revenues

The following table and graph show 2021 revenues by source compared to the prior two (2) years.

	2021	2020	2019
Operating Revenue	$2,779,415	$3,553,269	$6,856,056
Interest Income	158,376	560,127	1,636,378
Sales Tax	77,531,343	63,934,242	60,042,187
State Assistance	819,749	5,098,522	1,076,233
Federal Assistance	37,694,310	21,779,618	5,720,765
Miscellaneous	54,017	35,866	39,701
TOTAL REVENUE	**$119,037,210**	**$94,961,644**	**$75,371,320**



- Operating Revenue decreased 21.8 percent in 2021 and 48.2 percent in 2020. The decrease may be attributed to COVID-19 which markedly affected fare revenue through the decline in ridership.

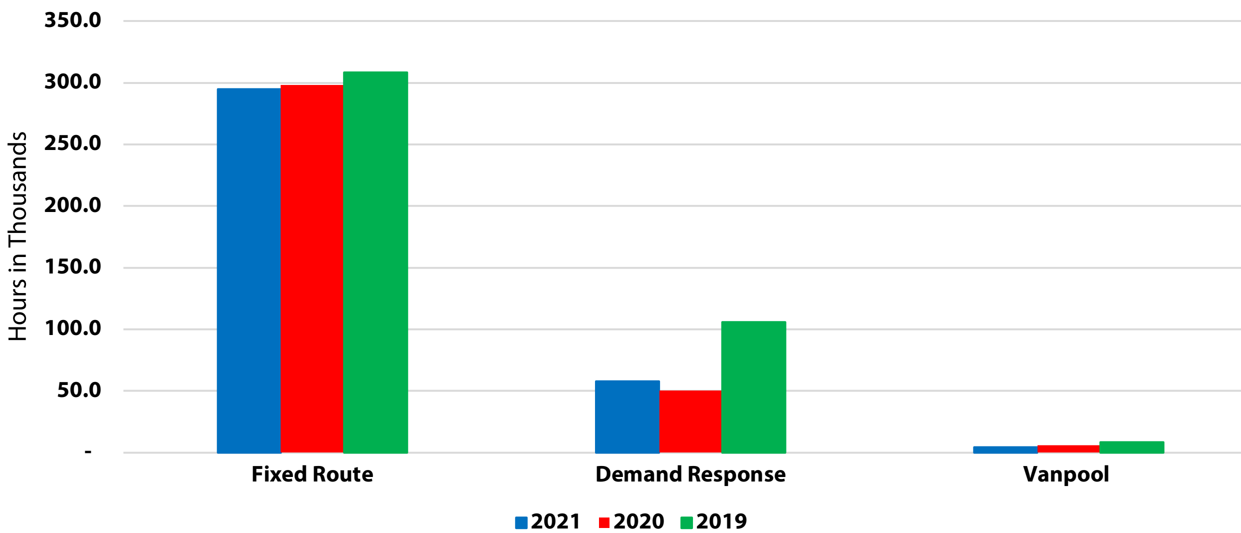
- Interest Income decreased by 71.7 percent in 2021 and 65.8 percent in 2020. The Federal Reserve Open Market Committee reduced the Overnight funds rate twice in March of 2020, to an effective rate of near zero in order to stimulate the US Economy in response to the COVID-19 threat which affected both 2020 and 2021.

- Sales Tax revenue increased 21.3 percent in 2021 and 6.5 percent in 2020 due to a strong local economy. The increase in taxable transactions in 2021 was driven by improved retail sales in areas such as construction contracting, auto sales, and miscellaneous retail sales. The increase in 2020 was driven by improved retail sales in areas such as internet sales, electronic and appliance stores, and management, education and health services.
- State Assistance revenue decreased by 83.9 percent in 2021 due in large part to the Washington State Department of Transportation (WSDOT) Bus on Shoulder project being completed in 2020. In 2020 the increase in WSDOT paratransit Special Needs Grant Funding that was received along with the Bus on Shoulder grant money resulted in 2020 increasing 373.7 percent over 2019.
- Federal Assistance revenue primarily consists of the allocation of FTA funds that are made available to the PTBA on a formula basis. The allocation is based on factors such as ridership, passenger miles, and population, and is awarded annually based on federal appropriations. The funds may be used for operations or for capital purchases and the PTBA has designated these funds for operations. In 2021 and 2020 federal assistance grew by 100.58 percent and 280.7 percent primarily due to the federal economic stimulus funding awarded through the Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding, the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and the American Rescue Plan (ARPA).

Expenses

Expenses are most directly impacted by the number of hours of operation that the PTBA provides. The total operating hours provided compared to the prior two (2) years are shown in the following table and graph:

OPERATING HOURS	2021	2020	2019
Fixed Route	294,717	298,286	308,622
Demand Response	57,936	50,388	105,790
Vanpool	4,460	5,848	8,507
TOTAL OPERATING HOURS	**357,113**	**354,522**	**422,919**



Fixed Route operating hours decreased by 1.2 percent in 2021 and 3.4 percent in 2020 as the result of the August 2, 2020 service change which primarily affected Commuter routes in response to decreased demand stemming from the "Stay Home, Stay Healthy" mandate .

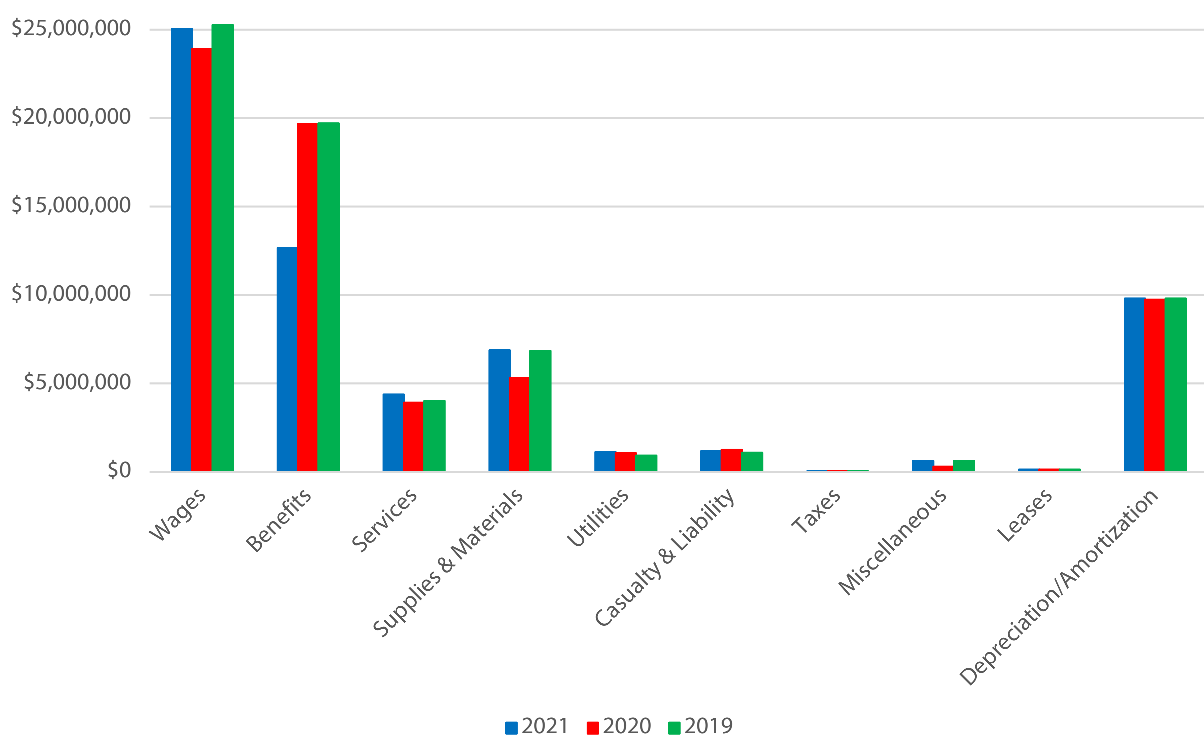
Demand Response operating hours increased in 2021 by 15.0 percent as riders began riding again after decreasing in 2020 by 52.4 percent due to the decreased demand for paratransit services due to COVID-19.

Vanpool declined 23.7 percent in 2021 and 31.0 percent in 2020 as the result of more employees working from home in response to the "Stay Home, Stay Healthy" mandate.

Expenses by Object

The object is the classification of expenses by type of expense. Expenses compared to prior year by object are as follows:

OBJECT	2021	2020	2019
Wages	$25,051,923	$23,925,764	$25,279,535
Benefits	$12,655,799	$19,666,674	19,709,610
Services	$4,387,106	$3,921,911	3,996,610
Supplies & Materials	$6,863,375	$5,287,013	6,833,772
Utilities	1,114,736	1,035,352	909,983
Casualty & Liability	1,182,383	1,230,867	1,067,261
Taxes	9,892	10,746	11,606
Miscellaneous	609,986	307,279	611,909
Leases	127,789	132,867	131,546
Depreciation/Amortization	9,792,113	9,725,054	9,790,528
TOTAL OPERATING EXPENSES BY OBJECT	**$61,795,102**	**$65,243,527**	**$68,342,361**



- Wages and Benefits represent the two largest expense categories. Combined, the categories decreased 13.5 percent in 2021 and 3.1 percent in 2020. The decrease was the result of a reduction in total employees due to the agency not filling vacant positions in response to the economic uncertainty caused by COVID-19 and an adjustment to pension expense at year end. The adjustment was due to the strong performance of pension related investments at the state level which resulted in a reduction of pension expense for the agency.

- Services increased by 11.9 percent due to increased need for Information Technology and security-related services. In 2020, services decreased only slightly from 2019.

- Expenses for Supplies & Materials increased by 29.8 percent in 2021 due to increases in the cost of fuel and parts and materials. The cost of diesel fuel increased from an average of $1.41 in 2020 to $2.24 in 2021. In 2020, these expenses decreased by 22.6 percent primarily due to the decrease in the cost of diesel fuel, which declined from an average price per gallon of $2.16 in 2019 to $1.40 in 2020. There was also a decrease in parts and materials of 29.9 percent in 2020 as fewer buses were used, requiring less periodic maintenance and repairs.

- The cost of Utilities increased in 2021 by 7.7 percent and by 13.8 percent in 2020. The increase in 2021 was primarily due to inflation and other rate increases related to C-VAN vehicle communication and mobile radios. In 2020, the increase was primarily influenced by the growth in communications expenses due to upgraded fiber service for the new administration building, and increased service to the data colocation storage facility in Hillsboro that were done in mid-2019. Additionally, the new tablets in the Demand Response vehicles required increased data for access in 2019.

- Casualty and Liability expenses decreased by 3.9 percent in 2021 after increasing by 15.3 percent in 2020. They decreased in 2021 due to a reduction in the mileage assumption. The increase in 2020 was primarily due to an increase in premiums for the agency's new and expanded facilities.

- Miscellaneous expense increased by 98.5 percent in 2021 due to increased recruitment advertising and settlements that were incurred in 2021. In 2020 it decreased by 49.8 percent due to constrained spending in trainings and meetings.

- Lease expenses decreased by 3.8 percent in 2021 after experiencing only minor growth in 2020. In 2021 the decrease is due to the term end for a mobile office lease and the 2020 growth was largely due to normal inflation and a small increase in costs associated with leased office equipment.

- Depreciation/Amortization showed little change in 2021 and 2020. Activities associated with the change in depreciation/amortization expense are explained in the Capital Assets section.

Capital Assets

The PTBA's investment in capital assets as of December 31, 2021 amounted to $130,008,744 net of accumulated depreciation/amortization. As of December 31, 2020, the investment in capital assets net of accumulated depreciation/amortization equaled $132,666,064. Capital assets consist of transit coaches and other vehicles, buildings, equipment, software, transit centers, and park and ride lots. Capital assets reported under the line item for land also include intangible assets covering perpetual right of way acquired by the agency. Capital assets subject to depreciation and amortization increased by 0.9 percent in 2021 and 1.9 percent in 2020. In 2021, the increase consisted of $2,263,977 of additions and $537,726 of retirements, which compares to the $4,073,475 of additions and $542,155 of retirements that occurred in 2020. In addition, depreciation/ amortization expense was recorded at $9,792,113 in 2021 and $9,725,054 in 2020. $534,441 in accumulated depreciation/amortization was removed for assets disposed of in 2021, and $542,155 for assets disposed of in 2020.

In 2021 and 2020 major capital asset acquisitions (value over $50,000) included the following:

Vehicles

- Major vehicle acquisition in 2021 included: one (1) Toyota Camry and two (2) Ford Explorers ($103,768.99) for Service/Staff use Vehicles.

- Major vehicle acquisition in 2020 included: five (5) Ford StarTrans vans ($548,930) for Demand Response service.

Equipment

- Major equipment acquisition in 2021 included: Vehicle Gates at 65th Avenue ($67,500), Dispatch Power Panel ($94,340), Dispatch Consoles ($109,035), two (2) Nimble Storage Units ($210,286), Access Control ($87,964), Makeup Air Unit ($60,610), Generator/AC ($206,457), Data Cabling and Fiber at 65th ($223,724) and Electrical Bus Infrastructure ($199,606).

- Major equipment acquisition in 2020 included: Validators on the Vine Buses ($144,415) and additional expenditures towards the 2017 eFare Project ($56,507).

Intangible Software

- Major Intangible Software acquisition in 2021 included: Continued expenditures towards the Operations Management Software Project ($197,584) and Motorola Backend System ($459,776).

- Major Intangible Software acquisition in 2020 included: Continued expenditures towards the Operations Management Software Project ($880,923).

Building and Structures

- Major building and structure acquisitions in 2021 included: continued expenditures towards the Operations and Maintenance Facility Project ($2,229,758) and the acquisition of a building located at 6612 NE18th Street ($220,139).

- Major building and structure acquisitions in 2020 included: continued expenditures towards the Operations and Maintenance Facility Project ($902,742) and the acquisition of a building in which Facilities Operations will be located ($425,192) at 6714 NE 18th Street in Vancouver.

Land Improvements

- Major land improvements for 2021 included continued expenditures towards the Mill Plain BRT Project ($4,362,020) and Turtle Place Improvements ($200,893).

- Major land improvements for 2020 included continued expenditures towards the Mill Plain BRT Project ($2,692,196).

Land

- Major land acquisitions in 2021 included: the acquisition of land at 6612 NE 18th Street ($420,844) for employee parking.

- Major land acquisitions in 2020 included: the acquisition of land on which the new Facilities Operations Building will be located ($985,357) at 6714 NE 18th Street in Vancouver.

Additional information on the PTBA's capital assets is in Note 4 to the Financial Statements of this report.

Request for Information

This Financial Report is designed to provide a general overview of the PTBA's finances for all those who have an interest in this agency's finances. Questions concerning any of the information presented in this report or requests for additional information should be addressed to:

C-TRAN Executive Office
10600 NE 51st Circle
Vancouver, WA 98682
360-906-7303

Comparative Statement Of Net Position*

As of December 31, 2020 and 2021

	2021	Restated 2020
Assets		
Current Assets:		
Cash and Cash Equivalents	$142,226,461	$104,130,575
Receivables (net allowance for uncollectibles)	29,047,944	14,746,411
Inventories	2,443,957	2,200,632
Prepaid Expenses	1,110,848	1,458,644
Total Current Assets	174,829,209	122,536,262
Noncurrent Assets:		
Temporarily Restricted Asset: Cash and Cash Equivalents	134,308	134,308
Capital Assets not being depreciated:		
Work in Progress	10,966,813	6,513,559
Land	21,537,878	21,117,033
Capital Assets being depreciated/amortized:		
Vehicles	80,745,509	80,663,396
Buildings	24,771,242	24,551,104
Equipment and Furnishings	29,894,017	29,120,041
Software	6,896,428	6,482,727
Land Improvements	50,236,266	49,999,943
Less Accumulated Depreciation/Amortization	(95,039,409)	(85,781,738)
Total Capital Assets Net of Accumulated Depreciation	130,008,744	132,666,064
Net Pension Asset	23,150,381	0
Total Noncurrent Assets	153,293,433	132,800,372
Total Assets	328,122,641	255,336,634
Deferred Outflows Of Resources		
Deferred Outflows-Pensions	2,971,869	3,365,580
Deferred Outflows-Asset Retirement Obligations	651,204	601,119
Total Deferred Outflows of Resources	3,623,073	3,966,699
Liabilities		
Current Liabilities:		
Accounts Payable	2,256,346	1,926,684
Accrued Wages and Benefits	3,797,866	4,059,667
Compensated Absences	1,604,538	1,525,248
Prepaid Fares	271,939	213,692
Other Payables	40,767	5,627
Total Current Liabilities	7,971,456	7,730,919
Noncurrent Liabilities:		
Compensated Absences	629,221	643,484
Pension Liabilities	2,208,542	10,012,130
Asset Retirement Obligations	651,204	601,119
Total Noncurrent Liabilities	3,488,967	11,256,733
Total Liabilities	11,460,423	18,987,651
Deferred Inflows Of Resources		
Deferred Inflows-Pension	24,309,167	3,159,986
Total Deferred Inflows of Resources	24,309,167	3,159,986
Net Position		
Investment in Capital Assets	130,008,744	132,666,064
Restricted for Capital Assets	134,308	134,308
Restricted for Net Pension Asset	23,150,381	0
Unrestricted	142,682,691	104,355,324
TOTAL NET POSITION	**295,976,124**	**237,155,696**

*The notes to the financial statements are an integral part of this statement.

Comparative Statement Of Revenues, Expenses, And Changes In Net Position*

For the Fiscal Years Ended December 31, 2021 and 2020

	2021	2020
Operating Revenue:		
Passenger Fares	$2,779,151	$3,552,973
Other Transit Revenue	264	296
Total Operating Revenue	2,779,415	3,553,269
Operating Expenses:		
Operations & Maintenance	42,792,590	45,898,915
Administration	9,210,399	9,619,558
Depreciation/Amortization	9,792,113	9,725,054
Total Operating Expenses	61,795,102	65,243,527
Operating Income (Loss)	(59,015,687)	(61,690,258)
Nonoperating Revenues (Expenses):		
Sales Tax	77,531,343	63,934,242
Interest Income	158,376	560,127
Other Nonoperating Revenues	54,017	35,866
State Assistance	819,749	5,098,522
Federal Assistance	37,694,310	21,779,618
Contributions to Road Projects	(88,974)	(3,999,166)
Gain/Loss on Sale of Asset	2,739	23,186
Total Nonoperating Revenues (Expenses)	116,171,561	87,432,396
Net Income (Loss) Before Contributions:	57,155,874	25,742,137
Capital Contributions - Federal	1,560,568	1,015,382
Capital Contributions - State	103,987	0
Change in Net Position	58,820,429	26,757,519
Total Net Position, Beginning	237,155,696	210,398,176
TOTAL NET POSITION, ENDING	**295,976,124**	**237,155,696**

*The notes to the financial statements are an integral part of this statement.

Comparative Statement Of Cash Flows*

For the Fiscal Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities:		
Cash Received from Customers	2,988,789	2,948,437
Cash Payments to Suppliers for Goods and Services	(31,473,003)	(33,416,135)
Cash Payments to Employees for Services	(30,080,412)	(29,164,740)
Other Cash Receipts	54,017	35,866
Net Cash Provided (Used) by Operating Activities	(58,510,610)	(59,596,573)
Cash Flows from Noncapital Financing Activities:		
Sales Tax Received	76,043,041	62,602,603
State Assistance Received	1,345,266	4,630,805
Federal Operating Grants Received	25,322,656	20,884,626
Net Cash Provided (Used) by Noncapital and Related Finance Activities	102,710,963	88,118,034
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	(6,815,143)	(7,511,835)
Capital Grants and Contributions	546,276	1,278,205
Proceeds From Sale of Equipment	6,024	23,186
Net Cash Provided (Used) by Capital and Related Financing Activities	(6,262,843)	(6,210,444)
Cash Flows from Investing Activities:		
Purchase of Investment Securities	0	(2,698)
Proceeds of Investment Securities	0	5,227,342
Interest on Investments	158,376	560,127
Net Cash Provided (Used) by Investing Activities	158,376	5,784,771
Net Increase (Decrease) in Cash and Cash Equivalents	38,095,887	28,095,788
Cash and Cash Equivalents, Beginning	104,264,883	76,169,094
CASH AND CASH EQUIVALENTS, ENDING	**142,360,769**	**104,264,882**

*The notes to the financial statements are an integral part of this statement.

Comparative Statement Of Cash Flows*

For the Fiscal Years Ended December 31, 2021 and 2020

	2021	2020
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:		
Operating Loss	(59,015,687)	(61,690,258)
Adjustments to Reconcile Operating Income to Net Cash		
Provided by Operating Activities:		
Depreciation/Amortization	9,792,113	9,725,054
Nonoperating Expenses	(88,974)	(3,999,166)
Miscellaneous Nonoperating Revenue	54,017	35,866
(Decrease) Increase in Provision for Uncollectible Accounts	59	(709)
(Decrease) Increase Pension Expense	(9,411,077)	(3,392,749)
Change in Assets and Liabilities:		
Decrease (Increase) in Accounts Receivable	151,126	(58,338)
Decrease (Increase) in Inventories	(243,324)	(58,866)
Decrease (Increase) in Prepaid Expenses	347,796	(887,991)
Increase (Decrease) in Accounts Payable	43,160	771,590
Increase (Decrease) in Wages and Benefits Payable	(196,775)	506,482
Increase (Decrease) in Prepaid Fares	58,247	(546,493)
Increase (Decrease) in Other Payables	(1,292)	(993)
Increase (Decrease) in Claims and Judgments Payable	0	0
Total Adjustments	505,076	2,093,686
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	**($58,510,610)**	**($59,596,573)**

*The notes to the financial statements are an integral part of this statement.

Notes to the Financial Statements
January 1, 2020 through December 31, 2021

NOTE 1 | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the PTBA conform to generally accepted accounting principles (GAAP) applicable to governmental enterprise units. Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The PTBA is further guided by GASB in development of accounting policies. The following summary of the more significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies should be viewed as an integral part of the accompanying Financial Statements.

A. Reporting Entity

Clark County Public Transportation Benefit Area commenced operation on July 6, 1981, and operates under the laws of the State of Washington applicable to a municipal corporation.

As required by GAAP, management has considered all potential component units in defining the reporting entity. Based on the standards set by GASB Statement 14, there were no component units of Clark County PTBA. The PTBA is a separate legal entity and is fiscally independent from all other units of government.

The Clark County PTBA is governed by an appointed Board of Directors. No primary government appoints the voting majority of the PTBA's Board of Directors. The PTBA's Board consists of ten members: two are appointed from and by the Clark County Council, three are appointed from and by the City Council of Vancouver, one member each is appointed from the City Councils of Camas, Washougal and Battle Ground, by the mayors of these cities, and one member is appointed to jointly represent the City Councils of La Center, Ridgefield, and Yacolt by the three mayors of these cities, and one nonvoting member is appointed by the employee unions.

B. Basis of Presentation, Accounting and Reporting

The statement of net position, operating statement and statement of cash flows report information on all financial activities of the PTBA.

The operating statement demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The PTBA's policy is to not allocate indirect costs to a specific function or segment. As a special purpose government, the PTBA was organized to provide public transportation services for Clark County. The PTBA operates Fixed Route public transportation services, Demand Response services and a Vanpool program. The PTBA is supported primarily through user charges and sales tax revenue. Other program revenues include grants that are restricted to meet the operational or capital requirements of a particular function.

The accounting records of the PTBA are maintained in accordance with methods prescribed by the State Auditor under the authority of Chapter 43.09 RCW. The PTBA uses the Budgeting, Accounting and Reporting System for Cities, Counties, and Special Purpose Districts (GAAP) in the State of Washington.

Funds are accounted for on a cost of services or an economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included in their statements of net position (or balance sheets). Their reported fund net position is segregated into net investment in capital assets, restricted, and unrestricted components of net position. Operating statements present increases (revenues and gains) and decreases (expense and losses) in net position. The PTBA discloses changes in cash flows by a separate statement and presents its operating, noncapital financing, capital, and related financing and investing activities.

The PTBA uses a full accrual basis of accounting where revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of related cash flows. Capital asset purchases are capitalized and long-term liabilities are charged when incurred.

The PTBA distinguishes between operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principle ongoing operations. The principle operating revenues of the PTBA are charges to customers in the form of bus fares. Operating expenses for the transit include the cost of providing transit service, administrative expenses, and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The accounting records of the PTBA are maintained in accordance with the methods prescribed by the FTA and the Washington State Auditor under the authority of RCW 43.09. The authority for FTA to prescribe an accounting and reporting system is found in Section 15 of the Federal Transit Act of 1992, as amended.

The PTBA has prepared an annual report to FTA in the National Transit Database format and a summary report to the WSDOT, both issued under separate cover. The reports require specific information and are not prepared on the basis of generally accepted accounting principles.

C. Assets, Liabilities, and Net Position

1. Cash and Cash Equivalents

It is the PTBA's policy to invest all temporary cash surpluses. At December 31, 2021 the treasurer was holding $142,360,769 in short term investments of surplus cash. As of December 31, 2020, the treasurer held $104,264,883 in short term investments of surplus cash. This amount is classified on the balance sheet as cash and cash equivalents in various funds. Interest on these investments is included and is considered to be cash-on-hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. Investments

See Note 2, Deposits and Investments.

3. Receivables and Payables

Accounts receivable consist almost exclusively of credit sales of bus passes and amounts due from other governments. Receivables from other governments include taxes and grants. The PTBA calculates its allowance for uncollectible accounts based on specific account analysis. The allowance is assessed and adjusted on an annual basis. Uncollectible accounts have historically been immaterial.

Accounts payable consists primarily of short-term liabilities relating mainly to costs incurred to support operations and payments against ongoing capital projects.

4. Inventory and Prepaid Expenses

Inventory consists of fuel, tires, spare parts, and supplies. Expenses are recorded as the materials are consumed. Inventory is valued on the moving, weighted average cost method. Prepaid expenses consist of normal operating expenses for which payment is due at the first of the month, such as leases and employee insurance, or expenses that are paid up front, representing several months to up to a year in advance, such as software maintenance contracts. All prepaid transactions are expensed when the benefit is received. A comparison to market value is not considered necessary.

5. Restricted Assets

Temporarily restricted cash and cash equivalents resulting from the sale of property or equipment for which the FTA restricts the use of the proceeds for the investment in approved capital assets.

6. **Capital Assets**

Capital assets, which include property, facilities, and equipment, are capitalized at total acquisition cost, provided such cost exceeds $5,000 and has an expected useful life in excess of one year. Such assets are recorded at historical cost. Depreciation/amortization is recorded on all depreciable/amortizable capital assets on a straight-line basis over the following estimated useful lives:

Asset	Years
Vehicles	5-19
Buildings and structures	10-40
Equipment and furnishings	3-20
Intangible software	5-20
Land improvements	5-40

The PTBA has acquired certain assets with funding provided by federal assistance from the FTA grant programs. The PTBA holds title to these assets; however, the federal government retains an interest in these should the assets no longer be used for mass transit purposes. Note 5 contains further discussion of the PTBA's Capital Assets.

7. **Pensions**

For purposes of measuring the net pension liability, net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of all state sponsored pension plans and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems. For this purpose, benefits payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For purposes of calculating the restricted net position related to the net pension asset, the PTBA includes the net pension asset only.

8. **Compensated Absences**

Compensated absences are absences for which employees will be paid, such as vacation and sick leave. All vacation and sick pay is accrued in the year incurred. See Note 8 for details as to the PTBA's rules for payout of sick and vacation accruals.

9. **Other Accrued Liabilities**

Accounts consist of accrued wages and accrued employee benefits.

NOTE 2 | DEPOSITS AND INVESTMENTS

A. The following is presented to reconcile the amounts shown as cash and cash equivalents on the Statement of Net Position to the note disclosures of deposits and investments:

Deposits	**2021**	**2020**
Local Government Investment Pool	$128,683,969	$92,993,685
Money Market Account	9,369,519	6,160,462
Checking Accounts	4,293,049	5,088,595
Cash on Hand	6,321	10,699
Change Funds	7,911	11,443
Total Deposits as Presented in the Note Disclosures	$142,360,769	$104,264,883

Investments	**2021**	**2020**
Certificates of Deposit	$0	$0
Total Investments as presented in the note disclosures	$0	$0
TOTAL DEPOSITS AND INVESTMENTS	**$142,360,769**	**$104,264,883**

B. Deposits

All PTBA deposits are either insured or collateralized. The PTBA's insured deposits are covered by the Federal Depository Insurance Corporation. Collateral protection is provided by the Washington Public Deposit Protection Commission (PDPC). The PDPC, created by the Legislature per Chapter 39.58 of the RCW, constitutes a multiple financial institution collateral pool. Pledged securities under the PDPC collateral pool are held by the PDPC's agent in the name of the collateral pool.

As of December 31, 2021, the PTBA had $128,683,969 invested with the Washington State LGIP. The amount invested as of December 31, 2020, was $92,993,685. The LGIP is considered extremely low risk.

The pool is managed and operated by the Office of the State Treasurer for the State of Washington. The LGIP publishes an annual report, which is on the internet at the Treasurer's Web site (http://tre.wa.gov). As of the most recent report date, June 30, 2021, amortized cost approximated fair value. It is the policy of the LGIP to permit participants to withdraw their investments on a daily basis; therefore, the PTBA's investment balance in the pool is equal to fair value. The net annualized rate of return for the year 2021 for LGIP investments was 0.11 percent; for the month of December 2021, the rate of return was 0.09 percent. For 2020, the rate of return was .16 percent for December and 1.51 percent net annualized rate for the year

The balance of C-TRAN's deposits is $13,676,800 at December 2021 consists of checking account balances, a money market account, and change funds necessary for ongoing operations. As of December

31, 2020, the balance of other deposits was $11,271,199.

At December 31, 2021, the PTBA had the following investments measured at amortized cost:

Investments Measured at Amortized Cost	Amount
State Local Government Investment Pool	$128,683,969
Certificate of Deposit	$0.00
TOTAL	**$128,683,969**

C. Investment Risks

Interest Rate Risk—Interest rate risk is the risk that changes in interest rates of debt instruments will adversely affect the fair value of an investment. The PTBA participates in the LGIP which is operated in a manner consistent with the Securities and Exchange Commission's Rule 2a-7 of the Investment Company Act of 1940. Rule 2a-7 funds are limited to high quality obligations with limited maximum and average maturities, the effect of which is to minimize both market and credit risk. The pool's portfolio is made up of high-quality, highly liquid securities, and its relatively short average maturity reduces the pool's price sensitivity to market interest rate fluctuations. The pool also has a strong degree of asset diversification to minimize risk and maintain adequate rates of return. The PTBA portfolio is managed in a manner that ensures sufficient cash is available to meet anticipated cash flow needs, based on historical information.

Credit Risk—Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Washington State Investment Pool, a 2a7-like pool, is unrated. To limit risk, Washington State law limits the amount of the portfolio invested in commercial paper, banker's acceptances, and corporate bonds.

Custodial Risk—Custodial Risk is the risk that in the event of a failure of the counterparty to an investment transaction, by the insolvency, negligence, or fraudulent action of the custodian, the PTBA would not be able to recover the value of the investment or collateral securities. The Washington State Investment Pool limits risk by designating approved depositories as sole recipients of the pool funds, the delivery versus payment basis of purchase of securities, and use of independent, third party custodians for safekeeping of the funds. All LGIP deposits are either insured or are protected by collateral held on behalf of the Washington Public Deposit Protection Commission. The operating .

As of December 31, 2021 and 2020, the PTBA had no formal risk policy in place.

NOTE 3 | RECEIVABLES AND PAYABLES

Receivables, which are reported net of the allowance for uncollectible amounts, at December 31, 2021 and December 31, 2020, were as follows:

	2021	2020
Accounts Receivable	$238,005	$391,120
Accounts Receivable Suspense	(0)	(0)
Advanced Travel Receivable	1,989	(0)
Allowance for Uncollectible Accounts	(188)	(129)
Net Receivable	239,806	390,991
Sales Tax-November and December		
Collections due in January and February		
of the following year	13,803,941	12,315,639
Receivings Clearing Account	12,905,375	1,609,439
Operating Grants from Federal	2,098,822	421,868
Capital Grants from Federal	0	8,474
Total Receivables Due From Other Governments	28,808,138	14,355,420
TOTAL NET RECEIVABLES	**$29,047,944**	**$14,746,411**

Payables at December 31, 2021 and December 31, 2020, were as follows:

	2021	2020
Accounts Payable	($473,807)	($113,561)
Accrued Payables-Other	(1,758,578)	(1,807,178)
Accrued Payables	(23,616)	(5,762)
Use Tax Payable	(720)	(2,062)
Retentions	(39,897)	(3,465)
Customer Deposits Payables	(150)	(100)
Accrued Purchasing Card	(346)	(183)
TOTAL PAYABLES	**(2,297,114)**	**($1,932,311)**

NOTE 4 | CAPITAL ASSETS AND DEPRECIATION/AMORTIZATION

Major expenses for capital assets, including capital leases and major repairs that increase useful lives, are capitalized. Maintenance, repairs, and minor renewals are accounted for as expenses when incurred. All capital assets including any donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

The PTBA has acquired certain assets with funding provided by federal financial assistance programs. Depending on the terms of the agreements involved, the federal government could retain an equity interest in these assets. However, the PTBA has sufficient legal interest to accomplish the purposes for which the assets were acquired and has included such assets within the applicable account.

When an asset is retired, or otherwise disposed, the original value of the asset is removed from the PTBA asset accounts. With this action, accumulated depreciation/amortization is charged based on the accumulated depreciation/amortization related to the property sold, and the net gain or loss on disposition is credited or charged to income.

Depreciation/amortization expense is charged to operations to allocate the cost of capital assets over their estimated useful lives, using the straight-line depreciation/amortization method with useful lives of three to forty years.

The summary of capital assets activity for the years ended December 31, 2021 and December 31, 2020, were as follows:

Description	Balance Dec. 31, 2020	Increases	Decreases	Balance Dec. 31, 2021
Capital Assets Not Being Depreciated/Amortized:				
Work In Progress	$6,513,559	$7,138,077	($2,684,823)	$10,966,813
Land and Intangible Assets	$21,117,033	420,845	0	21,537,878
Total Capital Assets Not Being Depreciated/Amortized	$27,630,592	7,558,922	(2,684,823)	32,504,691
Amortizable/Depreciable Capital Assets:				
Vehicles	$80,663,396	103,769	(21,656)	80,745,509
Building and Structures	$24,551,104	220,139	0	24,771,242
Equipment and Furnishings	$29,120,042	1,020,455	(246,480)	29,894,017
Intangible Software	6,482,727	683,291	(269,590)	6,896,428
Land Improvements	$49,999,943	236,323	0	50,236,266
Total Amortizable/Depreciable Capital Assets at Cost	$190,817,211	2,263,977	(537,726)	192,543,462
Less Accumulated Amortization/Depreciation for:				
Vehicles	($39,747,050)	(4,379,533)	21,656	(44,104,927)
Building and Structures	($8,842,665)	(677,061)	0	(9,519,726)
Equipment and Furnishings	($15,939,221)	(1,996,499)	243,195	(17,692,525)
Intangible Software	($3,780,858)	(619,451)	269,590	(4,130,719)
Land Improvements	($17,471,943)	(2,119,569)	0	(19,591,512)
Total Accumulated Amortization/Depreciation	(85,781,737)	(9,792,113)	534,441	(95,039,409)
Amortizable/Depreciable Capital Assets, Net	105,035,474	(7,528,135)	(3,285)	97,504,053
Total Capital Assets, Net	**$132,666,064**	**($30,786)**	**($2,688,107)**	**$130,008,744**

Description	Balance Jan. 01, 2020	Increases	Decreases	Balance Dec. 31, 2020
Capital Assets Not Being Amortized/Depreciated:				
Work In Progress	$4,604,405	$6,967,985	($5,058,831)	$6,513,559
Land and Intangible Assets	20,131,676	985,357	0	21,117,033
Total Capital Assets Not Being Amortized/Depreciated:	24,736,081	7,953,342	(5,058,831)	27,630,592
Amortizable/Depreciable Capital Assets:				
Vehicles	80,165,941	816,268	(318,813)	80,663,396
Building and Structures	23,740,522	810,582	0	24,551,104
Equipment and Furnishings	29,022,892	320,491	(223,341)	29,120,042
Intangible Software	4,358,692	2,124,035	0	6,482,727
Land Improvements	49,997,845	2,098	0	49,999,943
Total Amortizable/Depreciable Capital Assets at Cost:	187,285,891	4,073,475	(542,155)	190,817,211
Less Accumulated Amortization/Depreciation for:				
Vehicles	(35,633,928)	(4,431,935)	318,813	(39,747,050)
Building and Structures	(7,906,304)	(936,362)	0	(8,842,665)
Equipment and Furnishings	(14,122,502)	(2,040,060)	223,341	(15,939,221)
Intangible Software	(3,592,167)	(188,691)	0	(3,780,858)
Land Improvements	(15,343,937)	(2,128,006)	0	(17,471,943)
Total Accumulated Amortization/Depreciation:	(76,598,838)	(9,725,054)	542,155	(85,781,737)
Amortizable/Depreciable Capital Assets, Net	110,687,053	(5,651,580)	0	105,035,474
Total Capital Assets, Net	**$135,423,134**	**$2,301,763**	**($5,058,831)**	**$132,666,064**

NOTE 5 | LEASE COMMITMENTS

The PTBA is committed under various leases for equipment. All leases are considered operating leases for accounting purposes because the PTBA does not acquire interests in the property. Lease expenses for the year-ended December 31, 2021, totaled $127,789. Lease expenses for the year-ended December 31, 2020, totaled $132,867. Future minimum rental commitments for leases are as follows:

Year	Amount
2022	10,025
2023	6,050
2024	6,050
2025–2026	12,100
	$34,225

NOTE 6 | PENSION PLANS

The following table represents the aggregate pension amounts for all plans subject to the requirements of the GASB Statement 68, Accounting and Financial Reporting for Pensions for the years 2021 and 2020:

Aggregate Pension Amounts	2021	2020
Pension liabilities	($2,208,542)	$10,012,130
Pension assets	$23,150,381	$0
Deferred outflows of resources	$2,971,869	$3,365,580
Deferred inflows of resources	($24,309,167)	($3,159,986)
Pension expense	$(6,104,806)	$162,252

State Sponsored Pension Plans

Substantially all of the PTBA's full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing multiple-employer public employee defined benefit retirement plans. The state Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems, a department within the primary government of the State of Washington, issues a publicly available Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information for each plan. The DRS Annual Report may be obtained by writing to:

> Department of Retirement Systems
> Communications Unit
> P.O. Box 48380
> Olympia, WA 98504-8380

Also, the DRS Annual Report may be downloaded from the DRS website at: www.drs.wa.gov.

Public Employees' Retirement System (PERS)

PERS members include elected officials; state employees; employees of the Supreme, Appeals, and Superior courts; employees of legislative committees; employees of district and municipal courts; and employees of local governments; and higher education employees not participating in higher education retirement programs.

PERS is comprised of three separate pension plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a defined benefit plan with a defined contribution component.

PERS PLAN 1 provides retirement, disability and death benefits. Retirement benefits are determined as two (2) percent of the member's Average Final Compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five (5) years of service. Members retiring from active status prior to the age of 65 may receive actuarially reduced benefits. Retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and no-duty disability payments, an optional Cost-of-Living Adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. Plan 1 members were vested after completion of five years of eligible service. Member participation in Plan 1 was closed to new entrants on September 30, 1977.

The PERS Plan 1 member contribution rate is established by State statute at six (6) percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (express as a percentage of covered payroll) for 2020 and 2021 were as follows:

2020 Contribution Rates	Employer	Employee
January–August 2020		
PERS Plan 1	7.92%	6.00%
PERS Plan 1 UAAL	4.76%	0.00%
Administrative Fee	0.18%	0.00%
TOTAL	**12.86%**	**6.00%**
September–December 2020		
PERS Plan 1	7.92%	6.00%
PERS Plan 1 UAAL	4.87%	0.00%
Administrative Fee	0.18%	0.00%
TOTAL	**12.97%**	**6.00%**

2021 Contribution Rates	Employer	Employee
January–June 2021		
PERS Plan 1	7.92%	6.00%
PERS Plan 1 UAAL	4.87%	0.00%
Administrative Fee	0.18%	0.00%
TOTAL	**12.97%**	**6.00%**
July–December 2021		
PERS Plan 1	10.07%	6.00%
PERS Plan 1 UAAL	0.00%	0.00%
Administrative Fee	0.18%	0.00%
TOTAL	**10.25%**	**6.00%**

PERS PLAN 2/3 provides retirement, disability and death benefits. Retirement benefits are determined as two (2) percent of the member's AFC times the member's years of service for Plan 2 and one (1) percent of AFC for Plan 3. The AFC is the average of the member's 60 highest paid consecutive service months. There is no cap on years of service credit. Members are eligible for retirement with a full benefit at 65 with at least five (5) years of service credit. Retirement before age 65 is considered to be early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 members who have 30 or more years of service credit and are at least 55 years old can retire under one (1) of two (2) provisions:

- With a benefit that is reduced by 3 percent for each year before age 65; or
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plan 2/3 members hired on or after May 1, 2013, have the option to retire early by accepting a reduction of five (5) percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service credit. PERS Plan 2/3 retirement benefits are actuarially reduced to reflect the choice, if made, of a survivor option. Other PERS Plan 2/3 benefits include duty and non-duty disability payments, a COLA (based on the CPI) capped at three (3) annually, and a one (1) time duty related death benefit, if found eligible by the Department of Labor and Industries. PERS 2 members are vested after completing five (5) years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten (10) years of service; or after five (5) years of service if 12 months of that service are earned after age 44.

PERS Plan 3 defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. PERS Plan 3 members choose their contribution rate upon joining membership and have a chance to change rates upon changing employers. As established by statute, Plan 3 required defined contribution rates are set at a minimum of five (5) and escalate to 15 percent with a choice of six (6) options. Employers do not contribute to the defined contribution benefits. PERS Plan 3 members are immediately vested in the defined contribution portion of their plans.

Contributions

The PERS Plan 2/3 employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and the administrative expense that is currently set 0.18%. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2021 and 2020 were as follows:

2020 Contribution Rates	Employer	Employee
January–August 2020		
PERS Plan 2/3	7.92%	7.90%
PERS Plan 1 UAAL	4.76%	0.00%
Administrative Fee	0.18%	0.00%
Employee PERS Plan 3		varies
TOTAL	**12.86%**	**7.90%**
September–December 2020		
PERS Plan 2/3	7.92%	7.90%
PERS Plan 1 UAAL	4.87%	0.00%
Administrative Fee	0.18%	0.00%
Employee PERS Plan 3		varies
TOTAL	**12.97%**	**7.90%**

2021 Contribution Rates	Employer	Employee
January–June 2021		
PERS Plan 2/3	7.92%	7.90%
PERS Plan 1 UAAL	4.87%	
Administrative Fee	0.18%	
Employee PERS Plan 3		varies
TOTAL	**12.97%**	**7.90%**
July–December 2021		
PERS Plan 2/3	6.36%	6.36%
PERS Plan 1 UAAL	3.71%	
Administrative Fee	0.18%	
Employee PERS Plan 3		varies
TOTAL	**10.25%**	**6.36%**

The PTBA's PERS plan contributions were $1,243,527 to PERS Plan 1 and $2,062,745 to PERS Plan 2/3 for the year ended December 31, 2021. For 2020, contributions for PERS Plan 1 were $1,343,499 and $2,211,500 for PERS Plan 2/3.

Actuarial Assumptions

The Total Pension Liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2021 with a valuation date of June 30, 2020. For 2020, the actuarial valuation date was June 30, 2019. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) 2013-2018 Experience Study and the 2019 Economic Experience Study.

Additional assumptions for subsequent events and law changes are current as of the 2020 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2021. Plan liabilities were rolled forward from June 30, 2020 to June 30, 2021, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 2.75 percent total economic inflation; 3.50 percent salary inflation.
- **Salary Increases:** In addition to the base 3.50 percent salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment Rate of Return:** 7.4 percent.

Mortality rates were developed using the Society of Actuaries' Pub. H-2020 mortality rates, which vary by member status, as the base table. The OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long term MP-2017 generational improvement scale, as developed by the Society Actuaries, to project mortality rates for every year after the 2010 base table. Mortality rates are applied in a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout their lifetime.

There were no changes assumptions since the last valuation. There were changes in methods since the last valuation.

- For purposes of the June 30, 2020 Actuarial Valuation Report (AVR), a non-contribution rate setting valuation under current funding policy, the Office of the State Actuary (OSA) introduced temporary method changes to produce asset and liability measures as of the valuation date. See high-level summary below. OSA will revert back to the methods outlined in the 2019 AVR when preparing the 2021 AVR, a contribution rate-setting valuation, which will serve as the basis for 2022 ACFR results.

- To produce measures at June 30, 2020, unless otherwise noted in the 2020 AVR, OSA relied on the same data, assets, methods, and assumptions as the June 30, 2019 AVR. OSA projected the data forward one year reflecting assumed new hires and current members exiting the plan as expected. OSA estimated June 30, 2020, assets by relying on the fiscal year end 2019 assets, reflecting actual investment performance over FY 2020, and reflecting assumed contribution amounts and benefit payments during FY 2020. OSA reviewed the actual June 30, 2020, participant and financial data to determine if any material changes to projection assumptions were necessary. OSA also considered any material impacts to the plans from 2021 legislation. See the 2020 AVR for more information.

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.4 percent.

To determine that rate, an asset sufficiency test was completed to test whether each pension plan's fiduciary net position was sufficient to make all projected future benefit payments for current plan members. Based on OSA's assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return of 7.4 percent was used to determine the total liability.

Long Term Expected Rate of Return

The Long Term Expected Rate of Return on the DRS pension plan investments of 7.4 percent was determined using a building block method. In selecting this assumption, the Office of the State Actuary (OSA) reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMA's) and simulated the expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the CMA's and the target asset allocation to simulate future investment returns at various future times.

Estimated Rates of Return by Asset Class

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocations as of June 30, 2021, are summarized in the table below. The inflation component used to create the table is 2.2 percent for both 2021 and 2020 and represents the WSIB's most recent long term estimated of broad economic inflation.

2021 Asset Class	Target Allocation	% Long Term Expected Real Rate of Return Arithmetic
Fixed Income	20%	2.2%
Tangible Assets	7%	5.1%
Real Estate	18%	5.8%
Global Equity	32%	6.3%
Private Equity	23%	9.3%
TOTAL	**100%**	

Estimates of real rates of return for each asset class allocation as of June 30, 2020 is as follows:

2020 Asset Class	Target Allocation	% Long Term Expected Real Rate of Return Arithmetic
Fixed Income	20%	2.2%
Tangible Assets	7%	5.1%
Real Estate	18%	5.8%
Global Equity	32%	6.3%
Private Equity	23%	9.3%
TOTAL	**100%**	

Sensitivity of NPL

The table below presents the PTBA's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.4 percent, as well as what the (PTBA's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.4 percent) or 1 percentage point higher (8.4 percent) than the current rate.

2020 Plan	1% Decrease (6.4%)	Current Discount Rate (7.4%)	1% Increase (8.4%)
PERS 1	$8,561,825	$6,835,478	$5,329,926
PERS 2/3	$19,765,976	$3,176,651	($10,484,666)

2021 Plan	1% Decrease (6.4%)	Current Discount Rate (7.4%)	1% Increase (8.4%)
PERS 1	$3,761,374	$2,208,541	$853,438
PERS 2/3	($6,595,094)	($23,150,381)	($36,783,667)

Pension Plan Fiduciary Net Position

Detailed information about the State's pension plans' fiduciary net position is available in the separately issued DRS financial report.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021 the PTBA reported a total pension liability of $2,208,541 for its proportionate share of the net pension liabilities and a net pension asset of $23,150,381, as follows. For 2020, the PTBA's proportionate share of net position liability was $10,012,130.

2021 Plan	Liability
PERS 1	$2,208,541
PERS 2/3	($23,150,381)

2020 Plan	Liability
PERS 1	$6,835,478
PERS 2/3	$3,176,651

At June 30, 2020, the PTBA's proportionate share of the collective net pension liabilities was as follows:

2020 Plan	Proportionate Share 6/30/19	Proportionate Share 6/30/20	Change in Proportion
PERS 1	0.2049890%	0.1936190%	0.0113700%
PERS 2/3	0.2617680%	0.2483810%	0.0133870%

2021 was the following:

2021 Plan	Proportionate Share 6/30/20	Proportionate Share 6/30/21	Change in Proportion
PERS 1	0.1936190%	0.1808450%	0.0127650%
PERS 2/3	0.2483810%	0.2323960%	0.0159850%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the Schedules of Employer and Non-employer Allocations for all plans except LEOFF 1.

The collective net pension liability/asset was measured as of June 30, 2021, and the actuarial valuation date on which the total pension liability/asset is based was as of June 30, 2020, with update procedures used to roll forward the total pension liability on the measurement date.

Pension Expense

For the years ended December 31, 2020 and December 31, 2021 the PTBA recognized pension expense as follows:

2020 Plan	Pension Expense
PERS 1	($150,528)
PERS 2/3	$312,780
TOTAL	**$162,262**

2021 Plan	Pension Expense
PERS 1	($851,140)
PERS 2/3	($5,253,666)
TOTAL	**$(6,104,806)**

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2021 and December 31, 2020, the PTBA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

PERS 1	2020 Deferred Outflows of Resources	2020 Deferred Inflows of Resources	2021 Deferred Outflows of Resources	2021 Deferred Inflows of Resources
Differences between expected and actual experience	$0	$0	$0	$0
Net difference between projected and actual investment earnings on pension plan investments	$0	($38,057)	$0	($2,450,741)
Change of Assumptions	$0	$0	$0	$0
Changes in proportion and differences between contributions and proportionate share of contributions		$0		$0
Contributions subsequent to measurement date	$673,021	$0	$553,434	$0
TOTAL	**$673,021**	**($38,057)**	**$553,434**	**($2,450,741)**

PERS 2/3	2020 Deferred Outflows of Resources	2020 Deferred Inflows of Resources	2021 Deferred Outflows of Resources	2021 Deferred Inflows of Resources
Differences between expected and actual experience	$1,137,195	($398,110)	$1,124,381	($283,801)
Net difference between projected and actual investment earnings on pension plan investments	$0	($161,328)	$0	($19,348,288)
Change of Assumptions	$45,244	($2,169,928)	$33,830	($1,644,060)
Changes in proportion and differences between contributions and proportionate share of contributions	$407,697	($392,563)	$317,457	($582,276)
Contributions subsequent to measurement date	$1,102,424	$0	$942,769	$0
TOTAL	**$2,692,561**	**($3,121,929)**	**$2,418,437**	**($21,858,425)**

Total All Plans	2020 Deferred Outflows of Resources	2020 Deferred Inflows of Resources	2021 Deferred Outflows of Resources	2021 Deferred Inflows of Resources
Differences between expected and actual experience	$1,137,195	($398,110)	$1,124,381	($283,801)
Net difference between projected and actual investment earnings on pension plan investments	$0	($199,385)	$0	($21,799,029)
Change of Assumptions	$45,244	($2,169,928)	$33,830	($1,644,060)
Changes in proportion and differences between contributions and proportionate share of contributions	$407,697	($392,563)	$317,457	($582,276)
Contributions subsequent to measurement date	$1,775,445	$0	$1,496,203	$0
TOTAL	**$3,365,582**	**($3,159,987)**	**$2,971,871**	**($24,309,166)**

Deferred outflows of resources related to pensions resulting from the PTBA's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the years ended December 31, 2020 and December 31, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended Dec. 31, 2021	PERS 1
2022	($649,202)
2023	(594,905)
2024	(562,507)
2025	(644,128)
Thereafter	0
TOTAL	**($2,450,741)**

Year Ended Dec. 31, 2021	PERS 2/3
2022	($5,315,845)
2023	(4,968,220)
2024	(4,774,140)
2025	(5,142,308)
2026	(151,202)
Thereafter	(31,043)
TOTAL	**($20,382,758)**

Year Ended Dec. 31, 2020	PERS 1
2021	($172,705)
2022	(5,432)
2023	52,697
2024	87,382
2025	0
Thereafter	
TOTAL	**($38,057)**

Year Ended Dec. 31, 2020	PERS 2/3
2021	($1,297,169)
2022	(294,125)
2023	77,412
2024	286,246
2025	(107,711)
Thereafter	(196,447)
TOTAL	**($1,531,793)**

Deferred Compensation Plan

The PTBA offers all employees the option of participating in a Deferred Compensation Plan (DCP) under the provisions of the Internal Revenue Code Section 457. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. Two (2) options are offered to employees: Teachers Insurance and Annuity Association/College Retirement Equities Fund (TIAA CREF) and through the Washington Department of Retirement Systems, known as the DCP. TIAA CREF is a third-party administrator that manages 21 investment options available in accordance with the Small Business Job Protection Act of 1996. The assets of the Plan are held in a trust for the exclusive benefit of the participants. The DRS administers the DCP and contracts with a third party, currently Voya Financial, for record keeping and other administrative services. The Washington State Investment Board selects and monitors DCP's investment options.

NOTE 7 | RISK MANAGEMENT

PTBA is a member of the Washington State Transit Insurance Pool (WSTIP). WSTIP is a 25-member governmental risk pool located in Olympia, Washington. WSTIP supplies PTBA auto liability, general liability, public officials' liability coverage, all risk property coverage, auto physical damage coverage, boiler and machinery coverage, employee fidelity/crime coverage, and cyber liability coverage.

At the end of 2021, PTBA retained a $10,000 deductible for its all-risk property coverage which includes auto physical damage. PTBA has a $5,000 deductible for public official's liability coverage and has no deductible for general and auto liability risks covered by WSTIP.

WSTIP was formed by Interlocal Agreement on January 1, 1989, pursuant to Chapters 48.61 and 39.34 RCW. The purpose for forming WSTIP was to provide member transit agencies joint self-insurance, joint purchasing of insurance and joint contracting for hiring of personnel to provide risk management, claims handling, and administrative services. Transit agencies joining WSTIP must remain members for a minimum of 36 months. Members may withdraw after that time by giving six-month's written notice and at the end of the fiscal year. Any member who withdraws will not be allowed to rejoin for a period of 36 months.

Transit authorities applying for membership in WSTIP may do so on approval of a simple majority vote of the WSTIP Board of Directors. Underwriting and rate-setting policies have been established after consultation with actuaries. WSTIP members are subject to a supplemental assessment in the event of deficiencies. If WSTIP's assets were to be exhausted, members would be responsible for WSTIP's liabilities. WSTIP is regulated by the Washington State Risk Manager and audited annually by the Washington State Auditor.

WSTIP utilizes a combination of self-insurance, reinsurance and excess insurance to provide the limits noted in the summary below. Carriers include Government Entities Mutual, Munich Reinsurance of America, Hallmark Specialty Insurance Company, and Allied World Assurance Company for the liability lines; Evanston for auto physical damage; American International Group Inc (AIG)/National Union Fire Insurance for the crime policy; and Beazley Cyber Services for the cyber liability policy. The excess property carrier for all risk property and boiler and machinery is Alliant Property Insurance Program provided by Alliant Insurance Services.

PTBA has not presented any claims to WSTIP in the last year that exceeded its current coverage limits through WSTIP.

Here is a summary of coverage provided in 2021:

Risk/Exposure	Coverage		Deductible
GENERAL LIABILITY			
Bodily injury & property damage personal injury & advertising injury contractual liability	$25 million	Per occurrence	$0
Personal injury and advertising injury	$25 million	Per offense	$0
Contractual liability	$25 million	Per occurrence	$0
Vanpool driver medical expense protection	$35,000	Per occurrence	$0
Underinsured motorist coverage (by mode)	$60,000	Per occurrence	$0*
Permissive use of a member-owned motor vehicle	$100,000 for property damage and $300,000 for bodily injury	Per occurrence	$0
Endorsement 1: **COMMUNICABLE DISEASE LIABILITY**	$500,000	Per occurrence	$0
Annual aggregate for all members or additional covered parties	$2 million		

Risk/Exposure	Coverage		Deductible
PUBLIC OFFICIALS LIABILITY	$25 million	Per occurrence and aggregate	$5,000
Endorsement 1: **VIOLATIONS OF WAGE & HOUR LAWS**	$250,000	Per occurrence	$25,000
Annual aggregate per member	$250,000		
PROPERTY COVERAGE			
All perils subject to the following sublimits:	$500 million	Per occurrence, all perils and insureds/ members combined	$5,000
Flood zones A & V—annual aggregate	$10 million	Per occurrence, annual aggregate	$250,000
All flood zones except A & V—annual aggregate	$50 million	Per occurrence, annual aggregate	$250,000
Earthquake, volcanic eruption, landslide, and mine subsidence	$25 million	Per occurrence, annual aggregate	5% subject to $500,000 minimum per occurrence per unit
AUTO PHYSICAL DAMAGE			
Auto physical damage (below $250,000 in value)	Fair market value		$5,000
Auto physical damage for all vehicles with a model year of 2011 or later and valued over $250,000	Replacement cost	Limited to $1.5 million any one vehicle	$5,000
BOILER AND MACHINERY	$100 million		$250,000 or $350,000 depending on size of boiler
CRIME/PUBLIC EMPLOYEE DISHONESTY			
Crime/public employee dishonesty including faithful performance. Also includes:	$1 million	Per occurrence	$10,000
Employee theft	$1 million	Per occurrence	$10,000
Forgery or alteration	$1 million	Per occurrence	$10,000
Inside the premises–theft of money and securities	$1 million	Per occurrence	$10,000
Inside the premises–robbery or safe burglary of other property	$1 million	Per occurrence	$10,000
Outside premises	$1 million	Per occurrence	$10,000
Computer fraud	$1 million	Per occurrence	$10,000
Funds transfer fraud	$1 million	Per occurrence	$10,000
Money orders and counterfeit money	$1 million	Per occurrence	$10,000
CYBER LIABILITY INSURANCE			
Annual policy and program aggregate limit of liability for all policy holders (not just wstip members)	$40 million		

Risk/Exposure	Coverage		Deductible
Insured/member annual aggregate limit of liability	$2 million		$5,000
BREACH RESPONSE COSTS	$500,000	Aggregate for each insured/member (limit is increased to $1 million if Beazley Nominated Service Providers are used)	
FIRST PARTY LOSS			
Business interruption			
Resulting from security breach	$750,000	Aggregate limit	
Resulting from system failure	$500,000	Aggregate limit	
Dependent business loss			
Resulting from security breach	$750,000	Aggregate limit	
Resulting from system failure	$100,000	Aggregate limit	
Cyber extortion loss	$750,000	Aggregate limit	
Data recovery costs	$750,000	Aggregate limit	
LIABILITY			
Data & network liability	$2 million	Aggregate limit	
Regulatory defense and penalties	$2 million	Aggregate limit	
Payment card liabilities & costs	$2 million	Aggregate limit	
Media liability	$2 million	Aggregate limit	
eCRIME			
Fraudulent instruction	$75,000	Aggregate limit	
Funds transfer fraud	$75,000	Aggregate limit	
Telephone fraud	$75,000	Aggregate limit	
CRIMINAL REWARD	$25,000	Limit	
COVERAGE ENDORSEMENTS			
Reputation Loss	$100,000	Limit of Liability	
Claims Preparation Costs for Reputation Loss Claims Only	$50,000	Limit of Liability	
Computer Hardware Replacement Costs	$100,000	Limit of Liability	
Invoice Manipulation	$100,000	Limit of Liability	
Cryptojacking	$25,000	Limit of Liability	

*Each member selects the modes which uninsured motorist coverage is applied to. To review your selection of UIM, please refer to Exhibit attached.

NOTE 8 | COMPENSATED ABSENCES

Compensated absences are absences for which employees will be paid, such as vacation and sick leave. The PTBA records unpaid leave for compensated absences as an expense and liability when incurred. Accrued vacation pay is payable upon resignation, retirement, or death; some restrictions apply based on employee class. Sick leave may accumulate to a maximum of 1,024 hours. When a management employee terminates with at least ten (10) years of service and is in good standing, the employee will be paid 25 percent of accumulated sick leave. Retiring management employees with at least ten (10) years of service and in good standing will be paid 50 percent of their accumulated sick leave balance. Operators may cash out sick leave at 50 percent upon PERS eligible retirement. Clerical employees may cash out 50 percent of their sick leave balance upon PERS-eligible retirement. Analysts and Supervisors may cash out 50 percent of sick leave upon PERS retirement. Maintenance employees may cash out up to 50 percent of their sick leave balance in excess of 250 hours, at 2 percent per year of service, upon PERS-eligible retirement. Paratransit Dispatchers may cash out sick leave at 50 percent upon PERS retirement. Information Technology employees may cash out up to 50 percent of accrued sick leave upon PERS retirement

Compensated Absences for the years 2019 through 2021 are as follows:

Purpose	Compensated Absences Balance Dec. 31, 2019	Increase	Decrease	Compensated Absences Balance Dec. 31, 2020
Accumulated Sick Leave-Current	$137,367	$0	($38,063)	$99,304
Accumulated Sick Leave-Noncurrent	$565,694	$35,351	$0	$601,045
Accumulated Vacation (PDO)-Current	$1,319,661	$106,283	$0	$1,425,944
Accumulated Vacation (PDO)-Noncurrent	$21,402	$21,037	$0	$42,439
TOTAL COMPENSATED ABSENCES	**$2,044,125**	**$162,671**	**($38,063)**	**$2,168,732**

Purpose	Compensated Absences Balance Dec. 31, 2020	Increase	Decrease	Compensated Absences Balance Dec. 31, 2021
Accumulated Sick Leave-Current	$99,304	$0	($6,856)	$92,448
Accumulated Sick Leave-Noncurrent	$601,045	$0	($14,524)	$586,521
Accumulated Vacation (PDO)-Current	$1,425,944	$86,146	$0	$1,512,090
Accumulated Vacation (PDO)-Noncurrent	$42,439	$261	$0	$42,700
TOTAL COMPENSATED ABSENCES	**$2,168,732**	**$86,407**	**($21,380)**	**$2,233,759**

NOTE 9 | CHANGES IN LONG TERM LIABILITIES

During the year ended December 31, 2021, the following changes occurred in long-term liabilities:

Governmental Activities	Beginning Balance Jan. 1, 2021	Increase	Decrease	Noncurrent Balance Dec. 31, 2021	Due Within One Year	Total Current & Noncurrent Balance
Accumulated Sick Leave-Current	$99,304	$0	($6,856)	$0	$92,448	$92,448
Accumulated Sick Leave-Noncurrent	$601,045	$0	($14,524)	$586,521	$0	$586,521
Accumulated Vacation (PDO)-Current	$1,425,944	$86,146	$0	$0	$1,512,090	$1,512,090
Accumulated Vacation (PDO)-Noncurrent	$42,439	$261	$0	$42,700	$0	$42,700
Net Pension Liability	$10,012,130	$0	($7,803,588)	$2,208,542	$0	$2,208,542
Asset Retirement Obligation	$601,119	$50,085	$0	$651,204	$0	$651,204
TOTAL CHANGE IN LONG TERM LIABILITIES	**$12,781,981**	**$136,492**	**($7,824,968)**	**$3,488,967**	**$1,604,538**	**$5,093,505**

During the year ended December 31, 2020, the following changes occurred in long-term liabilities:

Governmental Activities	Beginning Balance Jan. 1, 2020	Increase	Decrease	Noncurrent Balance Dec. 31, 2020	Due Within One Year	Total Current & Noncurrent Balance
Accumulated Sick Leave-Current	$137,367	$0	($38,063)	$0	$99,304	$99,304
Accumulated Sick Leave-Noncurrent	$565,694	$35,351	$0	$601,045	$0	$601,045
Accumulated Vacation (PDO)-Current	$1,319,661	$106,283	$0	$0	$1,425,944	$1,425,944
Accumulated Vacation (PDO)-Noncurrent	$21,402	$21,037	$0	$42,439	$0	$42,439
Net Pension Liability	$10,425,213	$0	$413,083	$10,012,130	$0	$10,012,130
Asset Retirement Obligation	$590,286	$10,833	$0	$601,119	$0	$601,119
TOTAL CHANGE IN LONG TERM LIABILITIES	**$13,059,623**	**$173,504**	**$375,020**	**$11,256,733**	**$1,525,248**	**$12,781,981**

All long term liabilities are expected to be liquidated by the PTBA's proprietary fund.

NOTE 10 | ASSET RETIREMENT OBLIGATION DISCLOSURE

The PTBA is subject to GASB 83 to report Asset Retirement Obligations. Every year the PTBA completes an assessment of all agency assets that may be subject to this requirement.

The PTBA began 2021 with eleven (11) underground storage tanks and acquired a new property with a small 300-gallon underground tank on it. The eleven (11) tanks have a remaining life of up to 4 years (planned replacement date of 2026). These tanks are monitored and regulated by the Department of Ecology and disposition requirements for the tanks can be found in WAC193-360A-0180. The additional 300-gallon tank is scheduled for removal in 2022. In order to meet the disposition requirement, the PTBA will be obligated to return the property back to its original state. To restore the property the PTBA would need to remove the tanks, test the ground and backfill the hole. These activities include excavations, testing, addressing potential issues with contaminated soil, permitting, closeout documentation for government filing and disposal of the tanks. The PTBA continues to use a 2018 solicitation from Inter City Transit in Olympia, Washington as a basis for determining the obligation. This estimate is adjusted annually based on the Consumer Price Index. The PTBA continues to evaluate the methodology in which the cost is determined, as well as considering other contributing factors (supply chain issues, labor shortages, etc.) and these factors will be assessed as part of the calculation for 2022.

In addition, to the underground storage tanks, the PTBA also has a well asset located at 2425 NE 65th Avenue that the agency has determined is subject to the asset retirement obligation requirement. This well was not originally reported in 2020 and therefore 2020 has been restated to include the additional cost to restore the site to its original form. An estimate of the cost to restore the well site was received from Nutter Corporation in 2021. This 2021 estimate was used for the 2021 Asset Retirement Obligation calculation and then deflated by the Consumer Price Index to reach a reasonable estimate for the 2020 restatement.

The PTBA's total assessed obligation for 2021 is $651,204 and 2020 was restated at $601,119.

NOTE 11 | OTHER DISCLOSURES

COVID-19 Pandemic

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of COVID-19. Precautionary measures to slow the spread of the virus continued throughout 2021. These measures included limitations on business operations, public events, gatherings, travel, and in-person interactions.

The COVID-19 event has had a significant effect on the operations of the PTBA. As a result of the stay at home order, C-TRAN saw a drop in ridership. This, along with temporary rear door boarding, caused a decrease in fare revenue. In addition, the agency implemented a temporary hiring freeze and other cost containment measures to mitigate the potential negative effects of an uncertain economy. Increased Sales Tax receipts and economic stimulus funding in the form of the CARES Act, CRRSSA and ARP assistance improved revenues and supported the agency's continued operations.

The length of time these measures will be in place, and the full extent of the financial impact on C-TRAN is unknown at this time. The agency will closely monitor the situation and evaluate potential adjustments to operations as required.

REQUIRED SUPPLEMENTARY INFORMATION—PENSION PLANS

The PTBA implemented GASB 68 for the 2015 fiscal year through 2021, seven (7) years of data are available for comparison purposes. In future years, the PTBA will display up to ten (10) years of accumulated comparative data.

Clark County PTBA • Schedule Of Employer Contributions • **PERS 1**
For The Year Ended December 31, 2021 • Last 7 Fiscal Years

	2021	2020	2019	2018	2017	2016	2015
Statutorily or contractually required contributions	$1,243,527	$1,343,499	$1,456,358	$1,404,227	$1,261,818	$1,169,614	$1,019,047
Contributions in relation to the statutorily or contractually required contributions	$1,243,527	$1,343,499	$1,456,358	$1,404,227	$1,261,818	$1,169,614	$1,019,047
Contribution deficiency (excess)	$0	$0	$0	$0	$0	$0	$0
Covered payroll	$29,013,607	$27,956,221	$29,265,439	$27,538,104	$25,622,425	$24,230,527	$22,927,641
Contributions as a percentage of covered payroll	4.29%	4.81%	4.98%	5.10%	4.92%	4.83%	4.44%

Clark County PTBA • Schedule Of Employer Contributions • **PERS 2/3**
For The Year Ended December 31, 2021 • Last 7 Fiscal Years

	2021	2020	2019	2018	2017	2016	2015
Statutorily or contractually required contributions	$2,062,745	$2,211,500	$2,249,988	$2,055,473	$1,754,286	$1,495,744	$1,282,074
Contributions in relation to the statutorily or contractually required contributions	$2,062,745	$2,211,500	$2,249,988	$2,055,473	$1,754,286	$1,495,744	$1,282,074
Contribution deficiency (excess)	$0	$0	$0	$0	$0	$0	$0
Covered payroll	$28,967,965	$27,924,511	$29,132,353	$27,406,340	$25,536,970	$24,008,716	$22,718,493
Contributions as a percentage of covered payroll	7.12%	7.92%	7.72%	7.50%	6.87%	6.23%	5.64%

Clark County PTBA • Schedule of Proportionate Share of the Net Pension Liability • **PERS 1** As of June 30, 2021 • Last 7 Fiscal Years							
	2021	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Employer's proportion of the net pension liability (asset) PERS1	0.000098%	0.001899%	0.002408%	0.001938%	0.003115%	0.003877%	0.006489%
Employer's proportion of the net pension liability (asset) PERS1 UAAL	0.18075%	0.191720%	0.202581%	0.194625%	0.195956%	0.193059%	0.196407%
Employer's proportionate share of the net pension liability	$2,208,541	$6,835,478	$7,882,555	$8,778,570	$9,446,074	$10,576,391	$10,613,348
Covered payroll	$28,075,435	$28,938,935	$28,234,595	$26,677,219	$25,009,220	$23,548,040	$23,022,662
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	7.87%	23.62%	27.92%	32.91%	37.77%	44.91%	46.10%
Plan fiduciary net position as a percentage of the total pension liability	88.74%	68.64%	67.12%	63.22%	61.24%	57.03%	59.10%

Clark County PTBA • Schedule of Proportionate Share of the Net Pension Liability • **PERS 2/3** As of June 30, 2021 • Last 7 Fiscal Years							
	2021	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Employer's proportion of the net pension liability (asset) PERS 2/3	0.232396%	0.248381%	0.261768%	0.248674%	0.252206%	0.247070%	0.253697%
Employer's proportionate share of the net pension liability (asset)	($23,150,381)	$3,176,651	$2,542,657	$4,245,887	$8,757,880	$12,439,528	$9,064,738
Covered payroll	$28,064,100	$28,840,518	$28,101,727	$26,567,610	$24,848,361	$23,343,601	$22,705,368
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	(82.49)%	11.01%	9.05%	15.98%	35.25%	53.29%	39.92%
Plan fiduciary net position as a percentage of the total pension liability	120.29%	97.22%	97.77%	95.77%	90.97%	85.82%	89.20%

Notes to Required Supplementary Information

Required Supplementary Information was prepared in accordance with GASB 68 requirements, using allocations calculated by the Washington Department of Retirement System Participating Employer Financial Information (PEFI) for the Fiscal Years Ended June 30, 2021. Wages and contributions on which the PEFI data are based were independently verified by Clark County PTBA. Methods and Assumptions used in calculations of the Actuarial Determined Contributions for PERS are consistent with the state's funding policy as defined in RCW 41.45.

CLARK COUNTY PTBA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2021

Federal Agency Name	Federal Program Name	ALN No.	Other Award No.	Expenditures: Pass-Through Award Expenses	Expenditures: Direct Award Expenses	Expenditures: Total Expenses	Pass-Through To Subrecipients	Foot-Note Reference
U.S. Department of Transportation	Federal Transit Capital Investment Grants	20.500	WA-2021-101	0	1,103,778	1,103,778	0	1, 2, 3
	Federal Transit Capital Investment Grants Subtotal			0	1,103,778	1,103,778	0	
U.S. Department of Transportation	Urbanized Area Formula Funds	20.507	WA-2020-018	0	3,880	3,880	0	1, 2
U.S. Department of Transportation	Urbanized Area Formula Funds	20.507	WA-2021-069	0	500,289	500,289	0	1, 2
U.S. Department of Transportation	Urbanized Area Formula Funds	20.507	WA-2021-089	0	5,603,874	5,603,874	0	1, 2
U.S. Department of Transportation	Covid 19 – Federal Transit Formula Grants	20.507	WA-2022-023	0	11,228,146	11,228,146	0	1, 2, 3
U.S. Department of Transportation	Covid 19 – Federal Transit Formula Grants	20.507	WA-2021-064	0	20,497,788	20,497,788	0	1, 2
	Federal Transit Urbanized Area Formula Funds Grants Subtotal			0	37,833,977	37,833,977	0	
	Total Federal Transit Cluster:			0	38,937,755	38,937,755	0	
U.S. Department of Transportation	Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	WA-2018-028	0	85,232	85,232	85,232	1, 2
U.S. Department of Transportation	Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	WA-2019-089	0	231,891	231,891	231,891	1, 2
	Total Transit Services Programs Cluster:			0	317,123	317,123	317,123	
	Total Federal Awards Expended:			0	39,254,878	39,254,878	317,123	
				0	39,254,878	39,254,878	317,123	

The accompany notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule

CLARK COUNTY PUBLIC TRANSPORTATION BENEFIT AREA

Notes to the Schedule of Expenditures of Federal Awards

January 1, 2021 through December 31, 2021

NOTE 1 – BASIS OF ACCOUNTING

The Schedule of Expenditures of Federal Awards and State & Local Awards are prepared on the same basis of accounting as the Clark County Public Transportation Benefit Area's financial statements. The PTBA uses the accrual basis of accounting.

NOTE 2 – PROGRAM COSTS

All open grants are shown. The amounts shown as current-year expenses represent only the grantor's portion of the program costs. Entire program costs, including the PTBA's portion, may be more than shown. The PTBA does not use the 10 percent de minimis cost rate as covered in 2 CFR §200.414 Indirect (F&A) costs.

NOTE 3 – GRANT ACCRUALS & PRE-AWARD AUTHORITY

At times the PTBA may be awarded grant funds through either the State of Washington or the Federal Transit Administration that allow for the agency to incur obligations against the grants in advance of the final execution of the grant agreements. This "Pre-Award Authority" is based on specific criteria set by the individual grant programs.

ABOUT THE STATE AUDITOR'S OFFICE

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