



Office of the Washington State Auditor
Pat McCarthy

Financial Statements and Federal Single Audit Report

City of Camas

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

Published July 28, 2022

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**Office of the Washington State Auditor
Pat McCarthy**

July 28, 2022

Mayor and City Council
City of Camas
Camas, Washington

Report on Financial Statements and Federal Single Audit

Please find attached our report on the City of Camas financial statements and compliance with federal laws and regulations.

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

Sincerely,

Pat McCarthy, State Auditor
Olympia, WA

Americans with Disabilities

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

City of Camas January 1, 2021 through December 31, 2021

SECTION I – SUMMARY OF AUDITOR’S RESULTS

The results of our audit of the City of Camas 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 financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information 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 City.

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 City’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.

<u>CFDA No.</u>	<u>Program or Cluster Title</u>
20.205	Highway Planning and Construction Cluster – Highway Planning and Construction
21.027	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by the Uniform Guidance, was \$750,000.

The City did not qualify 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*

City of Camas January 1, 2021 through December 31, 2021

Mayor and City Council
City of Camas
Camas, 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 the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Camas, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 24, 2022.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the City'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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 City'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 City'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 City'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 City'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.

A handwritten signature in black ink, reading "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

June 24, 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

City of Camas January 1, 2021 through December 31, 2021

Mayor and City Council
City of Camas
Camas, Washington

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

Opinion on Each Major Federal Program

We have audited the compliance of the City of Camas, 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 City's major federal programs for the year ended December 31, 2021. The City'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 City 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 City 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 City'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 City'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 City'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 City'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 City'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 City'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 City'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, State Auditor

Olympia, WA

June 24, 2022

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

City of Camas January 1, 2021 through December 31, 2021

Mayor and City Council
City of Camas
Camas, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Camas, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City'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 respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Camas, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General and Camas-Washougal Fire & EMS funds for the year 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 City 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 V to the 2021 financial statements, the full extent of the COVID-19 pandemic's direct or indirect impact on the City 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 City'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 City'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 City'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 audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City'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 24, 2022 on our consideration of the City'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 City'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 City's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Pat McCarthy". The signature is fluid and cursive, with the first name "Pat" and last name "McCarthy" clearly legible.

Pat McCarthy, State Auditor

Olympia, WA

June 24, 2022

FINANCIAL SECTION

City of Camas January 1, 2021 through December 31, 2021

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis – 2021

BASIC FINANCIAL STATEMENTS

Statement of Net Position – 2021

Statement of Activities – 2021

Governmental Funds Balance Sheet – 2021

Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds – 2021

Reconciliation of Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities – 2021

Statement of Revenues, Expenditures and Changes in Fund Balance Compared to Budget (GAAP Basis) and Actual – General Fund – 2021

Statement of Revenues, Expenditures and Changes in Fund Balance Compared to Budget (GAAP Basis) and Actual – Camas-Washougal Fire & EMS Fund – 2021

Statement of Net Position – Proprietary Funds – 2021

Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds – 2021

Statement of Cash Flows – Proprietary Funds – 2021

Statement of Net Position – Fiduciary Funds – 2021

Statement of Changes in Fiduciary Net Position – Fiduciary Funds – 2021

Notes to Financial Statements – 2021

REQUIRED SUPPLEMENTARY INFORMATION

Other Postemployment Benefits – Early Retirement – 2021

Other Postemployment Benefits – Fireman – 2021

Schedule of Proportionate Share of Net Pension Liability (Asset) – PERS 1, PERS 2/3, LEOFF 1, LEOFF 2 – 2021

Schedule of Proportionate Share of Net Pension Liability – Firemen's Pension Plan – 2021

Schedule of Employer Contributions – PERS 1, PERS 2/3, LEOFF 2 – 2021

Notes to Required Supplemental Information – Pension – 2021

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Expenditures of Federal Awards – 2021

Notes to the Schedule of Expenditures of Federal Awards – 2021

CITY OF CAMAS, WASHINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2021

The City of Camas discussion and analysis is a narrative overview of the city's financial activities for the fiscal year ended December 31, 2021. The information presented here should be read in conjunction with our letter of transmittal, and the financial statements and notes to the financial statements that follow.

FINANCIAL HIGHLIGHTS

- City of Camas assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources on December 31, 2021 by \$443.9 million.
- Net investment in capital assets account for 81% of this amount, with a value of \$358.3 million.
- Of the remaining net assets, \$32.2 million may be used to meet the government's ongoing business type obligations to citizens and creditors, without legal restriction.
- The City's total net position showed an increase of \$26.7 million, over 6% during 2021.
- As of December 31, 2021, City's governmental funds reported combined ending fund balances of \$53.6 million. Nearly 32% of this total amount, \$16.9 million is available for spending at the government's discretion.
- City's total bonded debt on December 31, 2021 was \$66.2 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis provide an introduction and overview to the basic financial statements of the City of Camas (the City). This information will assist users in interpreting the basic statements. We will also provide other financial discussion and analysis of certain plans, projects, and trends necessary for understanding the full context of the financial condition of the City.

Basic Financial Statements

The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and, 3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial condition. The two sets of financial statements provide two different views of the City's financial activities and financial position: long-term and short-term.

Government-wide Financial Statements

Government-wide financial statements provide readers with a broad overview of the finances of the City of Camas in a manner similar to a private-sector business, distinguishing functions of the City that are principally supported by taxes and intergovernmental revenues (referred to as "governmental activities") from functions that are intended to recover all or a significant portion of their costs through user fees and charges (referred to as "business-type activities"). The governmental activities of the City of Camas include a full range of local government services provided to the public, such as law enforcement and public safety, fire protection, street construction and maintenance, community planning and development, parks and recreation facilities, and other community services. In addition, other general government services are provided, such as the issuance of permits and licenses. The business-type activities of the City include water and sewer, storm water, and solid waste utilities.

The Statement of Net Position

The Statement of Net Position provides information about the financial position of the City as a whole, including all its capital assets and long-term liabilities on the full accrual basis. This statement presents information on all assets

and liabilities including deferred outflows and deferred inflows of the City of Camas, with the difference reported as net position. This statement serves a purpose similar to that of the balance sheet of a private-sector business. Over time, increases or decreases in net position may serve as one indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities

The Statement of Activities explains in detail the change in Net Position for the year. This statement separates program revenue (revenue generated by specific programs through charges for services, grants, and contributions) from general revenue (revenue provided by taxes and other sources not tied to a particular program). This shows the extent each program relies on taxes for funding.

All changes in net position are reported using the accrual basis of accounting, which requires that revenues be reported when they are earned, and expenses are reported when the goods and services are received. Items such as uncollected taxes, unpaid vendor invoices for items received in 2021, and earned but unused vacation leave and a portion of sick leave will be included in the statement of activities as revenue and expense, even though the cash associated with these items will not be received or distributed in 2021.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Camas, like other state and local governments, uses fund accounting for compliance with finance-related legal requirements. All the funds of the city fall into three categories: governmental funds, proprietary funds, and fiduciary funds. Governmental Funds account for most, if not all, of a government's tax-supported activities. Proprietary Funds account for a government's business type activities where all or part of the costs of activities are supported by fees and charges that are paid directly by those who benefit from the activities. Fiduciary Funds account for resources that are held by the government as a trustee or agent for parties outside of the government. The resources of fiduciary funds cannot be used to support the government's own programs.

The Fund Financial Statements provide detailed information about each of the City's most significant funds, called Major Funds. Each major fund is presented individually with all non-major funds summarized and presented only in a single column. Subordinate schedules present the detail of these non-major funds. Major Funds present the major activities of the City for the year. The General Fund is always a Major Fund, but other funds may change from year to year because of changes in the pattern of City's activities. The City has four major funds in 2021, the General Fund, the Camas/Washougal Fire and EMS Fund, the Real Estate Excise Tax Fund, and the Lacamas Legacy Lands fund.

Comparisons of Budget and Actual financial information are presented only for the General Fund and other Major special revenue governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the governmental-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Governmental fund financial statements are prepared on the modified accrual basis, which means they measure only current financial resources and uses. Capital assets and other long-lived assets, along with long-term liabilities, are presented only in the city-wide financial statements.

The focus of governmental funds is narrower than that of government-wide financial statements, so it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements.

By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Proprietary Funds

The City has two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water-sewer, storm water and solid waste utilities. Internal service funds accumulate and allocate costs among the City's various functions. The City uses an internal service fund to account for its rolling stock repair and replacement. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail since both apply the accrual basis of accounting. In comparing the Proprietary Fund Statements of Net Position to the business-type column on the government-wide Statement of Net Position, the total net position on the Proprietary Fund Statements has one reconciling item, the adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.

The proprietary fund financial statements provide separate information for the Water-Sewer and Storm Water, which have been designated as major funds. In addition to the presentation of these major funds, the Solid Waste Fund is reported as a non-major fund with the internal service fund and is displayed as a single presentation on these statements.

Fiduciary Funds

The City acts as an agent on behalf of others, holding amounts collected and disbursing them as directed or required. The City's fiduciary activities are reported in the separate Statements of Fiduciary Net Position and the Statement of Fiduciary Net Position. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its own operations.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided and are an integral part of the government-wide and fund financial statements. The notes to the financial statements can be found following the fund financial statements in this report.

Other Information

The combining statements referred to earlier, in connection with non-major governmental funds and internal service funds, are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found in the supplemental information section of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

The City's net position increased in 2021 by \$26.7 million or 6% from 2020. The largest portion, approximately \$362 million, of the City's net position represents its investment in infrastructure and other capital assets (e.g., land,

building, other improvements, etc.) used in Governmental activities, net of amounts borrowed to finance the investment. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be liquidated for these liabilities.

An additional portion of the City's governmental net position of \$53.4 million, or 12%, represents the resources that are subject to restrictions that may only be used to construct specified capital projects, debt service, tourism, public safety programs or pensions. The restrictions on these funds were placed by law makers or covenants and cannot be changed by the City.

Unrestricted net position can be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements or restrictions. The City's unrestricted net position increased \$6.0 million from \$26.2 million in 2020, to \$32.2 million in 2021. This increase is attributed to a combination of new construction, land purchases, and American Rescue Plan Act funds.

At the end of the fiscal year 2021, the City was able to report positive balances in all categories of net position for the government as a whole.

The following is a condensed version of the Government-Wide Statement of Net Position.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 58,794,575	\$ 47,883,392	\$ 49,313,475	\$ 45,892,551	\$ 108,108,050	\$ 93,775,943
Capital assets (Net of depr)	266,802,245	259,423,509	173,887,043	173,307,092	440,689,288	432,730,601
Net Pension Assets	20,785,906	5,573,720	1,927,717	-	22,713,623	5,573,720
Total Assets	346,382,726	312,880,621	225,128,235	219,199,643	571,510,961	532,080,264
Deferred outflows of resources	2,624,038	2,794,711	496,108	387,186	3,120,146	3,181,897
Long-Term liabilities	43,727,513	39,051,292	46,133,825	49,281,624	89,861,338	88,332,916
Other Liabilities	16,895,099	19,965,484	5,875,436	6,816,907	22,770,535	26,782,391
Total Liabilities	60,622,612	59,016,776	52,009,261	56,098,531	112,631,873	115,115,307
Deferred inflows of resources	15,864,199	2,514,616	2,190,382	346,458	18,054,581	2,861,074
Net Position:						
Net Investment in capital assets	227,084,976	223,142,320	131,234,845	129,669,304	358,319,821	352,811,624
Restricted	33,628,915	24,995,588	19,784,382	13,298,886	53,413,297	38,294,474
Unrestricted	11,806,062	6,006,032	20,405,473	20,173,650	32,211,535	26,179,682
Total Net Position	272,519,953	254,143,940	171,424,700	163,141,840	443,944,653	417,285,780

Statement of Activities

The Statement of Activities provides information about the City's revenues and all its expenses, with an emphasis on measuring net revenues or expenses of each of the City's programs. The Statement of Activities explains in detail the change in Net Position for the year.

A summary version of the Statement of Activities is shown in the following table including comparison data from 2020. The full statement is a tabular depiction of the relationship of revenues and expenses for the City's governmental activities and proprietary funds. The graphs that follow illustrate the sources of revenue and the balance of governmental vs. business type expenses for 2021.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 17,631,049	\$ 21,805,485	\$ 20,701,879	\$ 18,451,650	\$ 38,332,928	\$ 40,257,135
Operating grants/contributions	4,370,154	1,059,360	61,855	103,766	4,432,009	1,163,126
Capital grants/contributions	7,021,390	35,581,711	6,682,259	13,882,757	13,703,649	49,464,468
General revenues:						
Property taxes levied for general purposes and EMS	16,004,029	15,315,020	-	-	16,004,029	15,315,020
Property taxes levied for debt service	5,904	606,000	-	-	5,904	606,000
Sales and use taxes	6,108,945	5,462,681	-	-	6,108,945	5,462,681
Business and occupation taxes	523,661	496,846	-	-	523,661	496,846
Excise and other taxes	4,049,990	3,164,344	-	-	4,049,990	3,164,344
Grants and contributions not restricted to specific programs	776,506	1,105,984	-	-	776,506	1,105,984
Unrestricted interest income	(433,559)	531,871	(333,714)	645,767	(767,273)	1,177,638
Miscellaneous	72,605	44,716	1,367	-	73,972	44,716
Gain on disposal of capital assets	5,700	42,638	-	-	5,700	42,638
Total Revenues	56,136,374	85,216,656	27,113,646	33,083,940	83,250,020	118,300,596
Expenses:						
General Government	5,731,135	6,015,706	-	-	5,731,135	6,015,706
Public Safety	16,683,234	18,067,694	-	-	16,683,234	18,067,694
Physical Environment	172,179	188,859	-	-	172,179	188,859
Transportation	6,756,580	6,063,293	-	-	6,756,580	6,063,293
Health and Human Services	-	-	-	-	-	-
Economic Environment	2,569,621	4,537,089	-	-	2,569,621	4,537,089
Culture and Recreation	4,082,712	4,143,725	-	-	4,082,712	4,143,725
Interest on L-T Debt	1,444,886	1,263,456	-	-	1,444,886	1,263,456
Water	-	-	13,875,800	13,933,680	13,875,800	13,933,680
Storm Water Drainage	-	-	2,407,299	2,300,031	2,407,299	2,300,031
Solid Waste	-	-	2,742,219	2,767,014	2,742,219	2,767,014
Total Expenses	37,440,347	40,279,822	19,025,318	19,000,725	56,465,665	59,280,547
Excess (deficiency) before transfers	18,696,027	44,936,834	8,088,328	14,083,215	26,784,355	59,020,049
Transfers	(97,054)	(1,956,228)	97,054	1,956,228	-	-
Change in Net Position	18,598,973	42,980,606	8,185,382	16,039,443	26,784,355	59,020,049
Beginning Net Position	254,143,940	211,431,641	163,141,840	147,690,078	417,285,780	359,121,719
Prior Period Adjustments	(222,960)	(268,307)	97,478	(587,681)	(125,482)	(855,988)
Ending Net Position	\$ 272,519,953	\$ 254,143,940	\$ 171,424,700	\$ 163,141,840	\$ 443,944,653	\$ 417,285,780

Governmental Activity Analysis

The City's Governmental activities net position increased by \$18.4 million in 2021. The governmental revenue decreased by \$29.1 million to \$56.1 million. Of the total governmental activities' revenue, total program revenues decreased by \$29.4 million to \$29 million as compared to the prior year. The decrease is primarily due to \$28.6 million less in capital grants and contributions as compared to 2020. In 2020, the City received a significant single \$15 million donation of land.

The property tax collections increased in the City of Camas by \$689,009 with continued growth in home building and commercial development. Sales tax collected increased by \$646,264 or 12% which is due to continued growth in new construction and COVID-19 online shopping. The Excise and Other Taxes increased by \$885,646 or 28% with continued growth in real estate excise tax coupled with a large real estate transaction with the Fisher Investment campus.

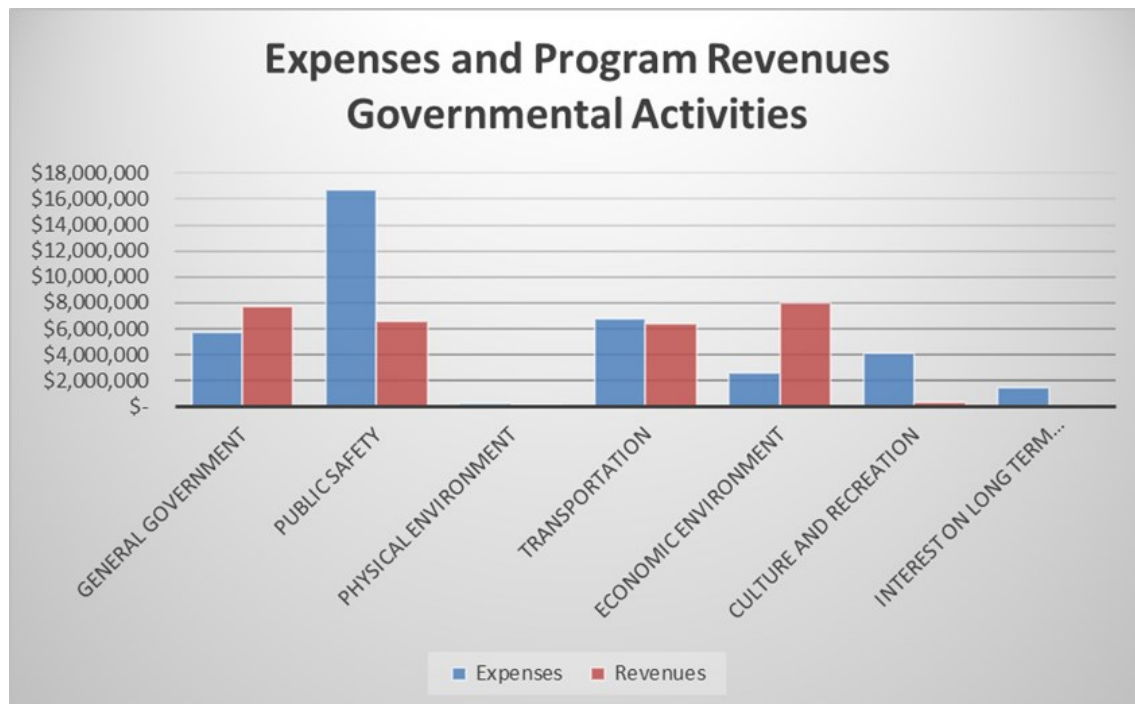
Business and Occupational taxes were flat in 2021 as compared to 2020; this category primarily includes cable franchise fees and utility taxes for natural gas. Natural Gas Utility Tax is impacted by weather and gas prices.

In 2020, the large increase in Culture and Recreation revenues was attributed to the \$15 million land donation by Green Mountain LLC to the City. This was a two phased transaction with the donation in 2020 as the first phase and the City purchased phase 2 for \$3.8 million in 2021.

The governmental expenses decreased by \$2.8 million to \$37.4 million. Nearly \$2 million of this decrease is due to vacant positions and the delay in implementing the Enterprise Resource Planning System. General Government decreased \$285,000 due to vacant positions. Public Safety expenses decreased by 8% or \$1.4 million due to lower costs and vacant positions in Municipal Court and the Police Department.

Overall, net position with governmental activities increased by \$18.4 million due to the increase in tax revenue, growth related revenue increases and lower expenditures.

The following charts display the City's governmental activities for 2021, highlighting the proportionate elements of the Revenue and Expenses by program. As well as a detailed chart of sources of revenue in 2021 in the governmental activities.



Revenues by Sources - Governmental Activities



Business-Type Activities Analysis

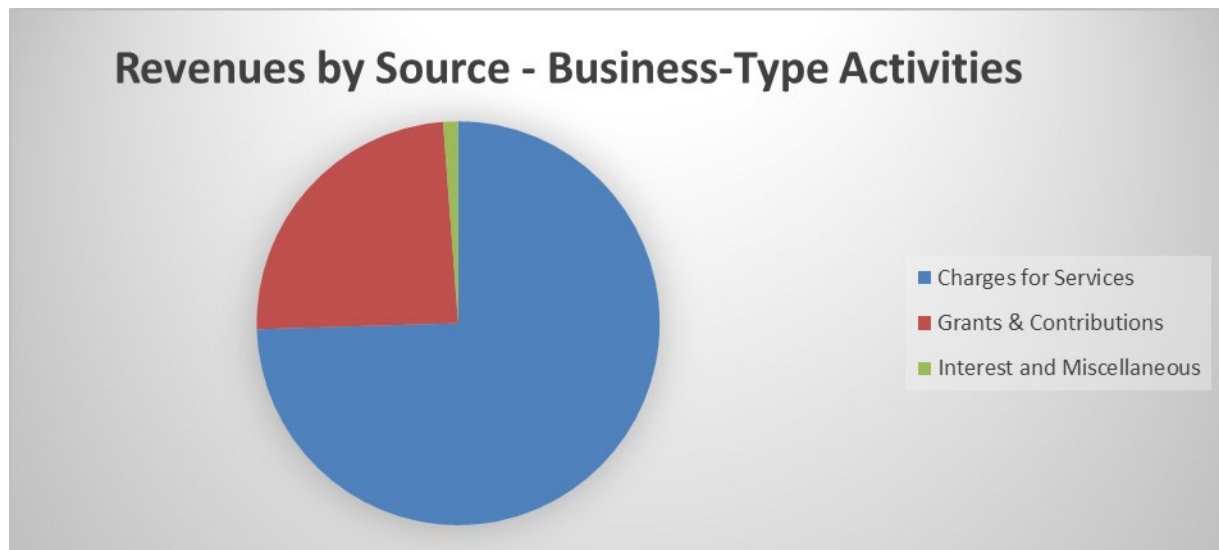
The financial position of the City's Business-Type funds consists of the Water-Sewer Fund, Storm Water Fund, and the Solid Waste Fund. The Water-Sewer Fund is the largest proprietary fund in the City. The financial position of the City's business-type funds is strongly influenced by the Water-Sewer Fund. In 2021, that fund had a \$1.85 million increase in charges for services revenues, \$6.4 million decrease in capital due to a decrease in contributed capital in 2021, a \$254,760 decrease in expenses (excluding depreciation and amortization) over the prior year. All contributing to a net position growth of 6%. The Storm Water Fund increased net position by \$236,470 to \$26 million which is attributed to higher contributed capital in 2021. The Solid Waste Fund improved net position by 13% in 2021. This increase was mostly attributed to increase in garbage and recycling revenue while decreasing collection and disposal costs by 6%.

Business Type Activity Operating Revenue

Water Sewer	\$	15,451,086	76%
Storm Water		1,921,563	9%
Solid Waste		3,036,429	<u>15%</u>
			100%

Business Type Activity Operating Expense

Water Sewer	\$	12,225,312	71%
Storm Water		2,312,201	13%
Solid Waste		2,599,519	<u>15%</u>
			100%



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds Analysis

The City uses fund accounting to ensure compliance with legal requirements and to assist in the budgeting and operations of the different activities of the City. The governmental funds are categorized into four different fund types. Each fund type has a unique purpose, General Fund, Special Revenue Funds, Debt Funds and Capital Project Funds.

For purposes of this report, four funds are classified as major funds, based on criteria set forth by the Governmental Accounting Standards Board (GASB). Those funds are the General Fund used for traditional government purposes, the Camas/Washougal Fire and EMS Fund (Special Revenue Fund), the Real Estate Excise Tax Fund, and the Lacamas Legacy Land fund (Capital Fund).

The change in Total Governmental Funds fund balance increased by \$12,890,887. The Major funds impacts are as follows: The General Fund had an increase of \$5.9 million, the Camas/Washougal Fire and EMS Fund had a decrease of \$177,190, the Real Estate Excise Tax Fund had an increase of \$3,303,925, and the Lacamas Legacy Lands funds had a decrease of \$274,517. All other governmental funds had a combined increase in their fund balances of \$4.1 million.

Portions of major fund balances are committed or restricted for specific purposes. The general fund has \$1,185,093 of its fund balance restricted for payment of firefighter pension benefits, and \$160,987 restricted for public safety. The Fire and EMS fund balance is committed to providing public safety services. The Real Estate Excise Tax and Lacamas Legacy Lands fund balances are restricted for capital outlay.

The increase in the General Fund was primarily a result of an increase in sales tax revenue, American Rescue Plan Act funds, lower costs due to vacant positions and COVID-19 pandemic restrictions. The Camas/Washougal Fire and EMS Fund decrease is the result of retirement payouts and over-hiring for anticipated retirements. The increase realized in the Real Estate Excise Tax Fund is partially a reflection of strong economic environment in 2021 as well as a single real estate excise tax transaction. The decreased fund balance in the Legacy Lands Fund is due to land acquisitions and payoff of the Rose land contract.

Business-Type Activities Analysis

Proprietary funds are those funds that account for government operations where the intent is for the costs to be primarily paid for by user charges. Enterprise funds are those funds that provide services primarily to external users,

and the internal service funds provide their services primarily within the City, or to other governmental units. The City has three enterprise funds and one internal service fund.

The Water-Sewer Fund is the largest business-type fund in the City, accounting for 83% of net position for the enterprise funds at \$170 million. The Water-Sewer Fund had an increase in net position of nearly \$8 million when considering the prior period adjustment. A large portion of this increase was attributed to contributed capital of \$6.2 million. Revenues generated from operations were higher than the prior year by \$1.9 million (13.6%), and operating expenses remained fairly stable. The higher revenues were due to combination of residential and commercial growth and increase in rates.

The Storm Water Fund net position increased by \$236,470 in 2021. Charges for services increased 9% in 2021. The increase in net position was due to contributed capital of \$513,294 from public projects and private development.

The Solid Waste Fund net position increased 13% in 2021. Charges for services increased 3.3% with a growing customer base while operating expenses decreased \$157,111 primarily due to lower recycling costs. Increased charges for services coupled with lower expenses resulted in an increase in net position.

The City's Internal Service Fund, the Equipment Rental Fund, net position reported a \$587,360 decrease. Revenues decreased 17% while expenses increased 19% contributing to the decrease in net position. Rates for the rental of equipment were adjusted with an updated Equipment Rental Rate Model in April 2021. The financial model is sustainable and will be carefully monitored.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City operated with a biennial budget for 2021 with the adoption of Ordinance No. 20-011. In 2021, General Fund revenues exceeded budget by 18%, while expenditures were 87% of the budget. Revenues exceeded COVID-19 collection expectations with sales tax at historic highs and development revenue keeping pace with recent growth patterns. Overall, 2021 ended with a \$6 million increase in fund balance over the previous year.

State law allows funds to be expended if authorized by an ordinance amending the original budget [RCW 35A.33.120(4)]. Council adopted Ordinance 21-007 (Spring Omnibus) and Ordinance 21-011(Fall Omnibus), both ordinances amended the 2021 Budget. This Ordinance supplemented the budget for debt service, land acquisition, capital projects and cost increase items.

The City had planned and budgeted for the General Fund to have a lower fund balance in 2021 to 31% of Fund Balance; however, due to the higher growth in revenue collections and lower expenditures, the fund balance for the General Fund increased by \$5,947,186 ending the year with \$18,668,299. This balance represents almost 97% of expenditures and is well above the City's adopted policies for fund balance of 17%.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

City's Investment in capital assets, including construction in progress for its governmental and business type activities as of December 31, 2021, was \$440,689,288 (net of accumulated depreciation). This investment in capital assets includes land, buildings, system improvements, machinery and equipment, park facilities, and construction in progress on buildings and systems. This reflects an increase in net capital assets of nearly \$8 million during the year.

Major capital asset additions include completion of Brady Street improvements, Legacy Lands acquisitions, and a number of developer contributions from new subdivisions.

Additional information on the capital assets of the City of Camas can be found in the Notes to the Financial Statements - Note IV item C of this report.

	Governmental Activities		Business Activities		Government Wide	
	2021	2020	2021	2020	2021	2020
Land and Right of Way	\$ 168,788,473	\$ 162,582,363	\$ 6,859,674	\$ 6,179,355	\$ 175,648,147	\$ 168,761,718
Building and Systems	11,652,691	12,062,383	25,377,245	23,022,438	37,029,936	35,084,821
Improvements other than building	6,149,416	4,212,634	25,672,704	225,323	31,822,120	4,437,957
Machinery and Equipment	6,139,138	6,562,174	16,006,579	25,651,889	22,145,717	32,214,063
Intangibles		-	219,362	16,794,331	219,362	16,794,331
Infrastructure	69,921,500	72,577,760	96,572,695	96,383,260	166,494,195	168,961,020
Construction in progress	4,151,027	1,426,195	3,178,784	5,050,496	7,329,811	6,476,691
	<u>266,802,245</u>	<u>\$ 259,423,509</u>	<u>\$ 173,887,043</u>	<u>\$ 173,307,092</u>	<u>\$ 440,689,288</u>	<u>\$ 432,730,601</u>

Long-Term Debt

General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds are either created by 3/5 majority vote of the people and, therefore, financed by a special tax levy (unlimited general obligation bonds); or created by ordinance, adopted by City Council, and financed from general revenues (limited general obligation bonds).

On December 31, 2021, the City of Camas had total bonded debt outstanding of \$66.2 million and government loans of \$18 million. Of this amount, \$33.5 million is general obligation debt. The revenue bonds of \$32.8 million represent bonds secured solely by specified revenue source. The business-type government loans are intended to be repaid with a specified revenue source.

The table below is a comparison of the summary information for year-end 2021 and 2020 bonded and non-bonded debt (in thousands).

City of Camas Outstanding Bonded Debt (In Thousands)						
	Governmental Activities		Business Activities		Government Wide	
	2021	2020	2021	2020	2021	2020
General Obligation Bonds	\$ 32,946	\$ 23,491	\$ 524	\$ 629	\$ 33,470	\$ 24,120
Revenue Bonds			32,770	33,905	32,770	33,905
Direct Borrowing and Private Placements	6,560	13,856	11,510	12,748	18,070	26,604
Total	<u>39,506</u>	<u>\$ 37,347</u>	<u>\$ 44,804</u>	<u>\$ 47,282</u>	<u>\$ 84,310</u>	<u>\$ 84,629</u>

The total bonded debt of the City of Camas increased by a net \$8.2 million during 2021 with a new general obligation bond issue of \$10.2 million offset with regular scheduled bond payments. The proceeds from the general obligation bond funds the refinanced the Rose land contract, purchased Green Mountain final phase, Ostenson Canyon street project, and facilities major maintenance. The City's remaining capacity for non-voted debt is approximately \$43 million. City of Camas is currently rated AA+ for general obligation debt by Standard and Poor's Rating Service. The City's Water and Sewer revenue bonds' rating of Aa3 was reaffirmed in April, 2021.

Additional information on the City's long-term debt can be found in Note IV item E in the Notes to the Financial Statements and in the Statistical Section on Table 10 through Table 14.

ECONOMIC OUTLOOK AND MAJOR INITIATIVES

Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from a broader perspective of the specific environment from which the City of Camas operates. The Basic Financial Statements of the City focus on the financial position of the City. That is, they focus on the City's existing resources and any claims on those resources. The City's financial condition, on the other hand, focuses on both existing and future resources and claims on those resources.

COVID-19 Pandemic: The historic outbreak of the novel coronavirus respiratory disease (COVID-19) was declared a global pandemic on March 11, 2020 by the World Health Organization. COVID-19 has impacted the City in numerous ways. On March 18, 2020, Mayor McDonnell signed a Proclamation of Civil Emergency, which followed the State of Washington, Clark County, and similar proclamations in the Portland metropolitan area as well as the US national emergency on March 13, 2020.

The City of Camas Proclamation of Civil Emergency provided for the following actions to protect the health and safety of persons or properties and to aid persons affected by this emergency:

- City to enter contracts and incur obligations as appropriate
- Formalities reduced as necessary except for mandatory constitutional requirements
- Delegate soliciting quotes and estimates and enter contracts less than \$25,000
- Reassign staff and require work beyond normal working hours, as necessary

On April 15, 2020, the Mayor issued a supplement to the proclamation which restricted the City budget to provide liquidity and to provide flexibility for unforeseen revenue disruptions from the global pandemic which included:

- Moratorium on hiring new employees with exceptions to be granted by the Mayor
- Limit overtime
- Moratorium on hiring any seasonal staff
- Freeze business travel, conferences, or training for staff
- Strict adherence to established budgets
- All non-essential capital placed on hold (This item was allowed with an amendment to the Supplement to the Proclamation on June 16, 2020)

In addition, City employees whose positions enabled them to work remotely were encouraged to telecommute to support social distancing measures. Considering the dynamic COVID-19 challenges, the City temporarily halted certain services, but has continued to provide core services including public safety (police and fire), water and sewer services, trash collection, and public assistance throughout the pandemic.

Subsequent to Governor Inslee's initial emergency declaration, he restricted social gatherings, limited the Open Public Meeting Act, placed a moratorium on evictions to provide relief to residential and commercial tenants facing hardships as well as a moratorium on the disconnection of public services such as water.

In July 2021, the Interim Mayor Ellen Burton withdrew the City's emergency declaration. The City reopened to the Public but retained a hybrid schedule with some staff continuing to work remotely while others worked on site. Public meetings remained remote via Zoom video calls.

In September 2021, revenue collection efforts returned to pre-pandemic practices with some households receiving federal assistance with delinquent bills during the pandemic.

Federal COVID-19 Assistance: The American Rescue Plan Act (ARPA) was signed into law March 11, 2021. ARPA established the Coronavirus State Fiscal Relief Fund and Coronavirus Local Fiscal Recovery Fund, which together make up the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program. The intent of this program is to provide support to State, territorial, local, and Tribal governments in responding to the economic and public health impacts of COVID-19 and in their efforts to contain impacts on their communities, residents, and businesses.

The United States Treasury was tasked to provide guidance on each recipient's compliance and reporting responsibilities for the SLFRF program. U.S. Treasury issued Interim Rule Guidance allowing ARPA funds to:

- Support public health expenditures.
- Address the negative economic impacts caused by the public health emergency.
- Replace lost public sector revenue.
- Provide premium pay for essential workers; and
- Invest in water, sewer, and broadband infrastructure.

Cities have until December 31, 2024, to obligate funds and until December 31, 2026, to spend funds.

City of Camas received \$3.4 million of \$6.8 million, remainder to be received June 2022. The City Council opted to use some of the funds to assist households with delinquent utility bills due to the COVID-19 pandemic. This assistance was approximately \$80,000.

Reserves: Strong financial reserves position the City to weather significant economic downturns more effectively and manage the consequences of possible outside agency actions that may result in revenue reductions. They also serve to address the unexpected emergencies such as natural disasters and catastrophic events, unanticipated critical expenditures, or legal judgements against the City. The City's approach to establishing and maintaining strong reserves across the spectrum of City operations, including General Fund, Camas-Washougal Fire Department, and the enterprise funds (including Water-Sewer, Solid Waste and Stormwater utilities) operations.

The City Council reviewed the City's fund balance policy in 2019 and reaffirmed the 17% of expenses as a goal for the General Fund. Also, as a matter of practice, Council agreed to a recommended 22% target to maintain a year's budget balanced for the Community Development department and the Development Engineering team with revenue generated from new construction to better weather a downturn in the economy.

In the fiscal year 2021, the City has higher than anticipated fund balance due to the combination of unexpected revenue increases such as sales tax due to increase in pandemic related e-commerce and the Mayor's Proclamation of Civil Emergency Supplemental cost restrictions. The City had 17.6 FTE positions unfilled or 7.8% of total FTE funded positions unfilled. The City also did not hire 32.5 seasonal employees

in 2020-2021. The combination contributed to the higher fund balances in the operating funds. Capital funds also have higher than anticipated balances due the deferral of several non-essential capital projects.

Economic Condition and Outlook: Camas has continued to have major commercial and residential projects in construction in 2021. As a result, the City continues to experience dramatic growth. This increase directly impacted property tax, sales tax, real estate excise tax and development related revenues which were well above budget targets.

The economic momentum accelerated in 2018, reached a peak in 2019 and slowed slightly with the impact of the COVID-19 in 2020-2021. New construction in housing continues to grow with an anticipated 284 new homes set to be constructed for new residents coming into the community due to companies such as Fisher Investments and retirees with overall shortfall of available housing in the region. The Green Mountain Planned Residential Development of 1,300 units which is north of Lacamas Lake is the largest development in construction which includes a future commercial development and a new City park. The City anticipates this area to drive most of the housing growth of the City over the next five years. In addition, the City has two new commercial projects in construction, Camas Professional Center in Camas Meadows, a two-story office building and Lacamas Memory Care Facility on Lake Road which will be over 19,000 square feet with 36 beds.

Despite the COVID-19 business restrictions, the City's downtown core is resilient. Businesses for the most part survived and, in some cases, expanded or made tenant improvements. High occupancy in Historic Downtown Camas continued with new businesses moving into vacated storefronts. New businesses have included restaurants, retail, and services.

Other businesses outside of the downtown core constructed new facilities including the business pad at Estates at the Archery (\$2.2 million) and various equipment and site improvements at other business sites.

The City of Camas remains the second largest city in Clark County based upon 2021 official population numbers from the Washington State Office of Financial Management. The City is developing as the technology and financial hub of activity in Clark County. Commercial and retail sectors continue to locate and expand within Camas. In 2021, the City of Camas issued permits for 284 dwelling units as compared to 338 in 2020. The value of the permits totaled \$99,093,692 as compared to \$106,213,915 the year before.

Major employers in City include:

Fisher Investments	1,725 employees	Investments
Camas School District	1,091	Education
WaferTech LLC	1,000	Semiconductors
Analog Devices	430	Microelectronics
Sigma Designs	239	Engineering
City of Camas	238	Government

The City welcomed a new technology employer in 2020, nLight Incorporated, a semiconductor laser company, that has relocated its headquarters into the former Sharp facility. The company currently employs 140 locally and plans to bring 500+ employees to the City.

While the growth of the City has had a positive impact, it also demands substantial investment in capital improvements for streets, parks, storm drainage, water, and sewer. Planning is important for the sustained and balanced growth of the City.

2018-2020 Strategic Plan Status: Over the years, the City of Camas has enjoyed a favorable economic environment with growth in both residential and commercial development, and with it the related revenues, including permit fees, development fees, property taxes, sales taxes, and sewer and water development fees. The activity level slowed during the housing crisis but began to rebound in 2013 with a surge of building in 2017 continued into 2020 despite the global COVID-19 pandemic.

However, this growth is not without its costs. Growth of this nature requires extensive infrastructure in streets, storm drainage, solid waste, parks, water, and sewer. The City Council's reaction was to develop a targeted three-year strategic plan which will guide the City to be proactive to manage the growth. The four priorities for the City are:

1. Meet community needs with optimal use of community resources.
2. Build financial stability for our City.
3. Ensure core infrastructure to meet community needs.
4. Proactively manage growth in line with our vision and decision principles.

The financial stability priority has two key objectives: a balanced budget with reserves funded and community needs funded with an improved bond rating from AA to AAA. The initiatives the City has committed to include:

1. Update all financial policies to GFOA best practices.
2. Implement an open and transparent program-based budget.
3. Update utility rates, impact fees and system development charges.
4. Develop revenue strategy to include diversification and capacity.
5. Integrate capital programs into a long-term financial plan.

The City originally planned to update the Strategic Plan for 2021-2023 in the fall of 2020, however with the pandemic, the City extended the Strategic Plan for 2018-2020 into 2021-2022.

The City uses a tool from Socrata called Open Budget. This interactive tool allows the City to publish budget and actual data monthly in a graphical or table-based format to allow the City Council, staff, and the public to view operating and capital budget information at any level of detail. The City also uses two other tools from Socrata, Open Spending which allows the spending detail of the City to be displayed either in a "checkbook format" or in a graphic format that is easy to navigate. Open Performance is integrated with Open Budget allowing performance measurements to be tied to program budgets. In 2018, the City bundled these tools together for a dynamic and virtual budget document for the 2019-2020 biennial budget as well as the current 2021-2022 biennium. The City welcomes comments regarding our budget, the link is <https://finance.cityofcamas.us>.

North Shore Status: The City is financially planning to specifically address the unique needs for service delivery in the North Shore. The North Shore is geographically more challenging for service delivery

especially for emergency services. The area has only two access points around Lacamas Lake, one of which is a two-lane state route and the other an arterial at the most western boundary of the City. The City's Community Development department is preparing sub-area plan for this specific area to be completed in 2022.

Sewer and water infrastructure needs were addressed in the Northshore area in 2018 and 2019. Transportation needs are in the design phase with consultants working with landowners and developers. The City has worked with Columbia Land Trust and Clark County Conservation Futures to secure scenic open space with three successful acquisitions in 2019, two in 2020 and a donation with purchased parcel of the third in 2021. The first two land acquisitions were funded with a 2018 Limited General Obligation Bond with another two secured with the 2020 Limited General Obligation Bond, and the final parcel's funding was acquired with proceeds from 2021 Limited General Obligation Bond. In addition, the City is working with developers to build trails for connectivity in the City's trail system and neighborhood parks.

Labor Contracts: The City currently employs 242 full-time and part-time employees. The City enters into written bargaining agreements; agreements contain provisions on matters such as salaries, vacations, sick leave, medical and dental insurance, working conditions, and grievance procedures. The City has current agreements with the following labor unions:

City Bargaining Units

<u>Labor Union</u>	<u>Employees Covered</u>	<u>Effective Through</u>
IAFF Local No. 2444 (Fire) ("IAFF")	60	December 31, 2023
AFSCME Local 307CC, Council 2 (Public Works) ("AFSCME")	52	December 31, 2022
Camas Public Employees' Association (Clerical/Professional) ("CPEA")	50	December 31, 2021 ⁽¹⁾
OPEIU Local 11 (Library) ("OPEIU")	15	December 31, 2024
Camas Police Officers' Association ("CPOA")	24	December 31, 2024

(1) In negotiations

Camas/Washougal Fire and EMS and East County Fire and Rescue: In 2014, the cities of Camas and Washougal agreed to a merger of their fire services with Camas as the service provider. EMS services were already merged with East County Fire and Rescue (ECFR) for several years.

Most recently in 2018, the City was fined for two firefighters entering a burning building before backups had arrived. As a result of the incident and growth in the community, the City Council approved the hiring of an additional 4 firefighters in the 2019-2020 Biennial Budget. The Washougal City Council agreed to only fund a portion of 2 firefighters. As a result, the additional firefighters and a deputy fire marshal were in the 2019-2020 Budget and the two Councils agreed to reopen the Interlocal Agreement between the two cities to review the structure of the merger and update certain sections pertaining to funding. In 2021, the two cities contracted for alternative funding model study to be completed by Merina Consulting in 2022. The cities also contracted McKenzie Consulting for a capital improvement plan for the CWFD in 2021 to be completed in 2022, followed by fire impact fee study by the FCS Group.

Infrastructure Projects in 2021: The City of Camas is fortunate to have received support from the State of Washington both in grants and low interest loans for key infrastructure which has enabled economic growth. In addition, some of the projects funded with general obligation bonds and revenue bonds in prior years were completed in 2021.

Significant projects in 2021 included:

- Parker Estates Stormwater Facility.
- Slow Sands Caustic Feed
- Lacamas Creek Pump Station

Projects under construction in 2021 continuing into 2022 include:

- 38th Avenue Phase 3
- NE 3rd Avenue Bridge Seismic Retrofit
- Ostenson Canyon Street Repair
- Lower Prune Hill Booster Station Replacement

The economy of the City and its major initiatives for the coming year are discussed in detail in the accompanying Letter of Transmittal.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This Annual Comprehensive Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances. Questions about this report should be directed to:

Finance Department
City of Camas
616 NE 4th Avenue
Camas, WA, 98607.

Additional information about the City's operations and activities can be obtained from the website at www.cityofcamas.us.

The City's transparent budget can be found at: www.cityofcamas.us/index.php/financereporting/openbudget

CITY OF CAMAS, WASHINGTON

Statement of Net Position

December 31, 2021

	Governmental Activities	Business-type Activities	Total Primary Government
Assets:			
Cash, Cash Equivalents and Pooled Investments	\$ 56,757,887	\$ 20,096,893	\$ 76,854,780
Receivables (Net of Allowance for Uncollectible)	2,268,022	4,579,402	6,847,424
Internal Balances	(1,416,427)	1,416,427	-
Restricted Assets			
Cash, Cash Equivalents and Pooled Investments	1,185,093	22,728,367	23,913,460
Investments	-	492,386	492,386
Capital Assets, Not Depreciated/Amortized	172,939,500	10,038,458	182,977,958
Capital Assets, Net of Depreciation/Amortization	93,862,745	163,848,585	257,711,330
Net Pension Assets	20,785,906	1,927,717	22,713,623
Total Assets	346,382,726	225,128,235	571,510,961
Deferred Outflows of Resources			
Amounts Related to Asset Retirement Obligations	-	149,726	149,726
Amounts related to pensions	1,859,646	303,564	2,163,210
Amounts related to OPEB	764,392	42,818	807,210
Total deferred outflows of resources	2,624,038	496,108	3,120,146
Liabilities:			
Accounts Payable and Other Current Liabilities	1,839,538	527,283	2,366,821
Accrued Interest Payable	295,762	337,770	633,532
Line of Credit	2,500,000	504,000	3,004,000
Customer Deposits	-	220,518	220,518
Developer Credit	3,628,788	689,310	4,318,098
Noncurrent Liabilities:			
Due within One Year	2,715,569	2,941,435	5,657,004
Due in More than One Year	43,727,513	46,133,825	89,861,338
Net Pension Liability	491,214	184,067	675,281
Total Pension Liability	288,047	-	288,047
Total OPEB Liability	5,136,181	270,310	5,406,491
Asset Retirement Obligation	-	200,743	200,743
Total Liabilities	60,622,612	52,009,261	112,631,873
Deferred Inflows of Resources			
Amounts related to pensions	13,728,545	2,070,750	15,799,295
Amounts related to OPEB	2,135,654	119,632	2,255,286
Total deferred inflows of resources	15,864,199	2,190,382	18,054,581
Net Position:			
Net Investment in Capital Assets	227,084,976	131,234,845	358,319,821
Restricted for:			
Tourism	55,465	-	55,465
Debt Service	16,040	1,710,496	1,726,536
Capital	11,586,411	16,146,169	27,732,580
Pensions	21,970,999	1,927,717	23,898,716
Unrestricted	11,806,062	20,405,473	32,211,535
Total Net Position	\$ 272,519,953	\$ 171,424,700	\$ 443,944,653

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

CITY OF CAMAS, WASHINGTON
Statement of Activities
Year Ended December 31, 2021

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
PRIMARY GOVERNMENT						
Governmental Activities:						
General Government	\$ 5,731,135	\$ 3,881,804	\$ 3,463,296	\$ 373,052	\$ 1,987,017	\$ -
Public Safety	16,683,234	5,799,899	768,733	-	(10,114,602)	-
Physical Environment	172,179	98,266	-	-	(73,913)	-
Transportation	6,756,580	119,732	-	6,214,495	(422,353)	-
Economic Environment	2,569,621	7,627,738	105,125	226,285	5,389,527	-
Culture and Recreation	4,082,712	103,610	33,000	207,558	(3,738,544)	-
Interest on Long-Term Debt	1,444,886	-	-	-	(1,444,886)	-
TOTAL GOVERNMENTAL ACTIVITIES	37,440,347	17,631,049	4,370,154	7,021,390	(8,417,754)	-
Business Type Activities:						
Water Sewer	13,875,800	15,743,703	-	6,192,023	-	8,059,926
Storm Water Drainage	2,407,299	1,921,747	61,855	490,236	-	66,539
Solid Waste	2,742,219	3,036,429	-	-	-	294,210
TOTAL BUSINESS-TYPE ACTIVITIES	19,025,318	20,701,879	61,855	6,682,259	-	8,420,675
Total Primary Government	\$ 56,465,665	\$ 38,332,928	\$ 4,432,009	\$ 13,703,649	\$ (8,417,754)	\$ 8,420,675
						2,921
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 13,647,150	\$ -
Property Taxes Levied for Voted Levy (EMS)					2,356,879	-
Property Taxes, Levied for Debt Service					5,904	-
Sales and Use Taxes					6,108,945	-
Business and Occupation Taxes					523,661	-
Excise and Other Taxes					4,049,990	-
Grants and Contributions not Restricted to Specific Programs					776,506	-
Miscellaneous					72,605	1,367
Gain (Loss) on Disposal of Capital Assets					5,700	5,700
Unrestricted Investment Earnings					(433,559)	(767,273)
Total General Revenues and Contributions					27,113,781	26,781,434
Transfers					(97,054)	-
Change in Net Position					18,598,973	8,185,382
Net Position - Beginning					254,143,940	163,141,840
Prior Period Adjustments					(222,960)	97,478
Net Position - Ending					\$ 272,519,953	\$ 171,424,700
						\$ 443,944,653

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

CITY OF CAMAS, WASHINGTON

Governmental Funds

Balance Sheet

December 31, 2021

	General Fund	Camas-Washougal Fire & EMS Fund	Real Estate Excise Tax Fund	Lacamas Legacy Lands Fund	Other Governmental Funds	Total Governmental Funds
Assets:						
Cash, Cash Equivalents, and Pooled Investments	\$ 19,170,961	\$ 3,005,166	12,666,837	\$ 5,905,232	\$ 14,232,324	\$ 54,980,520
Cash, Cash Equivalents, and Pooled Investments, restricted for Pension	1,185,093	-	-	-	-	1,185,093
Property Taxes Receivables	122,900	21,075	-	-	1,471	145,446
Sales Taxes Receivable	984,870	-	-	-	3,842	988,712
Other Taxes Receivable	101,971	-	-	-	-	101,971
Accounts Receivable (net)	379,344	483,956	-	-	16,526	879,826
Interest Receivable	917	-	-	-	-	917
Due from Other Governmental Units	131,019	-	6,433	-	13,698	151,150
Total Assets	22,077,075	3,510,197	12,673,270	5,905,232	14,267,861	58,433,635
Liabilities, Deferred Inflows of Resources and Fund Balances:						
Liabilities:						
Accounts Payable	396,735	30,535	71,243	5,788	487,084	991,385
Due to Other Governmental Units	14,994	-	21,484	-	-	36,478
Line of Credit	2,500,000	-	-	-	-	2,500,000
Other Current Liabilities	288,819	-	-	-	463,015	751,834
Total Liabilities	3,200,548	30,535	92,727	5,788	950,099	4,279,697
Deferred Inflows of Resources						
Unavailable revenue	208,228	341,746	-	-	14,953	564,927
Total deferred inflows of resources	208,228	341,746	-	-	14,953	564,927
Fund Balances:						
Restricted						
Tourism	-	-	-	-	55,465	55,465
Public Safety	160,987	-	-	-	-	160,987
Debt Service	-	-	-	-	16,040	16,040
Capital Outlay	-	-	12,580,543	5,899,444	11,586,411	30,066,398
Pension	1,185,093	-	-	-	-	1,185,093
Committed - Urban Tree Program	15,435	-	-	-	-	15,435
Committed - Public Safety	-	3,137,916	-	-	-	3,137,916
Assigned - Cemetery	224,815	-	-	-	-	224,815
Assigned - Street Operations	-	-	-	-	1,644,893	1,644,893
Assigned - Working Capital	161,683	-	-	-	-	161,683
Unassigned	16,920,286	-	-	-	-	16,920,286
Total Fund Balances	18,668,299	3,137,916	12,580,543	5,899,444	13,302,809	53,589,011
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 22,077,075	\$ 3,510,197	\$ 12,673,270	\$ 5,905,232	\$ 14,267,861	\$ 58,433,635
Amounts reported for governmental activities in the statement of net position are different because (See Note II also):						
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds						262,974,104
Other long-term assets are not available to pay for current-period expenditures and, therefore are deferred in the funds						564,927
Internal service funds are used to charge the costs of services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.						4,079,920
Other items related to Pension and OPEB activity that are not financial resources therefore, not reported in the funds.						1,229,957
Long-term liabilities that are not due and payable in the current period and are not reported in the funds						(49,917,966)
Net position of governmental activities					\$	272,519,953

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

CITY OF CAMAS, WASHINGTON
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended December 31, 2021

	General Fund	Camas-Washougal Fire & EMS Fund	Real Estate Excise Tax Fund	Lacamas Legacy Lands Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Property Taxes	\$ 13,726,895	\$ 2,356,879	\$ -	\$ -	\$ 5,904	\$ 16,089,678
Sales and Use Taxes	6,086,119	-	-	-	22,826	6,108,945
Other Taxes	523,661	-	4,049,990	-	-	4,573,651
License and Permits	1,289,798	81,584	-	-	-	1,371,382
Intergovernmental	4,295,339	744,125	2,225,284	-	2,483,204	9,747,952
Charges for Services	5,304,238	5,302,767	1,678,925	-	3,375,276	15,661,206
Fines and Forfeits	131,698	251	-	-	-	131,949
Interest Earnings	(201,627)	(46,078)	(46,518)	3,189	(126,737)	(417,771)
Rents and Royalties	132,665	-	-	-	-	132,665
Contributions/Donations	65,728	33,000	-	-	-	98,728
Miscellaneous	20,619	3,421	400	325	1,100	25,865
Total Revenues	31,375,133	8,475,949	7,908,081	3,514	5,761,573	53,524,250
Expenditures:						
Current						
General Government	6,629,576	-	33,306	-	-	6,662,882
Public Safety	7,241,985	12,014,670	-	-	-	19,256,655
Physical Environment	188,533	-	-	-	-	188,533
Transportation	-	-	-	-	1,811,529	1,811,529
Economic Environment	1,070,623	-	1,678,925	-	5,024	2,754,572
Culture and Recreation	3,959,921	-	-	-	-	3,959,921
Capital Outlay	134,224	214,309	6,337,651	7,846	1,653,684	8,347,714
Debt Service						
Principal Retirement	-	-	-	6,087,341	2,880,724	8,968,065
Interest and Other Charges	5,120	-	33,965	229,950	1,405,814	1,674,849
Total Expenditures	19,229,982	12,228,979	8,083,847	6,325,137	7,756,775	53,624,720
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,145,151	(3,753,030)	(175,766)	(6,321,623)	(1,995,202)	(100,470)
Other Financing Sources (Uses)						
Insurance Recoveries	-	26,824	70,000	-	20,852	117,676
Debt Issuance	-	-	3,823,125	5,097,500	2,127,841	11,048,466
Premium on Bonds Issued	-	-	712,204	949,606	237,401	1,899,211
Transfers In	21,280	3,590,358	126,050	-	6,768,677	10,506,365
Transfers Out	(6,219,245)	(41,342)	(1,251,688)	-	(3,068,086)	(10,580,361)
Total Other Financing Sources and Uses	(6,197,965)	3,575,840	3,479,691	6,047,106	6,086,685	12,991,357
Net Change in Fund Balances	5,947,186	(177,190)	3,303,925	(274,517)	4,091,483	12,890,887
Fund Balance at Beginning of Year, restated	12,721,113	3,315,106	9,276,618	6,173,961	9,211,326	40,698,124
Fund Balance at End of Year	\$ 18,668,299	\$ 3,137,916	\$ 12,580,543	\$ 5,899,444	\$ 13,302,809	\$ 53,589,011

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

CITY OF CAMAS, WASHINGTON
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balance of Governmental Funds to the Statement of Activities
Year Ended December 31, 2021

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds:	\$ 12,890,887
Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expenses. This is the amount by which capital outlays exceeded depreciation in the current period.	2,203,106
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.	5,572,311
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(3,137,573)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(3,579,263)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	4,894,505
Internal service funds are used by management to charge the costs of equipment, insurance and printing to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	(245,000)
Change in net position of governmental activities	\$ <u>18,598,973</u>

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

CITY OF CAMAS, WASHINGTON
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
Compared to Budget (GAAP Basis) and Actual
For the Fiscal Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget
Revenues:				
Property Taxes	\$ 13,752,180	\$ 13,752,180	\$ 13,726,895	\$ (25,285)
Sales and Use Taxes	5,047,948	5,047,947	6,086,119	1,038,172
Other Taxes	596,058	596,183	523,661	(72,522)
License and Permits	1,015,834	1,015,834	1,289,798	273,964
Intergovernmental	642,684	642,559	4,295,339	3,652,780
Charges for Services	4,873,922	4,873,923	5,204,720	330,797
Fines and Forfeits	177,736	177,736	131,698	(46,038)
Interest Earnings	197,915	197,916	(184,394)	(382,310)
Rents and Royalties	107,374	107,374	132,665	25,291
Contributions/Donations	49,017	49,017	43,381	(5,636)
Miscellaneous	18,670	18,669	20,419	1,750
Total Revenues	26,479,338	26,479,338	31,270,301	4,790,963
Expenditures:				
Current				
General Government	7,429,778	7,429,778	6,629,575	(800,203)
Public Safety	7,392,588	7,408,586	6,922,567	(486,019)
Economic Environment	1,922,739	1,922,738	1,070,623	(852,115)
Culture and Recreation	4,362,198	4,362,694	3,959,921	(402,773)
Capital Outlay	461,205	461,205	134,224	(326,981)
Debt Service				
Interest and Other Charges	-	-	5,120	5,120
Total Expenditures	21,568,508	21,585,001	18,722,030	(2,862,971)
Excess (Deficiency) of Revenues				
Over (under) Expenditures	4,910,830	4,894,337	12,548,271	7,653,934
Other Financing Sources (Uses):				
Transfers Out	(6,763,617)	(6,763,617)	(6,578,427)	185,190
Total Other Financing Sources and Uses	(6,763,617)	(6,763,617)	(6,578,427)	185,190
Net Change in Fund Balance	(1,852,787)	(1,869,280)	5,969,844	7,839,124
Fund Balances at Beginning of Year	10,729,633	10,729,633	10,729,633	-
Fund Balances at End of Year	\$ 8,876,846	\$ 8,860,353	\$ 16,699,477	\$ 7,839,124
Adjustments to general accepted accounting principles (GAAP) Basis				
Cemetery Fund			224,816	
Firemen's Pension Fund			1,185,093	
OPEB Funds			543,477	
City Tree Fund			15,435	
Fund Balance - GAAP basis			\$ 18,668,299	

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

CITY OF CAMAS, WASHINGTON
Camas-Washougal Fire & EMS Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
Compared to Budget (GAAP Basis) and Actual
For the Fiscal Year Ended December 31, 2021

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues:				
Property Taxes	\$ 2,356,923	\$ 2,356,923	\$ 2,356,879	\$ (44)
License and Permits	90,116	96,989	81,584	(15,405)
Intergovernmental	1,290	1,290	744,125	742,835
Charges for Services	5,094,370	5,087,499	5,302,767	215,268
Fines and Forfeits	17,446	17,446	251	(17,195)
Interest Earnings	40,471	40,470	(46,078)	(86,548)
Contributions/Donations	-	-	33,000	33,000
Miscellaneous	2,826	2,826	3,421	595
Total Revenues	<u>7,603,442</u>	<u>7,603,443</u>	<u>8,475,949</u>	<u>872,506</u>
Expenditures:				
Current				
Security/Persons and Property	11,749,761	11,849,761	12,014,670	164,909
Capital Outlay	250,000	250,000	214,309	(35,691)
Total Expenditures	<u>11,999,761</u>	<u>12,099,761</u>	<u>12,228,979</u>	<u>129,218</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	(4,396,319)	(4,496,318)	(3,753,030)	743,288
Other Financing Sources (Uses):				
Insurance Recoveries	-	-	26,824	26,824
Transfers In	3,590,358	3,590,358	3,590,358	-
Transfers Out	(41,343)	(41,343)	(41,342)	1
Total Other Financing Sources and Uses	<u>3,549,015</u>	<u>3,549,015</u>	<u>3,575,840</u>	<u>26,825</u>
Net Change in Fund Balance	(847,304)	(947,303)	(177,190)	770,113
Fund Balances at Beginning of Year	<u>3,315,106</u>	<u>3,315,106</u>	<u>3,315,106</u>	<u>-</u>
Fund Balances at End of Year	\$ <u>2,467,802</u>	\$ <u>2,367,803</u>	\$ <u>3,137,916</u>	\$ <u>770,113</u>

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

CITY OF CAMAS, WASHINGTON
Proprietary Funds
Statement of Net Position
December 31, 2021

	Enterprise Funds				(Governmental Activities)
	Water-Sewer	Storm Water	Non-Major Solid Waste Fund	Total	Internal Service - Equipment Rental
Assets:					
Current Assets:					
Cash, Cash Equivalents, and Pooled Investments	\$ 14,119,073	\$ 2,664,063	\$ 3,313,757	\$ 20,096,893	\$ 1,777,367
Cash with Fiscal/Escrow Agent	-	-	-	-	-
Investments	-	-	-	-	-
Receivables					
Accounts	2,214,993	352,355	538,448	3,105,796	-
Developer Agreement	163,734	-	-	163,734	-
Cash and Cash Equivalents	22,728,367	-	-	22,728,367	-
Investments	492,386	-	-	492,386	-
Total Current Assets	39,718,553	3,016,418	3,852,205	46,587,176	1,777,367
Noncurrent Assets:					
Developer Agreement	1,309,872	-	-	1,309,872	-
Nondepreciable Assets:					
Land and Improvements to Land	1,942,194	1,202,250	-	3,144,444	104,732
Land Rights	3,681,488	33,742	-	3,715,230	-
Construction in Progress	2,963,839	214,945	-	3,178,784	-
Property, Plant and Equipment (Net)					
Building	25,377,245	-	-	25,377,245	548,495
Intangible Assets	219,362	-	-	219,362	-
Improvements Other than Buildings	18,426,078	7,246,626	-	25,672,704	11,253
Machinery and Equipment	15,882,775	123,804	-	16,006,579	3,163,661
Infrastructure	81,479,664	15,093,031	-	96,572,695	-
Net Pension Asset	1,373,347	307,450	246,920	1,927,717	275,996
Total Noncurrent Assets	152,655,864	24,221,848	246,920	177,124,632	4,104,137
Total Assets	192,374,417	27,238,266	4,099,125	223,711,808	5,881,504
Total Deferred Outflows of Resources					
Amounts Related to Asset Retirement Obligations	149,726	-	-	149,726	-
Amounts Related to OPEB	21,409	-	21,409	42,818	-
Amounts Related to Pensions	216,266	48,415	38,883	303,564	43,462
Total Deferred Outflows of Resources	387,401	48,415	60,292	496,108	43,462
Liabilities					
Current Liabilities:					
Accounts Payable	209,657	75,640	179,193	464,490	59,841
Line of Credit	504,000	-	-	504,000	-
Accrued Interest Payable	335,754	2,016	-	337,770	-
Accrued Employee Benefits	17,802	420	1,883	20,105	4,595
Other Current Liabilities	1,670	218,848	-	220,518	-
Total OPEB liability - Short Term	10,636	-	10,636	21,272	-
Bonds, Notes and Loans Payable	2,864,411	35,647	-	2,900,058	-
Payable from Restricted Assets	62,793	-	-	62,793	-
Total Current Liabilities	4,006,723	332,571	191,712	4,531,006	64,436
Noncurrent Liabilities:					
Accrued Employee Benefits	160,217	3,776	16,949	180,942	41,356
Unearned Revenue - Developer Credit	689,310	-	-	689,310	-
Bonds, Notes and Loan Payable	45,364,472	588,411	-	45,952,883	-
Asset Retirement Obligation	200,743	-	-	200,743	-
Net Pension Liability	131,133	29,357	23,577	184,067	26,353
Total OPEB liability	135,155	-	135,155	270,310	-
Total Noncurrent Liabilities	46,681,030	621,544	175,681	47,478,255	67,709
Total Liabilities	50,687,753	954,115	367,393	52,009,261	132,145
Deferred Inflows of Resources					
Amounts related to Pensions	1,475,247	330,262	265,241	2,070,750	296,474
Amounts related to OPEB	59,816	-	59,816	119,632	-
Total deferred inflows of resources	1,535,063	330,262	325,057	2,190,382	296,474
Net Position:					
Net Investment in Capital Assets	107,944,505	23,290,340	-	131,234,845	3,828,141
Restricted for Debt Service	1,710,496	-	-	1,710,496	-
Restricted for Capital Purposes	16,146,169	-	-	16,146,169	-
Restricted for Pension	1,373,347	307,450	246,920	1,927,717	275,996
Unrestricted	13,364,485	2,404,514	3,220,047	18,989,046	1,392,210
Total Net Position	\$ 140,539,002	\$ 26,002,304	\$ 3,466,967	\$ 170,008,273	\$ 5,496,347
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				1,416,427	
Net Position of Business-type Activities				\$ 171,424,700	

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

CITY OF CAMAS, WASHINGTON
Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended December 31, 2021

	Enterprise Funds				(Governmental Activities)
	Water-Sewer	Storm Water	Non-Major Solid Waste Fund	Total	Internal Service - Equipment Rental
Operating Revenues:					
Charge for Services	\$ 15,451,086	\$ 1,921,563	\$ 3,036,429	\$ 20,409,078	\$ 1,501,544
Total Operating Revenues	<u>15,451,086</u>	<u>1,921,563</u>	<u>3,036,429</u>	<u>20,409,078</u>	<u>1,501,544</u>
Operating Expenses:					
Collection and Disposal	-	-	2,279,316	2,279,316	-
Storm Drainage Operations and Maintenance	-	1,473,042	-	1,473,042	-
Water Operations and Maintenance	2,177,080	-	-	2,177,080	-
Sewer Operations and Maintenance	2,873,527	-	-	2,873,527	-
Customer Accounts	139,446	-	-	139,446	-
Administration	1,639,696	-	191,924	1,831,620	-
Equipment Rental Operations	-	-	-	-	1,329,684
Taxes	489,684	28,167	128,279	646,130	-
Depreciation and Amortization	4,905,879	810,992	-	5,716,871	888,463
Total Operating Expenses	<u>12,225,312</u>	<u>2,312,201</u>	<u>2,599,519</u>	<u>17,137,032</u>	<u>2,218,147</u>
Operating Income (loss)	3,225,774	(390,638)	436,910	3,272,046	(716,603)
Nonoperating Revenues (Expenses)					
Interest Earnings (Loss)	(277,486)	(23,304)	(32,924)	(333,714)	(15,788)
State and Federal Grants	-	61,855	-	61,855	-
Interest and Fiscal Charges	(1,524,207)	(21,719)	-	(1,545,926)	-
Gain (Loss) on Disposal of Assets	-	-	-	-	5,700
Insurance Recoveries	1,367	-	-	1,367	-
Miscellaneous Revenue (Expense)	292,617	184	-	292,801	46,740
Total Nonoperating Revenues (Expenses)	<u>(1,507,709)</u>	<u>17,016</u>	<u>(32,924)</u>	<u>(1,523,617)</u>	<u>36,652</u>
Income (Loss) before Contributions and Transfers	1,718,065	(373,622)	403,986	1,748,429	(679,951)
Capital Contributions	6,192,023	490,236	-	6,682,259	92,591
Transfers In	54,289	42,765	-	97,054	-
Change in Net Position	<u>7,964,377</u>	<u>159,379</u>	<u>403,986</u>	<u>8,527,742</u>	<u>(587,360)</u>
Total Net Position at Beginning of Year	132,554,238	\$ 25,765,834	\$ 3,062,981	161,383,053	6,083,707
Prior Period Adjustments	20,387	77,091	-	97,478	-
Total Net Position at End of Year	<u>\$ 140,539,002</u>	<u>\$ 26,002,304</u>	<u>\$ 3,466,967</u>	<u>\$ 170,008,273</u>	<u>\$ 5,496,347</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(342,360)	
Change in Net Position of Business-type Activities				<u>\$ 8,185,382</u>	

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

CITY OF CAMAS, WASHINGTON
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended December 31, 2021

	Enterprise Funds				(Governmental Activities)
			Non-Major Solid Waste Fund	Total	Internal Service - Equipment Rental
	Water-Sewer	Storm Water			
Cash Flows from Operating Activities:					
Cash received from Customers	\$ 15,222,233	\$ 1,887,093	\$ 3,032,841	\$ 20,142,167	\$ -
Cash received from Interfund Services Provided		-	-	-	1,501,544
Cash payments to Suppliers	(4,410,366)	(544,854)	(997,241)	(5,952,461)	(847,866)
Cash payments to Employees	(2,712,335)	(687,411)	(494,795)	(3,894,541)	(533,885)
Cash payments to Disposal Contractor	(344,279)		(803,923)	(1,148,202)	-
Cash payments for Interfund Services Used	(489,684)	(239,589)	(296,030)	(1,025,303)	-
Cash outflow for Taxes Paid	-	(28,167)	(128,279)	(156,446)	-
Cash received for Miscellaneous Revenues	289,903	184	-	290,087	46,740
Cash paid for other non operating activities	-	-	-	-	-
Net Cash Provided by Operating Activities	<u>7,555,472</u>	<u>387,256</u>	<u>312,573</u>	<u>8,255,301</u>	<u>166,533</u>
Cash Flows from Noncapital Financing Activities:					
Proceeds from State Grants		61,855		61,855	-
Transfers - In	54,289	42,765	-	97,054	-
Transfers - Out	-	-	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>54,289</u>	<u>104,620</u>	<u>-</u>	<u>158,909</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:					
Proceeds from Capital Grants	3,497,179	-	-	3,497,179	92,591
Proceeds from Sale of Capital Assets					5,700
Acquisition and Construction of Capital Assets	(2,584,590)	(524,315)	-	(3,108,905)	(600,524)
Principal Paid on Revenue Bonds	(1,135,000)	-	-	(1,135,000)	-
Principal Paid on Other Long Term Obligations	(1,233,663)	(30,097)	-	(1,263,760)	-
Interest Paid on Revenue Bonds and Other Long Term Debt	(1,806,892)	(26,450)	-	(1,833,342)	-
Proceeds from Line of Credit	500,000	-	-	500,000	-
Payments on Line of Credit	(1,046,000)	-	-	(1,046,000)	-
Proceeds from Insurance Recoveries	1,367	-	-	1,367	-
Net Cash Provided for Capital and Related Financing Activities	<u>(3,807,599)</u>	<u>(580,862)</u>	<u>-</u>	<u>(4,388,461)</u>	<u>(502,233)</u>
Cash Flows from Investing Activities:					
Interest on Investments and Cash Equivalents	(94,200)	(23,304)	(32,924)	(150,428)	(15,788)
Proceeds from Sale and Maturities of Investment Securities	1,585,000	-	-	1,585,000	-
Net Cash Used by Investing Activities	<u>1,490,800</u>	<u>(23,304)</u>	<u>(32,924)</u>	<u>1,434,572</u>	<u>(15,788)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	5,292,962	(112,290)	279,649	5,460,321	(351,488)
Cash and Cash Equivalents at Beginning of Year	<u>31,554,478</u>	<u>2,776,353</u>	<u>3,034,108</u>	<u>37,364,939</u>	<u>2,128,855</u>
Cash and Cash Equivalents at End of Year	<u>\$ 36,847,440</u>	<u>\$ 2,664,063</u>	<u>\$ 3,313,757</u>	<u>\$ 42,825,260</u>	<u>\$ 1,777,367</u>
Cash and cash equivalents	\$ 14,119,073	\$ 2,664,063	\$ 3,313,757	\$ 20,096,893	\$ 1,777,367
Restricted cash and cash equivalents	22,728,367	-	-	22,728,367	-
Total Cash and Cash Equivalents	<u>\$ 36,847,440</u>	<u>\$ 2,664,063</u>	<u>\$ 3,313,757</u>	<u>\$ 42,825,260</u>	<u>\$ 1,777,367</u>

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

CITY OF CAMAS, WASHINGTON
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended December 31, 2021

	Enterprise Funds				(Governmental Activities)
	Water-Sewer	Storm Water	Non-Major Solid Waste Fund	Total	Internal Service - Equipment Rental
Reconciliation of Operating Income (Loss) to Net					
Cash Used by Operating Activities:					
Net Operating Income (Loss)	\$ 3,225,774	\$ (390,638)	\$ 436,910	\$ 3,272,046	\$ (716,603)
Adjustments to Reconcile Net					
Operating Income (Loss) to Net					
Cash Provided by Operations:					
Depreciation Expense	4,905,879	810,992	-	5,716,871	888,463
(Increase) Decrease in Receivables	(227,631)	(34,470)	(3,588)	(265,689)	-
Increase (Decrease) in Current Payables	(32,136)	45,529	(34,461)	(21,068)	45,473
Increase (Decrease) in Accrued Employee Benefits	7,997	(7,163)	(2,246)	(1,412)	16,390
Increase (Decrease) in Other Accrued Liabilities	-	117,921	-	117,921	-
Increase (Decrease) in Unearned Revenue	(1,222)	-	-	(1,222)	-
Increase (Decrease) in Pension Related items	(415,148)	(155,099)	(66,766)	(637,013)	(113,930)
Increase (Decrease) in OPEB Related items	(248,961)	-	(17,276)	(266,237)	-
Increase (Decrease) in ARO Related items	51,017	-	-	51,017	-
Increase (Decrease) in Customer Deposits	(2,714)	-	-	(2,714)	-
Receipt of Non-Operating Revenues	292,617	184	-	292,801	46,740
Total Adjustments	4,329,698	777,894	(124,337)	4,983,255	883,136
Net Cash Provided by Operating Activities	\$ 7,555,472	\$ 387,256	\$ 312,573	\$ 8,255,301	\$ 166,533
Noncash Investing, Financing and Capital Activities					
Capital Assets Donated	\$ 2,694,844	490,236	-	\$ 3,185,080	-
Capital Assets Donated from Other Funds	-	-	-	-	-
Net Change in Fair Value of Investments	(498,181)	(45,688)	(56,433)	(600,302)	(31,480)
Capital Asset Obtained through Accounts Payable	39,056	-	-	39,056	-

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

CITY OF CAMAS, WASHINGTON
Statement of Fiduciary Net Position
December 31, 2021

	Other Custodial Activities
Assets:	
Cash, Cash Equivalents, and Pooled Investments	\$ 138,249
Total Assets	<u>138,249</u>
Liabilities:	
Deposits payable	<u>128,331</u>
Total Liabilities	<u>128,331</u>
Fiduciary Net Position	
Restricted for Fiduciary Funds	<u>9,918</u>
Total Fiduciary Net Position	<u>\$ 9,918</u>

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

CITY OF CAMAS, WASHINGTON
Statement of Changes in Fiduciary Net Position
For The Year Ended December 31, 2021

	Other Custodial Activities
Additions:	
Contributions:	
Sales of Merchandise	\$ 429
Total Contributions	<u>429</u>
Investment Income:	
Interest Earnings (Loss)	<u>(1,230)</u>
Net Investment Income	<u>(1,230)</u>
Total Additions	<u>(801)</u>
Deductions:	
Total Deductions	<u>-</u>
Net Increase in Fiduciary Net Position	(801)
Net Position - Beginning	<u>10,719</u>
Net Position - Ending	<u><u>\$ 9,918</u></u>

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

City of Camas
Notes to the Financial Statements
December 31, 2021

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Camas, Washington have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described below.

A. REPORTING ENTITY

The City of Camas was incorporated June 2, 1906, and operates under laws of the State of Washington applicable to non-charter code cities with a mayor-council form of government. As required by generally accepted accounting principles the financial statements present the City of Camas, the primary government. The City provides police, fire, streets, solid waste management, recreation, library, cemetery, public improvements, planning and zoning, storm water management, water supply, treatment and distribution and sewage collection and treatment services. In addition, the City also provides fire protection services, which includes fire management, ambulance and emergency aid to all City of Camas residents and residents of the geographic area of the City of Washougal and East County Fire and Rescue. To support these functions, the City of Washougal pays their proportionate cost of fire protection services and the City of Washougal and East County Fire and Rescue levies EMS property taxes and remits to the City their share of funding the ambulance and emergency aid services provided.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements (i.e., the statement of net position and the statement of activities) report information on all non-fiduciary activities of the primary government. The effect of interfund activity has been removed from these statements. Governmental activities, generally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Certain indirect costs for centralized services are included in program expenses reported for individual functions and activities. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues.

The City incurs indirect costs for charges that benefit other funds such as administrative costs and overhead. The General Fund pays for all costs of operating City Hall, for general office supplies, the audit, banking services, and other administrative costs. The expenses are for the benefit of more than just the General Fund. Through an allocation procedure, the other funds are charged a proportionate share of the costs. For example, the audit costs are allocated based upon the City's actual expenditures and the Information Technology department costs by the number of computers in each department. The General Fund incurred \$3,153,740 in indirect costs which were reimbursed to the general fund through interfund charges.

Fund Financial Statements are separate financial statements provided for governmental funds, proprietary funds, and fiduciary funds. The latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

- The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. In addition, the city reports resources accumulated, and payments made for the Fireman's Pension plan and OPEB plans (Early Retirement Program and LEOFF 1 retirees) within the General Fund.
- The *Camas/Washougal Fire and Emergency Medical Services Fund* was established to account for the revenues and expenditures made in purchasing, maintaining, operating, and providing fire services, emergency aid service and ambulance transport for both cities and emergency aid service and ambulance transport for East County Fire and Rescue. The City of Washougal and East County Fire and Rescue pay the City a fee from their EMS levies to fund their proportionate share of for emergency aid service and ambulance transport services. The City of Washougal makes additional contributions to fund Washougal's proportionate share of fire services and to build reserves.
- The *Real Estate Excise Tax Fund* is a capital projects fund which accounts for design, construction and extension of governmental capital facilities financed through dedicated taxes. This fund also accounts for impact fees collected for Evergreen and Camas School Districts.
- The *Lacamas Legacy Lands Fund* is a capital projects fund established in 2018 to account for acquisition of open space lands north of Lacamas Lake with the intent to preserve the forest and pastures in perpetuity.

The City reports the following major proprietary funds:

- The *Water-Sewer Fund* accounts for the activities of the City's water and sewer utilities. Revenues are received from the sales of water and charges for sewer collection and treatment. Expenses are for maintenance and extensions of water and sewer service facilities, operating and expanding a water supply system, and operating a sewer treatment plant. This fund also reflects the operation of revenue bonds outstanding, cumulative bond reserves and construction funds.
- The *Storm Water Fund* accounts for the activities of the City's storm water operations and capital facilities. Revenues are received from charges for storm water drainage services and system development charges. Expenses are for the maintenance of the drainage system, street cleaning, and expanding the City's storm water drainage facilities.

Additionally, the government reports the following fund types:

- *Debt Service Funds* account for the resources accumulated and payments made for principal and interest on the general government except those required to be accounted for in another fund.
- *Special Revenue Funds* account for the proceeds of specific revenue sources to finance specific activities as required by law or administrative regulation. Their revenues are earmarked to finance certain activities or functions.
- *Capital Project Funds* account for the acquisition or development of capital facilities for governmental activities. Their major sources of revenues are from proceeds from general obligation bonds, loans, real estate excise tax, impact fees, grants from other agencies and contributions from other funds.
- *Internal Service Funds* account for equipment management services provided to other departments of the government, or to other governments on a cost reimbursement basis.
- *Other Custodial Activities* - Funds held in a custodial nature on behalf of the Friends and Foundation of the Camas Library. The assets associated with this activity are controlled by the government and not derived from its own source revenues and held for the benefit of individuals and the City does not have administrative involvement.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

Basis of accounting refers to the point at which revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements. Basis relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements report the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Sales tax is considered to be available if it is collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims, and judgments are recorded only when payment is due.

Taxes, franchise fees, licenses, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish 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 principal ongoing operations. The principal operating revenues of the Water-Sewer, Solid Waste, Storm Water and the government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. ASSETS, LIABILITIES AND NET POSITION OR EQUITY

1. Cash and Cash Equivalents and Investments

The City's cash and cash equivalents are considered to be cash on hand, certificates of deposit, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash resources of individual funds are invested directly into government securities with interest accruing for the benefit

of the investing funds. The interest earned on these investments is prorated to the various funds. This policy covers all funds operated by the City.

For the purposes of the statement of cash flows, the City considers the Washington State Local Government Investment Pool and the Clark County Investment Pool as cash. Investments in the State Investment Pool and the Clark County Investment Pool are classified as cash equivalents on the financial statements.

Certain Investments for the City are reported at fair value in accordance with GASB statement No. 72, Fair Value Measurement and Application. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. Likewise, some investments are reported at amortized costs (See also Note IV A).

2. Receivables and Payables

One of the largest receivables for the City of Camas is property taxes. The county treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Taxes are levied annually on January 1, on property value listed as of the prior May 31. Assessed values are established by the county assessor at 100 percent of fair market value. A revaluation of all property is required every four years. Taxes are due in two equal installments on April 30 and October 31. The county treasurer remits collections daily to the appropriate district (See Note V B). Taxes receivable consists of property taxes.

Other accounts receivable includes accrued interest and customer accounts receivable. Accrued interest receivable consists of amounts earned on investments and notes at the end of the year. Customer accounts receivable consists of amounts owed from private individuals or organizations for services and Developer Agreement receivable is for a specific arrangement between the city and a local developer. (See Note IV B)

Accounts payable and other current liabilities consist of amounts owed to private individuals or organizations for goods and services as well as amounts due to employees for which checks have not been prepared.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

3. Restricted Assets

Restricted assets comprise resources for debt service in enterprise funds, and resources for payment of firefighter pension and OPEB liabilities in the governmental funds. Certain proceeds of the Water-Sewer Fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the

statement of net position because their use is limited by applicable bond covenants. Additionally, certain development fees collected within the Water-Sewer Fund are restricted for capital projects.

The City's accumulated assets for payment of LEOFF I medical and pension benefits are classified as restricted in the balance sheet because their use is limited for firefighter benefits pursuant to RCW 41.16.050.

The current portion of related liabilities are shown as Payables from Restricted Assets. Specific debt service reserve requirements are described in Note IV E.

4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$25,000, with minor exception for vehicles and land that are always capitalized, and an estimated useful life greater than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. (See Note IV C)

In the case of the initial capitalization of general infrastructure (i.e., those reported by government activities) the City chose to include all such items purchased or constructed by the City with an individual cost of more than \$5,000 regardless of their acquisition date. Historical costs had previously been recorded for these items. General infrastructure donated to the city by developers has been recorded from 1977 forward. The City was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year.) As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The following ranges are guidelines in setting estimated useful lives for depreciating assets:

Building and Infrastructure	20-50	years
Vehicles	04-15	years
Other Equipment	02-25	years
Infrastructure	20-100	years

The City has constructed infrastructure 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 City has sufficient legal interest to accomplish the purposes for which the assets were acquired and has included such assets within the applicable column in the Statement of Net Position.

5. Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation, comp time, and potentially a portion of sick leave. The City records all accumulated unused vacation and paid time off (PTO). The City also records a liability for unpaid accumulated sick leave, as certain employees are eligible to receive 25% of their sick leave balance upon retirement. All vacation, PTO and sick pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported

in governmental funds only if they have matured, for example, because of employee resignations and retirements. See also Note IV F.

6. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type Statement of Net Position. Proprietary fund types record bond premiums and discounts, which are capitalized and amortized over the life of the bonds. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year the debt is issued.

In the fund financial statements, governmental fund types recognize bond premium and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. (See also Note IV F)

7. Asset Retirement Obligations

The asset retirement obligations (ARO) is the liability associated with the retirement of City owned capital assets that have a substantial cost to the City. The obligation will be paid from operating income; no assets have been set aside to fund this obligation. See Note V K.

8. Unearned Revenue

This account includes amounts recognized as receivables but not revenues in governmental and proprietary funds because the revenue recognition criteria has not been met.

9. Restricted Net Position

The government-wide statement of net position reports \$53,413,297 of restricted net position, of which \$29,459,116 is restricted by enabling legislation.

10. Deferred Outflows of Resources and Deferred Inflows of Resources

A Deferred Outflows of Resources is a consumption of net position that are applicable to future periods. Deferred Inflow of Resources are acquisitions of net position in one period that are applicable to future periods. These are distinguished from assets and liabilities in the statement of net position. The City recognizes Deferred Outflows and Deferred inflows related to pension, asset retirement obligations and OPEB liabilities on the government wide statement of net position. Additionally, it recognizes deferred inflows of resources related to unavailable revenue on the governmental fund statements.

11. Pensions

For purposes of measuring the state-sponsored pension plans' net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all 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, benefit 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 City includes the net pension asset only.

12. Fund Balance Classifications

Assets in excess of liabilities and deferred inflows are reported as fund balances and are segregated into separate classifications indicating the extent to which the City is bound to honor constraints on the specific purposes for which those funds can be spent.

Nonspendable: Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or are legally or contractually required to be maintained intact. Resources in nonspendable form include deferred inflows and outflows.

Restricted: Fund balance is reported as restricted when the constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed: Fund balance is reported as committed when the City Council passes an ordinance that places specific constraints on how the resources may be used. The City Council can modify or rescind the ordinance at any time through passage of an additional ordinance.

Assigned: Fund balance is reported as assigned when the City Council assign amounts for a specific purpose. The City's policy establishing this authorization is to adopt a resolution.

Unassigned: Fund balance reported as unassigned represents net resources in excess of nonspendable, restricted, committed and assigned fund balance. Only the general fund has unassigned fund balance.

When both restricted and unrestricted resources are available, the City's policy is to use restricted resources first, and then unrestricted resources, as they are needed. When committed, assigned or unassigned amounts are available, the City's policy is to use committed resources first, assigned secondly and finally unassigned resources.

The City displays \$161,683 as assigned working capital and \$224,815 as assigned for the Cemetery in the General Fund. The General Fund has \$700,000 earmarked as stabilization funding within the unassigned fund balance category. This is classified as unassigned because the City did not adopt an ordinance or pass a resolution to specifically designate these funds as committed or assigned. No requirements or conditions for addition or spending these funds have been established by the City. The City's policy states that the total of all fund balance of the General Fund is expected to remain at 17% of annual budgeted expenditures.

NOTE II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

The governmental fund balance sheet includes a reconciliation between *fund balance—total governmental funds* and *net position—governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "Internal service funds are used by management to charge the costs of services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position." The details of this difference are as follows:

Net Position of the internal service funds	\$	5,496,347
Less: Internal receivable representing cost to business-type activities in excess of charges - prior years		(1,758,787)
Add: Internal payable representing charges in excess of cost to business-type activities - current year		<u>342,360</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	\$	<u><u>4,079,920</u></u>

Another element of that reconciliation explains that “other items related to pension activity that are not financial resources therefore, not reported in the funds.” The details of this difference are as follows:

Net pension assets	\$	20,509,910
Net Pension Liability		(490,653)
Total Pension Liability		(288,047)
OPEB Liability		(5,514,104)
Deferred outflows related to pensions		1,816,184
Deferred outflows related to OPEB		764,392
Deferred inflows related to pensions		(13,432,071)
Deferred inflows related to OPEB		<u>(2,135,654)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net	\$	<u><u>1,229,957</u></u>

Another element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this difference are as follows:

Public Placement Bonds	\$	(32,946,241)
Public Placement Issuance Premium		(4,690,554)
Notes from Direct Borrowings and Direct Placement		(6,559,959)
Debt Issuance Premium		(75,485)
Accrued Interest Payable		(295,762)
Impact Fee Credit		(3,628,788)
Compensated Absences		<u>(1,721,177)</u>
Net adjustment to decrease fund balance - total governmental funds to arrive at net position - governmental activities	\$	<u><u>(49,917,966)</u></u>

B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances—total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures.” However, in the statement of activities the cost of those

assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this difference are as follows:

Capital Outlay	\$	8,347,714
Depreciation expense		<u>(6,144,608)</u>
Net adjustment to increase net changes in fund balances-total governmental funds to arrive at changes in net position of governmental activities	\$	<u>2,203,106</u>

Another element of that reconciliation states that “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.” The details of this difference are as follows:

Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources	\$	5,595,369
Transfer of asset to business type activity		<u>(23,058)</u>
Net adjustment to increase net changes in fund balances- total governmental funds to arrive at changes in net position of governmental activities	\$	<u>5,572,311</u>

Another element of that reconciliation states that “revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds”. The details of this difference are as follows:

Impact Fee Credit revenues recognized	\$	(1,574,927)
Court receipts		9,887
EMS receipts		(274,019)
State contribution towards LEOFF plan		326,945
Grant revenues recognized		(1,528,462)
Property taxes		<u>(96,997)</u>
Net adjustments to decrease net changes in fund balances total governmental funds to arrive at changes in net position of governmental activities	\$	<u>(3,137,573)</u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are capitalized and amortized in the statement of activities.” The details of this difference are as follows:

Compensated Absences	\$	170,387
Accrued Interest		58,943
Notes Issued		(853,466)
Bonds Issued		(10,195,000)
Premium on Debt Issued		(1,899,211)
Principal Repayments		8,968,064
Amortization of premium on issuance of debt		<u>171,020</u>
Net adjustment to decrease net changes in fund balances total governmental funds to arrive at changes in net position of governmental activities	\$	<u>(3,579,263)</u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this difference are as follows:

Net Pension Adjustment	\$	4,728,574
Net OPEB Adjustment		<u>165,931</u>
Net adjustment to increase net changes in fund balances total governmental funds to arrive at changes in net position of governmental activities	\$	<u><u>4,894,505</u></u>

Another element of that reconciliation states that “Internal service funds are used by management to charge the costs of fleet management to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.” The details of this difference are as follows:

Change in net position of internal service funds	\$	(587,360)
Less: Profit from charges to business-type activities		<u>342,360</u>
Net adjustment to decrease net changes in fund balances- total governmental funds to arrive at changes in net position of governmental activities	\$	<u><u>(245,000)</u></u>

NOTE III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

The City of Camas adopted a budget in accordance with provisions of the Revised Code of Washington (RCW), as interpreted by the Budgeting, Accounting, and Reporting Systems (BARS) of the State of Washington.

Biennial appropriated budgets are adopted for the General Fund, special revenue funds and debt service funds, on the modified accrual basis of accounting. The City Council elected the biennial budget to take the form of two one-year budgets. The budget statements in this report are presented on generally accepted accounting principles (GAAP) basis, with the exception that the City does not budget for the payments of the School Impact Fees that are collected and remitted to the school district. The adopted budget on the other hand, assumes that all revenues and expenditures as well as associated cash, will be received or expended during the fiscal year.

The City budgets the Cemetery Fund activity as if it was a special revenue fund. However, GAAP requires this activity to be reported with the General Fund, as they do not have significant streams of restricted resources. From a budgetary perspective, the City budgets for the Cemetery activity separate from the General Fund. The budgetary comparison for the General Fund does not include the managerial fund.

Capital project funds are appropriated as projects are scheduled, on the modified accrual basis of accounting.

The legal level of budgetary control (the level at which expenditures may not legally exceed appropriations) is adopted at the fund level. All appropriations lapse at the end of the year.

Budget amounts shown on the basic financial statements include the original budget amounts and all appropriation transfers and adjustments approved by the City Administrator or City Council as required. The City Administrator is authorized to transfer budget amounts between departments within any fund; however, any revisions that alter the total expenditures of a fund or that affect the number of authorized employee positions, salary ranges or other conditions of employment must be approved by the City Council.

When the Council determines that it is in the best interest of the City to increase or decrease the appropriations for a particular fund it may do so by ordinance approved by one more than the majority after holding public hearings. For the City, these amendments to the budget are scheduled twice a year as the spring or fall omnibus budget

The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

The financial statements contain the original and final budget information. The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes applicable for the fiscal year.

NOTE IV. DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Cash and investments are presented on the balance sheet in the basic financial statements at fair value or amortized cost, which approximates fair value.

The reconciliation of cash, cash equivalents (including pooled investments) and investments as shown in the government-wide and fund financial statements is as follows:

Cash and Investments by Type	Government Wide	Fiduciary Activities
Checking Account	\$ 7,731,823	\$ 138,249
Petty Cash	3,920	-
Washington State Local Govt. Investment Pool	11,221,436	-
Clark County Investment Pool	6,905,390	-
Fair Value of Securities Held in Safekeeping	75,396,218	-
Grand Total Cash and Investments by Type	\$ 101,258,787	\$ 138,249

Cash and Investments on Financial Statements		
Cash, Cash Equivalents and Pooled Investments	\$ 76,854,780	\$ -
Restricted - Cash, Cash Equivalents and Pooled Investments	23,913,460	-
Investments	492,386	-
Fiduciary Funds	-	138,249
Grand Total Cash and Investments on Statement of Net Position	\$ 101,260,626	\$ 138,249

	Cash, Cash Equivalents and Pooled Investments	Restricted Cash	Restricted Investments
Governmental Funds			
General Fund	\$ 19,170,961	\$ 1,185,093	\$ -
Camas-Washougal Fire & EMS	3,005,166	-	-
Real Estate Excise Tax Fund	12,666,837	-	-
Lacamas Legacy Lands Fund	5,905,232	-	-
Other Governmental Funds	14,232,324	-	-
Proprietary Funds			
Water-Sewer	14,119,073	22,728,367	492,386
Storm Water	2,664,063	-	-
Solid Waste	3,313,757	-	-
Internal Service	1,777,367	-	-
Fiduciary Funds	138,249	-	-
	<u>\$ 76,993,029</u>	<u>\$ 23,913,460</u>	<u>\$ 492,386</u>
Grand Total Cash and Investments by Fund Statements			<u>\$ 101,398,875</u>

Deposits

All the City's deposits are insured by FDIC, or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission. Total public deposits may not exceed one and one-half times its net worth or 30% of the total public funds on deposit statewide in each qualified public depository. If public deposits exceed either of these limitations, it must collateralize the excess at 100%.

Investments:

Statutes authorize the City to invest in obligations of the U.S. Treasury, U.S. Agencies, and instrumentality's, banker's acceptances, repurchase agreements, county investment pool and the state treasurer's investment pool. Investments are subject to the following risks.

Interest rate risk. Interest rate risk is the risks that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City manages exposure to declines in fair values from interest rates by limiting the weighted average maturity of its investment portfolio to maturities that will fulfill the cash flow needs of the City of Camas. The securities in the portfolio are structured in a manner that ensures sufficient cash is available to meet anticipated cash flow needs, based on historical information. The maximum average maturity of the portfolio cannot exceed two years. In 2013, the city opted to extend maturities with callable securities. The effective duration of the portfolio is currently 2.62 years with a duration to call of .81 years. Investment maturities at December 31, 2021, is as follows:

Investment Type	Weighted Average (Years)
Washington State Local Govt. Investment Pool	0
Clark County Investment Pool	1.34
Federal Farm Credit Bank	3.33
Federal National Mortgage Association	2.83
Federal Home Loan Corp	3.02
Federal Home Loan Bank	3.34
US Treasury Note	2.59
	<u>2.62</u>

Credit risk. Credit risk is the risk that an issuer or related party will not fulfill its obligations. To limit risk, state law does not allow general governments to invest in corporate equities. The ratings of debt securities as of December 31, 2021, are:

Debt Security	Standard and Poor's Credit Rating
Federal National Mortgage Association	AAA
Federal Home Loan Bank	AAA
Federal Farm Credit	AAA
Federal Home Loan Corp	AAA
US Treasury Note	No Rating

Concentration of credit risk. Concentration risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City of Camas policy requires that the portfolio be structured to diversify investments to reduce the risk of loss by over-concentration of assets in a specific maturity, a specific issuer or a specific type of security. Diversification according to City Policy is limited as follows:

Security Type	Portfolio Maximum
Washington State LGIP or Clark County Investment Pool	75%
Single Financial Institution or Single Security Type	25%
Single Federal Agency	25%

The investments held at year-end are listed below along with their percentage of the government's total investments:

Investment Type	Fair Value	Percentage of Portfolio
Washington State Local Govt. Investment Pool	\$ 11,222,044	12%
Clark County Investment Pool	6,905,391	7%
Federal Farm Credit Bank	26,014,251	28%
Federal National Mortgage Association	12,409,354	13%
Federal Home Loan Corp	6,876,712	7%
Federal Home Loan Bank	28,163,245	30%
US Treasury Note	1,932,656	2%
	<u>\$ 93,523,653</u>	<u>100%</u>

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of the failure of the counterparty, the city will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The city has a formal policy for custodial credit risk addressing third party safekeeping with all securities held in the city's name.

Investments in Local Government Investment Pool (LGIP)

The City is a voluntary participant in the Local Government Investment Pool as authorized by Chapter 294, Laws of 1986, and is managed and operated by the Washington State Treasurer. The State Finance Committee is the administrator of the statute that created the pool and adopts rules. The State Treasurer is responsible for establishing the investment policy for the pool and reviews the policy annually and the proposed changes are reviewed by the LGIP Advisory Committee.

Investments in the LGIP, a qualified external investment pool are reported at amortized cost which approximates fair value. The LGIP is an unrated external investment pool. The pool portfolio is invested in a manner that meets the maturity, quality, diversification, and liquidity requirements set forth by the GASBS 79 for external investment pools that elect to measure, for financial reporting purposes, investments are amortized at costs. The LGIP does not have any legally binding guarantees of share values. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals. The only restriction on withdrawals from the State Investment Pool is when a deposit is received by ACH. In this case, a five-day waiting period exists.

The Office of the State Treasurer prepares a stand-alone LGIP financial report. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, or online at <http://www.tre.wa.gov>.

Investments in Clark County Pool

The City is a participant in the Clark County Investment Pool, an external investment pool. The City reports its investment in the Pool at the fair value amount, which is the same as the value of the Pool per share. The responsibility for managing the pool resides with the County Treasurer. The Pool is established from the RCW 36.29 which authorizes the County Treasurer to invest the funds of participants. The Clark County Investment Pool's policy is established by the Clark County Finance Committee consisting of the County Treasurer and the County Auditor. The Clark County Investment Pool does not have a credit rating and had a weighted average maturity of 1.34 years as of December 31, 2021.

Investments Measured at Fair Value

The City measures and records its investments within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities
- Level 2: Quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable
- Level 3: Unobservable inputs for an asset or liability, to the extent observable inputs are not available

As of December 31, 2021, the City had the following investments measured as disclosed in the table below:

Investments by fair value level	12/31/2021	Quoted Prices in	Significant Other	Significant
		Active Markets for	Significant Other	Unobservable
		Identical Assets	Observable Inputs	Inputs
		Level 1	Level 2	Level 3
Federal Farm Credit Bank	\$ 26,014,251	\$ -	\$ 26,014,251	\$ -
Federal National Mortgage Assoc.	12,409,354	-	12,409,354	-
Federal Home Loan Corp	6,876,712	-	6,876,712	-
Federal Home Loan Bank	28,163,245	-	28,163,245	-
US Treasury Note	1,932,656	-	1,932,656	-
Total Investments by Fair Value Level	75,396,218	-	75,396,218	-
Clark County Investment Pool	6,905,391	6,905,391	-	-
Total Investments measured at fair value	82,301,609	\$ 6,905,391	\$ 75,396,218	\$ -
Investments measured at amortized cost				
State Local Government Investment Pool (LGIP)	11,222,044			
Total investments measured at amortized cost	11,222,044			
Total Investments in Statement of Net Position	\$ 93,523,653			

The investments above include investments pooled for the benefit of specific funds, all of which are presented at fair value. These Specific Funds held the following investments:

Fund	LGIP	CCIP	Debt Security	Total
Water Sewer Bond Reserve	\$ 1,214,854	\$ -	\$ 491,211	\$ 1,706,064
2018 GO Bond	1,263,808	-	-	1,263,808
2015 Water Sewer Revenue Bond	254,486	-	-	254,486
2019 Water Sewer Revenue Bond	5,261,173	-	-	5,261,173
2020 GO Bond	1,109,527	-	-	1,109,527
2021 ARPA Funds		3,417,326		3,417,326
	\$ 9,103,848	3,417,326	\$ 491,211	\$ 13,012,385

B. RECEIVABLES

Receivables as of December 31, 2021, for the City's individual major funds, combined nonmajor governmental, internal service and combined nonmajor enterprise funds, including the applicable allowance for uncollectible accounts, are as follows:

	Taxes	Accounts Receivable	Due from Other Governments	Developer Agreement	Interest	Total
General Fund	\$ 1,209,741	\$ 379,344	\$ 131,019	\$ -	\$ 917	\$ 1,721,021
Camas/Wash. Fire-EMS	21,075	483,956	-	-	-	505,031
Real Estate Excise Tax	-	-	6,433	-	-	6,433
Other Govt. Funds	5,313	16,526	13,698	-	-	35,537
Water-Sewer	-	2,214,993	-	1,473,606	-	3,688,599
Storm Water	-	352,355	-	-	-	352,355
Non Major - Solid Waste	-	538,448	-	-	-	538,448
	\$ 1,236,129	\$ 3,985,622	\$ 151,150	\$ 1,473,606	\$ 917	\$ 6,847,424

On December 31, 2015, the City entered into a contractual arrangement with Green Mountain LLC to share the costs of sewer improvements in September 2015. The developer will pay the city \$2.5 million over 15 years for their proportionate share of the improvements. Annual payments began in October 2016. The City, as the beneficiary, holds an irrevocable Standby Letter of Credit that authorizes the City to make draws against the developer's credit in the event the developer does not make payment. Green Mountain LLC is currently restructuring the Standby Letter of Credit with their financial institution.

Green Mountain LLC has paid four installments and as of December 31, 2021, has \$1,473,606 outstanding on the commitment.

A second development, Green Mountain Estates, has been conditioned with their subdivision approval to pay to the City a proportionate share of the trunk line sewer improvements project as well. A payment of \$1,236 will be assessed to each of the 346 lots in the subdivision to be paid at time of building permit issuance for a total contribution of approximately \$427,656. At the end of December 31, 2021, the City has collected \$296,664.

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources received but have not yet been earned. At the end of the current fiscal year, the various components of deferred inflows of resources and unavailable revenue reported in the governmental funds were as follows:

	Property Taxes Receivable	Accounts receivable	Grant Receivable	Unavailable
General Fund	\$ 100,631	\$ 105,380	\$ 2,217	\$ 208,228
Camas-Washougal Fire & EMS Fund	17,253	238,345	86,148	341,746
Nonmajor Funds	1,255	-	13,698	14,953
Total deferred/unavailable for governmental funds	\$ 119,139	\$ 343,725	\$ 102,063	\$ 564,927

C. CAPITAL ASSETS

A summary of capital asset activity for the year ended December 31, 2021, was as follows:

Governmental activities:	Balance 1/1/2021	Prior Period Adjustment	Increases	Decreases	Ending Balance 12/31/2021
Capital assets, not being depreciated					
Land	\$ 70,499,968	\$ -	\$ 4,141,451	\$ -	\$ 74,641,419
Intangibles	92,082,395	-	2,064,659	-	94,147,054
Construction in progress	1,426,195	(108,742)	4,290,006	1,456,432	4,151,027
Total capital assets, not being depreciated	164,008,558	(108,742)	10,496,116	1,456,432	172,939,500
Capital assets, being depreciated/depleted:					
Buildings	19,556,187	-	-	-	19,556,187
Improvements other than buildings*	11,638,842	-	2,420,781	-	14,059,623
Machinery and Equipment	15,063,195	-	951,056	335,915	15,678,336
Intangibles	28,993	-	-	-	28,993
Infrastructure	149,707,543	-	2,109,025	-	151,816,568
Total capital assets being depreciated	195,994,760	-	5,480,862	335,915	201,139,707
Less accumulated depreciation for:					
Buildings	7,493,804	-	409,692	-	7,903,496
Improvements other than buildings	7,447,082	-	463,125	-	7,910,207
Machinery and Equipment	8,501,019	-	1,374,094	335,915	9,539,198
Intangibles	28,993	-	-	-	28,993
Infrastructure	77,108,908	-	4,786,160	-	81,895,068
Total accumulated depreciation	100,579,806	-	7,033,071	335,915	107,276,962
Total capital assets, being depreciated, net	95,414,954	-	(1,552,209)	-	93,862,745
Governmental activities capital assets, net	\$ 259,423,512	\$ (108,742)	\$ 8,943,907	\$ 1,456,432	\$ 266,802,245

Business type Assets

	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets, not being depreciated				
Land	\$ 3,132,683	\$ 11,761	\$ -	\$ 3,144,444
Intangibles - Easements	3,046,672	668,558	-	3,715,230
Construction in progress	5,050,496	3,062,418	4,934,130	3,178,784
Total capital assets, not being depreciated	11,229,851	3,742,737	4,934,130	10,038,458
Capital assets, being depreciated/depleted:				
Buildings and System	34,219,904	3,315,287	-	37,535,191
Intangibles	252,491	-	-	252,491
Improvements other than buildings	33,093,933	776,485	-	33,870,418
Machinery and Equipment	30,669,202	247,448	-	30,916,650
Infrastructure	126,266,558	3,146,918	-	129,413,476
Total capital assets being depreciated	224,502,088	7,486,138	-	231,988,226
Less accumulated depreciation for:				
Buildings and System	11,197,466	960,480	-	12,157,946
Intangibles	27,168	5,961	-	33,129
Improvements other than buildings	7,442,044	755,670	-	8,197,714
Machinery and Equipment	13,874,871	1,035,200	-	14,910,071
Infrastructure	29,883,298	2,959,561	-	32,842,859
Total accumulated depreciation	62,424,847	5,716,872	-	68,141,719
Total capital assets, being depreciated, net	162,077,241	1,769,266	-	163,846,507
Business type capital assets, net	\$ 173,307,092	\$ 5,512,003	\$ 4,934,130	\$ 173,884,965

Governmental activities:

General Government	\$	79,635
Public Safety		421,596
Transportation, including depreciation of general infrastructure		5,039,711
Physical environment		4,923
Culture and Recreation		598,743
Capital assets held by the government's internal service funds are charged to the functions based on usage		888,463
	\$	<u>7,033,071</u>

Business-type activities:

Water- Sewer	\$	4,905,879
Storm - Water		810,992
Total depreciation expense—business-type activities	\$	<u>5,716,871</u>

Significant Commitments

The City has remaining construction projects as of December 31, 2021. They include Governmental and Business type projects. While these projects have contracts issued for their construction, there is not an immediate liability to the City. Rather, the contracts represent a commitment that should be disclosed. The following lists these commitments:

Project	Commitment	Retainage Held and Not Yet Paid	Remaining Commitment
3rd Ave Bridge Seismic Retrofit	2,393,404	-	348,367
NW 38th Ave Impr., Ph 3	687,678	-	270,877
NW 12th Ave Improvements	393,243	-	67,044
544' PZ 2.0 MG Reservoir	1,358,477	-	419,200
Lower Prune Hill Booster Station	936,117	-	688,875
Lacamas Shores Pump Station	187,736	-	187,736
	<u>\$ 5,956,655</u>	<u>\$ -</u>	<u>\$ 1,982,099</u>

D. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Loans between funds are classified as interfund loans receivable or payable or as advances to and from other funds on the Statement of Net Position. Within the City, one fund may borrow from another when specifically authorized by council resolution. Due to other funds and due from other funds result from work performed or services rendered to or for the benefit of another fund of the same government. Interfund transfers are the flow of assets without a reciprocal return of assets, goods, or services. These are transfers to support other funds without a requirement for repayment. The interfund transfer activity for the year is as follows:

	Transfers Out				
	General Fund	Camas-Washougal Fire & EMS Fund	Real Estate Excise Tax Fund	Non Major Governmental	Total
Transfers In					
General Fund	\$ -	\$ 6,600	\$ -	\$ 14,680	\$ 21,280
Camas-Washougal Fire & EMS Fund	3,590,358	-	-	-	3,590,358
Real Estate Excise Tax Fund	126,050	-	-	-	126,050
Nonmajor Governmental Funds	2,428,841	34,742	1,251,688	3,053,406	6,768,677
Water/Sewer	54,289	-	-	-	54,289
Storm	19,707	-	-	-	19,707
Internal Service - Equipment Rental	-	-	-	-	-
Total \$	<u>6,219,245</u>	<u>\$ 41,342</u>	<u>\$ 1,251,688</u>	<u>\$ 3,068,086</u>	<u>\$ 10,580,361</u>

The General Fund transfers to Camas-Washougal Fire and EMS and Non-major Governmental funds are for recurring support of operations and debt payment of the respective funds. Interfund transactions usually involve the exchange of goods and services between funds in a normal business relationship.

E. RESTRICTED COMPONENT OF NET POSITION

The balances of the restricted net position in the enterprise funds are as follows:

Revenue bond debt service account - Water/Sewer	\$ 1,710,496
Capital reserve account - Water/Sewer	16,146,169
Net Pension Asset	<u>1,927,717</u>
Total restricted net position	<u>\$ 19,784,382</u>

F. LONG-TERM DEBT

GENERAL OBLIGATION DEBT

Public Placement Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major governmental activity capital facilities. The City had \$33,470,000 in general obligation bonds outstanding on December 31, 2021.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds are either created by 3/5 majority vote of the people and, therefore, financed by a special tax levy; or created by ordinance, adopted by the City Council, and financed from general revenues.

The 2015, 2018, 2020 and 2021 Limited General Obligation Bonds are public offerings with no assets pledged as collateral.

General obligation bonds currently outstanding are as follows:

Name & Amount of Issuance	Governmental Purpose	Issuance Date	Maturity Date	Interest Rate	Debt Outstanding
Public Placement:					
2015 Limited GO (\$7,325,000)	Capital	3/18/2015	12/1/2035	2.0% to 5.0%	\$ 5,720,000
2018 Limited GO (\$9,810,000)	Capital	11/20/2018	12/1/2038	4.0% to 5.0%	8,870,000
2020 Limited GO (\$7,500,000)	Capital	3/18/2020	6/1/2044	4.00%	8,685,000
2021 Limited GO (\$10,195,000)	Capital	12/15/2021	12/1/2044	2.0% to 4.0%	10,195,000
Total General Obligation Bonds					<u><u>\$ 33,470,000</u></u>

The annual debt service requirements to maturity for general obligation bonds are as follows:

General Obligation Bonds						
Governmental Activities				Business Type Activities		
	Principal	Interest	Total Requirements	Principal	Interest	Total Requirements
2022	\$ 1,222,530	\$ 1,376,427	\$ 2,598,957	\$ 27,470	\$ 25,192	\$ 52,662
2023	1,261,157	1,346,619	2,607,776	28,843	24,093	52,936
2024	1,290,699	1,304,165	2,594,864	29,301	23,372	52,673
2025	1,349,325	1,249,530	2,598,855	30,675	21,907	52,582
2026	1,412,494	1,188,514	2,601,008	32,506	20,374	52,880
2027-2031	8,052,289	4,927,102	12,979,391	187,711	75,886	263,597
2032-2036	9,562,747	2,922,920	12,485,667	187,253	23,968	211,221
2037-2041	7,145,000	1,041,850	8,186,850	-	-	-
2042-2044	1,650,000	115,575	1,765,575	-	-	-
	<u>\$ 32,946,241</u>	<u>\$ 15,472,702</u>	<u>\$ 48,418,943</u>	<u>\$ 523,759</u>	<u>\$ 214,792</u>	<u>\$ 738,551</u>

The Annual debt service requirements to maturity for each of general obligation bonds are as follows:

2015 Limited Tax GO Bonds (Transportation, Fire Engine, Facilities)				
	Coupon Rates	Principal	Interest	Total Requirements
2022	4.00	\$ 300,000	\$ 275,127	\$ 575,127
2023	2.50	315,000	263,125	578,125
2024	5.00	320,000	255,250	575,250
2025	5.00	335,000	239,250	574,250
2026	5.00	355,000	222,500	577,500
2027-2031	5.00	2,050,000	828,750	2,878,750
2032-2035	5.00	2,045,000	261,750	2,306,750
		<u>\$ 5,720,000</u>	<u>\$ 2,345,752</u>	<u>\$ 8,065,752</u>

2018 Limited Tax GO Bonds (Parks, Transportation, Facilities)

	Coupon			Total
	Rates	Principal	Interest	Requirements
2022	5.00	\$ 345,000	\$ 422,250	\$ 767,250
2023	5.00	360,000	405,000	765,000
2024	5.00	380,000	387,000	767,000
2025	5.00	400,000	368,000	768,000
2026	5.00	420,000	348,000	768,000
2027-2031	5.00	2,420,000	1,405,500	3,825,500
2032-2036	5.00	3,100,000	735,000	3,835,000
2037-2038	5.0-4.0	1,445,000	87,200	1,532,200
		<u>\$ 8,870,000</u>	<u>\$ 4,157,950</u>	<u>\$ 13,027,950</u>

2020 Limited Tax GO Bonds (Legacy Lands, Transportation, Capital)

	Coupon			Total
	Rates	Principal	Interest	Requirements
2022	4.00	\$ 235,000	\$ 329,986	\$ 564,986
2023	4.00	250,000	320,587	570,587
2024	4.00	250,000	310,587	560,587
2025	4.00	260,000	300,587	560,587
2026	4.00	270,000	290,187	560,187
2027-2031	4.00	1,525,000	1,280,339	2,805,339
2032-2036	4.00	1,875,000	948,139	2,823,139
2037-2041	4.00	2,370,000	544,651	2,914,651
2042-2044	2.5-4.00	1,650,000	115,575	1,765,575
		<u>\$ 8,685,000</u>	<u>\$ 4,440,638</u>	<u>\$ 13,125,638</u>

2021 Limited Tax GO Bonds (Legacy Lands refinance, Transportation, Capital)

	Coupon			Total
	Rates	Principal	Interest	Requirements
2022	2.00	\$ 370,000	\$ 374,257	\$ 744,257
2023	2.00	365,000	382,000	747,000
2024	3.00	370,000	374,700	744,700
2025	4.00	385,000	363,600	748,600
2026	4.00	400,000	348,200	748,200
2027-2031	4.00	2,245,000	1,488,400	3,733,400
2032-2036	4.00	2,730,000	1,002,000	3,732,000
2037-2041	4.00	3,330,000	515,400	3,845,400
		<u>\$ 10,195,000</u>	<u>\$ 4,848,557</u>	<u>\$ 15,043,557</u>

Direct Borrowing and Direct Placement Debt

The City has also received government loans to provide for construction of capital projects. Should default occur for the below PWTF direct placement loans a penalty of 1% per month, or 12% per annum, will be incurred. All PWTF loans categorized under Business type Activities have net revenue from sewer utility pledged as collateral, except the 2012 (\$2,040,000) loan, which has the net revenue from water utility pledged as collateral instead. No assets have been pledged as collateral for any type of loan categorized as Governmental Activities.

The EPA and DOE loans incur a 1% increase in interest upon default and have net revenue of sewer utilities pledged as collateral. The ARRA loans have the net revenue of water utilities pledged as collateral and the ARRA loan incurs a 1% increase in interest upon default.

The direct borrowing and direct placement debt outstanding at year-end is as follows:

Name & Amount of Issuance	Purpose	Issuance Date	Maturity Date	Interest Rate	Debt Outstanding
<u>Governmental Activities</u>					
2003 PWTF (\$2,350,000)	Capital	5/21/2004	7/1/2023	0.50%	\$ 287,976
2012 PWTF (\$2,600,000)	Capital	12/13/2011	6/1/2031	0.50%	1,384,055
2013 State LOCAL (\$1,715,000)	Capital	8/22/2013	6/1/2028	2.61%	955,000
2013 State LOCAL (\$259,767)	Capital	8/22/2013	6/1/2021	3.52%	80,756
2018 PWTF (\$1,000,000)	Capital	11/22/2018	6/1/2024	0.84%	947,368
2020 PWTF (\$2,185,230)	Capital	4/22/2020	6/1/2039	1.58%	2,904,804
Governmental Total					<u>\$ 6,559,959</u>
<u>Business-type Activities</u>					
2007 PWTF (\$1,000,000)	Water-Sewer	8/6/2007	7/1/2027	0.50%	\$ 270,833
2008 PWTF (\$10,000,000)	Water-Sewer	3/7/2008	7/1/2028	0.50%	3,886,842
2009 ARRA (\$1,313,000)	Water-Sewer	4/27/2009	10/1/2032	1.00%	314,777
2011 DOE (\$5,168,026)	Water-Sewer	1/10/2011	6/30/2032	2.80%	3,160,965
2012 PWTF (\$3,740,000)	Water-Sewer	8/9/2012	6/1/2032	1.00%	2,081,873
2012 PWTF (\$2,600,000)	Water-Sewer	12/13/2011	6/1/2031	0.50%	1,759,650
2012 PWTF (\$2,040,000)	Stormwater	8/9/2013	6/1/2032	0.50%	35,440
Business-type Total					<u>\$ 11,510,380</u>
Total Government Loans - Direct Placement					<u><u>\$ 18,070,339</u></u>

The annual debt service requirements for debt from direct borrowings and direct placement to maturity are as follows:

	Governmental activities			Business Type Activities (Storm)		
	Principal	Interest	Total Requirements	Principal	Interest	Total Requirements
2022	\$ 650,772	\$ 112,963	\$ 763,735	\$ 1,244,449	\$ 125,305	\$ 1,369,754
2023	662,792	102,274	765,066	1,251,899	113,277	1,365,176
2024	482,416	90,014	572,430	1,259,560	101,037	1,360,597
2025	487,416	79,258	566,674	1,267,438	88,579	1,356,017
2026	497,416	68,127	565,543	1,275,540	75,898	1,351,438
2027-2031	2,067,075	211,839	2,278,914	4,661,150	190,699	4,851,849
2032-2036	1,070,050	103,177	1,173,227	550,344	3,988	554,332
2037-2039	642,022	20,635	662,657	-	-	-
	<u>\$ 6,559,959</u>	<u>\$ 788,287</u>	<u>\$ 7,348,246</u>	<u>\$ 11,510,380</u>	<u>\$ 698,783</u>	<u>\$ 12,209,163</u>

Annual debt service requirements to maturity for each of the direct borrowings and direct placement debt are as follows:

2003 Public Works Trust Fund Loan-SE 1st Avenue

	Principal	Interest	Total Requirements
2022	\$ 143,988	\$ 1,440	\$ 145,428
2023	143,988	720	144,708
	<u>\$ 287,976</u>	<u>\$ 2,160</u>	<u>\$ 290,136</u>

2012 Public Works Trust Fund Loan-38th Street

	Governmental Activities			Business Type Activities (Storm)		
	Principal	Interest	Total Requirements	Principal	Interest	Total Requirements
2022	\$ 138,406	\$ 6,920	\$ 145,326	\$ 3,544	\$ 177	\$ 3,721
2023	138,406	6,228	144,634	3,544	160	3,704
2024	138,406	5,536	143,942	3,544	142	3,686
2025	138,406	4844	143,250	3,544	124	3,668
2026	138,406	4152	142,558	3,544	106	3,650
2027-2031	692,025	10,381	702,406	17,720	266	17,986
	<u>\$ 1,384,055</u>	<u>\$ 38,061</u>	<u>\$ 1,422,116</u>	<u>\$ 35,440</u>	<u>\$ 975</u>	<u>\$ 36,415</u>

2013 Local Option Capital Asset Lending (LOCAL) Loan-Community Center

	Principal	Interest	Total Requirements
2022	\$ 115,000	\$ 41,825	\$ 156,825
2023	125,000	35,825	160,825
2024	130,000	29,450	159,450
2025	135,000	22,825	157,825
2026	145,000	15,825	160,825
2027-2028	305,000	12,300	317,300
	<u>\$ 955,000</u>	<u>\$ 158,050</u>	<u>\$ 1,113,050</u>

2013 Local Option Capital Asset Lending (LOCAL) Loan-HVAC

	Principal	Interest	Total Requirements
2022	\$ 39,368	\$ 3,054	\$ 42,422
2023	41,388	1,034	42,422
	<u>\$ 80,756</u>	<u>\$ 4,088</u>	<u>\$ 84,844</u>

2018 PWTF Loan - Lake and Everett Intersection Improvements (Design)

	Principal	Interest	Total Requirements
2022	\$ 52,632	\$ 16,011	\$ 68,643
2023	52,632	15,121	67,753
2024	52,632	14,232	66,864
2025	52,632	13,342	65,974
2026	52,632	12,453	65,085
2027-2031	263,160	48,921	312,081
2032-2036	263,160	26,684	289,844
2037-2039	157,888	5,336	163,224
	<u>\$ 947,368</u>	<u>\$ 152,100</u>	<u>\$ 1,099,468</u>

2020 PWTF Everett & Lake Rd.

	Principal	Interest	Total Requirements
2022	\$ 161,378	\$ 43,713	\$ 205,091
2023	161,378	43,346	204,724
2024	161,378	40,796	202,174
2025	161,378	38,247	199,625
2026	161,378	35,697	197,075
2027-2031	806,890	140,237	947,127
2032-2036	806,890	76,493	883,383
2037-2039	484,134	15,299	499,433
	<u>\$ 2,904,804</u>	<u>\$ 433,828</u>	<u>\$ 3,338,632</u>

2007 Public Work Trust Fund Loan-WWTP Design

	Principal	Interest	Total Requirements
2022	\$ 45,139	\$ 1,354	\$ 46,493
2023	45,139	1,128	46,267
2024	45,139	903	46,042
2025	45,139	677	45,816
2026	45,139	451	45,590
2027	45,138	226	45,364
	<u>\$ 270,833</u>	<u>\$ 4,739</u>	<u>\$ 275,572</u>

2008 Public Work Trust Fund Loan-WWTP Construction

	Principal	Interest	Total Requirements
2022	\$ 555,263	\$ 19,434	\$ 574,697
2023	555,263	16,658	571,921
2024	555,263	13,882	569,145
2025	555,263	11,105	566,368
2026	555,263	8,329	563,592
2027-2028	1,110,527	8,329	1,118,856
	<u>\$ 3,886,842</u>	<u>\$ 77,737</u>	<u>\$ 3,964,579</u>

2009 ARRA Loan-Well #14

	Principal	Interest	Total Requirements
2022	\$ 28,616	\$ 3,148	\$ 31,764
2023	28,616	2,862	31,478
2024	28,616	2,575	31,191
2025	28,616	2,289	30,905
2026	28,616	2,003	30,619
2027-2031	143,080	5,726	148,806
2032	28,617	286	28,903
	<u>\$ 314,777</u>	<u>\$ 18,889</u>	<u>\$ 333,666</u>

2011 Department of Ecology Loan (WWTP Upgrade)

	Principal	Interest	Total Requirements
2022	\$ 262,658	\$ 87,189	\$ 349,847
2023	270,108	79,739	349,847
2024	277,769	72,078	349,847
2025	285,647	64,200	349,847
2026	293,749	56,098	349,847
2027-2031	1,598,540	150,694	1,749,234
2032	172,494	2,429	174,923
	<u>\$ 3,160,965</u>	<u>\$ 512,427</u>	<u>\$ 3,673,392</u>

2012 Public Works Trust Fund-Sewer Main

	Principal	Interest	Total Requirements
2022	\$ 189,261	\$ 5,205	\$ 194,466
2023	189,261	4,732	193,993
2024	189,261	4,258	193,519
2025	189,261	3,785	193,046
2026	189,261	3,312	192,573
2027-2031	946,305	9,462	955,767
2032	189,263	473	189,736
	<u>\$ 2,081,873</u>	<u>\$ 31,227</u>	<u>\$ 2,113,100</u>

2012 Public Works Trust Fund-Gregg Reservoir

	Principal	Interest	Total Requirements
2022	\$ 159,968	\$ 8,798	\$ 168,766
2023	159,968	7,998	167,966
2024	159,968	7,199	167,167
2025	159,968	6,399	166,367
2026	159,968	5,599	165,567
2027-2031	799,840	15,996	815,836
2032	159,970	800	160,770
	<u>\$ 1,759,650</u>	<u>\$ 52,789</u>	<u>\$ 1,812,439</u>

REVENUE BONDS

The City also issues bonds where the government pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds are created by ordinance, adopted by the City Council and financed from enterprise fund revenues. The original amount of revenue bonds issued in 2019 was \$34,995,000. The water sewer revenue bonds are issued to finance capital projects and have the Revenue of water-sewer utilities pledged as collateral. Publicly Offered Revenue bonds outstanding at year-end are as follows:

Name & Amount of Issuance	Issuance Date	Maturity Date	Interest Rate	Debt Outstanding
2015 Water Sewer Refunding Bonds and Revenue Bonds (\$19,145,000)	9/10/2015	12/1/2035	2.0% to 5.0%	\$ 15,270,000
2019 Water Sewer Revenue Bonds (\$18,210,000)	3/20/2019	12/1/2047	5%	17,500,000
<i>Total Revenue Bonds</i>				<u>\$ 32,770,000</u>

The maximum annual debt service of \$1,534,000 is required to be set aside in the reserve account of the Water-Sewer Fund in accordance with bond requirements for the 2015 Water Sewer Refunding and Revenue Bonds. The amount presented on the financial statements is \$1,710,496. The 2019 Water Sewer Revenue Bonds do not have a reserve account requirement.

The annual debt service requirements for publicly offered revenue bonds to maturity are as follows:

Revenue Bonds			
	Principal	Interest	Total Requirements
2022	\$ 1,350,000	\$ 1,614,625	\$ 2,964,625
2023	1,415,000	1,555,025	2,970,025
2024	1,485,000	1,484,275	2,969,275
2025	1,560,000	1,410,025	2,970,025
2026	1,640,000	1,332,025	2,972,025
2027-2031	9,465,000	5,389,825	14,854,825
2032-2036	10,505,000	2,819,000	13,324,000
2037-2041	2,080,000	1,140,000	3,220,000
2042-2046	2,655,000	565,000	3,220,000
2047	615,000	30,750	645,750
	<u>\$ 32,770,000</u>	<u>\$ 17,340,550</u>	<u>\$ 50,110,550</u>

Annual debt service requirements to maturity for each of the individual revenue bonds are as follows:

2015 Water-Sewer Revenue Bond (North Shore Sewer)

	Principal	Interest	Total Requirements
2022	\$ 790,000	\$ 739,625	\$ 1,529,625
2023	825,000	708,025	1,533,025
2024	865,000	666,775	1,531,775
2025	910,000	623,525	1,533,525
2026	955,000	578,025	1,533,025
2027-2031	5,490,000	2,169,575	7,659,575
2032-2035	5,435,000	696,000	6,131,000
	<u>\$ 15,270,000</u>	<u>\$ 6,181,550</u>	<u>\$ 21,451,550</u>

2019 Water-Sewer Revenue Bond (Water Projects)

	Principal	Interest	Total Requirements
2022	\$ 560,000	\$ 875,000	\$ 1,435,000
2023	590,000	847,000	1,437,000
2024	620,000	817,500	1,437,500
2025	650,000	786,500	1,436,500
2026	685,000	754,000	1,439,000
2027-2031	3,975,000	3,220,250	7,195,250
2032-2036	5,070,000	2,123,000	7,193,000
2037-2041	2,080,000	1,140,000	3,220,000
2042-2046	2,655,000	565,000	3,220,000
2047	615,000	30,750	645,750
	<u>\$ 17,500,000</u>	<u>\$ 11,159,000</u>	<u>\$ 28,659,000</u>

The City is required by revenue bond indenture ordinances to maintain debt service coverage of its revenue bonded debt of at least 1.25. Total operating revenues (including service development charges) less operating expenses, not including depreciation and amortization, must be at least 1.25 times the maximum principal and interest due in any one year until date of retirement of the bonds. Debt service coverage from operating revenues for the year ended December 31, 2021, was 6.3.

On December 31, 2015, the City entered into a contractual arrangement with Green Mountain LLC to share the costs of sewer improvements in September 2015. The developer will pay the City \$1.9 million over 15 years for their proportionate share of the improvements. The interest rate on the receivable is 3.6918%. Annual payments of \$163,734 began in October 2016. The City, as the beneficiary, was to hold an irrevocable Standby Letter of Credit that authorizes the City to make draws against the developer's credit in the event the developer does not make payment. The Letter of Credit is currently being restructured by the lender and the developer. Green Mountain LLC has paid the first five installments and as of December 31, 2021, has \$1,473,606 outstanding on the commitment.

A second development, Green Mountain Estates, has been conditioned with their subdivision's approval to pay to the City a proportionate share of the sewer trunk line improvement project as well. A payment of \$1,236 will be assessed for each of the 346 lots in the subdivision to be paid at time of building permit issuance for a total contribution of approximately \$427,656. Through December 31, 2021, \$130,992 was collected leaving a balance of \$296,664.

ARBITRAGE

The City has six bond issues subject to arbitrage calculations for the Internal Revenue Service. The first bond, 2015 Limited Tax General Obligation Bonds do not have an arbitrage liability according to the first calculation due to negative arbitrage of \$269,767. The second bond issue, 2015 Water and Sewer Revenue and Refunding Bonds also had a first calculation which had negative arbitrage of \$1.17 million and has no arbitrage due to the IRS. The third bond, 2018 Limited Tax General Obligation Bonds will be subject to the first calculation scheduled for November 23, 2023, with the fourth bond, 2019 Water and Sewer Revenue Bonds subject to the first calculation on March 20, 2024. The fifth bond issue the 2020 Limited Tax General Obligation Bonds will be subject to the first calculation on March 19, 2025. The most recent bond issue, the 2021 Limited Tax General Obligation Bonds will be subject to the first calculation on December 15, 2026.

DEFEASANCE OF DEBT

In prior years, the City defeased certain water and sewer revenue bonds by placing the proceeds of the new bonds and/or cash in irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for defeased bonds are not included in the City's financial statements.

COMPENSATED ABSENCES

Accumulated amounts of vacation and sick leave are accrued as an expenditure when incurred in Proprietary Funds, but only the amount of reimbursable unused vacation leave payable to employees who have terminated their employment as of the end of the fiscal year is shown as a liability in governmental funds. The remainder of the liability is reported in the governmental activities' column of the Statement of Net Position.

As of December 31, 2021, the recorded liability on the government-wide statements for vacation and sick leave is \$1,968,174 with \$1,767,128 recorded in governmental activities and \$201,046 in business-type activities. City employees receive vacation and sick leave time at monthly rates established by city ordinance or union agreement. Vacation is accrued monthly by employees at annual rates ranging from 8 to 30 days depending upon tenure and union agreements with a maximum accrual limit of 50 days. Sick leave accruals vary, depending upon union agreement, between 8 and 18 hours per month. Vacation pay is paid upon termination or retirement, and 25% of sick pay is paid upon retirement.

CHANGES IN LONG-TERM LIABILITIES

The following is a summary of long-term debt changes of the City for the year:

Governmental activities	Balance	Additions	Reductions	Balance	One Year
Bonds payable:					
General obligation bonds	\$ 23,569,687	\$ 10,195,000	\$ 818,446	\$ 32,946,241	\$ 1,222,530
Less deferred amounts					
For issuance premiums (discounts)	2,947,599	1,899,211	156,256	4,690,554	247,071
Total bonds payable	26,517,286	12,094,211	974,702	37,636,795	1,469,601
Notes from Direct Borrowings and Direct Placements	13,856,111	853,466	8,149,618	6,559,959	650,772
Less deferred amounts					
For Issuance premiums (discounts)	90,253	-	14,768	75,485	14,768
Total Direct Borrowings and Direct Placement Debt	13,946,364	853,466	8,164,386	6,635,444	665,540
Total OPEB Liability	7,226,744	-	1,712,640	5,514,104	377,923
Net Pension Liability	2,474,274	-	1,983,060	491,214	-
Total Pension Liability	261,589	52,250	-	313,839	25,792
Compensated absences	1,921,124	1,519,503	1,673,499	1,767,128	176,713
Governmental activity long-term liabilities	<u>\$ 52,347,381</u>	<u>\$ 14,519,430</u>	<u>\$ 14,508,287</u>	<u>\$ 52,358,524</u>	<u>\$ 2,715,569</u>

*Restated for prior period adjustment related to bond reallocation of \$78,657 and premium correction of \$35,564.

Business-type activities

General obligation bonds**	\$ 550,313	\$ -	\$ 26,554	523,759	\$ 27,470
Less deferred amounts					
For issuance premiums (discounts)**	69,411	-	4,551	64,860	4,631
Total GO bonds payable	619,724	-	31,105	588,619	32,101
Revenue bonds	33,905,000	-	1,135,000	32,770,000	1,350,000
Less deferred amounts					
For issuance premiums (discounts) on refunding**	4,257,450	-	273,507	3,983,943	273,507
Total revenue bonds payable	38,162,450	-	1,408,507	36,753,943	1,623,507
Notes from Direct Borrowings and Direct Placements	12,747,586	-	1,237,206	11,510,380	1,244,450
Total OPEB Liability	407,667	-	116,085	291,582	21,272
Asset Retirement Obligation*	187,523	13,220	-	200,743	-
Net Pension Liability	928,243	-	744,176	184,067	-
Compensated absences	202,459	184,603	186,016	201,046	20,105
Business-type activity long-term liabilities	<u>\$ 53,255,652</u>	<u>\$ 197,823</u>	<u>\$ 3,723,095</u>	<u>49,730,380</u>	<u>\$ 2,941,435</u>

*Restated to add immaterial asset retirement obligation

**Restated for prior period adjustment of \$172,934 for revenue premium adjustment and \$78,657 for GO Bond reallocation, with \$1,486 related to bond premiums

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end internal service funds compensated absences are \$49,951, net pension liability is \$26,353 and OPEB liability is \$0. Also, for the governmental activities, claims and judgments, compensated absences and net other post-employment benefit obligations are generally liquidated by operating funds, such as the General Fund, Street Fund, and the Camas/Washougal Fire and Emergency Management Services Fund.

On December 29, 2021, the City paid off the outstanding balance of the land contract for the Rose property for \$6,272,004.72 including closing costs. \$6,047,106 of the 2021 Limited General Obligations Bonds were used to refinance the land contract with the remaining balance paid with Conservation Futures funding.

The City's legal limit of indebtedness is 1½% of assessed property value without a vote of the taxpayers and 2½% with a vote of the taxpayers. At December 31, 2021, the remaining nonvoted and voted remaining capacity was \$39,873,353 and \$132,325,626, respectively.

Unspent Bond proceeds are being held for the 2018 GO Bond, 2020 GO Bond and the 2021 GO Bond in the amounts of \$1,263,808, \$1,109,527, and \$2,509,539, respectively. Additionally, the Water-Sewer Funds is holding unspent bond proceeds of \$254,419 and \$6,521,292, related to the 2015 and 2019 Revenue Bonds, respectively.

G. SHORT-TERM DEBT

The City obtained a tax anticipation note authorized at \$7,000,000 for the purpose of paying expenditures of the City's construction and other funds, pending the receipt of taxes, debt proceeds and other revenues. This note is drawn down as needed, similar to a line of credit. The following funds shared in the borrowing: General Fund, the Lake and Everett Construction Fund, Sewer Capital Projects, and Water Capital Projects.

The beginning balance of the line of credit was \$2,800,118. During 2021, proceeds of \$3,000,000 were received and payments of \$2,796,118 were made. At December 31, 2021, the line of credit balance is \$3,004,000. The City is intending to pay off the line of credit balance with debt proceeds from state loans for the Lake and Everett Construction project and Water Sewer Construction.

NOTE V. OTHER DISCLOSURES

A. RISK MANAGEMENT

The City of Camas is a member of the Washington Cities Insurance Authority (WCIA). Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and / or jointly contracting for risk management services. WCIA has a total of 166 members.

New members initially contract for a three-year term, and thereafter automatically renew on an annual basis. A one-year withdrawal notice is required before membership can be terminated. Termination does not relieve a former member from its unresolved loss history incurred during membership.

Liability coverage is written on an occurrence basis, without deductibles [1]. Coverage includes general, automobile, police, errors or omissions, stop gap, employment practices, prior wrongful acts, and employee benefits liability. Limits are \$4 million per occurrence in the self-insured layer, and \$16 million in limits above the self-insured layer is provided by reinsurance. Total limits are \$20 million per occurrence subject to aggregates and sublimits. The Board of Directors determines the limits and terms of coverage annually.

Insurance for property, automobile physical damage, fidelity, inland marine, and boiler and machinery coverage are purchased on a group basis. Various deductibles apply by type of coverage. Property coverage is self-funded from the members' deductible to \$750,000, for all perils other than flood and earthquake, and insured above that to \$300 million per occurrence subject to aggregates and sublimits. Automobile physical damage coverage is self-funded from the members' deductible to \$250,000 and insured above that to \$100 million per occurrence subject to aggregates and sublimits.

In-house services include risk management consultation, loss control field services, and claims and litigation administration. WCIA contracts for certain claims investigations, consultants for personnel and land use issues, insurance brokerage, actuarial, and lobbyist services.

WCIA is fully funded by its members, who make annual assessments on a prospectively rated basis, as determined by an outside, independent actuary. The assessment covers loss, loss adjustment, reinsurance, and other administrative expenses. As outlined in the interlocal, WCIA retains the right to additionally assess the membership for any funding shortfall.

An investment committee, using investment brokers, produces additional revenue by investment of WCIA's assets in financial instruments which comply with all State guidelines.

A Board of Directors governs WCIA, which is comprised of one designated representative from each member. The Board elects an Executive Committee and appoints a Treasurer to provide general policy direction for the organization. The WCIA Executive Director reports to the Executive Committee and is responsible for conducting the day-to-day operations of WCIA.

In the past three years, the City has not had any settlements exceeding the City's coverage with WCIA.

B. PROPERTY TAXES

The county treasurer bills and collects all property taxes and remits the City's share once daily. Property taxes are recognized when levied, and measurable and available to finance expenditures of the current period. Property taxes not available to finance the current period are disclosed as deferred revenue on the balance sheet.

A city is permitted by law to levy up to \$3.60 per \$1,000 of assessed valuation for general governmental services. This amount may be reduced for any of the following reasons:

- The Washington State Constitution limits the total regular property taxes to one percent of assessed valuation or \$10 per \$1,000 of value. If the taxes of all the districts exceed this amount, each is proportionately reduced until total is at or below the one percent limit.
- Washington State Law RCW 84.55.010 limits the growth of regular property taxes to one percent per year or by the Implicit Price Deflator per year (whichever is lower), after adjustments for new construction. If the assessed valuation increases by more than one percent due to revaluation, the levy will decrease.
- The City may voluntarily levy taxes below the legal limit.

Property tax is recorded as a receivable and revenue when levied. No allowance is recorded for uncollectible tax because delinquent taxes are considered fully collectible. Prior year tax levies were recorded using the same principal and delinquent taxes are evaluated annually.

The City's regular levy for 2021 was \$2.59 per \$1,000 on an assessed valuation of \$5.293 billion for a total regular levy of \$13,647,150.

Special levies approved by the voters are not subject to the limitations described above. In 2021, the City renewed the EMS levy to \$0.45 per \$1,000 to provide emergency medical services for a total of \$2,356,879.

C. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

The following table represents the aggregate pension amounts for all plans for the year 2021:

Aggregate Pension Amounts - All Plans	
Pension liabilities	\$ 989,120
Pension assets	22,713,623
Deferred outflows of resources	2,163,210
Deferred inflows of resources	15,799,295
Pension expense/expenditures	(4,078,603)

State Sponsored Pension Plans

Substantially all City 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, under cost-sharing, multiple-employer public employee defined benefit and defined contribution 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 (DRS), 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 ACFR may be obtained by writing to:

Department of Retirement Systems
Communications Unit
P.O. Box 48380
Olympia, WA 98540-8380

Or the DRS ACFR 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 the legislature; employees of district and municipal courts; 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. PERS plans 1 and 2 are defined benefit plans, and PERS 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 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 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 non-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. PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions

The **PERS Plan 1** member contribution rate is established by State statute at 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 (expressed as a percentage of covered payroll) for 2021 were as follows:

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

PERS Plan 2/3 provides retirement, disability, and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service for Plan 2 and 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 years of service credit. Retirement before age 65 is considered an 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 of two provisions:

- With a benefit that is reduced by three 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 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 also actuarially reduced to reflect the choice of a survivor benefit. Other PERS Plan 2/3 benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty related death benefit, if found eligible by the Department of Labor and Industries. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five 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 5 percent and escalate to 15 percent with a choice of six options. Employers do not contribute to the defined contribution benefits. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

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 an administrative expense that is currently set at 0.18 percent. 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 were as follows:

PERS Plan 2/3		
Actual Contribution Rates	Employer 2/3	Employee 2
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 City's actual PERS plan contributions were \$404,680 to PERS Plan 1 and \$673,440 to PERS Plan 2/3 for the year ended December 31, 2021.

Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF)

LEOFF membership includes all full-time, fully compensated, local law enforcement commissioned officers, firefighters, and as of July 24, 2005, emergency medical technicians. LEOFF is comprised of two separate defined benefit plans.

LEOFF Plan 1 provides retirement, disability, and death benefits. Retirement benefits are determined per year of service calculated as a percent of final average salary (FAS) as follows:

- 20+ years of service – 2.0% of FAS
- 10-19 years of service – 1.5% of FAS
- 5-9 years of service – 1% of FAS

The FAS is the basic monthly salary received at the time of retirement, provided a member has held the same position or rank for 12 months preceding the date of retirement. Otherwise, it is the average of the highest consecutive 24 months' salary within the last ten years of service. Members are eligible for retirement with five years of service at the age of 50. Other benefits include duty and non-duty disability payments, a cost-of living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. LEOFF 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions

Starting on July 1, 2000, **LEOFF Plan 1** employers and employees contribute zero percent, as long as the plan remains fully funded. The LEOFF Plan 1 had no required employer or employee contributions for fiscal year 2021. Employers paid only the administrative expense of 0.18 percent of covered payroll.

LEOFF Plan 2 provides retirement, disability, and death benefits. Retirement benefits are determined as two percent of the final average salary (FAS) per year of service (the FAS is based on the highest consecutive 60 months). Members are eligible for retirement with a full benefit at 53 with at least five years of service credit. Members who retire prior to the age of 53 receive reduced benefits. If the member has at least 20 years of service and is age 50, the reduction is three percent for each year prior to age 53. Otherwise, the benefits are actuarially reduced for each year prior to age 53. LEOFF 2 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. LEOFF 2 members are vested after the completion of five years of eligible service.

Contributions

The **LEOFF Plan 2** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. The employer rate includes an administrative expense component set at 0.18 percent. Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board.

Effective July 1, 2017, when a LEOFF employer charges a fee or recovers costs for services rendered by a LEOFF 2 member to a non-LEOFF employer, the LEOFF employer must cover both the employer and state contributions on the LEOFF 2 basic salary earned for those services. The state contribution rate (expressed as a percentage of covered payroll) was 3.41% in 2021.

The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2021 were as follows:

LEOFF Plan 2		
Actual Contribution Rates	Employer	Employee
January – June 2021		
State and local governments	5.15%	8.59%
Administrative Fee	0.18%	
Total	5.33%	8.59%
Ports and Universities	8.59%	8.59%

Administrative Fee	0.18%	
Total	8.77%	8.59%
July – December 2021		
State and local governments	5.12	8.53%
Administrative Fee	0.18%	
Total	5.30%	8.53%
Ports and Universities	8.53%	8.53%
Administrative Fee	0.18%	
Total	8.71%	8.53%

The City's actual contributions to the plan were \$535,221 for the year ended December 31, 2021.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute. For the state fiscal year ending June 30, 2021, the state contributed \$78,170,320 to LEOFF Plan 2. The amount recognized by the City as its proportionate share of this amount is \$326,945.

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. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) *2013-2018 Demographic 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% total economic inflation; 3.50% salary inflation
- **Salary increases:** In addition to the base 3.50% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.4%

Mortality rates were developed using the Society of Actuaries' Pub. H-2010 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, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout their lifetime.

There were no changes in 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 plans' 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 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 expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the CMA's and their 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 allocation as of June 30, 2021, are summarized in the table below. The inflation component used to create the table is 2.2 percent and represents the WSIB's most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	20%	2.20%
Tangible Assets	7%	5.10%
Real Estate	18%	5.80%
Global Equity	32%	6.30%
Private Equity	23%	9.30%
	100%	

Sensitivity of the Net Pension Liability/(Asset)

The table below presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.4 percent, as well as what the City'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.

	1% Decrease 6.40%	Current Rate 7.40%	1% Increase 8.40%
PERS 1	\$ 1,150,380	\$ 675,281	\$ 260,947
PERS 2/3	(2,014,717)	(7,072,145)	(11,236,939)
LEOFF 1	(787,137)	(874,340)	(949,786)
LEOFF 2	(9,312,167)	(14,767,138)	(19,233,670)

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 City reported its proportionate share of the net pension liabilities (asset) as follows:

Plan	Liability or (Asset)
PERS 1	\$ 675,281
PERS 2/3	(7,072,145)
LEOFF 1	(874,340)
LEOFF 2	(14,767,138)

The amount of the asset reported above for LEOFF Plans 1 and 2 reflects a reduction for State pension support provided to the City. The amount recognized by the City as its proportionate share of the net pension asset, the related State support, and the total portion of the net pension asset that was associated with the City were as follows:

	LEOFF 1 Asset	LEOFF 2 Asset
LEOFF - employer's proportionate share	(874,340)	(14,767,138)
LEOFF - State's proportionate share of the net pension asset associated with the employer	(5,914,017)	(9,056,194)
TOTAL	(6,788,357)	(23,823,332)

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

	Proportionate Share 6/30/20	Proportionate Share 6/30/21	Change in Proportion
PERS 1	0.06585%	0.05530%	-0.01056%
PERS 2/3	0.08426%	0.07099%	-0.01326%
LEOFF 1	0.02508%	0.02552%	0.00044%
LEOFF 2	0.25002%	0.25424%	0.00422%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30, 2021, 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 Nonemployer Allocations* for all plans except LEOFF 1.

LEOFF Plan 1 allocation percentages are based on the total historical employer contributions to LEOFF 1 from 1971 through 2000 and the retirement benefit payments in fiscal year 2021. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). The state of Washington contributed 87.12 percent of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88 percent of employer contributions. LEOFF 1 is fully funded, and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. The allocation method the plan chose reflects the projected long-term contribution effort based on historical data.

In fiscal year 2021, the state of Washington contributed 39 percent of LEOFF 2 employer contributions pursuant to [RCW 41.26.725](#) and all other employers contributed the remaining 61 percent of employer contributions.

Pension Expense

For the year ended December 31, 2021, the City recognized pension expense as follows:

	Pension Expense
PERS 1	\$ (500,252)
PERS 2/3	(1,626,984)
LEOFF 1	(138,473)
LEOFF 2	(1,890,178)
TOTAL	(4,155,888)

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PERS 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$ (749,336)
Contributions subsequent to the measurement date	175,537	-
TOTAL	\$ 175,537	\$ (749,336)

PERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 343,484	\$ (86,698)
Net difference between projected and actual investment earnings on pension plan investments	-	(5,910,654)
Changes of assumptions	10,335	(502,239)
Changes in proportion and differences between contributions and proportionate share of contributions	283,534	(347,960)
Contributions subsequent to the measurement date	300,787	-
TOTAL	\$ 938,140	\$ (6,847,551)

LEOFF 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$ (267,165)
TOTAL	\$ -	\$ (267,165)

LEOFF 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 669,781	\$ (78,043)
Net difference between projected and actual investment earnings on pension plan investments	-	(7,041,077)
Changes of assumptions	6,383	(702,326)
Changes in proportion and differences between contributions and proportionate share of contributions	87,387	(113,797)
Contributions subsequent to the measurement date	285,982	-
TOTAL	\$ 1,049,533	\$ (7,935,243)

TOTAL ALL PLANS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,013,265	\$ (164,741)
Net difference between projected and actual investment earnings on pension plan investments	-	(13,968,232)
Changes of assumptions	16,718	(1,204,565)
Changes in proportion and differences between contributions and proportionate share of contributions	370,921	(461,757)
Contributions subsequent to the measurement date	762,306	-
TOTAL	\$ 2,163,210	\$ (15,799,295)

Deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	PERS 1	PERS 2/3	LEOFF 1	LEOFF 2
2022	\$ (198,499)	\$ (1,641,382)	\$ (70,969)	\$ (1,882,761)
2023	(181,898)	(1,535,187)	(64,914)	(1,754,693)
2024	(171,992)	(1,458,747)	(61,252)	(1,657,931)
2025	(196,947)	(1,544,361)	(70,030)	(1,866,306)
2026	-	(13,190)	-	(30,154)
Thereafter	-	(17,331)	-	20,153

CITY OF CAMAS FIREMAN'S PENSION FUND

The City is the administrator of a single employer defined benefit pension and health benefit plan, the Firemen's Pension Fund. The plan is limited to firefighters and beneficiaries employed before March 1, 1970, and as of March 1, 1970, the plan was closed to new entrants. Firefighters hired before March 1, 1970, at retirement receive the greater of the pension benefit provided under this plan or under the LEOFF plan. Any excess benefit over the LEOFF benefit is provided by the city plan. Future benefits paid under this plan are pension difference payments. This Plan is closely tied to the LEOFF plan therefore, the LEOFF board would be considered the Plan's board. Further, the state Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems. Any changes to the LEOFF plans, filter over to the City's Firemen Pension Plan.

There is no separate publicly available report for the Firemen's Pension Fund.

The plan presently has three inactive individuals retired under the LEOFF plan but drawing pension difference payments from this plan. There are no inactive employees entitled to, but not receiving benefits. Nor are there any active employees eligible to receive benefits. All other firefighter pension benefits are provided under the state pension system, LEOFF. At December 31, 2021, the following employees were covered by the benefit terms:

	LEOFF I
Inactive employees or beneficiaries currently receiving benefits	3
Total	3

Assets accumulated in a trust do not meet the criteria established in GASB 68 that would qualify the assets as a pension trust fund. Assets for both OPEB and pension liability payments have been comingled and the amounts cannot specifically be identified to the liability for which they have been set in trust. Therefore, the plan is reported in accordance with GASB 73.

Contributions

Under the City's Fireman Pension plan, the plan member has no required contributions. The City pays the pension difference payments for excess benefits. Amendments to the plan may be made through State statute.

During the year ended December 31, 2021, the City paid \$25,035 for pension benefits under this plan.

Actuarial Assumptions and Other Inputs

The total pension liability (TPL) for Firemen's Pension plan was determined using the most recent actuarial valuation completed with a valuation date of January 1, 2021. The actuarial assumptions used in the valuation were based on the results of the Independent Actuaries, Inc. 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 Economic Experience Study.

Additional assumptions for subsequent events and law changes are current as of the 2021 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of December 31, 2021, assuming no actuarial gains or losses. Plan liabilities were rolled forward from January 1, 2021, reflecting the plan's normal cost (using the entry-age normal level percent of salary), assumed interest and actual benefit payments. Assumptions and other inputs are as follows:

Discount rate - Beginning of Measurement Year	2.00%
Discount Rate - End of Measurement Year	2.00%
Projected Salary Changes	NA
Healthcare Trend Rates	Initial rate is approximately 7%, trends down to 4.5% in 2043
Inflation Rate	2.50%

Benefits were assumed to inflate at different rates for each of the two participants. The rate increases ranged from 10.0% to 3.0%.

Mortality rates were based on the PUB-2010 Public Retirement Plans Mortality table, published by the Society of Actuaries. Mortality rates are applied on a generational basis with scale MP-2017; meaning, each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime. The actuarial assumptions used for the valuation dated January 1, 2021, were based on the results of an actuarial experience study for the period 2009 to 2013.

The discount rate used to measure the total pension liability was 2.00 percent as of December 31, 2021, and 2.75% as of December 31, 2020. The discount rate is based on the Bond Buyer 20-Bond General Obligation Index. This was the only change in assumptions since the prior valuation.

Further, there were no assumptions made about future cash flows, other than the expected benefit payments, as there are no future employer or employee contributions required in the plan.

Sensitivity of TPL

The following table presents net pension and healthcare liability if it were calculated using a discount rate that is 1-percentage point lower versus 1-percentage point higher than the current rate:

Discount Rate Sensitivity		
1% Decrease	Current Discount Rate	1% Increase
\$ 338,564	\$ 313,839	\$ 291,972

Pension Expense

For the year ended December 31, 2021, the Fireman Pension plan recognized expense in the amount of \$77,285.

Change in Total Pension Liability

Interest Cost	\$ 6,849
Changes in assumptions	10,718
Differences between expected and actual experience	59,718
Benefit payments	<u>(25,035)</u>
Net change in total OPEB liability	52,250
Total Pension Liability - beginning	<u>261,589</u>
Total Pension liability - ending	<u><u>\$ 313,839</u></u>

D. POST RETIREMENT HEALTH CARE PROGRAM (OPEB)

The City administers two other postemployment benefit programs, the Early Retirement Program and the Fireman's Pension Postemployment Health Benefits. The following table represents the aggregate other postemployment benefits other than pension amounts for the City's Single Employer plans subject to the requirements of the GASB Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions for the year 2021:

Aggregate OPEB amounts - All Plans	
OPEB Liabilities	\$ 5,805,686
Deferred outflows of resources	807,210
Deferred inflows of resources	2,255,286
OPEB Expense	175,631

Early Retirement Program

Plan Description

The City administers a Post-Retirement Health Care Program under a single employer defined benefit Other Post Employment Benefit (OPEB) plan, that is not administered thru a trust. This plan provides two basic benefits:

Pre-65 Medical Coverage: The City provides post-retirement health premium benefits continuing from retirement until Medicare eligibility for eligible employees. The following groups are eligible upon retirement, and all except fire and non-represented employees must have ten years of service:

- Police – Hired before August 1, 2001
- Local #11 – Hired before January 1, 1998
- CPEA - Hired before January 1, 1998
- AFSCME – Hired before January 1, 1997
- IAFF (Fire) – Hired before January 1, 2006
- Exempt – Hired before April 15, 2005

Eligibility for these benefits is determined by the particular bargaining agreements. These benefits are provided as per requirements of a local ordinance. The City's regular health care benefit providers underwrite the retiree's policies. Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans.

LEOFF I Healthcare Reimbursements: The City provides health insurance benefits for retired public safety employees. Substantially all city LEOFF I employees may become eligible for these benefits if they reach normal retirement age while working for the City. These benefits are provided by the city in order to meet

state statutory requirements under the LEOFF I system whereby the City will pay for their medical premiums for life.

At December 31, 2021, the following employees were covered by the benefit terms:

	LEOFF I	LEOFF 2	PERS	Total
Inactive employees or beneficiaries currently receiving benefits	8	10	7	25
Inactive employees entitled to but not yet receiving benefits	0	0	0	0
Active employees	0	89	130	219
Total	8	99	137	244

This plan is funded on a pay-as-you-go basis. This OPEB plan does not issue a stand-alone financial report nor is it included in the report of another entity.

Contributions

The City pays the entire medical insurance premiums on plan members of the pre-65 medical coverage. Qualified spouses and children may qualify for coverage; however, the plan member must pay the entire dependent premium in return for this coverage. Obligations of the employees and City may be amended through the related employee bargaining agreements.

During the year ended December 31, 2021, the City paid \$149,982 for OPEB benefits under this plan.

Actuarial Assumptions

The total OPEB liability (TOL) of \$5,496,921 was measured as of December 31, 2021, and was determined using the most recent actuarial valuation completed in 2021 with a valuation date of January 1, 2021.

Additional assumptions for subsequent events and law changes are current as of the 2021 actuarial valuation report. The TOL was calculated as of the valuation date and procedures used to roll forward to the measurement date of December 31, 2021. Plan liabilities were rolled forward from January 1, 2021, reflecting each plan's normal cost (using the entry-age normal level percent of salary), assumed interest and actual benefit payments.

Discount rate	2.00%
Projected Salary Changes	3.50%
Healthcare Trend Rates	6.7%, trended down to 4.5%
Inflation Rate	2.75%
Post-Retirement Participation Percentage	100%
Percentage with Spouse Coverage	20%

The discount rate was based on the municipal bond rate. Mortality rates were based on the PUB-2010 Public Retirement Plans Mortality table, published by the Society of Actuaries. Mortality rates are applied on a generational basis with scale MP-2017; meaning, each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime. The actuarial assumptions used for the valuation dated January 1, 2021, were based on the results of an actuarial experience study for the period 2009 to 2013.

Turnover and Disability Rate are as developed for the valuation of benefits under Washington PERS.

Participation was assumed to be 100% of active eligible employees currently enrolled in a medical plan and 50% of active ineligible employees currently enrolled in a medical plan. Current and future retirees are assumed to remain enrolled in the plans in which they are currently enrolled, if any. Twenty percent of future retirees electing coverage are assumed to cover a spouse as well. Males are assumed to be three years older than their female spouses. Actual marital status and ages as of the valuation date are used for current retirees.

Sensitivity of the Total OPEB Liability

The table below presents the City's total OPEB liability calculated using the discount rate of 2.75 percent, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.75 percent) or 1-percentage point higher (3.75 percent) than the current rate. Similarly, the sensitivity of the total OPEB liability to changes in assumed healthcare trend rates is disclosed using trends that are 1-percentage point lower (5.9 percent graded down to 3.5 percent) or 1-percentage point higher (7.9 percent graded down to 5.5 percent) than the current rate.

Health Care Trend Rate Sensitivity		
1% Decrease	Current Discount Rate	1% Increase
\$ 5,091,629	\$ 5,496,921	\$ 5,949,550

Discount Rate Sensitivity		
1% Decrease	Current Discount Rate	1% Increase
\$ 5,875,373	\$ 5,496,921	\$ 5,152,065

Changes in the Total OPEB Liability

The table below presents the changes in the Total OPEB liability:

Service cost	\$ 215,641
Interest Cost	199,708
Differences between expected and actual experience	(1,208,842)
Changes in assumptions	(580,910)
Benefit payments	(350,277)
Net change in total OPEB liability	(1,724,680)
Total OPEB liability - beginning	7,221,601
Total OPEB liability - ending	<u>\$ 5,496,921</u>

OPEB Expense

During the year ended December 31, 2021, the City recognized OPEB expense of \$259,617 under this plan.

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2021, the City reported the deferred outflows of resources and deferred inflows of resources related to Early Retirement OPEB as follows:

	Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience	\$ -	\$ 2,255,286
Changes of Assumptions	807,210	-
Total	\$ 807,210	\$ 2,255,286

Deferred outflows and deferred inflows of resources related to OPEB will be recognized as a change in OPEB liability as follows:

Year ended December 31:	
2022	\$ (155,732)
2023	(155,732)
2024	(155,732)
2025	(155,732)
Thereafter	(669,416)

Fireman's Pension Postemployment Health Benefits

Plan Description

The City is the administrator of a single employer defined benefit health benefit plan as part of the Fireman's Pension Fund. The plan is limited to firefighters and beneficiaries employed before March 1, 1970, and as of March 1, 1970, the plan was closed to new entrants. Firefighters hired before March 1, 1970, at retirement have healthcare premiums and expenses not covered under the plan or Medicare, including up to \$1,500 dental per year, paid for the retiree's life. This Plan is closely tied to the LEOFF plan therefore, the LEOFF board would be considered the Plan's board. Further, the state Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems. Any changes to the LEOFF plans, filter over to the City's Fireman Pension Plan.

The plan presently has three inactive individuals retired under the LEOFF plan, drawing health benefits from this plan. There are no inactive employees entitled to, but not receiving benefits. Nor are there any active employees eligible to receive benefits. At December 31, 2021, the following employees were covered by the benefit terms:

	<u>LEOFF I</u>
Inactive employees or beneficiaries currently receiving benefits	<u>3</u>
Total	<u><u>3</u></u>

Assets accumulated in a trust do not meet the criteria established in GASB 75 paragraph 4 that would qualify the assets as an OPEB trust fund. Specifically, assets for both OPEB and pension liability payments have been comingled and the amounts cannot specifically be identified to the liability for which they have been set in trust. This OPEB plan does not issue a stand-alone financial report nor is it included in the report of another entity.

Contributions

Under the LEOFF I Healthcare Reimbursements, the plan member has no required contributions. The City pays the entire healthcare premium, including Medicare and supplemental Medicare premiums, and reimburses the retiree for any healthcare expenses not covered under the plan or under Medicare. This reimbursement applies to Long-Term Care expenses as well as other healthcare expenses. Further the City reimburses the retiree for up to \$1,500 of dental costs per year. Amendments to the plan may be made through State statute.

During the year ended December 31, 2021, the City paid \$294,189 for Fire OPEB benefits.

Actuarial Assumptions

The total OPEB liability for the Fireman's Pension plan was determined using the most recent actuarial valuation completed with a valuation date of January 1, 2021. The actuarial assumptions used in the valuation were based on the results of the Independent Actuaries, Inc. 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 Economic Experience Study.

Additional assumptions for subsequent events and law changes are current as of the 2021 actuarial valuation report. The OPEB liability was calculated as of the valuation date and rolled forward to the measurement date of December 31, 2021, assuming no actuarial gains or losses.

Discount rate - Beginning of Measurement Year	2.00%
Discount Rate - End of Measurement Year	2.00%
Projected Salary Changes	NA
Healthcare Trend Rates	Initial rate is approximately 7%, trends down to 4.5% in 2043
Inflation Rate	2.50%
Post-Retirement Participation Percentage	NA
Percentage with Spouse Coverage	NA

Mortality rates were based on the RP-2000 report's Combined Healthy Table and Combined Disabled Table, published by the Society of Actuaries. The OSA applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100 percent Scale BB. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime.

A change in assumptions since the prior evaluation was to the methodology of using the historical medical reimbursements for each participant to value future assumed medical costs.

There were no assumptions made about future cash flows, other than the expected benefit payments, as there are no future employer or employee contributions required in the plan.

Sensitivity of Total OPEB Liability

The Fireman's Pension OPEB liability is calculated using the discount rate of 2.00 percent. The following table presents net pension and healthcare liability if it were calculated using a discount rate that is 1-percentage point lower versus 1-percentage point higher than the current rate:

Discount Rate Sensitivity		
1% Decrease	Current Discount Rate	1% Increase
\$ 336,696	\$ 308,765	\$ 284,300

Health Care Trend Rate Sensitivity		
1% Decrease	Current Discount Rate	1% Increase
\$ 292,073	\$ 308,765	\$ 327,374

Changes in the Total OPEB Liability

The table below presents the changes in the Fireman's Pension Total OPEB liability:

Interest Cost	\$ 11,076
Changes in assumptions	(5,960)
Differences between expected and actual experience	(89,102)
Benefit payments	(20,059)
Net change in total OPEB liability	(104,045)
Total OPEB liability - beginning	412,810
Total OPEB liability - ending	<u>\$ 308,765</u>

OPEB Expense

During the year ended December 31, 2021, the City recognized OPEB expense related to Fire OPEB in the amount of \$(83,986).

E. HEALTH & WELFARE

The City of Camas is a member of the Association of Washington Cities Employee Benefit Trust Health Care Program (AWC Trust HCP). Chapter 48.62 RCW provides that two or more local government entities may, by Interlocal agreement under Chapter 39.34 RCW, form together or join a pool or organization for the joint purchasing of insurance, and/or joint self-insurance, to the same extent that they may individually purchase insurance or self-insure.

An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC Trust HCP was formed on January 1, 2014, when participating cities, towns, and non-city entities of the AWC Employee Benefit Trust in the State of Washington joined together by signing an Interlocal Governmental Agreement to jointly self-insure certain health benefit plans and programs for participating employees, their covered dependents and other beneficiaries through a designated account within the Trust.

As of December 31, 2021, 262 cities/towns/non-city entities participate in the AWC Trust HCP.

The AWC Trust HCP allows members to establish a program of joint insurance and provides health and welfare services to all participating members.

In April 2020, the Board of Trustees adopted a large employer policy, requiring newly enrolling groups with 600 or more employees to submit medical claims experience data in order to receive a quote for medical coverage. Outside of this, the AWC Trust HCP pools claims without regard to individual member experience. The pool is actuarially rated each year with the assumption of projected claims run out for all current members.

The AWC Trust HCP includes medical, dental and vision insurance through the following carriers: Kaiser Foundation Health Plan of Washington, Kaiser Foundation Health Plan of Washington Options, Inc., Regence BlueShield, Asuris Northwest Health, Delta Dental of Washington, and Vision Service Plan. Eligible members are cities and towns within the state of Washington. Non-City Entities (public agency, public corporation, intergovernmental agency, or political subdivision within the state of Washington) are eligible to apply for coverage into the AWC Trust HCP, submitting application to the Board of Trustees for review as required in the Trust Agreement.

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. In 2021, the AWC Trust HCP purchased stop loss insurance for Regence/Asuris plans at an individual stop loss (ISL) of \$1.5 million through Commencement Bay Risk Management, and Kaiser ISL at \$1 million with Companion Life through ASG Risk Management. The aggregate policy is for 200% of expected medical claims.

Participating employers' contract to remain in the AWC Trust HCP for a minimum of three years. Participating employers with over 250 employees must provide written notice of termination of all coverage a minimum of 12 months in advance of the termination date, and participating employers with under 250 employees must provide written notice of termination of all coverage a minimum of 6 months in advance of termination date. When all coverage is being terminated, termination will only occur on December 31. Participating employers terminating a group or line of coverage must notify the AWC Trust HCP a minimum of 60 days prior to termination. A participating employer's termination will not obligate that member to past debts, or further contributions to the AWC Trust HCP. Similarly, the terminating member forfeits all rights and interest to the AWC Trust HCP account.

The operations of the Health Care Program are managed by the Board of Trustees or its delegates. The Board of Trustees is comprised of four regionally elected officials from Trust member cities or towns, the Employee Benefit Advisory Committee Chair and Vice Chair, and two appointed individuals from the AWC Board of Directors, who are from Trust member cities or towns. The Trustees or its appointed delegates review and analyze Health Care Program related matters and make operational decisions regarding premium contributions, reserves, plan options and benefits in compliance with Chapter 48.62 RCW. The Board of Trustees has decision authority consistent with the Trust Agreement, Health Care Program policies, Chapter 48.62 RCW and Chapter 200-110-WAC.

The accounting records of the AWC Trust HCP are maintained in accordance with methods prescribed by the State Auditor's office under the authority of Chapter 43.09 RCW. The AWC Trust HCP also follows applicable accounting standards established by the Governmental Accounting Standards Board ("GASB"). In 2018, the retiree medical plan subsidy was eliminated, and is noted as such in the report for the fiscal year ending December 31, 2018. Year-end financial reporting is done on an accrual basis and submitted to the Office of the State Auditor as required by Chapter 200-110 WAC. The audit report for the AWC Trust HCP is available from the Washington State Auditor's office

F. FEDERAL FINANCIAL ASSISTANCE

The City recorded the following federal grant expenditures for 2021.

Assistance Listing	Government	Program	Amount
20.205	Department of Transportation	Highway Planning and Construction	\$ 1,982,684
20.205	Department of Transportation	Highway Planning and Construction	\$ 328,511
20.600	Department of Transportation	State and Community Highway Safety	\$ 2,261
14.218	Department of Housing and Urban Development	Community Development Block Grants	\$ 226,285
45.31	The Institute of Museum and Library Services	COVID 19: Grants to States	\$ 2,217
21.027	Department of Treasury	COVID 19: Provider Relief Funds	\$ 3,411,447
Total Federal Assistance			<u>\$ 5,953,405</u>

G. CONTINGENCIES AND LITIGATIONS

The City has recorded in its financial statements all material liabilities. In the opinion of management, the City's insurance policies with WCIA are adequate to pay all known or pending claims.

The City has one known pending litigation on land use case, it is unknown at this time the possible liability. City management believes the possible liability would be immaterial.

As discussed in Note IV F, Long-Term Debt, the City is contingently liable for repayment of refunded debt.

The City participates in a number of federal and state-assisted programs. These grants are subject to audit by the grantors or their representatives. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. City management believes that such disallowances, if any, will be immaterial.

H. SUBSEQUENT EVENTS

City Council will be considering the approval of \$9 million amendment to the 2022 budget which will provide funding for 17 carry forward unspent packages from 2021, 4 administrative packages and 12 additional supplemental packages. Most of the packages are capital related with the General Fund's fund balance potentially impacted by \$931,477.

Camas-Washougal Fire Department completed in March 2022 Fire Capital Improvement Plan jointly with the City of Washougal. In addition, the Camas-Washougal Fire Department retained FCS Group to prepare fire impact fee study which will be considered by City Council in the Fall of 2022. The department also hired a consultant to assess new funding models for system delivery for both Camas and Washougal.

Parks and Recreation completed an update to the Parks and Recreation Open Space Plan for City Council's consideration in April 2022. This plan will address future planning effort for the City's open spaces and specifically the new Legacy Lands acquisitions from 2018-2020. In addition, the plan will incorporate plans for the Green Mountain donation and acquisition. The City will contract with FCS Group to prepare an undated Park Impact Fee Study incorporating the updated capital plan.

The City is in the process of updating the Transportation Plan to bring to City Council in 2022 followed by updated impact fee options for Council's consideration in Fall of 2022.

The General Sewer Study will be completed in 2022 which will provide information to update the Sewer Service Development Charges study. Options will be available for City Council consideration in the Fall of 2022 as well.

The City settled the IAFF, CPOA, and CPEA contracts in first half of 2022. These contracts included approximately 4% cost of living increases, deferred compensation matching programs, and market adjustments to salaries for IAFF and CPOA. The impact of the market increases resulted in increases for the non-represented positions in both Fire and Police departments.

I. COVID -19

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 City continued to operate under Proclamation of Civil Emergency until July, 2021. The City maintained some staff working remotely while reopening offices to the public for in-person interactions. Public meetings and special events remained on hold while the Omicron variant surged through the holiday season. The City continues to operate all major functions to meet its public mandates. The City has remained economically stable and continues to adapt to changing conditions. Mayor, Council, and Management continue to reassess the impact of COVID-19 restrictions as well as the availability of American Rescue Plan funding availability to assist the City to support its residents and businesses.

J. IMPACT FEE/DEVELOPMENT CHARGE CREDITS

The City, in order to ensure that adequate facilities are available to serve new growth, levies impact fees and development charges on developers as a condition of issuance of a building permit or development approval. The developer may be entitled to a "credit" against the applicable impact fee or charges component for the proportional fair market value of appropriate dedications of land, improvement or new construction of system improvements provided by the developer. In the event that the amount of the "credit" is calculated to be greater than the amount of the impact fee due, the developer may apply the excess "credit" toward impact fees assessed on other developments within the same service area.

2021 Impact fee credits and system development charge credit activity is as follows:

<u>Impact Fee/ Development Charge Credits</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Applied</u>	<u>Ending Balance</u>
Traffic Impact Fee	\$ 2,010,259	\$ 1,286,648	\$ 98,880	\$ 3,198,027
Park Impact Fee	43,602	458,889	71,730	430,761
Subtotal - Fee Credits	<u>2,053,861</u>	<u>1,745,537</u>	<u>170,610</u>	<u>3,628,788</u>
Water System Development Charges	2,532	-	-	2,532
Sewer System Development Charges	686,778	-	-	686,778
Subtotal - Charge Credits	<u>689,310</u>	<u>-</u>	<u>-</u>	<u>689,310</u>
Total Credits	<u>\$ 2,743,171</u>	<u>\$ 1,745,537</u>	<u>\$ 170,610</u>	<u>\$ 4,318,098</u>

\$606,046 of the Sewer Development Charge credits are associated with a developer agreement accounts receivable where payments have not been received yet; therefore, the developer is not yet entitled to the credits.

K. ASSET RETIREMENT OBLIGATIONS

An Asset Retirement Obligation is a legally enforceable liability associated with the retirement of a tangible capital asset that has a substantial cost to a government. An ARO is recognized when the liability is incurred and reasonably estimable. Incurrence of a liability requires both an internal obligating event and an external obligating event resulting from normal operations. An internal obligating event includes acquiring or placing a capital asset into operation. An external obligating event requires federal, state, or local laws or regulations, a binding contract, or issuance of a court judgement requiring specific actions to retire an asset.

For the year ending December 31, 2021, the City remains operable with no foreseeable change in operations; the assumption is that the City owned Dams and any other potential infrastructure are not subject to the requirements of obtaining an estimate of an asset retirement obligation liability. As such, the City's respective potential future retirement obligations associated were not calculated given the period and extent of the obligation under GASB Statement No. 83 is considered indeterminate. As a result, no estimate of the Asset Retirement Obligation was completed for these assets; an Asset Retirement Obligation will be assessed and recorded should future events warrant.

As of December 31, 2021, the City owns, operates, and maintains 10 wells having average estimated useful lives remaining of between 47 and 88 years that it also does not foresee decommissioning in the future; however, in the event that the City were to decommission these wells there are specific decommissioning requirements within the Washington Administrative Code (WAC) 173-160-381. The City obtained an engineering estimate of potential decommissioning costs which supports the City's ARO liability at December 31, 2021, of \$200,743 and a deferred outflow of \$149,726. The obligation will be paid from operating income of the Water Sewer Fund; no assets have been set aside to fund this obligation.

L. POLLUTION REMEDIATION

In July 2018, The Camas/Washougal Wildlife League donated real property to the City. This property has been historically used as a shotgun shooting range and will continue to be used for this purpose for at least six more years. Upon receipt of this property, the City acknowledged that it would be solely responsible for all costs and cleanup of the cPAHs and lead on the property. No obligating events have occurred relative to this site. The cleanup activities are voluntary, and the City has not initiated clean-up of this property. As such, no pollution remediation liability has been estimated.

In 2021, the City partnered with Clark County and Department of Ecology to conduct a study on the water quality of Lacamas Lake. As of the end of 2021, this study is still underway. Water quality improvement activities that may be undertaken by the City would be voluntary, and as of the end of 2021, the City has not initiated any strategies to clean up or improve the water quality of Lacamas Lake. The Lake is a “Water of the State” which includes lakes, rivers, ponds, streams, inland waters, underground waters, salt waters and all other surface waters and watercourses that are within the jurisdiction of the state of Washington. As such, no pollution remediation liability has been estimated.

M. JOINTLY GOVERNED ORGANIZATION

Emergency Services

The City, Clark County, the City of Vancouver, and other local governments participate in governance Of Clark Regional Services Agency (CRESA), a jointly governed organization whose purpose is to equip and operate a consolidated public safety communications service. CRESA is a special purpose quasi-municipal corporation known as Public Development Authority or PDA authorized under RCW 35.21.730. The CRESA Administrative Board comprises nine members appointed by the entities receiving the services. The City has service agreements with CRESA for dispatch and emergency management services.

Payments to CRESA for emergency management fees during 2021 were as follows:

Emergency Management	\$ 26,648
Dispatching EMS	40,155
Dispatching Fire	68,238
Dispatching Police	165,065
Total	\$ 300,106

N. TAX ABATEMENT

The City is subject to tax abatements granted by the State of Washington. There are no receivables related to these tax abatements.

The State of Washington has several tax abatements. There are two which affect City sales and use tax received. The High Unemployment Deferral for Manufacturing Facilities exemption under RCW 82.60 is intended to promote economic stimulation and new employment opportunities in distress areas. The High-Technology Sales and Use Tax Deferral authorized under RCW 82.63 is intended to incent high-technology research and development and create quality employment opportunities.

Taxes abated by other governments on behalf of the City for the fiscal year ended December 31, 2021, are as follows:

<u>Tax Abatement Program</u>	<u>Amount of Taxes Abated</u>
State of Washington	
High Unemployment Deferral for Manufacturing Facilities	\$ 20,909
High-Technology Sales and Use Tax Deferral	D
	<u>\$ 20,909</u>

In the table above, the “D” indicates that data is confidential and cannot be disclosed. RCW 82.32.585 (4) prohibits disclosure of information by jurisdiction when there are less than three taxpayers within a county.

O. PRIOR PERIOD ADJUSTMENTS AND RESTATEMENTS

The following prior period adjustments were recorded for 2021:

Government Wide

- \$(108,742) was recorded in governmental activities to correct historical cost of capital asset additions
- \$(114,218) was recorded in governmental activities to correct allocation of debt split with business type activities and bond premium corrections.

Fund Statements

- \$77,091 was recorded in recorded in the Storm Fund to adjust the allocated percentage of general obligation bonds.
- \$(117,118) was recorded in the Water Sewer Fund to correct the historical cost of capital assets.
- \$172,935 was recorded in the Water Sewer Fund to adjust the unamortized premium on bonds issued.
- \$(35,430) was recorded in the Water Sewer Fund for an adjustment for developer agreement receivable that was not recorded correctly in prior years

The following beginning fund balances were restated for 2021:

Fund Statements

- The General Fund beginning fund balance was restated from \$12,705,536 to \$12,721,113 due to the City Tree Fund activity being accounted for within the General Fund as it no longer met the definition of GASB Statement #54 to be a stand-alone special revenue fund.

CITY OF CAMAS
REQUIRED SUPPLEMENTARY INFORMATION - OTHER POSTEMPLOYMENT BENEFITS - EARLY RETIREMENT
LAST FIVE CALENDAR YEARS

Total OPEB liability	2021	2020	2019	2018	2017
Service cost	\$ 215,641	\$ 208,349	\$ 213,188	\$ 206,979	\$ 206,979
Interest	199,708	198,372	251,715	243,452	239,263
Changes of benefit terms	-	-	(308,102)	-	-
Differences between expected and actual experience	(1,208,842)	-	(920,728)	-	-
Changes of assumptions or other inputs	(580,910)	-	1,153,158	-	-
Benefit payments	(350,277)	(380,589)	(344,889)	(303,185)	(349,894)
Net change in total OPEB liability	(1,724,680)	26,132	44,342	147,246	96,348
Total OPEB liability beginning	7,221,601	\$ 7,195,469	7,151,127	7,003,881	6,907,533
Total OPEB liability ending	<u>\$ 5,496,921</u>	<u>7,221,601</u>	<u>\$ 7,195,469</u>	<u>\$ 7,151,127</u>	<u>\$ 7,003,881</u>
Covered employee payroll	\$ 4,864,709	5,154,081	\$ 5,611,301	\$ 5,802,208	\$ 7,755,426
Total OPEB liability as a percentage of covered employee payroll	113.00%	140.11%	128.23%	123.25%	90.31%

Notes to schedule

1. Changes of assumptions

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	3.50%
2018	3.50%
2019	2.75%
2020	2.75%
2021	2.00%

2. The City implemented GASB 75 in 2017, therefore no data is presented before then. Eventually, ten years of data will be presented.

CITY OF CAMAS
REQUIRED SUPPLEMENTARY INFORMATION - OTHER POSTEMPLOYMENT BENEFITS - FIREMAN
LAST FIVE CALENDAR YEARS

Total OPEB liability	2021	2020	2019	2018	2017*
Interest	\$ 11,076	11,358	\$ 31,035	\$ 31,089	\$ 31,866
Changes of benefit terms	-	-	(72,108)	-	-
Differences between expected and actual experience	(89,102)	-	(243,947)	-	-
Changes of assumptions or other inputs	(5,960)	-	37,452	(51,229)	-
Benefit payments	(20,059)	(23,165)	(207,394)	(113,706)	(118,528)
Net change in total OPEB liability	(104,045)	(11,807)	(454,962)	(133,846)	(86,662)
Total OPEB liability beginning	412,810	424,617	879,579	1,013,425	-
Total OPEB liability ending	<u>\$ 308,765</u>	<u>412,810</u>	<u>\$ 424,617</u>	<u>\$ 879,579</u>	<u>\$ 1,013,425</u>
Covered employee payroll	\$ -	-	\$ -	-	\$ -
Total OPEB liability as a percentage of covered employee payroll	NA	NA	NA	NA	NA

*Estimated

Notes to schedule

1. Changes of assumptions

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	3.25%
2018	4.00%
2019	2.75%
2020	2.75%
2021	2.00%

2. The City implemented GASB 75 in 2017, therefore no data is presented before then. Eventually, ten years of data will be presented.

REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans

City of Camas
Schedule of Proportionate Share of the Net Pension Liability (Asset)
PERS 1
As of June 30
Last Eight Years

Year Ended June 30,	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Employer's covered payroll	Employer's proportionate share of the net pension liability (asset) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	0.055295%	\$ 675,281	\$ 8,514,520	7.93%	88.74%
2020	0.065852%	2,324,931	9,148,399	25.41%	68.64%
2019	0.058131%	2,235,343	8,222,337	27.19%	67.12%
2018	0.057683%	2,576,142	8,069,068	31.93%	63.22%
2017	0.060786%	2,884,343	7,494,182	38.49%	61.24%
2016	0.063116%	3,389,626	7,433,788	45.60%	57.03%
2015	0.063852%	3,340,053	7,155,169	46.68%	59.10%
2014	0.059601%	3,002,428	7,216,331	41.61%	61.19%

REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans

City of Camas
Schedule of Proportionate Share of the Net Pension Liability (Asset)
PERS 2/3
As of June 30
Last Eight Years

Year Ended June 30,	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Employer's covered payroll	Employer's proportionate share of the net pension liability (asset) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	0.070994%	\$ (7,072,145)	\$ 8,514,520	-83.06%	120.29%
2020	0.084256%	1,077,586	9,105,041	11.84%	97.22%
2019	0.073805%	716,897	8,159,945	8.79%	97.77%
2018	0.069670%	1,189,553	7,894,633	15.07%	95.77%
2017	0.074959%	2,604,467	7,356,950	35.40%	90.97%
2016	0.077627%	3,908,458	7,297,931	53.56%	85.82%
2015	0.079123%	2,827,110	7,022,586	40.26%	89.20%
2014	0.073414%	1,483,962	7,077,011	20.97%	93.29%

REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans

City of Camas
Schedule of Proportionate Share of the Net Pension Liability (Asset)
LEOFF 1
As of June 30
Last Eight Years

Year Ended June 30,	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	State's proportionate share of the net pension liability (asset) associated with the employer	TOTAL	Employer's covered payroll	Employer's proportionate share of the net pension liability (asset) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	0.025524%	\$ (874,340)	\$ (5,914,017)	\$ (6,788,357)	N/A	N/A	187.45%
2020	0.025081%	(473,657)	(3,203,804)	(3,677,461)	N/A	N/A	146.88%
2019	0.026499%	(523,782)	(3,542,879)	(4,066,661)	N/A	N/A	148.78%
2018	0.026100%	(473,846)	(3,205,083)	(3,678,929)	N/A	N/A	144.42%
2017	0.027068%	(410,681)	(2,777,837)	(3,188,518)	N/A	N/A	135.96%
2016	0.026688%	(274,963)	(1,859,841)	(2,134,804)	N/A	N/A	123.74%
2015	0.026403%	(318,215)	(2,152,398)	(2,470,613)	N/A	N/A	127.36%
2014	0.026185%	(317,569)	(2,148,029)	(2,465,598)	N/A	N/A	126.91%

REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans

City of Camas
Schedule of Proportionate Share of the Net Pension Liability (Asset)
LEOFF 2
As of June 30
Last Eight Years

Year Ended June 30,	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	State's proportionate share of the net pension liability (asset) associated with the employer	TOTAL	Employer's covered payroll	Employer's proportionate share of the net pension liability (asset) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	0.254237%	\$ (14,767,138)	\$ (9,056,194)	\$ (23,823,332)	\$ 8,955,138	-164.90%	142.00%
2020	0.250021%	(5,100,063)	(3,261,104)	(8,361,167)	9,374,775	-54.40%	115.83%
2019	0.253468%	(5,872,075)	(3,845,423)	(9,717,498)	8,901,041	-65.97%	119.43%
2018	0.253099%	(5,138,461)	(3,333,224)	(8,471,685)	7,688,862	-66.83%	118.50%
2017	0.247783%	(3,438,425)	(2,230,442)	(5,668,867)	7,724,978	-44.51%	113.36%
2016	0.256367%	(1,491,107)	(972,094)	(2,463,201)	7,803,325	-19.11%	106.04%
2015	0.063852%	(2,542,787)	(1,681,297)	(4,224,084)	7,180,562	-35.41%	111.67%
2014	0.059601%	(2,800,565)	(1,829,840)	(4,630,405)	7,017,401	-39.91%	116.75%

CITY OF CAMAS, WASHINGTON
Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
Firemen's Pension Plan
Last Five Fiscal Years

	2021	2020	2019	2018	2017*
Total pension liability					
Interest	\$ 6,849	\$ 7,247	\$ 9,269	\$ 10,456	\$ 8,579
Differences between expected and actual experience	59,718	-	(9,626)	-	-
Changes of assumptions	10,718	-	52,740	(17,632)	-
Benefit payments, including refunds of contributions	(25,035)	(18,391)	(22,746)	(22,262)	(21,862)
Net change in total pension liability	52,250	(11,144)	29,637	(29,438)	(13,283)
Total pension liability - beginning	261,589	272,733	243,096	272,534	285,817
Total pension liability - ending (a)	<u>\$ 313,839</u>	<u>\$ 261,589</u>	<u>\$ 272,733</u>	<u>\$ 243,096</u>	<u>\$ 272,534</u>
* Estimated					
Covered-employee payroll	-	-	-	-	-
Net pension liability as a % of covered employee payroll	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

Note 1: Information Provided

The City is reporting per GASB 73 beginning the year ended December 31, 2017; therefore, there is not data available for years prior to 2017.

Note 2: Significant Factors

There were no changes of benefit terms, significant changes in the employees covered under the benefit terms. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	3.25%
2018	4.00%
2019	2.75%
2020	2.75%
2021	2.00%

REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans

City of Camas
Schedule of Employer Contributions
PERS 1
As of December 31
Last Eight Years

Year Ended December 31,	Statutorily or contractually required contributions	Contributions in relation to the statutorily or contractually required contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2021	\$ 404,680	\$ (404,680)	\$ -	\$ 9,430,431	4.29%
2020	404,619	(404,619)	-	8,424,132	4.80%
2019	441,982	(441,982)	-	8,853,577	4.99%
2018	395,326	(395,326)	-	7,646,192	5.17%
2017	371,024	(371,024)	-	7,378,657	5.03%
2016	366,237	(366,237)	-	7,503,538	4.88%
2015	330,219	(330,219)	-	7,337,494	4.50%
2014	293,264	(293,264)	-	6,969,245	4.21%

REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans

City of Camas
Schedule of Employer Contributions
PERS 2/3
As of December 31
Last Eight Years

Year Ended December 31,	Statutorily or contractually required contributions	Contributions in relation to the statutorily or contractually required contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2021	\$ 673,440	\$ (673,440)	\$ -	\$ 9,430,431	7.14%
2020	666,069	(666,069)	-	8,410,425	7.92%
2019	678,507	(678,507)	-	8,791,185	7.72%
2018	564,234	(564,234)	-	7,523,732	7.50%
2017	496,479	(496,479)	-	7,239,850	6.86%
2016	458,690	(458,690)	-	7,366,306	6.23%
2015	406,541	(406,541)	-	7,203,243	5.64%
2014	348,075	(348,075)	-	6,838,381	5.09%

REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans

City of Camas
Schedule of Employer Contributions
LEOFF 2
As of December 31
Last Eight Years

Year Ended December 31,	Statutorily or contractually required contributions	Contributions in relation to the statutorily or contractually required contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2021	\$ 535,221	\$ (535,221)	\$ -	\$ 10,295,056	5.20%
2020	452,069	(452,069)	-	8,710,060	5.19%
2019	493,805	(493,805)	-	9,429,790	5.24%
2018	462,068	(462,068)	-	8,757,318	5.28%
2017	403,422	(403,422)	-	7,831,891	5.15%
2016	394,969	(394,969)	-	7,821,177	5.05%
2015	389,941	(389,941)	-	7,455,858	5.23%
2014	345,299	(345,299)	-	6,602,254	5.23%

City of Camas
Notes to Required Supplemental Information - Pension

As of December 31
Last Eight Years

Note 1: Information Provided

GASB 68 was implemented for the year ended December 31, 2014, therefore there is no data available for years prior to 2014. Eventually, the schedules will show ten years of data. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the 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, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 2: Significant Factors

There were no changes of benefit terms, significant changes in the employees covered under the benefit terms or in the use of different assumptions.

Note 3: Covered payroll

Covered payroll has been presented in accordance with GASB 82, *Pension Issues*. Covered payroll includes all payroll on which a contribution is based.

Note 4: Contribution rates

Rates in effect during the periods covered by the Required Supplemental Information are below:

PERS 1

<u>From this</u>	<u>Through</u>	
<u>Date</u>	<u>this Date</u>	<u>Rate</u>
9/1/2013	6/30/2015	9.21%
7/1/2015	6/30/2017	11.18%
7/1/2017	8/31/2018	12.70%
9/1/2018	6/30/2019	12.83%
7/1/2019	8/31/2020	12.86%
9/1/2020	6/30/2021	12.97%
7/1/2021	current	10.25% *

* Employer contribution rate includes an administrative expense rate of 0.18%

PERS 2/3

<u>From this</u>	<u>Through</u>	
<u>Date</u>	<u>this Date</u>	<u>Rate</u>
9/1/2013	6/30/2015	9.21%
7/1/2015	6/30/2017	11.18%
7/1/2017	8/31/2018	12.70%
9/1/2018	6/30/2019	12.83%
7/1/2019	8/31/2020	12.86%
9/1/2020	6/30/2021	12.97%
7/1/2021	current	10.25% *

* Employer contribution rate includes an administrative expense rate of 0.18%

LEOFF 1

<u>From this</u>	<u>Through</u>	<u>Employer</u>
<u>Date</u>	<u>this Date</u>	<u>Rate</u>
7/1/2008	8/31/2013	0.16%
9/1/2013	current	0.18% *

* Employer contribution rate includes an administrative expense rate of 0.18%

LEOFF 2

<u>From this</u>	<u>Through</u>	<u>Employer</u>
<u>Date</u>	<u>this Date</u>	<u>Rate</u>
9/1/2013	6/30/2017	5.23%
7/1/2017	6/30/2019	5.43%
7/1/2019	6/30/2021	5.33%
7/1/2021	current	5.30% *

* Employer contribution rate includes an administrative expense rate of 0.18%

Effective July 1, 2019, LEOFF employers must pay an additional 3.44% to pick up the state contributions on basis salary paid for services rendered to non-LEOFF employers

City of Camas
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
CDBG - Entitlement Grants Cluster								
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via Department of Housing and Urban Development/Clark County, Department of Community Services)	Community Development Block Grants/Entitlement Grants	14.218	2020-CDBG- 2002	226,285	-	226,285	-	1.2.3
Total CDBG - Entitlement Grants Cluster:				226,285	-	226,285	-	
Highway Planning and Construction Cluster								
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	BHM-7040(006)	1,982,684	-	1,982,684	-	1.2.3
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	STPUL-7031 (004)	328,511	-	328,511	-	1.2.3
Total Highway Planning and Construction Cluster:				2,311,195	-	2,311,195	-	
Highway Safety Cluster								
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF	State and Community Highway Safety	20.600	2020-HVE-3767	-	2,261	2,261	-	1.2.3
Total Highway Safety Cluster:				-	2,261	2,261	-	

The accompanying notes are an integral part of this schedule.

City of Camas
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

		Expenditures					Passed through to Subrecipients	Note
		Federal Program	CFDA Number	Other Award Number	From Pass-Through Awards	From Direct Awards	Total	
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE		COVID 19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	COVID 19 - OMB 1505-0271	-	3,411,447	3,411,447	-
		Grants to States	45.310	G-7212	2,217	-	2,217	-
THE INSTITUTE OF MUSEUM AND LIBRARY SERVICES, THE INSTITUTE OF MUSEUM AND LIBRARY SERVICES (via State Library Administrative Agencies)								
HEALTH RESOURCES AND SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF		COVID 19 - Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution	93.498	N/A	-	19,374	19,374	1,2,3,4
Total Federal Awards Expended:					2,539,697	3,433,082	5,972,779	-

**Notes to the Schedule of Expenditures of Federal Awards
(and State/Local Financial Awards)**

Note 1 - Basis of Accounting

The Schedule of Financial Assistance is prepared on the same basis as the city's financial statements. The city uses the modified accrual basis of accounting for the governmental fund types and agency funds. Full accrual basis of accounting is used for the proprietary funds and pension trust fund.

Note 2 - Federal De Minimis Indirect Cost Rate

The City of Camas has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3 - Program Costs

The amounts shown as current year expenditures represent only the federal or state grant portion of the program costs. Entire program costs, including the city's portion, may be more than shown.

Note 4 - Special Reporting

The amounts included on the Schedule of Financial Assistance are based upon the December 31, 2021 PRF report.

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, www.sao.wa.gov. Additionally, we share regular news and other information via an email subscription service and social media channels.

We take our role as partners in accountability seriously. The Office provides training and technical assistance to governments both directly and through partnerships with other governmental support organizations.

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- Toll-free Citizen Hotline:
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