



Office of the Washington State Auditor
Pat McCarthy

Financial Statements Audit Report
Vancouver Public Facility District
Clark County

For the period January 1, 2016 through December 31, 2016

Published August 17, 2017

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Office of the Washington State Auditor
Pat McCarthy

August 17, 2017

Board of Appointed Representatives
Vancouver Public Facility District
Vancouver, Washington

Report on Financial Statements

Please find attached our report on the Vancouver Public Facility District's financial statements.

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

Sincerely,

Pat McCarthy
State Auditor
Olympia, WA

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**INDEPENDENT AUDITOR'S 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**

**Vancouver Public Facility District
Clark County
January 1, 2016 through December 31, 2016**

Board of Appointed Representatives
Vancouver Public Facility District
Vancouver, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Vancouver Public Facility District, Clark County, Washington, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated July 12, 2017.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 District'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 in the first paragraph of this section 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 may exist that have not been identified.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



Pat McCarthy

State Auditor

Olympia, WA

July 12, 2017

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Vancouver Public Facility District Clark County January 1, 2016 through December 31, 2016

Board of Appointed Representatives
Vancouver Public Facility District
Vancouver, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the Vancouver Public Facility District, Clark County, Washington, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed on page 9.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

considers internal control relevant to the District's preparation and fair presentation of the financial statements 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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Vancouver Public Facility District, as of December 31, 2016, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 10 through 12 be presented to supplement the basic financial statements. Such information, 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.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated July 12, 2017 on our consideration of the District'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 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 District's internal control over financial reporting and compliance.



Pat McCarthy

State Auditor

Olympia, WA

July 12, 2017

FINANCIAL SECTION

**Vancouver Public Facility District
Clark County
January 1, 2016 through December 31, 2016**

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis – 2016

BASIC FINANCIAL STATEMENTS

Statement of Net Position – 2016

Statement of Revenues, Expenses and Changes in Fund Net Position – 2016

Statement of Cash Flows – 2016

Notes to Financial Statements – 2016

**MANAGEMENT'S DISCUSSION AND ANALYSIS
VANCOUVER PUBLIC FACILITIES DISTRICT (PFD)**
(A Component Unit of the City of Vancouver)
For Years Ended December 31, 2016

Vancouver Public Facilities District's (the District or PFD) discussion and analysis offers readers of the PFD's financial statements a narrative overview and analysis of the District's financial activities for the fiscal year ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements and notes to the financial statements (which immediately follow this discussion).

FINANCIAL HIGHLIGHTS

The assets of the PFD exceeded its liabilities at December 31 by \$3,617,273 in 2016 and \$3,617,396 in 2015. All of these net position may be used to meet the District's ongoing obligations to citizens and creditors, without legal restriction.

The District reported zero net operating income for 2016 and 2015 because the City provides operating grants to cover administrative costs. The district's total net position have changed minimally over the comparative period. Under a payment agreement the District pays all Sales and Use tax revenue to the Vancouver Downtown Redevelopment Authority. Additionally, the District receives an operating grant from the City of Vancouver that covers that majority of all other operating expenses. The minimal changes are related to interest earnings.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis provides an introduction and overview to the Vancouver Public Facilities District's basic financial statements. This information will assist users in interpreting the basic financial 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 District. The PFD is a single purpose business-type government. The purpose of the PFD is to develop a Hotel and Conference/Convention Center in downtown Vancouver Washington.

Basic Financial Statements

The basic financial statements are comprised of two components: 1) enterprise fund financial statements, and 2) notes to the financial statements. Because the District is a special-purpose government engaged only in business-type activities, only fund financial statements are presented as the basic financial statements.

Enterprise Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that are segregated for specific activities or objectives. The Vancouver Public Facilities District, like other state and local governments, uses fund accounting for compliance with finance-related legal requirements. The single fund of the PFD is reported as an enterprise fund. The financial statements consist of a statement of net position, a statement of revenues, expenses and changes in fund net position, and a statement of cash flows.

The Statement of Net Position presents information on all of the District's assets and liabilities, with the difference between the two 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 PFD is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Fund Net Position presents information showing how the District's net position changed during 2016. All changes in net position are reported using the accrual basis of accounting, similar to the method used by most private-sector companies. The accrual basis of accounting requires that revenues are reported when they are earned and expenses are reported as soon as liabilities are incurred. Items such as unpaid vendor invoices for items received in 2016 will be included in the statement of revenues, expenses and changes in fund net position as an expense, even though the cash associated with these items was not distributed in 2016.

The Statement of Cash Flows presents the cash and cash equivalent activity of the District. It classifies cash flows into four activities: 1) operating activities, 2) non-capital financing activities, 3) capital and related financing activities and 4) investing activities.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the fund statements. The notes to the financial statements can be found following the statement of cash flows.

FINANCIAL ANALYSIS

Statement of Net Position

As noted earlier, changes in net position over time may serve as a useful indicator of a government's financial position. The District's net position total \$3,617,273 at December 31, 2016 and \$3,617,396 in 2015. The following table reflects the condensed and comparative version of the statement of Net Position:

Vancouver Public Facilities District Statement of Net Position Comparative 2015-2016

	December 31, 2016	December 31, 2015
Current and other assets	\$ 651,732	\$ 603,643
Non current assets	3,603,691	3,603,691
TOTAL ASSETS	4,255,423	4,207,334
Other liabilities	638,150	589,938
TOTAL LIABILITIES	638,150	589,938
NET POSITION		
Net investment in capital assets	3,603,691	3,603,691
Unrestricted	13,582	13,705
TOTAL NET POSITION	\$ 3,617,273	\$ 3,617,396

At December 31, 2016, the District reports a positive net position balance. Between January 1, 2015 and December 31, 2016, the total net position increased is solely due to interest earnings.

The net investment in capital assets for each of the two years shown is 99.6% of total net position. The unrestricted net position represent 0.4% of the District's net position and are not subject to external restrictions.

Statement of Revenues, Expenses and Changes in Net Position

Key elements in the changes in net position are discussed on the next page. A condensed version of the Statement of Revenues, Expenses and Changes in Net Position for the past two years is shown in the following table. The full statement is a tabular depiction of the relationship of revenues and expenses for the PFD.

Vancouver Public Facilities District Summary of Changes in Net Position Comparative 2015-2016

	2016	2015
Revenues		
Operating revenues		
Operating grants	\$ 9,504	\$ 6,646
Non-operating revenues		
Interest earnings (losses)	(123)	60
Sales and use tax	1,327,226	1,271,496
Total revenues	1,336,607	1,278,202
Expenses		
Operating expenses		
Supplies and contractual services	9,504	6,646
Non-operating expenses		
Intergovernmental payments	1,327,226	1,271,496
Total expenses	1,336,730	1,278,142
Change in net position	(123)	60
Net position - Beginning	3,617,396	3,617,336
Net Position - Ending	\$ 3,617,273	\$ 3,617,396

Operating revenues consist of operating grants from the City for administrative expenses. Non-operating revenues include interest income, sales and use tax revenue.

The District's expenses are also similar between 2015 and 2016. This is made up of payments to the Vancouver Downtown Redevelopment Authority for the tax revenues they receive and small costs for insurance.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The PFD's investment in capital assets was unchanged. PFD capital assets consist entirely of the land under and surrounding the Hotel and Conference/Convention Center.

Long-Term Debt

Public Facilities District continues to have no long-term debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District will continue to pay all of the sales tax it collects to the Vancouver Downtown Redevelopment Authority for the operation of the Hotel and Conference/Convention Center. Therefore, the PFD's unrestricted net position are not expected to increase in future years.

Requests for Information

This financial report is designed to provide a general overview of Vancouver Public Facility District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Vancouver, Financial & Management Services, PO Box 1995, Vancouver, WA, 98668-1995.

VANCOUVER PUBLIC FACILITIES DISTRICT
(A Component Unit of the City of Vancouver)

STATEMENT OF NET POSITION

December 31, 2016

ASSETS

Current assets

Cash and cash equivalents	\$	117,401
Receivables (net)		
Taxes		242,481
Interest		165
Due from other governmental units		<u>291,685</u>
Total current assets		<u>651,732</u>

Noncurrent assets

Capital assets		
Land and improvements		<u>3,603,691</u>
Total noncurrent assets		<u>3,603,691</u>
TOTAL ASSETS		<u>4,255,423</u>

LIABILITIES

Current liabilities

Due to other governmental units		<u>638,150</u>
Total current liabilities		<u>638,150</u>
TOTAL LIABILITIES		<u>638,150</u>

NET POSITION

Net invested in capital assets		3,603,691
Unrestricted		<u>13,582</u>
TOTAL NET POSITION	\$	<u>3,617,273</u>

See accompanying notes to financial statements

VANCOUVER PUBLIC FACILITIES DISTRICT
(A Component Unit of the City of Vancouver)
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
For the Fiscal Year Ended December 31, 2016

OPERATING REVENUES

Operating grants	\$ 9,504
Total operating revenues	<u>9,504</u>

OPERATING EXPENSES

Supplies and contractual services	<u>9,504</u>
Total operating expenses	<u>9,504</u>

Operating income (loss) -

NONOPERATING REVENUES (EXPENSES)

Interest earnings	(123)
Sales and uses taxes	1,327,226
Intergovernmental payments	<u>(1,327,226)</u>
Total nonoperating revenues (expenses)	<u>(123)</u>

Change in net position (123)

TOTAL NET POSITION - BEGINNING	<u>3,617,396</u>
TOTAL NET POSITION - ENDING	<u>\$ 3,617,273</u>

See accompanying notes to financial statements

VANCOUVER PUBLIC FACILITIES DISTRICT
(A Component Unit of the City of Vancouver)
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended December 31, 2016

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from other operating activities	\$ 9,504
Cash payments for goods and services	<u>(9,504)</u>
Net cash provided (used) by operating activities	<u>-</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Other receipts (payments)	-
Receipts from other governments	2,383,721
Prior year adjustment	
Payments to other governments	<u>(2,383,344)</u>
Net cash provided (used) by noncapital financing activities	<u>377</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital contributions	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>-</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Receipt of interest	91
Purchase of investments	<u>(271)</u>
Net cash provided (used) by investing activities	<u>(180)</u>

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

197

CASH AND CASH EQUIVALENTS - BEGINNING

117,204

CASH AND CASH EQUIVALENTS - ENDING

\$ 117,401

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

Operating income (loss)	\$ <u>-</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
(Increase) Decrease in receivables	-
Increase (Decrease) in current payables	<u>-</u>
Total adjustments	<u>-</u>
Net cash provided (used) by operating activities	<u>\$ -</u>

Noncash investing, financing and capital activities

Net change in fair value of investments	\$ 5,049
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See accompanying notes to financial statements

Vancouver Public Facilities District
(A Component Unit of the City of Vancouver)
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Vancouver Public Facilities District (the District or PFD) conform to generally accepted accounting principles as applied to local governmental units. The more significant accounting policies are described below.

A. REPORTING ENTITY

The Vancouver Public Facilities District (PFD) is a special purpose government established in 1999 to develop a Hotel/Convention Center in downtown Vancouver, Washington. The PFD is a component unit of the City of Vancouver, the primary government. The PFD Board is composed of five (5) members who are appointed by the City Council of Vancouver. The City is able to impose its will on the District; however, PFD's services do not exclusively or almost exclusively benefit the City of Vancouver. Therefore, financial statements are discretely presented as a business type activity in the City's annual financial report. The City of Vancouver's financial statements can be obtained from the City of Vancouver, Financial & Management Services, PO Box 1995, Vancouver, WA 98668-1995.

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

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants, contributions, and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The District distinguishes operating revenues and expenses from nonoperating 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. Operating expenses for this enterprise fund include contractual services and supplies. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The primary revenues of the District are nonoperating received from sales tax revenues and contributions of sales tax revenue from another local government.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

C. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

1. Deposits and investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Statutes authorize the District to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool.

Investments for the District are reported at fair value.

2. Receivables

All trade receivables are shown net of an allowance for uncollectible accounts. At December 31, 2016, the District had no allowance for uncollectible accounts. The majority of receivables consist of accrual of sales tax credit. Accrued interest receivable consists of amounts earned on investments at the end of the year.

Vancouver Public Facilities District
(A Component Unit of the City of Vancouver)
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

3. Capital assets

Capital assets are generally considered property, plant, equipment, and infrastructure construction (e.g. roads, bridges, sidewalks, etc.) owned by the District costing \$10,000 or more, and having an estimated useful life of more than 3 years. Such assets are recorded at historical cost or at estimated historical cost if the actual cost is not available and are reported in the statement of net assets. Donated capital assets are recorded at estimated fair market value at the date of donation.

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.

The District's assets consist entirely of land that is not depreciated.

D. ADOPTION OF NEW GASB PRONOUNCEMENTS

For the fiscal years ending through December 31, 2016, the District implemented GASB Pronouncements through GASB Statement No. 83. The adoption of new standards has had no material impact to the District's financial statements.

NOTE II. DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

Deposits

The City of Vancouver Treasurer acts in a fiduciary capacity for the PFD and administers an investment pool in which the District participates. The Federal Deposit Insurance Corporation (FDIC) insures the District's deposit and investments up to \$250,000. All deposits and bank and investment pools not covered by FDIC are covered under the State of Washington Public Deposit Protection Commission Act of 1969. 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

As required by state law, all investments of the District's funds are obligations of the U.S. Government, U.S. agency issues, the State Treasurer's Investment Pool, bankers' acceptances, overnight repurchase agreements, commercial paper, the City of Vancouver Investment Pool, certificates of deposit with Washington State banks and savings and loan institutions.

All of the District's funds are invested in the City of Vancouver Investment Pool which are reported as Level 2 (Securities are valued using observable inputs). The District's interest in the pool at December 31, 2016 was \$117,401 which is stated at fair value. Investments in the City of Vancouver's pool are not subject to categorization because specific instruments cannot be distinguished between those participating in the pool. The fair value of the District's position in the pool is the same as the fair value of the pool shares.

B. CAPITAL ASSETS

The capital asset activity for the three years ended December 31, 2016, is presented below:

	Beginning Balance 01/01/16	Increases/ Decreases	Decreases	Ending Balance 12/31/16
Capital assets, not being depreciated				
Land	\$ 3,603,691	\$ -	\$ -	\$ 3,603,691
Total capital assets, not being depreciated	3,603,691	-	-	3,603,691
Capital assets, net	\$ 3,603,691	\$ -	\$ -	\$ 3,603,691

Vancouver Public Facilities District
(A Component Unit of the City of Vancouver)
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE III. OTHER INFORMATION

A. RELATED PARTY TRANSACTIONS

The District and the Vancouver Downtown Redevelopment Authority (DRA) have entered into an agreement for the construction and operation of a hotel and conference/convention center. The PFD will only assist in developing this project and was created to receive a rebate of the State's portion of sales taxes collected in Vancouver for use in this project. The PFD is not financially liable for the performance of the project or the repayment of any future bonds. As a result of this project, the District and DRA have entered into additional agreements.

Operating Lease

During December 2003, the District entered into an operating lease with the DRA. The District leased the land held for the development of the hotel and conference/convention center to DRA. The carrying amount of the land is \$3,603,691. The DRA will finance the project, contract for development of the project, oversee the project's performance, and own and operate the Hotel and Conference/Convention Center. The lease expires in December 2053. At the expiration of the lease, the DRA will transfer ownership of the Hotel and Conference/Convention Center to the District. No future lease rentals are required under the lease.

Commitments

Through an Interlocal Agreement, the District has assigned its tax revenues and contributions from the Clark County Public Facilities District to the Hotel and Conference/Convention Center project. The District has entered into an agreement with the Vancouver Downtown Redevelopment Authority (DRA) to pay all District sales and use taxes to DRA through March 2026 and March 2028, the year the tax expires for the District and the Clark County Public Facilities District, respectively. The Clark County Public Facilities District entered into a payment agreement with the District, which has also been subsequently assigned to the DRA to repay the county portion of the conference center sales and use taxes back to the Clark County Public Facilities District.

On a cash flow basis, during 2016, the District made payments of \$2,383,721 in sales and use tax revenues to the DRA.

B. SUBSEQUENT EVENTS

Sales and Use Tax Credit – The Public Facilities District is funded primarily through a sales and use tax credit imposed under RCW 82.14.390. On May 4th, Governor Jay Inslee approved House Bill 1201 amending the RCW to extend taxes to be collected from 25 years to 40 years from when the tax was first collected by the PFD as so long as the bonds issued to finance eligible facilities are not retired before that time. For the Vancouver PFD, the extended date would be 2041, as opposed to 2026.

ABOUT THE STATE AUDITOR'S OFFICE

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

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

Contact information for the State Auditor's Office	
Public Records requests	PublicRecords@sao.wa.gov
Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov