



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

**Financial Statements Audit Report**  
**Vancouver Library Capital Facility**  
**Area**

**Clark County**

**For the period January 1, 2014 through December 31, 2016**

**Published December 11, 2017**

**Report No. 1020358**





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

December 11, 2017

Board of County Councilors  
Vancouver Library Capital Facility Area  
Vancouver, Washington

**Report on Financial Statements**

Please find attached our report on the Vancouver Library Capital Facility Area'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 Library Capital Facility Area  
Clark County  
January 1, 2014 through December 31, 2016**

Board of County Councilors  
Vancouver Library Capital Facility Area  
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 Library Capital Facility Area, Clark County, Washington, as of and for the years ended December 31, 2016, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated November 29, 2017.

We issued an unmodified opinion on the fair presentation of the District's financial statements in accordance with its regulatory basis of accounting. We issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared by the District using accounting practices prescribed by Washington State statutes and the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual described in Note 1, which is a basis of accounting other than GAAP. The effects on the financial statements of the variances between the basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audits 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 opinions 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.

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

Pat McCarthy

State Auditor

Olympia, WA

November 29, 2017

# INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

## **Vancouver Library Capital Facility Area Clark County January 1, 2014 through December 31, 2016**

Board of County Councilors  
Vancouver Library Capital Facility Area  
Vancouver, Washington

### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of the Vancouver Library Capital Facility Area, Clark County, Washington, for the years ended December 31, 2016, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the District's financial statements, as listed on page 10.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor described in Note 1. This includes determining that the basis of accounting is acceptable for the presentation of the financial statements in the circumstances. Management is also responsible 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.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits 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 opinions.

### **Unmodified Opinion on Regulatory Basis of Accounting (BARS Manual)**

As described in Note 1, the Vancouver Library Capital Facility Area has prepared these financial statements to meet the financial reporting requirements of Washington State statutes using accounting practices prescribed by the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual. Those accounting practices differ from accounting principles generally accepted in the United States of America (GAAP). The differences in these accounting practices are also described in Note 1.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Vancouver Library Capital Facility Area, for the years ended December 31, 2016, 2015 and 2014, on the basis of accounting described in Note 1.

### **Basis for Adverse Opinion on U.S. GAAP**

Auditing standards issued by the American Institute of Certified Public Accountants (AICPA) require auditors to formally acknowledge when governments do not prepare their financial statements, intended for general use, in accordance with GAAP. The effects on the financial statements of the variances between GAAP and the accounting practices the District used, as described in Note 1, although not reasonably determinable, are presumed to be material. As a result, we are required to issue an adverse opinion on whether the financial statements are presented fairly, in all material respects, in accordance with GAAP.

### **Adverse Opinion on U.S. GAAP**

The financial statements referred to above were not intended to, and in our opinion they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Vancouver Library Capital Facility Area, as of December 31, 2016, 2015 and 2014, or the changes in financial position or cash flows for the



years then ended, due to the significance of the matter discussed in the above “Basis for Adverse Opinion on U.S. GAAP” paragraph.

## **Other Matters**

### ***Supplementary and Other Information***

Our audits were performed for the purpose of forming opinions on the financial statements taken as a whole. The Schedules of Liabilities are presented for purposes of additional analysis, as required by the prescribed BARS manual. These schedules are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 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 November 29, 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

November 29, 2017

## **FINANCIAL SECTION**

### **Vancouver Library Capital Facility Area Clark County January 1, 2014 through December 31, 2016**

#### **FINANCIAL STATEMENTS**

Fund Resources and Uses Arising from Cash Transactions – 2016  
Fund Resources and Uses Arising from Cash Transactions – 2015  
Fund Resources and Uses Arising from Cash Transactions – 2014  
Notes to Financial Statements – 2016, 2015 and 2014

#### **SUPPLEMENTARY AND OTHER INFORMATION**

Schedule of Liabilities – 2016  
Schedule of Liabilities – 2015  
Schedule of Liabilities – 2014

**Vancouver Library Capital Facility Area**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2016**

		<b>Total for All Funds (Memo Only)</b>	<b>001 General</b>	<b>200 Debt Service Fund</b>
<b>Beginning Cash and Investments</b>				
30810	Reserved	557,289	528	556,761
30880	Unreserved	-	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-
<b>Revenues</b>				
310	Taxes	3,585,253	-	3,585,253
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	-	-	-
340	Charges for Goods and Services	-	-	-
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	16,807	6,658	10,149
Total Revenues:		3,602,060	6,658	3,595,402
<b>Expenditures</b>				
570	Culture and Recreation	3,100	-	3,100
Total Expenditures:		3,100	-	3,100
Excess (Deficiency) Revenues over Expenditures:		3,598,960	6,658	3,592,302
<b>Other Increases in Fund Resources</b>				
391-393, 596	Debt Proceeds	30,873,144	-	30,873,144
397	Transfers-In	3,148,524	3,148,524	-
385	Special or Extraordinary Items	-	-	-
386 / 389	Custodial Activities	-	-	-
381, 395, 398	Other Resources	-	-	-
Total Other Increases in Fund Resources:		34,021,668	3,148,524	30,873,144
<b>Other Decreases in Fund Resources</b>				
594-595	Capital Expenditures	6,606	6,606	-
591-593, 599	Debt Service	34,348,598	3,148,524	31,200,074
597	Transfers-Out	3,148,524	-	3,148,524
585	Special or Extraordinary Items	-	-	-
586 / 589	Custodial Activities	-	-	-
Total Other Decreases in Fund Resources:		37,503,728	3,155,130	34,348,598
<b>Increase (Decrease) in Cash and Investments:</b>		<b>116,900</b>	<b>52</b>	<b>116,848</b>
<b>Ending Cash and Investments</b>				
5081000	Reserved	674,189	580	673,609
5088000	Unreserved	-	-	-
<b>Total Ending Cash and Investments</b>		<b>674,189</b>	<b>580</b>	<b>673,609</b>

The accompanying notes are an integral part of this statement.

**Vancouver Library Capital Facility Area**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2015**

		Total for All Funds (Memo Only)	001 General	200 Debt Service Fund
<b>Beginning Cash and Investments</b>				
30810	Reserved	466,911	415	466,496
30880	Unreserved	-	-	-
388 & 588	Prior Period Adjustments, Net	(593)	-	(593)
<b>Operating Revenues</b>				
310	Taxes	3,595,202	-	3,595,202
330	Intergovernmental Revenues	-	-	-
340	Charges for Goods and Services	-	-	-
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	103,296	96,120	7,176
Total Operating Revenues:		3,698,498	96,120	3,602,378
<b>Operating Expenditures</b>				
570	Culture and Recreation	3,457	-	3,457
Total Operating Expenditures:		3,457	-	3,457
Net Operating Increase (Decrease):		3,695,041	96,120	3,598,921
<b>Nonoperating Revenues</b>				
370-380, 395 & 398	Other Financing Sources	-	-	-
391-393	Debt Proceeds	-	-	-
397	Transfers-In	-	-	-
Total Nonoperating Revenues:		-	-	-
<b>Nonoperating Expenditures</b>				
580, 596 & 599	Other Financing Uses	-	-	-
591-593	Debt Service	3,508,063	-	3,508,063
594-595	Capital Expenditures	96,007	96,007	-
597	Transfers-Out	-	-	-
Total Nonoperating Expenditures:		3,604,070	96,007	3,508,063
<b>Net Increase (Decrease) in Cash and Investments:</b>		<b>90,971</b>	<b>113</b>	<b>90,858</b>
<b>Ending Cash and Investments</b>				
5081000	Reserved	557,289	528	556,761
5088000	Unreserved	-	-	-
<b>Total Ending Cash and Investments</b>		<b>557,289</b>	<b>528</b>	<b>556,761</b>

*The accompanying notes are an integral part of this statement.*

**Vancouver Library Capital Facility Area**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2014**

		<b>Total for All Funds (Memo Only)</b>	<b>001 General</b>	<b>200 Debt Service Fund</b>
<b>Beginning Cash and Investments</b>				
30810	Reserved	400,253	11,177	389,076
30880	Unreserved	-	-	-
388 & 588	Prior Period Adjustments, Net	-	-	-
<b>Operating Revenues</b>				
310	Taxes	3,255,965	-	3,255,965
330	Intergovernmental Revenues	-	-	-
340	Charges for Goods and Services	-	-	-
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	5,097	236	4,861
Total Operating Revenues:		3,261,062	236	3,260,826
<b>Operating Expenditures</b>				
570	Culture and Recreation	6,406	-	6,406
Total Operating Expenditures:		6,406	-	6,406
Net Operating Increase (Decrease):		3,254,656	236	3,254,420
<b>Nonoperating Revenues</b>				
370-380, 395 & 398	Other Financing Sources	-	-	-
391-393	Debt Proceeds	-	-	-
397	Transfers-In	-	-	-
Total Nonoperating Revenues:		-	-	-
<b>Nonoperating Expenditures</b>				
580, 596 & 599	Other Financing Uses	-	-	-
591-593	Debt Service	3,177,000	-	3,177,000
594-595	Capital Expenditures	10,998	10,998	-
597	Transfers-Out	-	-	-
Total Nonoperating Expenditures:		3,187,998	10,998	3,177,000
<b>Net Increase (Decrease) in Cash and Investments:</b>		<b>66,658</b>	<b>(10,762)</b>	<b>77,420</b>
<b>Ending Cash and Investments</b>				
5081000	Reserved	466,911	415	466,496
5088000	Unreserved	-	-	-
<b>Total Ending Cash and Investments</b>		<b>466,911</b>	<b>415</b>	<b>466,496</b>

*The accompanying notes are an integral part of this statement.*

**Vancouver Library Capital Facility Area**  
**Notes to Financial Statements**  
**For Fiscal Years Ending December 31, 2014, 2015, & 2016**

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**NOTE 1 – SUMMARY OF ACCOUNTING POLICIES**

The Vancouver Library Capital Facility Area was established with a special election of the voters in November 2005. The governing body of the VLCFA as designated by RCW 27.15.030 is comprised of three members of the county legislative authority. The VLCFA is a special-purpose government, which was established to finance, acquire, construct and equip a replacement main library, further equip the Vancouver Mall Library and finance, acquire, construct and equip a replacement library for the Cascade Park Library. The District uses single-entry, cash basis accounting which is a departure from generally accepted accounting principles (GAAP).

The district reports financial activity in accordance with the Cash Basis Budgeting, Accounting and Reporting System (BARS) Manual prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements.
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The Schedule of Liabilities is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are not presented using the classifications defined in GAAP.

**Vancouver Library Capital Facility Area**  
**Notes to Financial Statements**  
**For the Fiscal Years ending December 31, 2014, 2015 and 2016**

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**A. Fund Accounting**

The accounts of the Vancouver Library Capital Facility Area are organized on the basis of funds, each of which is considered a separate accounting entity. Each fund is accounted for with a separate set of single-entry accounts that comprises its cash, investments, revenues, and expenditures as appropriate. The District's resources are allocated to and accounted for in individual funds depending on their intended purpose. The following are the fund types used by the District.

*Governmental Fund Types*

General Fund: This fund is the primary operating fund of the VLCFA. It accounts for the financial resources of the District except those required or elected to be accounted for in another fund.

Debt Service Fund: The VLCFA uses a debt service fund for the accumulation of resources that are restricted, committed or assigned to pay principal, interest and related costs on general long-term debt.

**B. Basis of Accounting**

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received and expenditures are recognized when paid.

**C. Budget**

The VLCFA adopts an annual appropriated budget for Debt Service funds approved by the Clark County Commissioners. This budget is appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end. The annual appropriated budget is adopted on the same basis of accounting as used for financial reporting.

**Vancouver Library Capital Facility Area**  
**Notes to Financial Statements**  
**For the Fiscal Years ending December 31, 2014, 2015 and 2016**

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The appropriated and actual expenditures for the legally adopted budget is as follows:

<b>Fiscal Year</b>	<b>Fund</b>	<b>Final Appropriated Amounts</b>	<b>Actual Expenditures</b>	<b>Variance</b>
2014	Debt Service Fund	\$ 3,258,027	\$ 3,183,406	\$ 74,621
2015	Debt Service Fund	\$ 3,597,366	\$ 3,511,520	\$ 85,846
2016	Debt Service Fund	\$ 3,836,793	\$ 3,693,601	\$ 143,192

Budgeted amounts are authorized to be transferred between object classes within departments by the Finance Director, however, any revisions that alter the total expenditures of a fund must be approved by the VLCFA's legislative body.

**D. Cash and Investments**

See Note 2. Deposits and Investments.

**E. Capital Assets**

Capital assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of 2 years are recorded as capital expenditures when purchased.

**F. Reserved Portion of Ending Cash and Investments**

Beginning and Ending Cash and Investments is reported as reserved when it is subject to restrictions on use imposed by external parties. The voter approved tax levy limits the use of these resources. When expenditures that meet restrictions are incurred, the district intends to use reserved resources first before using unreserved amounts.

Reservations of Ending Cash and Investments consist of amounts required to be used for debt service on general obligation bonds.

**G. Long Term Debt**



**Vancouver Library Capital Facility Area**  
**Notes to Financial Statements**  
**For the Fiscal Years ending December 31, 2014, 2015 and 2016**

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See Note 3, Debt Service Requirements.

**H. Risk Management**

The District purchases insurance from commercial carriers to protect itself against general liability, employee dishonesty and automobile and property damages. The insurance is purchased through Biggs Insurance Services.

The District has had no settlements that exceeded insurance coverage for the past three years.

The District participates in the State of Washington Labor and Industries worker's compensation insurance program, however, management has elected to become self-insured through the Washington State Employment Security Department on a reimbursement basis. Unemployment claims are processed by the Washington State Employment Security Department. No reserve for self-insurance has been established as the potential liability is not considered to be material to the financial statements.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

It is the VLCFA's policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds.

The VLCFA's deposits are covered by the Federal Deposit Insurance Corporation and/or the Washington Public Deposit Protection Commission as utilized by the Clark County Treasurer's Office. All investments are insured, registered or held by the VLCFA or its agent in the government's name.

The VLCFA investments are managed by the Clark County Treasurer's Office. The Clark County Treasurer acts as fiduciary for the VLCFA and administers an investment pool in which the VLCFA participates. This pool is not registered with the Securities and Exchange Commission. Regulatory oversight is provided by the Clark County Treasurer's Office Finance Committee, which by statute consists of the Treasurer, the Auditor and the Chair of the Board of County

**Vancouver Library Capital Facility Area**  
**Notes to Financial Statements**  
**For the Fiscal Years ending December 31, 2014, 2015 and 2016**

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Commissioners. The committee approves the investment policy and makes all appropriate rules and regulations to carry out the provisions of RCW 36.48.010 through 36.48.060. The fair value of the district's position in the pool is the same as the value of the pool shares.

All investments are held in the Clark County Investment Pool and reported at fair value. At December 31, 2016, the ending investment balance was \$674,189. At December 31, 2015 the ending investment balance was \$557,289. At December 31, 2014, the ending investment balance was \$466,318. The amount that the Clark County Treasurer is holding at December 31, 2014 differs from the financial statements by \$593 due to a warrant discrepancy.

Investments in the County's pool are not subject to categorization because specific instruments cannot be distinguished between those participating in the pool.

### **NOTE 3 –DEBT SERVICE REQUIREMENTS**

The accompanying Schedule of Long-Term Liabilities (09) provides more details of the outstanding debt and liability of the VLCFA and summarizes the VLCFA's debt transactions for the years 2014 and 2015 and after the debt refunding in 2016.

The debt service requirement for general obligation bonds is as follows:

**Prior to Debt Refunding:**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	1,955,000	1,553,063	3,508,063
2016	2,035,000	1,474,863	3,509,863
2017	2,125,000	1,386,113	3,511,113
2018	2,230,000	1,293,388	3,523,388
2019	2,325,000	1,205,278	3,530,278
2020-2024	13,425,000	4,506,539	17,931,539
2025-2028	11,890,000	1,351,257	13,241,257
	\$ <u>35,985,000</u>	\$ <u>12,770,501</u>	\$ <u>48,755,501</u>

**Vancouver Library Capital Facility Area**  
**Notes to Financial Statements**  
For the Fiscal Years ending December 31, 2014, 2015 and 2016

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**After Debt Refunding:**

Year	Principal	Interest	Total
2017	\$ 2,125,000	\$ 1,238,650	\$ 3,363,650
2018	2,170,000	1,145,925	3,315,925
2019	2,160,000	1,063,975	3,223,975
2020	2,255,000	977,575	3,232,575
2021	2,370,000	887,375	3,257,375
2022-2026	13,725,000	2,934,525	16,659,525
2027-2028	5,120,000	309,600	5,429,600
	<u>\$ 29,925,000</u>	<u>\$ 8,557,625</u>	<u>\$ 38,482,625</u>

Debt Refunding

During 2016 the VLCFA issued \$26,115,000 of general obligation refunding bonds to retire \$28,185,000 of existing 2007 and 2009 series bonds. This refunding was undertaken to reduce total debt service payments over the next 12 years by \$2,955,249. The financial statements reflect other financing sources of \$30,873,144 and other financing uses of \$31,200,074 pertaining to this transaction.

**NOTE 4 – PROPERTY TAX**

The County Treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Collections are distributed in the month they are received.

Property tax revenues are recognized when cash is received by the VLCFA. Delinquent taxes are considered fully collectible because a lien affixes to the property after taxes are levied.

The VLCFA's voter approved bond levy rate for the year 2014 was 0.2385924070 per \$1,000 on an assessed valuation of \$13,655,199,848 for a total regular levy of \$3,258,027.

The VLCFA's voter approved bond levy rate for the year 2015 was 0.2380553052 per \$1,000 on an assessed valuation of \$15,111,471,670 for a total regular levy of \$3,597,366.

**Vancouver Library Capital Facility Area**  
**Notes to Financial Statements**  
**For the Fiscal Years ending December 31, 2014, 2015 and 2016**

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The VLCFA's voter approved bond levy rate for the year 2016 was 0.2230388383 per \$1,000 on an assessed valuation of \$16,141,852,364 for a total regular levy of \$3,600,260.

**NOTE 5 – OTHER DISCLOSURES**

Interlocal Agreements

The Fort Vancouver Regional Library District, in collaboration with the VLCFA, has entered into an Interlocal Agreement to finance, acquire, construct and equip a replacement main library, near downtown Vancouver, further equip the Vancouver Mall Library and finance, acquire, construct and equip a replacement library for the Cascade Park Library. The VLCFA has the responsibility to oversee the construction of the building in conjunction with the Fort Vancouver Regional Library District. The Library District will maintain the daily operations and staffing of the new Libraries. Based on this agreement, the VLCFA has directed the Fort Vancouver Regional Library District to manage and administer the finances of the VLCFA with the participation of the Clark County Treasurer's Office as the ex-officio treasurer for the VLCFA. The VLCFA will reimburse the Fort Vancouver Regional Library District for project management and administrative costs related to the development of the projects.

As designated in the interlocal agreement with the Fort Vancouver Regional Library District, any books, materials, periodicals, and electronic databases become the property of the Fort Vancouver Regional Library District upon full payment of the debt by the VLCFA.

**Vancouver Library Capital Facility Area  
Schedule of Liabilities  
For the Year Ended December 31, 2016**

<b>ID. No.</b>	<b>Description</b>	<b>Due Date</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
<b>General Obligation Debt/Liabilities</b>						
251.12	GO Bonds	12/1/2026	6,725,000	-	6,210,000	515,000
251.12	GO Bonds	12/1/2028	27,305,000	-	24,010,000	3,295,000
251.12	GO Bonds	12/1/2028	-	26,115,000	-	26,115,000
<b>Total General Obligation Debt/Liabilities:</b>			<b>34,030,000</b>	<b>26,115,000</b>	<b>30,220,000</b>	<b>29,925,000</b>
<b>Total Liabilities:</b>			<b>34,030,000</b>	<b>26,115,000</b>	<b>30,220,000</b>	<b>29,925,000</b>

**Vancouver Library Capital Facility Area  
Schedule of Liabilities  
For the Year Ended December 31, 2015**

<b>ID. No.</b>	<b>Description</b>	<b>Due Date</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
<b>General Obligation Debt/Liabilities</b>						
251.12	GO Bonds	12/1/2026	7,195,000	-	470,000	6,725,000
251.12	GO Bonds	12/1/2028	28,790,000	-	1,485,000	27,305,000
<b>Total General Obligation Debt/Liabilities:</b>			<b>35,985,000</b>	<b>-</b>	<b>1,955,000</b>	<b>34,030,000</b>
<b>Total Liabilities:</b>			<b>35,985,000</b>	<b>-</b>	<b>1,955,000</b>	<b>34,030,000</b>

**Vancouver Library Capital Facility Area  
Schedule of Liabilities  
For the Year Ended December 31, 2014**

<b>ID. No.</b>	<b>Description</b>	<b>Due Date</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
<b>General Obligation Debt/Liabilities</b>						
251.12	GO Bonds	12/1/2026	7,645,000	-	450,000	7,195,000
251.12	GO Bonds	12/1/2028	29,915,000	-	1,125,000	28,790,000
<b>Total General Obligation Debt/Liabilities:</b>			<b>37,560,000</b>	<b>-</b>	<b>1,575,000</b>	<b>35,985,000</b>
<b>Total Liabilities:</b>			<b>37,560,000</b>	<b>-</b>	<b>1,575,000</b>	<b>35,985,000</b>

## 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.

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