

**ANNUAL REPORT CERTIFICATION**

Vancouver Library Capital Facility Area  
(Official Name of Government)

2936  
MCAG No.

Submitted pursuant to RCW 43.09.230 to the Washington State Auditor's Office  
For the Fiscal Year Ended 12/31/2021

**GOVERNMENT INFORMATION:**

Official Mailing Address 1007 E Mill Plain Boulevard  
Vancouver, WA 98663  
Official Website Address \_\_\_\_\_  
Official E-mail Address \_\_\_\_\_  
Official Phone Number \_\_\_\_\_

**AUDIT CONTACT or PREPARER INFORMATION and CERTIFICATION:**

Audit Contact or Preparer Name and Title Teresa Johnson CPA  
Contact Phone Number \_\_\_\_\_  
Contact E-mail Address team@tdj.cpa

I certify 5th day of April, 2022, that annual report information is complete, accurate and in conformity with the Budgeting, Accounting and Reporting Systems Manual, to the best of my knowledge and belief, having reviewed this information and taken all appropriate steps in order to provide such certification. I acknowledge and understand our responsibility for the design and implementation of controls to ensure accurate financial reporting, comply with applicable laws and safeguard public resources, including controls to prevent and detect fraud. Finally, I acknowledge and understand our responsibility for immediately submitting corrected annual report information if any errors or an omission in such information is subsequently identified.

Signatures  
Teresa Johnson (team@tdj.cpa)

**Vancouver Library Capital Facility Area  
Fund Resources and Uses Arising from Cash Transactions  
For the Year Ended December 31, 2021**

		Total for All Funds (Memo Only)	001 General	200 Debt Service Fund
<b>Beginning Cash and Investments</b>				
308	Beginning Cash and Investments	237,419	3,326	234,093
388 / 588	Net Adjustments	-	-	-
<b>Revenues</b>				
310	Taxes	3,178,850	-	3,178,850
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	-	-	-
340	Charges for Goods and Services	-	-	-
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	7,205	21	7,184
	<b>Total Revenues:</b>	<u>3,186,055</u>	<u>21</u>	<u>3,186,034</u>
<b>Expenditures</b>				
570	Culture and Recreation	5,300	-	5,300
	<b>Total Expenditures:</b>	<u>5,300</u>	<u>-</u>	<u>5,300</u>
	<b>Excess (Deficiency) Revenues over Expenditures:</b>	<u>3,180,755</u>	<u>21</u>	<u>3,180,734</u>
<b>Other Increases in Fund Resources</b>				
391-393, 596	Debt Proceeds	-	-	-
397	Transfers-in	3,257,375	3,257,375	-
385	Special or Extraordinary Items	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-
	<b>Total Other Increases in Fund Resources:</b>	<u>3,257,375</u>	<u>3,257,375</u>	<u>-</u>
<b>Other Decreases in Fund Resources</b>				
594-595	Capital Expenditures	-	-	-
591-593, 599	Debt Service	3,257,375	3,257,375	-
597	Transfers-Out	3,257,375	-	3,257,375
585	Special or Extraordinary Items	-	-	-
581, 582, 589	Other Uses	-	-	-
	<b>Total Other Decreases in Fund Resources:</b>	<u>6,514,750</u>	<u>3,257,375</u>	<u>3,257,375</u>
	<b>Increase (Decrease) in Cash and Investments:</b>	<u>(76,620)</u>	<u>21</u>	<u>(76,641)</u>
<b>Ending Cash and Investments</b>				
50821	Nonspendable	-	-	-
50831	Restricted	160,799	3,347	157,452
50841	Committed	-	-	-
50851	Assigned	-	-	-
50891	Unassigned	-	-	-
	<b>Total Ending Cash and Investments</b>	<u>160,799</u>	<u>3,347</u>	<u>157,452</u>

The accompanying notes are an integral part of this statement.

Vancouver Library Capital Facility Area  
Notes to Financial Statements  
For the year ended December 31, 2021

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**Note 1 – Summary of Significant Accounting Policies**

The Vancouver Library Capital Facility Area (VLCFA) 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 District, 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.

**A. Fund Accounting**

Financial transactions of the VLCFA are reported in individual funds, each of which is considered a separate accounting entity. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. The District's resources are allocated to and accounted for in individual funds depending on their intended purpose. The following fund types are used by the District.

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For the year ended December 31, 2021

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GOVERNMENTAL FUND TYPES:

General Fund

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

Debt Service Fund

The VLCFA debt service fund accounts for the financial resources that are restricted to expenditures for principal, interest and related costs on general long-term debt.

**B. Basis of Accounting and Measurement Focus**

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. Cash and Investments**

See Note 4 – Deposits and Investments.

**D. Capital Assets**

Capital assets are assets with an initial individual cost of more than \$5000 and an estimated useful life in excess of 1 year. Capital assets and inventory are recorded as capital expenditures when purchased.

**E. Long-Term Debt**

See Note 3 – Long-Term Debt.

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

Beginning and Ending Cash and Investments are reported as restricted when it is subject to limitations on use imposed by external parties. The voter approved tax levy limits

Vancouver Library Capital Facility Area  
Notes to Financial Statements  
For the year ended December 31, 2021

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the use of these resources. When expenditures that meet limitations are incurred, the district intends to use restricted resources first.

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

**Note 2 – Budget Compliance**

The VLCFA adopts an annual appropriated budget for the Debt Service fund approved by the Clark County Commissioners. The 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.

The appropriated and actual expenditures for the legally adopted budgets were as follow:

Fund	Final Appropriated Amount	Actual Expenditures	Variance
Debt Svc.	\$ 3,259,875	\$ 3,257,375	\$ 2,500

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.

**Note 3 – Long-Term Debt**

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liability of the VLCFA and summarizes the VLCFA's debt transactions for year ended December 31, 2021.

The debt service requirements for general obligation bond is as follows:

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For the year ended December 31, 2021

Year	Principal	Interest	Total
2022	\$ 2,485,000	\$ 792,575	\$ 3,277,575
2023	2,575,000	736,300	3,311,300
2024	2,725,000	607,550	3,332,550
2025	2,890,000	471,300	3,361,300
2026	3,050,000	326,800	3,376,800
2027-2028	5,120,000	309,600	5,429,600
	<u>\$ 18,845,000</u>	<u>\$ 3,244,125</u>	<u>\$ 22,089,125</u>

**Note 4 – Deposits and Investments**

Investments are held in the Clark County Investment Pool. Deposits and investments at December 31, 2021 are as follows:

	VLCFA
Investments	\$ 160,799
<b>Total</b>	<b>\$ 160,799</b>

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 is an involuntary participant in the Clark County Investment Pool, an external investment pool operated by the Clark County Treasurer. The pool is not rated or registered with the Securities and Exchange Commission (SEC). Rather, oversight is provided by the County Finance Committee in accordance with RCW 36.48.070. Investments in the pool are reported at fair value and the financial statement(s) report the investments at original cost, with interest reported when received. The fair value decrease at December 31, 2021 was \$(266) as reported on the investment fair market value statement.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in event of a failure of a depository financial institution, the VLCFA would not be able to recover deposits or would not be able to recover collateral securities that are in possession of an outside party. The VLCFA deposits and certificates of deposit are mostly covered by the Federal Deposit Insurance Corporation (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

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Notes to Financial Statements  
For the year ended December 31, 2021

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All investments are insured, registered or held by the VLCFA or its agent in the government's name.

**Note 5 – Other Disclosures**

Interlocal Agreements

The Fort Vancouver Regional Library (FVRL) District, in collaboration with the VLCFA, 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 FVRL. The Library District will maintain the daily operations and staffing of the new libraries. Based on this agreement, the VLCFA has directed FVRL 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 FVRL for project management and administrative costs related to the development of the projects.

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

**Note 6 – Property Tax**

The Clark County Treasurer acts as an agent to collect property tax levied in the county for all taxing authorities. Collections are distributed at the end of each month. Property tax revenues are recognized when cash is received by VLCFA. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

The VLCFA's regular levy for the year 2021 was \$0.130225965 per \$1,000 on an assessed valuation of \$24,452,688,834 for a total regular levy of \$3,184,375.

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Notes to Financial Statements  
For the year ended December 31, 2021

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**Note 7 – Risk Management**

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

**NOTE 8 – 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.

VLCFA proactively implemented safety measures, and operations have continued with most staff working remotely. Management continues to monitor the situation for any operational or financial effects and is ready to respond appropriately as needed. To date, the District has not experienced any direct financial impacts due to the pandemic.

The length of time these measures will continue to be in place, and the full extent of the financial impact on the District is unknown at this time.



**Vancouver Library Capital Facility Area**

Schedule 01

For the year ended December 31, 2021

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
2936	001	General	3083100	Restricted Cash and Investments - Beginning	\$3,326
2936	200	Debt Service Fund	3083100	Restricted Cash and Investments - Beginning	\$234,093
2936	200	Debt Service Fund	3111000	Property Tax	\$3,178,850
2936	001	General	3611000	Investment Earnings	\$21
2936	200	Debt Service Fund	3611000	Investment Earnings	\$7,184
2936	200	Debt Service Fund	5721040	Administration	\$5,300
2936	001	General	5083100	Restricted Cash and Investments - Ending	\$3,347
2936	200	Debt Service Fund	5083100	Restricted Cash and Investments - Ending	\$157,452
2936	001	General	3970000	Transfers-In	\$3,257,375
2936	001	General	5917270	Debt Repayment - Libraries	\$2,370,000
2936	001	General	5927280	Interest and Other Debt Service Cost - Libraries	\$887,375
2936	200	Debt Service Fund	5970000	Transfers-Out	\$3,257,375

Vancouver Library Capital Facility Area  
Schedule of Liabilities  
For the Year Ended December 31, 2021

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
<b>General Obligation Debt/Liabilities</b>						
239.70	General Obligation Bond	12/1/2028	21,215,000	-	2,370,000	18,845,000
	<b>Total General Obligation Debt/Liabilities:</b>		<b>21,215,000</b>	<b>-</b>	<b>2,370,000</b>	<b>18,845,000</b>
	<b>Total Liabilities:</b>		<b>21,215,000</b>	<b>-</b>	<b>2,370,000</b>	<b>18,845,000</b>

Labor Relations Consultant(s)  
For the Year Ended December 31, 20\_\_

Has your government engaged labor relations consultants? \_\_\_ Yes X No

If yes, please provide the following information for each consultant:

Name of firm:
Name of consultant:
Business address:
Amount paid to consultant during fiscal year:
Terms and conditions, as applicable, including: Rates (e.g., hourly, etc.): Maximum compensation allowed: Duration of services: Services provided:

LOCAL GOVERNMENT RISK-ASSUMPTION  
For the Year Ended December 31, 20\_\_

1. no Does the entity self-insure for any class of risk, including liability, property, health and welfare, unemployment compensation, workers' compensation? (yes/no)

**IF NO, STOP, you do not need to complete the rest of this Schedule.**

**IF YES, continue below.**

a. Which class of risk does the entity self-insure? Check all that apply:

- i.  Liability
- ii.  Property
- iii.  Health and Welfare (medical, vision, dental, prescription)
- iv.  Unemployment Compensation
- v.  Workers' Compensation
- vi.  Other - please describe: \_\_\_\_\_

b.  Does the entity self-insure as an individual program? (yes/no)

- i.  If answered YES, does the entity allow another separate legal entity into its self-insurance program(s)? (yes/no) For example, employees of a different organization participate in a health and welfare program of a city.  
If so, list the entity or entities: \_\_\_\_\_

c.  Does the entity self-insure as a joint program? (yes/no)

\_\_\_\_\_ If answered YES, list the other member(s): \_\_\_\_\_

2. \_\_\_ Does the entity administer its own claims? (yes/no)
3. \_\_\_ Does the entity contract with a third party administrator for claims administration? (yes/no)
4. \_\_\_ Did the entity receive a claims audit in the last three years, regardless of who administered the claims? (yes/no)
5. \_\_\_ Were the program's revenues sufficient to cover the program's expenses? (yes/no)
6. \_\_\_ Did the program use an actuary to determine its liabilities? (yes/no)

**EXAMPLE**

Description of Risk Type	Number of claims received during the period	Number of claims paid during the period	Total amount of claims paid during the period
Liability (automobile)	354	279	\$104,366

Description of Risk Type	Number of claims received during the period	Number of claims paid during the period	Total amount of claims paid during the period