



Public Facilities District

August 14, 2024

10:00am

City Hall

Council Chambers

415 W 6th Street

Vancouver, WA 98660

AGENDA

1. **Call to order** – Abbie Layne, President
 - a. Roll Call – Krista Liles, Support Staff
 - b. Excusal of Absence, if needed
 - c. Welcome new Board Member, Ken O'hollaren - Abbie Layne
 - d. Welcome new Hilton GM, Alex Dawes - Natasha Ramras
2. **Approval** – 1.31.24 Meeting Minutes
3. **Approval** – Amended 2024 Work Plan/Schedule
4. **Approval** – Claims and Vouchers: Erin Jacobson
5. **Update** – Budget-to-actuals: Erin Jacobson
6. **Update** – DRA July Financials: Erin Jacobson
7. **Executive Director Updates:** Natasha Ramras
 - a. Audit update
 - b. Other
8. **Hotel Manager update** – Mike McLeod
9. **Executive Session, if needed** – Dan Lloyd

Members

Abbie Layne
President

Azsha Preble
Secretary/Treasurer

Hunter Byrnes
Ken O'Hollaren

Staff Support

Natasha Ramras
Executive Director

Dan Lloyd
Assistant City Attorney

Krista Liles
Senior Support Specialist

Financial Management Services

P.O. Box 1995
Vancouver, WA 98668
360-487-8437
TTY: 711
cityofvancouver.us

Microsoft Teams meeting:
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Meeting ID: 227 247 521 005

Or call in (audio only)
[+1 347-941-5324](#),
[328846583#](#) United States
Phone Conference ID: 328 846 583#

Community Communications: Commentary will be accepted no later than 24 hours prior to the meeting date.
Please send all comments to Krista Liles at <mailto:krista.liles@cityofvancouver.us>.

To request accommodation or other formats, please contact:

Amanda Delapena | 360-487-8605 | TTY: 711 | amanda.delapena@cityofvancouver.us



Public Facilities District

Meeting Summary/Meeting Minutes

Thursday, January 31

10:00am, City Hall/Teams
415 W 6th Street
Vancouver, WA 98660

Board Members Present:

Layne, Preble, Byrnes

Commissioners/Board Members Absent:

Thomas-Velikokhatko

Staff Present: Ramras, Lloyd, Liles, Jacobson

Guests: Mike McLeod (Hilton GM)

Minutes

1. **Call to order** – Abbie Layne, President
 - a. Roll Call – Krista Liles, Support Staff
 - b. Excusal of Absence, if needed – **Motion to excuse** Thomas-Velikokhatko by Byrnes, seconded by Preble, approved.
 - c. **Appointment of temporary chair to conduct meeting, which falls to Board Secretary (Abbie Layne) in the President’s absence, as explained by Dan Lloyd**
2. **Approval of Minutes** – June 7, 2024 – **Motion to approve** by Byrnes, seconded by Preble, approved.
3. **Welcome New Board Members** – Azsha Preble, Hunter Byrnes
4. **Officer Elections** – action as follows:
 - a. *President* – nomination of Abbie Layne, Azsha Preble: Motion to approve Layne – 2 ayes, 1 abstention, 0 nays. Elected: Abbie Layne, President

Members

Abbie Layne
President

Azsha Preble
Secretary/Treasurer

Hunter Byrnes
Ashley Thomas-Velikokhatko

Staff Support

Natasha Ramras
Executive Director

Dan Lloyd
Assistant City Attorney

Krista Liles
Senior Support Specialist

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Phone Conference ID: 391 504 478#

b. *Secretary/Treasurer – nomination of Azsha Preble: Motion to approve Preble – 2 ayes, 1 abstention, 0 nays. Elected: Azsha Preble, Secretary/Treasurer*

5. **Approval of PFD Claims and Vouchers – Motion to approve** as presented, by Preble, seconded by Byrnes, approved.

6. **2023 Budget-to-Actuals** – review of 2023 Summary by Ramras

7. **Review of DRA November Financials** – review of November financials by Erin Jacobson

8. **2024 Meeting Schedule – review/approval of 2024 proposed meeting schedule. Motion to approve** by Preble, seconded by Byrnes, approved. **Action Item:** Liles to revise December date due to overlap w/DRA meeting and include amendment at next meeting.

9. **Executive Director Updates**

a. Audit update – exit interview to be scheduled with SAO office. *Preble, Layne to attend.*

b. Other – construction and development of property, and overview of Ankrom Moisan feasibility study for extension of Convention Center and Performing Arts Center

10. **Hotel/Convention Center Performance** overview provided by Mike McLeod, GM

11. **Executive Session** – N/A

Meeting adjourned at 10:54am

Approval:

Abbie Layne, President

Date



PFD Board Meeting 2024

Vancouver City Hall – Birch Room, 2nd Floor

415 W. 6th Street Vancouver, WA 98660

Abbie Layne • Azsha Preble • Hunter Byrnes • Ken O’Hollaren

2024 PFD Meeting and Work Plan Schedule

Regular Board Meetings

Month	Work Plan Item
* January 31, 2024 (reschedule of December meeting)	<ul style="list-style-type: none"> • 2023 Preliminary Financial Report and year-end Flow of Funds • Preparation of the PFD financial statements for 2023
August 14, 2024 (10:00 a.m.)	<ul style="list-style-type: none"> • Review of Financials through July 2024 • 2023 Audit Report
December 12, 2024 (11:00a.m.)	<ul style="list-style-type: none"> • 2024 Budget-to-Actuals Review • Review of PFD November 2024 Financials • Review Financial Projections for 2025-26 • 2025-2026 Budget Approval

**VANCOUVER PUBLIC FACILITIES DISTRICT
STC TRANSFERS APPROVAL**

We, the undersigned members of the Board of Directors of Vancouver Public Facilities District do hereby certify that the merchandise or services hereinafter specified have been received and that the vouchers listed below are approved for payment in the amount of **\$ 2,476,632.38** this 14th day of August, 2024.

Abbie Layne, President

Azsha Preble, Secretary/Treasurer

Natasha Ramras, Executive Director

Boardmember

DATE	INCLUSIVE CHECK NUMBERS	CHECK TOTAL
January 1, 2024 – July 31, 2024	(see attached listing)	\$ 2,476,632.38
	TOTAL	\$ 2,476,632.38

Fund:PFD	Claims and Vouchers January 1, 2024 thru July 31, 2024				
Date	Supplier	Amount	Description	Document Number	
2/1/2024	State of Washington Auditor's Office	2,241.75	Financial Audit - Audit 56437 - L158952	Supplier Invoice: SINV-67053	
5/1/2024		417.30	Financial Audit - Audit 56437 - L160285	Supplier Invoice: SINV-71171	
5/1/2024		2,295.15	Financial Audit - Audit 56437 - L159624	Supplier Invoice: SINV-71170	
1/2/2024	Public Facilities District	195,902.16	PFD Sales Tax to DRA	JE-00026306	
2/1/2024		184,759.12	PFD Sales Tax to DRA	JE-00026902	
3/1/2024		220,794.28	PFD Sales Tax to DRA	JE-00027311	
4/1/2024		173,084.49	PFD Sales Tax to DRA	JE-00027865	
5/1/2024		168,562.75	PFD Sales Tax to DRA	JE-00028316	
6/3/2024		201,948.41	PFD Sales Tax to DRA	JE-00028707	
7/1/2024		190,648.03	PFD Sales Tax to DRA	JE-00029094	
		<i>City PFD Sales Tax Total</i>	1,335,699.24		
1/11/2024		168,838.78	County PFD Sales Tax \$ to DRA	JE-00026452	
2/12/2024		162,359.16	County PFD Sales Tax \$ to DRA	JE-00027009	
3/12/2024		179,231.91	County PFD Sales Tax \$ to DRA	JE-00027539	
4/11/2024		144,364.28	County PFD Sales Tax \$ to DRA	JE-00028003	
5/13/2024		144,422.78	County PFD Sales Tax \$ to DRA	JE-00028448	
6/11/2024		170,651.96	County PFD Sales Tax \$ to DRA	JE-00028835	
7/11/2024		166,110.07	County PFD Sales Tax \$ to DRA	JE-00029282	
		<i>County PFD Sales Tax Total</i>	1,135,978.94		
		Total :	2,476,632.38		

City of Vancouver

Public Facilities District

Budget to Actuals January - July 2024

Public Facilities District	2024 Budget	Jan-July 2024 Actuals	Actuals to Budget
Fund 401: Public Facilities District Fund (PFD)			
Revenues	\$ 2,862,200	\$ 1,329,205	46%
Expenditures	\$ 2,895,800	\$ 1,338,412	46%

PFD Detail by RC/SC	2024 Budget	Jan-July 2024 Actuals	Actuals to Budget
Fund 401: Public Facilities District Fund (PFD)			
Revenues			
313000: Sales & Use Tax	\$ 2,873,000	\$ 1,328,473	46%
337000: City Funding	\$ 10,000	\$ -	0%
361110: Investment Earnings	\$ 800	\$ 732	92%
Total Revenues	\$ 2,883,800	\$ 1,329,205	
Expenditures			
54000: Services	\$ 12,000	\$ 2,713	23%
55000: Intergovernmental Payments	\$ 2,883,800	\$ 1,335,699	46%
Total Expenses	\$ 2,895,800	\$ 1,338,412	
Net Surplus (Deficit)		\$ (9,207)	

Downtown Redevelopment Authority Narrative Overview of July 2024 Financial Statements

STATEMENT OF NET POSITION

- The DRA's net position has increased by approximately \$3.03 million from year end 2023. This is due in large part to the following:
 - Total assets decreased by \$373k largely due to cash outlay to pay for the January 1st and July 1st bond payments, and the PFD loan payment.
 - Total liabilities have decreased by \$3.44 million from year end reflecting a \$2.53 million reduction in bond principal, and \$727k reduction in the PFD principal.
- As of July 31st, overall debt to the Clark County PFD totals \$635k, representing a decrease of \$92k from year end 2023.
 - The Annual Tax Cap was met 6/10/2024; a total of \$517,666.64 in excess revenues has applied toward the Clark County PFD Loan.

STATEMENT OF REVENUES EXPENSES AND CHANGES IN NET POSITION

- Operations in July resulted in cumulative operating income of \$1.67 million, which is \$366k more than the budgeted Operating Income of \$1.30 million.
 - Depreciation, an Operating Expense which has no effect on cash, totaled \$918k in July 2024.
- Year-over-year investment earnings are up \$79k. This increase is attributed to higher cash balances earning interest at increasing rates.

STATEMENT OF CASH FLOWS

- Overall cash reflects an increase of \$259k compared to year end 2023.
 - Notable sources of cash for the year included \$13.1 million from operating activities and \$3.41 million in tax receipts from the City and County PFD.
 - Notable uses of cash included \$10.53 million for goods and services related to operating activities and debt service payments of \$5.20 million.

TAX REVENUE COLLECTIONS

- Through July 2024, tax revenue collections are at 117.9% of the Tax Cap compared to 118.9% for the prior year.
 - The annual tax cap increased \$74k from 2023 to 2024.
- Since the Tax Cap has been met, all future tax revenues will be applied toward the Clark County PFD Loan.
 - Current expectations are that the loan will be fully repaid in Aug/Sep-24.
- Per the Interlocal Agreement, at that point, any excess revenues will be paid to City PFD.
- As of July 2024, overall tax collections are up \$58k compared to July 2023. Receipts of City Lodging Tax, City PFD STC and County PTD STC are up 1.3%, 1.1%, and 2.9%, respectively.

FLOW OF FUNDS

- On August 1, 2024, \$1.04 million of cash was transferred from the Lockbox Fund to the Project Revenue Debt Service Fund. This transfer resulted from cash flows in excess of operating expenses during the month.
- With the August 1, 2024 Flow of Funds transfer there are sufficient cash balances in both the Project Revenue Debt Service Fund and Tax Revenue Debt Service Fund to pay each debt service payment due January 1, 2025 (principal + interest).
- Incremental excess cash flows continue to be set aside for the 3-insurance renewals for the 2024 – 2025 period.

Vancouver Downtown Redevelopment Authority - Condensed Report on Financial Activity - Activity through July 31, 2024

Revenue & Expense	Year to Date					Budget through July 2024	Actual-Budget Comparison	2024 Annual Budget	Actual as % of Annual Budget
	July 2024 Actual	July 2023 Actual	Actual \$ Change (2023 - 2024)	Actual % Change (2023 - 2024)	Actual \$ Change (2023 - 2024)				
Total Operating Revenue	\$ 12,749,710	\$ 11,063,592	\$ 1,686,118	15.2%	\$ 12,202,688	\$ 547,022	\$ 23,922,528	53.3%	
Total Operating Expense	(11,078,238)	(9,770,534)	(1,307,704)	13.4%	(10,897,259)	(180,979)	(16,618,669)	66.7%	
Net Operating Income	1,671,472	1,293,058	378,414	29.3%	1,305,429	366,043	7,303,859	22.9%	
Non-Operating/Special/Prior Period Adj (*)	1,354,430	1,192,615	161,815	13.6%	422,519	931,911	1,939,613	69.8%	
Change in Net Position	\$ 3,025,902	\$ 2,485,673	\$ 540,229	21.7%	\$ 1,727,948	\$ 1,297,954	\$ 9,243,472	32.7%	
Depreciation (In Operating Expense)	\$ 917,544	\$ 854,892	\$ 62,652	7.3%	\$ 1,429,167	\$ (511,623)	\$ 2,520,000	36.4%	

(*) Refers to items not directly associated with operations. These items include interest earned, city tax collections, excise tax payments and interest accrued. Items are listed separately under "Non-operating revenues/expenses and special items in the DRA's operating statement."

Dedicated Taxes	Year to Date			
	July 2024 Actual	July 2023 Actual	Actual \$ Change (2023 - 2024)	Actual % Change
City Lodging Tax (2%)	\$ 945,988	\$ 934,039	\$ 11,949	1.3%
City Sales Tax Credit	1,335,699	1,321,416	14,283	1.1%
County Sales Tax Credit	1,135,979	1,103,906	32,073	2.9%
Total Tax Revenue	\$ 3,417,667	\$ 3,359,361	\$ 58,306	1.7%
Annual Tax Revenue Cap	\$ 2,900,000	\$ 2,826,000	\$ 74,000	2.6%
% of Cap	117.9%	118.9%		

Capital Projects	Year to Date	
	July 2024 Actual	2024 Budgeted
Capital Project Expenses	\$ 278,659	\$ 982,940

Cash Balance Reconciliation	Year to Date							
	July 2024 Actual	Flow of Funds 8/1/2024	Cash Balances after Flow of Funds	July 2023 Actual	Actual \$ Change (2023 - 2024)	Actual % Change (2023 - 2024)	Required Amounts (12/31/2024)	% of Required Amounts (12/31/2024)
Operating Petty Cash	\$ 46,695	\$ -	\$ 46,695	\$ 53,287	\$ (6,592)	-12.4%	\$ -	N/A
Lockbox/Available Revenue Fund	\$ 1,654,987	(1,109,139)	\$ 545,848	\$ 542,922	\$ 2,926	0.5%	\$ 500,000	109.2%
Taxes & Insurance Fund	\$ 290,000	25,000	\$ 315,000	\$ 150,424	\$ 164,576	109.4%	\$ 291,235	108.2%
Administrative Expense Fund	\$ 50,000	39,260	\$ 89,260	\$ 140,636	\$ (51,376)	-36.5%	\$ 50,000	178.5%
Project Revenue Debt Service Fund	\$ 1,272,344	1,044,880	\$ 2,317,224	\$ 2,446,597	\$ (129,373)	-5.3%	\$ 1,882,556	123.1%
Tax Revenue Debt Service Fund	\$ 2,716,675	-	\$ 2,716,675	\$ 2,613,575	\$ 103,100	3.9%	\$ 1,748,325	155.4%
Primary R & R Fund	\$ 408,025	-	\$ 408,025	\$ -	\$ 408,025	100.0%	\$ -	N/A
Contingency Fund	\$ 1,850,000	-	\$ 1,850,000	\$ 1,572,142	\$ 277,858	17.7%	\$ -	N/A
Management Fee Fund	\$ 81,956	-	\$ 81,956	\$ -	\$ 81,956	100.0%	\$ -	N/A
Subordinate R & R Fund	\$ 198,545	-	\$ 198,545	\$ -	\$ 198,545	100.0%	\$ -	N/A
Cash Trap Fund	\$ 2,500,000	-	\$ 2,500,000	\$ 2,500,000	\$ -	0.0%	\$ -	N/A
Authority Reserve Fund - Excess	\$ 4,680,252	-	\$ 4,680,252	\$ 3,330,593	\$ 1,349,659	40.5%	\$ -	N/A
Authority Reserve Fund - Restricted	\$ 500,000	-	\$ 500,000	\$ 500,000	\$ -	0.0%	\$ -	N/A
Total Escrow Fund Cash Balances	\$ 16,249,480	\$ -	\$ 16,249,479	\$ 13,850,176	\$ 2,399,304	17.3%	\$ 4,472,117	
County PFD Fund - Loan Balance	\$ (634,829)	**	\$ (2,576,739)	\$ 1,941,909	\$ -	-75.4%		

Comments

- On August 1, 2024, the DRA transferred \$1.04M of excess cash to the Project Revenue Debt Service Fund. This transfer resulted from better than expected cash inflows during the month.
- With the August 1, 2024 Flow of Funds transfer, there are sufficient cash balances in each of the DRA's Project Revenue Debt Service Fund and Tax Revenue Debt Service Fund needed to pay each of the January 1, 2025 debt service payments (principal + interest).
- On July 1, 2024, the DRA made interest-only debt service payments of \$762,556.25 and \$183,325.00 for the Project Revenue and Sales & Lodging Tax Revenue Bonds, respectively.
- Excluding depreciation, the DRA has realized an increase of Net Position totaling \$3.94 million which is \$786k more than the cumulative budgeted increase in Net Position of \$3.16 million. *Depreciation has no effect on cash in the current period*
- ** The Annual Tax Cap was met 6/10/2024. Total of \$517,666.64 in excess revenues has been applied toward the Clark County PFD loan balance, and is included above. All future tax revenues will be applied toward the balance on the Clark County PFD Loan. Current estimates are that the County PFD Loan will be paid in full in Aug/Sep-24.
- Per the Interlocal Agreement, at that point, any excess revenues will be paid to City PFD.

MANAGEMENT'S DISCUSSION AND ANALYSIS
VANCOUVER PUBLIC FACILITIES DISTRICT (PFD)
(A Component Unit of the City of Vancouver)
For Years Ended December 31, 2023

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, 2023. 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 by \$3,622,533 as of December 31, 2023 and by \$3,610,040 as of December 31, 2022. The net position may be used to meet the District's ongoing obligations to citizens and creditors, without legal restriction.

The District reported an increase in Net Position of \$12,493 for 2023 and an decline in Net Position of \$1,034 for 2022. The district's total net position has 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 the majority of all other operating expenses. Other changes in net position 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 government. The purpose of the PFD is to develop a Hotel and Conference/Convention Center in downtown Vancouver Washington.

This discussion and analysis is intended to serve as an introduction to the City of Vancouver Public Facilities District (PFD) basic financial statements. The PFD's basic financial statements are comprised of a governmental fund: (1) Balance Sheet/Statement of Net Position, (2) Revenues, Expenditures and Changes in Fund Balances/Statement of Activities and (3) notes to the financial statements.

The government-wide financial statements and fund financial statements have been combined in the basic financial statements segregated in separate columns and are accompanied by a reconciliation between the statements (see the "Adjustments" column for details).

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the PFD's finances in a manner similar to a private-sector business. The government-wide financial statements include 1) Statement of Net Position and 2) Statement of Activities.

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 PFD uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund of the PFD is a major governmental fund for the purposes of this financial report. The focus of this fund is on short-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the PFD's near-term financing requirements. The fund financial statements include 1) Balance Sheet and 2) Revenues, Expenditures and Changes in Fund Balances.

Balance Sheet/Statement of Net Position - This statement presents a snap-shot view of the assets of the PFD, the liabilities it owes and the net difference or net position. It focuses on the resources available for future operations.

Revenues, Expenditures and Changes in Fund Balances/Statement of Activities - This statement presents all revenues and expenditure of the PFD during the fiscal year, including other sources and uses.

Notes to the financial statements - The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements and should be read in conjunction with the financial statements.

GOVERNMENT-WIDE 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. At December 31, 2023, the District reports a positive net position balance. The District's net position total \$3,622,533 at December 31, 2023 and \$3,610,040 at December 31, 2022. The following table reflects the condensed and comparative version of the statement of Net Position:

The net investment in capital assets for each of the two years shown is 99.5%, and 99.8% of total net position. The unrestricted net position represents 0.4%, and .2% of the District's net position and is not subject to external restrictions.

The following table reflects the condensed and comparative version of the statement of Net Position:

Vancouver Public Facilities District		
Statement of Net Position		
Comparative 2023-2022		
	December 31, 2023	December 31, 2022
Current and other assets	\$ 1,132,968	\$ 1,108,193
Noncurrent assets	<u>3,603,691</u>	<u>3,603,691</u>
Total Assets	4,736,659	4,711,884
Other liabilities	<u>1,114,126</u>	<u>1,101,844</u>
Total liabilities	1,114,126	1,101,844
Net position		
Net investment in capital assets	3,603,691	3,603,691
Unrestricted	<u>18,842</u>	<u>6,349</u>
Total net position	<u>\$ 3,622,533</u>	<u>\$ 3,610,040</u>

Statement of Revenues, Expenses and Changes in Fund Net Position

Key elements in the changes in net position are discussed below. A condensed version of the Statement of Revenues, Expenses and Changes in Fund 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		
Statement of Activities		
Comparative 2023-2022		
	December 31, 2023	December 31, 2022
Revenues		
Operating Grants	\$ 11,500	\$ 10,000
Rents and leases	4,000	-
Interest earnings (losses)	5,861	(5,602)
Sales and use tax	<u>2,355,743</u>	<u>2,286,949</u>
Total revenues	<u>2,377,104</u>	<u>2,291,347</u>
Expenses		
Supplies and contractual services	8,868	5,432
Intergovernmental payments	<u>2,355,743</u>	<u>2,286,949</u>
Total expenses	<u>2,364,611</u>	<u>2,292,381</u>
Change in net position	12,493	(1,034)
Net position - Beginning	3,610,040	3,611,074
Net position - Ending	<u>\$ 3,622,533</u>	<u>\$ 3,610,040</u>

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

The District's expenses are also similar between 2023 and 2022. This is made up of payments to the Vancouver Downtown Redevelopment Authority for tax revenues received, minor costs for insurance and audit fees.

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 is 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)

GOVERNMENTAL FUNDS BALANCE SHEET/STATEMENT OF NET POSITION

December 31, 2023

	PFD Fund	Adjustments (Note 3)	Statement of Net Positon
ASSETS			
Current assets			
Cash and cash equivalents	\$ 216,045	-	216,045
Receivables (net)			
Taxes	405,553	-	405,553
Interest	940	-	940
Due from other governments	510,430	-	510,430
Total current assets	<u>1,132,968</u>	<u>-</u>	<u>1,132,968</u>
Non-current assets			
Land and improvements	-	3,603,691	3,603,691
Total Non-current assets	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>-</u>	<u>3,603,691</u>	<u>4,736,659</u>
LIABILITIES			
Current liabilities			
Accounts payable	2,241	-	2,241
Due to other governments	1,111,885	-	1,111,885
Total current liabilities	<u>1,114,126</u>	<u>-</u>	<u>1,114,126</u>
Deferred Inflows	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>1,114,126</u>	<u>-</u>	<u>1,114,126</u>
FUND BALANCE			
Unassigned	18,842	(6,349)	12,493
Total Fund Balances	<u>18,842</u>	<u>(6,349)</u>	<u>12,493</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,132,968</u>		
NET POSITION			
Net invested in capital assets		3,603,691	3,603,691
Unrestricted		18,842	18,842
TOTAL NET POSITION		<u>\$ 3,622,533</u>	<u>3,622,533</u>

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

GOVERNMENTAL FUNDS STATEMENT OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE/STATEMENT OF ACTIVITIES

For the Fiscal Year Ended December 31, 2023

		PFD Fund	Adjustments (Note 3)	Statement of Activities
EXPENDITURES				
Hotel and Conference Center	Intergovernmental payments	\$ 2,355,743	-	2,355,743
Administrative	Supplies and contractual services	8,868	-	8,868
TOTAL EXPENSES		<u>2,364,611</u>	-	<u>2,364,611</u>
PROGRAM REVENUES				
	Operating grants	11,500	-	11,500
TOTAL PROGRAM REVENUES		<u>11,500</u>	-	<u>11,500</u>
GENERAL REVENUES				
	Sales and uses taxes	2,355,743	-	2,355,743
	Rents	4,000	-	4,000
	Interest earnings	5,861	-	5,861
TOTAL REVENUES		<u>2,377,104</u>	-	<u>2,377,104</u>
EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES		12,493	-	12,493
FUND BALANCES/NET POSITION				
	BEGINNING OF YEAR	6,349	3,603,691	3,610,040
	END OF YEAR	<u>\$ 18,842</u>	<u>3,603,691</u>	<u>3,622,533</u>

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NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Vancouver Public Facilities District (the District or PFD) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board 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 Vancouver Public Facilities District (PFD) is a special purpose government established in 1999 to develop a Hotel and 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, the 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. BASIC FINANCIAL STATEMENTS

The basic financial statements include both entity-wide and fund financial statements. The District uses an alternative presentation allowable under accounting principles generally accepted in the United States of America which combines the fund statements and entity wide statements (the Governmental Funds Balance Sheet / Statement of Net Position and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances / Statement of Activities).

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The government-wide financial statements use 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 cash flows.

The modified accrual basis of accounting is used by the PFD for the fund statements. Revenues and other financial resources are recognized when they become susceptible to accrual, i.e., when the related funds become both measurable and available to finance expenditures of the current period. To be considered "available", revenue must be collected during the current period or soon enough thereafter to pay current liabilities. For this purpose, revenue is considered to be available when collected within sixty-five days after year-end. However, debt service expenditures, and payments for claims and judgments are recorded when due.

Sales taxes and intergovernmental revenues are susceptible for accrual. Investment earnings are accrued when earned. Charges for services, fines and forfeitures, licenses and permits, and other miscellaneous revenues are recorded upon receipt and are not susceptible for accrual. Expenditures are recognized when the related fund liability is incurred. Since the recognition of depreciation does not reduce net financial resources, it is not considered an expenditure. Other exceptions include (1) inventories of materials and prepaid items are reported as expenditures when purchased, (2) interest on long-term debt is not accrued but is recorded as an expenditure when due.

The PFD reports the following major governmental fund:

General Fund - The PFD's General Fund is maintained in the office of the Treasurer separate and distinct from all other funds and accounts for the financial resources of the PFD which are not accounted for in any other fund. Principal sources of revenue are comprised of sales tax revenues, contributions of sales tax revenue from another local government, and interest income. Primary uses are intergovernmental payments to the Vancouver Downtown Redevelopment Authority (DRA).

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C. BUDGETARY INFORMATION

The PFD is not legally required to adopt an annual budget. However, it does adopt a biennial budget.

E. ASSETS, LIABILITIES, AND NET POSITION

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, 2023, 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.

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 in excess of more than three (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 position. Donated capital assets are recorded at estimated fair market value at the date of donation.

Costs for additions or improvements to capital assets are capitalized when they increase the effectiveness or efficiency of the asset. The costs for normal maintenance and repairs are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Included in the Balance Sheet/Statement of Net Position is the reconciliation between fund balance – total governmental funds and net position governmental activities as reported in compliance with GASB Statement No. 34. Those adjusting items can be found in the "Adjustment" column of the Governmental Funds Balance Sheet/Statement of Net Position.

Details relating to those adjustments are shown below:

Fund Balance – Total Governmental Funds	\$18,842
Capital Assets - Land	\$3,603,691
Net Position – ending of Governmental Activities	\$3,622,533

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

Included in the governmental fund statement of revenues, expenditures, and changes in fund balances/statement of activities is the reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities in compliance with GASB Statement No. 34. Those adjusting items can be found in the "Adjustment" column of the Governmental Fund Revenues Expenditures and Changes in Fund Balances/Statement of Activities.

There were no adjusting items for FY 2023.

NOTE 3. 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, 2023 was \$215,045 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.

NOTE 4. CAPITAL ASSETS

The capital asset activity as of December 31, 2023, is presented below:

	<u>Beginning Balance 1/1/2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance 12/31/2023</u>
Capital assets, not being depreciated				
Land	\$ 3,603,691	\$ -	\$ -	\$ 3,603,691
Total capital assets, not being depreciated	<u>\$ 3,603,691</u>	<u> </u>	<u> </u>	<u>\$ 3,603,691</u>
Capital assets, net	<u>\$ 3,603,691</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,603,691</u>

NOTE 5. 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 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

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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 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 2041 and March 2043; 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 2023, the District made payments of \$2,346,989 in sales and use tax revenues to the DRA.

NOTE 6. FUND BALANCE/NET POSITION

Fund Balance

Fund balance presented in the governmental fund financial statements represent the difference between assets and liabilities reported within the governmental fund. Fund balance is classified into the following categories:

Non-spendable - items that cannot be spent due to form; inventories, prepaid amounts, long-term loan receivables, or amounts that must be maintained intact legally.

Restricted - amounts constrained for specific purposes imposed by external parties.

Committed - amounts that may only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the PFD Board.

Assigned - all amounts remaining in governmental funds, other than the general fund, not classified as nonspendable, restricted or committed. Amounts reported as assigned also include year-end encumbrances that have received approval from the city council and re-appropriated in the following year's carry forward budget.

Unassigned - any remaining fund balance in the general fund not classified as nonspendable, restricted, committed or assigned.

The PFD considers restricted amounts to have been spent first when expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available. When expenditures of unrestricted fund balance are incurred, the PFD considers committed amounts spent first, then assigned amounts and lastly, unassigned amounts.

Net Position

The PFD's net position at December 31, 2023 totaled \$3,622,533; of which \$18,842 is unrestricted. The remainder represents the PFD's net investment in Capital Assets.