

# ANNUAL REPORT CERTIFICATION

Fort Vancouver Regional Library  
(Official Name of Government)

1637  
MCAG No.

Submitted pursuant to RCW 43.09.230 to the Washington State Auditor's Office

For the Fiscal Year Ended 12/31/2017

## GOVERNMENT INFORMATION:

Official Mailing Address 1007 E Mill Plain Blvd

Vancouver, WA 98663

Official Website Address www.fvrl.org

Official E-mail Address cwitte@fvrl.org

Official Phone Number 360-906-5061

## AUDIT CONTACT or PREPARER INFORMATION and CERTIFICATION:

Audit Contact or Preparer Name and Title Christine Witte Finance Director

Contact Phone Number 360-906-5061

Contact E-mail Address cwitte@fvrl.org

I certify 25th day of May, 2018, 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

Christine Witte (cwitte@fvrl.org)

**Fort Vancouver Regional Library District  
Fund Resources and Uses Arising from Cash Transactions  
For the Year Ended December 31, 2017**

**Beginning Cash and Investments**

30810	Reserved	-
30880	Unreserved	17,516,422
388 / 588	Prior Period Adjustments, Net	-

**Revenues**

310	Taxes	22,563,216
320	Licenses and Permits	-
330	Intergovernmental Revenues	513,370
340	Charges for Goods and Services	383,811
350	Fines and Penalties	27,691
360	Miscellaneous Revenues	675,837
Total Revenues:		24,163,925

**Expenditures**

570	Culture and Recreation	22,959,642
Total Expenditures:		22,959,642
Excess (Deficiency) Revenues over Expenditures:		1,204,283

**Other Increases in Fund Resources**

391-393, 596	Debt Proceeds	-
397	Transfers-In	-
385	Special or Extraordinary Items	-
386 / 389	Custodial Activities	-
381, 395, 398	Other Resources	626
Total Other Increases in Fund Resources:		626

**Other Decreases in Fund Resources**

594-595	Capital Expenditures	2,181,609
591-593, 599	Debt Service	-
597	Transfers-Out	-
585	Special or Extraordinary Items	-
586 / 589	Custodial Activities	-
Total Other Decreases in Fund Resources:		2,181,609

**Increase (Decrease) in Cash and Investments: (976,700)**

**Ending Cash and Investments**

5081000	Reserved	-
5088000	Unreserved	16,539,722
<b>Total Ending Cash and Investments</b>		<b>16,539,722</b>

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

## Fort Vancouver Regional Library District

Schedule 01

For the year ended December 31, 2017

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
1637	001	General	3088000	Unreserved Cash and Investments - Beginning	\$17,516,422
1637	001	General	3111000	Property Tax	\$22,563,216
1637	001	General	3370000	Local Grants, Entitlements and Other Payments	\$251,004
1637	001	General	3321560	Payment In-Lieu of Tax	\$20,337
1637	001	General	3340570	State Grant from State Library	\$8,906
1637	001	General	3350233	DNR Timber Trust 2	\$233,123
1637	001	General	3417000	Sales of Merchandise	\$2,164
1637	001	General	3418100	Data/Word Processing, Printing, Duplicating and IT Services	\$46,178
1637	001	General	3472000	Library Services	\$265,517
1637	001	General	3479000	Other Fees	\$69,952
1637	001	General	3590000	Non-Court Fines and Penalties	\$27,691
1637	001	General	3611000	Investment Earnings	\$165,777
1637	001	General	3624000	Rents and Leases	\$28,737
1637	001	General	3670000	Contributions and Donations from Nongovernmental Sources	\$279,472
1637	001	General	3691000	Sale of Surplus	\$14,896
1637	001	General	3699100	Miscellaneous Other	\$186,955
1637	001	General	3981000	Insurance Recoveries	\$626
1637	001	General	5721010	Administration	\$2,293,906
1637	001	General	5721020	Administration	\$1,648,030
1637	001	General	5721030	Administration	\$430,681
1637	001	General	5721040	Administration	\$2,138,806
1637	001	General	5721050	Administration	\$2,880
1637	001	General	5722010	Library Services	\$7,302,863
1637	001	General	5722020	Library Services	\$3,057,985
1637	001	General	5722030	Library Services	\$3,870,147
1637	001	General	5722040	Library Services	\$206,212

<b>MCAG</b>	<b>Fund #</b>	<b>Fund Name</b>	<b>BARS Account</b>	<b>BARS Name</b>	<b>Amount</b>
1637	001	General	5722050	Library Services	\$535
1637	001	General	5724040	Training	\$90,743
1637	001	General	5725010	Facilities	\$438,255
1637	001	General	5725020	Facilities	\$259,605
1637	001	General	5725030	Facilities	\$216,059
1637	001	General	5725040	Facilities	\$1,002,935
1637	001	General	5947260	Capital Expenditures/Expenses - Libraries	\$2,181,609
1637	001	General	5088000	Unreserved Cash and Investments - Ending	\$16,539,722

**Fort Vancouver Regional Library District  
Schedule of Liabilities  
For the Year Ended December 31, 2017**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>						
259.12	Compensated absences		673,026	-	21,357	651,669
264.30	Net Pension Liability		9,172,188	-	2,189,678	6,982,510
	<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>		<b>9,845,214</b>	<b>-</b>	<b>2,211,035</b>	<b>7,634,179</b>
	<b>Total Liabilities:</b>		<b>9,845,214</b>	<b>-</b>	<b>2,211,035</b>	<b>7,634,179</b>

**Fort Vancouver Regional Library District**  
**SCHEDULE OF STATE FINANCIAL ASSISTANCE (unaudited)**  
**For Fiscal Year ended December 31, 2017**

Grantor	Program Title	Identificaton Number	Amount
State Grant from Other State Agencies			
	Imagine Academy Grant	CG013603	4,167
			<b>Sub-total: 4,167</b>
State Grant from State Library			
	LSTA Grant #1	CG014903	3,580
	LSTA Grant #2-3	CG014904	1,159
			<b>Sub-total: 4,739</b>
			<b>Grand total: 8,906</b>

**FORT VANCOUVER REGIONAL LIBRARY DISTRICT**  
**Notes to Financial Statements**  
**For the year ended December 31, 2017**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Fort Vancouver Regional Library District is a special purpose government that provides library services to the general public and is supported primarily through property taxes. The District was founded in 1950 and operates under the provisions of RCW 27.12, the laws of the state of Washington applicable to a library district. 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**

The financial transactions and accounts of the Fort Vancouver Regional Library District 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 Type*

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

**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.

**FORT VANCOUVER REGIONAL LIBRARY DISTRICT**  
**Notes to Financial Statements**  
**For the year ended December 31, 2017**

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**C. Budget**

The Fort Vancouver Regional Library District Board of Trustees adopts an annual appropriated budget for the General Fund. 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.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

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

2017

Fund	Final Appropriated Amount	Actual Expenditures	Variance
General	\$ 27,269,063	\$ 25,141,251	\$ 2,127,812

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, or that affect salary ranges, hours, or other conditions of employment must be approved by the Fort Vancouver Regional Library District's Board of Trustees (the District's legislative body).

**D. Cash**

It is the District's policy to invest all temporary cash surpluses. The amount is included on the statement of resources and uses arising from cash transactions as net cash and investments. See Note 2, *Deposits and Investments* for detailed year-end information and data.

**E. Collection Materials**

Collection materials (books, magazines, videos, audios, etc.) are recorded as operating expenditures when purchased.

**F. Capital Assets**

Capital assets are assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of 3 years. Capital assets are long-lived assets of the District and are recorded as expenditures when purchased.



**FORT VANCOUVER REGIONAL LIBRARY DISTRICT**  
**Notes to Financial Statements**  
**For the year ended December 31, 2017**

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**G. Compensated Absences**

Vacation leave may be accumulated up to 240 hours and is payable upon separation or retirement. Payments are recognized as expenditures when paid. The liability is reflected on Schedule 09, the schedule of long-term liabilities. The District's estimated liability for vacation pay benefits on December 31, 2017 is \$651,669.

Sick leave may accumulate indefinitely. Upon separation or retirement, employees do not receive payment for unused sick leave.

**H. Other Financing Sources or Uses**

The District's other uses consist of revenue received from sales of assets.

**I. 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**

The District'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.

Fort Vancouver Regional Library District's investments are held by Clark County as its agent in the District's name. The District's cash is invested by the Clark County Treasurer's Office in the Clark County Local Government Investment Pool. Investments in the pool are reported at fair value.

**FORT VANCOUVER REGIONAL LIBRARY DISTRICT**  
**Notes to Financial Statements**  
**For the year ended December 31, 2017**

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	<u>12/31/2017</u>
Cash on hand	\$ 1,722
Cash held by Clark County *	<u>1,081,261</u>
Subtotal – Cash	<u>1,082,983</u>
FVRL Investment	<u>16,381,697</u>
Subtotal – Clark County Investment Pool	<u>16,381,697</u>
Total Cash & Investments	<u>\$ 17,464,680</u>

\*\$924,958 held to pay warrants outstanding at 12/31/2017.

**NOTE 3 – PENSION PLANS**

Substantially all District full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined contribution retirement plans, PERS 1 and PERS 2/3.

The State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems, a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

Department of Retirement Systems  
 Communications Unit  
 PO Box 48380  
 Olympia, WA 98504-8380.

The DRS CAFR may also be downloaded from the DRS website at [www.drs.wa.gov](http://www.drs.wa.gov).

At June 30, 2017 (the measurement date of the plans), the District's proportionate share of the collective net pension liabilities, as reported on the Schedule 09, was as follows:

	Employer		
Plan	Contributions	Allocation %	Liability (Asset)
Pers 1	475,237	0.076989%	3,653,188
Pers 2/3	636,260	0.095821%	3,329,322

**NOTE 4 – PROPERTY TAX**

**FORT VANCOUVER REGIONAL LIBRARY DISTRICT**  
**Notes to Financial Statements**  
**For the year ended December 31, 2017**

The county treasurer acts as an agent to collect property tax levied in the county for all taxing authorities. Collections are distributed (at/after) the end of each month.

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

Fort Vancouver Regional Library District's regular levy for the year 2017 was \$.4172146004 per \$1,000 as follows:

<u>County</u>	<u>Assessed Valuation</u>	<u>Levy</u>
Clark	\$ 48,515,428,723 \$	20,241,345
Skamania	1,489,954,469	621,631
Klickitat	3,407,081,244	421,484
Cowlitz	655,724,102	273,578
	<u>\$ 54,068,188,538 \$</u>	<u>21,558,038</u>

**NOTE 5 – Library Capital Facility Areas**

Fort Vancouver Regional Library District serves as fiscal agent for Vancouver Library Capital Facility Area and Three Creeks Library Capital Facility Area.

In 1995, The Washington Legislature adopted legislation, codified as Chapter 27.15 RCW, permitting the creation of library capital facility areas (LCFA) for the purpose of financing the construction of library capital facilities (libraries). A LCFA is formed when a library district and a city or town request a county legislative authority to both establish a library capital facility area and submit a ballot proposition to create a LCFA. Once formed, a LCFA may issue general obligation bonds with a super majority (60%) approval of voters in the LCFA and then construct a library capital facility including the building, equipment, collection and other items needed to operate a library with the LCFA.

The District has entered into two such library capital facility areas with Clark County. The LCFAs are independent taxing districts that are separate from the County, the Library District and the City. The District has been designated by interlocal agreements with Clark County to perform specific functions relative to the Capital Facility Areas and serve as administrator of them. The Library District, with assistance from the County Treasurer, is responsible for selecting the underwriter, bond counsel and other consultants necessary for issuance of the Bonds.

The books, records and financial statements of the Vancouver Library Capital Facility Area and Three Creeks Library Capital Facility Area are available at FVRL's District Headquarters located at 1007 E. Mill Plain Blvd, Vancouver, WA 98663.

The Three Creeks Library Capital Facility exists to collect delinquent taxes. The bonds have been paid off and ownership of the Three Creeks Community Library facility is by Fort Vancouver Regional Library District.

**FORT VANCOUVER REGIONAL LIBRARY DISTRICT**  
**Notes to Financial Statements**  
**For the year ended December 31, 2017**

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**NOTE 6 – Yale Valley Library District**

Fort Vancouver Regional Library District serves as fiscal agent for Yale Valley Library District. In May 2003, citizens in the Yale precinct successfully voted to form a partial-county, rural library district. Yale Valley Library District contracts with Fort Vancouver Regional Library District for services.

**NOTE 7 – Fort Vancouver Regional Library Foundation**

The Fort Vancouver Regional Library Foundation exists to provide assistance and aid in the development, maintenance, promotion, growth and preservation of the Fort Vancouver Regional Library District. Fort Vancouver Regional Library District and the Fort Vancouver Regional Library Foundation have a current agreement entered into on August 21, 2015. The articles of incorporation and the bylaws of the foundation specifically limit the activities of the foundation to projects that support Fort Vancouver Regional Library District. The relationship between the foundation and the library is contractual. The foundation has agreed to solicit and manage donations on behalf of the library in return for administrative support. The Foundation supports programs which complement, but do not supplant, tax-based funding for FVRL.