

ANNUAL REPORT CERTIFICATION

Fort Vancouver Regional Library District

MCAG No. 1637

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

For the Fiscal Year Ended **December 31, 2013**

GOVERNMENT INFORMATION:

Official Mailing Address 1007 E. Mill Plain Blvd.

Official Website Address www.fvrl.org

Official E-mail Address mgithens@fvrl.org

Official Phone Number (360) 695-1561

PREPARER INFORMATION and CERTIFICATION:

Preparer Name and Title Mike Githens, Business Operations Manager

Contact Phone Number (360) 695-1561

Contact E-mail Address mgithens@fvrl.org

I do hereby certify 8th day of May, 2014, 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.

Moreover, I acknowledge and understand that management and the governing body are responsible for:

- The design and implementation of policies and procedures to safeguard public resources and ensure compliance with applicable laws and regulations, including internal controls to prevent and detect fraud.
- Compliance with applicable state and local laws and regulations.
- Immediately submitting corrected annual report information if any error in submitted information is subsequently identified.

Preparer Signature:



Fort Vancouver Regional Library District

Schedule 01

For the year ended December 31, 2013

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
1637	001	General	3088000	Beg Fund Bal- Unreserved	\$13,842,855
1637	001	General	3111000	Property Tax	\$19,390,090
1637	001	General	3174000	Forest Excise Tax	\$215,859
1637	001	General	3321560	Payment In-Lieu Fish & Wild	\$10,718
1637	001	General	3172000	Leasehold Excise Tax	\$113,404
1637	001	General	3334500	Endowment for the Arts	\$2,000
1637	001	General	3350233	Dnr Timber Trust 2	\$258,704
1637	001	General	3370000	Local Grants/Enti/Imp/In- Lieu	\$61,119
1637	001	General	3418100	Data/Word Process., Printing/Duplicating & IT	\$35,025
1637	001	General	3472000	Library Services	\$89,429
1637	001	General	3479000	Other Fees	\$61,143
1637	001	General	3590000	Non-Court Fines And Penalties	\$26,182
1637	001	General	3611000	Investment Interest	\$44,294
1637	001	General	3624000	Space/Facilities Rent- Short-Term	\$18,316
1637	001	General	3670000	Contrib./Donations From Nongovernmental Sources	\$42,936
1637	001	General	3691000	Sale Of Scrap & Junk	\$15,516
1637	001	General	3699000	Other	\$217,751
1637	001	General	3980000	Insurance Recoveries	\$7,923
1637	001	General	5721010	Library-Administration	\$2,112,555
1637	001	General	5721020	Library-Administration	\$804,105
1637	001	General	5721030	Library-Administration	\$595,116
1637	001	General	5721040	Library-Administration	\$1,730,591
1637	001	General	5721050	Library-Administration	\$3,070
1637	001	General	5722010	Library Services	\$5,281,695
1637	001	General	5722020	Library Services	\$2,425,161
1637	001	General	5722030	Library Services	\$66,710

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
1637	001	General	5722040	Library Services	\$221,089
1637	001	General	5722050	Library Services	\$2,116
1637	001	General	5722210	Library Services	\$781,623
1637	001	General	5722220	Library Services	\$306,236
1637	001	General	5722230	Library Services	\$3,554,365
1637	001	General	5722240	Library Services	\$31,430
1637	001	General	5724040	Library-Training	\$75,726
1637	001	General	5725010	Library-Facilities	\$375,910
1637	001	General	5725020	Library-Facilities	\$175,159
1637	001	General	5725030	Library-Facilities	\$82,593
1637	001	General	5725040	Library-Facilities	\$860,973
1637	001	General	5947260	Cap-Libraries	\$777,117
1637	001	General	5088000	End Fund Balance- Unreserved	\$14,189,924

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2013

BARS Code		001 General
Beginning Cash and Investments		
30810	Beg Fund Bal-Reserved	0
30880	Beg Fund Bal-Unreserved	13,842,855
38800/58800	Prior Period Adjustments, net	0
Operating Revenues		
310	Taxes	19,719,353
330	Intergovernmental Revenues	332,541
340	Charges for Goods and Services	185,597
350	Fines & Penalties	26,182
360	Miscellaneous Revenues	338,813
Total Operating Revenues:		20,602,486
Operating Expenditures		
570	Culture And Recreation	19,486,223
598	Intergovernmental Payments	0
Total Operating Expenditures:		19,486,223
Net Operating Increase (Decrease):		1,116,263
Nonoperating Revenues		
370, 380, 395, 398	Other Financing Sources	7,923
391-393	Debt Proceeds	0
397	Transfers-In	0
Total Nonoperating Revenues:		7,923
Nonoperating Expenditures		
580, 596, 599	Other Financing Uses	0
591-593	Debt Service	0
594-595	Capital Expenditures	777,117
597	Transfers-Out	0
Total Nonoperating Expenditures:		777,117
Increase (Decrease) in Cash and Investments		347,069
Ending Cash and Investments		
50810	End Fund Bal-Reserved	0
50880	End Fund Balance-Unreserved	14,189,924

The accompanying notes are an integral part of this Statement.

MCAG NO. 1637

Fort Vancouver Regional Library District

Schedule 09

Schedule of Liabilities

For the year ended December 31, 2013

Debt Type	ID. No.	Description	Maturity/Payment Due Date	Beginning Balance January 1, 2013	Additions	Reductions	Ending Balance December 31, 2013
General Obligations							
	259.11	Compensated Absences		645,422	6,356		651,778
Total General Obligations:				645,422	6,356		651,778
Total Liabilities:				645,422	6,356		651,778

The accompanying notes to the financial statements are an integral part of this schedule

FORT VANCOUVER REGIONAL LIBRARY DISTRICT

Notes to Financial Statements

December 31, 2012 and December 31, 2013

NOTE 1 – SUMMARY OF 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 using the revenue and expenditure classifications, statements, and schedules contained in the Cash Basis Budgeting, Accounting and Reporting System (BARS) manual. This basis of accounting and reporting is another comprehensive basis of accounting (OCBOA) that is prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW.

A. Fund Accounting

The 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

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Revenues are recognized only when cash is received and expenditures are recognized when paid, including those properly chargeable against the report year(s) budget appropriations as required by state law.

Purchases of fixed assets are expensed during the year of acquisition. There is no capitalization of fixed assets, nor allocation of depreciation expense. Inventory, including collection materials, is expensed when purchased.

The basis of accounting described above represents a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

C. Budget

FORT VANCOUVER REGIONAL LIBRARY DISTRICT
Notes to Financial Statements
December 31, 2012 and December 31, 2013

The Fort Vancouver Regional Library District Board of Trustees adopts an annual appropriated budget for General Fund expenditures. 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 appropriated and actual expenditures for the legally adopted budget is as follows:

2012

Fund	Final Appropriated Amount	Actual Expenditures	Variance
General	\$ 19,932,682	\$ 19,694,730	\$ 237,952

2013

Fund	Final Appropriated Amount	Actual Expenditures	Variance
General	\$ 20,333,245	\$ 20,266,493	\$ 66,752

Budgeted amounts are authorized to be transferred between (Departments within any fund/object classes within departments); however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, 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.

E. Deposits

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.

E. Collection Materials

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

F. Assets

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
December 31, 2012 and December 31, 2013

G. Compensated Absences

Vacation leave may be accumulated up to 240 hours and is payable upon separation or retirement. The estimated liability is reflected on Schedule 09, the schedule of long-term liabilities.

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, automobile and property damages. The insurance is purchased through Biggs Insurance services.

There have been no claims in excess of insurance coverage during the years 2010, 2011, 2012 or 2013.

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 – INVESTMENTS

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.

FORT VANCOUVER REGIONAL LIBRARY DISTRICT
Notes to Financial Statements
December 31, 2012 and December 31, 2013

		<u>12/31/2012</u>		
Cash on hand	\$	<u>2,541</u>	\$	
Cash held by Clark County *		<u>345,257</u>		
Subtotal – Cash		<u>347,798</u>		
FVRL Investment		<u>13,840,046</u>		
Subtotal – Clark County Investment Pool		<u>13,840,046</u>		
Total Cash & Investments	\$	<u><u>14,187,844</u></u>	\$	

*\$345,257 held to pay warrants outstanding at 12/31/2012.

**\$268 is a December 2012 void, processed by the Treasurer in January 2013.

		<u>12/31/2013</u>		
Cash on hand	\$	<u>1,457</u>	\$	
Cash held by Clark County *		<u>575,651</u>		
Subtotal – Cash		<u>577,108</u>		
FVRL Investment		<u>14,188,467</u>		
Subtotal – Clark County Investment Pool		<u>14,188,467</u>		
Total Cash & Investments	\$	<u><u>14,765,575</u></u>	\$	

*\$575,651 held to pay warrants outstanding at 12/31/2013.

NOTE 3 – PENSION PLANS

Substantially all of the Fort Vancouver Regional Library District’s full-time and qualifying part-time employees participate in PERS Plans I, II, and III as administered by the Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit retirement systems. Actuarial information is on a system-wide basis and is not considered pertinent to the District’s financial statements. Contributions to the systems by both employee and employer are based upon gross wages covered by plan benefits.

Historical trend or other information regarding each plan is presented in the state Department of Retirement Systems annual financial report. A copy of this report may be obtained at:

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

FORT VANCOUVER REGIONAL LIBRARY DISTRICT
Notes to Financial Statements
December 31, 2012 and December 31, 2013

NOTE 4 – LONG TERM DEBT

The district has no long-term General Obligation debt.

NOTE 5 – PROPERTY TAX

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.

The district’s regular levy for the year 2012 was \$.50 per \$1,000 as follows:

<u>County</u>	<u>Assessed Valuation</u>	<u>Levy</u>
Clark	\$ 34,815,573,370	\$ 17,407,787
Skamania	1,339,574,379	669,787
Klickitat	3,659,710,409	1,829,855
Cowlitz	576,165,444	288,083
	<u>\$ 40,391,023,602</u>	<u>\$ 20,195,512</u>

The district’s regular levy for the year 2013 was \$.50 per \$1,000 as follows:

<u>County</u>	<u>Assessed Valuation</u>	<u>Levy</u>
Clark	\$ 33,151,392,643	\$ 16,575,696
Skamania	1,346,418,298	273,787
Klickitat	3,664,253,499	1,832,127
Cowlitz	547,574,230	673,209
	<u>\$ 38,709,638,670</u>	<u>\$ 19,354,819</u>

NOTE 6 – COMPLIANCE AND ACCOUNTABILITY

There have been no material violations of finance-related legal or contractual provisions. There have been no expenditures exceeding legal appropriations of the General Fund for 2012.

NOTE 7 – Disclosure

Fort Vancouver Regional Library District serves as fiscal agent for Vancouver Library Capital Facility Area, Three Creeks Library Capital Facility Area and Yale Valley Library District. The Early Learning Public Libraries Partnership Fund was transferred to the Sno-Isle Library District by action of the ELPLP Board in 2013.