



Office of the Washington State Auditor
Pat McCarthy

Financial Statements Audit Report

Fort Vancouver Regional Library District

For the period January 1, 2023 through December 31, 2023

Published December 23, 2024

Report No. 1036242



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

December 23, 2024

Board of Trustees
Fort Vancouver Regional Library District
Vancouver, Washington

Report on Financial Statements

Please find attached our report on the Fort Vancouver Regional Library District's financial statements.

We are issuing this report in order to provide information on the District's financial activities and condition.

Sincerely,

Pat McCarthy, State Auditor

Olympia, WA

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INDEPENDENT AUDITOR'S REPORT

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*

Fort Vancouver Regional Library District January 1, 2023 through December 31, 2023

Board of Trustees
Fort Vancouver Regional Library District
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 Fort Vancouver Regional Library District, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated December 17, 2024.

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 state law 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.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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 above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

REPORT ON 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 its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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

December 17, 2024

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Fort Vancouver Regional Library District January 1, 2023 through December 31, 2023

Board of Trustees
Fort Vancouver Regional Library District
Vancouver, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Unmodified and Adverse Opinions

We have audited the financial statements of the Fort Vancouver Regional Library District, as of and for the year ended December 31, 2023, and the related notes to the financial statements, as listed in the financial section of our report.

Unmodified Opinion on the Regulatory Basis of Accounting (BARS Manual)

As described in Note 1, the District has prepared these financial statements to meet the financial reporting requirements of state law and 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 accompanying financial statements referred to above present fairly, in all material respects, the cash and investments of the Fort Vancouver Regional Library District, and its changes in cash and investments, for the year ended December 31, 2023, on the basis of accounting described in Note 1.

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 Fort Vancouver Regional Library District, as of December 31, 2023, or the changes in financial position or cash flows thereof for the year then ended, because of the significance of the matter discussed below.

Basis for Unmodified and Adverse Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit unmodified and adverse opinions.

Matter Giving Rise to 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. As described in Note 1 of the financial statements, the financial statements are prepared by the District in accordance with state law using accounting practices prescribed by the BARS Manual, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management 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 state law and the BARS Manual 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and

Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Performing an audit in accordance with GAAS and *Government Auditing Standards* includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time; and
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's financial statements. The Schedule of Liabilities is presented for purposes of additional analysis, as required by the prescribed BARS manual. This schedule is 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 as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2024 on our consideration of the District's internal control over financial reporting and on the 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 the effectiveness of the District's 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.

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

December 17, 2024

FINANCIAL SECTION

Fort Vancouver Regional Library District January 1, 2023 through December 31, 2023

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2023
Notes to Financial Statements – 2023

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2023

**Fort Vancouver Regional Library District
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2023**

Beginning Cash and Investments

308	Beginning Cash and Investments	20,941,111
388 / 588	Net Adjustments	-

Revenues

310	Taxes	27,960,447
320	Licenses and Permits	-
330	Intergovernmental Revenues	135,456
340	Charges for Goods and Services	290,727
350	Fines and Penalties	-
360	Miscellaneous Revenues	734,322
Total Revenues:		29,120,952

Expenditures

510	General Government	-
520	Public Safety	-
530	Utilities	-
540	Transportation	-
550	Natural/Economic Environment	-
560	Social Services	-
570	Culture and Recreation	25,446,130
Total Expenditures:		25,446,130
Excess (Deficiency) Revenues over Expenditures:		3,674,822

Other Increases in Fund Resources

391-393, 596	Debt Proceeds	-
397	Transfers-In	-
385	Special or Extraordinary Items	7,000
381, 382, 389, 395, 398	Other Resources	30,283
Total Other Increases in Fund Resources:		37,283

Other Decreases in Fund Resources

594-595	Capital Expenditures	4,839,280
591-593, 599	Debt Service	755,233
597	Transfers-Out	-
585	Special or Extraordinary Items	-
581, 582, 589	Other Uses	-
Total Other Decreases in Fund Resources:		5,594,513

Increase (Decrease) in Cash and Investments: **(1,882,408)**

Ending Cash and Investments

50821	Nonspendable	-
50831	Restricted	-
50841	Committed	-
50851	Assigned	-
50891	Unassigned	19,058,703
Total Ending Cash and Investments		19,058,703

The accompanying notes are an integral part of this statement.

FORT VANCOUVER REGIONAL LIBRARY DISTRICT

Notes to Financial Statements

For the year ended December 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Fort Vancouver Regional Library District is a special purpose governmental entity 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 presented using classifications that are different from the ending net position classifications 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:

FORT VANCOUVER REGIONAL LIBRARY DISTRICT

Notes to Financial Statements

For the year ended December 31, 2023

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.

In accordance with state law the District also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

C. Cash and Investments

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.

D. Capital Assets

Capital assets are assets with an initial individual cost or donation value of more than \$5,000 and an estimated useful life in excess of 1 year. Capital assets are long-lived assets of the District and are recorded as expenditures when purchased. Collection materials (books, magazines, videos, electronic resources, etc.) are recorded as operating expenditures when purchased.

E. 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.

Sick leave may accumulate indefinitely. Upon separation or retirement, employees with over 10 years of employment will be paid 25% of their balance up to 240 hours. Upon the death of an employee, 25% of their sick leave balance

FORT VANCOUVER REGIONAL LIBRARY DISTRICT

Notes to Financial Statements

For the year ended December 31, 2023

will be paid out regardless of years of employment. Payments are recognized as expenditures when paid.

Vacation leave and sick leave liabilities are reflected on Schedule 09, the schedule of long-term liabilities. The District's estimated liability for vacation pay benefits on December 31, 2023 is \$742,811, the estimated liability for paid family medical leave is \$26,741 and the estimated liability for sick leave benefits on December 31, 2023 is \$289,784.

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 investments are held by Clark County as its agent in the District's name involuntarily. The pool is not rated or registered with the SEC. Rather, oversight is provided by the County Finance Committee in accordance with RCW 36.48.070. The District's cash is invested by Clark County Local Government Investment Pool. Investments in the pool are reported at fair value and the financial statement reports the investments at original cost, with interest reported when received. The fair value decrease at December 31, 2023 was (\$220,065) as reported on the investment pool statement. Deposits and investments by type at December 31, 2023 are as follows:

	<u>12/31/2023</u>
Cash on Hand/Petty Cash	2,407
Cash held by Clark County*	<u>23</u>
Subtotal – Cash	2,430
FVRL Investment	<u>19,056,273</u>
Subtotal – Clark County Investment Pool	19,056,273
Total Cash & Investments	<u><u>19,058,703</u></u>

* \$539,391 held to pay warrants outstanding at 12/31/2023

FORT VANCOUVER REGIONAL LIBRARY DISTRICT

Notes to Financial Statements

For the year ended December 31, 2023

NOTE 3 – 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.

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

<u>Fund</u>	<u>Final Appropriated Amount</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	\$33,902,500	\$31,040,643	\$2,861,857

Budgeted amounts are authorized to be transferred between object classes within departments by the Finance Manager, 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).

NOTE 4 – 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 ACFR may be obtained by writing to:

FORT VANCOUVER REGIONAL LIBRARY DISTRICT

Notes to Financial Statements

For the year ended December 31, 2023

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

The DRS ACFR may also be downloaded from the DRS website at www.drs.wa.gov.

At June 30, 2023 (the measurement date of the plans), the District's proportionate share of the collective net pension liabilities (assets) was as follows:

Plan	Employer Contributions	Allocation %	Liability (Asset)
PERS 1	457,547	0.067145%	1,532,740
PERS 2/3	747,380	0.085005%	(3,484,085)

Net pension liabilities are reported on the Schedule of Liabilities.

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.

Fort Vancouver Regional Library District's regular levy for the year 2023 was \$0.27947 per \$1,000 as follows:

County	Assessed Valuation	Levy
Clark	\$ 90,798,829,961	\$ 25,375,826
Skamania	2,465,331,342	688,994
Klickitat	4,942,411,310	1,381,271
Cowlitz	1,118,335,492	312,545
	<u>\$ 99,324,908,105</u>	<u>\$ 27,758,636</u>

Washington State Constitution and Washington State law, RCW 84.55.010, limit the rate.

FORT VANCOUVER REGIONAL LIBRARY DISTRICT

Notes to Financial Statements

For the year ended December 31, 2023

NOTE 6 – 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. No reserve for self-insurance has been established as the potential liability is not considered to be material to the financial statements.

NOTE 7 – RELATED PARTY TRANSACTIONS

Library Capital Facility Areas

Fort Vancouver Regional Library District serves as fiscal agent for Vancouver 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.

FORT VANCOUVER REGIONAL LIBRARY DISTRICT

Notes to Financial Statements

For the year ended December 31, 2023

In 2016 the VLCFA issued \$26,115,000 of general obligation refunding bonds to retire \$28,365,000 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. VLCFA will reduce its levy proportionally in ensuing years as the tax burden is reduced over the life of the bonds.

The books, records and financial statements of the Vancouver Library Capital Facility Area are available at FVRL's District Headquarters located at 2018 Grand Blvd Vancouver, WA 98661.

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. During 2023, the Yale Valley Library District reimbursed the District \$140,117 for operating expenses and annual contract payment for services.

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. During 2023, the foundation provided \$10,880, in addition to general contributions.

NOTE 8 – LEASES

The District makes the following lease payments:

FORT VANCOUVER REGIONAL LIBRARY DISTRICT

Notes to Financial Statements

For the year ended December 31, 2023

Lease Description	Lease Type	Start Date	Initial Term	Extensions up to:	Payment Timing	Payment Amount	Lease Payable at 12/31/2023
Facility Lease	Facility	9/2022	5 Year	10 years	Monthly	\$200	\$ 32,800
Facility Lease	Facility	10/2021	8 Year	10 years	Monthly	\$11,801	2,903,802
Facility Lease	Facility	3/2013	10 Year	5 years	Monthly	\$8,540	528,170
Copiers and Printers	Equipment	5/1/23	4 Year	n/a	Monthly	\$72	2,880
Copiers and Printers	Equipment	9/1/23	5 Year	n/a	Monthly	\$385	21,560
Copiers and Printers	Equipment	6/2021	5 Year	n/a	Monthly	\$641	19,704
Copiers and Printers	Equipment	11/2021	5 Year	n/a	Monthly	\$53	1,802
Copiers and Printers	Equipment	10/2022	5 Year	n/a	Monthly	\$13,942	451,760
Total \$							3,962,478

The total amount paid for leases in 2023 was \$387,016. As of December 31, 2023, the future minimum lease payments are as follows:

	Total
2024 \$	400,464
2025	409,524
2026	414,069
2027	389,131
2028	204,919
2029-2033	916,538
2034-2038	1,057,390
2039	170,442
\$	<u>3,962,478</u>

NOTE 9 – SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

During the year ended December 31, 2023, the District adopted guidance for the presentation and disclosure of Subscription Based Information Technology Arrangements (SBITA), as required by the BARS manual. This requirement resulted in the addition of subscription liabilities reported on the Schedule of Liabilities and required restating the beginning balance on the schedule for 2023.

The District makes the following subscription payments:

FORT VANCOUVER REGIONAL LIBRARY DISTRICT
Notes to Financial Statements
For the year ended December 31, 2023

SBITA Type	Start Date	Initial Term	Extensions up to:	Payment Timing	Payment	SBITA Liability at 12/31/2023
Imaging Software	8/1/2023	5 Year	n/a	Monthly	\$35.33	\$ 1,943
AP Workflow Software	7/1/23	3 Year	n/a	Annually	\$10,000	20,000
HR Management Software	1/31/2023	5 Year	n/a	Annually	\$20,000	80,000
Payment Software	1/19/2023	5 Year	n/a	Annually	\$7,299	29,196
Analysis and Analytics	4/21/23	1 Year	1 Year	Annually	\$33,431	66,862
Records Management	12/20/2016	5 Year	5 Year	Annually	\$297,310	594,620
Total						\$ 792,621

The total amount paid for SBITA's in 2023 was \$368,218. As of December 31, 2023 SBITA liability payment requirements are as follows:

	<u>SBITA liability</u>
2024	\$ 368,464
2025	368,464
2026	27,723
2027	27,723
2028	247
Total	\$ <u>792,621</u>

**Fort Vancouver Regional Library District
Schedule of Liabilities
For the Year Ended December 31, 2023**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	Vacation Sick Leave Liability		1,072,046	-	12,710	1,059,336
263.57	Facility Lease - North Pacific		3,046,475	-	142,674	2,903,801
263.57	Facility Lease - Yacolt		35,200	-	2,400	32,800
263.57	Facility Lease Van Mall		638,738	-	110,567	528,171
263.57	Copier and Printer Lease	9/1/2023	-	23,100	1,540	21,560
263.57	Copier and Printer Lease	5/1/2023	-	3,456	576	2,880
263.57	Copier and Printer Lease	10/1/2022	572,229	-	120,469	451,760
263.57	Copier and Printer Lease		2,438	-	636	1,802
263.57	Copier and Printer Lease		27,858	-	8,154	19,704
263.57	Imaging Software		-	2,120	177	1,943
263.57	AP Workflow Software		-	30,000	10,000	20,000
263.57	HR Management Software		-	100,000	20,000	80,000
263.57	Payment Software		-	36,495	7,299	29,196
263.57	Analysis and Analytics SBITA		-	100,293	33,431	66,862
263.57	Records Management Software		891,931	-	297,311	594,620
264.30	Net Pension Liability		1,919,403	-	386,663	1,532,740
	Total Revenue and Other (non G.O.) Debt/Liabilities:		8,206,318	295,464	1,154,607	7,347,175
	Total Liabilities:		8,206,318	295,464	1,154,607	7,347,175

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, www.sao.wa.gov. Additionally, we share regular news and other information via an email subscription service and social media channels.

We take our role as partners in accountability seriously. The Office provides training and technical assistance to governments both directly and through partnerships with other governmental support organizations.

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