

# 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 12/31/2015

## GOVERNMENT INFORMATION:

Official Mailing Address 1007 E Mill Plain Blvd  
Vancouver, WA 98663

Official Website Address www.fvrl.org

Official E-mail Address mgithens@fvrl.org

Official Phone Number 360-906-5061

## AUDIT CONTACT or PREPARER INFORMATION and CERTIFICATION:

Audit Contact or Preparer Name and Title Mike Githens Finance Director

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I certify 23rd day of May, 2016, 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

**Fort Vancouver Regional Library District  
Fund Resources and Uses Arising from Cash Transactions  
For the Year Ended December 31, 2015**

**Beginning Cash and Investments**

30810	Reserved	-
30880	Unreserved	15,609,882
388 & 588	Prior Period Adjustments, Net	-

**Operating Revenues**

310	Taxes	21,768,226
330	Intergovernmental Revenues	306,801
340	Charges for Goods and Services	247,293
350	Fines and Penalties	30,642
360	Miscellaneous Revenues	330,284
Total Operating Revenues:		22,683,246

**Operating Expenditures**

570	Culture and Recreation	21,286,964
Total Operating Expenditures:		21,286,964
Net Operating Increase (Decrease):		1,396,282

**Nonoperating Revenues**

370-380, 395 & 398	Other Financing Sources	6,390
391-393	Debt Proceeds	-
397	Transfers-In	-
Total Nonoperating Revenues:		6,390

**Nonoperating Expenditures**

580, 596 & 599	Other Financing Uses	-
591-593	Debt Service	-
594-595	Capital Expenditures	225,263
597	Transfers-Out	-
Total Nonoperating Expenditures:		225,263

**Net Increase (Decrease) in Cash and Investments:** **1,177,409**

**Ending Cash and Investments**

5081000	Reserved	-
5088000	Unreserved	16,787,291
<b>Total Ending Cash and Investments</b>		<b>16,787,291</b>

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

# Fort Vancouver Regional Library District

Schedule 01

For the year ended December 31, 2015

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
1637	001	General	3088000	Unreserved Cash and Investments-Beginning	\$15,609,882
1637	001	General	3111000	Property Tax	\$21,544,312
1637	001	General	3174000	Timber Excise Tax	\$143,049
1637	001	General	3321560	Payment In-Lieu of Tax	\$4,709
1637	001	General	3172000	Leasehold Excise Tax	\$80,865
1637	001	General	3350233	DNR Timber Trust 2	\$278,910
1637	001	General	3370000	Local Grants, Entitlements and Other Payments	\$23,182
1637	001	General	3418100	Data/Word Processing, Printing, Duplicating and IT Services	\$43,886
1637	001	General	3472000	Library Services	\$128,770
1637	001	General	3479000	Other Fees	\$74,637
1637	001	General	3590000	Non-Court Fines and Penalties	\$30,642
1637	001	General	3611000	Investment Earnings	\$78,698
1637	001	General	3624000	Land and Facilities Rentals (Short-Term)	\$14,457
1637	001	General	3670000	Contributions and Donations from Nongovernmental Sources	\$59,016
1637	001	General	3691000	Sale of Scrap and Junk	\$10,402
1637	001	General	3699100	Miscellaneous Other	\$167,711
1637	001	General	3980000	Insurance Recoveries	\$6,390
1637	001	General	5721010	Administration	\$2,431,271
1637	001	General	5721020	Administration	\$1,029,676
1637	001	General	5721030	Administration	\$579,779
1637	001	General	5721040	Administration	\$1,731,501
1637	001	General	5721050	Administration	\$6,728
1637	001	General	5722010	Library Services	\$5,765,803
1637	001	General	5722020	Library Services	\$2,817,688
1637	001	General	5722030	Library Services	\$65,723
1637	001	General	5722040	Library Services	\$171,791

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
1637	001	General	5722050	Library Services	\$1,524
1637	001	General	5722210	Library Services	\$879,880
1637	001	General	5722220	Library Services	\$388,738
1637	001	General	5722230	Library Services	\$3,722,985
1637	001	General	5722240	Library Services	\$30,714
1637	001	General	5724040	Training	\$72,629
1637	001	General	5725010	Facilities	\$434,217
1637	001	General	5725020	Facilities	\$210,194
1637	001	General	5725030	Facilities	\$78,019
1637	001	General	5725040	Facilities	\$868,104
1637	001	General	5947260	Capital Expenditures/Expenses - Libraries	\$225,263
1637	001	General	5088000	Unreserved Cash and Investments - Ending	\$16,787,291

**Fort Vancouver Regional Library District  
Schedule of Liabilities  
For the Year Ended December 31, 2015**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
<b>General Obligations</b>						
263.93	Pension Liability		5,842,749	1,884,546	-	7,727,295
	<b>Total General Obligations:</b>		<b>5,842,749</b>	<b>1,884,546</b>	<b>-</b>	<b>7,727,295</b>
<b>Revenue Obligations</b>						
259.12	Compensated Absences		748,865	-	56,218	692,647
	<b>Total Revenue Obligations:</b>		<b>748,865</b>	<b>-</b>	<b>56,218</b>	<b>692,647</b>
	<b>Total Liabilities:</b>		<b>6,591,614</b>	<b>1,884,546</b>	<b>56,218</b>	<b>8,419,942</b>

# FORT VANCOUVER REGIONAL LIBRARY DISTRICT

## Notes to Financial Statements For the year ended December 31, 2015

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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

**FORT VANCOUVER REGIONAL LIBRARY DISTRICT**  
**Notes to Financial Statements**  
**For the year ended December 31, 2015**

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measurement focus. Revenues are recognized when cash is received and expenditures are recognized when paid.

**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:

2015

Fund	Final Appropriated Amount	Actual Expenditures	Variance
General	\$ 23,847,857	\$ 21,512,227	\$ 2,335,630

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. 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, 2015**

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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, 2015 is \$692,647.

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 four 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.



**FORT VANCOUVER REGIONAL LIBRARY DISTRICT**  
**Notes to Financial Statements**  
**For the year ended December 31, 2015**

	12/31/2015
Cash on hand	\$ 1,877
Cash held by Clark County *	433,249
Subtotal – Cash	435,126
FVRL Investment	16,773,015
Subtotal – Clark County Investment Pool	16,773,015
Total Cash & Investments	\$ 17,208,141

\*\$428,896 held to pay warrants outstanding at 12/31/2015.

\*\$8,046 held for property tax revenue received on 12/31/2015.

### 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.

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

At June 30, 2015 (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:

Plan	Allocation %	Liability (Asset)
Pers 1	0.004453%	4,217,123
Pers 2/3	0.946820%	3,510,171

### NOTE 4 – PROPERTY TAX

The county treasurer acts as an agent to collect property tax levied in the county for all taxing

**FORT VANCOUVER REGIONAL LIBRARY DISTRICT**  
**Notes to Financial Statements**  
**For the year ended December 31, 2015**

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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 2015 was \$.4690 per \$1,000 as follows:

<u>County</u>	<u>Assessed Valuation</u>	<u>Levy</u>
Clark	\$ 40,225,103,718 \$	18,867,181
Skamania	1,398,165,694	655,796
Klickitat	3,479,668,091	1,632,103
Cowlitz	599,965,974	281,407
	\$ <u>45,702,903,477</u> \$	<u>21,436,487</u>

**NOTE 5 – Related Party 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.