

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, 2012**

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, Accounting Manager

Contact Phone Number (360) 695-1561

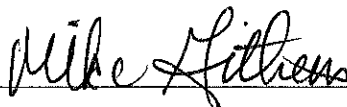
Contact E-mail Address mgithens@fvrl.org

I do hereby certify 17th day of May, 2013, 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:

_____

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2012

BARS Code		001 General Fund
Beginning Cash and Investments		
30810	Beg Fund Bal-Reserved	0
30880	Beg Fund Bal-Unreserved	12,227,277
38880/58880	Prior Period Adjustments, net	0
Operating Revenues		
310	Taxes	20,429,527
330	Intergovernmental Revenues	540,121
340	Charges for Goods and Services	123,217
350	Fines & Penalties	0
360	Miscellaneous Revenues	217,443
Total Operating Revenues:		21,310,308
Operating Expenditures		
510	General Government	0
570	Culture And Recreation	19,082,895
598	Intergovernmental Payments	0
Total Operating Expenditures:		19,082,895
Net Operating Increase (Decrease):		2,227,413
Nonoperating Revenues		
370, 380, 395, 398	Other Financing Sources	0
391-393	Debt Proceeds	0
397	Transfers-In	0
Total Nonoperating Revenues:		0
Nonoperating Expenditures		
580, 596, 599	Other Financing Uses	0
591-593	Debt Service	0
594-595	Capital Expenditures	611,835
597	Transfers-Out	0
Total Nonoperating Expenditures:		611,835
Increase (Decrease) in Cash and Investments		1,615,578
Ending Cash and Investments		
50810	End Fund Bal-Reserved	0
50880	End Fund Balance-Unreserved	13,842,855

FIDUCIARY FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2012

BARS Code		Total for All funds
308	Beginning Cash and Investments	0
388 and 588	Prior Period Adjustments, net	0
310-360	Revenues	0
370-390	Other Increases and Financing Sources	0
510-570	Expenditures	0
580-590	Other Decreases and Financing Uses	0
Increase (Decrease) in Cash and Investments		0
508	Ending Cash and Investments	0

Fund Balance Comparison

Entity: Fort Vancouver Regional Library

Year: 2012

Fund Number	Ending Balance	Beginning Balance	Balance Difference
001	12,227,277	12,227,277	0
300	0	0	0

Interfund Activity

Entity: Fort Vancouver Regional Library

Year: 2012

BASUB	Fund Number	Line Number	Schedule 04	Schedule 05	Difference
397/597					
397	001	23	0	0	
Sub-total:			0	0	
Grand total:			0	0	0

Reconcile Funds

Entity: Fort Vancouver Regional Library

Fund	Beginning Fund Balance	Total Revenues	Total Expenditures	Ending Fund Balance	Difference Value
001	12,227,277	21,310,308	19,694,730	13,842,855	0
Grand total:	12,227,277	21,310,308	19,694,730	13,842,855	0

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Fort Vancouver Regional Library District

Schedule 09

Schedule of Liabilities

For the year ended December 31, 2012

Debt Type	ID. No.	Description	Maturity/Payment Due Date	Beginning Balance January 1, 2012	Additions	Reductions	BARS Code for Redemption of Debt Only	Ending Balance December 31, 2012
General Obligations								
	259.11	Compensated Absences		551,586	10,335			561,921
Total General Obligations:				551,586	10,335			561,921
Total Liabilities:				551,586	10,335			561,921

Fort Vancouver Regional Library District
 SCHEDULE OF LABOR RELATIONS CONSULTANT
 For the Year Ending December 31, 2012

Has your government engaged labor relations consultants? Yes No

If yes, please provide the following information for each consultant:

Name of Firm Stoel Rives LLP	
Name of Consultant	
Business Address 900 SW 5th Avenue, Suite 2600 Portland, Oregon 97204	
Amount Paid to Consultant During Fiscal Year \$62,401	
Terms and Conditions, As Applicable, Including:	
Rates (e.g. Hourly, Etc.)	<u>0</u>
Maximum Compensation Allowed	_____
Duration of Service	<u>January 1, 2012 to December 31, 2012</u>
Services Provided	<u>Labor Consulting</u>

Certified Correct this <u>17th</u> day of <u>May, 2013</u> to the best of my knowledge and belief:	
Signature:	<u><i>Nancy Tessman</i></u>
Name:	<u>Nancy Tessman</u>
Title:	<u>Executive Director</u>

LOCAL GOVERNMENT RISK-ASSUMPTION
For the Year Ended December 31, 2012

Program Manager: Mike Githens

Address: 1007 E. Mill Plain Blvd. Vancouver, WA 98663

Phone: (360) 695-1561

Email: mgithens@fvrl.org

- 1. No Does the entity self-insure for any class of risk, including liability, property, health and welfare, unemployment compensation, workers' compensation? (yes/no)

If NO, STOP, you do not need to complete the rest of this Schedule.

If YES, continue below.

- a. Which class of risk does the entity self-insure? Check all that apply.
i. Liability
ii. Property
iii. Health and Welfare (medical, vision, dental, prescription)
iv. Unemployment Compensation
v. Workers' Compensation
vi. Other - please describe:
b. Does the entity self-insure as an individual program? (yes/no)
i. If answered YES, does the entity allow another separate legal entity into its self-insurance program(s)? (yes/no) For example, employees of a different organization participate in a health and welfare program of a city.
If so, list the entity or entities:
c. Does the entity self-insure as a joint program? (yes/no)
i. If answered YES, list the other member(s):

2. ____ Does the entity administer its own claims? (yes/no)
3. ____ Does the entity contract with a third party administrator for claims administration? (yes/no)
4. ____ Did the entity receive a claims audit in the last three years, regardless of who administered the claims? (yes/no)
5. ____ Were the program's revenues sufficient to cover the program's expenses? (yes/no)
6. ____ Did the program use an actuary to determine its liabilities? (yes/no)

EXAMPLE

Description of Risk Type	Number of claims received during the period	Number of claims paid during the period	Total amount of claims paid during the period
Liability (automobile)	354	279	\$104,366

Description of Risk Type	Number of claims received during the period	Number of claims paid during the period	Total amount of claims paid during the period

FORT VANCOUVER REGIONAL LIBRARY DISTRICT

Notes to Financial Statements For the Fiscal Year Ending Dec. 31, 2012

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 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 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

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

FORT VANCOUVER REGIONAL LIBRARY DISTRICT
Notes to Financial Statements
For the Fiscal Year Ending Dec. 31, 2012

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

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. The interest on these investments is prorated to the various funds by the Clark County Treasurer's Office.

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.

G. Compensated Absences

No employee will be paid for more than 240 hours of vacation at time of separation from the District. This is reflected on Schedule 09. 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 and transfers-in.

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.

FORT VANCOUVER REGIONAL LIBRARY DISTRICT
Notes to Financial Statements
For the Fiscal Year Ending Dec. 31, 2012

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

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.

		<u>12/31/2012</u>		
Cash on hand	\$	2,541	\$	
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.

NOTE 3 – PENSION PLANS

Substantially all of the Fort Vancouver Regional Library District's full-time and qualifying part-time employees participate in 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

FORT VANCOUVER REGIONAL LIBRARY DISTRICT
Notes to Financial Statements
For the Fiscal Year Ending Dec. 31, 2012

Communications Unit
PO Box 48380
Olympia, WA 98504-8380.

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>

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, Yale Valley Library District and Early Learning Public Libraries Partnership Fund.