

Washington State Auditor's Office
Financial Statements Audit Report

Yakima County Rural Library District
(Yakima Valley Libraries)

Audit Period
January 1, 2010 through December 31, 2011

Report No. 1008917

Issue Date
January 7, 2013



WASHINGTON
BRIAN SONNTAG
STATE AUDITOR



**Washington State Auditor
Brian Sonntag**

January 7, 2013

Board of Trustees
Yakima Valley Libraries
Yakima, Washington

Report on Financial Statements

Please find attached our report on the Yakima Valley Libraries' financial statements.

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

Sincerely,

BRIAN SONNTAG, CGFM
STATE AUDITOR

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Yakima County
January 1, 2010 through December 31, 2011**

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Independent Auditor's Report on Internal
Control over Financial Reporting and on
Compliance and Other Matters in Accordance
with *Government Auditing Standards*

**Yakima Valley Libraries
Yakima County
January 1, 2010 through December 31, 2011**

Board of Trustees
Yakima Valley Libraries
Yakima, Washington

We have audited the financial statements of the Yakima Valley Libraries, Yakima County, Washington, as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated December 19, 2012.

We conducted our audits 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.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audits, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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*.

This report is intended for the information and use of management and the Board of Trustees. 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, appearing to read "Brian Sonntag". The signature is fluid and cursive, with a large initial "B" and "S".

BRIAN SONNTAG, CGFM
STATE AUDITOR

December 19, 2012

Independent Auditor's Report on Financial Statements

Yakima Valley Libraries Yakima County January 1, 2010 through December 31, 2011

Board of Trustees
Yakima Valley Libraries
Yakima, Washington

We have audited the accompanying financial statements of the Yakima Valley Libraries, Yakima County, Washington, for the years ended December 31, 2011 and 2010. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 1 to the financial statements, the District prepares its financial statements on the basis of accounting that demonstrates compliance with Washington State statutes and the *Budgeting, Accounting and Reporting System (BARS)* manual prescribed by the State Auditor, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Yakima Valley Libraries, for the years ended December 31, 2011 and 2010, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report on our consideration of the District's internal control over financial reporting and on our 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedules of Long-Term Liabilities are presented for

purposes of additional analysis as required by the prescribed BARS manual. These schedules are 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 taken as a whole.

The report is intended for the information and use of the management and the Board of Trustees of the District. 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.

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BRIAN SONNTAG, CGFM
STATE AUDITOR

December 19, 2012

Financial Section

**Yakima Valley Libraries
Yakima County
January 1, 2010 through December 31, 2011**

FINANCIAL STATEMENTS

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MCAG NO. 1648

Yakima Valley Libraries

FUND RESOURCES AND USES
ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2011

BARS CODE		Total for All Funds	001 General Fund	103 Trust Fund (Plath)	302 West Valley
Beginning Cash and Investments					
308.10	Reserved	\$3,700,832	\$1,323,002	\$57,748	\$2,320,081
308.80	Unreserved	\$3,064,929	\$3,064,929		
	Prior Period Adj. (388.80 and 588.80)	\$0	\$0		
Revenues and Other Sources					
310	Taxes	\$6,265,091	\$6,265,091		
330	Intergovernmental	\$189,138	\$189,138		
340	Charges for Goods and Services	\$26,328	\$26,328		
350	Fines and Penalties	\$72,731	\$72,731		
360	Miscellaneous	\$129,314	\$100,031	\$7,700	\$21,583
390	Other Financing Sources	\$3,520	\$3,520		
Total Revenues and Other Financing Sources		\$6,686,122	\$6,656,838	\$7,700	\$21,583
Total Resources		\$13,451,882	\$11,044,770	\$65,449	\$2,341,664
Operating Expenditures:					
572	Culture and Recreational/Library	\$5,225,656	\$5,225,656		
Total Operating Expenditures		\$5,225,656	\$5,225,656	\$0	\$0
591-593	Debt Service	\$357,245	\$357,245		
594	Capital Expenditures	\$427,347	\$147,031		\$280,316
598	Other Expenditures	\$0	\$0		
Total Expenditures		\$6,010,248	\$5,729,932	\$0	\$280,316
596-599	Other Financing Uses	\$0	\$0		
Total Expenditures and Other Financing Uses		\$6,010,248	\$5,729,932	\$0	\$280,316
Excess (Deficit) of Resources Over Uses		\$7,441,635	\$5,314,838	\$65,449	\$2,061,348
380	Nonrevenues (Except 384)	\$0	\$0		
580	Nonexpenditures (Except 584)	\$0	\$0		
Ending Cash and Investments:					
508.10	Reserved	\$7,441,634	\$5,314,838	\$65,449	\$2,061,348
508.80	Unreserved	\$0	\$0		

YAKIMA VALLEY LIBRARIES

Fund Resources and Uses Arising From Cash Transactions

For the Year Ended December 31, 2010

BARS Code	Description	Actual Amount			
		Total Amount	General Fund	Trust Fund	Capital Funds West Valley
		All Funds	001	103	302
308.10	Reserved beginning cash and investment	1,307,621	1,307,621	0	0
308.80	Unreserved beginning cash and investment	3,490,500	2,686,855	62,948	740,697
388.80	Prior Period Adjustment	262	262		
<i>Revenues and Other Sources</i>					
310	Taxes	6,092,192	6,092,192	0	0
330	Intergovernmental Revenues	162,013	162,013	0	0
340	Charges for Goods and Services	34,699	34,699	0	0
350	Fines and Forfeits	81,884	81,884	0	0
360	Miscellaneous	159,889	144,854	8,226	6,809
390	Other Financing Sources	2,410,413	410,413	0	2,000,000
	Total Revenues and Other Sources	8,941,089	6,926,054	8,226	2,006,809
	Total Resources	13,739,472	10,920,792	71,174	2,747,506
<i>Operating Expenditures</i>					
572	Library Services	5,393,287	5,379,861	13,426	0
	Total Operating Expenditures	5,393,287	5,379,861	13,426	0
591	Debt Service	0	0	0	0
594	Capital Expenditures	1,169,925	1,153,000	0	16,925
598	Other Expenditures	0	0	0	0
	Total Expenditures	6,563,212	6,532,861	13,426	16,925
596	Other Financing Uses	410,500	0	0	410,500
	Total Expenditures and Other Uses	6,973,712	6,532,861	13,426	427,425
	Excess (Deficit) of Resources Over Uses	6,765,761	4,387,931	57,748	2,320,081
380	Non Revenues	0	0	0	0
580	Non Expenditures	0	0	0	0
508.10	Reserved ending cash and investments	3,700,831	1,323,002	57,748	2,320,081
508.80	Unreserved ending cash and investments	3,064,929	3,064,929	0	0

Yakima Rural County Library District (Yakima Valley Libraries)

Notes to Financial Statements

January 1, 2011 through December 31, 2011

NOTE 1 – Summary of Accounting Policies

The Yakima Rural County Library District is a special purpose government that provides library services to the general public and is supported primarily through property taxes. The Rural County Library District was formed in 1944. The Yakima Rural County Library District is operated under Chapter 27.12 RCW, the laws of the state of Washington applicable to a library district.

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 Types

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

Capital Project Fund

West Valley Community Library Building Fund – formerly the Cumulative Reserve Fund – These funds account for financial resources that are designated for the acquisition or construction of general government capital projects. This fund was established in 1959 at the Yakima Library District when the Yakima City Treasurer transferred all Reserve Funds of the library to the Yakima County Treasurer. In 1975 the Library Board of Trustees passed a motion that the funds of this account be used for acquisition of materials, land, or capital improvements. In 2010 the Library Board of Trustees renamed the fund for the building of a new library in West Valley.

Special Revenue Funds

These funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for designated purposes.

The Library is the beneficiary of two trust funds that earn revenue on behalf of the parties for which the trust was established. The principal of the trusts is not owned by the Library, and is not recorded in the financial statements. The following trust funds are:

Plath Trust

The Library receives an income distribution once a year equal to the minimum of 37.5 percent of the total trust earnings for that year. The Plath Trust funds are to be used for the benefit of employees toward career advancement and learning in the field of library sciences and services. The fund equity represents the excess of annual distributions and earnings over expenditures. The principal of the trust is held by an outside trustee. In the event that the trust must be discontinued, any amounts remaining are to be divided proportionately among the beneficiaries. In 2011 the Library received a \$7,125 distribution. There were no disbursements from this fund in 2011. The ending balance of the Plath Fund at December 31, 2011 including interest was \$65,449. The Plath Fund is maintained as a separate fund account with the Yakima County Treasurer's Office.

Boaz Fund

The library receives an income distribution each year from the Boaz. The Boaz Trust was established in 1973 by Dorothy Gilbert Boaz. The said fund is to be used for the purchase of new books in accordance with the directions of its board of trustees or other appropriate governing body. The library received \$9,977.81 in 2011 toward the purchase of materials. A cumulative total of \$76,031 is reserved in the ending cash balance as of December 31, 2011. The Boaz Funds reside within the general fund.

B. Basis of Accounting

The District reports financial activity using the revenue and expenditure classifications, statements and schedule contained in the Cash Basis Budgeting, Accounting and Reporting System (BARS) manual. This basis of accounting and reporting is an other 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.

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.

Purchases of capital 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.

C. 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.

D. Deposits

The District's deposits (and certificates of deposit) are covered by the Federal Deposit Insurance Corporation and/or the Washington Public Deposit Protection Commission.

E. Collection Materials

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

F. Capital Assets

Capital assets are long-lived assets of the District and are recorded as capital expenditures when purchased.

G. Compensated Absences

Vacation pay may be accumulated up to 240 hours for full time employees and is payable upon separation or retirement if the employee is in good standing and has provided two weeks notice at time of termination. Vacation is not payable to employees who terminate prior to completion of the six-month trial period. Sick leave may be accumulated up to 960 hours for full time employees. Upon retirement only, employees receive payment for one-quarter of unused sick leave. Once per year, any employee eligible to earn sick leave may convert sick leave earned and accrued to vacation leave at the ratio of four hours of sick leave to one hour of vacation to a maximum of sixty-four hours of sick leave per calendar year. The employee must maintain a minimum balance of ninety-six sick leave hours at the

time of the conversion and may not have used more than twenty-four sick leave hours during the previous twelve months.

H. Reserved Fund Balance

General Fund Reserved Balances

Capital Funds	\$ 417,160
Future and Non-completed Projects – Resolution #06-013	
Facility Fund	\$ 254,880
Future district-wide facility needs – Resolution #06-013	
Technology Fund	\$ 663,888
Future district-wide technology needs – Resolution #06-013	
Boaz Fund	\$ 76,031
Trust Fund restricted by donor (Dorothy Gilbert Boaz) 1973	
Capital and carry forward current	\$ 1,937,016
Annual adopted budget line item capital projects	
Operating Cash – Revolving Funds Reserve	<u>\$1,965,863</u>
Annual adopted budget line item	\$5,314,838

Other Funds Reserved Balances

Plath Fund	\$ 65,449
Trust Fund restricted by donor (Dolores Plath)	
West Valley Fund	\$2,061,348
Yakima building and remodel projects – Resolutions #10-001, #10-005, #10-008, #10-011	

NOTE 2 – INVESTMENTS

The District’s investments are held by the Yakima County Treasurer as its agent in the District’s name. Investments by type at December 31, 2011 were as follows:

Fund Name	Activity	Amount
General Fund 606001	TIP Investment Pool	\$3,900,897
West Valley Community Library 606002	TIP Investment Pool	2,052,880
Plath Trust Fund 606003	TIP Investment Pool	65,200
Capital Carry Forward Fund 606004	TIP Investment Pool	412,000
Facility Fund 606005	TIP Investment Pool	252,000
Technology Fund 606006	TIP Investment Pool	656,520
	Total of all investments	<u><u>\$7,339,497</u></u>

NOTE 3 – Long Term Debt

The accompanying Schedule of Long-Term Debt (09) provides a listing of the outstanding debt of the district and summarizes the district’s debt transitions for the year 2011. The debt service requirements, including interest, are as follows:

	GO Bonds	Other Debt	Total Debt
2011	\$1,680,000	\$240,461	\$1,920,461

Year	Principal	Interest	Balance
<i>Beginning Balance</i>			\$ 2,136,116
2011	\$ 320,000	\$37,245	1,778,871
2012	325,000	32,623	1,421,248
2013	330,000	26,240	1,065,008
2014	335,000	19,849	710,158
2015	340,000	13,362	356,796
2016	350,000	6,796	(0)
	<u>\$2,000,000</u>	<u>\$136,116</u>	

NOTE 4 – Pension Plans

Substantially all of the District’s full-time and qualifying part time employees participate in the PERS 1, PERS 2, or PERS 3 plans administered by the Department of Retirement System, 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 on 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

NOTE 5 – Other Disclosures

RICHARD E OSTRANDER WEST VALLEY COMMUNITY LIBRARY BUILDING PROJECT

The Board of Trustees has authorized the building of a new library at 223 West 72nd Avenue. The building is scheduled for completion in July of 2012. At that time the lease with Whitetail Corporation will be retired and the Summitview Library will move to West 72nd and be renamed the Richard E. Ostrander West Valley Community Library. Projected budget for this building is \$1,614,623 inclusive. The debt service for this project will be offset by retiring the current lease with Whitetail Corporation, reserved funds, and some general operating funds. The debt for the building will be retired within six years – December 2016.

YAKIMA CENTRAL LIBRARY REMODEL PROJECT

The remodel project for the Yakima Central Library began in 2011. The current building at 102 North 3rd Street is over 50 years old. The public restrooms were located in the basement of the building which posed a significant safety concern for staff and the public. In order to best serve the interest of the public, the Trustees authorized a remodel of the building to include moving the public restrooms to the main floor, adding additional computers and wireless access, carpet, paint, and retreads for the stairs. The project is scheduled to be completed in May of 2012. Projected budget for this remodel project is estimated at \$545,866; however, it is acknowledged that the building is over 50 years old and there could be unanticipated costs due to age and asbestos abatement. Reserved funds will be applied as necessary to prepare the building for occupancy by staff and the public.

Yakima Rural County Library District

Notes to Financial Statements

January 1, 2011 through December 31, 2011

OTHER BUILDING AND CAPITAL PROJECTS

The Library District has set aside reserved funds to complete the remodel and building projects. Other future capital projects will include work on the Sunnyside Library building which is also owned by the district. A new roof was put on this building in 2011 with the payment of \$41,679 to be paid in 2012. This building is also over 50 years old and will need future capital maintenance. Reserved funds will be used to pay for these capital maintenance projects.

The Friends of the Buena Library constructed a new building that will house the Buena Community Library, as well as a community meeting room. The Library District has signed a \$0.00 lease agreement for the building, but will continue to pay utility, janitorial, telephone and Internet connectivity charges. The Library was closed in June of 2011. It is anticipated the building will reopen in May/June of 2012.

BROADBAND TECHNOLOGY OPPORTUNITIES PROGRAM (BTOP)

Yakima County was a part of the initial Round 1 BTOP recipients submitted by NoaNet. In this proposal, the County included extending fiber to the Sunnyside Community Library as part of Yakima Valley Libraries. The Round 1 proposal included match funding from the partners, including Yakima Valley Libraries. The overall project was to be completed in 2011, but as of December 31st the County did not have all of the components in place. Match from Yakima Valley Libraries for this project will be \$33,250 from YVL's reserved funds. Several of the community libraries qualified in the Round 2 BTOP, which was submitted by the Washington State Library under the State of Washington Broadband Consortium. The Bill and Melinda Gates Foundation provided match for Round 2 libraries.

CONTRACTING CITIES

The Library District has five contract cities within Yakima County: Granger, Mabton, Naches, Union Gap, and Tieton. These contracts date back to 1985 and have been automatically renewed based on a formula within the contract. As a result, most of the contracting cities pay less than the current levy rate that the remainder of the district pays. Ongoing review of the use of these libraries by local as well as rural county residents will determine whether or not a new contracting formula will be implemented. The District has agreements with many of the annexed cities to offset utility costs.

OPERATING RESERVE FUNDS

The highest percentage of property tax revenues are received in April and October of each fiscal year. The Library District retains approximately a 4 month operating reserve of \$1,965,863 as approved in the annual budget process to cover cash flow for accounts payable and payroll and benefit costs.

AUTHORIZATION FOR DEBIT/CREDIT CARD MACHINES

In 2011 the Library District issued a Request for Proposal to solicit a debit/credit card processor. Due to the rural nature of the County and the need to be in compliance with timely deposits, it was determined that this service would be of benefit to the patrons of the Library District. Work is in process with the County Treasurer and the local banks to set up this process.

Yakima Rural County Library District (Yakima Valley Libraries)

Notes to Financial Statements

January 1, 2010 through December 31, 2010

NOTE 1 – Summary of Accounting Policies

The Yakima Rural County Library District is a special purpose government that provides library services to the general public and is supported primarily through property taxes. The Rural County Library District was formed in 1944. With the contractual agreements of local cities, the Regional Library District was formed on March 1, 1951. The annexation of the City of Yakima Library District with the Rural County in 2008, the Regional designation was retired. The Yakima Rural County Library District is operated under Chapter 27.12 RCW, the laws of the state of Washington applicable to a library district.

A. Fund Accounting

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The Library is the beneficiary of two trust funds that earn revenue on behalf of the parties for which the trust was established. The principal of the trusts is not owned by the Library, and is not recorded in the financial statements.

Plath Trust

The Library receives an income distribution once a year equal to the minimum of 37.5 percent of the total trust earnings for that year. The Plath Trust funds are to be used for the benefit of employees toward career advancement and learning in the field of library sciences and services. The fund equity represents the excess of annual distributions and earnings over expenditures. The principal of the trust is held by an outside trustee. In the event that the trust must be discontinued, any amounts remaining are to be divided proportionately among the beneficiaries. In 2010 the Library received a \$7,500 distribution. There were \$13,426 in disbursements from this fund in 2010. The ending

balance of the Plath Fund at December 31, 2010 including interest was \$57,748. The Plath Fund is maintained as a separate fund account with the Yakima County Treasurer's Office.

B. Basis of Accounting

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Purchases of capital 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.

C. 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.

D. Deposits

The District's deposits (and certificates of deposit) are covered by the Federal Deposit Insurance Corporation and/or the Washington Public Deposit Protection Commission.

E. Collection Materials

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Vacation pay may be accumulated up to 240 hours for full time employees and is payable upon separation or retirement if the employee is in good standing and has provided two weeks notice at time of termination. Vacation is not payable to employees who terminate prior to completion of the six-month trial period. Sick leave may be accumulated up to 960 hours for full time employees. Upon retirement only, employees receive payment for one-quarter of unused sick leave. Once per year, any employee eligible to earn sick leave may convert sick leave earned and accrued to vacation leave at the ratio of four hours of sick leave to one hour of vacation to a maximum of sixty-four hours of sick leave per calendar year. The employee must maintain a minimum balance of ninety-six sick leave hours at the time of the conversion and may not have used more than twenty-four sick leave hours during the previous twelve months.

NOTE 2 – INVESTMENTS

The District’s investments are held by the Yakima County Treasurer as its agent in the District’s name. Investments by type at December 31, 2009 were as follows:

Fund Name	Activity	Amount
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West Valley Community Library	TIP Investment Pool	2,308,880.00
Plath Trust Fund 606003	TIP Investment Pool	57,700.00
Capital Carry Forward Fund 606004	TIP Investment Pool	412,000.00
Facility Fund 606005	TIP Investment Pool	252,000.00
Technology Fund 606006	TIP Investment Pool	<u>656,520.00</u>
	Total of all investments	<u>\$6,701,997.00</u>

NOTE 3 – Long Term Debt

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	GO Bonds	Other Debt	Total Debt
2010	\$2,000,000	\$231,614	\$2,231,614

NOTE 4 – Pension Plans

Substantially all of the District’s full-time and qualifying part time employees participate in the PERS 1, PERS 2, or PERS 3 plans administered by the Department of Retirement System, 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 on 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

NOTE 5 – Other Disclosures

The Board of Trustees determined that the funding for the lease of the Summitview Library would be a better investment in a building that was owned by the District. In 2009 the Trustees approved the purchase of property in West Valley to build a new library building in West Valley to replace the current Summitview Library. Property was purchased in 2010 at 223 West 72nd Avenue. After a competitive bidding process, a bond for financing was procured for \$2,000,000. This bond will be used for the West Valley Community Library and strategic remodeling of the Yakima Central Building. A Request for Qualifications allowed the Trustees to select the architectural firm of Brockway*Opfer*Raab Architects.

Schedule 9

Entity: Yakima County Rural Library District

Schedule of Long Term Liabilities

Year: 2011

Debt Type	ID. No	Description	Maturity Date	Beginning	Additions	Reductions	BARS Code	Ending
General Obligation								
	251.11	General Obligation bond non voted	12/31/2116	2,000,000	0	320,000	59172	1,680,000
	259.11	Compensated Absences - Sick		102,106	21,395	22,103		101,398
	259.11	Compensated Absences - Vacation		130,585	140,029	131,551		139,063
Sub-total:				2,232,691	161,424	473,654		1,920,461
Grand total:				2,232,691	161,424	473,654		1,920,461

YAKIMA VALLEY LIBRARIES
All Funds
Schedule of Long Term Liabilities
For the Year Ended December 31, 2010

ID Number	Description	Beginning Balance 01/01/2010	Additions	Reductions	BARS-Redemption	Ending Balancd 12/31/2010
251.11	General Obligation bond non voted	\$0.00	\$2,000,000	\$0.00		\$2,000,000
259.11	Compensated Absences - Vacation	\$ 134,132.60	\$ 141,965.88	\$ 150,893.75		\$125,205
259.11	Compensated Absences - Sick	\$ 107,195.42	\$ 22,883.02	\$ 23,669.28		\$106,409
	Total Long Term Debt					\$2,231,614



ABOUT THE STATE AUDITOR'S OFFICE

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

Our mission is to work with our audit clients and citizens as an advocate for government accountability. As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

The State Auditor's Office employees are located around the state to deliver services effectively and efficiently.

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

The results of our work are widely distributed through a variety of reports, which are available on our Web site and through our free, electronic subscription service.

We take our role as partners in accountability seriously. We provide training and technical assistance to governments and have an extensive quality assurance program.

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