



Office of the Washington State Auditor
Pat McCarthy

Financial Statements Audit Report
Yakima County Rural Library District
(Yakima Valley Libraries)

For the period January 1, 2017 through December 31, 2018

Published November 4, 2019

Report No. 1024906





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

November 4, 2019

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,

A handwritten signature in black ink that reads "Pat McCarthy".

Pat McCarthy
State Auditor
Olympia, WA

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**INDEPENDENT AUDITOR'S 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**

**Yakima Valley Libraries
January 1, 2017 through December 31, 2018**

Board of Trustees
Yakima Valley Libraries
Yakima, 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 Yakima Valley Libraries, as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated October 25, 2019.

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 Washington State statutes 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.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audits of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the 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 in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

In addition, we noted certain matters that we have reported to the management of the District in a separate letter dated October 25, 2019.

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 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*.

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

October 25, 2019

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Yakima Valley Libraries January 1, 2017 through December 31, 2018

Board of Trustees
Yakima Valley Libraries
Yakima, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the Yakima Valley Libraries, for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the District's financial statements, as listed on page 11.

Management's Responsibility 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 Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor 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.

Auditor's Responsibility

Our responsibility is to express opinions 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Unmodified Opinion on Regulatory Basis of Accounting (BARS Manual)

As described in Note 1, the Yakima Valley Libraries has prepared these financial statements to meet the financial reporting requirements of Washington State statutes using 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 financial statements referred to above present fairly, in all material respects, the cash and investments of the Yakima Valley Libraries, and its changes in cash and investments, for the years ended December 31, 2018 and 2017, on the basis of accounting described in Note 1.

Basis for 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. The effects on the financial statements of the variances between GAAP and the accounting practices the District used, as described in Note 1, although not reasonably determinable, are presumed to be material. As a result, we are required to issue an adverse opinion on whether the financial statements are presented fairly, in all material respects, in accordance with GAAP.

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 Yakima Valley Libraries, as of December 31, 2018 and 2017, or the changes in financial position or cash flows for the years then ended, due to the significance of the matter discussed in the above “Basis for Adverse Opinion on U.S. GAAP” paragraph.

Other Matters

Supplementary and Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements taken as a whole. The Schedules of 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.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2019 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 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

October 25, 2019

FINANCIAL SECTION

Yakima Valley Libraries January 1, 2017 through December 31, 2018

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2018
Fund Resources and Uses Arising from Cash Transactions – 2017
Notes to Financial Statements – 2018
Notes to Financial Statements – 2017

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2018
Schedule of Liabilities – 2017

Yakima County Rural Library District
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2018

		Total for All Funds (Memo Only)	001 General	103 PLATH TRUST FUND	302 YVL CAPITAL FUND
Beginning Cash and Investments					
30810	Reserved	2,769,760	1,856,642	99,489	813,628
30880	Unreserved	4,106,698	4,106,698	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	7,204,301	7,204,301	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	45,992	45,992	-	-
340	Charges for Goods and Services	115,860	115,860	-	-
350	Fines and Penalties	69,603	69,603	-	-
360	Miscellaneous Revenues	179,563	163,654	1,680	14,228
Total Revenues:		7,615,319	7,599,411	1,680	14,228
Expenditures					
570	Culture and Recreation	7,272,301	7,262,110	10,190	-
Total Expenditures:		7,272,301	7,262,110	10,190	-
Excess (Deficiency) Revenues over Expenditures:		343,018	337,300	(8,510)	14,228
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	(6)	(6)	-	-
Total Other Increases in Fund Resources:		(6)	(6)	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	119,256	119,256	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
Total Other Decreases in Fund Resources:		119,256	119,256	-	-
Increase (Decrease) in Cash and Investments:		223,756	218,038	(8,510)	14,228
Ending Cash and Investments					
5081000	Reserved	4,070,552	3,151,716	90,979	827,856
5088000	Unreserved	3,029,662	3,029,662	-	-
Total Ending Cash and Investments		7,100,214	6,181,379	90,979	827,856

The accompanying notes are an integral part of this statement.

Yakima County Rural Library District
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2017

		Total for All Funds (Memo Only)	001 General	103 PLATH TRUST FUND	302 YVL CAPITAL FUND
Beginning Cash and Investments					
30810	Reserved	2,835,231	1,940,781	90,210	804,240
30880	Unreserved	4,599,092	4,599,092	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	7,109,942	7,109,942	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	33,144	33,144	-	-
340	Charges for Goods and Services	118,511	118,511	-	-
350	Fines and Penalties	72,262	72,262	-	-
360	Miscellaneous Revenues	129,489	105,896	14,205	9,388
Total Revenues:		7,463,348	7,439,755	14,205	9,388
Expenditures					
570	Culture and Recreation	7,173,428	7,168,503	4,925	-
Total Expenditures:		7,173,428	7,168,503	4,925	-
Excess (Deficiency) Revenues over Expenditures:		289,920	271,252	9,280	9,388
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	8,307	8,307	-	-
Total Other Increases in Fund Resources:		8,307	8,307	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	856,091	856,091	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
Total Other Decreases in Fund Resources:		856,091	856,091	-	-
Increase (Decrease) in Cash and Investments:		(557,864)	(576,532)	9,280	9,388
Ending Cash and Investments					
5081000	Reserved	2,769,760	1,856,642	99,489	813,628
5088000	Unreserved	4,106,698	4,106,698	-	-
Total Ending Cash and Investments		6,876,458	5,963,341	99,489	813,628

The accompanying notes are an integral part of this statement.

**Yakima County Rural Library District
(Yakima Valley Libraries)**
For the year ended December 31, 2018

NOTE 1 – Summary of Significant Accounting Policies

The Yakima County Rural Library District was incorporated in 1944 and operates under Chapter 27.12 RCW, the laws of the state of Washington applicable to a library district. The Yakima County Rural Library District is a Special Purpose District that provides library services to the general public.

The Yakima County Rural Library 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

Financial transactions of the district are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. The government's resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements. The following fund types are used:

GOVERNMENT FUND TYPES:

General (Current Expense) 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.

Special Revenue Funds

These funds account for the proceeds of specific revenue source (other than for major capital projects) that are legally restricted to expenditures for specific 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 2018 the Library did not receive distribution, due to the change of the accounting firm for the trust and an extension filed for the trusts' annual tax return. A distribution was paid in February 2019, for 2018, in the amount of \$14,008.13. There were disbursements in the amount of \$10,190.31 from this fund in 2018. The ending balance of the Plath Fund at December 31, 2018 including interest was \$90,979.20. 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 Trust. 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 \$12,832.00 in 2018 toward the purchase of materials. There were material purchases in the amount of \$2,056.12 from this fund in 2018. A cumulative total of \$76,441.48, which includes an internal interest allocation, is reserved in the ending cash balance as of December 31, 2018. The Boaz Funds reside within the general fund.

Capital Project Fund

These funds account for financial resources that are designated for the acquisition or construction of general government capital projects.

YVL Capital Fund – formerly the West Valley Community Library Building Fund – formerly the Cumulative Reserve Fund – 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. In 2017 the Board of Trustees passed resolution #17-004 renaming the fund the YVL Capital Fund and designating these funds for capital maintenance for buildings owned by the Library.

B. Basis of Accounting and Measurement Focus

The District reports financial activity using the revenue and expenditure classifications, statements and schedule contained the 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. The District does not recognize an open period for expenditures after the close of the fiscal year for claims incurred during the previous period.

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

C. Cash and Investments

See NOTE 3 Deposits and Investments

D. Capital Assets

Capital assets are assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets and inventory are recorded as expenditures when purchased. Collection materials (books, magazines, video, audios, etc.) are recorded as operating expenditures when purchased.

E. Compensated Absences

Regular full-time employees, regular part-time employees, and trial service employees scheduled to work twenty (20) hours or more per week are eligible to accrue and use accumulated vacation leave. The maximum accrual from the initial date of hire is two hundred forty (240) hours (30 days) maximum vacation leave. Accumulated vacation leave may be used after completing six (6) calendar months of employment with the Library. Use of these accrued and accumulated vacation hours are subject to approval by the employee's immediate supervisor. An employee's vacation may not exceed the amount of vacation time the employee has actually earned, accrued, and accumulated.

Vacation leave, subject to the above provisions, is available to be used after it is earned and posted at the end of the applicable pay period. Vacation leave accrual may be carried over from one calendar year into the next, but may be used only after six (6) of employment with the Library. The maximum accrual is two hundred forty (240) hours (30 days), at any time during the calendar year, unless approved by the Library Executive Director or Trustees. – YVL Personnel Policies Chapter 9.

Effective January 1, 2018 Washington State enacted the Paid Sick and Safe Leave (PSSL) law, in accordance with WAC 296.128.820. This law requires the Library to accrue sick leave for part-time employees, who in the past were not eligible for sick leave, at a rate of 1 hour of sick leave for every 40 hours worked. This law also removed the maximum accrual cap on sick leave hours. Part-time employees covered under the PSSL are only allowed to carry over 40 hours of sick leave from one year to the next. The Library still has the authority to set a limit on the number of hours paid out at retirement; which is the only time sick leave, at 25% of value, is paid to a terminating employee. Upon retirement at any age, employees receive payment for one-quarter, not to exceed a maximum payment for 240 hours (or 30 days), of unused sick leave for full time employees hired prior to 1/1/2015 and 120 hours (or 15 days) of unused sick leave, for full time employees hired on or after that date (revised Personnel Policy adopted on November 10, 2014 per Resolution #14-009). Payments are recognized as expenditures when paid.

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 64 hours of sick leave per calendar year. The employee must maintain a minimum balance of 96 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.

F. Long-Term Debt

See NOTE 6 – Debt Service Requirements

G. Reserved Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments is reported as reserved when it is subject to restrictions on use imposed by external parties or due to internal commitments established by

Board Resolution. When expenditures that meet restrictions are incurred, the District intends to use reserved resources first before using unreserved amounts.

In 2006 the Board of Trustees of passed Resolution #06-013 establishing a Capital Projects Fund, a Facilities Maintenance Fund and a Technology Fund to meet future needs of the district. In March of 2017 the Board of Trustees passed Resolution #17-003 that determined that these designated funds are representative of the General Fund and would be better utilized and reported in the General fund. This resolution authorized the immediate transfer of the current balance plus any interest as of March 31, 2017. Then due to timing of the Board meeting and the Yakima County Treasurer's office payment of interest, these transfers had to be moved to April. At the April Board meeting the Trustees passed Resolution #17-007 authorizing the following amount of monies to be moved to the General Fund:

Capital Projects Fund 606 SubFund 04	\$ 434,757.28
Facility Maintenance Fund 606 SubFund 05	\$ 265,615.12
Technology Fund 606 SubFund 06	\$ 691,937.14

These funds were moved to the General Fund Investment Account by the Yakima County Treasurer's office on April 27, 2017. The District has setup 3 internal General Ledger accounts for these monies to better track their use, while still reporting then as part of the General Fund. In 2018, as part of the April budget amendment, Resolution #18-005 was passed and the Board of Trustees further directed the establishment of additional internal General Ledger accounts to track monies that are earmarked for specific projects. The monies in all of the internal accounts will still be reported as part of the General Fund.

General Fund Reserved Balances

<i>Capital Funds</i>	
Future and Non-completed Projects – Resolution #06-013 (Moved to General Fund – Resolution #17-007)	\$ 0
<i>Facility Fund</i>	
Future district-wide facility needs – Resolution #06-013 (Moved to General Fund – Resolution #17-007)	\$ 0
<i>Technology Fund</i>	
Future district-wide technology needs – Resolution #06-013 (Moved to General Fund – Resolution #17-007)	\$ 0
<i>Boaz Fund - Trust Fund restricted by donor (Dorothy Boaz) 1973</i>	\$ 76,441
<i>YCL Reserve Building Maintenance - Roof – Resolution #16-004</i>	\$ 305,573
<i>Strategic Plan Implementation – Resolution #16-004</i>	\$ 101,858
<i>Capital Carryforward Fund – Resolution #18-005</i>	\$ 442,833
<i>Facilities Maintenance Fund – Resolution #18-005</i>	\$ 270,549
<i>Technology Fund – Resolution #18-005</i>	\$ 704,790
<i>Reserved for Collections – Resolution #18-005</i>	\$ 375,097
<i>Facility Investment, Improvement & Assessment – Resolution #18-005</i>	\$ 874,575
<i>Total Reserved</i>	<u>\$ 3,151,716</u>

Other Funds Reserved Balances

<i>Plath Fund</i>	
Trust Fund restricted by donor (Dolores Plath)	\$ 90,979
<i>YVL Capital Fund (Formerly West Valley Fund)</i>	
Yakima buildings and remodel projects	<u>\$ 827,856</u>
Resolutions #10-001, #10-005, #10-008, #10-011, #17-004	

Note 2 – Budget Compliance

A. Budgets

The District adopts annual appropriated budgets for the General Fund. These budgets are 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.

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 budgets were as follow:

Fund 001 - General Fund	Final Appropriated Amounts	Actual Expenditures	Variance \$
Salary and Wages	3,870,293	3,661,774	208,519
Benefits	1,566,799	1,501,422	65,377
Supplies and Small Equipment	253,064	204,303	48,761
Collection Materials	1,081,119	986,456	94,664
Professional Services	364,359	299,762	64,597
Communications	156,934	157,070	(136)
Travel & Training	58,002	36,278	21,724
Mileage & Vehicle Expenses	16,507	17,667	(1,160)
Advertising	27,800	14,252	13,548
Rentals - Equipment	30,914	20,156	10,758
Building Leases	9,101	9,101	0
Insurance	43,000	46,407	(3,407)
Utilities	127,440	110,205	17,235
Repairs & Maintenance	234,752	184,838	49,914
Misc. and Dues	12,885	10,530	2,355
Intergovernmental Services	0	0	0
Grants - Special Projects	0	1891	(1,891)
Subtotal	7,852,969	7,262,111	590,858
Capital Projects	552,174	119,256	432,918
Debt Service	0	0	0
Total for General Fund	8,405,143	7,381,367	1,023,773

Budgeted amounts are authorized to be transferred between departments within any fund/object classes; however, any revisions that alter the total expenditures of a fund/object code, or that affect the number of authorized employee positions, salary ranges, hours, or conditions of employment must be approved by the District's Board of Trustees.

NOTE 3 - Deposits and Investments

It is the District's policy to invest all temporary cash surpluses. The interest on these investments is associated to the fund earning the interest and is recognized as interest revenue when received from the County Treasurer.

The District's deposits (and certificates of deposit) are covered by the Federal Deposit Insurance Corporation and/or the Washington Public Deposit Protection Commission. All investments are insured, registered or held by the Yakima County Treasurer its agent in the Districts name.

Investments are reported at original cost. Investments by fund at December 31, 2018 were as follows:

<u>District Fund Name</u>	<u>Activity</u>	<u>Type of Investment</u>	<u>Balance</u>
General Fund 606001	TIP	Investment Pool - LGIP	\$6,144,524
YVL Capital Fund			
Library 606002	TIP	Investment Pool - LGIP	\$827,580
Plath Trust Fund			
606003	TIP	Investment Pool - LGIP	\$90,900
Capital Carry Forward			
Fund 606004	TIP	Investment Pool (moved to General Fund - Resolution #17-007)	0
Facility Fund 606005			
	TIP	Investment Pool (moved to General Fund - Resolution #17-007)	0
Technology Fund			
606006	TIP	Investment Pool (moved to General Fund - Resolution #17-007)	0
		Total of all Investments	<u><u>\$7,063,004</u></u>

NOTE 4 - 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 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 2018 was .46090315 per \$1,000 on an assessed valuation of \$15,753,133,018 for a total regular levy of \$7,260,668.58.

NOTE 5 - Interfund Loans

There were no Interfund Loans during 2018

NOTE 6 - Debt Service Requirements

Debt Service

As of December 31, 2018 the District held no Long-Term Debt or anticipates any future Long-Term Debt.

NOTE 7 - Pension Plans

State Sponsored 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 Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans. 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.

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.

At June 30, 2018 (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:

	Employer Contributions	Allocation %	Liability (Asset)
PERS 1	179,772	.026868%	\$1,199,934
PERS 2/3	253,720	.032882%	\$ 561,431

NOTE 8 – Risk Management

The Yakima Rural County Library District is a special purpose district that provides library services to the general public and is supported primarily through property taxes. The Rural County Library District was incorporated in 1944 and operates 17 libraries throughout Yakima County. The District owns 4 of the buildings, rents facilities from 8 local jurisdictions and contracts with 5 cities (see note 9A.) for library services, which include buildings. The District owns and operates 6 District vehicles used in their day to day operations. The District also receives cash and checks at each library location for various fines and fees, copies and other services.

In 2017 the District joined the CIAW (Cities Insurance Association of Washington Special Districts) to handle their insurance needs and risks associated with their current operations. The commercial insurance policy is offered and administered by Payne West Insurance and payment for this insurance is included as part of the District's annual budget (See Note 2A. - Budgets).

The Commercial Packages purchased by the District includes but is not limited to the following coverages;

- Buildings
- Business Personal Property
- Auto and Unowned Auto
- Employee Theft
- Directors and Officers
- Forgery or Alteration
- Technology
- Special Business Income
- Hazardous Substances
- Spoilage
- Expediting Expenses
- Special Collections

There were no major claims for 2018.

NOTE 9 - Other Disclosures

A. CONTRACTING CITIES

The Library District has five non-annexed cities within Yakima County that contract for some type of library services: 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. The District has agreements with many of the cities, towns, and associations to offset utility and maintenance costs on non-district owned buildings.

B. 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 \$2,733,685 as approved in the annual budget process to cover cash flow for accounts payable and payroll and benefit costs.

C. 2018 BUDGET AMENDMENT - INCREASE CAPITAL BUDGET & EXPENSE BUDGET

At their regular meeting in April 2018 the Board of Trustees adopted Resolution #18-005. This resolution authorized the move of \$252,167 to the 2018 Capital budget and \$246,337 to the 2018 Expense budget from the General Fund Reserved Cash. The total of these two amounts, \$498,504, increased the General Operating Fund Expense budget from \$7,906,640 to \$8,405,143. A full accounting and details of the budget amendment for 2018 can be found on our website www.yvl.org resolution #18-005.

**Yakima County Rural Library District
(Yakima Valley Libraries)**
For the year ended December 31, 2017

NOTE 1 – Summary of Significant Accounting Policies

The Yakima County Rural Library District was incorporated in 1944 and operates under Chapter 27.12 RCW, the laws of the state of Washington applicable to a library district. The Yakima County Rural Library District is a Special Purpose District that provides library services to the general public.

The Yakima County Rural Library 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

Financial transactions of the district are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. The government's resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements. The following fund types are used:

GOVERNMENT FUND TYPES:

General (Current Expense) 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.

Special Revenue Funds

These funds account for the proceeds of specific revenue source (other than for major capital projects) that are legally restricted to expenditures for specific 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 2017 the Library received a \$13,162.13 distribution. There were disbursements in the amount of \$4,925.35 from this fund in 2017. The ending balance of the Plath Fund at December 31, 2017 including interest was \$99,489.42. 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 Trust. 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 \$11,049.00 in 2017 toward the purchase of materials. A cumulative total of \$64,332.84 is reserved in the ending cash balance as of December 31, 2017. The Boaz Funds reside within the general fund.

Capital Project Fund

These funds account for financial resources that are designated for the acquisition or construction of general government capital projects.

YVL Capital Fund – formerly the West Valley Community Library Building Fund – formerly the Cumulative Reserve Fund – 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. In 2017 the Board of Trustees passed resolution #17-004 renaming the fund the YVL Capital Fund and designating these funds for capital maintenance for buildings owned by the Library.

B. Basis of Accounting and Measurement Focus

The District reports financial activity using the revenue and expenditure classifications, statements and schedule contained the 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. The District does not recognize an open period for expenditures after the close of the fiscal year for claims incurred during the previous period.

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

C. Budgets

The District adopts annual appropriated budgets for the General Fund. These budgets are 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.

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 budgets were as follow:

Fund 001 - General Fund	Final Appropriated Amounts	Actual Expenditures	Variance \$
Salary and Wages	3,802,704	3,583,830	218,874
Benefits	1,403,014	1,388,050	14,964
Supplies and Small Equipment	213,025	181,181	31,844
Collection Materials	1,216,848	1,081,677	135,171
Professional Services	413,093	333,748	79,345
Communications	170,596	146,364	24,232
Travel & Training	80,972	57,702	23,270
Mileage & Vehicle Expenses	18,877	20,669	(1,792)
Advertising	18,800	14,667	4,133
Rentals - Equipment	15,573	13,419	2,154
Building Leases	8,401	7,701	700
Insurance	43,000	42,867	133
Utilities	132,340	110,463	21,877
Repairs & Maintenance	220,584	164,490	56,094
Misc. and Dues	14,471	12,554	1,917
Intergovernmental Services	11,500	7,652	3,848
Grants - Special Projects	0	1,469	(1,469)
Subtotal	7,783,798	7,168,503	615,295
Capital Projects	1,128,139	856,091	272,048
Debt Service	0	0	0
Total for General Fund	8,911,937	8,024,593	887,344

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 conditions of employment must be approved by the District's Board of Trustees.

D. Cash and Investments

See NOTE 2 Deposits and Investments

E. Capital Assets

Capital assets are assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets and inventory are recorded as expenditures when purchased. Collection materials (books, magazines, video, audios, etc.) are recorded as operating expenditures when purchased.

F. Compensated Absences

Vacation pay may be accumulated up to 30 days (240 hours) and is payable upon separation or retirement if the employee is in good standing and has provided two weeks' notice at the time of termination. Vacation is not payable to employees who terminate prior to completion of the six-month trial period. An employee who is terminated for cause is not eligible for payment for any accrued vacation leave – YVL Personnel Policies Chapter 9.

Sick leave may be accumulated up to 960 hours for full time employees hired prior to 1/1/2015 and 480 hours for full time employees hired on or after that date (revised Personnel Policy adopted on November 10, 2014 per Resolution #14-009). Upon retirement at any age, employees receive payment for one-quarter, not to exceed a maximum payment for 240 hours (or 30 days), of unused sick leave for full time employees hired prior to 1/1/2015 and 120 hours (or 15 days) of unused sick leave, for full time employees hired on or after that. Payments are recognized as expenditures when paid.

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 64 hours of sick leave per calendar year. The employee must maintain a minimum balance of 96 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.

G. Long-Term Debt

See NOTE 4 – Debt Service Requirements

H. Reserved Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments is reported as reserved when it is subject to restrictions on use imposed by external parties or due to internal commitments established by Board Resolution. When expenditures that meet restrictions are incurred, the District intends to use reserved resources first before using unreserved amounts.

In 2006 the Board of Trustees of passed Resolution #06-013 establishing a Capital Projects Fund, a Facilities Maintenance Fund and a Technology Fund to meet future needs of the district. In March of 2017 the Board of Trustees passed Resolution #17-003 that determined that these designated funds are representative of the General Fund and would be better utilized and reported in the General fund. This resolution authorized the immediate transfer of the current balance plus any interest as of March 31, 2017. Then due to timing of the Board meeting and the Yakima County Treasurer's office payment of interest, these transfers had to be moved to April. At the April Board meeting the Trustees passed Resolution #17-007 authorizing the following amount of monies to be moved to the General Fund:

Capital Projects Fund 606 SubFund 04	\$ 434,757.28
Facility Maintenance Fund 606 SubFund 05	\$ 265,615.12
Technology Fund 606 SubFund 06	\$ 691,937.14

These funds were moved to the General Fund Investment Account by the Yakima County Treasurer's office on April 27, 2017. The District has setup 3 internal General Ledger accounts for these monies to better track their use, while still reporting then as part of the General Fund.

General Fund Reserved Balances

Capital Funds

Future and Non-completed Projects – Resolution #06-013 (Moved to General Fund – Resolution #17-007)	\$ 0
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Facility Fund

Future district-wide facility needs – Resolution #06-013 (Moved to General Fund – Resolution #17-007)	\$ 0
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Technology Fund

Future district-wide technology needs – Resolution #06-013 (Moved to General Fund – Resolution #17-007)	\$ 0
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Boaz Fund - Trust Fund restricted by donor (Dorothy Boaz) 1973	\$ 64,333
YCL Reserve Building Maintenance - Roof – Resolution #16-004	\$ 300,000
Strategic Plan Implementation – Resolution #16-004	\$ 100,000
Capital Carryforward Fund – Resolution #17-007	\$ 434,757
Facilities Maintenance Fund – Resolution #17-007	\$ 265,615
Technology Fund – Resolution #17-007	\$ 691,937
Total Reserved	<u>\$ 1,856,642</u>

Other Funds Reserved Balances

Plath Fund

Trust Fund restricted by donor (Dolores Plath)	\$ 99,489
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West Valley Fund

Yakima buildings and remodel projects Resolutions #10-001, #10-005, #10-008, #10-011	<u>\$ 813,628</u>
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NOTE 2 - Deposits and Investments

It is the District's policy to invest all temporary cash surpluses. The interest on these investments is associated to the fund earning the interest and is recognized as interest revenue when received from the County Treasurer.

The District's deposits (and certificates of deposit) are covered by the Federal Deposit Insurance Corporation and/or the Washington Public Deposit Protection Commission. All investments are insured, registered or held by the Yakima County Treasurer its agent in the Districts name.

Investments are reported at original cost. Investments by fund at December 31, 2017 were as follows:

<u>District Fund Name</u>	<u>Activity</u>	<u>Type of Investment</u>	<u>Balance</u>
General Fund 606001 West Valley Community Library 606002 Plath Trust Fund 606003	TIP	Investment Pool - LGIP	\$5,904,024
Capital Carry Forward Fund 606004	TIP	Investment Pool (moved to General Fund - Resolution #17-007)	0
Facility Fund 606005	TIP	Investment Pool (moved to General Fund - Resolution #17-007)	0
Technology Fund 606006	TIP	Investment Pool (moved to General Fund - Resolution #17-007)	0
Total of all Investments			<u>\$6,814,504</u>

NOTE 3 - 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 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 2017 was .47366505 per \$1,000 on an assessed valuation of \$15,044,683,727 for a total regular levy of \$7,126,140.93.

NOTE 4 - Debt Service Requirements**Debt Service**

As of December 31, 2017 the District held no Long-Term Debt or anticipates any future Long-Term Debt.

NOTE 5 - Pension Plans

State Sponsored 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 Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans. 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.

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.

At June 30, 2017 (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:

	Employer Contributions	Allocation %	Liability (Asset)
PERS 1	160,803	.026733%	\$1,268,502
PERS 2/3	194,860	.031903%	\$1,108,477

NOTE 6 – Risk Management

The Yakima Rural County Library District is a special purpose district that provides library services to the general public and is supported primarily through property taxes. The Rural County Library District was incorporated in 1944 and operates 17 libraries throughout Yakima County. The District owns 4 of the buildings, rents facilities from 8 local jurisdictions and contracts with 5 cities (see note 7 A.) for library services, which include buildings. The District owns and operates 6 District vehicles used in their day to day operations. The District also receives cash and checks at each library location for various fines and fees, copies and other services.

In 2017 the District joined the CIAW (Cities Insurance Association of Washington Special Districts) to handle their insurance needs and risks associated with their current operations. The commercial insurance policy is offered and administered by Payne West Insurance and payment for this insurance is included as part of the District's annual budget (See Note 1 C. - Budgets).

The Commercial Packages purchased by the District includes but is not limited to the following coverages;

- Buildings
- Business Personal Property
- Auto and Unowned Auto
- Employee Theft
- Directors and Officers
- Forgery or Alteration
- Technology
- Special Business Income
- Hazardous Substances
- Spoilage
- Expediting Expenses
- Special Collections

There were no major claims for 2017.

NOTE 7 - Other Disclosures

A. CONTRACTING CITIES

The Library District has five non-annexed cities within Yakima County that contract for some type of library services: 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. The District has agreements with many of the cities, towns, and associations to offset utility and maintenance costs on non-district owned buildings.

B. 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 \$2,220,792 as approved in the annual budget process to cover cash flow for accounts payable and payroll and benefit costs.

C. 2017 BUDGET AMENDMENT - INCREASE CAPITAL BUDGET & EXPENSE BUDGET

At their regular meeting in April 2017 the Board of Trustees adopted Resolution #17-008. This resolution authorized the move of \$278,137 to the 2017 Capital budget and \$84,139 to the 2017 Expense budget from the General Fund Reserved Cash. The total of these two amounts, \$362,276, increased the General Operating Fund Expense budget from \$8,549,661 to \$8,911,937. A full accounting and details of the budget amendment for 2017 can be found on our website www.yvl.org resolution #17-008.

**Yakima County Rural Library District
Schedule of Liabilities
For the Year Ended December 31, 2018**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	Compensated Absences - Sick		105,590	36,925	37,228	105,287
259.12	Compensated Absences - Vacation		183,778	212,250	207,438	188,590
259.12	Compensated Absences - Shared Leave		7,338	27,982	18,682	16,638
264.30	Net Pension Liability		2,376,978	-	615,613	1,761,365
Total Revenue and Other (non G.O.) Debt/Liabilities:			2,673,685	277,157	878,961	2,071,880
Total Liabilities:			2,673,685	277,157	878,961	2,071,880

**Yakima County Rural Library District
Schedule of Liabilities
For the Year Ended December 31, 2017**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	Compensated Absences - Sick		106,234	31,463	32,107	105,590
259.12	Compensated Absences - Vacation		176,241	213,454	205,916	183,778
259.12	Compensated Absences - Shared Leave		5,226	12,585	10,473	7,338
264.30	Net Pension Liabiltiy		2,908,481	-	531,503	2,376,978
Total Revenue and Other (non G.O.) Debt/Liabilities:			3,196,181	257,503	779,999	2,673,685
Total Liabilities:			3,196,181	257,503	779,999	2,673,685

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.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

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.

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 as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

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

Contact information for the State Auditor's Office	
Public Records requests	PublicRecords@sao.wa.gov
Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov