

ORCAS ISLAND LIBRARY DISTRICT
MCAG Account No. 0611

General Fund 6321.00.00
FOR THE FISCAL YEAR ENDED December 31, 2009

Submitted pursuant to RCW 43.09.230
to the
STATE AUDITOR'S OFFICE

Certified correct this 27th day of May, 2010 to the best

Philip L. Heikkinen
Director

Orcas Island Library District
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Annual Report Disclosure Form

Certification		X
Annual Report Disclosure Form		X
Fund Resources and Uses Arising From Cash Transactions (Detail)		X
Schedule 04	Revenues and Other Sources	X
Schedule 05	Expenditures and Other Uses	X
Schedule 09	Long-Term Debt	
Schedule 10	Limitations of Indebtedness	
Schedule 16a	Expenditures of Federal Awards and State/Local Assistance	X
Schedule 19	Labor Relations Consultants	X
Schedule 21	Risk Management	N/A
Financial Notes		X

General Fund 6321.00.00
Fund Resources and Uses Arising From Cash Transactions

For The Year Ended December 31, 2009

BARS Acct No.	Description		
308 Beginning Net Cash & Investments			\$337,722.08
Revenues & Other Sources			
310	Taxes	\$508,518.20	
330	Intergovernmental	\$7,569.49	
340	Charges for Goods & Services	\$11,134.38	
350	Fines & Forfeits	\$2,153.65	
360	Miscellaneous	\$60,675.66	
	Total Revenues and Other Sources	\$590,051.38	
Total Resources			\$927,773.46
Operating Expenditures			
572.10	Library Administration	\$105,788.09	
572.20	Library Services	\$372,838.94	
572.40	Staff Development	\$14,331.43	
572.50	Facilities	\$61,366.82	
	Total Operating Expenditures	\$554,325.28	
	Total Expenditures and Other Uses		\$554,325.28
Ending Net Cash and Investments			\$373,448.18

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Detail of Revenue and Other Sources
 For The Year Ended December 31, 2009

BARS Acct No.	Description	Object Code	Object Description	Amount	
310	Taxes				\$508,518.20
311	General Property Taxes				
		10	Property Tax	\$507,564.19	
312	Timber Tax				
		10	Timber Tax	\$16.91	
317	Excise Tax				
		20	Leasehold Tax	\$937.10	
330	Inter-Govt Revenue				\$7,569.49
333	Indirect Federal Grants				
		45.00	NEA - The Big Read	\$4,000.00	
334	In-Lieu Taxes				
		02.31	DNR PILT NAP/NRCA	\$3,569.49	
340	Charges For Goods & Services				\$11,134.38
341	General Government				
		60.11	Duplicating & Printing	\$4,224.09	
		71.10	Sales of Merchandise	\$374.29	
347	Culture & Recreation				
		20.10	Inter Library Loan	\$5.00	
		20.11	Non Resident Fee	\$445.00	
		20.12	Library Card	\$26.00	
		20.13	Class Fee	\$6,060.00	
350	Fines & Forfeits				\$2,153.65
359	Non-Court Fines				
		70.10	Lost or Damaged Item	\$2,153.65	
360	Miscellaneous Revenues				\$60,675.66
361	Interest Earnings				
		11.03	Interest	\$2,703.00	
367	Donations From Private Sources				
367.11	Gifts, Pledges, Grants				
		01.0001	Patron Donations	\$4,919.28	
		02.0001	Poetry Gift	\$500.00	
		02.0008	OED Gift	\$600.00	
		02.0005	Crossroads Lecture	\$30,392.66	
		03.0003	OICF	\$2,000.00	
		04.0001	Annual Subscriptions	\$706.62	
		05.0002	Adult Book	\$1,150.00	
		07.0001	Friends Annual Gift	\$12,500.00	
		08.0002	Moran Endowment	\$376.00	
		08.0005	Chantiny Endowment	\$1,058.00	
		08.0007	Gropper Endowment	\$1,137.00	
		09.0001	Memorials	\$185.00	
369	Other Miscellaneous Revenue				
369.05		72.0000	E-Rate Refund	\$2,221.93	
369.96		00.0000	Small Refund From Vendor	\$226.17	
	Grand Total				\$590,051.38

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Detail of Expenditures and Other Uses
 For The Year Ended December 31, 2009

BARS Acct No.	Description	Object Code	Object Description	Actual Amount	
572.10	Library Administration				\$105,788.09
		10	Salaries	\$80,860.85	
		20	Benefits	\$19,387.98	
		30	Supplies	\$316.38	
		41	Professional Services	\$419.13	
		42	Communications	\$326.06	
		43	Travel	\$540.41	
		44	Advertising	\$53.00	
		46	Insurance	\$1,500.00	
		48	Repair & Maint	\$265.76	
		49	Miscellaneous	\$1,960.19	
		64	Mach & Equipt	\$158.33	
572.20	Library Services				\$372,838.94
		10	Salaries	\$175,951.00	
		20	Benefits	\$43,455.81	
		30	Supplies	\$14,442.70	
		34	Collection Materials	\$71,610.43	
		41	Professional Services	\$11,647.21	
		42	Communications	\$11,516.66	
		44	Advertising	\$3,634.46	
		46	Insurance	\$299.86	
		48	Repair & Maint	\$8,294.35	
		49	Miscellaneous	\$25,753.64	
		64	Mach & Equipt	\$6,232.83	
572.40	Staff Development				\$14,331.43
		10	Salaries	\$9,263.47	
		20	Benefits	\$2,005.65	
		43	Travel	\$3,062.31	
572.50	Facilities				\$61,366.82
		10	Salaries	\$9,176.80	
		20	Benefits	\$2,005.65	
		30	Supplies	\$2,156.27	
		41	Professional Services	\$24,014.04	
		46	Insurance	\$7,033.07	
		47	Utilities Service	\$11,961.32	
		48	Repair & Maint	\$5,019.66	
			Grand Total		\$554,325.28

Orcas Island Library District
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 Schedule of Expenditures of Federal Awards
 For The Year Ended December 31, 2009

Federal Agency Name/Pass-Through Agency Name	Federal Program Name	CFDA Number	Other I.D. Number	Expenditures			Footnote Ref.
				From Pass- Through Awards	From Direct Awards	Total	
National Endowment for the Arts/Arts Midwest	The Big Read	45-024		\$ 4,000.00		\$ 4,000.00	2
Total Federal Awards Expended				\$ 4,000.00		\$ 4,000.00	

*The Accompanying Notes To The Schedule Of Expenditures Of Federal Awards are an integral part of this schedule

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1 - BASIS OF ACCOUNTING

This schedule is prepared on the same basis of accounting as the District's financial statement. The accounting records of the District are maintained in accordance with methods prescribed by the State Auditor under the authority of Chapter 43.09 RCW. The Library District uses the *Budgeting, Accounting and Reporting System for Libraries* in the State of Washington.

NOTE 2 - PROGRAM COSTS

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire programs costs, including the Library District's portion (matching funds), are more than shown.

Orcas Island Library District
Schedule of Labor Relations Consultant
For The Year Ended December 31, 2009

Has your government engaged labor relations consultants?

General Fund 6321.00.00

No

Certified Correct this 27th day of May, 2010
to the best of my knowledge and belief:

Philip L. Heikkinen
Director

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Orcas Island Library District is a special purpose government that provides library services to the general public and is supported primarily through property taxes. The District was incorporated on December 11, 1987 and operates under Chapter 27.12 RCW, the laws of the state of Washington applicable to a library district. The District uses single-entry, cash basis accounting which is a departure from generally accepted accounting principles (GAAP).

The District reports financial activity using the revenue and expenditure classifications, statements, and schedules contained in the Cash Basis Budgeting, Accounting and Reporting System (BARS) manual. This basis of accounting and reporting is another comprehensive basis of accounting (OCBOA) that is prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW.

a. Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. Each fund is accounted for with a separate set of single-entry accounts that comprises its cash, investments, revenues and expenditures, as appropriate. The District's resources are allocated to and accounted for in individual funds depending on their intended purpose. The following are the fund types used by the District:

General Fund

This fund is the primary operating (current expense) 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 sources (other than for major capital projects) that are legally restricted to expenditures for specific purposes.

Capital Project Funds

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

b. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Revenues are recognized only when cash is received and expenditures are recognized when paid, including those properly chargeable against the report year(s) budget appropriations as required by state law.

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

Purchases of capital assets are expensed during the year of acquisition. There is no capitalization of capital assets, nor allocation of depreciation expense. Inventory is expensed when purchased. The basis of accounting described above represents a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

c. Budgets

The District adopts annual appropriated budgets for the general and building funds. These budgets are appropriated at the department 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.

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

d. Cash

It is the District's policy to invest all temporary cash surpluses. The amount is included on the statement of resources and uses arising from cash transactions as net cash and investments. The interest on these investments is/posted to the general fund.

d. Deposits

The District 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, videos, audios, CD-ROMs, DVDs, etc.) are recorded as operating expenditures when purchased.

f. Capital Assets

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

g. Compensated Absences

Accumulated vacation pay is payable upon separation or retirement. Sick leave may accumulate indefinitely. Upon separation or retirement, employees do not receive payment for unused sick leave.

NOTE 2 - COMPLIANCE AND ACCOUNTABILITY

There have been no material violations of finance-related legal or contractual provisions.

There have been no expenditures exceeding legal appropriations in any of the funds of the District.

NOTE 3 – INVESTMENTS

The San Juan County Treasurer as its agent in the District's name holds the Orcas Island Library District's investments.

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 District. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

District's regular levy for the year 2009 was \$.19023 per \$1,000 on an assessed valuation of \$2,738,522,795 for a total regular levy of \$521,214.

NOTE 5 – LONG-TERM DEBT

Not Applicable

NOTE 6 – PENSION PLANS

All of the Orcas Island Library District's full-time and qualifying part-time employees participate in the Public Employee Retirement System Plan 1, Plan 2 or Plan 3 administered by the 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 statement. Contributions to the system by both employee and employer are based upon gross wages covered by plan benefits.

Historical trend or other information regarding each plan is presented in the state Department of Retirement Systems annual financial report. A copy of this report may be obtained at:

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