Notice of Public Hearing

North Olympic Library System
2210 S. Peabody Street
Port Angeles, WA 98362

Public hearing on draft 2019 operating budget

Thursday, October 25, 2018, 5:30pm
Port Angeles Main Library

The North Olympic Library System Board of Trustees will hold a public hearing on the Library's draft 2019 Operating Budget during the Board's regular meeting on Thursday, October 25, at 5:30pm in the Port Angeles Main Library. The Library's budget for 2018 is $4,368,570 and the proposed budget for 2019 is $4,501,704.

Members of the public are encouraged to share their thoughts at the October 25 Board meeting, or if you cannot attend, by calling Library Director Margaret Jakubcin at 360.417.8500 ext. 7714, by emailing LibraryBoard@nols.org, or by visiting the Library website at www.nols.org and selecting "Board and Administration".

A second public hearing and adoption of the 2019 budget is scheduled for **Tuesday**, November 20, 2018, at 5:30pm at the Port Angeles Main Library.
Public comment is encouraged at this meeting as well.

The Port Angeles Main Library is located at 2210 S. Peabody Street in Port Angeles.

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NOLS
NORTH OLYMPIC LIBRARY SYSTEM

Board of Trustees Regular Meeting
Thursday, October 25, 2018 5:30pm
Port Angeles Main Library
Port Angeles, WA

Public Comments

Any person or group desiring to bring an item to the attention of the Library Board may do so by addressing the Board at meetings. Individuals having comments specifically related to agenda topics should raise their hand at the appropriate point on the agenda to indicate a wish to speak. Public comments on items not on the agenda, but within the jurisdiction of the North Olympic Library System Board of Trustees, are heard at the beginning of the meeting and at the end; individuals may choose to speak at either point. When time constraints require, the Chair may limit public remarks during meetings to less than three minutes. The Board will not take action on items raised during Public Comment, but may choose to add items to a future meeting agenda. Public comments may also be sent to: Library Board of Trustees, North Olympic Library System, 2210 South Peabody Street, Port Angeles, WA 98362 or LibraryBoard@nols.org.

AGENDA

1. Call to order, roll call and introductions
2. Approval of agenda
3. Approval of minutes for regular meeting of September, 27, 2018
4. Communications
5. Presentation: Facilities Department Overview: Brian Philips
6. Public comments
7. Financial report: September 2018
8. Approval of vouchers: September 2018
9. Unfinished business
   None.
10. New business
    N.1. Review and discussion of Draft 2019 Operating Budget
    N.2. Public Hearing on the 2019 Operating Budget
11. Reports
    R.1. Monthly statistics: September 2018
    R.2. Monthly activity reports: September 2018
    R.3. Customer Comments: September 2018 (None)
    R.4. Highlight log: September 2018

R.5. State Auditor Reports: Accountability and Financial Audit Reports for 2016-2017

12. Public Comments

13. Trustee comments

Library Board members may ask a question for clarification, make a brief announcement or make a brief report on his or her activities. In addition, Board members may refer an item to staff or other resources for factual information, request staff to report back to the body at a subsequent meeting concerning any NOLS matter, or direct staff to agendize a matter of business on a future agenda.

14. Next meeting: 5:30pm, TUESDAY November 20, 2018 at the Port Angeles Main Library

15. Agenda items for next meeting

16. Executive session to discuss Collective Bargaining.

17. (Action on executive session, if any. None expected.)

18. Adjournment

"Nurturing imagination, connection, and understanding,
to improve lives and strengthen community."

NOLS Mission Statement
Adopted 11/22/16

Upcoming Board meetings

Date	***Time***		***Location***
Tuesday, *November 20, 2018*	*5:30pm*	*Regular meeting*	*Port Angeles Main Library*

Board Meeting Schedule 2019

Thursday, January 24, 2019	*5:30pm*	*Regular meeting*	*Port Angeles Main Library*
Thursday, February 28, 2019	*5:30pm*	*Regular meeting*	*Port Angeles Main Library*
Thursday, March 28, 2019	*5:30pm*	*Regular meeting*	*Forks Branch Library*
Thursday, April 25, 2019	*5:30pm*	*Regular meeting*	*Port Angeles Main Library*
Thursday, May 23, 2019	*5:30pm*	*Regular meeting*	*Port Angeles Main Library*
Thursday, June 27, 2019	*5:30pm*	*Regular meeting*	*Clallam Bay Branch Library*
Thursday, July 25, 2019	*5:30pm*	*Regular meeting*	*Port Angeles Main Library*
Thursday, August 22, 2019	*5:30pm*	*Regular meeting*	*Port Angeles Main Library*
Thursday, September 26, 2019	*5:30pm*	*Regular meeting*	*Sequim Branch Library*
Thursday, October 24, 2019	*5:30pm*	*Regular meeting*	*Port Angeles Main Library*
Tuesday, *November 26, 2019*	*5:30pm*	*Regular meeting*	*Port Angeles Main Library*

North Olympic Library Foundation meetings occur on the same dates as NOLS Board meetings, at 2pm in the Administrative conference room of the Port Angeles Main Library.

Friends of the Library meetings

(Note: meeting schedules can vary; please check with Library to confirm before attending)

Clallam Bay Friends of the Library	Second Tuesday of March, June, September, and December at 4pm at Clallam Bay Branch Library
Friends of the Forks Library	Varies. Check with the Forks Branch for the next date.
Port Angeles Friends of the Library	Second Tuesday of month at 10am at Port Angeles Main Library
Friends of Sequim Library	Third Tuesday in July, 9:30am at the Sequim Branch Library. Annual Meeting is held in January, date/location usually announced in December.

NOLS
NORTH OLYMPIC LIBRARY SYSTEM

Board of Trustees Regular Meeting

Thursday, September 27, 2018, 5:30pm
Sequim Branch Library
Sequim, WA

MINUTES

1. Call to order, roll call and introductions

Board Vice Chair Betty Gordon called the meeting to order at 5:30 pm. Trustees present: Betty Gordon, Jennifer Pelikan, Clea Rome, and Suzi Ure. Mark Urnes was unable to attend and was excused. Library staff present: Director Margaret Jakubcin, Assistant Library Director Noah Glaude, Sequim Branch Manager Emily Sly, and Customer Service Specialist, Cheryl Martin. Visitors present: None.

2. Approval of agenda

Motion by Ms. Pelikan to approve agenda as presented. Motion seconded by Ms. Ure. Motion carried.

3. Approval of minutes for regular meeting of August 23, 2018

Motion by Ms. Ure to approve the minutes from the August 23, 2018 meeting. Motion seconded by Ms. Rome. Motion carried.

4. Communications. None.

5. Presentation: Rethinking Craft Time: Recycled Art, Community Partnerships & Zero-Waste Programming. (NOLS Customer Service Specialist Cheryl Martin)

6. Public comments. None.

7. Financial report: August 2018

The financial reports for August 2018 were accepted as presented.

8. Approval of vouchers: August 2018

Motion by Ms. Rome to approve the August 2018 vouchers, numbered #942 through h#1066, in the amount of $391,000.13. Motion seconded by Ms. Pelikan. Motion carried.

9. Unfinished business

None.

10. New business

N.1. Background Information: Budget/Levy/Fiscal Planning

Trustees had the opportunity to review the background information provided (no action required or taken.)

N.2. Approval of 2019 Budget Guidelines

Motion by Ms. Pelikan to approve the 2019 Budget Guidelines. Motion seconded by Ms. Ure.

Motion carried.

N.3. Routine bi-annual review of Board Protocol Statement

Trustees had the opportunity to review the Board Protocol Statement. No revisions were suggested or made, so no action was taken. The next routine review will be calendared for June 2020.

11. Reports
    - R.1. Monthly statistics: August 2018
    - R.2. Monthly activity reports: August 2018
    - R.3. Customer Comments: August 2018 – (None)
    - R.4. Highlight log: August 2018

All reports were accepted as presented.

12. Public Comments. None.

13. Trustee comments

Library Board members may ask a question for clarification, make a brief announcement or make a brief report on his or her activities. In addition, Board members may refer an item to staff or other resources for factual information, request staff to report back to the body at a subsequent meeting concerning any NOLS matter, or direct staff to agendize a matter of business on a future agenda.

14. Next meeting: 5:30pm, Thursday, October 25, 2018 at the Port Angeles Main Library

15. Agenda items for next meeting: First Public Hearing on 2019 Operating Budget

16. Executive session to discuss Collective Bargaining.

At 6:20pm the Chair announced that the Board would move to executive session to discuss collective bargaining, and that the session was expected to last approximately 30 minutes.

At 7:05pm the Chair announced that the Board had concluded its executive session, without taking any action, and would now return to open session.

17. Action on executive session, if any.

None.

18. Adjournment. There being no further business, the meeting was adjourned by the Chair at 7:05pm.

CERTIFIED AS TRUE AND CORRECT

Chair

Board Secretary

Staff Report

To: Library Board of Trustees
From: Financial Operations Manager, John DeFrancisco
Date: October 10, 2018
Subject: Comments on Financial Reports for September 2018

Recommendation. None. For information only.

Discussion. The Library Board asked staff to provide written comments and explanations on any areas of the monthly financial report that are out of the ordinary, or require explanation.

Revenues: The Interest earned on Investment Pool funds was $12,097. The current interest rate for the Investment Pool is 2.0140%.

Other Miscellaneous Revenue includes $18,240 in E-rate reimbursements.

Operating Expenditures: Year-to Date Professional Services of $127,074 includes payments of $39,857 to SHKS Architects for their contracted work on the Sequim Expansion Project. As previously noted, payments to SHKS will skew the percent expended calculation in this area (and for Operating Expenditures as a whole) for 2018, as they are being paid from the Sequim Capital Project Account (as allocated and approved by the Board in 2016), and therefore not reflected in the revenue or expenditure lines in the 2018 Operating Budget. Not including the SHKS payments, the percentage expended for Professional Services would be 53.2% rather than 77.5%.

Account Balances: Payroll Account (US Bank 1301) shows expenses and reimbursements of $207,600 for amounts paid by electronic transfers. Electronic transfers fund net payroll, taxes and PERS Retirement. Medical and Dental Insurance, Union Dues and other payroll related items are paid for by check. Total payroll and benefit expenses for September are $257,082.

Beginning in June the Payroll Account (US Bank 1301) is also being used to electronically pay NOLS monthly Sales and Use Tax to the Department of Revenue (DOR). This tax is paid on NOLS retail sales and on purchases where Washington State Sales Tax is due but not collected by the vendor. Of the $207,600 in electronic transfers, $914 was paid to the DOR. See Voucher 1120.

NOLS
NORTH OLYMPIC LIBRARY SYSTEM

Revenue Report

September 30, 2018

Operating Revenue				**9/12ths is**	**75.0%**
	Budgeted	**Current**	**YTD**	**Difference**	**Percent**
Taxes	4,121,300	75,677	2,512,598	1,608,702	61.0
Intergovernmental Revenues	-	-	2,295	(2,295)	-
Goods and Services	22,300	1,730	19,770	2,530	88.7
Library Fines and Fees	36,900	2,498	26,700	10,200	72.4
Miscellaneous Revenues					
Investment Interest (net of fees)	52,200	12,097	92,224	(40,024)	176.7
Media Equipment Rentals	-	-	-	-	-
Facilities Leases (Short Term)	3,000	285	2,490	510	83.0
Private Grants and Donations	88,000	345	81,877	6,123	93.0
Other Miscellaneous Revenue	43,000	18,263	65,226	(22,226)	151.7
Total Miscellaneous Revenues	186,200	30,990	241,817	(55,617)	129.9
Nonrevenues (excise taxes)	1,870	162	1,534	336	82.0
Transfers In	-	-	-	-	-
Total Operating Revenue	**4,368,570**	**111,057**	**2,804,714**	**1,563,856**	**64.2**

Capital Revenue					
Timber Revenues (received in 2018)	-	15,154	142,702	-	-
Total Capital Revenue	**-**	**15,154**	**142,702**	**-**	**-**

Grand Total Revenues		**126,212**	**2,947,417**		

NOLS NORTH OLYMPIC LIBRARY SYSTEM

Expenditure Report

September 30, 2018

				9/12ths is	75.0%
Operating Expenditures	**Budgeted**	**Current**	**Year To Date**	**Difference**	**Percent**
Personnel					
Salaries and Wages	2,205,680	182,421	1,572,392	633,288	71.3
Benefits	958,150	74,661	663,993	294,157	69.3
Total Personnel	3,163,830	257,082	2,236,386	927,444	70.7
Supplies					
Supplies, Office and Operating	112,120	9,464	86,420	25,700	77.1
Fuel	4,000	247	3,944	56	98.6
Merchandise for resale	850	-	600	250	70.6
Collection Materials	471,973	30,242	278,466	193,507	59.0
Small Tools/Equip (<$200)	1,750	-	781	969	44.6
Total Supplies	590,693	39,953	370,211	220,482	62.7
Services					
Professional Services	164,014	5,624	127,074	36,940	77.5
Communication	136,820	19,823	108,691	28,129	79.4
Travel	25,800	2,205	9,829	15,971	38.1
Taxes and Operating Assessments	2,350	-	2,239	111	95.3
Operating Rentals and Leases	165	-	541	(376)	328.1
Insurance	42,590	-	45,260	(2,670)	106.3
Public Utilities	102,065	7,459	64,764	37,301	63.5
Repair and Maintenance	107,565	1,206	29,364	78,201	27.3
Miscellaneous Services	11,565	428	10,656	909	92.1
Total Services	592,934	36,745	398,418	194,516	67.2
Intergovernmental Services	19,243	4,747	4,780	14,463	24.8
Nonexpenditures (excise taxes) [1]	1,870	185	1,509	361	80.7
Total Operating Expenditures	**4,368,570**	**338,711**	**3,011,303**	**1,357,267**	**68.9**

(1) Taxes paid for purchases which did not include tax when tax was due. For example, online purchases made by credit card.

Capital Outlays	**Budgeted**	**Current**	**Year To Date**	**Difference**	**Percent**
Buildings and Structures	99,400	-	40,041	59,359	40.3
Other Improvements	115,500	83,324	104,893	10,607	90.8
Machinery & Equipment	230,580	3,403	125,856	104,724	54.6
Construction of Capital Assets	-	-	-	-	0.0
Total Capital Outlays	**445,480**	**86,727**	**270,789**	**174,691**	**60.8**
Grand Total All Expenditures	**4,814,050**	**425,438**	**3,282,092**	**1,531,958**	**68.2**

NOLS NORTH OLYMPIC LIBRARY SYSTEM

Account Balances

September 30, 2018

	Beginning Balance	Transfers In/(Out)	Current Income	Current Expense	Ending Balance
Investments					
Washington State Local Investment Pool					
Board Designated Accounts	*Board Designated Accounts*				
Fiscal Emergency Reserve [1]	1,307,019	-	-	-	1,307,019
NOLS Capital Reserve [2]	2,212,970	-	14,595	-	2,227,565
Operating Reserve [3]	1,177,888	-	-	-	1,177,888
Technology Reserve [4]	115,000	-	-	-	115,000
PA Capital Reserve [5]	184,519	-	-	81,941	102,579
Sequim Capital Project Acct. [5]	2,753	-	-	203	2,550
Capital Budget - 2018 [5]	134,224	-	-	4,786	129,438
Total Board Designated Accounts	5,134,373	-	14,595	86,930	5,062,039
Grants and Donations					
NOLS Donations Fund	72,412	-	-	-	72,412
NOLS Materials Fund	14,597	-	-	50	14,548
Francis Bode Materials Fund	25,895	-	-	-	25,895
Margaret Bode Materials Fund	28,545	-	-	-	28,545
Port Angeles Donations Fund	3,301	-	36	-	3,337
Port Angeles Friends Donations	9,966	-	-	3,675	6,291
Sequim Donations Fund	46,181	-	46	-	46,227
Sequim Friends Donations	21,793	-	-	1,989	19,804
Forks Donations Fund	3,280	-	3	-	3,282
Forks Friends Donations	2,154	-	-	339	1,815
Clallam Bay Donations Fund	8,518	-	260	-	8,778
Clallam Bay Friends Donations	5,515	-	-	173	5,342
Williams Bequest	165,509	-	-	-	165,509
Streett Memorial Gift Fund	5,336	-	-	-	5,336
Sequim Future Library Donations	425	-	-	-	425
Total Grants and Donations	413,427	-	345	6,225	407,547
Unclaimed Property Account	2,662	-			2,662
Total Designated Cash	5,550,462	-	14,940	93,155	5,472,248
Undesignated Cash Operating Funds	1,486,954	(221,004)			1,265,950
Total WA State Local Investment Pool	7,037,416	(221,004)	14,940	93,155	6,738,198

Notes:

(1) Reserve buffer against major economic catastrophe.

(2) Receives timber revenues designated to fund capital improvement projects.

(3) Reserves to balance deficit budgets.

(4) Reserves to fund significant or unplanned technology needs.

(5) Fund management account for designated capital projects.

NOLS NORTH OLYMPIC LIBRARY SYSTEM

Account Balances

September 30, 2018

	Beginning Balance	Transfers In/(Out)	Current Income	Current Expense	Ending Balance
Certificates of Deposit					
PA Capital Acct CD 11 (9/19 Sound Bank) [6]	577,207	-	-	-	577,207
PA Capital Acct CD 12 (3/20 East West) [6]	321,370	-	-	-	321,370
Francis Bode Fund CD 7 (11/19 First Fed) [7]	203,253	-	-	-	203,253
Margaret Bode Fund CD 7 (11/19 First Fed) [7]	219,108	-	-	-	219,108
Total Certificates of Deposit	1,320,938	-	-	-	1,320,938
Total Investments	8,358,354	(221,004)	14,940	93,155	8,059,135
Cash					
Cash Operating Funds					
Cash held by County Treasurer	8	(8)			-
Imprest Accounts					
Revolving Fund (FF 1503)	6,000	86	-	86	6,000
Payroll Account (US Bank 1301)	200	207,600	-	207,600	200
Payroll Account (FF 1004)	10	-	-	-	10
Merchant Account (FF 7401)	200	(19,191)	19,260	69	200
Branch Change Funds					
Port Angeles	145	-	-	-	145
Sequim	130	-	-	-	130
Forks	50	-	-	-	50
Clallam Bay	30	-	-	-	30
Total Branch Change Funds	355	-	-	-	355
Total Imprest Accounts	6,765	188,495	19,260	207,755	6,765
Total Cash	6,773	188,487	19,260	207,755	6,765
Total Cash and Investments	8,365,127	(32,517)	34,200	300,909	8,065,900

Notes:

(6) Legally designated as a facility maintenance reserve fund for the Port Angeles Main Library. (fully funded)

(7) Bequests designated for specific use by donor.

NOLS NORTH OLYMPIC LIBRARY SYSTEM

VOUCHERS BY CATEGORY FOR SEPTEMBER 2018

Category	Claimant	Purpose	Amount	Subtotal
SALARIES, WAGES AND BENEFITS				
1067	ADP Tax/Financial Services	Net Payroll (PPE 08-31-18) - EFT 584	124,613.25	
1068	ADP Tax/Financial Services	Payroll Tax (PPE 08-31-18) - EFT 585	40,859.34	
1085	Brixey, Lucy	HW Reimbursement - SQ	351.73	
1112	Clark, Jeff	HW Reimbursement - FAC	1,500.00	
1117	Cosgrove, Shannon K	HW Reimbursement - ADM	201.64	
1118	Dept. of Retirement Systems	Retirement Contributions (PPE 08-31-18) - EFT 586	35,058.36	
1119	Dept. of Retirement Systems	DCP Retirement 09-2018 (PPE 08-31-18) - EFT 587	5,955.00	
1123	Fitzgerald, Tasha	HW Reimbursement - PA	1,283.65	
1125	Hartford Retirement Plan Solutions	MMDCP 09-2018 (PPE 08-31-18) - EFT 588	200.00	
1127	Health Care Authority	HCA 09-2018 (PPE 08-31-18)	35,599.74	
1134	Kelly, Adele	HW Reimbursement - CB	233.38	
1135	Knight, Jennifer	HW Reimbursement - PA	293.19	
1136	Lepping, Danielle	HW Reimbursement - PA	264.50	
1150	Phillips, Brian	HW Reimbursement FAC	750.00	
1156	Raivo, Jessica	HW Reimbursement - SQ	805.00	
1159	Robinson, Stuart	Cell Phone Reimbursement - Jan-Jun 2018	60.00	
1160	Schenefeld, Jonathan	HW Reimbursement - FAC	16.64	
1169	Thumm, Dexter	HW Reimbursement - IT	97.73	
1171	Turner, Cynthia	HW Reimbursement - TS	97.73	
1173	United Way of Clallam County	United Way Donations (PPE 08-31-18)	39.16	
1179	WCIF	Vision/Life/EAP Premiums 09-2018 (PPE 08-31-18)	1,300.67	
1181	Weiss, Alisa	HW Reimbursement - SQ	562.00	
1183	WSCCCE - WPAS, Inc	Dental Premiums (PPE 08-31-18) - October Coverage	4,907.28	
1184	WSCCCE-Council 2, AFSCME AFL-CIO	Union Dues 09-2018 (PPE 08-31-18)	2,031.84	257,081.83
OFFICE, OPERATING AND MAINTENANCE SUPPLIES				
1088	CED Consolidated Electrical Distributors	PO 1004 Maint. Supplies - Light Fixture Ballasts - FAC	65.15	
1089	CED Consolidated Electrical Distributors	PO 1017 Maintenance Supplies - Light Bulbs - FAC	38.05	
1090	CED Consolidated Electrical Distributors	PO 1097 Maintenance Supplies - Ballast - FAC	60.87	
1113	Commercial Filter Sales & Service	PO 897 Maintenance Supplies - Commercial Filters - FAC	769.57	
1114	Co-Op Farm & Garden, The	PO 1036 Maintenance Supplies - SQ Outlet Cover - FAC	3.09	
1115	Co-Op Farm & Garden, The	PO 1091 Maint. Supplies - SQ FOSL Building Light - FAC	31.81	
1116	Co-Op Farm & Garden, The	PO 1115 Maintenance Supplies - SQ Library Clock Batteries - FAC	6.52	
1120	Dept. of Revenue - Use/Sales Tax	August 2018 Sales and Use Tax - EFT 590	69.57	
1126	Hartnagel Building Supply	PO 1030 Maintenance Supplies - Anchor Bolts for CB Ballot Box - FAC	26.26	
1154	Quill Corporation	PO 1012 Office Supplies - Coffee (Coffee Fund) - ADM	70.95	
1155	Quill Corporation	PO 1027 Office Supplies - First Aid Supplies, Book Tape, Painter's Tape - SQ	109.14	
1166	Swains General Store, Inc.	PO 1020, 1033 Maintenance Supplies - Swiffer Supplies, Grounding Plug, Door Latch - FAC	52.59	

Category	Claimant	Purpose	Amount	Subtotal
1167	Swains General Store, Inc.	PO 1100 Maintenance Supplies - Paint Stripper, Cleaner, Brush - FAC	29.63	
1170	True Value	PO 1024 Maintenance Supplies - CB Toilet Seat - FAC	24.40	
CC 9	Amazon.com	PO 898 Office Supplies - PA	47.94	
CC 10	Amazon.com	PO 949 Office Supplies - PA	58.35	
CC 14	Amazon.com	PO 990 Office Supplies - ADM	8.14	
CC 19	Amazon.com	PO 919 Technology Supplies - CPU Fans, Batteries - IT	105.65	
CC 27	Bryce Fastener	PO 1041 Maintenance Supplies - Tamper-proof Nuts - FAC	93.74	
CC 32	Dell Marketing	PO 1075 Toner and Ink - PA	809.78	
CC 36	Etsy.com	PO 1043 Maintenance Supplies - Staff Locker Tags - FAC	21.96	
CC 40	Home Depot	PO 1042 Maintenance Supplies - Outdoor Lights - FAC	138.58	
CC 43	KCDA Purchasing Cooperative	PO 982 Office Supplies - Book Tape - FO	177.54	
CC 44	LabelValue.com	PO 1028 Office Supplies - Dymo Labels - SQ	91.14	
CC 45	Namifiers	PO 936 Office Supplies - Nametags - NOLS	24.06	
CC 49	Quill Corporation	PO 969 Toner and Ink - FO	336.33	
CC 50	Quill Corporation	PO 1052 Office Supplies - CB Phone Cords - FO	31.42	
CC 51	Rite Aid	PO 912 Office Supplies - Batteries - PA	8.14	
CC 52	Rite Aid	PO 989 Office Supplies - Batteries - PA	8.14	
CC 53	Saars Grocery	PO 906 Processing Supplies - TS	12.94	3,331.45
PROGRAM SUPPLIES				
1132	Jakubcin, Margaret	PO 1040 Program Supplies - Art Blastapalooza Supplies (PAFOL)	88.70	
1161	Scholastic Library Publishing	PO 928 Program Supplies - BoB - Upside Down Magic, Way to Stay in Destiny (FOSL)	722.96	
CC 3	Amazon.com	PO 998 Program Supplies- YS Games (PAFOL)	16.25	
CC 4	Amazon.com	PO 991 Program Supplies - Storytime (PAFOL)	37.34	
CC 5	Amazon.com	PO 1001 Program Supplies - Fiesta Familiar - FO	13.02	
CC 6	Amazon.com	PO 998 Program Supplies - YS Games (PAFOL)	260.23	
CC 7	Amazon.com	PO 1000 Program Supplies - YS Games (PAFOL)	144.38	
CC 8	Amazon.com	PO 1001 Program Supplies - Fiesta Familiar - FO	144.01	
CC 11	Amazon.com	PO 999 Program Supplies - POD Game Kits (PAFOL)	45.64	
CC 12	Amazon.com	PO 997 Program Supplies - Games/Projects (PAFOL)	303.51	
CC 13	Amazon.com	PO 1021 Program Supplies - ATC Supplies (PAFOL)	33.18	
CC 15	Amazon.com	PO 1044 Program Supplies - SRP Prize Books (FOSL)	16.75	
CC 16	Amazon.com	PO 1051 Program Supplies - Grand Prize (PAFOL)	97.85	
CC 17	Amazon.com	PO 1051 Program Supplies - Grand Prize (FOSL)	91.82	
CC 18	Amazon.com	PO 1051 Program Supplies - Grand Prize (CBFOL)	101.85	
CC 20	Amazon.com	PO 1015 Program Supplies - Portable CD Player - FO	97.64	
CC 21	Amazon.com	PO 1013 Program Supplies - Storytime Puppets - FO	35.14	
CC 26	Branders	PO 1068 Program Supplies - 1st Grade Visit Bags (PAFOL)	763.60	
CC 28	CustomInk LLC	PO 1058 Program Supplies - SRP Shirts (PAFOL)	1,399.57	
CC 29	CustomInk LLC	PO 1058 Program Supplies - SRP Shirts (FOSL)	735.37	
CC 30	CustomInk LLC	PO 1058 Program Supplies - SRP Shirts (FOFOL)	166.05	
CC 31	CustomInk LLC	PO 1058 Program Supplies - SRP Shirts (CBFOL)	71.16	
CC 34	Dominos Pizza	PO 979 Program Supplies - Volunteer Party (PAFOL)	79.24	
CC 39	Home Depot	PO 946 Program Supplies - Summer Science (FOSL)	32.23	
CC 41	Home Slice Pizza	PO 968 Program Supplies - SRP Teen Snacks (FOFOL)	72.65	
CC 42	JoAnn Fabrics	PO 1022 Program Supplies - ATC Supplies (PAFOL)	47.82	

Category	Claimant	Purpose	Amount	Subtotal
CC 47	Port Book and News	PO 1049 Program Supplies - Grand Prize (PAFOL)	100.00	
CC 54	Safeway	PO 945 Program Supplies - Summer Science (FOSL)	16.60	
CC 55	Safeway	PO 1067 Program Supplies - Books and Donuts (PAFOL)	20.47	
CC 56	Safeway	PO 1045 Program Supplies - SRP Volunteer Snacks (FOSL)	8.99	
CC 58	Sequim Electronics	PO 947 Program Supplies - Summer Science (FOSL)	19.33	
CC 60	Sully's Drive In	PO 1071 Program Supplies - SRP Prize (FOFOL)	100.00	
CC 65	Walgreens	PO 948 Program Supplies - Summer Science (FOSL)	15.16	
CC 66	Walmart	PO 1047 Program Supplies - Craft Supplies (FOSL)	16.56	
CC 67	Walmart	PO 1050 Program Supplies - Grand Prize (FOSL)	98.05	
CC 71	Westside Pizza	PO 1045 Program Supplies - SRP Volunteer Appreciation (FOSL)	90.00	
CC 72	Wildfire Grill	PO 1048 Program Supplies - Grand Prize (PAFOL)	100.00	6,203.12
FUEL				
CC 37	Exxon Mobil	PO 992 Training Fuel - Westy - FAC	29.05	
CC 73	Evergreen 76	PO 1055 Business Fuel - Ford Van - FAC	94.70	
CC 74	PA Chevron	PO 1010 Business Fuel - Nolsy Red - FAC	42.28	
CC 75	Shell	PO 1053 Business Fuel - Chevy Van	92.89	
CC 76	Voyager Fleet Systems, Inc.	Federal Gas Tax Credit - September - FAC	(11.84)	247.08
COLLECTION MATERIALS				
1071	Amazon.com	Collection Materials	958.68	
1075	Baker & Taylor Entertainment	Collection Materials	239.60	
1076	Baker & Taylor Entertainment	Collection Materials	492.03	
1077	Baker & Taylor Entertainment	Collection Materials	941.11	
1078	Baker & Taylor Entertainment	Collection Materials	349.91	
1079	Baker & Taylor Information	Collection Materials	2,816.94	
1080	Baker & Taylor Information	Collection Materials	563.50	
1081	Baker & Taylor Information	Collection Materials	7,489.34	
1082	Baker & Taylor Information	Collection Materials	3,677.39	
1083	Baker & Taylor Information	Collection Materials	7,082.14	
1086	Brodart Company	Collection Materials	79.41	
1087	Brodart Company	Collection Materials	132.06	
1092	CENGAGE Learning	Collection Materials	214.74	
1093	CENGAGE Learning	Collection Materials	174.95	
1094	Center Point Large Print	Collection Materials	224.70	
1120	Dept. of Revenue - Use/Sales Tax	August 2018 Sales and Use Tax - EFT 590	109.47	
1122	Findaway World, LLC	Collection Materials	65.13	
1130	Ingram Library Services	Collection Materials	44.78	
1131	Ingram Library Services	Collection Materials	95.83	
1138	Midwest Tape	Collection Materials	757.21	
1139	Midwest Tape	Collection Materials	1,043.90	
1140	Midwest Tape	Collection Materials	911.27	
1146	OverDrive, Inc.	Collection Materials	346.93	
1147	OverDrive, Inc.	Collection Materials	1,342.09	
1158	Recorded Books, LLC	Collection Materials	88.96	30,242.07
PROGRAMMING, PROFESSIONAL SERVICES, OTHER SERVICES AND CHARGES				
1069	ADP, LLC	Payroll Services - Payroll Processing (08-31-2018) - NOLS	685.71	
1070	ADP, LLC	Payroll Services - Document Cloud (09-17-2018) - NOLS	45.54	

Category	Claimant	Purpose	Amount	Subtotal
1083	Baker & Taylor Information	PO 1116 Technology Services - Title Source Fee - TS	865.00	
1084	Bill's Plumbing	PO 1096 Professional Services - Janitorial - SQ Sanikan Rental - FAC	90.00	
1091	Cedar Grove Counseling	C50 Programming - ASTD Fall 2018 Speaker - NOLS	150.00	
1141	Miller, Victoria	C49 Programming - Make Your Own Sourdough Starter - CB, FO (PAFOL, FOSL)	500.00	
1145	Olympic Laundry & Dry Cleaners, Inc.	PO 1018, 1019 Professional Services - Laundry - FAC	270.40	
1164	Sound Publishing Inc	PO 1089 Advertising - Shelver Position - NOLS	11.75	
1168	Swank Movie Licensing USA	PO 1107 - Programming - Copyright Compliance - Site Licenses - 10/01/18 - 09/30/19 - PA, SQ, FO, CB	1,228.00	
1172	Unique Management Services, Inc.	Professional Services - Debt Collection	311.85	
1178	Washington State Patrol	Background Checks - NOLS	12.00	
CC 35	EB Building Sustainability	PO 1023 Training Fee - Online Tech Class - NOLS	188.94	
CC 38	Facebook	PO 1057 Advertising - Recruitment, SRP - NOLS	25.00	
CC 46	Pay Pal	PayPal Gateway Fees - August 2018 - NOLS	59.95	
CC 59	Stamps.com	PO 1005 Technology Services - TS	15.99	
CC 68	Washington Library Association	PO 908 Conference Fee - WLA - NOLS	455.00	
CC 69	Washington Library Association	PO 909 Conference Fee - WLA - NOLS	455.00	
CC 70	Washington Library Association	PO 1093 Conference Fee - WLA Registration - NOLS	315.00	5,685.13
COMMUNICATIONS				
1072	Angeles Communications	Communications - VOIP	902.21	
1095	CenturyLink 300511187 FO	Communications - Voice - FO	80.04	
1096	CenturyLink 206-T01-0277-974B	Communications - HS DATA - CB	416.51	
1097	CenturyLink 300561130 CB	Communications - Voice - CB	103.74	
1098	CenturyLink 360-681-7811 468B SQ	Communications - Voice - SQ	53.77	
1099	CenturyLink 407627350 CB-Data	Communications - Data - CB	2,330.98	
1100	CenturyLink 5161XLL8S3 CB Fiber	Communications - Fiber - CB	271.70	
1101	CenturyLink Bus. Svcs Acct 80206626	Communications - POTS	65.81	
1102	CenturyLink PA 360-457-3125 933B	Communication - Fax - PA	225.23	
1143	Olympic Delivery Service, Inc.	PO 1029 Communication - Freight - TS	1,770.00	
1144	Olympic Delivery Service, Inc.	PO 1095 Communication - Freight - TS	1,416.00	
1162	Secretary of State	Internet - K20 Bandwidth - July 2018 - June 2019 - IT	9,100.00	
1180	WDH - Wave Business	Communication - Internet - IT	2,327.58	
CC 61	UPS	PO 907 Communication - Freight - TS	9.43	
CC 62	USPS	PO 951 Postage - TS	250.00	
CC 63	USPS	PO 988 Postage - TS	250.00	
CC 64	USPS	PO 1011 Postage - TS	250.00	19,823.00
TRAVEL				
1124	Glaude, Noah	Mileage Reimbursement - Correction for underpayment - ADM	105.85	
1133	Jakubcin, Margaret	Mileage Reimbursement - Correction for underpayment - ADM	109.07	
1137	Lepping, Danielle	Travel - Training - 21st Century Race Relations - PA	44.57	
1151	Pridgen, Deborah A	Travel - Business - OR	17.99	
1156	Raivo, Jessica	Travel - Business - SQ	9.81	
1157	Rajala, Shaina E	Travel - Staff Training - ADM	39.24	
1163	Seevers, Dana	Travel - Business - PA	2.73	
CC 22	American Airlines	PO 1076 Travel Training - Circulation Conference - NOLS	995.22	

Category	Claimant	Purpose	Amount	Subtotal
CC 23	American Airlines	PO 1077 Travel Training - Circulation Conference - NOLS	62.20	
CC 24	American Library Association	PO 1087 Travel Training - YA Symposium ALA - NOLS	327.00	
CC 33	Delta Air	PO 1088 Travel Training - YA Symposium ALA - NOLS	474.40	
CC 57	Sequim Chamber of Commerce	PO 1085 Business Travel - SQ Chamber Lunch - SQ	17.00	2,205.08
UTILITIES				
1103	City of Forks	Public Utilities - FO	107.77	
1104	City of Port Angeles/Dump	PO 1026 Public Utilities - Dump Fee - Old PA Fence - FAC	23.57	
1105	City of Port Angeles/Orcas Avenue	Public Utilities - PA	161.98	
1106	City of Port Angeles/Peabody St.	Public Utilities - PA	4,902.29	
1107	City of Sequim	Public Utilities - SQ	274.04	
1108	Clallam County Public Works Dept.	Public Utilities - Sewer - CB	55.00	
1109	Clallam County PUD	Public Utilities - CB	374.00	
1110	Clallam County PUD	Public Utilities - FO	506.00	
1111	Clallam County PUD	Public Utilities - SQ	688.00	
1121	DM Disposal Company, Inc.	Public Utilities - PA - SQ	507.70	
1182	West Waste & Recycling	Public Utilities - FO - CB	57.30	7,657.65
REPAIR AND MAINTENANCE				
1073	Angeles Plumbing, Inc.	PO 1034 Repair and Maintenance - PA Toilet Valve Replacement - FAC	317.12	
1128	Hi-Tech Security, Inc.	PO 1056 Repair and Maintenance - FO Alarm Monitoring through 10-06-2019 - FAC	240.00	
1129	Hi-Tech Security, Inc.	PO 1090 Repair and Maintenance - SQ Fire Alarm Testing - FAC	220.00	
1148	Pacific Office Equipment, Inc.	Copier Maintenance - All Branches	429.12	1,206.24
MISCELLANEOUS SERVICES				
1120	Dept. of Revenue - Use/Sales Tax	August 2018 Sales and Use Tax - EFT 590	12.09	
CC 25	American Library Association	PO 1039 Membership Dues - 2019 Membership - ADM	213.00	
CC 48	PsPrint	PO 1037 Printing - SQFL Fact Sheets (SQ Capital Project)	202.86	427.95
INTERGOVERNMENTAL SERVICES				
1165	State Auditor's Office	Audit Services Period 2016-2017	4,746.60	4,746.60
OTHER IMPROVEMENTS				
1149	Pen West Contractors	PO 1114, 1118 Other Capital Improvements - CB and FO Parking Lot Striping - FAC	1,383.53	
1175	Vet Industrial	PO 1009 Other Capital Improvements - PA Paving Project less 5% Retainage - FAC (PA CR)	81,021.72	
1176	Vet Industrial	PO 1009 Other Capital Improvements - PA Paving Project - FAC (PA CR)	341.30	
1185	Zenovic & Associates	PO 1031 Other Capital Improvements - PA Paving Project Management - FAC (PA CR)	577.50	83,324.05
MACHINERY AND EQUIPMENT				
1074	Apple Inc	PO 1061 Machinery and Equipment - iPads - IT	975.04	
1120	Dept. of Revenue - Use/Sales Tax	August 2018 Sales and Use Tax - EFT 590	538.03	
1152	Provantage Corporation	PO 1007 Machinery and Equipment - Server Memory - IT	805.56	
1153	Provantage Corporation	PO 1064 Machinery and Equipment - Barcode Scanner - IT	213.57	
CC 1	1Password	PO 1059 Machinery and Equipment - Password Vault Software - IT	479.40	
CC 2	Adobe Creative Cloud	PO 1060 Machinery and Equipment - Software - IT	391.19	3,402.79

Category	Claimant	Purpose	Amount	Subtotal
SALES TAX				
1120	**Dept. of Revenue - Use/Sales Tax**	August 2018 Sales and Use Tax - EFT 590	184.93	184.93
FINES AND FEES, PATRON REFUNDS				
CK 2060	**Bates, Suzie**	Patron Refund	7.60	
CK 2061	**Jacobson, Cindy**	Patron Refund	15.01	
CK 2062	**Thacker, Gary**	Patron Refund	12.01	
CK 2063	**Ritchie, Robert**	Patron Refund	6.99	
CK 2064	**Kersting, Kira**	Patron Refund	20.95	
CK 2065	**Murray, Corey**	Patron Refund	22.95	85.51
			425,854.48	**425,854.48**

NOLS
NORTH OLYMPIC
LIBRARY
SYSTEM

Voucher Approval for September 2018

The undersigned Board of Trustees of the North Olympic Library System certify that merchandise or services specified have been received and that the following vouchers #1067 through #1185 are approved in the amount of $425,854.48 this 25th day of October 2018.

Trustee	Trustee
Trustee	Trustee
Trustee	Library Director

No.	Claimant	Purpose	Amount
1067	ADP Tax/Financial Services	Net Payroll (PPE 08-31-18) - EFT 584	124,613.25
1068	ADP Tax/Financial Services	Payroll Tax (PPE 08-31-18) - EFT 585	40,859.34
1069	ADP, LLC	Payroll Services - Payroll Processing (08-31-2018) - NOLS	685.71
1070	ADP, LLC	Payroll Services - Document Cloud (09-17-2018) - NOLS	45.54
1071	Amazon.com	Collection Materials	958.68
1072	Angeles Communications	Communications - VOIP	902.21
1073	Angeles Plumbing, Inc.	PO 1034 Repair and Maintenance - PA Toilet Valve Replacement - FAC	317.12
1074	Apple Inc	PO 1061 Machinery and Equipment - iPads - IT	975.04
1075	Baker & Taylor Entertainment	Collection Materials	239.60
1076	Baker & Taylor Entertainment	Collection Materials	492.03
1077	Baker & Taylor Entertainment	Collection Materials	941.11
1078	Baker & Taylor Entertainment	Collection Materials	349.91
1079	Baker & Taylor Information	Collection Materials	2,816.94
1080	Baker & Taylor Information	Collection Materials	563.50
1081	Baker & Taylor Information	Collection Materials	7,489.34
1082	Baker & Taylor Information	Collection Materials	3,677.39
1083	Baker & Taylor Information	Collection Materials and Title Source Fee	7,947.14
1084	Bill's Plumbing	PO 1096 Professional Services - Janitorial - SQ Sanikan Rental - FAC	90.00
1085	Brixey, Lucy	HW Reimbursement - SQ	351.73
1086	Brodart Company	Collection Materials	79.41
1087	Brodart Company	Collection Materials	132.06
1088	CED Consolidated Electrical Distributors	PO 1004 Maint. Supplies - Light Fixture Ballasts - FAC	65.15
1089	CED Consolidated Electrical Distributors	PO 1017 Maintenance Supplies - Light Bulbs - FAC	38.05
1090	CED Consolidated Electrical Distributors	PO 1097 Maintenance Supplies - Ballast - FAC	60.87
1091	Cedar Grove Counseling	C50 Programming - ASTD Fall 2018 Speaker - NOLS	150.00

No.	Claimant	Purpose	Amount
1092	CENGAGE Learning	Collection Materials	214.74
1093	CENGAGE Learning	Collection Materials	174.95
1094	Center Point Large Print	Collection Materials	224.70
1095	CenturyLink 300511187 FO	Communications - Voice - FO	80.04
1096	CenturyLink 206-T01-0277-974B	Communications - HS DATA - CB	416.51
1097	CenturyLink 300561130 CB	Communications - Voice - CB	103.74
1098	CenturyLink 360-681-7811 468B SQ	Communications - Voice - SQ	53.77
1099	CenturyLink 407627350 CB-Data	Communications - Data - CB	2,330.98
1100	CenturyLink 5161XLL8S3 CB Fiber	Communications - Fiber - CB	271.70
1101	CenturyLink Bus. Svcs Acct 80206626	Communications - POTS	65.81
1102	CenturyLink PA 360-457-3125 933B	Communication - Fax - PA	225.23
1103	City of Forks	Public Utilities - FO	107.77
1104	City of Port Angeles/Dump	PO 1026 Public Utilities - Dump Fee - Old PA Fence - FAC	23.57
1105	City of Port Angeles/Orcas Avenue	Public Utilities - PA	161.98
1106	City of Port Angeles/Peabody St.	Public Utilities - PA	4,902.29
1107	City of Sequim	Public Utilities - SQ	274.04
1108	Clallam County Public Works Dept.	Public Utilities - Sewer - CB	55.00
1109	Clallam County PUD	Public Utilities - CB	374.00
1110	Clallam County PUD	Public Utilities - FO	506.00
1111	Clallam County PUD	Public Utilities - SQ	688.00
1112	Clark, Jeff	HW Reimbursement - FAC	1,500.00
1113	Commercial Filter Sales & Service	PO 897 Maintenance Supplies - Commercial Filters - FAC	769.57
1114	Co-Op Farm & Garden, The	PO 1036 Maintenance Supplies - SQ Outlet Cover - FAC	3.09
1115	Co-Op Farm & Garden, The	PO 1091 Maint. Supplies - SQ FOSL Building Light - FAC	31.81
1116	Co-Op Farm & Garden, The	PO 1115 Maint. Supplies - SQ Library Clock Batteries - FAC	6.52
1117	Cosgrove, Shannon K	HW Reimbursement - ADM	201.64
1118	Dept. of Retirement Systems	Retirement Contributions (PPE 08-31-18) - EFT 586	35,058.36
1119	Dept. of Retirement Systems	DCP Retirement 09-2018 (PPE 08-31-18) - EFT 587	5,955.00
1120	Dept. of Revenue - Use/Sales Tax	August 2018 Sales and Use Tax - EFT 590	914.09
1121	DM Disposal Company, Inc.	Public Utilities - PA - SQ	507.70
1122	Findaway World, LLC	Collection Materials	65.13
1123	Fitzgerald, Tasha	HW Reimbursement - PA	1,283.65
1124	Glaude, Noah	Mileage Reimbursement - Correction for underpayment - ADM	105.85
1125	Hartford Retirement Plan Solutions	MMDCP 09-2018 (PPE 08-31-18) - EFT 588	200.00
1126	Hartnagel Building Supply	PO 1030 Maintenance Supplies - Anchor Bolts for CB Ballot Box - FAC	26.26
1127	Health Care Authority	HCA 09-2018 (PPE 08-31-18)	35,599.74
1128	Hi-Tech Security, Inc.	PO 1056 Repair and Maintenance - FO Alarm Monitoring through 10-06-2019 - FAC	240.00
1129	Hi-Tech Security, Inc.	PO 1090 Repair and Maint. - SQ Fire Alarm Testing - FAC	220.00
1130	Ingram Library Services	Collection Materials	44.78
1131	Ingram Library Services	Collection Materials	95.83

No.	Claimant	Purpose	Amount
1132	Jakubcin, Margaret	PO 1040 Program Supplies - Art Blastapalooza Supplies - (PAFOL)	88.70
1133	Jakubcin, Margaret	Mileage Reimbursement - Correction for underpayment - ADM	109.07
1134	Kelly, Adele	HW Reimbursement - CB	233.38
1135	Knight, Jennifer	HW Reimbursement - PA	293.19
1136	Lepping, Danielle	HW Reimbursement - PA	264.50
1137	Lepping, Danielle	Travel - Training - 21st Century Race Relations - PA	44.57
1138	Midwest Tape	Collection Materials	757.21
1139	Midwest Tape	Collection Materials	1,043.90
1140	Midwest Tape	Collection Materials	911.27
1141	Miller, Victoria	C49 Programming - Make Your Own Sourdough Starter - CB, FO (PAFOL, FOSL)	500.00
1142	North Olympic Library System	Sep. 2018 Revolving Fund Reimbursement (*Detail Below)	85.51
1143	Olympic Delivery Service, Inc.	PO 1029 Communication - Freight - TS	1,770.00
1144	Olympic Delivery Service, Inc.	PO 1095 Communication - Freight - TS	1,416.00
1145	Olympic Laundry & Dry Cleaners, Inc.	PO 1018, 1019 Professional Services - Laundry - FAC	270.40
1146	OverDrive, Inc.	Collection Materials	346.93
1147	OverDrive, Inc.	Collection Materials	1,342.09
1148	Pacific Office Equipment, Inc.	Copier Maintenance - All Branches	429.12
1149	Pen West Contractors	PO 1114, 1118 Other Capital Improvements - CB and FO Parking Lot Striping - FAC	1,383.53
1150	Phillips, Brian	HW Reimbursement FAC	750.00
1151	Pridgen, Deborah A	Travel - Business - OR	17.99
1152	Provantage Corporation	PO 1007 Machinery and Equipment - Server Memory - IT	805.56
1153	Provantage Corporation	PO 1064 Machinery and Equipment - Barcode Scanner - IT	213.57
1154	Quill Corporation	PO 1012 Office Supplies - Coffee (Coffee Fund) - ADM	70.95
1155	Quill Corporation	PO 1027 Office Supplies - First Aid Supplies, Book Tape, Painter's Tape - SQ	109.14
1156	Raivo, Jessica	Travel - Business - SQ HW Reimbursement - SQ	814.81
1157	Rajala, Shaina E	Travel - Staff Training - ADM	39.24
1158	Recorded Books, LLC	Collection Materials	88.96
1159	Robinson, Stuart	Cell Phone Reimbursement - Jan-Jun 2018	60.00
1160	Schenefeld, Jonathan	HW Reimbursement - FAC	16.64
1161	Scholastic Library Publishing	PO 928 Program Supplies - BoB - Upside Down Magic, Way to Stay in Destiny (FOSL)	722.96
1162	Secretary of State	Internet - K20 Bandwidth - July 2018 - June 2019 - IT	9,100.00
1163	Seevers, Dana	Travel - Business - PA	2.73
1164	Sound Publishing Inc	PO 1089 Advertising - Shelver Position - NOLS	11.75
1165	State Auditor's Office	Audit Services Period 2016-2017	4,746.60
1166	Swains General Store, Inc.	PO 1020, 1033 Maint3 Supplies - Swiffer Supplies, Grounding Plug, Door Latch - FAC	52.59
1167	Swains General Store, Inc.	PO 1100 Maint. Supplies - Paint Stripper, Cleaner, Brush - FAC	29.63

No.	Claimant	Purpose	Amount
1168	Swank Movie Licensing USA	PO 1107 - Programming - Copyright Compliance Site Licenses - 10/01/18 - 09/30/19 - PA, SQ, FO, CB	1,228.00
1169	Thumm, Dexter	HW Reimbursement - IT	97.73
1170	True Value	PO 1024 Maintenance Supplies - CB Toilet Seat - FAC	24.40
1171	Turner, Cynthia	HW Reimbursement - TS	97.73
1172	Unique Management Services, Inc.	Professional Services - Debt Collection	311.85
1173	United Way of Clallam County	United Way Donations (PPE 08-31-18)	39.16
1174	US Bank	Credit Card Services - Aug. 2018 Charges (*Detail Below)	12,830.94
1175	Vet Industrial	PO 1009 Other Capital Improvements - PA Paving Project less 5% Retainage - FAC (PA CR)	81,021.72
1176	Vet Industrial	PO 1009 Other Capital Improvements - PA Paving Project - FAC (PA CR)	341.30
1177	Voyager Fleet Systems, Inc.	Fuel - Business - Voyager Fleet Card (*Detail Below)	218.03
1178	Washington State Patrol	Background Checks - NOLS	12.00
1179	WCIF	Vision/Life/EAP Premiums 09-2018 (PPE 08-31-18)	1,300.67
1180	WDH - Wave Business	Communication - Internet - IT	2,327.58
1181	Weiss, Alisa	HW Reimbursement - SQ	562.00
1182	West Waste & Recycling	Public Utilities - FO - CB	57.30
1183	WSCCCE - WPAS, Inc	Dental Premiums (PPE 08-31-18) - October Coverage	4,907.28
1184	WSCCCE-Council 2, AFSCME AFL-CIO	Union Dues 09-2018 (PPE 08-31-18)	2,031.84
1185	Zenovic & Associates	PO 1031 Other Capital Improvements - PA Paving Project Management - FAC (PA CR)	577.50
			425,854.48

*** Detail - NOLS Revolving Fund Account -- Voucher #1142**

2060	Bates, Suzie	Patron Refund	7.60
2061	Jacobson, Cindy	Patron Refund	15.01
2062	Thacker, Gary	Patron Refund	12.01
2063	Ritchie, Robert	Patron Refund	6.99
2064	Kersting, Kira	Patron Refund	20.95
2065	Murray, Corey	Patron Refund	22.95
			85.51

*** Detail - NOLS US Bank Credit Card Purchases -- Voucher #1174**

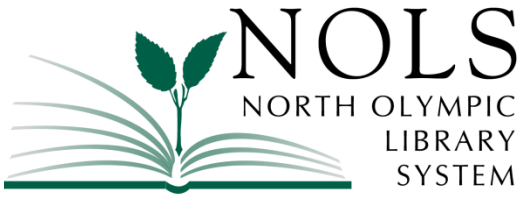
1	1Password	PO 1059 Machinery and Equipment - Password Vault Software - IT	479.40
2	Adobe Creative Cloud	PO 1060 Machinery and Equipment - Software - IT	391.19
3	Amazon.com	PO 998 Program Supplies- YS Games (PAFOL)	16.25
4	Amazon.com	PO 991 Program Supplies - Storytime (PAFOL)	37.34
5	Amazon.com	PO 1001 Program Supplies - Fiesta Familiar - FO	13.02
6	Amazon.com	PO 998 Program Supplies - YS Games (PAFOL)	260.23
7	Amazon.com	PO 1000 Program Supplies - YS Games (PAFOL)	144.38

No.	Claimant	Purpose	Amount
8	Amazon.com	PO 1001 Program Supplies - Fiesta Familiar - FO	144.01
9	Amazon.com	PO 898 Office Supplies - PA	47.94
10	Amazon.com	PO 949 Office Supplies - PA	58.35
11	Amazon.com	PO 999 Program Supplies - POD Game Kits (PAFOL)	45.64
12	Amazon.com	PO 997 Program Supplies - Games/Projects (PAFOL)	303.51
13	Amazon.com	PO 1021 Program Supplies - ATC Supplies (PAFOL)	33.18
14	Amazon.com	PO 990 Office Supplies - ADM	8.14
15	Amazon.com	PO 1044 Program Supplies - SRP Prize Books (FOSL)	16.75
16	Amazon.com	PO 1051 Program Supplies - Grand Prize (PAFOL)	97.85
17	Amazon.com	PO 1051 Program Supplies - Grand Prize (FOSL)	91.82
18	Amazon.com	PO 1051 Program Supplies - Grand Prize (CBFOL)	101.85
19	Amazon.com	PO 919 Technology Supplies - CPU Fans, Batteries - IT	105.65
20	Amazon.com	PO 1015 Program Supplies - Portable CD Player - FO	97.64
21	Amazon.com	PO 1013 Program Supplies - Storytime Puppets - FO	35.14
22	American Airlines	PO 1076 Travel Training - Circulation Conference - NOLS	995.22
23	American Airlines	PO 1077 Travel Training - Circulation Conference - NOLS	62.20
24	American Library Association	PO 1087 Travel Training - YA Symposium ALA - NOLS	327.00
25	American Library Association	PO 1039 Membership Dues - 2019 Membership - ADM	213.00
26	Branders	PO 1068 Program Supplies - 1st Grade Visit Bags (PAFOL)	763.60
27	Bryce Fastener	PO 1041 Maintenance Supplies - Tamper-proof Nuts - FAC	93.74
28	CustomInk LLC	PO 1058 Program Supplies - SRP Shirts (PAFOL)	1,399.57
29	CustomInk LLC	PO 1058 Program Supplies - SRP Shirts (FOSL)	735.37
30	CustomInk LLC	PO 1058 Program Supplies - SRP Shirts (FOFOL)	166.05
31	CustomInk LLC	PO 1058 Program Supplies - SRP Shirts (CBFOL)	71.16
32	Dell Marketing	PO 1075 Toner and Ink - PA	809.78
33	Delta Air	PO 1088 Travel Training - YA Symposium ALA - NOLS	474.40
34	Dominos Pizza	PO 979 Program Supplies - Volunteer Party (PAFOL)	79.24
35	EB Building Sustainability	PO 1023 Training Fee - Online Tech Class - NOLS	188.94
36	Etsy.com	PO 1043 Maintenance Supplies - Staff Locker Tags - FAC	21.96
37	Exxon Mobil	PO 992 Training Fuel - Westy - FAC	29.05
38	Facebook	PO 1057 Advertising - Recruitment, SRP - NOLS	25.00
39	Home Depot	PO 946 Program Supplies - Summer Science (FOSL)	32.23
40	Home Depot	PO 1042 Maintenance Supplies - Outdoor Lights - FAC	138.58
41	Home Slice Pizza	PO 968 Program Supplies - SRP Teen Snacks (FOFOL)	72.65
42	JoAnn Fabrics	PO 1022 Program Supplies - ATC Supplies (PAFOL)	47.82
43	KCDA Purchasing Cooperative	PO 982 Office Supplies - Book Tape - FO	177.54
44	LabelValue.com	PO 1028 Office Supplies - Dymo Labels - SQ	91.14
45	Namifiers	PO 936 Office Supplies - Nametags - NOLS	24.06
46	Pay Pal	PayPal Gateway Fees - August 2018 - NOLS	59.95
47	Port Book and News	PO 1049 Program Supplies - Grand Prize (PAFOL)	100.00
48	PsPrint	PO 1037 Printing - SQFL Fact Sheets (SQ Capital Project)	202.86
49	Quill Corporation	PO 969 Toner and Ink - FO	336.33
50	Quill Corporation	PO 1052 Office Supplies - CB Phone Cords - FO	31.42

No.	Claimant	Purpose	Amount
51	Rite Aid	PO 912 Office Supplies - Batteries - PA	8.14
52	Rite Aid	PO 989 Office Supplies - Batteries - PA	8.14
53	Saars Grocery	PO 906 Processing Supplies - TS	12.94
54	Safeway	PO 945 Program Supplies - Summer Science (FOSL)	16.60
55	Safeway	PO 1067 Program Supplies - Books and Donuts (PAFOL)	20.47
56	Safeway	PO 1045 Program Supplies - SRP Volunteer Snacks (FOSL)	8.99
57	Sequim Chamber of Commerce	PO 1085 Business Travel - SQ Chamber Lunch - SQ	17.00
58	Sequim Electronics	PO 947 Program Supplies - Summer Science (FOSL)	19.33
59	Stamps.com	PO 1005 Technology Services - TS	15.99
60	Sully's Drive In	PO 1071 Program Supplies - SRP Prize (FOFOL)	100.00
61	UPS	PO 907 Communication - Freight - TS	9.43
62	USPS	PO 951 Postage - TS	250.00
63	USPS	PO 988 Postage - TS	250.00
64	USPS	PO 1011 Postage - TS	250.00
65	Walgreens	PO 948 Program Supplies - Summer Science (FOSL)	15.16
66	Walmart	PO 1047 Program Supplies - Craft Supplies (FOSL)	16.56
67	Walmart	PO 1050 Program Supplies - Grand Prize (FOSL)	98.05
68	Washington Library Association	PO 908 Conference Fee - WLA - NOLS	455.00
69	Washington Library Association	PO 909 Conference Fee - WLA - NOLS	455.00
70	Washington Library Association	PO 1093 Conference Fee - WLA Registration - NOLS	315.00
71	Westside Pizza	PO 1045 Program Supplies - SRP Volunteer Appreciation (FOSL)	90.00
72	Wildfire Grill	PO 1048 Program Supplies - Grand Prize (PAFOL)	100.00
			12,830.94

*** Detail - NOLS Voyager Credit Card Purchases -- Voucher #1177**			
73	Evergreen 76	PO 1055 Business Fuel - Ford Van - FAC	94.70
74	PA Chevron	PO 1010 Business Fuel - Nolsy Red - FAC	42.28
75	Shell	PO 1053 Business Fuel - Chevy Van	92.89
76	Voyager Fleet Systems, Inc.	Federal Gas Tax Credit - September - FAC	(11.84)
			218.03

*** Detail - NOLS Electronic Fund Transfer (EFT) Payments for Payroll Services**			
EFT 584	ADP Tax/Financial Services	Net Payroll (PPE 08-31-18)	124,613.25
EFT 585	ADP Tax/Financial Services	Payroll Tax (PPE 08-31-18)	40,859.34
EFT 586	Dept. of Retirement Systems	Retirement Contributions (PPE 08-31-18)	35,058.30
EFT 587	Dept. of Retirement Systems	DCP Retirement (PPE 08-31-18)	5,955.00
EFT 588	Hartford Retirement Plan Solutions	MMDCP (PPE 08-31-18)	200.00
			206,685.89



North Olympic Library System

2019 Proposed Operating Budget

(October Draft)

First Board Review and Public Hearing
October 25, 2018

NOLS
NORTH OLYMPIC LIBRARY SYSTEM

Staff Report

Meeting Date: October 25, 2018
To: Library Board of Trustees
From: Margaret Jakubcin, Library Director
Subject: Review of Draft Operating Budget for FY 2019
Public Hearing on the Draft Proposed Budget

Attachments: 2019 Operating Budget – Draft
2019 Budget Guidelines

Topic/Issue: The Library Board of Trustees will review a draft of the Library's operating budget for 2019, and conduct the first public hearing on the budget. The Board is not required to adopt the budget at this time.

Background: The public hearing is an opportunity for members of the public to review the draft budget and provide feedback to the Board. It is also an opportunity for the Board to provide guidance and direction to staff, who will be finalizing the budget between now and the end of November. The Board will review the final draft of the operating budget, conduct the second public hearing, and adopt the budget at the Board's November 20, 2018 meeting.

Background information on NOLS' levy, budget, and fiscal outlook is detailed in the Library's *Fiscal Snapshot* document. A copy of this document was provided to the Board at the September meeting, and is always available to the public on the NOLS website.

Policy considerations. The Management Team played a key role in the development of this draft budget. The Management Team sets systemwide priorities that support NOLS' Strategic Roadmap and Initiatives, and reflect branch and department workplans for the coming year. Managers developed their respective branch/department budgets, and then worked together to jointly review and finalize this draft. Financial Operations Manager John DeFrancisco built the all-important personnel detail with the assistance of Administrative Operations Specialist, Shaina Rajala. The personnel detail calculates salary and benefit costs for all NOLS positions for the coming year. Personnel costs represent approximately 73% of the total 2019 budget, so having accurate salary and benefits projections is crucial to having an accurate budget. The Board's Finance Committee has reviewed and approved this draft of the proposed budget.

Fiscal considerations. The October draft of the Library budget generally reflects a conservative estimate of the expected tax revenues. These are calculated based on the preliminary estimates of the Assessed Valuation for the County, as provided by the Assessor, applying the limiting factors imposed by Washington State tax law. This draft of the 2019 Operating Budget projects a 1% tax revenue growth over the 2018 levy. NOLS' 2018 levy rate stands at 49¢ per thousand of the county's AV. One percent growth in the tax levy would compress the levy rate to approximately

46¢/$1000 AV in 2019. The current draft of the 2019 operating budget stands at $4,501,704, an increase of $133,134 (approximately 3%) from the 2018 budget of $4,368,570.

Discussion: Revenues.

Tax Revenue Estimates. As is usual, approximately 93% of the estimated revenues for the 2019 budget derive from property taxes. These revenues are levied and collected on the Library's behalf by Clallam County, and are linked to the Assessed Valuation (AV) for all properties in the county. Official estimates of AV and new construction values are generally not available until mid-November. The October draft relies on a preliminary and unofficial AV estimate of $9,041,260,129. Tax revenues in this draft have been projected applying the 1% growth limitation allowed under law, as this is the primary limitation that currently applies for the NOLS levy. These calculations will be updated prior to finalizing the 2019 budget, and revenue estimates may be adjusted upward or downward, as new construction valuations and refund estimates become available, and AV calculations firm up.

Based on collections to date in 2018, *Library fines and fees* revenues for 2019 have been estimated at $34,000. There has been some up and down in this revenue line in recent years; collection of fines and fees has fluctuated in relation to evolving policies, emerging formats, and circulation trends. The 2019 estimate represents a 4.7% decrease from the 2018 projected actual, based on recent trending.

The sum of $130,000 has been budgeted for interest income. The bulk of NOLS operating funds are invested via the State Pool. The interest earned on State Pool funds has increased from 0.2% in October 2015, to 2.0% as of September 2018. This upward trend in investment rates, provides a welcome addition to Library revenue, following years of extremely low interest rates. Estimates for interest income for operating funds held in the State Pool during 2019 have been substantially increased over 2018 levels, in cautious recognition of what appears to the current trend, at least for the immediate future. Interest from the Port Angeles Capital Replacement account and the Bode Bequest funds (held in certificates of deposit) is restricted by fund designation, and is therefore *not* included when calculating interest income to be applied to the operating budget.

A total of $91,500 representing possible grants from the four Friends of the Library groups, has been included as estimated revenue, so that expenditures on items on each branch's Friends "wish list" can be reflected in the operating budget. If Friends donations differ from these estimates, expenditures will be adjusted accordingly. For the most part Friend's donations are directed toward support for library programming and events. NOLS' exceptional array of public programming relies heavily on the very generous support of the Friends groups.

The primary component of *Miscellaneous revenues* are E-rate reimbursements, received as part of a federal reimbursement program related to telecommunications. E-rate revenues have been decreasing gradually over the last few years, mirroring reductions in support for the federal program. E-rate reimbursements have been estimated at $37,700 for 2019, a decrease of 25% since 2017.

Revenues and expenditures for grant projects are customarily not reflected in the NOLS operating budget, due to the varied timing, use restrictions, and pass-through accounting nature of most of the Library's grant supported projects.

In accordance with Policy 5.15: *Fiscal Management*, and established Board practice, projected revenues from timber and forest products are not included in the operating budget for 2019. The Board will be presented with a draft of the Capital Budget for 2019 at the January meeting. Revenue for the Capital Budget is drawn from the Capital Budget account.

Discussion: Expenditures.

Personnel expenditures. Personnel costs (salaries and benefits) represent 72.8% of the total 2019 budget. Personnel expenses are calculated for the staffing array for current and potential 2019 positions, and reflect known and anticipated costs for salaries, step (proficiency) increases, longevity benefits (CSBs), and other established cost increases and decreases, for both wages and benefits. Routine annual increases to these costs are projected.

Employer contributions to PERS increased during 2018 as result of legislative action. A routine PERS rate increase will occur in mid-2019. Known PERS rates and planned increases are incorporated into the 2019 personnel detail.

State mandated increases to minimum wage laws will impact the personnel budget again in 2019, and ongoing. Stepped increases to minimum wage were initiated in 2018. Two additional steps will occur in 2019 and in 2020, and cost of living increases will pertain thereafter. Compliance with these wage laws is likely to be a significant cost factor for NOLS in the coming years.

Mandated premium payments for the new Washington State Paid Family Medical Leave program are another new personnel expense in 2019. This program will become available to employees in 2020, but premium deductions will begin in 2019.

There will also be increases to both medical and dental premiums for 2019.

Staff FTE in 2018 was 53.22. In the projected 2019 budget FTE is 53.47. Personnel costs in this draft of the operating budget stand at $3,279,776.

NOLS is currently engaged in collective bargaining with the General Employees Union. If negotiations affect salary and/or benefit costs, expenditure estimates for personnel will need to be adjusted prior to budget adoption.

Supplies expenditures. Friends of the Library contributions are essential to NOLS' ability to provide library programming. For budgeting purposes Friends' support for programming is split between *Supplies and Services. I*n the 2019 budget Friends' funding for program supplies stands at an estimated total of $37,000. Programming supplies include expenditures for a wide array of items, ranging from refreshments, to decorations, to craft materials, to prizes, and more. As noted above, Friends' donations provide a significant portion of the funding that supports library programming – NOLS truly could not deliver this core service without support from the Library's wonderful and generous FOL groups.

Collection materials (books, DVDs, downloadable audio books, e-books, online databases and other library materials) are included in the *Supplies* summary account. The proposed 2019 operating budget invests 1% more funding in the budget for books and other library materials over 2018, bringing the total materials budget to $476,692, or approximately 10.6% of the total budget. In 2011 (following

the 2010 Levy Lid Lift) NOLS initiated a program to correct longstanding inadequacies in the collection. The 2019 materials budget represents a 50% increase over the pre-levy 2010 materials budget of $317,754. As a result of this increased funding, the NOLS collection has fully recovered from earlier years of tight budgets. The modest year-to-year spending increase in materials now primarily addresses inflation, rather than growth.

Services and charges. Most of the projected costs within this summary account have remained relatively stable, with the usual year-to-year small increases and a few minor decreases. A placeholder of $15,000 has been included in the services account in order to allow NOLS to acquire professional expertise and consultation in connection with development of the Fiscal Business Plan.

2019 is an off year for the Library's biannual State Audit, so nothing is budgeted for that service in 2019.

Friends of the Library donations are also key in the area of *Professional Services*, where $44,500 is slated to come from the Friends groups, to pay for contracted speakers and performers at Library-sponsored events, and other reimbursed services.

Staff training and development will continue to be supported in 2019, as it has for the last several years. As NOLS' ongoing investment in this area continues to expand skill sets and staff abilities, the Library will continue to refine this budget line to best address current training needs.

Total expenditures in *Communications* remains nearly static from 2018 to 2019.

Insurance cost estimates have increased for 2019, from $42,500 to $54,300. Insurance rates are calculated based on the claims history for the entire risk pool, and thus vary somewhat from year to year. This increase reflects the estimate received from the insurance carrier for FY 2019.

Repairs and maintenance. This category shows a slight year-to-year decrease, primarily as a result of the 2018 decision to bring lawn care for the PA facilities in-house. Estimates for unexpected facilities maintenance and repairs are also somewhat lower – there appear to be fewer incidents of this type occurring in recent years, and the contingency line in the capital budget provides back up.

As a rule, ILS annual maintenance fees tend to increase periodically, and sometimes dramatically, but the rate estimate provide by Polaris' predicted no growth for 2019.

Capital outlays. As noted elsewhere in this report, all capital outlay expenditures are reflected in the 2019 Capital Budget, which will be presented to the Library Board of Trustees in January 2019. The Capital budget is funded through the Capital Budget account and expenditures are generally scaled to align with timber/forest product revenues received during the previous fiscal year. The 2019 Capital Budget is still in a very early stage of development. Currently capital planning has identified necessary projects cost-estimated at approximately $209,000, with approximately $43,000 of that amount to be drawn from the PA Capital Reserve. Approximately $143,000 in timber revenues has been received through September 30, 2018. Both Capital Budget revenue and expenditure projections are very likely to change, most likely upward, between now and adoption of the Capital Budget.

Transfers-in/ Transfers out. The draft operating budget as it currently stands requires a modest transfer-in of $4,589 from operating reserves in order to balance.

Alternatives for consideration. There are several budget elements that are subject to revision between now and the Board's November meeting, when the District's budget will be adopted. One or more of the following may happen:

Expenditure estimates may change as a result of:

- Collective bargaining negotiations which increase personnel costs;
- Board direction to staff to make revisions to the proposed budget.

Revenue estimates may change as a result of:

- Ongoing adjustments to the Assessor's AV and new construction estimates;
- A Board decision to draw more heavily from reserves in order to support increased expenditures.

Motion/Action:

- No motion is required at this time.
- The Board must conduct the first Public Hearing on the proposed 2019 Operating Budget at the October 25, 2018 meeting.
- The Board may call for additional information, or make recommendations.

North Olympic Library System

2019 Operating Budget

WORKING

	2018 Approved Budget	2018 Projected Actual	2019 Proposed Budget
Operating Revenue			
Taxes	4,121,300	4,121,300	4,171,435
Intergovernmental Revenues	-	2,171	-
Goods and Services	22,300	24,900	24,500
Library Fines and Fees	36,900	35,700	34,000
Miscellaneous revenues			
Investment interest	52,200	122,300	130,000
Equipment rentals (short term)	-	-	-
Facilities rentals (short term)	3,000	3,300	3,300
Contributions and donations (1)	88,000	88,000	91,500
Other miscellaneous revenues	43,000	65,100	40,700
Total Miscellaneous Revenues	186,200	278,700	265,500
Nonrevenues (excises taxes) (2)	1,870	1,870	1,680
Transfers In	-	-	4,589
Grand Total Operating Revenue	4,368,570	4,464,641	4,501,704
Expenditures			
Personnel			
Salaries and wages	2,205,680	2,123,200	2,308,234
Benefits	958,150	895,300	971,542
Total Personnel	3,163,830	3,018,500	3,279,776
Supplies			
Collection Materials	471,973	460,000	476,692
Supplies, office and operating (1)	112,120	113,300	113,820
Fuel	4,000	5,100	5,000
Merchandise purchased for resale	850	850	3,200
Small Tools/Equipment (<$200)	1,750	1,100	1,500
Total Supplies	590,693	580,350	600,212

(1) Includes anticipated grants from Friends of the Library groups and other donors.

(2) Taxes paid for purchases which did not include tax when tax was due. For example, online purchases made by credit card.

North Olympic Library System

2019 Operating Budget

WORKING

	2018 Approved Budget	2018 Projected Actual	2019 Proposed Budget
Services			
Professional services [1]	164,014	164,000	178,089
Communication	136,820	143,400	135,400
Travel	25,800	18,400	19,700
Taxes and operating assessments	2,350	2,239	2,750
Operating rentals and leases	165	600	765
Insurance	42,590	45,260	54,300
Utilities	102,065	90,800	100,037
Repair and maintenance	107,565	97,100	105,165
Miscellaneous services	11,565	11,500	23,130
Total Services	592,934	573,299	619,336
Intergovernmental services	12,700	12,700	700
Nonexpenditures (excise taxes) [2]	1,870	1,870	1,680
Total Operating Expenses	4,362,027	4,186,719	4,501,704

(1) Includes anticipated grants from Friends of the Library groups and other donors.

(2) Taxes paid for purchases which did not include tax when tax was due. For example, online purchases made by credit card.

Transfers out			
To Budget reserve fund	-	-	-
Total Transfers Out	6,543	277,922	-
Total Expenditures	4,368,570	4,464,641	4,501,704

NOLS
NORTH OLYMPIC
LIBRARY
SYSTEM

2019
BUDGET GUIDELINES

With the 2019 Operating and Capital Budget, the Library Board of Trustees will be a responsible steward of the Library's public and private funds, and manage NOLS resources prudently.

1. Having fulfilled its pledge to the voters by completing implementation of the 2012 (business) Plan, the Board now recognizes the need to move forward in a manner consistent with current fiscal realities and evolving objectives.

2. Working within available resources, the budget will emphasize services, programs and projects that respond to community needs and support the Library's Strategic Roadmap.

3. The Board agrees that prudence and fiscal responsibility require that operational efficiencies will be continually sought, identified, and swiftly implemented wherever appropriate.

4. The Library will maintain Board Designated Reserve Accounts as described in Fiscal Management Policy 5.15.

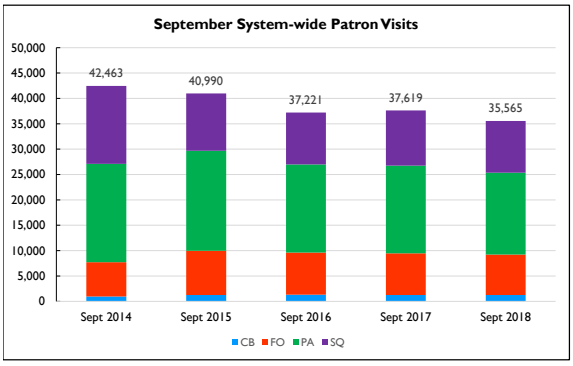
5. The Board has designated capital reserve funds, to be utilized in conjunction with voter approved bonds, for capital expansion of the Sequim Branch Library. If such bonds are approved in November of 2018, the designated reserve allocations will be expended for the Sequim Branch capital project.

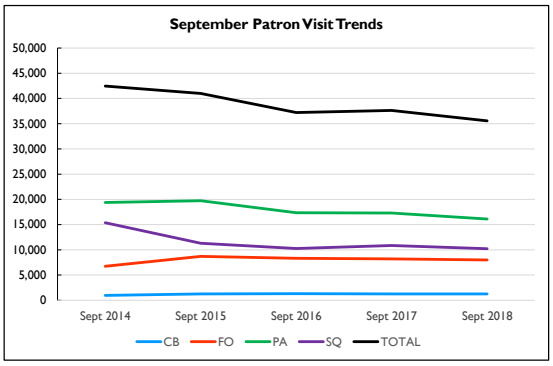
Adopted by the NOLS Board of Trustees
September 27, 2018

September 2018
Monthly Statistics Report

Patron Visits

	2018	% of System
PA	16,108	45.3%
SQ	10,219	28.7%
FO	7,983	22.4%
CB	1,255	3.5%
Total	35,565	100.0%

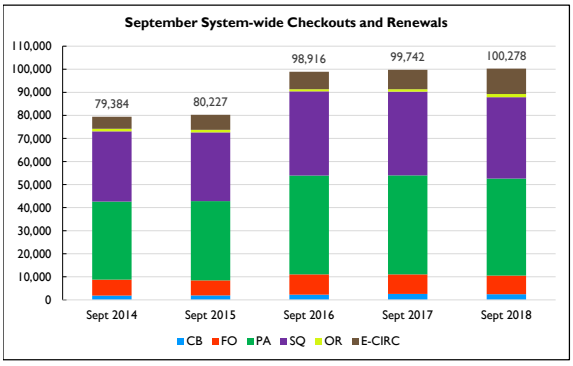


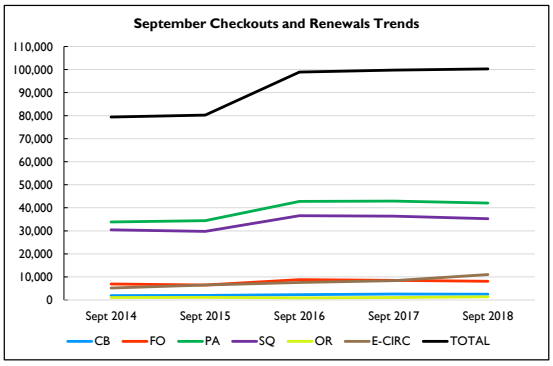


* All NOLS locations were closed one day in Septmeber 2018 for an All Staff Training. The training was held in October the previous two years.

Checkouts & Renewals

	2018	% of System
PA	42,063	41.9%
Self	*44%*	
SQ	35,239	35.1%
Self	*46%*	
FO	8,082	8.1%
Self	*14%*	
CB	2,489	2.5%
OR	1,380	1.4%
E Circ	11,025	11.0%
Total	100,278	100.0%

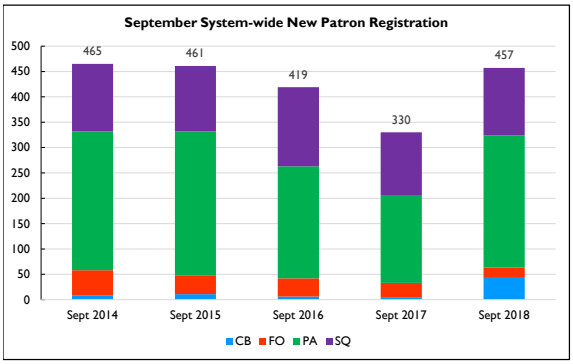


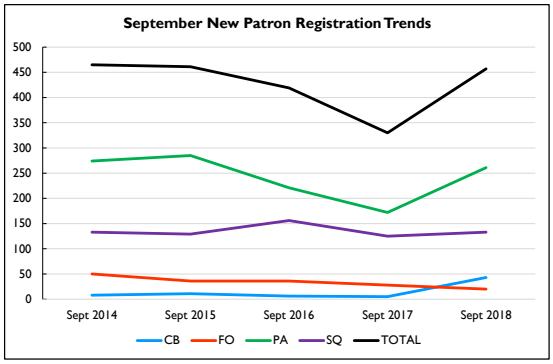


* Automatic renewals began in April 2016.

New Patron Registration

	2018	% of System
PA	261	57.1%
SQ	133	29.1%
FO	20	4.4%
CB	43	9.4%
Total	457	100.0%





Library Programs

	Programs/Attendees	% of System
PA	23/879	49%/53%
SQ	11/264	23%/16%
FO	8/332	17%/20%
CB	5/172	11%/10%
Total	47/1647	100%/100%

Public Meetings

	Meetings/Attendees	% of System
PA	38/436	33%/36%
SQ	49/676	42%/55%
FO	27/104	23%/9%
CB	2/7	2%/1%
Total	116/1223	100%/100%

Computer Prints Made

	# of Prints	% of System
PA	5,031	45.5%
SQ	4,127	37.3%
FO	1,220	11.0%
CB	673	6.1%
Total	11,051	100.0%

Public Computer Use

	# of Computer Hours	% of Total Available Hours in Use
PA	2,909	43.9%
SQ	1,285	47.8%
FO	764	32.2%
CB	124	15.1%
Total	5,082	40.6%

Wi-Fi Access

System-wide Total	4,221

Website Visits

From outside the Library	15,470
From inside the Library	13,239
Avg. # of pages visited	2

Volunteers

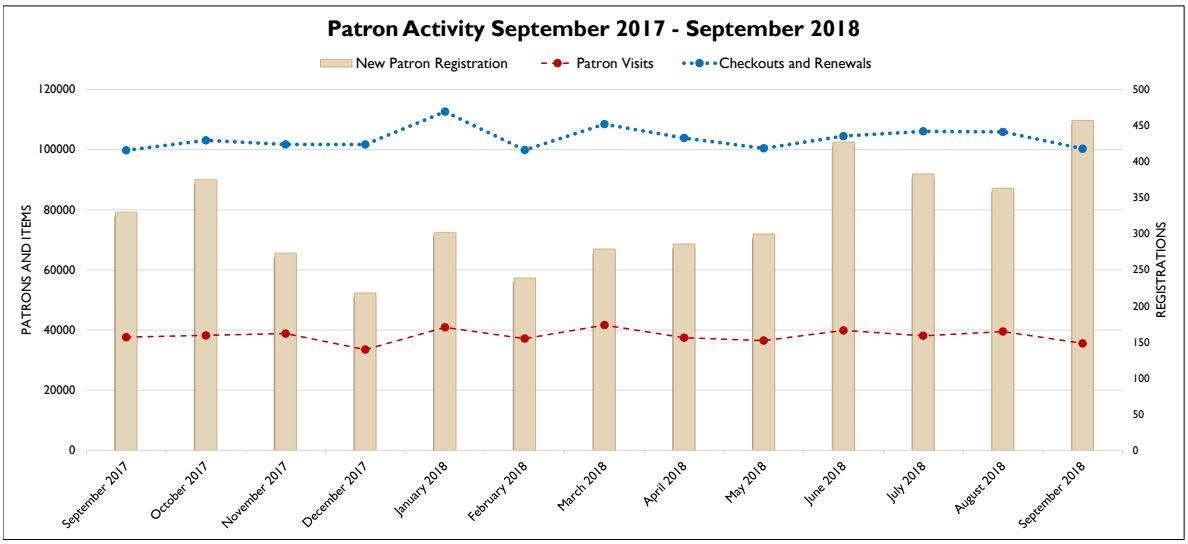
	Volunteer Hours	# of Volunteers
PA	129.55	37
SQ	21.5	4
FO	1.5	1
CB	0	0
OR	40.5	9
NOLS	8.75	1
Total	202	52

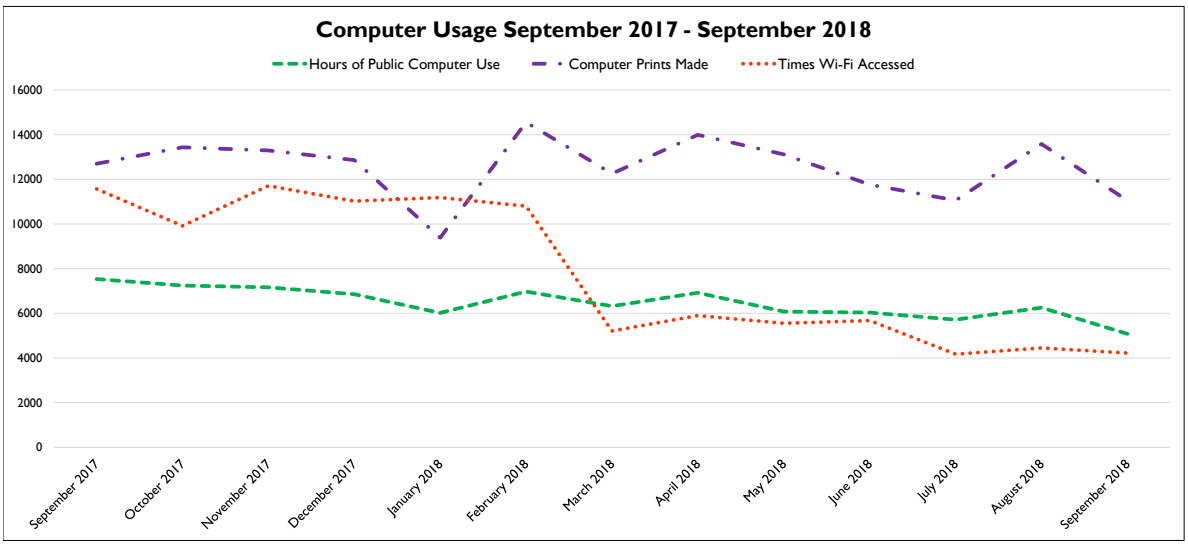
Outreach Services

Deliveries to the Homebound	237
New Patrons w/ Delivery Services	2

Interlibrary Loan Services

Items borrowed from other libraries	180
Items loaned to other libraries	118





* In May of 2017 the process that NOLS uses to collect Wi-Fi stats was changed from measuring user sessions to tracking all individual connections that are used to access Wi-Fi. On average, the individual connections data is larger, includes more measuring items, and can be increased by regular IT maintenance to servers. Starting in February of 2018, NOLS went back to measuring Wi-Fi data by examining individual sessions.

Significant Events During the Past 13 Months:

August 2017 - Nearly half of the public computers at the Port Angeles Main Library were unavailable during a two week renovation project.

October 2017 - All NOLS locations closed one day for staff training

November 2017 - The Sequim Branch Library's patron visit counter malfunctioned, resulting in an inaccurate count.

February-April 2018 - Tax Season

March 2018 - Large Print, Magazine and Reference collections unavailable at the Port Angeles Main Library during a two week renovation project.

June 2018 - Summer Reading Program begins

September 2018 - All NOLS locations closed one dat for staff training (held in October the previous year)

Monthly Activity Report

Meeting Date: October 25, 2018
To: Library Board of Trustees
From: Library Director and Staff
Subject: Monthly activity report for September 2018

Port Angeles Main Library

Jina Felton, Port Angeles Operations Manager

With the beginning of the school year, a number of programs started back up including Battle of the Books for 4th graders and Storytimes for babies, toddlers and preschoolers. A special Storytime on the Road was held at the Port Angeles Farmer's Market on Saturday, September 8, with more than 40 people in attendance.

Later in the month, nearly 300 first grade students from Crescent, Jefferson, Hamilton, Roosevelt, and Franklin Elementary Schools helped the Port Angeles Main Library celebrate National Library Card Sign-Up Month at a community-wide celebration of books and reading. Port Angeles Mayor Sissi Bruch and Library Director Margaret Jakubcin kicked off the event with short speeches about the magic of reading and the library, and Port Angeles High School Students led first graders in some reading cheers. Local celebrity guest readers shared picture books with classes. All students who attended received a copy of *Frog and Toad Are Friends* by Arnold Lobel and a library book bag, generously funded by the Port Angeles Friends of the Library.

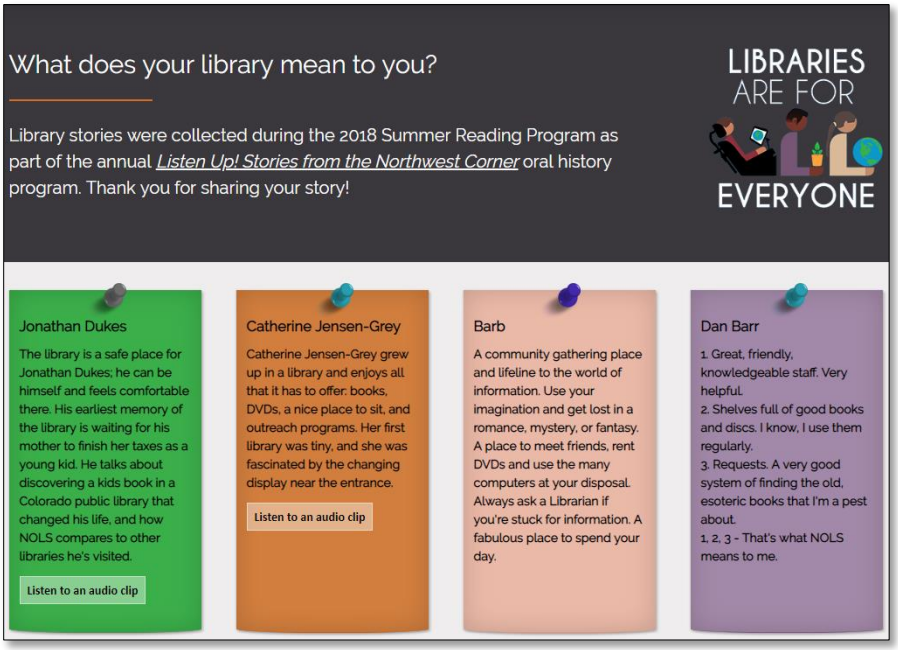
A big shout out to over 30 community members who volunteered for the event. Guest readers included Mayor Sissi Bruch, Officer Jeff Ordoña of the Port Angeles Police Department, Port Angeles Fire Department Chief Ken Dubuc, Olympic National Park Ranger Dean Butterworth, Poser Yoga Studio Owner Jenny Houston, Tamara Galvan of the Feiro Marine Life Center (plus a sea otter from First Federal Bank), author Lisa Mantchev, dentist Dr. Kirsti Turella, Port Angeles Symphony Director Jonathan Pasternack, Peninsula College's Grace Kendall, representatives from the Coast Guard, and community member Dr. Darlene Clemens. Volunteers from the Port Angeles High School cheerleading squad, Wells Fargo, United Way of Clallam County, and the Coast Guard assisted with the event as well to keep things moving.

September is Library Card Sign-up Month, a time when the American Library Association (ALA) and libraries nationwide join together to remind parents, caregivers and students that signing up for a library card is the first step towards academic achievement and lifelong learning. Port Angeles Main Library's Celebration of the Book is part of the library's ongoing efforts to encourage families and students to use the library. As a result of the event over 80 new library cards were issued.

Other programs during the month of September included:

- Financial Planning presented by Ray Chirayath – 4 participants
- Sourdough Starter presented by local author Victoria Miller – 58 participants
- Conflict Resolution presented by Laura O'Neal – 19 participants
- 3 Port Angeles High School Book Club meetings led by Youth Services Librarian Mary Givins – 77 participants
- Second Tuesday Book Group reading *The Handmaid's Tale* by Margaret Atwood and *On Tyranny* by Michael Snyder – 8 participants
- PALS Book Group reading *Hunger* by Roxane Gay – 8 participants

Apart from programming, Librarian Danielle Lepping also hosted a Library Card Sign-up Table at Peninsula College during the first week of fall quarter. Youth Services Librarian Jennifer Knight attended a Conversation Café meeting hosted by First Step Family Support focused on combatting early childhood trauma. Librarian Sarah Morrison attended a web meeting for the Washington Anytime Library Government Task Force. Librarian Danielle Lepping worked with Digital Resources Coordinator Bryan Johnson to launch the new portal page Library Stories on the NOLS website. The fun and friendly patron comments also link to the latest interviews collected for the *Listen Up!* Oral History Program featuring library stories and memories.



A number of training opportunities were also available to staff throughout the month. Several staff attended a "Cultural Competence: Addressing Race Relations in the 21st Century" training offered by the Washington State Library. All staff attended the Fall All Staff Training Day on September 13. Attendees learned about Problem Solving the Washington Way, a technique that focuses on gathering all possible data before jumping to solutions. Gill Orr presented on Employee Self-care and Mental Health. Elizabeth Iaukea from the Washington State Library gave an overview of the services provided by the State Library. Technical Services Manager Erin Shield shared a video demonstrating A Day in the Life of Technical Services. Director Margaret Jakubcin gave an update on the Sequim Future Library project. And staff had a number of team building opportunities throughout the day.

Sequim Branch Library

Emily Sly, Library Manager

September brings the return of school-year programming at the library, and it's been fun to get back into the rhythm of busy weekday afternoons, with students walking to the library after school. Following a short break after Summer Reading Program, the regular schedule of storytimes started up again. Preschool Storytime and Wiggly Storytime continue on Wednesday and Thursday mornings, respectively. Evening Storytime is being offered for a 5-week session, and has been attended by enthusiastic parents and kids.

Patti shared details about Battle of the Books to nine 4th grade classrooms (at Greywolf and Helen Haller). All Sequim staff attended the Fall All Staff Day held at the PA Main Library. Programs included: Intro to Financial Planning with Ray Chirayath (also offered in Port Angeles), and Sourdough Starter presented by local author Victoria Miller (offered at all 4 NOLS libraries).

Liz Duval attended *Cultural Competence: Addressing Race Relations in the 21st Century*, a training offered by Washington State Library. Patti Swingle attended *Leap into Science* workshop offered by Washington State Library. Emily attended a Youth Services Task Force meeting with the City of Sequim, Management Team meeting, and Sequim Chamber of Commerce meetings. She provided information about the Sequim Future Library Project to FOSL booksale attendees at the Second Saturday Booksale, tabled at a Senior Center Open House and at the Sequim Prairie Grange at the Things to Do in Sequim event. Jessica Raivo participated in the Fall All Staff Training Day committee.

West End Branches (Forks and Clallam Bay)

Theresa Tetreau, Library Manager

September happenings at the West End branches included the launch of new programs and a fresh start for some long-standing favorites.

The first in a series of *Read & Eat* gatherings took place in both Forks and Clallam Bay. *Read & Eat* is a book discussion with a tasty twist. Participants are encouraged to checkout a cookbook of their choice and prepare a recipe. At the gathering they share samples and discuss their opinions of the cookbooks. Each month has a different theme with September featuring seasonal cooking. CSS III Jennifer is facilitating *Read & Eat* and uses the opportunity to promote a variety of library resources with appeal for anyone interested in cooking, nutrition or eating. The first *Read & Eat* gathering also deliberately coincided with Governor Inslee's proclamation declaring September as Food Literacy Month.

Local author Victoria Miller presented a well-received program during Food Literacy Month as well. Using techniques from her popular book *From No-Knead to Sourdough: a simpler approach to handmade bread* Victoria shared ideas for successfully using sourdough starter to make delicious recipes. Attendance at both Forks and Clallam Bay topped 25 and participants.

Youth Services Librarian Mary Givins attended a Back-to-School Night for bilingual families at Forks Elementary School and promoted library services to more than 70 attendees.

In addition to resuming Family Storytimes after summer hiatus, Youth Services Specialist Jennifer Lu' Becke made a presentation to 179 Forks Middle School students and teachers to generate enthusiasm for the next round of *Book Wars.* She also met with 85 fourth graders preparing for *Battle of the Books* in Forks and La Push. In Clallam Bay 37 students were delighted to resume weekly class visits to the library. Even more exciting was the *Dino Dig* program that happened at the Clallam Bay branch on September 20. The Burke Museum returned to NOLS for this special program that inspired 112 young paleontologists.

Theresa Tetreau, Jennifer Doherty and Kathy Huering all attended a WSL training session "Cultural Competence: Addressing Race Relations in the 21st Century". Each came away with new perspectives on how race and culture impact our communities.

Theresa also met with the *Clallam County Reads* committee to begin planning for a 2019 community reading event. Even though *Clallam County Reads* events won't begin until October of next year preparations are already underway for a bold, inclusive, inspiring program.

CSS III Adele Kelly did her part to make the September 13th Fall All Staff Training Day a success. Adele has been the West End representative on the ASTD committee for two years. She and the other team members really deserve kudos for organizing informative, useful training days that nurture imagination, connection and understanding. Well done!

Facilities Department

Brian Phillips, Facilities Manager

NOLS bid a sad adieu this month to Facilities Tech 2 Jonathan Schenefeld. After four years with NOLS Facilities, Jonathan has moved on to fulfill his dreams by helping to manage a local counseling firm. Jonathan was great to work with and he will be missed. On behalf of NOLS, many thanks to Jonathan for all the greatly needed hard work maintaining NOLS facilities!

Also in September, Facilities enjoyed an excellent opportunity to participate with staff at-large in the Fall All Staff Training Day. Training this year focused on problem solving. Well, solving problems is always a hot topic in Facilities, so there will no doubt be many opportunities for Facilities staff to try out the newly learned techniques. And as always, it's great to spend the day learning new things with staff from other departments who we normally don't get to work with. Thank you NOLS.

Port Angeles Main Library: HVAC maintenance completed; pumped-out thirteen parking lot drain basins; shoveled out six yard drain basins; winterized irrigation system; Facilities Tech Jeff Clark rebuilt and installed two picnic tables; replaced several Carver Room chair seats; set-up event stage in Living Room; mowed lawn.

Sequim Library: Rekeyed building; tested fire alarm system and replaced a faulty smoke detector; replaced FOSL building light fixture; repaired multipurpose meeting room dividing wall; trimmed hedges; cleaned chairs; cleaned out refrigerator.

Forks Library: Restriped parking lot; removed carpet stains.

Clallam Bay Library: Cleaned out parking lot catch basin; restriped parking lot; installed ballot box; replaced ballast in restroom; cleaned-up landscape beds;

Facilities Annex: Installed key box; numbered and reorganized supply cabinets.

Other: Brian attended Management Team meeting and drafted a Disaster Response Team plan; Stuart replenished Ford van fluids.

Outreach to Homebound Program

Jina Felton, Outreach Program Manager

During the month of September, 237 deliveries were made to homebound patrons and 2 new patrons registered for outreach services. Customer Service Specialist Debbie Pridgen shared information about NOLS and Outreach Services with people attending the Vision Loss Fair in Sequim.

Information Technology (IT) Department

Gabe Kitts, IT Manager

In September, the IT team worked with management and State auditors during an inventory of IT Small Attractive Assets and other general IT inventory throughout NOLS. We implemented Belarc scans on individual computers to help track components in workstations. IT also began restructuring its general inventory practices and organized a new database solution for inventory tracking.

Visits were made to all branches to perform upgrades and maintenance on workstations and resolve general IT issues as needed. The IT team helped compile analytics reports for the website and catalog. We continued to maintain the NOLS web servers, while working with WebTeam completing a collection of web projects. Specifically, a new web presence was developed to help highlight a collection of notes that were submitted by patrons over the summer and a web page for TumbleBookCloud, which is the latest online resource offered by the library. Also, a new plugin was implemented to help provide Facebook and SEO web descriptions. Information regarding the library's emergency response plan was discussed among

the response team and items for the plan were drafted, which includes specs for an emergency response web presence.
The IT team continued to perform all regular software updates and helped solve all hardware related issues that occurred. We replaced an aging hard drive in GEN#2 at the Port Angeles Main Library and installed new iPad catalogs in Forks. The IT Department continued upgrading server equipment to replace deprecated servers.

The new inventory database has been implemented and hosted on site. It allows IT to track computer components, accessories, and workstations, including what staff have been assigned. Paired with hardware reports, IT will be able to locate and track all levels of equipment and assets across the system. Data entry and organization are currently underway.

An updated version of our anti-malware solution was put in place as part of upgrading our Windows Updates method for staff workstations. It is set to alert IT staff if any malware is found on NOLS computers and automatically take measures to clean and contain it.

Technical Services Department

Erin Shield, Technical Services Manager

September was a busy month for Technical Services with lots of materials being ordered and received. Preliminary departmental budget numbers were collected for 2019. The cataloging team finished working on the Archival Map collection project. These are items that have mostly not been cataloged and are important pieces of local history. In his spare time Mark is working through getting all of the archival maps encapsulated in mylar when he's not processing new material.

2180 physical items were processed and available for customers in the month of September. This is the most items processed in a single month so far this year - over 200 items more than the next-busiest month. In addition to the physical items, 633 downloadable titles were added. 166 print items were repaired including 87 items that were recataloged. 77 media items were resurfaced or repaired to extend their lives. 115 items were donated and added to the collection.

Carol put in 3 hours on the Health and Safety committee. Wendy worked 8 hours in Outreach during the month of September. Cindy spent 9 hours on Web Team responsibilities. The whole department attended the Fall All Staff Training Day. Erin met with the Literacy Council, the Clallam County Reads team, the Polaris team, and Management Team.

Volunteer Program

Theresa Tetreau, Volunteer Program Manager

We had 37 volunteers in PA, 4 in Sequim, 1 in Forks, 9 in Outreach and 1 in Technical Services, for a total of 201.8 system-wide volunteer hours. More than 30 volunteers, including representatives from the United States Coast Guard, Wells Fargo Bank, the United Way and Port Angeles High School, assisted with the First Grade Celebration of the Book event in Port

Angeles. It was truly a community event with people coming together to support the Library's mission and share the joy of reading with first graders.

Administrative Operations Department

Human Resources

Shaina Rajala, Administrative Operations Assistant

Recruitments:

- On-Call Shelver – PA
- Facilities Technician II - FAC

New Hires:

- Terry Parks – On-Call Shelver - PA

Separations:

- Jonathan Schenefeld – Facilities Technician II – FAC

Financial Operations

John DeFrancisco, Financial Operations Manager

During the month of September the Washington State Auditor's Office completed their bi-annual Accountability and Financial Statements Audits of NOLS for the years 2016 and 2017. The SAO gave NOLS an "Unmodified Opinion" which is the highest rating a cash basis entity can receive. John participated in the Entrance and Exit Conferences and functioned as the main point of contact for the audit which lasted about three weeks.

During September John also participated in a Finance Committee meeting, the kickoff meeting with our labor negotiator, All Staff Training Day and MTeam meeting. September is also when the Washington Finance Officers Association has their annual three day conference which John attended in Vancouver, Washington.

Accounting Statistics for September:

- 119 Vouchers
- 76 CC Transactions
- 6 Revolving Fund Checks
- 5 Payroll EFT
- 1 Department of Revenue EFT
- 67 Payroll Pays

Public Communications

Kate Radigan, Public Communications Coordinator

September was a very busy month with an unprecedented amount of programs, events, and other exciting news happening throughout NOLS, mostly involving fall event planning and rolling out Youth Services programs for the new school year!

- Publicity for system-wide *Book Wars* and *Battle of the Books* was created, as well as for other exciting YS programs including *Trashy Fashion* in PA, a new monthly YS program in FO: *Books & Cookies*, kids art and science programs in Sequim, and much more.
- Storytime information was translated into Spanish (with the help and patience of Mary G) and made available as bilingual double-sided flyers for each branch in addition to the role-out of the new Fiesta Familiar program in Forks.
- 19 news releases were sent as well as an *Off the Shelf* article for the Sequim Gazette
- A fourth issue of the Outreach Newsletter was published and distributed
- A Call for Artists for the October PA *Art in the Library* exhibit was created
- Took photos at the First Grade Celebration of Books event, and created media to follow.

Assistant Director's Report

Noah Glaude, Assistant Director

Significant projects Noah worked on during the month of September included:

- 2019 Work Plan and Budget Development
- All Staff Training Day
- Union Negotiations
- PA Forward Committee Meeting
- Emerald Coast Opportunity Zone Workshop

Director's Report

Margaret Jakubcin, Library Director

Significant projects and meetings this month included:

- Revamping asset management and inventory procedures
- 2018 Budget prep
- Library activities related to SQ ballot measures
- State Audit activities
- Collective Bargaining planning and meetings
- Fiscal Business Plan planning
- All Staff Training Day
- Finance Committee meeting prep and meetings

- Audit entrance and exit interviews
- Coffee Chat with new PA School Superintendent
- Celebration of the Book (cameo appearance)
- MTeam, NOLF, and NOLS Board, and Sequim Branch meetings
- Rural Broadband Convening meeting

2018 Highlight Log

(September, 2018)

The Highlight Log provides an intranet location for NOLS staff to share uplifting anecdotes and patron comments. It was created in 2016 to provide an emotional counter-balance to the DE Log, which is used to track and document disruptive events in that occur in the library. It provides an interesting glimpse into community perceptions about the Library. The following is a list of Highlights logged during the past month.

09/01/2018 Port Angeles
While his younger sister was entranced by the soft train on the Woman Warrior sculpture, a young man theorized that it must be a very famous piece of art and then asked his mom, "How famous is it?"

09/05/2018 Sequim
Sequim staff was brought lunch yesterday by our lovely patron who treats us monthly. I told him that he spoiled us and he replied, "Well, y'all staff are my family". So sweet (and if you're curious, it was fried chicken, 3 types of salad, to Marion berry pies and 2 types of iced tea).

09/01/2018 Port Angeles
Father speaking to very young daughter in front of "warrior" art piece: "You know this is how women are, this is who you are". He thanked NOLS for all we offer his children. They were still talking about the piece as they went out the door.

09/24/2018 Sequim
A woman lost her wallet with over $200 in cash and all her credit cards. I searched everywhere and could not find it. An hour after she left, someone brought it up and everything was still in it. She was so happy!

09/27/2018 Port Angeles
A frequent patron came in this evening. She was excited by a hold she had been waiting for, happily wrote down two new title suggestions, commented on the Wonder Woman warrior sculpture and said aloud on her way out the door, "We love our library"! So many positive experiences and she was barely in the building five minutes!

09/28/2018 Forks
A patron called and wanted to offer support for all the new and interesting programs offered by the library. She said, "I just love that the library is branching out and keeping up the hard work"!

Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report

North Olympic Library System

For the period January 1, 2016 through December 31, 2017

Published September 20, 2018

Report No. 1022187

Office of the Washington State Auditor
Pat McCarthy

September 20, 2018

Board of Trustees
North Olympic Library System
Port Angeles, Washington

Report on Accountability

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role of providing state and local governments with assurance and accountability as the independent auditor of public accounts. In this way, we strive to help government work better, cost less, deliver higher value and earn greater public trust.

Independent audits provide essential accountability and transparency for District operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

The attached comprises our independent audit report on the District's compliance with applicable requirements and safeguarding of public resources for the areas we examined. We appreciate the opportunity to work with your staff and we value your cooperation during the audit.

Sincerely,

Pat McCarthy

State Auditor

Olympia, WA

Insurance Building, P.O. Box 40021 • Olympia, Washington 98504-0021 • (360) 902-0370 • Pat.McCarthy@sao.wa.gov

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AUDIT RESULTS

This report describes the overall results and conclusions for the areas we examined. In those selected areas, District operations complied with applicable state laws, regulations, and its own policies, and provided adequate controls over the safeguarding of public resources.

About the audit

This report contains the results of our independent accountability audit of the North Olympic Library System from January 1, 2016 through December 31, 2017.

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, loss or abuse. This includes the design, implementation and maintenance of internal controls relevant to these objectives.

This audit was conducted under the authority of RCW 43.09.260, which requires the Office of the State Auditor to examine the financial affairs of all local governments. Our audit involved performing procedures to obtain evidence about the District's uses of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters.

In keeping with general auditing practices, we do not examine every transaction, activity or area. Instead, based on our risk assessment for the years ended December 31, 2017 and 2016, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Annual report filing
- Self-insurance – unemployment
- General disbursements
- Safeguarding of small and attractive assets such as computers
- Procurement – purchases, emergency declaration and prevailing wages

RELATED REPORTS

Financial

Our opinion on the District's financial statements is provided in a separate report, which includes the District's financial statements. That report is available on our website, http://portal.sao.wa.gov/ReportSearch.

INFORMATION ABOUT THE DISTRICT

The North Olympic Library System serves approximately 72,350 citizens in Clallam County. It provides services in libraries located in Port Angeles, Sequim, Forks and Clallam Bay.

An appointed, five-member Board of Trustees governs the District. Board Members are appointed by the Clallam County Commissioners. The Board appoints a Director to oversee the District's daily operations as well as its 60 employees. The District had annual operating revenues of approximately $5.7 million and $5.6 million for 2017 and 2016, respectively.

Contact information related to this report	
Address:	North Olympic Library System 2210 S. Peabody Port Angeles, WA 98362
Contact:	John DeFrancisco, Financial Operations Manager
Telephone:	360-417-8500 x7711
Website:	www.nols.org

Information current as of report publish date.

Audit history

You can find current and past audit reports for the North Olympic Library System at http://portal.sao.wa.gov/ReportSearch.

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

Office of the Washington State Auditor

Pat McCarthy

Financial Statements Audit Report

North Olympic Library System

For the period January 1, 2016 through December 31, 2017

Published September 20, 2018

Report No. 1022188

Office of the Washington State Auditor
Pat McCarthy

September 20, 2018

Board of Trustees
North Olympic Library System
Port Angeles, Washington

Report on Financial Statements

Please find attached our report on the North Olympic Library System's financial statements.

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

Sincerely,

Pat McCarthy

State Auditor

Olympia, WA

Insurance Building, P.O. Box 40021 • Olympia, Washington 98504-0021 • (360) 902-0370 • Pat.McCarthy@sao.wa.gov

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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*

North Olympic Library System
January 1, 2016 through December 31, 2017

Board of Trustees
North Olympic Library System
Port Angeles, 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 North Olympic Library System, as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated September 12, 2018.

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.

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.

Pat McCarthy

State Auditor

Olympia, WA

September 12, 2018

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

North Olympic Library System
January 1, 2016 through December 31, 2017

Board of Trustees
North Olympic Library System
Port Angeles, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the North Olympic Library System, for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the District's financial statements, as listed on page 10.

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 North Olympic Library System 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 financial position and results of operations of the North Olympic Library System, for the years ended December 31, 2017 and 2016, 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 North Olympic Library System, as of December 31, 2017 and 2016, 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.

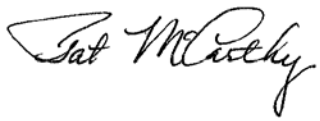
Other Matters

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 September 12, 2018 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.



Pat McCarthy

State Auditor

Olympia, WA

September 12, 2018

FINANCIAL SECTION

North Olympic Library System
January 1, 2016 through December 31, 2017

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2017
Fund Resources and Uses Arising from Cash Transactions – 2016
Notes to Financial Statements – 2017
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SUPPLEMENTARY AND OTHER INFORMATION

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Schedule of Liabilities – 2016

North Olympic Library System
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2017

Beginning Cash and Investments		
30810	Reserved	1,515,724
30880	Unreserved	6,350,404
388 / 588	Prior Period Adjustments, Net	-
Revenues		
310	Taxes	3,865,950
320	Licenses and Permits	-
330	Intergovernmental Revenues	538,317
340	Charges for Goods and Services	24,018
350	Fines and Penalties	34,339
360	Miscellaneous Revenues	266,466
Total Revenues:		4,729,090
Expenditures		
570	Culture and Recreation	3,944,138
Total Expenditures:		3,944,138
Excess (Deficiency) Revenues over Expenditures:		784,952
Other Increases in Fund Resources		
391-393, 596	Debt Proceeds	-
397	Transfers-In	-
385	Special or Extraordinary Items	-
386 / 389	Custodial Activities	1,900
381, 395, 398	Other Resources	9,360
Total Other Increases in Fund Resources:		11,260
Other Decreases in Fund Resources		
594-595	Capital Expenditures	259,870
591-593, 599	Debt Service	-
597	Transfers-Out	-
585	Special or Extraordinary Items	-
586 / 589	Custodial Activities	1,894
Total Other Decreases in Fund Resources:		261,764
Increase (Decrease) in Cash and Investments:		**534,448**
Ending Cash and Investments		
5081000	Reserved	1,485,137
5088000	Unreserved	6,915,439
Total Ending Cash and Investments		**8,400,576**

The accompanying notes are an integral part of this statement.

North Olympic Library System
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2016

Beginning Cash and Investments		
30810	Reserved	1,606,394
30880	Unreserved	5,767,438
388 / 588	Prior Period Adjustments, Net	-
Revenues		
310	Taxes	3,614,614
320	Licenses and Permits	-
330	Intergovernmental Revenues	548,292
340	Charges for Goods and Services	23,564
350	Fines and Penalties	41,114
360	Miscellaneous Revenues	365,293
Total Revenues:		4,592,877
Expenditures		
570	Culture and Recreation	3,809,474
Total Expenditures:		3,809,474
Excess (Deficiency) Revenues over Expenditures:		783,403
Other Increases in Fund Resources		
391-393, 596	Debt Proceeds	-
397	Transfers-In	-
385	Special or Extraordinary Items	-
386 / 389	Custodial Activities	1,860
381, 395, 398	Other Resources	-
Total Other Increases in Fund Resources:		1,860
Other Decreases in Fund Resources		
594-595	Capital Expenditures	291,091
591-593, 599	Debt Service	-
597	Transfers-Out	-
585	Special or Extraordinary Items	-
586 / 589	Custodial Activities	1,876
Total Other Decreases in Fund Resources:		292,967
Increase (Decrease) in Cash and Investments:		**492,296**
Ending Cash and Investments		
5081000	Reserved	1,515,724
5088000	Unreserved	6,350,404
Total Ending Cash and Investments		**7,866,128**

The accompanying notes are an integral part of this statement.

Notes to Financial Statements

For the Year Ended December 31, 2017

Note 1 – Summary of Significant Accounting Policies

The North Olympic Library System was incorporated on January 4, 1973 and operates under the laws of the state of Washington applicable to a library district. The North Olympic Library System is a special purpose government that provides library services to the general public.

The North Olympic Library System 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 government 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:

GOVERNMENTAL FUND TYPES:

General Fund

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

B. Basis of Accounting and Measurement Focus

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received and expenditures are recognized when paid.

C. Cash and Investments

See Note 2, *Deposits and Investments.*

D. Collection Materials

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

E. Capital Assets

Capital assets are assets with an initial individual cost of more than $2,000 and an estimated useful life in excess of 1 year. The capital assets of the district are recorded as expenditures when purchased.

F. Compensated Absences

Vacation pay may accumulate up to 225 hours and is payable upon separation or retirement. The District's estimated liability for vacation leave termination benefits on December 31, 2017 was $167,589.

Sick leave may accumulate indefinitely. Upon separation or retirement employees in good standing with at least five years of continuous service receive payment for 20% of unused sick leave hours at his or her final pay rate. The District's estimated liability for sick leave termination benefits on December 31, 2017 was $41,870.

Management leave may accumulate up to 75 hours and is payable upon separation or retirement. The District's estimated liability for management leave termination benefits on December 31, 2017 was $12,569.

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 the Board of Trustees. When expenditures that meet restrictions are incurred, the North Olympic Library System intends to use reserved resources first before using unreserved amounts.

Reservations of Ending Cash and Investments consist of:

Internal restrictions: A 1999 lease agreement with the City of Port Angeles for the Port Angeles Main Library building required the District to set aside a facility maintenance fund during the life of the 17-year lease ended in 2016. North Olympic Library System's Board of Trustees elected to retain $1,062,776 in the sinking fund for the purpose of facility maintenance which is invested in two Certificates of Deposit.

Additionally, the District holds bequest funds whose use is restricted by the donor. As of December 31, 2017, these funds total $422,361.

Note 2 – Deposits and Investments

It is the North Olympic Library System's policy to invest all temporary cash surpluses.

All deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation and/or the Washington Public Deposit Protection Commission. All investments are held by the Clallam County Treasurer as its agent in the District's name. Investments by type at December 31, 2017 were as follows:

Type of Investment	*Balance*
Local Government Investment Pool	$6,908,674
Certificate of Deposit	577,207
Certificate of Deposit	485,569
Certificate of Deposit	219,108
Certificate of Deposit	203,253
Total	$8,393,811

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 after the end of each month.

Property tax revenues are recognized when cash is received by the North Olympic Library System. 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 $.5000000000 per $1,000 on an assessed valuation of $7,697,314,552 for a total regular levy of $3,848,657.

Note 4 – Debt Service Requirements

The accompanying Schedule of Long-Term Liabilities (09) provides more details of the outstanding debt and liabilities of the district and summarizes the district's debt transactions for the year ended December 31, 2017.

The District has no liabilities subject to debt service requirements.

Note 5 – Pension Plans

Substantially all of the North Olympic Library System's full-time and qualifying part-time employees participate in the Public Employees Retirement System (PERS) plans administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans.

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 North Olympic Library System's proportionate share of the collective net pension liabilities, as reported on the Schedule 09, was as follows:

	Allocation %	Liability (Asset)
PERS 1	0.015899%	754,420
PERS 2 and 3	0.019337%	671,868

Note 6 – Other Disclosures

A. North Olympic Library Foundation

Interested members of the public and the North Olympic Library System's Board of Trustees created the North Olympic Library Foundation in 2011 to support and aid the achievement of the goals and mission of the North Olympic Library System. One current and one former member of the Library Board of Trustees serve as members of the Foundation Board. The Library Director serves as an *ex officio* member of the Foundation Board.

The North Olympic Library Foundation contributed $4,000 to the North Olympic Library System in 2017.

B. Self Insurance

The North Olympic Library System retains the risk of payment of unemployment insurance for terminated or laid-off employees. The district made $1,586 in unemployment insurance payments in fiscal year 2017.

C. Insurance Pool Membership

North Olympic Library System is a member of Enduris. Chapter 48.62 RCW provides the exclusive source of local government entity authority to individually or jointly self-insure risks, jointly purchase insurance or reinsurance, and to contract for risk management, claims, and administrative services. Enduris was formed July 10, 1987 pursuant to the provisions of Chapter 48.62 RCW, Chapter 200-100 WAC, and Chapter 39.34 RCW. Two (2) counties and two (2) cities in the State of Washington joined together by signing an interlocal governmental agreement to fund their self-insured losses and jointly purchase insurance and administrative services. As of August 31, 2017, there are 540 Enduris members representing a broad array of special purpose districts throughout the state. Enduris provides property and liability coverage as well as risk management services and other related administrative services.

Members make an annual contribution to fund Enduris and share in the self-insured retention of the jointly purchased excess and/or reinsurance coverage. The self-insured retention is:

- $1,000,000 deductible on liability loss - the member is responsible for the first $1,000 of the deductible amount of each claim, while Enduris is responsible for the remaining $999,000 on a liability loss.
- $250,000 deductible on property loss - the member is responsible for the first $1,000 of the deductible amount of each claim, while Enduris is responsible for the remaining $249,000 on a property loss.
- Enduris is responsible for the $4,000 deductible on boiler and machinery loss.

Enduris acquires reinsurance from unrelated insurance companies on a "per occurrence" basis to cover all losses over the deductibles as shown on the policy maximum limits. Liability coverage is for all lines of liability coverage including Public Official's Liability. The Property coverage is written on an "all risk", blanket basis using current Statement of Values. The Property coverage includes but is not limited to mobile equipment, boiler and machinery, electronic data processing equipment, business interruption, course of construction and additions, property in transit, fine arts, cyber and automobile physical damage to insured vehicles. Liability coverage limit is $20 million per occurrence and property coverage limit is $1 billion per occurrence. Enduris offers crime coverage up to a limit of $1 million per occurrence.

Since Enduris is a cooperative program, there is a joint liability among the participating members.

The contract requires members to continue membership for a period of not less than one (1) year and must give notice 60 days before terminating participation. The Master Agreement (Intergovernmental Contract) is automatically renewed after the initial one (1) full fiscal year commitment. Even after termination, a member is still responsible for contribution to Enduris for any unresolved, unreported and in-process claims for the period they were a signatory to the Master Agreement.

Enduris is fully funded by its member participants. Claims are filed by members with Enduris and are administered in house.

A Board of Directors consisting of seven (7) board members governs Enduris. Its members elect the Board and the positions are filled on a rotating basis. The Board meets quarterly and is responsible for conducting the business affairs of Enduris.

Notes to Financial Statements

For the Year Ended December 31, 2016

Note 1 – Summary of Significant Accounting Policies

The North Olympic Library System was incorporated on January 4, 1973 and operates under the laws of the state of Washington applicable to a library district. The North Olympic Library System is a special purpose government that provides library services to the general public.

The North Olympic Library System 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 government 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:

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

B. Basis of Accounting and Measurement Focus

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received and expenditures are recognized when paid.

C. Cash and Investments

See Note 2, *Deposits and Investments.*

D. Collection Materials

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

E. Capital Assets

Capital assets are assets with an initial individual cost of more than $2,000 and an estimated useful life in excess of 1 year. The capital assets of the district are recorded as expenditures when purchased.

F. Compensated Absences

Vacation pay may accumulate up to 225 hours and is payable upon separation or retirement. The District's estimated liability for vacation leave termination benefits on December 31, 2016 was $155,289.

Sick leave may accumulate indefinitely. Upon separation or retirement employees in good standing with at least five years of continuous service receive payment for 20% of unused sick leave hours at his or her final pay rate. The District's estimated liability for sick leave termination benefits on December 31, 2016 was $39,751.

Management leave may accumulate up to 75 hours and is payable upon separation or retirement. The District's estimated liability for management leave termination benefits on December 31, 2016 was $9,922.

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 the Board of Trustees. When expenditures that meet restrictions are incurred, the North Olympic Library System intends to use reserved resources first before using unreserved amounts.

Reservations of Ending Cash and Investments consist of:

Internal restrictions: A 1999 lease agreement with the City of Port Angeles for the Port Angeles Main Library building required the District to set aside a facility maintenance fund during the life of the 17-year lease ended in 2016. North Olympic Library System's Board of Trustees elected to retain $1,053,036 in the sinking fund for the purpose of facility maintenance which is invested in two Certificates of Deposit.

Additionally, the District holds bequest funds whose use is restricted by the donor. As of December 31, 2016, these funds total $462,687.

Note 2 – Deposits and Investments

It is the North Olympic Library System's policy to invest all temporary cash surpluses.

All deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation and/or the Washington Public Deposit Protection Commission. All investments are held by the Clallam County Treasurer as its agent in the District's name. Investments by type at December 31, 2016 were as follows:

Type of Investment	*Balance*
Local Government Investment Pool	$6,343,640
Certificate of Deposit	567,467
Certificate of Deposit	485,569
Certificate of Deposit	223,578
Certificate of Deposit	239,109
Total	$7,859,363

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 after the end of each month.

Property tax revenues are recognized when cash is received by the North Olympic Library System. 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 2016 was $.4910477054 per $1,000 on an assessed valuation of $7,318,181,962 for a total regular levy of $3,593,576.

Note 4 – Debt Service Requirements

The accompanying Schedule of Long-Term Liabilities (09) provides more details of the outstanding debt and liabilities of the district and summarizes the district's debt transactions for the year ended December 31, 2016.

The District has no liabilities subject to debt service requirements.

Note 5 – Pension Plans

Substantially all of the North Olympic Library System's full-time and qualifying part-time employees participate in the Public Employees Retirement System (PERS) plans administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans.

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:

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Olympia, WA 98504-8380

Also, the DRS CAFR may be downloaded from the DRS website at www.drs.wa.gov.

At June 30, 2016 (the measurement date of the plans), the North Olympic Library System's proportionate share of the collective net pension liabilities, as reported on the Schedule 09, was as follows:

	Allocation %	Liability (Asset)
PERS 1	0.015699%	843,110
PERS 2 and 3	0.018999%	956,585

Note 6 – Other Disclosures

A. North Olympic Library Foundation

Interested members of the public and the North Olympic Library System's Board of Trustees created the North Olympic Library Foundation in 2011 to support and aid the achievement of the goals and mission of the North Olympic Library System. One current and one former member of the Library Board of Trustees serve as members of the Foundation Board. The Library Director serves as an *ex officio* member of the Foundation Board.

The North Olympic Library Foundation made no contributions to the North Olympic Library System in 2016.

B. Self Insurance

The North Olympic Library System retains the risk of payment of unemployment insurance for terminated or laid-off employees. The district made no unemployment insurance payments in fiscal year 2016.

North Olympic Library System
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	12/31/2017	204,962	17,066	-	222,028
264.30	Net Pension Liability	12/31/2017	1,799,695	-	373,407	1,426,288
	Total Revenue and Other (non G.O.) Debt/Liabilities:		**2,004,657**	**17,066**	**373,407**	**1,648,316**
	Total Liabilities:		**2,004,657**	**17,066**	**373,407**	**1,648,316**

North Olympic Library System
Schedule of Liabilities
For the Year Ended December 31, 2016

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	Compensated Absences		183,141	21,821	-	204,962
264.30	Net Pension Liability		1,540,635	259,060	-	1,799,695
	Total Revenue and Other (non G.O.) Debt/Liabilities:		**1,723,776**	**280,881**	**-**	**2,004,657**
	Total Liabilities:		**1,723,776**	**280,881**	**-**	**2,004,657**

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