

**FORT VANCOUVER REGIONAL
LIBRARY FOUNDATION**

REVIEWED FINANCIAL STATEMENTS

For the years ended June 30, 2020 and 2019

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SETTING A NEW STANDARD

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Fort Vancouver Regional Library Foundation
Vancouver, WA 98668

We have reviewed the accompanying financial statements of Fort Vancouver Regional Library Foundation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020 and 2019, and the related statement of activities and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements for the years ended June 30, 2020 and 2019, in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

The supplementary information is presented for purposes of additional analysis and is 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 review procedures applied in the review 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 Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We are not aware of any material modifications that should be made to the supplementary information in order for them to be in accordance with accounting principles generally accepted in the United States of America.

WILSON & ASSOCIATES, LLP

November 13, 2020

FORT VANCOUVER REGIONAL LIBRARY FOUNDATION
STATEMENTS OF FINANCIAL POSITION
June 30, 2020 and 2019

	2020	2019
ASSETS		
CASH AND CASH EQUIVALENTS		
Foundation	\$ 79,290	\$ 149,850
Friends Groups	147,946	155,027
Money market funds in investment accounts		
Foundation	113,035	158,565
Friends Groups	15,979	1,530
FBO Library Funds	21,231	80,771
TOTAL CASH AND CASH EQUIVALENTS	377,481	545,743
INVENTORY	7,360	17,040
UNCONDITIONAL PROMISE TO GIVE	150,000	200,000
INVESTMENTS		
Foundation	3,971,502	3,961,208
FBO Library Investments	2,339,920	2,046,941
Friends Groups	1,809,909	1,903,407
Real Estate Investment Trusts	230,529	227,692
TOTAL INVESTMENTS	8,351,860	8,139,248
FIXED ASSETS	39,862	40,562
TOTAL ASSETS	\$ 8,926,563	\$ 8,942,593
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 13,476	\$ -
Credit card payable	1,095	1,981
Payroll liabilities	12,988	14,428
PPP loan payable	82,433	-
TOTAL LIABILITIES	109,992	16,409
NET ASSETS		
NET ASSETS WITHOUT DONOR RESTRICTIONS	\$ 3,114,195	\$ 3,252,348
NET ASSETS WITH DONOR RESTRICTIONS	5,702,376	5,673,836
TOTAL NET ASSETS	8,816,571	8,926,184
TOTAL LIABILITIES AND NET ASSETS	\$ 8,926,563	\$ 8,942,593

See accompanying notes and independent accountant's review report

FORT VANCOUVER REGIONAL LIBRARY FOUNDATION
STATEMENT OF ACTIVITIES
For the year ended June 30, 2020

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUES			
Contributions	\$ 63,974	\$ 76,720	\$ 140,694
Contributions in-kind	213,893	-	213,893
Grants and collections	-	23,830	23,830
Friends groups	-	294,312	294,312
Special events	137,963	-	137,963
Program revenue	11,767	910	12,677
Dividend and interest income	229,697	145,095	374,792
Unrealized gains (losses) on investments	(8,628)	(144,518)	(153,146)
Realized gains (losses) on investments	(228)	(2,607)	(2,835)
Satisfaction of program restrictions	365,202	(365,202)	-
TOTAL REVENUES	<u>1,013,640</u>	<u>28,540</u>	<u>1,042,180</u>
PROGRAM EXPENSES			
Friends of the library	189,653	-	189,653
Grants and collections	45,525	-	45,525
Library program support	471,046	-	471,046
Special events	163,770	-	163,770
Early learning programs	31,227	-	31,227
TOTAL PROGRAM EXPENSES	<u>901,221</u>	<u>-</u>	<u>901,221</u>
Administrative expenses	173,874	-	173,874
Fundraising expenses	76,698	-	76,698
TOTAL EXPENSES	<u>1,151,793</u>	<u>-</u>	<u>1,151,793</u>
CHANGE IN NET ASSETS	(138,153)	28,540	(109,612)
Net assets, beginning of year	<u>3,252,348</u>	<u>5,673,836</u>	<u>8,926,184</u>
NET ASSETS, END OF YEAR	<u>\$ 3,114,195</u>	<u>\$ 5,702,376</u>	<u>\$ 8,816,572</u>

See accompanying notes and independent accountant's review report.

FORT VANCOUVER REGIONAL LIBRARY FOUNDATION
STATEMENT OF ACTIVITIES
For the year ended June 30, 2019

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUES			
Contributions	\$ 44,850	\$ 291,003	\$ 335,853
Contributions in-kind	1,163,188	-	1,163,188
Grants and collections	-	25,630	25,630
Friends groups	-	465,041	465,041
Special events	167,095	-	167,095
Program revenue	11,404	-	11,404
Dividend and interest income	232,487	121,072	353,559
Unrealized gains (losses) on investments	(102,050)	(30,086)	(132,136)
Realized gains (losses) on investments	169,367	39,488	208,855
Satisfaction of program restrictions	649,303	(649,303)	-
TOTAL REVENUES	<u>2,335,644</u>	<u>262,845</u>	<u>2,598,489</u>
PROGRAM EXPENSES			
Friends of the library	222,976	-	222,976
Grants and collections	43,621	-	43,621
Library program support	1,761,172	-	1,761,172
Special events	158,563	-	158,563
Early learning programs	27,950	-	27,950
TOTAL PROGRAM EXPENSES	<u>2,214,282</u>	<u>-</u>	<u>2,214,282</u>
Administrative expenses	184,051	-	184,051
Fundraising expenses	75,471	-	75,471
TOTAL EXPENSES	<u>2,473,804</u>	<u>-</u>	<u>2,473,804</u>
CHANGE IN NET ASSETS	(138,160)	262,845	124,685
Net assets, beginning of year	3,390,508	5,410,991	8,801,499
NET ASSETS, END OF YEAR	<u>\$ 3,252,348</u>	<u>\$ 5,673,836</u>	<u>\$ 8,926,184</u>

See accompanying notes and independent accountant's review report.

FORT VANCOUVER REGIONAL LIBRARY FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSE
For the year ended June 30, 2020

	FRIENDS OF THE LIBRARY	GRANTS AND COLLECTIONS	LIBRARY PROGRAM SUPPORT	SPECIAL EVENTS	EARLY LEARNING PROGRAMS	TOTAL PROGRAM EXPENSE	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Executive director	\$ 13,433	\$ 6,717	\$ 26,867	\$ 16,792	\$ 3,358	\$ 67,167	\$ 67,167	\$ 33,584	\$ 167,918
Development Director	7,633	3,817	15,267	9,542	1,908	38,167	38,167	19,084	95,418
Executive Asst	2,418	12,090	26,600	4,836	2,418	48,362	19,345	12,896	80,603
Admin Asst	1,835	9,177	20,189	3,670	1,835	36,706	14,118	5,647	56,471
Total personnel expense	25,319	31,801	88,923	34,840	9,519	190,402	138,797	71,211	400,410
Professional services	1,259	1,259	6,925	2,519	632	12,594	12,595	-	25,189
Supplies	-	-	-	-	-	-	1,514	-	1,514
Office expenses	-	-	-	-	-	-	3,081	-	3,081
Memberships and subscriptions	-	-	-	-	-	-	2,964	-	2,964
Bank and investment fees	-	-	-	-	-	-	4,843	-	4,843
Foundation expense	2,415	-	-	-	-	2,415	32	-	2,447
Friends expenses	159,375	-	-	-	-	159,375	-	-	159,375
Grant and collection expenses	-	11,181	-	-	-	11,181	-	-	11,181
Library program support	-	-	175,172	-	-	175,172	-	-	175,172
Authors and illustrators dinner	-	-	-	123,844	-	123,844	-	-	123,844
Early learning programs	-	-	-	-	-	-	-	-	-
Youth services programs	-	-	23,081	-	-	23,081	-	-	23,081
Volunteer support	-	-	4,723	-	-	4,723	-	-	4,723
Reach out and read program	-	-	-	-	20,439	20,439	-	-	20,439
Donor expenses	-	-	-	-	-	-	-	485	485
Printing and postage	339	339	1,871	680	170	3,999	2,002	1,268	6,669
Mileage and travel	254	255	1,396	508	124	2,537	1,495	943	4,975
Board expenses	-	-	-	-	-	-	131	-	131
Staff training	-	-	-	-	-	-	250	-	250
Foundation director's discretionary expenses	-	-	-	-	-	-	1,745	-	1,745
Advertising expenses	414	413	2,280	830	206	4,143	2,440	1,545	8,128
Insurance expense	277	277	1,513	549	137	2,753	1,617	1,024	5,394
In-Kind Donations	-	-	161,602	-	-	161,602	-	-	161,602
Depreciation expense	-	-	-	-	-	-	700	-	700
PAC donation	-	-	3,560	-	-	3,560	-	-	3,560
Miscellaneous	1	-	-	-	-	1	(332)	222	(109)
Total expenses	\$ 189,653	\$ 45,525	\$ 471,046	\$ 163,770	\$ 31,227	\$ 901,221	\$ 173,874	\$ 76,698	\$ 1,151,793

Set independent accountant's review report

FORT VANCOUVER REGIONAL LIBRARY FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSE

For the year ended June 30, 2019

	<u>FRIENDS OF THE LIBRARY</u>	<u>GRANTS AND COLLECTIONS</u>	<u>LIBRARY PROGRAM SUPPORT</u>	<u>SPECIAL EVENTS</u>	<u>EARLY LEARNING PROGRAMS</u>	<u>TOTAL PROGRAM EXPENSE</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Executive director	\$ 13,072	\$ 6,536	\$ 26,144	\$ 16,340	\$ 3,268	\$ 65,360	\$ 65,359	\$ 32,680	\$ 163,399
Development Director	7,474	3,737	14,948	9,343	1,869	37,371	37,371	18,686	93,428
Executive Asst	2,371	11,856	26,085	4,742	2,371	47,425	18,970	12,647	79,042
Admin Asst	1,804	9,018	19,840	3,606	1,804	36,072	13,874	5,550	55,496
Total personnel expense	24,721	31,147	87,017	34,031	9,312	186,228	135,574	69,563	391,365
Professional services	2,706	2,706	14,883	5,413	1,359	27,067	27,067	-	54,134
Supplies	-	-	-	-	-	-	1,516	-	1,516
Office expenses	-	-	-	-	-	-	2,105	-	2,105
Memberships and subscriptions	-	-	-	-	-	-	2,561	-	2,561
Bank and investment fees	-	-	-	-	-	-	5,005	-	5,005
Foundation expense	5,112	-	-	-	-	5,112	80	-	5,192
Finds expenses	189,237	-	-	-	-	189,237	-	-	189,237
Grant and collection expenses	-	8,568	-	-	-	8,568	-	-	8,568
Library program support	-	-	521,077	-	-	521,077	-	-	521,077
Authors and illustrators dinner	-	-	-	116,720	-	116,720	-	-	116,720
Early learning programs	-	-	-	-	-	-	-	-	-
Youth services programs	-	-	-	-	-	-	-	-	-
Reach out and read program	-	-	49,869	-	16,681	49,869	-	-	49,869
Donor expenses	-	-	-	-	-	16,681	-	-	16,681
Printing and postage	432	432	2,383	866	217	4,330	2,549	1,144	1,144
Mileage and travel	122	123	672	245	60	1,222	720	454	8,494
Board expenses	-	-	-	-	-	-	312	-	2,396
Staff training	-	-	-	-	-	-	110	-	312
Foundations director's discretionary expenses	-	-	-	-	-	-	2,784	-	110
Advertising expenses	369	368	2,033	740	184	3,694	2,175	1,377	2,784
Insurance expense	277	277	1,511	548	137	2,750	1,615	1,022	7,246
In-Kind Donations	-	-	1,075,827	-	-	1,075,827	-	-	5,387
Depreciation expense	-	-	-	-	-	-	986	-	1,075,827
PAC donation	-	-	5,900	-	-	5,900	-	-	986
Miscellaneous	-	-	-	-	-	-	(1,108)	-	5,900
Total expenses	\$ 222,976	\$ 43,621	\$ 1,761,172	\$ 158,563	\$ 27,950	\$ 2,214,282	\$ 184,051	\$ 75,471	\$ 2,473,804

See independent accountant's review report

FORT VANCOUVER REGIONAL LIBRARY FOUNDATION
STATEMENTS OF CASH FLOWS
For the years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (109,612)	\$ 124,685
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	700	986
(Increase) Decrease in Inventory	9,680	(9,040)
(Increase) Decrease in unconditional promise to give	50,000	(200,000)
Realized (gain)/losses on investments	2,835	(208,855)
Unrealized (gain)/losses on investments	153,146	132,136
Increase (Decrease) in liabilities	<u>93,583</u>	<u>2,238</u>
Net cash provided by operating activities	<u>200,332</u>	<u>(157,850)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from investments	2,917,709	1,663,216
Purchase of investments	<u>(3,286,303)</u>	<u>(1,608,104)</u>
Net cash provided by investing activities	<u>(368,594)</u>	<u>55,112</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
	<u>-</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		
	(168,262)	(102,738)
Cash and cash equivalents at beginning of year	<u>545,743</u>	<u>648,481</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 377,481</u></u>	<u><u>\$ 545,743</u></u>

See accompanying notes and independent accountant's review report.

**FORT VANCOUVER REGIONAL LIBRARY
FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2020 and 2019**

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Fort Vancouver Regional Library Foundation (the Foundation) is a Washington Non-Profit Organization. Since its inception in 1991, the focus of the Foundation has been to extend the reach and enhance the depth of public library services to residents of Southwest Washington. In order to meet the emerging needs of libraries in this region, the Foundation has undertaken both a leadership and a fundraising role. The Foundation is supported primarily through donor contributions, grants and special events.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Investments

The Organization carries investments in marketable securities with readily determinable fair values and all debt securities at their fair values in the statement of financial position. Realized and unrealized gains and losses are included in the change in net assets in the accompanying statement of activities. Interest income is accrued as earned and reported net of investment advisory fees.

Property and Equipment

In September 2002, the Foundation entered into an agreement with the Fort Vancouver Regional Library District in which the Library District will provide office and storage space, utilities, office equipment, supplies and part-time staff and other benefits in exchange for the fundraising efforts of the Foundation on the Library District's behalf. This agreement has been renewed as of August 2015. Acquisitions of property and equipment in excess of \$500 are capitalized. Works of art purchased or donated to the organization will not be depreciated.

See independent accountant's review report

**FORT VANCOUVER REGIONAL LIBRARY
FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2020 and 2019**

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Under FASB ASC 958-605-05, "Revenue Recognition for Not-for-Profit Entities", contributions received are recorded as support without donor restrictions or without donor restrictions, depending on the existence or nature of any donor restrictions.

All donor-restricted support is reported as an increase in unrestricted net assets or temporarily restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

Income Taxes

The Foundation is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) and is classified by the Internal Revenue Service as other than a private foundation.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fundraising Activities

The activities of the Foundation and the Friends groups are supported principally through dues from members and fundraising activities consisting of book sales, special events, grants, direct mail, planned gifts and other miscellaneous activities. In the case of fundraising activities held for the benefit of the individual Friends of the Library groups, all the net proceeds are considered to be for the group that performed the activity. All the fundraising activities of the Foundation and Friends groups have been reported accordingly in these financial statements.

See independent accountant's review report

**FORT VANCOUVER REGIONAL LIBRARY
FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2020 and 2019**

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributed Services

During the years ended June 30, 2020 and 2019, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Foundation, but these services do not meet the criteria for recognition as contributed services.

Friends of the Library

There are fourteen libraries in the Fort Vancouver Regional Library District that have a Friends of the Library Group that collects dues, holds book sales and other fundraising events and campaigns to support that library. These groups collect public contributions and support through the Foundation's tax-exempt status and do not have separate entity status and, therefore, are considered part of the Foundation.

The Foundation also provides financial services, fundraising support and other benefits to the groups. The revenues and expenses of the Friends' groups are included in the financial statements of the Foundation. The investment accounts of the Friends' groups are included in the statement of financial position of the Foundation. The income from these investments and the net proceeds from each group's activities are considered to be restricted to the group that performed the activity and are reported as increases in temporarily restricted net assets unless the restriction has been released by the group.

Functional Allocation of Expenses

Expenses are charged directly to programs based on specific identification. Indirect expenses are charged to management and general and have not been allocated to programs.

Compensated Absences

Compensated absences are used by eligible employees on a timely basis throughout the year. Therefore no accrual has been made for compensated absences.

See independent accountant's review report

**FORT VANCOUVER REGIONAL LIBRARY
FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2020 and 2019**

NOTE B. SHORT-TERM INVESTMENTS

The Foundation includes cash in bank, money market and investment accounts for the Friends' groups in cash and current assets, in the Statement of Financial Position at June 30, 2020 and 2019. Even though the Foundation considers these cash assets temporarily restricted to the groups, they qualify as available cash and cash equivalents within the groups themselves. These amounts totaled \$163,925 and \$156,557 for the years ended June 30, 2020 and 2019, respectively.

NOTE C. RESTRICTIONS ON NET ASSETS

The majority of the restrictions on net assets for the years ended June 30, 2020 and 2019 are related to cash and investment account assets restricted to the various Friends of the Library groups affiliated with the Foundation. Other restricted net assets are related to contributions received by the Foundation in which the restriction had not been met at the end of the fiscal year.

Temporarily restricted net assets are available for the following purposes:

	<u>2020</u>	<u>2019</u>
Friends of the Library groups		
Cash accounts	\$ 163,924	\$ 156,557
Investment accounts	1,809,913	1,903,412
Restricted monies in Foundation savings:		
Unconditional promise to give	150,000	200,000
FBO Library funds	954,160	807,679
Library Plaza	999,877	999,877
Dorothy Howard Endowment Fund	179,172	146,506
Three Creeks Media Grant	5,366	6,752
Altrusa Fund	26,286	26,253
Reach Out and Read Campaign	<u>44,377</u>	<u>57,499</u>
	<u>\$4,333,075</u>	<u>\$4,304,535</u>

Permanently restricted net assets consisted of the following:

	<u>2020</u>	<u>2019</u>
Dorothy Howard Endowment Fund	\$ <u>1,369,301</u>	\$ <u>1,369,301</u>
	<u>\$ 1,369,301</u>	<u>\$ 1,369,301</u>

See independent accountant's review report

**FORT VANCOUVER REGIONAL LIBRARY
FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2020 and 2019**

NOTE D. BOARD DESIGNATED NET ASSETS

The Board of Directors of the Foundation has designated certain amounts of unrestricted net assets for an endowment fund and early learning program. For the years ended June 30, 2020 and 2019, board designated net assets were for the following:

	<u>2020</u>	<u>2019</u>
Endowment – General	\$270,761	\$259,007
Early Learning Programs	<u>5,370</u>	<u>5,443</u>
	<u>\$276,131</u>	<u>\$264,450</u>

NOTE E. ENDOWMENT FUNDS

The Endowment Funds are invested with the objective of preserving the long-term real purchasing power of the Funds' assets while realizing appropriate investment income. Endowment Fund assets may be invested in certificates of deposit, Treasury bills, commercial paper, bankers acceptances, repurchase agreements, mutual funds, exchange traded funds, equities (including common stock, preferred stock, convertible securities and other equities, whether traded on an exchange or not publicly traded), fixed income securities, real estate, commodities, natural-resource related stock, hedge funds, derivatives, alternate investment vehicles and, as to an appropriate portion, cash equivalent investments. The asset allocation of each of the Endowment Funds is determined from time to time by the Board of Directors, in consultation with any managers or advisors if desired (unless the Board delegates such task to an external manager), which allocation shall reflect a proper balance of such Fund's investment objective, any risk tolerance standard and the need for liquidity.

All spending from each of the organization's endowment funds is required to comply with any donor restrictions on spending imposed on such fund and with the Washington State Prudent Management of Institutional Funds Act. In creating an endowment fund, the donor also may have restricted the purpose or purposes for which funds from the endowment may be spent. All decisions regarding expenditures from an endowment fund restricted as to purpose must comply with such purpose restrictions. Expenditures from endowment funds that are not restricted as to purpose may be used for any purposes of the Organization.

See independent accountant's review report

**FORT VANCOUVER REGIONAL LIBRARY
FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2020 and 2019**

NOTE E. ENDOWMENT FUNDS(Continued)

As of the years ended June 30, 2020 and 2019, endowment funds and income and expenditures for the years then ended were as follows:

General Endowment Fund	
Balance as of June 30, 2019	\$259,007
Net investment earnings, gains and losses	<u>17,124</u>
Balance as of June 30, 2020, Unrestricted	<u>\$ 276,131</u>
Dorothy Howard Endowment Fund	
Balance as of June 30, 2019	\$1,515,808
Net investment earnings, gains and losses	32,665
Earnings released from restrictions	<u>-</u>
Balance as of June 30, 2020	<u>\$1,548,473</u>
Permanently Restricted	\$1,369,301
Temporarily Restricted	<u>179,172</u>
	<u>\$1,548,473</u>

Net asset classifications vary depending on the specifications of the donor's gift. Each gift will be evaluated depending on the relevant facts and circumstances. For example, if a donor states that the original gift must be maintained in perpetuity but that any earnings can be used for organization purposes, the original gift will be classified as a permanently restricted net asset and the asset earnings will be temporarily restricted net assets until appropriated for expenditure.

In situations where the donor is silent in regards to treatment on all elements of the unrestricted gift, Washington State law will be used to determine its proper treatment.

Quasi endowments created by the Organization's board of directors out of unrestricted net assets should be classified as unrestricted net assets.

See independent accountant's review report

**FORT VANCOUVER REGIONAL LIBRARY
FOUNDATION**

NOTES TO FINANCIAL STATEMENTS

For the years ended June 30, 2020 and 2019

NOTE F. FAIR VALUE MEASUREMENTS

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at June 30, 2020, are as follows:

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Other Unobservable Inputs (Level 3)
Short-term investments:			
Money Market funds	\$ 150,245	\$ -	\$ -
Total short-term investments	<u>\$ 150,245</u>	<u>\$ -</u>	<u>\$ -</u>
Long-term investments:			
Common stocks and mutual funds	\$ 8,121,331	\$ -	\$ -
Real estate investment trusts	<u>-</u>	<u>-</u>	<u>230,529</u>
Total long-term investments	<u>\$ 8,121,331</u>	<u>\$ -</u>	<u>\$ 230,529</u>

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at June 30, 2019, were as follows:

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Other Unobservable Inputs (Level 3)
Short-term investments:			
Money Market funds	\$ 240,865	\$ -	\$ -
Total short-term investments	<u>\$ 240,865</u>	<u>\$ -</u>	<u>\$ -</u>
Long-term investments:			
Common stocks and mutual funds	\$ 7,911,556	\$ -	\$ -
Real estate investment trusts	<u>-</u>	<u>-</u>	<u>227,692</u>
Total long-term investments	<u>\$ 7,911,556</u>	<u>\$ -</u>	<u>\$ 227,692</u>

The Organization recognizes transfers of assets into and out of levels as of the date an event or change in circumstances causes the transfer. There were no transfers between levels in the years ended June 30, 2020 and 2019.

See independent accountant's review report

**FORT VANCOUVER REGIONAL LIBRARY
FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2020 and 2019**

NOTE F. FAIR VALUE MEASUREMENTS(Continued)

Short-term investments and long-term investments are reported at fair value on a recurring basis determined by reference to quoted market prices and other relevant information generated by market transactions.

NOTE G. UNCONDITIONAL PROMISE TO GIVE

An unconditional promise to give has been awarded to the Organization by The Firstenberg Foundation of \$250,000, with \$50,000 received in the years ended June 30, 2020 and 2019 and the remaining \$150,000 to be received over the next three years in \$50,000 increments.

NOTE H. RECLASSIFICATION OF 2018 COMPARATIVE TOTALS

Certain 2019 amounts presented in the financial statements have been reclassified to conform to the 2020 presentation. Net Assets have been reclassified to meet the requirements of FASB ASU 2016-18.

NOTE I. FURNITURE AND EQUIPMENT

The following is a summary of furniture and equipment as of June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Furniture and Equipment	\$ 44,795	\$ 44,795
Accumulated Depreciation	<u>(4,933)</u>	<u>(4,233)</u>
	<u>\$ 39,862</u>	<u>\$ 40,562</u>

NOTE J. SUBSEQUENT EVENTS

FASB ASC 855-10-5-2 requires accounting and disclosure for subsequent events. Subsequent events have been evaluated through November 13, 2020, which is the date the financial statements were available to be issued. This date coincides with the review report date.

See independent accountant's review report

Supplementary Information

FORT VANCOUVER REGIONAL LIBRARY FOUNDATION
SCHEDULE OF REVENUE AND RELATED EXPENSES - FOUNDATION

For the year ended June 30, 2020

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
SUPPORT			
Donations for foundation	\$ 63,974	\$ 76,720	\$ 140,694
In-kind donations	213,893	-	213,893
Grants for foundation	-	23,830	23,830
Friends groups income into foundation held accts	-	106,574	106,574
Special events	137,963	-	137,963
Other programs	11,767	910	12,677
TOTAL SUPPORT	427,597	208,034	635,631
INVESTMENT INCOME			
Dividends and interest	229,697	62,799	292,496
Realized gains (losses)	(228)	(4,246)	(4,474)
Unrealized gains (losses)	(8,628)	(262,574)	(271,202)
TOTAL INVESTMENT INCOME	220,841	(204,021)	16,820
TOTAL SUPPORT AND INVESTMENT INCOME	648,438	4,013	652,451
EXPENSE			
Professional services	25,189	-	25,189
Executive director salary and funds	169,663	-	169,663
Grant and collection expenses	11,181	-	11,181
Library program support	30,172	145,000	175,172
Friends group expense from foundation held accts	(40,388)	81,089	40,701
Reach out and read program	-	20,439	20,439
Special events	123,844	-	123,844
Administrative expense:			
Foundation salaries and expense	234,940	-	234,940
Board expense	131	-	131
Staff training	250	-	250
Donor expense	485	-	485
Membership and dues	2,964	-	2,964
Office expense	4,595	-	4,595
Printing and postage	6,670	-	6,670
Mileage and travel	4,975	-	4,975
Advertising expenses	8,127	-	8,127
Summer reading expenses	23,081	-	23,081
Volunteer support	4,723	-	4,723
Insurance expense	5,394	-	5,394
PAC donation	3,560	-	3,560
In-Kind donations	161,602	-	161,602
Depreciation	700	-	700
Miscellaneous	(109)	-	(109)
Bank fees	4,843	-	4,843
TOTAL EXPENSE	786,592	246,528	1,033,120
CHANGE IN NET ASSETS - FOUNDATION	(138,154)	(242,515)	(380,669)
CHANGE IN NET ASSETS - FRIENDS GROUPS	-	271,055	271,055
TOTAL CHANGE IN NET ASSETS	\$ (138,154)	\$ 28,540	\$ (109,614)

See independent accountant's review report

FORT VANCOUVER REGIONAL LIBRARY FOUNDATION
SCHEDULE OF REVENUE AND RELATED EXPENSES - FOUNDATION

For the year ended June 30, 2019

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
SUPPORT			
Donations for foundation	\$ 44,850	\$ 291,003	\$ 335,853
In-kind donations	1,163,188	-	1,163,188
Grants for Foundation	-	25,630	25,630
Friends group income in foundation held accts	-	114,339	114,339
Special events	167,095	-	167,095
Other programs	11,404	-	11,404
TOTAL SUPPORT	1,386,537	430,972	1,817,509
INVESTMENT INCOME			
Dividends and interest	232,487	61,316	293,803
Realized gains (losses)	169,367	3,134	172,501
Unrealized gains (loses)	(102,050)	(23,201)	(125,251)
TOTAL INVESTMENT INCOME	299,804	41,249	341,053
TOTAL SUPPORT AND INVESTMENT INCOME	1,686,341	472,221	2,158,562
EXPENSE			
Professional services	54,134	-	54,134
Executive director salary and funds	166,183	-	166,183
Grant and collection expenses	8,568	-	8,568
Library program support	21,077	500,000	521,077
Friends expense from foundation held accts	56,616	12,853	69,469
Early learning programs	-	-	-
Reach out and read program	-	16,681	16,681
Special events	116,720	-	116,720
Administrative expense:			
Foundation salaries and expense	233,157	-	233,157
Board expense	312	-	312
Staff training	110	-	110
Donor expense	1,144	-	1,144
Membership and dues	2,561	-	2,561
Office expense	3,621	-	3,621
Printing and postage	8,494	-	8,494
Mileage and travel	2,396	-	2,396
Advertising expenses	7,246	-	7,246
Summer reading expenses	49,869	-	49,869
Insurance expense	5,387	-	5,387
PAC donation	5,900	-	5,900
In-Kind donations	1,075,827	-	1,075,827
Depreciation	986	-	986
Miscellaneous	(812)	-	(812)
Bank fees	5,005	-	5,005
TOTAL EXPENSE	1,824,501	529,534	2,354,035
CHANGE IN NET ASSETS - FOUNDATION	(138,160)	(57,313)	(195,473)
CHANGE IN NET ASSETS - FRIENDS GROUPS	-	320,158	320,158
TOTAL CHANGE IN NET ASSETS	\$ (138,160)	\$ 262,845	\$ 124,685

See independent accountant's review report

FORT VANCOUVER REGIONAL LIBRARY FOUNDATION
DETAILED SCHEDULE OF REVENUE AND RELATED EXPENSES - FRIENDS OF THE LIBRARY
For the year ended June 30, 2020

	Battle Ground	Cascade Park	Goldendale	La Center	Ridgefield	Stevenson	Three Creeks	Vancouver Mall	Vancouver Community	Washougal	White Salmon	Woodland	Yacolt	Yale	Total
REVENUE															
Dues	\$ 1,585	\$ 150	\$ 741	\$ 443	\$ 200	\$ 50	\$ 611	\$ -	\$ -	\$ 151	\$ 870	\$ 380	\$ 429	\$ 45	\$ 5,655
Book sales	7,939	15,338	3,773	1,892	6,537	2,259	19,131	834	21,591	10,142	4,702	4,341	1,050	90	99,619
Special events	2,602	3,217	148	199	14,571	6,408	-	-	4,313	2,570	2,475	14,281	190	649	51,623
Donations	200	25	316	281	6,197	3,800	1,400	-	742	3,376	3,259	5,554	-	111	25,461
Interest	6	-	1	-	-	6	10	-	-	3	-	-	2	-	28
Programs, other	680	-	(10)	-	1,557	-	-	-	1,475	515	335	700	40	60	5,352
TOTAL REVENUE	13,012	18,730	4,969	2,815	29,062	12,523	21,152	834	28,121	16,957	11,641	25,256	1,711	955	187,738
EXPENSES															
Program expense	5,701	18,536	2,758	2,248	86	11,637	8,645	581	22,619	2,998	6,410	1,100	153	-	83,472
Fundraising	1,989	242	262	-	8,051	-	-	-	246	331	682	3,367	100	152	15,422
Management and general	1,661	2,483	936	1,792	1,500	85	2,534	106	7,283	371	130	486	413	-	19,780
TOTAL EXPENSES	9,351	21,261	3,956	4,040	9,637	11,722	11,179	687	30,148	3,700	7,222	4,953	666	152	118,674
NET CHANGE	3,661	(2,531)	1,013	(1,225)	19,425	801	9,973	147	(2,027)	13,257	4,419	20,303	1,045	803	69,064
Transfers to/from Foundation	-	(5,000)	(10,000)	-	(18,500)	-	(6,000)	-	(10,000)	(11,000)	-	(15,500)	(1,000)	-	(77,000)
Beginning cash	17,701	33,536	19,154	6,292	2,516	11,460	16,589	2,012	14,731	4,543	13,260	5,622	3,218	3,866	154,500
ENDING CASH	\$ 21,362	\$ 26,005	\$ 10,167	\$ 5,067	\$ 3,441	\$ 12,261	\$ 20,562	\$ 2,159	\$ 2,704	\$ 6,800	\$ 17,679	\$ 10,425	\$ 3,263	\$ 4,669	\$ 146,564
RECONCILIATION OF NET CHANGE															
Net change in cash accounts	\$ 3,661	\$ (2,531)	\$ 1,013	\$ (1,225)	\$ 19,425	\$ 801	\$ 9,973	\$ 147	\$ (2,027)	\$ 13,257	\$ 4,419	\$ 20,303	\$ 1,045	\$ 803	\$ 69,064
Investment interest/dividends	7,363	2,429	-	6,112	12,370	478	1,193	931	12,940	6,870	9,226	22,298	-	86	82,296
Realized gains/losses	1,639	-	-	-	-	-	-	-	-	-	-	-	-	-	1,639
Unrealized gains (see NOTE)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	118,056
TOTAL NET CHANGE	\$ 12,663	\$ (102)	\$ 1,013	\$ 4,887	\$ 31,795	\$ 1,279	\$ 11,166	\$ 1,078	\$ 10,913	\$ 20,127	\$ 13,645	\$ 42,601	\$ 1,045	\$ 889	\$ 271,055

NOTE: Unrealized gains and losses for Friends' group accounts has not been tracked by individual group, therefore, it is recorded on this report in total only.

"Cash" means cash held by the Friends group and not in any investment, CD or money market account held by the foundation

FORT VANCOUVER REGIONAL LIBRARY FOUNDATION
DETAILED SCHEDULE OF REVENUE AND RELATED EXPENSES - FRIENDS OF THE LIBRARY

For the year ended June 30, 2019

	Battle Ground	Cascade Park	Goldendale	La Center	Ridgefield	Stevenson	Three Creeks	Vancouver Mall	Vancouver Community	Washougal	White Salmon	Woodland	Yacolt	Yale	Total
REVENUE															
Dues	\$ 1,395	\$ 170	\$ 1,360	\$ 613	\$ 1,305	\$ 561	\$ 1,467	\$ -	\$ -	\$ 233	\$ 780	\$ 670	\$ 359	\$ 50	\$ 8,963
Special events	2,350	2,338	367	131	24,619	9,147	-	346	5,420	1,912	-	-	111	-	46,741
Donations	395	493	1,350	120,260	9,777	245	256	71	24	1,535	7,442	13,999	-	3,127	158,974
Interest	6	-	2	-	-	7	-	-	-	1	1	-	1	-	17
Programs, Other	11,122	21,625	2,964	2,162	8,191	-	23,597	797	29,427	11,814	5,174	17,787	1,140	207	136,007
TOTAL REVENUE	15,268	24,626	6,043	123,166	43,892	9,960	25,320	1,214	34,871	15,495	13,396	32,456	1,611	3,384	350,702
EXPENSES															
Program expense	14,555	12,280	2,184	1,840	529	16,506	9,626	446	12,801	1,763	8,801	1,507	425	1,832	85,095
Fundraising	4,103	50	717	-	5,339	-	2,144	-	1,003	358	132	2,666	270	265	17,067
Management and general	2,838	-	1,527	428	2,056	105	981	82	6,800	295	1,087	1,095	313	-	17,607
TOTAL EXPENSE	21,496	12,330	4,428	2,268	7,924	16,611	12,751	528	20,604	2,416	10,040	5,268	1,008	2,097	119,769
NET CHANGE	(6,228)	12,296	1,615	120,898	35,968	(6,651)	12,569	686	14,267	13,079	3,356	27,188	605	1,287	230,933
Transfers to/from Foundation	-	-	-	(119,330)	(37,000)	-	(11,000)	(3,000)	(17,000)	(13,000)	-	(26,000)	-	-	(226,330)
Beginning cash	29,929	21,240	17,539	4,724	3,548	18,111	15,020	4,326	17,464	4,464	9,904	4,434	2,615	2,579	149,897
ENDING CASH	\$ 17,701	\$ 33,536	\$ 19,154	\$ 6,292	\$ 2,516	\$ 11,460	\$ 16,589	\$ 2,012	\$ 14,731	\$ 4,543	\$ 13,260	\$ 5,622	\$ 3,218	\$ 3,866	\$ 154,500
RECONCILIATION OF NET CHANGE															
Net change in cash accounts	\$ (6,228)	\$ 12,296	\$ 1,615	\$ 120,898	\$ 35,968	\$ (6,651)	\$ 12,569	\$ 686	\$ 14,267	\$ 13,079	\$ 3,356	\$ 27,188	\$ 605	\$ 1,287	\$ 230,933
Investment interest/dividends	8,997	1,515	-	819	8,279	343	823	612	9,719	4,824	7,535	16,237	54	-	59,757
Realized gains	36,354	-	-	-	-	-	-	-	-	-	-	-	-	-	36,354
Unrealized gains (see NOTE)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,885)
TOTAL NET CHANGE	\$ 39,123	\$ 13,811	\$ 1,615	\$ 121,717	\$ 44,247	\$ (6,308)	\$ 13,392	\$ 1,298	\$ 23,986	\$ 17,903	\$ 10,891	\$ 43,425	\$ 657	\$ 1,287	\$ 320,159

NOTE: Unrealized gains and losses for Friends' group accounts has not been tracked by individual group, therefore, it is recorded on this report in total only.

"Cash" means cash held by the Friends group and not in any investment, CD or money market account