



**Southern California Library Cooperative  
Administrative Council Meeting**

**Thursday, November 21, 2024  
2:15 - 4:15 pm**

**Hybrid Meeting**

**Los Angeles Public Library - Central Library  
630 W. 5th St., 3rd Floor**

**Alternate Locations:**

- Arcadia Public Library, 20 W. Duarte Rd., Arcadia, CA 91006
- Azusa City Library, 729 N. Dalton Ave., Azusa, CA 91702
- City of Calabasas Library, 200 Civic Center Way, Calabasas, CA 91302
- Covina Parks & Recreation & Library Services, 1250 N. Hollenbeck Ave., Covina 91722
- El Segundo Public Library, 111 W. Mariposa Avenue, 90245
- Inglewood Public Library, 101 West Manchester Blvd., Inglewood, CA 90245
- Irwindale Public Library, 16053 Calle De Paseo, Irwindale, CA 91706
- Monterey Park Bruggemeyer Library, 318 S. Ramona Ave., Monterey Park, CA 91754
- Palos Verdes Library District, 701 Silver Spur Road, Rolling Hills Estates, CA 90274
- Pomona Public Library, 625 S. Garey Ave., Pomona, CA 91766
- Santa Clarita - Valencia Branch Library, 23743 Valencia Blvd., Santa Clarita, CA 91355
- Santa Monica Main Library, 601 Santa Monica Blvd., Santa Monica, CA 90401
- Signal Hill Public Library, 1800 E. Hill St., Signal Hill, CA 90755
- Thousand Oaks Library, 1401 East Janss Road, Thousand Oaks, CA 91362

**Join Zoom Meeting:**

<https://us02web.zoom.us/j/86942468458?pwd=a1lX4N1hTfg9yaUgbacpb6nZ0pN4T.1>

Meeting ID: 869 4246 8458

Passcode: 037806

**AGENDA**

All items may be considered for action.

1. Opening Hilda LohGuan
  - a. Chairperson's Welcome
  - b. Roll Call
  
2. Public Comment  
*Opportunity for any guest or member of the public to address the Council on any item of SCLC business.*

- |   |   |
|---|---|
| 3. Consent Calendar<br>(ACTION)<br><i>All items on the consent calendar may be approved by a single motion. Any Council member may request an item be removed from the consent calendar and placed on the agenda for discussion.</i><br>a. Minutes of the August 22, 2024, Administrative Council regular meeting | Hilda LohGuan                                 |
| 4. Adoption of Agenda   | Hilda LohGuan                                 |
| 5. Budget Status Report for FY 2024/25<br>(DISCUSSION)  | Andy Beck                                     |
| 6. Audit Report FY 2023/24<br>(ACTION)  | Andy Beck                                     |
| 7. CLSA FY 2024/25 Plan of Service Update<br>(DISCUSSION)   | Christine Powers                              |
| 8. SCLC Annual Planning Meeting<br>(ACTION)   | Christine Powers                              |
| 9. Interest Group Update<br>(DISCUSSION)  | Cathy Billings                                |
| 10. Committee Updates<br>a. Audit and Finance Committee<br>b. Member Engagement Ad Hoc Committee<br>c. Leadership and Professional Development Committee  | Mandy Nasr<br>Cathy Billings<br>Nikki Winslow |
| 11. California State Library Report   | Shana Sojoyner                                |
| 12. Executive Director's Report   | Christine Powers                              |
| 13. Administrative Council Chair's Report   | Hilda LohGuan                                 |
| 14. Other<br><i>"...that is, matters initiated in the present meeting." Robert's Rules of Order, Revised, III, p.21. Limited by Brown Act to discussion only.</i>   | Hilda LohGuan                                 |
| 15. Adjournment   | Hilda LohGuan                                 |



ACTION ITEMS

Meeting: SCLC Administrative Council Meeting

Date: November 21, 2024

Library: \_\_\_\_\_

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Agenda Item: \_\_\_\_\_

\_\_\_\_ Aye                  \_\_\_\_\_ Motion

\_\_\_\_ Nay                  \_\_\_\_\_ Second

\_\_\_\_ Abstain

Agenda Item: \_\_\_\_\_

\_\_\_\_ Aye                  \_\_\_\_\_ Motion

\_\_\_\_ Nay                  \_\_\_\_\_ Second

\_\_\_\_ Abstain

Agenda Item: \_\_\_\_\_

\_\_\_\_ Aye                  \_\_\_\_\_ Motion

\_\_\_\_ Nay                  \_\_\_\_\_ Second

\_\_\_\_ Abstain

Agenda Item: \_\_\_\_\_

\_\_\_\_ Aye                  \_\_\_\_\_ Motion

\_\_\_\_ Nay                  \_\_\_\_\_ Second

\_\_\_\_ Abstain

Agenda Item: \_\_\_\_\_

\_\_\_\_ Aye                  \_\_\_\_\_ Motion

\_\_\_\_ Nay                  \_\_\_\_\_ Second

\_\_\_\_ Abstain

Agenda Item: \_\_\_\_\_

\_\_\_\_ Aye                  \_\_\_\_\_ Motion

\_\_\_\_ Nay                  \_\_\_\_\_ Second

\_\_\_\_ Abstain

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Page 2

Agenda Item: \_\_\_\_\_

\_\_\_\_\_ Aye                      \_\_\_\_\_ Motion

\_\_\_\_\_ Nay                      \_\_\_\_\_ Second

\_\_\_\_\_ Abstain

Agenda Item: \_\_\_\_\_

\_\_\_\_\_ Aye                      \_\_\_\_\_ Motion

\_\_\_\_\_ Nay                      \_\_\_\_\_ Second

\_\_\_\_\_ Abstain

Agenda Item: \_\_\_\_\_

\_\_\_\_\_ Aye                      \_\_\_\_\_ Motion

\_\_\_\_\_ Nay                      \_\_\_\_\_ Second

\_\_\_\_\_ Abstain

Agenda Item: \_\_\_\_\_

\_\_\_\_\_ Aye                      \_\_\_\_\_ Motion

\_\_\_\_\_ Nay                      \_\_\_\_\_ Second

\_\_\_\_\_ Abstain

Agenda Item: \_\_\_\_\_

\_\_\_\_\_ Aye                      \_\_\_\_\_ Motion

\_\_\_\_\_ Nay                      \_\_\_\_\_ Second

\_\_\_\_\_ Abstain

Agenda Item: \_\_\_\_\_

\_\_\_\_\_ Aye                      \_\_\_\_\_ Motion

\_\_\_\_\_ Nay                      \_\_\_\_\_ Second

\_\_\_\_\_ Abstain

Agenda Item: \_\_\_\_\_

\_\_\_\_\_ Aye                      \_\_\_\_\_ Motion

\_\_\_\_\_ Nay                      \_\_\_\_\_ Second

\_\_\_\_\_ Abstain

Agenda Item: \_\_\_\_\_

\_\_\_\_\_ Aye                      \_\_\_\_\_ Motion

\_\_\_\_\_ Nay                      \_\_\_\_\_ Second

\_\_\_\_\_ Abstain



**Southern California Library Cooperative  
Administrative Council Meeting Minutes  
DRAFT**

**Thursday, August 22, 2024  
2:15 - 4:15 pm**

**Hybrid Meeting**

**Altadena Main Library  
600 E. Mariposa St., Altadena, CA 91001**

**Alternate Locations:**

- Palos Verdes Library District, 701 Silver Spur Rd., Rolling Hills Estates, CA 90274
- Inglewood Public Library, 101 W. Manchester Blvd., Inglewood, CA 90301
- Oxnard Public Library, 251 S A St., Oxnard, CA 93030
- Commerce Public Library, 5655 Jillson St., Commerce, CA 90040
- Simi Valley Public Library, 2969 Tapo Canyon Rd., Simi Valley, CA 93063
- Torrance Public Library, 3301 Torrance Blvd., Torrance, CA 90503
- Covina Public Library, 1250 N. Hollenbeck Ave., Covina, CA 91722
- El Segundo Public Library, 111 W. Mariposa Ave., El Segundo, CA 90245
- Signal Hill Public Library, 1800 E. Hill St., Signal Hill CA 90755
- Calabasas Public Library, 200 Civic Center Way, Calabasas, CA 91302
- Thousand Oaks Public Library, 1401 E. Janss Rd., Thousand Oaks, CA 91362
- Burbank Public Library, 110 N. Glenoaks Blvd., Burbank, CA 91502
- Valencia Public Library, 23743 W. Valencia Blvd., Santa Clarita, CA 91355
- Ventura County Library, 5600 Everglades St., Ste. A, Ventura, CA 93003

## Attendance

Addington, Jennifer – PVP  
Arroyo, Kerri – ING  
Bautista, Sonia – CMM  
Behle, Kelly – SVPL  
Billings, Cathy – SOPAS  
Bradley, Darlene – ARC  
Broman, Susan – LAPL  
Cousin, Heather – TOR  
Cuyugan, Erica – SAM  
DeLeon, Cathy – LBPL  
Dickow, Ben – DOW  
Evans, Lisa – COV  
Hassen, Leila – AZU  
Herbert, Mark – ELS  
Hughes, Charles – SIG  
Lockwood, Barbara – CAB  
LohGuan, Hilda – AHM  
Maghsoudi, Paymaneh – WHI  
Ally, Garcia – PAS  
Nasr, Mandy – CAM  
Olivarez, Kristin – MPK  
Jefferey, Darren – THO  
Potter, Melissa – BUR  
Regan Leila – SMD  
Roberson, Gina – SCL  
Shupe, Robert – PALM

Stone, Janet – DORA  
Vera, Linda – SMAR  
Walker-Lanz, Jesse – LA County  
Winslow, Nikki – ALT

## Absent

Ashmore, Kathleen – OXN  
Balli, Shayna – IRW  
Buth, Karen – BHPL  
Conwell, Christine – MOOR  
Pelayo-Lozada, Lessa – GDL  
Raia, Deborah – SFE  
Schram, Nancy – VEN  
Torres, Anita – POM  
Vance, Carey – MON  
Vinke, Dana – RED

## Other

Beck, Andy – SCLC  
Powers, Christine – SCLC  
Sojoyner, Shana – CSL  
Snodgrass, Nerissa – SCLC  
Walker, Wayne – SCLC

All items may be considered for action.

1. Opening

Meeting called to order at 2:20 pm.

Hilda LohGuan

2. Public Comment

*Opportunity for any guest or member of the public to address the Council on any item of SCLC business.*

None

3. Consent Calendar  
(ACTION)

Hilda LohGuan

*All items on the consent calendar may be approved by a single motion. Any Council member may request an item be removed from the consent calendar and placed on the agenda for discussion.*

- a. Minutes of the May 29, 2024, Administrative Council regular meeting
- b. Minutes of the July 17, 2024, Administrative Council special meeting  
MSP (Addington/Billings) to pass the Consent Calendar, with corrections to the spelling of Kristin Olivarez's last name.

28 yes, 0 no, 1 abstain

*Susan Broman joined the meeting.*

4. Adoption of Agenda Hilda LohGuan  
Chair adopted the agenda as presented, without objection.
5. Budget Status Report for FY 2023/24 Andy Beck  
(DISCUSSION)  
Controller Andy Beck presented the Budget Status Report for FY 2023/24, reflecting reconciled bank statements through June 30, 2024.
6. CLSA FY 2023/24 System Program Annual Report Christine Powers  
(ACTION)  
MSP (Maghsoudi/Bradley) to authorize the Executive Director to work with the Chair to complete the CLSA FY 2023/24 Annual Report for submission to the State Library by the September deadline.  
30 yes, 0 no, 0 abstain
7. FPPC Conflict of Interest Code Biennial Review Christine Powers  
(ACTION)  
MSP (Regan/Broman) No changes are required for SCLC's Conflict of Interest Code, and thus, no amendments need to be communicated to the FPPC.  
30 yes, 0 no, 0 abstain
8. Review of 2025 Health Care Premiums Andy Beck  
(ACTION)  
MSP (Nasr/Shupe) to approve increasing the health premium allowance by \$91.50/month, effective January 1, 2025, to address increasing health care premiums.  
29 yes, 0 no, 1 abstain
9. Mentorship Program Update and Approval of Materials Nikki Winslow  
(ACTION)  
MSP (Billings/Regan) to approve materials as presented and amend the Agreement forms to include mentor guidelines and add personal liability.  
27 yes, 0 no, 0 abstain
10. Committee Updates
  - a. Audit and Finance Committee Hilda LohGuan  
Meeting dates will be sent out soon.
  - b. Member Engagement Ad Hoc Committee Cathy Billings  
The committee will meet in November after analyzing the interest group survey.
  - c. Leadership and Professional Development Committee Nikki Winslow  
The committee had its last meeting in July. They will finalize the changes discussed during the Administrative Council meeting and report back in October.

11. California State Library Report  
CSL Liaison, Shana Sojoyner, reported on the California State Library's current projects and grant opportunities. Shana Sojoyner
12. Executive Director's Report  
The Executive Director presented the organization's current projects, which included meetings, revised budget planning, report writing, and advocacy efforts. Christine Powers
13. Administrative Council Chair's Report  
Attended "One Book, One County". Great event and encouraged others to participate. Hilda LohGuan
14. Other  
None  
Hilda LohGuan  
*"...that is, matters initiated in the present meeting." Robert's Rules of Order, Revised, III, p.21. Limited by Brown Act to discussion only.*
15. Adjournment  
MSP (Billings/DeLeon) to adjourn the meeting at 3:47 pm. Hilda LohGuan

DRAFT





**REPORT TO THE ADMINISTRATIVE COUNCIL**  
SOUTHERN CALIFORNIA LIBRARY COOPERATIVE

DATE: November 21, 2024  
FROM: Andy Beck, Controller

SUBJECT: **Budget Status Report for FY 2024/25 (DISCUSSION)**

BACKGROUND: Budget Status Report for Fiscal Year 2024/25 is attached for review and reflects reconciled bank statements through September 30, 2024.

For revenues, membership dues of \$241,103 were recorded as financial resources available for use. Other revenues include communication and delivery of \$507,005, system administration of \$18,051, fiscal and administrative revenues of \$55,613, grant revenues of \$147,147, and investment returns of \$38,320 which were recorded as respective expenses were recognized.

Expenses include communications and delivery of \$507,005, personnel expenses of \$363,262, other administrative expenses of \$24,745, and grant expenses of \$89,255. These expenses do not reflect what was paid but amounts that were incurred.

The “Medical Insurance – Current Employees” line item description in the budget report was recently changed to “Health Insurance Allotment” based on direction received at the last Executive Committee meeting in October. Additionally, a note has been included for this line item to provide a breakdown of expenses to indicate health premium expenses of \$3,075 and IRS §457 employer employee contributions of \$9,199.

As of September 30, 2024, the System has a surplus of \$36,584 and cash balance and investments totals \$2,822,936.

FISCAL IMPACT: None

RECOMMENDATION: Informational item only

EXHIBITS:

- a. Budget Status Report
- b. Bank Statements September 2024

	Actual FY 23/24	Approved Budget FY 24/25	Actual FY 24/25	Amount Unrealized	Percent Unrealized	Percent Realized	Note
<b>Revenues:</b>							
CLSA baseline revenue (communications and delivery)	\$ 436,575	\$ 936,245	\$ 507,005	\$ 429,240	46%	54%	
CLSA system administration	139,900	72,204	18,051	54,153	75%	25%	
Fiscal and administration revenues	221,285	222,102	55,613	166,489	75%	25%	
Grant project revenues	1,918,829	590,002	89,255	500,747	85%	15%	
Grant indirect revenues	154,802	66,103	10,802	55,301	84%	16%	
Grant staffing revenues	167,702	71,014	47,090	23,924	34%	66%	
Membership dues	237,066	241,805	241,103	702	0%	100%	Lump sum billing
Califa membership dues	13,590	13,590	13,590	-	0%	100%	Lump sum billing
Investment income	115,955	100,000	38,320	61,680	62%	38%	Reported quarterly
Other	1,867	1,000	22	978	98%	2%	
<b>Total revenues</b>	<b>3,407,571</b>	<b>2,314,065</b>	<b>1,020,851</b>	<b>1,293,214</b>	<b>56%</b>	<b>44%</b>	
<b>Expenditures:</b>							
<b>CLSA baseline expenditures:</b>							
Office supplies	6,977	8,500	1,250	7,250	85%	15%	
Duplication and photocopies	1,439	1,500	360	1,140	76%	24%	
E-Resources	321,638	811,305	478,088	333,217	41%	59%	
Contract services for delivery	63,026	70,000	17,686	52,314	75%	25%	Reliant
Contract services	19,250	20,565	3,060	17,505	85%	15%	Audit; GASB 75
Telecommunications	24,245	24,375	6,561	17,814	73%	27%	Internet; website; IT; Phone; VOIP; Zoom
<b>Total CLSA baseline expenditures</b>	<b>436,575</b>	<b>936,245</b>	<b>507,005</b>	<b>429,240</b>	<b>46%</b>	<b>54%</b>	
<b>CLSA administration expenditures:</b>							
<b>Personnel</b>							
Salary and wages	626,536	542,030	144,509	397,521	73%	27%	
Retirement benefits	60,668	58,591	15,774	42,817	73%	27%	
Unfunded pension liability	146,217	179,143	173,314	5,829	3%	97%	Discount with one time payment
Health insurance allotment	55,083	47,040	12,274	34,766	74%	26%	Health premium = 3,075 / SIP457 = 9,199
Health insurance - retired employees	44,973	34,326	13,342	20,984	61%	39%	
Dental and vision	5,236	4,053	1,014	3,039	75%	25%	Ameritas
Life insurance	1,554	1,190	353	837	70%	30%	Lincoln; Dearborn
Other personnel expenses	15,034	14,544	2,682	11,862	82%	18%	Payroll tax; Workers comp
<b>Total personnel expenditures</b>	<b>955,301</b>	<b>880,917</b>	<b>363,262</b>	<b>517,655</b>	<b>59%</b>	<b>41%</b>	
<b>Other</b>							
Payroll processing	6,950	500	446	54	11%	89%	Service ended July 2024
Accounting software	4,118	3,000	616	2,384	79%	21%	
Office space rent	25,716	21,000	5,040	15,960	76%	24%	
Insurance	2,373	2,500	601	1,899	76%	24%	
Travel/conference/meeting	8,075	10,000	274	9,726	97%	3%	
Membership dues	13,943	14,600	13,815	785	5%	95%	
Legal	6,560	5,000	3,160	1,840	37%	63%	
Other	2,015	1,500	793	707	47%	53%	
<b>Total other expenditures</b>	<b>69,750</b>	<b>58,100</b>	<b>24,745</b>	<b>33,355</b>	<b>57%</b>	<b>43%</b>	
<b>Total CLSA administration expenditures</b>	<b>1,025,051</b>	<b>939,017</b>	<b>388,007</b>	<b>551,010</b>	<b>59%</b>	<b>41%</b>	
<b>Grant project expenditure</b>	<b>1,918,829</b>	<b>590,002</b>	<b>89,255</b>	<b>500,747</b>	<b>85%</b>	<b>15%</b>	
<b>Total expenditure</b>	<b>3,380,455</b>	<b>2,465,264</b>	<b>984,267</b>	<b>1,480,997</b>	<b>60%</b>	<b>40%</b>	
<b>Deficit of revenues over expenditures</b>	<b>\$ 27,116</b>	<b>\$ (151,199)</b>	<b>\$ 36,584</b>	<b>\$ (187,783)</b>	<b>124%</b>	<b>-24%</b>	

**SCLC ACCOUNT BALANCES**

Chase	\$ 590,170
Local Agency Investment Fund	167,831
CA Employer's Pension Prefunding Trust	100,331
US Treasuries	1,964,604
<b>Total</b>	<b>\$ 2,822,936</b>

**CLSA FUNDS**

	FISCAL YEAR 2024-25			
	Beginning	Addition	Deletions	Ending
eMaterials	\$ -	\$ 224,189	\$ -	\$ 224,189
Contracted services	-	20,565	(3,060)	17,505
Telecommunications	-	15,931	-	15,931
Delivery	-	28,137	-	28,137
<b>Total</b>	<b>\$ -</b>	<b>\$ 288,822</b>	<b>\$ (3,060)</b>	<b>\$ 285,762</b>

	FISCAL YEAR 2023-24			
	Beginning	Addition	Deletions	Ending
eMaterials	\$ 445,532	\$ -	\$ (1,333)	\$ 444,199
Office supplies	10,000	-	(1,610)	8,390
Delivery	41,863	-	(17,686)	24,177
<b>Total</b>	<b>\$ 497,395</b>	<b>\$ -</b>	<b>\$ (20,628)</b>	<b>\$ 476,766</b>

	FISCAL YEAR 2022-23			
	Beginning	Addition	Deletions	Ending
eMaterials	\$ 337,103	\$ -	\$ (337,103)	\$ -
eLearning	64,196	-	(64,196)	-
Telecommunication	9,274	-	(6,562)	2,713
<b>Total</b>	<b>\$ 410,573</b>	<b>\$ -</b>	<b>\$ (407,860)</b>	<b>\$ 2,713</b>

	FISCAL YEAR 2021-22			
	Beginning	Addition	Deletions	Ending
eMaterials	\$ 75,456	\$ -	\$ (75,456)	\$ -
<b>Total</b>	<b>\$ 75,456</b>	<b>\$ -</b>	<b>\$ (75,456)</b>	<b>\$ -</b>



JPMorgan Chase Bank, N.A.  
P O Box 182051  
Columbus, OH 43218 - 2051

August 31, 2024 through September 30, 2024

Account Number: [REDACTED]

**CUSTOMER SERVICE INFORMATION**

Web site: [www.Chase.com](http://www.Chase.com)  
Service Center: 1-877-425-8100  
Para Espanol: 1-888-622-4273  
International Calls: 1-713-262-1679  
We accept operator relay calls

00078791 DRE 703 210 27724 NNNNNNNNNN 1 000000000 Z9 0000

SOUTHERN CALIFORNIA LIBRARY COOPERATIVE  
OPERATING ACCOUNT  
222 E HARVARD ST  
GLENDALE CA 91205-1017



00787910301000000023

**CHECKING SUMMARY**

Chase Platinum Business Checking

	INSTANCES	AMOUNT
<b>Beginning Balance</b>		<b>\$1,270,639.11</b>
Deposits and Additions	2	702,500.00
Checks Paid	31	-643,803.42
Electronic Withdrawals	21	-542,314.90
Fees	1	-25.15
<b>Ending Balance</b>	<b>55</b>	<b>\$786,995.64</b>

Your Chase Platinum Business Checking account provides:

- No transaction fees for unlimited electronic deposits (including ACH, ATM, wire, Chase Quick Deposit)
- 500 debits and non-electronic deposits (those made via check or cash in branches) per statement cycle
- \$25,000 in cash deposits per statement cycle
- Unlimited return deposited items with no fee

There are additional fee waivers and benefits associated with your account – please refer to your Deposit Account Agreement for more information.

**DEPOSITS AND ADDITIONS**

DATE	DESCRIPTION	AMOUNT
09/10	Remote Online Deposit 1	\$202,500.00
09/12	Orig CO Name:Jpmcc Orig ID:3133604093 Desc Date:SEP 24 CO Entry Descr:Banklink Sec:PPD Trace#:021000021478078 Eed:240912 Ind ID:031-05744-13 Ind Name:Southern California Li Red 912797Kk2 United Stat Es T 2024 Trn: 2561478078Tc	500,000.00
<b>Total Deposits and Additions</b>		<b>\$702,500.00</b>

**CHECKS PAID**

CHECK NO.	DESCRIPTION	DATE PAID	AMOUNT
1224 ^		09/10	\$3,000.00
1264 * ^		09/26	6,428.00
1265 ^		09/09	4,592.00
1266 ^		09/11	5,199.00
1269 * ^		09/12	7,535.00
1270 ^		09/11	3,641.00



August 31, 2024 through September 30, 2024

Account Number: [REDACTED]

**CHECKS PAID** (continued)

CHECK NO.	DESCRIPTION	DATE PAID	AMOUNT
1271 ^		09/12	5,856.00
1272 ^		09/26	3,127.00
1274 * ^		09/19	13,546.00
1276 * ^		09/20	3,134.00
1277 ^		09/13	7,855.00
1278 ^		09/26	3,360.00
1279 ^		09/18	11,669.00
1280 ^		09/30	4,991.00
1282 * ^		09/12	2,625.00
1283 ^		09/25	23,406.00
1286 * ^		09/11	4,342.00
1287 ^		09/17	5,380.00
1290 * ^		09/18	5,703.00
1291 ^		09/19	9,083.00
1296 * ^		09/10	3,070.00
1298 * ^		09/23	8,471.00
1299 ^		09/19	3,805.00
1301 * ^		09/24	9,371.00
1302 ^		09/19	14,238.00
1303 ^		09/12	6,713.00
1304 ^		09/16	457,248.42
1305 ^		09/19	445.00
1306 ^		09/26	1,680.00
1307 ^		09/20	1,530.00
1308 ^		09/30	2,760.00
<b>Total Checks Paid</b>			<b>\$643,803.42</b>

If you see a description in the Checks Paid section, it means that we received only electronic information about the check, not the original or an image of the check. As a result, we're not able to return the check to you or show you an image.

\* All of your recent checks may not be on this statement, either because they haven't cleared yet or they were listed on one of your previous statements.

^ An image of this check may be available for you to view on Chase.com.

**ELECTRONIC WITHDRAWALS**

DATE	DESCRIPTION	AMOUNT
09/03	09/03 Online ACH Payment 11143561401 To Scldelivery (_#####3792)	\$2,614.00
09/04	Orig CO Name:Calpers Orig ID:1946207465 Desc Date: CO Entry Descr:1800 Sec:CCD Trace#:042000015274799 Eed:240904 Ind ID:7503917825 Ind Name:Southern California Li 100000017646878 Pab Trm: 2485274799Tc	5,472.40
09/04	Orig CO Name:Calpers Orig ID:1946207465 Desc Date: CO Entry Descr:3100 Sec:CCD Trace#:042000015274791 Eed:240904 Ind ID:7503917825 Ind Name:Southern California Li 100000017607075 Cur Trm: 2485274791Tc	2,020.45
09/04	Orig CO Name:Calpers Orig ID:1946207465 Desc Date: CO Entry Descr:1900 Sec:CCD Trace#:011000025274802 Eed:240904 Ind ID:7503917825 Ind Name:Southern California Li 100000017660919 Irc Trm: 2485274802Tc	1,749.21
09/04	Orig CO Name:Calpers Orig ID:1946207465 Desc Date: CO Entry Descr:3100 Sec:CCD Trace#:042000015274793 Eed:240904 Ind ID:7503917825 Ind Name:Southern California Li 100000017607143 Cur Trm: 2485274793Tc	1,524.52



August 31, 2024 through September 30, 2024

Account Number: [REDACTED]

**ELECTRONIC WITHDRAWALS** (continued)

DATE	DESCRIPTION	AMOUNT
09/04	Orig CO Name:Calpers Orig ID:1946207465 Desc Date: CO Entry Descr:1900 Sec:CCD Trace#:042000015274796 Eed:240904 Ind ID:7503917825 Ind Name:Southern California Li 100000017644646 Gb68 Trn: 2485274796Tc	700.00
09/04	Orig CO Name:+Lincoln Nationa Orig ID:6203950959 Desc Date: CO Entry Descr:EDI Pymntssec:CCD Trace#:091000015274788 Eed:240904 Ind ID:J4Clkh9Sjn Ind Name:Southern California Li Rmr*IV*910000112530011253444Ardis-P Re\ EDI Trn: 2485274788Tc	81.32
09/12	Orig CO Name:Intuit Payroll S Orig ID:1722616679 Desc Date:240912 CO Entry Descr:Quickbookssec:CCD Trace#:021000021724461 Eed:240912 Ind ID:953877419 Ind Name:Southern California Li Ervice 953877419 Trn: 2561724461Tc	14,272.41
09/12	Orig CO Name:Progent Corporat Orig ID:1273846756 Desc Date:240911 CO Entry Descr:8007939400Sec:CCD Trace#:091000011724463 Eed:240912 Ind ID:9924347510 Ind Name:Southern California Li 20240911073000Pgcach Trn: 2561724463Tc	275.00
09/13	Zelle Payment To Nataly Martinez Jpm99Anmw3Tz	1.00
09/13	Orig CO Name:Jpmcc Orig ID:3133604093 Desc Date:SEP 24 CO Entry Descr:Banklink Sec:PPD Trace#:021000020746171 Eed:240913 Ind ID:031-05744-13 Ind Name:Southern California Li Buy 500000 7381399 United Stat Es T 2024 Trn: 2570746171Tc	480,996.03
09/16	Zelle Payment To Nataly Martinez Jpm99ANSI3Yx	4,499.00
09/17	Orig CO Name:Irs Orig ID:3387702000 Desc Date:091724 CO Entry Descr:Usatxpymtsec:CCD Trace#:061036018540769 Eed:240917 Ind ID:225466160605322 Ind Name:Southern California Li Trn: 2618540769Tc	3,869.78
09/17	Orig CO Name:Employment Devel Orig ID:2282533055 Desc Date:091624 CO Entry Descr:Edd Eftpmtsec:CCD Trace#:042000012651189 Eed:240917 Ind ID:486269792 Ind Name:Southern California Li Payment Trn: 2612651189Tc	1,323.06
09/17	09/17 Online ACH Payment 11145169704 To Scldelivery (#####3792)	2,423.00
09/17	Orig CO Name:American Express Orig ID:9493560001 Desc Date:240917 CO Entry Descr:ACH Pmt Sec:CCD Trace#:021000024228459 Eed:240917 Ind ID:A6044 Ind Name:Christine Powers Am Trn: 2614228459Tc	594.19
09/18	Orig CO Name:Calpers Orig ID:1946207465 Desc Date: CO Entry Descr:3100 Sec:CCD Trace#:042000019704575 Eed:240918 Ind ID:7503917825 Ind Name:Southern California Li 100000017638709 Cur Trn: 2629704575Tc	2,020.45
09/18	Orig CO Name:Calpers Orig ID:1946207465 Desc Date: CO Entry Descr:1900 Sec:CCD Trace#:011000029704572 Eed:240918 Ind ID:7503917825 Ind Name:Southern California Li 100000017668239 Irc Trn: 2629704572Tc	1,749.21
09/18	Orig CO Name:Calpers Orig ID:1946207465 Desc Date: CO Entry Descr:3100 Sec:CCD Trace#:042000019704577 Eed:240918 Ind ID:7503917825 Ind Name:Southern California Li 100000017638753 Cur Trn: 2629704577Tc	1,524.52
09/20	Orig CO Name:Mastercard Orig ID:1465106539 Desc Date: CO Entry Descr:Payment Sec:Web Trace#:091000017060712 Eed:240920 Ind ID:547544Xxxxx9920 Ind Name:Bl Acct 00001010-10000 Trn: 2647060712Tc	332.97
09/26	Orig CO Name:Intuit Payroll S Orig ID:1722616679 Desc Date:240926 CO Entry Descr:Quickbookssec:CCD Trace#:021000029344366 Eed:240926 Ind ID:953877419 Ind Name:Southern California Li Ervice 953877419 Trn: 2709344366Tc	14,272.38

**Total Electronic Withdrawals \$542,314.90**



1C787910302000000063



August 31, 2024 through September 30, 2024

Account Number: [REDACTED]

**FEES**

DATE	DESCRIPTION	AMOUNT
09/05	Service Charges For The Month of August	\$25.15
<b>Total Fees</b>		<b>\$25.15</b>

**DAILY ENDING BALANCE**

DATE	AMOUNT	DATE	AMOUNT	DATE	AMOUNT
09/03	\$1,268,025.11	09/12	1,897,831.65	09/20	864,862.02
09/04	1,256,477.21	09/13	1,408,979.62	09/23	856,391.02
09/05	1,256,452.06	09/16	947,232.20	09/24	847,020.02
09/09	1,251,860.06	09/17	933,642.17	09/25	823,614.02
09/10	1,448,290.06	09/18	910,975.99	09/26	794,746.64
09/11	1,435,108.06	09/19	869,858.99	09/30	786,995.64

**SERVICE CHARGE SUMMARY**

Monthly Service Fee	\$0.00
Other Service Charges	\$7.50
<b>Total Service Charges</b>	<b>\$7.50</b> Will be assessed on 10/3/24

The monthly service fee was waived on your Chase Platinum Business Checking account because you maintained the required relationship balance.

**SERVICE CHARGE DETAIL**

DESCRIPTION	VOLUME	ALLOWED	CHARGED	PRICE/UNIT	TOTAL
<b>Monthly Service Fee</b>					
Monthly Service Fee Waived	0			\$95.00	\$0.00
<b>Other Service Charges:</b>					
<b>Electronic Credits</b>					
Electronic Items Deposited	1	Unlimited	0	\$0.40	\$0.00
Electronic Credits	1	Unlimited	0	\$0.40	\$0.00
<b>Credits</b>					
Non-Electronic Transactions	48	500	0	\$0.40	\$0.00
<b>Cash Management Services</b>					
Standard ACH Pmnts Initial Fee	3	0	3	\$2.50	\$7.50
Debit Block Maintenance	1	0	1	\$0.00	\$0.00
ACH Debit Block - Authorized ID	25	0	25	\$0.00	\$0.00
Quick Deposit Single Feed Maint	1	0	1	\$0.00	\$0.00
<b>Subtotal Other Service Charges (Will be assessed on 10/3/24)</b>					<b>\$7.50</b>

ACCOUNT 00000529823372

<b>Other Service Charges:</b>	
<b>Electronic Credits</b>	
Electronic Items Deposited	1
Electronic Credits	1
<b>Credits</b>	
Non-Electronic Transactions	48
<b>Cash Management Services</b>	
Standard ACH Pmnts Initial Fee	3
Debit Block Maintenance	1
ACH Debit Block - Authorized ID	25
Quick Deposit Single Feed Maint	1

Reminder: Fees associated with ACH Payments, Real Time Payments, Same Day ACH, ACH Collections and Chase QuickDeposit<sup>SM</sup> are based on previous month activity.

---

**IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC FUNDS TRANSFERS:**

Call us at 1-866-564-2262 or write us at the address on the front of this statement immediately if you think your statement or receipt is incorrect or if you need more information about a transfer listed on the statement or receipt.

**For personal accounts only:** We must hear from you no later than 60 days after we sent you the FIRST statement on which the problem or error appeared. Be prepared to give us the following information:

- Your name and account number;
- A description of the error or the transaction you are unsure about, and why you think it is an error or want more information; and
- The amount of the suspected error.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days (or 20 business days for new accounts) to do this, we will credit your account for the amount you think is in error so that you will have use of the money during the time it takes us to complete our investigation.

**For business accounts,** see your deposit account agreement or other applicable agreements that govern your account for details.

**IN CASE OF ERRORS OR QUESTIONS ABOUT NON-ELECTRONIC FUNDS TRANSFERS:** Contact us immediately if your statement is incorrect or if you need more information about any non-electronic funds transfers on this statement. For more details, see your deposit account agreement or other applicable agreements that govern your account.

**JPMorgan Chase Bank, N.A. Member FDIC**

---





This Page Intentionally Left Blank



**REPORT TO THE ADMINISTRATIVE COUNCIL**  
SOUTHERN CALIFORNIA LIBRARY COOPERATIVE

DATE: November 21, 2024  
FROM: Andy Beck, Controller

SUBJECT: **Audit Report FY 2023/24 (ACTION)**

BACKGROUND: An annual audit of the Southern California Library Cooperative's (SCLC) financial statements is required by the State and counties within its jurisdiction, and is to be submitted within one year of the end of a fiscal year. For the FY 2023/24 audit, interim testing was conducted in October 2024, which included obtaining an understanding of the organization and testing the organization's internal controls. Final fieldwork was completed in November 2024 and included verifying the accuracy of the financial statements prepared by management, using audit procedures. The draft Financial Statements for SCLC are included for review.

For the fiscal year ended June 30, 2024, there were no material weaknesses or significant deficiencies.

FISCAL IMPACT: None

RECOMMENDATION: Staff recommend acceptance of the audited financial statements.

EXHIBITS:

- a. Draft Audited Financial Statements
- b. Draft Management Report



**Southern California Library Cooperative**

**Annual Financial Report**

**For the Fiscal Year Ended June 30, 2024**

DRAFT

DRAFT

**Southern California Library Cooperative**

**Annual Financial Report**

**For the Fiscal Year Ended June 30, 2024**

DRAFT

**Southern California Library Cooperative  
Annual Financial Report  
For the Fiscal Year Ended June 30, 2024**

**Table of Contents**

	<b><u>Page No.</u></b>
Table of Contents	i
<b>Financial Section</b>	
Independent Auditor’s Report	1-3
Management’s Discussion and Analysis	4-7
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	8-9
Statement of Activities	10
Fund Financial Statements:	
Balance Sheet of Governmental Type Fund	11
Reconciliation of the Balance Sheet of Governmental Type Fund to the Statement of Net Position	12
Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Type Fund	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Type Fund to the Statement of Activities	14
Notes to the Basic Financial Statements	15-33
<b>Required Supplementary Information Section</b>	
Budgetary Comparison Schedule – General Fund	34
Notes to Required Supplementary Information	34
Schedules of the Cooperative’s Proportionate Share of the Net Pension Liability	35-36
Schedules of Pension Plan Contributions	37
Schedules of Changes in the Cooperative’s Total OPEB Liability and Related Ratios	38
<b>Report on Compliance and Internal Controls</b>	
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 <i>Government Auditing Standards</i>	39-40

**Financial Section**

DRAFT

DRAFT



## Independent Auditor's Report

Administrative Council  
Southern California Library Cooperative  
Glendale, California

### **Report on the Audit of the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of the Southern California Library Cooperative (Cooperative) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Cooperative's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Southern California Library Cooperative as of June 30, 2024, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Cooperative, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Responsibilities of Management 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, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cooperative's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Independent Auditor's Report, continued**

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Cooperative's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cooperative's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 7, and the required supplementary information on pages 34 through 38, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## Independent Auditor's Report, continued

### Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated November 21, 2024, on our consideration of the Cooperative's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit. That report can be found on pages 39 and 40.

**C.J. Brown & Company, CPAs**  
Cypress, California  
November 21, 2024

**Southern California Library Cooperative**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2024**

As management of the Southern California Library Cooperative (Cooperative), we offer readers of the Cooperative's financial statements this narrative overview and analysis of the financial activities and performance for the fiscal year ended June 30, 2024. Please read it in conjunction with additional information that we have furnished in the accompanying basic financial statements, which follow this section.

**Financial Highlights**

- In fiscal year 2024, the Cooperative's net position increased 139.77%, or \$698,496 from ongoing operations.
- In fiscal year 2024, the Cooperative's total revenues decreased 8.51%, or \$316,963 to \$3,407,572 from \$3,724,535.
- In fiscal year 2024, the Cooperative's total expenses decreased 20.06%, or \$679,770 to \$2,709,076 from \$3,388,846.

**Using This Financial Report**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities and performance of the Cooperative using accounting methods similar to those used by private sector companies. The Statement of Net Position includes all of the Cooperative's investments in resources (assets), deferred outflows of resources, the obligations to creditors (liabilities), and deferred inflows of resources. It also provides the basis for computing a rate of return, evaluating the capital structure of the Cooperative, and assessing the liquidity and financial flexibility of the Cooperative. All of the current year's revenue and expenses are accounted for in the Statement of Activities. This statement measures the success of the Cooperative's operations over the past year and can be used to determine the Cooperative's profitability and credit worthiness.

**Government-wide Financial Statements**

**Statement of Net Position and Statement of Activities**

One of the most important questions asked about the Cooperative's finances is, "Is the Cooperative better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Activities report information about the Cooperative in a way that help answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the Cooperative's *net position* and changes in it. Think of the Cooperative's net position – assets and deferred outflows of resources less liabilities and deferred inflows of resources – as one way to measure the Cooperative's financial health, or *financial position*. Over time, *increases or decreases* in the Cooperative's net position are one indicator of whether its *financial health* is improving or deteriorating.

**Southern California Library Cooperative**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Year Ended June 30, 2024**

**Governmental Fund Financial Statements**

**Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance**

*Governmental funds* in the governmental fund financial statements are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental fund financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* in the governmental fund financial statements with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

**Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 15 through 33.

**Government-wide Financial Analysis**

**Statement of Net Position**

**Condensed Statements of Net Position**

	<u>2024</u>	<u>2023</u>	<u>Change</u>
<b>Assets:</b>			
Current assets	\$ 4,242,381	3,930,436	311,945
Non-current assets	56,409	25,534	30,875
<b>Total assets</b>	<u>4,298,790</u>	<u>3,955,970</u>	<u>342,820</u>
<b>Deferred outflows of resources</b>	<u>958,433</u>	<u>869,584</u>	<u>88,849</u>
<b>Liabilities:</b>			
Current liabilities	2,288,560	2,013,125	275,435
Non-current liabilities	2,624,158	3,114,425	(490,267)
<b>Total liabilities</b>	<u>4,912,718</u>	<u>5,127,550</u>	<u>(214,832)</u>
<b>Deferred inflows of resources</b>	<u>145,747</u>	<u>197,742</u>	<u>(51,995)</u>
<b>Net position:</b>			
Net investment in capital assets	-	(118)	118
Restricted	98,908	89,059	9,849
Unrestricted	99,850	(588,679)	688,529
<b>Total net position</b>	<u>\$ 198,758</u>	<u>(499,738)</u>	<u>698,496</u>

**Southern California Library Cooperative**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Year Ended June 30, 2024**

**Government-wide Financial Analysis, continued**

**Statement of Net Position, continued**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Cooperative, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$198,758, as of June 30, 2024.

At June 30, 2024, the Cooperative's total net position is made up of two components: (1) restricted in the amount of \$98,908, and (2) unrestricted in the amount of \$99,850. See note 9 for further information.

**Statement of Activities**

**Condensed Statements of Activities**

<i>Governmental Activities:</i>	<u>2024</u>	<u>2023</u>	<u>Change</u>
<b>Expenses:</b>			
Cooperative operations	\$ 2,709,076	3,388,846	(679,770)
<b>Total expenses</b>	<u>2,709,076</u>	<u>3,388,846</u>	<u>(679,770)</u>
<b>Program revenues</b>	3,039,094	3,457,092	(417,998)
<b>General revenues</b>	368,478	267,443	101,035
<b>Total revenues</b>	<u>3,407,572</u>	<u>3,724,535</u>	<u>(316,963)</u>
<b>Changes in net position</b>	698,496	335,689	362,807
<b>Net position, beginning of year</b>	<u>(499,738)</u>	<u>(835,427)</u>	<u>335,689</u>
<b>Net position, end of year</b>	<u>\$ 198,758</u>	<u>(499,738)</u>	<u>698,496</u>

The statement of activities shows how the government's net position changes during a fiscal year. In the case of the Cooperative, net position increased \$698,496 from ongoing operations.

In fiscal year 2024, the Cooperative's total revenues decreased 8.51%, or \$316,963 to \$3,407,572 from \$3,724,535 due primarily to decreases of \$970,029 in Federal grant and \$338,345 in program reimbursements; which were offset by increases of \$588,021 in State grant, \$292,772 in communications and delivery, \$75,841 in investment returns, and \$26,385 in membership dues.

In fiscal year 2024, the Cooperative's total expenses decreased 20.06%, or \$679,770 to \$2,709,076 from \$3,388,846 due primarily to decreases of \$946,716 in Federal grant, \$198,503 in employee benefits, and \$131,847 in materials and services; which were offset by increases of \$488,315 of State grant and \$108,981 in salaries and wages.

**Governmental Fund Financial Analysis**

The focus of the Cooperative's *governmental fund* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Cooperative's financing requirements. In particular, the *unassigned fund balance* may serve as a useful measure of the government's net resources for spending at the end of the fiscal year.

As of June 30, 2024, the Cooperative's General Fund reported a fund balance of \$2,003,598. An amount of \$1,756,942 constitutes the Cooperative's *unassigned fund balance*, which is available for future expenditures.

**Southern California Library Cooperative**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Year Ended June 30, 2024**

**General Fund Budgetary Highlights**

In 2024, actual expenditures were more than the anticipated budget by \$532,778. The variance is due primarily to actual grant expenditures being more than budget by \$692,398, which was offset by materials and supplies being less than the budget by \$171,921.

In 2024, actual revenues were more than the anticipated budget by \$592,787. The variance is due primarily to actual operating grant being more than the budget by \$741,334, which was offset by California State Library Act appropriation, being less than budget by \$162,872. The General Fund budget to actual comparison schedule can be found on page 34.

**Capital Asset Administration**

Changes in capital assets for 2024, were as follows:

	<u>Balance 2023</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance 2024</u>
Depreciable assets:	\$ 186,366	56,409	(76,603)	166,172
Accumulated depreciation	(160,832)	(25,534)	76,603	(109,763)
Total capital assets, net	<u>\$ 25,534</u>	<u>30,875</u>	<u>-</u>	<u>56,409</u>

See note 3 for further information.

**Conditions Affecting Current Financial Position**

Management is unaware of any other conditions which could have a significant impact on the Cooperative's current financial position, net position, or operating results in terms of past, present, and future.

**Requests for Information**

The Cooperative's basic financial statements are designed to present users with a general overview of the Cooperative's finances and to demonstrate the Cooperative's accountability. If you have any questions about the report or need additional information, please contact the Cooperative's Controller at the Southern California Library Cooperative, 222 East Harvard Street, Glendale, CA 91205.

## **Basic Financial Statements**

DRAFT



**Southern California Library Cooperative**  
**Statement of Net Position**  
**June 30, 2024**

	<b>2024</b>
<b>Current assets:</b>	
Cash and investments (note 2)	\$ 3,871,748
Cash and investments - restricted (note 2)	98,908
Accrued interest receivable	1,869
Accounts receivable	153,935
Prepaid expenses and deposits	115,921
<b>Total current assets</b>	<b>4,242,381</b>
<b>Non-current assets:</b>	
Capital assets, net (note 3)	56,409
<b>Total non-current assets</b>	<b>56,409</b>
<b>Total assets</b>	<b>4,298,790</b>
<b>Deferred outflows of resources:</b>	
Deferred OPEB outflows (note 6)	157,007
Deferred pension outflows (note 7)	801,426
<b>Total deferred outflows of resources</b>	<b>\$ 958,433</b>

*Continued on next page*

See accompanying notes to the basic financial statements

**Southern California Library Cooperative**  
**Statement of Net Position, continued**  
**June 30, 2024**

	<b>2024</b>
<b>Current liabilities:</b>	
Accounts payable and accrued expenses	\$ 77,869
Accrued payroll and related expenses	10,831
Compensated absences (note 4)	31,827
Unearned revenues	2,017,071
Other liabilities	133,012
Long-term liabilities - due within one year:	
Lease obligation (note 5)	17,950
<b>Total current liabilities</b>	<b>2,288,560</b>
<b>Non-current liabilities:</b>	
Long-term liabilities - due in more than one year:	
Lease obligation (note 5)	38,459
Other post-employment benefit payable (note 6)	325,584
Net pension liability (note 7)	2,260,115
<b>Total non-current liabilities</b>	<b>2,624,158</b>
<b>Total liabilities</b>	<b>4,912,718</b>
<b>Deferred inflows of resources:</b>	
Deferred OPEB inflows (note 6)	33,270
Deferred pension inflows (note 7)	112,477
<b>Total deferred inflows of resources</b>	<b>145,747</b>
<b>Net position: (note 9)</b>	
Restricted	98,908
Unrestricted	99,850
<b>Total net position</b>	<b>\$ 198,758</b>

See accompanying notes to the basic financial statements

**Southern California Library Cooperative  
Statement of Activities  
For the Fiscal Year Ended June 30, 2024**

<i>Governmental Activities:</i>	<u>2024</u>
<b>Expenses:</b>	
Cooperative operations:	
Salaries and wages	\$ 626,536
Employee benefits	(342,498)
Materials and services	480,674
Grant expense – State	488,315
Grant expense – Federal	1,430,515
Depreciation expense	<u>25,534</u>
<b>Total expenses</b>	<u>2,709,076</u>
<b>Program revenues:</b>	
Charge for services	221,285
California State Library Act appropriations	576,475
Operating grant – Federal	1,653,313
Operating grant – State	<u>588,021</u>
<b>Total program revenues</b>	<u>3,039,094</u>
<b>Net program expense</b>	<u>330,018</u>
<b>General revenues:</b>	
Member and associate dues	250,656
Investment returns	115,955
Other revenues, net	<u>1,867</u>
<b>Total general revenues</b>	<u>368,478</u>
<b>Changes in net position</b>	698,496
<b>Net position, beginning of year</b>	<u>(499,738)</u>
<b>Net position, end of year</b>	<u>\$ 198,758</u>

See accompanying notes to the basic financial statements

**Southern California Library Cooperative**  
**Balance Sheet of Governmental Type Fund**  
**June 30, 2024**

	<u>General Fund</u>	<u>Reclassifications &amp; Eliminations</u>	<u>Statement of Net Position</u>
<b>Assets:</b>			
Cash and cash equivalents	\$ 3,871,748	-	3,871,748
Cash and cash equivalents - restricted	98,908	-	98,908
Accrued interest receivable	1,869	-	1,869
Accounts receivable	153,935	-	153,935
Prepaid expenses and deposits	115,921	-	115,921
Capital assets, net	-	56,409	56,409
<b>Total assets</b>	<u>4,242,381</u>	<u>56,409</u>	<u>4,298,790</u>
<b>Deferred outflows of resources:</b>			
Deferred OPEB outflows	-	157,007	157,007
Deferred pension outflows	-	801,426	801,426
<b>Total deferred outflows of resources</b>	<u>-</u>	<u>958,433</u>	<u>958,433</u>
<b>Liabilities:</b>			
Accounts payable and accrued expenses	77,869	-	77,869
Accrued payroll and related expenses	10,831	-	10,831
Compensated absences	-	31,827	31,827
Deposits from members	133,012	-	133,012
Unearned revenue	2,017,071	-	2,017,071
Lease obligation	-	56,409	56,409
Net other post-employment benefit liability	-	325,584	325,584
Net pension liability	-	2,260,115	2,260,115
<b>Total liabilities</b>	<u>2,238,783</u>	<u>2,673,935</u>	<u>4,912,718</u>
<b>Deferred inflows of resources:</b>			
Deferred OPEB inflows	-	33,270	33,270
Deferred pension inflows	-	112,477	112,477
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>145,747</u>	<u>145,747</u>
<b>Fund balance: (note 10)</b>			
Nonspendable	115,921	(115,921)	-
Restricted	98,908	(98,908)	-
Assigned	31,827	(31,827)	-
Unassigned	1,756,942	(1,756,942)	-
<b>Total fund balance</b>	<u>2,003,598</u>	<u>(2,003,598)</u>	<u>-</u>
<b>Total liabilities and fund balance</b>	<u>\$ 4,242,381</u>		
<b>Net position:</b>			
Net investment in capital assets		-	-
Restricted		98,908	98,908
Unrestricted		99,850	99,850
<b>Total net position</b>		<u>\$ 198,758</u>	<u>198,758</u>

See accompanying notes to the basic financial statements

**Southern California Library Cooperative  
Reconciliation of the Balance Sheet of Governmental  
Type Fund to the Statement of Net Position  
June 30, 2024**

	<b>2024</b>
<b>Reconciliation:</b>	
<b>Fund balance - Governmental Fund</b>	\$ 2,003,598
Amounts reported for governmental activities in the statement of net position are different because:	
Non-current assets and deferred outflows of resources used in governmental activities are not current financial resources and, therefore, are not reported in the governmental fund balance sheet. However, the statement of net position includes these assets of the Cooperative as a whole as follows:	
Capital assets, net	56,409
Deferred OPEB outflows	157,007
Deferred pension outflows	801,426
Long-term liabilities and deferred inflows of resources applicable to the Cooperative are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities both current and long-term are reported in the statement of net position.	
Compensated absences	(31,827)
Lease obligation	(56,409)
Net other post-employment benefits payable	(325,584)
Net pension liability	(2,260,115)
Deferred OPEB inflows	(33,270)
Deferred pension inflows	(112,477)
<b>Net position of Governmental Activities</b>	<b>\$ 198,758</b>

**Southern California Library Cooperative  
Statement of Revenues, Expenditures, and Changes in  
Fund Balance of Governmental Type Fund  
For the Fiscal Year Ended June 30, 2024**

	<u>General Fund</u>	<u>Reclassifications &amp; Eliminations</u>	<u>Statement of Activities</u>
<b>Expenditures/Expenses:</b>			
Cooperative operations:			
Salaries and wages	\$ 628,347	(1,811)	626,536
Employee benefits	326,954	(669,452)	(342,498)
Materials and services	506,326	(25,652)	480,674
Grant expense – State	488,315	-	488,315
Grant expense – Federal	1,430,515	-	1,430,515
Depreciation	-	25,534	25,534
<b>Total expenditures/expenses</b>	<u>3,380,457</u>	<u>(671,381)</u>	<u>2,709,076</u>
<b>Program revenues:</b>			
Charge for services	221,285	-	221,285
California State Library Act appropriations	576,475	-	576,475
Operating grant – Federal	1,653,313	-	1,653,313
Operating grant – State	588,021	-	588,021
<b>Total program revenues</b>	<u>3,039,094</u>	<u>-</u>	<u>3,039,094</u>
<b>Net program expense</b>			<u>330,018</u>
<b>General revenues:</b>			
Member and associate dues	250,656	-	250,656
Investment returns	115,955	-	115,955
Other revenues, net	1,867	-	1,867
<b>Total general revenues</b>	<u>368,478</u>	<u>-</u>	<u>368,478</u>
<b>Total revenues</b>	<u>3,407,572</u>	<u>-</u>	
<b>Excess of revenues over expenditures</b>	27,115	(27,115)	
<b>Changes in net position</b>	-	698,496	698,496
<b>Fund balance/Net position, beginning of year</b>	<u>1,976,483</u>	<u>-</u>	<u>(499,738)</u>
<b>Fund balance/Net position, end of year</b>	<u>\$ 2,003,598</u>	<u>-</u>	<u>198,758</u>

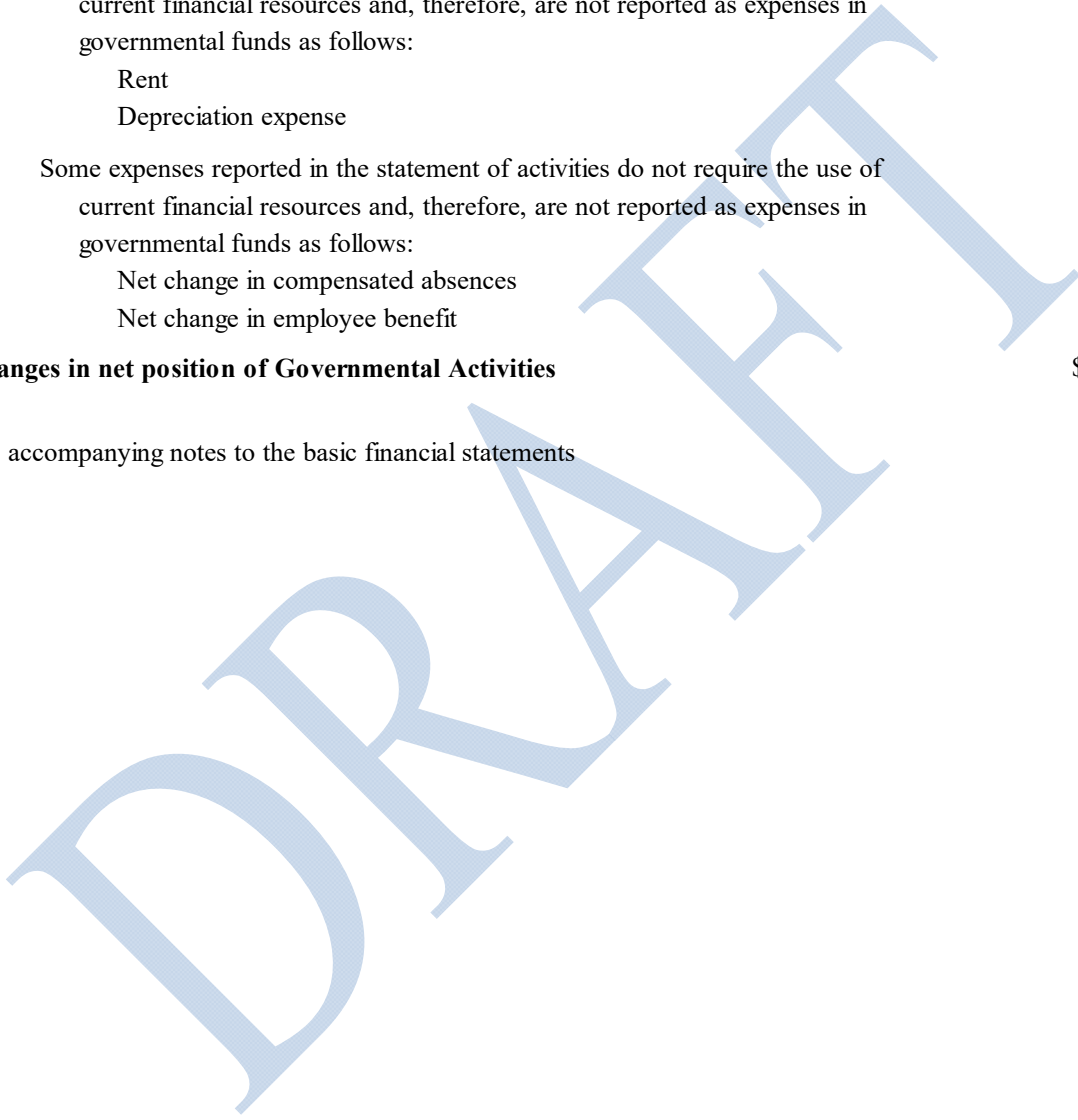
See accompanying notes to the basic financial statements

**Southern California Library Cooperative  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in  
 Fund Balance of Governmental Type Fund to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2024**

**Reconciliation:**

<b>Net change in fund balance - Governmental Fund</b>	\$	27,115
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenses in governmental funds as follows:</p>		
Rent		25,652
Depreciation expense		(25,534)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenses in governmental funds as follows:</p>		
Net change in compensated absences		1,811
Net change in employee benefit		669,452
		669,452
<b>Changes in net position of Governmental Activities</b>	<b>\$</b>	<b><u>698,496</u></b>

See accompanying notes to the basic financial statements



**Southern California Library Cooperative**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**(1) Reporting Entity and Summary of Significant Accounting Policies**

**A. Organization and Operations of the Reporting Entity**

The Southern California Library Cooperative (Cooperative) is an association of 40 independent cities and special district public libraries located in Los Angeles and Ventura counties, which have agreed to cooperate in providing library service to the residents of all participating jurisdictions. The Cooperative provides member libraries a resource-sharing network and means for enhancing the level and diversity of resources available to library users, while reducing duplication of effort.

**B. Basis of Accounting and Measurement Focus**

The *basic financial statements* of the Cooperative are comprised of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

***Government-wide Financial Statements***

These statements are presented on an *economic resource* measurement focus and the accrual basis of accounting. Accordingly, all of the Cooperative's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which the liability is incurred. The Statement of Activities demonstrates the degree to which direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The types of transactions reported as program revenues for the Cooperative are to be reported in three categories, if applicable: 1) charge for services, 2) operating grants and contributions, and 3) capital grants and contributions. Charge for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Grants and contributions include revenues restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

***Governmental Fund Financial Statements***

These statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balance for all major governmental funds. Incorporated into these statements is a schedule to reconcile and explain the difference in fund balance as presented in these statements to the net position presented in the Government-wide Financial Statements. The Cooperative has presented its General Fund as its major fund in these statements to meet the qualifications of GASB Statement No. 34.

Governmental funds are accounted for on a spending or *current financial resources* measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balance presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60-days after year-end) are recognized when earned. The primary sources susceptible to accrual for the Cooperative are interest earnings, rental revenue, and operating and capital grant revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, exceptions to this rule include principal and interest on debt, which are recognized when due.



**Southern California Library Cooperative**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2024**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**B. Basis of Accounting and Measurement Focus, continued**

*Governmental Fund Financial Statements, continued*

The Cooperative reports the following major governmental fund:

**General Fund** – a government’s primary operating fund. It accounts for all financial resources of the Cooperative, except those required to be accounted for in another fund when necessary.

**C. Financial Reporting**

The Cooperative’s basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Cooperative has adopted the following GASB pronouncements in the current year:

In April 2022, the GASB issued Statement No. 99 – *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

In June 2022, the GASB issued Statement No. 100 – *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

**Southern California Library Cooperative**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2024**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position/Fund Balance**

**1. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosures of contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements, and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

**2. Cash and Investments**

Substantially all of the Cooperative's cash is invested in interest bearing accounts and U.S Treasury bills. The Cooperative considers all highly liquid investments with a maturity of three months to be cash equivalents.

**3. Investments and Investment Policy**

The Cooperative has adopted an investment policy to deposit funds in financial institutions. Investments are to be made in the following areas:

- Checking and savings accounts at financial institutions
- California Local Agency Investment Fund (LAIF)
- U.S. Treasury Bills

Changes in fair value that occur during a fiscal year are recognized as unrealized gains or losses and reported for that fiscal year. Investment income comprises interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

**4. Prepaid Expenses**

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

**5. Capital Assets**

Capital assets are recorded in the government-wide financial statements. Included in capital assets are equipment and furniture and fixtures. The Cooperative's policy has set the capitalization threshold for reporting capital assets at \$5,000. Donated assets are recorded at estimated fair market value at the date of donation. Capital outlay is recorded as expenditures of the General Fund and as assets in the government-wide financial statements to the extent the Cooperative's capitalization threshold is met.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

- Right to use asset – shorter of the lease term or the useful life of the asset
- Equipment and furniture and fixtures – 3 to 5 years

**6. Deferred Outflows of Resources**

Deferred outflows of resources represent the consumption of resources that is applicable to future periods.

**Southern California Library Cooperative**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2024**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position/Fund Balance, continued**

**7. Compensated Absences**

The Cooperative's policy is to permit employees to accumulate earned but unused vacation pay. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured; for example, as a result of employee resignation and retirement.

**8. Lease obligation**

Lease obligation is measured at the present value of payments expected to be paid during the lease term.

**9. Deferred Inflows of Resources**

Deferred inflows of resources represent the acquisition of resources that is applicable to future periods.

**10. Pensions**

For the purpose of measuring net pension liability, deferred outflows/inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Cooperative's California Public Employees' Retirement System (CalPERS) plans (Plans) and addition to/deduction from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

GASB 68 requires that reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following time frames are used:

- Valuation date: June 30, 2022
- Measurement date: June 30, 2023
- Measurement period: July 1, 2022 to June 30, 2023

**11. Net Position**

The government-wide financial statements utilize a net position presentation. Net position is categorized as follows:

- **Net investment in capital assets** – consists of capital assets, net of accumulated depreciation, and reduced by any outstanding debt against the acquisition, construction, or improvement of those assets.
- **Restricted** – consists of constraints placed on net position use through external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted** – consists of the net amount of assets that are not included in the determination of *restricted* or *net investment in capital assets* components of net position.

**Southern California Library Cooperative**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2024**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position/Fund Balance, continued**

**12. Fund Balance**

The governmental fund financial statements report fund balance as nonspendable, restricted, committed, assigned, or unassigned based primarily on the extent to which the Cooperative is bound to honor constraints on how specific amounts can be spent.

- **Nonspendable** – amounts that cannot be spent because they are either (a) not spendable in form, or (b) legally or contractually required to be maintained intact.
- **Restricted** – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions of enabling legislation.
- **Committed** – amounts that can only be used for specific purposes determined by formal action of the Cooperative’s highest level of decision-making authority (the Administrative Council) and that remains binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Assigned** – amounts that are constrained by the Cooperative’s intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose. This is also the classification for residual funds in the Cooperative’s special revenue funds.
- **Unassigned** – the residual classification for the Cooperative’s general fund that includes amounts not contained in other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

***Fund Balance Policy***

The Administrative Council establishes, modifies, or rescinds fund balance commitments and assignments by passage of an ordinance or resolution. This is done through adoption of a budget and subsequent budget amendments that occur throughout the year. When both restricted and unrestricted resources are available for use, it is the Cooperative’s policy to use restricted resources first, followed by the unrestricted, committed, assigned, and unassigned resources as they are needed.

The Cooperative believes that sound financial management principles require that sufficient funds be retained by the Cooperative to provide a stable financial base at all times. To retain this stable financial base, the Cooperative needs to maintain an unrestricted fund balance in its fund sufficient for cash flows of the Cooperative and to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature. Committed, assigned, and unassigned fund balance are considered unrestricted. The purpose of the Cooperative’s fund balance policy is to maintain a prudent level of financial resources to protect against reducing service levels or raising fees because of temporary revenue shortfalls or unpredicted one-time expenditures.

**Southern California Library Cooperative**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2024**

**(2) Cash and Investments**

Cash and investments as of June 30, are classified in the Statement of Net Position as follows:

	<b>2024</b>
Cash and investments	\$ 3,871,748
Cash and investments - restricted	98,908
Total	3,970,656

Cash and investments as of June 30, consist of the following:

	<b>2024</b>
<b>Cash and investments</b>	
Petty cash	\$ 266
Deposits held in financial institutions	1,756,823
Deposits held with the California Employee Pension Prefunding Trust	98,908
Deposits held with the California Local Agency Investment Fund (LAIF)	165,007
U.S. Treasury bills	1,949,652
<b>Total cash and investments</b>	<b>\$ 3,970,656</b>

As of June 30, the Cooperative's authorized deposits had the following maturities:

	<b>2024</b>
Deposits held with the California Local Agency Investment Fund (LAIF)	217 days

***Authorized Deposits and Investments***

The Cooperative has adopted an investment policy directing the Fiscal Officer to deposit funds in financial institutions. Investments are to be made in the in the following areas:

- a. Checking and savings accounts at financial institutions
- b. California Local Agency Investment Fund (LAIF)
- c. United States Treasury Bill

***Cash with California Local Agency Investment Fund***

The Cooperative is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the Cooperative's investment in LAIF is reported in the accompanying financial statements at amounts based upon the Cooperative's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

**Southern California Library Cooperative**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2024**

**(2) Cash and Cash Equivalents, continued**

***Cash with California Local Agency Investment Fund, continued***

The Cooperative's deposit and withdrawal restrictions and limitations are as follows:

- Same day transaction processing occurs for orders received before 10:00 a.m.
- Next day transaction processing occurs for orders received after 10:00 a.m.
- Maximum limit of 15 transactions (combination of deposits and withdrawals) per month.
- Minimum transaction amount requirement of \$5,000, in increments of \$1,000.
- Withdrawals of \$10 million or more require 24 hours advance notice.
- Prior to funds transfer, an authorized person must call LAIF to do a verbal transaction.

***Custodial Credit Risk***

The custodial credit risk for *deposits* is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

The California Government Code and the Cooperative's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of pledged securities in the collateral pool must equal at least 110% of the total amount deposited by public agencies. As of June 30, 2024, bank balances are federally insured up to \$250,000. The remaining balance is collateralized in accordance with the Code; however, collateralized securities are not held in the Cooperative's name.

***Interest Rate Risk***

Interest rate risk is the risk that the change in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity an investment, the greater the sensitivity of its fair value to the change in market interest rates. One of the ways that the Cooperative manages its exposure to interest rate risk is by purchasing a combination of short-term and long-term investments and by timing cash flows from maturities so that a portion of the portfolio matures or comes close to maturity evenly over time as necessary to provide requirements for cash flow and liquidity needed for operations. The U.S. Treasury Bill is scheduled to mature within 12 months from balance sheet date of June 30, 2024.

***Credit Risk***

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. As of June 30, 2024, the Cooperative's investment in LAIF is unrated and the U.S. Treasury Bill is rated AA+ from both Fitch and S&P, and Aaa from Moody's.

**Southern California Library Cooperative**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2024**

**(3) Capital Assets**

The change in capital assets for 2024 was as follows:

	<u>Balance 2023</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance 2024</u>
Depreciable assets:				
Right to use asset	\$ 76,603	56,409	(76,603)	56,409
Equipment, furniture, and fixtures	109,763	-	-	109,763
Total depreciable assets	<u>186,366</u>	<u>56,409</u>	<u>(76,603)</u>	<u>166,172</u>
Accumulated depreciation				
Right to use asset	(51,069)	(25,534)	76,603	-
Equipment, furniture, and fixtures	(109,763)	-	-	(109,763)
Total accumulated depreciation	<u>(160,832)</u>	<u>(25,534)</u>	<u>76,603</u>	<u>(109,763)</u>
Total depreciable assets, net	<u>25,534</u>	<u>30,875</u>	<u>-</u>	<u>56,409</u>
Total capital assets, net	<u>\$ 25,534</u>			<u>56,409</u>

**(4) Compensated Absences**

The change in compensated absences for 2024 was as follows:

	<u>Balance 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 2024</u>
\$	<u>33,638</u>	<u>36,900</u>	<u>(38,711)</u>	<u>31,827</u>

**(5) Operating Lease**

The change in operating lease obligation at June 30 was as follows:

	<u>2023</u>	<u>Additions</u>	<u>Principal Payment</u>	<u>2024</u>
Lease obligation	<u>\$ 25,652</u>	<u>56,409</u>	<u>(25,652)</u>	<u>56,409</u>

In June 2024, the Cooperative entered into an agreement with the City of Glendale (City), a California municipal corporation, to rent an office building space. The Cooperative's office space is located in Glendale Library, Arts and Culture in the County of Los Angeles. The term and payment provisions of the original lease agreement, are as follows:

1. The term of the lease shall be for a period of three (3) years, commencing July 1, 2024, and ending June 30, 2027.
2. The Cooperative shall pay \$1,680 monthly rent and ancillary cost to the City.

The Cooperative recorded a right-to-use asset and a lease obligation at present value using an implicit interest rate of 4.58%. The right-to-use asset is amortized on a straight-line basis over the term of the lease.

**Southern California Library Cooperative**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2024**

**(5) Operating Lease, continued**

Principal and interest requirements to maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 17,950	2,210	20,160
2026	18,790	1,370	20,160
2027	<u>19,669</u>	<u>491</u>	<u>20,160</u>
Total	56,409	<u>4,071</u>	<u>60,480</u>
Current	<u>(17,950)</u>		
Non-current	<u>\$ 38,459</u>		

**(6) Other Post-Employment Benefits Payable**

***Plan Description***

The Cooperative’s defined benefit OPEB plan (Plan) provides OPEB for all permanent full-time employees. The Plan is a single employer defined benefit OPEB plan administered by the Cooperative. The Cooperative’s Administrative Council has the authority to establish and amend the benefit terms and financing requirements of the Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75, and benefit payments are made on a “pay-as-you-go” basis.

***Benefits Provided***

Effective, January 1, 2025, the Cooperative changed to the PEMCHA Minimum, which is \$157 per month in 2024. The Plan solely provides medical benefits to only retirees through CalPERS. The benefit terms provide for payment of 100% of health insurance premiums for retirees up to a cap of \$10,756 per year starting at a minimum age of 50 and for the retirees’ lifetime.

***Employees Covered by Benefit Terms***

At June 30, the following employees were covered by the benefit terms:

	<u>2024</u>
Inactive employees or beneficiaries currently receiving benefit payments	8
Active employees	<u>4</u>
Total plan membership	<u>12</u>

***Total OPEB Liability***

The Cooperative’s total OPEB liability of \$325,584 was measured as of June 30, 2024, and was determined by an actuarial valuation as of June 30, 2024.

***Actuarial Assumptions and Other Inputs***

The total OPEB liability in the June 30, 2024, actuarial valuation for the measurement date June 30, 2024, was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50% per year
Salary increases	2.75% per year
Discount rate	3.93% per year changed from 3.65% in 2023
Retirees’ share of benefit-related cost	Not Applicable



**Southern California Library Cooperative**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2024**

**(6) Other Post-Employment Benefits Payable, continued**

*Actuarial Assumptions and Other Inputs, continued*

The discount rate was based on the Bond Buyer 20 Bond Index.

Mortality assumptions are based on the 2021 CalPERS Mortality for Miscellaneous Employees and School Employees. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. The tables incorporate mortality projection as deemed appropriate based on CalPERS analysis. Inasmuch as these tables are based on appropriate populations, and that these tables are used for pension purposes, these tables are to be the most appropriate for the valuation.

The retirement and turnover assumptions used in the June 30, 2024, valuation were based on the results of an actuarial experience study as follows:

- Retirement table – 2021 CalPERS 2.0% @ 62 Rates for Miscellaneous Employees
- Turnover Tables – 2021 CalPERS Turnover for Miscellaneous Employees

Inasmuch as the above tables are based on appropriate populations, and that these tables are used for pension purposes, these tables are to be the most appropriate for the valuation.

***Changes in the Total OPEB Liability***

During the year ended June 30, changes in total OPEB liability were as follows:

		<u><b>2024</b></u>
Balance at June 30, 2023	\$	981,620
Changes for the year:		
Service cost		33,975
Interest		35,618
Experience (Gains)/Losses		136,711
Changes in assumptions or other inputs		(11,788)
Changes in benefit terms		(804,988)
Benefit payments		<u>(45,564)</u>
Net change		<u>(656,036)</u>
Balance at June 30, 2024	\$	<u><u>325,584</u></u>

***Sensitivity of the Total OPEB Liability to Changes in the Discount Rate***

The following presents the total OPEB liability of the Cooperative, as well as what the Cooperative's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	<u><b>Discount Rate</b></u> <u><b>1% Lower</b></u>	<u><b>Valuation</b></u> <u><b>Discount Rate</b></u>	<u><b>Discount Rate</b></u> <u><b>1% Higher</b></u>
Total OPEB liability	\$ <u>371,085</u>	<u>325,584</u>	<u>288,568</u>

**Southern California Library Cooperative**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2024**

**(6) Other Post-Employment Benefits Payable, continued**

***Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates***

The following presents the total OPEB liability of the Cooperative, as well as what the Cooperative's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<b>Trend 1% Lower</b>	<b>Valuation Trend</b>	<b>Trend 1% Higher</b>
Total OPEB liability	\$ 287,141	325,584	372,777

***OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB***

For the year ended June 30, 2024, the Cooperative recognized an OPEB credit of \$701,413. As June 30, 2024, the Cooperative reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 157,007	-
Changes in assumptions or other inputs	-	(33,270)
Total	\$ 157,007	(33,270)

As of June 30, 2024, amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<b>Fiscal Year Ending June 30,</b>	<b>Deferred Net Outflows(Inflows) of Resources</b>
2025	\$ 33,962
2026	28,201
2027	11,636
2028	36,440
2029	13,498

**(7) Defined Benefit Pension Plan**

***Plan Description***

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Pension Plan (Plan or PERF C) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of a miscellaneous risk pool and a safety risk pool, which are comprised of individual employer miscellaneous and safety plans, respectively. Benefit provisions under the Plan are established by State statute and the Cooperative's resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website or may be obtained from their executive office at 400 P Street, Sacramento, California 95814.

**Southern California Library Cooperative**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2024**

**(7) Defined Benefit Pension Plan, continued**

***Benefits Provided***

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. Cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

On September 12, 2012, the California Governor signed the California Public Employees' Pension Reform Act of 2013 (PEPRA) into law. PEPRA took effect January 1, 2013. The new legislation closed the Cooperative's CalPERS 2.0% at 55 Risk Pool Retirement Plan to new employee entrants effective December 31, 2012. All employees hired after January 1, 2013, are eligible for the Cooperative's CalPERS 2.0% at 62 Retirement Plan under PEPRA.

The Cooperative participates in the Plan's miscellaneous risk pool. The provisions and benefits for the Plan's miscellaneous risk pool in effect at June 30, 2024, are summarized as follows:

	<u>Classic</u>	<u>PEPRA</u>
	Prior to	After
	<u>Jan 1, 2011</u>	<u>Jan 1, 2013</u>
Hire date		
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	
Benefit payments	monthly for life	
Retirement age	50 - 55	57 - 62
Monthly benefits, as a percentage of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	7.000%	7.750%
Required employer contribution rates	11.840%	7.680%

***Contributions***

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by an actuary and be effective on July 1, following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30, by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Cooperative is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

***Contributions, continued***

For the year ended June 30, 2024, the Cooperative's contributions to the Plan was as follows:

	<u>2024</u>
Contributions – employer	\$ <u>201,492</u>

**Southern California Library Cooperative**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2024**

**(7) Defined Benefit Pension Plan, continued**

***Net Pension Liability***

As of June 30, the Cooperative's proportionate share of the net pension liability was as follows:

	<b>2024</b>
Proportionate share of net pension liability	\$ 2,260,115

The Cooperative's net pension liability for the Plan is measured as the proportionate share of the net pension liability for the miscellaneous risk pool. As of June 30, 2024, the net pension liability of the Plan is measured as of June 30, 2023 (the measurement date). The total pension liability for the Plan's miscellaneous risk pool used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 (the valuation date), rolled forward to June 30, 2023, using standard update procedures. The Cooperative's proportion of the net pension liability was based on a projection of the Cooperative's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Cooperative's changes in proportionate share of the net pension liability for the Plan pool as of the measurement date June 30, 2023, was as follows:

Measurement Date	2024
Proportion – June 30, 2022	0.01846%
Proportion – June 30, 2023	0.01812%
Change in proportion	-0.00035%

***Deferred Outflows/Inflows of Resources Related to Pensions***

For the year ended June 30, 2024, the Cooperative recognized pension expense of \$128,801. As June 30, 2024, the Cooperative reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 201,492	-
Difference between actual and expected experience	97,548	-
Change in assumptions	136,453	-
Net difference between projected and actual earnings on plan investments	365,933	-
Change in proportion and the difference between employer's contributions and employer's proportionate share of contributions	-	(112,477)
Total	\$ 801,426	(112,477)

As of June 30, 2024, the Cooperative reported \$201,492 as deferred outflows of resources related to contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability for the year ended June 30, 2025.

**Southern California Library Cooperative**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2024**

**(7) Defined Benefit Pension Plan, continued**

As of June 30, 2024, other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

<u>Fiscal Year</u> <u>Ending</u> <u>June 30,</u>	<u>Deferred Net</u> <u>Outflows(Inflows)</u> <u>of Resources</u>
2025	\$ 117,722
2026	85,563
2027	273,671
2028	10,501

***Actuarial Assumptions***

The total pension liabilities in the June 30, 2022, actuarial valuation were determined using the following actuarial assumptions and methods:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial assumptions	
Discount rate	6.90%
Inflation	2.30%
Salary increase	Varies by entry age and service
Mortality Table*	Derived using CalPERS membership data
Period upon which actuarial Experience survey assumptions were based	1997 – 2015
Post-retirement benefit increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on purchasing power applies

\* The mortality table was developed based on CalPERS specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study that can be found on the CalPERS website.

***Discount Rate***

The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. This discount rate is not adjusted for administrative expenses.

**Southern California Library Cooperative**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2024**

**(7) Defined Benefit Pension Plan, continued**

***Discount Rate, continued***

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

The table below reflects the expected real rates of return by asset class.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return 1-10<sup>1,2</sup></u>
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

<sup>1</sup> An expected inflation of 2.30% used for this period.

<sup>2</sup> Figures are based on the 2021-22 Asset Liability Management Study.

***Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following presents the Cooperative's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the Cooperative's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate.

As of June 30, 2024, the Cooperative's net pension liability at the current discount rate, using a discount rate that is one-percentage point lower, and using a discount rate that is one-percentage point higher, were as follows:

	<u>Discount Rate - 1% (5.90%)</u>	<u>Current Discount Rate (6.90%)</u>	<u>Discount Rate + 1% (7.90%)</u>
Cooperative's net pension liability	\$ 3,225,985	2,260,115	1,465,122

***Pension Plan Fiduciary Net Position***

Detailed information about the pension plan's fiduciary net position is available in separately issued CalPERS financial reports.

**Southern California Library Cooperative**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2024**

**(8) Section 115 Trust**

In fiscal year 2022, the Cooperative's Administrative Council approved the creation of a Section 115 Trust Agreement with the Benefit Trust, Trustee and Trust Administrator. The Section 115 Trust was established as a means to set aside monies to fund the Cooperative's pension plan obligation. Contributions to the Section 115 Trust are irrevocable, the assets are dedicated to providing benefits to plan members, and the assets are protected from creditors of the Cooperative. The purpose the Section 115 Trust was to address the Cooperative's pension obligations by accumulating assets in consideration of its defined benefit pension plan. However, in accordance with generally accepted accounting principles, the assets in the Section 115 Trust are not considered to have present service capacity as plan assets and are therefore considered restricted assets of the Cooperative rather than pension plan assets. Accordingly, the Section 115 Trust's assets are recorded as restricted for pension benefits in the Cooperative's net position and fund balance rather than assets of the pension plan during the measurement date of the net pension liability. The assets held in trust will be considered pension plan assets at the time they are transferred out of the Trust into the pension plan.

During fiscal year ended June 30, 2024, the Trust earned \$5,462 in dividend income and incurred \$208 in fees. The Trust account balance at June 30, 2024 amounted to \$98,908.

**(9) Net Position**

The details of net position are as follows:

	<b>2024</b>
<b>Net investment in capital assets:</b>	
Capital assets, net	\$ 56,409
Lease obligation - current portion	(17,950)
Lease obligation - long-term portion	(38,459)
Total net investment in capital assets	-
<b>Restricted net position:</b>	
Section 115 Trust	98,908
Total restricted net position	98,908
<b>Unrestricted net position:</b>	
Non-spendable net position:	
Prepaid expenses and deposit	115,921
Total non-spendable net position	115,921
Spendable net position:	
Unrestricted	(16,071)
Total spendable net position	(16,071)
Total unrestricted net position	99,850
<b>Total net position</b>	<b>\$ 198,758</b>

**Southern California Library Cooperative**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2024**

**(10) Fund Balance**

Fund balance is presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned (See Note 1.D.12 for a description of these categories). A detailed schedule of fund balance and their funding composition at June 30, are as follows:

Description	2024
<b>Nonspendable:</b>	
Prepaid expenses and deposits	\$ 115,921
<b>Restricted:</b>	
Section 115 Trust	98,908
<b>Assigned:</b>	
Compensated absences	31,827
<b>Unassigned:</b>	
Operations	1,756,942
<b>Total fund balance</b>	<b>\$ 2,003,598</b>

**(11) Risk Management**

The Cooperative is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. The Cooperative has purchased commercial insurance coverage to limit the risk of loss for the above named sources. Also, the Cooperative has obtained workers' compensation coverage to the statutory limits of the State of California.

**(12) Governmental Accounting Standards Board Statements Issued, Not Yet Effective**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to the report date, that have effective dates that may impact future financial presentations.

***Governmental Accounting Standards Board Statement No. 101***

In June 2022, the GASB issued Statement No. 101 – *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.



**Southern California Library Cooperative**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2024**

**(12) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued**

***Governmental Accounting Standards Board Statement No. 102***

In December 2023, the GASB issued Statement No. 102 – *Certain Risk Disclosures*. The primary objective of this Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

***Governmental Accounting Standards Board Statement No. 103***

In April 2024, the GASB issued Statement No. 103 – *Financial Reporting Model Improvements*. The primary objective of this Statement is to improve key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assessing a government’s accountability. Also, this Statement: (1) continues the requirement that the basic financial statements be preceded by management’s discussion and analysis (MD&A), which is presented as required supplementary information (RSI); (2) describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence; (3) requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses; (4) requires governments to present each major component unit separately in the reporting entity’s statement of net position and statement of activities if it does not reduce the readability of the statements; and (5) requires governments to present budgetary comparison information using a single method of communication—RSI.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

***Governmental Accounting Standards Board Statement No. 104***

In September 2024, the GASB issued Statement No. 104 – *Disclosure of Certain Capital Assets*. The primary objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*. Also, this Statement establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The requirements of this Statement apply to the financial statements of all state and local governments.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

**Southern California Library Cooperative**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2024**

**(13) Commitments and Contingencies**

***Grant Awards***

Grant funds received by the Cooperative are subject to audit by grantor agencies. Such audit could lead to requests for reimbursements to grantor agencies for expenditures disallowed under terms of the grant. Management of the Cooperative believes that such disallowances, if any, would not be significant.

***Litigation***

In the ordinary course of operations, the Cooperative is subject to claims and litigation from outside parties. After consultation with legal counsel, the Cooperative believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

**(14) Subsequent Events**

Events occurring after June 30, 2024, have been evaluated for possible adjustment to the financial statements or note disclosures as of November 21, 2024, which is the date the financial statements were available to be issued. The Cooperative is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

DRAFT

**< Page Intentionally Left Blank >**

DRAFT

## **Required Supplementary Information**

DRAFT

DRAFT

**Southern California Library Cooperative  
Budgetary Comparison Schedule – General Fund  
For the Fiscal Year Ended June 30, 2024**

	<u>Adopted Original Budget</u>	<u>Board Approved Changes</u>	<u>Revised Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
<b>Expenditures/Expenses:</b>					
Cooperative operations:					
Salaries and wages	\$ 603,693	-	603,693	628,347	(24,654)
Employee benefits	339,307	-	339,307	326,954	12,353
Materials and services	678,247	-	678,247	506,326	171,921
Grant expense	1,226,432	-	1,226,432	1,918,830	(692,398)
<b>Total expenditures/expenses</b>	<u>2,847,679</u>	<u>-</u>	<u>2,847,679</u>	<u>3,380,457</u>	<u>(532,778)</u>
<b>Program revenues:</b>					
Charge for services	223,784	-	223,784	221,285	(2,499)
California State Library Act appropriation	739,347	-	739,347	576,475	(162,872)
Operating grant	1,500,000	-	1,500,000	2,241,334	741,334
<b>Total program revenues</b>	<u>2,463,131</u>	<u>-</u>	<u>2,463,131</u>	<u>3,039,094</u>	<u>575,963</u>
<b>General revenues:</b>					
Member and associate dues	250,654	-	250,654	250,656	2
Investment return	100,000	-	100,000	115,955	15,955
Other revenues(expenses), net	1,000	-	1,000	1,867	867
<b>Total general revenues</b>	<u>351,654</u>	<u>-</u>	<u>351,654</u>	<u>368,478</u>	<u>16,824</u>
<b>Total revenues</b>	<u>2,814,785</u>	<u>-</u>	<u>2,814,785</u>	<u>3,407,572</u>	<u>592,787</u>
<b>Net change in fund balance</b>	<u>(32,894)</u>	<u>-</u>	<u>(32,894)</u>	<u>27,115</u>	<u>60,009</u>
<b>Fund balance, beginning of year</b>	<u>1,976,483</u>		<u>1,976,483</u>	<u>1,976,483</u>	
<b>Fund balance, end of year</b>	<u>\$ 1,943,589</u>		<u>1,943,589</u>	<u>2,003,598</u>	

**Notes to Required Supplementary Information**

**(1) Budgets and Budgetary Data**

The Cooperative follows specific procedures in establishing the budgetary data reflected in the financial statements. Each year the Cooperative prepares and submits an operating budget to the Administrative Council for the General Fund no later than June of each year. The basis used to prepare the budget does not differ substantially from the modified accrual basis of accounting. The adopted budget becomes operative on July 1. The Administrative Council must approve all supplemental appropriations to the budget and transfers between major accounts.

The Cooperative presents a comparison of the annual budget to actual results for the General Fund at the functional expenditure-type major object level for financial reporting purposes.

**Southern California Library Cooperative**  
**Schedules of the Cooperative's Proportionate Share of the Net Pension Liability**  
**For the Fiscal Year Ended June 30, 2024**  
**Last Ten Years**

**Defined Benefit Pension Plan**

Description	Measurement dates									
	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	06/30/2014
Cooperative's proportion of the net pension liability/(asset)	0.01812%	0.01846%	0.02202%	0.01685%	0.01655%	0.01611%	0.01584%	0.01559%	0.01457%	0.01540%
Cooperative's proportionate share of the net pension liability/(asset)	\$ 2,260,115	2,132,687	1,191,104	1,833,412	1,695,854	1,552,311	1,570,767	1,349,435	1,000,007	934,536
Cooperative's covered-employee payroll	\$ 573,687	444,242	580,404	587,683	617,093	385,527	361,657	420,168	388,012	388,012
Cooperative's proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	393.96%	480.07%	205.22%	311.97%	274.81%	402.65%	434.33%	321.17%	257.73%	240.85%
Plan's fiduciary net position as a percentage of total pension liability	76.21%	76.68%	88.29%	75.10%	75.26%	75.26%	73.31%	74.06%	78.40%	80.43%

**Notes to the Schedules of the Cooperative's Proportionate Share of the Net Pension Liability**

***Changes in Benefit Terms***

Public agencies can make changes to their plan provisions, and such changes occur on an ongoing basis. A summary of the plan provisions that were used for a specific plan can be found in the plan's annual valuation report.

***Change of Assumptions and Methods***

In fiscal year 2023, there were no changes to actuarial assumptions or methods.

In fiscal year 2022, the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was

informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

In fiscal year 2021, there were no changes to actuarial assumptions or methods.

The CalPERS Board of Administration adopted a new amortization policy effective with the June 30, 2019, actuarial valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses.

**Southern California Library Cooperative**  
**Schedules of the Cooperative's Proportionate Share of the Net Pension Liability, continued**  
**For the Fiscal Year Ended June 30, 2024**  
**Last Ten Years\***

**Notes to the Schedules of the Cooperative's Proportionate Share of the Net Pension Liability, continued**

***Change of Assumptions and Methods, continued***

These changes will apply only to new UAL bases established on or after June 30, 2019.

In fiscal year 2020, CalPERS implemented a new actuarial valuation software system for the June 30, 2018 valuation. This new system has refined and improved calculation methodology.

In December 2017, the CalPERS Board adopted new mortality assumptions for plans participating in the PERF. The new mortality table was developed from the December 2017 experience study and includes 15 years of projected ongoing mortality improvement using 90% of scale MP 2016 published by the Society of Actuaries. The inflation assumption is reduced from 2.75% to 2.50%.

The assumptions for individual salary increases and overall payroll growth are reduced from 3.00% to 2.75%. These changes will be implemented in two steps commencing in the June 30, 2017 funding valuation. However, for financial reporting purposes, these assumption changes are fully reflected in the results for fiscal year 2018.

In fiscal year 2017, the financial reporting discount rate for the PERF C was lowered from 7.65% to 7.15%. In December 2016, the CalPERS Board approved lowering the funding discount rate used in the PERF C from 7.50% to 7.00%, which is to be phased in over a three-year period (7.50% to 7.375%, 7.375% to 7.25%, and 7.25% to 7.00%) beginning with the June 30, 2016, valuation reports. The funding discount rate includes a 15 basis-point reduction for administrative expenses, and the remaining decrease is consistent with the change in the financial reporting discount rate.

In fiscal year 2015, the financial reporting discount rate was increased from 7.50% to 7.65% resulting from eliminating the 15 basis-point reduction for administrative expenses. The funding discount rate remained at 7.50% during this period, and remained adjusted for administrative expenses.



**Southern California Library Cooperative  
Schedules of Pension Plan Contributions  
For the Fiscal Year Ended June 30, 2024  
Last Ten Years**

**Defined Benefit Pension Plan**

Description	Fiscal Years Ended									
	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Actuarially determined contribution	\$ 201,492	194,667	186,801	170,277	151,131	127,566	98,856	90,401	68,087	24,775
Contributions in relation to the actuarially determined contribution	(201,492)	(194,667)	(186,801)	(170,277)	(151,131)	(127,566)	(98,856)	(79,604)	(63,835)	(24,775)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	10,797	4,252	-
Cooperative's covered payroll	\$ 573,687	444,242	580,404	587,683	617,093	385,527	361,657	420,168	388,012	388,012
Contribution's as a percentage of covered-employee payroll	35.12%	43.82%	32.18%	28.97%	24.49%	33.09%	27.33%	18.95%	16.45%	6.39%

DRAFT

**Southern California Library Cooperative**  
**Schedules of Changes in the Cooperative's Total OPEB Liability and Related Ratios**  
**For the Fiscal Year Ended June 30, 2024**  
**Last Ten Years\***

**Other Post-Employment Benefits Payable**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB liability						
Service cost	\$ 33,975	33,461	44,810	51,311	35,574	21,125
Interest	35,618	30,789	22,170	20,934	17,045	28,419
Employer contributions	(45,564)	(38,597)	(37,552)	(32,171)	(28,397)	(31,067)
Experience (Gains)/Losses	136,711	77,989	-	-	-	-
Difference between expected and actual experience	-	-	-	(14,416)	(1,465)	(25,867)
Change of assumptions or other inputs	(11,788)	5,656	(179,859)	55,142	147,279	26,463
Changes in benefit terms	(804,988)	-	-	-	-	-
Net change in total OPEB liability	(656,036)	109,298	(150,431)	80,800	170,036	19,073
Total OPEB liability – beginning	981,620	872,322	1,022,753	941,953	771,917	752,844
Total OPEB liability – ending	\$ 325,584	981,620	872,322	1,022,753	941,953	771,917
Covered-employee payroll	\$ 573,687	444,242	580,404	587,683	617,093	385,527
Total OPEB liability as a percentage of covered-employee payroll	56.75%	220.97%	150.30%	174.03%	152.64%	200.22%

**Note to Schedule:**

The Cooperative maintains no assets that are accumulated in a trust to pay related OPEB.

**Changes in Benefit Terms** – Effective January 1, 2025, the Cooperative changed to the PEMCHA minimum.

**Changes of Assumptions** – In the June 30, 2024, actuarial valuation, the discount rate used was 3.93% per year net of expenses.

In the June 30, 2023, actuarial valuation, the discount rate used was 3.65% per year net of expenses.

In the June 30, 2021, the inflation rate used was 2.50% and discount rate used was 3.54% per year net of expenses.

In the June 30, 2020, there is no actuarial valuation since it is a roll forward from the prior year.

\* The Cooperative has presented information for those years for which information is available until a full 10-year trend is compiled.

# **Report on Internal Controls and Compliance**

DRAFT

DRAFT

**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***

Administrative Council  
Southern California Library Cooperative  
Glendale, California

We have audited, in accordance with the 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 Southern California Library Cooperative (Cooperative) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprises the Cooperative’s basic financial statements, and have issued our report thereon dated November 21, 2024.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Cooperative’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 Cooperative’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Cooperative’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 entity’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 and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. 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 Cooperative’s financial statements are free from material misstatement, we performed tests of its 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*.

**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*, continued**

**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 entity’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 entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**C.J. Brown & Company, CPAs**  
Cypress, California  
November 21, 2024

DRAFT

**Southern California Library Cooperative**

**Management Report**

**June 30, 2024**

DRAFT

**Southern California Library Cooperative**

**Management Report**

**Table of Contents**

<u>Item</u>	<u>Page No.</u>
General Introduction	1
<b>Appendix:</b>	
Audit/Finance Committee Letter	1-4

DRAFT



Administrative Council  
Southern California Library Cooperative  
Glendale, California

**Dear Members of the Administrative Council:**

In planning and performing our audit of the financial statements of the governmental activities and each major fund of the Southern California Library Cooperative (Cooperative) as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the Cooperative's internal control over financial reporting (internal control) as a basis for designing 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 entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the Cooperative's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**C.J. Brown & Company, CPAs**  
Cypress, California  
November 21, 2024

**APPENDIX**

**Southern California Library Cooperative**

**Audit/Finance Committee Letter**

**June 30, 2024**

DRAFT

Administrative Council  
Southern California Library Cooperative  
Glendale, California

We have audited the financial statements of the governmental activities and each major fund of the Southern California Library Cooperative (Cooperative) for the year ended June 30, 2024, and have issued our report thereon dated November 21, 2024.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated September 3, 2024, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Cooperative solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

If any, we have provided our findings regarding significant control deficiencies over financial reporting and material noncompliance, and other matters noted during our audit in a separate letter to you dated November 21, 2024.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

An auditor that is not involved in the engagement performed an independent review of the financial statements that was prepared by us based on the information provided by management. This safeguard reduces the threat of self-review risk to an acceptable level.

### **Significant Risks Identified**

We have identified the following significant risks:

- Management override of controls
- Revenue recognition

### **Qualitative Aspects of the Entity's Significant Accounting Practices**

#### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Cooperative is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no other changes in significant accounting policies or their application during 2024. No other matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

#### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. The most sensitive accounting estimates affecting the financial statements are as follows:

Management's estimate of the fair value of cash and investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of cash and investments in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of capital assets depreciation is based on historical estimates of each capitalized item's useful life expectancy or cost recovery period. We evaluated the key factors and assumptions used to develop the capital asset depreciation calculations in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the net other post-employment benefit (OPEB) liability is based on an actuarial valuation that was conducted by a third-party actuary. We evaluated the basis, methods, and assumptions used by the actuary in calculating the net OPEB liability, OPEB expense, and deferred OPEB outflows/inflows for the Cooperative to determine that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the defined benefit pension plan's deferred outflows of resources, net pension liability, and deferred inflows of resources are based on an actuarial valuation of these amounts which was conducted by a third-party actuary. We evaluated the basis, actuarial methods and assumptions used by the actuary to calculate these amounts for the Cooperative to determine that it is reasonable in relation to the financial statements taken as a whole.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Cooperative's financial statements relate to:

The disclosure of fair value of cash and cash investments in Note 2 to the basic financial statements represents amounts susceptible to market fluctuations.

The disclosure of capital assets, net in Note 3 to the basic financial statements is based on historical information which could differ from actual useful lives of each capitalized item.

The disclosure of the Cooperative's OPEB liability in Note 6 to the basic financial statements is based on actuarial assumptions which could differ from actual costs.

The disclosure of the Cooperative's defined benefit pension plan in Note 7 to the basic financial statements is based on actuarial assumptions which could differ from actual costs.

### **Significant Unusual Transactions**

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. No significant unusual transactions were identified as a result of our audit procedures that were brought to the attention of management.

### **Identified or Suspected Fraud**

We have not identified or have not obtained information that indicates that fraud may have occurred.

### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Cooperative's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Circumstances that Affect the Form and Content of the Auditor's Report**

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. There were no circumstances that affect the form and content of the auditor's report.

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter dated November 21, 2024.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the Cooperative, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Cooperative's auditors.

### **Other Matters**

We applied certain limited procedures to the Management Discussion and Analysis, Budgetary Comparison Schedules – General Fund, Schedules of the Cooperative's Proportionate Share of the Net Pension Liability, Schedules of Pension Plan Contributions, and Schedules of Changes in the Cooperative's Total OPEB Liability and Related Ratios, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

### **Conclusion**

We appreciate the cooperation extended to us by Andy Beck, Controller, in the performance of our audit testwork.

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to the Cooperative.

**C.J. Brown & Company, CPAs**  
Cypress, California  
November 21, 2024



**REPORT TO THE ADMINISTRATIVE COUNCIL  
SOUTHERN CALIFORNIA LIBRARY COOPERATIVE**

DATE: November 21, 2024  
FROM: Christine Powers, Executive Director, SCLC

SUBJECT: **CLSA FY 2024/25 Plan of Service Update (DISCUSSION)**

BACKGROUND: Each year, the Southern California Library Cooperative (SCLC) receives California Library Services Act (CLSA) funds from the state to promote resource sharing within the system. To receive these funds, SCLC must complete and submit a Plan of Service to be approved by the California Library Services Board (CLSB). The Plan outlines how the system intends to expend funds and how those expenditures will benefit the communities served by SCLC libraries.

On October 2, 2024, the CLSB held its fall meeting, during which it approved SCLC's Plan of Service, as submitted.

FISCAL IMPACT: None

RECOMMENDATION: Informational item

EXHIBIT: None



**REPORT TO THE ADMINISTRATIVE COUNCIL**  
**SOUTHERN CALIFORNIA LIBRARY COOPERATIVE**

DATE: November 21, 2024  
FROM: Christine Powers, Executive Director, SCLC

SUBJECT: **SCLC Annual Planning Meeting (ACTION)**

**BACKGROUND:** The Southern California Library Cooperative's (SCLC) strategic plan calls for an annual planning session of the Administrative Council. In January of this year, SCLC held its annual planning session, during which a facilitator worked with the Council to help develop its mission and vision statements. An annual planning session can be scheduled for 2025 at the direction of the Council. The goal would be to hold this session in the first quarter of the calendar year. Staff could work with the Chair and the Membership Engagement Ad Hoc Committee to set the agenda for this meeting.

There is an opportunity to utilize funding from California Libraries Learn (CALL) towards obtaining a presenter/trainer for this meeting, should the Council be interested. CALL, a collaborative project of the California Library Association and the California State Library, is currently providing an opportunity for libraries to host learning events by providing financial support. Local CALL is a program intended to provide support for customized training at the regional level, as well as to encourage networking and connections between libraries with similar training needs. The use of California trainers/presenters is also encouraged.

Local CALL events must be hosted by a California public library or library cooperative. However, staff from other library types may be invited to participate. Those interested may apply for financial support up to \$5,000. Funds may be used for presenters/trainers and facility fees, if the event happens outside of the host library. The host library must invite other library staff within its region or cooperative library system. Local CALL cannot support training for a single library jurisdiction, such as a staff training day. The host library will handle registration, promotion, logistics and distribution of a required LSTA evaluation. Additionally, CALL staff can provide guidance and assistance on topics and presenters when requested.



Local CALL interest forms will be accepted starting October 24 and reviewed on a rolling basis until December 31, 2024. All Local CALL events must be complete by July 31, 2025.

**FISCAL IMPACT:** Dependent on the success of obtaining funding from the Local CALL opportunity. Currently, there is \$5,000 in the budget for use towards this annual planning session. Any eligible funds obtained through Local CALL would be utilized first, then the budgeted funds currently on hand.

**RECOMMENDATION:** Provide direction on whether an annual planning session of the Administrative Council should be held in 2025, and if so, request that the Membership Engagement Ad Hoc Committee, along with the Chair, work to set the agenda of the meeting.

**EXHIBITS:** None

California State Library, Library Development Services  
 Cooperative Library System Liaison Report  
*Updated November 12, 2024*

State Library News ..... 2

    LDS Newsletter ..... 2

    New Rural and Tribal Library Programs Consultant ..... 2

    LSTA News ..... 2

    2023-2024 California Public Libraries Survey ..... 2

    2022-2023 California Public Libraries Survey ..... 2

    2024 Library Service Area Populations ..... 3

    Marketing Toolkits ..... 3

    California Revealed ..... 3

Open Opportunities ..... 4

    Career Online High School ..... 4

    Lunch at the Library Annual Funding Opportunity ..... 4

Current Projects and Services ..... 5

    Alexander Street Now available for Public Libraries ..... 5

    California Library Literacy Services – Ongoing ..... 5

    California Libraries Learn (CALL) – NEW Local CALL opportunity and ongoing CALL ..... 5

    Community-Centered Libraries ..... 6

    eBooks for all - Ongoing ..... 6

    Online Tutoring Project – Sunsetting August 25, 2024 ..... 6

    Parks Pass Program – Ongoing ..... 7

    PolicyMap Statewide Subscription for all public library workers ..... 7

    Public Library Staff Education Program (PLSEP) 2024-2025 Applications Under Review ..... 7

    Ready – Or Not: Cultural Heritage Disaster Preparedness Project ..... 7

Networking and Training ..... 8

    Upcoming training - "How to Manage Your Award in AmpliFund" Tues 10/8 at 10:00 . **Error! Bookmark not defined.**

    CAreer Pathways Workforce & Upskilling Resources: Sunsetting in September 2024 ..... 8

    Next Directors Networking Call ..... 8

## State Library News

### LDS Newsletter

Sign up today for our new [newsletter!](#) Please share this with your teams.

### New Rural and Tribal Library Programs Consultant

Lisa Lindsay is the newest Library Programs Consultant with the California State Library. She has over fifteen years of experience working in public libraries, including six years as a principal librarian for Fresno County, and most recently, she worked as the grants monitor for the State Library's Lunch at the Library project. In her new role she will be focused on providing support specifically for tribal and rural libraries. In the new year, watch for a monthly Community of Practice specific for staff working in rural libraries. Please also help spread the word about the IMLS [Native American Library Services: Basic Grant](#), which is now open.

### LSTA News

This is a reminder about the federal government's transition from the use of the D-U-N-S Number to the use of the Unique Entity Identifier (UEI). D-U-N-S numbers are no longer in use. Current federal award recipients and all future applicants/recipients will need to have an active UEI to be eligible to receive or continue to receive federal award funds. To register and/or for more information, please visit [SAM.gov | Entity Registrations](#). If you have questions regarding this, please contact [LSTAGrants@library.ca.gov](mailto:LSTAGrants@library.ca.gov).

### 2023-2024 California Public Libraries Survey

California's 2023-2024 Public Libraries Survey opened for data input on September 3, 2024. The deadline for submission was October 31, 2024. **If you have not locked your survey, contact [LibraryStatistics@library.ca.gov](mailto:LibraryStatistics@library.ca.gov) as soon as possible to discuss next steps.**

- [California Public Libraries Survey 23-24 Blank Form \(Excel\)](#): Includes all questions, for use in gathering data for reporting. Includes information about changes for this fiscal year.
- [2023-2024 Survey Instructions](#): Definitions for each data element.
- [Monthly Stats Workbook \(Excel\)](#): An excel sheet to aid in tracking monthly stats and programming
- [FAQ](#): Frequently asked questions about the survey.
- [View the August 29, 2024 Information Session Recording](#)

### 2022-2023 California Public Libraries Survey

The California Public Libraries Survey data for FY22-23 are now available. Access the entire dataset, five- and ten-year trend data, summary key ratios, and subject-specific tables in the

public Ready Reports pages; more reports, including comparative data and an infographic, are available when directors and data submitters log in to their LibPAS accounts.

- [Ready Reports page available to the public](#)
- [Log in to LibPAS to access additional Ready Reports available to libraries](#)
- [LibPAS Video Tutorials Page](#)

Contact [LibraryStatistics@library.ca.gov](mailto:LibraryStatistics@library.ca.gov) for help accessing your account or pulling reports from the portal. The Ready Reports were created in response to feedback from library directors. We welcome your thoughts and feedback; our intent is to organize and make the data accessible to you and your stakeholders to support equity-based, data-driven planning and decision-making.

### 2024 Library Service Area Populations

The 2024 report of the unduplicated population served by each California public library jurisdiction is available:

- [Population Certification Memo from the State Librarian \(pdf\)](#)
- [Persons Served by California Public Libraries \(Excel\)](#)
- [Data Source: E-1 Cities, Counties, and the State Population and Housing Estimates with Annual Percent Change — January 1, 2023 and 2024](#)

### Marketing Toolkits

The [California State Library's marketing toolkits](#) are designed to help California libraries deliver consistent messaging about the services and resources you provide to your communities. This is part of an effort to help coordinate statewide messaging about the many great things libraries do every day. We encourage you to use the messages, graphics, and other resources to raise awareness and reinforce the value and impact libraries provide to their communities.

We look forward to your suggestions and feedback as we continue to develop more materials for your use in the weeks and months ahead.

### California Revealed

California Revealed strives to engage in memory work that is reparative and reflexive, acting as a bridge between heritage organizations and the communities they serve. The project seeks to expand the historical narrative of California by collaborating with regional organizations, including public libraries, archives, museums, historical societies, and community groups, to digitize, preserve, and provide online access to their archival materials. The project aims to lower the barriers to digitization by providing equitable access to free services and training. *LSTA-funded.*

California Revealed, in partnership with the [California History-Social Science Project](#) (CHSSP), created an Educator Fellowship program. This is a special opportunity for California's K-12 educators to research and create curricular materials in history and the social sciences using

CA-R's digital collections, of which sound and moving images are especially vast. Classroom source sets developed by the Educator Fellows are freely available for libraries, teachers, and the public to use at [Educator Fellowship | California History-Social Science Project](#). For questions, contact [CARevealed@library.ca.gov](mailto:CARevealed@library.ca.gov) or [team@californiarevealed.org](mailto:team@californiarevealed.org).

## Open Opportunities

### Career Online High School

The [Career Online High School](#) (COHS) program is open to all public libraries in the state and **no longer requires libraries to provide a local cash match commitment to participate**. Libraries may opt into the COHS program at any time using the [COHS Interest Form](#), and will receive training and implementation support, have access to the California State Library's universal scholarship supply, and complete a short mid-year and end-of-year report. COHS questions can be sent to [cohs@library.ca.gov](mailto:cohs@library.ca.gov)

### Lunch at the Library Annual Funding Opportunity

The [Lunch at the Library](#) grant application period is now open. The deadline to apply is Wednesday, November 20, 2024, at noon (12:00 PST). For more information on how to apply, please visit the [Application Instructions - California State Library](#).

Libraries that apply to take part in Lunch at the Library will receive Lunch at the Library Core Program funds to support the following core summer meals activities:

- **Library Meal Sites:** jurisdictions serving USDA summer meals and providing enrichment programming at their library sites including Farm to Summer activities and offering teens workforce readiness skills as they assist with the library meal site.
- **Pop-Up Libraries at Community Meal Sites:** jurisdictions taking pop-up library programming to other community meal sites including Farm to Summer activities and offering teens workforce readiness skills as they assist at community meal sites.
- **Books provided to build home libraries:** Funds can be used to provide books to USDA meal site attendees to build home libraries which include literature connecting families to summer reading.
- **Farm to Summer programming:** Funds can be used to create Farm to Summer programming focused on connecting children, teens, and families with locally sourced, sustainable food.

A final Office Hours for applicants will be taking place soon.

- **Lunch at the Library Opportunity Office Hours:**
  - Tuesday, November 19, 2024, from 8:00am-10:00am. [Register here](#).

For questions email [Lunch@library.ca.gov](mailto:Lunch@library.ca.gov).

## Current Projects and Services

### [Alexander Street Now available for Public Libraries](#)

Last year [COMPASS from the State Library](#) (formerly known as the K-12 Online Resources program) made a suite of performing-arts video and audio perpetual-licensed content available for all public schools and local libraries, no cost to any local entity. The audio and video collections include library performing rights too (with the exception of the National Theatre collection) – a great addition for local programming for all ages.

**Now there's more!** COMPASS has now added to the Alexander Street perpetual-licensed content starting in August 2024. The State Library plans to announce the additions formally in mid-August, but local libraries can [add these items to their collections through MARC records](#) and include links on their websites immediately.

The additions include **over 10,000 drama scripts** from 10 different Alexander Street/ProQuest collections, as well as new video collections – **American History in Video**, and the **CNN video documentary collection**. There are also expansions to current collections like the video collection of Black music from **Qwest TV** and the **Dance In Video** collection, which now includes hundreds of instructional videos.

COMPASS and ProQuest have provided a recording of a [previous training for set up in July](#) that can be reviewed ([slide deck](#) available too), and will be announcing additional content-based overviews in the press announcement. You can learn more through [a recent COMPASS newsletter](#), and can [sign up for new announcements](#) too. Questions? Contact [compass@library.ca.gov](mailto:compass@library.ca.gov).

### [California Library Literacy Services – Ongoing](#)

For information on ongoing training, visit the CLLS training and meeting [calendar](#). Training on World Education's SkillBlox platform and monthly networking calls for general CLLS topics, family literacy, and ESL are scheduled for November. The Adult Learner Leadership Institute project has announced four cohort dates for 2025. The CLLS website has migrated to the California State Library: <https://www.library.ca.gov/services/to-libraries/cls/> For more information on any of these programs, contact [cls@library.ca.gov](mailto:cls@library.ca.gov). CLLS is State funded, and Literacy Initiatives projects are LSTA funded.

### [California Libraries Learn \(CALL\) – NEW Local CALL opportunity and ongoing CALL](#)

**NEW Local CALL** - Do you have a training topic to bring to your region? Would you like to network and learn with library colleagues near you? CALL has been listening and we know you want more in-person events, but it's hard to take time away from your library. [Local CALL](#) provides a chance for your library, or library cooperative, to host a learning event and

invite your colleagues. CALL will provide financial support up to \$5,000. For more details and guidelines see the [CALL Blog](#) and the [Local CALL Interest Form](#). Now you can learn, network, stay local and support your staff and colleagues with Local CALL!

Ongoing CALL - Access professional development for *all* members of your staff by visiting [www.callacademy.org](http://www.callacademy.org) and the CALL [calendar](#). [Subscribe to the CALL Letters newsletter](#) for weekly updates. Have a good training idea? Anyone can complete the [CALL for Presentations](#). Encourage all levels of your staff to [create a login](#) to access the many online, self-paced learning opportunities available through [CALL Academy](#). LSTA funded.

### Community-Centered Libraries

The second year of [Community-Centered Libraries](#), a training initiative presented by the State Library and Pacific Library Partnership, focuses on building the skills of public library workers in two areas:

- Creating data visualizations (such as infographics report materials) using an equity lens
- Conducting culturally relevant needs assessments

Upcoming webinars and recordings of previous sessions are available on the [Community-Centered Libraries webpage](#) and in [CALL Academy](#).

### eBooks for all - Ongoing

The eBooks for All project is going strong in California. Checkouts continue to grow at about 10 percent per month!

Califa recently announced that California now has access to an 'always available' collection of approximately 3000 eAudiobooks from Blackstone Audio. If you are on Palace, those titles are automatically available to your users!

If you are interested in joining the project, you can email [ebooksforall@library.ca.gov](mailto:ebooksforall@library.ca.gov) for onboarding steps. Presently, there are grant funds available to cover any onboarding costs.

### Online Tutoring Project – Sunsetting August 25, 2024

Since September 2022, the California State Library has provided free online tutoring for California K-12 students, available through public libraries.

To confirm previous messages from the State Library, this service concluded on Sunday, August 25, 2024.

Should your library be interested in continuing local access after August 25, reach out to [info@brainfuse.com](mailto:info@brainfuse.com). Reach out to our general email, [catutoring@library.ca.gov](mailto:catutoring@library.ca.gov), if you have any additional questions.

### Parks Pass Program – Ongoing

As a result of budget legislation signed by the Governor in late June, Parks Passes will be accepted by State Parks until December 31, 2025.

A [toolkit](#) is available to support marketing, circulation, programming, and more. It has been updated to make the information cleaner and more accessible. The public can access information on the State Parks Pass at [checkoutcstateparks.com](http://checkoutcstateparks.com)

If you need more parks passes, bookmarks, or survey flyers, [please fill out the new order form from State Parks](#). For any questions, email [parkspass@library.ca.gov](mailto:parkspass@library.ca.gov). State of CA funded.

### PolicyMap Statewide Subscription for all public library workers

The [Community-Centered Libraries initiative](#) includes [free PolicyMap accounts](#) for all California public library staff. The online mapping tool, which includes library jurisdiction boundaries, enables users to view rich data about the communities in your service areas. [View a recording of the initial training session](#) and [request an account today!](#) LSTA funded.

### Public Library Staff Education Program (PLSEP) 2024-2025 Applications Under Review

The call for student applications for the 2024-2025 Public Library Staff Education Program (PLSEP) is closed, as of October 31, 2024. In December 2024, all applicants will be notified about the status of their requests, whether funded, not funded, or placed on a waiting list. PLSEP is a partnership of the California State Library and the Southern California Library Cooperative. View the [PLSEP timeline](#). Contact the PLSEP team at [wwalker@socallibraries.org](mailto:wwalker@socallibraries.org) with any questions.

### Ready – Or Not: Cultural Heritage Disaster Preparedness Project

The [Cultural Heritage Disaster Preparedness Project](#) is a California State Library initiative, in partnership with the Northeast Document Conservation Center and Myriad Consulting & Training, to support local assistance grants and support the creation of disaster preparedness plans to protect at-risk art, historically and culturally significant collections that are publicly and privately held among California’s underserved and underrepresented communities. To see some of the diverse places the Ready — Or Not team has assessed for disaster preparedness, browse the [Ready — Or Not Participant Showcase](#). State of CA funded.

California organizations that care for cultural and historic resources (e.g., archives, libraries, museums, and tribal nations) can schedule a free emergency preparedness assessment at ["Ready — Or Not": Cultural Heritage Disaster Preparedness Project — NEDCC](#). The webpage also provides information sessions tailored to organizations just getting started on their disaster plan, community archives, organizations with limited resources, remote and rural museums, tribal cultural heritage organizations, and public libraries. These half-hour online information



sessions summarize the state-funded project and explore ways to engage in emergency preparedness consultations. California heritage institutions can request a free emergency preparedness assessment by filling out an [online form](#), emailing [CAready@nedcc.org](mailto:CAready@nedcc.org), or calling 855-501-3020.

## Networking and Training

[CAreer Pathways Workforce & Upskilling Resources: Sunsetting in September 2024](#)  
Access to the Career Pathways resources has ended! View the [August 2024 Sunsetting CAreer Pathways webinar](#). If your library is interested in continuing any of these resources, we encourage you to reach out to the vendors directly. Thank you for your help in making our program a success these last two years!

### Next Directors Networking Call

The next Public Library Directors Networking Call is scheduled for Wednesday, **November 20, 2024, from 3:30 to 4:30 p.m.** We look forward to hearing from our special guests and sharing State Library news. California public library directors will receive an invitation to the Zoom meeting via email.

*Projects marked “LSTA funded” are supported in whole or in part by the U.S. Institute of Museum and Library Services under the provisions of the Library Services and Technology Act, administered in California by the State Librarian.*

*Projects marked “State of CA funded” are supported in whole or in part by funding provided by the State of California, administered by the California State Library.*



## **REPORT TO THE ADMINISTRATIVE COUNCIL** SOUTHERN CALIFORNIA LIBRARY COOPERATIVE

DATE: November 21, 2024  
FROM: Christine Powers, Executive Director

SUBJECT: **Executive Director's Report**

Since the last meeting in August, staff at Southern California Library Cooperative (SCLC) have been working on various reports to the California State Library, holding meetings for all five systems, and advocacy efforts.

### Annual Reports

Staff worked with each cooperative to obtain information to complete and obtain Chairs' approval and signatures on the Annual Reports for all five systems managed by SCLC staff. These reports provide information to the California Library Services Board on how CLSA funds for FY 2023/24 were expended. I am also continuing to engage with legislators to provide education and awareness of the CLSA funding benefits to local libraries, in an effort to restore funding for FY 2025/26.

### Grant Projects

Staff worked to submit all final reports for FY 2023/24 grants to the State Library for the following grants:

- Digital Navigators
- EmPOWERing Access
- PLSEP

The CA Parks Pass – Backpacks FY 2023/24 grant is still ongoing. This grant originally started by providing hiking backpacks to libraries, and the State Library came back to SCLC to add a stargazing kit component. Staff is currently in the process of overseeing the distribution of the stargazing kits from Big5 to the various libraries. A total of 293 kits are being distributed across 111 libraries in this final leg of the grant, which concludes at the end of this calendar year.

PLSEP FY 2024/25 – The project team worked to refine the student application and rubric based on lessons learned and recommendations from the evaluation conducted in FY 2023/24. The application process was open from September through October, with 214 applications received. The project team also recruited a team of raters, who are currently in the process of reviewing and rating the applications. Next steps include identifying which applicants will be awarded and informing all applicants of their status.

### Employee Handbook

Updating the SCLC Employee Handbook has been a goal of mine since coming on board as ED. At the October meeting, the Executive Committee voted to appoint an ad hoc committee to work with staff to review and revise the Employee Handbook, for approval by the Administrative Council later this year.

### CLA Conference

I attended the California Library Association conference in October in Pasadena. During the conference, I was able to participate in sessions that provided me with a better perspective of library operations and challenges. I also met with many vendors, including PressReader, and various cooperative members who were also attending the conference. I was also able to meet with CLA's lobbyist, Christina DiCaro, to continue our conversation about the importance of continuing to advocate for the restoration of CLSA funds.

### Insurance and Risk Management Assessment

Given that SCLC's Strategic Plan focuses on organizational health and sustainability, one of my goals for this calendar year is to perform an insurance and risk management assessment of the organization. Through this process, the organization will be able to analyze and prepare for potential risks, fostering a proactive approach to risk management. SCLC's attorney can help in this process, but at some point, a risk management consultant will need to be brought on board to help with this analysis. Staff will work with the Audit and Finance Committee and the Executive Committee for a recommendation to the Administrative Council on this effort.

### Advocacy

Considerable focus remains on efforts to restore and even increase California Library Services Act (CLSA) funds for all cooperatives in the state. At the California Library Services Board (CLSB) meeting, the board members of the CLSB heard from both Carol Frost, Executive Director of the Peninsula Library System and Pacific Library Partnership, and I about the impact of CLSA cuts to cooperatives. Board members of the CLSB agreed to send a letter to the Governor to not only request restoration of funds, but to increase them to \$5 million.



## **SCLC Meeting Dates FY 2024/25**

### **Thursday, August 22, 2024**

1:00 pm Executive Committee  
2:15 pm Administrative Council  
*Altadena Main Library*

### **Thursday, October 24, 2024**

1:00 pm Executive Committee (only)  
*Via Zoom*

### **Thursday, November 21, 2024**

1:00 pm Executive Committee  
2:15 pm Administrative Council  
*Los Angeles Central Library*

### **Thursday, January 23, 2025**

1:00 pm Executive Committee (only)  
*Via Zoom*

### **Thursday, March 27, 2025**

1:00 pm Executive Committee  
2:15 pm Administrative Council  
*Camarillo Public Library*

### **Thursday, May 22, 2025**

1:00 pm Executive Committee  
2:15 pm Administrative Council  
*Torrance Public Library*