



**Southern California Library Cooperative
Administrative Council Meeting**

**Wednesday, March 27, 2024
2:15 – 4:15 pm**

Hybrid Meeting

**East Los Angeles Library
4837 E. 3rd Street, Los Angeles, CA 90022**

Alternate locations:

Arcadia Public Library, 20 W. Duarte Rd., Arcadia, CA 91006
Calabasas Library, 200 Civic Center Way, Calabasas, CA 91302
City of Inglewood Library, 101 West Manchester Blvd., Inglewood, CA 90301
Columbia Memorial Space Center, 12400 Columbia Way, Downey, CA 90242
Covina Public Library, 1250 N. Hollenbeck Ave., Covina 91722
Glendale Central Library, 222 E. Harvard St., Glendale, CA 91205
Los Angeles Central Library, 630 W. 5th St., Los Angeles, CA 90071
Monrovia Public Library, 321 S. Myrtle Ave., Monrovia, CA 91016
Moorpark City Library, 699 Moorpark Ave., Moorpark, CA 93021
Oxnard Main Library, 251 S. A St., Oxnard, CA 93030
Pomona Public Library, 625 S. Garey Ave., Pomona CA 91766
Santa Clarita Public Library, 23743 Valencia Blvd. Santa Clarita, CA 91355
Signal Hill Public Library, 1800 E. Hill St., Signal Hill CA 90755
Thousand Oaks Grant R. Brimhall Library, 1401 East Janss Rd.,
Thousand Oaks, CA 91362
Torrance Public Library, 3301 Torrance Blvd., Torrance CA 90503

Join Zoom Meeting

<https://us02web.zoom.us/j/89135176554?pwd=UkNFR0FreVhOVStsSIZTUWY4ME9hUT09>

Meeting ID: 891 3517 6554

Passcode: 568155

AGENDA

All items may be considered for action.

1. Opening
 - a. Chairperson's Welcome
 - b. Roll Call

Jesse Walker-Lanz

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 Jesse Walker-Lanz
(ACTION)
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 November 29, 2023, Administrative Council meeting

4. Adoption of Agenda Jesse Walker-Lanz

5. Budget Status Report FY 2023/24 Andy Beck
(DISCUSSION)

6. Membership Dues FY 2024/25 Andy Beck
(ACTION)

7. Preliminary Budget FY 2024/25 Andy Beck
(DISCUSSION)

8. CLSA Planning FY 2024/25 Christine Powers/
Andy Beck
(ACTION)

9. Audit Report FY 2022/23 Andy Beck
(ACTION)

10. FY 2023/24 Grants Update Wayne Walker
(DISCUSSION)

11. Executive Director Evaluation Jesse Walker-Lanz
(CLOSED SESSION DISCUSSION)

12. Executive Director Salary Jesse Walker-Lanz
(ACTION)

13. SCLC Mission and Vision Statements Christine Powers
(ACTION)

14. Appointment of Committee Vacancies Christine Powers
(ACTION)

15. Nominating Committee Jesse Walker-Lanz
(ACTION)

- | | |
|--|-------------------|
| 16. Consideration of Date Change for May Meeting
(ACTION) | Christine Powers |
| 17. SB 321: Local Public Library Partnership Program
(DISCUSSION) | Christine Powers |
| 18. Committee Updates | |
| a. Audit and Finance Committee | Hilda LohGuan |
| b. Membership Library Engagement Ad Hoc
Committee | Cathy Billings |
| c. Leadership and Professional Development
Committee | Nikki Winslow |
| 19. California State Library Report | Shana Sojoyner |
| 20. Executive Director's Report | Christine Powers |
| 21. Administrative Council Chair's Report | Jesse Walker-Lanz |
| 22. Other | Jesse Walker-Lanz |
| <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> | |
| 23. Adjournment | Jesse Walker-Lanz |



ACTION ITEMS

Meeting: SCLC Administrative Council Meeting

Date: March 27, 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: March 27, 2024

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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**

**Wednesday, November 29, 2023
2:15 - 4:15 pm**

Hybrid Meeting

Whittier Library, Central Branch
7344 Washington Ave., Whittier, CA 90602

Alternate locations:

- Arcadia Public Library, 20 W. Duarte Rd., Arcadia, CA 91006
- Beverly Hills, 444 S. Rexford Dr., Beverly Hills, CA 90210
- Burbank Public Library, 110 N. Glenoaks Blvd., Burbank, 91502
- Calabasas Library, 200 Civic Center Way, Calabasas, CA 91302
- Camarillo Public Library, 4101 Las Posas Rd., Camarillo CA 93010
- Commerce Library, 5655 Jillson St., Commerce, CA 90040
- Covina Public Library, 1250 N. Hollenbeck Avenue, Covina 91722
- El Segundo Public Library, 111 W. Mariposa Ave., El Segundo, CA 90245
- Irwindale Public Library, 5050 N. Irwindale Ave., Irwindale, 91706
- Pasadena Public Library, 221 E. Walnut St. Suite 199, Pasadena, CA 91101
- Santa Fe Springs City Library, 11700 Telegraph Rd., Santa Fe Springs, CA 90670
- Santa Monica Main Library, 601 Santa Monica Blvd., Santa Monica, CA 90401
- Simi Valley Public Library, 2969 Tapo Canyon Rd., Simi Valley, CA 93063
- South Pasadena Public Library, 1100 Oxley St., South Pasadena, CA 91030
- Torrance Public Library, 3301 Torrance Blvd., Torrance CA 90503
- Ventura County Library, 5600 Everglades St. Suite A, Ventura, CA 93003

Minutes draft

Attendance

Addington, Jennifer – Palos Verdes
Alba, Samantha – Arcadia
Balli, Shayna – Irwindale
Behle, Kelli – Simi Valley
Broman, Susan – Los Angeles Public
Buth, Karen – Beverly Hills
Cousin, Heather – Torrance
Goldman, Elizabeth – Burbank
Hassen, Leila – Azusa
Herbert, Mark – El Segundo
Hernandez, Edward – Commerce
Lockwood, Barbara – Calabasas
LohGuan, Hilda – Alhambra
Maghsoudi, Paymaneh – Whittier
McDonald, Tim – Pasadena
Nasr, Mandy – Camarillo
Olivarez, Kristin – Monterey Park
Raia, Debora – Santa Fe Springs
Regan, Leila – Sierra Madre
Schram, Nancy – Ventura County
Shupe, Robert – Palmdale
Stone, Janet - Glendora
Tovar, Cecilia – Santa Monica
Walker-Lanz, Jesse – Los Angeles
County
Winslow, Nikki - Altadena

Other

Beck, Andy – SCLC
Garcia, Diana – Monterey Park
Powers, Christine – SCLC
Sojoyner, Shana – CSL
Walker, Wayne – SCLC

Absent

Arroyo, Kerri – Inglewood
Billings, Cathy – South Pasadena
Conwell, Christine – Moorpark
DeLeon, Cathy – Long Beach
Dickow, Ben – Downey
Evans, Lisa – Covina
Hughes, Charles – Signal Hill
Neal, Alan – Oxnard
Patterson, Jennifer – Thousand Oaks
Shonouda, Hala – Glendale
Torres, Anita – Pomona
Vance, Carey – Monrovia
Vera, Linda – San Marino
Vinke, Dana – Redondo Beach
Vonnegut, Shannon – Santa Clarita

1. Opening Jesse Walker-Lanz
Meeting called to order at 2:21 pm.
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 Jesse Walker-Lanz
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 August 23, 2023, Administrative Council meeting

MSP (Addington/Maghsoudi) to pass the Consent Calendar with a correction in attendance to reflect Diana Garcia representing Monterey Park.
18 yes, 0 no, 2 abstain
4. Adoption of Agenda Jesse Walker-Lanz
Chair adopts the Agenda as presented, without objection.
5. Budget Status Report FY 2023/24 Andy Beck
The Budget Status Report for FY 2023/24 reflects reconciled bank statements through September 30, 2023. Financial highlights for revenues include the receipt of 70% membership dues.
6. FY 2023/24 CLSA Plan of Service Update Christine Powers
On October 19, 2023, the California Library Services Board (CLSB) approved SCLC's Plan of Service, as submitted. SCLC will work with State Library staff to complete the required paperwork to claim CLSA funds for the system. It is anticipated that these funds will be distributed by the end of the calendar year.
7. LAIF Account Update Andy Beck
MSP (Winslow/Broman) to include JP Morgan Chase as an authorized bank for LAIF, as recommended by the Executive Committee.
25 yes, 0 no, 0 abstain
8. Banking Status and Reconsideration of Christine Powers/
Andy Beck
Financial Authority
MSP (Shupe/Addington) to discontinue the practice of having Council Members on the SCLC bank accounts, to include bank statements with budget reports to be distributed to the Audit and Finance and Executive Committees, and to leave the Chair and Vice Chairs as signatories until the end of FY 2023/24.
24 yes, 0 no, 0 abstain
9. New Website Proposal Christine Powers
MSP (Addington/Maghsoudi) to approve Streamline as SCLC's vendor to create and host its website.
24 yes, 0 no, 0 abstain

10. Status of Technology Committee Christine Powers
MSP (Winslow/Hassen) to revert the Technology Committee back to an interest group.
24 yes, 0 no, 0 abstain
11. Executive Committee Structure Christine Powers
The SCLC Bylaws/Standing Rules Ad Hoc Committee recommends keeping five Statistical Groups and adjusting the populations in each category. Doing so will create an even number of members in each group and make the population range in each category closer to one another. The new recommended population ranges are:
• SG1: Population over 150,000
• SG2: Population 100,000 - 150,000
• SG3: Population 55,000 – 99,999
• SG4: Population 25,000 – 54,999
• SG5: Population under 25,000
MSP (Shupe/Stone) to approve of the proposed Statistical Groups for the makeup of the Executive Committee.
24 yes, 0 no, 0 abstain
12. Amendments to the SCLC Bylaws and Standing Rules Christine Powers
MSP (Shupe/Stone) to accept the amendments to the Bylaws and Standing Rules, as recommended by the Revisions Ad Hoc Committee, with the inclusion of the edit to Section 6 of the Standing Rules to read, “If the position of immediate past Chair becomes vacant, the Councilmember who most recently held that position shall serve as immediate past Chair for the duration of the term.”
24 yes, 0 no, 0 abstain
13. Executive Director Evaluation Jesse Walker-Lanz
Council went into Closed Session at 3:36 pm, and resumed Open Session at 4:12 pm.
14. Appointment of Vacancies on the Executive Committee Christine Powers
MSP (Shupe/Addington) to appoint Kelly Behle (Simi Valley) to serve on the Executive Committee, term ending June 30, 2025, and Elizabeth Goldman (Burbank) to serve as immediate Past Chair, term ending June 30, 2024.
24 yes, 0 no, 0 abstain
15. Consideration of Adding *The Economist* to SCLC’s PressReader Subscription Christine Powers
MSP (Stone/Addington) to add *The Economist* to the SCLC PressReader subscription, paid for with CLSA funding.
22 yes, 0 no, 0 abstain

16. FY 2023/24 Grants Update Wayne Walker
 The management of the Digital Navigators, PLSEP, and Backpack Program grants provides revenues to SCLC in the amount of \$197,417 (\$100,872 in indirect and \$96,545 in staff wages) for FY 2023/24.
17. Committee Updates
- a. Audit and Finance Committee Hilda LohGuan
 Provided summary of last Audit and Finance Committee meeting.
 - b. Technology Committee Nikki Winslow
 No report
 - c. Planning Ad Hoc Committee Elizabeth Goldman
 Working on Planning Day on January 18, 2024, event, working with a facilitator, please respond to lead a lighting round talk.
 - d. Member Library Engagement Ad Hoc Committee Cathy Billings
 No report
18. California State Library Report Shauna Sojourner
 Reminder to review grant application closure dates, including Inspiration grants, Parks Pass Backpack Project. No Directors' Networking call in December.
19. Executive Director's Report Christine Powers
 Receive and file the update on the Strategic Plan.
20. Administrative Council Chair's Report Jesse Walker-Lanz
 None.
21. Other Jesse Walker-Lanz
"...that is, matters initiated in the present meeting." Robert's Rules of Order, Revised, III, p.21. Limited by Brown Act to discussion only.
 None.
22. Adjournment Jesse Walker-Lanz
 MSP (Maghsoudi/LohGuan) to adjourn meeting at 4:26 pm.



REPORT TO THE ADMINISTRATIVE COUNCIL
SOUTHERN CALIFORNIA LIBRARY COOPERATIVE

DATE: March 27, 2024
FROM: Andy Beck, Controller

SUBJECT: **Budget Status Report FY 2023/24 (DISCUSSION)**

BACKGROUND: Budget Status Report for FY 2023/24 is attached for review and reflects reconciled bank statements through January 31, 2023.

Financial highlights for revenues include the receipt of 75% membership dues. For expenses, the addition of *The Economist* to SCLC's PressReader subscription, totaling \$62,913.30, will be amortized through September 2024.

CLSA rollover funds from FYs 2020/21 through 2022/23, totaling \$861,942, were rolled over to FY 2023/24. Rolled over CLSA funds are anticipated to be spent, with the exception of \$359,481 for eResources, which is the reduced balance after considering the cost of *The Economist*. Funds can be allocated as recommended by the Administrative Council.

FISCAL IMPACT: None

RECOMMENDATION: Informational item

EXHIBITS:
a. Budget to Actual Report

Southern California Library Cooperative
Budget Status Report
January 31, 2024

	Proposed Budget FY 23/24	FY22/23 Actual	FY2324 Actual	Amount Unrealized	Percent Unrealized	Percent Realized	Note
Revenues:							
CLSA baseline revenue (communications and delivery)	\$ 599,447	\$ 142,870	\$ 203,392	\$ 396,055	66%	34%	Rollover = 39,843; CLSA = 559,604
CLSA system administration	139,900	140,833	81,608	58,292	42%	58%	Received in December 2023
Fiscal and administration revenues	223,784	211,702	130,541	93,243	42%	58%	CLSA = 202,209; Shared expense = 21,575
Grant project revenues	1,226,432	2,377,231	899,087	327,345	27%	73%	
Grant indirect revenues	131,523	161,330	84,641	46,882	36%	64%	
Grant staffing revenues	142,045	84,781	86,920	55,125	39%	61%	
Membership dues	237,064	210,681	237,065	(1)	0%	100%	Lump sum billing; 75% received
Califa membership dues	13,590	13,590	13,591	(1)	0%	100%	Lump sum billing; 75% received
Investment income	100,000	40,115	75,754	24,246	24%	76%	LAIF and CEPPT reported quarterly
Other	1,000	2,485	1,606	(606)	-61%	161%	
Total revenues	2,814,785	3,385,618	1,814,205	1,000,580	36%	64%	
Expenditures:							
CLSA baseline expenditures:							
Office supplies	13,000	4,172	4,264	8,736	67%	33%	
Duplication and photocopies	1,500	1,735	960	540	36%	64%	
E-Resources	369,647	1,212	136,667	232,980	63%	37%	
Contract services for delivery	172,500	68,206	35,045	137,455	80%	20%	Reliant
Contract services	19,000	15,869	19,250	(250)	-1%	101%	Audit; GASB 75
Telecommunications	21,800	16,681	13,616	8,184	38%	62%	Internet; website; IT; Phone; VOIP; Zoom
Resource sharing	-	34,995	-	-			PY - Scanners; CY - No allocation
Capital Outlay	2,000	-	-	2,000	100%	0%	
Total CLSA baseline expenditures	599,447	142,870	209,802	389,645	65%	35%	
CLSA administration expenditures:							
Personnel							
Salary and wages	603,693	517,555	348,357	255,336	42%	58%	
Retirement benefits	62,700	46,628	35,540	27,160	43%	57%	
Unfunded pension liability	151,107	152,775	146,217	4,890	3%	97%	Discount with one time payment
Health insurance - current employees	56,000	46,491	31,446	24,554	44%	56%	
Health insurance - retired employees	46,300	47,102	26,916	19,384	42%	58%	
Dental and vision	5,400	5,063	3,119	2,281	42%	58%	Ameritas
Life insurance	2,300	1,214	957	1,343	58%	42%	Lincoln; Dearborn
Other personnel expenses	15,500	14,394	11,001	4,499	29%	71%	Payroll tax; Workers comp
Total personnel expenditures	943,000	831,222	603,553	339,447	36%	64%	
Other							
Payroll processing	7,000	7,766	3,986	3,014	43%	57%	Paychex; Paychex HR; Time/Attendance
Accounting software	4,000	3,969	4,118	(118)	-3%	103%	Lump sum payment
Office space rent	25,800	25,716	15,001	10,799	42%	58%	
Insurance	2,400	2,280	1,378	1,022	43%	57%	General liability
Travel/conference/meeting	10,000	9,028	4,778	5,222	52%	48%	Retreat
Membership dues	14,600	13,848	13,590	1,010	7%	93%	Payment to Califa
Legal	12,000	11,220	1,540	10,460	87%	13%	
Professional other	-	79,423	-	-			PY Accountant; Consultant
Other	3,000	3,590	1,696	1,304	43%	57%	GASB 68 report
Total other expenditures	78,800	156,840	46,087	32,713	42%	58%	
Total CLSA administration expenditures	1,021,800	988,062	649,640	372,160	36%	64%	
Grant project expenditure	1,226,432	2,377,231	899,086	327,346	27%	73%	
Total expenditure	2,847,679	3,508,163	1,758,528	1,089,151	38%	62%	
Deficit of revenues over expenditures	\$ (32,894)	\$ (122,545)	\$ 55,677	\$ (88,571)	269%	-169%	

SCLC ACCOUNT BALANCES

Pacific Western Bank	\$ 349,979
Chase	2,834,808
Local Agency Investment Fund	161,202
CA Employer's Pension Prefunding Trust	93,029
Total	\$ 3,439,018

Southern California Library Cooperative
Budget Status Report
January 31, 2024

CLSA FUNDS

	FISCAL YEAR 2023-24			
	Beginning	Addition	Deletions	Ending
E-Resources	\$ -	\$ 379,630	\$ -	\$ 379,630
Delivery	-	150,487	(13,191)	137,296
Contracted services	-	15,764	(9,604)	6,160
Office supplies	-	11,723	(1,830)	9,893
Capital outlay	-	2,000	-	2,000
	<u>\$ -</u>	<u>\$ 559,604</u>	<u>\$ (24,625)</u>	<u>\$ 534,979</u>

	FISCAL YEAR 2022-23				
	Beginning	Addition	Deletions	Ending	
E-Resources	\$ 445,338	\$ -	\$ (12,583)	\$ 432,755	Remaining \$359,481
Delivery	21,854	-	(21,854)	-	
Contracted services	3,236	-	(3,236)	-	
Telecommunications	30,000	-	(10,097)	19,903	
Office supplies	3,393	-	(3,393)	-	
	<u>\$ 503,821</u>	<u>\$ -</u>	<u>\$ (51,163)</u>	<u>\$ 452,658</u>	

	FISCAL YEAR 2021-22				
	Beginning	Addition	Deletions	Ending	
E-Resources	\$ 288,419	\$ -	\$ (59,449)	\$ 228,970	Pressreader
Telecommunications	3,519	-	(3,519)	-	
	<u>\$ 291,938</u>	<u>\$ -</u>	<u>\$ (62,968)</u>	<u>\$ 228,970</u>	

	FISCAL YEAR 2020-21				
	Beginning	Addition	Deletions	Ending	
E-Resources	\$ 64,636	\$ -	\$ (64,636)	\$ -	Pressreader
	<u>\$ 64,636</u>	<u>\$ -</u>	<u>\$ (64,636)</u>	<u>\$ -</u>	



REPORT TO THE ADMINISTRATIVE COUNCIL
SOUTHERN CALIFORNIA LIBRARY COOPERATIVE

DATE: March 27, 2024
FROM: Andy Beck, Controller

SUBJECT: **Membership Dues FY 2024/25 (ACTION)**

BACKGROUND: Each year, SCLC directors review the membership dues for member libraries. Membership dues are calculated based on the population for each member's jurisdiction. The Council approved an increase in membership dues for fiscal year 2023/24, and an increase of 2% for subsequent years should the annual increase due to population is less than 2% (to be revisited in five years or May 2028).

For FY 2024/25, based on population, total membership dues decrease by \$13,164 from \$237,066 to \$223,902. As a result, membership dues were calculated using the 2% rate increase which increased dues by \$4,037 from \$237,066 to \$241,103.

FISCAL IMPACT: Libraries will be invoiced in July 2024.

RECOMMENDATION: Approve membership dues schedule for fiscal year 2024/25.

EXHIBITS:

- a. Schedule of Membership Dues

**Southern California Library Cooperative
Membership Dues
FY 2024/25**

LIBRARY	FY 2023/24 Dues	2023 Population	Population Based Dues	2% Increase Dues	FY 2024/25 Dues
Alhambra - AHM	\$4,170	81,303	\$4,154	\$4,237	\$4,237
Altadena - ALT	\$2,968	42,794	\$2,968	\$3,027	\$3,027
Arcadia - ARC	\$3,373	55,503	\$3,359	\$3,427	\$3,427
Azusa - AZU	\$3,181	49,483	\$3,174	\$3,238	\$3,238
Beverly Hills - BEV	\$2,644	31,658	\$2,625	\$2,678	\$2,678
Burbank - BUR	\$4,898	104,535	\$4,870	\$4,967	\$4,967
Calabasas - CAB	\$2,356	22,808	\$2,352	\$2,400	\$2,400
Camarillo - CAM	\$3,811	69,309	\$3,785	\$3,860	\$3,860
Commerce - CMM	\$2,024	12,036	\$2,021	\$2,061	\$2,061
Covina - COV	\$3,204	50,350	\$3,201	\$3,265	\$3,265
Downey - DOW	\$5,118	111,261	\$5,077	\$5,178	\$5,178
El Segundo - ELS	\$2,176	16,928	\$2,171	\$2,215	\$2,215
Glendale - GDL	\$7,598	191,284	\$7,542	\$7,692	\$7,692
Glendora - DORA	\$3,246	51,159	\$3,226	\$3,290	\$3,290
Inglewood - ING	\$4,930	106,248	\$4,922	\$5,021	\$5,021
Irwindale - IRW	\$1,696	1,483	\$1,696	\$1,730	\$1,730
Long Beach - LBPL	\$15,125	458,222	\$13,750	\$15,428	\$15,428
Los Angeles City - LAPL	\$33,300	3,766,109	\$27,750	\$33,966	\$33,966
Los Angeles County - LACO	\$33,300	3,243,760	\$27,750	\$33,966	\$33,966
Monrovia - MON	\$2,807	37,539	\$2,806	\$2,862	\$2,862
Monterey Park - MPK	\$3,504	59,288	\$3,476	\$3,546	\$3,546
Moorpark - MOOR	\$2,740	35,151	\$2,733	\$2,787	\$2,787
Oxnard - OXN	\$7,812	197,477	\$7,732	\$7,887	\$7,887
Palmdale - PALM	\$6,806	165,917	\$6,760	\$6,895	\$6,895
Palos Verdes District - PVP	\$3,702	66,084	\$3,685	\$3,759	\$3,759
Pasadena - PAS	\$5,910	136,988	\$5,869	\$5,987	\$5,987
Pomona - POM	\$6,263	149,721	\$6,261	\$6,387	\$6,387
Redondo Beach - RED	\$3,774	68,407	\$3,757	\$3,832	\$3,832
San Marino - SMAR	\$2,028	12,206	\$2,026	\$2,066	\$2,066
Santa Clarita - SCL	\$8,698	230,659	\$8,754	\$8,929	\$8,929
Santa Fe Springs - SFE	\$2,228	18,570	\$2,222	\$2,266	\$2,266
Santa Monica - SAM	\$4,496	91,720	\$4,475	\$4,564	\$4,564
Sierra Madre - SMD	\$1,985	10,821	\$1,983	\$2,023	\$2,023
Signal Hill - SIG	\$2,007	11,431	\$2,002	\$2,042	\$2,042
Simi Valley - SIM	\$5,500	124,174	\$5,475	\$5,584	\$5,584
South Pasadena - SOPAS	\$2,469	26,273	\$2,459	\$2,508	\$2,508
Thousand Oaks - THO	\$5,487	122,967	\$5,437	\$5,546	\$5,546
Torrance - TOT	\$6,099	143,057	\$6,056	\$6,177	\$6,177
Ventura County - VEN	\$9,275	245,152	\$9,201	\$9,385	\$9,385
Whittier - WHI	\$4,358	87,291	\$4,339	\$4,425	\$4,425
TOTALS	\$237,066	10,507,126	\$223,902	\$241,103	\$241,103

Base 1,683
Factor 0.031416



REPORT TO THE ADMINISTRATIVE COUNCIL
SOUTHERN CALIFORNIA LIBRARY COOPERATIVE

DATE: March 27, 2024
FROM: Andy Beck, Controller

SUBJECT: **Preliminary Budget FY 2024/25 (DISCUSSION)**

BACKGROUND: Staff has begun reviewing the budget for Fiscal Year (FY) 2024/25. Staff have produced a preliminary budget with the information that is currently available. A final budget will be presented to the Administrative Council in May for adoption.

Revenues

The California State Library releases allocations of the California Library Services Act funding and other grant funding between the months of April and May. The budget for revenues will be updated as SCLC receives the information.

Expenses

Projected expenses have been calculated based on approved future increases, contracts, expenses from prior years, and historical trends. Depending on the subjectivity of the estimate, each item of expense has been rounded up.

Grants

SCLC has been appointed to run the PLSEP grant for the State of California.

FISCAL IMPACT: None

RECOMMENDATION: Informational item

EXHIBITS:

- a. Preliminary Budget: FY 2024/25 Expenditures

Southern California Library Cooperative
Preliminary Budget
FY 2024/25

	Preliminary Budget FY 24/25	Approved Budget FY 23/24	\$ Change	Approved Budget FY 22/23	\$ Change
Expenditures:					
CLSA baseline expenditures:					
Office supplies	\$ 8,500	\$ 13,000	\$ (4,500)	\$ 9,300	\$ 3,700
Duplication and photocopies	1,500	1,500	-	-	1,500
E-Resources	455,252	369,647	85,605	445,338	(75,691)
Contract services for delivery	65,000	172,500	(107,500)	66,500	106,000
Contract services	20,565	19,000	1,565	12,200	6,800
Telecommunications	24,375	21,800	2,575	30,000	(8,200)
Capital Outlay	-	2,000	(2,000)	-	2,000
Total CLSA baseline expenditures	<u>575,192</u>	<u>599,447</u>	<u>(21,680)</u>	<u>563,338</u>	<u>57,909</u>
CLSA administration expenditures:					
Personnel					
Salary and wages	564,030	603,693	(39,663)	652,945	(49,252)
Retirement benefits	57,500	62,700	(5,200)	71,453	(8,753)
Unfunded pension liability	179,143	151,107	28,036	154,223	(3,116)
Health insurance - current employees	47,500	56,000	(8,500)	50,280	5,720
Health insurance - retired employees	44,700	46,300	(1,600)	80,448	(34,148)
Dental and vision	4,100	5,400	(1,300)	6,552	(1,152)
Life insurance	1,200	2,300	(1,100)	1,224	1,076
Other personnel expenses	14,900	15,500	(600)	3,101	12,399
Total personnel expenditures	<u>913,073</u>	<u>943,000</u>	<u>(29,927)</u>	<u>1,020,226</u>	<u>(77,226)</u>
Other					
Payroll processing	7,000	7,000	-	-	7,000
Accounting software	3,000	4,000	(1,000)	3,479	521
Office space rent	25,800	25,800	-	32,000	(6,200)
Insurance	2,500	2,400	100	-	2,400
Travel/conference/meeting	10,000	10,000	-	15,000	(5,000)
Membership dues	14,600	14,600	-	14,500	100
Legal	12,000	12,000	-	-	12,000
Professional Other	-	-	-	65,000	(65,000)
Other	2,000	3,000	(1,000)	350	2,650
Total other expenditures	<u>76,900</u>	<u>78,800</u>	<u>(1,900)</u>	<u>130,329</u>	<u>(51,529)</u>
Total CLSA administration expenditures	<u>989,973</u>	<u>1,021,800</u>	<u>(31,827)</u>	<u>1,150,555</u>	<u>(128,755)</u>
Grant project expenditure	<u>360,040</u>	<u>1,226,432</u>	<u>(866,392)</u>	<u>3,364,024</u>	<u>(4,230,416)</u>
Total expenditure	<u>\$ 1,925,205</u>	<u>\$ 2,847,679</u>	<u>\$ (919,899)</u>	<u>\$ 5,077,917</u>	<u>\$ (4,301,262)</u>



REPORT TO THE ADMINISTRATIVE COUNCIL
SOUTHERN CALIFORNIA LIBRARY COOPERATIVE

DATE: March 27, 2024
FROM: Christine Powers, Executive Director
Andy Beck, Controller

SUBJECT: **CLSA Planning FY 2024/25 (ACTION)**

BACKGROUND: The California State Library appropriates funding for communication and delivery, “to facilitate greater equality of access to library services and resources” as mandated by the California Library Services Act (CLSA). Each year, the Southern California Library Cooperative (SCLC) receives CLSA funds from the state to promote resource sharing within the system. In order to receive this funding, SCLC submits an annual Plan of Service in June that is reviewed and subject to approval by the California Library Services Board. The Plan outlines how the system intends to expend these state funds and how those expenditures will benefit the communities served by the various libraries represented by SCLC.

CLSA funding can be used within the categories of eResources, Delivery, Audit, Office Supplies, and Telecommunication. Once approved, cooperatives have the year of funding and two subsequent years (total of three years) to use the CLSA funds. Although encumbered funds may not be spent, since these funds are committed to be spent in the near future, the California State Library allows encumbered funds to be spent beyond the three-year period. Any remaining funds must be returned to the California State Library.

FY 2024/25 CLSA Funds

The proposed CLSA system allocations for fiscal year (FY) 2024/25 are still unknown and will not be available until next month at the April 16 CLSB meeting. For this current fiscal year, SCLC has allocated funds for the following:

1. eResources (68%)
 - a. PressReader
 - b. Gale Archives of Sexuality and Gender

2. Courier Delivery Services (27%)
3. Telecommunications (0%)
 - a. IT Support
 - b. Zoom
 - c. Internet
 - d. Website Updates/Hosting
 - e. Phone/Fax
 - f. Telecommunications Equipment
4. Audit (3%)
5. Postage & Office Supplies (2%)

For the proposed CLSA system allocations for FY 2024/25, a determination will need to be made on the distribution of funds. Based on how the Administrative Council chooses to spend its funds, some discussion, coordination, and time will be required to obtain final consensus during the May meeting. This will allow for the submission of the CLSA Plan of Service for FY 2024/25 by the usual June deadline.

CLSA Rollover Funds

As noted above, cooperatives have a total of three years to expend CLSA funds. Any funds awarded and not spent within the fiscal year may be rolled over for an additional two years. SCLC rolled over \$64,636 from FY 2020/21, \$291,938 from FY 2021/22, and \$503,821 from FY 2022/23, to total \$860,395 in rollover funds. These rollover funds are earmarked and expected to be spent before expiring, except for \$428,686 in eResources. Just recently, the Administrative Council approved \$62,913 for the addition of *The Economist* to its PressReader subscription, which reduced this eResource balance to \$365,773. At a minimum, this balance must be encumbered by the end of FY 2024/25.

At the January 24, 2024, Executive Committee meeting, members received an update on SCLC's CLSA rollover funds, along with options for expending these funds. These options included offers from various vendors that had reached out to SCLC staff over the course of several months to provide information about their products and services. This information is included as Exhibit a in this report.

Alternatively, some or all of these funds can be allocated, pro rata using an approved factor, to each member library to be used toward the eResource of their choice, or as a reimbursement for their current eResource expenditure. The breakdown of how much each library would receive is included in this report as Exhibit b.

At the January 24 meeting, the Executive Committee requested pricing information for LinkedIn Learning. LinkedIn Learning is currently offered free to libraries by the California State Library but will no longer be available next fiscal year due to the statewide budget deficits and subsequent cuts to programming. It should be noted that

although this program is currently expected to be cut from the State Library's offerings, there are advocacy efforts to restore this program should there be a change in the State budget between now and the Governor's May Revise.

LinkedIn Learning offers thousands of online courses to learn in-demand skills from real-world industry experts to help users obtain sought-after jobs. It provides professional certificates that can be added to a LinkedIn profile. It includes a concentration on the "whole" person, emphasizing mental health and wellness resources, guidance for managing stress/burnout, and other items like "Balancing Work and Life as a Work-from-Home Parent." It contains critical soft skills training, such as resilience, teamwork, and time management; and offers courses in English, Spanish, Mandarin, and four other languages.

Staff reached out to LinkedIn Learning and received pricing for FY 2024/25, which is included as Exhibit c in this report. The pricing shows the list price for each library, reflects which libraries are currently offering LinkedIn Learning through the State Library, and reflects the discounted price for each library, as there is a 20% consortium discount if at least 25 member libraries participate in LinkedIn Learning. Should every library wish to participate, the total price would be \$485,600 for FY 2024/25. Should only the current member libraries which offer LinkedIn Learning participate, the total price would be \$415,900.

CLSA FY 2023/24 funds of \$150,487 were allocated to delivery due to service issues with SCLC's delivery vendor. Subsequent to FY 2022/23, SCLC's delivery vendor has corrected the issue. Excess funds from CLSA FY2023/24 will be rolled over to FY 2024/25 and no additional funds from CLSA FY 2024/25 will be requested. Given the cost of LinkedIn Learning (between \$415,900 and \$485,600) and the total rollover funds available for eResources (\$365,773), the balance of the expenditure can be supplemented with CLSA FY 2024/25 funds including amounts that would traditionally be allocated to delivery.

As the Committee determines the best use of these funds, important factors to note are as follows:

- Once the e-Resource is determined, it could take a considerable amount of time to approve and finalize the service.
- This is a one-time expenditure and should not be viewed as recurring.

FISCAL IMPACT: Given that CLSA FY 2024/25 funding is not yet available, CLSA system allocations for FY 2024/25, using CLSA FY 2023/24 funding (\$559,604), are projected as follows:

1. eResources (93%)
 - a. PressReader
 - b. Gale Archives of Sexuality and Gender

2. Courier Delivery Services (0%)
3. Telecommunications (2%)
 - a. IT Support
 - b. Zoom
 - c. Internet
 - d. Website Updates/Hosting
 - e. Phone/Fax
 - f. Telecommunications Equipment
4. Audit (4%)
5. Postage & Office Supplies (1%)

RECOMMENDATION: Recommend expenditure of CLSA fund for FY 2024/25 and provide direction for expenditure of CLSA rollover funds.

EXHIBITS:

- a. List of Vendor Offers
- b. Member Disbursement Breakdown
- c. LinkedIn Learning Pricing

List of Vendor Offers

Over the course of the past several months, various vendors have reached out to provide information about their products and services. That information is summarized below, by vendor.

INN-Reach & LINK+

INN-Reach (iii - Innovative) is a resource sharing system for returnables (physical items only; books and media) that is based on a circulation model, is patron initiated/non-mediated, and works with any ILS. LINK+ an INN-Reach network consisting of 73 (as of April 2023) public & academic libraries in California who use the INN-Reach software to share resources. It has over 5,839,000 available titles, and over 480,000 items were lent/borrowed in 2022. LINK+ should extend a library's acquisitions budget, allowing library systems to focus on their local patron demographic, and allowing smaller libraries to have a larger collection. There is a delivery component to this, and customers must use Unity Courier for delivery of materials.

As of June 2023, about 14 current member libraries had Innovative for its ILS, and only one member library had LINK+. Should SCLC choose to provide this service as a cooperative, initial startup costs would range from approximately \$445,000 to \$667,000; annual costs would vary, depending on the number of member libraries that choose to participate, ranging from \$534,000 to \$600,000 annually. These figures were provided in June 2023, and are subject to increase. Additionally, these costs do not include the cost of delivery utilizing their delivery courier. It should also be noted that this expenditure falls under Resource Sharing, and should SCLC choose to put its e-Resources towards this effort, SCLC would need to submit a revised Plan of Service to the CLSB for consideration and approval. Should this be something that SCLC would like to consider, Innovative and LINK+ could provide a presentation to the Administrative Council, along with updated cost estimates.

Baker & Taylor

Baker & Taylor, SCLC's vendor for PressReader, has provided a list of potential services that it can provide for SCLC:

- DEI Analysis of materials (this would likely not qualify for CLSA funds)
- [Boundless](#) (formerly known as Axis 360) – Boundless Kids & Teens, simultaneous, multi-user access, 1,150 eBooks and STEAM videos, activity and book discussion guides, program templates, web resources
- ePop Up Library – select collection of eBooks and eAudio via QR code, including PressReader (potentially) that meets people where they are in the community to allow for new patron acquisition, branding, and promoting the library
- [ParentTV](#) – three- to five-minute videos from experts on specific child-care topics
- [Comics Plus](#) – 26,000+ comics, graphic novels, manga, with unlimited and simultaneous use
- [Bendable](#) – discovery layer for learning resources (Drucker Institute) that catalogs all the courses from the library's individual learning platforms (ie:

LinkedIn Learning, Learning Express, Khan Academy, Mango, SCORE, etc.); Glendale is a pilot library for this

- [WorkForge](#) – coursework for manufacturing jobs to address the skills gap

Pricing for a DEI analysis is approximately \$100,000/annually, with \$10,000 in one-time implementation fees. Pricing has not been provided for the other options, but additional information and pricing can be made available should there be interest from member libraries.

Insignia Software

[Insignia Library System Enterprise](#) is a high-end scalable system that can be installed for a single site or a consortium of libraries. Insignia markets itself as the most comprehensive and fully integrated library automation system on the market, powerful and easy to use. Insignia software is currently in use by public, K-12, post-secondary, and corporate institutions. Pricing can be provided should members express interest in utilizing this product.

NewspaperArchive

[NewspaperArchive](#) provides access to billions of newspaper articles from around the world from over 15,500 large city and small-town newspapers spanning 48 countries and all 50 states dating back to 1607. It also allows for the creation and digitization of microfilm, making it easy to convert digital images and to digitize an existing microfilm collection. It also allows customers to get microfilm duplicates from their catalog of over 10,000 microfilmed publications. Pricing can be provided should members express interest in utilizing this product.

Member Disbursement Breakdown

Member Library	FY 2024/25 Dues	Pro-ratio	Distribution
Alhambra - AHM	\$ 4,237.00	1.76%	\$ 6,317
Altadena - ALT	\$ 3,027.00	1.26%	\$ 4,513
Arcadia - ARC	\$ 3,427.00	1.42%	\$ 5,110
Azusa - AZU	\$ 3,238.00	1.34%	\$ 4,828
Beverly Hills - BEV	\$ 2,678.00	1.11%	\$ 3,993
Burbank - BUR	\$ 4,967.00	2.06%	\$ 7,406
Calabasas - CAB	\$ 2,400.00	1.00%	\$ 3,578
Camarillo - CAM	\$ 3,860.00	1.60%	\$ 5,755
Commerce - CMM	\$ 2,061.00	0.85%	\$ 3,073
Covina - COV	\$ 3,265.00	1.35%	\$ 4,868
Downey - DOW	\$ 5,178.00	2.15%	\$ 7,720
El Segundo - ELS	\$ 2,215.00	0.92%	\$ 3,303
Glendale - GDL	\$ 7,692.00	3.19%	\$ 11,469
Glendora - DORA	\$ 3,290.00	1.36%	\$ 4,905
Inglewood - ING	\$ 5,021.00	2.08%	\$ 7,486
Irwindale - IRW	\$ 1,730.00	0.72%	\$ 2,579
Long Beach - LBPL	\$ 15,428.00	6.40%	\$ 23,003
Los Angeles City - LAPL	\$ 33,966.00	14.09%	\$ 50,643
Los Angeles County - LACO	\$ 33,966.00	14.09%	\$ 50,643
Monrovia - MON	\$ 2,862.00	1.19%	\$ 4,267
Monterey Park - MPK	\$ 3,546.00	1.47%	\$ 5,287
Moorpark - MOOR	\$ 2,787.00	1.16%	\$ 4,155
Oxnard - OXN	\$ 7,887.00	3.27%	\$ 11,759
Palmdale - PALM	\$ 6,895.00	2.86%	\$ 10,280
Palos Verdes District - PVP	\$ 3,759.00	1.56%	\$ 5,605
Pasadena - PAS	\$ 5,987.00	2.48%	\$ 8,927
Pomona - POM	\$ 6,387.00	2.65%	\$ 9,523
Redondo Beach - RED	\$ 3,832.00	1.59%	\$ 5,713
San Marino - SMAR	\$ 2,066.00	0.86%	\$ 3,080
Santa Clarita - SCL	\$ 8,929.00	3.70%	\$ 13,313
Santa Fe Springs - SFE	\$ 2,266.00	0.94%	\$ 3,379
Santa Monica - SAM	\$ 4,564.00	1.89%	\$ 6,805
Sierra Madre - SMD	\$ 2,023.00	0.84%	\$ 3,016
Signal Hill - SIG	\$ 2,042.00	0.85%	\$ 3,045
Simi Valley - SIM	\$ 5,584.00	2.32%	\$ 8,326
South Pasadena - SOPAS	\$ 2,508.00	1.04%	\$ 3,739
Thousand Oaks - THO	\$ 5,546.00	2.30%	\$ 8,269
Torrance - TOT	\$ 6,177.00	2.56%	\$ 9,210
Ventura County - VEN	\$ 9,385.00	3.89%	\$ 13,993
Whittier - WHI	\$ 4,425.00	1.84%	\$ 6,598
Total	\$ 241,103.00	100.00%	\$ 359,481

Library Name	Current State Contract Opt-In	List Price	20% Consortium Discount (minimum 25 participants)
Alhambra Public Library	Yes	\$13,125	\$10,500.0
Altadena Library District	Yes	\$7,000	\$5,600.0
Arcadia Public Library	Yes	\$13,125	\$10,500.0
Azusa City Library	Yes	\$7,000	\$5,600.0
Burbank Public Library	Yes	\$15,750	\$12,600.0
Calabasas Public Library	Yes	\$4,500	\$3,600.0
Camarillo Public Library	Yes	\$13,125	\$10,500.0
City Of Commerce Public Library	Yes	\$2,500	\$2,000.0
Covina Public Library	Yes	\$13,125	\$10,500.0
Downey City Library	Yes	\$15,750	\$12,600.0
El Segundo Public Library	Yes	\$4,500	\$3,600.0
Glendale Public Library	Yes	\$20,000	\$16,000.0
Glendora Library and Cultural Center	Yes	\$13,125	\$10,500.0
Inglewood Public Library	Yes	\$15,750	\$12,600.0
Irwindale Public Library	Yes	\$2,500	\$2,000.0
LA County Library	Yes	\$78,750	\$63,000.0
Long Beach Public Library	Yes	\$20,000	\$16,000.0
Los Angeles Public Library	Yes	\$78,750	\$63,000.0
Monterey Park Bruggemeyer Library	Yes	\$13,125	\$10,500.0
Moorpark City Library	Yes	\$7,000	\$5,600.0
Palmdale City Library	Yes	\$20,000	\$16,000.0
Palos Verdes Library District	Yes	\$13,125	\$10,500.0
Pasadena Public Library	Yes	\$15,750	\$12,600.0
San Marino Public Library - Crowell	Yes	\$2,500	\$2,000.0
Santa Fe Springs City Library	Yes	\$4,500	\$3,600.0
Santa Monica Public Library	Yes	\$13,125	\$10,500.0
Sierra Madre Public Library	Yes	\$2,500	\$2,000.0
Signal Hill Public Library	Yes	\$2,500	\$2,000.0
Simi Valley Public Library	Yes	\$15,750	\$12,600.0
South Pasadena Public Library	Yes	\$7,000	\$5,600.0
Thousand Oaks Library	Yes	\$15,750	\$12,600.0
Torrance Public Library	Yes	\$15,750	\$12,600.0
Ventura County Library	Yes	\$20,000	\$16,000.0
Whittier Public Library	Yes	\$13,125	\$10,500.0
Beverly Hills Public Library	No	\$7,000	\$5,600.0
Monrovia Public Library	No	\$7,000	\$5,600.0
Oxnard Public Library	No	\$20,000	\$16,000.0
Pomona Public Library	No	\$20,000	\$16,000.0
Redondo Beach Public Library	No	\$13,125	\$10,500.0
Santa Clarita Public Library	No	\$20,000	\$16,000.0
		Total	Total for all SCLC
		\$607,000.0	\$485,600.0
			Total for Current Users Only
			\$415,900.0



REPORT TO THE ADMINISTRATIVE COUNCIL
SOUTHERN CALIFORNIA LIBRARY COOPERATIVE

DATE: March 27, 2024
FROM: Andy Beck, Controller

SUBJECT: **Audit Report FY 2022/23 (ACTION)**

BACKGROUND: The State and County requires an audit of the financial statement to be performed by an independent auditor. Accordingly, the audited financial statements of the System are submitted to the State of California and the Counties of Los Angeles and Ventura. For the fiscal year ended June 30, 2023, interim testing was conducted in November 2023 for four systems managed by SCLC. For SCLC, final fieldwork was completed in January. The draft Financial Statements for SCLC have been included for review.

For the fiscal year ended June 30, 2023, there were no material weaknesses or significant deficiencies.

FISCAL IMPACT: None

RECOMMENDATION: Recommend the acceptance of the Financial Audit.

EXHIBITS:

- a. Draft audited financial statements
- b. Draft management report



Southern California Library Cooperative

Annual Financial Report

For the Fiscal Year Ended June 30, 2023

DRAFT

DRAFT

Southern California Library Cooperative

Annual Financial Report

For the Fiscal Year Ended June 30, 2023

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**Southern California Library Cooperative
Annual Financial Report
For the Fiscal Year Ended June 30, 2023**

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Financial Section

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Independent Auditor's Report

Administrative Council
Southern California Library Cooperative
Glendale, California

Report on 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, 2023, 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, 2023, 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 37 through 41, 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 February 7, 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 42 and 43.

C.J. Brown & Company, CPAs
Cypress, California
February 7, 2024

Southern California Library Cooperative
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

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, 2023. 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 2023, the Cooperative's net position increased 40.18%, or 335,689 from ongoing operations.
- In fiscal year 2023, the Cooperative's total revenues decreased 40.35%, or \$2,519,043 to \$3,724,535 from \$6,243,578.
- In fiscal year 2023, the Cooperative's total expenses decreased 50.37%, or \$3,439,400 to \$3,388,846 from \$6,828,246.

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, 2023

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 17 through 36.

Government-wide Financial Analysis

Statement of Net Position

Condensed Statements of Net Position

	2023	2022	Change
Assets:			
Current assets	\$ 3,930,436	5,168,523	(1,238,087)
Non-current assets	25,534	51,069	(25,535)
Total assets	3,955,970	5,219,592	(1,263,622)
Deferred outflows of resources	869,584	320,370	549,214
Liabilities:			
Current liabilities	2,013,243	3,134,456	(1,121,213)
Non-current liabilities	3,114,307	2,089,079	1,025,228
Total liabilities	5,127,550	5,223,535	(95,985)
Deferred inflows of resources	197,742	1,151,854	(954,112)
Net position:			
Net investment in capital assets	(118)	(118)	-
Restricted	89,059	87,177	1,882
Unrestricted	(588,679)	(922,486)	333,807
Total net position	\$ (499,738)	(835,427)	335,689

Southern California Library Cooperative
Management's Discussion and Analysis, continued
For the Fiscal Year Ended June 30, 2023

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, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$499,738, as of June 30, 2023.

At June 30, 2023, the Cooperative's total net position is made up of three components: (1) net investments in capital assets in the amount of \$(118), (2) restricted in the amount of \$89,059, and (3) unrestricted (deficit) in the amount of \$(588,679). See note 9 for further information.

Statement of Activities

Condensed Statements of Activities

<i>Governmental Activities:</i>	<u>2023</u>	<u>2022</u>	<u>Change</u>
Expenses:			
Cooperative operations	\$ 3,388,846	6,828,246	(3,439,400)
Total expenses	<u>3,388,846</u>	<u>6,828,246</u>	<u>(3,439,400)</u>
Program revenues	3,457,092	6,045,925	(2,588,833)
General revenues	<u>267,443</u>	<u>197,653</u>	<u>69,790</u>
Total revenues	<u>3,724,535</u>	<u>6,243,578</u>	<u>(2,519,043)</u>
Changes in net position	335,689	(584,668)	920,357
Net position, beginning of year	<u>(835,427)</u>	<u>(250,759)</u>	<u>(584,668)</u>
Net position, end of year	<u>\$ (499,738)</u>	<u>(835,427)</u>	<u>335,689</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 \$335,689 from ongoing operations.

In fiscal year 2023, the Cooperative's total revenues decreased 40.35%, or \$2,519,043 to \$3,724,535 from \$6,243,578 due primarily to decreases of \$1,292,566 in Federal grant revenues, \$712,810 in California State Library Act appropriations, and \$566,132 in program reimbursements; which were offset by an increase of \$69,405 in investment returns.

In fiscal year 2023, the Cooperative's total expenses decreased 50.37%, or \$3,439,400 to \$3,388,846 from \$6,828,246 due primarily to decreases of \$1,281,840 in Federal grant expense, \$973,110 in personnel costs (salaries and wages and employee benefits), \$658,306 in communication and delivery, and \$526,145 in materials and services.

Governmental Fund Financial Analysis

The focus of the Cooperative's *governmental funds* 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, 2023, the Cooperative's General Fund reported a fund balance of \$1,976,483. An amount of \$1,851,328 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, 2023

General Fund Budgetary Highlights

In 2023, actual expenditures were less than the anticipated budget by \$1,231,408. The variance is due primarily to actual Federal grant expenditures, and personnel costs (salaries and wages and employee benefits) being less than budget by \$986,793 and \$189,005, respectively.

In 2023, actual revenues were less than the anticipated budget by \$1,170,297. The variance is due primarily to actual operating grant – Federal, California State Library Act appropriation, and charges for services being less than budget by \$740,682, \$623,036, and \$169,346, respectively, which were offset by program reimbursement being more than budget by \$338,345. The General Fund budget to actual comparison schedule can be found on page 37.

Capital Asset Administration

Changes in capital assets for 2023, were as follows:

	<u>Balance 2022</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance 2023</u>
Depreciable assets:	\$ 186,366	-	-	186,366
Accumulated depreciation	(135,297)	(25,535)	-	(160,832)
Total capital assets, net	\$ 51,069	(25,535)	-	25,534

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

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Southern California Library Cooperative
Statement of Net Position
June 30, 2023

	2023
Current assets:	
Cash and cash equivalents (note 2)	\$ 3,656,118
Cash and cash equivalents - restricted (note 2)	89,059
Accrued interest receivable	14,613
Accounts receivable	168,188
Prepaid expenses and deposits	2,458
Total current assets	3,930,436
Non-current assets:	
Capital assets, net (note 3)	25,534
Total non-current assets	25,534
Total assets	3,955,970
Deferred outflows of resources:	
Deferred OPEB outflows (note 6)	51,584
Deferred pension outflows (note 7)	818,000
Total deferred outflows of resources	\$ 869,584

Continued on next page

See accompanying notes to the basic financial statements

Southern California Library Cooperative
Statement of Net Position, continued
June 30, 2023

	2023
Current liabilities:	
Accounts payable and accrued expenses	\$ 135,883
Accrued payroll and related expenses	11,395
Compensated absences (note 4)	33,638
Deposits from members	55,630
Unearned revenues	1,751,045
Long-term liabilities - due within one year:	
Lease obligation (note 5)	25,652
Total current liabilities	2,013,243
Non-current liabilities:	
Long-term liabilities - due in more than one year:	
Other post-employment benefit payable (note 6)	981,620
Net pension liability (note 7)	2,132,687
Total non-current liabilities	3,114,307
Total liabilities	5,127,550
Deferred inflows of resources:	
Deferred OPEB inflows (note 6)	18,788
Deferred pension inflows (note 7)	178,954
Total deferred inflows of resources	197,742
Net position: (note 9)	
Net investment in capital assets	(118)
Restricted	89,059
Unrestricted	(588,679)
Total net position	\$ (499,738)

See accompanying notes to the basic financial statements

**Southern California Library Cooperative
Statement of Activities
For the Fiscal Year Ended June 30, 2023**

Governmental Activities:	<u>2023</u>
Expenses:	
Cooperative operations:	
Salaries and wages	\$ 517,555
Employee benefits	(143,996)
Materials and services	486,510
Communication and delivery	126,011
Grant expense – Federal	2,377,231
Depreciation expense	<u>25,535</u>
Total expenses	<u>3,388,846</u>
Program revenues:	
Charge for services	211,702
California State Library Act appropriations	283,703
Operating grant – Federal	2,623,342
Program reimbursement	<u>338,345</u>
Total program revenues	<u>3,457,092</u>
Net program expense	<u>68,246</u>
General revenues:	
Member and associate dues	224,271
Investment returns	40,115
Other revenues, net	<u>3,057</u>
Total general revenues	<u>267,443</u>
Changes in net position	335,689
Net position, beginning of year	<u>(835,427)</u>
Net position, end of year	<u>\$ (499,738)</u>

See accompanying notes to the basic financial statements

Southern California Library Cooperative
Balance Sheet of Governmental Type Fund
June 30, 2023

	General Fund	Reclassifications & Eliminations	Statement of Net Position
Assets:			
Cash and cash equivalents	\$ 3,656,118	-	3,656,118
Cash and cash equivalents - restricted	89,059	-	89,059
Accrued interest receivable	14,613	-	14,613
Accounts receivable	168,188	-	168,188
Prepaid expenses and deposits	2,458	-	2,458
Capital assets, net	-	25,534	25,534
	3,930,436	25,534	3,955,970
Deferred outflows of resources:			
Deferred OPEB outflows	-	51,584	51,584
Deferred pension outflows	-	818,000	818,000
	-	869,584	869,584
Liabilities:			
Accounts payable and accrued expenses	135,883	-	135,883
Accrued payroll and related expenses	11,395	-	11,395
Compensated absences	-	33,638	33,638
Deposits from members	55,630	-	55,630
Unearned revenue	1,751,045	-	1,751,045
Lease obligation	-	25,652	25,652
Net other post-employment benefit liability	-	981,620	981,620
Net pension liability	-	2,132,687	2,132,687
	1,953,953	3,173,597	5,127,550
Deferred inflows of resources:			
Deferred OPEB inflows	-	18,788	18,788
Deferred pension inflows	-	178,954	178,954
	-	197,742	197,742
Fund balance: (note 10)			
Nonspendable	2,458	(2,458)	-
Restricted	89,059	(89,059)	-
Assigned	33,638	(33,638)	-
Unassigned	1,851,328	(1,851,328)	-
	1,976,483	(1,976,483)	-
Total liabilities and fund balance	\$ 3,930,436		
Net position:			
Net investment in capital assets		(118)	(118)
Restricted		89,059	89,059
Unrestricted		\$ (588,679)	(588,679)
Total net position		\$ (499,738)	(499,738)

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, 2023**

2023

Reconciliation:

Fund balance- Governmental Fund	\$ 1,976,483
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>	
<p>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:</p>	
Capital assets, net	25,534
Deferred OPEB outflows	51,584
Deferred pension outflows	818,000
<p>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.</p>	
Compensated absences	(33,638)
Lease obligation	(25,652)
Net other post-employment benefits payable	(981,620)
Net pension liability	(2,132,687)
Deferred OPEB inflows	(18,788)
Deferred pension inflows	<u>(178,954)</u>
Net position of Governmental Activities	\$ <u>(499,738)</u>

**Southern California Library Cooperative
Statement of Revenues, Expenditures, and Changes in
Fund Balance of Governmental Type Fund
For the Fiscal Year Ended June 30, 2023**

	<u>General Fund</u>	<u>Reclassifications & Eliminations</u>	<u>Statement of Activities</u>
Expenditures/Expenses:			
Cooperative operations:			
Salaries and wages	\$ 522,772	(5,217)	517,555
Employee benefits	308,449	(452,445)	(143,996)
Materials and services	512,045	(25,535)	486,510
Communication and delivery	126,011	-	126,011
Grant expense – Federal	2,377,231	-	2,377,231
Depreciation	-	25,535	25,535
Total expenditures/expenses	<u>3,846,508</u>	<u>(457,662)</u>	<u>3,388,846</u>
Program revenues:			
Charge for services	211,702	-	211,702
California State Library Act appropriations	283,703	-	283,703
Operating grant – Federal	2,623,342	-	2,623,342
Program reimbursement	338,345	-	338,345
Total program revenues	<u>3,457,092</u>	<u>-</u>	<u>3,457,092</u>
Net program expense			<u>68,246</u>
General revenues:			
Member and associate dues	224,271	-	224,271
Investment returns	40,115	-	40,115
Other revenues, net	3,057	-	3,057
Total general revenues	<u>267,443</u>	<u>-</u>	<u>267,443</u>
Total revenues	<u>3,724,535</u>	<u>-</u>	
Excess of expenditures over revenues	(121,973)	121,973	
Changes in net position	-	335,689	335,689
Fund balance/Net position, beginning of year	<u>2,098,456</u>	<u>-</u>	<u>(835,427)</u>
Fund balance/Net position, end of year	<u>\$ 1,976,483</u>	<u>-</u>	<u>(499,738)</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, 2023**

Reconciliation:

Net change in fund balance - Governmental Fund \$ (121,973)

Amounts reported for governmental activities in the statement of activities are different because:

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:

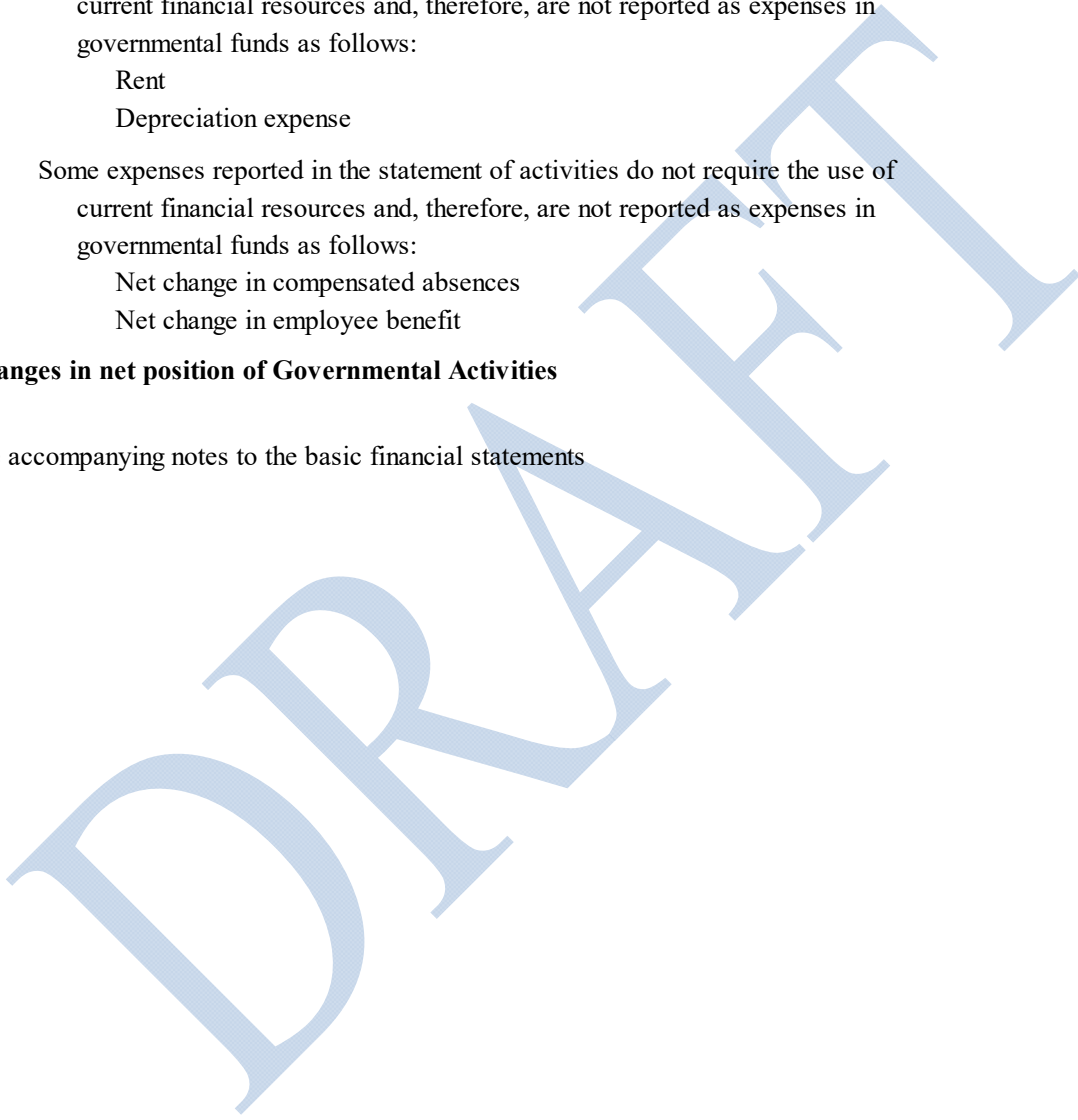
Rent	25,535
Depreciation expense	(25,535)

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:

Net change in compensated absences	5,217
Net change in employee benefit	<u>452,445</u>

Changes in net position of Governmental Activities **\$ 335,689**

See accompanying notes to the basic financial statements



**Southern California Library Cooperative
Statement of Fiduciary Net Position
June 30, 2023**

	2023
Assets:	
Cash and cash equivalents (note 2)	\$ <u>66,806</u>
Total assets	<u>66,806</u>
Liabilities:	
Deposits from members	<u>66,806</u>
Total liabilities	<u>66,806</u>
Net position:	
Held in trust for member library benefits	<u>-</u>
Total net position	<u>\$ -</u>

See accompanying notes to the basic financial statements

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**Southern California Library Cooperative
Statement of Fiduciary Activities
For the Year Ended June 30, 2023**

		<u>2023</u>
Additions:		
Member library reimbursements	\$	<u>14,379</u>
Total additions		<u>14,379</u>
Deductions:		
Program expenses		<u>14,379</u>
Total deductions		<u>14,379</u>
Changes in net position		-
Net position, beginning of year		<u>-</u>
Net position, end of year	\$	<u>-</u>

See accompanying notes to the basic financial statements

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Southern California Library Cooperative
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

(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, 2023

(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.

Fiduciary Fund Financial Statements

These statements include a Statement of Fiduciary Net Position and a Statement of Fiduciary Activities. Fiduciary fund reporting focuses on net position and changes in net position. Fiduciary funds report assets held in a trustee or agency capacity for others and, therefore, cannot be used to support the Cooperative’s own programs. Financial statements of fiduciary fund are reported using the *economic resources* measurement focus and the accrual basis of accounting, except for the recognition of certain liabilities of defined benefit pension plans and certain post-employment healthcare plans.

The Cooperative reports the following major fiduciary fund:

Agency Fund – reports resources held by the Cooperative in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

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 May 2019, the GASB issued Statement No. 91 – *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers’ conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2020; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year.

Southern California Library Cooperative
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2023

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

C. Financial Reporting, continued

In March 2020, the GASB issued Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

In May 2020, the GASB issued Statement No. 96 – *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

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 Cash Equivalents

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

Southern California Library Cooperative
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2023

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

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

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)

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.

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.

Southern California Library Cooperative
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2023

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

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

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, 2021
- Measurement date: June 30, 2022
- Measurement period: July 1, 2021 to June 30, 2022

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.

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.

Southern California Library Cooperative
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2023

(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, continued

- **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.

Fund Balance Policy, continued

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.

(2) Cash and Cash Equivalents

Cash and cash equivalents as of June 30, consist of the following:

	2023
General fund	
Petty cash	\$ 266
Deposits held in financial institutions	1,822,950
Deposits held with the California Employee Pension Prefunding Trust	89,059
Deposits held with the California Local Agency Investment Fund (LAIF)	1,832,902
Total General fund	3,745,177
Fiduciary fund	
Deposits held in financial institutions	66,806
Total Fiduciary fund	66,806
Total cash and cash equivalents	\$ 3,811,983

Southern California Library Cooperative
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2023

(2) Cash and Cash Equivalents, continued

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

	2023
Deposits held with the California Local Agency Investment Fund (LAIF)	260 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)

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.

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, 2023, 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.

Southern California Library Cooperative
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2023

(2) Cash and Cash Equivalents, continued

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.

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, 2023, the Cooperative's investment in LAIF is unrated.

(3) Capital Assets

The change in capital assets for 2023 was as follows:

	<u>Balance 2022</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance 2023</u>
Depreciable assets:				
Right to use asset	\$ 76,603	-	-	76,603
Equipment, furniture, and fixtures	109,763	-	-	109,763
Total depreciable assets	186,366	-	-	186,366
Accumulated depreciation				
Right to use asset	(25,534)	(25,535)	-	(51,069)
Equipment, furniture, and fixtures	(109,763)	-	-	(109,763)
Total accumulated depreciation	(135,297)	(25,535)	-	(160,832)
Total depreciable assets, net	51,069	(25,535)	-	25,534
Total capital assets, net	\$ 51,069			25,534

(4) Compensated Absences

The change in compensated absences for 2023 was as follows:

	<u>Balance 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 2023</u>
\$	38,855	28,589	(33,806)	33,638

(5) Operating Lease

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

	<u>2022</u>	<u>Additions</u>	<u>Principal Payment</u>	<u>2023</u>
Lease obligation	\$ 51,187	-	(25,535)	25,652

Southern California Library Cooperative
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2023

(5) Operating Lease, continued

In June 2021, 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, 2021, and ending June 30, 2024.
2. The Cooperative shall pay \$2,143 monthly rent and ancillary cost to the City.

Following the guidelines of *GASB Statement No. 87*, the Cooperative recorded a right-to-use asset and a lease obligation at present value using an implicit interest rate of 0.46%. The right-to-use asset is amortized on a straight-line basis over the term of the lease.

Principal and interest requirements to maturity are as follows:

Year	Principal	Interest	Total
2024	\$ 25,652	64	25,716
Total	25,652	64	25,716
Current	(25,652)		
Non-current	\$ -		

(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

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:

	2023
Inactive employees or beneficiaries currently receiving benefit payments	8
Active employees	5
Total plan membership	13

Total OPEB Liability

The Cooperative’s total OPEB liability of \$981,620 was measured as of June 30, 2023, and was determined by an actuarial valuation as of June 30, 2023.

Southern California Library Cooperative
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2023

(6) Other Post-Employment Benefits Payable, continued

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2023, actuarial valuation for the measurement date June 30, 2023, 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	3.65% per year changed from 3.54% in 2022
Retirees' share of benefit-related cost	Not Applicable

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, 2023, 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>2023</u>
Balance at June 30, 2022	\$ 872,322
Changes for the year:	
Service cost	33,461
Interest	30,789
Experience (Gains)/Losses	77,989
Changes in assumptions or other inputs	5,656
Benefit payments	<u>(38,597)</u>
Net change	<u>109,298</u>
Balance at June 30, 2023	<u>\$ 981,620</u>

Southern California Library Cooperative
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2023

(6) Other Post-Employment Benefits Payable, continued

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:

	Discount Rate 1% Lower	Valuation Discount Rate	Discount Rate 1% Higher
Total OPEB liability	\$ 1,118,031	981,620	870,169

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:

	Trend 1% Lower	Valuation Trend	Trend 1% Higher
Total OPEB liability	\$ 861,866	981,620	1,130,386

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

For the year ended June 30, 2023, the Cooperative recognized an OPEB expense of \$72,566. As June 30, 2023, the Cooperative reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 51,584	-
Changes in assumptions or other inputs	-	(18,788)
Total	\$ 51,584	(18,788)

As of June 30, 2023, amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Fiscal Year Ending June 30,	Deferred Net Outflows(Inflows) of Resources
2024	\$ 8,316
2025	8,296
2026	2,535
2027	(14,030)
2028	10,774
Thereafter	16,905

Southern California Library Cooperative
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2023

(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.

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, 2023, are summarized as follows:

	<u>Classic</u>	<u>PEPRA</u>
	Prior to	After
Hire date	Jan 1, 2011	Jan 1, 2013
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%	7.750%

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.

Southern California Library Cooperative
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2023

(7) Defined Benefit Pension Plan, continued

Contributions, continued

For the year ended June 30, 2023, the Cooperative's contributions to the Plan was as follows:

	2023
Contributions – employer	\$ 194,667

Net Pension Liability

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

	2023
Proportionate share of net pension liability	\$ 2,132,687

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, 2023, the net pension liability of the Plan is measured as of June 30, 2022 (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, 2021 (the valuation date), rolled forward to June 30, 2022, 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, 2022, was as follows:

Measurement Date	2023
Proportion – June 30, 2021	0.02202%
Proportion – June 30, 2022	0.01846%
Change in proportion	-0.00356%

Southern California Library Cooperative
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2023

(7) Defined Benefit Pension Plan, continued

Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2023, the Cooperative recognized pension expense of \$277,603. As June 30, 2023, the Cooperative reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 194,667	-
Difference between actual and expected experience	14,144	-
Change in assumptions	218,538	-
Net difference between projected and actual earnings on plan investments	390,651	-
Change in proportion and the difference between employer's contributions and employer's proportionate share of contributions	-	(178,954)
Total	<u>\$ 818,000</u>	<u>(178,954)</u>

As of June 30, 2023, the Cooperative reported \$194,667 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, 2024.

As of June 30, 2023, 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 Ending June 30,</u>	<u>Deferred Net Outflows(Inflows) of Resources</u>
2024	\$ 86,873
2025	75,626
2026	42,945
2027	238,935

Southern California Library Cooperative
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2023

(7) Defined Benefit Pension Plan, continued

Actuarial Assumptions

The total pension liabilities in the June 30, 2021, actuarial valuation were determined using the following actuarial assumptions and methods:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
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. 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.

Southern California Library Cooperative
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2023

(7) Defined Benefit Pension Plan, continued

Discount Rate, continued

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

Asset Class	New Strategic Allocation	Real Return 1-10 ^{1,2}
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%

¹ An expected inflation of 2.30% used for this period.

² 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, 2023, 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:

	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
Cooperative's net pension liability	\$ 3,069,248	2,132,687	1,362,132

(7) Defined Benefit Pension Plan, continued

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, 2023

(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, 2023, the Trust earned \$2,032 in dividend income and incurred \$150 in fees. The Trust account balance at June 30, 2023 amounted to \$89,059.

(9) Net Position

The details of net position are as follows:

	2023
Net investment in capital assets:	
Capital assets, net	\$ 25,534
Lease obligation - current portion	(25,652)
Total net investment in capital assets	(118)
Restricted net position:	
Section 115 Trust	89,059
Total restricted net position	89,059
Unrestricted net position:	
Non-spendable net position:	
Prepaid expenses and deposit	2,458
Total non-spendable net position	2,458
Spendable net position:	
Unrestricted	(591,137)
Total spendable net position	(591,137)
Total unrestricted net position	(588,679)
Total net position	\$ (499,738)

Southern California Library Cooperative
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2023

(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	2023
Nonspendable:	
Prepaid expenses and deposits	\$ 2,458
Restricted:	
Section 115 Trust	89,059
Assigned:	
Compensated absences	33,638
Unassigned:	
Operations	1,851,328
Total fund balance	\$ 1,976,483

(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. 99

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.

The requirements of this Statement are effective for fiscal years beginning after June 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, 2023

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

Governmental Accounting Standards Board Statement No. 100

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.

The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

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, 2023

(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.

(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, 2023, have been evaluated for possible adjustment to the financial statements or note disclosures as of February 7, 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.

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Required Supplementary Information

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**Southern California Library Cooperative
Budgetary Comparison Schedule – General Fund
For the Fiscal Year Ended June 30, 2023**

	<u>Adopted Original Budget</u>	<u>Board Approved Changes</u>	<u>Revised Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
Expenditures/Expenses:					
Cooperative operations:					
Salaries and wages	\$ 652,945	-	652,945	522,772	130,173
Employee benefits	367,281	-	367,281	308,449	58,832
Materials and services	464,467	-	464,467	512,045	(47,578)
Communication and delivery	229,199	-	229,199	126,011	103,188
Grant expense – Federal	3,364,024	-	3,364,024	2,377,231	986,793
Total expenditures/expenses	<u>5,077,916</u>	<u>-</u>	<u>5,077,916</u>	<u>3,846,508</u>	<u>1,231,408</u>
Program revenues:					
Charge for services	381,048	-	381,048	211,702	(169,346)
California State Library Act appropriation	906,739	-	906,739	283,703	(623,036)
Operating grant – Federal	3,364,024	-	3,364,024	2,623,342	(740,682)
Program reimbursement	-	-	-	338,345	338,345
Total program revenues	<u>4,651,811</u>	<u>-</u>	<u>4,651,811</u>	<u>3,457,092</u>	<u>(1,194,719)</u>
General revenues:					
Member and associate dues	224,271	-	224,271	224,271	-
Investment return	18,750	-	18,750	40,115	21,365
Other revenues(expenses), net	-	-	-	3,057	3,057
Total general revenues	<u>243,021</u>	<u>-</u>	<u>243,021</u>	<u>267,443</u>	<u>24,422</u>
Total revenues	<u>4,894,832</u>	<u>-</u>	<u>4,894,832</u>	<u>3,724,535</u>	<u>(1,170,297)</u>
Net change in fund balance	<u>(183,084)</u>	<u>-</u>	<u>(183,084)</u>	<u>(121,973)</u>	<u>61,111</u>
Fund balance, beginning of year	<u>2,098,456</u>		<u>2,098,456</u>	<u>2,098,456</u>	
Fund balance, end of year	<u>\$ 1,915,372</u>		<u>1,915,372</u>	<u>1,976,483</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, 2023
Last Ten Years*

Defined Benefit Pension Plan

Description	Measurement dates								
	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Cooperative's proportion of the net pension liability/(asset)	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)	\$ 2,132,687	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	\$ 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	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	76.68%	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.

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.

Change of Assumptions and 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

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, 2023
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.

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

**Southern California Library Cooperative
Schedules of Pension Plan Contributions
For the Fiscal Year Ended June 30, 2023
Last Ten Years***

Defined Benefit Pension Plan

Description	Fiscal Years Ended								
	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	\$ 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	(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	\$ 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	43.82%	32.18%	28.97%	24.49%	33.09%	27.33%	18.95%	16.45%	6.39%

Notes to the Schedule of Pension Plan Contributions

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

Southern California Library Cooperative
Schedules of Changes in the Cooperative's Total OPEB Liability and Related Ratios
For the Fiscal Year Ended June 30, 2023
Last Ten Years*

Other Post-Employment Benefits Payable

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability						
Service cost	\$ 33,461	44,810	51,311	35,574	21,125	20,010
Interest	30,789	22,170	20,934	17,045	28,419	25,845
Employer contributions	(38,597)	(37,552)	(32,171)	(28,397)	(31,067)	(27,752)
Experience (Gains)/Losses	77,989	-	-	-	-	-
Difference between expected and actual experience	-	-	(14,416)	(1,465)	(25,867)	-
Change of assumptions or other inputs	5,656	(179,859)	55,142	147,279	26,463	(25,991)
Net change in total OPEB liability	109,298	(150,431)	80,800	170,036	19,073	(7,888)
Total OPEB liability – beginning	872,322	1,022,753	941,953	771,917	752,844	760,732
Total OPEB liability – ending	\$ 981,620	872,322	1,022,753	941,953	771,917	752,844
Covered-employee payroll	\$ 444,242	580,404	587,683	617,093	385,527	361,657
Total OPEB liability as a percentage of covered-employee payroll	220.97%	150.30%	174.03%	152.64%	200.22%	208.17%

Note to Schedule:

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

Changes in Benefit Terms – There were no changes to benefit terms.

Changes of Assumptions – 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

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**Independent Auditor’s Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

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, 2023, and the related notes to the financial statements, which collectively comprises the Cooperative’s basic financial statements, and have issued our report thereon dated February 7, 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
February 7, 2024

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Southern California Library Cooperative

Management Report

June 30, 2023

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Southern California Library Cooperative

Management Report

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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, 2023, 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
February 7, 2024

APPENDIX

Southern California Library Cooperative

Audit/Finance Committee Letter

June 30, 2023

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, 2023, and have issued our report thereon dated February 7, 2024.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated September 29, 2023, 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 February 7, 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 2023. 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 equivalents 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 February 7, 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
February 7, 2024



REPORT TO THE ADMINISTRATIVE COUNCIL
SOUTHERN CALIFORNIA LIBRARY COOPERATIVE

DATE: March 27, 2024
FROM: Wayne Walker, Deputy Director

SUBJECT: FY 2023/24 Grants Update (DISCUSSION)

BACKGROUND: The following is the current list of FY2023/24 grants awarded by the California State Library to the Southern California Library Cooperative (SCLC). Any updates from the November 29, 2024 report are indicated below.

Grant Name:	Digital Navigators - LSTA FY2023/24
Primary Partner:	CA State Library
Total Project Amount:	\$500,000
Projected Indirect:	\$40,613
Reimbursable Wages:	\$50,000
Status:	Awarded
End Date:	September 13, 2024
Brief Description:	Continue to refine and expand the Digital Navigator base assisting individuals statewide in key areas of digital inclusion: (1) sharing information on sources of low-cost internet services and devices for home adoption, (2) basic instruction on connecting internet devices supplied to libraries through the Bridging the Digital Divide and Home Connectivity Kits projects and performing common online tasks, and (3) promote and provide guidance on the use of online instructional tools licensed by the California State Library to assist with digital literacy, workforce development, and pandemic recovery.

Grant Name:	PLSEP – LSTA FY2023/24
Primary Partner:	CA State Library
Total Project Amount:	\$600,000
Project Indirect:	\$54,546
Reimbursable Wages:	\$61,999
Status:	Awarded – Augmented January 2024
End Date:	September 13, 2024
Brief Description:	Provide tuition reimbursement to library staff currently in school and working towards their library degree. SCLC is the sole manager of this now statewide grant.

Grant Name:	Backpack Program – State FY2023/24
Primary Partner:	CA State Library
Total Project Amount:	\$609,586
Projected Indirect:	\$55,417
Reimbursable Wages:	\$42,045
Status:	Awarded
End Date:	May 31, 2024
Brief Description:	New to SCLC this year is the Backpack Program grant. This is a new grant to complement the State Library's Parks Pass Program and will offer libraries hiking backpack kits. The hiking backpack kits will be loaned through select public libraries in the state to patrons to use on their adventures in the outdoors whether it be at a California State Park utilizing one of the loaned parks pass, or simply on a local hiking trail.

Grant Name:	EmPOWERing Access – LSTA FY2023/24
Primary Partner:	CA State Library
Total Project Amount:	\$459,372
Projected Indirect:	\$11,761
Reimbursable Wages:	\$32,611
Status:	Awarded
End Date:	September 13, 2024
Brief Description:	The grant will offer California libraries ADA accessible privacy booths, solar charging devices, and repair tool kits. This project will encourage library users to connect with their community and provide new ways to access information and learn new skills.

FISCAL IMPACT: With the augmentation of the PLSEP grant, and the addition of the EmPOWERing Access grant, the management of the FY2023/24 grants provides revenues to SCLC in the amount of \$348,992 (\$162,337 in indirect and \$186,655 in staff wages) for FY 2023/24. The additional revenue for FY 2023/24 equals \$60,962.

RECOMMENDATION: Informational

EXHIBITS: None



REPORT TO THE ADMINISTRATIVE COUNCIL
SOUTHERN CALIFORNIA LIBRARY COOPERATIVE

DATE: March 27, 2024
FROM: Christine Powers, Executive Director

SUBJECT: **Consideration of SCLC Mission and Vision Statements (ACTION)**

BACKGROUND: On January 18, 2024, the Southern California Library Cooperative (SCLC) held its SCLC Connect: Annual Planning Retreat at the Santa Monica Public Library. As part of its Strategic Plan, members of the Administrative Council discussed new mission and vision statements for the organization. Led by Julie Lamba, who facilitated this portion of the retreat, members had a two-hour brainstorming session. From this, Ms. Lamba produced session notes containing the key words and phrases that were discussed in groups. The session notes, along with a mission and vision worksheet provided by Ms. Lamba, are included as exhibits in this report.

Members of the Executive Committee used these documents to draft new mission and vision statements for the Administrative Council's consideration. Three mission and vision statements are provided below:

Option 1

Mission: The Southern California Library Cooperative improves the lives of residents of Los Angeles and Ventura Counties by connecting member libraries to each other and to resources.

Vision: Help Los Angeles and Ventura County public libraries thrive.

Option 2

Mission: The Southern California Library Cooperative fosters communication and collaboration among its member libraries to provide advocacy, networking, resource-sharing, and professional growth opportunities.

Vision: The public libraries of Los Angeles and Ventura Counties are connected and empowered to serve their communities.

Option 3

Mission: Advancing the reach of Los Angeles and Ventura County public library communities through best practices, regional engagement, and system-wide services.

Vision: Cultivating an extended public library community that serves its members in an evolving library landscape.

For reference, SCLC's current mission and vision statements are as follows:

Mission: SCLC enhances the resources of independent libraries through cooperative services to better serve their local library users.

Vision: SCLC is a dynamic and expanding consortium of information and service providers with a shared mission and resources which benefit members' clientele.

FISCAL IMPACT: None

RECOMMENDATION: The Administrative Council may consider selecting a mission and vision from these three options or choose to have additional sets of mission and vision statements drafted, at their direction.

EXHIBITS:

- a. Mission & Vision Session Notes
- b. Mission & Vision Worksheet

Southern California Library Cooperative | Vision & Mission

Thursday, January 18, 2024

Session Notes

Dear Christine, Susan, Jesse, and Elizabeth,

Thank you for the opportunity to join your annual SCLC retreat, to facilitate your amazing group of library directors and leaders through a session on mission and vision. It was an honor, and a lot of fun, to help surface the key words and phrases that you all may use in a new vision and mission statement.

Below, you will find the artifacts of this session, including a capture of what the small groups captured on their posters, and the word cloud we generated as a warm up. I hope this supports the Executive Committee in your statement drafting. I will also attach a copy of the worksheet we used in the session, and my photographs, in case these can be a helpful resource.

When you socialize your sample vision and mission statements with the Administrative Council, you may take a simple majority vote. If you find that you'd like to collect more qualitative feedback, I recommend questions like these:

- Which of these statements do you like the most? Why?
- Which of these statements do you like the least? Why?
- Is there anything that you think these statements are missing?
- Do you have any other ideas for mission statements?

Wishing you all the best in your next steps!

Please be in touch if I can support future engagements or projects.



Julie Lamba
julielamba.com
julie.s.lamba@gmail.com

Mission Statement, Key Words & Phrases

The Who:

- The Public
 - Aspires to: have access to the world of info; meet whatever their needs are
 - Worries: time, inequity
- Staff
 - Aspires to: Grow professionally; Learn
 - Challenges: lack of awareness of services
- Leaders & Directors
 - Aspires for support, collaboration
 - Worries: different objectives, budget, time
- Jurisdictions:
 - Aspires to increase opportunities for their constituencies
 - Aspires to leverage financial resources
 - Worries: funding, legal obligations, politics, how to measure impact
- Collective
- Region
- Networking
- Connections
- Library professionals / staff
- Community
- Painpoints: budget, capacity
- Power of the collective
- Communities
- Directors

The What:

- Connection
- Collaboration
- Resources
- Greater than sum of parts
- Regionality
- Seamless experience for customers in region
- Professional growth
- Aggregate data
- Discoverability / visibility
- Shared political power
- Collective buying
- Networking
- Resource sharing
- Problem solving
- Advocacy
- Training

- Engagement for staff at all levels
- Visibility / building awareness
- Partnership
- Mentoring / learning
- Advocacy
- Collective power
- Scaling / enhancing resources
- Reductive of silos (across libraries and jurisdictions)
- Financial benefits
- Staff development
- Clout
- Respect

The Why:

- Regional focus (la is special / unique)
- Commonalities across region
- Legal obligation (“mandatory” participation)
- Distribution of state funds
- That this is a group of executives / leaders
- Local
- Accessible
- Smaller
- Equal voice
- Connection to state library
- Local
- Networking
- Sharing of information
- Better organizations and communities!
- Same leadership level

Vision Statement, Key Words & Phrases

- Equal
- Seamless
- Collaboration
- Regional
- Leadership
- Equitable
- More confident and expert staff & leadership
- Equal and equitable access (users across the region)
- Individual and community aspirations are being met through our services
- All library staff know and use SCLC
- Maximize community impact
- “Go to” resource
- Relevant
- Provide excellent library service to all community members in our region
- Equitable power regardless of library size
- End goal: everyone uses a library card to become lifelong learners in LA and Ventura county
- Staff development opportunity
- Connection and collaboration
- Shared resources
- Local
- POWER



Mentimeter

One word to describe the benefit of SCLC membership?
32 responses



Southern California Library Cooperative: Brainstorming Vision & Mission

Definitions & Examples

Vision	Mission
<i>A vision statement details where the organization aspires to go. What is the future that the organization aspires to create?</i>	<i>A mission statement defines the organization's business, its objectives, and how it will reach these objectives.</i>
LinkedIn: Create economic opportunity for every member of the global workforce.	Connect the world's professionals to make them more productive and successful.
Habitat for Humanity: A world where everyone has a decent place to live.	"...Habitat for Humanity brings people together to build homes, communities and hope."
Teach For America: One day, all children will have the opportunity to attain an excellent education.	Teach For America finds, develops, and supports equity-oriented leaders—individually and in teams—so they can transform education and expand opportunity with children, starting in the classroom.

Brainstorming Components of a Mission Statement

<p>The Who</p> <ul style="list-style-type: none"> ● Who does SCLC serve? ● What are the aspirations of these customers? ● What are their worries or pain points?
<p>The What</p> <ul style="list-style-type: none"> ● What does SCLC offer to its members? ● What positives or gains can SCLC's customers experience from membership to SCLC? ● If SCLC is successful, what would its members experience?

Why SCLC Stands Out

- How might SCLC stand out from other library associations or industry organizations?
- What makes this organization different?
- What is it that only SCLC can do for its member customers?

Key Themes from Across Your Group

Brainstorming Components of a Vision Statement

Part 1: Endgame	Part 2: We've "Made It?"	Part 3: Key Phrases
<p>Why does the work of SCLC matter? What does it help people do? How does it better lives?</p> <p>How does SCLC make a difference for its members and customers, the community, the region, or even the world?</p>	<p>Let's look 5 - 10 years down the road. What kinds of wins might SCLC have accomplished? What will tell you that you've "made it?"</p>	<p>What are some key words that might capture the "endgame" and the desired wins, within a vision statement? Key phrases?</p>

Reflect: What is one thing you're taking away from today?



REPORT TO THE ADMINISTRATIVE COUNCIL
SOUTHERN CALIFORNIA LIBRARY COOPERATIVE

DATE: March 27, 2024
FROM: Christine Powers, Executive Director

SUBJECT: **Appointments of Committee Vacancies (ACTION)**

BACKGROUND: Each year, the Administrative Council appoints members to its Executive Committee (EC) at its annual May meeting. The Southern California Library Cooperative (SCLC) Standing Rules state that the EC will be composed of the following eight members: Council Chair, Vice-Chair/Chair-Elect, immediate Past Chair, and one member from each of the five statistical groups, on the following page. There is currently a vacancy for Statistical Group 3, as the EC member from Monterey Park is no longer a member of SCLC. Current EC member libraries are bolded in the tables.

Additionally, there is a vacancy on the Audit and Finance Committee that the Chair will have to consider for appointment.

The Standing Rules indicate that the Chair is to appoint members when there are committee vacancies, subject to approval by the Administrative Council.

SG1: Over 150,000	
Los Angeles City	3,819,538
Los Angeles County	3,273,354
Long Beach	460,682
Ventura County	247,563
Santa Clarita	228,835
Oxnard	200,050
Glendale	193,116
Palmdale	167,398

SG2: 100,000 – 150,000	
Pomona	149,766
Torrance	144,433
Pasadena	138,310
Simi Valley	124,985
Thousand Oaks	124,592
Downey	112,584
Inglewood	106,481
Burbank	105,451

SG3: 55,000 - 99,999	
Santa Monica	92,408
Whittier	87,931
Alhambra (<i>current Vice Chair</i>)	81,834
Camarillo	70,171
Redondo Beach	68,972
Palos Verdes District	66,636
Monterey Park	60,207
Arcadia	55,934

SG4: 25,000 – 54,999	
Glendora	51,821
Covina	50,449
Azusa	49,704
Altadena	42,778
Monrovia	37,563
Moorpark	35,399
Beverly Hills	32,265
South Pasadena	26,580

SG5: Under 25,000	
Calabasas	22,926
Santa Fe Springs	18,763
El Segundo	17,084
San Marino	12,257
Commerce	12,140
Signal Hill	11,597
Sierra Madre	10,865
Irwindale	1,490

FISCAL IMPACT: None

RECOMMENDATION: Administrative Council to confirm Chair's appointment to the Executive Committee, as well as to the Audit and Finance Committee.

EXHIBITS: None



REPORT TO THE ADMINISTRATIVE COUNCIL
SOUTHERN CALIFORNIA LIBRARY COOPERATIVE

DATE: March 27, 2024
FROM: Jesse Walker-Lanz, Chair

SUBJECT: **Nominating Committee (ACTION)**

BACKGROUND: Annually, in accordance with its Bylaws and Standing Rules, the Southern California Library Cooperative (SCLC) appoints a Nominating Committee to identify candidates for the office of Vice-Chair/Chair-Elect.

The SCLC Bylaws, Article VII, Section 5, states, "The immediate past Administrative Council Chair shall serve as Chair of the Nominating Committee. Additional members of the Nominating Committee shall be appointed as established in the Standing Rules."

Per SCLC's Standing Rules, the Nominating Committee should consist of at least three Council members. In addition to the immediate past Chair, who will serve as chair of the Nominating Committee, two other committee members will need to be appointed by the Administrative Council Chair.

Administrative Council Members may volunteer themselves or recommend others to serve on the Nominating Committee. To present the nominations at the next May meeting, the Nominating Committee will operate from April to early May 2024.

The duties of the Nominating Committee are to solicit nominations for the positions of Chair and Vice-Chair/Chair-Elect. The Committee will announce the slate of nominees at least two (2) weeks prior to the annual meeting and will include a call for additional nominations.

The vote for officers shall be conducted at the last regular meeting of the fiscal year. If more than one candidate is nominated for a position, an electronic ballot listing all

candidates for the office shall be prepared by System staff and distributed, collected, and tallied. Results shall be announced at the meeting, prior to adjournment.

FISCAL IMPACT: None

RECOMMENDATION: Administrative Council to confirm members who shall serve on the Nominating Committee.

EXHIBITS: None



REPORT TO THE ADMINISTRATIVE COUNCIL
SOUTHERN CALIFORNIA LIBRARY COOPERATIVE

DATE: March 27, 2024
FROM: Christine Powers, Executive Director

SUBJECT: **Consideration of Date Change for May Meeting (ACTION)**

BACKGROUND: The Administrative Council meets quarterly each fiscal year, with meetings being held at 2:15 pm on the fourth Wednesday in the months of: August, November, March, and May. The Executive Council meets at 1:00 pm just before each Administrative Council meeting.

The last meeting of this fiscal year is scheduled to be held on Thursday, May 22, 2024, in Santa Clarita. A request was received by a member to consider changing the date of this meeting due to a conflict with the Serving with a Purpose Conference scheduled in Ontario on the same day as the SCLC meeting.

Given that there is a fifth Wednesday in the month of May, it would be possible to push the meeting for one week, should the Administrative Council wish to do so in order to accommodate attendance at this conference.

FISCAL IMPACT: None

RECOMMENDATION: Should the Administrative Council wish to change the date of its May meeting, a new date should be voted upon, and the location should be confirmed.

Senate Bill No. 321

CHAPTER 598

An act to add Article 5 (commencing with Section 19340) to Chapter 7 of Part 11 of Division 1 of Title 1 of the Education Code, relating to literacy.

[Approved by Governor October 8, 2023. Filed with Secretary of State October 8, 2023.]

LEGISLATIVE COUNSEL'S DIGEST

SB 321, Ashby. Literacy: libraries: Local Public Library Partnership Program.

Existing law declares that it is in the interest of the people and of the state that there be a general diffusion of knowledge and intelligence through the establishment and operation of public libraries. Existing law authorizes the State Librarian to give advisory, consultive, and technical assistance with respect to public libraries to librarians and library authorities, and assist all other authorities, state and local, in assuming their full responsibility for library services.

This bill would establish the Local Public Library Partnership Program, under the administration of the State Librarian, for purposes of ensuring that all pupils have access to a local public library by 3rd grade.

The bill would require the State Librarian to offer resources to assist each local public library, as defined, to find student success card dispensing strategies that work best for their communities, coordinate with each local public library to determine the most effective means to ensure each pupil in each local educational agency, as defined, is issued a student success card by 3rd grade, and, ensure, on or before January 1, 2026, that partnerships between local public libraries and local educational agencies have been established to enable each pupil enrolled at a schoolsite of each local educational agency to be issued a student success card by 3rd grade, as provided. To the extent these provisions impose additional duties on public libraries and local educational agencies, the bill would impose a state-mandated local program.

The bill would require, on or before January 1, 2029, and each year thereafter, the State Librarian to report to the Legislature on the Local Public Library Partnership Program, as provided.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

(a) The National Research Council asserts that “academic success, as defined by high school graduation, can be predicted with reasonable accuracy by knowing a student’s reading skill at the end of third grade. A person who is not at least a modestly skilled reader by that time is unlikely to graduate from high school.”

(b) California has the lowest literacy rate of any state in the nation.

(c) According to the National Assessment of Adult Literacy, two-thirds of students who cannot read proficiently by the end of the fourth grade will end up in jail or in need of public assistance.

(d) According to the National Assessment of Adult Literacy, 85 percent of all juveniles who interface with the juvenile court system are functionally low literate.

(e) According to United States Department of Justice, 68 percent of state prison inmates did not receive a high school diploma.

(f) According to the National Low Income Housing Coalition, formerly incarcerated people are nearly 10 times more likely to be homeless than the general public.

(g) Children who cannot read proficiently by the end of third grade are four times more likely to drop out of high school or fail to graduate, which can lead to a lifetime of social and economic disadvantages.

(h) Pupils with relatively low literacy achievement tend to have more behavioral and social problems in subsequent grades and higher rates of retention, furthering their educational achievement gap and increasing their risk of dropout.

(i) Seventy-five percent of pupils who are poor readers in third grade will remain poor readers in high school, according to research at Yale University.

(j) According to a national study by New York University, children from low-income families are less likely to have books in their homes.

(k) In 2017, California was the first state in the nation to be sued on the grounds that it had denied children’s civil rights to literacy under the state constitution. After initially fighting the lawsuit, the state settled the case in February 2020.

(l) The mission of public libraries in California is to provide free and easy access to information, ideas, books, and technology that can help to enrich, educate, and empower the lives of all individuals.

(m) Former President Barack Obama’s 2013 ConnectED initiative strives to enrich the education and opportunities of every pupil in kindergarten and grades 1 to 12, inclusive, through partnerships and cooperation.

(n) According to the Pew Research Center, 84 percent of the parents who say that libraries are important say a major reason they want their children to have access to libraries is that libraries help inculcate their children’s love of reading and books. Eighty-one percent say that a major reason libraries are important is because libraries provide their children with

information and resources not available at home, such as a book club or program, an education class hosted by the library, the use of free and reliable internet, or the ability to do school work more easily.

(o) Issuing library cards to pupils through the ConnectED initiative has fostered stronger family bonds, equipped parents to support their children’s reading progress, encouraged family engagement in school activities, and helped build an at-home culture of reading.

(p) The Oakland Public Library has a partnership with the Oakland Unified School District to provide the Oakland Promise Card.

(q) The Napa County Library has a partnership with the Napa Valley Unified School District to provide the Student OneCard.

(r) The San Francisco Public Library has a partnership with the San Francisco Unified School District to provide the Scholar Card.

(s) The Sacramento Public Library provides Student Success Cards to provide internet-only library access to over 121,000 pupils in six school districts.

(t) In 2016, the Los Angeles Unified School District entered into a memorandum of agreement with the City of Los Angeles’ Board of Library Commissioners to provide every pupil with a Student Success Card.

(u) The Los Angeles Unified School District is composed of more than 800,000 pupils, is the second largest school district in the nation, and has distributed over 50,000 library cards to pupils of all ages in the school district.

(v) Through the above-mentioned collaborations, many successful models for various types of library cards have been created and pupils have been provided library access using variations of all of the following:

- (1) Full-access library cards.
- (2) Limited-use library cards.
- (3) Internet-only library cards.
- (4) Online or in-person library access using a school-issued student identification card.

(w) Communities and school districts vary widely in terms of resources and capacity. In order to be successful, libraries and school partnerships must have options suitable for both small rural districts and larger cooperatives.

(x) Every California public school pupil should have a library card.

SEC. 2. Article 5 (commencing with Section 19340) is added to Chapter 7 of Part 11 of Division 1 of Title 1 of the Education Code, to read:

Article 5. Local Public Library Partnership Program

19340. The Local Public Library Partnership Program is hereby established under the administration of the State Librarian for purposes of ensuring that, by third grade, all pupils have access to a local public library.

19341. For purposes of this article, the following definitions apply:

(a) “Local educational agency” means a school district, county office of education, or charter school.

(b) (1) “Local public library” means a public library formed pursuant to this part that is located within the elementary school attendance area in which a schoolsite of a local educational agency is located.

(2) If no public library is located within the elementary school attendance area in which a schoolsite of a local educational agency is located, the closest public library formed pursuant to this part that is within the elementary or unified school district in which a schoolsite is located shall be considered the local public library.

(3) If no public library is located within the elementary or unified school district in which a schoolsite of a local educational agency is located, the closest public library formed pursuant to this part that is within the county in which a schoolsite is located shall be considered the local public library.

(c) “Student success card” means a card issued by a local public library that provides access to library services, including, but not limited to, all of the following:

(1) Collections that support school curriculum as well as pupil leisure reading, online research, and learning resources maintained by local public libraries and the California State Library.

(2) Online tutoring.

(3) Digital content from the California State Library’s K–12 Online Resources Project.

19342. (a) The State Librarian shall offer resources to assist each local public library to find student success card dispensing strategies that work best for their communities.

(b) The State Librarian shall coordinate with each local public library to determine the most effective means to ensure each pupil in each local educational agency is issued a student success card by third grade, including, but not limited to, by working with a school administrator or school librarian.

(c) On or before January 1, 2026, the State Librarian shall ensure that partnerships between local public libraries and local educational agencies have been established to enable each pupil enrolled at a schoolsite of each local educational agency to be issued a student success card by third grade.

19343. (a) Notwithstanding Section 10231.5 of the Government Code, the State Librarian shall, on or before January 1, 2029, and by each January 1 thereafter, report to the Legislature all of the following information:

(1) The number of third grade pupils who have been issued a student success card.

(2) The number of third grade pupils who received local public library access as a result of the partnerships developed pursuant to this article.

(3) The number of new summer readers each local public library received during the summer months each year.

(4) Any measurable increases to the use of other library resources as a result of the partnerships developed pursuant to this article.

(b) A report required to be submitted pursuant to subdivision (a) shall be submitted in compliance with Section 9795 of the Government Code.

19344. Consistent with Section 99.37 of Title 34 of the Code of Federal Regulations, a local educational agency may disclose directory information, as defined in Section 49061, to the State Librarian for the purpose of administering this article. The information shall not be used for any other purpose or given or transferred to any other person or agency.

19345. Nothing in this chapter shall be construed to prohibit a local public library from partnering with a local educational agency to issue student success cards to pupils in kindergarten or any of grades 1 to 12, inclusive.

SEC. 3. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

O

California State Library, Library Development Services
 Cooperative Library System Liaison Report
Updated March 20, 2024

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 2024 Sustainability Summit: May 21, 9:00 AM – 12:00 Noon – Registration Open Now! 7

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State Library News

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.

LDS Newsletter

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

Broadband Program News

The California State Library has selected the Imperial County Office of Education as the new Broadband Access Administrator, tasked with connecting public libraries to the California Research and Education Network (CaREN, managed by the CENIC Corporation). For those who were unable to attend our webinar on the transition, you may view the recording and slides by following the links below:

[Click here for the presentation slides.](#)

[Click here for a recording of the webinar.](#) If you are asked for a passcode, it is: ^f*a9=ef

Open Opportunities

Groundwork Grants

The California State Library, in partnership with Myriad Consulting & Training, is happy to share exciting news that over \$1 million in funding is available for cultural heritage emergency preparedness projects in California. Funded by the state of California, this [grant opportunity](#) is now open!

Grant Highlights:

- **Goals:** To provide funds and resources to California institutions with collections, prioritizing those that document underrepresented and historically excluded communities.
- **Scope:** A California-wide initiative to strengthen emergency readiness for institutions with collections of all types.
- **Awards:** Maximum award amount of \$15,000, with options for emergency preparedness support.

How to Apply:

Application guidelines are available at <https://www.groundworkgrants.org/> Applications are open on a rolling basis until May 31, 2024. Applicants are *strongly encouraged* to receive a free [Ready - or Not assessment](#) before applying. For more information about the grant opportunity, please contact Grace Bautista at grace@myriadconsultants.org.

As natural disasters continue to threaten California's cultural heritage, we hope you'll join us in safeguarding your collections and communities through this extraordinary opportunity.

eBooks for All

The applications window for eBooks for All has been extended until April 17th at noon. Also, new guidance has been given on the 25% match requirement. This program is funded by the LSTA, and those funds cannot be spent on metered access titles per federal rules. The 25% contribution to the statewide collection that libraries must participate in to receive grant funds CAN be spent on metered access titles. That means that through this project you can buy materials from the Big 5 publishers, Amazon exclusive titles or anything else that is metered, so long as it is available in the statewide collection.

Career Online High School

The [Career Online High School](#) (COHS) program **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

Current Projects and Services

California Library Literacy Services – Ongoing

The CLLS team will be calculating projected awards for 2024-2025 but awaits report corrections from a number of libraries before we can complete this funding step. If your library has comments or budget modifications that need resolution, please complete as soon as possible. Once we have final data, the 2024-2025 funding application is expected to open in April. Please note that the final 10% of 2023-2024 adult literacy funding will be released to libraries when the mid-year report is approved. For more information, contact clls@library.ca.gov.

The Literacy Initiatives project will be holding **an all-CLLS conference** at Asilomar Conference Center on **May 21-23, 2024**. Questions? Contact clls@library.ca.gov.

We have also added networking calls for **small/rural CLLS libraries** and anticipate additional communities of practice to be announced later this fiscal year. Training continues for CLLS

program staff and volunteers, including monthly networking calls and more. Please visit the CLLS training and meeting [calendar](#).

The next CLLS Coordinator/Staff Networking Call will be Wednesday, April 17, from 2-3 p.m. For more information, contact clls@library.ca.gov.

California Libraries Learn (CALL) - Ongoing

Plan your professional development by visiting www.callacademy.org and the CALL [calendar](#) to explore the options. Look at the CALL [blog](#) for relevant training on grant writing, co-design, and other high-interest topics. Any library worker may subscribe to the [Leadership for All monthly mailings](#). CALL has its own newsletter, *CALL Letters*, and users may [subscribe](#) directly. CALL also launched a printable schedule for libraries to distribute to staff without newsletter access. Have a good idea? CALL Homegrown features learning opportunities suggested and designed by California library staff; anyone can complete the [CALL for Presentations](#). Staff-generated programs that address issues of concern to bilingual, bicultural audiences and staff are of particular interest and will be co-branded with the Seguimos Creando Enlaces project. Encourage your staff members to [create a login](#) to access the many online, self-paced learning opportunities available through [CALL Academy](#). LSTA funded.

Connected California Digital Navigators - Ongoing

The free, virtual, bilingual (English & Spanish) [Connected California](#) Digital Navigators service helps Californians:

- access free and low-cost internet and devices
- grow digital skills
- discover library and community resources

LSTA funded.

Tutoring Project – Ongoing

Every internet connected Californian is now able to access live, 24/7 online tutoring and homework help in all K-12 subjects. The passing of [AB 128](#) by the California State Legislature enabled the California State Library to partner with the Pacific Library Partnership in bringing this service to all CA Public Libraries. All California public libraries are able to offer Brainfuse's online tutoring and homework assistance service, HelpNow, to their users for two years at no cost. Every California student, with or without a library card, has access to 24/7 online tutoring in core K-12 subjects. Spanish language tutors will be available as well as tutors fluent in Mandarin, Cantonese, Vietnamese, and Tagalog.

[See here for Full details on the Statewide tutoring project](#). State of CA funded.

For Online Tutoring questions, email catutoring@library.ca.gov.

Parks Pass Program – Ongoing

Cindy Zalog, the full-time Parks Pass manager, can be reached at cindy.zalog@library.ca.gov for all questions, ideas, and feedback.

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 checkoutcastateparks.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. State of CA funded.

Public Library Staff Education Program

The [California Public Library Staff Education Program](#), developed in partnership with the Southern California Library Cooperative, received 209 student applications for the 2023-24 year! Thank you to all library staff who applied. For any questions, email wwalker@socallibraries.org LSTA funded.

PebbleGo Science: Early Literacy in STEM - Ongoing

The PebbleGo Science resource provides age-appropriate content (for ages preschool through second grade) and interactive activities in STEM subjects (science, math, technology and engineering), and is available in both English and Spanish. The resource also includes a collection of 25 interactive eBooks in both languages as well.

Fill out the [form](#) on the [PebbleGo California site](#) to be sent information on how to connect to your Integrated Library System. The setup form is created for the school library environment, but if you fill it out, it will open a ticket with Capstone and a technician will get in touch with your library to walk you through the authentication process.

Ready or Not

The “Ready – Or Not” Cultural Heritage Disaster Preparedness Project team invites California-based cultural heritage organizations to view 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. Recordings can be viewed at ["Ready – Or Not": Cultural Heritage Disaster Preparedness Project](#). If you have additional questions, reach out to the team at CAready@nedcc.org State of CA funded.

Networking and Training

[Community-Centered Libraries: Harnessing the Power of Data to Equitably Serve Your Community](#)

Join folks from other libraries who work with data at a [free, data-focused, in-person workshop!](#)

Choose the workshop closest to you: on May 6 in Sacramento or May 9 in Ontario. The focus will be the same as the webinars we have featured this year: 1) building knowledge and skills for using data to equitably serve your community and 2) centering the community when designing and evaluating programs and services.

There is **no cost** to libraries for this training. Workshop spots are limited - we encourage folks to sign up now! To learn more about the workshops, view the session descriptions, learn about financial assistance for travel, and register, [visit the in-person workshops](#) page.

A yearlong initiative brought to you by the State Library and the Pacific Library Partnership, [Community-Centered Libraries](#) offers training and tools to help libraries make data-driven decisions for community impact. Training is offered in multiple formats to meet the needs of all California Library Staff. Read more in the CALL blogpost [Choose Your Own Data Adventure!](#)

This 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.

[Building Equity-Based Summers Learning Series](#)

For information on the Building Equity Based Summers Project please visit: [Building Equity-Based Summers - California State Library](#) or email bebs@cla-net.org

[CAreer Pathways Workforce & Upskilling Resources: 2024 Webinars & Resources](#)

The 2024 CAreer Pathways webinar series is now posted. Learn more about the online resources on the [CAreer Pathways Staff Resource page](#), where you can find platform details, administration, marketing materials and more. Library staff can also [view the archived webinars on the CALL Academy CAreer Pathways channel](#).

Register for the upcoming CAreer Pathways webinar by following the link below:

- **Northstar: How Patrons Can Use It**
Wednesday, April 3, 2024, 11:00 am – 12:00 pm

New to the library or not sure which platforms your library offers? Check out the [CAreer Pathways Services Locator map](#).

The January budget does not include funds to continue CAREer Pathways in the fiscal year that begins July 1, 2024. The January budget is a proposed budget, and the spending plan proposed in January isn't the budget that will be signed by the Legislature, or the one signed by the governor, six months from now. However, at this time, this program is not included for funding in the state budget and is scheduled to conclude September 2024.

If you have any questions, please contact: CAPathways@library.ca.gov or see the [CAREer Pathways Staff Resources page](#).

[Online Tutoring Training 2024](#)

Summer Service and Keeping Students Going

Wednesday, May 15, 2024, 3:30–4:30 pm

The school year is coming to a close, but HelpNow is still available to support student learning. Join us to learn about HelpNow resources that can help students continue learning and beat the summer slide.

This webinar is for all library workers and educators, from frontline staff to administrators. The webinar will be recorded for future viewing.

[Register in advance for the Summer Service webinar](#)

[eBooks for All Summit – April 10th 2024](#)

Save the date for the eBooks for All Summit. The summit will be on April 10th from 9:30 am to 3:30 pm. Talks will focus on circulation data, marketing opportunities, collection development and opportunities for collaboration. Califa is the project partner on this effort and will help provide further details.

[2024 Sustainability Summit: May 21, 9:00 AM – 12:00 Noon – Registration Open Now!](#)

Join libraries across California and their community partners to share best practices from the current #SustainableCALibraries projects and beyond. Open to anyone who works in California libraries and anyone who partners with California libraries. Join us for a morning of shared solutions and inspiration for climate action! The program agenda will be updated by April 2024.

[Register for the free, virtual 2024 Sustainability Summit.](#)

[Next Directors Networking Call](#)

We look forward to hearing from our special guests, sharing State Library news, and having time for open discussion in small groups. The next Public Library Directors Networking Call is scheduled for **Wednesday March 20, 2024 from 3:30 to 4:30 p.m.** There will be no call in April.

Please use this [Zoom link](#) to register for the call.

The March call will include the following activities:

1. A presentation by guest speakers Linda Braun, LaKesha Kimbrough, and Patricia Garone about the Building Equity-Based Summers (BEBS) project.
2. A presentation by the State Library team about the “Raising Awareness of Public Libraries” survey.
3. Breakout rooms to discuss the Executive Summary of the “Raising Awareness of Public Libraries” survey.

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: March 27, 2024
FROM: Christine Powers, Executive Director

SUBJECT: **Executive Director's Report**

The last Executive Director's Report included an extensive overview of where the Southern California Library Cooperative (SCLC) stands regarding its Strategic Plan. This update will focus on the state budget deficit and its impact on libraries.

Over the course of the past couple months, the statewide budget deficit has been climbing. Currently, the statewide budget deficit is estimated at \$73 billion, although a hard number will not be available until May, after the initial deadline to file tax returns.

On March 15, 2024, the Senate Democrats came out with a new State Budget plan entitled, "[Shrink the Shortfall](#)." The Plan presents a series of "early action" budget solutions that could be adopted in order to make immediate decreases to the daunting state budget deficit, should there be agreement from both the Governor and the Legislature. As part of a "2-step process", the first phase includes program reductions, borrowing, fund shifts, delays, deferrals as well as drawing down \$12.2 billion from the State's "Rainy Day" fund.

This would turn the year's Budget process into two parts: 1) adoption of an early action package that could be taken up after the legislature returns on April 1; and 2) the legislature would also continue its Budget subcommittee work and full Budget Committee work with the intent of tying up the rest of the Budget solutions by June 15, which is the constitutional deadline for the legislature to pass a Budget and send it to the Governor. There are various technical and programmatic reasons for enacting an early action package, but the effort also helps to narrow the Budget deficit down to better anticipate the deficit come May Revision time (on or around May 15th, when the Governor produces his new estimates).

The early-action package proposes \$17 billion in solutions. Most of the measures in the Plan are fund sweeps of unused or unspent funds, including \$3.3 billion in actual cuts to programs. One of those reductions is a proposal to cut \$29 million of the \$35 million “in the 2021 Budget Act to expand broadband access to isolated and under-served communities” under the State Library’s budget. This money has been flagged by the Department of Finance as being unspent to date by the State Library for library broadband projects. The good news is that the Budget still contains \$5 million for joint projects between K-12 schools and libraries to extend broadband to isolated areas of the state.

The Governor has been pushing for this early action package of budget solutions. If adopted and signed by the Governor, the early action package would go into effect immediately.

The Senate Democrats’ plan does not suggest adopting the Governor’s proposal to claw back the \$131 million in library infrastructure grants. The California Library Association (CLA) Legislative Committee met in early March, and most members felt that if CLA had to lose something come budget negotiation time, they would rather lose the \$29 million in broadband library funds and save the \$131 million (or any unused portion) of library infrastructure grants. So far, the Senate Plan saves the infrastructure grants but there are still months of negotiations.

Updates to the State Budget, as it relates to libraries, will be provided to members at the next meeting in May.



SCLC Meeting Dates

2023/24

Approved 05242023

Updated 07142023

Wednesday, August 23, 2023

1:00pm Executive Committee

2:15pm Administrative Council

Whittier

Burbank, Buena Vista branch

Wednesday, October 25, 2023

1:00pm Executive Committee, only

Via Zoom

Wednesday, November 29, 2023

1:00pm Executive Committee

2:15pm Administrative Council

Burbank

Whittier

Wednesday, January 24, 2024

1:00pm Executive Committee, only

Via Zoom

Wednesday, March 27, 2024

1:00pm Executive Committee

2:15pm Administrative Council

Los Angeles County, East Los Angeles branch

Wednesday, May 22, 2024

1:00pm Executive Committee

2:15pm Administrative Council

Santa Clarita