



SCLC Audit and Finance Committee Meeting  
Wednesday, February 1, 2023  
3:30pm

### **Minutes**

*Approved April 5, 2023*

#### **Attendance**

Cuyugan, Erica – Santa Monica  
Garcia, Diana – Monterey Park  
Graf, Ann – Azusa  
Lockwood, Barbara – Calabasas  
Schram, Nancy - Ventura  
Walker-Lanz, Jesse – LACo

#### **Other**

Beck, Andy – SCLC  
Graver, Lori – SCLC  
Powers, Christine – SCLC  
Walker, Wayne - SCLC

1. Opening Jesse Walker-Lanz
  - a. Chairperson's welcome  
*Chairperson introduces new attendees and Committee members.*
  - b. Roll call  
Meeting called to order at 3:33pm.
  
2. Public Forum Jesse Walker-Lanz

*Opportunity for any guest or member of the public to address the committee on any item of SCLC Audit and Finance Committee business. Three minutes per speaker on any Audit and Finance Committee-related business topic.*

None.

## **Southern California Library Cooperative**

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3. Consent Calendar Jesse Walker-Lanz  
*All items on the consent calendar may be approved by a single motion. Any committee member may request an item be removed from the consent calendar and placed on the agenda for discussion.*
- a. Minutes of the April 6, 2022 Audit and Finance Committee meeting.  
MSP (Garcia/Schram) to approve the Minutes of the April 6, 2022 Audit and Finance Committee meeting.  
3 yes, 0 no, 1 abstain
  - b. Minutes of the September 28, 2022 Audit and Finance Committee meeting.  
MSP (Walker-Lanz/Lockwood) to approve the Minutes of the September 28, 2022 Audit and Finance Committee meeting.  
4 yes, 0 no, 2 abstain
4. Adoption of Agenda Jesse Walker-Lanz  
Chair adopted the Agenda as presented, without objection.
5. Budget Status Report FY2022/23 Andy Beck  
All approved CLSA allocations have been received and current grants awarded are reflected in the Budget Status Report. Membership Dues remain collected at 90%. Rollover CLSA Funds are being expended. The PLSEP 22/23 grant has been approved, but funds have yet to be received. Grant expenses have been updated to reflect the cost of the Digital Navigators and the Home Connectivity Kits grants. Salaries and wages are at 35% of the budget due to the vacancies in personnel, with total personnel expenses at 43% of the budget.
6. PLSEP Grant Update FY2022/23 Wayne Walker  
Each year the CA State Library offers the Public Library Staff Education Program (PLSEP) Grant to cooperative systems. The Federal grant awards system SAM.gov requires each grant awardee to register for a Unique Entity Identification (UEI) number. A UEI has been assigned to SCLC, although our four managed cooperatives do not possess the proper documentation to be assigned a UEI. SCLC staff worked with the State Library to join all 5 cooperative PLSEP applications into a single grant, to be managed by SCLC. For FY2023/34, the CA State Library intends to contract the PLSEP grant program into a single, statewide grant, to be managed by one single fiscal and administrative agent, versus the current configuration in which the PLSEP is managed cooperative by cooperative. FISCAL IMPACT: \$332,248 total grant value, of that \$20,250 for SCLC Staff Time and \$30,750 for Indirect will go to SCLC if the grant is fully expended.
7. Investments Report Andy Beck  
The investment overview reflects the balance of the LAIF and CEPPT accounts as of December 31, 2022.

|                                  | LAIF         | CEPPT  | Total     |
|----------------------------------|--------------|--------|-----------|
| Balance as of September 30, 2022 | \$ 1,829,410 | 82,304 | 1,911,714 |
| Investment return                | 9,662        | 3,330  | 12,992    |
| Administrative expenses          | -            | (240)  | (240)     |
| Balance as of December 31, 2022  | \$ 1,839,072 | 85,394 | 1,924,466 |

8. Revenue Generation for SCLC Jesse Walker-Lanz  
 During its May 25, 2022 meeting, the Administrative Council directed the Audit & Finance Committee to:
1. Explore alternative funding mechanisms for SCLC and report back to the Administrative Council; and
  2. Work with, support, and assist SCLC staff as they seek out and apply for funding opportunities.

Given the vacancies in SCLC staff, this function was paused until the two vacant positions were filled. Both the Executive Director and the Controller started their positions in January 2023, and can begin working with the Committee on this effort. Walker-Lanz solicited ideas from the Committee, and will work with Powers to compile a list for discussion at the March 2023 Administrative Council meeting. Member suggested ideas include: adjusting membership fees; creating a support organization for fundraising; alternate services to generate revenue streams. Powers is in discussion with State Librarian Greg Lucas, about the structure of CLSA funding.

9. Preliminary Budget Planning FY2023/24 Christine Powers, Andy Beck  
 Staff will start the budget planning process in February. The initial process will entail identifying all personnel services and operating expenditures to the best of staff's ability, given that this effort will take place without closing the third quarter. Staff will also identify fixed costs and variable costs, as variable costs can be reduced. While some revenues can be budgeted during this time, a significant portion of revenues will not be available until April. This includes the two main components of California Library State Act (CLSA) funding: CLSA Communications & Delivery and CLSA System Administration. Historically, grant applications for the next fiscal year included amounts for grant projects (i.e. services, supplies, etc.), wages, and indirect; however, currently, such amounts are not disclosed. Given these limitations, staff plans to move forward with the full budget process when sufficient information for CLSA funding and grant revenues have been identified. Staff will bring a partial FY 2023-24 budget to the Executive Committee and the Administrative Council in March as an informational item.

10. Audit Update FY2021/22 Andy Beck

The firm of Fedak & Brown LLP performs an audit of the Cooperative annually. The planning phase of the audit for the fiscal year ended June 30, 2022, has been completed in December 2022. Final fieldwork is scheduled to start on February 13, 2023. A draft of the financial statements will be provided by March 3, 2023.

11. Adjournment Jesse Walker-Lanz  
MSP(Schram/Graf) to adjourn meeting at 4:15pm.  
6 yes, 0 no, 0 abstain

*Respectfully submitted by Lori Graver on April 7, 2023.*