



Southern California Library Cooperative
Administrative Council Meeting
May 27, 2021
10:00 am-12:00 pm

Join Zoom Meeting

<https://us02web.zoom.us/j/83235319859?pwd=N29iWGR4a0NlbnFRb1ZKMHpOcEdTZz09>

Meeting ID: 832 3531 9859
Passcode: 744330

AGENDA

All items may be considered for action.

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

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

3. Consent Calendar Robert Shupe
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 March 25, 2021 Administrative Council meeting. Robert Shupe
 - b. Agreements with Systems for Administrative/ Fiscal Services FY2021/22 Diane Bednarski
 - c. Gale Archives Renewal Diane Bednarski

4. Adoption of Agenda Robert Shupe

5. Budget Status Report FY2020/21 Carol Dinuzzo

Southern California Library Cooperative
254 North Lake Avenue #874 • Pasadena, California 91101
(626) 283-5949 • Fax (626) 283-5949
Website: <http://www.socallibraries.org> • E-mail: sclcadmin@socallibraries.org

- | | |
|---|-----------------|
| 6. CLOSED SESSION
<i>Executive Director Performance Evaluation pursuant to Gov. Code Section 54957(b)</i> | Robert Shupe |
| 7. Reconvene to Open Session | Robert Shupe |
| 8. Audit and Finance Committee Report
a. Meeting Schedule FY2021/22
b. Audit FY2020/21 | Heather Cousin |
| 9. Administrative Council and Executive Committee Meeting Schedule FY2021/22 | Robert Shupe |
| 10. Election of Officers | Janet Stone |
| 11. Executive Committee Membership | Diane Bednarski |
| 12. Signature Authority | Diane Bednarski |
| 13. SCLC Shared eResource Planning | Diane Bednarski |
| 14. Califa Membership | Carol Dinuzzo |
| 15. Health Premium Allowance | Carol Dinuzzo |
| 16. Committee Report
a. Technology Committee | Nikki Winslow |
| 17. Lease for SCLC Office Space | Diane Bednarski |
| 18. Proposed Budget FY2021/22 | Carol Dinuzzo |
| 19. CLSA Plan of Service and Budget FY2021/22 | Diane Bednarski |
| 20. Agreement with Sutherland Consulting | Diane Bednarski |
| 21. Other
<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> | Robert Shupe |

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| 22. State Library Report | Natalie Cole |
| 23. Chairperson's Report
<i>Comments on SCLC and other library matters.</i> | Robert Shupe |
| 24. Roundtable
<i>Brief reports may be given as time permits.</i> | Robert Shupe |
| 25. Adjournment | Robert Shupe |



ACTION ITEMS

Meeting: _____ SCLC Administrative Council Meeting _____

Date: _____ May 27, 2021 _____

Library: _____

Name: _____

Signature: _____

Date: _____

Agenda Item: _____

_____ Aye _____ Motion

_____ Nay _____ Second

_____ Abstain

Agenda Item: _____

_____ Aye _____ Motion

_____ Nay _____ Second

_____ Abstain

Agenda Item: _____

_____ Aye _____ Motion

_____ Nay _____ Second

_____ Abstain

Agenda Item: _____

_____ Aye _____ Motion

_____ Nay _____ Second

_____ Abstain

Agenda Item: _____

_____ Aye _____ Motion

_____ Nay _____ Second

_____ Abstain

Agenda Item: _____

_____ Aye _____ Motion

_____ Nay _____ Second

_____ Abstain

Name: _____

Date: _____

Page 2

Agenda Item: _____

_____ Aye _____ Motion

_____ Nay _____ Second

_____ Abstain

Agenda Item: _____

_____ Aye _____ Motion

_____ Nay _____ Second

_____ Abstain

Agenda Item: _____

_____ Aye _____ Motion

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Agenda Item: _____

_____ Aye _____ Motion

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Agenda Item: _____

_____ Aye _____ Motion

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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



Southern California Library Cooperative
Administrative Council Meeting
March 25, 2021
10:00 am-12:00 pm

Minutes draft

Attendance

Anderson, Susan – Redondo Beach
Balli, Shayna – Irwindale
Behle, Kelli – Simi Valley
Buth, Karen – Beverly Hills
Conwell, Christine – Moorpark
Cousin, Heather – Thousand Oaks
Cuyugan, Erica – Santa Monica
Garcia, Diana – Moorpark
Herbert, Mark – El Segundo
LohGuan, Hilda – Alhambra
Maghsoudi, Paymaneh – Whittier
Schram, Nancy – Ventura
Shaffer, Gary – Glendale
Shupe, Robert – Palmdale
Smart, Christine – Sierra Madre
Smith, Patricia – Arcadia
Steward, Karilyn – Calabasas
Stone, Janet – Glendora
Vonnegut, Shannon – Santa Clarita
Walker-Lanz, Jesse – LACo
Wilburn, Yolande – Torrance
Williams, Glenda – Long Beach
Winslow, Nikki – Altadena

Other

Bednarski, Diane - SCLC
Cole, Natalie – CSL
Dinuzzo, Carol – SCLC
Graver, Lori - SCLC
Hiles, Roger – Arcadia
Walker, Wayne - SCLC

Absent

Addington, Jennifer – Palos Verdes
Billings, Cathy – South Pasadena
Crosby, Patricia – Camarillo
Dickow, Ben – Downey
Graf, Ann – Azusa
Hall-McGrade, Amy – Covina
Hughes, Charles – Signal Hill
Kimsey, Sofia – Oxnard
Perera, Michelle – Pasadena
Ryan, Joyce – Santa Fe Springs
Sarmiento, Beatriz – City of
Commerce
Singh, Harjinder – Inglewood
Szabo, John – LAPL
Torres, Anita – Pomona
Vance, Carey - Monrovia

1. Opening Robert Shupe
Meeting called to order at 10:16am.

2. Public Forum
Opportunity for any guest or member of the public to address the Council on any item of SCLC business.
None.

3. Consent Calendar Robert Shupe
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 19, 2020 Administrative Council meeting.
MSP (Williams/Anderson) to approve the minutes from the November 19, 2020 meeting.

4. Adoption of Agenda Robert Shupe
MSP (McDermott/Smart) to approve the agenda, as distributed.

5. Budget Status Report FY20/21 Carol Dinuzzo
Expenditures currently fall within the projected cost for the fiscal year, apart from legal fees. An additional line to reflect the Surplus (Deficit) has been added to reflect the overall balance excluding the grant passthrough funds. Plan to work with the Audit and Finance Committee to make the budget status report more clear and comprehensive. Hope to implement the new layout of the budget for the upcoming fiscal year.

6. SCLC Shared eResource Planning Diane Bednarski
Sought a revised quote for PressReader through Baker and Taylor. Cost for a two-year commitment is less than the original quote provided directly by PressReader, but would still exceed available CLSA funds by approximately \$65,000. To bridge the gap, discussed using reserves, and approaching the state library to apply American Rescue funds. Noted that eBooks purchases are much easier to adjust to available funds. Discussion of shared platform for lending ebooks, implementing an SCLC digital library card, both to comply with CLSA definition of three linked systems to qualify for shared resource funding. Bednarski to write a summary of options and quotes, put out a system survey, results of which will be for consideration at the May 2021 meeting.

7. Membership Dues FY21/22 Carol Dinuzzo
MSP (Wilburne/Williams) to approve membership dues, with Pomona reinstated for FY21/22. An updated membership dues sheet will be sent to members.

8. Digilab Diane Bednarski
 Discussed what end of life cycle might look like for Digilab. Asked members to consider derived benefits, and if this is a service that SCLC should continue to offer. Defined, desired outcomes do not currently exist. Bednarski will have data available at May 2021 meeting, for members to discuss continued allocation of CLSA funds to Digilab. Suggestion to fund Digilab for another year, establish metrics to measure outcomes, and then decide on sunseting in FY22/23.
9. Nominating Committee Appointments Robert Shupe
 Three members for this committee will be established on March 26, 2021.
10. Conflict of Interest, Form 700 Submissions Lori Graver
 Reminder to submit Form 700 to SCLC office by April 1, 2021, in compliance with FPPC guidelines.
11. Staff Training Heather Cousin
 Suggestion to send out survey, to focus training on reopening questions and concerns of staff. Anticipating additional sense of loss for those patrons who will not return, suggest trauma informed response training. Homelesslibrary.com is a recommended recourse. Bednarski to distribute a questionnaire with training options, to measure topic interest. MSP (Winslow/ Maghsoudi) to designate funds for staff training, not to exceed \$10,000.
12. Committee Updates
- a. Audit and Finance Heather Cousin
 No update.
- b. Technology Nikki Winslow
 Last met on March 11, 2021. Currently updating the eResource directory for posting to the SCLC website. Discussed cooperative wide library card, borrowing Chromebooks and hotspots, sharing technology plans, established a quarterly meeting calendar, and conducted a round robin.
13. Other Robert Shupe
"...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.
14. State Library Report Natalie Cole
 Reminder to sign up for the Public Library Directors' Forum. Networking conversations will resume in May 2021. CIPA compliant libraries will be hearing from the State Library about Chromebooks and hotspots. Adult

literacy services are ongoing. Application deadline for Lunch@TheLibrary has been extended to March 26. Developing Leaders program has speaker webinars upcoming. California Center for the Book will host a pre-conference session at CLA. Welcome to new Assistant Bureau Chief Reed Strege.

15. Chairperson's Report

Robert Shupe

Executive Director Evaluation Task force is assembling and synthesizing data from surveys sent to Chair and Vice Chair of contracted cooperatives, SCLC staff and the Executive Director self evaluation. Potential upcoming special meeting to be announced, to discuss SCLC application to support the Broadband initiative.

16. Roundtable

Robert Shupe

Redondo Beach: Auto-renewal in place for both materials and library cards. Looking to reopen on April 19, both locations, regular hours, browsing only, 50% capacity, ending Library Takeout.

Arcadia: tentative reopening on May 3, at 15-50% capacity, offering a hybrid of limited open hours and ongoing front door pick up.

Moorpark: an architect has been hired to draft an interior scheme and external design. Will reopen on April 1 at 25% capacity.

Calabasas: may reopen on April 13 with limited capacity; new city manager hired on March 15.

Whittier: library demolition project to begin on April 9 and slated to complete project in February 2022.

El Segundo: Reopening on April 12, by reservation, only.

Glendale: Be the Change programming continues, with April as Armenian Heritage month, Asian-Pacific Islander programming and May/June programming focused on one year anniversary of Black Lives Matter protests and 100-year anniversary of Tulsa race massacre.

Palmdale: currently open with limited hours, 25% capacity, and patrons are limited to one hour/day; building is averaging 50-60 patrons/day, with no more than seven patrons in the building at once; library board voted to go fine free, now on to city council for vote in May; front door pick up continues.

Glendora: volunteers are now providing passport services; plan to go mobile with reference and child services; avoiding the term "re-opening" in

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favor of promoting the opening of the main floor, so as not to short-change the existing and continuing services.

Long Beach: waiting for union to conclude meet and confer process; opening expected in May, at 25% capacity. Offering Technology to Go and special programming to celebrate Asian-Pacific Islanders.

Altadena: Will open with limited capacity on April 5. Using term “expanding services,” not “reopening.” Hoping to open all in June. Working on writing and issuing RFPs; library foundation purchased a transit van to offer mobile services, hope to launch mobile van in late May/early June.

From chat, only:

Crowell: expected a minimal opening in April, but now the city is shut down until May. Expect re-opening in May.

Alhambra: Building open on November 3, currently operating at less than 25% capacity, will increase service hours on April 5.

LACo: Will present to the Board of Supervisors on March 30; likely to open on April 19, with 25% capacity at about a third of the locations.

Santa Monica: shooting for late May/early June opening of self-service Open+ at one branch; remaining facilities to reopen indoor services in phases, in summer/fall. Currently working through protocols and plans. Staff scheduled to return more fully in May.

Burbank: will open March 29 and will increase capacity each week on demand, until cap reached

Sierra Madre: will reopen on April 19

Monterey Park: May reopening at 25% capacity, Tuesday through Saturday with limited hours (likely 11am-5pm).

17. Adjournment

Meeting adjourned at 12:22pm.

Robert Shupe



DATE: May 27, 2021
TO: SCLC Administrative Council
FROM: Diane Z. Bednarski, Executive Director, SCLC
SUBJECT: System Agreements

SCLC maintains agreements with four other cooperative library systems to provide them with administrative and fiscal services. Agreements run on a July 1 – June 30 cycle. The systems pay for services primarily from CLSA budget allocations; the agreements offer provisions for SCLC to invoice the systems for work that exceeds the CLSA allocations. SCLC staff record actual time worked on behalf of each system to manage this process.

CLSA Preliminary System Budget Allocations for FY2021/22 reflect the following system administration budgets for the four contracted systems:

49-99:	\$ 15,761
Inland:	\$ 39,396
Santiago:	\$ 21,155
Serra:	\$ 27,635
Total:	\$103,947

In addition to CLSA System Administration funds, the Systems have been asked to commit an equal funding amount from local reserves to offset the 50% reduction of CLSA funding compared to FY2019/20. Use of those funds will be based on actual hours of work performed by SCLC staff.

FISCAL IMPACT: Estimated \$207,894 in revenue

RECOMMENDATION: Authorize SCLC Chair to countersign the service agreements with 49-99, Inland, Santiago and Serra.

: Attachments (4)

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(626) 283-5949 • Fax (626) 283-5949

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AGREEMENT between
49-99 COOPERATIVE LIBRARY SYSTEM and
SOUTHERN CALIFORNIA LIBRARY COOPERATIVE

This statement of terms constitutes the Agreement whereby SOUTHERN CALIFORNIA LIBRARY COOPERATIVE (SCLC) will provide Administrative and Fiscal Agent services for 49-99 COOPERATIVE LIBRARY SYSTEM (49-99).

WHEREAS:

- Both Parties acknowledge the importance of regional resource sharing and other programs to improve library service and will collaborate in a planning process to identify and develop long-term programs and services to accomplish these goals.
- Service standards for CLSA programs will be those required by the California Library Services Act (CLSA).
- Revenues, expenditures, reserves, and the annual 49-99 member fees for services to be provided within a fiscal year are detailed in the 49-99 Budget. The Budget may be amended or replaced by the 49-99 Administrative Council without requiring consideration or re-approval of this agreement.

1. Dates and Amendments

- The Agreement is effective July 1, 2021.
- The Agreement will be a one-year contract, renewable annually if approved by 49-99 and SCLC Administrative Councils no later than May 31 of the preceding fiscal year.
- Changes in the Agreement may be negotiated at the request of either party. Any changes or amendments must be in writing and approved by the 49-99 and SCLC Administrative Councils.

2. Administrative Services

SCLC staff will provide Administrative Services for 49-99, to include:

- Preparing a System Plan of Service, System Detailed Budget, and Annual Report in compliance with the requirements of CLSA and the California State Library and subject to approval by the 49-99 Administrative Council.

- Maintaining records and reporting all required statistics in compliance with CLSA and other applicable state and federal requirements.
- Communicating with the 49-99 Council's Chair and members regularly using email, telephone, regular U.S. mail and other methods as appropriate.
- Coordinating Administrative Council meetings, including preparing and distributing Agendas and Minutes, and committee meetings as needed.
- Sending at least one SCLC staff member to personally attend one regularly scheduled May 49-99 Administrative Council meeting; having at least one SCLC staff member attend other meetings via conference call.
- Preparing financial reports prior to each Council meeting showing revenues, expenditures, and reserves and submitting such reports as part of the meeting agenda packet.
- Annually developing a budget in collaboration with 49-99 Administrative Council for programs or services to be provided in the subsequent fiscal year.
- Negotiating and drafting agreements with vendors, contractors, or consultants on behalf of 49-99 for services specifically authorized by CLSA. NOTE: The Administrative Council will have final approval over choices of, contracts with, and performance of any third-party vendors, contractors, or consultants providing services to 49-99.
- Supporting special projects and additional activities not specifically authorized by CLSA as desired by the 49-99 Administrative Council and if SCLC staff has capacity. *(Service levels and costs to be negotiated with the Council and added as attachments to the agreement.)*
- Submitting an annual audit to the California State Controller as required by governmental agencies.
- Maintaining all appropriate files and records as required by state and federal laws and by 49-99's own record retention policies.

The 49-99 Administrative Council and its members will provide SCLC with administrative oversight regarding 49-99 programs and services through:

- Maintaining close contact with member libraries to review their activities and needs.

- Providing SCLC with meeting schedules, agendas, and materials for any 49-99 committees that may be established and acting as liaisons to any such committees to ensure continuity and stability.
- Monitoring CLSA-required activities and service levels.
- Maintaining close contact with all parties involved in any non-CLSA projects.
- Approving choices of, contracts with, and performance of any third-party vendors, contractors, or consultants providing services to 49-99.

3. Fiscal Agent Services

SCLC staff will provide Fiscal Agent Services for 49-99, to include:

- Arranging for the receipt, deposit, disbursement, and accounting of funds allocated by the State of California or federal government.
- Collecting and depositing member fees and other fees or revenues due to 49-99, whether by grant application, invoice, or other means.
- Working with 49-99 Cooperative Library System’s Council, establish procedures for handling receivables and payables in a timely manner, including submitting requests for approval to the Council’s Chair for payments in excess of \$5,000.
- Providing comprehensive revenue, expenditure, and reserve financial reports prior to each Council meeting in accordance with the reporting requirements of CLSA and generally accepted accounting principles.
- Working with 49-99’s Administrative Council, prepare and submit reports as required by the State of California or the California Library Services Board, including the Annual Report for Special Districts to the State Controller.
- Establishing procedures to have an independent financial audit performed at the end of the fiscal year. *(Note: Cost of the audit is not covered by this agreement.)*
- Maintaining all appropriate files and records as required by state and federal laws and by 49-99’s own record retention policies.

The 49-99 Administrative Council will provide SCLC with administrative oversight of fiscal agent services through:

- Reviewing quarterly fiscal reports and requesting explanations as needed; reviewing and responding to expenditure requests or budget amendments at Administrative Council meetings.
- Addressing and resolving any policy or procedural issues brought forward by SCLC staff to ensure that fiscal services are delivered efficiently, accurately, and at a competitive rate, as determined by 49-99.

4. Dissolution of Agreement

In the event that this Agreement is terminated, SCLC will return to 49-99 all funds, files, and financial records in its custody. SCLC will cause an audit to take place within ninety (90) days of the expiration of the Agreement. Any funds remaining after all 49-99 expenditures and obligations are accounted for will be returned to 49-99 or to its designated entity within thirty (30) days following acceptance of the audit paid for equally by the 49-99 and SCLC Administrative Councils.

5. Changes in Legislation

Should the California Library Services Act be legislatively amended or restructured in the future, the Administrative Councils for 49-99 and SCLC shall amend this Agreement in compliance with any required changes.

6. Payment to SCLC for its Services

As payment in full for these services for FY 2021-22 (July 1- June 30) SCLC shall reimburse itself from the:

- Indirect fees from grants up to 10% and negotiated staffing over 10% when applicable
- CLSA System Administration fees up to the designated 20%
- Other administrative and fiscal fees to be negotiated. *See Attachment A*

7. Signatures

_____ Date: _____
49-99 Administrative Council Chair

_____ Date: _____
SCLC Executive Director

Attachment A - Administrative and Fiscal Fee Schedule for Additional Services

Hourly Staffing Rates*

Executive Director	\$103.33
Deputy Director	\$68.86
Controller	\$71.61
Project Manager	\$61.03
Administrative Assistant	\$42.12
Operational (in addition to hourly)	\$25.00
Grant	Indirect 10% (additional staff hours paid)
Non-CLSA project	Negotiated based on hourly rate
Contracts for CLSA projects	Up to CLSA System Administration allocation, then negotiated based on hourly rate
Travel	Up to CLSA System Administration allocation, then negotiated based on hourly rate and travel expenses

*Hourly rates for non-CLSA projects subject to change with SCLC Administrative Council authorized increases to staff salaries or benefits.

AGREEMENT between
SANTIAGO LIBRARY SYSTEM and
SOUTHERN CALIFORNIA LIBRARY COOPERATIVE

This statement of terms constitutes the Agreement whereby SOUTHERN CALIFORNIA LIBRARY COOPERATIVE (SCLC) will provide support to include Administrative and Fiscal Agent services under the California Library Services Act (CLSA) for the SANTIAGO LIBRARY SYSTEM (SLS).

WHEREAS:

- Both Parties acknowledge the importance of regional resource sharing and other programs to improve library service and will collaborate in a planning process to identify and develop long-term programs and services to accomplish these goals.
- Service standards for CLSA programs will be those required by the California Library Services Act (CLSA).
- Revenues, expenditures, reserves, and the annual SLS member fees for services to be provided within a fiscal year are detailed in the SLS Budget. The Budget may be amended or replaced by the SLS Executive Council without requiring consideration or re-approval of this agreement.

1. Dates and Amendments

- The Agreement is effective July 1, 2021.
- The Agreement will be a one-year contract, renewable annually if approved by the SLS Executive Council and SCLC Administrative Council no later than May 31 of the preceding fiscal year.
- Changes in the Agreement may be negotiated at the request of either party. Any changes or amendments must be in writing and approved by the SLS Executive Council and SCLC Administrative Council.

2. Administrative Services

SCLC staff will provide Administrative Services for SLS, to include:

- Preparing a System Plan of Service, System Detailed Budget, and Annual Report in compliance with the requirements of CLSA and the California State Library and subject to approval by the SLS Executive Council.

- Maintaining records and reporting all required statistics in compliance with CLSA and other applicable state and federal requirements.
- Communicating with the SLS Executive Council's Chair and members regularly using email, telephone, regular U.S. mail and other methods as appropriate.
- Coordinating SLS Executive Council meetings, including preparing and distributing Agendas and Minutes, and committee meetings as needed.
- Sending at least one SCLC staff member to personally attend one regularly scheduled May SLS Executive Council meeting; having at least one SCLC staff member attend other meetings via conference call.
- Preparing financial reports prior to each Council meeting showing revenues, expenditures, and reserves and submitting such reports as part of the meeting agenda packet.
- Annually developing a budget in collaboration with SLS Executive Council for programs or services to be provided in the subsequent fiscal year.
- Negotiating and drafting agreements with vendors, contractors, or consultants on behalf of SLS for services specifically authorized by CLSA. NOTE: The Executive Council will have final approval over choices of, contracts with, and performance of any third-party vendors, contractors, or consultants providing services to SLS. A fee for contracts outside the CLSA guidelines will be negotiated.
- Articulating the mission and purpose of SLS at the state level as needed and/or directed;
- Supporting special projects and additional activities not specifically authorized by CLSA as desired by the SLS Executive Council and if SCLC staff has capacity. *(Service levels and costs to be negotiated with the Council and added as attachments to the agreement.)*
- Submitting an annual audit to the California State Controller as required by governmental agencies.
- Maintaining all appropriate files and records as required by state and federal laws and by SLS's own record retention policies.

The SLS Executive Council and its members will provide SCLC with administrative oversight regarding SLS programs and services through:

- Maintaining close contact with member libraries to review their activities and needs.
- Providing SCLC with meeting schedules, agendas, and materials for any SLS committees that may be established and acting as liaisons to any such committees to ensure continuity and stability if eligible under CLSA Rules and Regulations.
- Monitoring CLSA-required activities and service levels.
- Maintaining close contact with all parties involved in any non-CLSA projects as approved and negotiated with both organizations.
- Approving choices of, contracts with, and performance of any third-party vendors, contractors, or consultants providing services to SLS within CLSA Administrative and Fiscal guidelines.

3. Fiscal Agent Services

SCLC staff will provide Fiscal Agent Services for SLS, to include:

- Arranging for the receipt, deposit, disbursement, and accounting of funds allocated by the State of California or federal government.
- Collecting and depositing member fees and other fees or revenues due to SLS, whether by grant application, invoice, or other means.
- Working with SLS Cooperative Library System's Council, establish procedures for handling receivables and payables in a timely manner, including submitting requests for approval to the Council's Chair for payments in excess of \$5,000.
- Providing comprehensive revenue, expenditure, and reserve financial reports prior to each Council meeting in accordance with the reporting requirements of CLSA and generally accepted accounting principles.
- Working with SLS's Executive Council, prepare and submit reports as required by the State of California or the California Library Services Board, including the Annual Report for Special Districts to the State Controller.
- Establishing procedures to have an independent financial audit performed at the end of every other fiscal year. *(Note: Cost of the audit is not covered by this agreement and is charged against CLSA Baseline funds when available.)*
- Maintaining all appropriate files and records as required by state and federal laws and by SLS's own record retention policies.

The SLS Executive Council will provide SCLC with administrative oversight of fiscal agent services through:

- Reviewing quarterly fiscal reports and requesting explanations as needed; reviewing and responding to expenditure requests or budget amendments at Executive Council meetings.
- Addressing and resolving any policy or procedural issues brought forward by SCLC staff to ensure that fiscal services are delivered efficiently, accurately, and at a competitive rate, as determined by SLS.

4. Dissolution of Agreement

In the event that this Agreement is terminated, SCLC will return to SLS all funds, files, and financial records in its custody. SCLC will cause an audit to take place within ninety (90) days of the expiration of the Agreement. Any funds remaining after all SLS expenditures and obligations are accounted for will be returned to SLS or to its designated entity within thirty (30) days following acceptance of the audit paid for equally by the SLS Executive Council and SCLC Administrative Council.

5. Changes in Legislation

Should the California Library Services Act be legislatively amended or restructured in the future, the Councils for SLS and SCLC shall amend this Agreement in compliance with any required changes.

6. Payment to SCLC for its Services

As payment in full for these services for FY 2021-22 (July 1- June 30) SCLC shall reimburse itself from the:

- Indirect fees from grants up to 10% and negotiated staffing over 10% when applicable
- CLSA System Administration fees up to the designated 20%
- Other administrative and fiscal fees to be negotiated. See *Attachment A*

7. Signatures

_____ Date: _____
SLS Executive Council Chair

_____ Date: _____
SCLC Executive Director

Attachment A - Administrative and Fiscal Fee Schedule for Additional Services

Hourly Staffing Rates*

Executive Director	\$103.33
Deputy Director	\$68.86
Controller	\$71.61
Project Manager	\$61.03
Administrative Assistant	\$42.12
Operational (in addition to hourly)	\$25.00
Grant	Indirect 10% (additional staff hours paid)
Non-CLSA project	Negotiated based on hourly rate
Contracts for CLSA projects	Up to CLSA System Administration allocation, then negotiated based on hourly rate
Travel	Up to CLSA System Administration allocation, then negotiated based on hourly rate and travel expenses

*Hourly rates for non-CLSA projects subject to change with SCLC Administrative Council authorized increases to staff salaries or benefits.

AGREEMENT between
INLAND LIBRARY SYSTEM and
SOUTHERN CALIFORNIA LIBRARY COOPERATIVE

This statement of terms constitutes the Agreement whereby SOUTHERN CALIFORNIA LIBRARY COOPERATIVE (SCLC) will provide support to include Administrative and Fiscal Agent services under the California Library Services Act (CLSA) for the INLAND LIBRARY SYSTEM (ILS).

WHEREAS:

- Both Parties acknowledge the importance of regional resource sharing and other programs to improve library service and will collaborate in a planning process to identify and develop long-term programs and services to accomplish these goals.
- Service standards for CLSA programs will be those required by the California Library Services Act (CLSA).
- Revenues, expenditures, reserves, and the annual ILS member fees for services to be provided within a fiscal year are detailed in the ILS Budget. The Budget may be amended or replaced by the ILS Administrative Council without requiring consideration or re-approval of this agreement.

1. Dates and Amendments

- The Agreement is effective July 1, 2021.
- The Agreement will be a one-year contract, renewable annually if approved by ILS and SCLC Administrative Councils no later than May 31 of the preceding fiscal year.
- Changes in the Agreement may be negotiated at the request of either party. Any changes or amendments must be in writing and approved by the ILS and SCLC Administrative Councils.

2. Administrative Services

SCLC staff will provide Administrative Services for ILS, to include:

- Preparing a System Plan of Service, System Detailed Budget, and Annual Report in compliance with the requirements of CLSA and the California State Library and subject to approval by the ILS Administrative Council.

- Maintaining records and reporting all required statistics in compliance with CLSA and other applicable state and federal requirements.
- Communicating with the ILS Administrative Council's Chair and members regularly using email, telephone, regular U.S. mail and other methods as appropriate.
- Coordinating ILS Executive Committee and Administrative Council meetings, including preparing and distributing Agendas and Minutes, and committee meetings as needed.
- Sending at least one SCLC staff member to personally attend one regularly scheduled May ILS Administrative Council meeting; having at least one SCLC staff member attend other meetings via conference call.
- Preparing financial reports prior to each Council meeting showing revenues, expenditures, and reserves and submitting such reports as part of the meeting agenda packet.
- Annually developing a budget in collaboration with ILS Administrative Council for programs or services to be provided in the subsequent fiscal year.
- Negotiating and drafting agreements with vendors, contractors, or consultants on behalf of ILS for services specifically authorized by CLSA. NOTE: The Administrative Council will have final approval over choices of, contracts with, and performance of any third-party vendors, contractors, or consultants providing services to ILS. A fee for contracts outside the CLSA guidelines will be negotiated.
- Articulating the mission and purpose of ILS at the state level as needed and/or directed;
- Supporting special projects and additional activities not specifically authorized by CLSA as desired by the ILS Administrative Council and if SCLC staff has capacity. *(Service levels and costs to be negotiated with the Council and added as attachments to the agreement.)*
- Submitting an annual audit to the California State Controller as required by governmental agencies.
- Maintaining all appropriate files and records as required by state and federal laws and by ILS's own record retention policies.

The ILS Administrative Council and its members will provide SCLC with administrative oversight regarding ILS programs and services through:

- Maintaining close contact with member libraries to review their activities and needs.
- Providing SCLC with meeting schedules, agendas, and materials for any ILS committees that may be established and acting as liaisons to any such committees to ensure continuity and stability if eligible under CLSA Rules and Regulations.
- Monitoring CLSA-required activities and service levels.
- Maintaining close contact with all parties involved in any non-CLSA projects as approved and negotiated with both organizations.
- Approving choices of, contracts with, and performance of any third-party vendors, contractors, or consultants providing services to ILS within CLSA Administrative and Fiscal guidelines.

3. Fiscal Agent Services

SCLC staff will provide Fiscal Agent Services for ILS, to include:

- Arranging for the receipt, deposit, disbursement, and accounting of funds allocated by the State of California or federal government.
- Collecting and depositing member fees and other fees or revenues due to ILS, whether by grant application, invoice, or other means.
- Working with ILS Cooperative Library System's Council, establish procedures for handling receivables and payables in a timely manner, including submitting requests for approval to the Council's Chair for payments in excess of \$5,000.
- Providing comprehensive revenue, expenditure, and reserve financial reports prior to each Council meeting in accordance with the reporting requirements of CLSA and generally accepted accounting principles.
- Working with ILS's Administrative Council, prepare and submit reports as required by the State of California or the California Library Services Board, including the Annual Report for Special Districts to the State Controller.
- Establishing procedures to have an independent financial audit performed at the end of every other fiscal year. *(Note: Cost of the audit is not covered by this agreement and is charged against CLSA Baseline funds when available.)*
- Maintaining all appropriate files and records as required by state and federal laws and by ILS's own record retention policies.

The ILS Administrative Council will provide SCLC with administrative oversight of fiscal agent services through:

- Reviewing quarterly fiscal reports and requesting explanations as needed; reviewing and responding to expenditure requests or budget amendments at Administrative Council meetings.
- Addressing and resolving any policy or procedural issues brought forward by SCLC staff to ensure that fiscal services are delivered efficiently, accurately, and at a competitive rate, as determined by ILS.

4. Dissolution of Agreement

In the event that this Agreement is terminated, SCLC will return to ILS all funds, files, and financial records in its custody. SCLC will cause an audit to take place within ninety (90) days of the expiration of the Agreement. Any funds remaining after all ILS expenditures and obligations are accounted for will be returned to ILS or to its designated entity within thirty (30) days following acceptance of the audit paid for equally by the ILS and SCLC Administrative Councils.

5. Changes in Legislation

Should the California Library Services Act be legislatively amended or restructured in the future, the Administrative Councils for ILS and SCLC shall amend this Agreement in compliance with any required changes.

6. Payment to SCLC for its Services

As payment in full for these services for FY 2021-22 (July 1- June 30) SCLC shall reimburse itself from the:

- Indirect fees from grants up to 10% and negotiated staffing over 10% when applicable
- CLSA System Administration fees up to the designated 20%
- Other administrative and fiscal fees to be negotiated. See *Attachment A*

7. Signatures

_____ Date: _____
ILS Administrative Council Chair

_____ Date: _____
SCLC Executive Director

Attachment A - Administrative and Fiscal Fee Schedule for Additional Services

Hourly Staffing Rates*

Executive Director	\$103.33
Deputy Director	\$68.86
Controller	\$71.61
Project Manager	\$61.03
Administrative Assistant	\$42.12
Operational (in addition to hourly)	\$25.00
Grant	Indirect 10% (additional staff hours paid)
Non-CLSA project	Negotiated based on hourly rate
Contracts for CLSA projects	Up to CLSA System Administration allocation, then negotiated based on hourly rate
Travel	Up to CLSA System Administration allocation, then negotiated based on hourly rate and travel expenses

*Hourly rates for non-CLSA projects subject to change with SCLC Administrative Council authorized increases to staff salaries or benefits.

AGREEMENT between
SERRA COOPERATIVE LIBRARY SYSTEM and
SOUTHERN CALIFORNIA LIBRARY COOPERATIVE

This statement of terms constitutes the Agreement whereby SOUTHERN CALIFORNIA LIBRARY COOPERATIVE (SCLC) will provide support to include Administrative and Fiscal Agent services under the California Library Services Act (CLSA) for SERRA COOPERATIVE LIBRARY SYSTEM (SERRA).

WHEREAS:

- Both Parties acknowledge the importance of regional resource sharing and other programs to improve library service and will collaborate in a planning process to identify and develop long-term programs and services to accomplish these goals.
- Service standards for CLSA programs will be those required by the California Library Services Act (CLSA).
- Revenues, expenditures, reserves, and the annual SERRA member fees for services to be provided within a fiscal year are detailed in the SERRA Budget. The Budget may be amended or replaced by the SERRA Administrative Council without requiring consideration or re-approval of this agreement.

1. Dates and Amendments

- The Agreement is effective July 1, 2021.
- The Agreement will be a one-year contract, renewable annually if approved by SERRA and SCLC Administrative Councils no later than May 31 of the preceding fiscal year.
- Changes in the Agreement may be negotiated at the request of either party. Any changes or amendments must be in writing and approved by the SERRA and SCLC Administrative Councils.

2. Administrative Services

SCLC staff will provide Administrative Services for SERRA, to include:

- Preparing a System Plan of Service, System Detailed Budget, and Annual Report in compliance with the requirements of CLSA and the California State Library and subject to approval by the SERRA Administrative Council.

- Maintaining records and reporting all required statistics in compliance with CLSA and other applicable state and federal requirements.
- Communicating with the SERRA Council's Chair and members regularly using email, telephone, regular U.S. mail and other methods as appropriate.
- Coordinating Administrative Council meetings, including preparing and distributing Agendas and Minutes, and committee meetings as needed.
- Sending at least one SCLC staff member to personally attend one regularly scheduled May SERRA Administrative Council meeting; having at least one SCLC staff member attend other meetings via conference call.
- Preparing financial reports prior to each Council meeting showing revenues, expenditures, and reserves and submitting such reports as part of the meeting agenda packet.
- Annually developing a budget in collaboration with SERRA Administrative Council for programs or services to be provided in the subsequent fiscal year.
- Negotiating and drafting agreements with vendors, contractors, or consultants on behalf of SERRA for services specifically authorized by CLSA. NOTE: The Administrative Council will have final approval over choices of, contracts with, and performance of any third-party vendors, contractors, or consultants providing services to SERRA. A fee for contracts outside the CLSA guidelines will be negotiated.
- Articulating the mission and purpose of SERRA at the state level as needed and/or directed;
- Administering state grants received by SERRA, including coordinating activities with SERRA representatives and/or recipients, as well as preparing all required reports. *(Service levels and costs to be negotiated with the Council and added as attachments to the agreement.)*
- Supporting special projects and additional activities not specifically authorized by CLSA as desired by the SERRA Administrative Council and if SCLC staff has capacity. *(Service levels and costs to be negotiated with the Council and added as attachments to the agreement.)*
- Submitting an annual audit to the California State Controller as required by governmental agencies.

- Maintaining all appropriate files and records as required by state and federal laws and by SERRA's own record retention policies.

The SERRA Administrative Council and its members will provide SCLC with administrative oversight regarding SERRA programs and services through:

- Maintaining close contact with member libraries to review their activities and needs.
- Providing SCLC with meeting schedules, agendas, and materials for any SERRA committees that may be established and acting as liaisons to any such committees to ensure continuity and stability if eligible under CLSA Rules and Regulations.
- Monitoring CLSA-required activities and service levels.
- Maintaining close contact with all parties involved in any non-CLSA projects as approved and negotiated with both organizations.
- Approving choices of, contracts with, and performance of any third-party vendors, contractors, or consultants providing services to SERRA within CLSA Administrative and Fiscal guidelines.

3. Fiscal Agent Services

SCLC staff will provide Fiscal Agent Services for SERRA, to include:

- Arranging for the receipt, deposit, disbursement, and accounting of funds allocated by the State of California or federal government.
- Collecting and depositing member fees and other fees or revenues due to SERRA, whether by grant application, invoice, or other means.
- Working with SERRA Cooperative Library System's Council, establish procedures for handling receivables and payables in a timely manner, including submitting requests for approval to the Council's Chair for payments in excess of \$5,000.
- Providing comprehensive revenue, expenditure, and reserve financial reports prior to each Council meeting in accordance with the reporting requirements of CLSA and generally accepted accounting principles.
- Working with SERRA's Administrative Council, prepare and submit reports as required by the State of California or the California Library Services Board, including the Annual Report for Special Districts to the State Controller.

- Establishing procedures to have an independent financial audit performed at the end of the fiscal year. *(Note: Cost of the audit is not covered by this agreement and is charged against CLSA Baseline funds when available.)*
- Maintaining all appropriate files and records as required by state and federal laws and by SERRA's own record retention policies.

The SERRA Administrative Council will provide SCLC with administrative oversight of fiscal agent services through:

- Reviewing quarterly fiscal reports and requesting explanations as needed; reviewing and responding to expenditure requests or budget amendments at Administrative Council meetings.
- Addressing and resolving any policy or procedural issues brought forward by SCLC staff to ensure that fiscal services are delivered efficiently, accurately, and at a competitive rate, as determined by SERRA.

4. Dissolution of Agreement

In the event that this Agreement is terminated, SCLC will return to SERRA all funds, files, and financial records in its custody. SCLC will cause an audit to take place within ninety (90) days of the expiration of the Agreement. Any funds remaining after all SERRA expenditures and obligations are accounted for will be returned to SERRA or to its designated entity within thirty (30) days following acceptance of the audit paid for equally by the SERRA and SCLC Administrative Councils.

5. Changes in Legislation

Should the California Library Services Act be legislatively amended or restructured in the future, the Administrative Councils for SERRA and SCLC shall amend this Agreement in compliance with any required changes.

6. Payment to SCLC for its Services

As payment in full for these services for FY 2021-22 (July 1- June 30) SCLC shall reimburse itself from the:

- Indirect fees from grants up to 10% and negotiated staffing over 10% when applicable
- CLSA System Administration fees up to the designated 20%
- Other administrative and fiscal fees to be negotiated. *See Attachment A*

7. Signatures

SERRA Administrative Council Chair

Date: _____

SCLC Executive Director

Date: _____

Attachment A - Administrative and Fiscal Fee Schedule for Additional Services

Hourly Staffing Rates*

Executive Director	\$103.33
Deputy Director	\$68.86
Controller	\$71.61
Project Manager	\$61.03
Administrative Assistant	\$42.12
Operational (in addition to hourly)	\$25.00
Grant	Indirect 10% (additional staff hours paid)
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Travel	Up to CLSA System Administration allocation, then negotiated based on hourly rate and travel expenses

*Hourly rates for non-CLSA projects subject to change with SCLC Administrative Council authorized increases to staff salaries or benefits.



DATE: May 27, 2021
TO: SCLC Administrative Council
FROM: Diane Z. Bednarski, Executive Director, SCLC
SUBJECT: Gale Archives Renewal

BACKGROUND: SCLC maintains a subscription to the Gale Archives of Sexuality and Gender: LGBTQ History and Culture Since 1940. The subscription comes due for renewal on July 26, 2021 with a one renewal price of \$1,154.46.

Members are asked to confirm that they want to continue with the subscription

FISCAL IMPACT: \$1,154.46.

RECOMMENDATION: Authorize SCLC staff to initiate a one year renewal of the Gale Archives of Sexuality and Gender

Southern California Library Cooperative

254 North Lake Avenue #874 • Pasadena, California 91101

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Website: <http://www.socallibraries.org> • E-mail: scchq@socallibraries.org

Diane Bednarski

From: Mir Loving <Gale@engage.cengage.com>
Sent: Monday, March 29, 2021 5:05 AM
To: Diane Bednarski
Subject: Subscription renewal notice from Gale



SUBSCRIPTION RENEWAL NOTICE

I am committed to making sure your students, faculty, patrons, and staff continue getting the trusted resources they need. I strive to remain a partner with you as you navigate what learning looks like both now and in the future. You and your learners have access to Gale's essential content, streamlined access, and easy collaboration wherever you are. Continue to meet the needs of the diverse e-learner through learning-focused features that promote ease of use and integration. Please connect with me if you need access extended.

I hope you are well and I thank you for your continued partnership with Gale, a Cengage company. Together we continue to enrich the learning process and make new outcomes possible.

CONTRACT NUMBER: 529363

INVOICE TO SOUTHERN CALIFORNIA
LIBRARY COOPERATIVE
Accounts Payable

DELIVER TO SOUTHERN CALIFORNIA
LIBRARY COOPERATIVE-
609375
Diane Bednarski

RESOURCE	ISBN	# OF SITES	ANNUAL COST
Archives of Sexuality and Gender: LGBTQ History and Culture Since 1940, Part I Hosting Fee	16272953	1	\$ 1,154.46
RENEWAL TOTAL			\$ 1,154.46

*plus applicable sales tax

SUBSCRIPTION DATES: Jul 26, 2021 - Jul 25, 2022

PAYMENT TERMS: Net_30

Note that you do not need to wait for your renewal date to confirm. Renew your resources at any time by clicking the button below. Please note that some products may have recently had a name change.

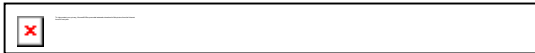


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Thank You,

Mir Loving
Subscription Renewal Specialist
(800) 877-4253 x18464
mir.loving@cengage.com

This renewal form incorporates your license agreement with Cengage Learning, including any and all amendments, addendums, exhibits, and schedules attached thereto or incorporated by reference and the standard terms of use set forth at [Gale Cengage Terms of Use](#). This renewal form shall be deemed to have been accepted by the customer upon receipt by Cengage Learning of (i) any written confirmations indicating acceptance or; (ii) upon receipt of a customer purchase order. If any written confirmations or customer purchase orders in any way conflicts with or is inconsistent with the conditions of sale herein, this renewal form will prevail and supersede any inconsistent terms.



[Unsubscribe](#)



DATE: May 27, 2021
TO: SCLC Administrative Council
FROM: Carol Dinuzzo, Controller, SCLC
SUBJECT: Budget Status, FY2020/21

BACKGROUND: The Budget Status Report for Fiscal Year 2020/21 is attached for your review and reflects the reconciled bank statements through March 31, 2020.

REVENUE: The revenue has been updated to reflect the Digital Divide grant budget augmentation and the Virtual Youth Programming (VYP) grant award, with an overall increase of \$215,541. Most membership dues have been paid, with two payments outstanding.

EXPENSES: Expenditures currently fall within the projected cost for the fiscal year, apart from audit and legal fees.

FISCAL IMPACT: Overall increase of \$215,541 in revenue.

RECOMMENDATION: Informational

Southern California Library Cooperative

254 North Lake Avenue #874 • Pasadena, California 91101

(626) 283-5949 • Fax (626) 283-5949

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SCLC BUDGET: FY20/21
May 27, 2021

<i>Revenues and Expenses</i>	<i>FY20/21 Budget</i>	<i>Actuals as of March 31, 2021</i>	<i>Balance</i>	<i>Percentage Received / Expended</i>	<i>Notes</i>
Revenues					
			<i>Unrealized</i>		
CLSA System Administration	\$ 177,882	\$ 177,882	\$ -	100%	SCLC, Serra, 49-99, ILS, SLS
CLSA Baseline	\$ 293,861	\$ 293,861	\$ -	100%	CLSA funds for FY20/21
Individual System Admin Allocations	\$ 109,954	\$ -	\$ 109,954	0%	Approved by each system
Grants	\$ 3,523,839	\$ 1,472,974	\$ 2,050,865	42%	increase of \$191,937
Grant Indirect	\$ 304,472	\$ -	\$ 304,472	0%	Increase of \$21,218
Grant Support Staff	\$ 82,039	\$ -	\$ 82,039	0%	Increase of \$2,386
Member Dues	\$ 206,587	\$ 196,341	\$ 10,246	95%	Awaiting payments from OXN and COV
Investment Income					
Total Revenues	\$ 4,698,634	\$ 2,141,058	\$ 2,557,576	46%	
Projected Expenses					
Salaries & Benefits					
Salaries	\$ 589,377	\$ 443,612	\$ 145,765	75%	Cost for all current staff
PERS Health Benefits	\$ 48,000	\$ 36,000	\$ 12,000	75%	Health Benefits for all current .staff
PERS Retiree Health Benefits	\$ 67,200	\$ 31,631	\$ 35,569	47%	Health Benefits for retired staff
PERS Unfunded Liabilities	\$ 117,819	\$ 113,901	\$ 3,918	97%	Payment made July 1, 2020
Total Salaries & Benefits	\$ 822,396	\$ 625,144	\$ 197,252	76%	
Operations					
-Rent	\$ 20,160	\$ 15,120	\$ 5,040	75%	Lease expires 08/2021
-Utilities/Operating	\$ 4,920	\$ 4,173	\$ 747	85%	Elec, phone
-Delivery	\$ 72,000.00	\$ 36,535	\$ 35,465	51%	Delivery to libraries
Memberships	\$ 14,500	\$ 13,679	\$ 821	94%	Califa; CLA; SHRM
Total Operations	\$ 111,580	\$ 69,507	\$ 42,073	62%	
Professional/Contract Services					
System Support / IT	\$ 12,000	\$ 3,249	\$ 8,751	27%	IT Support & Maintenance
Audit Fees	\$ 12,020	\$ 13,276	\$ (1,256)	110%	Audit for FY19/20
Legal Fees	\$ 1,000	\$ 1,420	\$ (420)	142%	Legal counsel
Consulting	\$ 85,000	\$ 3,000	\$ 82,000	4%	
Payroll Services	\$ 4,000	\$ 2,873	\$ 1,127	72%	Payroll/1099 processing
Professional Services	\$ 350	\$ -	\$ 350	0%	Bank Analysis Fees
Total Professional/Contract Services	\$ 114,370	\$ 23,818	\$ 90,552	21%	
Total Expenses	\$ 1,048,346	\$ 718,469	\$ 329,877	69%	
Surplus (Deficit)	\$ 3,650,288	\$ 1,422,589			
Surplus (Deficit) excluding Grant Passthrough	\$ 126,449				
SCLC ACCOUNT BALANCES					
Pacific Western Bank as of July 1, 2020	\$ 2,016,837		\$ 3,151,177		As of March 31, 2021
LAIF as of June 30, 2020	\$ 1,907,996		\$ 1,922,059		As of December 31, 2020
SCLC MEMBER DEPOSIT ACCOUNTS					
	Beginning Balance	Amt Change	Balance		
SCLC Deposit Accounts	\$ 215,795	\$ -	\$ 182,988		
PROJECTS					
	Appropriated	Expenditures	Balance		
	\$ -	\$ -	\$ -		
	\$ -	\$ -	\$ -		
	\$ -	\$ -	\$ -		



DATE: May 27, 2021
TO: SCLC Administrative Council
FROM: Heather Cousin
SUBJECT: Financial Audit, FY2019/20

BACKGROUND: Interim testing was conducted in November for all five systems managed by SCLC. Final testing was completed in February. The draft Financial Statements for SCLC have been included for your review.

Per the auditors' direction, SCLC has updated their Standard Operating Procedures regarding unearned revenue. SCLC staff will be working directly with the auditors to ensure updated procedures address any issues with our internal controls and changes in staffing.

FISCAL IMPACT: None at this time.

RECOMMENDATION: Approve recommendation of the Audit and Finance Committee to accept the Annual Financial Report, FY2019/20.

Southern California Library Cooperative

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Website: <http://www.socallibraries.org> • E-mail: sclcadmin@socallibraries.org



Southern California Library Cooperative
Annual Financial Report
For the Fiscal Year Ended June 30, 2020

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DRAFT

Southern California Library Cooperative

Annual Financial Report

For the Fiscal Year Ended June 30, 2020

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**Southern California Library Cooperative
Annual Financial Report
For the Fiscal Year Ended June 30, 2020**

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Financial Section

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Independent Auditor's Report

Administrative Council
Southern California Library Cooperative
Pasadena, 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, 2020, and the related notes to the financial statements, which collectively comprise the Cooperative's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Southern California Library Cooperative as of June 30, 2020, 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.

Independent Auditor's Report, continued

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6, and the required supplementary information on pages 38 through 42, be presented to supplement the basic financial statements. Such information, 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated March 30, 2021, 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 43 and 44.

Fedak & Brown LLP
Cypress, California
March 30, 2021

Southern California Library Cooperative
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020

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, 2020. 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 2020, the Cooperative's net position decreased 93.46%, or \$544,368 from ongoing operations.
- In fiscal year 2020, the Cooperative's total revenues increased 9.52%, or \$390,477 to \$4,491,777 from \$4,101,300.
- In fiscal year 2020, the Cooperative's total expenses increased 19.30%, or \$814,742 to \$5,036,145 from \$4,221,403.

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 – the difference between assets and deferred outflows of resources, and 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, 2020

Governmental Fund Financial Statements

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

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

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

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 15 through 37.

Government-wide Financial Analysis

Statement of Net Position

Condensed Statements of Net Position

	2020	2019	Change
Assets:			
Current assets	\$ 4,583,553	4,906,321	(322,768)
Total assets	4,583,553	4,906,321	(322,768)
Deferred outflows of resources	443,696	312,860	130,836
Liabilities:			
Current liabilities	2,214,374	2,164,847	49,527
Non-current liabilities	2,637,807	2,324,228	313,579
Total liabilities	4,852,181	4,489,075	363,106
Deferred inflows of resources	136,948	147,618	(10,670)
Net position:			
Unrestricted	38,120	582,488	(544,368)
Total net position	\$ 38,120	582,488	(544,368)

Southern California Library Cooperative
Management's Discussion and Analysis, continued
For the Fiscal Year Ended June 30, 2020

Government-wide Financial Analysis, continued

Statement of Net Position, continued

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Cooperative, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$38,120, as of June 30, 2020.

At June 30, 2020, the Cooperative's capital assets were fully depreciated; consequently, there were no net investment in capital assets (net of accumulated depreciation). Unrestricted net position of the Cooperative was \$38,120 which may be utilized in futures years.

Statement of Activities

Condensed Statements of Activities

<i>Governmental Activities:</i>	<u>2020</u>	<u>2019</u>	<u>Change</u>
Expenses:			
Cooperative operations	\$ 5,036,145	4,221,403	814,742
Total expenses	<u>5,036,145</u>	<u>4,221,403</u>	<u>814,742</u>
Program revenues	4,232,560	3,816,027	416,533
General revenues	<u>259,217</u>	<u>285,273</u>	<u>(26,056)</u>
Total revenues	<u>4,491,777</u>	<u>4,101,300</u>	<u>390,477</u>
Changes in net position	(544,368)	(120,103)	(424,265)
Net position, beginning of year	<u>582,488</u>	<u>702,591</u>	<u>(120,103)</u>
Net position, end of year	<u>\$ 38,120</u>	<u>582,488</u>	<u>(544,368)</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 decreased \$544,368 from ongoing operations.

In fiscal year 2020, the Cooperative's total revenues increased 9.52%, or \$390,477 to \$4,491,777 from \$4,101,300 due primarily to an increase of \$1,216,333 in Federal grant revenues, which was offset by decreases of \$539,248 in state grant revenues and \$182,378 in California State Library Act appropriations.

In fiscal year 2020, the Cooperative's total expenses increased 19.30%, or \$814,742 to \$5,036,145 from \$4,221,403 due primarily to increases of \$1,124,789 in Federal grant expense and \$226,186 in employee benefits; which were offset by decreases of \$269,186 in state grant expenses, \$180,746 in communication and delivery, and \$60,563 in salaries and wages.

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, 2020, the Cooperative's General Fund reported a fund balance of \$2,401,614. An amount of \$2,364,859 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, 2020

General Fund Budgetary Highlights

In 2020, the actual expenditures were greater than the anticipated budget by \$3,902,641. The variance is due to the Cooperative's exclusion of Federal and State grant expenditures as part of its annual budget.

In 2020, actual revenues were greater than the anticipated budget by \$3,327,312. The variance is due primarily to actual Federal and State grant revenue more than budget of \$2,915,034, program reimbursements more than budget of \$733,713, and charge for services more than budget of \$247,943; which were offset by actual California State Library Act appropriation less than budget of \$569,378. The General Fund budget to actual comparison schedule can be found on page 38.

Capital Asset Administration

At the end of fiscal year 2020, the Cooperative's capital assets were fully depreciated; consequently, there were no investment in capital assets (net of accumulated depreciation). See note 3 for further information.

Changes in capital assets for 2020, was as follows:

	<u>Balance 2019</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance 2020</u>
Depreciable assets:				
Equipment, furniture, and fixture	\$ 109,763	-	-	109,763
Total depreciable assets	109,763	-	-	109,763
Accumulated depreciation	(109,763)	-	-	(109,763)
Total depreciable assets, net	-	-	-	-
Total capital assets, net	\$ -	-	-	-

Conditions Affecting Current Financial Position

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. However, the related financial impact on the Cooperative and the duration cannot be estimated at this time.

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 at the Southern California Library Cooperative, 254 North Lake Avenue, No. 874, Pasadena, California 91101.

Basic Financial Statements

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Southern California Library Cooperative
Statement of Net Position
June 30, 2020

	2020
Assets:	
Cash and cash equivalents (note 2)	\$ 3,922,188
Accrued interest receivable	9,749
Accounts receivable	41,963
Due from Fiduciary fund	86,120
Grants receivable	519,213
Prepaid expenses and deposits	4,320
Total assets	4,583,553
Deferred outflows of resources:	
Deferred OPEB outflows (note 5)	131,707
Deferred pension outflows (note 6)	311,989
Total deferred outflows of resources	443,696
Liabilities:	
Accounts payable and accrued expenses	95,718
Due to other agencies	2,639
Accrued payroll and related expenses	4,523
Compensated absences (note 4)	32,435
Deposits from members	294,204
Unearned revenues	1,784,855
Other post-employment benefit payable (note 5)	941,953
Net pension liability (note 6)	1,695,854
Total liabilities	4,852,181
Deferred inflows of resources:	
Deferred OPEB inflows (note 5)	19,508
Deferred pension inflows (note 6)	117,440
Total deferred inflows of resources	136,948
Net position:	
Unrestricted	38,120
Total net position	\$ 38,120

See accompanying notes to the basic financial statements

**Southern California Library Cooperative
Statement of Activities
For the Fiscal Year Ended June 30, 2020**

<i>Governmental Activities:</i>	<u>2020</u>
Expenses:	
Cooperative operations:	
Salaries and wages	\$ 593,430
Employee benefits	427,740
Materials and services	104,960
Communication and delivery	194,993
Grant expense – Federal	2,595,641
Grant expense – State	<u>1,119,381</u>
Total expenses	<u>5,036,145</u>
Program revenues:	
Charge for services	247,943
California State Library Act appropriations	335,870
Operating grant – Federal	2,813,145
Operating grant – State	101,889
Program reimbursement	<u>733,713</u>
Total program revenues	<u>4,232,560</u>
Net program expense	<u>(803,585)</u>
General revenues:	
Member and associate dues	214,430
Interest earnings	38,512
Other revenues (expenses), net	<u>6,275</u>
Total general revenues	<u>259,217</u>
Changes in net position	<u>(544,368)</u>
Net position, beginning of year	<u>582,488</u>
Net position, end of year	<u><u>\$ 38,120</u></u>

See accompanying notes to the basic financial statements

Southern California Library Cooperative
Balance Sheet of Governmental Type Fund
June 30, 2020

	<u>General Fund</u>	<u>Reclassifications & Eliminations</u>	<u>Statement of Net Position</u>
Assets:			
Cash and cash equivalents	\$ 3,922,188	-	3,922,188
Accrued interest receivable	9,749	-	9,749
Accounts receivable	41,963	-	41,963
Due to Fiduciary fund	86,120	-	86,120
Grants receivable	519,213	-	519,213
Prepaid expenses and deposits	4,320	-	4,320
Total assets	<u>4,583,553</u>	<u>-</u>	<u>4,583,553</u>
Deferred outflows of resources:			
Deferred OPEB outflows	-	131,707	131,707
Deferred pension outflows	-	311,989	311,989
Total deferred outflows of resources	<u>-</u>	<u>443,696</u>	<u>443,696</u>
Liabilities:			
Accounts payable and accrued expenses	95,718	-	95,718
Due to other agencies	2,639	-	2,639
Accrued payroll and related expenses	4,523	-	4,523
Compensated absences	-	32,435	32,435
Deposits from members	294,204	-	294,204
Unearned revenue	1,784,855	-	1,784,855
Net other post-employment benefit liability	-	941,953	941,953
Net pension liability	-	1,695,854	1,695,854
Total liabilities	<u>2,181,939</u>	<u>2,670,242</u>	<u>4,852,181</u>
Deferred inflows of resources:			
Deferred OPEB inflows	-	19,508	19,508
Deferred pension inflows	-	117,440	117,440
Total deferred inflows of resources	<u>-</u>	<u>136,948</u>	<u>136,948</u>
Fund balance: (note 7)			
Nonspendable	4,320	(4,320)	-
Assigned	32,435	(32,435)	-
Unassigned	2,364,859	(2,364,859)	-
Total fund balance	<u>2,401,614</u>	<u>(2,401,614)</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 4,583,553</u>		
Net position:			
Unrestricted		\$ 38,120	38,120
Total net position		<u>\$ 38,120</u>	<u>38,120</u>

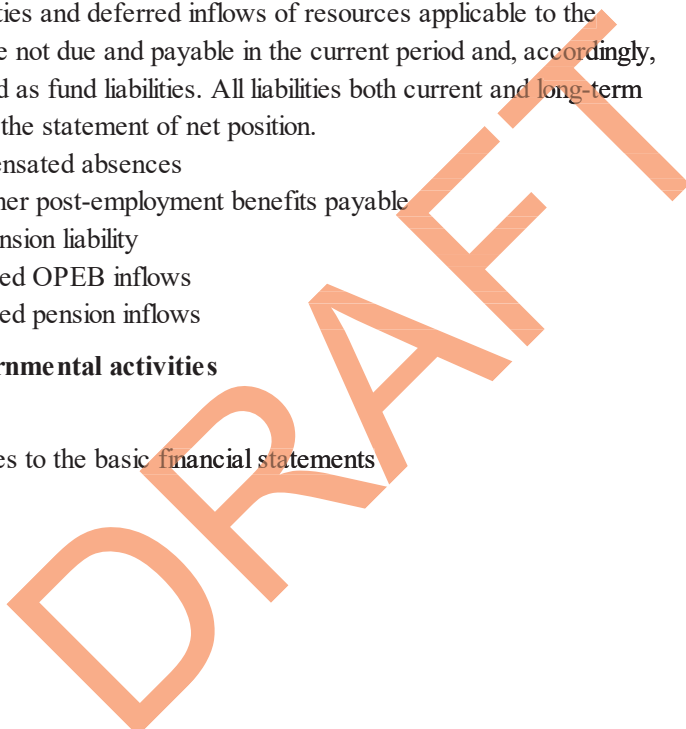
See accompanying notes to the basic financial statements

**Southern California Library Cooperative
Reconciliation of the Balance Sheet of Governmental
Type Fund to the Statement of Net Position
June 30, 2020**

Reconciliation:

Fund balance of governmental fund		\$ 2,401,614
<p>Amounts reported for governmental activities in the statement of net position is 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.</p>		
Deferred OPEB outflows		131,707
Deferred pension outflows		311,989
<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		(32,435)
Net other post-employment benefits payable		(941,953)
Net pension liability		(1,695,854)
Deferred OPEB inflows		(19,508)
Deferred pension inflows		(117,440)
		(2,007,190)
Net position of governmental activities		\$ 38,120

See accompanying notes to the basic financial statements



**Southern California Library Cooperative
Statement of Revenues, Expenditures, and Changes in
Fund Balance of Governmental Type Fund
For the Fiscal Year Ended June 30, 2020**

	<u>General Fund</u>	<u>Reclassifications & Eliminations</u>	<u>Statement of Activities</u>
Expenditures/Expenses:			
Cooperative operations:			
Salaries and wages	\$ 606,235	(12,805)	593,430
Employee benefits	255,667	172,073	427,740
Materials and services	104,960	-	104,960
Communication and delivery	194,993	-	194,993
Grant expense – Federal	2,595,641	-	2,595,641
Grant expense – State	1,119,381	-	1,119,381
Total expenditures/expenses	<u>4,876,877</u>	<u>159,268</u>	<u>5,036,145</u>
Program revenues:			
Charge for services	247,943	-	247,943
California State Library Act appropriations	335,870	-	335,870
Operating grant – Federal	2,813,145	-	2,813,145
Operating grant – State	101,889	-	101,889
Program reimbursement	733,713	-	733,713
Total program revenues	<u>4,232,560</u>	<u>-</u>	<u>4,232,560</u>
Net program expense			<u>(803,585)</u>
General revenues:			
Member and associate dues	214,430	-	214,430
Interest earnings	38,512	-	38,512
Other income, net	6,275	-	6,275
Total general revenues	<u>259,217</u>	<u>-</u>	<u>259,217</u>
Total revenues	<u>4,491,777</u>	<u>-</u>	
Excess of expenditures over revenues	(385,100)		
Changes in net position	-	(544,368)	(544,368)
Fund balance/Net position, beginning of year	<u>2,786,714</u>	<u>-</u>	<u>582,488</u>
Fund balance/Net position, end of year	<u>\$ 2,401,614</u>	<u>-</u>	<u>38,120</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, 2020**

Reconciliation:

Net change in fund balance of governmental fund	\$ (385,100)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenses in governmental funds as follows:</p>	
Net change in compensated absences	12,805
Net change in employee benefit	<u>(172,073)</u>
Changes in net position of governmental activities	\$ <u><u>(544,368)</u></u>

See accompanying notes to the basic financial statements

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**Southern California Library Cooperative
Statement of Fiduciary Net Position
June 30, 2020**

	2020
Assets:	
Cash and cash equivalents (note 2)	\$ 215,690
Accounts receivable	82
Total assets	215,772
Liabilities:	
Due to General fund	89,617
Deposits from members	126,155
Total liabilities	215,772
Net position:	
Held in trust for member library benefits	-
Total net position	\$ -

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, 2020**

	2020
Additions:	
Member library reimbursements	\$ <u>12,765</u>
Total additions	<u>12,765</u>
Deductions:	
Program expenses	<u>12,765</u>
Total deductions	<u>12,765</u>
Changes in net position	<u>-</u>
Net position, beginning of year	<u>-</u>
Net position, end of year	<u><u>\$ -</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, 2020

(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 38 independent city 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 a 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, 2020

(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 pronouncement in the current year:

In May 2020, the GASB issued Statement No. 95 – *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

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.

Southern California Library Cooperative
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2020

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

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

2. Uncertainty

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. However, the related financial impact on the Cooperative and the duration cannot be estimated at this time.

3. 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.

4. 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.

5. 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.

6. Capital Assets

Capital assets are recorded in the government-wide financial statements. Included in capital assets are equipment, and furniture and fixtures. The Cooperative 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:

- Equipment, and furniture and fixtures – 3 to 5 years

7. Deferred Outflows of Resources

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

8. 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.

Southern California Library Cooperative
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2020

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

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

9. Deferred Inflows of Resources

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

10. Pensions

For the purpose of measuring net pension liability and 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.

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 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, 2020

(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 fund balance** – 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 fund balance** – the residual classification for the Cooperative’s general fund that includes amounts not contained in other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

Fund Balance Policy

The Administrative Council establishes, modifies, or rescinds fund balance commitments and assignments by passage of an ordinance or resolution. This is done through adoption of a budget and subsequent budget amendments that occur throughout the year.

When both restricted and unrestricted resources are available for use, it is the Cooperative’s policy to use restricted resources first, followed by the unrestricted, committed, assigned, and unassigned resources as they are needed.

The Cooperative believes that sound financial management principles require that sufficient funds be retained by the Cooperative to provide a stable financial base at all times. To retain this stable financial base, the Cooperative needs to maintain an unrestricted fund balance in its fund sufficient for cash flows of the Cooperative and to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature. Committed, assigned, and unassigned fund balance are considered unrestricted.

The purpose of the Cooperative’s fund balance policy is to maintain a prudent level of financial resources to protect against reducing service levels or raising fees because of temporary revenue shortfalls or unpredicted one-time expenditures.

Southern California Library Cooperative
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2020

(2) Cash and Cash Equivalents

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

	2020
General fund	
Petty cash	\$ 266
Deposits held in financial institutions	2,013,926
Deposits held with the California Local Agency Investment Fund (LAIF)	1,907,996
Total General fund	3,922,188
Fiduciary fund	
Deposits held in financial institutions	215,690
Total Fiduciary fund	215,690
Total cash and cash equivalent	\$ 4,137,878

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

	2020
Deposits held with the California Local Agency Investment Fund (LAIF)	191 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:

- Checking and savings accounts at financial institutions
- 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.

Southern California Library Cooperative
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2020

(2) Cash and Cash Equivalents, continued

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 the 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 the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by public agencies. As of June 30, 2020, bank balances are federally insured up to \$250,000. The remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the Cooperative's name.

Interest Rate Risk

Interest rate risk is the risk that the change in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity an investment, the greater the sensitivity of its fair value to the change in market interest rates. One of the ways that the Cooperative manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer 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, 2020, the Cooperative's investment in LAIF is unrated.

Southern California Library Cooperative
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2020

(3) Capital Assets

The change in capital assets for 2020 was as follows:

	<u>Balance 2019</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance 2020</u>
Depreciable assets:				
Equipment, furniture, and fixtures	\$ 109,763	-	-	109,763
Total depreciable assets	109,763	-	-	109,763
Accumulated depreciation	(109,763)	-	-	(109,763)
Total depreciable assets, net	-	-	-	-
Total capital assets, net	\$ -	-	-	-

(4) Compensated Absences

The change in compensated absences for 2020 was as follows:

	<u>Balance 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 2020</u>
	\$ 45,240	39,592	(52,397)	32,435

(5) 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.

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 \$7,200 per year starting at a minimum age of 50 and for the retirees' lifetime.

Employees Covered by Benefit Terms

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

	<u>2020</u>
Inactive employees or beneficiaries currently receiving benefit payments	6
Active employees	6
Total plan membership	<u>12</u>

Southern California Library Cooperative
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2020

(5) Other Post-Employment Benefits Payable, continued

Total OPEB Liability

The Cooperative's total OPEB liability of \$941,953 was measured as of June 30, 2020, and was determined by an actuarial valuation as of June 30, 2019.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2019, actuarial valuation for the measurement date June 30, 2020 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.75% per year
Salary increases	2.75% per year
Discount rate	2.20% per year
Retirees' share of benefit-related cost	Not Applicable

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

Mortality rates were based on the 2014 CalPERS Active Mortality for Miscellaneous Employees and the 2014 CalPERS Retiree Mortality for Miscellaneous Employees. 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 actuarial assumptions used in the June 30, 2019, valuation were based on the results of an actuarial experience study as follows:

- Retirement table – 2009 CalPERS 2.0%@55 Rates for Miscellaneous Employees; 2009 CalPERS 2.0%@60 Rates for Miscellaneous Employees
- Turnover Tables – 2009 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.

Southern California Library Cooperative
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2020

(5) Other Post-Employment Benefits Payable, continued

Changes in the Total OPEB Liability

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

		<u>2020</u>
Balance at June 30, 2019	\$	771,917
Changes for the year:		
Service cost		35,574
Interest		17,045
Employer contributions		(28,397)
Differences between expected and actual experience		(1,465)
Changes in assumptions or other inputs		<u>147,279</u>
Net change		<u>170,036</u>
Balance at June 30, 2020	\$	<u><u>941,953</u></u>

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

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

		<u>Discount Rate</u> <u>1% Lower</u>	<u>Valuation</u> <u>Discount Rate</u>	<u>Discount Rate</u> <u>1% Higher</u>
Total OPEB liability	\$	<u>1,079,744</u>	<u>941,953</u>	<u>834,343</u>

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:

		<u>Trend 1%</u> <u>Lower</u>	<u>Valuation</u> <u>Trend</u>	<u>Trend 1%</u> <u>Higher</u>
Total OPEB liability	\$	<u>822,208</u>	<u>941,953</u>	<u>1,096,225</u>

Southern California Library Cooperative
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2020

(5) Other Post-Employment Benefits Payable, continued

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

For the year ended June 30, 2020, the Cooperative recognized an OPEB expense of \$68,902. As June 30, 2020, 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	\$ -	(19,508)
Changes of assumptions or other inputs	131,707	-
Total	\$ 131,707	(19,508)

As of June 30, 2020, 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
2021	\$ 16,283
2022	16,283
2023	19,435
2024	19,435
2025	19,415
Thereafter	21,348

(6) Defined Benefit Pension Plan

Plan Description

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

Southern California Library Cooperative
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2020

(6) Defined Benefit Pension Plan, continued

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The 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, 2020, are summarized as follows:

	<u>Classic</u>	<u>PEPRA</u>
	Prior to <u>Jan 1, 2011</u>	After <u>Jan 1, 2013</u>
Hire date		
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	
Benefit payments	monthly for life	
Retirement age	50 - 55	57 - 62
Monthly benefits, as a percentage of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	6.906%	6.750%
Required employer contribution rates	9.680%	6.985%

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 District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2020, the contribution recognized as part of pension expense for the Plan was as follows:

	<u>2020</u>
Contributions – employer	\$ <u>127,566</u>

Southern California Library Cooperative
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2020

(6) Defined Benefit Pension Plan, continued

Net Pension Liability

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

	2020
Proportionate share of net pension liability	\$ 1,695,854

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, 2020, the net pension liability of the Plan is measured as of June 30, 2019 (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, 2018 (the valuation date), rolled forward to June 30, 2019, 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, 2019, was as follows:

Measurement Date	2020
Proportion – June 30, 2018	0.01611%
Proportion – June 30, 2019	0.01655%
Change in proportion	0.00044%

Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2020, the Cooperative recognized pension expense of \$285,699. As June 30, 2020, the Cooperative reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 151,131	-
Difference between actual and expected experience	108,658	-
Change in assumptions	52,200	-
Net difference between projected and actual earnings on plan investments	-	(29,648)
Change in proportion and the difference between employer's contributions and employer's proportionate share of contributions	-	(87,792)
Total	\$ 311,989	(117,440)

Southern California Library Cooperative
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2020

(6) Defined Benefit Pension Plan, continued

Deferred Outflows/Inflows of Resources Related to Pensions, continued

As of June 30, 2020, the Cooperative reported \$151,131 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, 2021.

As of June 30, 2020, other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

Fiscal Year Ending June 30,	Deferred Net Outflows(Inflows) of Resources
2021	\$ 66,296
2022	(36,035)
2023	7,165
2024	5,992

Actuarial Assumptions

The total pension liabilities in the June 30, 2018, actuarial valuation were determined using the following actuarial assumptions and methods:

Valuation date	June 30, 2018
Measurement date	June 30, 2019
Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial assumptions	
Discount rate	7.15%
Inflation	2.50%
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 2.50% until PPPA floor on purchasing power applies; 2.50% thereafter

* The mortality table used was developed based on CalPERS specific data. The table includes 15 years of mortality improvements using Society of Actuaries 90 percent of scale MP 2016. For more details on this table, please refer to the December 2017, experience study report (based on CalPERS demographic data from 1997 to 2015) available online on the CalPERS website.

Southern California Library Cooperative
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2020

(6) Defined Benefit Pension Plan, continued

On December 21, 2016, the Board lowered the discount rate for the PERF C for funding purposes from 7.50% to 7.00% percent using a three-year phase-in beginning with the June 30, 2016 actuarial valuations.

On December 19, 2017, the Board of Administration adopted new actuarial assumptions based on the recommendations in the December 2017 CalPERS Experience Study and Review of Actuarial Assumptions. This study reviewed the retirement rates, termination rates, mortality rates, rates of salary increases, and inflation assumption. These new assumptions are incorporated into the June 30, 2017 actuarial valuations.

Discount Rate

The discount rate used to measure the total pension liability as of June 30, 2020 and 2019, for the PERF C was 7.15%. This discount rate is not adjusted for administrative expenses.

The PERF C 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 for those pension plans' investments were applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical and forecasted information for all funds' asset classes, expected compound (geometric) returns were calculated over the short term (first 10 years) and the long term (11+ years) using a building-block approach. Using the expected nominal returns for both short term and long term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

Southern California Library Cooperative
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2020

(6) Defined Benefit Pension Plan, continued

The table below reflects long-term expected real rates of return by asset class. The rates of return were calculated using the capital market assumptions applied to determine the discount rate.

Asset Class	Assumed Asset Allocation	Real Return Years 1-10	Real Return Years 11+
Global equity	50.00 %	4.80 %	5.98 %
Fixed income	28.00	1.00	2.62
Inflation assets	0.00	0.77	1.81
Private equity	8.00	6.30	7.23
Real assets	13.00	3.75	4.93
Liquidity	1.00	0.00	(0.92)
	<u>100.00 %</u>		

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, 2020, 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% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Cooperative's net pension liability	\$ <u>2,567,394</u>	<u>1,695,854</u>	<u>976,459</u>

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, 2020

(7) 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	2020
Nonspendable:	
Prepaid expenses and deposits	\$ 4,320
Assigned:	
Compensated absences	32,435
Unassigned:	
Operations	2,364,859
Total fund balance	\$ 2,401,614

(8) 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.

(9) 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 has effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 84

In January 2017, the GASB issued Statement No. 84 – *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

Southern California Library Cooperative
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2020

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

Governmental Accounting Standards Board Statement No. 84, continued

The requirements of this Statement were effective for reporting periods beginning after December 15, 2018; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 87

In June 2017, the GASB issued Statement No. 87 – *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2019; however, in light of the COVID-19 pandemic, the effective date has been postponed by 18 months. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 89

In June 2018, the GASB issued Statement No. 89 – *Accounting for Interest Cost incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2019; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

Southern California Library Cooperative
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2020

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

Governmental Accounting Standards Board Statement No. 90

In August 2018, the GASB issued Statement No. 90 – *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2018; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

Governmental Accounting Standards Board Statement No. 91

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.

Southern California Library Cooperative
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2020

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

Governmental Accounting Standards Board Statement No. 91, continued

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

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. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 92

In January 2020, the GASB issued Statement No. 92 – *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

The requirements of this Statement were as follows: (1) The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance; (2) The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2020; (3) The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2020; and (4) The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2020; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged and is permitted by topic.

Southern California Library Cooperative
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2020

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

Governmental Accounting Standards Board Statement No. 93

In March 2020, the GASB issued Statement No. 93 – *Replacement of Interbank Offered Rates*. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by: (1) Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument’s variable payment; (2) Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; (3) Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable; (4) Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap; (5) Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap; (6) Clarifying the definition of reference rate, as it is used in Statement 53, as amended; and (7) Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

The requirements of this Statement were effective as follows: (1) The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021; and (2) All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020; however, in light of the COVID-19 pandemic, the effective dates have been postponed by one year. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 94

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. Earlier application is encouraged.

Southern California Library Cooperative
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2020

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

Governmental Accounting Standards Board Statement No. 96

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. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 97

In June 2020, the GASB issued Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 41 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement. The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance.

Southern California Library Cooperative
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2020

(10) 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.

(11) Subsequent Events

Events occurring after June 30, 2020, have been evaluated for possible adjustment to the financial statements or note disclosures as of March 30, 2021, 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, 2020**

	Adopted Original Budget	Board Approved Changes	Revised Budget	Actual Budgetary Basis	Variance Positive (Negative)
Expenditures/Expenses:					
Cooperative operations:					
Salaries and wages	\$ 591,198	-	591,198	606,235	(15,037)
Employee benefits	184,108	-	184,108	255,667	(71,559)
Materials and services	126,930	-	126,930	104,960	21,970
Communication and delivery	72,000	-	72,000	194,993	(122,993)
Grant expense – Federal	-	-	-	2,595,641	(2,595,641)
Grant expense – State	-	-	-	1,119,381	(1,119,381)
Total expenditures/expenses	974,236	-	974,236	4,876,877	(3,902,641)
Program revenues:					
Charges for services	-	-	-	247,943	247,943
California State Library Act appropriation	905,248	-	905,248	335,870	(569,378)
Operating grant – Federal	-	-	-	2,813,145	2,813,145
Operating grant – State	-	-	-	101,889	101,889
Program reimbursement	-	-	-	733,713	733,713
Total program revenues	905,248	-	905,248	4,232,560	3,327,312
General revenues:					
Member and associate dues	201,470	-	201,470	214,430	12,960
Interest earnings	-	-	-	38,512	38,512
Other revenues(expenses), net	-	-	-	6,275	6,275
Total general revenues	201,470	-	201,470	259,217	57,747
Total revenues	1,106,718	-	1,106,718	4,491,777	3,385,059
Net change in fund balance	132,482	-	132,482	(385,100)	(517,582)
Fund balance, beginning of year	2,786,714		2,786,714	2,786,714	
Fund balance, end of year	\$ 2,919,196		2,919,196	2,401,614	

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, 2020
Last Ten Years*

Defined Benefit Pension Plan

Description	Measurement dates					
	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)	0.01655%	0.01611%	0.01584%	0.01559%	0.01966%	0.01502%
Cooperative's proportionate share of the net pension liability/(asset)	\$ 1,695,854	1,552,311	1,570,767	1,349,435	1,000,007	934,536
Cooperative's covered-employee payroll	\$ 617,093	385,527	369,105	361,657	420,168	388,012
Cooperative's proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	274.81%	402.65%	425.56%	373.13%	238.00%	240.85%
Plan's fiduciary net position as a percentage of total pension liability	75.26%	75.26%	73.31%	74.06%	78.40%	81.15%

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.

Changes of Assumptions and Methods

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.

Southern California Library Cooperative
Schedules of the Cooperative's Proportionate Share of the Net Pension Liability
For the Fiscal Year Ended June 30, 2020
Last Ten Years*

Defined Benefit Pension Plan, continued

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

Changes of Assumptions and Methods, continued

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, 2020
Last Ten Years*

Defined Benefit Pension Plan

Description	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Actuarially determined contribution	\$ 151,131	127,566	98,856	90,401	68,087	24,775
Contributions in relation to the actuarially determined contribution	(151,131)	(127,566)	(98,856)	(79,604)	(63,835)	(24,775)
Contribution deficiency (excess)	\$ -	-	-	10,797	4,252	-
Cooperative's covered payroll	\$ 617,093	385,527	361,657	420,168	388,012	388,012
Contribution's as a percentage of covered-employee payroll	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, 2020
Last Ten Years*

Other Post-Employment Benefits Payable

	2020	2019	2018	2017
Total OPEB liability				
Service cost	\$ 35,574	21,125	20,010	20,010
Interest	17,045	28,419	25,845	25,847
Employer contributions	(28,397)	(31,067)	(27,752)	(27,752)
Difference between expected and actual experience	(1,465)	(25,867)	-	-
Changes of assumptions or other inputs	147,279	26,463	(25,991)	-
Net change in total OPEB liability	170,036	19,073	(7,888)	18,105
Total OPEB liability – beginning	771,917	752,844	760,732	742,627
Total OPEB liability – ending	\$ 941,953	771,917	752,844	760,732
Covered-employee payroll	\$ 617,093	592,171	403,772	361,657
Total OPEB liability as a percentage of covered-employee payroll	152.64%	130.35%	186.45%	210.35%

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, 2017 actuarial valuation the discount rate used was 3.8% compared to the discount rate of

3.5% used in the June 30, 2019 actuarial valuation and the 2.20% used as of the measurement date June 30, 2020.

* 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
Pasadena, 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, 2020, and the related notes to the financial statements, which collectively comprises the Cooperative’s basic financial statements, and have issued our report thereon dated March 30, 2021.

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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a significant deficiency.

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.

Fedak & Brown LLP
Cypress, California
March 30, 2021

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Southern California Library Cooperative

Management Report

June 30, 2020



Fedak & Brown LLP
Certified Public Accountants

Southern California Library Cooperative

Management Report

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Charles Z. Fedak, CPA, MBA
Christopher J. Brown, CPA, CGMA
Andy Beck, CPA

Fedak & Brown LLP

Certified Public Accountants

Cypress Office:
6081 Orange Avenue
Cypress, California 90630
(657) 214-2307
FAX (714) 527-9154

Riverside Office:
1945 Chicago Avenue, Suite C-1
Riverside, California 92507
(951) 783-9149

Board of Directors
Southern California Library Cooperative
Pasadena, California

Dear Members of the 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, 2020, 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 Cooperative's internal control. Accordingly, we do not express an opinion on the effectiveness of the Cooperative's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a significant deficiency.

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. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

Current Year Observations, Comments, and Recommendations

Significant Deficiency

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. We consider the following deficiency in internal control to be a significant deficiency:

Accounting Records

At the end of a fiscal year, the records of an organization should be reviewed by an employee, with the skills, knowledge, and experience, and journal entries should be posted as necessary. During our audit, we noted unreconciled balances of the Cooperative's records.

We recommend that an employee with the skills, knowledge, and experience, review the Cooperative's record and post year-end closing journal entries. Thereafter, management should review the Cooperative's records to verify its accuracy.

Current Year Observations, Comments, and Recommendations, continued

Significant Deficiency, continued

Accounting Records, continued

Management's Response

The System agrees with the comment and will implement procedures and internal controls to ensure the accuracy of the System's account balances.

Other Comment

Disclosure of Audit Adjustment and Reclassification

As your external auditor, we assume that the books and records of the Cooperative are properly adjusted before the audit begins. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit process to present the Cooperative's financial statements in conformity with accounting principles generally accepted in the United States of America or for comparison purposes with the prior year. For the Administrative Council to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have presented these audit adjustments and reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Administrative Council with a better understanding of the scope of the audit.

Management's Response

We have reviewed and approved all of the audit adjustments and reclassifications provided by the auditor. The Cooperative has entered these adjustments into the accounting system to close-out the Cooperative's year-end trial balance.

Prior Year Observations, Comments, and Recommendations

Accounting Records

At the end of a fiscal year, the records of an organization should be reviewed by an employee, with the skills, knowledge, and experience, and appropriate journal entries should be posted as necessary. During our audit, we noted unreconciled balances of the Cooperative's records. Upon further review, we noted erroneous entries to the Cooperative's accounting records for which we proposed a journal entry.

We recommend that an employee with the skills, knowledge, and experience, review the Cooperative's record and post year-end closing journal entries. Thereafter, management should review the System's records to verify its accuracy.

Management Response

The System's Controller is in the process of implementing accounting procedures to properly record and report its financial transactions.

Comment Status

The System is in the process of implementing proper procedures and internal controls to ensure the accuracy of the System's account balances.

Prior Year Observations, Comments, and Recommendations, continued

Disclosure of Audit Adjustments and Reclassifications

As your external auditor, we assume that the books and records of the Cooperative are properly adjusted before the audit begins. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit process to present the Cooperative's financial statements in conformity with accounting principles generally accepted in the United States of America or for comparison purposes with the prior year. For the Administrative Council to gain a full and complete understanding and appreciation of the scope and extent of the audit process, we have presented these audit adjustments and reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Administrative Council with a better understanding of the scope of the audit.

Management's Response

We have reviewed and approved all of the audit adjustments and reclassifications provided by the auditor. The Cooperative has entered these adjustments into the accounting system to close-out the Cooperative's year-end trial balance.

* * * * *

This communication is intended solely for the information and use of management, the audit committee, the Administrative Council and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

We appreciate the courtesy and cooperation extended to us during our examination. We would be pleased to discuss the contents of this letter with you at your convenience. Please do not hesitate to contact us.

Fedak & Brown LLP

Fedak & Brown LLP
Cypress, California
March 30, 2021

APPENDIX

Southern California Library Cooperative

Audit/Finance Committee Letter

June 30, 2020



Charles Z. Fedak, CPA, MBA
Christopher J. Brown, CPA, CGMA
Andy Beck, CPA

Fedak & Brown LLP

Certified Public Accountants

Cypress Office:
6081 Orange Avenue
Cypress, California 90630
(657) 214-2307
FAX (714) 527-9154

Riverside Office:
1945 Chicago Avenue, Suite C-1
Riverside, California 92507
(951) 783-9149

Administrative Council
Southern California Library Cooperative
Pasadena, 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, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated April 1, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Cooperative are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2020. We noted no transactions entered into by the Cooperative during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's 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 significantly from those expected. The most sensitive estimates affecting the Cooperative's financial statements were:

Management's estimate of capital assets depreciation which 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 calculation in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the other post-employment benefits payable which is based on an actuarial valuation conducted by an independent third-party actuary. We evaluated the basis, methods, and assumptions used by the actuary to calculate the other post-employment benefits payable for the Cooperative to determine that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the net pension liability which is based on an actuarial valuation conducted by an independent third-party actuary. We evaluated the basis, methods, and assumptions used by the actuary to calculate the net pension liability for the Cooperative to determine that it is reasonable in relation to the financial statements taken as a whole.

Significant Audit Matters, continued

Qualitative Aspects of Accounting Practices, continued

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of the Cooperative's capital assets, in Note 3 to the financial statements, which is based on the estimated life expectancy of the capitalized asset.

The disclosure of the Cooperative's other post-employment benefits payable, in Note 5 to the financial statements, which is based on actuarial assumptions which could differ from actual costs.

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

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Please refer to the Audit Adjusting and Reclassify Journal Entry Report for misstatements detected as a result of audit procedures and corrected by management.

Disagreements with Management

For the purpose of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 30, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principal to the Cooperative's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Cooperative's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Budgetary Comparison Schedule – General Fund, Notes to Required Supplementary Information, 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 us by Diane Bednarski, Executive Director, and the rest of the Cooperative staff in the performance of our audit testwork. We will be pleased to respond to any questions you have. We appreciate the opportunity to continue to be of service to the Cooperative.

This report is intended solely for the information and use of the Administrative Council and management of the Cooperative and is not intended to be, and should not be, used by anyone other than the specified parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

Fedak & Brown LLP

Fedak & Brown LLP
Cypress, California
March 30, 2021

**Southern California Library Cooperative
 Schedule of Audit Adjusting Journal Entries
 June 30, 2020**

Account	Description	Debit	Credit
Fund: FiD Deposit			
Adjusting Journal Entries JE # 1			
To reconcile prior year ending net position to current year beginning net position.			
C-14400	Glendora	150.00	
C-14800	Los Angeles Public	95.00	
C-15500	Pasadena	800.00	
C-32000	Unrestricted Net Assets	142,416.71	
C-2405	Deposit		142,416.71
C-30000	Opening Balance Equity		1,045.00
Total		<u>143,461.71</u>	<u>143,461.71</u>
Adjusting Journal Entries JE # 9			
To adjust trial balance for deposit accounts.			
C-11000	Accounts Receivable	89,617.12	
C-14500	Inglewood	20,220.84	
C-2405	Deposit	89,617.12	
C-65100	Other Types of Expenses	12,765.00	
C-13000	Pacific Western Bank		18,420.84
C-15500	Pasadena		12,765.00
C-16500	Torrance		1,800.00
C-2405	Deposit		76,852.12
C-41000	Deposit Account Payments		12,765.00
C-FB2101	Due to SCLC		89,617.12
Total		<u>212,220.08</u>	<u>212,220.08</u>
Fund: Main SCLC			
Adjusting Journal Entries JE # 1			
To reconcile prior year ending net position to current year beginning net position.			
FB1101	Due From County Deposits	53,281.53	
3100	Unrestricted		53,281.53
Total		<u>53,281.53</u>	<u>53,281.53</u>
Adjusting Journal Entries JE # 2			
To adjust LAIF balance and LAIF interest receivable.			
1057	CA-Local Agency Investment Fund	40,675.08	
1074	Interest Receivable		2,162.95
4290-100	Investment income		38,512.13
Total		<u>40,675.08</u>	<u>40,675.08</u>

**Southern California Library Cooperative
 Schedule of Audit Adjusting Journal Entries
 June 30, 2020**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 3			
To adjust CLSA unearned revenues.			
2100.01	Unearned Revenue - CLSA Funds	281,754.00	
2100.01	Unearned Revenue - CLSA Funds	194,993.11	
4001.18	CLSA 17/18		140,877.00
4001.18	CLSA 17/18		194,993.11
7100.01	CLSA System Administration		140,877.00
Total		<u>476,747.11</u>	<u>476,747.11</u>
Adjusting Journal Entries JE # 4			
To adjust LSTA unearned revenues.			
2000.2	AP Adjustment	60,680.67	
2100.02	Unearned Revenue - LSTA Grant	34,245.00	
2100.02	Unearned Revenue - LSTA Grant	211,383.75	
2100.02	Unearned Revenue - LSTA Grant	210,447.25	
2100.02	Unearned Revenue - LSTA Grant	2,504,797.26	
2100.03	Unearned Revenue - PLSEP Grant	8,900.00	
2100.03	Unearned Revenue - PLSEP Grant	97,900.00	
2100.03	Unearned Revenue - PLSEP Grant	3,300.00	
5050.06	Services	5,000.00	
2100.02	Unearned Revenue - LSTA Grant		3,300.00
4060	Other Income		5,000.00
4200.02	LSTA Revenue		8,900.00
4200.02	LSTA Revenue		89,000.00
4200.02	LSTA Revenue		210,447.25
4200.02	LSTA Revenue		2,504,797.26
5000.02	Indirect Cost		8,900.00
5050	LSTA Expenses		34,245.00
5050.02	Consultant Fees		15,000.00
5050.04	Supplies/Materials		6,680.67
5050.06	Services		39,000.00
5050.07	Indirect Cost		211,383.75
Total		<u>3,136,653.93</u>	<u>3,136,653.93</u>

**Southern California Library Cooperative
 Schedule of Audit Adjusting Journal Entries
 June 30, 2020**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 5			
To revert account balance to prior year.			
1074	Interest Receivable	2,787.10	
1100.01	Dues Receivable	92,861.25	
1100.02	Grants Receivable	289,139.80	
1100.04	Broadband Receivable	1,497.06	
2100.02	Unearned Revenue - LSTA Grant	80,996.00	
2100.03	Unearned Revenue - PLSEP Grant	6,110.00	
1100	Accounts Receivable		9,013.53
1100.00	Accounts Receivable - SCLC		277,660.19
2002	Accrued Interest		186,717.49
Total		<u>473,391.21</u>	<u>473,391.21</u>
Adjusting Journal Entries JE # 6			
To adjust accounts receivable.			
1100.01	Dues Receivable	5,505.00	
1100.04	Broadband Receivable	4,007.94	
1100.05	Indirect & System Receivable	5,110.00	
1600	Reimbursable Expenses	10,561.63	
2100.02	Unearned Revenue - LSTA Grant	362,321.00	
4011	Indirect & System - Serra	5,701.00	
4012	Indirect & System - 49-99	15,000.00	
4013	Indirect & System - Inland	500.00	
4014	Indirect & System - Santiago	1,000.00	
1100	Accounts Receivable		10,561.63
1100	Accounts Receivable		4,007.94
1100.02	Grants Receivable		362,321.00
1100.02	Grants Receivable		5,110.00
1100.05	Indirect & System Receivable		22,201.00
4401	Membership SCLC		5,145.00
4402	Membership Califa		360.00
Total		<u>409,706.57</u>	<u>409,706.57</u>
Adjusting Journal Entries JE # 7			
To adjust compensated absences.			
2120	Accrued Employee Vacations	12,805.30	
5000-100	Salaries		12,805.30
Total		<u>12,805.30</u>	<u>12,805.30</u>

**Southern California Library Cooperative
 Schedule of Audit Adjusting Journal Entries
 June 30, 2020**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 8			
To adjust accrued payroll.			
5000-100	Salaries	4,523.00	
6200.01	Payroll Taxes (ER)	284.02	
6200.02	CalPERS - 457 Deferred (ER)	9,783.42	
2200	Payroll Payable		284.02
2200	Payroll Payable		4,523.00
2200.01	Payroll Liabilities (EE)		9,783.42
Total		<u>14,590.44</u>	<u>14,590.44</u>
Adjusting Journal Entries JE # 10			
To adjust net OPEB liability.			
1710	Deferred OPEB Outflows	126,976.00	
2310	Deferred OPEB Inflows	2,555.00	
6107	PERS - GASB 68	40,505.00	
2121	OPEB - Payable		170,036.00
Total		<u>170,036.00</u>	<u>170,036.00</u>
Adjusting Journal Entries JE # 13			
To adjust state grant unearned revenues.			
2100.03	Unearned Revenue - PLSEP Grant	101,889.25	
5340.01	Library Award	30,000.00	
4250	Grant - Statewide CLSA		101,889.25
FB1101	Due From County Deposits		30,000.00
Total		<u>131,889.25</u>	<u>131,889.25</u>
Adjusting Journal Entries JE # 14			
To record administrative fees receivable from other Systems.			
1100.05	Indirect & System Receivable	15,552.00	
7001	Indirect & System - Serra	5,110.00	
1100.05	Indirect & System Receivable		5,110.00
4011	Indirect & System - Serra		9,478.50
4012	Indirect & System - 49-99		547.00
4013	Indirect & System - Inland		800.00
4014	Indirect & System - Santiago		4,726.50
Total		<u>20,662.00</u>	<u>20,662.00</u>

**Southern California Library Cooperative
 Schedule of Audit Adjusting Journal Entries
 June 30, 2020**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 15			
To adjust prepaid expense for changes in insurance premiums and Amex prepaid credit			
1120	Prepaid Expense	23.50	
5050.04	Supplies/Materials	1,653.50	
1130	Prepaid Grant Expenses		1,653.50
6105	Workers Compensation		19.00
6513	General Liability Insurance		4.50
Total		<u>1,677.00</u>	<u>1,677.00</u>
Adjusting Journal Entries JE # 16			
To adjust net pension liability.			
1700	Deferred Pension Outflows	3,860.00	
2300	Net Pension Liab-Deferred	8,115.00	
6107	PERS - GASB 68	131,567.74	
2095	Net Pension Liability		143,542.74
Total		<u>143,542.74</u>	<u>143,542.74</u>
Fund: Main	Adjusting Journal Entries	<u>5,085,658.16</u>	<u>5,085,658.16</u>
Fund: Other LA County			
Adjusting Journal Entries JE # 11			
To adjust cash for transfer of funds posted as a credit to cash instead of transfer in.			
B-1000.02	County of LA Operating...9100	360,000.00	
B-2405	Deposit		360,000.00
Total		<u>360,000.00</u>	<u>360,000.00</u>
Adjusting Journal Entries JE # 12			
To correct account balances.			
B-1600	Reimbursable Expenses	1,170.00	
B-2101	Due To SCLC	30,000.00	
B-2400	Accrued Expense	157,711.72	
B-2405	Deposit	153,917.86	
B-65050	Telephone, Telecommunications	157,711.72	
B-1100	Accounts Receivable		157,711.72
B-4600	Other Types of Income		1,170.00
B-4600	Other Types of Income		153,917.86
B-65080	CENIC-Broadband		157,711.72
B-65090	Libraries Illuminated		30,000.00
Total		<u>500,511.30</u>	<u>500,511.30</u>

**Southern California Library Cooperative
 Schedule of Audit Adjusting Journal Entries
 June 30, 2020**

Account	Description	Debit	Credit
Reclassifying Journal Entries			
Fund: Main SCLC			
Reclassifying Journal Entries JE # 200			
To reclassify indirect wages for CLSA funds.			
4200.02	LSTA Revenue	66,766.00	
5000-100	Salaries		66,766.00
Total		<u>66,766.00</u>	<u>66,766.00</u>
Reclassifying Journal Entries JE # 202			
To reclassify deposit made to Deposit fund instead of SCLC fund.			
FB1105	Due From Deposit Fund	89,617.12	
1300	Undeposited Funds		89,617.12
Total		<u>89,617.12</u>	<u>89,617.12</u>
Reclassifying Journal Entries JE # 203			
To reclassify administrative fees above indirect cost from library systems and LA County			
4060	Other Income	31,533.00	
7001	Indirect & System - Serra	2,343.42	
4010	Reimbursed Expense		2,343.42
4011	Indirect & System - Serra		31,533.00
Total		<u>33,876.42</u>	<u>33,876.42</u>
2100.01	Unearned Revenue - CLSA Funds	142,509.00	
2100.01	Unearned Revenue - CLSA Funds	142,509.00	
2100.01	Unearned Revenue - CLSA Funds	175,281.62	
2100.01	Unearned Revenue - CLSA Funds	375,739.19	
4014	Indirect & System - Santiago	954.88	
1100.05	Indirect & System Receivable		6,804.00
1400	Indirect & System Receivable		169,432.50
4001.18	CLSA 17/18		142,509.00
4001.18	CLSA 17/18		375,739.19
7100.01	CLSA System Administration		142,509.00
Total		<u>836,993.69</u>	<u>836,993.69</u>



DATE: May 27, 2021
TO: SCLC Administrative Council
FROM: Diane Z. Bednarski, Executive Director, SCLC
SUBJECT: Meeting Schedule

The SCLC Administrative Council meets four times per year and the Executive Committee meets six times per year. For the past several years, these meetings have been scheduled to occur on the morning of the fourth Thursday of the month. This scheduling pattern has prevented Los Angeles Public Library from participating in meetings, due to regular Board of Library Commissioners meetings on the 2nd and 4th Thursday of the month.

The SCLC Administrative Council previously discussed examining the meeting schedule to identify a pattern that can be more inclusive. Options for FY2021/22 can include:

- 1st, 2nd, or 4th Tuesday of the month, morning or afternoon
- 1st, 2nd, 3rd or 4th Wednesday of the month, morning or afternoon
- 1st Thursday of the Month, afternoon

FISCAL IMPACT: None

RECOMMENDATION: TBD

Southern California Library Cooperative

254 North Lake Avenue #874 • Pasadena, California 91101
(626) 283-5949 • Fax (626) 283-5949

Website: <http://www.socallibraries.org> • E-mail: slchq@socallibraries.org



DATE: May 27, 2021
TO: SCLC Administrative Council
FROM: Janet Stone, Past SCLC Chair / Nominating Committee Chair
SUBJECT: Election of Chair and Vice-Chair/Chair-Elect FY2021-22

According to the SCLC standing rules:

The Nominating Committee shall select a slate of at least two candidates from the members of the Council for the offices of Chair and Vice-Chair/Chair-Elect.

The Nominating Committee shall report the slate of candidates to all Council members at least thirty (30) days prior to an election. The report to Council members will include a call for additional nominations.

Per *Robert's Rules of Order*, a standing rule may be suspended by a majority vote. The Nominating Committee is proposing suspending the thirty day notification provision as part of an action to elect officers at the May 27, 2021 meeting

The Nominating Committee consisted of Janet Stone, Committee Chair; Susan Anderson; and Christine Conwell.

The following slate of candidates was communicated to the Administrative Council via email on May 17, 2021, and a call for additional nominations was made at that time:

Nominee for Chair: Elizabeth Goldman
Nominee for Vice Chair/Chair Elect: Gary Shaffer

As of this writing, no additional candidates have been nominated.

FISCAL IMPACT: None

RECOMMENDATION: 1) Suspend the 30-day rule for reporting the slate of candidates; and 2) from among the candidates nominated, elect a Chair and Vice-Chair/Chair-Elect for FY2021-22.

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254 N. Lake Ave. #874 ~ Pasadena, CA 91101

(626) 283-5949 • Fax (626) 283-5949

Website: <http://www.socallibraries.org> • E-mail: scchq@socallibraries.org



DATE: August 27, 2020
TO: SCLC Administrative Council
FROM: Diane Z. Bednarski, Executive Director, SCLC
SUBJECT: Executive Committee FY2021/22 Appointments

The SCLC Bylaws state that:

The Executive Committee will be composed of the Council Chair, Vice-Chair/Chair-Elect, immediate Past Chair and one member from each of the California State Library Statistical Groups as published annually in the California Library Statistics. Each representative shall serve a two-year term. Terms will be staggered so that three or four representatives rotate off the committee each year. Interim or Acting directors are not eligible for selection to the Executive Committee.

SCLC maintains records of past Executive Committee appointees and in preparation for the new cycle presents to the Administrative Council the list of libraries who are due to be offered the opportunity to serve.

The following library systems have completed their terms on the Committee:

- Pasadena Public Library [Statistical Group 2 representative]
- Camarillo Public Library [Statistical Group 3 representative]
- Moorpark City Library [Statistical Group 4 representative]
- Signal Hill Public Library [Statistical Group 5 representative]

The following libraries are eligible to fill vacancies on the Committee to ensure that each California State Library Statistical Group has one representative:

Statistical Group 1 (over 150,000)

- No vacancy exists. LA County Library will serve a second term.

Statistical Group 2 (70,000 – 150,000)

- Downey City Library. If unavailable to serve, then
- Pomona Public Library. If unavailable to serve, then
- Whittier Public Library. If unavailable to serve, then
- Torrance Public Library

Statistical Group 3 (50,000 – 70,000)

- Palos Verde Library District. If unavailable to serve, then

Southern California Library Cooperative

248 East Foothill Boulevard • Suite 101 • Monrovia, California 91016
(626) 283-5949 • Fax (626) 283-5949

Website: <http://www.socallibraries.org> • E-mail: scchq@socallibraries.org

- Monterey Park Bruggemeyer Library. If unavailable to serve, then
- Redondo Beach Library

Statistical Group 4 (20,000 – 50,000)

- South Pasadena Library. If unavailable to serve, then
- Calabasas Library. If unavailable to serve, then
- Azusa City Library

Statistical Group 5 (under 20,000)

1. Commerce Public Library. If unavailable to serve, then
2. Irwindale Public Library. If unavailable to serve, then
3. El Segundo Public Library

FISCAL IMPACT: None

RECOMMENDATION: Verify slate of Executive Committee members and vote to authorize appointments, with new appointees serving July 1, 2021 through June 30, 2023.



DATE: May 27, 2021
TO: SCLC Administrative Council
FROM: Diane Z. Bednarski, Executive Director, SCLC
SUBJECT: Signature Authority

BACKGROUND: SCLC uses Pacific Western Banks checking account services for system business and the acceptance and distribution of grant and system funds. Signature authority needs to be updated to remove the outgoing Chair and Vice Chair add the incoming Chair and Vice Chair. Signature authority for the SCLC Executive Director and Project Manager will be maintained.

FISCAL IMPACT: None

RECOMMENDATION: Authorize SCLC staff to update the Pacific Western Bank signature authority.

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254 North Lake Avenue #874 • Pasadena, California 91101

(626) 283-5949 • Fax (626) 283-5949

Website: <http://www.socallibraries.org> • E-mail: scchq@socallibraries.org



DATE: May 27, 2021
TO: SCLC Administrative Council
FROM: Diane Z. Bednarski, Executive Director, SCLC
SUBJECT: SCLC Shared eResource Planning

BACKGROUND: On April 16, 2021, the SCLC eResources Task Force issued a survey to Administrative Council members seeking their ranking of eResource options that are still being considered for licensing using CLSA funding and current year membership dues, namely:

- PressReader
- eBooks and eAudio in a Shared Environment
- SimplyE App
- LinkedIn Learning
- Universal Class

Nineteen responses were received, with PressReader and eBooks and eAudio in a Shared Environment being nearly tied for first place.

The annual subscription cost for PressReader would be \$239,591 for all SCLC libraries excluding LA County and LAPL. This pricing is guaranteed for two years. Thousand Oaks and Glendale currently maintain local subscriptions to PressReader that are due for renewal on July 1, 2021, and those subscriptions would be transferred to a new SCLC subscription if this is the selected option. Baker & Taylor would offer LA County and LAPL free access to its Mystery Book Clubs as an offset for maintaining their own subscriptions to PressReader. As a point of information, the annual cost to provide PressReader access all forty SCLC libraries under a single contract would be \$362,890.

The eBooks and eAudio in a Shared Environment solution would involve an allocation of CLSA funds to each member library using a population served formula. Each library would need to use their allocation to license eBook and/or eAudio content in an environment whereby at least two other SCLC member libraries would have access to the content. Qualifying approaches would include: licensing content in Bibliotheca Cloudlink, licensing content Overdrive Southern California Digital Network, and licensing content through an Overdrive Reciprocal Lending Agreement between three or more SCLC members. SCLC could directly pay the vendors based on titles selected by each library.

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254 North Lake Avenue #874 • Pasadena, California 91101

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FISCAL IMPACT: TBD. \$418,261 in FY2019/20 and FY2020/21 CLSA funds are available for this project, plus any FY2021/22 CLSA Baseline funds that are not allocated toward other services. Any additional funds would come from the unrestricted reserve balance.

RECOMMENDATION: Take Council action to recommend a two-year eResource solution to be licensed using FY2019/20 and FY2020/21 CLSA funds as the primary funding source, supplemented by local unrestricted funds based on the eResource solution selected.



AC Agenda Item 14

DATE: May 27, 2021
TO: SCLC Administrative Council
FROM: Carol Dinuzzo, Controller, SCLC
SUBJECT: Califa Membership Dues, FY2021/22

BACKGROUND: Califa membership fees for FY2021/22 will remain the same as the current year. Attached is a list of SCLC member libraries with the fees for Califa membership renewal, with and without a 10% consortial discount.

If at least 90% of SCLC members renew their Califa membership for FY2021/22, the fee is discounted for all renewing member libraries. SCLC will invoice libraries for the Califa fees along with the SCLC membership dues for FY2021/22.

An email will be sent to all member libraries to verify renewal of their Califa memberships. Please respond promptly. Once 90% participation is confirmed, libraries will be invoiced.

FISCAL IMPACT: None.

RECOMMENDATION: Informational.

Attachment

Southern California Library Cooperative

254 North Lake Avenue #874 • Pasadena, California 91101

(626) 283-5949 • Fax (626) 283-5949

Website: <http://www.socallibraries.org> • E-mail: sclcadmin@socallibraries.org

Library	FTE	Califa Membership Fee	Fee with Group Discount
Alhambra	16-99	\$400.00	\$360.00
Altadena	16-99	\$400.00	\$360.00
Arcadia	16-99	\$400.00	\$360.00
Azusa	16-99	\$400.00	\$360.00
Beverly Hills	16-99	\$400.00	\$360.00
Burbank	16-99	\$400.00	\$360.00
Calabasas	6-15	\$300.00	\$270.00
Camarillo	16-99	\$400.00	\$360.00
Commerce	16-99	\$400.00	\$360.00
County of LA	>=100	\$500.00	\$450.00
Covina	6-15	\$300.00	\$270.00
Downey	16-99	\$400.00	\$360.00
El Segundo	16-99	\$400.00	\$360.00
Glendale	16-99	\$400.00	\$360.00
Glendora	16-99	\$400.00	\$360.00
Inglewood	16-99	\$400.00	\$360.00
Irwindale	2-5	\$200.00	\$180.00
Long Beach	>=100	\$500.00	\$450.00
Los Angeles Public	>=100	\$500.00	\$450.00
Monrovia	6-15	\$300.00	\$270.00
Monterey Park	16-99	\$400.00	\$360.00
Moorpark	6-15	\$300.00	\$270.00
Oxnard	16-99	\$400.00	\$360.00
Palmdale	6-15	\$300.00	\$270.00
Palos Verdes	16-99	\$400.00	\$360.00
Pasadena	16-99	\$400.00	\$360.00
Pomona		CANCELLED MEMBERSHIP IN 13/14	
Redondo Beach	16-99	\$400.00	\$360.00
San Marino	16-99	\$400.00	\$360.00
Santa Clarita	16-99	\$400.00	\$360.00
Santa Fe Springs	2-5	\$200.00	\$180.00
Santa Monica	>=100	\$500.00	\$450.00
Sierra Madre	6-15	\$300.00	\$270.00
Signal Hill	2-5	\$200.00	\$180.00
Simi Valley	16-99	\$400.00	\$360.00
South Pasadena	16-99	\$400.00	\$360.00
Thousand Oaks	16-99	\$400.00	\$360.00
Torrance	16-99	\$400.00	\$360.00
Ventura County	16-99	\$400.00	\$360.00
Whittier	16-99	\$400.00	\$360.00
SCLC Main Office	System Office	\$150.00	\$0.00
Total			\$ 13,320.00



DATE: May 27, 2021
 TO: SCLC Administrative Council
 FROM: Carol Dinuzzo, Controller, SCLC
 SUBJECT: Health Premiums Update

BACKGROUND: SCLC employees eligible for medical insurance receive a monthly allowance to be used toward medical insurance premiums.

The last health premium allowance increase from \$600/month to \$800/month was approved on June 30, 2020 by the Administrative Council. During this meeting it was also advised to review the health premiums each fiscal year.

The below chart reflects health premium increases for Calendar Year 2021:

CalPERS HEALTH PREMIUM COMPARISON 2020 vs. 2021								
BASIC	2020			BASIC	2021			Percent Change (+/-)
	Single	2-Party	Family		Single	2-Party	Family	
Blue Shield	624.93	1249.86	1624.82	Blue Shield	660.49	1320.98	1717.27	5.69%
Kaiser Permanente	664.39	1328.78	1727.41	Kaiser Permanente	669.84	1339.68	1741.58	0.82%
PERS Choice	710.29	1420.58	1846.75	PERS Choice	761.23	1522.46	1979.20	7.17%
PERS Care	931.12	1862.24	2420.91	PERS Care	1036.07	2072.14	2693.78	11.27%

FISCAL IMPACT: None at this time.

RECOMMENDATION: Informational.

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254 North Lake Avenue #874 • Pasadena, California 91101
 (626) 283-5949 • Fax (626) 283-5949

Website: <http://www.socallibraries.org> • E-mail: sclcadmin@socallibraries.org



DATE: May 27, 2020
 TO: SCLC Administrative Council
 FROM: Diane Z. Bednarski, Executive Director, SCLC
 SUBJECT: Lease for SCLC Office Space

BACKGROUND:

On November 19, 2020, the SCLC Administrative Council authorized the Executive Director to pursue a one-year extension to its office space lease with the City of Pasadena under the existing lease terms. On May 3, 2021, SCLC learned that the Pasadena Central Library would need to close immediately due to seismic safety concerns and would remain closed for at least two years. Consequently, SCLC will need to move into alternative office space.

Pasadena is examining the rental of commercial office space for some of its staff and is including SCLC in consideration of potential needs. At the same time, SCLC has reached out to other SCLC member libraries in the vicinity of Pasadena to determine if they might have office space available. SCLC has also begun exploration of coworking spaces and storage units as solutions for what is not a predominantly telecommuting workforce with intermittent in-office needs.

It is anticipated that SCLC will be required to sign a new lease before the next scheduled Administrative Council meeting. The Executive Director is seeking advanced approval to execute a new lease agreement for up to three years for an annual cost not to exceed \$32,000 per year. The funds might alternatively be used for storage space for business files and subscription fees for coworking space.

There will also be additional expenses related to relocation, including packing, moving, and installation of a new network environment.

FISCAL IMPACT: Up to \$32,000 per year for up to three years for office space lease, plus up to \$4,000 for relocation costs.

RECOMMENDATION: Authorize the Executive Director to execute a new lease for office space and storage space (if required) for a term of up to three years.

Southern California Library Cooperative

254 North Lake Avenue #874 • Pasadena, California 91101
 (626) 283-5949 • Fax (626) 283-5949

Website: <http://www.socallibraries.org> • E-mail: sclcadmin@socallibraries.org



DATE: May 27, 2021
TO: SCLC Administrative Council
FROM: Carol Dinuzzo, Controller, SCLC
SUBJECT: Proposed Budget, FY2021/22

BACKGROUND: The Proposed Budget for FY2021/22 is attached for your review.

REVENUE: CLSA preliminary system budget allocations remain at the fifty percent reduced rate. Contracted System’s match to cover administrative costs are included. At this time two grant applications have been submitted and are currently pending, with those anticipated revenues reflected. PLSEP is to be determined. SCLC membership dues and the LAIF projected interest are also included.

Below is a breakdown of carry over CLSA funds from FY2019/20, as well as the projected carry over for FY2020/21:

CLSA FY19/20 - Expend by June 30, 2022	
Digilabs	\$ 82,535
Digital Resources	\$ 383,513
Total	\$ 466,048

CLSA FY20/21 - Expend by June 30,2023	
E-Reources	\$ 113,993
Resource Sharing	\$ 65,848
Delivery	\$ 19,086
Telecommunication	\$ 8,345
Total	\$ 207,272

EXPENSES: Projected expenses were calculated using vendor estimates and third quarter totals form the current fiscal year.

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SALARY SCHEDULES: Each year SCLC presents the salary schedule for the upcoming fiscal year for Administrative Council approval. We are asking that council retroactively approve the FY2020/21 salary schedule. The salary schedule for FY2021/22 reflects a 2% COLA increase for SCLC staff with exception of the Executive Director. Once the salary for the Executive Director is determined by the Council, the Salary Schedule will be updated.

FISCAL IMPACT: 2% increase in staff salaries, with the ED salary to be determined by the Council.

RECOMMENDATION: Approve Proposed Budget, the FY2021/22 salary schedule as presented and to retroactively approve the FY2020/21 salary schedule.

REVENUES/EXPENSES	Proposed	Prior Year Actuals	Actuals	Balance	%	Notes
REVENUE						
				Unrealized		
CLSA Communications & Delivery	\$ 294,627		\$ -	\$ 294,627	0%	Preliminary System Allocation
CLSA System Administration	\$ 177,603		\$ -	\$ 177,603	0%	Preliminary System Allocation
System Supplements to CLSA	\$ 102,560		\$ -	\$ 102,560	0%	Approved
Grant Project Revenue	\$ 730,000		\$ -	\$ 730,000	0%	Applications Pending*
Grant Indirect	\$ 22,045		\$ -	\$ 22,045	0%	Applications Pending*
Grant Staffing	\$ 15,445		\$ -	\$ 15,445	0%	Applications Pending*
SCLC Member Dues	\$ 205,717		\$ -	\$ 205,717	0%	Approved 03/25/2021
Investment Income	\$ 18,750		\$ -	\$ 18,750	0%	Projected LAIF Interest
TOTAL REVENUE	\$ 1,566,747	\$ -	\$ -	\$ 1,547,997		

EXPENDITURES						
Personnel Services						
Salaries & Wages	\$ 609,971		\$ -	\$ 609,971	0%	SCLC Staff
Retirement Benefits	\$ 68,050		\$ -	\$ 68,050	0%	CalPERS
Health Insurance - Current Employees	\$ 48,000		\$ -	\$ 48,000	0%	Health Stipend
Health Insurance - Retirees	\$ 76,800		\$ -	\$ 76,800	0%	Health Stipend
Dental/Vision	\$ 6,552		\$ -	\$ 6,552	0%	Ameritas
Life Insurance	\$ 1,224		\$ -	\$ 1,224	0%	Dearborn
Unfunded Accrued Liability	\$ 138,339		\$ -	\$ 138,339	0%	CalPERS
Other Personnel Expenses	\$ 3,101		\$ -	\$ 3,101	0%	Worker's Comp
Personnel Service Subtotal	\$ 952,037	\$ -	\$ -	\$ 952,037		


REVENUES/EXPENSES	Proposed	Prior Year Actuals	Actuals	Balance	%	Notes
Operating Expenses						
Office space Lease	\$ 25,000		\$ -	\$ 25,000	0%	Lease TBD
Professional & Contract Services	\$ 65,000		\$ -	\$ 65,000	0%	Legal, Payroll/HR, Consulting, etc.
Telecommunications	\$ 30,000		\$ -	\$ 30,000	0%	Project, Microsoft, Internet, RingCentral, A2 (CLSA*) and Communications Allowance
Delivery	\$ 66,000		\$ -	\$ 66,000	0%	Reliant (CLSA)
Audit Fees	\$ 12,270		\$ -	\$ 12,270	0%	Fedak & Brown (CLSA)
Software Licenses	\$ 3,479		\$ -	\$ 3,479	0%	Dashlane, Intuit (paid biennially)
Office Supplies & Printing	\$ 4,500		\$ -	\$ 4,500	0%	Office Supplies, etc.
E-Resources	\$ 1,200		\$ -	\$ 1,200	0%	Gale (CLSA)
Resource Sharing	\$ -		\$ -	\$ -	0%	Placeholder (CLSA)
Memberships	\$ 14,500		\$ -	\$ 14,500	0%	Califa, CLA, etc.
Travel & Conferences	\$ 10,000		\$ -	\$ 10,000	0%	Travel for meetings, conference, and audit
Postage	\$ 800		\$ -	\$ 800	0%	
Other	\$ 350		\$ -	\$ 350	0%	Bank Analysis Fees
Operating Expenses Subtotal	\$ 233,099	\$ -	\$ -	\$ 233,099		
Grant Expenses						
CLCI	\$ 650,000		\$ -	\$ 650,000	0%	Application Pending*
Dia de los Ninos	\$ 80,000		\$ -	\$ 80,000	0%	Application Pending*
PLSEP	\$ -		\$ -	\$ -	0%	TBD
Grant Expenses Subtotal	\$ 730,000	\$ -	\$ -	\$ 730,000		
TOTAL EXPENDITURES	\$ 1,915,136	\$ -	\$ -	\$ 1,915,136		
Surplus (Deficit)	\$ (348,389)	\$ -	\$ -			


*Telecommunications defined by the CLSA Plan of Service as: Internet, web/tech support, phone/fax/VOIP/telecomm equipment maintenance, and web software

SCLC ACCOUNT BALANCES						
As of March 31, 2021	\$ 3,151,177		\$ -	Pacific Western Bank		
As of March 31, 2021	\$ 1,922,059		\$ -	Local Agency Investment Fund (LAIF)		
SCLC MEMBER DEPOSIT ACCOUNT						
As of March 31, 2021	\$ 215,795.00		\$ -	Pacific Western Bank		
CARRY OVER CLSA FUNDS						

FY2019/20 CLSA Communications & Delivery						
	Estimated	Expended	Balance	Notes		
Digilabs	\$ 82,535	\$ -	\$ 82,535			
Digital Resources	\$ 383,513	\$ -	\$ 383,513			
Total Estimated Carry Over	\$ 466,048	\$ -	\$ 466,048			

FY2020/21 CLSA Communications & Delivery - Projected						
	Estimated	Expended	Balance	Notes		
E-Resources	\$ 113,993	\$ -	\$ 113,993			
Resource Sharing	\$ 65,848	\$ -	\$ 65,848			
Delivery	\$ 19,086	\$ -	\$ 19,086			
Telecommunication	\$ 8,345	\$ -	\$ 8,345			
Total Estimated Carry Over	\$ 207,272	\$ -	\$ 207,272			

SOUTHERN CALIFORNIA LIBRARY COOPERATIVE						
FY20/21 Full Time Job Classification and Salary Schedule						
JOB CLASSIFICATIONS		STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
1) Executive Director	Per Hour	\$ 62.50				\$ 84.13
	Annual	\$ 130,000.00				\$ 175,000.00
2) Deputy Executive Director	Per Hour	\$ 50.00	\$ 52.50	\$ 55.13	\$ 57.88	\$ 60.78
	Annual	\$ 104,000.00	\$ 109,200.00	\$ 114,670.40	\$ 120,390.40	\$ 126,422.40
3) Controller	Per Hour	\$ 50.00	\$ 52.50	\$ 55.13	\$ 57.88	\$ 60.78
	Annual	\$ 104,000.00	\$ 109,200.00	\$ 114,670.40	\$ 120,390.40	\$ 126,422.40
4) Project Manager	Per Hour	\$ 40.00	\$ 42.00	\$ 44.10	\$ 46.31	\$ 48.62
	Annual	\$ 83,200.00	\$ 87,360.00	\$ 91,728.00	\$ 96,324.80	\$ 101,129.60
5) Project Assistant	Per Hour	\$ 25.00	\$ 26.25	\$ 27.56	\$ 28.94	\$ 30.39
	Annual	\$ 52,000.00	\$ 54,600.00	\$ 57,324.80	\$ 60,195.20	\$ 63,211.20
6) Administrative Assistant	Per Hour	\$ 33.18	\$ 34.84	\$ 36.58	\$ 38.41	\$ 40.33
	Annual	\$ 69,014.40	\$ 72,467.20	\$ 76,086.40	\$ 79,892.80	\$ 83,886.40
*COLA or CPI increase (if approved):						
* Executive Director is authorized to award an employee up to a 2 step increase in any given year.						
Merit increases beyond two steps in a given year must be approved by the Executive Committee and Administrative Council.						
* Each salary amount upgraded annually with council approved cost of living percentage.						

SOUTHERN CALIFORNIA LIBRARY COOPERATIVE						
FY21/22 Full Time Job Classification and Salary Schedule						
JOB CLASSIFICATIONS		STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
1) Executive Director	Per Hour					TBD
	Annual					
2) Deputy Executive Director	Per Hour	\$ 51.00	\$ 53.55	\$ 56.23	\$ 59.04	\$ 62.00
	Annual	\$ 106,080.00	\$ 111,384.00	\$ 116,963.81	\$ 122,798.21	\$ 128,950.85
3) Controller	Per Hour	\$ 51.00	\$ 53.55	\$ 56.23	\$ 59.04	\$ 62.00
	Annual	\$ 106,080.00	\$ 111,384.00	\$ 116,963.81	\$ 122,798.21	\$ 128,950.85
4) Project Manager	Per Hour	\$ 40.80	\$ 42.84	\$ 44.98	\$ 47.24	\$ 49.59
	Annual	\$ 84,864.00	\$ 89,107.20	\$ 93,562.56	\$ 98,251.30	\$ 103,152.19
6) Administrative Assistant	Per Hour	\$ 33.84	\$ 35.54	\$ 37.31	\$ 39.18	\$ 41.14
	Annual	\$ 70,394.69	\$ 73,916.54	\$ 77,608.13	\$ 81,490.66	\$ 85,564.13
*COLA or CPI increase (if approved):						
* Executive Director is authorized to award an employee up to a 2 step increase in any given year.						
Merit increases beyond two steps in a given year must be approved by the Executive Committee and Administrative Council.						
* Each salary amount upgraded annually with council approved cost of living percentage.						



DATE: May 27, 2021
TO: SCLC Administrative Council
FROM: Diane Z. Bednarski, Executive Director, SCLC
SUBJECT: CLSA Plan of Service 2021/22

BACKGROUND: Each year SCLC receives California Library Services Act (CLSA) funds that are appropriated to promote resource sharing within the system. To receive these funds, SCLC must complete and submit a Plan of Service to be approved by the California Library Services Board. The Plan outlines how the system plans on expending the funds and how those expenditures will benefit the communities served by SCLC libraries.

The CLSA preliminary system budget allocation for FY 2021/22 represents a continued 50% reduction from FY 2019/20. 20% of the funds can be used to pay for system administration services provided by SCLC, while the remaining 80% (known as Baseline funds) can be used for services. In the most recent year, SCLC appropriated its Baseline funds toward courier delivery services, the DigiLab project, Gale Archives of Sexuality and Gender, the annual audit, and digital resources. Appropriated funds can be used over a period of three years.

A copy of the FY 2020/21 approved Plan of Service is attached for reference.

Please review the attached template for the CLSA Plan of Service 2021/22 and come prepared to discuss priorities and content for the report.

FISCAL IMPACT: \$368,283 in CLSA funding.

RECOMMENDATION: Authorize the Executive Director to work with the Chair and incoming Chair on completing the Plan of Service and authorize the incoming Chair to sign the completed Plan for submission.

ATTACHMENTS:

- CLSA Plan of Service 2020/21 - Submitted
- CLSA Plan of Service 2021/22 - In process

Southern California Library Cooperative

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**CALIFORNIA LIBRARY SERVICES ACT
PLAN OF SERVICE AND BUDGET**
For use with 2020/21 Communication & Delivery Program

California State Library
Sacramento
April 2020

Greg Lucas, Chief Executive Officer
California Library Services Board

Introduction

Welcome to the 2020/21 Plan of Service and Budget process. This document contains the following key areas that you will need to provide information about in order to officially have your funding approved.

1. System Information – Due June 3, 2020
2. Demographics of System Service Area – Due June 3, 2020
3. Budget:
 - C&D Service Program Budget Request and Budget Summary – Due June 3, 2020
 - System Detailed Budget – Due September 3, 2020 (separate attachment)
4. Use of Funding for Communications and Delivery – Due June 3, 2020
5. Future Plans for Cooperative System – Due June 3, 2020

Once you have completed the process, please email your Plan of Service and Budget Request to Monica Rivas at monica.rivas@library.ca.gov.

Dates for physical delivery counts – FY 2020/21:

Please note the dates below for the two-week sample period. The number of items will be reported on your System Annual Report for FY 2020/21, due at the State Library on September 1, 2021. Please count all items, including envelopes, for physical items going one way through your System delivery.

August 24- September 7, 2020

October 12 – October 26, 2020

January 11 – January 25, 2021

April 26 - May 10, 2021

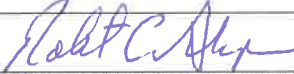


If you have any questions about any portion of the process, please do not hesitate to contact Monica Rivas at monica.rivas@library.ca.gov or at 916-653-7532.

System Information
FY 2020/21

System Name: Southern California Library Cooperative			
Director: Diane Bednarski		Email: dbednarski@socallibraries.org	
Address: 254 North Lake Avenue, #874		City: Pasadena	State: Zip: CA 91101
Phone: (626) 283-5949		Fax: (626) 283-5949	

System Chair for FY 2020/21 (if known): Janet Stone	Fiscal Agent: Southern California Library Cooperative
--	--

Date approved by Administrative Council: 6/30/2020

X 	
Signature of System Administrative Chair for FY 2020-21	Date
Print Name: 	

Conditions of Award

1. Accounting

Separate accounting must be maintained for each CLSA program to ensure responsible program fund management and the ability to submit timely and accurate financial reports. Financial records for each program must be retained for three years from the end of the grant period.

2. Budget adjustments within approved programs

Recipients may wish to respond to unforeseen developments by adjusting the amounts allocated to service program budget categories (e.g. shifting funds from salaries to operations). **Changes of this sort must be authorized, in writing, by the CLSA Program Coordinator.** Any such adjustments should be reflected in the Annual Objective Evaluation and Expenditure Report.

Under no circumstance may CLSA funds be moved into any category for which no funding was approved.

3. Earning interest

Recipients are encouraged to deposit CLSA grant funds in interest-bearing accounts wherever possible, with the understanding that interest earned on CLSA monies will be used for library purposes. Interest income need not be reported on the CLSA System Expenditure Report, but should appear as a source of income on the System Detailed Budget (due at the State Library on September 3, 2020).

4. Personal memberships and travel

Use of CLSA funds for personal membership in organizations is not an approved use of State funds, nor is travel.

5. Credit line

Publications of and information releases about CLSA-funded activities must credit the California Library Services Act. An appropriate statement for a publication is:

“This publication was supported in whole or in part by the State of California under the provisions of the California Library Services Act, administered by the California Library Services Board.”

As appropriate, this disclaimer should be added:

“The opinions expressed herein do not necessarily reflect the position or policy of the California Library Services Board or the California State Library, and no official endorsement by those agencies should be inferred.”

This credit line on system publicity and products is important to all concerned in fostering State support for library services.

6. Funding alternatives

Some program needs or good project ideas may not be appropriate for CLSA. Other sources of funding for library projects are available, both public and private. The applicant, if unsuccessful in obtaining funds from one source, should investigate other appropriate sources.

Demographics of System Service Area

System Population Profile, FY 2020/21

Total Population of System Service Area: 10,809,615

Total Population of the System Service Area should come from the State Library certified population numbers

Underserved Population	Number	Percentage of Total Population
Economically Disadvantaged (Below poverty level)	1,670,014	15.44%
Institutionalized	190,081	1.75%
Aged (65+)	1,422,712	13.16%
Children & Youth:	676,463	6.25%
• Under 5	661,381	6.11%
• 5 to 9	685,769	6.34%
• 10 to 14	712,542	6.59%
• 15 to 19	1,085,139	10.03%
Handicapped	Limited: 916,229 ESL: 5,671,151	Limited: 8.47% ESL: 52.46%
Speakers of limited English or English as a Second Language	465,521	4.30%
Non-English Speaking	957,883	8.86%
Ethnicity	5,253,620	48.60%
• Black	1,531,740	14.17%
• Hispanic	77,596	0.71%
• Asian	2,627,477	24.30%
• Native American	85,149	0.78%
• Other (specify)	1,684,023	15.57%
Geographically Isolated (RURAL) * see note	458,539	4.24%
Functionally Illiterate		
Shut-In		

List source(s) of this data: (example US Census Bureau, California Library Statistics, Population Projections from Department of Finance)

Disability characteristics, 2014-2018 ACS 5-year estimates, 2018 figures

Speakers of limited English

 Speak English “not well” - Nativity by language spoken at home by ability to speak English for the population 5 years and over, ACS 5-year estimates, 2018 figures

English as a Second Language

 Language spoken at home, 2014-2018 ACS 5-year estimates, 2018 figures, “speak language other than English”

Non-English Speaking

Speak English “not at all” - Nativity by language spoken at home by ability to speak English for the population 5 years and over, ACS 5-year estimates, 2018 figures

Ethnicity:

ACS demographic and housing estimates, 2014-2018 ACS 5-year estimates, 2018 figures

Black alone

Hispanic alone

Asian alone

Native American and Alaska native alone

Other (specify):

some other race + Native Hawaiian and other Pacific Islander alone; plus 2 or more races

Geographically Isolated:

Rural Urban and rural universe: total population 2010 census summary file 1

Functionally Illiterate:

18+ w/o high school diploma – educational attainment, 2018 ACS 5-year estimates, 2018 figures

Shut In:

Disability characteristics, ACS 5-year estimates, 2018 figures – disability by type, noninstitutionalized, with independent living difficulty

Describe briefly how this data will be used to plan CLSA-funded services:

Comments/ Additional Information:

*** Geographically Isolated/ Rural**

For the 2010 Census, the Census Bureau classified as urban all territory, population, and housing units located within urbanized areas (UAs) and urban clusters (UCs), both defined using the same criteria. The Census Bureau delineates UA and UC boundaries that represent densely developed territory, encompassing residential, commercial, and other nonresidential urban land uses. In general, this territory consists of areas of high population density and urban land use resulting in a representation of the "urban footprint." Rural consists of all territory, population, and housing units located outside UAs and UCs.

* Typically, Rural Areas are cities with populations of less than 10,000

Budget Documents

Communications & Delivery (C& D) Service Program Budget Request – Due at the State Library by Wednesday, June 3, 2020

Use the budget request as a detailed line item budget for all CLSA funded activity for System Administration costs and Baseline cost for the Communications and Delivery program. If any budget items support both CLSA *Communications & Delivery Program* and non-CLSA programs/ or a CLSA programs other than *Communications & Delivery*, only those costs that directly support the CLSA *Communications & Delivery*

Program may be budgeted. Excluded from the *CLSA Communication & Delivery Service Program Request* should be activities funded by local contributions, in-kind, other grants, etc.

Section Definitions

As you complete the *CLSA Communication & Delivery Service Program Request*, please note the following definitions to ensure consistency in reporting.

- a. **Personnel** (Salaries & Benefits) – complete this section if you budget *CLSA Communications & Delivery Program* funds for system staff. System personnel must be budgeted under Personnel, not under Contract Services, even if hired on contract. Only submit job descriptions for positions that have changed significantly from the previous year.
- b. **PC& E: Planning, Coordination, & Evaluation**
- c. **Indirect Costs:** Such services generally include payroll, accounting, office space, utilities, etc. Please describe exactly what services were provided.
- d. **Operations** – complete this section using the categories noted. For short-term contracts for consultant or auditing staff, Contract Services may be charged. If Indirect Costs/Fiscal Agent Fees are budgeted, you must describe exactly what services are provided to the System.
- e. **Capital Outlay** – estimate costs not only for necessary proposed purchases but also for maintenance of any established equipment replacement revolving fund, out of which purchase of replacement equipment will be made in the future.
- f. **Anticipated Current Year-end Balance in the Equipment Revolving Fund** – use this space to provide the estimated year-end revolving fund balance.

The total of a-e must equal your total allocation for both System Administration and Baseline.

System Detailed Budget – Due at the State Library by Thursday, September 3, 2020

This portion of the System Plan is intended for use as a planning tool. While funding sources are not always guaranteed, this budget should represent the most current information available to the System. All figures entered on this form should represent funds allocated to specific programs and categories. All programs and services offered through the System should be included (i.e., LSTA, centralized ILL, etc.) whether they are funded by CLSA or not. Likewise, all sources of income should be included. The System Detailed Budget should offer as complete a picture of the Systems' services and sources of support for those services as possible.

Column Definitions

As you fill out the System Detailed Budget, please be aware of the following definitions to ensure consistency.

- a. **CLSA** - enter the amount allocated to each category for C&D System Administration and C&D Baseline. Include only the baseline budget for Program 2: C&D Baseline. The total System Indirect, PC&E, and Personnel should be shown in Program 1: C&D System Administration.
- b. **LSTA** - enter any LSTA awards that the System has received for the fiscal year. See "Program Definition" below.
- c. **Local funds/fees** - enter the total of all member contributions, charges or other income generated by the System itself. Include income from sales of publications.
- d. **Interest** - enter all interest earned on System funds.

- e. **Other** – enter sources of income not otherwise covered, e.g., local program grants or government programs other than LSTA.
- f. **Total budgeted** - is the sum of Columns a through e.

Program Definition

A program includes any program, service, or project administered by and funded through the System. This includes not only the CLSA C&D Program (System Administration/Baseline) but also LSTA demonstration projects, centralized ILL services, and the like. It does **not** include programs, projects, and services which are administered and funded separately from the System.

Services as described in Plans of Service: Those individual services that the System identified on the Plan of Service that fall into the categories of E-Resources or Resource Sharing.

Other Definitions

Indirect means any administrative charge made by a jurisdiction against System operations (e.g. a city or county may charge to serve as the fiscal agent for a Cooperative Library System). Unless documented elsewhere in the Plan of Service, attach a description of the services received.

Grand Total System Budget

The total on this row for Column f. should be the anticipated total for all System operations for the fiscal year.

Encumbered Funds from Prior Year

State (CLSA), Federal and Local funds encumbered from prior year and not yet expended.

C&D Service Program Budget Request FY 2020-2021 (Section 18745)

System Administration

(a) Personnel (Salaries & Personnel)

<u>Classification</u>	<u>FTE/NO of positions</u>	<u>Salary</u>	<u>Benefits</u>	<u>Total</u>
Executive Director	.18/1	\$31,500	\$5,485	\$36,985
Deputy Director	.07/1	\$8,027	\$1,262	\$9,289
Controller	.091/1	\$10,435	\$2,131	\$12,566
Project Manager	.064/1	\$6,472	\$1,398	\$7,870
Administrative Assistant	.079/1	\$5,452	\$1,302	\$6,754
Total of (a)	.484/1	\$61,886	\$11,578	\$73,464

(b) Planning, Coordination, & Evaluation (PC&E)	
Total (b)	\$

(c) Indirect Cost (Do not include PC&E and provide description of services)	
Total of (c)	\$

Total of (a-c)	\$73,464
-----------------------	-----------------

Baseline Budget

(d) Operations	
------------------------	--

1. Office supplies	\$
2. Duplication/Photocopy	\$
3. Training (C&D program related)	\$
4. E-Resources (Enki, Zinio, OverDrive, etc.)	\$113,993
5. Contract Services for Delivery (UPS, US Postal Service, Contracted Van) – Contracted Delivery and Audit Services	\$84,020
6. System van/vehicle (fuel/insurance/maintenance)	\$
7. Telecommunications (Internet/web/tech support/phone/fax/VOIP/telecomm equipment maintenance/ web software) . Web hosting and internet service provider fees	\$30,000
Specify what funds were used for:	\$
8. Resource Sharing (Zipbooks, Link+, document depository) – DigiLab and shared e-resources	\$65,848
* Breakdown of cost i.e. software/subscription/delivery	
9. Other (with prior approval) and Planning, Coordination, & Evaluation (PC&E) not used in System Administration	\$
Total of (d)	\$293,861

(e)Capital Outlay		
1. Equipment (specify)	\$	
2. Equipment revolving fund	\$	
Total of (e)	\$	

(f)Anticipated Current (2019/2020) Year-end Balance in the Equipment Revolving Fund	
	\$

Total of (a-e)	\$367,325
-----------------------	------------------

2020/21 PROPOSED CLSA BUDGET

BUDGET SUMMARY	
Expense Category	Communications & Delivery Program
Salaries & Benefits	\$73,464
PC&E	
Indirect	
Sub-total	\$73,464
Operations	\$293,861
Equipment	
Sub-total	\$293,861
TOTAL	\$367,325

C&D FUNDING: System Administration 20%
System Baseline 80%

Funding for Communications and Delivery – FY 2020/21

There are two sections to this portion of the plan. The first section requires your best estimate for workload for the physical delivery of items, and estimated totals for e-resources, training, and broadband usage. The second section contains several questions that help us understand your plans for communication and delivery.

Section 1

Estimated Workload of Physical Delivery

Physical Items Sent by:	Physical Items Delivered to:		
	System Member Public Libraries	Non-public Libraries in System Area	TOTAL
a. System member public library	16,500	0	16,500
b. Non-public libraries in System area	0	0	0
TOTAL	16,500	0	16,500
		System Owned	Contracted Vendor
c. Number of delivery vehicles that physically move items		0	2
d. Frequency/schedule of physical delivery service		0	Twice a Week
e. Percentage of items to be physically delivered by:			
U.S. Mail	UPS	System Van	Contracted Van
1%	%	%	99%
			Other %

Estimated Totals for e-Resources, Training, and Broadband Usage

f. Estimated total number of e-resources to be purchased (circulated/downloaded/streamed, etc.) by residents of System member libraries	TBD
g. Percentage of CLSA funds to be spent on e-resources?	41%
h. Percentage of CLSA funds to be used for Broadband technology improvements	0%

- i. Which member libraries will benefit from Broadband improvements using CLSA allocated funds?
(please list) Not Applicable

Section 2

1. Describe the goals for the Communication and Delivery funding. Please specify how the System will spend its allocation of funding and provide specifics amounts allocated for each service or program. How will the System support the needs of their community? How will the System determine these needs? How will the System **evaluate** that the goals where met and the funding has met the needs of the community?

Considering reductions to local budgets and clarification from the CLSB on authorized uses of baseline CLSA funds, SCLC will take a modified approach to its use of CLSA funds in FY20/21. \$34,748 has been allocated for the selection and adoption of a systemwide shared digital resource subscription to leverage volume discount pricing – this is in addition to the \$1,100 already allocated for the renewal of the shared license to the Gale Archives of Sexuality and Gender. For the first time, SCLC will also distribute a portion of funds to member libraries using a population based formula, anticipating that approximately \$25,000 of those distributed funds will be used by jurisdictions to offset their internet service provider fees and \$113,993 will be used by the members to license digital resources to address local community needs.

The system will continue offer and grow its DigiLab project, which provides member libraries with software, equipment and training to digitize materials in their local collections and store them in a hosted, publicly accessible environment. Thirty of SCLC's 39 member libraries have opted to participate in the DigiLab program, and twelve have uploaded digitized content to the hosted solution. Funds in the current fiscal year (\$30,000) will cover the costs of the hosted content management software and annual maintenance for the digital scanning equipment.

SCLC will also continue to use a courier delivery service (\$72,000) to transport materials to the 39 member libraries in support of system-level interlibrary loan. Remaining fund allocations include \$5,000 in hosting fees for the system's website and \$12,020 for the annual audit.

2. How will the System's Communication and Delivery funds be disbursed (i.e., system wide, allocated to individual libraries, mix)? If not all libraries are participating in programs/services indicate which ones are and why others are not served (i.e. choice, funds, etc.).

54% of the funds will be used for services that directly benefit all member libraries, namely administrative costs, courier delivery services, the SCLC website, the annual audit, the Gale Archives of Sexuality and Gender database, and an additional shared e-resource service to be selected during the fiscal year. 8% percent of the funds will be used for the DigiLab program which benefits the 30 member libraries who chose to participate. The remaining funds will be distributed across the 39 member libraries on a population-based formula for use on local e-resource subscriptions and/or internet service provider fees.

3. Are the programs funded by CLSA being supplemented with local funds and if so how much or what percentage of the funding? Please briefly describe how any non-CLSA funds will be used to support communication and delivery. This information will help to document the significant contributions of non-CLSA funds toward library cooperation in California.

Up until now, the SCLC member libraries have used local funds to cover charges for internet service providers fees – this year, \$25,000 in CLSA funds will be allocated as an option for libraries to offset those fees. Additionally, the member libraries continue to make significant investments in e-resources for their communities, with the adoption rate of downloadable and streaming content increasing due to general usage trends and recent facility closures due to Covid-19.

The system also provides staffing required to coordinate the licensing and logistics associated with each of the services funded in whole or in part with CLSA funds. Staff work with the courier and libraries to track material, respond to calls from the public on lost or late materials, bring contracts to the Council for approval, pay invoices, work with vendors to implement programs and services, trouble shoot, collect statistics, coordinate with four systems for agreements, write and submit CLSA reports, manage websites, update listservs, update CSL of any new directors, forward communications to member libraries, and prepare agenda packets on a quarterly basis.

SCLC staff are contracted by four systems for administrative and fiscal support. The same tasks are required for the four systems.

4. If the System is providing e-resources, what exactly are those e-resources? (i.e. number of books, kind of titles, how many libraries are you providing this service to, any circulation statistics if available)

The system offers the Gale Archive Sexuality and Gender database to all 39 member libraries. During FY19/20, affiliated patrons retrieved 43,053 records.

5. Describe the System's current delivery model. Specify if it changed from last year or if the System will be making any changes in the upcoming year.

SCLC continues to provide delivery to the member libraries. The libraries receive delivery twice a week on the same days.

6. What is the estimated average cost (including library and system staff time) to move one item in the region? Please provide a description of how the System utilized C&D administrative funding? (i.e. staff, what type of staff, do which program did you allocate staff, how much time was allocated)

The estimated average cost to move one item is \$4.36 for the delivery service and \$5.24 including staff cost. A contracted courier service drops off and picks up items twice a week from each library. One SCLC staff is assigned to the more labor-intensive tracking and monitoring of the couriers. Other tasks include contracts with the courier service and communication with the member libraries; providing routing slips; printing routing slips; occasionally mailing items.

7. Will the System be using any of the communications funding to address broadband connectivity issues?

No

If so what were the funds used for and what were the connectivity issues? Not applicable

Future Plans for Cooperative System

Given the uncertainty of State funding, how is your cooperative system preparing and planning for the future? How will the System be funded? What services are priorities? And lastly, how will your system evolve?

SCLC has been conscientious about establishing cash reserves in the event of economic uncertainty. With the reduction in CLSA funds, administrative costs for the system will be underfunded and the reserves may need to be tapped. In addition, CLSA funding for digital resources will be decreased precisely at a time when closed facilities are driving increased usage of downloadable and streaming content. To leverage the limited funds, the system will seek to pool resources to license shared resources where opportunities for cost savings exist. The system also approved the formation of a new Technology Committee which will allow for a deeper assessment as to the member's shared technology needs.

Currently, SCLC supplements its CLSA revenue with fees to manage administrative and fiscal matters for four other cooperative systems. Additionally, SCLC manages several State Library grants, which provide indirect cost reimbursements and more recently salaries associated with managing the grants. Going forward, SCLC will seek grant opportunities beyond the State Library to serve the needs of its members.

**Demographics of System Service Area
System Population Profile, FY 2020/2021**

Total Population of System Service Area:

Underserved Population	Number Los Angeles/Ventura	Percentage of Total Population
Economically Disadvantaged (Below poverty level)/ poverty status in past 12 months, ACS 5-year estimates, 2018 figures	(1,774,321) 1,670,014/ 1,589,956 /80,058	15.44%
Institutionalized	(188,180) 190,081/ 177,480 /12,601	1.75%
Aged (65+)	(1,384,230) 1,422,712/ 1,299,277 /123,435	13.16%
Children & Youth:	(684,670)	6.25%
• Under 5	676,463/ 624,754 /51,709	6.11%
• 5 to 9	(679,462) 661,381/ 607,905 /53,476	6.34%
• 10 to 14	(685,251) 685,769/ 626,594 /59,175	6.59%
• 15 to 19	(727,988) 712,542/ 654,903 /57,639	10.03%
Handicapped	(1,085,561) 1,085,139/ 993,035 /92,104	ESL: 8.47% Limited: 52.46%
Speakers of limited English or English as a Second Language	Limited English: (934,480) 916,229/ 874,111 /42,118 ESL: (5,673,128) 5,671,151/ 5,365,375 /305,776	
Non-English Speaking	(476,136) 465,521/ 430,257 /35,264	4.30%
Ethnicity	(843,786)	8.86%
• Black	957,883/ 935,091 /22,792	48.60%
• Hispanic	(5,251,823) 5,253,620/ 4,893,603 / 360,017	14.1%
• Asian	(1,521,494) 1,531,740/ 1,469,968 /61,772	0.71%
• Native American	(75,140) 77,596/ 70,527 /7,069	24.30%
• Other (specify	(2,603,291) 2,627,477/ 2,543,603 / 83,874	0.78%
Geographically Isolated	(85,149) 85,149/ 59,424 / 25,725	15.57%
Functionally Illiterate	(1,722,752) 1,684,023/ 1,585,823 /98,200	

SCLC – Los Angeles and Ventura counties

Shut-In	(457,843) 458,539/422,739/35,800	4.24%
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**CALIFORNIA LIBRARY SERVICES ACT
PLAN OF SERVICE AND BUDGET**
For use with 2021/2022 Communication & Delivery Program

California State Library
Sacramento
April 2021

Greg Lucas, Chief Executive Officer
California Library Services Board

Introduction

Welcome to the 2021/2022 Plan of Service and Budget process. This document contains the following key areas that you will need to provide information about in order to officially have your funding approved.

1. System Information – Due June 3, 2021
2. Demographics of System Service Area – Due June 3, 2021
3. Budget:
 - C&D Service Program Budget Request and Budget Summary – Due June 3, 2021
 - System Detailed Budget – Due September 3, 2021 (separate attachment)
4. Use of Funding for Communications and Delivery – Due June 3, 2021
5. Future Plans for Cooperative System – Due June 3, 2021

Once you have completed the process, please email your Plan of Service and Budget Request to Natalie Cole at natalie.cole@library.ca.gov.

Dates for physical delivery counts – FY 2021/2022:

Please note the dates below for the two-week sample period. The number of items will be reported on your System Annual Report for FY 2021/2022, due at the State Library on September 1, 2022. Please count all items, including envelopes, for physical items going one way through your System delivery.

August 24- September 7, 2021

October 12 – October 26, 2021

January 11 – January 25, 2022

April 26 - May 10, 2022

If you have any questions about any portion of the process, please do not hesitate to contact Natalie Cole at natalie.cole@library.ca.gov or at 916-701-6694.

System Information
FY 2021/2022

System Name:			
Director:	Email:		
Address:	City:	State: CA	Zip:
Phone:	Fax:		

System Chair for FY 2021/2022 (if known):	Fiscal Agent:
---	---------------

Date approved by Administrative Council:
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X	
Signature of System Administrative Chair for FY 2021/2022	Date
Print Name:	

Conditions of Award

1. Accounting

Separate accounting must be maintained for each CLSA program to ensure responsible program fund management and the ability to submit timely and accurate financial reports. Financial records for each program must be retained for three years from the end of the grant period.

2. Budget adjustments within approved programs

Recipients may wish to respond to unforeseen developments by adjusting the amounts allocated to service program budget categories (e.g. shifting funds from salaries to operations). **Changes of this sort must be authorized, in writing, by the CLSA Program Coordinator.** Any such adjustments should be reflected in the Annual Objective Evaluation and Expenditure Report.

Under no circumstance may CLSA funds be moved into any category for which no funding was approved.

3. Earning interest

Recipients are encouraged to deposit CLSA grant funds in interest-bearing accounts wherever possible, with the understanding that interest earned on CLSA monies will be used for library purposes. Interest income need not be reported on the CLSA System Expenditure Report, but should appear as a source of income on the System Detailed Budget (due at the State Library on September 3, 2021).

4. Personal memberships and travel

Use of CLSA funds for personal membership in organizations is not an approved use of State funds, nor is travel.

5. Credit line

Publications of and information releases about CLSA-funded activities must credit the California Library Services Act. An appropriate statement for a publication is:

“This publication was supported in whole or in part by the State of California under the provisions of the California Library Services Act, administered by the California Library Services Board.”

As appropriate, this disclaimer should be added:

“The opinions expressed herein do not necessarily reflect the position or policy of the California Library Services Board or the California State Library, and no official endorsement by those agencies should be inferred.”

This credit line on system publicity and products is important to all concerned in fostering State support for library services.

6. Funding alternatives

Some program needs or good project ideas may not be appropriate for CLSA. Other sources of funding for library projects are available, both public and private. The applicant, if unsuccessful in obtaining funds from one source, should investigate other appropriate sources.

Demographics of System Service Area
System Population Profile, FY 2021/2022

Total Population of System Service Area: _____

Total Population of the System Service Area should come from the State Library certified population numbers

Underserved Population	Number	Percentage of Total Population
Economically Disadvantaged (Below poverty level)		
Institutionalized		
Aged (65+)		
Children & Youth:		
• Under 5		
• 5 to 9		
• 10 to 14		
• 15 to 19		
Handicapped		
Speakers of limited English or English as a Second Language		
Non-English Speaking		
Ethnicity		
• Black		
• Hispanic		
• Asian		
• Native American		
• Other (specify)		
Geographically Isolated (RURAL) * see note		
Functionally Illiterate		
Shut-In		

List source(s) of this data: (example US Census Bureau, California Library Statistics, Population Projections from Department of Finance)

Describe briefly how this data will be used to plan CLSA-funded services:

Comments/ Additional Information:

* **Geographically Isolated/ Rural**

For the 2010 Census, the Census Bureau classified as urban all territory, population, and housing units located within urbanized areas (UAs) and urban clusters (UCs), both defined using the same criteria. The Census Bureau delineates UA and UC boundaries that represent densely developed territory, encompassing residential, commercial, and other nonresidential urban land uses. In general, this territory consists of areas of high population density and urban land use resulting in a representation of the "urban footprint." Rural consists of all territory, population, and housing units located outside UAs and UCs.

* Typically, Rural Areas are cities with populations of less than 10,000

Budget Documents

Communications & Delivery (C& D) Service Program Budget Request – Due at the State Library by Wednesday, June 3, 2021

Use the budget request as a detailed line item budget for all CLSA funded activity for System Administration costs and Baseline cost for the Communications and Delivery program. If any budget items support both CLSA *Communications & Delivery Program* and non-CLSA programs/ or a CLSA programs other than *Communications & Delivery*, only those costs that directly support the CLSA *Communications & Delivery Program* may be budgeted. Excluded from the *CLSA Communication & Delivery Service Program Request* should be activities funded by local contributions, in-kind, other grants, etc.

Section Definitions

As you complete the *CLSA Communication & Delivery Service Program Request*, please note the following definitions to ensure consistency in reporting.

- a. **Personnel** (Salaries & Benefits) – complete this section if you budget CLSA *Communications & Delivery Program* funds for system staff. System personnel must be budgeted under Personnel, not under Contract Services, even if hired on contract. Only submit job descriptions for positions that have changed significantly from the previous year.
- b. **PC& E: Planning, Coordination, & Evaluation**
- c. **Indirect Costs:** Such services generally include payroll, accounting, office space, utilities, etc. Please describe exactly what services where provided.
- d. **Operations** – complete this section using the categories noted. For short-term contracts for consultant or auditing staff, Contract Services may be charged. If Indirect Costs/Fiscal Agent Fees are budgeted, you must describe exactly what services are provided to the System.
- e. **Capital Outlay** – estimate costs not only for necessary proposed purchases but also for maintenance of any established equipment replacement revolving fund, out of which purchase of replacement equipment will be made in the future.
- f. **Anticipated Current Year-end Balance in the Equipment Revolving Fund** – use this space to provide the estimated year-end revolving fund balance.

The total of a-e must equal your total allocation for both System Administration and Baseline.

System Detailed Budget – Due at the State Library by Thursday, September 3, 2021

This portion of the System Plan is intended for use as a planning tool. While funding sources are not always guaranteed, this budget should represent the most current information available to the System. All figures entered on this form should represent funds allocated to specific programs and categories. All programs and services offered through the System should be included (i.e., LSTA, centralized ILL, etc.) whether they are funded by CLSA or not. Likewise, all sources of income should be included. The System Detailed Budget should offer as complete a picture of the Systems' services and sources of support for those services as possible.

Column Definitions

As you fill out the System Detailed Budget, please be aware of the following definitions to ensure consistency.

- a. **CLSA** - enter the amount allocated to each category for C&D System Administration and C&D Baseline. Include only the baseline budget for Program 2: C&D Baseline. The total System Indirect, PC&E, and Personnel should be shown in Program 1: C&D System Administration.
- b. **LSTA** - enter any LSTA awards that the System has received for the fiscal year. See "Program Definition" below.
- c. **Local funds/fees** - enter the total of all member contributions, charges or other income generated by the System itself. Include income from sales of publications.
- d. **Interest** - enter all interest earned on System funds.
- e. **Other** – enter sources of income not otherwise covered, e.g., local program grants or government programs other than LSTA.
- f. **Total budgeted** - is the sum of Columns a through e.

Program Definition

A program includes any program, service, or project administered by and funded through the System. This includes not only the CLSA C&D Program (System Administration/Baseline) but also LSTA demonstration projects, centralized ILL services, and the like. It does **not** include programs, projects, and services which are administered and funded separately from the System.

Services as described in Plans of Service: Those individual services that the System identified on the Plan of Service that fall into the categories of E-Resources or Resource Sharing.

Other Definitions

Indirect means any administrative charge made by a jurisdiction against System operations (e.g. a city or county may charge to serve as the fiscal agent for a Cooperative Library System). Unless documented elsewhere in the Plan of Service, attach a description of the services received.

Grand Total System Budget

The total on this row for Column f. should be the anticipated total for all System operations for the fiscal year.

Encumbered Funds from Prior Year

State (CLSA), Federal and Local funds encumbered from prior year and not yet expended.

C&D Service Program Budget Request FY 2021/2022 (Section 18745)

System Administration

(a) Personnel (Salaries & Personnel)

<u>Classification</u>	<u>FTE/NO of positions</u>	<u>Salary</u>	<u>Benefits</u>	<u>Total</u>
	/	\$	\$	\$
	/	\$	\$	\$
	/	\$	\$	\$
	/	\$	\$	\$
	/	\$	\$	\$
Total of (a)	/	\$	\$	\$

(b) Planning, Coordination, & Evaluation (PC&E)	
Total (b)	\$

(c) Indirect Cost (Do not include PC&E and provide description of services)	
Total of (c)	\$

Total of (a-c)	\$
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Baseline Budget

(d) Operations

1. Office supplies	\$
2. Duplication/Photocopy	\$
3. Training (C&D program related)	\$
4. E-Resources (Enki, Zinio, OverDrive, etc.)	\$
5. Contract Services for Delivery (UPS, US Postal Service, Contracted Van)	\$
6. System van/vehicle (fuel/insurance/maintenance)	\$
7. Telecommunications (Internet/web/tech support/phone/fax/VOIP/telecomm equipment maintenance/ web software)	\$
Specify what funds were used for:	\$
8. Resource Sharing (Zipbooks, Link+, document depository)	\$
* Breakdown of cost i.e. software/subscription/delivery	
9. Other (with prior approval) and Planning, Coordination, & Evaluation (PC&E) not used in System Administration	\$
Total of (d)	\$

(e)Capital Outlay		
1. Equipment (specify)	\$	
2. Equipment revolving fund	\$	
Total of (e)	\$	

(f)Anticipated Current (2019/2020) Year-end Balance in the Equipment Revolving Fund	
	\$

Total of (a-e)	\$
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2021/2022 PROPOSED CLSA BUDGET

BUDGET SUMMARY	
Expense Category	Communications & Delivery Program
Salaries & Benefits	
PC&E	
Indirect	
Sub-total	
Operations	
Equipment	
Sub-total	
TOTAL	

C&D FUNDING: System Administration 20%
System Baseline 80%

Funding for Communications and Delivery – FY 2021/2022

There are two sections to this portion of the plan. The first section requires your best estimate for workload for the physical delivery of items, and estimated totals for e-resources, training, and broadband usage. The second section contains several questions that help us understand your plans for communication and delivery.

Section 1

Estimated Workload of Physical Delivery

Physical Items Sent by:	Physical Items Delivered to:			
	System Member Public Libraries	Non-public Libraries in System Area	TOTAL	
a. System member public library				
b. Non-public libraries in System area				
TOTAL				
		System Owned	Contracted Vendor	
c. Number of delivery vehicles that physically move items				
d. Frequency/schedule of physical delivery service				
e. Percentage of items to be physically delivered by:				
U.S. Mail	UPS	System Van	Contracted Van	Other
%	%	%	%	%

Estimated Totals for e-Resources, Training, and Broadband Usage

f. Estimated total number of e-resources to be purchased (circulated/downloaded/streamed, etc.) by residents of System member libraries	
g. Percentage of CLSA funds to be spent on e-resources?	%
h. Percentage of CLSA funds to be used for Broadband technology improvements	%

- i. Which member libraries will benefit from Broadband improvements using CLSA allocated funds?
(please list)

Section 2

1. Describe the goals for the Communication and Delivery funding. Please specify how the System will spend its allocation of funding and provide specifics amounts allocated for each service or program. How will the System support the needs of their community? How will the System determine these needs? How will the System **evaluate** that the goals where met and the funding has met the needs of the community?
2. How will the System's Communication and Delivery funds be disbursed (i.e., system wide, allocated to individual libraries, mix)? If not all libraries are participating in programs/services indicate which ones are and why others are not served (i.e. choice, funds, etc.).
3. Are the programs funded by CLSA being supplemented with local funds and if so how much or what percentage of the funding? Please briefly describe how any non-CLSA funds will be used to support communication and delivery. This information will help to document the significant contributions of non-CLSA funds toward library cooperation in California.
4. If the System is providing e-resources, what exactly are those e-resources? (i.e. number of books, kind of titles, how many libraries are you providing this service to, any circulation statistics if available)
5. Describe the System's current delivery model. Specify if it changed from last year or if the System will be making any changes in the upcoming year.
6. What is the estimated average cost (including library and system staff time) to move one item in the region? Please provide a description of how the System utilized C&D administrative funding? (i.e. staff, what type of staff, do which program did you allocate staff, how much time was allocated)
7. Will the System be using any of the communications funding to address broadband connectivity issues? If so what were the funds used for and what were the connectivity issues?

Future Plans for Cooperative System

Given the uncertainty of State funding, how is your cooperative system preparing and planning for the future? How will the System be funded? What services are priorities? And lastly, how will your system evolve?



DATE: May 27, 2021
TO: SCLC Administrative Council
FROM: Diane Z. Bednarski, Executive Director, SCLC
SUBJECT: Professional Services Agreement with Sutherland Consulting Group

BACKGROUND: On July 1, 2019, SCLC entered into a two year agreement with Sutherland Consulting Group to provide E-Rate and CTF related services for LA County Library. These services tie into a separate agreement SCLC executed with LA County on January 10, 2018 to provide fiscal and administrative services related to the federal E-Rate program.

SCLC plans to renew the agreement with Sutherland Consulting for one year, with the expectation that LA County will directly contract with Sutherland Consulting thereafter. The renewal with Sutherland will contain additional clarification on the scope of work to better reflect actual work being performed, and the agreement terms will include additional statements on the ownership of work products to be consistent with the terms articulated in SCLC's agreement with LA County.

FISCAL IMPACT: Professional services rendered through this agreement are paid from a deposit account funded by LA County Library and managed by SCLC.

RECOMMENDATION: Informational

: Attachment

Southern California Library Cooperative

254 North Lake Avenue #874 • Pasadena, California 91101

(626) 283-5949 • Fax (626) 283-5949

Website: <http://www.socallibraries.org> • E-mail: scclhq@socallibraries.org

Agreement

This agreement is entered into as of the July 1, 2019, by and between the Southern California Library Cooperative ("SCLC"), fiscal agent for the Beverly Sutherland of Sutherland Consulting Group, a consultant providing professional services and assistance for Los Angeles County Library (LACO).

I. Provisions:

Beverly Sutherland agrees to the following:

A. To provide services as outlined on Attachment "A."

II. Payment:

A. SCLC, as fiscal agent shall pay to Beverly Sutherland compensation for professional erate services to LACO.

B. Payment shall be distributed by SCLC upon approval in the following manner:

1. Payments with invoice approval by LACO (see Attachment "A").
2. Payments paid within 14 days of approval.
3. Travel expenses not included.

C. No claims for reimbursement for work done after date June 30, 2021 shall be considered.

III. Miscellaneous

A. This agreement sets forth the entire understanding of the parties hereto relating to the subject matter hereof. No modification, amendment, waiver termination or discharge of this agreement shall be binding upon either party unless confirmed by a written instrument signed by both parties. No waiver by either party of any term or provision of this agreement or of any default hereunder shall affect the respective rights of the parties thereafter to enforce such term or provision or to exercise any right or remedy in the event of any other default, whether or not

Beverly Sutherland
07/01/2019
- 2 -

similar.

B. If any provision of this agreement shall be held void, invalid or inoperative, no other provision of this agreement shall be affected as a result thereof, and accordingly, the remaining provisions of this agreement shall remain in full force and effect as though such void, invalid or inoperative provision had not been contained therein.

C. In the event any action, suit or proceeding arising from or based upon this agreement is brought by either party hereto against the other, the prevailing party shall be entitled to recover from the other its attorney's fees in connection therewith in addition to the costs of such action, suit, or proceeding. In that respect, the consultant agrees that, in any suit brought against SCLC, he will look solely to the assets of SCLC and shall not bring any action, suit or proceeding naming or joining the officers, directors, employees or other member libraries of SCLC, and, to the extent consultant has such rights, they are hereby waived.

D. This agreement has been entered into in the State of California and its validity, construction, interpretation and legal effect shall be governed by the laws of the State of California.

In witness whereof, the parties hereto set forth their names and signatures below.

Beverly Sutherland

By 

Beverly Sutherland
2400 N. Lincoln Ave
Altadena, CA 91001

Southern California Library Cooperative


Diane Satchwell – Executive Director
254 N. Lake Ave, #874
Pasadena, CA 91101

Beverly Sutherland
07/01/2019
- 3 -

Scope of Work

Beverly Sutherland has agreed to:

1. Complete tasks for LACO to include equipment purchases, e-rate filing and other tasks as assigned by LACO staff.
2. Coordinate E-rate and CTF applications for discounts.
3. Provide reports and data as requested.
4. Communicate with SCLC staff when necessary.



**California State Library, Library Development Services
Cooperative System Report, May 18, 2021**

Statewide Library Branch Map

The State Library has developed a [stateside library branch map](#) that provides contact information, opening status, and services available for every library branch building in California. An email from Meg DePriest went out to all directors on April 18th with a link to the form that public library directors and branch managers can use to instantly update their buildings' statuses. Please [contact Meg](#) with any questions.

California Library Literacy Services

Applications from returning CLLS adult and family literacy programs opened May 3, 2021, and are due no later than **Wednesday, June 2, 2021**, at 11:59 p.m. For more information, contact Bev Schwartzberg at beverly.schwartzberg@library.ca.gov or Annly Roman at annly.roman@library.ca.gov.

California Libraries Learn (CALL)

CALL now has its own newsletter, *CALL Letters*, and users can subscribe directly for up-to-date information on staff professional development needs. Please do take a moment and [subscribe today](#). Also encourage your staff members to [create a login](#) to access the many online, self-paced learning opportunities available through [CALL Academy](#).

California Libraries Learn (CALL), a joint project of the California State Library and the California Library Association, offers a comprehensive, no-cost training portfolio for your library staff members, including 24/7 online professional development. Visit www.callacademy.org and check the frequently updated [calendar](#) to explore the options. Upcoming opportunities include courses from Library Journal, Infopeople, and Library Juice Academy, plus multiple live webinars and workshops each week.

Public Library Directors Forum

The Public Library Directors Forum took place online on the last four Thursdays in April. The Forum focused on racial equity and inclusion, preparing for and recovering from crises and disasters, and creating authentic community connections. If you have questions, please contact natalie.cole@library.ca.gov.

Build Back Boldly outlet update

At the request of the Legislature, the State Library opened the outlet section of the Public Libraries Survey last week so that libraries could update their infrastructure needs. The California Research Bureau created a [tool to track the deferred maintenance and modernization needs of each library building by legislative district](#). As of Monday, April 26, 2021, the State Library had received responses representing about 55% of California's 1,129 library buildings showing a combined cost of \$3.8 billion for deferred maintenance and modernization improvements and current internet speed each building is able to offer.

Public Libraries and Parks Partners

Library Development Services distributed a snapshot survey to California public libraries staff to gather information about public libraries' activities and partnerships with national, state, county/local parks and green spaces. A summary of responses is available on the [State Library statistics page](#) or can be accessed [here](#). The survey opened on May 4, 2021, and data for the summary represents responses retrieved on May 7, 2021.

Funding Recently Announced: Hotspots and Chromebooks for CIPA compliant libraries

108 CIPA compliant library jurisdictions will be eligible for funds or equipment to help bridge the digital divide with Hotspots and Chromebooks. This CAREs act funded project will total 1.6 million dollars. For more information contact Chris Durr at chris.durr@library.ca.gov

Interactive Family Learning in California's Libraries

California public libraries are designing and delivering high quality, interactive learning opportunities to engage young children and their families all across the state. The newly published report [Together, Learning More! Interactive Family Learning in California's Libraries](#) highlights innovative programs that encourage social interaction and provides a research-backed lens on the impact on children's life-long learning and social-emotional development. The April webinar with the report's author will be posted as a self-guided learning module on CALL Academy this spring, joining the earlier webinar Embracing Risk-Friendly Learning, available at <https://my.nicheacademy.com/callacademy/course/28672> . For more information, contact [Shana Sojoyner](#).

Lunch at the Library and Summer @ Your Library

The legislature has provided \$800,000 in one-time funds to support Lunch at the Library this summer. You can be part of Lunch at the Library if you serve meals at your library and if you take learning and enrichment activities out to other meal sites in the community!

Please contact Summer @ Your Library / Lunch at the Library project staff for more information on receiving funds and being part of Lunch at the Library!

Program staff can assist with helping to connect with meal providers and/or community partners; or can assist with questions about reimbursement funds or with any other summer meal program needs. Send us an email and let's start a conversation! Contact:

- Trish Garone, Lunch at the Library Program Manager, pgarone@cla-net.org
- Kari Johnson, Lunch at the Library Meals and Partnerships Coordinator, kjohnson@cla-net.org.

Summer @ Your Library provides California public library staff with program planning resources, training, a set of quality principles and indicators, and a framework and support for presenting outcomes-based summer programs. All California public libraries are eligible to receive:

- Free iREAD summer reading & learning resource guides.
- A free premium subscription to the Beanstack online literacy tool and platform (through May 2023).

Please contact Summer @ Your Library project staff at summeratyourlibrary@cla-net.org to request your iREAD resource guides, or to get started with Beanstack.

California Revealed

California Revealed previews three upcoming grant opportunities for work with historical records, images, and outreach. For more information, visit www.californiarevealed.org and <https://californiarevealed.org/content/news>.

[California Revealed: Digitization and Preservation Assistance](#)

Application due: Friday, August 13, 2021

[Cataloging California: Description Assistance](#)

Application due: Friday, December 3, 2021

[Our Collections, Our Communities: Outreach Assistance](#)

Application due: Friday, December 3, 2021

Public Library Staff Education Program

The Public Library Staff Education Program is a tuition reimbursement program developed by the California State Library to assist California libraries with staff professional development. Funding for credentialed training is provided to enable library staff to acquire the knowledge and skills needed to support valuable programs and services in their communities. Financial and Tracking [Reports](#) were due from grantees by 4/30/21. For questions, please contact Lena.pham@library.ca.gov

Developing Leaders in California Libraries

In partnership with the California State Library, the California Library Association (CLA) is presenting another year of exciting new Leadership Development opportunities for library staff in California. In addition to the Leadership Cohort, New Leaders Cohort, and Leadership Challenge Cohort programs, the Developing Leaders in California Libraries project is offering a series of “My Leadership Journey” webinars open to all staff to attend:

- **May 21st @ 4pm John Szabo**

To register for webinars, please visit [DLCL WEBINARS | CLA Leadership](#)

Networking Conversations

Networking conversations for California libraries continue, are posted on CLA’s calendar as they are scheduled (https://www.cla-net.org/events/event_list.asp), and we encourage you to register to attend. There are calls for a variety of interest groups, including frontline staff, youth services staff, branch supervisors, assistant directors, and marketing and PR professionals. Directors’ calls occur once a month in 2021. Upcoming calls include:

- Tuesday, May 18, 3:30-5 p.m., **Library Directors**
- Wednesday, May 19, 2-3:30 p.m., **CLLS**
- Wednesday, May 19, 3-4:20 p.m., **Branch Supervisors and Managers**

LSTA Updates: CopyCat Grants

Mid-year reports for project activities from Dec 2020-April 2021 are **due by 5/31/21**. Report forms can be found at [Copycat Grant Toolkits - California State Library](#) under “Manage Your Grant.” Grantees first point of contact are their project advisor. Other questions? Contact lana.pham@library.ca.gov

Workforce Development

We recently met with Summer @ your Library folks to introduce them to a [folder of materials](#) available to use at summer reading sites, lunch sites, and any curbside or grab and go locations. The materials invite patrons to use the tools for job seeking. Questions about this or anything else related to JobNow/VetNow/LearnNow can be directed to Jody.Thomas@library.ca.gov.

A(nother) snapshot survey was sent out to better understand what tools and platforms public libraries are using for skill building, adult learning, and workforce development, and what tools and platforms you would like to have if money were not an impediment. The survey was sent out on the Directors’ listserv and it is not too late to take it. [Here is the link](#).

California COVID Diaries

Californians can share the impact the COVID-19 pandemic on their lives through a community-based archive. The aim of [California COVID Diaries](#) is to collect, preserve and make available to the public materials created by Californians, documenting their personal experiences during the COVID-19 pandemic. A [Spanish-language version](#) of the submission form is also available. Visit <https://covididiaries.library.ca.gov/> or e-mail covididiaries@library.ca.gov for more information.

Notice from the State Librarian about the Governor’s May Revision

Good Morning –

Gov. Newsom’s revised budget that he is announcing today includes more than \$100 million in new spending on California’s libraries.

Among the key spending items:

- \$50 million to modernize library facilities
- \$35 million to work with public schools and other partners to expand broadband to hard-to-connect areas
- \$15 million to add English Language learning to the range of services offered by local library literacy programs.
- \$6 million to continue the State Library’s existing broadband connectivity grants
- \$3 million partnership with State Parks to make Park Passes available through more libraries

Other additions to the budget:

- Expansion of the online resources the state provides to students – all of which are available through libraries – to include more STEAM offerings.

- Modernizing the technologies offered to visually impaired Californians using Braille and talking book library services offered by the Braille Institute and the State Library. The governor's January budget includes \$500,000 in annual ongoing support for operation of the Braille Institute's library.
- A two-year pilot project to provide online tutoring services statewide to any student who needs them in English, Spanish and Mandarin.

These additions come on top of the governor's January budget plan, which included:

- \$5 million to increase early learning opportunities and afterschool academic assistance. (The State Library's Shared Vision grant program)
- \$3 million to better deliver library services to those who can't come to the physical library, often a community's most vulnerable residents.
- \$1 million on ongoing funding for Zip Books and
- \$800,000 in ongoing funding for Lunch-at-the-Library (Lawmakers approved emergency legislation in April to provide an additional funding to serve meals this summer.)

Budget funds also help defray costs for the more than 900 local libraries already connected to the same high-speed broadband network as the University of California, the state university system, community colleges, and public schools.

Best –

Greg Lucas, State Librarian