

## PLP Executive Committee Agenda

May 19, 2023

1:30 p.m. via Zoom

<https://us02web.zoom.us/j/85728018667?pwd=ZENSVDIIRFRYRIM4b2I3WFpScXNsUT09>

Meeting ID: 857 2801 8667 Passcode: 234242

Call-in Option: (669) 900 6833

### PLP Executive Committee

Jamie Turbak, Oakland Public Library (Chair)

Tracy Gray, Mountain View Public Library (Vice-Chair)

Elnora Tayag, San Mateo Community College District

Hillary Theyer, Monterey County Free Libraries

Ryan Baker, Los Gatos Public Library

Tess Mayer, Berkeley Public Library

Tom Rosko, Naval Postgraduate School

Valerie Sommer, South San Francisco Public Library

### I. Introductions

### II. Approval of Consent Items (Action Item)

Turbak

A. Adoption of the Agenda

B. Approval of the January 23, 2023 Minutes

Attachment 1, pg. 4

### III. Old Business

A. PLP Middle Manager and Executive Leadership  
Professional Development Program (Action Item)

Wasterlain Attachment 2, pg. 8

### IV. New Business

A. PLP Annual Meeting Debrief

Turbak

B. Determine Funding for PLP FY 2023-24 Staff Development  
Initiatives (Action Item)

Frost

Attachment 3, pg. 11

C. Discussion of PLP Strategic Priorities Workplan FY 2023-24

Frost

Attachment 4, pg. 13

D. Finance

1. Approval of Revised Third Amendment and Fourth  
Amendment to the FY 2022/23 PLP/PLS Contract  
Amendment (Action Item)

Frost

Attachment 5, pg. 15

2. Approval of PLP/NorthNet FY 2023-24 Contract  
(Action Item)

Frost

Attachment 6, pg. 17

3. Approval of PLP/PLS FY 2023-24 Contract  
and First Amendment (Action Item)

Frost

Attachment 7, pg. 19

4. FY 2023-24 CLSA Budget and Menu (Action Item)

Frost

Attachment 8, pg. 22

5. PLP FY 2023-24 Draft Budget Discussion

Yon

Attachment 9, pg. 25

6. Acceptance of the PLP FY 2021-22 Audit (**Action Item**)      Yon      Attachment 10, pg. 32

## V. Reports

- A. PLP President’s Report      Turbak
- B. PLP CEO’s Report      Frost
- C. State Library Report      Strege      Attachment 11, pg. 83

## VI. Agenda Building for Next Meeting on June 26, 2023

**VII. Public Comment** - (Individuals are allowed three minutes, groups in attendance five minutes. It is System policy to refer matters raised in this forum to staff for further investigation or action if appropriate. The Brown Act prohibits the Executive Committee from discussing or acting on any matter not agendaized pursuant to State law.)

## VIII. Announcements

## IX. Adjournment

**Brown Act:** This meeting abides by Cal. Gov't Code § 54953.

Cal. Gov't Code § 54953(b)(1) “Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all otherwise applicable requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.”

Cal. Gov't Code § 54953(j)(6) A "teleconference" is "a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both."

Gov't Code § 54953 (b)(2) “Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. If the legislative body of a local agency elects to use teleconferencing, the legislative body of a local agency shall comply with all of the following:

(A) All votes taken during a teleconferenced meeting shall be by rollcall.

(B) The teleconferenced meetings shall be conducted in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency.

(C) The legislative body shall give notice of the meeting and post agendas as otherwise required by this chapter.

(D) The legislative body shall allow members of the public to access the meeting and the agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3.”

Gov't Code § 54953 (3) “If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivisions (d) and (e).”

**Meeting Locations:**

Los Gatos Library, 100 Villa Avenue, Los Gatos, CA 95030

Monterey County Free Library, 188 Seaside Circle, Marina, 93933

Mountain View Public Library, 585 Franklin Street, Mountain View, CA 94041

Oakland Public Library, 124 14<sup>th</sup> Street, Oakland, CA 94612

San Mateo County Community College District, 1700 West Hillsdale Boulevard, San Mateo, CA 94402

South San Francisco Public Library, 840 West Orange Avenue, South San Francisco, CA 94080

2530 Benvenue Avenue, Berkeley, CA 94704

PLP Office, 32 West 25th Avenue, Suite 201, San Mateo, CA 94403

**PLP Executive Committee**  
**January 23, 2023**  
**10:00 a.m. via Zoom**

**MINUTES**

**Committee:**

Jaime Turbak, Chair, Oakland  
 Tracy Gray, Vice Chair, Mountain View  
 Hillary Theyer, Monterey County  
 Tom Rosko, Naval Postgraduate  
 Elnora Tayag, San Mateo County Comm. College  
 Valerie Sommer, South San Francisco

**System Staff:**

Carol Frost, PLP  
 Justin Wasterlain, PLP

**Others:**

Lena Pham, CSL

The meeting was called to order by Chair Turbak at 10:14 a.m.

**I. Introductions**

**II. Approval of Consent Items**

**A. Adoption of the Agenda**

**B. Approval of the October 17, 2022 Minutes**

A motion was made, and unanimously approved by all voting members via roll-call vote, to approve the Consent Items. (M/S Sommer/Gray)

**III. Old Business**

**A. Update on FY 2022-23 PLP Strategic Priorities Activities**

Frost reviewed the two upcoming trainings, including the PLP Staff Development Committee workshop "Seeing Yourself as an Asset" on March 7, and the collection development policy open house, which Theyer and Tayag are creating. Frost reviewed the memo and feedback regarding the two PLP leadership programs. Frost asked for the Executive Committee's feedback to guide planning for future years. Wasterlain noted the interest in mentorship was mentioned frequently in the survey results. Sommer agreed a mentorship component would be valuable. Theyer noted the barriers of time, travel, and cost would need to be addressed. She suggested examining pre-COVID costs for the program and see what could be reduced. She added that money for the program can often be found, but time is the more difficult issue. Gray noted meeting on Zoom was not ideal and participants should find a way to commit to the in-person activity for the days they are scheduled. Sommer suggested surveying libraries to see if they would be able to send staff this year. She noted many staff have already gone and there may not be an ability to send additional staff. Gray agreed that vacancies make it difficult to send staff. Frost proposed whether future programs follow this format or try something different like mentorships or coaching. Rosko stated a preference to maintain some type of formalized and structured staff development program. Tayag suggested combining the two programs so middle

managers could learn from executives. She added the Ad Hoc group could send an interest form to PLP members to determine who would want to be a mentor or mentee. They suggested a program that connects library staff with geographically close outside agencies where they can observe real-life work being done and share their experience with a cohort. There was also discussion about hiring a consultant for training on specific topics, such as how to handle retention, how to work with city government, or the topics of safety and security. Frost asked the Ad Hoc group to provide scenarios for a future program to present to the PLP Administrative Council during their May meeting.

#### **IV. New Business**

##### **A. Acceptance of UC Santa Cruz Library’s Letter of Intent to Withdraw from MOBAC/PLP**

Frost reported the MOBAC Administrative Council approved UC Santa Cruz Library’s request to withdraw from MOBAC, effective July 1, 2023. A motion was made, and unanimously approved by all voting members via roll-call vote, to accept UC Santa Cruz Library’s letter of intent to withdraw from MOBAC/PLP. (M/S Gray/Sommer)

##### **B. Financial Support Requests for Staff Development and Activities – 2<sup>nd</sup> Round**

Wasterlain announced Hayward Public Library, San Bruno Public Library, and SPLAMBA (MOBAC) applied for staff development funding for a total of \$3,300. Turbak encouraged libraries to work together to pool funds for larger programs in future iterations of the grant, noting that \$1,500 is usually inadequate for hiring a trainer or speaker. A motion was made, and unanimously approved by all voting members via roll-call vote, to approve the use of \$3,300 for staff development activities.

##### **C. Discussion of PLP Annual Meeting on May 12, 2023**

###### **1) Planning and Speaker**

The Executive Committee changed the date of the May 12, 2023 Annual Meeting and Executive Committee meeting to May 19, 2023. The Executive Committee decided both meetings will be held virtually. Frost provided an overview of previous annual meeting presentation topics and speakers. Turbak suggested making the meeting a working meeting, utilizing breakout room discussions to inform the future direction of the PLP leadership cohorts. She noted this would require prep work by attendees. Sommer suggested the meeting topic could be “the new worksite” to discuss how the library environment looks after COVID. Frost proposed an outside speaker discussing the “new normal” and facilitating conversations in breakout rooms. Turbak noted the follow-up discussion could focus on strategic activities while people are in that mindset. An Ad Hoc group composed of Rosko, Gray, Frost, and Wasterlain will discuss the topic and format.

###### **2) Nominating Committee Selection**

An Ad Hoc group composed of Baker, Sommer, and Turbak will form the Nominating Committee to choose PLP Executive Committee officers for FY 2023-24.

**D. Finance**

**1) Update on PLP FY 2022-23 CLSA Funds**

Frost discussed the allocation of CLSA funds. She noted funds could be used by individual libraries for Palace Project eBooks. Theyer reported she was considering allocating her funds to the Palace project and was researching how much items in Palace Project cost. No action was taken on this item. Frost noted that a PLP-wide survey will be issued, and will include questions about the current CLSA allocations as well as strategic priorities.

**E. Discussion of Governor’s End of State of Emergency and Consideration of In-Person Meetings**

Turbak stated the May 19<sup>th</sup> meeting will be virtual. The format of future meetings could be decided at that point.

**V. Reports**

**A. PLP President’s Report**

No report.

**B. PLP CEO’s Report**

Frost reported CLSA distribution forms have been sent to libraries. She announced the PLP Staff Development Committee’s March 7, 2023 workshop, “Seeing Yourself as an Asset.” Frost noted PLP applied for four LSTA partnership grants in December and detailed grants that will sunset in upcoming months. Frost reported PLP submitted the Year 2 application for the AmeriCorps grant.

**C. State Library Report**

Pham provided highlights from the written State Library report.

**VI. Agenda Building for Next Meeting on May 19, 2023**

- Preliminary budget
- Preliminary CLSA budget
- PLP audit
- Results of officer election at Administrative Council meeting on May 19, 2023
- Discussion of Strategic Priorities conversation from Administrative Council meeting on May 19, 2023

**VII. Public Comment**

No public comments.

**VIII. Announcements**

No Announcements

**IX. Human Resources Closed Session**

**A. Closed Session Pursuant to Government Code 54957: Executive Director/PLP CEO Annual Review**

The Executive Committee moved to closed session.



**B. Report of Closed Session Actions**

The Executive Committee approved the annual review of the Executive Director/PLP CEO.

Turbak expressed her appreciation for Frost's work and attention to detail.

**X. Adjournment**

The meeting was adjourned at 11:40 a.m.

DRAFT

**To: PLP Executive Committee**  
**From: Justin Wasterlain, Assistant Director**  
**Subject: PLP Middle Manager and Executive Leadership Professional Development Program**  
**Date: May 19, 2023**

## **Background**

The PLP Executive Leadership Program began in 2015. Jane Light has facilitated this group since its inception. In response to interest from other levels of library staff for leadership training, Light began a Middle Managers Professional Program in 2016. Since then, 52 people have participated in the Executive Leadership Program and 67 have participated in the Middle Managers Professional Program, for a total of 119 participants. These programs have served as a key Strategic Activity to further PLP's Strategic Priority of staff training and professional development.

At the October 17, 2022 meeting of the PLP Executive Committee, Light announced that she would retire from the programs at the end of FY 2022-23. The Executive Committee recognized the impact Light's contributions have made within PLP and the careers of the participants and voiced a general interest for the continuance of some form of a leadership program.

An Ad Hoc Group was formed by Tracy Gray (Mountain View), Valerie Sommer (South San Francisco), Hillary Theyer (Monterey County Free Library), and Justin Wasterlain (PLP) to explore potential options for future years. The Ad Hoc Group surveyed previous participants about their experiences. The results of this survey were reported to the Executive Committee during its January 23, 2023 meeting. Many participants noted they valued the ability to network, build connections, and discuss timely issues with other PLP members in similar roles as themselves. Respondents voiced an interest in mentorship and skill building from experts or experienced speakers. Time, travel, and cost were noted to be significant barriers to the ability to participate in the program.

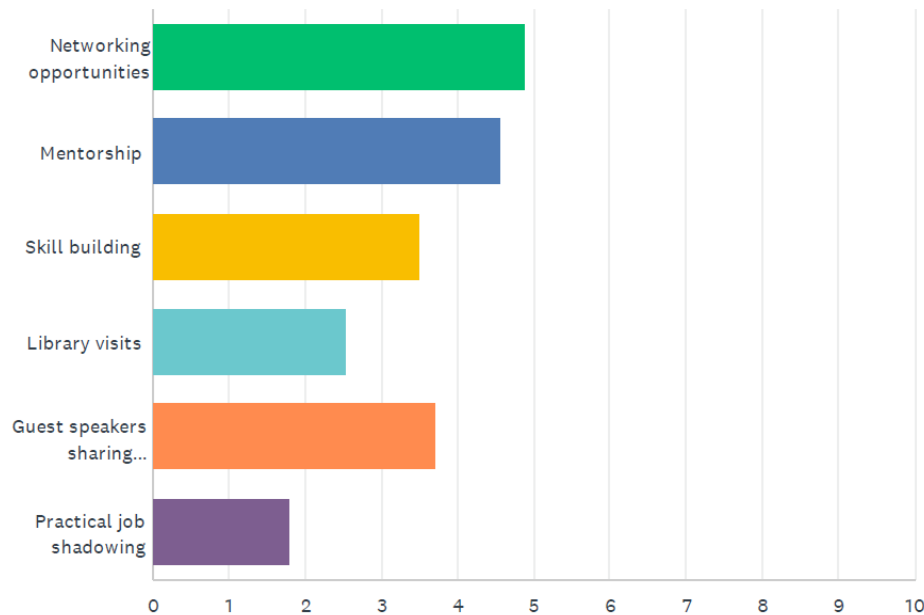
In addition, PLP included questions about the future of these programs in its survey sent to all PLP members in March 2023.

## **PLP Survey Response**

The PLP Survey Results included the following priorities, with 55% stating a preference for hybrid (combination of virtual and in-person) meetings, and 31% preferring in-person meetings. Virtual meetings were felt to be not as productive. One member stated:

*"It is hard for everyone to meet, but at the same time, it's hard to build deep trust without meeting in person and the lunchtime walks, chats. Actually, one of the most team building things for me ... was going for a long lunch walk..."*





Specific comments on activities included:

- ✓ Opportunities to network
- ✓ Coaching (learning how, and being coached, being coached for job interviews)
- ✓ More speakers from city/county management, and non-library speakers
- ✓ Introduced to events such as the State of the Valley and the resulting index, think tanks
- ✓ Mentorship
- ✓ Skill building, presentation skills
- ✓ Deep-dive discussion of current issues and help use this to steer PLP training agenda
- ✓ Case study approach
- ✓ Advocacy, political astuteness

## Discussion

The Ad Hoc Group discussed a variety of directions PLP leadership training could take.

The Group agreed that should the program continue in its current format, the key factor for success would be locating the right facilitator. Light set a high standard with her stewardship of the program, and it would be important to find someone with the right characteristics to continue that standard in the future. Ideally, the person would be a retired library director living in the PLP area with a broad range of experiences, a diversity of connections in both the library world and other realms, and who people often look to for advice, guidance, or ideas. The Group was unable to identify someone to fill this role currently, but welcomes suggestions.

The Group considered options for leadership training that would break from the current cohort program model. In the survey responses, there was interest shown in learning management skills from expert speakers. A potential option to address this would be to develop a series of

skill building programs related to management and leadership facilitated by hired consultants or coaches.

Additionally, multiple respondents mentioned mentorship as a means of assisting future leaders grow in their careers. Facilitating the connection of mentors and mentees could be a potential strategy to meet this need.

However, these other directions would involve the creation of entirely new programs not previously done by PLP. It would be difficult to start an effective and meaningful program in FY 2023-24 without proper planning, budgeting, or direction.

### **Recommendation**

The Ad Hoc Group recommends a hiatus of PLP's leadership training in FY 2023-24. With Light stepping down from the program, the Group felt it would be a good moment to pause and consider what comes next with intentionality to ensure its quality can match the previous program.

The Group additionally recommends the expansion of this Ad Hoc Group to include more PLP members to assist in developing actionable options for leadership training in FY 2024-25. The Group would be responsible for gathering relevant information from membership to define appropriate training models and presenting options to the Executive Committee at its January 2024 meeting. Following the Executive Committee's approval of one or more options, the Ad Hoc Group would be tasked to create and present an executable plan to the Administrative Council at the May 2024 Annual meeting. This plan would go into effect in FY 2024-25.

**To: PLP Executive Committee**  
**From: Carol Frost, CEO**  
**Subject: Determine Funding for PLP FY 2023-24 Staff Development Initiatives**  
**Date: May 19, 2023**

### **Background**

At the May 2022 Executive Committee meeting, the proposed budget included a reduction to the system-wide staff development training budget from \$10,000 to \$6,000 for staff development initiatives and activities for FY 2022-23. The maximum individual grant amount was set at \$1,500.

In FY 2022-23, four libraries applied for staff development grants and \$4,800 was provided for those activities. One library was unable to utilize their grant funding.

In a survey of PLP members conducted in March 2023, 26 of 29 respondents felt PLP should continue to offer grants for staff development initiatives (three were unsure). There was less agreement about whether \$1,500 was a sufficient amount of funding to hold a successful staff development program. 13 respondents felt it was sufficient while seven did not and nine were unsure.

Since 2018, 20 libraries and PLP committees have applied for staff development initiative funding. The average request was about \$2,000. Eight requests were for less than \$1,500. The highest requests were for \$7,000 during the initial year of offering the grant.

### **Discussion**

The past few years of virtual programs and training opportunities have been successful with funding for these trainings capped between \$1,500 to \$2,000. As trainings shift from virtual to in-person, this level of funding may no longer be sufficient. A recent example is a training held at Redwood City Public Library by the PLS Youth Services Work Group which invited Dr. Debbie Reese to speak. The Work Group required \$2,200 in local funds in addition to the \$1,500 PLP grant in order to host this training. Without access to both funding sources, they would have either been unable to hold the training or required to significantly scale it back.

To encourage the utilization of these grants and ensure the training it provides is high quality, the structure of the grant may need to be modified. One potential modification could be allocating a larger grant amount for libraries who propose programs collaboratively. This focus towards collaborative grants would allow for larger training opportunities as well as foster partnerships across the system.

Another modification would be the introduction of tiers for individual grant funding levels. Rather than capping all grants at one specific amount, a limited number of larger grants could be offered in addition to the regular grants.

To accommodate these changes, the allocation for System-wide Staff Development Training should be reviewed to ensure it is sufficient.

**Recommendation**

It is recommended the Executive Committee approve an increase to the System-wide Staff Development Training budget allocation from \$6,000 to \$12,000 in FY2023-24. Additionally, it is recommended the \$12,000 be distributed as follows:

Grant Amount	Use of Grant	Estimated Number of Grants
Up to \$4,000	Collaborative grant for requests shared by 2 or more libraries	1
Up to \$2,500	Requests by individual library for speaker or training	2
Up to \$1,500	Requests by individual library for smaller event	2

The actual number of grants would be determined based on requests.

## PLP STRATEGIC PRIORITIES FY 2023/24 – 2025/26

PLP's mission is to empower Bay Area member libraries through innovation, collaboration and training. The purpose of this regional system is to improve the services of its constituent member libraries by maintaining existing California Library Services Act (CLSA) programs, leading research and development efforts to ensure that libraries are best positioned to respond to demographic, economic, and cultural changes through innovative, collaborative, and accessible approaches to programming and services and the enhancement of collective resource building and sharing. PLP's activities support the work as individuals and professionals to create more equitable and just environments.

### 1. Staff Training and Professional Development

PLP has a tradition of providing staff training and professional development for its members, knowing the value of building leadership, supporting collective training opportunities related to diversity, equity and inclusion, and providing training that is relevant to its membership. This can be accomplished through the following mechanisms:

- a. **Provide meaningful forms of leadership training.** Explore models of leadership training responsive to the interests and needs of members with a focus on building equity in leadership opportunities and activities to promote more diverse representation in higher level positions.
- b. **Support the good work of the long-standing Staff Development Committee.** The Staff Development Committee plans a fall conference and virtual or in-person workshops and events that address staff needs and interests and respond to the changes in the library profession that help PLP serve its diverse communities.
- c. **Allocate funds to support regional staff development training initiatives.** Training topics are developed by local libraries or regional committees. They are relevant to PLP as a whole, and open to all members. This allows PLP to be nimble and support training initiatives driven by its membership's needs, interests and goals.
- d. **Continue exploring additional professional development opportunities.**

### 2. Support Innovation, Technology, and Access

Being in the heart of Silicon Valley, our academic and public libraries are well positioned to develop innovative and transformative ideas, ranging from engaging users with novel technology to providing access to critical resources for community members in need. PLP will support this by:

- a. **Annually fund Innovation and Technology Grants.** By continuing to make this a priority, libraries are able to engage in risk-taking to develop new ideas and service models with the seed money provided by the grant.
- b. **Search for new opportunities.** PLP can continue to search for opportunities to share technology and resources among some or all PLP members. This may include best practices for use of technology.

### 3. Seek Grants and Collaborative Opportunities Reflecting Regional Needs of PLP Libraries

PLP has a good track record of querying its members and applying for grants that benefit member libraries and reflect their interests.

- a. **Seek Opportunities.** Opportunities may include LSTA, CLSA, IMLS and other grants as well as collaborative initiatives.
- b. **Work With the State Library.** PLP can continue to be the fiscal and administrative partner for statewide grants, where PLP can lend its expertise to the greater California community in establishing new initiatives. The three statewide LSTA grants which PLP will support for the next five years include the Literacy Initiatives, Networking California Library Services, and Equity Based Data-Driven Decision Making for Community Impact.

### 4. Support and Strengthen Individual Libraries Through Connection

The collective strength of PLP is built from the knowledge, expertise, and passion of member libraries and their staff. Communication, collaboration, and connection allow members to share and gather information, diverse perspectives, and experiences that can expand the understanding and capacity of their libraries and themselves. PLP can facilitate these opportunities for learning and sharing by:

- a. **Continue and Expand the PLP Shared Cataloging/Acquisitions of World Language Materials.** Robust world language collections are a critical piece to equitably serving communities. Since 2016, PLP has continuously developed a mechanism for sharing expertise, selection lists, and vendors, to increase PLP libraries' capacity to strengthen their world language collections. Approximately half of PLP has participated so far and in the next three years, the program can be examined for increased benefit.
- b. **Establish Regional or PLP-wide Community of Interest Groups.** PLP, along with the four regions of PLP, can assist in establishing self-directed communities of interests where members have dedicated space to share their knowledge and ideas. Communities will be formed on topics chosen by the PLP membership.
- c. **Encourage and Support Collaborative Working Groups.** Through communication and input from member libraries, PLP can encourage the formation of working groups tasked with exploring or addressing specific region-wide challenges or opportunities. Library director liaisons will provide guidance to working groups and relay information to the Administrative Council and Executive Committee.

### 5. Strive to Bring Value to PLP Member Libraries

- a. **Support Shared eResources.** PLP can support shared eCollections among libraries, including equitable use of CLSA funds in shared subscriptions among smaller libraries.
- b. **Survey Members.** PLP will continue to respond to member suggestions regarding programs and services, and will survey members on a regular basis to ensure programs and services reflect the interests and needs of the PLP community.

**To: PLP Executive Committee**  
**From: Carol Frost, CEO**  
**Subject: Approval of Revised Third Amendment and Fourth Amendment to the FY 2022-23 PLP/PLS Contract for Fiscal and Administrative Services**  
**Date: May 19, 2023**

## **BACKGROUND**

Both PLP and PLS Executive Committees have approved the first and second amendments to the FY 2022-23 PLP/PLS contract for fiscal and administrative services. At the October 2022 PLP Executive Committee, the Committee approved the third contract amendment. Since that time, it was noted that there was an accounting error in the amendment presented.

The purpose of this memo is for the Executive Committee to approve the revised amendment three, and to approve the fourth amendment, which outlines additional work.

## **ADDITIONAL GRANT WORK**

The attached third contract amendment reflects an accounting error, where the total correct contract amendment is \$1,065,927, rather than \$1,068,113.

For the fourth amendment, two of the statewide grants which PLP handles, the Networking California Library Resources grant and the California Literacy Services grant, have both required additional work in FY 2022-23. The attached fourth contract amendment includes \$1,053 for staff time and \$432 of indirect costs.

As is the case with all grants which PLP administers for the State Library, all additional work for grants requires a contract amendment between the two agencies, since PLS staff performs the work and should be compensated.

In consideration of the time needed to oversee, administer, and perform the work, as well as general Indirect costs, it is recommended that 10% of the Indirect be allocated to PLS, and 90% be allocated to PLP. This is in alignment with past practices.

## **RECOMMENDATION**

It is recommended that the Executive Committee approve the corrected third contract amendment, and to approve the fourth amendment to the FY 2022-23 PLP/PLS contract, for an additional \$1,485, for a total contract of \$1,067,412.

This contract has been approved by the PLS Executive Committee at their May 9, 2023 meeting.

PLP/PLS CONTRACT  
 July 1, 2022 to June 30, 2023  
3rd Amendment

PLP/PLS Baseline Contract	\$	1,030,030
Additional Work for PLP:		Amount
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Staff Time Related to CAreer Pathways Grant	\$	36,462
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	Total Indirect	\$ 16,206
	10% Indirect for PLS	\$ 1,621
	TOTAL REVISED CONTRACT	<u>\$ 38,083</u>
	Total Revised Contract	<u>\$ 1,068,113</u>

3rd Amendment - Corrected

PLP/PLS Baseline Contract	\$	1,027,885
Additional Work for PLP:		Amount
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Staff Time Related to CAreer Pathways Grant	\$	36,462
<hr/>		
	Total Indirect	\$ 16,206
	10% Indirect for PLS	\$ 1,580
	TOTAL REVISED CONTRACT	<u>\$ 38,042</u>
	Total Revised Contract	<u>\$ 1,065,927</u>

4th Amendment

PLP/PLS Baseline Contract	\$	1,065,927
Additional Work for PLP:		Amount
<hr/>		
Staff Time Related to Networking California Resources Grant	\$	1,053
<hr/>		
10% Indirect for Networking California Library Resources \$2,500	\$	250
10% Indirect for Literacy Grant \$1,818	\$	182
	Total Staff and Indirect	<u>\$ 1,485</u>
	Total Revised Contract	<u>\$ 1,067,412</u>



**To:** PLP Executive Committee  
**From:** Carol Frost, CEO  
**Subject:** Approval of FY 2023-24 PLP/NLS Baseline Contract for Administrative and Fiscal Services  
**Date:** May 19, 2023

## **Background**

The NorthNet Library System (NLS) contracts with PLP for fiscal and administrative work. PLP was awarded the bid to administer NLS in February 2022, for a period of three years, from FY 2022-23 through FY 2024-25, with up to two two-year renewals.

If there is any additional work, such as activities or work related to grants, a separate proposal will be developed with the anticipated additional work to be done during the fiscal year.

The purpose of this memo is to present the baseline contract for FY 2023-24.

## **Discussion of Baseline Budget**

The FY 2023-24 baseline contract includes preparing and monitoring budgets and contracts such as OverDrive eBooks and eMagazines, Link+, Proquest Heritage Quest, and Gale subscriptions; contracts with delivery vendors; filing regular CalPERS paperwork; invoice payment; billing and distribution of CLSA funds; preparing meeting agenda packets for NLS as well as the three legacy systems; and other general support. It includes 13 hours per week of the NLS Coordinator's time.

Per the contract agreement between agencies, Year 2 (FY 2023-24) and any subsequent year will include a Consumer Price Index (CPI) adjustment based on the previous annual December's BLS's Pacific Cities and U.S. City Average (All Urban Consumers for San Francisco, Oakland, Hayward, CA) CPI Index. The CPI applied to this contract is 4.9%.

The total for the FY 2023-24 baseline contract is \$188,575, which is 8.6% higher than last year's \$173,546.

## **Recommendation**

It is recommended that the PLP Executive Committee approve the baseline contract of \$188,575 for FY 2023-24.

**PLP / NorthNet Contract FY 2023-24**

<u>Staff</u>	<u>FTE</u>	<u>Administration</u>	<u>Total</u>
CEO	0.10	4 hours/week at \$132.92/hour <i>Provide oversight; work with Executive Committee and Coordinator</i>	\$27,647
Office Manager	0.20	8 hours/week @ \$69.95/hour <i>Manage website, listservs and rosters. Point of contact for System Delivery. Prepare and distribute agenda packets and minutes, manage UPS accounts, delivery contracts, committee Zoom, etc.</i>	\$29,099
Administrative Assistant II	0.04	1.50 hours/week @ \$46.78/hour <i>Prepare system contracts, open mails, mail ILL materials coordinate Form 700s.</i>	\$3,649
<b>Subtotal - Administration</b>	<b>0.34</b>		<b>\$60,395</b>
		<u>Fiscal Accounting</u>	
Controller	0.11	4.5 hours/week @ \$111.50 <i>Prepare/monitor budget, authorize and approve payments. Prepare reports/paperwork for audit, prepare financial reports for State and local government. Coordinate database and eContent contract renewal, review delivery contracts/services</i>	\$26,091
Account Clerk	0.08	3 hours/week at \$52.09 <i>Process payables weekly, prepare invoices, prepare deposits</i>	\$8,126
Fiscal/Admin Services Spec.	0.09	3.5 hours/week at \$ 69.95 <i>Prepare invoices and deposits, reconcile bank statements prepare CalPERS reports, prepare document for liability insurance</i>	\$12,731
Administrative Assistant	0.10	4 hours/week at \$23.69 <i>Filing, prepare Holiday Schedule, mail checks and invoices</i>	\$4,928
<b>Subtotal - Fiscal Acctg</b>	<b>0.38</b>		<b>\$51,875</b>
		<b>Total Administration/Fiscal Accounting</b>	<b>\$112,271</b>
Coordinator	0.33	13 hours/week at \$75/hour <i>Distribute legislative, CLSA and other State Library Correspondence, prepare agenda with Executive Council committee, take Council and Executive meeting minutes, work with CalPERS related issues Prepare CLSA Plan of Service and annual reports</i>	\$50,700
		<b>Total Staffing</b>	<b>\$162,971</b>
		<i>Dec 2022 All Urban Consumers 4.9%</i>	\$7,986
		<b>Mileage</b>	
		3 round trips @242 mile@ .655 cents per mile	\$476
		<b>Total</b>	<b>\$171,432</b>
		10% Overhead	\$17,143
<b>Total FTE</b>	<b>1.04</b>	<b>Grand Total</b>	<b>\$188,575</b>



**To:** PLP Executive Committee  
**From:** Carol Frost, CEO  
**Subject:** Approval of FY 2023-24 PLP/PLS Contract for Administrative and Fiscal Services and First Amendment  
**Date:** May 19, 2023

## **BACKGROUND**

The Pacific Library Partnership (PLP) contracts with the Peninsula Library System for fiscal and administrative oversight. The PLP/PLS Baseline Contract for FY 2023-24 is \$985,484, which reflects a \$59,119 increase from the previous year's contract.

In addition to the Baseline Contract, a First Amendment is included. This Amendment reflects additional work related to two statewide grants which are outside of the normal work that staff perform for PLP. The Amendment reflects an additional \$50,551.

For FY 2023-24, the following should be noted:

- Staff costs include a Cost of Living Adjustment of 4.5%
- There is typically at least one contract amendment annually, based on additional grant work.

## **RECOMMENDATION**

This contract has been reviewed and approved by the PLS Executive Committee meeting on May 9, 2023.

It is recommended that the Executive Committee approve the FY2023-24 contract for \$985,484 and the First Amendment of 50,551, for a total of \$1,036,035.

**PLP/PLS CONTRACT**  
**July 1, 2023 to June 30, 2024**  
Scope of Services for PLP and NorthNet Systems

**Administration, Operation & Accounting**

- Oversee the action plan to institute strategic directions
- Coordinate and attend System Executive and Council Meetings
  - \* Prepare and distribute System Executive and Council Meeting agenda packets & minutes
  - \* Make arrangements for System Executive and Council Meetings
  - \* Prepare and submit reports to System Executive and Council Meeting regarding system activities
- Maintain systems member rosters and directories
- Prepare, monitor, and report on CLSA activities, funding and reports in consultation with System Executive Committees
- Represent and advocate for PLP and NLS regionally, statewide and nationally
- Distribute legislative, State Library and federal/IMLS correspondence
- Coordinate with member libraries for delivery needs
- Pursue grant and other funding opportunities
- Administer and evaluate system contracts
- Explore cooperative purchasing opportunities with other systems or regions
- Prepare and monitor systems budget in consultation with System Executive Committees
- Prepare Professional Services and Contractual Services agreements
- Invoice preparation, accounts receivable and payable
- Systems acquisitions and invoice payments
- Systems narrative and financial reporting (grant & non-grant)
- Prepare annual IRS 1099 form for contractors
- Coordinate systems annual Single Audit and Financial Statements
- Prepare annual statements of LAIF interest earned, Statement of Economic Interest, etc.

	FTE	Hourly Rate	Amount
Chief Executive Officer	0.80	\$ 132.92	\$ 221,179
Assistant Director	0.88	\$ 107.57	\$ 195,777
Controller	0.60	\$ 111.50	\$ 139,152
Office Manager	0.63	\$ 69.95	\$ 90,935
Fiscal/Admin Services Specialist	0.46	\$ 69.95	\$ 67,292
Account Clerk II	0.72	\$ 52.09	\$ 77,875
Administrative Assistant	0.50	\$ 46.78	\$ 48,651
Office Assistants	0.84	\$ 23.69	\$ 41,495
IT Director	0.05	\$ 98.45	\$ 10,239
<b>TOTAL PLP &amp; NLS Staffing Support Costs</b>	<b>5.47</b>		<b>\$ 892,595</b>
<i>(Time included for administering PLP and NorthNet)</i>			
			<i>Director &amp; Asst Director prorated auto allowance</i> \$ 3,300
			<i>Total PLP &amp; NLS Staffing Support &amp; Auto Allow. Costs</i> \$ 895,895
		<b>10% Overhead</b>	<b>\$ 89,589</b>
		<b>Total PLS/PLP BASELINE CONTRACT</b>	<b>\$ 985,484</b>

FY 22/23 PLP-PLS Contract	Amount
Admin Staffing Cost	\$ 838,850
PLS Director & Asst Auto Allowance	\$ 3,300
10% Overhead	\$ 84,215
Total	\$ 926,365
Contract Amendment #1	\$ 47,611
Contract Amendment #2	\$ 56,054
<b>TOTAL CONTRACT</b>	<b>\$ 1,030,030</b>

PLP/PLS CONTRACT  
 July 1, 2023 to June 30, 2024  
**1st Amendment**

Additional Work Related to Statewide Grants

**PLP/PLS Baseline Contract** \$ 985,484

**Additional Work for PLP:**

		<b>Amount</b>
Staff Time Related to CAreer Pathways Workforce Development Grant	\$	38,650
Staff Time Related to Online Tutoring Grant	\$	10,280
	\$	-
<b>TOTAL Staff Support Costs</b>	<b>1st Amendment Total</b>	<b>\$ 48,930</b>
	<b>10% of Indirect costs of \$16,206</b>	<b>\$ 1,621</b>
	<b>TOTAL REVISED CONTRACT</b>	<b>\$ 50,551</b>

**Total Revised Contract** \$ 1,036,035



**To:** PLP Executive Committee  
**From:** Carol Frost, CEO  
**Subject:** CLSA Allocations and PLP Menu of Services for FY 2023-24  
**Date:** May 13, 2022

## BACKGROUND

PLP annually receives California Library Services Act (CLSA) funds that may be used for resource sharing. For the last several years, the PLP Executive Committee developed a Menu of Services to distribute funds back to public libraries to select from a Menu of Services, and to identify any shared resources based on surveyed member needs or other priorities.

The purpose of this memo is for the Executive Committee to identify any shared resources, recommend CLSA allocations, and establish the Menu of Services for FY 2023-24.

## CLSA FUNDS AVAILABLE FOR FY 2023-24

The following funds are available for FY 2023-24:

### *Revenue*

\$103,895	Roll-over prior-year funds that were earmarked for future purchases
\$569,046	FY 2023-24 CLSA Baseline allocation
\$142,261	CLSA System Administration allocation
<b>\$815,202</b>	<b>Total available funds</b>

### *Expenditures*

\$142,261	CLSA System Administration (used for staffing costs)
\$14,635	Communication costs (Zoom, postage, office supplies, web hosting)
\$231,132	Delivery/courier costs for four regions
<b>\$388,028</b>	<b>Subtotal Expenditures</b>
<b>\$427,174</b>	<b>Available for allocation</b>

PLP has three years to spend the CLSA allocation. The numbers above are based on the assumption that the preliminary numbers provided to PLP will remain in the Governor's budget.

## FLIPSTER SUBSCRIPTION

In FY 2020-21, the PLP Executive Committee approved the purchase of a Flipster subscription for 14 PLP libraries with the smallest budgets, acknowledging PLP's interest in providing equitable access to materials for all PLP residents.

In FY 2021-22, with the initial reduced CLSA allocation, the PLP Executive Committee decided that the libraries participating in the shared Flipster collection should use their CLSA allocation for the shared cost of the subscription and should use local funds to pay for the remainder of the subscription costs. The number of libraries participating dropped from 14 to 8 (Harrison Memorial Library, Los Gatos Library, Monterey County Free Libraries, Monterey Public Library, Mountain View Public Library, Salinas Public Library, San Benito County Library, and San Juan Bautista Public Library) with the total subscription cost of \$42,041, and libraries contributing \$2,590 of local funds. In FY 2022-23, the Committee agreed to fully pay for the Flipster subscription using CLSA funds, and allow the libraries to continue to receive their CLSA allocation for other uses.

When queried for FY 2023-24, libraries participating in the shared collection noted that a majority would find it burdensome to try to pay for this subscription without the use of CLSA funds. The FY 2023-24 Flipster subscription cost is **\$42,727**.

#### **ESTABLISHMENT OF CLSA MENU OF SERVICES**

In FY 2022/23, the following menu of items was approved for PLP public libraries for CLSA funds. In parentheses are the number of libraries which claimed that item on their claim form:

- enki (1)
- OverDrive in a shared environment (17)
- Bibliotheca's CloudLibrary Consortia product (3)
- SimplyE (0)
- Link+ (11)
- Palace eBooks-for-All Project (3)
- To purchase software which supports curbside pick-up (0)
- Broadband hardware costs (0)
- CENIC telecommunication costs, costs for warranties in data center (0)

In reviewing the data, it is clear that adding the Palace eBooks-for-All has increased the options for libraries.

It is recommended that the following be removed from the list of choices, based on little or no libraries using the option:

- SimplyE
- To purchase software which supports curbside pick-up

Although broadband and CENIC telecommunications costs were not utilized this year, it is recommended that they remain on the list as options.

## FUTURE PURCHASES

In FY 2022-23, the PLP Executive Committee set aside \$103,895 for future purchases, and no action to date has been taken to allocate the funds. The PLP Executive Committee should determine how to allocate the funds, and whether any funds should be allocated for future purchases in FY 2023-24.

In FY2021-22 the approved California State budget included a 50% reduction of CLSA funds. Per California law, a system has three years from receipt of funds to expend CLSA funds. Through being fiscally conservative, PLP has been able to use roll-over funds to offset CLSA reductions. At the date of writing this memo, the Governor's May budget revise has not yet been released. From the time which he released his January 2023 budget, when \$100B surplus was anticipated, it is now reported that a \$22.5M deficit is anticipated.

The Executive Committee may choose to allocate the FY 2022-23 funds back to the libraries to choose from the Menu of Services and may choose to allocate a portion of the FY 2023-24 remaining funds to future purchases, which may include future use should CLSA allocations be reduced in the final FY 2023-24 approved State budget.

## RECOMMENDATIONS

There is \$427,174 of CLSA funds available for allocation. The PLP Executive Committee may consider the following:

1. Which items shall be added or removed from the Menu of Services
2. Whether to fully or partially pay \$42,727 for a shared Flipster subscription
3. If Flipster is paid for fully, \$384,447 will remain to be allocated
4. Whether any funds shall be held back for future purchases
5. An acknowledgement that the FY 22-23 allocation for future purchases will be expended in FY 2023-24 by allocating funds back to libraries to choose from the Menu of Services
6. How much funds shall be allocated back to libraries for the Menu of Services

These decisions will be used so that PLP may complete the CLSA Plan of Service due June 5, and also to complete the PLP budget.



**To:** PLP Executive Committee  
**From:** Andrew Yon, Controller  
**Subject:** Review of PLP FY 2023-24 Draft Budget  
**Date:** May 19, 2023

### **Background**

The purpose of this memo is to provide a preview of the PLP FY 2023-24 budget for consideration.

### **Budget Summary**

Below are highlights of the PLP FY 2023-24 budget. The overall budget is \$2,043,984, which is 0.3% higher than last year's budget of \$2,038,013.

### **Administration**

#### **Revenues:**

- Other Agency revenue from administering the NorthNet Library System (NLS) Baseline contract reflects a higher amount than last year, as a result of incorporating a negotiated CPI increase, which for this contract is 4.9%.
- Membership fees are based on the FY 2021/22 Operating Expenditures reported by libraries to the State Library, using the adopted formula. Total membership revenue is \$682,544, which is higher than the prior year's \$651,093. The San Leandro Public Library commences its full membership cost, and the University of California Santa Cruz Library is no longer a member.
- The LSTA grant revenue has been broken down into two-line items based on the revised budgeting by the State Library. The Indirect revenue is lower due to decreases in oversight of statewide grants. The Staffing Costs Recovery reflects the actual staff costs to be billed to perform the work of the grants for the regularly occurring grants.
- Although none of the four PLP legacy systems have CalPERS obligations, BALIS does pay for health care costs for retirees.

#### **Expenditures:**

- Contractual Services includes the FY2023-24 PLP/PLS contract with the First Amendment for additional non-LSTA grant work. Once the AmeriCorps grant has been signed, a contract amendment between PLP and PLS will be developed.
- Workshop Expenses reflect an increase from \$6,000 to \$12,000 to support PLP systemwide library-initiated staff development trainings. Should additional funds be needed, the budget may be reconsidered at the January 2024 meeting based on requests.
- Travel/Meetings is slightly higher in anticipation of food/refreshment costs for the Annual meeting, which may be held in-person.

### **Communications and Delivery**

- The budget reflects \$103,895 roll-over of previous year unspent CLSA funds.
- Delivery costs have increased to \$232,132 as a result of a 4% CPI adjustment.
- The budget reflects the use of CLSA funds to pay for the \$42,727 Flipster cost, \$384,447 of CLSA C&D funds which may be allocated to libraries or initiatives, and no funds allocated to future use. This will be updated based on the conversation on the CLSA agenda item.

### **System Operations**

- Investment interest income has increased due to higher interest rates.
- The Workshop Fees revenue reflects the cessation of the leadership programs, as well as the recognition that the PLP Staff Development Committee's Spring Workshop will be converted to online webinars. The revenue is from registration for the Future of Libraries Conference, and \$5,000 has been budgeted for speakers and refreshments.
- The Innovation and Technology Grants have been budgeted at \$120,000. In FY 2022-23, total grants came to \$84,389, with a maximum request set at \$12,000. Five of the eight applicants requested and were awarded the full \$12,000.
- The budget reflects fiscal activities related to SVLS (allocation of funds to support Silicon Valley Reads) and BALIS (use of Fund Balance for staff development disbursements to BALIS libraries).

### **Fund Balance**

- The budget presented does not utilize any fund balance, but it reflects \$17,129 unallocated credit and these funds will be going to the fund balance if not allocated.
- The PLP FY2022/23 Ending Fund Balance is estimated to be \$2,048,155. It should be noted that this includes roll-over CLSA funds (if any).

### **Operating Reserve**

- The Operating Reserve Fund is equal to three months of the administrative costs. For FY 2023-24, three months of Operating Reserve is \$313,383.

### **Grants**

- Grants will be included in the CLSA Annual Report.

### **Recommendation**

Based on the direction provided by the Committee, the budget will be updated and presented at the June meeting for approval.

## FY 2023-24 PLP Membership Fees

Library	Amount
Alameda County Library	\$35,641
Alameda Free Library	\$11,641
Berkeley Public Library	\$30,641
Burlingame Public Library	\$15,641
Cabrillo College Library	\$2,000
Contra Costa County Library	\$35,641
CSU Monterey Bay Library	\$2,000
Daly City Public Library	\$11,641
Gavilan College Library	\$1,500
Harrison Memorial Library - Carmel	\$8,641
Hartnell College Library	\$1,500
Hayward Public Library	\$17,641
Livermore Public Library	\$16,641
Los Gatos Public Library	\$10,641
Menlo Park Public Library	\$9,641
Middlebury Institute of International Studies	\$1,500
Monterey County Free Libraries	\$25,641
Monterey Peninsula College Library	\$1,500
Monterey Public Library	\$9,641
Mountain View Public Library	\$15,641
Naval Post Graduate School Library	\$5,000
Oakland Public Library	\$35,641
Pacific Grove Public Library	\$8,641
Palo Alto City Library	\$18,641
Pleasanton Public Library	\$11,641
Redwood City Public Library	\$19,641
Richmond Public Library	\$15,641
Salinas Public Library	\$11,641
San Benito County Library	\$8,641
San Bruno Public Library	\$9,641
San Francisco Public Library	\$35,641
San Jose Public Library	\$35,641
San Juan Bautista Public Library	\$750
San Leandro Public Library	\$16,641
San Mateo County Community College District	\$3,000
San Mateo County Library	\$35,641
San Mateo Public Library	\$17,641
Santa Clara City Library	\$19,641
Santa Clara County Library	\$35,641
Santa Cruz Public Libraries	\$25,641
South San Francisco Public Library	\$16,641
Sunnyvale Public Library	\$19,641
*UC Santa Cruz Library	\$0
Watsonville Public Library	\$10,641
<b>TOTAL</b>	<b>\$682,544</b>

\* Discontinued Membership

<b>FY 2023-24 PLP PROPOSED BUDGET SUMMARY</b>				
	<i>(920)</i>	<i>(924)</i>	<i>(928)</i>	
	<b>Admin</b>	<b>Delivery</b>	<b>System Operation</b>	<b>TOTAL</b>
<b>Revenue</b>				
Interest Income			\$ 46,500	\$ 46,500
Other Agencies	\$ 197,175	\$ 1,000		\$ 198,175
Member Fees	\$ 591,514		\$ 91,030	\$ 682,544
Workshop Fees			\$ 3,000	\$ 3,000
State Grant-CLSA	\$ 142,261	\$ 672,941		\$ 815,202
State Grant-LSTA	\$ 240,692			\$ 240,692
Reimbursable Costs			\$ 75,000	\$ 75,000
Fund Balance	\$ (17,129)			\$ (17,129)
<b>Total Revenue</b>	<b>\$ 1,154,513</b>	<b>\$ 673,941</b>	<b>\$ 215,530</b>	<b>\$ 2,043,984</b>
<b>Expenditure</b>				
Communications		\$ 8,100		\$ 8,100
Mileage	\$ 300			\$ 300
Equipment Maintenance	\$ 6,858			\$ 6,858
Printing	\$ 625			\$ 625
Professional Services	\$ 55,700			\$ 55,700
Contractual Services	\$ 1,054,035	\$ 236,132		\$ 1,290,167
Office Expense	\$ 1,500	\$ 750		\$ 2,250
Postage		\$ 800		\$ 800
Special Departmental		\$ 384,447	\$ 125,000	\$ 509,447
Library Materials				\$ -
General Insurance	\$ 3,000			\$ 3,000
Membership Fees/Dues	\$ 4,680		\$ 15,030	\$ 19,710
Travel & Meetings	\$ 5,000		\$ 500	\$ 5,500
Education & Training	\$ 300			\$ 300
Subscriptions	\$ 1,215	\$ 42,727		\$ 43,942
Software License Fee		\$ 985		\$ 985
Service Fees	\$ 300			\$ 300
Workshop Expenses	\$ 12,000		\$ 5,000	\$ 17,000
Reimbursable - Legacy System EXP	\$ 8,600		\$ 70,000	\$ 78,600
Lease Equipment	\$ 400			\$ 400
<b>Total Expenditure</b>	<b>\$ 1,154,513</b>	<b>\$ 673,941</b>	<b>\$ 215,530</b>	<b>\$ 2,043,984</b>
<b>Fund Balance (GF001)</b>	<b>FY22/23</b>		<b>FY23/24 Est.</b>	
<b>Beginning Fund Balance</b>	<b>\$ 1,823,155</b>		<b>\$ 2,048,155</b>	
<b>Adjustment</b>	<b>\$ 225,000</b>			
<b>Estimated Ending Fund Balance</b>	<b>\$ 2,048,155</b>			
<b>Reserve</b>				
<b>Operating Reserve</b>	<b>\$ 313,383</b>			

**PACIFIC LIBRARY PARTNERSHIP  
FY 2023-24 PROPOSED BUDGET**

**ADMINISTRATION (920)**

<u>GL Acct</u>	<u>Revenues</u>	<b>Adopted FY22/23</b>	<b>Proposed FY23/24</b>	<b>Note</b>
3601	Other Agencies	\$ 8,400	\$ 8,600	BALIS Retirees Medical -BALIS Reserve
3601	Other Agencies	173,546	188,575	NorthNet Contract
3661	Member Fees	623,784	591,514	PLP Membership Fees (Prorated- System Oper.)
3667*	State Grant-CLSA	140,152	142,261	CLSA System Admin Funds
3668	Federal Grant	102,673	88,000	LSTA Grants-Indirect Costs
3668	Federal Grant	116,289	152,692	LSTA Grants- PLP Staffing Costs Recovery
3000	Fund Balance		(17,129)	Use of Fund Balance (Credit)
	<b>Total Revenues</b>	<b>\$1,164,844</b>	<b>\$1,154,513</b>	<b>(0.89%)</b>
	<b><u>Expenditures</u></b>			
4216	Mileage	\$ 300	\$ 300	
4217	Equipment Maintenance	5,232	6,858	MIP Acctg Software Maint. & Support
4218	Printing	500	625	Envelopes and checks
4219	Professional services	55,700	55,700	NLS Sys. Coord. (\$50.7K); Consultants (\$5K)
4220	Contractual Services	1,048,030	1,054,035	PLS Contract \$985,484 and First Amendment \$50,551; Audit \$18,000
4230	Office Expense	1,500	1,500	Office Supplies
4301	General Insurance	3,000	3,000	Professional Liability Insur-PLP Board Members
4302	Membership Fees	4,500	4,680	CLA, ALA , Urban Libraries, Amazon Prime
4303	Travel/Meetings	4,000	5,000	Annual Conferences, In-Person PLP Annual Mtg.
4304	Education & Training	300	300	
4305	Subscriptions	840	1,215	Library Journal (\$190); DocuSign (\$625); Formsite (\$400)
4373	Service Fees	300	300	Banking fees and IRS 1099 eFile Fee
4434	Workshop Expenses	6,000	12,000	System-wide Staff Development Trainings
4448	Reimbursable - Legacy System Expenses	8,400	8,600	BALIS Retirees Medical Cost -BALIS Reserve
4585	Lease Equipment	600	400	Postage meter
	<b>Total Expenditure</b>	<b>\$ 1,139,202</b>	<b>\$ 1,154,513</b>	<b>1.34%</b>

**PACIFIC LIBRARY PARTNERSHIP  
FY 2023-24 PROPOSED BUDGET**

**CLSA COMMUNICATIONS & DELIVERY (924)**

<u>GL Acct</u>	<u>Revenues</u>	<u>Adopted FY22/23</u>	<u>Proposed FY23/24</u>	<u>Note</u>
3601	Other Agencies	\$ 1,000	\$ 1,000	MOBAC Add'l Delivery Service
3667*	State Library-CLSA	560,608	569,046	CLSA C & D Allocation
3667	State Library	163,154	103,895	<i>FY2022-23 Roll -over CLSA Funds</i>
	<b>Total Revenues</b>	<b>\$ 724,762</b>	<b>\$ 673,941</b>	<b>(7.01%)</b>
<b><u>EXPENDITURES</u></b>				
4212	Communication	\$ 8,100	\$ 8,100	PLP Conference Call #; ZOOM (\$700); Basecamp (\$1K); Landlines
4220	Contractual Services	<b>222,264</b>	<b>232,132</b>	Systems delivery contracts (\$231,132 CLSA; \$1K Add'l Delivery)
4220	<i>Contractual Services</i>	4,000	4,000	Website Hosting Fees \$2K (PLP) & \$2K (MOBAC Website)
	<b>Systems Delivery</b>			<b>4% CPI Adj.</b>
	BALIS	\$ 64,202		
	MOBAC	69,163		
	PLS (CLSA Fund)	67,572		
	SVLS	30,194		
	<b>Total Systems Delivery</b>	<b>\$ 231,132</b>		
4230	Office Expenses	750	750	Delivery Supplies ( tags, labels, etc) - BALIS & SVLS
4233	Postage	800	800	US Postal, UPS & FEDEX
4305	Subscriptions	41,525	42,727	Flipster Subscription
4310	Software License Fee	85	985	Doodle (\$85); SurveyMonkey (\$900)
<b>4234*</b>	<b>Special Departmental -CLSA</b>	<b>347,238</b>	-	<b>CLSA Allocation to Libraries</b>
<b>4234*</b>	<b>Special Departmental -CLSA</b>	-	<b>384,447</b>	<b>Unallocated CLSA Funds</b>
<b>4234*</b>	<b>Special Departmental -CLSA</b>	<b>100,000</b>	-	<b>Future Use</b>
	<b>Total Expenditure</b>	<b>\$ 624,762</b>	<b>\$ 673,941</b>	<b>7.87%</b>

\*Note - pending State Library approval of CSL FY23/24 CLSA funds allocation

**PACIFIC LIBRARY PARTNERSHIP  
FY 2023-24 PROPOSED BUDGET**

**SYSTEM OPERATION (928)**

<u>GL Acct</u>	<u>Revenues</u>	<b>Adopted FY22/23</b>	<b>Proposed FY23/24</b>	<b>Note</b>
3510	Interest Income	\$ 10,000	\$ 46,500	Investments Interest Income (LAIF)
3661	Member Fees	58,760	91,030	PLP Membership Fees (Prorated)
3663	Workshop Fees	23,000	3,000	Future of Libraries Conference (no Exec and Middle Mgmt trainings in FY23-24)
3674	Reimbursable Costs	70,000	70,000	<i>Initiatives from BALIS Reserve (pending approval)</i>
3674	Reimbursable Costs	5,000	5,000	<i>SVLS Silicon Valley Reads (SVLS) (pending approval)</i>
3000	Fund Balance	88,770		Use of Fund Balance
	<b>Total Revenues</b>	<b>\$ 255,530</b>	<b>\$ 215,530</b>	<b>(15.65%)</b>
4219	Professional Services	\$ 28,000	\$ -	No Exec & Mid-Mgmt Training in FY23-24
<b>4234</b>	<b>Special Departmental</b>	120,000	120,000	Innovation Grants
<b>4234</b>	<b>Special Departmental</b>	5,000	5,000	SVLS Silicon Valley Reads
4302	Membership Fees	15,030	15,030	Califa membership for members
4303	Travel & Meetings	1,000	500	Mileage
4434	Workshop Expenses	16,500	5,000	Future of Libraries and Other Staff Development Training
4448	Reimb. -Legacy System Expenses	70,000	70,000	<i>BALIS Initiatives</i>
	<b>Total Expenditure</b>	<b>\$ 255,530</b>	<b>\$ 215,530</b>	<b>(15.65%)</b>

**PACIFIC LIBRARY PARTNERSHIP**  
**BASIC FINANCIAL STATEMENTS**  
**AND SINGLE AUDIT REPORTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**



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**Pacific Library Partnership  
 Basic Financial Statements and Single Audit Reports  
 For the year ended June 30, 2022**

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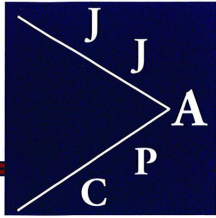
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JJACPA, Inc.

A Professional Accounting Services Corp.

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## INDEPENDENT AUDITOR'S REPORT

To the Administrative Council of the  
Pacific Library Partnership  
San Mateo, California

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

#### *Opinions*

We have audited the accompanying basic financial statements of the Pacific Library Partnership (PLP) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise PLP's basic financial statements as listed in the table of contents. The prior-year comparative total information presented has been derived from the PLP's 2021 basic financial statements and, in our report dated May 11, 2023, we expressed an unmodified opinion on those financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and the aggregate remaining fund information of the PLP, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### *Responsibilities of Management for the Financial Statements*

The Pacific Library Partnership's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the PLP's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the PLP's ability to continue as a going concern for a reasonable period of time.

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

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3-9 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the PLP's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2023 on our consideration of PLP's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the PLP's internal control over financial reporting and compliance.

May 11, 2023

*JJACPA, Inc.*

**JJACPA, Inc.  
Dublin, CA**

**Pacific Library Partnership  
Management's Discussion and Analysis  
For the year ended June 30, 2022**

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**Management's Discussion and Analysis**

This section of the Pacific Library Partnership's (PLP) basic financial statements presents management's discussion and analysis of PLP's financial performance during the fiscal year ended June 30, 2022. Since this management's discussion and analysis is designed to focus on current activities, resulting change, and current known facts, please read it in conjunction with PLP's basic financial statements (pages 12 and 13) as well as the footnotes to the financial statements (pages 15 - 23).

**Financial Highlights**

At June 30, 2022, PLP ended the year with a net position of \$2,652,821.

**Using This Report**

In June 1999, the Governmental Accounting Standards Board (GASB) released Statement No. 34, *Basic Financial Statements -- and Management's Discussion and Analysis -- for State and Local Governments*. Changes in Statement No. 34 require a comprehensive one-line look at the entity as a whole and capitalization of assets and depreciation. The major reconciling items necessary were capitalization and depreciation of capital assets and inclusion of long-term liabilities. PLP has selected the single governmental fund (General Fund) presentation since this reflects the most concise and easily readable presentation for PLP's operations.

The annual financial statements include the Independent Auditor's Report, this management's discussion and analysis, the basic financial statements, and notes to basic financial statements and required supplementary information.

**Pacific Library Partnership**  
**Management's Discussion and Analysis, Continued**  
**For the year ended June 30, 2022**

**Financial Analysis of PLP as a Whole**

	<b>Net Position</b>		<b>Increase (Decrease)</b>	<b>Percent Change</b>
	<b>As of June 30, 2022 and 2021</b>			
	<u>2022</u>	<u>2021</u>		
<b>Assets:</b>				
Current Assets	\$ 3,629,112	\$ 3,960,123	\$ (331,011)	-8.4%
Non-current Assets	-	343	(343)	-100.0%
<b>Total Assets</b>	<u>\$ 3,629,112</u>	<u>\$ 3,960,466</u>	<u>\$ (331,354)</u>	-8.4%
<b>Liabilities:</b>				
Current Liabilities	\$ 976,291	\$ 1,276,415	\$ (300,124)	-23.5%
Total Liabilities	<u>976,291</u>	<u>1,276,415</u>	<u>(300,124)</u>	-23.5%
<b>Net Position:</b>				
Net Investment in Capital Assets	-	343	(343)	-100.0%
Restricted	313,384	313,384	-	
Unrestricted	<u>2,339,437</u>	<u>2,370,324</u>	<u>(30,887)</u>	-1.3%
Total Net Position	<u>2,652,821</u>	<u>2,684,051</u>	<u>(31,230)</u>	-1.2%
<b>Total Liabilities and Net Position</b>	<u>\$ 3,629,112</u>	<u>\$ 3,960,466</u>	<u>\$ (331,354)</u>	-8.4%

This schedule is prepared from PLP's Statement of Net Position, which is presented on an accrual basis of accounting whereby assets are capitalized and depreciated.

Net position of \$2,652,821 at June 30, 2022 consisted of \$2,339,437 unrestricted amount available for operations, \$313,384 of restricted reserve.



**Pacific Library Partnership  
Management's Discussion and Analysis, Continued  
For the year ended June 30, 2022**

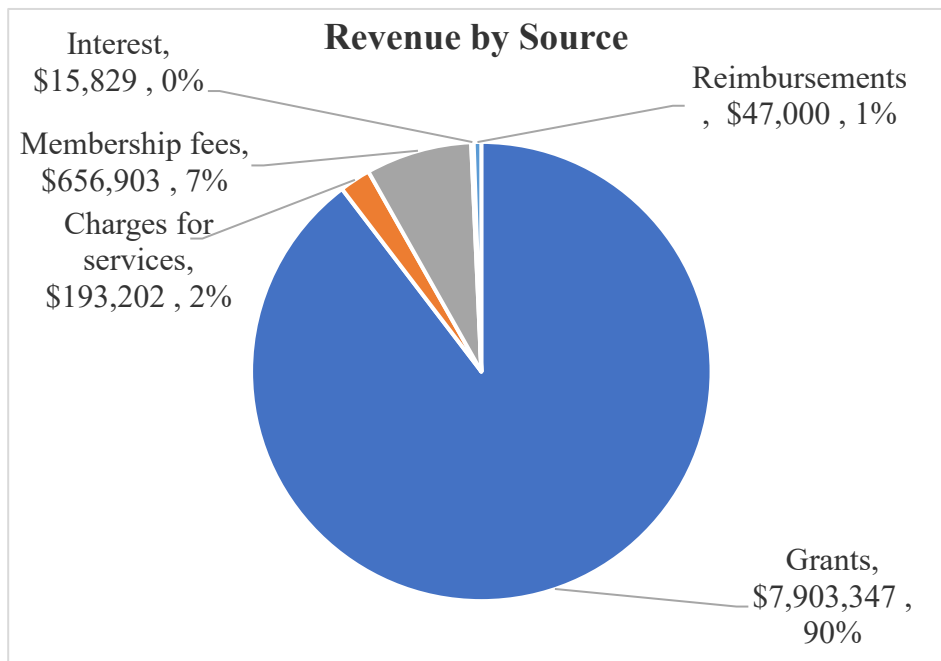
**Financial Analysis of PLP as a Whole, Continued**

**Operating Results  
For the year ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
<b>Operating Expenses:</b>	\$ 8,847,511	\$ 4,920,348	\$ 3,927,163	79.8%
<b>Program Revenue:</b>				
Grants	7,903,347	3,729,654	4,173,693	111.9%
Charges for services	193,202	344,302	(151,100)	-43.9%
Total program revenue	<u>8,096,549</u>	<u>4,073,956</u>	<u>4,022,593</u>	98.7%
<b>Net Operating Expenses</b>	<u>750,962</u>	<u>846,392</u>	<u>(95,430)</u>	-11.3%
<b>General Revenue:</b>				
Membership fees	656,903	636,903	20,000	3.1%
Interest	15,829	25,721	(9,892)	-38.5%
Reimbursements	47,000	21,000	26,000	100.0%
Total general revenue	<u>719,732</u>	<u>683,624</u>	<u>36,108</u>	5.3%
<b>Increase (decrease) in net position</b>	(31,230)	(162,768)	131,538	-80.8%
<b>Net Position:</b>				
Beginning of year	2,684,051	2,846,819	(162,768)	-5.7%
End of year	<u>\$ 2,652,821</u>	<u>\$ 2,684,051</u>	<u>\$ (31,230)</u>	-1.2%

In FY2021-22, program revenues were primarily from State Library grants, which consisted of \$7,903,347. General revenues were primarily membership fees and reimbursements from services provided to members.

The following is a graphic illustration of revenues by source for the year ended June 30, 2022:



**Pacific Library Partnership  
Management's Discussion and Analysis, Continued  
For the year ended June 30, 2022**

**Financial Analysis of PLP as a Whole, Continued**

**Operating Expenses  
For the year ended June 30, 2022 and 2021**

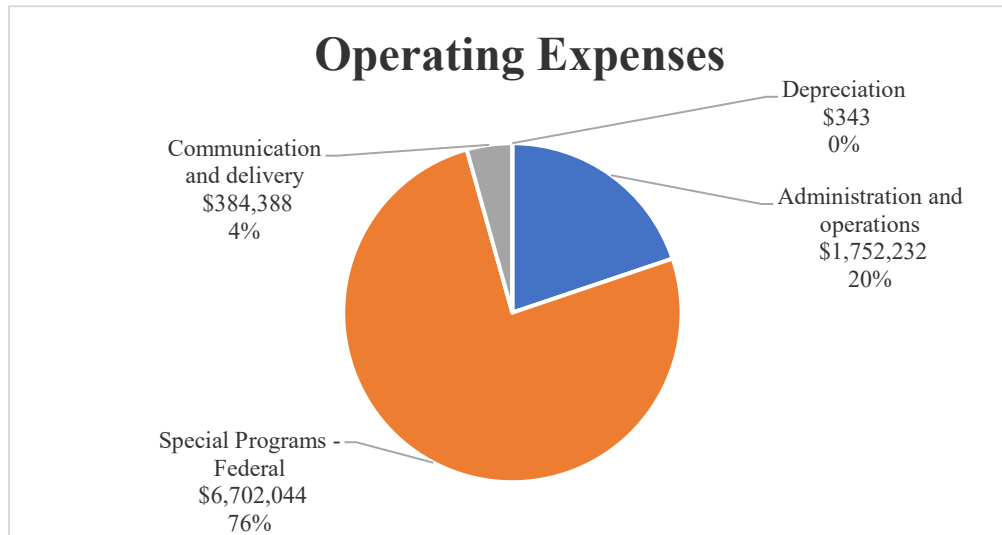
	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Operating Expenses:				
Administration	\$ 1,035,903	\$ 1,125,648	\$ (89,745)	-8.0%
Delivery	518,290	593,271	(74,981)	-12.6%
System Operation	197,977	76,227	121,750	159.7%
Data Privacy Training FY19/20	-	19,827	(19,827)	-100.0%
Data Privacy Training FY20/21	31,599	35,721	(4,122)	100.0%
Veterans Connect FY19/20	-	136,229	(136,229)	-100.0%
Veterans Connect FY20/21	60,842	94,054	(33,212)	100.0%
Reimagining School Readiness FY19/20	85,218	84,092	1,126	1.3%
Networking CA Library FY19/20	-	106,862	(106,862)	-100.0%
Networking CA Library FY20/21	83,750	169,551	(85,801)	-50.6%
Networking CA Library FY21/22	258,587	-	258,587	100.0%
Literacy Initiatives FY19/20	-	46,632	(46,632)	-100.0%
Literacy Initiatives FY20/21	51,415	311,533	(260,118)	100.0%
Literacy Initiatives FY21/22	198,935	-	198,935	100.0%
CA Library Metrics FY 19/20	-	39,298	(39,298)	-100.0%
CA Library Metrics FY 20/21	51,800	331,888	(280,088)	100.0%
CA Library Metrics FY 21/22	244,374	-	244,374	100.0%
Economic Mobility & CA Libraries FY19/20	-	6,000	(6,000)	-100.0%
Economic Mobility & CA Libraries FY20/21	750	202,250	(201,500)	100.0%
Economic Mobility & CA Libraries FY21/22	86,512	-	86,512	100.0%
Lunch at the Library FY19/20	-	343,926	(343,926)	-100.0%
Lunch at the Library FY20/21	384,388	345,694	38,694	100.0%
PLSEP FY19/20	-	18,844	(18,844)	-100.0%
PLSEP FY20/21	21,315	45,347	(24,032)	100.0%
PLSEP FY21/22	63,017	-	63,017	100.0%
CARES Act FY20/21	-	785,700	(785,700)	100.0%
Workforce Dev & Supp FY 21/22	152,366	-	152,366	100.0%
ARPA Statewide Workforce Dev & Supp FY 21/22	5,320,130	-	5,320,130	100.0%
Depreciation	343	1,754	(1,411)	-80.4%
	<u>\$ 8,847,511</u>	<u>\$ 4,920,348</u>	<u>\$ 3,927,163</u>	<u>79.81%</u>

Operating expenses in the amount of \$8,847,511 were split amongst three major categories; administration and delivery operations, grants, and depreciation. The change in operating expenses of \$3,927,163 over the previous year end was the result of deadline extension of several FY20-21 LSTA grants expenditures through FY21-22.

**Pacific Library Partnership  
Management’s Discussion and Analysis, Continued  
For the year ended June 30, 2022**

**Financial Analysis of PLP as a Whole, Continued**

The following is a graphic illustration of operating expenses for the year ended June 30, 2022:

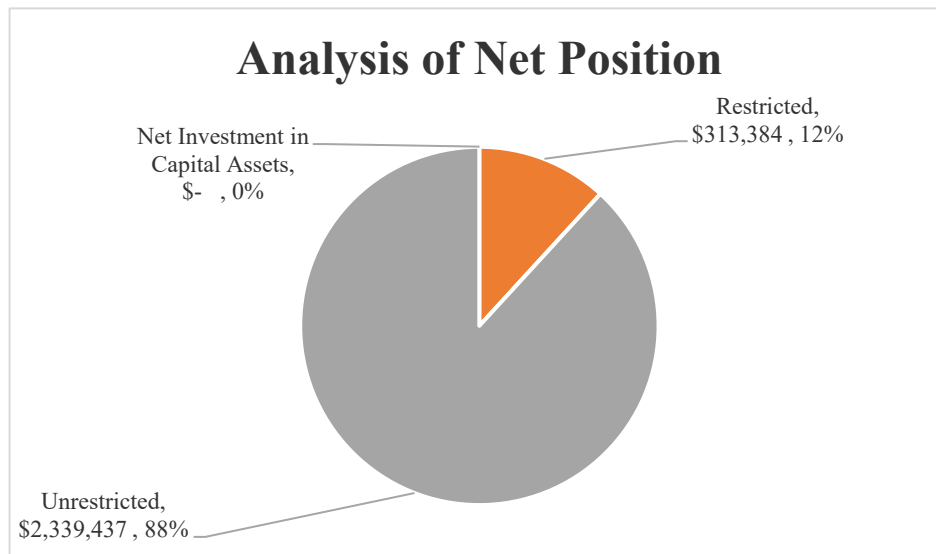


**Analysis of Net Position  
For the year ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
<b>Net Position</b>				
Net Investment in Capital Assets	\$ -	\$ 343	\$ (343)	-100.0%
Restricted	313,384	313,384	-	0.0%
Unrestricted	<u>2,339,437</u>	<u>2,370,324</u>	<u>(30,887)</u>	-1.3%
<b>Total Net Position</b>	<u><u>\$ 2,652,821</u></u>	<u><u>\$ 2,684,051</u></u>	<u><u>\$ (31,230)</u></u>	-1.2%

The change in net position of \$31,230 is primarily due to an increase in the net program expense at fiscal year-end as compared to the previous fiscal year-end.

The following is a graphic illustration of net position for June 30, 2022:



**Pacific Library Partnership  
Management’s Discussion and Analysis, Continued  
For the year ended June 30, 2022**

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES**

In considering PLP’s Budget for FY 2021-22, the Administrative Council and management used the following criteria:

The key assumptions in our revenue forecast were:

1. Interest earnings are rising steadily.
2. State Library funding is expected to be approximately the same.
3. Membership fees will raise gradually in accordance with increase in libraries budget.

Continuing items specifically addressed in the budget were:

1. Concern over possible State budget reductions, especially in the CLSA and LSTA category, and avoiding further excesses of service costs over revenues.

The adopted budget for the new FY 2022-23 was \$2,119,494 and is summarized as follows:

	<u>FY 2022-23</u>	<u>FY 2021-22</u>	<u>Percentage Change</u>
<b>Administration</b>			
System administration	\$ 1,139,202	\$ 1,040,689	9.47%
System operations	255,530	270,030	-5.37%
<b>Total Administration</b>	<u>1,394,732</u>	<u>1,310,719</u>	6.41%
<b>Membership services</b>			
Communications and delivery	<u>724,762</u>	<u>526,164</u>	37.74%
<b>Total Membership Services</b>	<u>724,762</u>	<u>526,164</u>	37.74%
<b>Total Budget</b>	<u><u>\$ 2,119,494</u></u>	<u><u>\$ 1,836,883</u></u>	15.39%

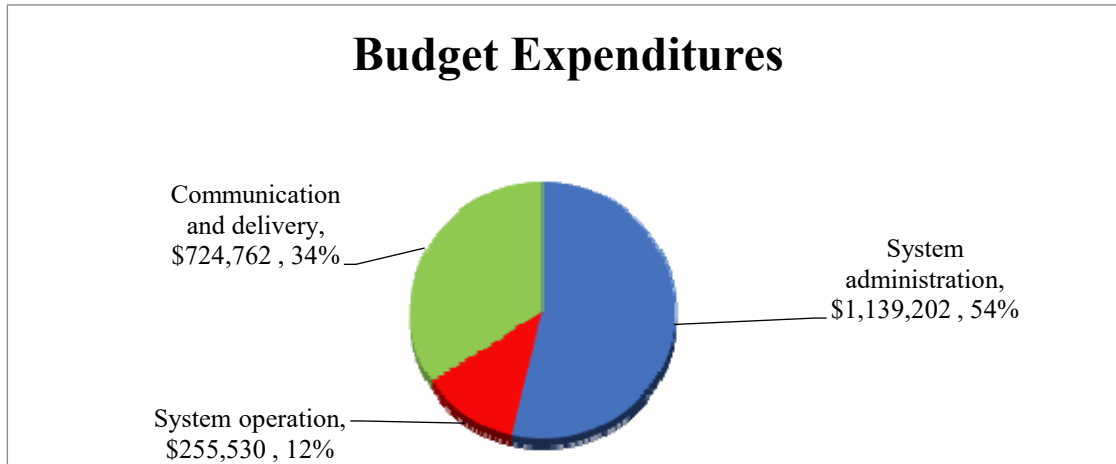
1. Administration - Shows a combined increase of approximately 6.41%, which is mainly due to an increase in administrative expenses.
2. Membership services – Shows a increase of approximately 15.39% due to an increase in the prior year roll-over CLSA funds.

**Pacific Library Partnership  
Management’s Discussion and Analysis, Continued  
For the year ended June 30, 2022**

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**ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES, CONTINUED**

The following is a graphic illustration of appropriations for FY 2021-22.



**Contacting PLP**

This financial report is designed to provide our customers and creditors with a general overview of PLP’s finances and to demonstrate PLP’s accountability for the money it receives and is allocated to it. If you have questions about this report, contact the Pacific Library Partnership, 32W 25<sup>th</sup> Ave, Suite 201, San Mateo, CA 94403, telephone number (650) 349 5538.

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**Pacific Library Partnership**  
**Governmental Funds Balance Sheet/Statement of Net Position**  
**June 30, 2022**

	<u>Governmental Funds</u>	<u>Adjustments (Note 9)</u>	<u>Statement of Net Position</u>	<u>2021</u>
<b>ASSETS</b>				
<b>Current</b>				
Cash and investments:				
Available for operations	\$ 3,357,508	\$ -	\$ 3,357,508	\$ 3,587,351
Accounts receivable	264,761	-	264,761	370,496
Interest receivable	6,843	-	6,843	2,276
<b>Total current assets</b>	<u>3,629,112</u>	<u>-</u>	<u>3,629,112</u>	<u>3,960,123</u>
<b>Noncurrent</b>				
Capital assets, net of accumulated depreciation	-	-	-	343
<b>Total assets</b>	<u>\$ 3,629,112</u>	<u>\$ -</u>	<u>\$ 3,629,112</u>	<u>\$ 3,960,466</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Liabilities:</b>				
<b>Current</b>				
Accounts payable and accrued liabilities	\$ 330,893	\$ -	\$ 330,893	\$ 564,327
Deposit payable	5,879	-	5,879	7,837
Unearned revenue	-	639,519	639,519	704,251
<b>Total current liabilities</b>	<u>336,772</u>	<u>639,519</u>	<u>976,291</u>	<u>1,276,415</u>
<b>Deferred Inflow:</b>				
Unavailable revenue	639,519	(639,519)	-	-
<b>Total liabilities and deferred inflows</b>	<u>976,291</u>	<u>-</u>	<u>976,291</u>	<u>1,276,415</u>
<b>Fund balances/Net position:</b>				
Committed:				
Operating reserve	313,384	(313,384)		
Unassigned, reported in:				
General fund	<u>2,339,437</u>	<u>(2,339,437)</u>	<u>-</u>	<u>-</u>
<b>Total fund balances</b>	<u>2,652,821</u>	<u>(2,652,821)</u>	<u>-</u>	<u>-</u>
<b>Total liabilities, deferred inflows and     fund balances</b>	<u>\$ 3,629,112</u>			
<b>NET POSITION</b>				
Net investment in capital assets		-	-	343
Restricted		313,384	313,384	313,384
Unrestricted		<u>2,339,437</u>	<u>2,339,437</u>	<u>2,370,324</u>
<b>Total net position</b>		<u>\$ 2,652,821</u>	<u>2,652,821</u>	<u>2,684,051</u>
<b>Total liabilities and net position</b>			<u>\$ 3,629,112</u>	<u>\$ 3,960,466</u>

The accompanying notes are an integral part of these basic financial statements

# Pacific Library Partnership

## Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities

For the year ended June 30, 2022

	<u>Governmental Funds</u>	<u>Adjustments (Note 10)</u>	<u>Statement of Activities</u>	<u>2021</u>
<b>EXPENDITURES/EXPENSES:</b>				
Administration and operations	\$ 1,752,171	\$ -	\$ 1,752,171	\$ 1,795,232
Special programs:				
Federal	6,710,609	-	6,710,609	2,433,829
Local	384,388	-	384,388	689,533
Depreciation	-	343	343	1,754
<b>Total expenditures/expenses</b>	<u>8,847,168</u>	<u>343</u>	<u>8,847,511</u>	<u>4,920,348</u>
<b>REVENUES:</b>				
Program revenues:				
Grants	7,903,347	-	7,903,347	3,729,654
Charges for services	193,202	-	193,202	344,302
<b>Total program revenues</b>	<u>8,096,549</u>	<u>-</u>	<u>8,096,549</u>	<u>4,073,956</u>
<b>Net program expense</b>	<u>750,619</u>	<u>343</u>	<u>750,962</u>	<u>846,392</u>
General revenues:				
Membership fees	656,903	-	656,903	636,903
Interest	15,829	-	15,829	25,721
Reimbursements	47,000	-	47,000	21,000
<b>Total general revenues</b>	<u>719,732</u>	<u>-</u>	<u>719,732</u>	<u>683,624</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(30,887)</u>			
<b>CHANGE IN NET POSITION</b>		<u>(343)</u>	<u>(31,230)</u>	<u>(162,768)</u>
<b>FUND BALANCES/NET POSITION:</b>				
Beginning of the year	<u>2,683,708</u>	<u>343</u>	<u>2,684,051</u>	<u>2,846,819</u>
End of the year	<u>\$ 2,652,821</u>	<u>\$ -</u>	<u>\$ 2,652,821</u>	<u>\$ 2,684,051</u>

The accompanying notes are an integral part of these basic financial statements



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**Pacific Library Partnership**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2022**

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**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Pacific Library Partnership (“PLP”) is a Joint Powers Agency under Government Code Section 6500 *et. seq.* established on January 9, 2009 which began operations on July 1, 2009 by the Bay Area Library and Information System, Silicon Valley Library System, Monterey Bay Area Cooperative Library System and the Peninsula Library System. PLP is a library services organization which has the powers necessary to establish, improve and extend library services held by its members and those powers designated in Government Code Section 6508. No single member controls PLP. PLP also delivers library materials to members, provides research services and general education workshops, and training seminars for its members.

PLP is governed by an Administrative Council composed of all of the library directors of library agencies therein. Oversight responsibility, the ability to conduct independent financial affairs, issue debt instruments, approve budgets, and otherwise influence operations and account for fiscal matters is exercised by PLP's Administrative Council. PLP is a separate reporting entity for financial reporting purposes and the accompanying basic financial statements reflect the assets, liabilities, fund balances/net position, revenues, and expenditures/expenses of PLP only.

The Peninsula Library System (PLS) acts as fiscal agent and Treasurer/Controller for PLP and acts as the depository and has custody of the money of PLP and performs those duties required by Government Code sections 6505 and 6505.5. More information regarding the contract with PLS is located in Note 5.

The financial statements of PLP have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies:

In June 1999, the GASB released Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. PLP has selected the single governmental fund (General Fund) presentation since this reflects the most concise and easily readable presentation for PLP’s operations.

**A. Reporting Entity**

As defined by GASB Statement No.39, *The Financial Reporting Entity*, PLP is not financially accountable for any other entity other than itself, nor are there any other entities for which the nature and significance of their relationship with PLP are such that exclusion would cause PLP’s financial statements to be misleading or incomplete.

In addition, based upon the above criteria, PLP is not aware of any entity which would be financially accountable for PLP which would result in PLP being considered a component of the entity.

**Pacific Library Partnership**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2022**

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**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,**  
**Continued**

**B. Basis of Accounting**

The fund-based financial statement columns (Governmental Funds column) on Pages 12 and 13 are accounted for using the modified accrual basis of accounting and reflect balances for PLP's General Fund and Federal Grant Special Revenue Fund. These funds revenues are recognized when they become measurable and available as net current assets. Measurable means the amount of the transaction can be determined and available means the amount is collectible within the current period or soon enough thereafter (generally sixty days) to be used to pay liabilities of the current period. Amounts, which could not be measured or were not available, were not accrued as revenue in the current fiscal year. The Statements of Net Position and Activities columns on Pages 12 and 13 have been prepared on the accrual basis of accounting whereby all revenues are recorded when earned and all expenses are recorded when they have been reduced to a legal or contractual obligation to pay.

**C. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**D. Budgets**

Budgets are prepared on the modified accrual basis of accounting, in which capital assets acquired are recorded as expenditures and depreciation is not recorded.

PLP follows these procedures in establishing the budgetary data reflected in the financial statements:

- By June 30, the Finance Committee reviews and recommends to the Administrative Council a proposed operating budget for the year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
- The budget is legally enacted through passage of a motion during an Administrative Council meeting prior to year-end.
- The Finance Committee reviews all budget transfers and revisions, which are then approved by the Chair of the Administrative Council and the Chair of the Finance Committee.
- Formal budgeting is employed as a management control device during the year for the general and special revenue funds.

**Pacific Library Partnership**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2022**

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**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,**  
**Continued**

**D. Budgets, continued**

- Budgets for the General and Special Revenue Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

The legal level of a budgetary control, the amount to which budget should not be exceeded, is the program level.

Budgeted amounts are as originally adopted or as amended by the Administrative Council. Individual amendments were not material in relation to the original appropriations.

**E. Cash and Investments**

PLP pools cash and investments from all funds for the purpose of increasing income through investment activities. Highly liquid money market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Market value is used as fair value for those securities for which market quotations are readily available.

PLP indirectly participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF) which has invested a portion of the pool funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to changes in interest rates.

**F. Capital Assets**

Capital assets are carried at cost or estimated cost if actual cost was not available. Donated assets are valued at their estimated fair value on the date donated.

Depreciation is calculated on a straight line basis using the following useful life schedule:

Furniture and fixtures	5 to 10 years
Automobiles	5 years
Office equipment	5 to 10 years
Computer equipment	5 to 10 years

**Pacific Library Partnership**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2022**

**2. CASH AND INVESTMENTS**

The System had the following cash and investments at June 30, 2022:

	FDIC/ SIPC insured	Not rated	Fair Value
Local Agency Investment Fund (LAIF)	\$ -	\$ 3,321,258	\$ 3,321,258
Cash deposits	250,000	36,000	36,000
Petty cash	-	250	250
Total	\$ 250,000	\$ 3,357,508	\$ 3,357,508

**A. Cash Deposits**

The System pools cash from all sources. The System invests excess cash in LAIF. The System maintains a petty cash fund of \$250.

The California Government Code requires California banks and savings and loan associations to secure government cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral is considered to be held in the government's name.

According to California law, the market value of pledged securities with banking institutions must equal at least 110% of the government's cash deposits. California law also allows institutions to secure government deposits by pledging first trust deed mortgage notes having a value of 150% of the government's total cash deposits. The government can waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation.

**B. Investments**

PLP is authorized by State statutes and Administrative Council action to invest in the following:

- United States Treasury notes, bonds, bills or certificates of indebtedness.
- Registered state warrants or treasury notes or bonds of the State of California.
- Bonds, notes, warrants or other evidences of indebtedness of any local agency within the State of California.
- Obligations issued by banks and guaranteed by federal agency or United States government-sponsored enterprise.
- Negotiable certificates of deposit or time deposits placed with commercial banks and/or savings and loan companies.
- Banker's acceptances.
- Commercial paper.
- California Local Agency Investment Fund (LAIF)

**Pacific Library Partnership**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2022**

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**2. CASH AND INVESTMENTS, Continued**

**B. Investments, Continued**

PLP invests in LAIF, an unrated pool, which limits the exposure of Partnership funds to interest rate and credit risk by treating all balances as current.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments were stated at fair value using the aggregate method, which includes any adjustments recorded in interest/investment income.

**C. Investments in External Investment Pools**

PLP's investments with LAIF at June 30, 2022, included a portion of the pool funds invested in structured notes and asset backed securities and similar transactions. These investments may include the following:

- Structured Notes are debt securities (other than asset-backed securities) whose cash-flow characteristics (coupon rate, redemption amount, or stated maturity) depends on one or more indices and/or that have embedded forwards or options.
- Asset-backed Securities, the bulk of which are mortgage-backed securities, entitle their purchaser to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMOs) or credit card receivables.

As of June 30, 2022, LAIF had invested 1.88% of its funds in structured notes and asset-backed securities and similar transactions.

**3. CAPITAL ASSETS**

Changes in capital assets were as follows:

	Balance July 1, 2021	Additions	Adjustments/ Deletions	Balance June 30, 2022
Computer equipment	\$ 8,771	\$ -	\$ -	\$ 8,771
Total capital assets	8,771	-	-	8,771
Accumulated depreciation	(8,428)	(343)	-	(8,771)
Net capital assets	<u>\$ 343</u>	<u>\$ (343)</u>	<u>\$ -</u>	<u>\$ -</u>

**Pacific Library Partnership**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2022**

**4. UNEARNED REVENUE**

PLP records payments for services not yet rendered as unearned revenue. PLP expects to recognize \$639,519 of unearned revenue as earned during FY2021-22.

**5. RELATED PARTY TRANSACTIONS**

PLP contracts with the Peninsula Library System (PLS), as its fiscal agent, for administrative services and/or materials. In compensation for services provided, PLP paid \$959,274 to PLS for the year ended June 30, 2022. These amounts were reported as administration expenses in the Statement of Activities.

**6. FUND BALANCES/NET POSITION**

Fund Balances consist of the following: nonspendable, restricted, committed, assigned and unassigned. Nonspendable fund balance consists of investments that will not convert to cash soon enough to affect the current period. Restricted fund balance consists of resources that are subject to externally enforceable legal restrictions imposed by parties altogether outside the government. Committed fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by a formal action of PLP's highest level of decision-making authority. Assigned fund balance consists of amounts where intent is expressed by the governing body itself or a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. Unassigned amounts represent deficits in fund balance as reflected by the necessity to show nonspendable and restricted balances in an amount greater than total fund balance. Currently, the PLP uses only the committed and unassigned categories.

<u>Fund Balance</u>	<u>June 30, 2022</u>
Committed:	
Operating reserve	313,384
Unassigned	<u>\$ 2,339,437</u>
Total Fund Balance	<u><u>\$ 2,652,821</u></u>

Net position consists of restricted and unrestricted amounts. Restricted amounts reflect balances which cannot be influenced by PLP Administrative Council action, such as the investment in capital assets net of any related debt. Unrestricted amounts reflect balances available for current operations.

<u>Net Position</u>	<u>June 30, 2022</u>
Net Investment in Capital Assets	\$ -
Restricted:	
Operating reserve	313,384
Unrestricted	<u>2,339,437</u>
<b>Total</b>	<u><u>\$ 2,652,821</u></u>

**Pacific Library Partnership**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2022**

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**7. INSURANCE**

PLP purchases several insurance policies to protect against catastrophic loss: (1) General Liability and Automobile Liability with \$1,000,000 limit per occurrence and a \$500 deductible. (2) A Master Property Insurance Policy covers PLP's real and personal property on a replacement cost basis with a \$3,705,500 limit and a \$500 deductible.

**8. CONTINGENT LIABILITIES**

PLP participates in several federal and state grant programs. These programs have been audited by PLP's independent auditor in accordance with the provisions of the federal Single Audit Act and applicable state requirements. No cost disallowances were proposed as a result of these audits. However, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures, which may be disallowed by the granting agencies, cannot be determined at this time. PLP expects such amounts, if any, to be immaterial.



**Pacific Library Partnership**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2022**

**9. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND BALANCE SHEETS AND THE STATEMENTS OF NET POSITION**

“Total fund balances” of PLP’s Governmental funds of \$3,629,821 differs from “net position” of governmental activities of \$3,629,821, reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the Governmental funds balance sheets. The effect of the difference is illustrated below:

**Balance Sheet / Statement of Net Position**

	<b>Governmental Funds</b>	<b>Reclassifications and Eliminations<sup>1</sup></b>	<b>Statement of Net Position</b>
<b>Assets:</b>			
Cash and investments:	\$ 3,357,508	\$ -	\$ 3,357,508
Accounts receivable	264,761	-	264,761
Interest receivable	6,843	-	6,843
Capital assets	-	-	-
<b>Total assets</b>	<u>3,629,112</u>	<u>-</u>	<u>3,629,112</u>
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	330,893	-	330,893
Deposit payable	5,879	-	5,879
Unearned revenue	-	639,519	639,519
<b>Total liabilities</b>	<u>336,772</u>	<u>639,519</u>	<u>976,291</u>
<b>Deferred inflows:</b>			
Unavailable revenue	639,519	(639,519)	-
<b>Total deferred inflows:</b>	<u>639,519</u>	<u>(639,519)</u>	<u>-</u>
<b>Fund balances/Net position:</b>			
Total fund balances/net position	<u>2,652,821</u>	<u>-</u>	<u>2,652,821</u>
<b>Total liabilities, deferred inflows and fund balances/net position</b>	<u>\$ 3,629,112</u>	<u>\$ -</u>	<u>\$ 3,629,112</u>

<sup>1</sup> When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported in expenditures in governmental funds. However, the statement of net position includes these capital assets among the assets of PLP as a whole. Long-term liabilities such as compensated absences are not due and payable in the current period and therefore they are not reported in the government’s fund balance sheet.

**Pacific Library Partnership**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2022**

**10. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND OPERATING STATEMENTS AND THE STATEMENT OF ACTIVITIES**

The “net change in fund balances” for Governmental funds \$30,887 differs from the “change in net position” for governmental activities of \$31,230 reported in the Statement of Activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the General fund. The effect of the difference is illustrated below:

**Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities**

	<u>Governmental Funds</u>	<u>Reclassifications and Eliminations<sup>1</sup></u>	<u>Statement of Activities</u>
<b>EXPENDITURES/EXPENSES:</b>			
Administration and operations	\$ 1,752,171	\$ -	\$ 1,752,171
Special programs:			
Federal	6,710,609	-	6,710,609
State	384,388	-	384,388
Depreciation	-	343	343
<b>Total expenditures/expenses</b>	<u>8,847,168</u>	<u>343</u>	<u>8,847,511</u>
<b>REVENUES:</b>			
Program revenues:			
Grants	7,903,347	-	7,903,347
Charges for services	193,202	-	193,202
<b>Total program revenues</b>	<u>8,096,549</u>	<u>-</u>	<u>8,096,549</u>
<b>Net program expense</b>	<u>750,619</u>	<u>343</u>	<u>750,962</u>
General revenues:			
Membership fees	656,903	-	656,903
Interest	15,829	-	15,829
Reimbursements	47,000	-	47,000
<b>Total general revenues</b>	<u>719,732</u>	<u>-</u>	<u>719,732</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(30,887)</u>		
<b>CHANGE IN NET POSITION</b>		<u>(343)</u>	<u>(31,230)</u>
<b>FUND BALANCES/NET POSITION:</b>			
Beginning of the year	2,683,708	343	2,684,051
End of the year	<u>\$ 2,652,821</u>	<u>\$ -</u>	<u>\$ 2,652,821</u>

<sup>1</sup> Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. The changes to other charges and gifts and donations reflect the capitalization of these assets. Additionally, governmental funds report compensated absences as expenditures while governmental activities recognize the long-term nature as a liability, the change to contracted salaries and benefits reflects the change in the long-term compensated absences liability from the prior year.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**Pacific Library Partnership  
Required Supplementary Information  
For the year ended June 30, 2022**

**Budgetary Comparison Schedule  
General Fund  
For the year ended June 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Budgetary Fund Balance, July 1, 2021</b>	\$ 2,683,708	\$ 2,683,708	\$ 2,683,708	\$ -
<b>Resources (inflows):</b>				
Grants	7,875,623	7,875,623	7,903,347	27,724
Charges for services	199,114	199,114	193,202	(5,912)
Membership fees	656,903	656,903	656,903	-
Interest	28,500	28,500	15,829	(12,671)
<b>Total resources (inflows)</b>	<u>8,760,140</u>	<u>8,760,140</u>	<u>8,769,281</u>	<u>9,141</u>
<b>Amounts available for appropriation</b>	<u>11,443,848</u>	<u>11,443,848</u>	<u>11,452,989</u>	<u>9,141</u>
<b>Charges to appropriations (outflows):</b>				
Administration and operation:				
System administration	959,008	959,008	1,082,904	(123,896)
System operations	819,867	819,867	197,977	621,890
Membership services:				
Communication and delivery	302,246	302,246	518,290	(216,044)
Special Programs:				
Federal	2,329,059	2,329,059	6,710,609	(4,381,550)
Local	-	-	384,388	(384,388)
<b>Total charges to appropriations</b>	<u>4,410,180</u>	<u>4,410,180</u>	<u>8,894,168</u>	<u>(4,099,600)</u>
<b>Budgetary fund balance, June 30, 2022</b>	<u>\$ 7,033,668</u>	<u>\$ 7,033,668</u>	<u>\$ 2,558,821</u>	<u>\$ (4,474,847)</u>

**FEDERAL SUPPLEMENTARY REPORTS**

**Pacific Library Partnership  
Schedule of Expenditures of Federal Awards  
For the year ended June 30, 2022**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identification Number	Federal Expenditures
<b>National Endowment for the Humanities</b>			
<i>Pass-through programs from the California State Library - State Library Program:</i>			
Reimagining School Readiness FY19/22	45.313	RE-13-19-0061-19	85,219
CA Library Metrics FY 20/21	45.310	40-9042	51,800
Economic Mobility and California Libraries FY20/21	45.310	40-9048	750
Literacy Initiatives FY20/21	45.310	40-9050	51,415
Networking CA Library FY20/21	45.310	40-9051	83,750
Veterans Connect@Library FY20/21	45.310	40-9055	60,842
Data Privacy Training FY20/21	45.310	40-9059	31,599
Public Library Staff Education FY20/21	45.310	40-9067	21,315
CA Library Metrics FY 21/22	45.310	40-9205	244,374
Literacy Initiatives FY21/22	45.310	40-9206	198,935
Networking CA Library FY21/22	45.310	40-9207	258,586
ARPA Statewide Workforce Dev. & Supp. FY21/22	45.310	40-9320	5,320,130
Workforce Development and Support FY21/22	45.310	40-9233	152,366
Public Library Staff Education FY21/22	45.310	40-9237	63,016
Economic Mobility and California Libraries FY21/22	45.310	40-9261	86,512
<b>Total National Endowment for the Humanities</b>			6,710,609
<b>Total Federal Expenditures</b>			\$ 6,710,609

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this supplementary information.

**Pacific Library Partnership**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the year ended June 30, 2022**

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**1. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Partnership and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the Basic financial statements.

**2. DESCRIPTION OF MAJOR PROGRAMS**

**State Library Program – (CFDA #45.310)**

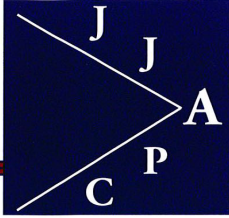
As authorized by the Library Services and Technology Act; Museum and Library Services Act of 1996, Title II, Public Law 104-208, to consolidate Federal library services programs; to stimulate excellence and promote access to learning and information resources in all types of libraries for individuals of all ages; to promote library services that provide all users access to information through State, regional, and international electronic networks; to provide linkages among and between libraries; and to promote targeted library services to people of diverse geographic, cultural, and socioeconomic backgrounds, to individuals with disabilities, and to people with limited functional literacy or information skills.

**3. INDIRECT COST ELECTION**

The System is required to use the Modified Total Direct Cost (MTDC) indirect cost rate allowed under the OMB Uniform Guidance Part 200.68.



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JJACPA, Inc.

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**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**

**INDEPENDENT AUDITOR'S REPORT**

To the Administrative Council of the  
Pacific Library Partnership  
San Mateo, California

We have audited, in accordance with the auditing standard 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 Pacific Library Partnership (PLP) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise PLP's basic financial statements, and have issued our report thereon dated May 11, 2023.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the PLP's internal control over financial reporting (internal control) as a basis for designing 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 PLP's internal control. Accordingly, we do not express an opinion on the effectiveness of System'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 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 the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered to be material weaknesses. However, material weaknesses may exist that we have not identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether PLP'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*.

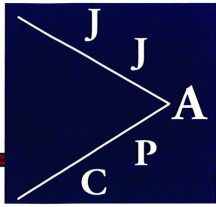
## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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.

May 11, 2023

*JJACPA, Inc.*

**JJACPA, Inc.**  
**Dublin, CA**



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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT  
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM  
GUIDANCE**

**INDEPENDENT AUDITOR'S REPORT**

Administrative Council  
Pacific Library Partnership  
San Mateo, California

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Pacific Library Partnership (PLP)'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of PLP's major federal programs for the year ended June 30, 2022. PLP's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, PLP complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of PLP and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of PLP's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to PLP's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on PLP's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about PLP's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding PLP's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of PLP's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of PLP's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2022-001. Our opinion on each major federal program is not modified with respect to these matters. *Government Auditing Standards* requires the auditor to perform limited procedures on PLP's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. PLP's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-001 to be material weaknesses.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on PLP's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. PLP's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

May 11, 2023

*JJACPA, Inc.*  
**JJACPA, Inc.**  
**Dublin, CA**

**Pacific Library Partnership**  
**Schedule of Findings and Questioned Costs**  
**For the year ended June 30, 2022**

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**Section I – Summary of Auditor’s Results**

*Financial Statements*

Type of auditor’s report issued	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) indentified?	None reported
Noncompliance material to financial statements noted?	No

*Federal Awards*

Internal control over major programs:	
• Material weakness(es) identified?	Yes
• Significant deficiency(ies) identified?	None reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
45.310	State Library Program

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? No

**Pacific Library Partnership**  
**Schedule of Findings and Questioned Costs, continued**  
**For the year ended June 30, 2022**

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**Section II – Financial Statement Findings**

No matters were reported.

**Section III – Federal Award Findings and Questioned Costs**

**Finding 2022-001 – Timeliness**

**CFDA Title and Number:** State Library Program (CFDA #45.310)  
**Federal Agency:** National Endowment for the Humanities  
**Pass-through Entity:** State of California Department of Housing and Community  
Development  
**Year:** 2022

**Criteria:** Section 200.512(a) of the Uniform Guidance states that an audit must be completed and the data collection form and reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor’s report or nine months after the end of the audit period.

**Condition:** PLP did not complete the audit and submit the data collection form and reporting package within nine months after the end of the fiscal year.

**Questioned Costs:** None

**Context:** PLP did not complete its audit of the annual financial statements until after the deadline had passed.

**Effect or Potential Effect:** PLP did not meet the audit requirements as provided in Section 200.512(a).

**Cause:** PLP did not have policies and procedures in place to have the financial audit completed by the deadline.

**Recommendation:** PLP should implement policies and procedures to have the financial audit completed by the deadline.

**Responsible Official’s Response and Corrective Action Planned:** Pacific Library Partnership’s independent auditor has completed the FY21/22 Pacific Library Partnership’s Single Audit on May 11, 2023, and will be submitting the single audit immediately. The Single Audit submission was delayed by unforeseen circumstances beyond our control. Our agency will work closely with the independent auditor to ensure future Single Audits are completed within the specified timeline.



**Pacific Library Partnership**  
**Schedule of Findings and Questioned Costs, continued**  
**For the year ended June 30, 2022**

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**Section IV – Status of Prior Year Audit Findings**

There were no prior year audit findings.

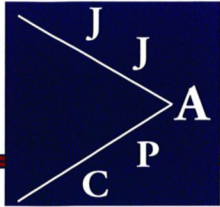
**Section V – Corrective Action Plan**

See current year finding 2022-001.

**PACIFIC LIBRARY PARTNERSHIP**

**COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE AND  
COMMUNICATION OF INTERNAL CONTROL RELATED MATTERS**

**JUNE 30, 2022**



**JJACPA, Inc.**

A Professional Accounting Services Corp.

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May 11, 2023

To the Administrative Council of the  
Pacific Library Partnership  
San Mateo, California

We have audited the basic financial statements of the Pacific Library Partnership as of and for the year ended June 30, 2022, and have issued our report thereon dated May 11, 2023. Professional standards require that we advise you of the following matters relating to our audit.

**Our Responsibility under Generally Accepted Auditing Standards (and when applicable, *Government Auditing Standards*)**

As communicated in our engagement letter dated December 19, 2022, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

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

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

**Planned Scope and Timing of the Audit**

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

**Compliance with All Ethics Requirements Regarding Independence**

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

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

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Pacific Library Partnership is included in Note 1 to the financial statements. During the year there were no new policies or procedures required to be disclosed in the current year's financial statements. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

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

The most sensitive accounting estimates affecting the financial statements are useful lives of capital assets ("useful lives").

Management's estimate of the useful lives is based on experience with and observation of capital assets, by category as well as industry standards, when applicable (i.e. buildings). We evaluated the key factors and assumptions used to develop the useful lives and determined that it is reasonable in relation to the basic financial statements taken as a whole.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting Pacific Library Partnership's financial statements relate to commitments and contingencies.

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

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

## **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

## **Disagreements with Management**

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

## **Representations Requested from Management**

We have requested certain written representations from management, which are included in a separate letter dated May 11, 2023.

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

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

## **Other Significant Findings or Issues**

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

## **Communication of Internal Control Related Matters**

In planning and performing our audit of the financial statements, we considered PLP'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 PLP's internal control. Accordingly, we do not express an opinion on the effectiveness of PLP'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of the Administrative Council and management of PLP, others within the organization and Federal and State agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Joseph J. Arch*

JOSEPH J. ARCH, CPA  
President/CEO  
JJACPA, INC.

May 11, 2023

JJACPA, Inc.  
7080 Donlon Way, Suite 204  
Dublin, CA 94566

Dear Mr. Arch:

This representation letter is provided in connection with your audit of the Governmental Funds Balance Sheet/ Statement of Net Position and the related Statement of Governmental Fund Revenue, Expenditures and Changes in Fund Balances/Statement of Activities of Pacific Library Partnership (PLP) as of June 30, 2022 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of PLP in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of May 11, 2023

#### Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated December 19, 2022, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.

- We are not aware of any pending or threatened litigation, claims, or assessments, or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* (FASB Accounting Standards CodificationTM (ASC) 450, Contingencies), and we have not consulted a lawyer concerning litigation, claims, or assessments.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
  - The underlying assumptions are reasonable, and they appropriately reflect management's intent and ability to carry out its stated courses of action.
  - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
  - The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
  - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

## Information Provided

- We have provided you with:
  - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or

- Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation or claims.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- PLP has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which PLP is contingently liable.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
  - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
  - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
- PLP has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

## OMB Circular A-133

- With respect to federal awards, we represent the following to you:
  - We are responsible for understanding and complying with and have complied with the requirements of OMB Circular A-133.
  - We are responsible for the preparation and presentation of the schedule of expenditures of federal awards in accordance with OMB Circular A-133.
  - We believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with OMB Circular A-133.
  - The methods of measurement or presentation have not changed from those used in the prior period.
  - We believe the following significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances:
  - We are responsible for including the auditor's report on the schedule of expenditures of federal awards in any document that contains the schedule and that indicates that the auditor has reported on such information.

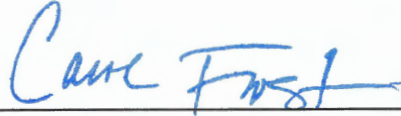
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- When the schedule of expenditures of federal awards is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended



- users of the schedule of expenditures of federal awards no later than the date of issuance by the entity of the schedule of expenditures of federal awards and the auditor's report thereon.
- We have, in accordance with OMB Circular A-133, identified in the schedule of expenditures of federal awards, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, food commodities, direct appropriations, and other assistance.
  - We are responsible for complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major federal program; and we have complied, in all material respects, with these requirements.
  - We have provided to you our interpretations of any compliance requirements that have varying interpretations.
  - We are responsible for establishing and maintaining effective internal control over compliance requirements applicable to federal programs that provide reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. Also, no changes have been made in the internal control system to the date of this letter that might significantly affect internal control, including any corrective action taken with regard to significant deficiencies, including material weaknesses, reported in the schedule of findings and questioned costs.
  - We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relating to federal programs.
  - We have received no requests from a federal agency to audit one or more specific programs as a major program.
  - We have identified and disclosed to you all amounts questioned and any known noncompliance with the requirements of federal awards, including the results of other audits or program reviews. We also know of no instances of noncompliance occurring subsequent to the end of the period audited.
  - We have charged costs to federal awards in accordance with applicable cost principles, including amounts claimed or used for matching determined in accordance with relevant guidelines in the U.S. Office of Management and Budget Circular A-87, *Cost Principles for State, Local, and Tribal Governments*, and the U.S. Office of Management and Budget's, *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*.
  - We have made available to you all documentation related to the compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
  - Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared (and are prepared on a basis consistent with the schedule of expenditures of federal awards).
  - The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
  - We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by OMB Circular A-133, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
  - We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
  - We are responsible for and have accurately completed the appropriate sections of the Data Collection Form as required by OMB Circular A-133, and we are responsible for preparing and implementing a correction action plan for each audit finding.
- Page 4 of 5
- We have disclosed all contracts or other agreements with service organizations and disclosed to you all communications from these service organizations relating to noncompliance at the organizations.

- We have reviewed, approved, and taken responsibility for the financial statements and related notes and an acknowledgment of the auditor's role in the preparation of this information. (This representation is required by footnote 28 to paragraph 3.18 of *Government Auditing Standards* when the auditor has a role in preparing the trial balance and draft financial statements and related notes.)
- We have reviewed, approved, and taken responsibility for accrual adjustments and an acknowledgment of the auditor's role in the preparation of the adjustments. (This representation is required by footnote 28 to paragraph 3.18 of *Government Auditing Standards* when the auditor has a role in converting cash-basis financial statements to accrual-based financial statements.)
- We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.



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Carol Frost, CEO



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Andrew Yon, Controller

California State Library, Library Development Services  
 Cooperative Library System Liaison Report  
*May 9, 2023*

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## State Library News

The Library Development Services team is pleased to welcome a new Library Programs Consultant, whose first day was Monday April 17, 2023. Her name is Kalea Villalobos, and she will primarily work on the Lunch at the Library program and the Building Equity-Based Summers program.

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

The California Public Libraries Survey dataset is now available. To access data, please [log in to your LibPAS account](#) and click the “Ready Reports” button. The usual trend and comparison reports are available, and a new COVID trend report allows you to view the significant variations in library visits, circulation, and programming. Contact [LibraryStatistics@library.ca.gov](mailto:LibraryStatistics@library.ca.gov) for help with logging in or accessing your data.

Do you have a shape file of your library district? The State Library has created a [library jurisdiction map](#), and most library service areas were drawn using city or county boundaries. If you have an official shape file of your district, or if you have an informal agreement that extends or contracts your service areas from municipal or county boundaries, please contact [LibraryStatistics@library.ca.gov](mailto:LibraryStatistics@library.ca.gov) so we can accurately portray your service area.

## Open Opportunities

### [Building Forward Library Facilities Improvement Program Round 2](#)

Round Two of the Building Forward Library Facilities Improvement Program is now open. This opportunity will close May 18, 2023. With new funding provided by the legislature, the State Library has approximately \$175 million dollars left to award.

Please visit the website at <https://www.library.ca.gov/grants/infrastructure/>. For Building Forward questions, please email [buildingforward@library.ca.gov](mailto:buildingforward@library.ca.gov).

### [Broadband: California Library Connect and Collaborative Connectivity Grant– Rolling Due Dates](#)

The [California Library Connect Program](#) is now accepting applications. Libraries may apply for grants to cover eligible IT/network infrastructure equipment and expenses, as well as the first-year costs of upgrading or installing a new high speed Internet circuit. This program also supports California public libraries by connecting them to high-speed internet through the California Research and Education Network (CalREN) — a high-capacity public-sector broadband network. We have also launched the [California Collaborative Connectivity Grant](#), a separate grant opportunity that provides gap funding for libraries and partner anchor institutions to construct broadband circuits to connect underserved communities. State of CA funded.

For California Library Connect questions, please contact us at [admin@californialibraryconnect.com](mailto:admin@californialibraryconnect.com), the California Library Connect Grants Coordinator email [grants@californialibraryconnect.com](mailto:grants@californialibraryconnect.com) or through our help line at 213-297-0109 (Monday-Friday, 7:00AM-3:00PM PST).

### California Library Literacy Services

[Annual applications for returning CLLS programs](#) are now open and are **due Monday, May 15**. The [information session](#) was recorded and is available online along with [instructions](#). State funded.

Visit the [grants page](#) of the California State Library website for a listing and timetable of new and upcoming funding opportunities and statewide resources available.

### Sustainable California Libraries 23/24 Now Open – Closes June 15, 2023

The LSTA-funded Sustainable California Libraries themed grant provides libraries the opportunity to design programming and educational opportunities focused on sustainability and climate resilience, by collaborating with project partners, community connections, and community members.

These projects meet Goal 4 of the California Library Services and Technology Act Investment Plan 2023–2027: Strengthen equitable resource-sharing and access to information, services, and opportunity with an emphasis on local community strengths and challenges.

In late April and May, we are hosting one information session and two drop-in office hours. You can also hear many of the promising practices from the current #SustainableCALibraries projects at the CLA Conference in early June.

Applications for 2023–2024 are due **June 15, 2023**. Learn about the [Sustainable California Libraries grant](#) and join us for an upcoming drop in office hour!

- [Office Hour 1: May 10, 2023, 9:00 am – 10:00 am](#)
- [Office Hour 2: May 24, 2023, 11:00 am – 12:00 pm](#)

For questions, please email [sustainability@library.ca.gov](mailto:sustainability@library.ca.gov)

### Zip Books

The California State Library is pleased to announce that the [2023/24 Zip Books program](#) is now open for applications! Applications are due on **Thursday, May 11, 2023 at 12:00 noon**. Visit our [website](#) for full program information, timeline, and application instructions. Email [zipbooks@library.ca.gov](mailto:zipbooks@library.ca.gov) with any questions. Please note: awards will be made after the 2023–2024 California State budget has passed. State-funded.

### Current Projects and Services

#### California Library Literacy Services Training - Ongoing

Look for a full “literacy track” with more than ten workshops and three supersessions at the CLA conference in Sacramento, June 1-3. CLLS networking calls and trainings through the Literacy Initiatives grant continue on a regular basis. Upcoming training sessions will help libraries prepare for AmeriCorps,

family literacy, new ESL services and more. Please visit the CLLS training and meeting [calendar](#). LSTA and state funded.

#### [California Libraries Learn \(CALL\) - Ongoing](#)

Have a good idea? Check out CALL's offerings at the CLA conference June 1-3. CALL Homegrown features learning opportunities suggested and designed by California library staff; anyone can complete the [CALL for Presentations!](#) Plan professional development by visiting [www.callacademy.org](http://www.callacademy.org) and the [calendar](#) to explore the options. CALL has its own newsletter, *CALL Letters*, and users can [subscribe](#) directly for up-to-date information on staff professional development needs. Encourage your staff members to [create a login](#) to access the many online, self-paced learning opportunities available through [CALL Academy](#). LSTA funded.

#### [CopyCat Grants](#)

For 2022/23 [CopyCat Grants](#) the Final Narrative, Financial, and Expenditure Detail Reports are due to the State Library **by July 31, 2023**. For Grant Guide information and to submit reports, please visit [Manage Your Current Grant - California State Library](#). For CopyCat questions, email [LSTAGrants@library.ca.gov](mailto:LSTAGrants@library.ca.gov) LSTA funded.

#### [Get Connected! California/Affordable Connectivity Program - Ongoing](#)

All California Libraries are invited to participate in the Get Connected! Initiative. Get Connected! promotes the Affordable Connectivity Program (ACP) which provides a monthly discount of up to \$30 off home internet to qualifying families. Libraries are encouraged to host enrollment events, with the support of CETF and Get Connected! These enrollment events will support eligible families interested in applying for ACP, answer questions about the ACP benefit, and provide hands-on assistance with the application. Patrons will be encouraged to bring the required documents to apply. To participate in an enrollment event and learn how you can help your patrons Get Connected! please visit <https://forms.gle/k6YiHeH8Suwhvxy97>. For more information on ACP please visit: [www.internetforallnow.org/applytoday](http://www.internetforallnow.org/applytoday). State of CA funded.

#### [Digital Navigators / Connected California - Ongoing](#)

The free Digital Navigators service helps all Californians get more information about free and low-cost internet and devices, and access resources that help them build digital skills and digital literacy. All California public libraries can request free printed material, access social media assets, and sample press releases in the Outreach Toolkit under [Digital Navigators and Your Library](#). Extend your library staff capacity and support digital equity. English & Spanish Navigators are current or former library staff. No application or reporting. For more information, email: [DigNavs@library.ca.gov](mailto:DigNavs@library.ca.gov)

#### [Networking California Library Resources](#)

We are delighted to share news about [CalMatters for Learning](#), a free nonpartisan resource platform, brought to you by the California State Library and CalMatters. At the beginning of each month through June 2023, you will find a new package of resources to help library staff develop programs, guide conversations and build other activities at your branch. Resources will be available in English and Spanish. The resource center includes interactive tools, videos, audio features and explanations. All libraries are encouraged to integrate the resource into their programs and events. For questions or to provide feedback on the resource, contact [anaclara@calmatters.org](mailto:anaclara@calmatters.org) LSTA-funded.

### Tutoring Project – Ongoing

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

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

For Online Tutoring questions, email [catutoring@library.ca.gov](mailto:catutoring@library.ca.gov).

### Parks Pass Program – ongoing

A reminder that the [toolkit](#) exists for support on marketing, circulation, programming, and more.

Are any of you doing anything creative to promote your parks passes for the superbloom? Or maybe you’re preparing for [Parks Week](#), which is June 14-18 – there are amazing events happening all over the state.

Some ideas:

- Displays about local parks/outdoors themed books and the parks passes
- Design contest for library cards/bookmarks
- [Marine Protected Area coloring book pages](#) (free)
- Anything from the activity guide for [Junior Rangers](#)
- Promote the [Adventure Pass too, for Fourth Graders](#)
- Create a [tree where people submit leaves](#) about their favorite thing to do outside, like Rancho Cucamonga
- Help people access the [Digital Parks Pass passport](#)
- Lots more [sample programs](#) - I just updated this with some great grantee work

For any questions, email [parkspass@library.ca.gov](mailto:parkspass@library.ca.gov). State of CA funded.

## Networking and Training

### Career Pathways Webinars for 2023

Register for upcoming webinars by clicking the links below or visiting the [CAreer Pathways Staff Resource page](#), where you can also find platform details, administration, marketing materials and more.

- [CAreer Pathways and Digital Literacy: Getting Started with Northstar](#)  
Wednesday, May 10, 2023, 11:00 am – 12:00 pm
- [CAreer Pathways Resource: Using Coursera](#)  
Wednesday, July 12, 2023, 11:00 am – 12:00 pm

- [CAreer Pathways Resource: Using Skillshare](#)  
Wednesday, August 16, 2023, 11:00 am – 12:00 pm
- [CAreer Pathways Resources: Using LearningExpress Library Complete and Job & Career Accelerator \(EBSCO\)](#)  
Wednesday, September 13, 2023, 11:00 am – 12:00 pm
- [CAreer Pathways Resource: Using LinkedIn Learning](#)  
Wednesday, October 18, 2023, 11:00 am – 12:00 pm
- [CAreer Pathways Resources: Using VetNow and GetSetUp](#)  
Wednesday, November 8, 2023, 11:00 am – 12:00 pm
- [Access recorded webinars on the CALL Academy Career Pathways channel.](#)

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

CAreer Pathways is State of CA funded. Questions? [CAPathways@library.ca.gov](mailto:CAPathways@library.ca.gov)

#### [Directors Networking Conversations 2023](#)

Networking conversations for library directors continue and an invitation to participate is sent out on the directors' listserv as dates are scheduled. The next Directors Call will be held on May 17, 2023 3:30-4:30 p.m. Library directors can register for the meeting at

<https://us06web.zoom.us/meeting/register/tZwofuCgqD8jGNOSGP83jbK9wwVGsjGZsnFP>

LSTA funded.

#### [Online Tutoring Training 2023](#)

The statewide online tutoring project has trainings available for you or your staff. All trainings are archived on [our tutoring page](#).

#### [Get Connected California Events April 22: Host Sites Needed](#)

Get Connected! California mobilization is underway to expand broadband access for Californians. On Saturday, April 22, organizations across the state are hosting enrollment assistance events to be sure that every eligible student and family is aware of and enrolled in the Affordable Connectivity Program (ACP). More than 4 million California households are eligible for discount broadband services but are not yet enrolled.

If you can help by hosting an enrollment event on April 22 or by promoting ACP enrollment in your community, [please sign up here](#).

Please help spread the word about ACP and the benefits for households in your area. A Digital Inclusion flier in English and Spanish to help households enroll is available at this [link](#).

Please share this information with your colleagues and local partners. For more information on ACP enrollment, visit the [Internet For All Now](#) website.

Let's get California connected!



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