

PLP Executive Committee Agenda

May 17, 2024

1:30 p.m.

Milpitas Public Library – 160 N. Main Street, Milpitas, CA 95035

**PLP Executive Committee**

Tracy Gray, Mountain View Public Library (Chair)	Tom Rosko, Naval Postgraduate School
Tess Mayer, Berkeley Public Library	Tim Wallace, San Bruno Public Library
Alison McKee, Contra Costa County Library	Elnora Tayag, San Mateo Community College District
Hillary Theyer, Monterey County Free Libraries	Michelle Perera, Sunnyvale Public Library

**I. Introductions**

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

Gray

- A. Adoption of the Agenda
- B. Approval of the January 22, 2024 Minutes Attachment 1, pg. 3

**III. New Business**

- A. PLP Annual Meeting Debrief Gray
- B. Approval of Greater Opportunities for Leadership Development (PLP GOLD) Budget **(Action Item)** Wasterlain Attachment 2, pg. 7
- C. Determine Funding for PLP FY 2024-25 Staff Development Initiatives **(Action Item)** Wasterlain Attachment 3, pg. 8
- D. Discussion of PLP Strategic Priorities Workplan FY 2024-25 Frost
- E. Finance
  - 1. Approval of the PLP/PLS FY 2023-24 2<sup>nd</sup> Contract Amendment **(Action Item)** Frost Attachment 4, pg. 10
  - 2. Approval of PLP/NorthNet FY 2024-25 Contract **(Action Item)** Frost Attachment 5, pg. 12
  - 3. Approval of PLP/PLS FY 2024-25 Contract **(Action Item)** Frost Attachment 6, pg. 14
  - 4. FY 2024-25 CLSA Budget and Menu **(Action Item)** and Formation of Ad Hoc Committee Frost Attachment 7, pg. 16

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|---|-------|-----------------------|
| 5. Review and Approve Request from Pleasanton Public Library for Reduced Membership for One Year <b>(Action Item)</b> | Frost | Attachment 8, pg. 19  |
| 6. PLP FY 2024-35 Draft Budget Discussion   | Yon   | Attachment 9, pg. 20  |
| 7. Acceptance of the PLP FY 2022-23 Audit <b>(Action Item)</b>  | Yon   | Attachment 10, pg. 28 |

#### IV. Reports

- |                           |        |                       |
|---------------------------|--------|-----------------------|
| A. PLP President's Report | Gray   |                       |
| B. PLP CEO's Report       | Frost  |                       |
| C. State Library Report   | Chisom | Attachment 11, pg. 70 |

#### V. Agenda Building for Next Meeting on June 24, 2024

**VI. 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.)

#### VII. Announcements

#### VIII. Adjournment

**PLP Executive Committee**

**January 22, 2024**  
**10 a.m. via Zoom**

**MINUTES****Committee:**

Tracy Gray, Chair, Mountain View Public  
 Tess Mayer, Berkeley Public  
 Alison McKee, Contra Costa County  
 Hillary Theyer, Monterey County Free  
 Tom Rosko, Naval Postgraduate  
 Elnora Tayag, San Mateo County Comm. College District  
 Tim Wallace, San Bruno Public  
 Michelle Perera, Sunnyvale Public

**System Staff:**

Carol Frost, PLP  
 Justin Wasterlain, PLP

**Others:**

Lena Pham, CA State Library

The meeting was called to order by Chair Gray at 10:02 a.m.

**I. Introductions****II. Approval of Consent Items****A. Adoption of the Agenda****B. Approval of the October 16, 2023 Minutes**

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

**III. Old Business****A. Update on FY 2023-24 PLP Strategic Priorities Activities**

Frost provided updated on the status of PLP's Strategic Priorities Activities. She noted an ad hoc group formed to work on leadership training. Frost stated the leadership program will focus on middle management and an executive cohort would be deferred until a later time. She announced Luis Herrera was interested in being the program's facilitator. Frost reported the new funding structure resulted in more staff development initiative requests. Two upcoming Staff Development Workshops are scheduled for February and May. Information on the 11 Innovation and Technology grants was provided. When discussing AI training that would occur at the end of January, Frost brought up a question from a BALIS member about whether or not Board and Commission members could participate in the training. Rosko and Perera did not favor their inclusion. The Committee confirmed the AI training would be for library staff, but asked to agendize and discuss the issue of board and commission training opportunities at a future meeting. Frost reported that Ryan Baker of Los Gatos Library is the liaison for the SVLS Technical Services working group and is assisting the group with their goals. Frost noted there

was member interest in creating communities of interest for assistant directors and young adult librarians.

#### IV. New Business

##### A. FY 2023-24 Financial Support Requests for Staff Development Activities – Round 2

Wasterlain reviewed the new funding structure and noted more libraries chose to collaborate than originally expected resulting in multiple requests for the \$4,000 tier. He stated the MOBAC Emergency Support Workgroup's project was extended until the end of the fiscal year. Wasterlain expected some projects to come in under budget, keeping the overall program costs within the original \$12,000 allocated, but an additional allocation of up to \$2,104 from fund balance is required to ensure that all round two projects could be fully funded if necessary. A motion was made, and approved via roll-call vote, to approve the use of up to \$2,104 from fund balance for staff development initiatives and trainings. Theyer abstained, all others voted in the affirmative. (M/S McKee/Perera).

##### B. PLP Middle Manager Cohort Plan and Funding

Wasterlain reviewed the activities of the PLP Leadership Ad Hoc Group. He noted the group has met with Luis Herrera about the potential of serving as the new middle management cohort facilitator. He discussed the proposal Herrera provided and asked the Committee to approve the use of \$7,500 in fund balance to create a contract with Herrera for February 2024 through June 2024 to plan out the program's launch in FY 2024-25. There was a question if costs were comparable to previous years. It was clarified the full program cost would be presented in May, but that the basic costs are expected to be comparable. It was noted there may be additional elements such as travel or speaker costs which may not have been part of previous programs. A motion was made, and unanimously approved via roll-call vote, to approve the use of \$7,500 in fund balance to contract with Herrera in February 2024 through June 2024. (M/S Perera/Theyer)

##### C. Discussion of PLP Annual Meeting on May 17, 2024

###### 1) Planning and Speaker

Gray inquired if the meeting would be in-person or virtual. Frost answered the meeting would be held in-person as agreed upon the previous year. Gray asked where the meeting would be held. A number of options were discussed that Frost will follow up on. Frost proposed instead of speakers, the four regions could discuss a cooperative project they have worked on over the year. Mayer appreciated the chance to learn from other regions. Theyer noted it could be an opportunity to spread successful projects further across the system. It was asked of Rosko and Tayag if they would reach out to other academic libraries to discuss potential projects to share. McKee noted she would be interested in hearing of projects that included public and academic libraries successfully collaborating. Proposed agenda items are: Innovation and Technology grants, regional presentations, Herrera presentation of middle management program, election of officers, discussion of strategic priorities, legislative update, and State Library update.

###### 2) Nominating Committee Selection

SVLS meeting will discuss new SVLS member to replace Gray on Committee. Frost noted a

nominating committee was needed to identify a new president and vice-president. The nominating committee will be Gray, McKee, and Perera.

#### **D. Finance**

##### **1) Update on PLP FY 2023-24 CLSA Funds**

Frost reviewed the FY 2023-24 CLSA allocations and noted \$50,000 was held back for future purchases. She stated there was no indication that CLSA funds would be cut in FY 2024-25, but the actual amount of funding would not be known until May. Frost reminded CLSA funds need to be used within three years and the \$50,000 held aside for future purchases could be allocated for use at a later time. Perera suggested to postpone allocation of these funds. Wallace and Theyer agreed. Frost asked if the Flipster subscription was still of value to the participating libraries. Theyer and Gray supported maintaining the subscription. No action on CLSA funds was taken at this meeting.

#### **V. Reports**

##### **A. PLP President's Report**

Gray reported she would be attending the California Library Services Board meeting on February 1, 2024.

##### **B. PLP CEO's Report**

Frost announced PLP would be hosting an AI training on January 31, 2024. She discussed Senate bill SB321. Frost announced Cindy Chadwick would be retiring from Alameda County Library in March.

##### **C. State Library Report**

Pham provided an overview of current grant opportunities and State Library activities.

#### **VI. Agenda Building for Next Meeting on May 17, 2024**

- Budget
- PLP/PLS contract amendment
- Workplan review
- PLP/NorthNet contract
- CLSA allocations
- PLP audit
- Debrief of PLP annual meeting

#### **VII. Public Comment**

No public comment.

#### **VIII. Announcements**

No announcements.

#### **IX. Human Resources Closed Session**

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

##### **B. Report of Closed Session**

No reportable action. The Executive Committee approved the annual review of the Executive

Director/PLP CEO. Gray and the entire committee expressed their strong support and appreciation for Frost's work.

**X. Adjournment**

The meeting was adjourned at 11:46 a.m.

DRAFT

**To:** PLP Executive Committee  
**From:** Justin Wasterlain, Assistant Director  
**Subject:** Approval of Greater Opportunities for Leadership Development (PLP GOLD)  
Budget  
**Date:** May 17, 2024

### **Background**

At the end of FY 2022-23, Jane Light retired from the PLP Executive Leadership and Middle Management Professional programs. An Ad Hoc group has chosen Luis Herrera, the former director of San Francisco Public Library, to become the facilitator of a new middle management leadership program called Greater Opportunities for Leadership Development (PLP GOLD). Herrera has met with the Ad Hoc Group to receive input on the program's format and topics. He has presented a prospectus of the program to the PLP Administrative Council at its May 17, 2024 annual meeting.

### **Discussion**

Herrera has proposed a budget for PLP GOLD of \$43,650 that includes the following:

- An assumption that there will be 9 sessions in FY 2024-25
- Participant costs will remain at \$900 as has been past practice with Jane Light's middle management professional development program. It is expected 12 people will be accepted into the cohort, for a revenue of \$10,800.
- Food costs will be \$25 per person per session, for a total of \$2,700.
- Herrera will attempt to locate speakers who will provide their time pro bono, but \$500 per session will be allocated for an honorarium if necessary. It is felt this will help ensure the quality of the guest speakers.
- Reimbursement for lodging will be available for participants who would otherwise need to travel prohibitively long distances to attend. The program will include a budget for the potential of six participants needing lodging per session at \$175 per person, per session, for a total of \$9,450.
- Herrera's contract will include 24 hours per session (16 hours for planning, 8 hours for facilitation) at \$125 per hour, for a total of \$27,000.
- Taking into consideration all the factors above, the PLP budget will include \$31,650 of costs not covered from the projected revenue.

### **Recommendation**

It is recommended that the PLP Executive Committee approve the costs associated with the FY 2024-25 PLP GOLD program.

**To: PLP Executive Committee**  
**From: Justin Wasterlain, Assistant Director**  
**Subject: Determine Funding for PLP FY 2024-25 Staff Development Initiatives**  
**Date: May 17, 2024**

### Background

In FY 2023-24, \$12,000 was allocated for staff development initiatives and a tiered system of funding was created. Individual grants of \$1,500 and \$2,500 were available as well as \$4,000 for collaborative grants between two or more jurisdictions.

Based on the demand for staff development grants in previous years, it was projected that one collaborative grant would be awarded and two grants each of \$1,500 and \$2,500 would be awarded. However, there were three requests for collaborative grants as well as five requests for individual grants. In total, \$16,700 was requested.

Rather than deny requests, it was recognized that some grants would be underspent allowing for more grants to be accommodated. At the January 22, 2024 PLP Executive Committee meeting, an update on staff development grant spending was provided, as well as an estimate of what additional funds may be required. The PLP Executive Committee approved using up to an additional \$2,104 should the grants require more than the original \$12,000.

FY 2023-24 Grant \$12,000 Budget*	Use of Grant	Estimated Number of Grants	Actual Number of Grants Funded	Total Amount Requested
Up to \$4,000	Collaborative grant for requests shared by 2 or more libraries	1	3	\$12,000
Up to \$2,500 (\$5,000 total)	Requests by individual library for speaker or training	2	1	\$2,500
Up to \$1,500 (\$3,000 total)	Requests by individual library for smaller event	2	4	\$2,200
<b>Total</b>				<b>\$16,700</b>

*\*At the January 2024 Executive Committee meeting, additional funds were approved to accommodate the additional requests.*

### Discussion

Since the fiscal year has not ended yet, it is unclear what the final expenditures of the FY 2023-24 staff development grants will be. Based upon the total amount requested, it may be appropriate to increase the overall funding for these grants in FY 2024-25. It is suggested that an increase of \$3,000 (total of \$15,000) would be sufficient, with the understanding that should more requests be made than funding is allocated, additional funds could be requested mid-year if necessary. The three tiers of funding (\$4,000, \$2,500, and \$1,500) will remain the same.



**Recommendation**

It is recommended the Executive Committee approve an increase to the System-wide Staff Development Training budget allocation from \$12,000 to \$15,000 in FY 2024-25 and maintain the tiered funding to support collaboration among libraries.

**To: PLP Executive Committee**  
**From: Carol Frost, CEO**  
**Subject: Approval of Second Amendment to the FY 2023-24 PLP/PLS Contract for Fiscal and Administrative Services**  
**Date: May 17, 2024**

## **BACKGROUND**

Both PLP and PLS Executive Committees have approved the first amendment to the FY 2023-24 PLP/PLS contract for fiscal and administrative services.

The purpose of this memo is for the Executive Committee to approve the second amendment, which outlines additional work.

## **ADDITIONAL GRANT WORK**

The first contract amendment total is \$1,036,035.

The second amendment includes additional work and staff time during FY 2023-24 for three statewide grants which PLP handles: Literacy Initiatives, Equity Based Data Decision Making, and Networking California Library Resources. The attached second contract amendment includes \$36,871 for staff time.

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

The total amount of revised indirect revenue is \$42,006. 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, \$4,201, 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 second contract amendment to the FY 2023-24 PLP/PLS contract, for an additional \$41,072, for a total contract of \$1,077,106.

This contract has been approved by the PLS Executive Committee at their May 2, 2024 meeting.



**PLP/PLS CONTRACT**  
**July 1, 2023 to June 30, 2024**  
**2nd Amendment**  
*Additional Work Related to Statewide Grants*

PLP/PLS Baseline Contract with First Amendment (Approved) \$1,036,035

**Additional Work for PLP:**

<b>Staff Time Related to Grant</b>	<b>Amount</b>
Literacy Initiatives	\$11,517
Equity Based Data Decision Making	\$6,825
Networking California Library Resources	<u>\$18,529</u>
<b>TOTAL Additional Staff Support Costs</b>	<b>\$36,871</b>

<b>Additional Indirect Costs</b>	
Literacy Initiatives	\$30,213
Networking California Library Resources	<u>\$11,793</u>
<b>TOTAL Additional Indirect Costs</b>	<b>\$42,006</b>

10% of Indirect costs \$4,201

**TOTAL SECOND AMENDMENT** \$41,072

**Total Revised Contract** \$1,077,106

**To:** PLP Executive Committee  
**From:** Carol Frost, CEO  
**Subject:** Approval of FY 2024-25 PLP/NLS Baseline Contract for Administrative and Fiscal Services  
**Date:** May 17, 2024

## **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 2024-25.

## **Discussion of Baseline Budget**

The FY 2024-25 baseline contract includes preparing and monitoring budgets and contracts such as OverDrive eBooks and eMagazines, Link+; 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 2.6% down from last year's 4.9%.

The total for the FY 2024-25 baseline contract is \$190,187, which is .85% higher than last year's \$188,575.

## **Recommendation**

It is recommended that the PLP Executive Committee approve the baseline contract of \$190,187 for FY 2024-25.

**PLP / NorthNet Contract FY 2024-25**

<u>Staff</u>	<u>FTE</u>	<u>Administration</u>	<u>Total</u>
CEO	0.10	4 hours/week <i>Provide oversight; work with Executive Committee and Coordinator</i>	\$28,891
Office Manager	0.20	8 hours/week <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>	\$30,297
Administrative Assistant II	0.04	1.50 hours/week <i>Prepare system contracts, open mail, mail ILL materials, coordinate Form 700s.</i>	\$3,930
<b>Subtotal - Administration</b>	<b>0.34</b>		<hr/> <b>\$63,118</b>
		<b><u>Fiscal Accounting</u></b>	
Controller	0.11	4.5 hours/week <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>	\$27,212
Accounting Assistant II	0.08	3 hours/week <i>Process payables weekly, prepare invoices, prepare deposits</i>	\$8,451
Fiscal/Admin Services Spec.	0.09	3.5 hours/week <i>Prepare invoices and deposits, reconcile bank statements prepare CalPERS reports, prepare document for liability insurance</i>	\$13,255
Administrative Assistant	0.10	4 hours/week <i>Filing, prepare Holiday Schedule, mail checks and invoices</i>	\$5,306
<b>Subtotal - Fiscal Acctg</b>	<b>0.38</b>		<hr/> <b>\$54,224</b>
		<b>Total Administration/Fiscal Accounting</b>	<hr/> <b>\$117,342</b>
Coordinator	0.33	13 hours/week <i>Distribute legislative, CLSA and other State Library Correspondence, prepare agendas for Council meetings, 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>	<hr/> <b>\$168,042</b>
		<i>Dec 2023 All Urban Consumers 2.6%</i>	\$4,369
		<b>Mileage</b>	
		3 round trips @242 mile@ .67 cents per mile	\$486
		<b>Total</b>	<hr/> <b>\$172,897</b>
		10% Overhead	\$17,290
<b>Total FTE</b>	<b><u>1.04</u></b>	<b>Grand Total</b>	<hr/> <b>\$190,187</b>

**To:** PLP Executive Committee  
**From:** Carol Frost, CEO  
**Subject:** Approval of FY 2024-25 PLP/PLS Contract for Administrative and Fiscal Services and First Amendment  
**Date:** May 17, 2024

## **BACKGROUND**

The Pacific Library Partnership (PLP) contracts with the Peninsula Library System for fiscal and administrative oversight. The PLP/PLS Baseline Contract for FY 2024-25 is \$1,038,616, which reflects a 5.4% increase from the previous year's contract of \$985,484.

For FY 2024-25, the following should be noted:

- Staff costs include a Cost of Living Adjustment of 4%
- 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 2, 2024.

It is recommended that the Executive Committee approve the FY2024-25 contract for \$1,038,616.



**PLP/PLS CONTRACT**  
**July 1, 2024 to June 30, 2025**  
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.
- Indirect costs contribute to overhead that enable the Peninsula Library System to manage the activities of the Pacific Library Partnersh including rent, utilities, equipment and services (e.g. photocopiers, phone systems, janitorial service, IT support).*

	<b>FTE</b>	<b>Hourly Rate</b>	<b>Amount</b>
Chief Executive Officer	0.80	\$ 138.90	\$ <b>231,130</b>
Assistant Director	0.88	\$ 114.83	\$ <b>208,991</b>
Controller	0.60	\$ 116.29	\$ <b>145,130</b>
Office Manager	0.63	\$ 72.86	\$ <b>94,718</b>
Fiscal/Admin Services Specialist	0.46	\$ 72.83	\$ <b>70,062</b>
Accounting Assistant II	0.72	\$ 54.19	\$ <b>81,014</b>
Administrative Assistant	0.50	\$ 50.38	\$ <b>52,395</b>
Office Assistants	0.84	\$ 25.51	\$ <b>44,683</b>
IT Director	0.05	\$ 102.63	\$ <b>10,674</b>
<b>TOTAL PLP &amp; NLS Staffing Support Costs</b>	<b>5.47</b>		\$ <b>938,796</b>
			<i>(Time included for administering PLP and NorthNet)</i>
<i>Director &amp; Assistant Director pro-rated auto allowance</i>			\$ <b>5,400</b>
<i>Total PLP &amp; NLS Staffing Support &amp; Auto Allow. Costs</i>			\$ <b>944,196</b>
		<b>10% Overhead</b>	\$ <b>94,420</b>
<b>Total PLS/PLP BASELINE CONTRACT</b>			<b>\$ 1,038,616</b>

<b>FY 23-24 PLP/PLS Contract</b>	<b>Amount</b>
Admin Staffing Cost	\$ 892,595
PLS Director & Asst Auto Allowance	\$ 3,300
10% Overhead	\$ 89,589
Total	\$ 985,484
Contract Amendments	\$ 144,754
<b>TOTAL CONTRACT</b>	<b>\$ 1,130,238</b>



**To:** PLP Executive Committee  
**From:** Carol Frost, CEO  
**Subject:** CLSA Allocations and PLP Menu of Services for FY 2024-25  
**Date:** May 17, 2024

## Background

PLP annually receives California Library Services Act (CLSA) funds that may be used for resource sharing. Normally at the May PLP Executive Committee meeting, the Committee would be presented with two California Library Services Act (CLSA) reports to review and approve: the Plan of Service, and the preliminary budget. The California State Library has notified the cooperative systems that they have modified the forms and the process, and that the deadline for submitting the forms will be extended from June 1 to August 1 for this year.

Due to these changes, and to ensure that PLP can complete the creation of the FY 2024-25 budget, this memo outlines the CLSA allocations and the proposed budget, as well as specific items for consideration.

Normally, at this meeting, the Executive Committee would also establish the Menu of Services to distribute funds back to public libraries to select from for FY 2024-25. However, due to the significant changes to the forms, it is recommended that this be delayed so that there can be further review.

## CLSA Funds Available for FY 2024-25

The preliminary PLP CLSA budget for FY 2024-25 has not yet been approved by the California Library Services Board. The budget is based on the assumption that the preliminary numbers provided to PLP will remain in the Governor's budget. The following funds are available for FY 2024-25:

### *Revenue*

\$50,000	Roll-over prior-year funds that were earmarked for future purchases
\$7,323	Roll-over unexpended office and communication costs
\$568,138	FY 2023-24 CLSA Baseline allocation
\$142,035	CLSA System Administration allocation
<b>\$767,496</b>	<b>Total available funds</b>

### *Expenditures*

\$142,035	CLSA System Administration (used for staffing costs)
\$11,670	Communication costs (Zoom, postage, office supplies, web hosting)
\$228,829	Delivery/courier costs for four regions
<b>\$382,534</b>	<b>Subtotal Expenditures</b>
<b>\$384,962</b>	<b>Available for allocation</b>



## 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.

Since the inception of this initiative, 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), and the number of titles has varied from 22 to 25, based on availability.

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. 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 2024-25 Flipster subscription cost is **\$47,880** for 23 titles.

## Future Purchases

In FY 2023-24, the PLP Executive Committee set aside \$50,000 for future purchases, and those funds will roll over to FY2024-25. Through being fiscally conservative, PLP has been able to use roll-over funds to offset CLSA reductions. Per California law, a system has three years from receipt of funds to expend CLSA funds.

In the last 10 years, CLSA funding has occasionally been cut at the state level. At the time of writing this memo, the Governor's May budget revise has not yet been released. Since his January 2024 budget, there is now an expected approximate \$70B deficit.

The Executive Committee may choose to allocate the FY 2024-25 funds back to the libraries to choose from the Menu of Services and may choose to allocate a portion of the remaining funds to future purchases.

## Creation of Ad Hoc Committee to Review New CLSA Reporting Requirements

The new CLSA Plan of Service has been redesigned by the State Library to more closely match the new LSTA five-year plan, aligning it with Goal 4, “Strengthen equitable resource-sharing and access to information, services, and opportunity with an emphasis on local community strengths and challenges.”

The new form asks questions such as “Describe the community needs that this plan is intended to meet, the community aspirations with which it is intended to align, and how your plan responds to your stated community needs and aspirations,” “Describe how you will engage underserved community members with your designed plan and activities,” as well as requiring a list of anticipated outputs and evaluation metrics.

Because of these new requirements, staff are requesting that the PLP Executive Committee form an Ad Hoc Committee to assist in considering how PLP will answer these questions, assist in developing a survey to gather information in an ongoing way to address these questions, and review the menu of services to determine in changes should be made.

## Recommendations

There are \$384,962 of CLSA funds available for allocation. The PLP Executive Committee may consider the following:

1. Affirm to fully pay \$47,880 for a shared Flipster subscription ‘off the top’
2. Decide whether any funds shall be held back for future purchases
3. Acknowledge that the FY 2023-24 allocation for future purchases will be expended in FY 2024-25 by allocating funds back to libraries to choose from the Menu of Services
4. Confirm how much funds shall be allocated back to libraries for the Menu of Services (\$337,082 after Flipster subscription cost)
5. Form the Ad Hoc Committee to assist in reviewing the new CLSA requirements
6. At the June 2024 Executive Committee meeting, discuss any updates regarding the new CLSA requirements

These decisions will be used so that PLP may complete the CLSA Plan of Service and to complete the PLP budget.



May 9, 2024

Carol Frost  
Executive Director, Pacific Library Partnership  
32 W. 25th Avenue, Suite 201  
San Mateo, CA 94403

Dear Ms. Frost,

Pleasanton Library has been an active member of Pacific Library Partnership since 2015/2016. We greatly value PLP as vital to our services and wish to continue our membership into the future.

Pleasanton Library's Total Operating Budget as reported to the State Library has typically been within the Membership Schedule bracket of \$4,000,000 - \$4,999,999 in recent years. However, in Fiscal Year 2022/23, Pleasanton Library replaced its 36-year-old roof and roof-line windows, with a City capital expenditure of \$2,740,097, resulting in a one-time increase in the Total Operating Expenses in the FY 2022/23 State Library Report (from \$4,747,947 to \$7,734,314). This higher Total Operating Expenses bracket results in an additional \$6,000 in PLP Membership dues for this coming year.

We would like to request that our annual participation fee remain at \$11,641 (the combined total of the base fee and the formula for libraries with a total operating budget of \$4,000,000 - \$4,999,999).

In coming years, we do not anticipate our Total Operating Budget exceeding \$4,999,999. The City of Pleasanton is unfortunately facing a structural deficit and Pleasanton Library is exploring mid-term budget adjustments that would likely reduce the operating budget.

Thank you for your consideration and please let me know if you need any additional information.

Sincerely,

DocuSigned by:

  
835C4EEC944E40D...

Heidi Murphy  
Director of Library and Recreation

Cc: Carol Frost, CEO Pacific Library Partnership

**LIBRARY AND RECREATION**

P.O. Box 520  
Pleasanton, CA 94566  
(925) 931-5340  
Fax: (925) 931-5477

**To:** PLP Executive Committee  
**From:** Andrew Yon, Controller  
**Subject:** Review of PLP FY 2024-25 Draft Budget  
**Date:** May 17, 2024

### **Background**

The purpose of this memo is to provide a preview of the PLP FY 2024-25 budget for consideration.

### **Budget Summary**

Below are highlights of the PLP FY 2024-25 draft budget. The overall budget is \$2,069,187, which is 0.6% increase from last year's budget of \$2,055,984.

### **Administration**

#### **Revenues:**

- LAIF interest income has been moved from the System Operations budget to the Administration Budget and reflects \$155,000 in interest income. The higher number is due to higher interest rates and grant funds.
- 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 2.6%.
- Membership fees are based on the FY 2022/23 Operating Expenditures reported by libraries to the State Library, using the adopted formula. Total membership revenue is \$705,544, which is higher than the prior year's \$682,544. The Pleasanton Public Library has requested a one-year reduction in their membership fees, and this reduction is reflected.
- 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. There are two statewide grants ending in Summer 2024: the CAREer Pathways Workforce grant, and the Online Homework Help grant. The Staffing Costs Recovery reflects the actual staff costs to be billed to perform the work of the grants for the regularly occurring grants. As is the case each fiscal year, should additional grant work be added during the course of the year, a contract amendment will be made between PLP and PLS.
- 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 FY2024-25 PLP/PLS contract for \$1,038,616.
- Travel/Meetings is slightly higher in anticipation of food/refreshment costs for the Annual meeting, as well as increased travel to conferences for the CEO and Assistant Director.
- Workshop Expenses reflect an increase from \$12,000 to \$15,000 to support PLP systemwide library-initiated staff development trainings. Should additional funds be needed, the budget may be reconsidered at the January 2025 meeting based on requests.
- As part of the Silicon Valley bank acquisition, PLP has switched to a new bank which is an authorized depository bank for public funds. Because of the new bank change, the annual bank costs have increased to approximately \$3,500.

### Communications and Delivery

- The budget reflects \$57,323 of roll-over of previous year unspent CLSA funds, including \$50,000 for future purchases, and \$11,670 for supplies, telecommunications, website hosting, Doodle, and SurveyMonkey.
- Delivery costs have decreased to \$228,829 due to recalibrating contract costs. PLP is currently executing an RFP for delivery services to MOBAC libraries which may result in a variation in these costs, which will be reflected in the budget presented at the June meeting.
- The budget reflects the use of CLSA funds to pay for the \$47,880 Flipster cost, which increased 5% and also added one additional title, *Cricket*, due to prior years having a reduction in titles.
- The budget reflects \$337,082 of CLSA C&D funds which may be allocated to libraries or initiatives, or an allocation to future use. This will be updated based on the conversation on the CLSA agenda item and reflected in the budget to be presented at the June meeting.

### System Operations

- The Workshop Fees revenue reflects \$10,800 expected from the new middle management program (PLP GOLD). This accounts for 12 participants at \$900 each. The overall cost of the program will be \$43,650 (including the contractor costs, honorariums, and food), resulting in PLP covering \$32,850 of unrecovered costs.
- In FY 2023-24, \$12,000 was allocated for system-wide artificial intelligence training, with only \$750 expended. As part of the Strategic Priorities activities for FY 2024-25, the Executive Committee may consider budgeting funds for similar systemwide training events which are not part of the PLP Staff Development Committee.
- The expected revenue from the in-person Future of Libraries Conference is \$5,000, and \$7,000 has been budgeted for speakers and refreshments.



- The Innovation and Technology Grants have been budgeted at \$120,000. In FY 2023-24, 11 grants were submitted for a total of \$110,050, with a maximum request set at \$12,000. The Executive Committee may consider keeping the budget at \$120,000 or modifying the budgeted amount.
- BALIS has allocated \$70,000 of their reserve funds to support a marketing campaign for their OverDrive materials, and funds for local staff development initiatives. It is expected that SVLS will once again allocate some of their reserve funds to support the Silicon Valley Reads program. In December 2024, the MOBAC Council will be evaluating their subscription to dPlan and determining whether to renew their subscription using their reserve funds.

### **Fund Balance**

- The budget presented does not utilize any fund balance and reflects \$34,331 unallocated revenue and these funds will be going to the fund balance if not allocated.
- The PLP FY2023/24 Ending Fund Balance is estimated to be \$2,233,155. 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 2024-25, three months of Operating Reserve is \$313,383.

### **Grants**

- PLP has reapplied to continue to administer three LSTA grants in FY 2024-25: Literacy Initiatives, Networking California Library Services, and Equity-Based Data-Driven Decision Making for Community Impact.
- As of this time, the California State Library has not funded an extension of the Statewide Online Tutoring Program Partner Project and the CAREer Pathways Project, and they will sunset in August 2024.

### **Recommendation**

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

## FY 2024-25 PLP Membership Fees

Library	Amount
Alameda County Library	\$35,641
Alameda Free Library	\$15,641
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	\$18,641
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	\$16,641
Naval Post Graduate School Library	\$5,000
Oakland Public Library	\$35,641
Pacific Grove Public Library	\$8,641
Palo Alto City Library	\$19,641
Pleasanton Public Library*	\$11,641
Redwood City Public Library	\$25,641
Richmond Public Library	\$11,641
Salinas Public Library	\$16,641
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	\$17,641
San Mateo County Community College District	\$3,000
San Mateo County Library	\$35,641
San Mateo Public Library	\$17,641
Santa Clara City Library	\$25,641
Santa Clara County Library	\$35,641
Santa Cruz Public Libraries	\$27,641
South San Francisco Public Library	\$15,641
Sunnyvale Public Library	\$19,641
Watsonville Public Library	\$11,641
<b>TOTAL</b>	<b>\$705,544</b>

\* Requested a one-year membership reduction

<b>FY 2024-25 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	\$ 155,000	\$ -	\$ -	\$ 155,000
Other Agencies	\$ 199,687			\$ 199,687
Member Fees	\$ 535,164		\$ 170,380	\$ 705,544
Workshop Fees			\$ 15,800	\$ 15,800
State Grant-CLSA	\$ 142,035	\$ 625,461		\$ 767,496
State Grant-LSTA	\$ 167,991			\$ 167,991
Reimbursable Costs			\$ 92,000	\$ 92,000
Fund Balance	\$ (34,331)			\$ (34,331)
<b>Total Revenue</b>	<b>\$ 1,165,546</b>	<b>\$ 625,461</b>	<b>\$ 278,180</b>	<b>\$ 2,069,187</b>
<b>Expenditure</b>				
Communications	\$ -	\$ 5,710	\$ -	\$ 5,710
Mileage	\$ 175			\$ 175
Equipment Maintenance	\$ 7,200			\$ 7,200
Printing	\$ 760			\$ 760
Professional Services	\$ 55,700		\$ 27,000	\$ 82,700
Contractual Services	\$ 1,056,616	\$ 232,429		\$ 1,289,045
Office Expense	\$ 1,000	\$ 750		\$ 1,750
Postage		\$ 900		\$ 900
Special Departmental		\$ 337,082	\$ 120,000	\$ 457,082
Library Materials				\$ -
General Insurance	\$ 3,000			\$ 3,000
Membership Fees/Dues	\$ 4,680		\$ 15,030	\$ 19,710
Travel & Meetings	\$ 6,500		\$ 9,950	\$ 16,450
Education & Training	\$ 200			\$ 200
Subscriptions	\$ 1,215	\$ 47,880		\$ 49,095
Software License Fee		\$ 710		\$ 710
Service Fees	\$ 3,500			\$ 3,500
Workshop Expenses	\$ 15,000		\$ 14,200	\$ 29,200
Reimbursable - Legacy System EXP	\$ 9,500		\$ 92,000	\$ 101,500
Lease Equipment	\$ 500			\$ 500
<b>Total Expenditure</b>	<b>\$ 1,165,546</b>	<b>\$ 625,461</b>	<b>\$ 278,180</b>	<b>\$ 2,069,187</b>
<b>Fund Balance (GF001)</b>	<b>FY23/24</b>		<b>FY24/25 Est.</b>	
<b>Beginning Fund Balance</b>	<b>\$ 2,048,155</b>		<b>\$ 2,267,486</b>	
<b>Adjustment</b>	<b>\$ 185,000</b>			
<b>Estimated Ending Fund Balance</b>	<b>\$ 2,233,155</b>			
<b>Reserve</b>				
<b>Operating Reserve</b>	<b>\$ 313,383</b>			



**PACIFIC LIBRARY PARTNERSHIP  
FY 2024-25 PROPOSED BUDGET**

**ADMINISTRATION (920)**

		Adopted	Proposed	
		FY23/24	FY24/25	Note
<b>GL Acct</b>	<b>Revenues</b>			
3510	Interest Income	\$ -	\$ 155,000	Interest Income (LAIF) - <i>moved from System Oper.</i>
3601	Other Agencies	8,600	9,500	BALIS Retirees Medical -BALIS Reserve
3601	Other Agencies	188,575	190,187	NorthNet Contract
3661	Member Fees	579,514	535,164	PLP Membership Fees (Prorated- System Oper.)
3667*	State Grant-CLSA	142,261	142,035	CLSA System Admin Funds
3668	Federal Grant	88,000	82,699	LSTA Grants-Indirect Costs
3668	Federal Grant	152,692	85,292	LSTA Grants- PLP Staffing Costs Recovery
3000	Fund Balance	(5,129)	(34,331)	Use of Fund Balance (Credit)
	<b>Total Revenues</b>	<b>\$1,154,513</b>	<b>\$ 1,165,546</b>	<b>0.96%</b>
	<b>Expenditures</b>			
4216	Mileage	\$ 300	\$ 175	
4217	Equipment Maintenance	6,858	7,200	MIP Acctg Software Maint. & Support
4218	Printing	625	760	Envelopes and checks
4219	Professional services	55,700	55,700	NLS Sys. Coord. (\$50.7K); Consultants (\$5K)
4220	Contractual Services	1,054,035	1,056,616	PLS Contract \$1,038,616; Audit \$18,000
4230	Office Expense	1,500	1,000	Office Supplies
4301	General Insurance	3,000	3,000	Professional Liability Insur-PLP Board Members
4302	Membership Fees	4,680	4,680	CLA, ALA , Urban Libraries, Amazon Prime
4303	Travel/Meetings	5,000	6,500	Annual Conferences, In-Person PLP Annual Mtg.
4304	Education & Training	300	200	
4305	Subscriptions	1,215	1,215	Library Journal (\$190); DocuSign (\$625); Formsite (\$400)
4373	Service Fees	300	3,500	Banking fees and IRS 1099 eFile Fee
4434	Workshop Expenses	12,000	15,000	System-wide Staff Development Trainings
4448	Reimbursable - Legacy System Expenses	8,600	9,500	BALIS Retirees Medical Cost -BALIS Reserve
4585	Lease Equipment	400	500	Postage meter
	<b>Total Expenditure</b>	<b>\$ 1,154,513</b>	<b>\$ 1,165,546</b>	<b>0.96%</b>

**CLSA COMMUNICATIONS & DELIVERY (924)**

		Adopted	Proposed	
		FY23/24	FY24/25	Note
<b>GL Acct</b>	<b>Revenues</b>			
3601	Other Agencies	\$ 1,000	\$ -	MOBAC Add'l Delivery Service ( <i>Discontinued</i> )

**PACIFIC LIBRARY PARTNERSHIP  
FY 2024-25 PROPOSED BUDGET**

3667*	State Library-CLSA	569,046	568,138	CLSA Communications and Delivery Allocation <i>FY2023-24 Roll -over CLSA Funds (\$50K Future purchases, \$7,323 unexpended)</i>
3667	State Library	103,895	57,323	
	<b>Total Revenues</b>	<b>\$ 673,941</b>	<b>\$ 625,461</b>	<b>(7.19%)</b>

**EXPENDITURES**

4212	Communication	\$ 8,100	\$ 5,710	ZOOM (\$800); Basecamp (\$1K); VOIP Phones (\$2,560); Cellphones (\$1,350)
4220	Contractual Services	<b>232,132</b>	228,829	Systems delivery contracts
4220	<i>Contractual Services</i>	4,000	3,600	Website Hosting PLP & MOBAC Websites \$1,750 ea; Website security (\$100)

<b>Systems Delivery</b>	<b>4% CPI Adj.</b>
BALIS	\$56,056
MOBAC	\$69,163
PLS (CLSA Fund)	\$70,951
SVLS	\$32,659
<b>Total Systems Delivery</b>	<b>\$ 228,829</b>

4230	Office Expenses	750	750	Delivery Supplies (tags, labels, etc) - BALIS & SVLS
4233	Postage	800	900	US Postal, UPS & FEDEX
4305	Subscriptions	42,727	47,880	Flipster Subscription
4310	Software License Fee	985	710	Doodle (\$85); SurveyMonkey (\$625)
<b>4234*</b>	<b>Special Departmental -CLSA</b>	<b>334,447</b>		<b>CLSA Allocation to Libraries</b>
<b>4234*</b>	<b>Special Departmental -CLSA</b>		<b>337,082</b>	<b>Unallocated CLSA Funds</b>
<b>4234*</b>	<b>Special Departmental -CLSA</b>	<b>50,000</b>		<b>Future Use</b>
	<b>Total Expenditure</b>	<b>\$ 623,941</b>	<b>\$ 625,461</b>	<b>0.24%</b>

\*Note - pending State Library approval of CSL FY24/25 CLSA funds allocation

**SYSTEM OPERATION (928)**

<u>GL Acct</u>	<u>Revenues</u>	<u>Adopted FY23/24</u>	<u>Proposed FY24/25</u>	<u>Note</u>
3510	Interest Income	\$ 46,500	\$ -	Interest Income-Moved to Administration Budget
3661	Member Fees	103,030	170,380	PLP Membership Fees (Prorated)
3663	Workshop Fees	3,000	15,800	Future of Libraries Conference (\$5,000), Middle Management Training (\$10,800)
3674	Reimbursable Costs	70,000	85,000	Initiatives from BALIS Reserve
3674	Reimbursable Costs	5,000	5,000	SVLS Silicon Valley Reads (SVLS) (pending approval)

**PACIFIC LIBRARY PARTNERSHIP  
FY 2024-25 PROPOSED BUDGET**

3674	Reimbursable Costs	0	2,000	<i>MOBAC dPlan Subscription (pending approval)</i>
<b>Total Revenues</b>		<b>\$ 227,530</b>	<b>\$ 278,180</b>	<b>22.26%</b>
4219	Professional Services	\$ -	\$ 27,000	Consultant - Middle Management Training
<b>4234</b>	<b><i>Special Departmental</i></b>	120,000	120,000	Innovation Grants
<b>4234</b>	<b><i>Special Departmental</i></b>	5,000	-	<i>Moved to Reimb. Legacy System Expenses (4448)</i>
4302	Membership Fees	15,030	15,030	Califa membership for members
4303	Travel & Meetings	500	9,950	Mileage (\$500); Lodging for Middle Management Training (\$9,450)
4434	Workshop Expenses	17,000	14,200	Future of Libraries Speakers refreshments (\$7K); middle management: training refreshments and supplies (\$2.7K), honorarium (\$4.5K)
4448	Reimb. -Legacy System Expenses	70,000	92,000	<i>BALIS Initiatives (\$70K) &amp; Marketing Campaign (\$15K); SVLS Silicon Valley Reads (\$5K); MOBAC dPlan Subscription (\$2K)</i>
<b>Total Expenditure</b>		<b>\$ 227,530</b>	<b>\$ 278,180</b>	<b>22.26%</b>

**PACIFIC LIBRARY PARTNERSHIP**  
**BASIC FINANCIAL STATEMENTS**  
**AND SINGLE AUDIT REPORTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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**Pacific Library Partnership  
 Basic Financial Statements and Single Audit Reports  
 For the year ended June 30, 2023**

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JJACPA, Inc.

A Professional Accounting Services Corp.

## 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 government activities and each major fund of the Pacific Library Partnership (PLP) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise PLP's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund information of the PLP, as of June 30, 2023, 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.

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

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4-10 and the budgetary comparison information on page 26 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.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise 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 is 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. The 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.

To the Administrative Council of the  
Pacific Library Partnership  
San Mateo, California  
Page 3

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2024 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.

March 25, 2024

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

**Pacific Library Partnership  
Management's Discussion and Analysis  
For the year ended June 30, 2023**

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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, 2023. 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, 2023, PLP ended the year with a net position of \$2,453,974.

**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, 2023**

**Financial Analysis of PLP as a Whole**

	Net Position		Increase (Decrease)	Percent Change
	As of June 30, 2023 and 2022			
	<u>2023</u>	<u>2022</u>		
<b>Assets:</b>				
Current Assets	\$ 10,553,403	\$ 3,629,112	\$ 6,924,291	190.8%
Non-current Assets	-	-	-	0.0%
<b>Total Assets</b>	<u>\$ 10,553,403</u>	<u>\$ 3,629,112</u>	<u>\$ 6,924,291</u>	190.8%
<b>Liabilities:</b>				
Current Liabilities	\$ 8,099,429	\$ 976,291	\$ 7,123,138	729.6%
Total Liabilities	<u>8,099,429</u>	<u>976,291</u>	<u>7,123,138</u>	729.6%
<b>Net Position:</b>				
Net Investment in Capital Assets	-	-	-	0.0%
Restricted	313,384	313,384	-	
Unrestricted	2,140,590	2,339,437	(198,847)	-8.5%
Total Net Position	<u>2,453,974</u>	<u>2,652,821</u>	<u>(198,847)</u>	-7.5%
<b>Total Liabilities and Net Position</b>	<u>\$ 10,553,403</u>	<u>\$ 3,629,112</u>	<u>\$ 6,924,291</u>	190.8%

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 \$2,453,974 at June 30, 2023 consisted of \$2,140,590 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, 2023**

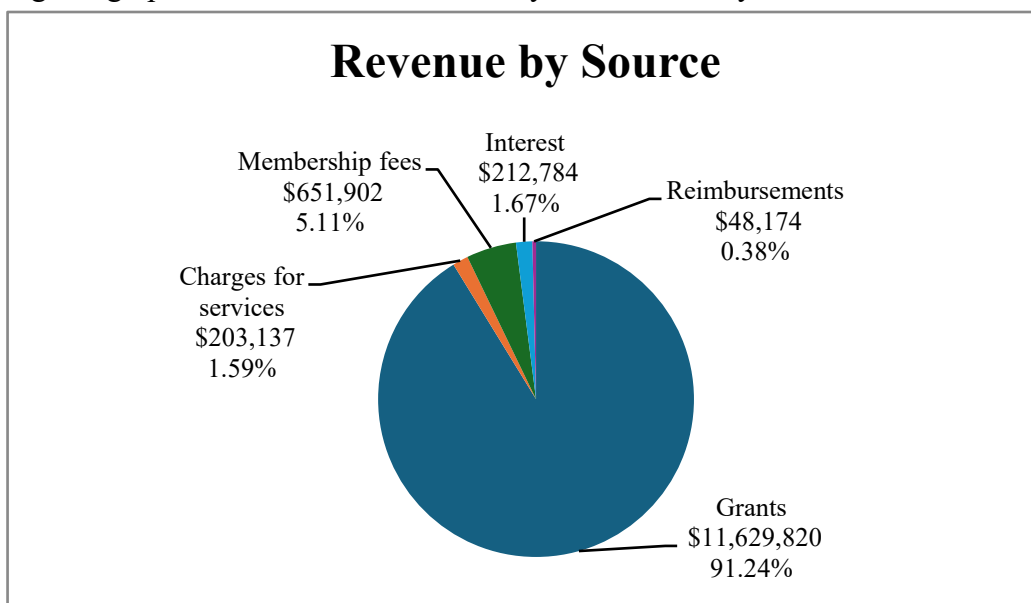
**Financial Analysis of PLP as a Whole, Continued**

**Operating Results  
For the year ended June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
<b>Operating Expenses:</b>	\$ 12,944,664	\$ 8,847,511	\$ 4,097,153	46.3%
<b>Program Revenue:</b>				
Grants	11,629,820	7,903,347	3,726,473	47.2%
Charges for services	203,137	193,202	9,935	5.1%
Total program revenue	<u>11,832,957</u>	<u>8,096,549</u>	<u>3,736,408</u>	46.1%
<b>Net Operating Expenses</b>	<u>1,111,707</u>	<u>750,962</u>	<u>360,745</u>	48.0%
<b>General Revenue:</b>				
Membership fees	651,902	656,903	(5,001)	-0.8%
Interest	212,784	15,829	196,955	1244.3%
Reimbursements	48,174	47,000	1,174	100.0%
Total general revenue	<u>912,860</u>	<u>719,732</u>	<u>193,128</u>	26.8%
<b>Increase (decrease) in net position</b>	(198,847)	(31,230)	(167,617)	536.7%
<b>Net Position:</b>				
Beginning of year	2,652,821	2,684,051	(31,230)	-1.2%
End of year	<u>\$ 2,453,974</u>	<u>\$ 2,652,821</u>	<u>\$ (198,847)</u>	-7.5%

In FY2022-23, program revenues were primarily from State Library grants, which consisted of \$11,629,820. 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, 2023:



**Pacific Library Partnership  
Management's Discussion and Analysis, Continued  
For the year ended June 30, 2023**

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

**Operating Expenses  
For the year ended June 30, 2023 and 2022**

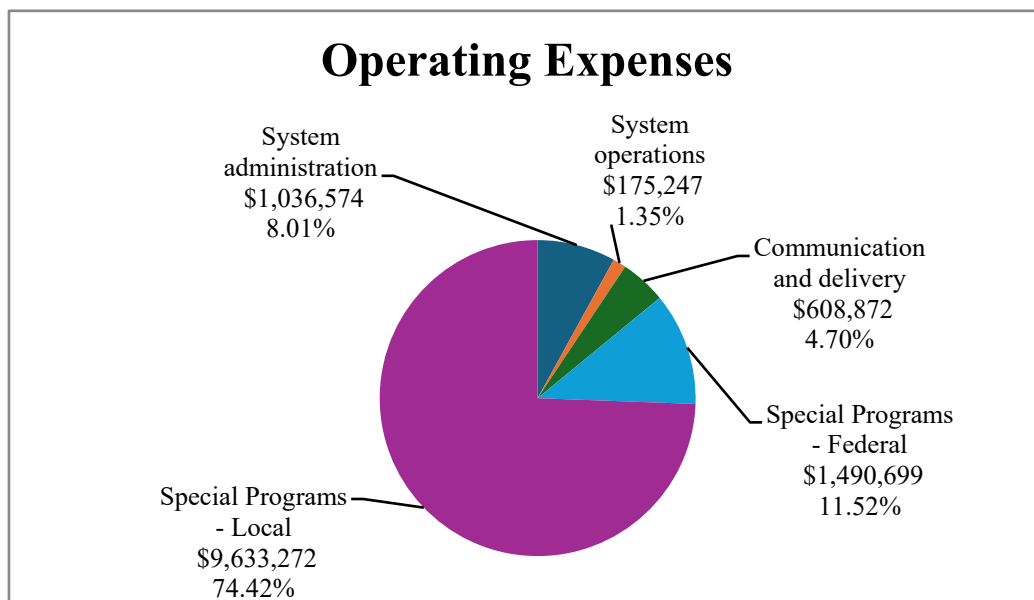
	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Operating Expenses:				
Administration	\$ 1,036,574	\$ 1,035,903	\$ 671	0.1%
Delivery	608,872	518,290	90,582	17.5%
System Operation	175,247	197,977	(22,730)	-11.5%
Public Library Staff ED 22/23	60,887	-	60,887	100.0%
CA Volunteers AmeriCorps	231,510	-	231,510	100.0%
Online Tutoring Program FY22-FY24	3,057,821	-	3,057,821	100.0%
Workforce Development Career Pathways	6,575,452	-	6,575,452	100.0%
Data Privacy Training FY20/21	-	31,599	(31,599)	-100.0%
Veterans Connect FY20/21	-	60,842	(60,842)	-100.0%
Reimagining School Readiness FY19/22	17,149	85,218	(68,069)	-79.9%
Networking CA Library FY20/21	-	83,750	(83,750)	-100.0%
Networking CA Library FY21/22	166,080	258,587	(92,507)	-35.8%
Networking CA Library FY22/23	195,786	-	195,786	100.0%
Literacy Initiatives FY20/21	-	51,415	(51,415)	-100.0%
Literacy Initiatives FY21/22	102,898	198,935	(96,037)	-48.3%
Literacy Initiatives FY22/23	297,189	-	297,189	100.0%
CA Library Metrics FY 20/21	-	51,800	(51,800)	-100.0%
CA Library Metrics FY 21/22	9,745	244,374	(234,629)	-96.0%
CA Library Metrics FY 22/23	244,113	-	244,113	100.0%
Economic Mobility & CA Libraries FY20/21	-	750	(750)	-100.0%
Economic Mobility & CA Libraries FY21/22	1,769	86,512	(84,743)	-98.0%
Economic Mobility & CA Libraries FY22/23	82,262	-	82,262	100.0%
Lunch at the Library FY20/21	-	384,388	(384,388)	-100.0%
PLSEP FY20/21	-	21,315	(21,315)	-100.0%
PLSEP FY21/22	31,065	63,017	(31,952)	-50.7%
Workforce Dev & Supp FY 21/22	788	152,366	(151,578)	-99.5%
ARPA Statewide Workforce Dev & Supp 21/22	49,457	5,320,130	(5,270,673)	-99.1%
Depreciation	-	343	(343)	-100.0%
	<u>\$ 12,944,664</u>	<u>\$ 8,847,511</u>	<u>\$ 4,097,153</u>	<u>46%</u>

Operating expenses in the amount of \$12,944,664 were split amongst three major categories; administration and delivery operations, grants, and depreciation. The change in operating expenses of \$4,097,153 over the previous year end was the result of deadline extension of several FY21-22 LSTA grants expenditures through FY22-23.

**Pacific Library Partnership  
Management's Discussion and Analysis, Continued  
For the year ended June 30, 2023**

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

The following is a graphic illustration of operating expenses for the year ended June 30, 2023:



**Analysis of Net Position  
For the year ended June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
<b>Net Position</b>				
Net Investment in Capital Assets	\$ -	\$ -	\$ -	0.0%
Restricted	313,384	313,384	-	0.0%
Unrestricted	<u>2,140,590</u>	<u>2,339,437</u>	<u>(198,847)</u>	-8.5%
<b>Total Net Position</b>	<u>\$ 2,453,974</u>	<u>\$ 2,652,821</u>	<u>\$ (198,847)</u>	-7.5%

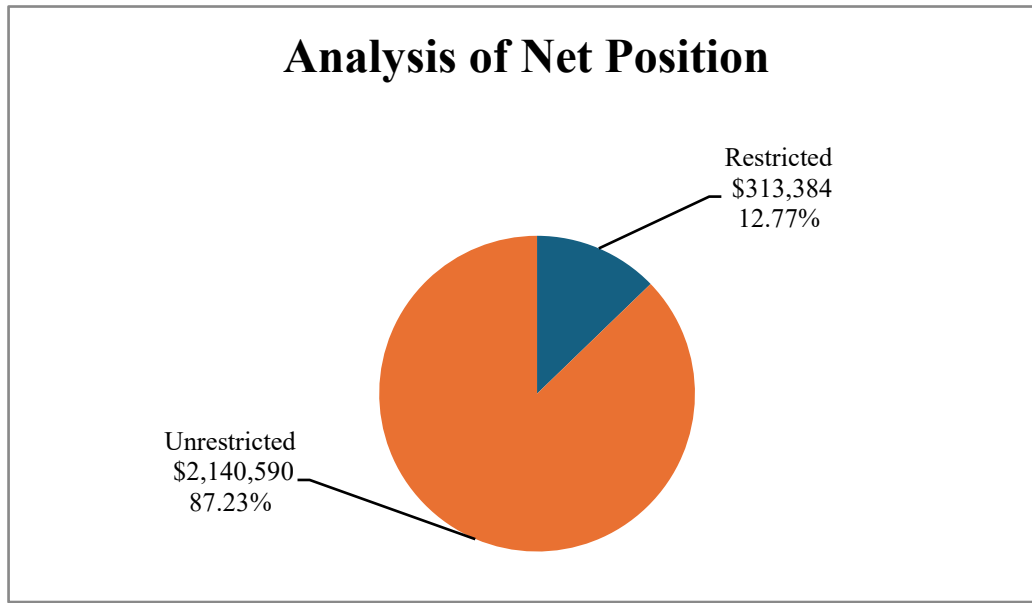
The change in net position of \$198,847 is primarily due to an increase in the net program expense at fiscal year-end as compared to the previous fiscal year-end.

**Pacific Library Partnership  
Management’s Discussion and Analysis, Continued  
For the year ended June 30, 2023**

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

The following is a graphic illustration of net position for June 30, 2023:



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

In considering PLP’s Budget for FY 2022-23, 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.



**Pacific Library Partnership  
Management’s Discussion and Analysis, Continued  
For the year ended June 30, 2023**

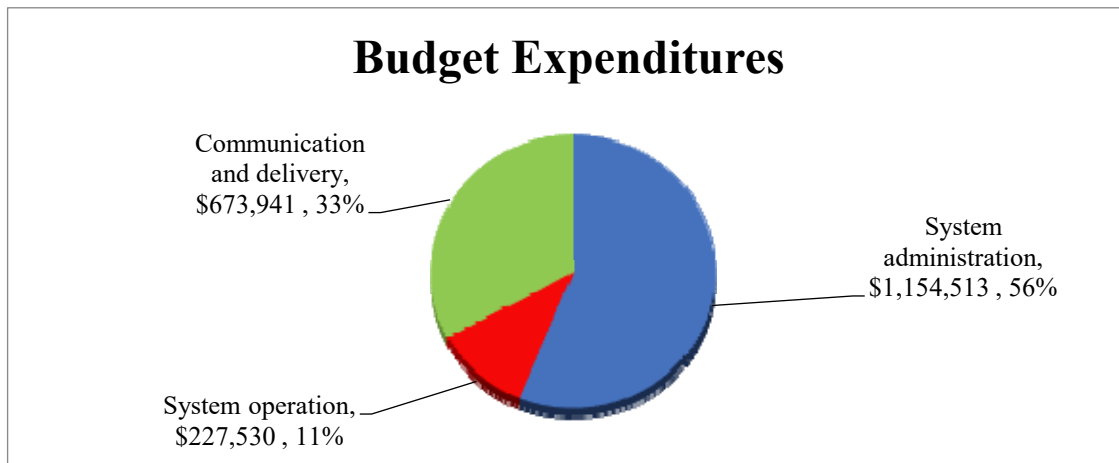
**ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES, CONTINUED**

The adopted budget for the new FY 2023-24 was \$2,055,984 and is summarized as follows:

	<u>FY 2023-24</u>	<u>FY 2022-23</u>	<u>Percentage Change</u>
<b>Administration</b>			
System administration	\$ 1,154,513	\$ 1,139,202	1.34%
System operations	227,530	185,817	22.45%
<b>Total Administration</b>	<u>1,382,043</u>	<u>1,325,019</u>	4.30%
<b>Membership services</b>			
Communicaions and delivery	673,941	724,762	-7.01%
<b>Total Membership Services</b>	<u>673,941</u>	<u>724,762</u>	-7.01%
<b>Total Budget</b>	<u>\$ 2,055,984</u>	<u>\$ 2,049,781</u>	0.30%

1. Administration - Shows a combined increase of approximately 1.34%, which is mainly due to an increase in administrative expenses.
2. Membership services – Shows a decrease of approximately -7.01% due to an decrease in expenditure of CLSA funds.

The following is a graphic illustration of appropriations for FY 2023-24.



**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.

## **BASIC FINANCIAL STATEMENTS**

**Pacific Library Partnership**  
**Governmental Funds Balance Sheet/Statement of Net Position**  
**June 30, 2023**

	<u>Governmental Funds</u>	<u>Adjustments (Note 9)</u>	<u>Statement of Net Position</u>
<b>ASSETS</b>			
<b><u>Current</u></b>			
Cash and investments:			
Available for operations	\$ 10,215,423	\$ -	\$ 10,215,423
Accounts receivable	255,397	-	255,397
Interest receivable	82,583	-	82,583
<b>Total current assets</b>	<u>10,553,403</u>	<u>-</u>	<u>10,553,403</u>
<b><u>Noncurrent</u></b>			
Capital assets, net of accumulated depreciation	-	-	-
<b>Total assets</b>	<u>\$ 10,553,403</u>	<u>\$ -</u>	<u>\$ 10,553,403</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>			
<b>Liabilities:</b>			
<b><u>Current</u></b>			
Accounts payable and accrued liabilities	\$ 281,478	\$ -	\$ 281,478
Deposit payable	4,268	-	4,268
Unearned revenue	-	7,813,683	7,813,683
<b>Total current liabilities</b>	<u>285,746</u>	<u>7,813,683</u>	<u>8,099,429</u>
<b>Deferred Inflow:</b>			
Unavailable revenue	7,813,683	(7,813,683)	-
<b>Total liabilities and deferred inflows</b>	<u>8,099,429</u>	<u>-</u>	<u>8,099,429</u>
<b>Fund balances/Net position:</b>			
Committed:			
Operating reserve	313,384	(313,384)	
Unassigned, reported in:			
General fund	2,140,590	(2,140,590)	-
<b>Total fund balances</b>	<u>2,453,974</u>	<u>(2,453,974)</u>	<u>-</u>
<b>Total liabilities, deferred inflows and     fund balances</b>	<u>\$ 10,553,403</u>		
<b>NET POSITION</b>			
Net investment in capital assets		-	-
Restricted		313,384	313,384
Unrestricted		2,140,590	2,140,590
<b>Total net position</b>		<u>\$ 2,453,974</u>	<u>2,453,974</u>
<b>Total liabilities and net position</b>			<u>\$ 10,553,403</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, 2023

	<u>Governmental Funds</u>	<u>Adjustments (Note 10)</u>	<u>Statement of Activities</u>
<b>EXPENDITURES/EXPENSES:</b>			
Administration and operations	\$ 1,820,693	\$ -	\$ 1,820,693
Special programs:			
Federal	1,490,699	-	1,490,699
Local	9,633,272	-	9,633,272
Depreciation	-	-	-
<b>Total expenditures/expenses</b>	<u>12,944,664</u>	<u>-</u>	<u>12,944,664</u>
<b>REVENUES:</b>			
Program revenues:			
Grants	11,629,820	-	11,629,820
Charges for services	203,137	-	203,137
<b>Total program revenues</b>	<u>11,832,957</u>	<u>-</u>	<u>11,832,957</u>
<b>Net program expense</b>	<u>1,111,707</u>	<u>-</u>	<u>1,111,707</u>
General revenues:			
Membership fees	651,902	-	651,902
Interest	212,784	-	212,784
Reimbursements	48,174	-	48,174
<b>Total general revenues</b>	<u>912,860</u>	<u>-</u>	<u>912,860</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(198,847)</u>		
<b>CHANGE IN NET POSITION</b>		<u>-</u>	<u>(198,847)</u>
<b>FUND BALANCES/NET POSITION:</b>			
Beginning of the year	<u>2,652,821</u>	<u>-</u>	<u>2,652,821</u>
End of the year	<u>\$ 2,453,974</u>	<u>\$ -</u>	<u>\$ 2,453,974</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, 2023**

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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, 2023**

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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, 2023**

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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. 72, *Fair Value Measurement and Application*. 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, 2023**

**2. CASH AND INVESTMENTS**

The System had the following cash and investments at June 30, 2023:

	Maturities (in years)			Deposits	Fair
	<1	1 to 3	3 to 5		Market Value
<u>Cash equivalents and investments pooled</u>					
Pooled cash, at fair value					
Cash in bank	\$ -	\$ -	\$ -	\$ 55,870	\$ 55,870
Petty cash	-	-	-	250	250
Total pooled items	-	-	-	56,120	56,120
<u>Pooled investments, at fair value</u>					
State of California Local Agency Investment Fund	10,159,303	-	-	-	10,159,303
Total pooled investments - interest obligations	10,159,303	-	-	-	10,159,303
Total cash equivalents and investments pooled	\$ 10,159,303	\$ -	\$ -	\$ 56,120	\$ 10,215,423

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (Years)</u>
State of California Local Agency Investment Fund	\$ 10,159,303	-
Total fair value	\$ 10,159,303	-
Portfolio weighted average maturity		-

**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.

**Pacific Library Partnership**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2023**

**2. CASH AND INVESTMENTS, Continued**

**B. Investments, Continued**

- 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)

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.

**C. Investments in External Investment Pools**

PLP's investments with LAIF at June 30, 2023, 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, 2023, LAIF had invested 2.78% 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, 2022	Additions	Adjustments/ Deletions	Balance June 30, 2023
Computer equipment	\$ 8,771	\$ -	\$ -	\$ 8,771
Total capital assets	8,771	-	-	8,771
Accumulated depreciation	(8,771)	-	-	(8,771)
Net capital assets	\$ -	\$ -	\$ -	\$ -

**Pacific Library Partnership**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2023**

**4. UNEARNED REVENUE**

PLP records payments for services not yet rendered and grants received in advance as unearned revenue. PLP expects to recognize \$7,813,683 of unearned revenue as earned during FY2023-24.

**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 \$1,067,412 to PLS for the year ended June 30, 2023. 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, 2023</u>
Committed:	
Operating reserve	313,384
Unassigned	<u>\$ 2,140,590</u>
Total Fund Balance	<u>\$ 2,453,974</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, 2023</u>
Net Investment in Capital Assets	\$ -
Restricted:	
Operating reserve	313,384
Unrestricted	<u>2,140,590</u>
<b>Total</b>	<u><u>\$ 2,453,974</u></u>

**Pacific Library Partnership**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2023**

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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, 2023**

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

“Total fund balances” of PLP’s Governmental funds of \$2,453,974 does not differ from “net position” of governmental activities of \$2,453,974, reported in the Statement of Net Position. A difference may occur from the long-term economic focus of the statement of net position versus the current financial resources focus of the Governmental fund balance sheet. As of June 30, 2023, there was no difference between the long-term economic focus of the statement of net position and the current financial resources focus of the General fund balance sheet. Any effects of this difference would be 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:	\$ 10,215,423	\$ -	\$ 10,215,423
Accounts receivable	255,397	-	255,397
Interest receivable	82,583	-	82,583
Capital assets	-	-	-
<b>Total assets</b>	<u>10,553,403</u>	<u>-</u>	<u>10,553,403</u>
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	281,478	-	281,478
Deposit payable	4,268	-	4,268
Unearned revenue	-	7,813,683	7,813,683
<b>Total liabilities</b>	<u>285,746</u>	<u>7,813,683</u>	<u>8,099,429</u>
<b>Deferred inflows:</b>			
Unavailable revenue	7,813,683	(7,813,683)	-
<b>Total deferred inflows:</b>	<u>7,813,683</u>	<u>(7,813,683)</u>	<u>-</u>
<b>Fund balances/Net position:</b>			
Total fund balances/net position	<u>2,453,974</u>	<u>-</u>	<u>2,453,974</u>
<b>Total liabilities, deferred inflows and fund balances/net position</b>	<u>\$ 10,553,403</u>	<u>\$ -</u>	<u>\$ 10,553,403</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, 2023**

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

The “net change in fund balances” for Governmental funds \$2,453,974 does not differ from the “change in net position” for governmental activities of \$2,453,974 reported in the Statement of Activities. A difference may occur from PLP incurring any long-term liabilities or depreciation expense. As of June 30, 2023, there was no difference between the long-term economic focus of the statement of activities versus the current financial resources of the general fund. Any effects of the difference would be illustrated below:

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

	<b>Governmental Funds</b>	<b>Reclassifications and Eliminations<sup>1</sup></b>	<b>Statement of Activities</b>
<b>EXPENDITURES/EXPENSES:</b>			
Administration and operations	\$ 1,820,693	\$ -	\$ 1,820,693
Special programs:			
Federal	1,490,699	-	1,490,699
State	9,633,272	-	9,633,272
Depreciation	-	-	-
<b>Total expenditures/expenses</b>	<b>12,944,664</b>	<b>-</b>	<b>12,944,664</b>
<b>REVENUES:</b>			
Program revenues:			
Grants	11,629,820	-	11,629,820
Charges for services	203,137	-	203,137
<b>Total program revenues</b>	<b>11,832,957</b>	<b>-</b>	<b>11,832,957</b>
<b>Net program expense</b>	<b>1,111,707</b>	<b>-</b>	<b>1,111,707</b>
General revenues:			
Membership fees	651,902	-	651,902
Interest	212,784	-	212,784
Reimbursements	48,174	-	48,174
<b>Total general revenues</b>	<b>912,860</b>	<b>-</b>	<b>912,860</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(198,847)</b>		
<b>CHANGE IN NET POSITION</b>		<b>-</b>	<b>(198,847)</b>
<b>FUND BALANCES/NET POSITION:</b>			
Beginning of the year	2,652,821	-	2,652,821
End of the year	<b>\$ 2,453,974</b>	<b>\$ -</b>	<b>\$ 2,453,974</b>

<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, 2023**

**Budgetary Comparison Schedule  
General Fund  
For the year ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Budgetary Fund Balance, July 1, 2022</b>	\$ 2,652,821	\$ 2,652,821	\$ 2,652,821	\$ -
<b>Resources (inflows):</b>				
Grants	13,122,511	13,122,511	11,629,820	(1,492,691)
Charges for services	205,946	205,946	203,137	(2,809)
Membership fees	656,902	656,902	651,902	(5,000)
Interest	10,000	10,000	212,784	202,784
Reimbursements	75,000	75,000	48,174	(26,826)
<b>Total resources (inflows)</b>	<u>13,995,359</u>	<u>13,995,359</u>	<u>12,745,817</u>	<u>(1,249,542)</u>
<b>Amounts available for appropriation</b>	<u>16,648,180</u>	<u>16,648,180</u>	<u>15,398,638</u>	<u>(1,249,542)</u>
<b>Charges to appropriations (outflows):</b>				
Administration and operation:				
System administration	1,139,202	1,139,202	1,036,574	102,628
System operations	185,817	185,817	175,247	10,570
Communication and delivery	724,762	724,762	608,872	115,890
Special Programs:				
Federal	2,035,200	2,035,200	1,490,699	544,501
Local	10,167,589	10,167,589	9,633,272	534,317
<b>Total charges to appropriations</b>	<u>14,252,570</u>	<u>14,252,570</u>	<u>12,944,664</u>	<u>1,307,906</u>
<b>Budgetary fund balance, June 30, 2023</b>	<u>\$ 2,395,610</u>	<u>\$ 2,395,610</u>	<u>\$ 2,453,974</u>	<u>\$ 58,364</u>

**FEDERAL SUPPLEMENTARY REPORTS**

**Pacific Library Partnership  
Schedule of Expenditures of Federal Awards  
For the year ended June 30, 2023**

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	17,149
CA Library Metrics FY 21/22	45.310	40-9205	9,745
Literacy Initiatives FY21/22	45.310	40-9206	102,899
Networking CA Library FY21/22	45.310	40-9207	166,080
ARPA Statewide Workforce Dev. & Supp. FY21/22	45.310	40-9320	49,457
Workforce Development and Support FY21/22	45.310	40-9233	788
Public Library Staff Education FY21/22	45.310	40-9237	31,065
Economic Mobility and California Libraries FY21/22	45.310	40-9261	1,769
Literacy Initiatives FY22/23	45.310	40-9326	297,189
CA Library Metrics FY 22/23	45.310	40-9324	244,113
Economic Mobility and California Libraries FY22/23	45.310	40-9325	82,262
Networking CA Library FY22/23	45.310	40-9327	195,786
Public Library Staff Education FY22/23	45.310	40-9396	60,887
ARPA Statewide Workforce Dev. & Supp. FY22/24	45.310	21ACIY29-C233	231,510
<b>Total National Endowment for the Humanities</b>			1,490,699
<b>Total Federal Expenditures</b>			\$ 1,490,699

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, 2023**

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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, 2023, and the related notes to the financial statements, which collectively comprise PLP's basic financial statements, and have issued our report thereon dated March 25, 2024.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered PLP's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 PLP'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 or significant deficiencies may exist that were not identified.

### ***Report on Compliance and Other Matters***

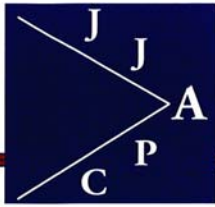
As part of obtaining reasonable assurance about whether PLP's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 results of that testing, and not to provide an opinion on the effectiveness of PLP internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering PLP's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

March 25, 2024

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



JJACPA, Inc.

A Professional Accounting Services Corp.

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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH 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, 2023. 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, 2023.

***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.

## Report on Internal Control Over Compliance

*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. *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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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.

March 25, 2024

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

**Pacific Library Partnership**  
**Schedule of Findings and Questioned Costs**  
**For the year ended June 30, 2023**

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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?	No
• 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)?	No

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
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Auditee qualified as low-risk auditee?	No
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**Pacific Library Partnership**  
**Schedule of Findings and Questioned Costs, continued**  
**For the year ended June 30, 2023**

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**Section II – Financial Statement Findings**

No matters were reported.

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

No matters were reported.

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

**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:** 2023

**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.

**Status:** Implemented

**Pacific Library Partnership**  
**Schedule of Findings and Questioned Costs, continued**  
**For the year ended June 30, 2023**

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**Section V – Corrective Action Plan**

There are no current year findings.

California State Library, Library Development Services  
Cooperative Library System Liaison Report  
*Updated April 29, 2024*

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## State Library News

### LDS Newsletter

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

### Broadband Program News

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

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

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

### LSTA News

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

## Open Opportunities

### First Partner–Book to Action

In partnership with the California State Library and the Office of the First Partner of California, the California Library Association invites California public libraries to apply for up to \$5,000 to support Book to Action programming. Book to Action expands book clubs by encouraging participants to take part in community engagement activities related to a shared book. This year, Book to Action is connected to the [First Partner's Summer Book Club](#).

Visit the [opportunity page](#) for additional details and to apply. Applications are due **Friday, May 24, 2024 at 12:00 noon**. Please email [BEBS@cla-net.org](mailto:BEBS@cla-net.org) with any questions.

### Groundwork Grants

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

Grant Highlights:

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

#### How to Apply:

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

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

#### Career Online High School

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

#### Community-Centered Libraries

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

#### Current Projects and Services

##### California Library Literacy Services – Ongoing

The 2024-2025 CLLS funding application (state funded) for currently participating programs opened in April and is due **May 30, 2024**. All CLLS libraries have received their projected award amounts for adult literacy and family literacy. There is a new block grant model that applies **ONLY** for programs offering family literacy; these programs receive a single projected adult and family literacy award amount and programs may allocate these funds between programs within given parameters (a minimum of 51% for adult literacy services and 26% for family literacy services). ESL award letters have already been sent. For more information, contact [clls@library.ca.gov](mailto:clls@library.ca.gov).



The Literacy Initiatives project (LSTA funded) is offering virtual tutor training on a statewide basis this summer. Any volunteer awaiting training at their local CLLS program may sign up for this 16-hour series, offered twice in June and once in August. Contact [cls@library.ca.gov](mailto:cls@library.ca.gov) for more information.

Funding is available for learner and learner-led events, including trainings, meetings, and conferences. Events must be completed by August 30, 2024. There is a short application for programs and learner leaders to complete. Questions? Contact [cls@library.ca.gov](mailto:cls@library.ca.gov).

CLLS has added networking calls for **small/rural CLLS libraries** and a community of practice for non-English first-language literacy projects and opened a family literacy discussion to plan for next year's training. Training continues for CLLS program staff and volunteers, including monthly networking calls and more. Please visit the CLLS training and meeting [calendar](#). The CLLS website has migrated to the California State Library: <https://www.library.ca.gov/services/to-libraries/cls/>

The next CLLS Coordinator/Staff Networking Call is cancelled for May because of the all-CLLS conference May 21-23 and will return in June. For more information, contact [cls@library.ca.gov](mailto:cls@library.ca.gov).

### California Libraries Learn (CALL) - Ongoing

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

### 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](#)

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

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

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

### [Public Library Staff Education Program](#)

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

### [PebbleGo Science: Early Literacy in STEM - Ongoing](#)

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

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

### [Ready or Not](#)

The [“Ready – Or Not” Cultural Heritage Disaster Preparedness Project](#) invites California-based non-profit cultural heritage organizations (such as community archives, organizations with limited resources, remote and rural museums, tribal cultural heritage organizations, and public libraries) to sign up for a free disaster preparedness assessment. Want to learn more? Recordings of information sessions that summarize the state-funded project and explore ways to engage in emergency preparedness consultations can be viewed at ["Ready – Or Not"](#):

[Cultural Heritage Disaster Preparedness Project](#). If you have additional questions, reach out to the team at [CAready@nedcc.org](mailto:CAready@nedcc.org). State of CA funded.

**Networking and Training**

[Student Success Library Cards For All Listening Sessions: May 2024](#)

The California State Library is convening a series of nine one-hour listening sessions on Zoom to discuss the Student Success Cards for All program. These sessions will bring library leaders together to talk about the Student Success initiative and allow the State Library to gather feedback about local programs. Attendees will be encouraged to ask questions. A library leader with a current successful program will share information at each meeting.

The Student Success initiative comes from new California legislation – [SB 321 \(Ashby\)](#) – that helps get Student Success cards into the hands of every California kid who wants one.

At least one representative from each of the 186 library jurisdictions should attend a session. The results of these listening sessions will inform the resources on the State Library webpage and will help serve as a foundation for program planning in the 2024-2025 school year and beyond.

If you or your designee(s) cannot attend your scheduled meeting time, please contact Alexis Lacroix at Pacific Library Partnership at [lacroix@plpinfo.org](mailto:lacroix@plpinfo.org) with one preferred alternate date. Please see the schedule below.

<u>Day</u>	<u>Date</u>	<u>Time</u>	<u>Cooperative System</u>
Tuesday	5/14/2024	1:00 p.m.	SJVLS
Wednesday	5/15/2024	10:00 a.m.	Serra
Thursday	5/16/2024	10:00 a.m.	Black Gold
Tuesday	5/21/2024	10:00 a.m.	Inland
Wednesday	5/22/2024	10:00 a.m.	Santiago
Thursday	5/23/2024	10:00 a.m.	SCLC
Tuesday	5/28/2024	10:00 a.m.	NorthNet
Wednesday	5/29/2024	10:00 a.m.	PLP
Thursday	5/30/2024	10:00 a.m.	49-99 & Unaffiliated

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

A monthly Community of Practice is available to all library staff to learn more about creating summer services that are centered in equity and community involvement. Please use this link to [register for the next Community of Practice](#).

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

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

The 2024 CAreer Pathways webinar series is now complete for Spring 2024. Learn more about the online resources on the [CAreer Pathways Staff Resource page](#), where you can find platform details, administration, marketing materials and more. Library staff can also [view the archived webinars on the CALL Academy CAreer Pathways channel](#). New to the library or not sure which platforms your library offers? Check out the [CAreer Pathways Services Locator map](#).

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

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

## [Online Tutoring Training 2024](#)

### **Summer Service and Keeping Students Going Wednesday, May 15, 2024, 3:30–4:30 pm**

The school year is coming to a close, but HelpNow is still available to support student learning. Join us to learn about HelpNow resources that can help students continue learning and beat the summer slide. This webinar is for all library workers and educators, from frontline staff to administrators. The webinar will be recorded for future viewing.

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

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

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

- [View the 2024 Sustainability Summit Program](#)
  - Welcome, 9:00–9:10 am
  - **Anythink Nature Library**, Maria Mayo-Peaseley, 9:10–9:30 am
  - U-Tool-izing the Library, Benicia Public Library, Jennifer Baker, 9:30–9:45 am
  - Revisiting Azusa's Past, Azusa City Library, Leila Hassen and Nathan Nunez, 9:45–10:00 am
  - **Sustainable Living with BPL**, Burlingame Public Library, Jodi Jirsa, 10:10–10:25 am
  - **Sustainably Santa Barbara**, Santa Barbara Public Library, Kim Crail, 10:25–10:40 am

- Have you Heard the News? Earbud Recycling! County of San Luis Obispo Public Libraries, Dorothy Gruett and Melanie Bales, 10:40–10:55 am
- Sowing South Pasadena, South Pasadena Public Library, Alexis Mendoza and Olivia Radbill, 11:05–11:20 am
- Update on Climate and Sustainability Action Guide for California Libraries, Alliance for Library Impact, Cindy Fesemyer, 11:20–11:40 am
- [Register for the 2024 Sustainability Summit](#)

### Community-Centered Libraries

A yearlong initiative brought to you by the California State Library and Pacific Library Partnership, the statewide initiative offers tools and training to help libraries center their communities as the plan and evaluate library programs and services. All recordings of the two webinar series, Equitable Data Practices and Culturally-Relevant Evaluation, are available on the [Community-Centered Libraries webinar page](#). LSTA funded.

### Next Directors Networking Call

The next Public Library Directors Networking Call is scheduled for **Wednesday, May 15, 2024, from 3:30 to 4:30 p.m.** We look forward to hearing from our special guests, sharing State Library news, and having time for open discussion in small groups. California public library directors will receive an invitation to the Zoom meeting via email in early May.

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