



## **SAN JOAQUIN VALLEY LIBRARY SYSTEM**

ADMINISTRATIVE HEADQUARTERS  
2420 Mariposa Street, Fresno, CA 93721

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# **SJVLS Administrative Council Agenda Packet August 13, 2021**

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**TO THE PUBLIC:**

**ENCLOSED ARE THE AGENDA AND  
PREPARED ATTACHMENTS FOR THIS MEETING.**

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## SAN JOAQUIN VALLEY LIBRARY SYSTEM

ADMINISTRATIVE HEADQUARTERS  
2420 Mariposa Street, Fresno, CA 93721

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### Meeting Announcement

### San Joaquin Valley Library System Administrative Council

Friday, August 13, 2021

Time: 10:00 a.m.

Meeting via Teams

The public may participate by using the following URL:

For Information: (559) 600-6237

## AGENDA

### A. COUNCIL OPENING

1. Call to Order
2. Introductions
3. Adoption of Agenda
4. Public Comment

Public comment on any items relative to SJVLS and not on the agenda.

### B. CONSENT AGENDA

1. Approval: Draft Minutes of June 11, 2021 Administrative Council Meeting (Attachment 1)
2. Acceptance: Financial Update. (Attachment 2)

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### C. ITEMS FOR INFORMATION/ACTION

1. Presentation and Acceptance of Report – Independent Auditor’s Report for year end June 2020 – Hudson Henderson & Company Inc. (Attachment 3)
2. Approval: System Annual Report and Final Expenditure Report CLSA Plan of Service FY 2020-2021, Due September 15, 2021 – Gomez (Attachment 4)
3. Approval: PLSEP Grant Submission, Authorization to sign and remit -Due September 17, 2021 Gomez (Attachment 5)
4. Approval: Selection of Bidder and Authorization to Execute Agreement, RFQ 21-002 Library Cards – Wymer (Attachment 6)

5. **Retroactive Approval: Emergency Broadband Connectivity Fund, Authorization to designee to sign and remit within deadlines – Gomez** (Attachment 7)
6. **Report to Board: Subcommittee Delivery Services & Fresno Headquarters – Gomez/Christiansen/Lewis**
7. **Discussion and Approval: Amended Delivery Contract, Amended CLSA Plan of Service and Budget Resolution FY 2021-2022 –Due September 8, 2021-Gomez** (Attachment 8)
8. **Discussion and Approval: Revenue Billing & Collection to Parties -Madera additional stops and Members Contribution – Gomez/Christiansen**

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**D. STAFF REPORTS**

1. **Chair**
  2. **State Library**
  3. **Administrative Librarian**
  4. **SJVLs - System Administrator**
  5. **Senior Network System Engineer**
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**E. DIRECTOR COMMENTS**

Council members have the opportunity to share items relating to collaboration, innovation and professional development of interest to the Council.

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**F. CALENDAR ITEMS**

1. Date and place of next Council Meeting:

**G. ADJOURNMENT**

Meeting adjournment.

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## **SJVLS Administrative Council Meeting**

**June 11, 2021**

**Draft Minutes**

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### ***Meeting Minutes***

#### **A. Council Opening**

- Mark Lewis ( Kern County), called to order 10:01 AM

**1.) Council present:** Raman Bath (Fresno County), Mary Leal (Coalinga/Huron), Natalie Rencher (Kings County), Krista Riggs (Madera County), Amy Taylor (Merced County), Vikki Cervantes (Porterville), Heidi Clark (Tulare City), Darla Wegener (Tulare County), Janet Chase Williams (Mariposa), Mark Lewis (Kern), and Andie Sullivan (Kern)

**Staff present:** Sally Gomez (SJVLS – Administrative Librarian), Jeannie Christiansen (SJVLS Fiscal), Joel Cadenasso (SJVLS Fiscal), Kevin Nelson (SJVLS), Chris Wymer (SJVLS), and Aaron Lusk (SJVLS).

**Absent:** None.

**Guests:** Jody Thomas (California State Library), John Shupe (SJVLS Attorney), Michelle Gordon (Fresno Support Services/Materials Handling), Tisha Smith (Fresno Support Services).

**2.) Introductions:** Staff introductions.

**3.) Adoption of Agenda: Motion to Adopt Agenda with correction to date of previous minutes. Vikki Cervantes (Porterville) Second: Amy Taylor (Merced).**

**4.) Public Comment:** None.

#### **B. Consent Agenda**

**1.) Draft Minutes of April 16, 2021, Motion made to adopt. Mary Leal, (Coalinga/Huron) Second: Amy Taylor (Merced).**

**2.) Acceptance of Financial Update Report. Motion made to adopt. Mary Leal, (Coalinga/Huron) Second: Amy Taylor (Merced).**

## **C. Items for Information/ Actions.**

### **1. System Delivery Services Audit Review by Chairperson Mark Lewis.**

- The SJVLS chairperson conducted a review of the Fresno County Library contract for Delivery and Sorting Services proposed in the amount of \$228,800. On April 16, 2021, the board approved for Mark Lewis, Kern County Business Manager and SJVLS chairperson to perform a second review audit of Fresno County delivery and the delivery services assessment report workpapers prepared by Library Business Manager. The report summarized delivery services for Basic HQ and Madera Premium and the SJVLS offset funding solutions for the total contract proposed in the amount \$228,800 for nine members plus Madera premium additional four branch stops.
- The review included JPA language for sources of funding, Member's contribution percentage, accounting for total contract costs for HQ, truck GPS reports for mileage, premium additional stops for Madera, sorting calculations and tracking, breakdown of stops, driver's time to stops, and cost per system and member's share of cost based on percentage ratio compared to the total value of services rendered.
- As a result of the audit review, Mark Lewis directed Library Business Manager to provide the details of sorting costs by each member for the current fiscal year prior to Administrative Council meeting held June 11, 2021, by email dated June 10, 2021. Based on actual sorting services the actual plus June estimates for total \$49,439.73.
- Mark Lewis expressed his appreciation to the Fresno County Library staff for their assistance and learned a lot during his review.
- Madera Premium Stops and Contract Fee Proposed: Mark's focus was to identify total miles and piggyback miles within the system for Madera. He used the delivery schedule for driver which listed Madera premium stops on Monday, Tuesday, and Wednesday. Mark used Google maps to calculate total miles and drive time for route area covered, then tested he removed premium stops for the traditional route for driver for HQ and FCPL stops.
  - Review Audit of Madera: Delivery \$19,800 and sorting \$6,200 for total fee \$26,000.
  - Recommendation for Madera: Delivery & Sorting for total fee \$17,208
  - Recommendation for SJVLS Charge: Charge for regular route to stop called piggyback \$8,792

- Recommendation: Marks' recommendation was to bill Madera Premium for the additional time (add-on). The revised method for calculation is total route costs \$19,800 less total by the costs identified as 'piggyback' \$8,792 for total fee in the amount of \$ 11,008 and plus sorting fee \$6,200 for grand total \$17,208. The delivery fee additional time reflected a total of 90 miles driving and time of 1 hr. 55 minutes. This is less than what Fresno came up with for total contract fee \$26,000 compared to his recommendation of \$17,208.
- The gap was \$8,792 for the year, these shall be charged to SJVLS system. Mark noted the North Valley shows there are times when Monday is SJVLS stops only, Tuesday is mix with Fresno County and one Madera premium and Wednesday is SJVLS only.
- **Presentation of Total SJVLS Delivery Contract Fee Proposed:** Jeannie acknowledge the contract fee details and current year sorting by member details were provided by email in advance to Administrative Council. The spreadsheet was brought up so everyone could see, and Jeannie explained.
  - The Contract Fee reflects the Basic HQ total costs \$202,800 plus Madera premium total costs \$26,000 for total contract fee \$228,800. The Madera premium section provides the detail of sorting services \$6,200, Madera premium additional \$3,900, driver's time on piggyback route \$3,000 and gap cost \$13,000 (higher than \$8,792) for total contract fee \$26,000. Cost associated with this is in spreadsheet that Jeannie provided, and this is listed under title Gap Cost (route costs called piggyback miles). This shows the full amount of full route. We need to look at the cost of miles and time and how much is due to Madera premium stops. Jeannie subtotaled the sorting, driver cost, and excluded the gaps. Fiscal year costs during COVID- 19 totaled \$173,100 and upcoming year estimates \$228,800 for recovery period. Mark seeks board position on gap costs for which party pays (Mark's estimate \$8,792 vs Jeannie's estimate \$13,000).

**Mark's Madera Recommendation: Delivery & Sorting for total fee \$17,208.**

**Jeannie's Madera Recommendation: Delivery & Sorting for total fee \$13,000.**

**Jeannie stated action item pending board direction are:**

- What is considered SJVLS Delivery System in our service plan? Shall the budget for contract expenditure be for the total of Basic and Madera additional routes or shall Madera secure a separate contract for additional services? Which party is the lead on the contractual obligation to pay?

- For SJVLS revenue funding and collection to offset the expenditure, how shall staff proceed with billing and collection from CLSA allocation, Madera for extra stops and contribution from participants? The JPA states the contributions from each participant may be required for the operation of the System based on contribution ratio. The shortfall gap in funding may be paid by Member's contribution based on total population percentage. In addition, the JPA has a section on financial of system sources shall include State CLSA, contributions from member's and any other monies such as Madera premium billing, federal funds and use of fund balance reserves.
- Board direction on the amount to invoice and collect from Madera. Madera budget with her County the ability to pay \$4,000 and has pre-paid tech reserve funds held by SJVLS. The total costs are \$26,000 and Mark's recommendation is billing for \$17,208 or \$13,000. Agenda item #2 is board item for approval on how to proceed. The recent fiscal year 2020-21 demonstrates Madera total costs to deliver is between \$20,000-21,300. If we discount for SJVLS to pay the piggyback portion, the two-year trend shows Madera fee holds close to \$13,000.
- What is the boards' interpretation of participants vs contract vendor? Shall we explore the CLSA Service Plan interpretation of System Delivery and parties considered in the contract, routes, non-system routes, contract provider allowable and unallowable costs to be included?

**Merced County Director Inquiry on Delivery Schedule, Route Development by County and defining basic service number of days:**

- Merced Director asked if there is the ability for delivery logistics to no longer combine one day's route mix with Fresno Library and SJVLS stops. Request a separation of route logistics and why is their periodic route called "split route".
- Delivery Supervisor Response: At times the split route is needed due to volume of items for one driver, managing driver's work schedule for transportation and delivery for teams to get back and off at their scheduled shift end. Michelle, Fresno County Principal Librarian stated that we are still working on towards pre-pandemic for number of deliveries during the week.
- Administrative Council: Support the costs should be figured as pre-pandemic contract estimates. They acknowledge the column providing the COVID-19 actual costs. Raman confirmed the upcoming estimate is higher assuming restoring more delivery days up to \$228,800 but the actual charges during the year are actual services rendered. There is no credit if you have 2 stops a week vs expectation for 3 stops a week.

**Separation of Stops and impact on costs:**

- Mark explained that at least get the headquarters and premium stops on their own days and this would make it easier to their own costs.
- Natalie added depending on the outcome to achieve, can HQ have their staff person pick them up? This may be a savings to total contract fee if Fresno as the contract vendor does not even have to go to Kings County.

**Costs and Contract Maximum:**

- Jeannie confirmed the contract proposed for SJVLS expenditures to pay gives accounting the ability to pay for service not to exceed proposed \$228,800. The fee excludes Fresno County as a participant in route.
- Proposed Madera premium in the amount of \$26,000 shall be included in the contract between County and SJVLS in order to qualify as allowable expenditure in CLSA Plan of Service. This benefits SJVLS for a possible increase in State allocation due to increase in expenditure and the population is counted in State's distribution calculations.
- In future years, if any premium additional stops are longer in place the contract with County and CLSA plan of service will reflect that.

**Billing Rubric:**

- Jeannie confirmed there is a rubric that was designed during her audit and is for format of billing invoice for actual charges. Jeannie brought up on the screen for presentation and agrees that the North Valley and South Valley routes shall be separated.
- It is easier when fleet vehicle and driver are SJVLS only compared to driver has a few days as mix route. The separation will facilitate charges such as driver's daily wages, return to miles from base and probably other items all related to the service performed in a day.
- The rubric was a part of documents presented during the secondary audit review performed by Mark Lewis.
- The GPS on each fleet provides the trip begin time, location address, miles to each stop on route, time stop at each stop, last stop return to Sunnyside base and end trip time. In addition, accounting services confirms the address for HQ vs premium.



- Jeannie confirmed documentation she gathered from various sources of California Law, CLSA rules, current JPA, Pacific Library System contract and delivery information has been sent to Sally Gomez, Michelle Gordon, and to the SJVLS Lawyer, Mr. Shupe.

Rates established are as follows:

- Mileage rate .97.
- Driver Time rate .715 per minute. Rate includes cost of labor, benefits, and supervisor costs for sum \$39.02 plus 10% indirect fee \$3.90 for billable rate in the amount \$42.92 hourly rate or cost per minute .715.
- Prep Time by Driver \$10.73 each stop.
- Coalinga-Huron rate based on actual County courier service charge to Fresno Library.
- Fleet Costs based a per mile rate. The rate of .97 cents is the total actual County costs for fleet divided by total miles for recent service years is the mileage rate. The review by Library Business also includes past 18 months of reviewed data from GPS for each fleet vehicle. Mileage fee is based on actual delivery dates from GPS records.
- Driver Stop Time at each stop (hourly rate into minutes). Actual time. GPS record provides by delivery date the location address, miles to each stop on route, time stop at each stop.
- Driver Time on Route to stop (hourly rate into minutes). Actual time. GPS record provides by delivery date the location address, miles to each stop on route, time stop at each stop.
- Prep time by driver (15 min). Rate is 15 minutes times .715 driver time rate. This is based on the all the Member/Fresno County of the day's stop. Each is charged for the driver beginning and end of days tasks.
- Return to Base Miles: This is based on each day the total number of members and Fresno stops divided by for equal split to charge the miles at the rate. The last stop location miles back to Sunnyside base divided by total number of stops in the day for average mile charge.
- Sorting Services by Member based on new tracking and tally count implemented February 2021 during Delivery Services Assessment from January through May 2021.

### **Membership Contribution and Ratios:**

- JPA states the contributions from each participant may be required for the operation of the System based on contribution ratio. The estimated cost of System Delivery operations for basic \$202,800 is divided by population ratio as the baseline by each member's value of service. During the course of the year, actual billing time is reduced from the value of service for a difference. Any difference by member supports the whole system delivery.
- Mark's position is Fresno shall be included in the SJVLS to pay a portion of the contract costs. States the JPA lists the contribution shall be by all members, Fresno is not paying for any portion of this contract. The percentage share of costs shall be deducted from the Fresno contract \$228,800 for the adopted expenditure. Fresno percentage of 32.92% is share of cost amount \$66,761. Fresno pays the cost upfront and the other members pay the difference after CLSA monies. Total contract fee for budget expenditure \$228,800 less \$66,761 is contract fee amount \$162,038.
- Lawyer, Mr. Shupe stated the controlling document is the JPA agreement. It calls for allocation of costs, if not covered in this case by the State, it would be split between all member according to population ratio percentage formula. Mr. Shupe stated that he needs to review the documents sent but feels as though the JPA needs to be reviewed, allocations of the costs should be divided by all members and population. This information after being reviewed will be shared with Mark, Jeannie and the team working as the subcommittee to return to the board in August.
- Jeannie's position stated the current proposed contract fee excludes Fresno HQ costs in the proposed contract \$228,800 based on nine members and the addition of Fresno shall depend on CLSA State interpretation of an allowable expense when a member plays a role of contractor and member. State the JPA notes contributions from each participant may be require. Fresno is not a participant in system route. The determination shall be based on if CLSA and California Library Law views any portion of Fresno as a participating member of the System Delivery or considered non-system. There are two definitions at the State level. The CLSA plan of service will be impacted on the contract fee to be reported and our allocation funding is based upon.
- Madera stated in the upcoming fiscal year 2022-2023, premium service for additional route will no longer be required.

- Jeannie summarized the total expenditure \$228,800 is the contract fee for nine members presented agenda number 7. Adjusted Recommended Budget for board's approval. The subcommittee may return to the board with increase in contract fee after consultation with State CLSA on allowable system delivery cost. This action will further clarify the "participants" for the billing and collection portion for SJVLS funding sources for all member's contribution ratio to support any gaps in the shortfall of CLSA State funds and how much to bill Madera for premium stops. During the fiscal year, the actual charges to be billed to SJVLS.

**Raman, Fresno Director, proposed and Board agreed with direction:** A creation of the subcommittee to follow up and return to Board in August. A subcommittee that consists of Mark Lewis, Jeannie Christiansen, Sally Gomez, Michelle Gordon, and Mr. Shupe.

**Subcommittee Action Items:**

- Delivery Services to move any SJVLS member stop that is mixed with Fresno delivery day of week be move to System delivery day. To further facilitate the costs for the day are all related to SJVLS System delivery for CLSA plan of service reporting.
- Premium stops route development shall be on a separate day and/ or combined with System Basic HQ stop. Any piggyback miles in the route shall be count as miles under System for billing and collection.
- Mr. Shupe to work with designated staff for the amended JPA that may include any language if the Board wants to change the language on Member's Contribution calculation change from percentage of total population rubric.
- Sub committee to provide a simple outline that details the delivery mileage, driver and other costs by each member.
- Subcommittee to follow up and meet with CLSA contact person to determine if Fresno costs shall be included in the contract fee proposed.
- Subcommittee to return with proposed contract fee for Fresno if a budget amendment is required from \$228,200.

**2. Discussion and Approval Madera delivery services contract with Fresno County Library (attachment 3)**–Discussed in previous #1 and in last meeting April 2021 to be continue. **Return to Board in August.**

**3. Discussion and Approval: CLSA Plan of Service FY 2021-2022 (attachment 4) –**

Draft submitted on June 3, 2021. Costs continue to rise for Delivery services. The plan of service will be adjusted to reflect today's agreement for contract fee in the amount of \$228,800 for basic plus premium additional stops. Staff will return to the board in August with any change depending on the outcome with State CLSA contact person. Because of the importance of these services to the patrons of SJVLS, we are proposing to use 100% of the CLSA funding in the amount of \$122,056 to support Delivery Services Contract that may range from estimates \$200,000 to \$228,800. The final expenditure is report two months after the close of fiscal year in June 2022. Jeannie reviewed handouts and collected board questions. Jeannie will pass along board questions as well to Annly Roman, CLSA contact. In April, the board approved the authorized designee and chairperson to finalize, sign and remit with revisions after confirmation with State. **Motion to approve Heidi Clark (Tulare City) Second: Raman Bath (Fresno)**

**4. Discussion and Approval: By-Laws effective July 2021. Sally proposed a workshop. Motion to table for discussion at next meeting Wegner (Tulare Public) Second: Taylor (Merced).**

**5. Status Update: Accounting, Bookkeeping and Controller Services.**

- **Moving forward on RFQ ASAP and if anyone would like to assist.**

Raman provided update of what he would like to have a CPA firm as the fiscal consultant, controller and accounting services with quality, clarity, and cost effective. Fresno County role as fiscal agent shall be separate and independent from administration. Jeannie in the future will no longer be the controller and present at board meetings. This role will be included in the RFQ transition to local CPA firm. Mr. Shupe assisted in this matter. Board express support they would like to continue to have clarity and simple presentation of reports so they can be understood.

**6. Discussion and Approval: Publish RFQ: Amended JPA Agreement and associated By-Laws.** This was a follow-up to by-laws and continue to work on JPA. We will work on scheduling workshop. We will keep moving forward.

**7. Approval: Adjusted Recommended FY 2021-2022 Budget.**

- Approval to adjust budget for Delivery Services for System and Madera routes. Fresno Library is not a participating member in System program.
- Approval to adjust for the contract rate presented by Kern chairperson.

- On April 16, 2021, Board approved budget in the amount of \$4,124,497 excluding Delivery Services costs.

**Motion to Approve authorized adjustment to Adopt budget for Fiscal Year 21-2022. Mary Leal (Coalinga/Huron) Second: Janet Chase Williams.**

- 8. Election of new SJVLS Chair for 2021-2022 is Amy Taylor (Merced County) motion to elect Amy Taylor (Merced County) Vikki Cervantes (Porterville) Second: Janet Chase Williams (Mariposa).**

#### **D. Staff Reports**

##### **1. Chair: Andie Sullivan**

- Opened at 50% and we are seeing more attendance at programming. Most of the branches will be open 100% soon. We lost a total of 30 positions over the last year.

##### **2. State Library:** Jodie Thomas.(Please refer to handout that Jodie sent to Council). Links in the email.

- Funding Opportunities Through the California State Library, there is a funding timetable and new funding opportunities from the California State Library will be available in July.
- Workforce Development.
- Statewide Library Branch Map.
- Lunch at the Library and Summer @ Your Library.
- Summer @ Your Library. The First Partner's Summer Book Club has launched!
- California Libraries Learn (CALL).
- Funding Recently Announced: Hotspots and Chromebooks for CIPA compliant libraries.
- Interactive Family Learning in California's Libraries.
- California Revealed.
- Public Library Staff Education Program.
- Developing Leaders in California Libraries.

- Networking Conversations.
- CopyCat Grants.
- California COVID Diaries.

### **3. Administrative Librarian – Sally Gomez**

- Working with Ingrid (E-rate consultant). The emergency American Rescue and Recovery plan, emergency connectivity. We are still researching it and looking at joining together or separate or if it has to be either one or the other.
- The county has reposted the Administrative Librarian position again, please share that with others.

### **4. SJVLS – System Administrator - Chis Wymer.**

- Working on ILS side of the house. Been very busy and kids catalog template, Discussed trouble with icons, and fitting formats. Chris asked to shoot links for options.
- Rivers is up and still working on it. Would like to have a loading spinner and then display the table. Availability table does not sort. Still working on that. They can be defined with search limit.
- Library card RFQ has been issued and thank you to all of you for the help you provide. We will be having vendor teleconference.
- SirsiDynix agreement has been finalized, waiting to get back then will send for Andie to sign.
- New logo almost done, Nathan working on it. Will update where it is used.
- 3- year and 7-year purges are scheduled for last two Sundays of this month. Will send out updated logo this afternoon.

### **5. Senior Network System Engineer – Kevin Nelson.**

- CENIC status still moving forward, Aaron is running all over the County. Big changes will take to foothill branches this next year.
- License and maintenance now.
- We will be back in the office next week, June 15<sup>th</sup>.

## E. Directors Comments.

**Andie Sullivan (Kern)** Shafter has become independent from Kern County. The last day we will provide them services will July 16<sup>th</sup>.

**Heidi Clark ( Tulare City)** We will be 50 percent capacity, next week. We have a new director, and we have a lot of training. We are bringing back some staff. Kicking off Summer Reading Program this weekend.

**Amy Taylor (Merced County)** All branches open now with pre-pandemic hours. We are continuing with pilot project with evening hours at 5 libraries. We are still not doing any in person programming. We will proceed after June 15<sup>th</sup>. We started a Strategic Planning process and provided an online public survey it goes through June 18<sup>th</sup>.

**Darla Wegener (Tulare County)** We just finished submitting budget and things are looking good, we have extra money! We are open at all 16 locations except for Terra Bella. We are working at 25 percent capacity. We will be encouraging but not enforcing masks for public. Will continue to do pick up service. Will not be doing in person programming till Fall. Our new bookmobile is out and stopping at locations.

**Raman Bath (Fresno County)** Fresno is going to be open and back to normal on June 15<sup>th</sup>, there will be no in person programming. Our furniture will be back, restrooms will be open and there will be limited use in meeting rooms. We have started the Summer Reading Program.

**Natalie Rencher (Kings County)** We are at 50% for opening, no seating, just browsing, waiting for future direction from our County. Down a staff member. In July the city of Hanford will celebrate 103 years. The library will be asking for permission to participate in the celebration.

**Krista Riggs (Madera)** Starting Monday we will be back to normal hours. We will not have any in person programming. Volunteers will be coming back as well. We are in the middle of working on a Strategic Plan.

## F. Calendar Item.

August 13<sup>th</sup>, 2021, at 10:00 AM. (Teams)

## G. Adjournment 12:14 PM.

## Consent Agenda Item

### Acceptance of Financial Update Report-Christiansen

August 13, 2021

#### Status Updates

1. Financial Reports
  - a. FY 2020/21 As of June 30, 2021, Financial reported expenses are \$ 3,433,952 an increase of \$ 857,820 from May 2021. Overall expenses were underspent by 43% in comparison to the monthly benchmarks due to delays in Telecommunication grant award for year 6 and lower computer service project cost. Revenues for the period ending June 30, 2021 totaled \$ 3,967,778 for a net increase in Fund balance in the amount of \$ 533,826.
  - b. Legal fees for year totaled \$10,732.90 related to review of JPA, delivery, by-laws and delivery assessment member's contribution. Fresno County Treasury fee for year totaled \$17,681.
2. Outstanding Receivable Total: paid in full.
  - a. FY 2020/21 Member Fees, Postage, and Smart Net totaling \$ 1,780,349 was billed on 8/13/2020 and has been paid in full.
  - b. Billed Fortinet of \$ 31,000 on 8/13/20 and has been paid in full.
  - c. FY 2020/21 Electronic Resource has been paid in full:
 

Fresno	\$ 300,000
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  - d. Horizon Upgrade Build Contingency Reserve Deposit \$ 160,000 was billed on 9/10/2020 and has been paid in full.
  - e. FY 2020/21 Telco \$685,111 billed to Members on 12/22/2020 and has been paid in full.
3. CLSA Allocation-Status Update, (Attachment 2 – Item 3)
 

During the pandemic, a priority goal was to maintain delivery services on a limited schedule. Total System Delivery Cost for year totaled \$173,100 contracted with Fresno County. The delivery services were funded by CLSA \$124,997, Madera premium \$1,600 and fund balance withdrawal \$46,503. This was the second year the CLSA allocation from the state was reduced from \$240,074. In the upcoming fiscal year, non-pandemic estimates delivery between \$228,800 - \$262,000.

In the agenda under section C is the final expenditure report and report for Board approval.



4. Online Materials -Status Update (Attachment 2 – Item 4)

Online Materials expenses total \$177,151 with unspent funds of \$5,219.

5. LSTA-Public Library Staff Education Program (PLSEP) MLS Funding Support

- a. Reimbursements totaling \$9,972 have been made as of June 30, 2021.
- b. FY 20-21 award of \$10,969 received
- c. SJVLS Administration reimbursement of \$997
- d. Award terms date range July 1, 2020 to August 31, 2021
- e. The FY 20-21 PLSEP Grant has two participants.

6. Transfer of Ownership Statements have been sent to the following members:

- September notice Fresno (\$4,851)
- February notice Fresno (\$19,327)
- March notice Fresno, Merced, Porterville, Tulare County (\$175,146)
- April notice Fresno, Tulare Public (\$13,012)
- May notice Fresno (\$4,872)
- June notice Fresno (\$37,018)

Cost listed above has been deducted from the member's Tech Reserve.

There was no activity for the months of July, August, October, November, December, and January.

7. Pre-paid Tech Reserve Report – Total Balance \$4,014,129. Emailed to Admin Council.

Under Committed System Projects: The Cenic Year 7 estimated by participating member is listed for grand total \$94,000.

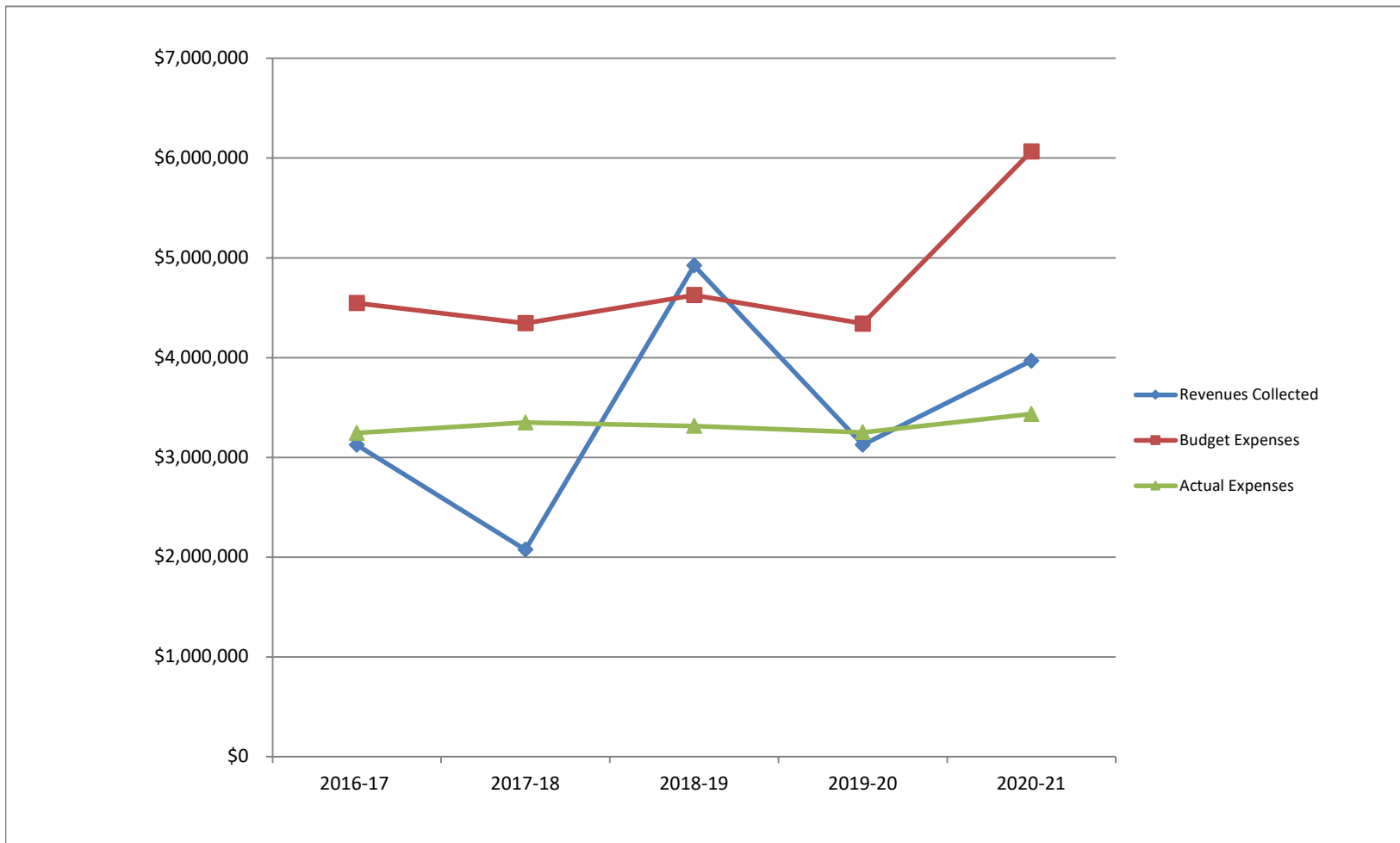
8. Unearned Grant Report

The remaining grant balance in the amount of \$63,504.03 has been utilized towards Telco project Year 6 for cabling, wired and wireless equipment project estimated at \$70,910.45 and remainder is funded by Fund Balance as approved by Board.

The Board approved on April 16 for SJVLS participation in Cenic Year 7 in the upcoming fiscal year with equipment recommendations in the amount of \$94,000. Staff will return to the board in fall to report on final cost, any grant opportunities and upgrade of equipment to be deducted from participating member's tech reserves. Members elected to use a portion of recent e-rate disbursement as Committed towards year 7. Please refer to Tech Reserve if a participating member.

**San Joaquin Valley Library System**  
**Revenue and Expenses Trends - Annual**  
**June 30, 2021**  
**Fiscal Year 2020-21**

Fiscal Year	2016-17	2017-18	2018-19	2019-20	2020-21
<b>Tech Reserve Available Balance</b>	\$2,589,868	\$2,473,397	\$2,676,754	\$3,061,626	\$4,014,129
<b>Revenues Collected</b>	\$3,123,740	\$2,074,018	\$4,922,374	<b>\$3,125,520</b>	<b>\$3,967,778</b>
<b>Budget Expenses</b>	\$4,545,929	\$4,343,965	\$4,626,402	\$4,339,757	\$6,066,145
<b>Actual Expenses</b>	\$3,243,758	\$3,349,110	\$3,314,188	<b>\$3,250,441</b>	<b>\$3,433,952</b>
<b>% of Actual to Budget</b>	71%	77%	72%	75%	57%
<b>\$ Unspent</b>	\$1,302,171	\$994,855	\$1,312,214	\$1,089,316	\$2,632,193
<b>% Unspent</b>	29%	23%	28%	25%	43%
	100%	100%	100%	100%	100%



**Financial Position Report**

Fund 4835

**Appropriations, Revenue and Net Fund Balance**

Attachment 2

Org 9625

**For the Period Ending June 30, 2021**

Account #	Category Description	Adopted Appropriations	Adjusted Appropriations as of 6-30-21	Total Expended (Includes CY Encumb)	Projected	% Spent	Benchmark
6000	Salaries & Benefits		\$0			0%	100%
7000	Services & Supplies	\$6,134,719	\$6,066,145	\$3,433,952		57%	100%
7800	Other Charges		\$0			0%	100%
7295	SJVLS Professional Services		\$0			0%	100%
8000	General Fixed Assets		\$0			0%	100%
	<b>Total Appropriations</b>	<b>\$6,134,719</b>	<b>\$6,066,145</b>	<b>\$3,433,952</b>	<b>\$0</b>	<b>57%</b>	<b>100%</b>
<b>Sum of Pivot Tables Financials</b>		<b>\$ 6,066,145.00</b>	<b>\$ 6,066,145.00</b>	<b>\$3,433,952</b>		<b>\$ 2,632,193.06</b>	<b>Unspent</b>
<b>Variance</b>		<b>68,574</b>	<b>-</b>	<b>\$0</b>			

Account #	Account Description	Adopted Revenues	Adjusted Revenues as of 6-30-21	Revenues	Deferred Revenues	% Collected	Benchmark
5040	Other--Overdue Notices (Charges for Services)	\$40,000	\$40,000	\$40,000		100%	100%
5039	SJVLS Tech Reserve Charges	\$571,140	\$571,140	\$294,185		52%	100%
3380	Interest Tech Reserve Fund	\$70,000	\$70,000	\$134,153		192%	100%
5800	Miscellaneous Revenue			\$0		0%	100%
5501	Telephone Services			\$0		0%	100%
5504	Telephone Services-Non County	\$787,107	\$787,107	\$1,559,211		198%	100%
4375	Grant-PLSEP Scholarship	\$30,000	\$30,000	\$10,969		37%	100%
4841	SJVLS Member Contributions	\$1,789,807	\$1,789,807	\$1,740,749		97%	100%
3575	CLSA, CVIN, Y2B, CLSA add. Funding	\$2,357,133	\$2,242,056	\$188,511		8%	100%
	<b>Total Revenues</b>	<b>\$5,645,187</b>	<b>\$5,530,110</b>	<b>\$3,967,778</b>	<b>\$0</b>	<b>72%</b>	<b>100%</b>
<b>Sum of Pivot Tables Financials</b>		<b>\$5,530,110</b>	<b>\$5,530,110</b>	<b>\$3,967,778</b>			
<b>Variance</b>		<b>115,077</b>	<b>0</b>	<b>0.00</b>			

						-\$533,826	
Fund Balance 4835 Agency Fund: Increase to Cash in Fund (-)	\$489,532	\$536,035					
Decrease Cash in Fund (+)							

Benchmark		# of PPs	# of Mos.
		26.1	12

Financial Comments:

**Computer Ops (0130) will always be underspent by the amount SJVLS projects incomplete.**

Monthly Dept Budget Status  
Dept 9625 - San Joaquin Valley Library-JPA  
Period Ending 2021-06-30

Account	Program	Adopted Appropriations	Adjusted Appropriations	Year-To-Date		Remaining Appropriations	% Used
				Expenditures	Encumbrances		
<b>FISCAL YEAR 2021</b>							
7040	Telephone Charges	0.00	3,045,000.00	1,003,391.86	0.00	2,041,608.14	33%
7101	General Liability Insurance	0.00	4,000.00	4,000.16	0.00	(0.16)	100%
7175	Property Insurance	0.00	700.00	2,386.71	0.00	(1,686.71)	341%
7205	Maintenance-Equipment	0.00	350,304.00	302,946.95	0.00	47,357.05	86%
7250	Memberships	0.00	4,250.00	3,340.00	0.00	910.00	79%
7265	Office Expense	0.00	13,300.00	5,956.81	0.00	7,343.19	45%
7268	Postage	0.00	37,000.00	20,014.75	0.00	16,985.25	54%
7286	PeopleSoft Human Resources Chg	0.00	1,988.00	1,163.28	0.00	824.72	59%
7287	PeopleSoft Financials Chg	0.00	10,000.00	3,645.90	0.00	6,354.10	36%
7295	Professional & Specialized Ser	0.00	1,642,078.00	1,430,045.25	0.00	212,032.75	87%
7296	Data Processing Services	0.00	163,900.00	2,915.69	0.00	160,984.31	2%
7325	Publications & Legal Notices	0.00	10,000.00	10,732.90	0.00	(732.90)	107%
7385	Small Tools & Instruments	0.00	493,325.00	395,296.56	0.00	98,028.44	80%
7406	Library Materials	0.00	500.00	0.00	0.00	500.00	0%
7412	Mileage	0.00	2,800.00	0.00	0.00	2,800.00	0%
7415	Trans, Travel & Education	0.00	63,000.00	14,457.25	0.00	48,542.75	23%
7416	Trans & Travel County Garage	0.00	191,600.00	183,576.87	0.00	8,023.13	96%
7430	Utilities	0.00	32,400.00	32,400.00	0.00	0.00	100%
7565	Countywide Cost Allocation	0.00	0.00	17,681.00	0.00	(17,681.00)	n/a
<b>7000</b>	<b>Services And Supplies</b>	<b>0.00</b>	<b>6,066,145.00</b>	<b>3,433,951.94</b>	<b>0.00</b>	<b>2,632,193.06</b>	<b>57%</b>
	<b>2021 Total</b>	<b>0.00</b>	<b>6,066,145.00</b>	<b>3,433,951.94</b>	<b>0.00</b>	<b>2,632,193.06</b>	<b>57%</b>

**Admin Council Board Report  
CLSA Status Report**

Amendment passed 8/7/20 to reduce CLSA revenues from \$240,074 to \$124,997

Report Date

6/30/2021

Operations Type	Adopted Budget	Amendment State Reduced Funding	Budget (revised)	Total Expenses	Pending Expenses	Total Projected Expenses	Unspent	Comments
Delivery	171,500	(46,503)	124,997	124,997	-	124,997	-	Total System Delivery \$173,100 Amended CLSA Plan to support Delivery passed 8/7/20
<b>Grand Total</b>	<b>240,074</b>	<b>(115,077)</b>	<b>124,997</b>	<b>124,997</b>	<b>-</b>	<b>124,997</b>	<b>-</b>	

Online Materials  
Financial Update  
Report Date

6/30/2021

**Funding Source: Membership**

Vendor	Budget Amount	Total Expenses	Unspent	Comments
Ebooks Bibliotheca	21,000	21,000	-	
Pronunciator	31,620	28,000	3,620	
Cengage	60,500	58,975	1,525	New Cengage contract upcoming Budget Year \$60,500
Gale: Testing and ERC	30,000	29,850	150	Education and Career module with Gale
E-Resources Other	30,000	30,076	(76)	formerly covered by CLSA; orders pending in next quarter
Other: Califa Quipu E Card Registration	9,250	9,250	-	CLSA amendment passed June 25, 2020, now covered by Membership due to funding cut
<b>Grand Total</b>	<b>182,370</b>	<b>177,151</b>	<b>5,219</b>	Funds to be spent in the last quarter

**Funding Source: CLSA (none due to decreased State of California allocation)**

	Budget Amount	Total Expenses	Unspent
<b>Total Funding Sources:</b>	<b>\$ 182,370</b>	<b>\$ 177,151</b>	<b>\$ 5,219</b>

Online Materials  
Financial Update  
Report Date

6/30/2021

**Funding Source: Membership**

Vendor	Budget Amount	Total Expenses	Unspent	Comments
Ebooks Bibliotheca	21,000	21,000	-	
Pronunciator	31,620	28,000	3,620	
Cengage	60,500	58,975	1,525	New Cengage contract upcoming Budget Year \$60,500
Gale: Testing and ERC	30,000	29,850	150	Education and Career module with Gale
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	Budget Amount	Total Expenses	Unspent
<b>Total Funding Sources:</b>	<b>\$ 182,370</b>	<b>\$ 177,151</b>	<b>\$ 5,219</b>

**SAN JOAQUIN VALLEY LIBRARY SYSTEM**

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**FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEARS ENDED  
JUNE 30, 2020 AND 2019**



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## INDEPENDENT AUDITORS' REPORT

To the Administrative Council  
San Joaquin Valley Library System

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of the San Joaquin Valley Library System (the System) as of and for the years ended June 30, 2020 and 2019, the related notes to the financial statements, and the budgetary statements for the general fund which collectively comprise the System's financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the System, as of and for the years ended June 30, 2020 and 2019, the respective changes in financial position, and the respective budgetary comparison statements for the general fund, for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters***Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 2, 2021, on our consideration of the System'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 System's internal control over financial reporting and compliance.

HUDSON HENDERSON & COMPANY, INC.

A handwritten signature in blue ink that reads "Hudson Henderson & Company, Inc." in a cursive script.

Fresno, California  
August 2, 2021

**SAN JOAQUIN VALLEY LIBRARY SYSTEM  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

As management of the San Joaquin Valley Library System (the System), we offer readers of the System's financial statements this narrative overview and analysis of the financial activities of the System for the fiscal years ended June 30, 2020 and 2019. We encourage readers to consider the information presented here in conjunction with information that is included within the financial statements.

**FINANCIAL HIGHLIGHTS**

- The System receives revenues from memberships, telecommunication, restricted grants, California State Library Act grant award, and unrestricted revenues to manage operations.
- The assets of the System exceeded its liabilities as of June 30, 2020 by \$4,997,321. Unrestricted net position of \$4,969,439 may be used to meet the System's ongoing obligations to fund a portion of Membership operations, customers, and creditors. As of June 30, 2019, assets exceeded liabilities by \$4,932,878 with unrestricted net position equaling \$4,913,553.
- Due to delays in broadband network upgrades, technology replacement plan and SJVLS Administrator vacancy, SJVLS has experienced an increase in net position in this reporting period. The total net position increased by \$64,443 for the year ended June 30, 2020. For comparison, the net position increased by \$723,588, which included a prior period adjustment, for the year ended June 30, 2019.
- Membership fee contributions increased in fiscal year 2019-20. The \$1,662,904 in membership fees funds approximately 49.3% of System operations.
- During the fiscal year, the System continued to utilize California Library Services Act (CLSA) funding at \$240,074 to support the System's delivery services, shared e-book collection Bibliotheca Cloud Library and Member's disconnects fee for telecommunication network update providing stable and equitable access throughout the System.
- The System continues to receive federal LSTA funding for Public Library Staff Education Program (PLSEP) at \$30,191 to provide tuition reimbursement for library staff to obtain a Master's degree in Library and Information Studies or to obtain their Library Support Staff Certification to improve library workforce. The award supported eleven participants in the Central Valley Library System for a total expended amount of \$27,428 and an administrative fee of \$2,763.
- Pre-Paid Tech Reserves (Tech Reserve Advances) held by the System as of June 30, 2020 at \$3,061,626, a 14.6% increase (\$390,101) from the prior year ended June 30, 2019, represents Member's contributions towards the System Technology Replacement plan for Nimble and Interlibrary System.
- Due to the California Library Grants program and other e-rate funding opportunities for the expansion of the High-Speed Broadband for California Libraries, the System successfully completed broadband upgrades, acquired new WIFI equipment, and replaced old network equipment under program year 4 and 5. The System utilized Network grant awards of \$50,521 of the year 3 award. The grant will continue to be used in the next fiscal year up to \$63,514.

## OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the System's basic financial statements. The System's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to financial statements.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the System's finances, in a manner similar to a private-sector business. The assets, liabilities, revenues, and expenses are reported on a full-accrual basis.

- The **Statements of Net Position** presents information on the System's assets, deferred outflows, liabilities, and deferred inflows; the difference between them representing net position, or equity.
- The **Statements of Activities** presents information showing total revenues versus total expenses and how the System's net position changed during the fiscal year. All revenues and expenses are recognized as soon as the underlying event occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in the disbursement or collection of cash during future fiscal years (e.g., reimbursable ongoing project expenses).

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The System, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the System can be divided into two categories: governmental funds and proprietary funds. The System has no proprietary funds and only one governmental fund, the General Fund.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds Balance Sheets and the governmental funds Statements of Revenue, Expenditures and Changes in Fund Balance provide a reconciliation to facilitate this comparison between the two.

**The Notes to Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes describe the nature of the System's operations and significant accounting policies, as well as clarify unique financial information.

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of June 30, 2020, the System's assets exceeded liabilities by \$4,997,321. Of that amount, \$27,882 of the System's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding.

The net position at the end of June 30, 2020, provides unrestricted net position of \$4,969,439, that may be used to meet the System's ongoing obligations to fund a portion of Membership operations, customers, and creditors. Capital assets are used to provide services to customers and they are not available for future spending.

The following represent summaries of the System's net position and changes in net position for the current and prior years:

	<b>Combined Statements of Net Position</b>		
	June 30, 2020	June 30, 2019 as restated	June 30, 2018
Current assets	\$ 5,349,159	\$ 5,598,202	\$ 4,736,147
Other assets	3,089,508	2,690,850	2,487,142
<b>Total assets</b>	<b>8,438,667</b>	<b>8,289,052</b>	<b>7,223,289</b>
Current liabilities	3,441,346	3,356,174	3,013,999
<b>Total liabilities</b>	<b>3,441,346</b>	<b>3,356,174</b>	<b>3,013,999</b>
<b>Net position</b>	<b>\$ 4,997,321</b>	<b>\$ 4,932,878</b>	<b>\$ 4,209,290</b>

**SJVLS Membership Fees.** During fiscal year 2019-2020 the Administrative Council approved for membership fees to increase for a combined total of \$1,662,904. The Combined Statements of Activities reflects the increase in SJVLS Memberships Due.

	<b>Combined Statements of Activities</b>		
	Year Ended June 30, 2020	Year Ended June 30, 2019 as restated	Year Ended June 30, 2018
Program Revenues			
Charges for services	\$ 2,825,741	\$ 3,253,156	\$ 2,964,216
Operating grants and contributions	320,786	446,828	452,361
<b>Total program revenues</b>	<b>3,146,527</b>	<b>3,699,984</b>	<b>3,416,577</b>
Expense			
Library services	3,448,166	3,166,273	3,421,360
<b>Total expense</b>	<b>3,448,166</b>	<b>3,166,273</b>	<b>3,421,360</b>
<b>Net (Expense) Revenue and Changes in Net Position</b>	<b>(301,639)</b>	<b>533,711</b>	<b>(4,783)</b>
General Revenues			
Refunds and abatements	128	-	147,576
Investment earnings	365,954	189,877	15,153
<b>Total general revenues</b>	<b>366,082</b>	<b>189,877</b>	<b>162,729</b>
<b>Change in net position</b>	<b>64,443</b>	<b>723,588</b>	<b>157,946</b>
<b>Net Position, Beginning of Year</b>	<b>4,932,878</b>	<b>4,209,290</b>	<b>4,051,344</b>
<b>Net Position, End of Year</b>	<b>\$ 4,997,321</b>	<b>\$ 4,932,878</b>	<b>\$ 4,209,290</b>

## Revenue

Revenues collected are grouped by charges for services and operating grants and contributions. Charges for services (\$2,825,741) consists of collected membership fees of \$1,662,904, direct billing charges of \$276,176, and telecommunication charges of \$886,661. Operating grants and contributions revenue of \$320,786 consist of California Library Services Act grant award of \$240,074, Network grant award of \$50,521 and PLSEP award of \$30,191.

Budget Year	Portion of Total Budget: Shared Membership Operations	Partial Funding Fund Balance (Shared Costs)	Membership Fees	% of Increase Membership Fee
FY 2014-15	\$ 2,463,943	41%	\$ 1,452,289	7%
FY 2015-16	2,729,785	43%	1,549,474	7%
FY 2016-17	2,197,807	31%	1,507,387	-3%
FY 2017-18	2,244,496	33%	1,507,387	0%
FY 2018-19	2,326,854	35%	1,507,387	0%
FY 2019-20	2,709,980	39%	1,662,904	10%

**Membership Fees: Budgeted Operations, Funding, and Percentage Increase.** Membership operational costs have been streamlined for consistency each year, maximizing the use of unrestricted funding and setting membership fees strategically. Operational costs exclude telecommunications, network projects and technology replacement plans. Membership fees were increased in fiscal year 2020 by 10% or \$155,517. Operations costs continue to be funded by California Library Services Act (CLSA) and interest earned with the remainder offsetting funding from unrestricted net position. The System's major source of revenues is membership fee contributions. Membership fee contributions increased by 7% to a total of \$1,612,904 plus an adjustment to Fresno's membership of \$50,000 for total membership fees of \$1,662,904.

**Governmental activities.** The System's major expenditures are personnel costs, interlibrary system, telecommunications, and network maintenance.

## Financial Analysis of the System's Funds

As noted earlier, the System uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

**Governmental Funds.** The purpose of the System's governmental fund financial statements is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the System's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2020, the System's governmental fund reported an ending fund balance of \$4,969,439, an increase of \$55,886 in comparison to the prior year. Of the ending fund balance, \$4,966,550 is unassigned and is available for spending at the System's discretion.

## Capital Asset and Debt Administration

**Capital assets.** The System's investment in capital assets for its governmental activities as of June 30, 2020, amounted to \$27,882 (net of allowance for depreciation).

**Debt administration.** The System did not have any debt outstanding as of June 30, 2020 and 2019.

### **Economic Factors and Next Year's Budgets and Rates**

The San Joaquin Valley Library System is continuing with its transition to its new network model with CENIC in an effort to increase bandwidth and decrease costs through fiscal year 2022. This is an ongoing, multiyear transition due to the cost required for installation and other fees involved. To carry out this effort, we have leveraged opportunities with grants and e-rate funding. Our priorities for the network are to grow the network into sustainable robust infrastructure with the flexibility to change with technology and time or membership. As a result, the San Joaquin Valley Library System will have a robust infrastructure that should be able to sustain the System need for many years to come. To fulfill this effort, we are trying to leverage opportunities with grants and e-rate funding. Our priorities for the network are to improve planning for future technology upgrades, support member libraries' technology needs, and improve collective strength for joint-consortium grant projects. In addition, SJVLS continues to improve its existing digital collections platform.

The fiscal year 2020-21 upcoming budget will include a System operation upgrade of Horizon operating software to the newest version (7.5.5) and the use of restricted use of grant funds in the amount of \$63,514 for CENIC Year 6 and the remainder of Category 2 funding in the amount of \$235,045. Traditionally the System budgets high to be inclusive of all anticipated projects, telecommunication installation costs, and non-discounted telecommunication.

It is important to note that SJVLS is in its second year without a fully dedicated SJVLS Administrative Librarian. While current efforts focus on maintaining a strong system of services for the members, the expectation is that once a dedicated, permanent Administrative Librarian is in place, moving forward with new goals and Information Technology Plan strategic planning will be a top priority.

### **Requests for Information**

This financial report is designed to provide a general overview of the San Joaquin Valley Library System's finances for all those with an interest in the System's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Library Business Manager, San Joaquin Valley Library System, 2420 Mariposa Street, Fresno, California, 93721.



**SAN JOAQUIN VALLEY LIBRARY SYSTEM**  
**STATEMENTS OF NET POSITION**  
**JUNE 30, 2020 AND 2019**

	2020	2019 As Restated
<b>ASSETS</b>		
Current assets		
Cash and investments	\$ 4,627,128	\$ 4,420,842
Interest receivable	39,074	36,356
Due from other governments	4,432	58,219
E-Rate receivable	675,636	1,082,785
Prepaid expenses	2,889	-
	<u>5,349,159</u>	<u>5,598,202</u>
Total current assets		
Non-current assets		
Restricted cash - tech reserve	3,061,626	2,671,525
Capital assets, net	27,882	19,325
	<u>3,089,508</u>	<u>2,690,850</u>
Total non-current assets		
Total assets	<u>8,438,667</u>	<u>8,289,052</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	286,383	557,838
Due to member agencies	29,823	12,777
Advances from grantors	-	114,034
Tech reserve advances	3,061,626	2,671,525
Unearned revenues	63,514	-
	<u>3,441,346</u>	<u>3,356,174</u>
Total liabilities		
<b>NET POSITION</b>		
Net investment in capital assets	27,882	19,325
Unrestricted	4,966,550	4,913,553
	<u>4,997,321</u>	<u>4,932,878</u>
Total net position	<u>\$ 4,997,321</u>	<u>\$ 4,932,878</u>

The accompanying notes are an integral part of the financial statements.

**SAN JOAQUIN VALLEY LIBRARY SYSTEM  
STATEMENTS OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities:				
Library system	\$ 3,448,166	\$ 2,825,741	\$ 320,786	\$ (301,639)
Total	<u>\$ 3,448,166</u>	<u>\$ 2,825,741</u>	<u>\$ 320,786</u>	<u>(301,639)</u>
General Revenues:				
				128
				<u>365,954</u>
				<u>366,082</u>
				64,443
				<u>4,932,878</u>
				<u>\$ 4,997,321</u>

The accompanying notes are an integral part of the financial statements.

**SAN JOAQUIN VALLEY LIBRARY SYSTEM**  
**STATEMENTS OF ACTIVITIES (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2019 (restated)**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Changes in</u>
			<u>Contributions</u>	<u>Net Position</u>
Governmental Activities:				
Library system	\$ 3,166,273	\$ 3,253,156	\$ 446,828	\$ 533,711
Total	<u>\$ 3,166,273</u>	<u>\$ 3,253,156</u>	<u>\$ 446,828</u>	<u>533,711</u>
General Revenues:				
Investment earnings				<u>189,877</u>
Total General Revenues				<u>189,877</u>
Change in Net Position				723,588
Net Position, Beginning of Year				<u>4,209,290</u>
Net Position, End of Year				<u>\$ 4,932,878</u>

The accompanying notes are an integral part of the financial statements.

**SAN JOAQUIN VALLEY LIBRARY SYSTEM  
BALANCE SHEETS  
GOVERNMENTAL FUND  
JUNE 30, 2020 AND 2019**

	2020	2019 As Restated
<b>ASSETS</b>		
Cash and investments	\$ 4,627,128	\$ 4,420,842
Restricted cash - tech reserve	3,061,626	2,671,525
Interest receivable	39,074	36,356
Due from other governments	4,432	58,219
E-Rate receivable	675,636	1,082,785
Prepaid expenses	2,889	-
	<hr/>	<hr/>
Total Assets	<u>\$ 8,410,785</u>	<u>\$ 8,269,727</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 286,383	\$ 557,838
Due to member agencies	29,823	12,777
Advances from grantors	-	114,034
Tech reserve advances	3,061,626	2,671,525
Unearned revenues	63,514	-
	<hr/>	<hr/>
Total Liabilities	<u>3,441,346</u>	<u>3,356,174</u>
Fund balance		
Nonspendable	2,889	-
Unassigned	4,966,550	4,913,553
	<hr/>	<hr/>
Total Fund Balance	<u>4,969,439</u>	<u>4,913,553</u>
Total Liabilities and Fund Balance	<u>\$ 8,410,785</u>	<u>\$ 8,269,727</u>
Reconciliation of the Balance Sheets of the Governmental Fund to the Statements of Net Position:		
Total fund balance - Governmental Fund	\$ 4,969,439	\$ 4,913,553
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statements	<hr/> 27,882	<hr/> 19,325
Total net position - Governmental Activities	<u>\$ 4,997,321</u>	<u>\$ 4,932,878</u>

The accompanying notes are an integral part of the financial statements.

**SAN JOAQUIN VALLEY LIBRARY SYSTEM  
STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	2020	2019 As Restated
<b>REVENUES</b>		
Membership dues	\$ 1,662,904	\$ 1,507,387
Tech reserves charges	276,176	533,783
Telephone services	886,661	1,211,986
State Y2B and CVIN grants	320,786	446,828
Refunds and abatements	128	-
Interest income	365,954	189,877
	<u>3,512,609</u>	<u>3,889,861</u>
<b>EXPENDITURES</b>		
Telephone charges	811,653	649,489
Peoplesoft charges	4,749	6,228
Professional services	1,568,883	1,418,616
Maintenance equipment	315,633	285,744
Grant project maintenance equipment	449,184	535,357
Office expense	4,724	16,090
Insurance	3,786	4,912
Memberships	3,340	3,340
Postage and notice services	23,507	27,998
Utilities	27,000	16,401
Travel and conference	34,242	31,909
System delivery	182,345	163,526
Capital outlay	17,820	-
Bad debt expense	9,857	-
	<u>3,456,723</u>	<u>3,159,610</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>55,886</u>	<u>730,251</u>
Net Change in Fund Balance	55,886	730,251
Fund Balance, Beginning of Year	<u>4,913,553</u>	<u>4,183,302</u>
Fund Balance, End of Year	<u>\$ 4,969,439</u>	<u>\$ 4,913,553</u>
Reconciliation of the Statements of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund to the Statements of Activities:		
Net change in Fund Balance - Governmental Fund	\$ 55,886	\$ 730,251
Governmental funds report capital outlay as expenditures However, in the Statements of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay was greater or less than depreciation in the current period.		
	<u>8,557</u>	<u>(6,663)</u>
Change in Net Position - Governmental Activities	<u>\$ 64,443</u>	<u>\$ 723,588</u>

The accompanying notes are an integral part of the financial statements.

**SAN JOAQUIN VALLEY LIBRARY SYSTEM**  
**STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-**  
**BUDGET TO ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual (GAAP Basis)	Variance with Final Budget
	Original	Final		
<b>RESOURCES (INFLOWS)</b>				
Membership dues	\$ 1,662,904	\$ 1,662,904	\$ 1,662,904	\$ -
Tech reserves charges	1,484,948	1,484,948	276,176	(1,208,772)
Telephone services	-	-	886,661	886,661
State Y2B and CVIN grants	378,550	378,550	320,786	(57,764)
Refunds and abatements	-	-	128	128
Interest income	70,000	70,000	365,954	295,954
	<u>3,596,402</u>	<u>3,596,402</u>	<u>3,512,609</u>	<u>(83,793)</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>				
Telephone charges	1,045,000	1,045,000	811,653	233,347
Peoplesoft charges	11,688	11,688	4,749	6,939
Professional services	2,064,811	2,064,811	1,568,883	495,928
Maintenance equipment	370,324	370,324	315,633	54,691
Grant project maintenance equipment	675,576	675,576	449,184	226,392
Office expense	17,840	17,840	4,724	13,116
Insurance	4,700	4,700	3,786	914
Memberships	3,700	3,700	3,340	360
Postage and notice services	36,500	36,500	23,507	12,993
Utilities	27,000	27,000	27,000	-
Travel and conference	63,398	63,398	34,242	29,156
System delivery	203,400	203,400	182,345	21,055
Capital outlay	17,820	17,820	17,820	-
Bad debt expense	-	-	9,857	(9,857)
	<u>4,541,757</u>	<u>4,541,757</u>	<u>3,456,723</u>	<u>1,085,034</u>
Net Change in Fund Balance	<u>\$ (945,355)</u>	<u>\$ (945,355)</u>	55,886	<u>\$ 1,001,241</u>
Fund Balance, Beginning of Year			<u>4,913,553</u>	
Fund Balance, End of Year			<u>\$ 4,969,439</u>	

The accompanying notes are an integral part of the financial statements.

**SAN JOAQUIN VALLEY LIBRARY SYSTEM**  
**STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-**  
**BUDGET TO ACTUAL**  
**GENERAL FUND (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2019 (restated)**

	Budgeted Amounts		Actual (GAAP Basis)	Variance with Final Budget
	Original	Final		
<b>RESOURCES (INFLOWS)</b>				
Membership dues	\$ 1,507,387	\$ 1,507,387	\$ 1,507,387	\$ -
Tech reserves charges	2,028,117	2,028,117	533,783	(1,494,334)
Telephone services	-	-	1,211,986	1,211,986
State Y2B and CVIN grants	570,362	570,362	446,828	(123,534)
Interest income	70,000	70,000	189,877	119,877
Total Resources (Inflows)	4,175,866	4,175,866	3,889,861	(286,005)
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>				
Telephone charges	1,116,945	1,116,945	649,489	467,456
Peoplesoft charges	6,000	6,000	6,228	(228)
Professional services	1,473,700	1,473,700	1,418,616	55,084
Maintenance equipment	1,305,597	1,305,597	285,744	1,019,853
Grant project maintenance equipment	443,120	443,120	535,357	(92,237)
Office expense	15,800	15,800	16,090	(290)
Insurance	6,200	6,200	4,912	1,288
Memberships	3,700	3,700	3,340	360
Postage and notice services	36,000	36,000	27,998	8,002
Utilities	12,800	12,800	16,401	(3,601)
Travel and conference	44,800	44,800	31,909	12,891
System delivery	161,740	161,740	163,526	(1,786)
Total Charges to Appropriations (Outflows)	4,626,402	4,626,402	3,159,610	1,466,792
Net Change in Fund Balance	<u>\$ (450,536)</u>	<u>\$ (450,536)</u>	730,251	<u>\$ 1,180,787</u>
Fund Balance, Beginning of Year			<u>4,183,302</u>	
Fund Balance, End of Year			<u>\$ 4,913,553</u>	

The accompanying notes are an integral part of the financial statements.

**SAN JOAQUIN VALLEY LIBRARY SYSTEM  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Reporting Entity: San Joaquin Valley Library System (the System) is a joint powers authority agency, established in November 1979 under the California Library Services Act (CLSA) to improve library services through cooperation by public libraries within the State. Current membership, includes:

- Coalinga-Huron Library District
- Fresno County Library
- Kern County Library
- Kings County Library
- Madera County Library
- Mariposa County Library
- Merced County Library
- Porterville Public Library
- Tulare County Library
- Tulare Public Library

As set forth in the joint powers agreement, the System is governed by an Administrative Council made up of the 10 directors. The Administrative Council is supported by the Automation Committee and Electronic Resources Committee. Funding for the System comes from member library contributions and the State of California through CLSA.

Measurement Focus, Basis of Accounting and Financial Statement Presentation:

The government-wide financial statements (i.e., the Statements of Net Position and the Statements of Activities) report information on all of the System's activities. The Statements of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

- Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements are met.

- Governmental Fund Financial Statements

Governmental fund financial statements (i.e., Balance Sheets and Statements of Revenues, Expenditures and Changes in Fund Balance) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or 14 months thereafter to pay liabilities of the current period.



**SAN JOAQUIN VALLEY LIBRARY SYSTEM  
NOTES TO FINANCIAL STATEMENTS (continued)**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued):

Revenues susceptible to accrual are property taxes, interest on investments, and intergovernmental revenues. Property taxes are recorded as revenues in the fiscal year in which they are levied, provided they are collected in the current period or within sixty days thereafter. A one-year availability period is used for all other revenues. Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific expenditures are recognized when all eligibility requirements are met.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting; however, debt service expenditures are recorded only when payment is due. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheets and the governmental fund Statements of Revenues, Expenditures and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The System reports one major governmental fund:

The **General Fund** is the primary operating fund and accounts for all financial resources of the System.

The System adopts annual appropriated budgets for its general fund which is a major fund. Budgetary comparison statements have been provided for this fund to demonstrate compliance with the budgets.

Cash and Investments: The System maintains its cash account with the County of Fresno Auditor-Controller/Treasurer as part of the common investment pool. The County of Fresno is restricted by Government Code Section 53635 pursuant to Section 53601 to invest in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements.

State statutes and the County of Fresno's investment policy authorize the County Treasurer to invest in U.S. Government Treasury and Agency Securities, bankers' acceptances, commercial paper, corporate bonds and notes, repurchase agreements, and the State Treasurer's Local Agency Investment Fund (LAIF).

In accordance with GASB Statement No. 43, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments held by the County Treasurer are stated at fair value. The fair value of pooled investments is determined quarterly and is based on current market prices received from the securities custodian. The balance available for withdrawal is based on the accounting records maintained by the County of Fresno Auditor-Controller/Treasurer.

Credit quality ratings are not available for the System's investments as they are invested as part of the common investment pool of the County of Fresno Auditor-Controller/Treasurer. Cash in the County Treasury is considered unclassified as to credit risk because it is not evidenced by securities that exist in physical or book entry form.

Accounts Receivable: The "direct write-off" method for accounts receivable was applied for accounts that had been established as uncollectible. A deduction of revenue is recognized when an account is referred to the Revenue Reimbursement Division of the Auditor-Controller/Treasurer-Tax Collector and a Discharge of Accountability is received. The "direct write-off" method is not in compliance with generally accepted accounting principles. Any write-offs would be deemed immaterial to the financial statements as a whole. The System wrote off \$9,857 and \$0 during the years ended June 30, 2020 and 2019, respectively.

**SAN JOAQUIN VALLEY LIBRARY SYSTEM  
NOTES TO FINANCIAL STATEMENTS (continued)**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Capital Assets: Capital assets acquired are recorded at cost or estimated cost where cost is not available. Donated or contributed capital assets are recorded at estimated fair value on the date received. Capital assets are defined by the System as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. The costs of normal maintenance and repairs are charged to operations as incurred. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation of capital assets is computed using the straight-line method applied over the estimated useful lives of the assets as follows:

Computer Equipment and Software:	3-5 Years
Office Equipment:	3-5 Years

Accounts Payable: Certain costs are incurred by the System during the current reporting period but are not paid until after the beginning of the next fiscal period. These costs are reported as payables in the financial statements. The System's account payable balances as of June 30, 2020 and 2019 are \$286,383 and \$557,838, respectively.

Fund Balance: In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned, or unassigned based primarily on the extent to which the District is bound to honor constraints on how specific amounts can be spent.

- *Nonspendable* – Amounts that are not in spendable form (such as inventory) or are required either legally or contractually to be maintained intact.
- *Restricted* – Amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional or enabling legislation.
- *Committed* - Amounts constrained to specific purposes by the System itself, using the System's highest level of decision-making authority (the administrative council). To be reported as committed, amounts cannot be used for any other purpose unless the System takes the same highest level action to remove or change the constraint. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- *Assigned* - Amounts the System *intends* to use for a specific purpose. Intent can be expressed by the System at either the highest level of decision-making or by an official or body to which the System delegates the authority.
- *Unassigned* - The residual classification for the System that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The System establishes and modifies or rescinds fund balance commitments by passage of an ordinance or policy. This is typically done through adoption or amendment of the budget. A fund balance commitment is further indicated in the budget as a designation or commitment of the fund, such as approved construction contracts. Assigned fund balance is established by the System through adoption or amendment of the budget or future year budget plan as intended for a specific purpose.

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

**SAN JOAQUIN VALLEY LIBRARY SYSTEM  
NOTES TO FINANCIAL STATEMENTS (continued)**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Net Position: Net position represents the residual interest in the System’s assets after liabilities are deducted. In accordance with GASB Statement No. 63, the fund equity section on the Statements of Net Position was combined to report total net position and present it in three broad components:

- Net investment in capital assets – Amount consists of capital assets, including infrastructure, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.
- Restricted – Amount consists of net position restricted by external creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabled legislature.
- Unrestricted – Amount consists of all net position that does not meet the definition “net investment in capital assets” or “restricted” net position.

When both restricted and unrestricted net position are available, restricted resources are used first before unrestricted resources are used.

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

Fair Value of Financial Instruments: Financial instruments include cash and investments, interest receivable, due from other governments, E-rate receivable, prepaid expenses, accounts payable, due to member agencies, advances from grantors, and unearned revenues none of which are held for trading purposes. The fair values of all financial instruments do not differ materially from the aggregate carrying values of the financial instruments recorded in the accompanying Statements of Net Position. The carrying amounts of these financial instruments approximate fair value because of the short-term maturities of those instruments.

Concentrations of Credit Risk: The System maintains cash balances in one financial institution. Cash balances in interest-bearing transaction accounts are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000 per institution. For the years ending June 30, 2020 and 2019, the System had \$0 held with financial institutions that exceeded the FDIC limit and were uninsured.

Tech reserve advances: Tech reserve advances consist of monies advanced to the System from member agencies to be used for future equipment and network infrastructure upgrades. The balances for the years ended June 30, 2020 and 2019, were \$3,061,626 and \$2,671,525, respectively.

Due to member agencies: The System maintains a cash account for the collection of library fees on behalf of member agency libraries. The System distributes these revenues to member agencies throughout the year. The balance for the years ended June 30, 2020 and 2019 was \$29,823 and \$12,777, respectively.

Governmental Accounting Standards Update: During the years ending June 30, 2020 and 2019, the System implemented the following standards with no financial impact on the financial statements:

GASB Statement No. 83 – *Certain Asset Retirement Obligations*. The requirements of this statement are effective for reporting periods beginning after June 15, 2018. The adoption of GASB No. 83 had no impact on the System’s financial statements.

**SAN JOAQUIN VALLEY LIBRARY SYSTEM  
NOTES TO FINANCIAL STATEMENTS (continued)**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Governmental Accounting Standards Update (continued):

GASB Statement No. 84 – *Fiduciary Activities*. The requirements of this statement are effective for reporting periods beginning after December 15, 2018. The adoption of GASB No. 84 had no impact on the System’s financial statements.

GASB Statement No. 88 – *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The requirements of this statement are effective for reporting periods beginning after June 15, 2018.

GASB Statement No. 90 – *Majority Equity Interests- an amendment of GASB Statements No. 14 and No 61*. The requirements of this statement are effective for reporting periods beginning after December 15, 2018. Subsequent to issuance, GASB Statement No. 95 postponed the requirements of this statement to reporting periods beginning after December 15, 2019.

GASB Statement No. 95 – *Postponement of the Effective Dates of Certain Authoritative Guidance*. The requirements of this statement are effective as of May 2020.

Released GASB Statements to be implemented in future financial statements are as follows:

GASB Statement No. 87 – *Leases*. The requirements of this statement are effective for reporting periods beginning after December 15, 2019. Subsequent to issuance, GASB Statement No. 95 postponed the requirements of this statement to June 15, 2021.

GASB Statement No. 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period*. The requirements of this statement are effective for reporting periods beginning after December 15, 2019. Subsequent to issuance, GASB Statement No. 95 postponed the requirements of this statement to December 15, 2020.

GASB Statement No. 91 – *Conduit Debt Obligations*. The requirements of this statement are effective for reporting periods beginning after December 15, 2020. Subsequent to issuance, GASB Statement No. 95 postponed the requirements of this statement to December 15, 2021.

GASB Statement No. 92 – *Omnibus 2020*. The requirements of this statement are effective for reporting periods beginning after June 15, 2020. Subsequent to issuance, GASB Statement No. 95 postponed the requirements of this statement to June 15, 2021.

GASB Statement No. 93 – *Replacement of Interbank Offered Rates*. The requirements of this statement are effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The requirements of this statement are effective for reporting periods beginning after June 15, 2022.

GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements*. The requirements of this statement are effective for reporting periods beginning after June 15, 2022.

GASB Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The requirements of this statement are effective for reporting periods beginning after June 15, 2021.

**SAN JOAQUIN VALLEY LIBRARY SYSTEM**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Subsequent Events: In compliance with accounting standards, management has evaluated events that have occurred after year-end to determine if these events are required to be disclosed in the financial statements. Management has determined that no events require disclosure in accordance with accounting standards. These subsequent events have been evaluated through August 2, 2021, which is the date the financial statements were available to be issued.

**NOTE 2 – CASH AND INVESTMENTS**

Cash and investments as of June 30, 2020 and 2019, are classified in the accompanying financial statements as follows:

	2020	2019
Cash in treasury	\$ 7,683,241	\$ 7,079,678
Cash with fiscal agent	<u>5,513</u>	<u>12,689</u>
Total cash and investments	<u>\$ 7,688,754</u>	<u>\$ 7,092,367</u>

Cash and investments consists of the following as of June 30, 2020 and 2019:

	2020	2019
Cash and investments	\$ 4,627,128	\$ 4,420,842
Restricted cash- tech reserve	<u>3,061,626</u>	<u>2,671,525</u>
Total cash and investments	<u>\$ 7,688,754</u>	<u>\$ 7,092,367</u>

**NOTE 3 – CAPITAL ASSETS**

Capital assets activity for the years ended June 30, 2020 and 2019, were as follows:

	Balances July 01, 2019	Additions	Deletions & Adjustments	Balances June 30, 2020
Computer equipment and software	\$ 137,645	\$ 17,820	\$ -	\$ 155,465
Office equipment	<u>6,581</u>	<u>-</u>	<u>-</u>	<u>6,581</u>
Capital assets - gross	<u>144,226</u>	<u>17,820</u>	<u>-</u>	<u>162,046</u>
Less: accumulated depreciation	<u>(124,901)</u>	<u>(9,263)</u>	<u>-</u>	<u>(134,164)</u>
Capital assets - net	<u>\$ 19,325</u>	<u>\$ 8,557</u>	<u>\$ -</u>	<u>\$ 27,882</u>
	Balances July 01, 2018	Additions	Deletions & Adjustments	Balances June 30, 2019
Computer equipment and software	\$ 137,645	\$ -	\$ -	\$ 137,645
Office equipment	<u>6,581</u>	<u>-</u>	<u>-</u>	<u>6,581</u>
Capital assets - gross	<u>144,226</u>	<u>-</u>	<u>-</u>	<u>144,226</u>
Less: accumulated depreciation	<u>(118,238)</u>	<u>(6,663)</u>	<u>-</u>	<u>(124,901)</u>
Capital assets - net	<u>\$ 25,988</u>	<u>\$ (6,663)</u>	<u>\$ -</u>	<u>\$ 19,325</u>

**SAN JOAQUIN VALLEY LIBRARY SYSTEM**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

**NOTE 3 – CAPITAL ASSETS (continued)**

Depreciation expense for the years ended June 30, 2020 and 2019 was \$9,263 and \$6,663, respectively.

**NOTE 4 – ADVANCES FROM GRANTORS AND UNEARNED REVENUES**

Under both the accrual and modified accrual basis of accounting, revenue may be recognized only when earned. Therefore, the government-wide Statements of Net Position as well as the governmental fund Balance Sheets defer revenue recognition in connection with resources that have been received as of year-end, but not yet earned. Assets recognized in connection with a transaction before the earnings process is complete are offset by a corresponding liability for advances from grantors and unearned revenue. The balance of advances from grantors as of June 30, 2020 and 2019 were \$0, and \$114,034, respectively. The balance of unearned revenues as of June 30, 2020 and 2019 were \$63,514 and \$0, respectively.

**NOTE 5 – DEFICIENCY OF EXPENDITURES OVER APPROPRIATIONS**

For the year ended June 30, 2020, expenditures exceeded appropriations as follows:

<b>2020</b>	
Expenditures	Amount
Bad Debt Expense	\$ (9,857)

For the year ended June 30, 2019, expenditures exceeded appropriations as follows:

<b>2019</b>	
Expenditures	Amount
Peoplesoft Charges	\$ (228)
Grant Project Maintenance Equipment	(92,237)
Office Expense	(290)
Utilities	(3,601)
System Delivery	(1,786)

**NOTE 6 – PRIOR PERIOD ADJUSTMENT AND RESTATEMENT**

The System recorded during the current fiscal year a total adjustment of \$231,377 that resulted in a restatement of the prior year and a prior period adjustment to the beginning fund balance and net position for the fiscal year ended June 30, 2019. The adjustment of \$231,377 was made to the fiscal year 2019 General Fund balance and net position of the System to properly account for the System's liabilities.

	Restated 2019	As Previously Recorded 2019	Change
Total Assets	\$ 8,269,727	\$ 8,269,727	\$ -
Total Liabilities	\$ 3,356,174	\$ 3,587,551	\$ (231,377)
Total Revenues	\$ 3,889,861	\$ 3,889,861	\$ -
Total Expenditures	\$ 3,159,610	\$ 3,390,987	\$ (231,377)
Net Change in Fund Balance	\$ 730,251	\$ 498,874	\$ 231,377
Fund Balance, Beginning of Year	\$ 4,183,302	\$ 4,183,302	\$ -
Fund Balance, End of Year	\$ 4,913,553	\$ 4,682,176	\$ 231,377

**SAN JOAQUIN VALLEY LIBRARY SYSTEM**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

**NOTE 7 – COVID-19 PANDEMIC**

Management has determined the events regarding the novel coronavirus require disclosure in accordance with accounting standards. On March 4, 2020, Governor Newsom issued an emergency proclamation declaring a State of emergency in California due to the novel coronavirus (COVID-19). The COVID-19 outbreak is ongoing, and the ultimate geographic spread of the virus, the duration and severity of the outbreak and the economic and other actions that may be taken by governmental authorities to contain the outbreak or to treat its impact are uncertain. The ultimate impact of COVID-19 on the operations and finances of the Organization is unknown.



**INDEPENDENT AUDITORS' 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**

To the Administrative Council  
San Joaquin Valley Library System

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and major fund of the San Joaquin Valley Library System (the System) as of and for the years ended June 30, 2020 and 2019, the related notes to the financial statements and budget statements for the general fund, which collectively comprise the System's financial statements, and have issued our report thereon dated August 2, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audits of the financial statements, we considered the System's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we do not express an opinion on the effectiveness of the System's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. During our audit we did identify a deficiency in internal control, described in the accompanying schedule of findings and responses, that we consider to be a material weakness: 2020-001.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the System's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



**System's Response to Findings**

The System's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The System's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HUDSON HENDERSON & COMPANY, INC.

A handwritten signature in blue ink that reads "Hudson Henderson & Company, Inc." in a cursive script.

Fresno, California  
August 2, 2021

**SAN JOAQUIN VALLEY LIBRARY SYSTEM  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2020**

**Finding 2020-001 – Material Weakness  
Financial Closing & Reporting**

Condition:

During the audit of the System's financial statements, we identified material misstatements in the System's general ledger account balances which required material audit adjustments. Additionally, the System required an excessive number of year-end closing journal entries to complete the financial closing process.

Criteria:

In accordance with accounting principles generally accepted in the United States of America, adequate internal controls should be implemented to ensure that all assets, liabilities, revenues, and expenses are properly recorded and reported. Furthermore, proper accounting principles should be applied to all financial closing accounts and processes, thus resulting in the proper presentation of all System activities and/or funds.

Cause:

The System did not have an adequate financial close process in place. The System made significant changes to the accounting records throughout the audit process and did not post the adjusting journal entries from the prior fiscal year.

Effect:

Material adjustments were identified through the beginning reconciliation process and audit procedures performed. Additionally, as the System made significant changes to the accounting records, the audit was not completed in a timely manner.

Recommendation:

We recommend the System further enhances their accounting process to ensure that all accounting records are properly reflected in the financial statements prior to the commencement of the audit.

Management Response:

Due to the COVID-19 pandemic and a System accountant who was unable to return to the office prior to his retirement date in March 2020, there were a significant number of entries not performed. We agree with the auditor recommendation and will implement a stronger financial close process. In June 2021, the Fresno County Auditor-Controller and County Counsel approved to proceed with outsourcing the Controller and accounting services to a local CPA firm per California Government Code 6505.5, no later than December 2021.

**SAN JOAQUIN VALLEY LIBRARY SYSTEM  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2019**

There were no prior year financial statement findings reported in accordance with *Government Auditing Standards*.

**California Library Services Act  
System Expenditure Report – FY 2020/21**

System Name: **San Joaquin Valley Library System**

Programs	Source of Funds for Expenditure						Total		
	a. Total Funds Budgeted	State	Federal	Local			g. Expended (B-F)	h. Encumbered (B minus F)	i. Unexpended Balance
		b. CLSA	c. LSTA	d. Local funds/fees	e. Interest	f. Other			
<b>Program 1: C&amp;D System Administration Planning &amp; Coordination</b>									
Salaries & Benefits	\$389,440	\$0	\$0	\$224,040	\$0	\$0	\$224,040	\$0	\$165,400
PC& E	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	\$80,636	\$0	\$10,969	\$63,394	\$0	\$0	\$74,363	\$0	\$6,273
Materials	\$2,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,800
Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Indirect	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Program Total	\$472,876	\$0	\$10,969	\$287,434	\$0	\$0	\$298,403	\$0	\$174,473
Staff is contracted through County of Fresno for salaries and benefits. On September 2020, Board approved budget appropriation for PLSEP Notes: award monies.PLSEP (LSTA) expended \$10,969									
<b>Program 2: System C&amp;D (baseline) Communication &amp; Delivery</b>									
Salaries & Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	\$3,351,400	\$124,997	\$0	\$1,185,684	\$0	\$0	\$1,310,681	\$0	\$2,040,719
Materials	\$1,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,500
Equipment	\$158,825	\$0	\$0	\$63,830	\$0	\$63,514	\$127,343	\$0	\$31,482
Indirect	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Program Total	\$3,511,725	\$124,997	\$0	\$1,249,514	\$0	\$63,514	\$1,438,024	\$0	\$2,073,701
Notes: Equipment for System network funded by other unused grant proceeds and local funds such as fund balance savings.									

Programs	Source of Funds for Expenditure						Total		i. Unexpended Balance
		State	Federal	Local					
	a. Total Funds Budgeted	b. CLSA	c. LSTA	d. Local funds/fees	e. Interest	f. Other	g. Expended (B- F)	h. Encumbered (B minus F)	
<b>Program 3: Computer Operations</b>									
Salaries & Benefits	\$841,000	\$0	\$0	\$833,286	\$0	\$0	\$833,286	\$0	\$7,714
Operating Expenses	\$415,074	\$0	\$0	\$316,141	\$0	\$0	\$316,141	\$0	\$98,933
Materials	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment	\$493,000	\$0	\$0	\$267,953	\$0	\$0	\$267,953	\$0	\$225,047
Indirect	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Program Total	\$1,749,074	\$0	\$0	\$1,417,381	\$0	\$0	\$1,417,381	\$0	\$331,693
Notes: Staff is contracted through County of Fresno for salaries and benefits and paid by Membership Fees.									
<b>Program 4: Debt Collection</b>									
Salaries & Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	\$44,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$44,000
Materials	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Indirect	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Program Total	\$44,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$44,000
Notes: Due to COVID-19 there were no bad debt collection activity.									

Programs	Source of Funds for Expenditure						Total		
		State	Federal	Local					
	a. Total Funds Budgeted	b. CLSA	c. LSTA	d. Local funds/fees	e. Interest	f. Other	g. Expended (B- F)	h. Encumbered (B minus F)	i. Unexpended Balance
<b>Program 5: Cataloging</b>									
Salaries & Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	\$102,500	\$0	\$0	\$99,753	\$0	\$0	\$99,753	\$0	\$2,747
Materials	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Indirect	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Program Total	\$102,500	\$0	\$0	\$99,753	\$0	\$0	\$99,753	\$0	\$2,747
Notes:									
<b>Program 6: Online Materials</b>									
Salaries & Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	\$185,970	\$0	\$0	\$180,391	\$0	\$0	\$180,391	\$0	\$5,579
Materials	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Indirect	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Program Total	\$185,970	\$0	\$0	\$180,391	\$0	\$0	\$180,391	\$0	\$5,579
Notes:									
Grand Total System Expenditures	\$6,066,145	\$124,997	\$10,969	\$3,234,472	\$0	\$63,514	\$3,433,952	\$0	\$2,632,193

**Total System Budget & Expenditures (other sources & CLSA funds)**

Programs	Source of Funds for Expenditure						Total		
		State	Federal	Local					
	a. Total Funds Budgeted	b. CLSA	c. LSTA	d. Local funds/fees	e. Interest	f. Other	g. Expended (B- F)	h. Encumbered (B-F)	i. Unexpended Balance
<b>Service A (as described in Plans of Service): Delivery</b>									
Salaries & Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	\$173,100	\$124,997	\$0	\$48,103	\$0	\$0	\$173,100	\$0	\$0
Materials	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Indirect	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Program Total	\$173,100	\$124,997	\$0	\$48,103	\$0	\$0	\$173,100	\$0	\$0
Notes: 100% funded by CLSA allocation for contracted 3 fleet vehicles.									
<b>Service B (as described in Plans of Service):</b>									
Salaries & Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Materials	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Indirect	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Program Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Notes:									

<b>Service C (as described in Plans of Service):</b>									
Salaries & Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Materials	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Indirect	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Program Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Notes:

<b>Service D (as described in Plans of Service):</b>									
Salaries & Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Materials	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Indirect	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Program Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Notes:

<b>Service E (as described in Plans of Service):</b>									
Salaries & Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Materials	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Indirect	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Program Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Notes:



Programs	Source of Funds for Expenditure						Total		
	a. Total Funds Budgeted	State	Federal	Local			g. Expended (B- F)	h. Encumbered (B-F)	i. Unexpended Balance
		b. CLSA	c. LSTA	d. Local funds/fees	e. Interest	f. Other			
<b>Service F (as described in Plans of Service):</b>									
Salaries & Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Materials	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Indirect	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Program Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Notes:									
<b>Service G (as described in Plans of Service):</b>									
Salaries & Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PC& E	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Materials	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Indirect	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Program Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Notes:									

CLSA Programs	Expended Funds	Encumbered Funds	Unexpended Funds
<b>Program 1: C&amp;D System Administration</b>			
<b>CLSA Funds from Prior Year FY18/19</b>	\$0	\$0	\$0
<b>Program 2: C&amp;D (baseline)</b>			
<b>CLSA Funds from Prior Year FY18/19</b>	\$0	\$0	\$0

\*\*\*Note: If an extension is needed beyond the funding expenditure deadline period, send your request via email to Monica Rivas, at [monica.rivas@library.ca.gov](mailto:monica.rivas@library.ca.gov). Request for extension beyond the deadline must be received at least 30 days prior to the deadline.

CALIFORNIA LIBRARY SERVICES ACT

**2020/21 SYSTEM PROGRAM ANNUAL REPORT**

COOPERATIVE LIBRARY SYSTEM

San Joaquin Valley Library System (SJVLS)  
System Name

County of Fresno - Library  
System Fiscal Agent Jurisdiction

Report submitted by: \_\_\_\_\_  
Signature of System Chair

Contact person: Sally Gomez Phone: 559-600-6237

Fiscal Approval: I certify that this report is a true and accurate account of the expenditures made in support of the indicated California Library Services Programs and that supporting invoices, contracts, and other documents and necessary records are on file and available for audit and will remain so for the four years of accountability.

\_\_\_\_\_  
Signature of agent of fiscal authority responsible  
for accuracy of fiscal accounting and reporting

\_\_\_\_\_  
Date

## Introduction

This packet contains the reporting documents to file the **FY 2020/21** CLSA System Program Annual Report. The key areas to complete are:

1. Communications and Delivery program workload and plan of service objective evaluation
2. Detailed reporting of all System expenditures, including one-time funding allocations (see separate attachment for all expenditures)

Once you have completed the process, please mail a signed original and one copy of the report to:

California State Library  
Fiscal Office – Gina Iwata  
P.O. Box 942837  
Sacramento, CA 94237-0001

All annual report documents must be postmarked by **September 15, 2021**

Please contact [Monica.Rivas@library.ca.gov](mailto:Monica.Rivas@library.ca.gov) with any questions.

## CALIFORNIA LIBRARY SERVICES ACT SYSTEM EXPENDITURE REPORT

### INSTRUCTIONS

The Expenditure Report is expected from all systems. This does not mean that all systems received equal funding, or that they have the same income sources, system services, or expenditure programs. What was expended should be presented in the same way, through use of the System Expenditure Report.

This Expenditure Report is used to document all the actual expenditures made at the system level and should not be confused with the System Detailed Budget. For the purposes of this report, all legal encumbrances should be considered as expenditures. Funds put into equipment revolving funds are considered to be encumbered and should be shown as expenditure. All amounts entered on this form represent expenditures from a specific income source and for a particular program category. If there is more than one income source for expenditures against a single category, it should be shown that way and then totaled in the "Expended/Encumbered" column. It should be noted here that the sources of funds for expenditures are the same as those used in the System Detailed Budget, shown as income sources, but now the system is spending against these income sources.

We realize that it may not be possible to have all the final accounting data available in time to comply with the September 3 deadline for this report. If this is the case, please make all attempts to provide the latest data available. When the final data is made available, please resubmit a revised document with that data.

This expenditure form is a matrix with the income sources supporting expenditures as one dimension and system program expenditure categories as the other. Note that only major categories of expenditure are required -- this is not a line item expenditure report. However, all programs and services offered through the system should be included (i.e., LSTA programs, local programs, etc.) whether they are funded by CLSA or not. Likewise, all sources of expenditure should be included. The System Expenditure Report should offer as complete a picture of the system's services and sources of support for those services as possible. Note that all income received is considered to be either expended/encumbered or unexpended/unencumbered.

#### Expenditure Source Definitions

- a. "Total Funds Budgeted." This column is for final budget figures, i.e., the final spending authority for the reported fiscal year. This final budget figure is used instead of the preliminary budget figures from the System Detailed Budget to reflect as accurately as possible what actually occurred during the reported year. One of the values in having similar forms for these reports is to permit the System Detailed Budget figures to be compared to the actual expenditure in the System Expenditure Report. This comparison, along with other planning documents, will aid Systems in determining how well their budget estimation and planning process is working.
- b. "CLSA." Enter the amount expended for each expenditure category for the CLSA C&D Program. Include only the C&D program baseline amounts for Program 2. PC&E should be shown in Column b (CLSA) for Program 1 (System Administration).
- c. "LSTA" includes expenditures for System Administration grant awards and any other LSTA awards that the System has received for the fiscal year. See Program Definition below.
- d. "Local funds/fees" means those expenditures against the total of all member contributions, charges, or other

income generated by the System itself. Include expenditures for System reference here, and income from sales of publications.

- e. "Interest" means expenditure against interest earned on System funds from whatever source.
- f. "Other" is used for expenditures against sources of income not otherwise covered, e.g., local project grants or government programs other than LSTA. Include transfers from System reserves.
- g. "Expended" funds already used or paid out. (b through f).
- h. "Encumbered" funds are placed aside for a specific future expense (b through f).
- i. "Unexpended Balance" is the difference between the total budgeted (a) and the total expended/encumbered (g & h).

#### **Encumbered Funds from Prior Year and Rollover**

State (CLSA), Federal and Local funds encumbered from prior year and not yet expended. Funds rolled over from within the three years allocated to spend CLSA funding. You will be asked in the narrative to state the fiscal year, the amount of rollover funding still unspent or encumbered, the intended purpose of those funds from the Board approved Plans of Service, and the reason why funds are still in rollover status.

#### Program Definition

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

#### Other Definitions

"Indirect" means any administrative charge made by a jurisdiction against System operations. Unless documented elsewhere in the Plan of Service, attach a description of the services received.

"Grand Total Expenditures." Use this line for total actual expenditures for all System programs.

In summary:

- 1) This is an expenditure document, not a budgeting document.
- 2) This is an accounting document and should be as accurate as possible.
- 3) Legal encumbrances should be considered the same as expenditures.
- 4) If there are expenditures from more than one income source for a specific program category, this should be indicated and then totaled in the "Expended/Encumbered" column.

A **NOTE** section was provided in the System Expenditure Report as a section if further explanation is needed (example: funds from multiple years).

We welcome comments on your experience in using this form and would appreciate any suggestions for its improvement.

## CLSA Funding for Communications and Delivery

### Section 1

#### Program Workload

What is the number of messages sent via each communication device listed below, on an annual basis?	Annual Cost of Service
a. Telephone / Tele facsimile	
b. Internet (including electronic mail)	
c. Other (specify) (example postage)	
Total	

Count all items (including envelopes) for the two-week survey period. This would be the item going to the library (one way). Record the number in the appropriate date below, then multiple the totals by 6.5 to get the number of items representing the full year.

<b>INTRASYSTEM DELIVERY ACTIVITY, FY 2020/21</b>					
Items sent by:	Items delivered to member public libraries in the two-week sample period:				
	August 24-Sep. 7, 2020	October 12-26, 2020	Jan. 11- Jan. 25, 2021	April 26- May 10, 2021	Total multiplied by 6.5
a. System member public libraries	28,484	32,803	28,060	27,583	760,045
b. Non-public libraries in System area					
Total					760,045
NOTE: We understand the physical delivery counts may be difficult to obtain, please just note on the report if you were able to collect any data.				System Owned	Contracted Vendor
c. Number of delivery vehicles					5
d. Number of miles traveled by all System vehicles					55,642
e. Percentage of items delivered by:					
U.S. Mail _____%    UPS _____%    System Van _____%    Contracted Van <u>100</u> %    Other _____%					
f. Total number of e-books purchased/circulated through member public libraries using CLSA funds					N/A

**Section 2**

## Plan of Service Objective Evaluation

1. Were the goals for the Communications and Delivery Program met through the on-going CLSA funding? Please explain. How did the community benefit? Did you complete all the funding objectives described in your Plan of service, if not why?

In order for this system to work efficiently and effectively to meet the needs of its patrons, a strong delivery system is necessary. The shortfall in CLSA funding allocation and pandemic was problematic and challenging. CLSA funding was reduced by \$115,077. Due to the decrease, Council cut funding to shared e book collection.

During the pandemic, a priority goal was to maintain delivery services on a limited schedule to make available materials to our community. Total Adopted Budget \$6,066,145 with total expenditures in the amount of \$ 3,433,952. Due to the funding cut, the CLSA allocation \$124,997 funded System Delivery for a portion of the \$ 173,100 total costs. This impacted the System to fund the shortfall with local reserve funds \$ 48,103 that consist of Madera extra route payment \$1,600 and fund balance reserves \$46,503 without an increase to each Member. With the reduction of CLSA funds, the primary use of CLSA funds supported System delivery services on a reduced number of stops under contract service with Fresno County.

2. How much of the System's funding for the FY 2019/20 has been spend? If not all the funds have been spend are you on track to expend funds by June 2021, please explain.

All funds have been spent by June 30, 2021 the amount of \$124,997 of the total System Delivery cost \$173,100.

3. If you are using CLSA funding from previous fiscal years and/or are rolling over CLSA funding from the current or previous fiscal years please list below which fiscal year (2017-2018, 2018-2019, and 2019-2020) the funding is from, the amount, the intended purpose/goal of the funding per the Board approved Plan of Service, and the reason why funds are in a rollover category?

N/A

4. What related non-CLSA activities were provided for C&D?

The System supports online materials, collections, cataloging, network telecommunication, and shared integrated library system (ILS) outside funding sources from CLSA which allows all of our member libraries' 110 branches equal access to our shared collection and network expertise with funding from Memberships and other funding source in the amount of \$1,995,928.

Due to reduced CLSA funding, we used other funding resources. Telecommunication expenditure in the amount of \$1,264,924 represents core service that provided connectivity for all SJVLS headquarters and branch libraries funded by Membership Fees \$579,413 and Members share of telecommunications \$685,511.



**Board Agenda Item**

DATE: August 13, 2021

TO: SJVLS Administrative Council

SUBMITTED BY: Sally Gomez, SJVLS Administrative Librarian

SUBJECT: California State Library PLSEP 2021-22

RECOMMENDED ACTION: Approve submission of PLSEP grant application, authorize Chairperson and/or Administrative Librarian to sign and submit

The California State Library has made grant funds available to employees of public libraries who are pursuing their MLIS degrees. The Public Library Staff Education Program will provide funds for tuition reimbursement for library staff for the Summer 2021-Spring 2022 academic year.

Staff is seeking approval to prepare and submit an application in anticipation of grant funds being awarded to staff in the San Joaquin Valley Library System. The timeline for the Public Library Staff Education is below.

- **6/22/21-7/28/21 5pm (5.5 weeks)** – Student applications window, CSL responds to questions
- **7/29/21-8/18/21 (3 weeks)** - Student applications reviewed & approved by CSL
- **8/19/21-9/2/21 5pm (2 weeks)** - Lists of students to be selected distributed to systems, System applications turned in by systems
- **9/3/21-9/22/21 (3 weeks)** - Award letters to Systems. Please also note the award letter packet date is contingent upon factors such as Authorizing signature and Fiscal office availability.
- **Grant period:** 7/1/2021-7/31/21 with final reports due 8/31/21

Date: August 13, 2021

Submitted by: Chris Wymer, SJVLS System Administrator

Subject: Recommendation to select Lucas Color Card as Library Card Vendor

**Recommended Action:**

**Approve selection of Bidder for Award Notice. Authorize designee to send award notice.**

**Approve and authorize Chairperson to execute agreement with Lucas Color Card, effective upon execution, for a 3-year contract with two optional one-year extensions through 2026. Not to exceed contract maximum of \$90,000.**

**Background:**

SJVLS is assuming the responsibility of managing library card orders for the consortia. We issued an RFQ to find a qualified vendor to print cards for the system. We only received one response, from Lucas Color Card, who provided quotes for two card sizes. One of the sizes was for the specifications we asked for in the RFQ, CP2141, and the second size, CP1602, a less-expensive alternative that most libraries switched to in recent years. CP1602 cards have significantly less plastic waste, but they use a smaller key tag size than our previous card, CP2141. Lucas Color Card has offered to help with altering key tag artwork to fit the smaller design at no cost, should we select the option. Our recommendation is to award the Library Card contract to Lucas Color Card for the new CP1602 card size.

**Budget:**

Lucas Color Card provided pricing for both card sizes and are included below. This is the pricing table that was provided in the RFQ response:

CP2141	Qty	Price/Card	Sub-Total	CA Tax (7.975%)	Shipping	Total
1 Box	500	\$0.5020	\$251.00	\$20.02	\$18.25	\$289.27
3 Boxes (1/2 Carton)	1,500	\$0.2204	\$330.60	\$26.37	\$22.25	\$379.22
6 Boxes (1 Carton)	3,000	\$0.1543	\$462.90	\$36.92	\$29.50	\$529.32
12 Boxes (2 Cartons)	6,000	\$0.1197	\$718.20	\$57.28	\$59.00	\$834.48
24 Boxes (4 Cartons)	12,000	\$0.1036	\$1,243.20	\$182.98	\$116.00	\$1,458.35
48 Boxes (8 Cartons)	24,000	\$0.956	\$2,294.40	\$182.98	\$230.00	\$2,707.38
96 Boxes (16 Cartons)	48,000	\$0.0900	\$4,320.00	\$344.52	\$337.00	\$5,001.52
192 Boxes (32 Cartons)	96,000	\$0.0836	\$8,025.60	\$640.04	\$823.00	\$9,488.64

There are no additional charges for set up or artwork fees, and any number of colors can be used. When multiple members place an order for cards at the same time, “they will all get the pricing associated with the higher total quantity cards ordered.” After following up with the vendor, when multiple members order at the same time, the order quantities will be added together to determine the price per card. As an example, if Fresno ordered 24,000 cards, Coalinga orders 500, and Tulare County orders 3,000 cards, the pricing would be based on ordering 27,500 cards. In addition, pricing per card is based on a curve, so orders with quantities in between the price breaks shown above would have a price per card that falls between the two values listed on the table.

The table below shows potential costs for Library Cards, using our member libraries past orders from previous library card orders from 2016-2021, and assuming we coordinate so all members ordered their cards at the same time. The colored rows show which orders were grouped together to determine pricing.

Order Date	Jurisdiction	Quantity	Per Card	Order Total w/o Shipping and Tax
6/20/2016	Coalinga	3000	0.0836	\$250.80
6/20/2016	Fresno	40000	0.0836	\$3,344.00
6/20/2016	Kings	8000	0.0836	\$668.80
6/20/2016	Mariposa	2500	0.0836	\$209.00
6/20/2016	Porterville	10000	0.0836	\$836.00
6/20/2016	Tulare Co	25000	0.0836	\$2,090.00
6/20/2016	Tulare Public	10000	0.0836	\$836.00
6/30/2016	Merced	10000	0.0836	\$836.00
11/14/2016	Fresno	40000	0.09	\$3,600.00
3/21/2017	Fresno	10000	0.09	\$900.00
6/23/2017	Madera	10000	0.09	\$900.00
9/18/2017	Fresno	40000	0.09	\$3,600.00
9/20/2017	Kings	5000	0.09	\$450.00
11/27/2017	Merced	3000	0.09	\$270.00
6/4/2018	Merced	10000	0.09	\$900.00
8/8/2018	Tulare Public	5000	0.09	\$450.00
9/19/2018	Fresno	40000	0.09	\$3,600.00
9/19/2018	Porterville	5000	0.09	\$450.00
10/10/2018	Fresno	10000	0.09	\$900.00
1/30/2019	Kings	10000	0.09	\$900.00
5/3/2019	Fresno	40000	0.09	\$3,600.00
7/19/2019	Tulare Co	25000	0.09	\$2,250.00
8/5/2019	Merced	10000	0.09	\$900.00
9/20/2019	Madera	10000	0.09	\$900.00
1/21/2020	Tulare Public	5000	0.09	\$450.00
1/29/2020	Fresno	40000	0.09	\$3,600.00
1/25/2021	Coalinga	2000	0.09	\$180.00
1/25/2021	Fresno	40000	0.09	\$3,600.00

1/25/2021	Mariposa	500	0.09	\$45.00
1/25/2021	Merced	5000	0.09	\$450.00
1/25/2021	Porterville	10000	0.09	\$900.00
Total				\$42,865.60

Total cost of the contract would depend on the timing of member library card orders, and the volume of cards ordered. Because we do not have a history of Kern County's orders, it is hard to anticipate the full costs of the agreement.

**Justification:** Lucas Color Card is a vendor capable of meeting SJVLS's requirements for a library card vendor. They have been in business for over 25 years and are utilized by several large library systems for their cards. SJVLS staff reached out to other customers of Lucas Color Card, and the feedback we received was the vendor was very communicative, easy to work with, and they would be happy to do business with them again.

Lucas Color Card will not charge us for artwork changes or set up fees, making it easier for the member libraries to utilize their own designs and update them throughout the course of the agreement. In addition, adding up the quantities ordered by each library to determine the per card pricing would allow the members to coordinate their orders to receive the lowest price possible, potentially reducing the cost of library cards from our previous agreement.

Action: Approved \_\_\_\_\_ Denied \_\_\_\_\_

DATE: August 13, 2021

TO: SJVLS Administrative Council

SUBMITTED BY: Sally Gomez, SJVLS Administrative Librarian

SUBJECT: Emergency Connectivity Fund

RECOMMENDED ACTION: Approve submission of Emergency Connectivity Fund grant application, authorize Chairperson, Administrative Librarian or designee to sign and submit

The FCC's Emergency Connectivity Fund (ECF) is a \$7.17 billion program that will help schools and libraries provide the tools and services their communities need for remote learning during the COVID-19 emergency period. ECF will help provide relief to millions of students, school staff, and library patrons and will help close the Homework Gap for students who currently lack necessary Internet access or the devices they need to connect to classrooms. Five SJVLS jurisdictions wish to apply for funding to purchase computer equipment.

SJVLS consultant Ed Technology Funds recommends the grant application be submitted by SJVLS. The attached list identifies each participating jurisdiction, the items for purchase, and approximate costs. There will be no fiscal impact to SJVLS. Costs not covered by the grant will be paid by each participating jurisdiction.

At the time of writing of this agenda item, the application is still in draft status. This grant application is due on August 13 and funds are being provided on a first-come, first-served basis.

Library	Vendor	Device/Service	Quantity	Cost per	MRC	One Time Charge	Total	Budget	Overage	EST. Out of Pocket
Coalinga	T-Mobile	Hot Spots-4G LTE Mobile Iinternet Data	40	\$29.75	\$1,190.00	\$0.00	\$14,280.00	\$0.00	\$0.00	\$0.00
	T-Mobile	MBB - Franklin T9 - One time Charge	40	\$0.00	\$0.00	\$3,600.00	\$3,600.00	\$0.00	\$0.00	\$0.00
	T-Mobile	One time credit	40	\$0.00	\$0.00	-\$3,600.00	-\$3,600.00	\$0.00	\$0.00	\$0.00
		Taxes	0	\$0.00	\$0.00	\$856.80	\$856.80	\$0.00	\$0.00	\$0.00
				<b>\$29.75</b>	<b>\$1,190.00</b>	<b>\$856.80</b>	<b>\$15,136.80</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Library</b>	<b>Vendor</b>	<b>Device/Service</b>	<b>Quantity</b>	<b>Cost per</b>	<b>MRC</b>	<b>One Time Charge</b>	<b>Total</b>	<b>Budget</b>	<b>Overage</b>	<b>EST. Out of Pocket</b>
Kern	Kajeet	50 SmartSpots - 25 on ATT, 25 on Verizon	50	\$334.61	\$0.00	\$16,730.50	\$16,730.50	\$12,500.00	\$4,230.50	\$4,230.50
		ATT	25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		Verizon	25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		Taxes	0	\$0.00	\$0.00	\$391.75	\$391.75	\$0.00	\$391.75	\$391.75
				<b>\$334.61</b>	<b>\$0.00</b>	<b>\$16,730.50</b>	<b>\$16,730.50</b>	<b>\$12,500.00</b>	<b>\$4,622.25</b>	<b>\$4,622.25</b>
<b>Library</b>	<b>Vendor</b>	<b>Device/Service</b>	<b>Quantity</b>	<b>Cost per</b>	<b>MRC</b>	<b>One Time Charge</b>	<b>Total</b>	<b>Budget</b>	<b>Overage</b>	<b>Out of Pocket</b>
Madera	CDWG	Lenovo 14w Gen 2	60	\$351.47	\$0.00	\$21,088.20	\$21,088.20	\$24,000.00	\$0.00	\$0.00
		RECYCLING FEE 4" TO LESS THAN 15"	60	\$4.00	\$0.00	\$240.00	\$240.00	\$0.00	\$0.00	0
		Taxes	0	\$0.00	\$0.00	\$1,739.78	\$1,739.78	\$0.00	\$0.00	0
					<b>\$0.00</b>	<b>\$23,067.98</b>	<b>\$23,067.98</b>	<b>\$24,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Library</b>	<b>Vendor</b>	<b>Device/Service</b>	<b>Quantity</b>	<b>Cost per</b>	<b>MRC</b>	<b>One Time Charge</b>	<b>Annual Total</b>	<b>Budget</b>	<b>Overage</b>	<b>Out of Pocket</b>
Merced	T-Mobile	Chromebook-4G LTE Mobile Internet Data)	50	\$29.75	\$1,487.50	\$0.00	\$17,850.00	\$0.00	\$0.00	\$0.00
	T-Mobile	Hot Spots4G LTE Mobile Internet Data)	50	\$29.75	\$1,487.50	\$0.00	\$17,850.00	\$0.00	\$0.00	\$0.00
	T-Mobile	MBB - Franklin T9 - One time Charge	0	\$0.00	\$0.00	\$4,500.00	\$4,500.00	\$0.00	\$0.00	\$0.00
	T-Mobile	One time credit	0	\$0.00	\$0.00	-\$4,500.00	-\$4,500.00	\$0.00	\$0.00	\$0.00
	T-Mobile	CradlePoint	1	\$29.75	\$29.75	\$0.00	\$357.00	\$0.00	\$0.00	\$0.00
		Taxes	0	\$0.00	\$0.00	\$2,163.48	\$0.00	\$0.00	\$0.00	\$0.00
					<b>\$3,004.75</b>	<b>\$2,163.48</b>	<b>\$36,057.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
	CDW	Lenovo 14w Gen2	50	\$351.47	\$0.00	\$17,573.50	\$17,573.50	\$20,000.00	\$0.00	\$0.00
		Recvclng	50	\$4.00	\$0.00	\$200.00	\$450.00	\$0.00	\$0.00	\$0.00
		Taxes			\$0.00	\$1,449.81	\$1,449.81	\$20,000.00	\$0.00	\$0.00
				<b>\$355.47</b>	<b>\$0.00</b>	<b>\$17,773.50</b>	<b>\$19,473.31</b>	<b>\$20,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
	RNC	CradlePoint	1	\$0.00	\$0.00	\$1,685.00	\$1,685.00	\$400.00	\$1,285.00	\$1,285.00
		Dome for Cradlepoint	1	\$0.00	\$0.00	\$499.00	\$499.00	\$0.00	\$499.00	\$499.00
		Taxes	0	\$0.00	\$0.00	\$169.26	\$169.26	\$0.00	\$0.00	\$0.00
						<b>\$2,353.26</b>	<b>\$2,353.26</b>	<b>\$400.00</b>	<b>\$1,784.00</b>	<b>\$1,784.00</b>
	<b>Total</b>						<b>\$57,883.57</b>	<b>\$20,400.00</b>	<b>\$1,784.00</b>	<b>\$1,784.00</b>
<b>Library</b>	<b>Vendor</b>	<b>Device/Service</b>	<b>Quantity</b>	<b>Cost per</b>	<b>MRC</b>	<b>One Time Charge</b>	<b>Total</b>	<b>Budget</b>	<b>Overage</b>	<b>Out of Pocket</b>
Tulare	CDW	Lenovo 14w Gen2 3000 series	15	\$351.47	\$0.00	\$5,272.05	\$5,272.05	\$6,000.00	\$0.00	\$0.00
		Recycling	15	\$4.00	\$0.00	\$60.00	\$60.00	\$0.00	\$0.00	\$0.00
		Taxes	0	\$0.00	\$0.00	\$434.94	\$434.94	\$0.00	\$0.00	\$0.00
						<b>\$5,766.99</b>	<b>\$5,766.99</b>	<b>\$6,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
							<b>Est Total</b>	<b>Est Budget</b>	<b>Est. Overage</b>	<b>EST. Out of Pocket</b>
							<b>\$118,585.84</b>	<b>\$82,900.00</b>	<b>\$6,406.25</b>	<b>\$6,406.25</b>

DATE: August 13, 2021

TO: SJVLS Administrative Council

SUBMITTED BY: Sally Gomez, Interim SJVLS Administrator

SUBJECT: **Discussion and Approval: Amended Delivery Contract and Amended CLSA Plan of Service FY 2021-2022 –Due September 8, 2021**

RECOMMENDED ACTION(S):

1. **Approval of Delivery Contract expense increase for Fresno HQ costs \$28,000;**
2. **Approval of Delivery Contract expense increase for mileage rate increase from \$.97 to \$1.09 with Fresno County Delivery Service for estimate costs for year \$5,000 due to rise in fuel costs;**
3. **Approval of State revenue increase for Service Plan in the amount to \$113,616 for amended CLSA allocation award of \$235,672 from \$122,056;**
4. **Approve and authorize the Chairperson to execute amended CLSA Plan and remittance of expenditure report due September 8, 2021;**
5. **Adopt Budget Resolution increasing FY 2021-2022 appropriations (\$33,000) and revenues (\$113,616) for SJVLS.**

The recommended does not require a withdrawal from fund balance reserves. The board on June 11, 2021, approved Fresno County delivery contract to SJVLS in the amount of \$228,800. The Board approved the creation of subcommittee to meet with State CLSA representatives and to vet the reimbursement and billing of SJVLS. Approval of action second and third action will increase the total System Delivery Contract for amended \$261,800.

Approval of the third recommended action will allow SJVLS accounting to bill and collect CLSA funding in the amount of \$235,672 with the board to provide direction for billing the remainder from local fees/or member. Board's approval direction accounting for the funding sources to support the contract with Fresno County.

Fiscal Year	State CLSA Funding	Change (- decrease/ + increase)	Delivery Contract Expenses	Total System Delivery Contract Budget
2018-2019	\$ 240,362	\$ 240,362	\$ 159,540	
2019-2020	\$ 240,074	\$ (288)	\$ 177,840	
2020-2021	\$ 124,997	\$ (115,077)	\$ 173,100	
2021-2022	\$ 122,056	\$ (2,941)		\$ 228,800
Amended 2021-2022	\$ 235,672	\$ 113,616		\$ 261,800

**FISCAL IMPACT:**

The CLSA Plan of Service award (\$235,672) will fund 90% of the System Delivery System. The remainder of the contract funding sources is dependent upon Admin Council direction on parties to bill and collect.

The SJVLS contract service for Total System Contract (\$261,800) gives accounting authority to pay the bill with reimbursement billing from CLSA, Madera premium fee and participating members pre-paid tech reserves account or check disbursement.

Revenues for FY 2021-22 increase Account 3575, CLSA ORG 96250301 in the amount of \$113,616.

Appropriations for FY 2021-22 increase in the amount of \$33,000 in Account 7416 System Delivery 96250200 for total System Contract Delivery Costs at \$261,800 from \$228,800.

**DISCUSSION:**

On April 16, 2021, the board direct chairperson to conduct a secondary audit review of Library Business Manager Delivery assessment and review of contract for the calculation of Member's charge based on population ratio percentage.

On June 11, 2021, the board created a sub committee of the member involved in the delivery audit to include legal representative Mr. Shupe to return to the board with outcome and recommendations.

**PRIOR AGREEMENT/REFERENCE MATERIAL:**

Agenda item #1 June 11, 2021 – CLSA Service Plan for revenue allocation approved \$122,056

Agenda item #3, June 11, 2021 – CLSA Plan of Service FY 2021-2022 Total Costs \$228,800 with reimbursement funding from CLSA \$122,056 and local fees Madera for premium discounted and from Member's Contribution for remaining balance.

Agenda #7 June 11, 2021 -Adjusted Recommended budget by Delivery System Contract of Basic and Madera delivery and sorting \$228,800

**ATTACHMENTS INCLUDED:**

Fresno County Delivery System Summary of Fees  
CLSA Plan of Service and expenditure report  
Budget Resolution – revenue and expenditures

Action	Approve_____	Deny_____
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**CONTRACT FEE**

**SJVLS System Delivery**

SJVLS System Delivery Services, Fresno Member HQ. Excludes vendor internal branch routes.

**Contract Service by Fresno County**

SJVLS System Delivery Services, excludes non system route for Fresno Member

	<b>COVID Times</b>	<b>COVID Times</b>	<b>PENDING (SUB COMMITTEE)</b>
	<b>Budget-Expense FY 2020-21</b>	<b>Actual Service Delivered FY 2020-21</b>	<b>Budget FY 2021-22</b>
Delivery	\$ 125,100	\$ 82,655	\$ 152,800
add in: Fresno Member HQ		\$ 27,463	\$ 28,000
Sorting	\$ 48,000	\$ 42,442	\$ 50,000
Increase in mileage rate			\$ 5,000
<b>Total Costs</b>	<b>\$ 173,100</b>	<b>\$ 152,560</b>	<b>\$ 235,800</b>

*Proposed adjustment - 8/13/21*  
*Proposed adjustment - 8/13/21*

**Madera**

<b>4 Branch stops</b>	<b>Budget-Expense FY 2020-21</b>	<b>Actual Service Delivered FY 2020-21</b>	<b>Budget FY 2021-22</b>
Sorting Services	\$ 4,633.00	\$ 6,259.75	\$ 6,100.00
Madera Premium (excludes piggyback miles)		\$ 2,898.33	\$ 3,900.00

	<b>Total Madera Invoice</b>		<b>Total Madera Invoice</b>	
Piggyback Route				
Miles/Driver	\$ 1,600.00	\$ 3,100.00	\$ 3,000.00	\$ 13,000
GapCosts	\$ -	\$ 8,281.99	\$ 13,000.00	
	<b>\$ 6,233.00</b>	<b>\$ 20,540.07</b>	<b>\$ 26,000.00</b>	
Less Madera pays	\$ (1,600.00)	\$ (1,600.00)		
Paid by SJVLS funds	\$ 4,633.00	\$ 18,940.07		
<b>Total Budget Contract Expense - HQ</b>		<b>\$ 160,841.92</b>	<b>\$ 248,800.00</b>	
<b>Total Budget Contract Expense - Madera</b>		<b>\$ 12,258.08</b>	<b>\$ 13,000.00</b>	

Madera's budget submitted \$4,000 for next year

<b>Collect Revenues (SJVLS)</b>	<b>Budget</b>	<b>Collect Revenues (SJVLS)</b>
	<b>\$ 173,100.00</b>	<b>\$ 261,800.00</b>

*amended proposed 8/13/21*

\$ (1,600)	less Madera paid	\$ (13,000.00)
\$ (124,997)	less revenue CLSA	\$ (235,672.00)
\$ (46,503)	less Members contribution	
\$ -	<b>Net Due</b>	<b>\$ 13,128.00</b>

*Pending subcommittee to Admin Council 8/13/21*  
*Proposed adjustment - 8/13/21*

Board 4/16/21	April Budget approved	4,124,497.00	<i>without delivery</i>
Board 6/11/21	Adjusted Budget Approved	<b>4,353,297.00</b>	<i>228,800</i>

*added in*

**Madera County email dated: 2/4/21; 2:36pm**

initial quote of \$10,380 including sorting at FHQ has gone up to \$12,463.90 without sorting, which is a 20% increase

**SJVLS System - Billing and Collection for offset funding**

This is independent from County of Fresno Library operational costs for delivery  
Governing documents are JPA agreement and SJVLS Legal  
interpretation on funding from CLSA and Members' Contribution

**Fresno County Key Costs**

	Rate				
One Driver	\$ 42.92	\$	89,273.60		
One Driver	\$ 42.92	\$	89,273.60		
Fleet	.97 mile	\$	93,000.00		
4 fleet; 92601/92602/92603/72800		\$	<b>271,547.20</b>	Less contract	\$ (261,800.00)
				Amount excluded	\$ 9,747.20

	State Certified Population 6-1-2020
<b>Fresno</b>	998,860

Contribution Ratio
32.92%

Total Contract Costs \$ 261,800.00  
less Fresno's ratio \$ 77,624.67

**Mark's Position Board 6/11/2021 Mark's proposal \$ 184,175.33 Contract Costs**

1. to exclude the contract provider Fresno based on population ratio in the expense fee to SJVLS
2. Madera shall be pay portion of route related to piggyback (already in SJVLS route)
  - 2a. Madera billing invoice from SJVLS reduced to \$13,000; SJVLS covers the piggyback

**Jeannie's Position**

**Jeannie's proposal**  
**Total Contract Costs \$ 261,800.00**

*Pending subcommittee to Admin Council 8/13/21*

1. contract expense for SJVLS shall be for all participating members on the route defined
  - 1a. Adjust if CLSA defines which part of Fresno Member/Fresno Contract Provider costs is allowable.
2. Funding shortfall: the Member's ratio applies to revenue collection & billing to the total expenses

## JPA, page 7, line 8, c) Contribution from Participants

<b>Amended Fee Proposed</b>	Total Contract	\$ 261,800
<b>Board date: 8/13/21</b>	<b>less Madera (4 stops)</b>	<b>\$ 13,000</b>
	<b>Basis Contract Fee</b>	<b>\$ 248,800</b>
	<b><u>Revenue Sources: Billing &amp; Collection</u></b>	
	less: CLSA award allocation	\$ (235,672)
	<b>Billing Short Fall Amount</b>	<b>\$ 13,128</b>

\$ 13,128

Members	State Certified Population 6-1-2020	Contribution Ratio		Member's Contribution
<b>Coalinga</b>	24,498	0.81%		\$ 106
<b>Fresno</b>	998,860	32.92%	<i>added in after State CLSA meeting</i>	\$ 4,322
<b>Kern</b>	917,553	30.24%		\$ 3,970
<b>Kings</b>	153,608	5.06%		\$ 665
<b>Madera</b>	158,147	5.21%		\$ 684
<b>Mariposa</b>	18,067	0.60%		\$ 78
<b>Merced</b>	283,521	9.34%		\$ 1,227
<b>Porterville</b>	59,655	1.97%		\$ 258
<b>Tulare Co.</b>	352,488	11.62%		\$ 1,525
<b>Tulare Pub</b>	67,834	2.24%		\$ 293
		0.00%		\$ -
<b>Total Participates</b>	<b>3,034,231</b>	<b>100.00%</b>		<b>13,128</b>

Prior Version: June 11, 2021

Board date: 8/13/21

1. Exclude Fresno Member route costs
2. Excluded Fresno population percentage
3. CLSA cut in funding impacted Board to address shortfall.

JPA, page 7, line 8, c) Contribution from Participants

	Total Contract	\$	228,800
	less Madera (4 stops)	\$	13,000
	Basis Contract Fee	\$	215,800
	<u>Revenue Sources: Billing &amp; Collection</u>		
June award notice	less: CLSA award allocation	\$	(122,056)
	<b>Billing Short Fall Amount</b>	<b>\$</b>	<b>93,744</b>

How shall we proceed? \$ 93,744

Members	State Certified Population 6-1-2020	Contribution Ratio		Member's Contribution
Coalinga	24,498	0.81%		\$ 757
Fresno	998,860	32.92%	<i>added in after State CLSA meeting</i>	\$ 30,860
Kern	917,553	30.24%		\$ 28,348
Kings	153,608	5.06%		\$ 4,746
Madera	158,147	5.21%		\$ 4,886
Mariposa	18,067	0.60%		\$ 558
Merced	283,521	9.34%		\$ 8,760
Porterville	59,655	1.97%		\$ 1,843
Tulare Co.	352,488	11.62%		\$ 10,890
Tulare Pub	67,834	2.24%		\$ 2,096
		0.00%		\$ -
<b>Total Participates</b>	<b>3,034,231</b>	<b>100.00%</b>		<b>93,744</b>



**CALIFORNIA LIBRARY SERVICES ACT  
AMENDED PLAN OF SERVICE AND BUDGET**  
For use with 2021/2022 Communication & Delivery Program

California State Library  
Sacramento  
August 2021

Greg Lucas, Chief Executive Officer  
California Library Services Board

## Introduction

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

1. System Information – Due September 8, 2021
2. Demographics of System Service Area – Due June 3, 2021 **ALREADY COMPLETED**
3. Budget:
  - C&D Service Program Budget Request and Budget Summary – Due September 8, 2021  
**UPDATE WITH NEW BUDGET NUMBERS**
  - System Detailed Budget – Due September 8, 2021 (separate attachment)
4. Use of Funding for Communications and Delivery – Due September 8, 2021 **PLEASE AMEND AND HIGHLIGHT CHANGES FROM ORIGINAL**
5. Future Plans for Cooperative System – Due September 8, 2021 **PLEASE UPDATE IF NECESSARY**

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

### **Dates for physical delivery counts – FY 2021/2022:**

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

August 24- September 7, 2021

October 12 – October 26, 2021

January 11 – January 25, 2022

April 26 - May 10, 2022

If you have any questions about any portion of the process, please do not hesitate to contact Monica Rivas at [monica.rivas@library.ca.gov](mailto:monica.rivas@library.ca.gov) or at 916-603-7159.

## System Information

### FY 2021/2022

System Name: San Joaquin Valley Library System			
Director: Sally Gomez, Interim Administrator		Email: Sally.Gomez@fresnolibrary.org	
Address: 2420 Mariposa Street		City: Fresno	State: Zip: CA 93721
Phone: (559) 600-6237		Fax:	

System Chair for FY 2021/2022 (if known): Amy Taylor, Merced County Librarian	Fiscal Agent: Fresno County
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Date approved by Administrative Council: August 13, 2021
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X	
Signature of System Administrative Chair for FY 2021/2022	Date
Print Name: Amy Taylor, SJVLS Chair, Merced County Librarian	

## Conditions of Award

1. Accounting  
Separate accounting must be maintained for each CLSA program to ensure responsible program fund management and the ability to submit timely and accurate financial reports. Financial records for each program must be retained for three years from the end of the grant period.
2. Budget adjustments within approved programs  
Recipients may wish to respond to unforeseen developments by adjusting the amounts allocated to service program budget categories (e.g. shifting funds from salaries to operations). **Changes of this sort must be authorized, in writing, by the CLSA Program Coordinator.** Any such adjustments should be reflected in the Annual Objective Evaluation and Expenditure Report.

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

3. Earning interest  
Recipients are encouraged to deposit CLSA grant funds in interest-bearing accounts wherever possible, with the understanding that interest earned on CLSA monies will be used for library purposes. Interest income need not be reported on the CLSA System Expenditure Report, but should appear as a source of income on the System Detailed Budget (due at the State Library on September 8, 2021).
4. Personal memberships and travel  
Use of CLSA funds for personal membership in organizations is not an approved use of State funds, nor is travel.
5. Credit line  
Publications of and information releases about CLSA-funded activities must credit the California Library Services Act. An appropriate statement for a publication is:

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

As appropriate, this disclaimer should be added:

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

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

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



## Budget Documents

### Communications & Delivery (C& D) Service Program Budget Request – Due at the State Library by Wednesday, September 8, 2021

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

#### Section Definitions

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

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

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

### System Detailed Budget – Due at the State Library by Wednesday, September 8, 2021

This portion of the System Plan is intended for use as a planning tool. While funding sources are not always guaranteed, this budget should represent the most current information available to the System. All figures entered on this form should represent funds allocated to specific programs and categories. All programs and services offered through the System should be included (i.e., LSTA, centralized ILL, etc.) whether they

are funded by CLSA or not. Likewise, all sources of income should be included. The System Detailed Budget should offer as complete a picture of the Systems' services and sources of support for those services as possible.

### Column Definitions

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

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

### **Program Definition**

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

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

### **Other Definitions**

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

### **Grand Total System Budget**

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

,

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

**System Administration**

(a) Personnel (Salaries & Personnel)

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

(b) Planning, Coordination, & Evaluation (PC&E)

<b>Total (b)</b>	\$

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

<b>Total of (c)</b>	\$

**Total of (a-c) \$**

**Baseline Budget**

<b>(d ) Operations</b>		
1. Office supplies	\$	
2. Duplication/Photocopy	\$	
3. Training (C&D program related)	\$	
4. E-Resources (Enki, Zinio,OverDrive, etc.)	\$	
5. Contract Services for Delivery (UPS, US Postal Service, Contracted Van)	\$235,672	
6. System van/vehicle (fuel/insurance/maintenance)	\$	
7. Telecommunications (Internet/web/tech support/phone/fax/VOIP/telecomm equipment maintenance/ web software)	\$	
Specify what funds were used for:	\$	
8. Resource Sharing (Zipbooks, Link+, document depository)	\$	
* Breakdown of cost i.e. software/subscription/delivery		
9. Other (with prior approval) and Planning, Coordination, & Evaluation (PC&E) not used in System Administration	\$	
<b>Total of (d)</b>	<b>\$235,672</b>	
<b>(e )Capital Outlay</b>		
1. Equipment (specify)	\$	
2. Equipment revolving fund	\$	
<b>Total of (e)</b>	\$	

<b>(f) Anticipated Current (2019/2020) Year-end Balance in the Equipment Revolving Fund</b>	
	\$
<b>Total of (a-e)</b>	<b>\$235,672</b>

## 2021/2022 AMENDED CLSA BUDGET

BUDGET SUMMARY	
Expense Category	Communications & Delivery Program
Salaries & Benefits	
PC&E	
Indirect	
Sub-total	
Operations	\$235,672
Equipment	
Sub-total	
TOTAL	\$235,672

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

## Funding for Communications and Delivery – FY 2021/2022

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

### Section 1

#### Estimated Workload of Physical Delivery

Physical Items Sent by:	Physical Items Delivered to:			
	System Member Public Libraries	Non-public Libraries in System Area	TOTAL	
a. System member public library	900,000		900,000	
b. Non-public libraries in System area				
TOTAL			900,000	
		System Owned	Contracted Vendor	
c. Number of delivery vehicles that physically move items			4	
d. Frequency/schedule of physical delivery service			2-3 days/week	
e. Percentage of items to be physically delivered by:				
U.S. Mail	UPS	System Van	Contracted Van	Other
%	%	%	100%	%

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

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

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

N/A

## Section 2

(Please, highlight the amended changes from the original plan of service; complete only the questions impacted by your changes.)

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

The San Joaquin Valley Library System serves a diverse population that is spread over 300 miles from El Portal in Mariposa County to Boron in Kern County. In all of the 10 jurisdictions that make up the San Joaquin Valley Library System, the branches are spread throughout urban and rural areas. In order for this system to work efficiently and effectively to meet the needs of its patrons, a strong delivery system is necessary.

The total Communication and Delivery budget is \$2,005,221 of SJVLS Total Adopted Budget \$4,386,297. With the increase of CLSA funds, the primary use of CLSA funds will be to support System delivery services and related supplies in the amount of \$261,800 that consists of \$261,800 in contract services. Total System Delivery costs in the amount of \$261,800 is funded by CLSA \$235,672 and collection from local members fees in the amount of \$26,128. Because of the importance of these services to the patrons of San Joaquin Valley Library System, we are proposing to use 100% of the CLSA funding in the amount of \$235,672 to support 90% Delivery services.

While Delivery services are considered an integral part of SJVLS, it is important to continuously review and analyze policies, procedures, and opportunities for improvements. The San Joaquin Valley Library System is currently undertaking such a review to determine whether there are opportunities for cost savings or improvements in efficiency, while also ensuring that services and member fees are being allocated and distributed in the most equitable manner. In this way, we can evaluate how well we are meeting community needs and ensuring that our system members are receiving the best return on their investment.

San Joaquin Valley Library System staff, business manager, contractor's (Fresno County) delivery manager and supervisor, and fiscal staff from current library chair, Kern County Library, make up the committee that is undertaking this endeavor.



Moving forward, future assessments will include surveying member library directors to assess ongoing needs. This ongoing assessment, paired with quantitative data (delivery statistics), will help determine whether costs are appropriate for the services and whether services are being carried out in the most efficient way; and this will determine whether the funding has met the needs of the community.

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

The C&D funds are disbursed system-wide. SJVLS does not allocate funds to specific libraries.

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

Yes. Total System Delivery costs in the amount of \$261,800 is funded by CLSA \$235,672 and collection from local members fees in the amount of \$26,128. Because of the importance of these services to the patrons of San Joaquin Valley Library System, we are proposing to use 100% of the CLSA funding in the amount of \$235,672 to support 90% Delivery services.

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

None this year due to cuts in CLSA funding and local fees committed towards E-Resources.

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

SJVLS System Delivery supports three separate delivery modules throughout the service area: Basic, Madera premium and Fresno HQ.

The basic HQ module deliver materials three times per week to all headquarter libraries. Premium module delivers twice a week to Madera County for additional route to serve four branches one day a week for interlibrary materials. Fresno HQ is the portion of total services performed by Fresno County as the contract van.

Fresno County contracted delivery services division consists of four drivers, four vans, county courier, and sorting services, they have separation in resources and routes design between SJVLS system and Fresno member library branches. This delivery model continues unchanged because of the continued demand of our customers. Most delivery is via vans and drivers contracted through Fresno County Library. We are currently undertaking a review and assessment of our Delivery model, as noted in item 1 above. Any future changes to the Delivery model are pending the outcome of our review and assessment.

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

The current average is approximately 16 cents per item. Because SJVLS runs a shared ILS, branch library staff time to process items for delivery is minimal, so administrative funding is not applied. The primary cost is the central sorting of items from bins to the appropriate jurisdiction and the actual delivery time.

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

If so what were the funds used for and what were the connectivity issues?

No. The broadband upgrades projects will be supported by local funding, e-rate and grant opportunities up to \$170,000 to address rural and outliers' branches in Cenic year 7.

### **Future Plans for Cooperative System**

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

The San Joaquin Valley Library System is continuing with its transition to its new network model with CENIC in an effort to increase bandwidth and decrease costs. This is an ongoing, multiyear transition due to the cost required for installation and other fees involved. To carry out this effort, we have leveraged opportunities with grants and e-rate funding. Our priorities for the network are to grow the network into sustainable robust infrastructure with the flexibility to change with technology and time or membership. Funding for SJVLS is primarily provided through membership

dues and a Tech Reserve fund. Equipment has been purchased through a combination of grant funds and individual member's budgets and Tech Reserve accounts. SJVLS takes advantage of e-rate discounts and Califa discounts to purchase and install the infrastructure necessary to implement CENIC and E-rate Category 2 related work, and members continue to budget for future costs.

The shared library management platform (Horizon) continues to be the central priority for SJVLS and a new contract is currently underway. After an RFP process that allowed SJVLS to explore other products, the decision was made to continue with SirsiDynix and Horizon. This will help maintain continuity and stability for our users.

In addition, SJVLS continues to improve its existing digital collections platform.

Future planning for SJVLS will include outsourcing Fiscal consultant, working on a new Strategic Plan to include goals and strategies regarding service, resource sharing, technology, training, fiscal stability, and improving and promoting the network.

It is important to note that SJVLS is in its second year without a fully dedicated SJVLS Administrative Librarian. While current efforts focus on maintaining a strong system of services for the members, the expectation is that once a dedicated, permanent Administrative Librarian is in place, moving forward with new goals and strategic planning will be a top priority.

**California State Library**  
**Amended System Detailed Budget – FY 2021/22**

System Name: San Joaquin Valley Library System

Programs	Income Sources					
	State	Federal	Local			Total
	a. CLSA Program	b. LSTA	c. Local funds/fees	d. Interest	e. Other	f. Total Budgeted
<b>Program 1: System C&amp;D Administration Planning &amp; Coordination</b>						
Salaries & Benefits	\$0	\$0	\$366,729	\$0	\$0	\$366,729
PC& E	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	\$0	\$20,000	\$64,980	\$0	\$0	\$84,980
Materials	\$0	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Indirect	\$0	\$0	\$0	\$0	\$0	\$0
Program Total	\$0	\$20,000	\$431,709	\$0	\$0	\$451,709
<b>Program 2: System C&amp;D (Baseline) Communication &amp; Delivery</b>						
Salaries & Benefits	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	\$235,672	\$0	\$1,492,424	\$69,096	\$0	\$1,797,192
Materials	\$0	\$0	\$1,500	\$0	\$0	\$1,500
Equipment	\$0	\$0	\$0	\$0	\$206,529	\$206,529
Indirect	\$0	\$0	\$0	\$0	\$0	\$0
Program Total	\$235,672	\$0	\$1,493,924	\$69,096	\$206,529	\$2,005,221
<b>Program 3: Computer Operations</b>						
Salaries & Benefits	\$0	\$0	\$845,000	\$0	\$0	\$845,000
Operating Expenses	\$0	\$0	\$416,097	\$0	\$0	\$416,097
Materials	\$0	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$0	\$333,000	\$0	\$0	\$333,000
Indirect	\$0	\$0	\$0	\$0	\$0	\$0
Program Total	\$0	\$0	\$1,594,097	\$0	\$0	\$1,594,097

Programs	Income Sources					
	State	Federal	Local			Total
	a. CLSA Program	b. LSTA	c. Local funds/fees	d. Interest	e. Other	f. Total Budgeted
<b>Program 4: Debt Collection</b>						
Salaries & Benefits	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	\$0	\$0	\$44,000	\$0	\$0	\$44,000
Materials	\$0	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Indirect	\$0	\$0	\$0	\$0	\$0	\$0
Program Total	\$0	\$0	\$44,000	\$0	\$0	\$44,000
<b>Program 5: Cataloging</b>						
Salaries & Benefits	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	\$0	\$0	\$105,300	\$0	\$0	\$105,300
Materials	\$0	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Indirect	\$0	\$0	\$0	\$0	\$0	\$0
Program Total	\$0	\$0	\$105,300	\$0	\$0	\$105,300
<b>Program 6: Online Materials</b>						
Salaries & Benefits	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	\$0	\$0	\$185,970	\$0	\$0	\$185,970
Materials	\$0	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Indirect	\$0	\$0	\$0	\$0	\$0	\$0
Program Total	\$0	\$0	\$185,970	\$0	\$0	\$185,970
<b>Program 7:</b>						
Salaries & Benefits	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0
Materials	\$0	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Indirect	\$0	\$0	\$0	\$0	\$0	\$0
Program Total	\$0	\$0	\$0	\$0	\$0	\$0
<b>Grand Total System Budget FY21/22</b>	\$235,672	\$20,000	\$3,855,000	\$69,096	\$206,529	\$4,386,297
<b>Encumbered Funds from Prior Year FY20/21</b>	\$0	\$0	\$0	\$0	\$0	\$0

Programs	Income Sources					
	State	Federal	Local			Total
	a. CLSA Program	b. LSTA	c. Local funds/fees	d. Interest	e. Other	f. Total Budgeted
<b>Service A (as described in Plans of Service): Delivery</b>						
Salaries & Benefits	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	\$235,672	\$0	\$26,128	\$0	\$0	\$261,800
Materials	\$0	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Indirect	\$0	\$0	\$0	\$0	\$0	\$0
Program Total	\$235,672	\$0	\$26,128	\$0	\$0	\$261,800
<b>Service B (as described in Plans of Service):</b>						
Salaries & Benefits	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0
Materials	\$0	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Indirect	\$0	\$0	\$0	\$0	\$0	\$0
Program Total	\$0	\$0	\$0	\$0	\$0	\$0
<b>Service C (as described in Plans of Service):</b>						
Salaries & Benefits	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0
Materials	\$0	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Indirect	\$0	\$0	\$0	\$0	\$0	\$0
Program Total	\$0	\$0	\$0	\$0	\$0	\$0
<b>Service D (as described in Plans of Service):</b>						
Salaries & Benefits	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0
Materials	\$0	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Indirect	\$0	\$0	\$0	\$0	\$0	\$0
Program Total	\$0	\$0	\$0	\$0	\$0	\$0

## CLSA Final System Budget Allocations- FY 2021/22

### Communications and Delivery Program

System	Baseline Budget	System Administration	Total	Zipbooks
Black Gold	\$ 125,096	\$ 31,274	\$ 156,370	
49-99	\$ 121,727	\$ 30,432	\$ 152,159	
Inland	\$ 304,272	\$ 76,069	\$ 380,341	
NorthNet	\$ 652,107	\$ 163,027	\$ 815,134	
PLP	\$ 566,556	\$ 141,639	\$ 708,195	
<b>SJVLS</b>	<b>\$ 188,538</b>	<b>\$ 47,134</b>	<b>\$ 235,672</b>	
Santiago	\$ 163,386	\$ 40,847	\$ 204,233	
Serra	\$ 213,437	\$ 53,359	\$ 266,796	
SCLC	\$ 568,881	\$ 142,219	\$ 711,100	
<b>Total funding</b>	<b>\$ 2,904,000</b>	<b>\$ 726,000</b>	<b>\$ 3,630,000</b>	<b>\$ 1,000,000</b>

**BUDGET RESOLUTION**

SAN JOAQUIN VALLEY LIBRARY SYSTEM (SJVLS)  
 STATE OF CALIFORNIA  
 FY2021-2022  
 AGENCY FUND 4835  
 INCREASING APPROPRIATIONS & ESTIMATED REVENUES  
 IN SJVLS ORGANIZATION  
**CLSA FUNDING ALLOCATION (AMENDED PLAN)**

Date: August 13, 2021

**Recommended Actions:**

Adopt Budget Resolution increasing FY 2021-2022 appropriations (\$33,000) and revenues (\$113,616) for SJVLS

**BUDGET RESOLUTION**

It is ordered that the Auditor-Controller/Treasurer-Tax Collector is authorized to increase appropriations and estimated revenues as follows:  
as follows:

FUND NO.	4835 San Joaquin Valley Library System, JPA
SUBCLASS	10000
ORGANIZATION	96250200 Delivery Services

## 7000-SERVICES AND SUPPLIES

ACCOUNT	7416 Trans & Travel County Garage	<u>\$33,000</u>
TOTAL SERVICES AND SUPPLIES		<u>\$33,000</u>
TOTAL APPROPRIATIONS		<u><u>\$33,000</u></u>

Increase estimated revenues as follows:

FUND NO.	4835 San Joaquin Valley Library System, JPA
SUBCLASS	10000
ORGANIZATION	96250200 Delivery Services

ACCOUNT	3575 State	\$ 113,616
TOTAL REVENUE		<u>\$ 113,616</u>
TOTAL ESTIMATED REVENUES		<u><u>\$ 113,616</u></u>

THE FOREGOING, was passed and adopted by the following vote of the Board

SAN JOAQUIN VALLEY LIBRARY SYSTEM (SJVLS)

DATE **Friday, August 13, 2021**

APPROVED: \_\_\_\_\_  
Chairman of the Board