



Administrative Council Agenda Packet

SAN JOAQUIN VALLEY
LIBRARY SYSTEM
2420 Mariposa Street
Fresno, CA 93721
559-600-6256

February 7, 2024

Online via Microsoft Teams

10:00 a.m.

Enclosed are the agenda and prepared attachments for this meeting.

Copies of these materials may be made at the public's expense.

The public may participate by using the following URL:

<https://go.sjvls.org/admin250207>

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(559) 785-0133

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The public may also participate at any of these teleconference locations:

Coalinga-Huron District Library: 305 NORTH 4TH ST, COALINGA CA 93210

Fresno County Public Library: 2420 MARIPOSA ST, FRESNO CA 93721

Kern County Library: 701 TRUXTUN AVE, BAKERSFIELD CA 93301

Kings County Library: 401 NORTH DOUTY, HANFORD CA 93230

Madera County Library: 121 NORTH G ST, MADERA CA 93637

Mariposa County Library: 4978 10TH ST, MARIPOSA CA 95338

Merced County Library: 2100 O ST, MERCED CA 95340

Porterville City Library: 15 E. THURMAN AVE. SUITE A, PORTERVILLE, CA 93257

Tulare County Library: 200 WEST OAK AVE, VISALIA CA 93291

Tulare Public Library: 475 NORTH M ST, TULARE CA 93274

Accessibility and Accommodations: In accordance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the San Joaquin Valley Library System at (559) 600-6256 no later than 10:00 a.m. on Thursday, February 6, 2025.

Public records: Disclosable public records related to this agenda are available for public review at the Fresno County Public Library, Business Office, located at 2420 Mariposa Street, Fresno, CA 93721, during regular business hours, 8:00 a.m. – 5:00 p.m., Monday through Friday.

AGENDA

A. COUNCIL OPENING

1. Call to Order
2. Introductions
3. Adoption of the Agenda
4. Public Comment – The Public may comment on any items relative to SJVLS and not on the agenda.

B. CONSENT AGENDA

1. APPROVAL: Draft minutes of December 6, 2024 (Attachment 1)
2. APPROVAL: Financial Updates (Attachment 2)

C. ITEMS FOR DISCUSSION AND ACTION

1. ACTION: Financial Audits FYs 2020-21, 2021-22, 2022-23 – Vasquez and Co. (Attachment 3)
2. ACTION: ERC Recommendation – Online Tutoring RFP Award – Wymer (Attachment 4)
3. ACTION: FY 2025-26 Draft Budget – Henderson (Attachment 5)
4. ACTION: FY 2025-26 Membership Rate – Henderson (Attachment 6)
5. DISCUSSION: AB 1825: California Freedom to Read Act – Wymer (Attachment 7)
6. DISCUSSION: AB 1637: Local Government Internet Websites and Email Addresses – Wymer (Attachment 8)

D. STAFF REPORTS

1. Chair
2. State Library – Written Report Attached (Attachment 9)
3. Administrative Librarian
4. System Administrator
5. Senior Network Systems Engineer

E. DIRECTOR COMMENTS

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

F. CALENDAR ITEMS

1. Set the date and agenda building for the next meeting, tentatively Friday, April 4, 2025, at the Fig Garden Regional Library.

G. ADJOURNMENT



SAN JOAQUIN VALLEY LIBRARY SYSTEM

Administrative Council Meeting December 6, 2024

DRAFT MINUTES

A. COUNCIL OPENING

1. Krista Riggs (Madera County), called the meeting to order at 10:01 am.
2. Roll Call
 - i. Council present: Sally Gomez (Fresno), Vikki Cervantes (Kings), Florencia Wright (Tulare County), Tony Arellano (Porterville), Heidi Clark (Tulare Public), Amy Boese (Merced), Krista Riggs (Madera), Mark Lewis (Kern), and Matt Johnson (Mariposa).
 - ii. Council absent: Mary Leal (Coalinga/Huron)
 - iii. Staff Present: Chris Wymer (SJVLS) and Kevin Nelson (SJVLS).
 - iv. Guests: Brian Henderson (Henderson CPA), Josh Chisolm (California State Library) and Hayden Hickman (Resident of Kern County)
3. Introductions
 - i. Introductions were conducted.
4. Agenda Adoption
 - i. Motion to Adopt Agenda: Cervantes (Kings)
 - ii. Seconded: Lewis (Kern)
5. Public Comment
 - i. None.

B. CONSENT AGENDA

1. Motion to approve draft minutes of August 20, and October 4, with recommend corrections and Financials.
 - i. Motion to approve: Cervantes (Kings County)
 - ii. Seconded: Lewis (Kern County)

C. ITEMS FOR INFORMATION AND ACTION

1. Wymer seeking to add Udemy to our existing package of Gale resources beginning in FY 2025-26 at a cost of \$75,000 per year with FY 2026-27 costs increasing by 3% for an amount of \$77,250. There is an alternative action where Admin Council could elect to add Udemy to our Gale resource package beginning in January 2025 at a prorated cost of \$37,500 with expenditures being paid for from the Technology Plan. This action would result in a larger savings in fiscal years 2025-26 and 206-27 than ERC's recommendation. Motion to recommend Alternative Action 1.
 - i. Motion: Gomez (Fresno County)
 - ii. Seconded: Cervantes (Kings)

2. Wymer seeking approval of the Privacy Policy for BC Mobile 2.0. The alternative, Admin Council could elect to revise the policy and approve the policy with the changes. As part of the BC mobile 2.0 migration, SJVLS must establish a privacy policy for the mobile app, because the app stores require apps to have one to be listed. SJVLS received a template privacy policy for BC Mobile 2.0 and updated it with SJVLS's name and the name of the app. The policy was sent to SJVLS for review. Motion made to approve the Privacy Policy for BC Mobile.
 - i. Motion: Cervantes (Kings County)
 - ii. Seconded: Lewis (Kern County)
3. Wymer seeking approval from Automation Committee to migrate PC Reservation to CloudNine. They are seeking to use fund balance amount not to exceed \$23,000. It will also commit SJVLS to expenditures of \$21,880.95 in FY 2025-26 and \$22,974.99 in FY 2026-27. Motion made to approve 1 and 2.
 - i. Motion: Cervantes (Porterville)
 - ii. Seconded: Clark (Tulare Public)
4. Table discussion on AB 1826: California Freedom to Read Act to next meeting.
5. Table discussion on AB1637: Local Government Internet Websites and Email Addresses to next meeting.
6. Wymer had discussion on the Online Tutoring Services RFP evaluation. Response is due on December 13, 2024. On December 16, 2024, SJVLS will post responses to the Source. Discussion on whether anyone checks it and would it be worth it. SJVLS emails response to ERC Committee members and Admin Council as well. December 16, 2024, through January 16, 2025, the ERC members will review and score responses. ERC members will coordinate with local library staff and/or local Teen Advisory Groups to review trial access to vendor sites and demo tutoring sessions. January 6, 2025, or January 9, 2025, schedule vendor teleconference. January 16, 2025, ERC meets to discuss responses and make a recommendation to Admin Council. On February 7, 2025, the ERC recommendation will be presented to Admin Council.

D. STAFF REPORTS

1. Chair – No Report
2. State Library
 - i. Chisolm provided handout and went over highlights.
 - ii. New Rural and Tribal Library Programs Consultant Lisa Lindsay.
 - iii. Please do your California Public Libraries Surveys.
 - iv. New Marketing Toolkits.
 - v. Information on webpage about California Freedom to Read Act.
 - vi. Career Online High School still open.
 - vii. Student Success Cards for all working groups, still have a month to sign up.
 - viii. Park Pass Program still ongoing through next year.
 - ix. Next Directors Networking Call is on January 15, 2025, at 3:30PM.
 - x. Chisolm leading up Advisory Group on Broadband, if you are interested, please reach out.

3. Administrative Librarian
 - i. Working on PC Reservation printing.
 - ii. Working on Blue Cloud mobile printing. Please get info to Chris or he will do a generic.
 - iii. Will be on vacation from December 23 through January 1.
4. SJVLS – System Administrator
 - i. Wymer gave update on the financial audits. The auditors have finished their reports and now he needs to read through them and provide management comments. He hopes to complete those in the coming weeks, so the final audited statements can be presented to admin Council at their meeting in February.
5. Senior Network Systems Engineer
 - i. Aaron and Logic have been busy working on SJVLS Network/ Wi-Fi. They have Fresno and Kings County done. They are currently in Kern and starting at Beale Headquarters. Tulare County will be next year.
 - ii. PC order still is open.
 - iii. Please feel free to reach out for anything and Happy Holidays.

E. DIRECTOR'S COMMENTS

1. Gomez (Fresno) – Our Clovis/Reedley contract was approved at the Board of Supervisors this week. Still struggling with staff vacancies. Working on spring programming. Admin is working on a Strategic Plan.
2. Lewis (Kern) – Still busy with Infrastructure Grant projects. We still have branches closed that are being worked on. We are very happy with the update our branches needed them. We are having our All-Staff day today. We will be closed Christmas through New Years Day.
3. Johnson (Mariposa) – Zip Book Grant is great. We also received a LSTA grant that is helping with computer classes. Received some other grants; one was a local one to help with services to the local jail. We are doing holiday crafts. Our FOL group is on pause for now working on some documentation needed for tax purposes.
4. Clark (Tulare Public) – We received Zip Book Grant again. Doing holiday crafts. Our Master Gardner is still popular, they are doing wreaths and Master food for producers, everyone is having a good time. People love the takeaways with this program. Business as usual.
5. Wright (Tulare County) - We are doing Winter Reading Challenge starting December 17 – January 25. Springville will be reopening in 2025. Alpaugh had a design meeting with the community. Orosi architect shared first design proposal, and we were happy with it. We also have Grant for Zip Books. The Foundation Memory Lab opens this month. Next Friday all our branches will be closed for Staff Day.
6. Boese (Merced County) – Staffing is still a struggle; we lost two librarians. Dos Palos will be finished in February. Moving digital literacy classes.
7. Cervantes (Kings) – Krista and I attended the Public Library Forum in Pasadena and did a presentation. The key topic was working on mental health issues. Jeremy Hunter did a workshop on work/life balance; Vikki spoke of her difficulty with the past with the Porterville fire. We are 90% done with design renovation

for Hanford and Lemoore. We are getting ready for winter closure, Christmas Eve through January 1, 2025. Happy Holidays and stay safe.

8. Arellano (Porterville) – We have meeting with architect but no plans until 2025. Small decisions are being made, possibly new library in a about 3 years.
9. Riggs (Madera County) – Attended the Directors Forum. Our Infrastructure Grant was stalled for 2 months, we have no reserves. We received a grant for basic computer classes at Madera and Oakhurst. We also received the Zip Book Grant. Happy Holidays and Happy New Year.

F. CALENDAR ITEMS

- i. February 7, 2025, online via Microsoft Teams at 10:00 AM.

G. ADJOURNMENT

1. The meeting was adjourned at 11:31 AM.

DATE: February 7, 2025

TO: SJVLS Administrative Council

SUBMITTED BY: Brian Henderson, Henderson CPAs.
Fresno County Fiscal Agent

SUBJECT: Financial Update Report

Recommended Action:

Approve acceptance of monthly financial update through the month of December 2024.

Fiscal Impact:

There is no fiscal impact associated with the recommended action. SJVLS JPA funds are held by Fresno County as the fiscal agent and provides contracted controller and accounting services. All County related costs associated with the fiscal administration are funded with funds set aside for planning and evaluation administration.

FINANCIAL UPDATE REPORT

A. FINANCIAL REPORTS

1. Financial reported expenses through December 31, 2024.
 - i. Item 2 - Costs by class/cost center report included.
 - ii. Item 3 - CLSA Status update report
 - iii. Item 4 - Online Materials Status update report
2. Revenue Billed: \$2,998,708
3. System Committed Reserves
 - i. SJVLS Assigned - \$1,411,213
 - ii. Members Committed Tech Reserves \$1,040,132

B. OUTSTANDING RECEIVABLE TOTAL: \$314,642 (as of 12/31/2024)

1. Member Fees, Postage, Smart Net and other selection: \$314,642 (Kings County & Merced County Membership Billing Invoice #1)
2. E-Rate receivable- \$0
3. Fortinet: None
4. Electronic Resources -Cloud Library: None
5. Telecommunications Invoices: \$0 (\$365,589 billed out January 2025)

C. CLSA ALLOCATION UPDATE

1. Board approved CLSA service plan on May 2024 in the amount of \$240,500
2. Expenses and Estimates:
 - i. Delivery Services budgeted - \$240,500
 - ii. Oher Operations for e-resources - Budgeted \$0.
 - iii. Total Expenses through 12/31/2024- \$98,087
3. Funding Rollover: \$0

D. ONLINE MATERIALS STATUS UPDATE

1. Online Materials expenses total \$226,619, with prepaid expenses of \$217,678, including \$231,700 paid for Brainfuse (HelpNow, VetNow), as approved by Admin Council on August 20, 2024, leaving unspent funds of \$57,642. The plan of service was approved by the Board on May 24, 2024.

E. TRANSFER OF OWNERSHIP

1. Statements have been sent through:
 - i. September 2024 Activity.
2. Costs were deducted from the Members' Tech Reserve.

F. PRE-PAID TECH RESERVE

1. Total balance - \$ 4,399,193 (through December 2024)
 - Emailed to Admin Council
2. Under committed System projects
 - Total Reserves \$2,674,714

G. UNEARNED GRANT REPORT & BROADBAND PROJECTS

1. Total Balance - \$15,126
 - i. Porterville Phase III - \$0 (spent final \$34,007 in Sep. 2024)
 - ii. Firebaugh CSL Connect Grant - \$9,119 (spent \$743 in Oct. 2024)
 - iii. Porterville CSL Connect Grant - \$6,007 (spent \$19,493 in Sep. 2024)
2. Fiber Project Year 8. In progress. The Board approved on April 16, 2021 for SJVLS participation in CENIC Year 8.
 - i. Total Budget - \$485,942
 - ii. Total Spent as of December 31, 2024 - \$338,869

SJVLs
Budget to Actual- System Wide

	TOTAL		
	Original Budget	Current Budget	Actual Jul 24 - Dec 24
Revenues			
3380 · Interest	\$ 145,000	\$ 145,000	\$ 123,257
3575 · State Grants	240,198	103,075	181,150
4375 · Federal Grants	-	-	-
4841 · Membership Dues	2,012,000	2,012,000	2,012,000
5039 · Tech Reserve Charges	1,599,057	1,599,057	390,345
5040 · Other Cty Dpts Services	48,000	48,000	44,040
5501 · Projects e-Rate Earned	461,605	461,605	152,916
5504 · Telephone Services	538,395	538,395	95,000
5831 · Refunds And Abatements	-	-	-
Total Revenues	5,044,255	4,907,132	2,998,708
Expenditures			
7005 · Sealer Paper	-	-	5,060
7040 · Telephone Charges	1,280,000	1,280,000	253,745
7055 · Food	1,000	1,000	-
7101 · General Liability Insuranc	5,000	5,000	3,066
7175 · Property Insurance	4,800	4,800	2,774
7205 · Maintenance-Equipment	458,000	458,000	261,725
7250 · Memberships	3,390	3,390	3,390
7265 · Office Expenditures	117,826	117,826	-
7268 · Postage	41,000	41,000	13,634
7286 · PeopleSoft Human Resources	2,000	2,000	216
7287 · PeopleSoft Financials Chg	2,500	2,500	-
7295 · Professional & Specialized	2,049,985	2,049,985	757,306
7296 · Data Processing Services	7,400	7,400	9,685
7325 · Publications & Legal Notic	5,000	5,000	-
7385 · Small Tools & Instruments	1,665,631	1,665,631	492,773
7406 · Library Materials	125,400	357,100	-
7412 · Mileage	500	500	77,233
7415 · Trans, Travel & Education	25,000	25,000	-
7416 · Trans & Travel County Gara	255,500	255,500	3,230
7430 · Utilities	40,000	40,000	98,087
7565 · County Cost Plan	15,000	15,000	20,000
Total Expenditures	6,104,932	6,336,632	2,001,924
Net Change in Fund Balance	\$ (1,060,677)	\$ (1,429,500)	\$ 996,784

**SJVLs Budget to Actual
130- Computer Operations**

	TOTAL		
	Original Budget	Current Budget	Actual Jul 24 - Dec 24
Revenues			
3380 · Interest	\$ 144,698	\$ 144,698	\$ 123,257
3575 · State Grants	-	-	-
4375 · Federal Grants	-	-	-
4841 · Membership Dues	1,037,864	1,037,864	1,037,864
5039 · Tech Reserve Charges	-	-	878
5040 · Other Cty Dpts Services	-	-	-
5501 · Projects e-Rate Earned	-	-	68,488
5504 · Telephone Services	-	-	-
5831 · Refunds And Abatements	-	-	-
Total 130- Computer Operations Revenues	1,182,562	1,182,562	1,230,487
Expenditures			
7005 · Sealer Paper	-	-	-
7040 · Telephone Charges	-	-	-
7055 · Food	-	-	-
7101 · General Liability Insuranc	-	-	-
7175 · Property Insurance	-	-	-
7205 · Maintenance-Equipment	310,000	310,000	261,725
7250 · Memberships	150	150	150
7265 · Office Expenditures	25,000	25,000	-
7268 · Postage	-	-	-
7286 · PeopleSoft Human Resources	1,500	1,500	-
7287 · PeopleSoft Financials Chg	500	500	-
7295 · Professional & Specialized	1,051,100	1,051,100	254,596
7296 · Data Processing Services	4,400	4,400	9,685
7325 · Publications & Legal Notic	-	-	-
7385 · Small Tools & Instruments	15,000	15,000	-
7406 · Library Materials	-	-	-
7412 · Mileage	-	-	-
7415 · Trans, Travel & Education	25,000	25,000	3,230
7416 · Trans & Travel County Gara	15,000	15,000	-
7430 · Utilities	40,000	40,000	20,000
7565 · County Cost Plan	-	-	-
Total 130- Computer Operations Expenditures	1,487,650	1,487,650	549,386
Net Change in Fund Balance	\$ (305,088)	\$ (305,088)	\$ 681,101

**SJVLS Budget to Actual
1301- TRD ERC and Equipment Orders**

	TOTAL		
	Original Budget	Current Budget	Actual Jul 24 - Dec 24
Revenues			
3380 · Interest	\$ -	\$ -	\$ -
3575 · State Grants	-	-	-
4375 · Federal Grants	-	-	-
4841 · Membership Dues	-	-	-
5039 · Tech Reserve Charges	817,500	817,500	78,428
5040 · Other Cty Dpts Services	-	-	-
5501 · Projects e-Rate Earned	-	-	-
5504 · Telephone Services	-	-	-
5831 · Refunds And Abatements	-	-	-
Total 1301- TRD ERC & Equip Revenues	817,500	817,500	78,428
Expenditures			
7005 · Sealer Paper	-	-	-
7040 · Telephone Charges	-	-	-
7055 · Food	-	-	-
7101 · General Liability Insuranc	-	-	-
7175 · Property Insurance	-	-	-
7205 · Maintenance-Equipment	37,500	37,500	-
7250 · Memberships	-	-	-
7265 · Office Expenditures	-	-	-
7268 · Postage	-	-	-
7286 · PeopleSoft Human Resources	-	-	-
7287 · PeopleSoft Financials Chg	-	-	-
7295 · Professional & Specialized	-	-	-
7296 · Data Processing Services	-	-	-
7325 · Publications & Legal Notic	-	-	-
7385 · Small Tools & Instruments	780,000	780,000	61,034
7406 · Library Materials	-	-	-
7412 · Mileage	-	-	-
7415 · Trans, Travel & Education	-	-	-
7416 · Trans & Travel County Gara	-	-	-
7430 · Utilities	-	-	-
7565 · County Cost Plan	-	-	-
Total 1301- TRD ERC & Equip Expenditures	817,500	817,500	61,034
Net Change in Fund Balance	\$ -	\$ -	\$ 17,394

SJVLS Budget to Actual
1301.1- TRD Overdue Notices and Library Cards

	TOTAL		
	Original Budget	Current Budget	Actual Jul 24 - Dec 24
Revenues			
3380 · Interest	\$ -	\$ -	\$ -
3575 · State Grants	-	-	-
4375 · Federal Grants	-	-	-
4841 · Membership Dues	-	-	-
5039 · Tech Reserve Charges	61,000	61,000	18,694
5040 · Other Cty Dpts Services	-	-	-
5501 · Projects e-Rate Earned	-	-	-
5504 · Telephone Services	-	-	-
5831 · Refunds And Abatements	-	-	-
Total 1301.1- Notices & Lib Cards Revenues	61,000	61,000	18,694
Expenditures			
7005 · Sealer Paper	-	-	5,060
7040 · Telephone Charges	-	-	-
7055 · Food	-	-	-
7101 · General Liability Insuranc	-	-	-
7175 · Property Insurance	-	-	-
7205 · Maintenance-Equipment	-	-	-
7250 · Memberships	-	-	-
7265 · Office Expenditures	20,000	20,000	-
7268 · Postage	41,000	41,000	13,634
7286 · PeopleSoft Human Resources	-	-	-
7287 · PeopleSoft Financials Chg	-	-	-
7295 · Professional & Specialized	-	-	-
7296 · Data Processing Services	-	-	-
7325 · Publications & Legal Notic	-	-	-
7385 · Small Tools & Instruments	-	-	-
7406 · Library Materials	-	-	-
7412 · Mileage	-	-	-
7415 · Trans, Travel & Education	-	-	-
7416 · Trans & Travel County Gara	-	-	-
7430 · Utilities	-	-	-
7565 · County Cost Plan	-	-	-
Total 1301.1- Notices & Lib Cards Expenditures	61,000	61,000	18,694
Net Change in Fund Balance	\$ -	\$ -	\$ -

**SJVLS Budget to Actual
1301.2- Tech Plan**

	TOTAL		
	Original Budget	Current Budget	Actual Jul 24 - Dec 24
Revenues			
3380 · Interest	\$ -	\$ -	\$ -
3575 · State Grants	-	-	-
4375 · Federal Grants	-	-	-
4841 · Membership Dues	-	-	-
5039 · Tech Reserve Charges	-	-	-
5040 · Other Cty Dpts Services	-	-	-
5501 · Projects e-Rate Earned	-	-	-
5504 · Telephone Services	-	-	-
5831 · Refunds And Abatements	-	-	-
Total 1301.1- Notices & Lib Cards Revenues	-	-	-
Expenditures			
7005 · Sealer Paper	-	-	-
7040 · Telephone Charges	-	-	-
7055 · Food	-	-	-
7101 · General Liability Insuranc	-	-	-
7175 · Property Insurance	-	-	-
7205 · Maintenance-Equipment	-	-	-
7250 · Memberships	-	-	-
7265 · Office Expenditures	-	-	-
7268 · Postage	-	-	-
7286 · PeopleSoft Human Resources	-	-	-
7287 · PeopleSoft Financials Chg	-	-	-
7295 · Professional & Specialized	-	-	-
7296 · Data Processing Services	-	-	-
7325 · Publications & Legal Notic	-	-	-
7385 · Small Tools & Instruments	270,900	270,900	243,462
7406 · Library Materials	-	-	-
7412 · Mileage	-	-	-
7415 · Trans, Travel & Education	-	-	-
7416 · Trans & Travel County Gara	-	-	-
7430 · Utilities	-	-	-
7565 · County Cost Plan	-	-	-
Total 1301.1- Notices & Lib Cards Expenditures	270,900	270,900	243,462
Net Change in Fund Balance	\$ (270,900)	\$ (270,900)	\$ (243,462)

**SJVLS Budget to Actual
150- UMS Debt Collection**

	TOTAL		
	Original Budget	Current Budget	Actual Jul 24 - Dec 24
Revenues			
3380 · Interest	\$ -	\$ -	\$ -
3575 · State Grants	-	-	-
4375 · Federal Grants	-	-	-
4841 · Membership Dues	-	-	-
5039 · Tech Reserve Charges	16,000	16,000	5,565
5040 · Other Cty Dpts Services	-	-	-
5501 · Projects e-Rate Earned	-	-	-
5504 · Telephone Services	-	-	-
5831 · Refunds And Abatements	-	-	-
Total 150- UMS Debt Collection Revenues	16,000	16,000	5,565
Expenditures			
7005 · Sealer Paper	-	-	-
7040 · Telephone Charges	-	-	-
7055 · Food	-	-	-
7101 · General Liability Insuranc	-	-	-
7175 · Property Insurance	-	-	-
7205 · Maintenance-Equipment	-	-	-
7250 · Memberships	-	-	-
7265 · Office Expenditures	-	-	-
7268 · Postage	-	-	-
7286 · PeopleSoft Human Resources	-	-	-
7287 · PeopleSoft Financials Chg	-	-	-
7295 · Professional & Specialized	16,000	16,000	5,565
7296 · Data Processing Services	-	-	-
7325 · Publications & Legal Notic	-	-	-
7385 · Small Tools & Instruments	-	-	-
7406 · Library Materials	-	-	-
7412 · Mileage	-	-	-
7415 · Trans, Travel & Education	-	-	-
7416 · Trans & Travel County Gara	-	-	-
7430 · Utilities	-	-	-
7565 · County Cost Plan	-	-	-
Total 150- UMS Debt Collection Expenditures	16,000	16,000	5,565
Net Change in Fund Balance	\$ -	\$ -	\$ -

**SJVLS Budget to Actual
200- CSLA Funded Delivery**

	TOTAL		
	Original Budget	Current Budget	Actual Jul 24 - Dec 24
Revenues			
3380 · Interest	\$ 302	\$ 302	\$ -
3575 · State Grants	240,198	103,075	124,400
4375 · Federal Grants	-	-	-
4841 · Membership Dues	-	-	-
5039 · Tech Reserve Charges	-	-	-
5040 · Other Cty Dpts Services	-	-	-
5501 · Projects e-Rate Earned	-	-	-
5504 · Telephone Services	-	-	-
5831 · Refunds And Abatements	-	-	-
Total 200- CSLA Funded Delivery Revenues	240,500	103,377	124,400
Expenditures			
7005 · Sealer Paper	-	-	-
7040 · Telephone Charges	-	-	-
7055 · Food	-	-	-
7101 · General Liability Insuranc	-	-	-
7175 · Property Insurance	-	-	-
7205 · Maintenance-Equipment	-	-	-
7250 · Memberships	-	-	-
7265 · Office Expenditures	-	-	-
7268 · Postage	-	-	-
7286 · PeopleSoft Human Resources	-	-	-
7287 · PeopleSoft Financials Chg	-	-	-
7295 · Professional & Specialized	-	-	-
7296 · Data Processing Services	-	-	-
7325 · Publications & Legal Notic	-	-	-
7385 · Small Tools & Instruments	-	-	-
7406 · Library Materials	-	-	-
7412 · Mileage	-	-	-
7415 · Trans, Travel & Education	-	-	-
7416 · Trans & Travel County Gara	240,500	240,500	98,087
7430 · Utilities	-	-	-
7565 · County Cost Plan	-	-	-
Total 200- CSLA Funded Delivery Expenditures	240,500	240,500	98,087
Net Change in Fund Balance	\$ -	\$ (137,123)	\$ 26,313

SJVLS Budget to Actual
300- Communications

	TOTAL		
	Original Budget	Current Budget	Actual Jul 24 - Dec 24
Revenues			
3380 · Interest	\$ -	\$ -	\$ -
3575 · State Grants	-	-	-
4375 · Federal Grants	-	-	-
4841 · Membership Dues	285,331	285,331	285,331
5039 · Tech Reserve Charges	-	-	-
5040 · Other Cty Dpts Services	-	-	-
5501 · Projects e-Rate Earned	-	-	-
5504 · Telephone Services	-	-	-
5831 · Refunds And Abatements	-	-	-
Total 300- Communications Revenues	285,331	285,331	285,331
Expenditures			
7005 · Sealer Paper	-	-	-
7040 · Telephone Charges	280,000	280,000	18,067
7055 · Food	-	-	-
7101 · General Liability Insuranc	-	-	-
7175 · Property Insurance	-	-	-
7205 · Maintenance-Equipment	10,000	10,000	-
7250 · Memberships	-	-	-
7265 · Office Expenditures	-	-	-
7268 · Postage	-	-	-
7286 · PeopleSoft Human Resources	-	-	-
7287 · PeopleSoft Financials Chg	-	-	-
7295 · Professional & Specialized	118,000	118,000	51,504
7296 · Data Processing Services	3,000	3,000	-
7325 · Publications & Legal Notic	-	-	-
7385 · Small Tools & Instruments	-	-	-
7406 · Library Materials	-	-	-
7412 · Mileage	-	-	-
7415 · Trans, Travel & Education	-	-	-
7416 · Trans & Travel County Gara	-	-	-
7430 · Utilities	-	-	-
7565 · County Cost Plan	-	-	-
Total 300- Communications Expenditures	411,000	411,000	69,571
Net Change in Fund Balance	\$ (125,669)	\$ (125,669)	\$ 215,760

**SJVLS Budget to Actual
3301- AR Telco and Fiber Projects**

	TOTAL		
	Original Budget	Current Budget	Actual Jul 24 - Dec 24
Revenues			
3380 · Interest	\$ -	\$ -	\$ -
3575 · State Grants	-	-	56,750
4375 · Federal Grants			-
4841 · Membership Dues			-
5039 · Tech Reserve Charges	704,557	704,557	286,780
5040 · Other Cty Dpts Services			-
5501 · Projects e-Rate Earned	461,605	461,605	84,428
5504 · Telephone Services	538,395	538,395	95,000
5831 · Refunds And Abatements	-	-	-
Total 3301- AR Telco Fiber Proj Revenues	1,704,557	1,704,557	522,958
Expenditures			
7005 · Sealer Paper	-	-	-
7040 · Telephone Charges	1,000,000	1,000,000	235,678
7055 · Food	-	-	-
7101 · General Liability Insuranc	-	-	-
7175 · Property Insurance	-	-	-
7205 · Maintenance-Equipment	52,000	52,000	-
7250 · Memberships	-	-	-
7265 · Office Expenditures	52,826	52,826	-
7268 · Postage	-	-	-
7286 · PeopleSoft Human Resources	-	-	-
7287 · PeopleSoft Financials Chg	-	-	-
7295 · Professional & Specialized	-	-	-
7296 · Data Processing Services	-	-	-
7325 · Publications & Legal Notic	-	-	-
7385 · Small Tools & Instruments	599,731	599,731	185,203
7406 · Library Materials	-	-	-
7412 · Mileage	-	-	-
7415 · Trans, Travel & Education	-	-	-
7416 · Trans & Travel County Gara	-	-	-
7430 · Utilities	-	-	-
7565 · County Cost Plan	-	-	-
Total 3301- AR Telco Fiber Proj Expenditures	1,704,557	1,704,557	420,881
Net Change in Fund Balance	\$ -	\$ -	\$ 102,077

SJVLS Budget to Actual
3301.1- TRD Communication Access Points and Fortinet

	TOTAL		
	Original Budget	Current Budget	Actual Jul 24 - Dec 24
Revenues			
3380 · Interest	\$ -	\$ -	\$ -
3575 · State Grants	-	-	-
4375 · Federal Grants	-	-	-
4841 · Membership Dues	48,000	48,000	44,040
5039 · Tech Reserve Charges	-	-	-
5040 · Other Cty Dpts Services	-	-	-
5501 · Projects e-Rate Earned	-	-	-
5504 · Telephone Services	-	-	-
5831 · Refunds And Abatements	-	-	-
Total 3301.1- Comm & Fortinet Revenues	48,000	48,000	44,040
Expenditures			
7005 · Sealer Paper	-	-	-
7040 · Telephone Charges	-	-	-
7055 · Food	-	-	-
7101 · General Liability Insuranc	-	-	-
7175 · Property Insurance	-	-	-
7205 · Maintenance-Equipment	48,000	48,000	-
7250 · Memberships	-	-	-
7265 · Office Expenditures	-	-	-
7268 · Postage	-	-	-
7286 · PeopleSoft Human Resources	-	-	-
7287 · PeopleSoft Financials Chg	-	-	-
7295 · Professional & Specialized	-	-	-
7296 · Data Processing Services	-	-	-
7325 · Publications & Legal Notic	-	-	-
7385 · Small Tools & Instruments	-	-	-
7406 · Library Materials	-	-	-
7412 · Mileage	-	-	-
7415 · Trans, Travel & Education	-	-	-
7416 · Trans & Travel County Gara	-	-	-
7430 · Utilities	-	-	-
7565 · County Cost Plan	-	-	-
Total 3301.1- Comm & Fortinet Expenditures	48,000	48,000	-
Net Change in Fund Balance	\$ -	\$ -	\$ 44,040

**SJVLS Budget to Actual
400- Coordination and Evaluation**

	TOTAL		
	Original Budget	Current Budget	Actual Jul 24 - Dec 24
Revenues			
3380 · Interest	\$ -	\$ -	\$ -
3575 · State Grants	-	-	-
4375 · Federal Grants	-	-	-
4841 · Membership Dues	460,396	460,396	460,396
5039 · Tech Reserve Charges	-	-	-
5040 · Other Cty Dpts Services	-	-	-
5501 · Projects e-Rate Earned	-	-	-
5504 · Telephone Services	-	-	-
5831 · Refunds And Abatements	-	-	-
Total 400- Coordination & Eval Revenues	460,396	460,396	460,396
Expenditures			
7005 · Sealer Paper	-	-	-
7040 · Telephone Charges	-	-	-
7055 · Food	1,000	1,000	-
7101 · General Liability Insuranc	5,000	5,000	3,066
7175 · Property Insurance	4,800	4,800	2,774
7205 · Maintenance-Equipment	500	500	-
7250 · Memberships	-	-	-
7265 · Office Expenditures	20,000	20,000	-
7268 · Postage	-	-	-
7286 · PeopleSoft Human Resources	500	500	216
7287 · PeopleSoft Financials Chg	2,000	2,000	-
7295 · Professional & Specialized	594,785	594,785	195,857
7296 · Data Processing Services	-	-	-
7325 · Publications & Legal Notic	5,000	5,000	-
7385 · Small Tools & Instruments	-	-	-
7406 · Library Materials	-	-	-
7412 · Mileage	500	500	-
7415 · Trans, Travel & Education	-	-	-
7416 · Trans & Travel County Gara	-	-	-
7430 · Utilities	-	-	-
7565 · County Cost Plan	15,000	15,000	-
Total 400- Coordination & Eval Expenditures	649,085	649,085	201,913
Net Change in Fund Balance	\$ (188,689)	\$ (188,689)	\$ 258,483

SJVLS Budget to Actual
600- Cataloging Center

	TOTAL		
	Original Budget	Current Budget	Actual Jul 24 - Dec 24
Revenues			
3380 · Interest	\$ -	\$ -	\$ -
3575 · State Grants	-	-	-
4375 · Federal Grants	-	-	-
4841 · Membership Dues	88,299	88,299	88,299
5039 · Tech Reserve Charges	-	-	-
5040 · Other Cty Dpts Services	-	-	-
5501 · Projects e-Rate Earned	-	-	-
5504 · Telephone Services	-	-	-
5831 · Refunds And Abatements	-	-	-
Total 600- Cataloging Center Revenues	88,299	88,299	88,299
Expenditures			
7005 · Sealer Paper	-	-	-
7040 · Telephone Charges	-	-	-
7055 · Food	-	-	-
7101 · General Liability Insuranc	-	-	-
7175 · Property Insurance	-	-	-
7205 · Maintenance-Equipment	-	-	-
7250 · Memberships	-	-	-
7265 · Office Expenditures	-	-	-
7268 · Postage	-	-	-
7286 · PeopleSoft Human Resources	-	-	-
7287 · PeopleSoft Financials Chg	-	-	-
7295 · Professional & Specialized	128,500	128,500	103,638
7296 · Data Processing Services	-	-	-
7325 · Publications & Legal Notic	-	-	-
7385 · Small Tools & Instruments	-	-	3,075
7406 · Library Materials	-	-	-
7412 · Mileage	-	-	-
7415 · Trans, Travel & Education	-	-	-
7416 · Trans & Travel County Gara	-	-	-
7430 · Utilities	-	-	-
7565 · County Cost Plan	-	-	-
Total 600- Cataloging Center Expenditures	128,500	128,500	106,713
Net Change in Fund Balance	\$ (40,201)	\$ (40,201)	\$ (18,414)

SJVLS Budget to Actual
800- Online Materials

	TOTAL		
	Original Budget	Current Budget	Actual Jul 24 - Dec 24
Revenues			
3380 · Interest	\$ -	\$ -	\$ -
3575 · State Grants	-	-	-
4375 · Federal Grants	-	-	-
4841 · Membership Dues	140,110	140,110	140,110
5039 · Tech Reserve Charges	-	-	-
5040 · Other Cty Dpts Services	-	-	-
5501 · Projects e-Rate Earned	-	-	-
5504 · Telephone Services	-	-	-
5831 · Refunds And Abatements	-	-	-
Total 800- Online Materials Revenues	140,110	140,110	140,110
Expenditures			
7005 · Sealer Paper	-	-	-
7040 · Telephone Charges	-	-	-
7055 · Food	-	-	-
7101 · General Liability Insuranc	-	-	-
7175 · Property Insurance	-	-	-
7205 · Maintenance-Equipment	-	-	-
7250 · Memberships	3,240	3,240	3,240
7265 · Office Expenditures	-	-	-
7268 · Postage	-	-	-
7286 · PeopleSoft Human Resources	-	-	-
7287 · PeopleSoft Financials Chg	-	-	-
7295 · Professional & Specialized	141,600	141,600	146,146
7296 · Data Processing Services	-	-	-
7325 · Publications & Legal Notic	-	-	-
7385 · Small Tools & Instruments	-	-	-
7406 · Library Materials	125,400	357,100	77,233
7412 · Mileage	-	-	-
7415 · Trans, Travel & Education	-	-	-
7416 · Trans & Travel County Gara	-	-	-
7430 · Utilities	-	-	-
7565 · County Cost Plan	-	-	-
Total 800- Online Materials Expenditures	270,240	501,940	226,619
Net Change in Fund Balance	\$ (130,130)	\$ (361,830)	\$ (86,509)

**Admin Council Board Report
CLSA Status Report - FY 23-24**

Report Date 12/31/2024

Operations Type	Adopted Budget	CLSA Approved Plan	Total Expenses	Pending Expenses	Estimate Charges (Oct)	Total Projected Expenses	Excess "-" (fund by SJVLS reserves) Unspent "+"	Comments
Delivery - Basic & Sorting	240,500	240,500	98,087	-	-	98,087	142,413	
E-Resources Bibliotheca Cloud Library	-	-	-	-	-	-	-	
	240,500	240,500	98,087	-	-	98,087	142,413	
FY 22-2023 Rollover	-	-	-	-	-	-	-	
Grand Total	240,500	240,500	98,087	-	-	98,087	142,413	

Budget amendment approved:

Basic CLSA Service Plan Expenditure

CLSA Allocation	\$	-
Basic Delivery	\$	240,500
E-Resources	\$	-
Online Materials rollover	\$	-

Total System Delivery Costs

Basic Delivery Costs:	\$	98,087	
Extra Delivery Stops:	\$	-	
	\$	98,087	Total System Delivery Expenditure
Online Materials rollover	\$	-	

Total fundings Sources Delivery System

CLSA Funds	\$	124,400	Basic
Local Fund Reserve	\$	116,100	Basic
Madera	\$	-	Premium
	\$	240,500	Total System Delivery Funding

CLSA Amended Service Plan :

Reviewed annually in January for amendment

**Online Materials
Financial Update - FY 24-25
Report Date**

12/31/2024

Vendor	Budget Amount	Total Expenses	Prepaid Portion Subscription	Unspent	Comments
Funding Source: Membership (cost center 0800)					
Ebooks Bibliotheca (E Resources)	130,400	72,407	-	57,993	
Pronunciator	30,000	14,000	14,000	2,000	
Cengage-Gale Database	62,500	31,694	31,694	(889)	Gale General Database Pkg
Cengage -Gale	33,500	17,518	17,518	(1,535)	Education and Career module & Info Science
Califa- Quipu E Card Registration & Membership	13,840	13,767	-	73	
Brainfuse, LLC (HelpNow, VetNow)	231,700	77,233	154,467	-	
ERC Committee -	-	-	-	-	
	501,940	226,619	217,678	57,642	
Funding Source: CLSA Other (cost center 0201)					
Bibliotheca Cloud Library (E Resources)	-	-	-	-	
Additional Online Materials Resources	-	-	-	-	
	-	-	-	-	
Grand Total	501,940	226,619	217,678	57,642	

	Budget Amount	Total Expenses	Prepaid Portion Subscription	Unspent
Total Funding Sources:	\$ 501,940	\$ 226,619	\$ 217,678	\$ 57,642

**SJVLS
BALANCE SHEET- SYSTEM WIDE
DECEMBER 31, 2024**

	12/31/2024
ASSETS	
Current Assets	
Checking/Savings	
0110 · Cash In Treasury	\$ 4,851,013
0111 · Treasury Pool - GASB 31 Adj	266,445
0115 · Chase AP - 3522	59,144
0121 · Chase Merchant - 3506	35,151
0190 · Restricted Cash - Tech Reserve	4,399,193
Total Checking/Savings	9,610,946
Accounts Receivable	
0350 · Accounts Receivable	314,642
Total Accounts Receivable	314,642
Other Current Assets	
0400 · Inventory	1,135
Total Other Current Assets	1,135
Total Current Assets	9,926,723
Other Assets	
0510 · Prepaid Expenses	305,679
Total Other Assets	305,679
TOTAL ASSETS	\$ 10,232,402
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
1210 · Accounts Payable	\$ 32,349
Total Accounts Payable	32,349
Other Current Liabilities	
1435 · Tech Reserve Advances	
1435.01 · Coalinga Tech Reserve	52,963
1435.02 · Fresno Tech Reserve	2,156,582
1435.03 · Kern Tech Reserve	570,207
1435.04 · Kings Tech Reserve	259,826
1435.05 · Madera Tech Reserve	100,326
1435.06 · Mariposa Tech Reserve	81,311
1435.07 · Merced Tech Reserve	348,841
1435.08 · Porterville Tech Reserve	403,825
1435.09 · Tulare County Tech Reserve	419,462
1435.10 · Tulare Public Tech Reserve	20,851
Total 1435 · Tech Reserve Advances	4,414,194
1437 · Due To Other Funds-Agencies	35,136
1710 · Unearned Revenue	15,126
Total Other Current Liabilities	4,464,456
Total Current Liabilities	4,496,805
Total Liabilities	4,496,805
Equity	
2230 · Fund Balance - Unassigned	4,324,384
2231 · Fund Balance - Assigned	1,411,213
Total Equity	5,735,597
TOTAL LIABILITIES & EQUITY	\$ 10,232,402

DATE: February 7, 2025

TO: SJVLS Administrative Council

SUBMITTED BY: Chris Wymer – Administrative Librarian
Vasquez and Co. – Independent Auditors

SUBJECT: Financial Audits FYs 2020-21, 2021-22, 2022-23

RECOMMENDED ACTION:

1. Accept the auditors reports for fiscal years 2020-21, 2021-22, and 2022-23.

Approval of the recommended action will accept the audit reports for fiscal years 2020-21, 2021-22, and 2022-23.

ALTERNATIVE ACTION(S):

There are no alternative actions.

FISCAL IMPACT:

There is no fiscal impact associated with the recommended or alternative actions.

DISCUSSION:

The independent auditor firm, Vasquez and Company completed their audits of SJVLS’s financials for fiscal years 2020-21, 2021-22, and 2022-23. Their findings and reports are attached.

PRIOR AGENDA REFERENCE:

Administrative Council Agenda – December 1, 2023. Item #3.

ATTACHMENTS INCLUDED AND/OR ON FILE:

- Attachment #1 – Final Audit Report for Year Ended June 30, 2021
- Attachment #2 – Final Audit Report for Year Ended June 30, 2022
- Attachment #3 – Final Audit Report for Year Ended June 30, 2023

Motion:

Second:

_____ PASSED

_____ REJECTED



SAN JOAQUIN VALLEY
LIBRARY SYSTEM

San Joaquin Valley Library System
Audited Financial Statements
Year Ended June 30, 2021
with Independent Auditor's Report



**San Joaquin Valley Library System
Audited Financial Statements
Year Ended June 30, 2021
*with Independent Auditor's Report***

**San Joaquin Valley Library System
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Independent Auditor's Report

**To the Administrative Council of the
San Joaquin Valley Library System**

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of the San Joaquin Valley Library System (the System), as of and for the year ended June 30, 2021, the budgetary comparison statement for the general fund for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the System's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the System as of June 30, 2021, and the respective changes in financial position and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 6 to the financial statements, the June 30, 2020 financial statements have been restated to correct a misstatement. Our opinions are not modified with respect to this matter.



Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2025, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's 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.

**Glendale, California
January 31, 2025**

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**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

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**San Joaquin Valley Library System
Management's Discussion and Analysis
Year Ended June 30, 2021**

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, 2021 and 2020. We encourage readers to consider the information presented here in conjunction with information 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, 2021 by \$4,290,776. The unrestricted net position of \$4,274,012 may be used to meet the System's ongoing obligations to fund a portion of Membership operations, customers, and creditors. As of June 30, 2020, assets exceeded liabilities by \$4,070,706 with unrestricted net position equaling \$4,042,824.
- Due to delays in broadband network upgrades, technology replacement plan and the System's Administrator vacancy, the System has experienced an increase in net position in this reporting period. The total net position increased by \$220,070 for the year ended June 30, 2021. For comparison, the net position decreased by \$862,172, which included a prior period adjustment, for the year ended June 30, 2020.
- Membership fee contributions increased in fiscal year 2020-21. The \$1,740,749 in membership fees funds approximately 48.1% of System operations.
- During the fiscal year, the System continued to utilize California Library Services Act (CLSA) funding of \$124,997 to support the System's delivery services. Due to the drastic nature of the cut in funding, the System was unable to utilize CLSA funding to support the CloudLibrary shared ebook collection.
- The System continues to receive federal Library Services and Technology Act (LSTA) funding for the Public Library Staff Education Program (PLSEP) of \$10,969 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 the library workforce. The award supported two participants in the Central Valley Library System for a total expended amount of \$9,972 and an administrative fee of \$997.
- Pre-Paid Tech Reserves (Tech Reserve Advances) held by the System as of June 30, 2021 at \$3,521,129, a 15% increase (\$459,503) from the prior year ended June 30, 2020, represents Member's contributions towards the System Technology Replacement plan for Nimble and the Integrated Library System.
- Due to the California Library Grants program and other e-rate funding opportunities for the expansion of High-Speed Broadband for California Libraries, the System successfully completed broadband upgrades, acquired new WIFI equipment, and replaced old network equipment under program years 5 and 6. The System utilized Network grant awards of \$63,514 of the year 3 award.

**San Joaquin Valley Library System
Management's Discussion and Analysis
Year Ended June 30, 2021**

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 **Statement 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 **Statement 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 the 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 fund Balance Sheet and the governmental funds Statement 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.

**San Joaquin Valley Library System
Management's Discussion and Analysis
Year Ended June 30, 2021**

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, 2021, the System's assets exceeded liabilities by \$4,290,776. Of that amount, \$16,764 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, 2021, provides unrestricted net position of \$4,274,012, which 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 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:

Summarized Statements of Net Position

	<u>June 30, 2021</u>	<u>June 30, 2020 (as restated)</u>	<u>Increase (Decrease)</u>
Current assets	\$ 5,807,580	\$ 5,349,159	\$ 458,421
Non-current assets	<u>3,537,893</u>	<u>3,089,508</u>	<u>448,385</u>
Total assets	<u>9,345,473</u>	<u>8,438,667</u>	<u>906,806</u>
Current liabilities	<u>5,054,697</u>	<u>4,367,961</u>	<u>686,736</u>
Total liabilities	<u>5,054,697</u>	<u>4,367,961</u>	<u>686,736</u>
Total net position	<u>\$ 4,290,776</u>	<u>\$ 4,070,706</u>	<u>\$ 220,070</u>

Membership Fees. During fiscal year 2020-2021, the Administrative Council approved an increase in membership fees, resulting in a summarized total of \$1,740,749. The Summarized Statement of Activities reflects the increase in the System's Memberships Dues.

**San Joaquin Valley Library System
Management's Discussion and Analysis
Year Ended June 30, 2021**

Summarized Statements of Activities

	<u>June 30, 2021</u>	<u>June 30, 2020 (as restated)</u>	<u>Increase (Decrease)</u>
Program Revenues			
Charges for services	\$ 2,621,326	\$ 2,825,741	\$ (204,415)
Operating grants and contributions	<u>199,480</u>	<u>320,786</u>	<u>(121,306)</u>
Total program revenues	<u>2,820,806</u>	<u>3,146,527</u>	<u>(325,721)</u>
Expenses			
Library services	<u>3,400,112</u>	<u>3,448,166</u>	<u>(48,054)</u>
Total expenses	<u>3,400,112</u>	<u>3,448,166</u>	<u>(48,054)</u>
Net (expense) revenue and changes in net position	<u>(579,306)</u>	<u>(301,639)</u>	<u>(277,667)</u>
General Revenues			
Refunds and abatements	549,223	128	549,095
Investment earnings	<u>250,153</u>	<u>365,954</u>	<u>(115,801)</u>
Total general revenues	<u>799,376</u>	<u>366,082</u>	<u>433,294</u>
Change in net position	220,070	64,443	155,627
Net position, beginning of year	4,070,706	4,932,878	(862,172)
Prior period adjustment	<u>-</u>	<u>(926,615)</u>	<u>926,615</u>
Net position, end of year	\$ <u>4,290,776</u>	\$ <u>4,070,706</u>	\$ <u>220,070</u>

**San Joaquin Valley Library System
Management's Discussion and Analysis
Year Ended June 30, 2021**

Revenue

Revenues collected are grouped by charges for services and operating grants and contributions. Charges for services (\$2,621,326) consist of collected membership fees of \$1,740,749, direct billing charges of \$332,585, and telecommunication charges of \$547,992. Operating grants and contributions revenue of \$199,480 consist of California Library Services Act grant award of \$124,997, the Network grant award of \$63,514 and the PLSEP award of \$10,969.

Budget Year	Portion of Total Budget:		Membership Fees	% Increase Membership Fee
	Shared Membership Operations	Partial Funding Fund Balance (Shared Costs)		
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%
FY 2020-21	2,342,580	26%	1,740,749	5%

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 increased in fiscal year 2021 by 5% or \$77,842. Operations costs continue to be funded by CLSA and interest earned, with the remainder offset by funding from unrestricted net position. The System's major source of revenue is membership fee contributions. Membership fee contributions increased by 7% (excluding Porterville) for a total of \$1,740,749.

Governmental activities. The System's major expenditures are personnel costs, integrated library 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, 2021, the System's governmental fund reported an ending fund balance of \$4,274,012, an increase of \$231,188 in comparison to the prior year. Of the ending fund balance, \$2,270,422 is unassigned and is available for spending at the System's discretion.

**San Joaquin Valley Library System
Management's Discussion and Analysis
Year Ended June 30, 2021**

Capital Asset and Debt Administration

Capital assets. The System's investment in capital assets for its governmental activities as of June 30, 2021, amounted to \$16,764 (net of allowance for depreciation).

Debt administration. The System did not have any debt outstanding as of June 30, 2021 and 2020.

Economic Factors and Next Year's Budgets and Rates

The System continues to migrate telecommunications services to CENIC in an effort to increase bandwidth and decrease costs through fiscal year 2022. This is an ongoing, multiyear transition due to installation costs, waiting for existing contracts to expire, 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 a sustainable robust infrastructure with the flexibility to change with technology and time or membership. When the projects are completed, the System will have a robust infrastructure that should be able to sustain the System's needs for many years to come. In addition, the System continues to improve its existing digital collections platform. The System is currently being audited by Universal Service Administrative Co. (USAC), and the audit must be resolved before the System can pursue further network upgrades utilizing e-rate Category 2 funding.

It is important to note that the System is in its third year without a fully dedicated System 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 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 requests for additional financial information should be addressed to the Library Business Manager, San Joaquin Valley Library System, 2420 Mariposa Street, Fresno, California, 93721.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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**San Joaquin Valley Library System
Statement of Net Position
June 30, 2021**

	<u>Governmental Activities</u>
ASSETS	
Current assets	
Cash and investments	\$ 4,767,012
E-Rate receivable	976,102
Interest receivable	60,876
Prepaid expenses and other current assets	<u>3,590</u>
	Total current assets <u>5,807,580</u>
Noncurrent assets	
Restricted cash – technology reserve	3,521,129
Capital assets, net	<u>16,764</u>
	Total noncurrent assets <u>3,537,893</u>
	Total assets <u>9,345,473</u>
LIABILITIES	
Current liabilities	
Technology reserve advances	3,521,129
Due to member agencies	1,151,501
Accrued expenses and other liabilities	206,977
Accounts payable	<u>175,090</u>
	Total liabilities <u>5,054,697</u>
NET POSITION	
Net investment in capital assets	16,764
Unrestricted	<u>4,274,012</u>
	Total net position \$ <u><u>4,290,776</u></u>

See accompanying Notes to the Basic Financial Statements.

**San Joaquin Valley Library System
Statement of Activities
Year Ended June 30, 2021**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net Revenue (Expense) and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities:				
Library system	\$ <u>3,400,112</u>	\$ <u>2,621,326</u>	\$ <u>199,480</u>	\$ <u>(579,306)</u>
Total	\$ <u>3,400,112</u>	\$ <u>2,621,326</u>	\$ <u>199,480</u>	<u>(579,306)</u>
General Revenues:				
				549,223
				<u>250,153</u>
				<u>799,376</u>
				220,070
				<u>4,070,706</u>
				<u>\$ 4,290,776</u>

See accompanying Notes to the Basic Financial Statements.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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**San Joaquin Valley Library System
Governmental Fund**

**Balance Sheet and Reconciliation of the Governmental Fund Balance Sheet
to the Government-wide Statement of Net Position
June 30, 2021**

		General Fund
ASSETS		
Cash and investments	\$	4,767,012
Restricted cash – technology reserve		3,521,129
E-Rate receivable		976,102
Interest receivable		60,876
Prepaid expenses and other current assets		3,590
Total assets	\$	<u><u>9,328,709</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Technology reserve advances	\$	3,521,129
Due to member agencies		1,151,501
Accrued expenses and other liabilities		206,977
Accounts payable		175,090
Total liabilities		<u>5,054,697</u>
Fund Balance		
Nonspendable		3,590
Assigned		2,000,000
Unassigned		2,270,422
Total fund balance		<u>4,274,012</u>
Total liabilities and fund balance	\$	<u><u>9,328,709</u></u>
Reconciliation of the Balance Sheet of the Governmental Fund to the Statement of Net Position:		
Total Fund Balance of Governmental Fund	\$	4,274,012
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statements		<u>16,764</u>
Net Position of Governmental Activities	\$	<u><u>4,290,776</u></u>

See accompanying Notes to the Basic Financial Statements.

San Joaquin Valley Library System
Statement of Revenues, Expenditures and Changes in Fund Balance – General Fund
Budget to Actual
Year ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget positive (negative)
	Original	Final		
Resources (inflows):				
Membership dues	\$ 1,789,000	\$ 1,789,000	\$ 1,740,749	\$ (48,251)
Technology reserve charges	607,640	607,640	332,585	(275,055)
Telephone services	787,107	787,107	547,992	(239,115)
Grant revenues	2,272,056	2,272,056	199,480	(2,072,576)
Refunds and abatements	-	-	549,223	549,223
Interest income	70,000	70,000	250,153	180,153
Total resources (inflows)	<u>5,525,803</u>	<u>5,525,803</u>	<u>3,620,182</u>	<u>(1,905,621)</u>
Charges to appropriations (outflows):				
Professional services	1,802,078	1,802,078	1,408,027	394,051
Telephone charges	3,045,000	3,045,000	1,002,677	2,042,323
Grant project maintenance equipment	493,325	493,325	395,296	98,029
Maintenance equipment	354,204	354,204	302,947	51,257
System delivery	191,600	191,600	183,578	8,022
Utilities	32,400	32,400	32,400	-
Postage and notice services	38,988	38,988	18,252	20,736
Office expense	23,300	23,300	16,824	6,476
Travel and conference	65,800	65,800	14,457	51,343
Insurance	4,700	4,700	6,387	(1,687)
Peoplesoft charges	10,000	10,000	4,809	5,191
Memberships	4,750	4,750	3,340	1,410
Total charges to appropriations (outflows)	<u>6,066,145</u>	<u>6,066,145</u>	<u>3,388,994</u>	<u>2,677,151</u>
Net change in fund balance	<u>\$ (540,342)</u>	<u>\$ (540,342)</u>	231,188	<u>\$ 771,530</u>
Fund balance, beginning of year (as restated)			<u>4,042,824</u>	
Fund balance, end of year			<u>\$ 4,274,012</u>	

See accompanying Notes to the Basic Financial Statements.

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NOTES TO THE BASIC FINANCIAL STATEMENTS

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San Joaquin Valley Library System
Notes to the Basic Financial Statements
Year Ended June 30, 2021

NOTE 1 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 10 directors. The Administrative Council is supported by the Automation Committee and the Electronic Resources Committee. Funding for the System comes from member library contributions and the State of California through CLSA.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Basis of Presentation**

Financial statement presentation follows the standards promulgated by the Governmental Accounting Standards Board (GASB) commonly referred to as accounting principles generally accepted in the United States of America (U.S. GAAP). GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting standards.

The System's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and governmental fund financial statements, which provide a more detailed level of financial information.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the System's activities. The Statement 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.

San Joaquin Valley Library System
Notes to the Basic Financial Statements
Year Ended June 30, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

Taxes and other items not properly included among program revenues are reported as general revenues.

- 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.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The fund financial statements provide information about the System's governmental funds. The System reports one major governmental fund, the General Fund.

- Governmental Fund Financial Statements

Governmental fund financial statements (i.e., Balance Sheet and Statement 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.

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.

San Joaquin Valley Library System
Notes to the Basic Financial Statements
Year Ended June 30, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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. Cash also includes demand deposits with financial institutions. 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 Auditor-Controller/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 of Fresno Auditor-Controller/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 of Fresno Auditor-Controller/Treasurer is considered unclassified as to credit risk because it is not evidenced by securities that exist in physical or book entry form.

San Joaquin Valley Library System
Notes to the Basic Financial Statements
Year Ended June 30, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Restricted Cash – Technology Reserve**

Restricted cash – technology reserve pertains to technology reserve advanced to the System from member agencies to be used for future equipment and network infrastructure upgrades.

E-Rate Receivable

The System receives funding from Universal Service Administrative Co. (USAC) related to its E-Rate program, formally known as the Schools and Libraries Program. The program provides discounts to schools and libraries for eligible equipment and services. The System records receivables in the accounting period when the corresponding revenues become both measurable and available to finance expenditures of the fiscal period. As of June 30, 2021, E-Rate receivable amounted to \$976,102.

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 and Accrued Expenses and Other Liabilities

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 accounts payable and accrued expenses and other liabilities in the financial statements. Accounts payable and accrued expenses and other liabilities balances as of June 30, 2021 were \$175,090 and \$206,977, 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 System 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.

San Joaquin Valley Library System
Notes to the Basic Financial Statements
Year Ended June 30, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Fund Balance (Continued)**

- *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.

Net Position

Net position represents the residual interest in the System's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted. In accordance with GASB Statement No. 63, the fund equity section on the Statement of Net Position was combined to report the 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.

San Joaquin Valley Library System
Notes to the Basic Financial Statements
Year Ended June 30, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Net Position (Continued)**

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 U.S. GAAP 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 Measurement

U.S. GAAP defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the statement of net position, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows:

- Level 1 Inputs are unadjusted, quoted prices for identical assets and liabilities in active markets at the measurement date.
- Level 2 Inputs, other than quoted prices included in Level 1, that are observable for the asset or liability through corroboration with market data at the measurement date.
- Level 3 Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

An asset's or liability's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. All assets and liabilities for which the fair value measurement is based on significant unobservable inputs or instruments which trade infrequently and, therefore, have little or no price transparency are classified as Level 3.

The System's financial assets and liabilities include primarily cash and investments, E-Rate receivable, interest receivable, due from other governments, technology reserve advances, due to member agencies, accrued expenses and other liabilities and accounts payable – 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 Statement of Net Position. The carrying amounts of these financial instruments approximate fair value because of the short-term maturities of those instruments.

San Joaquin Valley Library System
Notes to the Basic Financial Statements
Year Ended June 30, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Concentrations of Credit Risk**

The System maintains cash balances in two financial institutions. Cash balances in interest-bearing transaction accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. As of June 30, 2021, the System had \$0 held with financial institutions that exceeded the FDIC limit and were uninsured.

Technology Reserve Advances

Technology reserve advances consist of monies advanced to the System from member agencies to be used for future equipment and network infrastructure upgrades.

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.

Implementation of New Accounting Pronouncements

During the fiscal year ended June 30, 2021, the System adopted the following new Statements of the GASB with no impact on the accompanying financial statements:

GASB No. 84

In January 2017, the GASB issued Statement No. 84 "Fiduciary Activities". The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB No. 90

In August 2018, the GASB issued Statement No. 90, "Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61." The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB No. 95

In May 2020, the Governmental Accounting Standards Board issued Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance." The Statement postponed the effective dates of certain Statements to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of June 30, 2021 are reported in the basic financial statements as follows:

Cash and investments	\$ 4,767,012
Restricted cash - technology reserve	<u>3,521,129</u>
Total cash and investments	<u><u>8,288,141</u></u>

**San Joaquin Valley Library System
Notes to the Basic Financial Statements
Year Ended June 30, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Cash and investments are comprised of the following as of June 30, 2021:

Cash		
County of Fresno Treasury Investment Pool	\$	4,762,875
Demand deposits		4,137
Restricted cash - technology reserve		<u>3,521,129</u>
Total cash	\$	<u>8,288,141</u>

Investments authorized by the California Government Code (CGC) and the County of Fresno Treasury Investment Pool Investment Policy (IP)

The following table identifies the investment types that are authorized for the County by CGC, or the IP, where more restrictive. The table also identifies the more restrictive provisions of the CGC or the IP that address interest rate risk, credit risk, and concentration of credit risk. This table does not address the investment of debt proceeds held by bond trustees that are governed by the provisions of the County's debt agreements, rather than the general provisions of either the CGC or the IP.

<u>Authorized Investment Types</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Maturity</u>
U.S. Treasury Bills, Notes and Bonds	100%	5 Years
U.S. Government Agency Obligations	100%	5 Years
Bankers' Acceptances	40%	180 Days
Commercial Paper	40%	270 Days
Negotiable Certificates of Deposit	30%	13 Months
Non-Negotiable Certificates of Deposit	50%	13 Months
Repurchase Agreements	15%	Overnight/Weekend
Local Agency Investment Fund	\$65,000	Daily Liquidity
Medium Term Notes	30%	5 Years
Mutual Funds	20%	Daily Liquidity
Mortgage-Backed Securities	10%	5 Years

The County of Fresno's pooled investments have recurring fair value measurement using other observable inputs and are classified under Level 2 within the fair value hierarchy table. Detailed information regarding the County of Fresno Treasury pooled cash and investments can be found in the County's Annual Comprehensive Financial Report as of and for the year ended June 30, 2021. Such report is available from the Office of the Auditor-Controller/Treasurer-Tax Collector, 2281 Tulare Street, Fresno, CA 93721.

San Joaquin Valley Library System
Notes to the Basic Financial Statements
Year Ended June 30, 2021

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

The custodial credit risk for *demand deposits* is the risk that, in the event of the failure of a depository financial institution, the System will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the System will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The County’s investment policy requires that a third-party bank custody department hold all securities owned by the County. All trades are settled on delivery versus payment basis through the County’s safekeeping agent.

NOTE 4 CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2021 was as follows:

	Balances July 1, 2020	Additions	Deletions & Adjustments	Balances June 30, 2021
Computer equipment and software	\$ 155,465	\$	\$	\$ 155,465
Office equipment	6,581	_____	_____	6,581
Capital assets - gross	162,046	-	-	162,046
Less: accumulated depreciation	(134,164)	(11,118)	-	(145,282)
Capital assets - net	\$ 27,882	\$ (11,118)	\$ -	\$ 16,764

Depreciation expense for the year ended June 30, 2021 was \$11,118.

NOTE 5 TECHNOLOGY RESERVE ADVANCES

Movement in technology reserve advances for the year ended June 30, 2021 was as follows:

Technology reserve advances, beginning of year	\$ 3,061,626
Advances during the year	745,458
Withdrawals during the year	(4,000)
Charges during the year	(281,955)
Technology reserve advances, end of year	\$ 3,521,129

San Joaquin Valley Library System
Notes to the Basic Financial Statements
Year Ended June 30, 2021

NOTE 6 PRIOR PERIOD ADJUSTMENT AND RESTATEMENT

The System recorded a total adjustment of \$926,615 during the current fiscal year, resulting in a prior period adjustment to the beginning fund balance and net position. The adjustment of \$926,615 was made to the June 30, 2020 General Fund fund balance and net position of the System to properly account for the System's accrued expenses and other liabilities.

	Fund Balance	Net Position
June 30, 2020 balance, as previously reported	\$ 4,969,439	\$ 4,997,321
Adjustment to properly report the balance of accrued expenses and other liabilities	926,615	926,615
June 30, 2020 balance, as restated	\$ 4,042,824	\$ 4,070,706

NOTE 7 SUBSEQUENT EVENTS

The System has evaluated events or transactions that occurred subsequent to the balance sheet date through January 31, 2025, the date the accompanying financial statements were available to be issued, for potential recognition or disclosure in the financial statements and determined that no subsequent matters required disclosure or adjustment to the accompanying financial statements.



**Independent Auditor’s Report on Internal Control Over Financial Reporting
 and on Compliance and Other Matters Based on an Audit of Financial Statements
 Performed in Accordance with *Government Auditing Standards***

**To the Administrative Council of the
 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 the major fund of the San Joaquin Valley Library System (the System), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the System’s basic financial statements, and have issued our report thereon dated January 31, 2025.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 System's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Glendale, California
January 31, 2025

**San Joaquin Valley Library System
Schedule of Findings and Responses
Year ended June 30, 2021**

There are no financial statement findings required to be reported in accordance with
Government Auditing Standards.



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SAN JOAQUIN VALLEY
LIBRARY SYSTEM

San Joaquin Valley Library System
Audited Financial Statements
Year Ended June 30, 2022
with Independent Auditor's Report



**San Joaquin Valley Library System
Audited Financial Statements
Year Ended June 30, 2022
*with Independent Auditor's Report***

**San Joaquin Valley Library System
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Independent Auditor's Report

To the Administrative Council of the San Joaquin Valley Library System

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of the San Joaquin Valley Library System (the System), as of and for the year ended June 30, 2022, the budgetary comparison statement for the general fund for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the System's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the System as of June 30, 2022, and the respective changes in financial position and the budgetary comparison for the general fund for the year then ended in accordance with accounting principle generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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



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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2025, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's 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.

Glendale, California
January 31, 2025

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**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

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**San Joaquin Valley Library System
Management's Discussion and Analysis
Year Ended June 30, 2022**

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, 2022 and 2021. We encourage readers to consider the information presented here in conjunction with information included within the financial statements.

FINANCIAL HIGHLIGHTS

- The System receives revenues from memberships, telecommunication, restricted grants, California State Library Act grant awards, and unrestricted revenues to manage operations.
- The assets of the System exceeded its liabilities as of June 30, 2022 by \$4,226,294. The unrestricted net position of \$4,219,507 may be used to meet the System's ongoing obligations to fund a portion of Membership operations, customers, and creditors. As of June 30, 2021, assets exceeded liabilities by \$4,290,776 with unrestricted net position equaling \$4,274,012.
- The total net position decreased by \$64,482 for the year ended June 30, 2022. For comparison, the net position increased by \$220,070 for the year ended June 30, 2021.
- Membership fee contributions remained the same in fiscal year 2021-22. The \$1,740,749 in membership fees funds approximately 50.2% of System operations.
- During the fiscal year, the System continued to utilize California Library Services Act (CLSA) funding of \$225,970 to support the System's delivery services, shared e-book collection Bibliotheca Cloud Library and Member's disconnects fee for telecommunication network updates providing stable and equitable access throughout the System.
- The System continues to receive federal Library Services and Technology Act (LSTA) funding for the Public Library Staff Education Program (PLSEP) of \$9,385 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 two participants in the Central Valley Library System for a total expended amount of \$8,532 and an administrative fee of \$853.
- Pre-Paid Tech Reserves (Tech Reserve Advances) held by the System as of June 30, 2022 at \$3,676,436 a 4.4% increase (\$155,307) from the prior year ended June 30, 2021, represents Member's contributions towards the System Technology Replacement plan for Nimble and Interlibrary System.

**San Joaquin Valley Library System
Management's Discussion and Analysis
Year Ended June 30, 2022**

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 **Statement 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 **Statement 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 the 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 fund's Balance Sheet and the governmental fund's Statement 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.

**San Joaquin Valley Library System
Management's Discussion and Analysis
Year Ended June 30, 2022**

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, 2022, the System's assets exceeded liabilities by \$4,226,294. Of that amount, \$6,787 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, 2022, provides unrestricted net position of \$4,219,507, which 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 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:

Summarized Statements of Net Position

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	Increase (Decrease)
Current assets	\$ 5,294,503	\$ 5,807,580	\$ (513,077)
Non-current assets	<u>3,683,223</u>	<u>3,537,893</u>	<u>145,330</u>
Total assets	<u>8,977,726</u>	<u>9,345,473</u>	<u>(367,747)</u>
Current liabilities	<u>4,751,432</u>	<u>5,054,697</u>	<u>(303,265)</u>
Total liabilities	<u>4,751,432</u>	<u>5,054,697</u>	<u>(303,265)</u>
Total net position	<u>\$ 4,226,294</u>	<u>\$ 4,290,776</u>	<u>\$ (64,482)</u>

Membership Fees. During fiscal year 2021-2022, the Administrative Council approved for membership fees to remain the same as the prior year, for a summarized total of \$1,740,749. The Summarized Statement of Activities reflects the total for the System's membership dues.

**San Joaquin Valley Library System
Management's Discussion and Analysis
Year Ended June 30, 2022**

Summarized Statements of Activities

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Increase (Decrease)</u>
Program Revenues			
Charges for services	\$ 3,002,428	\$ 2,621,326	\$ 381,102
Operating grants and contributions	<u>235,355</u>	<u>199,480</u>	<u>35,875</u>
Total program revenues	<u>3,237,783</u>	<u>2,820,806</u>	<u>416,977</u>
Expenses			
Library services	<u>3,531,128</u>	<u>3,400,112</u>	<u>131,016</u>
Total expenses	<u>3,531,128</u>	<u>3,400,112</u>	<u>131,016</u>
Net (expense) revenue and changes in net position	<u>(293,345)</u>	<u>(579,306)</u>	<u>285,961</u>
General Revenues			
Refunds and abatements	112,289	549,223	(436,934)
Investment earnings	<u>116,574</u>	<u>250,153</u>	<u>(133,579)</u>
Total general revenues	<u>228,863</u>	<u>799,376</u>	<u>(570,513)</u>
Change in net position	<u>(64,482)</u>	220,070	(284,552)
Net position, beginning of year	<u>4,290,776</u>	<u>4,070,706</u>	<u>220,070</u>
Net position, end of year	<u>\$ 4,226,294</u>	<u>\$ 4,290,776</u>	<u>\$ (64,482)</u>

Revenue

Revenues collected are grouped by charges for services and operating grants and contributions. Charges for services (\$3,002,428) consist of collected membership fees of \$1,740,749, direct billing charges of \$726,924, and telecommunication charges of \$534,755. Operating grants and contributions revenue of \$235,355 consist of California Library Services Act grant award of \$225,970 and the PLSEP award of \$9,385.

Budget Year	Budget:		Membership Fees	% Increase Membership Fee
	Shared Membership Operations	Partial Funding Fund Balance (Shared Costs)		
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%
FY 2020-21	2,342,580	26%	1,740,749	5%
FY 2021-22	2,341,330	26%	1,740,749	0%

**San Joaquin Valley Library System
Management's Discussion and Analysis
Year Ended June 30, 2022**

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 remained the same in fiscal year 2022. Operations costs continue to be funded by CLSA and interest earned with the remainder offset by funding from unrestricted net position. The System's major source of revenue is membership fee contributions. Membership fee contributions totaled to \$1,740,749.

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, 2022, the System's governmental fund reported an ending fund balance of \$4,219,507, a decrease of \$54,505 in comparison to the prior year. Of the ending fund balance, \$2,195,801 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, 2022, amounted to \$6,787 (net of allowance for depreciation).

Debt administration. The System did not have any debt outstanding as of June 30, 2022 and 2021.

Economic Factors and Next Year's Budgets and Rates

The System continues to transition to its new network model with CENIC, to increase bandwidth and decrease costs through fiscal year 2023. This transition is nearing completion, with the vast majority of our member libraries connected to CENIC's network, and the System continues to take advantage of grants and e-rate funding. In addition to the network infrastructure projects, the System will also upgrade our Telemessaging server to new hardware and continue to improve our existing digital collections platform and offerings.

Last fiscal year, the System hired a dedicated Administrative Librarian by promoting the Supervising Librarian in charge of the Integrated Library System. In the upcoming year, the priorities are to develop a Technology Strategic Plan to provide planning and direction for technology upgrades in future years, as well as hire a new Supervising Librarian.

**San Joaquin Valley Library System
Management's Discussion and Analysis
Year Ended June 30, 2022**

Requests for Information

This financial report is designed to provide a general overview of the 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 requests for additional financial information should be addressed to the Library Business Manager, San Joaquin Valley Library System, 2420 Mariposa Street, Fresno, California, 93721.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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San Joaquin Valley Library System
Statement of Net Position
June 30, 2022

		Governmental Activities
ASSETS		
Current assets		
Cash and investments	\$	4,785,729
E-Rate receivable		456,011
Interest receivable		29,057
Prepaid expenses and other current assets		23,706
	Total current assets	5,294,503
Noncurrent assets		
Restricted cash – technology reserve		3,676,436
Capital assets, net		6,787
	Total noncurrent assets	3,683,223
	Total assets	8,977,726
LIABILITIES		
Current liabilities		
Technology reserve advances		3,676,436
Due to member agencies		654,260
Accounts payable and accrued expenses		361,530
Unearned revenues		59,206
	Total liabilities	4,751,432
NET POSITION		
Net investment in capital assets		6,787
Unrestricted		4,219,507
	Total net position \$	4,226,294

See accompanying Notes to the Basic Financial Statements.

**San Joaquin Valley Library System
Statement of Activities
Year Ended June 30, 2022**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net Revenue (Expense) and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities:				
Library system	\$ <u>3,531,128</u>	\$ <u>3,002,428</u>	\$ <u>235,355</u>	\$ <u>(293,345)</u>
Total	\$ <u><u>3,531,128</u></u>	\$ <u><u>3,002,428</u></u>	\$ <u><u>235,355</u></u>	<u>(293,345)</u>
General Revenues:				
				112,289
				<u>116,574</u>
				<u>228,863</u>
				(64,482)
				<u>4,290,776</u>
				\$ <u><u>4,226,294</u></u>

See accompanying Notes to the Basic Financial Statements.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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**San Joaquin Valley Library System
Governmental Fund**

**Balance Sheet and Reconciliation of the Governmental Fund Balance Sheet
to the Government-wide Statement of Net Position
June 30, 2022**

	<u>General Fund</u>
ASSETS	
Cash and investments	\$ 4,785,729
Restricted cash – technology reserve	3,676,436
E-Rate receivable	456,011
Interest receivable	29,057
Prepaid expenses and other current assets	23,706
Total assets	\$ <u>8,970,939</u>
 LIABILITIES AND FUND BALANCE	
Liabilities	
Technology reserve advances	\$ 3,676,436
Due to member agencies	654,260
Accounts payable and accrued expenses	361,530
Unearned revenues	59,206
Total liabilities	\$ <u>4,751,432</u>
 Fund Balance	
Nonspendable	23,706
Assigned	2,000,000
Unassigned	2,195,801
Total fund balance	\$ <u>4,219,507</u>
Total liabilities and fund balance	\$ <u>8,970,939</u>

Reconciliation of the Balance Sheet of the Governmental Fund
to the Statement of Net Position:

Total Fund Balance of Governmental Fund	\$ 4,219,507
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statements	<u>6,787</u>
Net Position of Governmental Activities	\$ <u>4,226,294</u>

See accompanying Notes to the Basic Financial Statements.

San Joaquin Valley Library System
Statement of Revenues, Expenditures and Changes in Fund Balance – General Fund
Budget to Actual
Year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget positive (negative)
	Original	Final		
Resources (inflows):				
Membership dues	\$ 1,789,809	\$ 1,789,809	\$ 1,740,749	\$ (49,060)
Technology reserve charges	415,595	415,595	726,924	311,329
Telephone services	728,776	728,776	534,755	(194,021)
Grant revenues	231,061	231,061	235,355	4,294
Refunds and abatements	-	-	112,289	112,289
Interest income	70,000	70,000	116,574	46,574
Total resources (inflows)	<u>3,235,241</u>	<u>3,235,241</u>	<u>3,466,646</u>	<u>231,405</u>
Charges to appropriations (outflows):				
Professional services	1,679,106	1,679,106	1,537,672	141,434
Telephone charges	1,500,000	1,500,000	807,407	692,593
Grant project maintenance equipment	455,821	455,821	571,181	(115,360)
Maintenance equipment	328,764	328,764	296,992	31,772
System delivery	195,000	195,000	204,131	(9,131)
Travel and conference	56,300	56,300	32,074	24,226
Utilities	33,000	33,000	26,250	6,750
Postage and notice services	41,000	41,000	17,523	23,477
Office expense	20,800	20,800	12,152	8,648
Insurance	7,000	7,000	5,675	1,325
Peoplesoft charges	12,000	12,000	5,474	6,526
Memberships	4,750	4,750	4,620	130
Total charges to appropriations (outflows)	<u>4,333,541</u>	<u>4,333,541</u>	<u>3,521,151</u>	<u>812,390</u>
Net change in fund balance	\$ <u>(1,098,300)</u>	\$ <u>(1,098,300)</u>	(54,505)	\$ <u>1,043,795</u>
Fund balance, beginning of year			<u>4,274,012</u>	
Fund balance, end of year			<u>\$ 4,219,507</u>	

See accompanying Notes to the Basic Financial Statements.

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NOTES TO THE BASIC FINANCIAL STATEMENTS

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San Joaquin Valley Library System
Notes to the Basic Financial Statements
Year Ended June 30, 2022

NOTE 1 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 10 directors. The Administrative Council is supported by the Automation Committee and the Electronic Resources Committee. Funding for the System comes from member library contributions and the State of California through CLSA.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Basis of Presentation**

Financial statement presentation follows the standards promulgated by the Governmental Accounting Standards Board (GASB) commonly referred to as accounting principles generally accepted in the United States of America (U.S. GAAP). GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting standards.

The System's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and governmental fund financial statements, which provide a more detailed level of financial information.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the System's activities. The Statement 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.

San Joaquin Valley Library System
Notes to the Basic Financial Statements
Year Ended June 30, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

Taxes and other items not properly included among program revenues are reported as general revenues.

- 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.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The fund financial statements provide information about the System's governmental funds. The System reports one major governmental fund, the General Fund.

- Governmental Fund Financial Statements

Governmental fund financial statements (i.e., Balance Sheet and Statement 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.

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.

San Joaquin Valley Library System
Notes to the Basic Financial Statements
Year Ended June 30, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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. Cash also includes demand deposits with financial institutions. 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 Auditor-Controller/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 of Fresno Auditor-Controller/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 of Fresno Auditor-Controller/Treasurer is considered unclassified as to credit risk because it is not evidenced by securities that exist in physical or book entry form.

**San Joaquin Valley Library System
Notes to the Basic Financial Statements
Year Ended June 30, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Cash – Technology Reserve

Restricted cash – technology reserve pertains to technology reserve advanced to the System from member agencies to be used for future equipment and network infrastructure upgrades.

E-Rate receivable

The System receives funding from Universal Service Administrative Co. (USAC) related to its E-Rate program, formally known as the Schools and Libraries Program. The program provides discounts to schools and libraries for eligible equipment and services. The System records receivables in the accounting period when the corresponding revenues become both measurable and available to finance expenditures of the fiscal period. As of June 30, 2022, E-Rate receivable amounted to \$456,011.

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 and Accrued Expenses

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 accounts payable and accrued expenses and other liabilities in the financial statements. Accounts payable and accrued expenses balance as of June 30, 2022 was \$361,530.

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 System 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.

San Joaquin Valley Library System
Notes to the Basic Financial Statements
Year Ended June 30, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Fund Balance (Continued)**

- *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.

Net Position

Net position represents the residual interest in the System's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted. In accordance with GASB Statement No. 63, the fund equity section on the Statement of Net Position was combined to report the 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.

San Joaquin Valley Library System
Notes to the Basic Financial Statements
Year Ended June 30, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Net Position (Continued)**

- 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 U.S. GAAP 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 Measurement

U.S. GAAP defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the statement of net position, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows:

Level 1 - Inputs are unadjusted, quoted prices for identical assets and liabilities in active markets at the measurement date.

Level 2 - Inputs, other than quoted prices included in Level 1, that are observable for the asset or liability through corroboration with market data at the measurement date.

Level 3 - Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

An asset's or liability's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. All assets and liabilities for which the fair value measurement is based on significant unobservable inputs or instruments which trade infrequently and, therefore, have little or no price transparency are classified as Level 3.

San Joaquin Valley Library System
Notes to the Basic Financial Statements
Year Ended June 30, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Fair Value Measurements (Continued)**

The System's financial assets and liabilities include primarily cash and investments, E-Rate receivable, interest receivable, due from other governments, technology reserve advances, due to member agencies, accrued expenses and other liabilities and accounts payable – 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 Statement 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 two financial institutions. Cash balances in interest-bearing transaction accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. As of June 30, 2022, the System had \$0 held with financial institutions that exceeded the FDIC limit and were uninsured.

Technology Reserve Advances

Technology reserve advances consist of monies advanced to the System from member agencies to be used for future equipment and network infrastructure upgrades.

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.

Implementation of New Accounting Pronouncements

During the fiscal year ended June 30, 2022, the System adopted the following new Statements of the GASB with no impact on the accompanying financial statements:

GASB No. 87

In June 2017, the GASB issued Statement No. 87 "*Leases*". The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

GASB No. 89

In June 2018, the GASB issued 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, 2020.

**San Joaquin Valley Library System
Notes to the Basic Financial Statements
Year Ended June 30, 2022**

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of June 30, 2022 are reported in the basic financial statements as follows:

Cash and investments	\$ 4,785,729
Restricted cash - technology reserve	<u>3,676,436</u>
Total cash and investments	\$ <u><u>8,462,165</u></u>

Cash and investments are comprised of the following as of June 30, 2022:

Cash	
County of Fresno Treasury Investment Pool	\$ 4,710,836
Demand deposits	74,893
Restricted cash - technology reserve	<u>3,676,436</u>
Total cash	\$ <u><u>8,462,165</u></u>

Investments authorized by the California Government Code (CGC) and the County of Fresno Treasury Investment Pool Investment Policy (IP)

The following table identifies the investment types that are authorized for the County by CGC, or the IP, where more restrictive. The table also identifies the more restrictive provisions of the CGC or the IP that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investment of debt proceeds held by bond trustees that are governed by the provisions of the County's debt agreements, rather than the general provisions of either the CGC or the IP.

<u>Authorized Investment Types</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Maturity</u>
U.S. Treasury Bills, Notes and Bonds	100%	5 Years
U.S. Government Agency Obligations	100%	5 Years
Bankers' Acceptances	40%	180 Days
Commercial Paper	40%	270 Days
Negotiable Certificates of Deposit	30%	13 Months
Non-Negotiable Certificates of Deposit	50%	13 Months
Repurchase Agreements	15%	Overnight/Weekend
Local Agency Investment Fund	\$65,000	Daily Liquidity
Medium Term Notes	30%	5 Years
Mutual Funds	20%	Daily Liquidity
Mortgage-Backed Securities	10%	5 Years

The County of Fresno's pooled investments have recurring fair value measurement using other observable inputs and are classified under Level 2 within the fair value hierarchy table. Detailed information regarding the County of Fresno Treasury pooled cash and investments can be found in the County's Annual Comprehensive Financial Report as of and for the year ended June 30, 2022. Such report is available from the Office of the Auditor-Controller/Treasurer-Tax Collector, 2281 Tulare Street, Fresno, CA 93721.

**San Joaquin Valley Library System
Notes to the Basic Financial Statements
Year Ended June 30, 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

The custodial credit risk for *demand deposits* is the risk that, in the event of the failure of a depository financial institution, the System will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the System will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The County’s investment policy requires that a third-party bank custody department hold all securities owned by the County. All trades are settled on delivery versus payment basis through the County’s safekeeping agent.

NOTE 4 CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2022 was as follows:

	Balances July 1, 2021	Additions	Deletions & Adjustments	Balances June 30, 2022
Computer equipment and software	\$ 155,465	\$	\$	\$ 155,465
Office equipment	6,581			6,581
Capital assets - gross	<u>162,046</u>	-	-	<u>162,046</u>
Less: accumulated depreciation	<u>(145,282)</u>	<u>(9,977)</u>	-	<u>(155,259)</u>
Capital assets - net	\$ <u>16,764</u>	\$ <u>(9,977)</u>	\$ -	\$ <u>6,787</u>

Depreciation expense for the year ended June 30, 2022 was \$9,977.

NOTE 5 TECHNOLOGY RESERVE ADVANCES

Movement in technology reserve advances for the year ended June 30, 2022 was as follows:

Technology reserve advances, beginning of year	\$ 3,521,129
Advances during the year	863,473
Withdrawals during the year	(39,300)
Charges during the year	<u>(668,866)</u>
Technology reserve advances, end of year	\$ <u>3,676,436</u>

**San Joaquin Valley Library System
Notes to the Basic Financial Statements
Year Ended June 30, 2022**

NOTE 6 SUBSEQUENT EVENTS

The System has evaluated events or transactions that occurred subsequent to the balance sheet date through January 31, 2025, the date the accompanying financial statements were available to be issued, for potential recognition or disclosure in the financial statements and determined that no subsequent matters required disclosure or adjustment to the accompanying financial statements.

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**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

**To the Administrative Council of the
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 the major fund of the San Joaquin Valley Library System (the System), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the System's basic financial statements, and have issued our report thereon dated January 31, 2025.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 System's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Glendale, California
January 31, 2025

**San Joaquin Valley Library System
Schedule of Findings and Responses
Year ended June 30, 2022**

There are no financial statement findings required to be reported in accordance with
Government Auditing Standards.



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SAN JOAQUIN VALLEY
LIBRARY SYSTEM

San Joaquin Valley Library System
Audited Financial Statements
Year Ended June 30, 2023
with Independent Auditor's Report



**San Joaquin Valley Library System
Audited Financial Statements
Year Ended June 30, 2023
*with Independent Auditor's Report***

**San Joaquin Valley Library System
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Independent Auditor's Report

To the Administrative Council of the San Joaquin Valley Library System

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of the San Joaquin Valley Library System (the System), as of and for the year ended June 30, 2023, the budgetary comparison statement for the general fund for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the System's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects the respective financial position of the governmental activities and major fund of the System as of June 30, 2023, and the respective changes in financial position and the budgetary comparison for the general fund for the year then ended in accordance with accounting principle generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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



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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2025, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's 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.

**Glendale, California
January 31, 2025**

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**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

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**San Joaquin Valley Library System
Management's Discussion and Analysis
For the Year Ended June 30, 2023**

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, 2023 and 2022. We encourage readers to consider the information presented here in conjunction with the information included within the financial statements.

FINANCIAL HIGHLIGHTS

- The System receives revenues from memberships, telecommunication, restricted grants, California State Library Act grant awards and unrestricted revenues to manage operations.
- The assets of the System exceeded its liabilities as of June 30, 2023 by \$4,263,766. The unrestricted net position of \$4,261,911 may be used to meet the System's ongoing obligations to fund a portion of Membership operations, customers, and creditors. As of June 30, 2022, assets exceeded liabilities by \$4,226,294 with unrestricted net position equaling \$4,219,507.
- The System has experienced an increase in net position in this reporting period. The total net position increased by \$37,472 for the year ended June 30, 2023. For comparison, the net position decreased by \$64,482, for the year ended June 30, 2022.
- Membership fee contributions increased in fiscal year 2022-23. The \$1,951,095 in membership fees funds approximately 49.4% of System operations.

During the fiscal year, the System continued to utilize California Library Services Act (CLSA) funding of \$240,976 to support the System's delivery services, and shared CloudLibrary e-book collection.

- The System continues to receive federal Library Services and Technology Act (LSTA) funding for the Public Library Staff Education Program (PLSEP) of \$18,700 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 the library workforce. The award supported four participants in the Central Valley Library System for a total expended amount of \$17,000 and an administrative fee of \$1,700.
- The System received federal Library Services and Technology Act (LSTA) funding for the System's Palace Content Expansion Project for a total of \$50,000 to purchase eBooks and eAudiobooks for the System's Cloud Library collection.
- Pre-Paid Tech Reserves (Tech Reserve Advances) held by the System as of June 30, 2023 at \$3,560,228 a 3.2% decrease (\$116,208) from the prior year ended June 30, 2022, represents Member's contributions towards the System Technology Replacement plan for Nimble and the Interlibrary System.
- Due to the California Library Grants program and other e-rate funding opportunities for the expansion of High-Speed Broadband for California Libraries, the System successfully completed broadband upgrades, acquired new WIFI equipment, and replaced old network equipment. The System utilized Network grant awards of \$15,497 of the year 7 award. The grant will continue to be used in the next fiscal year up to \$34,007.

**San Joaquin Valley Library System
Management's Discussion and Analysis
Year Ended June 30, 2023**

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 **Statement 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 **Statement 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 the 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 fund Balance Sheet and the governmental fund's Statement 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.

**San Joaquin Valley Library System
Management's Discussion and Analysis
Year Ended June 30, 2023**

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, 2023, the System's assets exceeded liabilities by \$4,263,766. Of that amount, \$1,855 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, 2023, provides unrestricted net position of \$4,261,911, which 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 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:

Summarized Statements of Net Position

	June 30, 2023	June 30, 2022	Increase (Decrease)
Current assets	\$ 5,237,633	\$ 5,294,503	\$ (56,870)
Non-current assets	3,562,083	3,683,223	(121,140)
Total assets	8,799,716	8,977,726	(178,010)
Current liabilities	4,535,950	4,751,432	(215,482)
Total liabilities	4,535,950	4,751,432	(215,482)
Total net position	\$ 4,263,766	\$ 4,226,294	\$ 37,472

Membership Fees. During fiscal year 2022-2023, the Administrative Council approved membership fees to increase for a total of \$1,951,095. The Statement of Activities reflects the increase in the System's membership dues.

**San Joaquin Valley Library System
Management's Discussion and Analysis
Year Ended June 30, 2023**

Summarized Statements of Activities

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Increase (Decrease)</u>
Program Revenues			
Charges for services	\$ 3,194,713	\$ 3,002,428	\$ 192,285
Operating grants and contributions	<u>334,875</u>	<u>235,355</u>	<u>99,520</u>
Total program revenues	<u>3,529,588</u>	<u>3,237,783</u>	<u>291,805</u>
Expenses			
Library services	<u>3,914,591</u>	<u>3,531,128</u>	<u>383,463</u>
Total expenses	<u>3,914,591</u>	<u>3,531,128</u>	<u>383,463</u>
Net (expense) revenue and changes in net position	<u>(385,003)</u>	<u>(293,345)</u>	<u>(91,658)</u>
General Revenues			
Refunds and abatements	<u>238,975</u>	<u>112,289</u>	<u>126,686</u>
Investment earnings	<u>183,500</u>	<u>116,574</u>	<u>66,926</u>
Total general revenues	<u>422,475</u>	<u>228,863</u>	<u>193,612</u>
Change in net position	<u>37,472</u>	<u>(64,482)</u>	<u>101,954</u>
Net position, beginning of year	<u>4,226,294</u>	<u>4,290,776</u>	<u>(64,482)</u>
Net position, end of year	\$ <u>4,263,766</u>	\$ <u>4,226,294</u>	\$ <u>37,472</u>

Revenue

Revenues collected are grouped by charges for services and operating grants and contributions. Charges for services (\$3,194,713) consist of collected membership fees of \$1,951,095, direct billing charges of \$708,179, and telecommunication charges of \$535,439. Operating grants and contributions revenue of \$334,875 consists of California Library Services Act grant award of \$250,678 (includes \$9,702 rollover from prior year award), Network grant award of \$15,497, PLSEP award of \$18,700 and the LSTA eBooks grant of \$50,000.

<u>Budget Year</u>	<u>Portion of Total Budget: Shared Membership Operations</u>	<u>Partial Funding Fund Balance (Shared Costs)</u>	<u>Membership Fees</u>	<u>% Increase Membership Fee</u>
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%
FY 2020-21	2,342,580	26%	1,740,749	5%
FY 2021-22	2,341,330	26%	1,740,749	0%
FY 2022-23	2,725,135	28%	1,951,095	12%

**San Joaquin Valley Library System
Management's Discussion and Analysis
Year Ended June 30, 2023**

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 2023 by 12% or \$210,346. Operations costs continue to be funded by CLSA and interest earned, with the remainder offset by funding from unrestricted net position. The System's major source of revenue is membership fee contributions. Membership fee contributions increased by 7% to a total of \$1,951,095 (which includes full membership from Porterville).

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, 2023, the System's governmental fund reported an ending fund balance of \$4,261,911, an increase of \$42,404 in comparison to the prior year. Of the ending fund balance, \$2,260,968 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, 2023, amounted to \$1,855 (net of allowance for depreciation).

Debt administration. The System did not have any debt outstanding as of June 30, 2022 and 2023.

Economic Factors and Next Year's Budgets and Rates

The System continues to transition locations to the CENIC network in order to increase bandwidth and decrease costs through fiscal year 2024. To carry out this effort we continue to leverage opportunities through grant and e-rate funding. Noteworthy projects and funding for the upcoming budget year include grants to reconnect the Porterville and Firebaugh branches to CENIC network, which will be funded with Broadband Grants from the State Library. In addition to network upgrades, the System will begin to implement the strategic goals outlined in our 2023-2026 Technology Plan. The projects prioritized in the upcoming year include server migrations and modernization for the Integrated Library System and replacing older distributed file servers at our member's headquarter branches.

The fiscal year 2023-24 budget will include a migration of the server for the Integrated Library System and an upgrade to the latest version (7.6.0), with expenditures of \$17,500 being paid from the Technology Plan Budget. Additionally, \$25,000 will be budgeted for the replacement of existing distributed file servers.

**San Joaquin Valley Library System
Management's Discussion and Analysis
Year Ended June 30, 2023**

It is important to note that while the System was able to hire an Administrative Librarian, the System is now in its second year without a fully dedicated System Administrator for the Integrated Library System. As a result, the System is doing what it can to maintain services for members, but it is difficult without dedicated full-time staff.

Requests for Information

This financial report is designed to provide a general overview of the 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 requests for additional financial information should be addressed to the Library Business Manager, San Joaquin Valley Library System, 2420 Mariposa Street, Fresno, California, 93721.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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**San Joaquin Valley Library System
Statement of Net Position
June 30, 2023**

	Governmental Activities
ASSETS	
Current assets	
Cash and investments	\$ 5,159,944
Interest receivable	60,612
Prepaid expenses and other current assets	943
Due from other governments	16,134
	Total current assets
	5,237,633
Noncurrent assets	
Restricted cash – technology reserve	3,560,228
Capital assets, net	1,855
	Total noncurrent assets
	3,562,083
	Total assets
	8,799,716
LIABILITIES	
Current liabilities	
Technology reserve advances	3,560,228
Due to member agencies	653,956
Accounts payable and accrued expenses	287,759
Unearned revenues	34,007
	Total liabilities
	4,535,950
NET POSITION	
Net investment in capital assets	1,855
Unrestricted	4,261,911
	Total net position
	\$ 4,263,766

See accompanying Notes to the Basic Financial Statements.

**San Joaquin Valley Library System
Statement of Activities
Year Ended June 30, 2023**

Functions/Programs	Expenses	Program Revenues		Net Revenue (Expense) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Library system	\$ <u>3,914,591</u>	\$ <u>3,194,713</u>	\$ <u>334,875</u>	\$ <u>(385,003)</u>
Total	\$ <u>3,914,591</u>	\$ <u>3,194,713</u>	\$ <u>334,875</u>	<u>(385,003)</u>
General Revenues:				
				238,975
				<u>183,500</u>
				<u>422,475</u>
				37,472
				<u>4,226,294</u>
				\$ <u>4,263,766</u>

See accompanying Notes to the Basic Financial Statements.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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**San Joaquin Valley Library System
Governmental Fund**

**Balance Sheet and Reconciliation of the Governmental Fund Balance Sheet
to the Government-wide Statement of Net Position
June 30, 2023**

	General Fund
ASSETS	
Cash and investments	\$ 5,159,944
Restricted cash – technology reserve	3,560,228
Interest receivable	60,612
Due from other governments	16,134
Prepaid expenses and other current assets	943
Total assets	\$ <u>8,797,861</u>
LIABILITIES AND FUND BALANCE	
Liabilities	
Technology reserve advances	\$ 3,560,228
Due to member agencies	653,956
Accounts payable and accrued expenses	287,759
Unearned revenues	34,007
Total liabilities	<u>4,535,950</u>
Fund Balance	
Nonspendable	943
Assigned	2,000,000
Unassigned	2,260,968
Total fund balance	<u>4,261,911</u>
Total liabilities and fund balance	\$ <u>8,797,861</u>
Reconciliation of the Balance Sheet of the Governmental Fund to the Statement of Net Position:	
Total Fund Balance of Governmental Fund	\$ 4,261,911
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statements	<u>1,855</u>
Net Position of Governmental Activities	\$ <u>4,263,766</u>

See accompanying Notes to the Basic Financial Statements.

San Joaquin Valley Library System
Statement of Revenues, Expenditures and Changes in Fund Balance – General Fund and
Reconciliation of the Governmental Fund Statement of Revenues, Expenditures and Changes
in Fund Balance to the Governmental-wide Statement of Activities
Year Ended June 30, 2023

	General Fund
REVENUES	
Membership dues	\$ 1,951,095
Technology reserve charges	708,179
Telephone services	535,439
Grant revenues	334,875
Refunds and abatements	238,975
Interest income	183,500
Total revenues	3,952,063
 EXPENDITURES	
Professional services	1,622,997
Telephone charges	940,833
Grant project maintenance equipment	636,575
Maintenance equipment	328,813
System delivery	264,245
Utilities	38,000
Travel and conference	32,138
Postage and notice services	22,830
Office expense	10,358
Insurance	8,496
Peoplesoft charges	2,213
Memberships	2,161
Total expenditures	3,909,659
 Net change in fund balance	 42,404
Fund balance, beginning of year	4,219,507
Fund balance, end of year	\$ 4,261,911
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund to the Statement of Activities:	
Net change in Fund Balance - Governmental Fund	\$ 42,404
 Governmental fund reports capital outlay as expenditures However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of depreciation in the current period.	
	(4,932)
Change in Net Position - Governmental Activities	\$ 37,472

See accompanying Notes to the Basic Financial Statements.

San Joaquin Valley Library System
Statement of Revenues, Expenditures and Changes in Fund Balance – General Fund
Budget to Actual
Year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget positive (negative)
	Original	Final		
Resources (inflows):				
Membership dues	\$ 1,915,096	\$ 1,915,096	\$ 1,951,095	\$ 35,999
Technology reserve charges	1,101,000	1,101,000	708,179	(392,821)
Telephone services	1,162,463	1,162,463	535,439	(627,024)
Grant revenues	320,182	320,182	334,875	14,693
Refunds and abatements	-	-	238,975	238,975
Interest income	140,000	140,000	183,500	43,500
Total resources (inflows)	<u>4,638,741</u>	<u>4,638,741</u>	<u>3,952,063</u>	<u>(686,678)</u>
Charges to appropriations (outflows):				
Professional services	2,039,414	2,039,414	1,622,997	416,417
Telephone charges	1,300,000	1,300,000	940,833	359,167
Grant project maintenance equipment	1,117,467	1,117,467	636,575	480,892
Maintenance equipment	375,649	375,649	328,813	46,836
System delivery	228,500	228,500	264,245	(35,745)
Utilities	38,000	38,000	38,000	-
Travel and conference	55,200	55,200	32,138	23,062
Postage and notice services	41,000	41,000	22,830	18,170
Office expense	80,900	80,900	10,358	70,542
Insurance	8,700	8,700	8,496	204
Peoplesoft charges	12,000	12,000	2,213	9,787
Memberships	4,950	4,950	2,161	2,789
Total charges to appropriations (outflows)	<u>5,301,780</u>	<u>5,301,780</u>	<u>3,909,659</u>	<u>1,392,121</u>
Net change in fund balance	<u>\$ (663,039)</u>	<u>\$ (663,039)</u>	42,404	<u>\$ 705,443</u>
Fund balance, beginning of year			<u>4,219,507</u>	
Fund balance, end of year			<u>\$ 4,261,911</u>	

See accompanying Notes to the Basic Financial Statements.

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NOTES TO THE BASIC FINANCIAL STATEMENTS

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San Joaquin Valley Library System
Notes to the Basic Financial Statements
Year Ended June 30, 2023

NOTE 1 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 10 directors. The Administrative Council is supported by the Automation Committee and the Electronic Resources Committee. Funding for the System comes from member library contributions and the State of California through CLSA.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Basis of Presentation**

Financial statement presentation follows the standards promulgated by the Governmental Accounting Standards Board (GASB) commonly referred to as accounting principles generally accepted in the United States of America (U.S. GAAP). GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting standards.

The System's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and governmental fund financial statements, which provide a more detailed level of financial information.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the System's activities. The Statement 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.

San Joaquin Valley Library System
Notes to the Basic Financial Statements
Year Ended June 30, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

Taxes and other items not properly included among program revenues are reported as general revenues.

- 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.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The fund financial statements provide information about the System's governmental funds. The System reports one major governmental fund, the General Fund.

- Governmental Fund Financial Statements

Governmental fund financial statements (i.e., Balance Sheet and Statement 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.

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.

San Joaquin Valley Library System
Notes to the Basic Financial Statements
Year Ended June 30, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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. Cash also includes demand deposits with financial institutions. 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 Auditor-Controller/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 of Fresno Auditor-Controller/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 of Fresno Auditor-Controller/Treasurer is considered unclassified as to credit risk because it is not evidenced by securities that exist in physical or book entry form.

San Joaquin Valley Library System
Notes to the Basic Financial Statements
Year Ended June 30, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted cash – Technology Reserve

Restricted cash – technology reserve pertains to technology reserve advanced to the System from member agencies to be used for future equipment and network infrastructure upgrades.

E-Rate receivable

The System receives funding from Universal Service Administrative Co. (USAC) related to its E-Rate program, formally known as the Schools and Libraries Program. The program provides discounts to schools and libraries for eligible equipment and services. The System records receivables in the accounting period when the corresponding revenues become both measurable and available to finance expenditures of the fiscal period. As of June 30, 2023, E-Rate receivable amounted to \$0.

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 and Accrued Expenses

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 accounts payable and accrued expenses and other liabilities in the financial statements. Accounts payable and accrued expenses as of June 30, 2023 was \$287,759.

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 System 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.

San Joaquin Valley Library System
Notes to the Basic Financial Statements
Year Ended June 30, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Fund Balance (Continued)**

- *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.

Net Position

Net position represents the residual interest in the System's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted. In accordance with GASB Statement No. 63, the fund equity section on the Statement of Net Position was combined to report the 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.

San Joaquin Valley Library System
Notes to the Basic Financial Statements
Year Ended June 30, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Net Position (Continued)**

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 U.S. GAAP 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 Measurement

U.S. GAAP defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the statement of net position, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows:

Level 1 - Inputs are unadjusted, quoted prices for identical assets and liabilities in active markets at the measurement date.

Level 2 - Inputs, other than quoted prices included in Level 1, that are observable for the asset or liability through corroboration with market data at the measurement date.

Level 3 - Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

An asset's or liability's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. All assets and liabilities for which the fair value measurement is based on significant unobservable inputs or instruments which trade infrequently and, therefore, have little or no price transparency are classified as Level 3.

The System's financial assets and liabilities include primarily cash and investments, E-Rate receivable, interest receivable, due from other governments, technology reserve advances, due to member agencies, accrued expenses and other liabilities and accounts payable – 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 Statement of Net Position. The carrying amounts of these financial instruments approximate fair value because of the short-term maturities of those instruments.

San Joaquin Valley Library System
Notes to the Basic Financial Statements
Year Ended June 30, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Concentrations of Credit Risk**

The System maintains cash balances in two financial institutions. Cash balances in interest-bearing transaction accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. As of June 30, 2023, the System had \$0 held with financial institutions that exceeded the FDIC limit and were uninsured.

Technology Reserve Advances

Technology reserve advances consist of monies advanced to the System from member agencies to be used for future equipment and network infrastructure upgrades.

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.

Implementation of New Accounting Pronouncements

During the fiscal year ended June 30, 2023, the System adopted the following new Statements of the GASB with no impact on the accompanying financial statements:

GASB No. 91

In May 2019, the GASB issued Statement No. 91 "*Conduit Debt Obligations*". The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

GASB No. 94

In March 2020, the GASB issued 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 No. 96

In May 2020, the GASB issued Statement No. 96, "*Subscription-Based Information Technology Arrangements*". The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

GASB No. 98

In October 2021, the GASB issued Statement No. 98, "*The Annual Comprehensive Financial Report*". The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

**San Joaquin Valley Library System
Notes to the Basic Financial Statements
Year Ended June 30, 2023**

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of June 30, 2023 are reported in the basic financial statements as follows:

Cash and investments	\$ 5,159,944
Restricted cash - technology reserve	3,560,228
Total cash and investments	\$ <u>8,720,172</u>

Cash and investments are comprised of the following as of June 30, 2023:

Cash

County of Fresno Treasury Investment Pool	\$ 5,078,990
Demand deposits	80,954
Restricted cash - technology reserve	3,560,228
Total cash	\$ <u>8,720,172</u>

Investments authorized by the California Government Code (CGC) and the County of Fresno Treasury Investment Pool Investment Policy (IP)

The following table identifies the investment types that are authorized for the County by CGC, or the IP, where more restrictive. The table also identifies the more restrictive provisions of the CGC or the IP that address interest rate risk, credit risk, and concentration of credit risk. This table does not address the investment of debt proceeds held by bond trustees that are governed by the provisions of the County's debt agreements, rather than the general provisions of either the CGC or the IP.

<u>Authorized Investment Types</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Maturity</u>
U.S. Treasury Bills, Notes and Bonds	100%	5 Years
U.S. Government Agency Obligations	100%	5 Years
Bankers' Acceptances	40%	180 Days
Commercial Paper	40%	270 Days
Negotiable Certificates of Deposit	30%	13 Months
Non-Negotiable Certificates of Deposit	50%	13 Months
Repurchase Agreements	15%	Overnight/Weekend
Local Agency Investment Fund	\$65,000	Daily Liquidity
Medium Term Notes	30%	5 Years
Mutual Funds	20%	Daily Liquidity
Mortgage-Backed Securities	10%	5 Years

San Joaquin Valley Library System
Notes to the Basic Financial Statements
Year Ended June 30, 2023

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments authorized by the California Government Code (CGC) and the County of Fresno Treasury Investment Pool Investment Policy (IP) (Continued)

The County of Fresno’s pooled investments have recurring fair value measurement using other observable inputs and are classified under Level 2 within the fair value hierarchy table. Detailed information regarding the County of Fresno Treasury pooled cash and investments can be found in the County’s Annual Comprehensive Financial Report as of and for the year ended June 30, 2023. Such report is available from the Office of the Auditor-Controller/Treasurer-Tax Collector, 2281 Tulare Street, Fresno, CA 93721.

Custodial Credit Risk

The custodial credit risk for *demand deposits* is the risk that, in the event of the failure of a depository financial institution, the System will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the System will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The County’s investment policy requires that a third-party bank custody department hold all securities owned by the County. All trades are settled on delivery versus payment basis through the County’s safekeeping agent.

NOTE 4 CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2023 was as follows:

	Balances July 1, 2022	Additions	Deletions & Adjustments	Balances June 30, 2023
Computer equipment and software	\$ 155,465	\$	\$	\$ 155,465
Office equipment	6,581	_____	_____	6,581
Capital assets - gross	<u>162,046</u>	<u>-</u>	<u>-</u>	<u>162,046</u>
Less: accumulated depreciation	<u>(155,259)</u>	<u>(4,932)</u>	<u>-</u>	<u>(160,191)</u>
Capital assets - net	\$ <u>6,787</u>	\$ <u>(4,932)</u>	\$ <u>-</u>	\$ <u>1,855</u>

Depreciation expense for the year ended June 30, 2023 was \$4,932.

San Joaquin Valley Library System
Notes to the Basic Financial Statements
Year Ended June 30, 2023

NOTE 5 TECHNOLOGY RESERVE ADVANCES

Movement in Technology reserve advances for the year ended June 30, 2023 was as follows:

Technology reserve advances, beginning of year	\$ 3,676,436
Advances during the year	591,971
Withdrawals during the year	-
Charges during the year	<u>(708,179)</u>
Technology reserve advances, end of year	\$ <u><u>3,560,228</u></u>

NOTE 6 SUBSEQUENT EVENTS

The System has evaluated events or transactions that occurred subsequent to the balance sheet date through January 31, 2025, the date the accompanying financial statements were available to be issued, for potential recognition or disclosure in the financial statements and determined that no subsequent matters required disclosure or adjustment to the accompanying financial statements.


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**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

**To the Administrative Council of the
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 the major fund of the San Joaquin Valley Library System (the System), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the System's basic financial statements, and have issued our report thereon dated January 31, 2025.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 System's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Glendale, California
January 31, 2025

**San Joaquin Valley Library System
Schedule of Findings and Responses
For the year ended June 30, 2023**

There are no financial statement findings required to be reported in accordance with
Government Auditing Standards.



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DATE: February 7, 2025

TO: SJVLS Administrative Council

SUBMITTED BY: Chris Wymer – Administrative Librarian

SUBJECT: ERC Recommendation – Online Tutoring RFP Award

RECOMMENDED ACTION:

1. Approve ERC's recommendation to award the Online Tutoring RFP contract to Tutor.com.
2. Authorize the Administrative Librarian to execute an agreement with Tutor.com for an initial 3-year subscription, with two optional 1-year renewals for a total contract of \$550,000.

Approval of the recommended action will award the Online Tutoring RFP contract to ERC's recommended vendor, Tutor.com and authorize the Administrative Librarian to execute a contract for the services. The services will begin in August 2025 and continue through August 2030 with yearly subscription costs being \$110,000.

ALTERNATIVE ACTION(S):

Alternatively, Administrative Council could elect to not award a winner for the Online Tutoring RFP. In September 2024 the Local Public Library Partnership Program was amended making the requirement to provide Online Tutoring Services optional. This would allow individual members to make their own decisions about offering Online Tutoring and allow them to select their own vendors.

FISCAL IMPACT:

Approval of the recommended action will increase expenditures from the Online Materials budget in the amount of \$110,000 per year. In the upcoming fiscal year, 2025-26, adding this expense will not increase membership dues. The fiscal year budget already accounts for this expenditure without raising membership dues.

Approval of the alternative action will reduce SJVLS's Online Materials expenditures in the amount of \$110,000.

DISCUSSION:

SB 321 added the Local Public Library Partnership Program to the Education Code in 2023. The Program is designed to ensure that all pupils have access to a local public library by the time they enter the third grade. Those library cards are called "Student Success Cards."

Initially, the legislation required that Student Success Cards provide students with access to library collections that support school curriculum as well as pupil leisure reading, online research, and learning resources maintained by the local public library, Online Tutoring, and Digital Content from the State Library's K-12 Online Resources Project.

Based on the initial language of the Program, SJVLS released an RFP for a vendor to provide Online Tutoring Services to all SJVLS member libraries. The RFP was released in November 2024 and closed in December. In January 2025, the Electronic Resources Committee heard presentations from each respondent and submitted their scores for the RFP responses. After

compiling each member’s scores and averaging them, the respondent with the highest score was Tutor.com. ERC met on January 23, 2025, and voted to recommend Tutor.com to Administrative Council.

While the recommended action of this item is to initiate a contract with Tutor.com, new information was received after the RFP closed that allows Administrative Council to elect to not award a contract, if they choose.

In September 2024, the Local Public Library Partnership Program was amended. The amended law now reads that Student Success Cards provide access to specific services, including “Online tutoring, where available.” The amended language means that if a local public library doesn’t have a vendor or service to provide Online Tutoring services, they don’t have to offer the service to Student Success Card holders. This would allow individual members the ability to make their own decisions about offering tutoring services to their patrons, and allow them to select the vendor that’s the best fit for them.

PRIOR AGENDA REFERENCE:

Administrative Council Agenda – October 4, 2024. Item #1.
 Electronic Resources Committee Agenda – January 16, 2025. Item #1.
 Electronic Resources Committee Agenda – January 23, 2025. Item #1.

ATTACHMENTS INCLUDED AND/OR ON FILE:

On File – RFP 25-001: Online Tutoring Services.
 On File – Tutor.com RFP Response.

Motion:

Second:

_____ PASSED

_____ REJECTED

SAN JOAQUIN VALLEY LIBRARY SYSTEM
FY 2025-26
February 7, 2025

DATE: February 7, 2025

TO: SJVLS Administrative Council

SUBMITTED BY: Brian Henderson, Henderson CPAs
 SJVLS Fiscal Agent

SUBJECT: Preliminary Budget

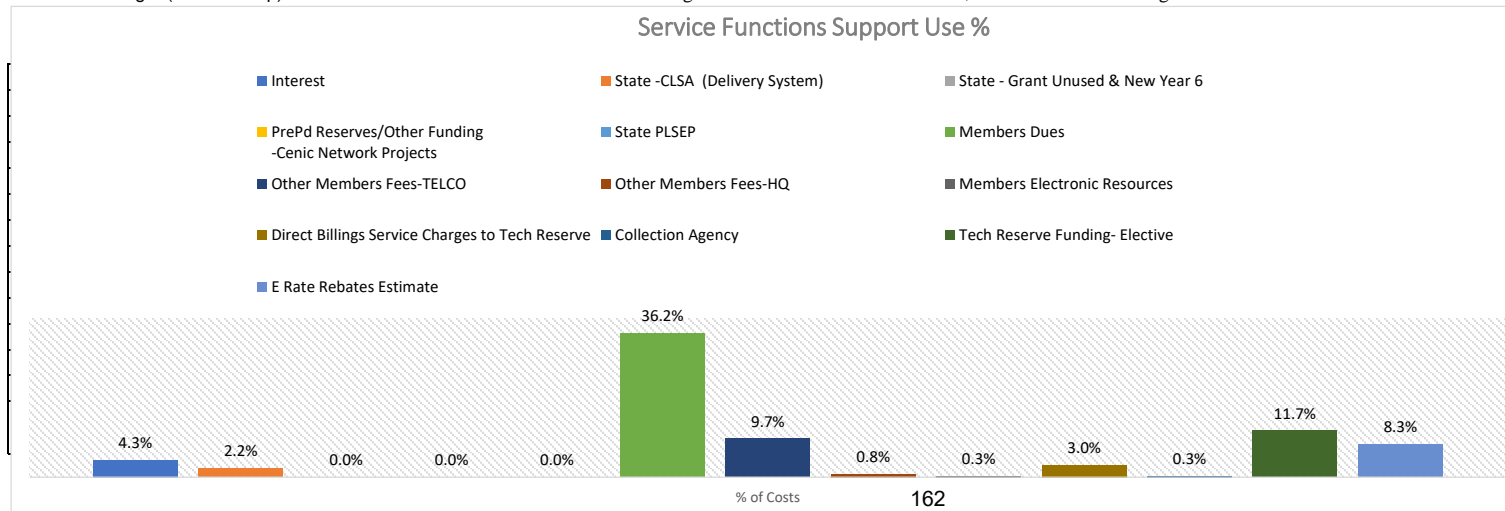
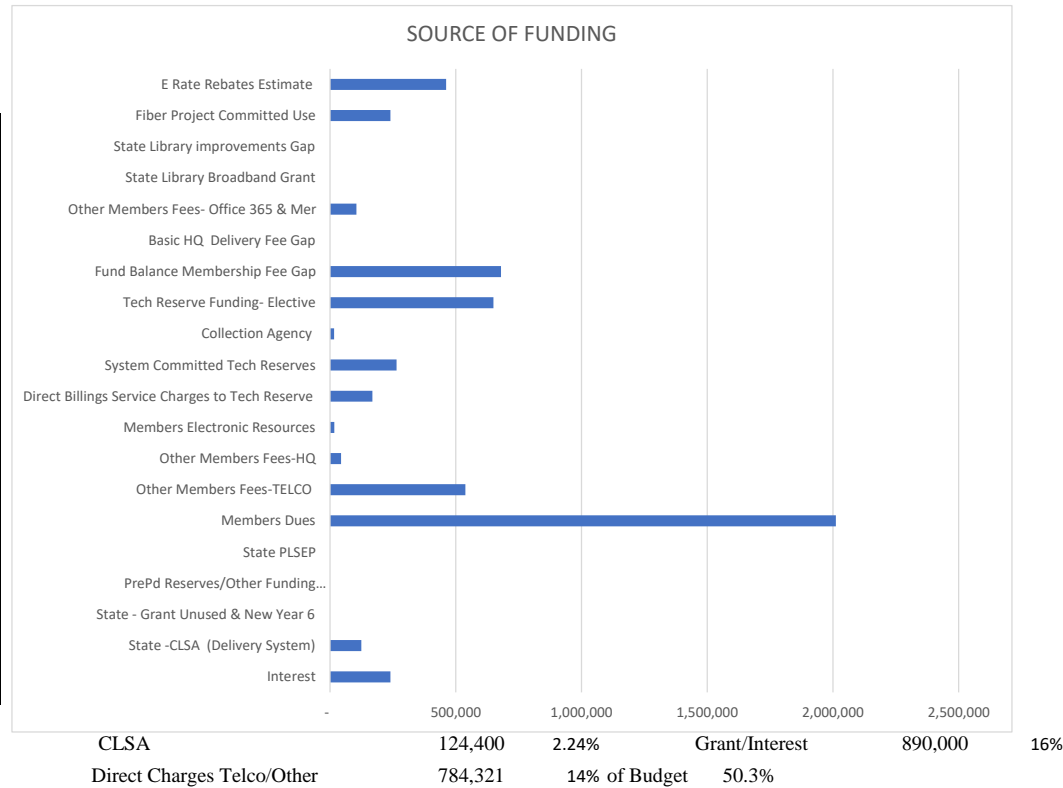
RECOMMENDED ACTION:

- | | |
|--|--------------|
| 1. Approve budget expenditures in the amount of | \$ 5,561,726 |
| 2. Approved estimated revenues in the amount of
Approval of Estimated Revenue sources as listed on Funding Sources. | \$ 4,377,136 |
| 3. Membership Rate Total Contribution | \$ 2,012,000 |
| 4. Unassigned Fund Balance - Use | \$ 680,090 |
| 4. Fiber System Projects
Funding offset:
Committed System Projects - Tech Reserves | \$ 240,000 |
| 5. Tech Plan Projects - System Committed and Other
Udemy, Mobile Printing, power disruption generator, Electronics, DFS Servers
Funding offset:
Committed System Projects - Assigned Fund Balance | \$ 264,500 |

Approval of recommended budget as noted in the budget highlights.

SAN JOAQUIN VALLEY LIBRARY SYSTEM
FY 2025-26
February 7, 2025

Source of Funding	Amount
Interest	240,000
State -CLSA (Delivery System)	124,400
State - Grant Unused & New Year 6	-
PrePd Reserves/Other Funding -Cenic Network Projects	-
State PLSEP	-
Members Dues	2,012,000
Other Members Fees-TELCO	538,395
Other Members Fees-HQ	44,040
Members Electronic Resources	17,394
Direct Billings Service Charges to Tech Reserve	168,476
System Committed Tech Reserves	264,500
Collection Agency	16,000
Tech Reserve Funding- Elective	650,000
Fund Balance Membership Fee Gap	680,090
Basic HQ Delivery Fee Gap	-
Other Members Fees- Office 365 & Mer	104,718
State Library Broadband Grant	-
State Library improvements Gap	-
Fiber Project Committed Use	240,000
E Rate Rebates Estimate	461,605
Total Funding for Budget	5,561,618
Membership Fees	2,012,000
% of Total Budget (Membership)	36.2%



SAN JOAQUIN VALLEY LIBRARY SYSTEM

FY 2025-26

February 7, 2025

Total Budget (Membership costs + Telco/other direct projects)	Current Costs FY 24-25	Recommended Upcoming Year Total Costs	\$ Change	% Change
CLSA Service Plan- Delivery & Other	240,500	245,310	4,810	2.0%
CLSA Service Plan- Rollover Online Materials	-	-	-	
Public Library Education (PLSEP)	-	-	-	
Membership operations	2,946,475	2,932,090	(14,385)	-0.5%
Additional: Member Selection/Direct Charges	2,047,326	1,879,826	(167,500)	-8.2%
Fiber Projects	599,731	240,000	(359,731)	-60.0%
Telemessaging Replacement	-	-	-	
System Committed Tech Reserves				
Tech Plan Project - Other				
System Committed Tech Reserves	270,900	264,500		0.0%
Total Budget	6,104,932	5,561,726	(536,806)	-9%

Budget Highlights

1. Summary of SJVLS Operational Budget - Core

	Current Costs FY 24-25	Upcoming Year Total Costs	\$ Change	% of Total Costs
System Operations	\$1,487,650	\$1,505,605	\$17,955	51%
<i>Note: Network & Librarian staffing wage increase</i>				
Planning & Evaluation	\$649,085	\$640,585	(\$8,500)	22%
<i>Note:</i>				
Cataloging Center	\$123,000	\$123,000	\$0	4%
Fresno as Cat Center	\$5,500	\$0	(\$5,500)	0%
Online E Resources Materials	\$270,240	\$287,400	\$17,160	10%
Telecommunications core	\$411,000	\$375,500	(\$35,500)	13%
	<u>\$2,946,475</u>	<u>\$2,932,090</u>	<u>(\$14,385)</u>	
Delivery (excluded, see #7 CLSA)				
Membership Costs	\$2,946,475	\$2,932,090	(\$14,385)	100%
		Increase by	-0.5%	

2. Summary of Offset Funding Sources

				Funding %
Membership Fees	\$2,012,000	\$2,012,000	\$0	69%
Fund Balance Withdrawal	\$694,475	\$680,090	(\$14,385)	23%
Interest Earned	\$145,000	\$240,000	\$95,000	8%
CLSA Allocation (beyond delivery)	\$0	\$0	\$0	0%
Total Funding Sources	\$2,851,475	\$2,932,090	\$80,615	

3. ILL System

	Current Costs FY 24-25	Upcoming Year Total Costs	\$ Change
<i>Note:</i>			
SirsiDynix total budget is listed on three separate lines			
SirsiDynix	\$148,671	\$148,671	
Kids Catalog and/or Red Hat Renewal	\$1,200	\$1,200	
Web Services Connector	\$1,700	\$1,700	
Merced Community Engagement	\$7,395	\$7,395	
eRC Connector OverdriveMagazines(year 3)	\$3,816	\$3,816	
eRC Connector Free gal	\$1,900	\$1,900	
eRC ConnectorHoopla digital	\$4,318	\$4,318	
	<u>\$169,000</u>	<u>\$169,000</u>	<u>\$0</u>

4. Staff Training and Volunteer

Staff training	\$15,000
	<u>\$15,000</u>

4. System Info Tech Plan Fiscal Assigned (Pending approval of FY plan)

System Committed Tech Reserves by each Member (done)	\$799,347
withdrawal for Access Point renewal in three years	
withdrawal if participation on Cenic Broadband project, staff will return to board	
System Assigned Fund Balance	\$1,411,213 <i>Board approved 9/25/2020</i>
	<u>\$2,210,560</u>

6. Grants Network Technology/Broadband

Excluded in budget. Staff will return to Board for approval.

SAN JOAQUIN VALLEY LIBRARY SYSTEM
FY 2025-26
February 7, 2025

Budget Highlights

7. System Basic Delivery Services - Funded by CLSA (Cooperative Service Plan)

	Upcoming Year	
	Total Costs	
	\$245,310	<i>Assuming 2% increase from FY24/25</i>
Pending delivery updated estimates for gas prices and other costs	\$0	
Other Operations Category - CLSA Rollover Online Materials	\$0	
Other Operations Category - CLSA Online Materials (Cloud Library Titles)	\$0	
	<u>\$245,310</u>	

Due to State no later than June 3
Allocation Notice -TBD Late April

8. Equipment Orders - Fall & Spring
 Pending member elective elections

FY 2024-25
Upcoming Year
Total Costs
<u>\$650,000</u>

9. Cataloging Services
 Membership

Vendor	FY 2025-26 Upcoming Year Total Costs	FY 2026-27 Proposed Budget
OCLC	102,000	102,000
Expoxxy	10,000	10,000
System CAT Center	-	-
Backstage-	5,000	5,000
Backstage- Authority Control	6,000	6,000
	Costs	Costs
	<u>123,000</u>	<u>123,000</u>

10. Online Materials
 Membership

Vendor	FY 2025-26 Upcoming Year Total Costs	FY 2026-27 Proposed Budget
Califa Annual Membership	3,400	3,400
CloudLibrary Platform Fee	5,000	5,000
CloudLibrary Titles (eBooks & Audiobooks)	50,400	50,400
Pronunciator	30,000	32,000
Tutor Services	120,000	120,000
Cengage Gale Database (Decreased from \$63,389 due to Udemy)	33,000	33,000
Education and Career Module & Info Science	35,000	35,000
Califa- Quipu E Card Registration	10,600	10,600
Additional Online Materials Resources		
	Sum	Sum
	<u>284,000</u>	<u>286,000</u>
	Costs	Costs
	<u>287,400</u>	<u>289,400</u>

11. Tech Plan

Assigned Fund Balance

Project	FY 2025-26 Upcoming Year Total Costs	FY 2026-27 Proposed Budget
Mobile Printing	4,500	
Switches	20,000	74,000
Udemy	75,000	-
DRS Servers/Routers	30,000	19,500
Copper	10,000	
CloudLibrary Titles (eBooks & Audiobooks)	75,000	75,000
Power Distruprtion- Portable Generator	50,000	20,000
SJVLS Office Move- Misc.	-	1,295,325
	Costs	Costs
	<u>264,500</u>	<u>1,483,825</u>

Members to Budget -

FY 2025-26

February 7, 2025

Membership & Telecommunications

Membership Rate Increase \$0 for Total \$2,012,000; Approved by Admin Council TBD

Other Charges: Additional Direct Charge to Budget

Summary Report

	Member's Budget Total Amount	
Members		
Coalinga	35,672	
Fresno	933,141	
Kern	662,218	
Kings	147,214	
Madera	158,474	
Mariposa	84,024	
Merced	252,444	
Porterville	51,082	
Tulare Co.	331,126	
Tulare Pub	62,031	
	-	
Total Members	2,717,425	

Details of Future Invoices Costs To Budget

	Upcoming Membership Fee Approved TBD	SmartPay Merchant fee & Other Selection (Fresno)	Smartnet HQ	Fortinet HQ	Office 365	Meraki License	eRC Connector Free gal	eRC Connector Overdrive Magazines (year 3)	eRC Community Engagement Platform	eRC Connector Hoopla digital	Invoice (August 2025)
Members											
Coalinga	22,133		954	3,450	1,063	572					28,172
Fresno	736,840	128	954	3,450	20,721	14,275	1,865	1,908			780,141
Kern	540,776	750	954	3,450	13,131	8,157					567,218
Kings	101,849		954	3,450	2,353	3,908					112,514
Madera	107,624		954	3,450	1,898	4,248					118,174
Mariposa	36,496		954	3,450	2,125	3,399					46,424
Merced	158,709		954	3,450	4,250	5,778		1,908	7,395		182,444
Porterville	40,180		954	3,450	1,670	510				4,318	51,082
Tulare Co.	214,145		954	3,450	4,250	8,327					231,126
Tulare Pub	53,248		954	3,450	1,366	2,718					61,736
SJVLS user											
Total Members	2,012,000	878	9,540	34,500	52,826	51,892	1,865	3,816	7,395	4,318	2,179,030

AR Billing-Timeline	Invoice #1- August 10	Invoice #1- August 10	Invoice #1- August 10	Invoice #1- August 10	Invoice #1- August 10	Invoice #1- August 10	Invoice #1- August 10	Invoice #1- August 10	Invoice #1- August 10	Invoice #1- August 10	Total August Invoice #1
SmartNet increase:											

SmartNet increase:

	Prior Year FY 2023-24	Teleco Current Year FY 2024-25	FY 25-26 Estimate TELCO	Change	Teleco (Feb 2026)
Members					
Coalinga	7,500	7,500	7,500	-	7,500
Fresno	153,000	153,000	153,000	-	153,000
Kern	95,000	95,000	95,000	-	95,000
Kings	34,700	34,700	34,700	-	34,700
Madera	40,300	40,300	40,300	-	40,300
Mariposa	34,000	37,600	37,600	-	37,600
Merced	70,000	70,000	70,000	-	70,000
Porterville	0	0	0		-
Tulare Co.	100,000	100,000	100,000	-	100,000
Tulare Pub	295	295	295	-	295
				-	
Total Members	534,795	538,395	538,395	-	538,395

February

**Members to Budget -
FY 2025-26**

**AR Billing- Invoice Date:
Timeline Sept 10th**

Pre Paid Direct Charges Optional Selection

If interested, please email with your selection.

Members	Pre Paid Patron Notice	Electronic Resources	Other Selections	Total
Coalinga				-
Fresno				-
Kern				-
Kings				-
Madera				-
Mariposa				-
Merced				-
Porterville				-
Tulare Co.				-
Tulare Pub				-
Estimated Budget		650,000		650,000
Total AR Billing	-	650,000	-	650,000

SAN JOAQUIN VALLEY LIBRARY SYSTEM
FY 2025-26
February 7, 2025

Budget Plan for Expenses

	Prior Year FY 21-22	Prior Year FY 22-23	Prior Year FY 23-24	Current Year FY 24-25	Year 1 Upcoming Year Total Costs FY 25-26	Year 2 Upcoming Year Total Costs FY 26-27	Current Year \$ Change
Budget Total	4,353,297	5,301,780	5,082,545	6,104,932	5,561,726	5,784,195	(543,206)
Total Budget (Membership costs + Telco/other direct projects.						<i>assume 4% CPI</i>	

1. Summary of SJVLS Operational Budget - Core

	FY 21-22	Prior Year FY 22-23	Prior Year FY 23-24	Current Year FY 24-25	Upcoming Year Total Costs FY 25-26	Upcoming Year Total Costs FY 26-27	\$ Change	Contribution Method
System Operations	\$1,207,544	\$1,368,019	\$1,422,229	\$1,487,650	\$1,505,605	\$1,565,829	\$ 17,955	Tripartite
Planning & Evaluation	\$431,709	\$640,935	\$630,900	\$649,085	\$640,585	\$650,000	\$ (8,500)	Population ratio
Cataloging Services	\$102,300	\$114,800	\$118,000	\$123,000	\$123,000	\$128,000	\$ -	Population ratio
Fresno as Cat Center	\$3,000	\$3,000	\$5,500	\$5,500	\$0	\$0	\$ (5,500)	Population ratio
Online E Resources Materials	\$185,970	\$190,000	\$192,000	\$270,240	\$287,400	\$239,000	\$ 17,160	Population ratio
Telecommunications core	\$410,807	\$401,381	\$391,000	\$411,000	\$375,500	\$368,000	\$ (35,500)	Population ratio
Membership Costs	\$2,341,330	\$2,718,135	\$2,759,629	\$2,946,475	\$2,932,090	\$2,950,829	(\$14,385)	
Other Expense - Bill and Collect other Sources	2,011,967	2,583,645	2,322,916	3,158,457	2,629,636	2,833,366		

2. Summary of Offset Funding Sources- Budget

Membership Fees	\$1,789,809	\$1,915,096	\$1,953,398	\$2,012,000	\$2,012,000	pending	0
Fund Balance Withdrawal	\$481,521	\$663,039	\$661,231	\$789,475	\$680,090	pending	(109,385)
Interest Earned	\$70,000	\$140,000	\$145,000	\$145,000	\$240,000	\$240,000	95,000
							\$0
Total Funding Sources	\$2,341,330	\$2,718,135	\$2,759,629	\$2,946,475	\$2,932,090		(\$14,385)
Membership Operations							

3. Actual use of Funding Sources

	YTD- 12/31/24	
Membership Fees	\$1,953,398	\$2,012,000
Fund Balance Withdrawal	\$200,720	(\$996,784)
Interest Earned	\$172,432	\$181,150
Actual Funding Sources	\$2,326,550	\$1,196,366
Membership Operations		

DATE: February 7, 2025

TO: SJVLS Administrative Council

SUBMITTED BY: Brian Henderson, Henderson CPAs
SJVLS Fiscal Agent

SUBJECT: Upcoming Budget Year Membership Fee Rate

RECOMMENDED ACTION:

1. Approve a zero percent change in Membership Fees, for a total membership of \$2,012,000.

Approval of the action will establish the Membership Fee rate for the upcoming budget year to support the development of operational budget in the amount of \$2,932,090 and the funding sources to be collected in accordance with strategic plan for annual increase minimum. The total membership fees in total did not increase, but allocation of the membership does have some changes due to changes in population and the volume ratio's, with the allocation of system operations being charged to members based on these associated ratio's.

FISCAL IMPACT:

The lack of an increase in the rate will continue to support up to 69% of operational costs which includes inflation estimates and other known increases. Total operational budget costs will be funded with revenue estimates from three sources Membership Fee, Fund balances and interest earned. We will also provide the board with a preliminary budget.

DISCUSSION:

The budget development of operational budget will be based on the rate approved and other funding sources to be collected. Fiscal agent will return to the board with budget timelines for recommended adoption of budget no later than June.

The attachment provides the details on membership history, rate of increase and member's contribution based on population ratio for increase amount.

PRIOR AGENDA REFERENCE:

N/A

ATTACHMENTS INCLUDED AND/OR ON FILE:

The attachment provides the details on membership history, rate of increase and member's contribution based on population ratio for increase amount.

Motion:

Second:

_____ PASSED

_____ REJECTED

Membership Fees History

Presented by: Brian Henderson, Fiscal Agency

Fiscal Year	Membership Fee	% of Increase (2)	Increase by	Portion of Total Budget (Operational Costs)	% Funding	System Delivery (funded by CLSA)	Madera Extra Delivery (paid by Madera)
FY 2014-2015	\$ 1,452,289		<i>loop in online materials</i>	\$ 2,463,943	58.9%	\$ -	
FY 2015-2016	\$ 1,549,473	7%		\$ 2,729,785	56.8%	\$ 125,244	
FY 2016-2017	\$ 1,507,387	-3%	<i>switch to direct billing for Telco</i>	\$ 2,197,807	68.6%	\$ 118,540	
FY 2017-2018	\$ 1,507,387	0%	\$ -	\$ 2,244,496	67.2%	\$ 158,040	
FY 2018-2019	\$ 1,507,387	0%	\$ -	\$ 2,326,854	64.8%	\$ 159,413	
FY 2019-2020	^{1 & 2} \$ 1,662,904	10%	\$ 155,517	\$ 2,709,980	61.4%	\$ 177,840	
FY 2020-2021	\$ 1,789,809	8%	\$ 126,905	\$ 2,342,580	76.4%	\$ 173,100	
FY 2021-2022	\$ 1,789,809	0%	\$ -	\$ 2,341,330	76.4%	\$ 235,672	\$ 13,000
FY 2022-2023	\$ 1,915,096	7%	\$ 125,287	\$ 2,718,135	70.5%	\$ 209,000	
FY 2023-2024	\$ 1,953,398	2%	\$ 38,302	\$ 2,759,629	70.8%	\$ 239,407	
FY 2024-2025	\$ 2,012,000	3%	\$ 58,602	\$ 2,628,855	76.5%	\$ 220,000	
FY 2025-2026	\$ 2,012,000	0%	\$ -	\$ 2,932,090	68.6%	\$ 124,400	

Note:

1	1,612,904	Members
	50,000	<i>additional adjustment - Fresno Member</i>
	1,662,904	Total Membership FY 19-2020

2 The Membership Fee increase of \$125, 287 will be applied to Member's based on recent population ratio.
 The Total Fee consists of baseline costs at FY 13-14 Membership Rate/ratio share plus increase in fees from FY 2015-16.
 In May 2019 the Admin Council decline the transition of Membership Fee based on today's costs and shift of ratios per consultant recommendations In May 2020.

3 Recommend increase (7 percent) as stated approved Strategic Plan. \$ -

4 Operational costs exclude telecommunications, delivery, network projects, technology replacement, technology upgrades and future grant projects.

Contribution Membership Fee by Member

Guideline: JPA agreement, page 7, line 8, c) Contribution from Participants

Total Fee \$ **2,012,000**
Increase Amount \$ **-**

Adjusted Membership Rate with noted adjustment to Tulare County for Porterville and Tulare Public

Members	State Certified Population 6-1-2020	Prior Meeting Population Prior Presented 1/15/22	Adjusted State Certified Population 1-1-2021	State Certified Population Jan 2022	State Certified Population Jan 2023	State Certified Population Jan 2024	Contribution Ratio	Increase Fee Share	Prior Year Approved Membership	Draft Recommended Membership Fee (Agenda Date: 2/7/25)	Change Amount
Coalinga	24,498	24,152	24,152	17,277	17,237	23,455	0.78%	\$ -	\$ 26,318	\$ 21,664	\$ (4,654)
Fresno	990,451	1,002,529	1,002,529	993,996	994,262	993,976	33.13%	\$ -	\$ 791,889	\$ 731,686	\$ (60,203)
Kern (*removed Shafter)	897,225	893,745	893,745	889,327	886,158	888,074	29.60%	\$ -	\$ 514,636	\$ 544,782	\$ 30,146
Kings	153,608	152,543	152,543	152,023	151,018	152,627	5.09%	\$ -	\$ 103,771	\$ 101,885	\$ (1,886)
Madera	158,147	158,474	158,474	157,396	158,148	159,328	5.31%	\$ -	\$ 116,463	\$ 107,566	\$ (8,897)
Mariposa	18,067	18,037	18,037	17,045	16,935	16,966	0.57%	\$ -	\$ 33,314	\$ 34,657	\$ 1,343
Merced	283,521	284,836	284,836	284,338	285,337	287,303	9.57%	\$ -	\$ 161,471	\$ 161,194	\$ (277)
Porterville	59,655	59,571	59,571	62,345	62,588	62,934	2.10%	\$ -	\$ 19,082	\$ 40,328	\$ 21,246
Tulare Co.	352,488	481,733	352,916	343,207	342,799	345,185	11.50%	\$ -	\$ 187,739	\$ 215,413	\$ 27,674
Tulare Pub	67,834	69,246	69,246	69,462	69,677	70,799	2.36%	\$ -	\$ 57,317	\$ 52,825	\$ (4,492)
Total Members	3,005,494	3,144,866	3,016,049	2,986,416	2,984,159	3,000,647	100.00%	-	\$ 2,012,000	\$ 2,012,000	\$ (0)

	State Certified Population 6-1-2020	State Certified Population 1-1-2021	State Certified Population Jan 2022	State Certified Population Jan 2023	State Certified Population Jan 2024
Fresno County					1,017,431
less:					
Coalinga					(17,107)
Huron					(6,348)
Total- Fresno County	-	-	-	-	993,976

	State Certified Population 6-1-2020	State Certified Population 1-1-2021	State Certified Population Jan 2022	State Certified Population Jan 2023	State Certified Population Jan 2024
Kern	917,553	914,193	909,813	907,476	910,300
less:					
City of Shafter	(20,328)	(20,448)	(20,486)	(21,318)	(22,226)
Total- Kern County	897,225	893,745	889,327	886,158	888,074

	State Certified Population 6-1-2020	State Certified Population 1-1-2021	State Certified Population Jan 2022	State Certified Population Jan 2023	State Certified Population Jan 2024
Tulare County	479,977	481,733	475,014	475,064	478,918
less:					
Poterville	(59,655)	(59,571)	(62,345)	(62,588)	(62,934)
Tulare Public	(67,834)	(69,246)	(69,462)	(69,677)	(70,799)
Total- Tulare County	352,488	352,916	343,207	342,799	345,185

Contribution Membership Fee by Member

Guideline: JPA agreement, page 7, line 8, c) Contribution from Participants

Total Membership Budget Costs Operations Summary Page 6		Population ratio Operations Summary Page 6 (a)	(A) Population	Tripartite Contribution Method Operations Summary Page 6 (b)	(A) Tripartite	Total Budget System Operations (0130) Budgeted Membership Fees (i)		
\$ 2,932,090		\$ 1,426,485		\$ 1,505,605		\$ 2,012,000		
Members	Total Budget Costs (c) (a) x (d)	Contribution Ratios (d)	Total Budget System Operations (0130) (e) (b) x (f)	Ratios (Computer JPA) (f)	Total Budget Costs (g) (c) + (e)	Total Budget Costs % (h)	Total Budget Membership Fees (i) x (h)	
Coalinga	11,150	0.0078	21,104	0.0140	32,255	1.10%	22,133	
Fresno	472,529	0.3313	601,268	0.3994	1,073,796	36.62%	736,840	
Kern (*removed Shafter)	422,184	0.2960	365,890	0.2430	788,073	26.88%	540,776	
Kings	72,558	0.0509	75,868	0.0504	148,425	5.06%	101,849	
Madera	75,743	0.0531	81,098	0.0539	156,841	5.35%	107,624	
Mariposa	8,066	0.0057	45,120	0.0300	53,186	1.81%	36,496	
Merced	136,582	0.0957	94,705	0.0629	231,287	7.89%	158,709	
Porterville	29,918	0.0210	28,637	0.0190	58,555	2.00%	40,180	
Tulare Co.	164,098	0.1150	147,976	0.0983	312,074	10.64%	214,145	
Tulare Pub	33,657	0.0236	43,941	0.0292	77,598	2.65%	53,248	
Total Members	1,426,485	1.0000	1,505,605	1.0000	2,932,090	100%	2,012,000	

Ratios for use for Budget and Membership share of costs

Note: Data for volumes and annual circulation shall be collected from shared automated library system

MEMBER						
Members	Volumes Held	Prior Year Circulation	Total Combined Volume/Circ	Ratio Volumes/Circ	Ratio Branch	Total Combined Ratio
Coalinga	80,072	21,968	102,040	0.016	0.0182	0.0345
Fresno	820,540	1,843,650	2,664,190	0.427	0.3182	0.7453
Kern	702,128	695,102	1,397,230	0.224	0.2273	0.4513
Kings	190,846	134,746	325,592	0.052	0.0636	0.1158
Madera	195,666	173,843	369,509	0.059	0.0455	0.1047
Mariposa	76,256	56,743	132,999	0.021	0.0455	0.0668
Merced	199,839	254,921	454,760	0.073	0.1091	0.1820
Porterville	42,678	91,250	133,928	0.021	0.0182	0.0397
Tulare Co.	226,686	248,209	474,895	0.076	0.1455	0.2216
Tulare Pub	77,540	104,594	182,134	0.029	0.0091	0.0383
			-			
Totals	2,612,251	3,625,026	6,237,277		1	1

Members	Total Combined Volume/Circ (1 & 2)	# of Branch Count (3)	Collected from From Population Worksheet			FY 2025-2026
			State Certified Population UPDATE: Jan 2024 (4)	Quadparte (JPA not amended)	Quadparte Ratio (JPA not amended)	(A) Tripartite Ratios (Computer JPA)
Coalinga	107,512	2	23,455	130,969	0.01402	0.0140
Fresno	2,737,311	41	993,976	3,731,328	0.39935	0.3994
Kern	1,382,527	23	888,074	2,270,624	0.24302	0.2430
Kings	318,185	8	152,627	470,820	0.05039	0.0504
Madera	343,941	6	159,328	503,275	0.05386	0.0539
Mariposa	263,038	5	16,966	280,009	0.02997	0.0300
Merced	300,407	12	287,303	587,722	0.06290	0.0629
Porterville	114,776	2	62,934	177,712	0.01902	0.0190
Tulare Co.	573,107	17	345,185	918,309	0.09828	0.0983
Tulare Pub	201,884	1	70,799	272,684	0.02918	0.0292
	-			-	0.00000	-
Totals	6,342,688	117	3,000,647	9,343,452	1.00000	1.0000

9,343,335

Total Membership Fee	\$ 2,012,000
Total Costs	\$ 3,163,790

Members	Costs by Member	Fee by Member
Coalinga	44,347	22,133
Fresno	1,263,466	736,840
Kern	768,857	540,776
Kings	159,425	101,849
Madera	170,414	107,624
Mariposa	94,814	36,496
Merced	199,009	158,709
Porterville	60,175	40,180
Tulare Co.	310,949	214,145
Tulare Pub	92,334	53,248
	-	-
Totals	3,163,790	2,012,000

DATE: February 7, 2025
TO: SJVLS Administrative Council
SUBMITTED BY: Chris Wymer – Administrative Librarian
SUBJECT: AB 1825: California Freedom to Read Act

DISCUSSION:

The California Legislature passed AB 1825: The California Freedom to Read Act during the 2023-24 legislative session. The law went into effect on January 1, 2025.

The Act establishes that all libraries are “among other things, a source of information and inspiration to persons of all ages, cultural backgrounds, and economic statuses” and helps protect Californian’s ability to access broad and diverse collections of materials.

The Act requires every library jurisdiction that directly receives any state funding to “establish, adopt, and maintain a written and publicly accessible collection development policy for its libraries by January 1, 2026.” The adopted policy must be sent to the State Librarian for review.

The Act requires the collection development policies to include all the following elements:

- a. Establish a process for community members to share their concerns regarding library materials and to request that library materials be reconsidered for inclusion in the library’s collection.
- b. Guide the selection and deselection of library materials.
- c. Acknowledge that the public library’s collection meets the broad and diverse interests of the community and respect both the library’s autonomy and their specific community needs.
- d. Establish that the public library serves as a center for voluntary inquiry and the dissemination of information and ideas.
- e. Acknowledge that library materials should be provided for the interest, information, and enlightenment of all people, and should present diverse points of view in the collection as a whole.
- f. Acknowledge the right of the public to receive access to a range of social, political, aesthetic, moral, and other ideas and experiences.

The Act also includes protections for library workers, as well as stipulating that public libraries may not exclude materials, or limit access to materials on the basis of specific criteria, and that patrons access to materials cannot be denied or abridged solely on the basis of protected characteristics.

SJVLS has reached out to the State Library to clarify if the shared CloudLibrary collection requires SJVLS to draft and adopt a Collection Development Policy.

PRIOR AGENDA REFERENCE:

Administrative Council Agenda – December 6, 2024. Item #4.

ATTACHMENTS INCLUDED AND/OR ON FILE:

Attachment #1 – California Freedom to Read Act

DATE: February 7, 2025

TO: SJVLS Administrative Council

SUBMITTED BY: Chris Wymer – Administrative Librarian

SUBJECT: AB 1637: Local Government Internet Websites and Email Addresses

DISCUSSION:

The California Legislature passed AB 1637: Local Government Internet Websites and Email Addresses during the 2023-24 legislative session. The law went into effect January 1, 2024.

The Act requires that all California local agencies that maintain an internet website for use by the public shall ensure that the website uses either a .gov or a .ca.gov domain before January 1, 2029.

The full text of the law is:

50034.

(a) (1) No later than January 1, 2029, a local agency that maintains an internet website for use by the public shall ensure that the internet website utilizes a “.gov” top-level domain or a “.ca.gov” second-level domain.

(2) If a local agency that is subject to paragraph (1) maintains an internet website for use by the public that is noncompliant with paragraph (1) by January 1, 2029, that local agency shall redirect that internet website to a domain name that does comply with paragraph (1).

(b) No later than January 1, 2029, a local agency that maintains public email addresses for its employees shall ensure that each email address provided to its employees utilizes a “.gov” domain name or a “.ca.gov” domain name.

(c) For purposes of this section, “local agency” means a city, county, or city and county.

(Added by Stats. 2023, Ch. 586, Sec. 2. (AB 1637) Effective January 1, 2024.)

PRIOR AGENDA REFERENCE:

Administrative Council Agenda – December 6, 2024. Item #4.

ATTACHMENTS INCLUDED AND/OR ON FILE:

None.

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 Cooperative Library System Liaison Report
Updated February 3, 2025

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State Library News

LDS Newsletter

Sign up today for our [newsletter!](#) Please share this with your teams.

California Public Libraries Survey

California's 2023-2024 Public Libraries Survey opened for data input on September 3, 2024 and closed October 31, 2024. The data will be submitted to IMLS in January-February 2025 and libraries may be contacted to correct entry errors. Vetted data will be available for use by the public and all libraries in the spring. For questions, contact LibraryStatistics@library.ca.gov

While you wait for the full dataset, you can access [2024 California Public Library Staff Survey](#). The snapshot survey, conducted every three years, enables you to view salary ranges for ten positions commonly included in California public libraries' staff. The table includes library type (county, city, etc.), population served, size of service area, number of outlets (branches and bookmobiles), and county. You can sort the table in LibPAS by clicking on those headings. You can also download the whole dataset by clicking on the little excel icon.

Marketing Toolkits

The [California State Library's marketing toolkits](#) are designed to help California libraries deliver consistent messaging about the services and resources you provide to your communities. This is part of an effort to help coordinate statewide messaging about the many great things libraries do every day. We encourage you to use the messages, graphics, and other resources to raise awareness and reinforce the value and impact libraries provide to their communities.

The California State Library has expanded its [Library Marketing Toolkits](#) for local libraries to include a [Holiday and New Year's toolkit](#), including videos from California State Librarian Greg Lucas. The toolkit encourages Californians to reach for their library card instead of a credit card to save money during the holidays. The marketing web page includes press release templates, social media messaging suggestions, graphics, videos, and pictures.

California Freedom To Read Act

The California Freedom to Read Act requires every public library jurisdiction that directly receives any state funding to establish, adopt, and maintain a written and publicly accessible collection development policy for its libraries by January 1, 2026. The State Library has set up [this webpage](#) to help libraries in complying with the law.

At the State Library, we would like to see the language in the bill in your collection development policies as is. We cannot provide any legal interpretation or advice on the language submitted.

We understand that some libraries might experience a challenge with this request, so we urge you reach out very soon if this is the case to collectiondevelopmentpolicy@library.ca.gov. We will offer libraries the opportunity to demonstrate how their policy complies with the language in the new law. This information would come in the form of an attachment to your policy, from the library director, that clearly explains how your policy's language maps to the language in the law. As a reminder, we at the State Library are consultants and administrators and we cannot provide a legal interpretation of your policy.

State Library staff are available to provide technical assistance to libraries who need help with their policies. If you would like to speak with a State Library staff member about your policy or the bill, please email collectiondevelopmentpolicy@library.ca.gov with your request.

Open Opportunities

[LSTA 2025-2025 Grant Opportunities Open – Apply by 3/12/2025 at Noon](#)

The application period for five [2025-26 LSTA grant opportunities](#) is now open! The application period will close on **Wednesday, March 12 at 12:00 noon**.

Funding for these opportunities is contingent upon federal funding confirmation, the passage of the 2025-26 state budget, and authorization in the state budget to expend these funds.

The State Library team is here to help! [Request a meeting](#) to discuss your proposal with members of our team. For those with questions about designing equitable grant programs, we may ask a trained [Equity Advisor](#) to join the meeting.

Please see a description of each of the five LSTA grant opportunities below and follow the links for more information about each opportunity, including instructions about how to apply. Also see the [LSTA Application Guide](#) for complete guidelines and instructions.

[Community Impact Grants](#)
[Teens Succeed](#)
[Play for All](#)
[Sustainable California Libraries](#)
[eBooks for All California](#)

Please email ltagrants@library.ca.gov with any questions.

Public Library Staff Education Program (PLSEP) Mentorship Program Applications Due 2/17/2025

Get involved in the [Public Library Staff Education Program \(PLSEP\) Mentorship program for 2025!](#)

Learn more about:

- The benefits of participating in mentorship
- Why you should become a mentee (open to current PLSEP participants only)
- Why you should become a mentor and what makes an ideal mentor

Timeline:

- **February 17, 2025 at 11:59 PM – Mentor and mentee applications are due**
- March 1 – June 30, 2025 – PLSEP mentorship program period

Questions? Email: sclcadmin@socallibraries.org

LSTA funded

Career Online High School

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

Current Projects and Services

California Library Literacy Services – Ongoing

The combined **CLLS 2024-2025 midyear report/2025-2026 preapplication for current CLLS programs is now open** in Counting Opinions closed Monday, February 3. The CLLS team will be providing comments to individual libraries.

For information on ongoing training, visit the CLLS training and meeting [calendar](#). Monthly networking/community of practice calls for general CLLS topics, family literacy, and ESL are also scheduled for each month. The Adult Learner Leadership Institute project has announced four cohort dates for 2025. The CLLS website has migrated to the California State Library: <https://www.library.ca.gov/services/to-libraries/clls/> For more information on any of these programs, or to subscribe to the CLLS staff or CLLS directors' listserv, contact clls@library.ca.gov. CLLS is State funded, and Literacy Initiatives projects are LSTA funded.

California Libraries Learn (CALL) – professional development for all levels of library staff

- Access live and recorded professional development for *all* members of your staff at www.callacademy.org.
- [Subscribe to the CALL Letters newsletter](#) for weekly updates.
- Have a good training idea? Anyone can complete the [CALL for Presentations](#).
- Encourage all levels of your staff to get started with [CALL Academy](#).

LSTA funded.

California Revealed

California Revealed is a statewide initiative that helps public libraries, archives, museums, historical societies, and other heritage groups digitize, preserve, and provide online access to archival materials documenting the state's histories, arts, and cultures. The kaleidoscopic view of California cultures and histories represented by California Revealed collections offers countless opportunities for individuals and communities looking to integrate sources into their course of study as well as into their daily lives.

The accomplishments of this program dramatically increased access to, and use, of primary source materials related to California histories, arts, and cultures. The greatest impact is the ever-expansive reference resource available at [California Revealed](#). If you visit or have recently visited the CA Revealed website, please take a moment to fill out the [website user survey](#). User feedback is critical in helping the project improve website experience and better understand its benefits to the community. For any comments or questions, please contact team@californiarevealed.org. LSTA-funded.

Community-Centered Libraries

The second year of [Community-Centered Libraries](#), a training initiative presented by the State Library and Pacific Library Partnership, focuses on building the skills of public library workers in two areas:

- Creating data visualizations (such as infographics report materials) using an equity lens
- Conducting culturally relevant needs assessments

Upcoming webinars and recordings of previous sessions are available on the [Community-Centered Libraries webpage](#) and in [CALL Academy](#).

COMPASS Project: Alexander Street Now available for Public Libraries

Last year [COMPASS from the State Library](#) (formerly known as the K-12 Online Resources program) made a suite of performing-arts video and audio perpetual-licensed content available for all public schools and local libraries, no cost to any local entity. The audio and video collections include library performing rights too (with the exception of the National Theatre collection) – a great addition for local programming for all ages.

Now there's more! COMPASS has now added to the Alexander Street perpetual-licensed content starting in August 2024. The State Library plans to announce the additions formally in mid-August, but local libraries can [add these items to their collections through MARC records](#) and include links on their websites immediately.

The additions include **over 10,000 drama scripts** from 10 different Alexander Street/ProQuest collections, as well as new video collections – **American History in Video**, and the **CNN video documentary collection**. There are also expansions to current collections like the video collection of Black music from **Qwest TV** and the **Dance In Video** collection, which now includes hundreds of instructional videos.

COMPASS and ProQuest have provided a recording of a [previous training for set up in July](#) that can be reviewed ([slide deck](#) available too), and will be announcing additional content-based overviews in the press announcement. You can learn more through [a recent COMPASS newsletter](#), and can [sign up for new announcements](#) too. Questions? Contact compass@library.ca.gov.

eBooks for all - Ongoing

The eBooks for All project is going strong in California. Checkouts continue to grow at about 10 percent per month!

Califa recently announced that California now has access to an 'always available' collection of approximately 3000 eAudiobooks from Blackstone Audio. If you are on Palace, those titles are automatically available to your users.

If you are interested in joining the project, you can email ebooksforall@library.ca.gov for onboarding steps. Presently, there are grant funds available to cover any onboarding costs.

Parks Pass Program – Ongoing

As a result of budget legislation signed by the Governor in late June, Parks Passes will be accepted by State Parks until December 31, 2025.

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

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

PolicyMap Statewide Subscription for all public library workers

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

Public Library Staff Education Program (PLSEP) 2024-2025

In December 2024, all applicants were notified about the status of their requests, whether funded, not funded, or placed on a waiting list. View the [PLSEP timeline](#). PLSEP is a partnership of the California State Library and the Southern California Library Cooperative. Contact the PLSEP team at wwalker@socallibraries.org with any questions.

Ready – Or Not: Cultural Heritage Disaster Preparedness Project

The [Cultural Heritage Disaster Preparedness Project](#) is a California State Library initiative, in partnership with the Northeast Document Conservation Center and Myriad Consulting & Training, to support local assistance grants and support the creation of disaster preparedness plans to protect at-risk art, historically and culturally significant collections that are publicly and privately held among California's underserved and underrepresented communities. To see some of the diverse places the Ready – Or Not team has assessed for disaster preparedness, browse the [Ready – Or Not Participant Showcase](#). State of CA funded.

California organizations that care for cultural and historic resources (e.g., archives, libraries, museums, and tribal nations) can schedule a free emergency preparedness assessment at "[Ready – Or Not: Cultural Heritage Disaster Preparedness Project – NEDCC](#)". The webpage also provides information sessions tailored to organizations just getting started on their disaster plan, community archives, organizations with limited resources, remote and c museums, tribal cultural heritage organizations, and public libraries. These half-hour online information sessions summarize the state-funded project and explore ways to engage in emergency preparedness consultations. California heritage institutions can request a free emergency preparedness assessment by filling out an [online form](#), emailing CAready@nedcc.org, or calling 855-501-3020.

Student Success Card Survey for Directors

New California legislation signed by the Governor in October 2023 — SB 321 (Ashby) — makes it easier for libraries to put Student Success cards into the hands of every California child who wants one. Student Success cards give students access to books and online resources from their public library, free of charge, through partnerships with local school districts. The Student Success Cards for All initiative works to ensure that all California students are provided the opportunity to obtain a Student Success card by the third grade.

The legislation asks the State Library to:

- Offer resources to assist public libraries and schools in finding strategies that work best for their communities.

- Coordinate with public libraries to determine the most effective means to ensure each student is provided the opportunity to obtain a Student Success card by third grade.
- Ensure that partnerships between public libraries and schools have been established to issue Student Success cards.

To begin this work, we ask that each library complete a survey to help us determine what partnerships are already in place and where libraries may need support. This survey has been sent to the Director's Listserv and need to be completed either by the director, or someone that they designate. We ask that this survey be completed no later than the end of the day **Wednesday February 12th**.

Survey Link: [Student Success Cards for All Survey](#)

Networking and Training

Next Directors Networking Call

The February directors networking call will be on Wednesday, February 19, 2025, at 3:30 p.m.

Projects marked "LSTA funded" are supported in whole or in part by the U.S. Institute of Museum and Library Services under the provisions of the Library Services and Technology Act, administered in California by the State Librarian.

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

Rural Libraries Community of Practice

The State Library hosts a monthly Community of Practice for Rural Libraries, occurring on the 4th Wednesday at 3:00 PM. Staff at all levels are welcome to attend. The session dates can be viewed on Zoom's [registration page](#).