Southern California Library Cooperative
Administrative Council Meeting Agenda

Thursday, November 5, 2026
2:15 - 4:15 pm

Hybrid Meeting

LA County Lynwood Library
11320 Bullis Road, Lynwood, CA 90262

Join Zoom Meeting:
https://us02web.zoom.us/j/87907872980?pwd=rgR9DMt7barWdTgIJx8N5ak0ersfo5.1

Meeting ID: 879 0787 2980

Passcode: 328728

Alternate Meeting Locations:
Arcadia Public Library, 20 W. Duarte Rd., Arcadia, CA 91007
Azusa City Library, 340 W. 5th St., Azusa, CA 91702
Calabasas Public Library, 200 Civic Center Way, Calabasas, CA 91302
Camarillo Public Library, 4101 Las Posas Rd., Camarillo, CA 93010
Covina Public Library, 234 N. Second Ave., Covina CA 91723
Crowell Public Library, 1890 Huntington Dr., San Marino CA 91108
Glendora Public Library, 140 S. Glendora Ave., Glendora, CA 9174
Grant R. Brimhall Library, 1401 E. Janss Rd., Thousand Oaks, CA 91362
Irwindale Public Library, 5030 N. Irwindale Ave., Irwindale, CA 91706
Katy Geissert Civic Center Library, 3301 Torrance Blvd., Torrance, CA 90503
Monterey Park Bruggemeyer Library, 318 S. Ramona Ave., Monterey Park, CA 91754
Oxnard Public Library, 251 S. A St., Oxnard, CA 93030
Pasadena Public Library, 221 E. Walnut St., Ste. 199, Pasadena, CA 91101
Pomona Public Library, 625 S. Garey Ave., Pomona, CA 91766
Simi Valley Public Library, 2969 Tapo Canyon Rd., Simi Valley, CA 93063
South Pasadena Public Library, 1100 Oxley St., South Pasadena, CA 91030
Valencia Branch Library, 23743 Valencia Blvd., Santa Clarita, CA 91355
Ventura County Library, 5600 Everglades St., Ste. A, Ventura, CA 93003
Whittier Public Library, 7344 Washington Ave., Whittier, CA 90602

All items may be considered for action.

1. Opening — Mandy Nasr
   a. Chairperson's Welcome
   b. Roll Call

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

3. Consent Calendar — Mandy Nasr
(ACTION)
All items on the consent calendar may be approved by a single motion. Any Council member may request an item be removed from the consent calendar and placed on the agenda for discussion.
   a. Minutes of the August 13, 2026, Administrative Council regular meeting

4. Adoption of Agenda — Mandy Nasr

5. Budget Status Report for FY 2026/27 — Andy Beck
(DISCUSSION)

6. Audit Report FY 2025/26 — Andy Beck
(ACTION)

7. CLSA FY 2026/27 Plan of Service Update — Christine Powers
(DISCUSSION)

8. SCLC Annual Planning Meeting — Christine Powers
(ACTION)

9. Delivery Services Review: Findings and Options for Improvement — Christine Powers
(ACTION)

10. Proposed Regional Training — Christine Powers
(ACTION)

11. Executive Committee Appointment — Mandy Nasr
(ACTION)

12. Committee Updates
   a. Audit and Finance — Christine Powers
   b. Leadership & Professional Development — Nikki Winslow

13. California State Library Report — Shana Sojoyner

14. Executive Director's Report — Christine Powers

15. Administrative Council Chair's Report — Mandy Nasr

16. Other — Mandy Nasr

17. Adjournment — Mandy Nasr

Southern California Library Cooperative Administrative Council
Special Meeting Minutes

Thursday, August 13, 2026, 2:15 - 4:15 pm

Hybrid Meeting

Meeting Location:
Santa Monica Main Library, Staff Meeting Room, 2nd Floor
601 Santa Monica Blvd., Santa Monica, CA 90401

Alternate Meeting Locations:
Alhambra Library, 101 S. 1st St., Alhambra, CA 91801
Altadena Library Admin. Office, 330 N. Chapel Ave., Alhambra, CA 91801
Arcadia Public Library, 20 W. Duarte Rd., Arcadia, CA 91006
Billie Jean King Main Library, 200 W. Broadway, Long Beach, CA 90802
Calabasas Library, 200 Civic Center Way, Calabasas, CA 91302
Commerce Library, 5655 Jillson St., Commerce, CA 90040
Covina Public Library, 234 N. Second Ave. Covina, CA 91723
Glendale Central Library, 222 E. Harvard St., Glendale, CA 91205
Glendora Public Library, 140 S. Glendora Ave., Glendora, CA 91741
Los Angeles Public Library, 630 W. Fifth St., Los Angeles, CA 90071
Moorpark City Library, 699 Moorpark Ave., Moorpark, CA 93021
Oxnard Public Library, 251 S. A St., Oxnard, CA 93030
Park Center, Suite 199, 221 E. Walnut St., Pasadena, CA 91101
Pomona Public Library, 625 S. Garey Ave., Pomona, CA 91766
Signal Hill Public Library, 1800 East Hill St., Signal Hill, CA 90755
Simi Valley Public Library, 2969 Tapo Canyon Rd., Simi Valley, CA 93063
South Pasadena Public Library, 1100 Oxley St., South Pasadena, CA 91030
Ventura County Library, 5600 Everglades St., Suite A, Ventura, CA 93003
Whittier Public Library, 7344 Washington Ave., Whittier, CA 90602

DRAFT

Attendance

Addington, Jennifer - PVP
Aguado, Cynthia - TOR
Alba, Samantha - ARC
Arciero, Leila - SMD
Arroyo, Kerri - ING
Ashmore, Kathleen - OXN
Bautista, Cynthia - LBPL
Bautista, Sonia - CMM
Broman, Susan - LAPL
Conwell, Christine - MOOR
Cuyugan, Erica - SAM
Dukes, Donna - DORA
Hughes, Charles - SIG
Jeffrey, Darren - THO
Lashley, Eric - BUR
LohGuan, Hilda - AHM
McDonald, Tim - PAS
Morris, Petra - COV
Nasr, Mandy - CAM
Patsel, Matthew - SOPAS
Pelayo-Lozada, Lessa - GDL
Ryan, Joyce - POM
Sanchez, Jac - WHI
Steward, Karilyn - CAB
Walker-Lanz, Jesse - LACo
Watts, Ashley - SMAR
Winslow, Nikki - ALT
Wronka, Stephanie - SVPL

Absent

Balli, Shayna - IRW
Buth, Karen - BEV
Dickow, Ben - DOW
Hassen, Leila - AZU
Herbert, Mark - ELS
Olivarez, Kristin - MPK
Raia, Deborah - SFE
Roberson, Gina - SCL
Schram, Nancy - VEN
Palmdale Library
Vance, Carey - MON
Vinke, Dana - RED

Other

Beck, Andy - SCLC
Powers, Christine - SCLC
Pham, Lena - CSL
Snodgrass, Nerissa - SCLC

1. Opening — Erica Cuyugan
   a. Chairperson's Welcome
      The meeting was called to order at 2:15 pm.
   b. Roll Call

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

3. Consent Calendar — Erica Cuyugan
   (ACTION)
   All items on the consent calendar may be approved by a single motion. Any Council member may request an item be removed from the consent calendar and placed on the agenda for discussion.
   a. Minutes of May 28, 2026, Administrative Council regular meeting
      MSP (McDonald/Ryan) to approve the Consent Calendar.
      24 yes, 0 no, 0 abstain

4. Adoption of Agenda — Erica Cuyugan
   The Chair adopted the agenda as presented.

DRAFT

5. Budget Status Report for FY 2025/26 — Andy Beck
   (DISCUSSION)
   Controller Andy Beck presented the FY 2025/26 Budget Status Report.

6. Revised CLSA Plan of Service and Budget for FY 2026/27 — Christine Powers
   (ACTION)
   MSP(LohGuan/Winslow) to approve the proposed distribution of additional CLSA funds for eResources and authorize the Council Chair to review and sign the amended FY 2026/27 CLSA Plan of Service Budget for submission to the California State Library.
   24 yes, 0 no, 0 abstain

   Susan Broman left at 2:59 p.m.

7. Proposed Budget Amendment for FY 2026/27 — Andy Beck
   (ACTION)
   MSP (Addington/Nasr) to approve the FY 2026/27 revised budget amendment.
   23 yes, 0 no, 0 abstain

8. CLSA FY 2025/26 System Annual Report — Christine Powers
   (ACTION)
   MSP (McDonald/Ryan) to authorize the Executive Director to complete the System Annual Report and the Council Chair to review and approve it for submission to the California State Library.
   23 yes, 0 no, 0 abstain

9. FPPC Conflict of Interest Code Biennial Review — Christine Powers
   (ACTION)
   MSP (Ashmore/Arciero) to acknowledge the review and determine that no changes to the code were needed.
   23 yes, 0 no, 0 abstain

10. Appointment to Fill Leadership & Professional Development Committee Vacancy — Christine Powers
    (ACTION)
    MSP (Addington/Nasr) to appoint Jac Sanchez to the Leadership & Professional Development Committee.
    23 yes, 0 no, 0 abstain

11. Committee Updates
    a. Audit and Finance Committee — Mark Herbert
       Christine Powers reported that the Committee reviewed investment reports and the budget and began discussing long-term fiscal sustainability. No recommendation was made.
    b. Leadership and Professional Development Committee — Nikki Winslow

DRAFT

Nikki Winslow reported on the July 27 meeting, the July 24 mentorship mixer, and plans for the 2027 Mentorship Program application period, October 1 through November 15. The Committee encouraged greater participation in the program.

12. California State Library Report — Lena Pham
    Lena Pham provided updates on California State Library programs, funding, and legislative changes, including California Library Literacy Services.

13. Executive Director's Report — Christine Powers
    Christine Powers provided updates on the evaluation of CloudLibrary NewsStand as a potential alternative to PressReader; the EmPOWERing Access LSTA grant, including equipment deliveries and reporting; the proposed renewal of the Public Library Staff Education Program; and library advocacy and legislation.

14. Administrative Council Chair's Report — Erica Cuyugan
    Chair Erica Cuyugan noted that the next Executive Committee meeting would need to be rescheduled due to the CLA conference and encouraged participation in the Public Library Directors Forum.

15. Other — Erica Cuyugan
    Members were informed that Sierra Madre Public Library had surplus library equipment available for interested libraries.

16. Adjournment — Erica Cuyugan
    MS (Arciero/Addington) to adjourn the meeting at 3:38 pm.

DRAFT

REPORT TO THE ADMINISTRATIVE COUNCIL
SOUTHERN CALIFORNIA LIBRARY COOPERATIVE

DATE: November 5, 2026
FROM: Andy Beck, Controller

SUBJECT: **Budget Status Report for FY 2026/27 (DISCUSSION)**

BACKGROUND: The Budget Status Report for Fiscal Year 2026/27 is attached for review and reflects reconciled bank statements through August 31, 2026.

For revenues, membership dues of $251,107 were recorded as financial resources available for use. Other revenues include communication and delivery of $97,660, system administration of $18,404, fiscal and administrative revenues of $37,099, and grant revenues of $91,938, which were recorded as earned.

Expenses include communications and delivery of $97,661, personnel expenses of $320,927, other administrative expenses of $17,826, and grant expenses of $52,878. These expenses do not reflect what was paid but amounts that were incurred.

As of August 31, 2026, the System has a surplus of $20,506 and cash and investments total $1,926,751.

FISCAL IMPACT: None

RECOMMENDATION: Informational item

EXHIBITS:
a. Budget Status Report
b. Bank Statements July 2026 through August 2026

	Actual FY 2025/26	Approved Budget FY 2026/27	Actual	Difference	% Realized
Revenues					
CLSA communications and delivery	$ 573,419	$ 679,317	$ 97,660	$ 581,657	14.38%
CLSA system administration	72,207	110,425	18,404	92,021	16.67%
Fiscal and administration revenues	215,841	220,000	37,099	182,901	16.86%
Grant project revenues	2,089,975	425,000	52,877	372,123	12.44%
Grant indirect revenues	152,808	43,000	8,549	34,451	19.88%
Grant staffing revenues	90,551	78,500	30,512	47,988	38.87%
Membership dues	246,178	251,107	251,107	-	100.00%
Califa membership dues	13,590	13,590	13,590	-	100.00%
Investment income	72,663	52,500	-	52,500	0.00%
Other	552	500	-	500	0.00%
Total revenues	$ 3,527,784	$ 1,873,939	$ 509,798	$ 1,364,141	27.20%
Communications and delivery expenses					
Office supplies	$ 5,819	$ 7,000	$ 359	$ 6,641	5.13%
E-Resources	465,308	553,017	77,933	475,084	14.09%
Contract services for delivery	66,587	75,000	9,845	65,155	13.13%
Contract services	13,545	20,500	3,545	16,955	17.29%
Telecommunications	22,160	23,800	5,979	17,821	25.12%
Total communications & delivery expenses	$ 573,419	$ 679,317	$ 97,661	$ 581,656	14.38%
Personnel expenses					
Salary and wages	$ 406,478	$ 430,000	$ 82,675	$ 347,325	19.23%
Retirement benefits	48,617	52,000	9,843	42,157	18.93%
Unfunded pension liability	197,654	224,272	217,015	7,257	96.76%
Health allotment - current employees	37,463	37,500	7,205	30,295	19.21%
Health insurance - retired employees	12,514	12,000	1,950	10,050	16.25%
Dental and vision	2,812	2,880	487	2,393	16.91%
Life insurance	914	1,000	213	787	21.30%
Other personnel expenses	12,498	12,500	1,539	10,961	12.31%
Total personnel expenses	$ 718,950	$ 772,152	$ 320,927	$ 451,225	41.56%
Other expenses					
Accounting software	$ 2,930	$ 2,500	$ 388	$ 2,112	15.52%
Office space rent	16,080	16,100	2,680	13,420	16.65%
Insurance	3,411	3,000	494	2,506	16.47%
Travel/conference/meeting	3,110	10,000	649	9,351	6.49%
Membership dues	14,165	14,600	13,590	1,010	93.08%
Legal	3,778	6,000	-	6,000	0.00%
Other	732	1,500	25	1,475	1.67%
Total other expenses	$ 44,206	$ 53,700	$ 17,826	$ 35,874	33.20%
Grant expenses					
Federal grant	$ 2,089,974	$ 425,000	$ 52,878	$ 372,122	12.44%
State grant	-	-	-	-	0.00%
Total grant expenses	$ 2,089,974	$ 425,000	$ 52,878	$ 372,122	12.44%
Summary					
Revenues	$ 3,527,784	$ 1,873,939	$ 509,798	$ 1,364,141	27.20%
Expenses	3,426,549	1,930,169	489,292	1,440,877	25.35%
Surplus (Deficit)	$ 101,235	$ (56,230)	$ 20,506	$ (76,736)	-36.47%

Note

* SIP457 = $7,205

Cash and Investments	Balance
Chase	$ 165,552
Local Agency Investment Fund	180,569
CalPERS Employer Prefunding Pension Trust	111,397
U.S. Treasuries	1,469,233
Total	$ 1,926,751

CHASE

JPMorgan Chase Bank, N.A.
P O Box 44959
Indianapolis, IN 46244 - 4959

July 01, 2026 through July 31, 2026
Account Number: [redacted]

CUSTOMER SERVICE INFORMATION

Web site:	**www.Chase.com**
Service Center:	**1-877-425-8100**
Para Espanol:	1-888-622-4273
International Calls:	1-713-262-1679

We accept operator relay calls

00086481 DRE 703 210 21726 NNNNNNNNNNN 1 000000000 Z9 0000
SOUTHERN CALIFORNIA LIBRARY COOPERATIVE
OPERATING ACCOUNT
222 E HARVARD ST
GLENDALE CA 91205-1017



CHECKING SUMMARY

Chase Platinum Business Checking

	INSTANCES	AMOUNT
Beginning Balance		**$1,005,696.80**
Checks Paid	6	-4,760.89
Electronic Withdrawals	24	-334,771.33
Fees	1	-12.50
Ending Balance	**31**	**$666,152.08**

Your Chase Platinum Business Checking account provides:
- No transaction fees for unlimited electronic deposits (including ACH, ATM, wire, Chase Quick Deposit)
- 500 debits and non-electronic deposits (those made via check or cash in branches) per statement cycle
- $25,000 in cash deposits per statement cycle
- Unlimited return deposited items with no fee

There are additional fee waivers and benefits associated with your account – please review the Additional Banking Services and Fees for Business Accounts at chase.com/business/disclosures or visit a Chase branch.

CHECKS PAID

CHECK NO.	DESCRIPTION	DATE PAID	AMOUNT
1412 ^		07/10	$100.00
1413 ^		07/15	1,340.00
1414 ^		07/14	45.50
1415 ^		07/13	466.00
1416 ^		07/17	1,469.39
1417 ^		07/30	1,340.00
Total Checks Paid			**$4,760.89**

If you see a description in the Checks Paid section, it means that we received only electronic information about the check, not the original or an image of the check. As a result, we're not able to return the check to you or show you an image.

^ An image of this check may be available for you to view on Chase.com.

ELECTRONIC WITHDRAWALS

DATE	DESCRIPTION	AMOUNT
07/01	Orig CO Name:Calpers Orig ID:1946207465 Desc Date: CO Entry Descr:1800 Sec:CCD Trace#:042000010617014 Eed:260701 Ind ID:7503917825 Ind Name:Southern California Li 100000018330662 Pab Trn: 1820617014Tc	$975.09
07/02	Orig CO Name:Intuit Payroll S Orig ID:1722616679 Desc Date:260702 CO Entry Descr:Quickbookssec:CCD Trace#:021000023792466 Eed:260702 Ind ID:953877419 Ind Name:Southern California Li Ervices 953877419 Trn: 1833792466Tc	11,571.71
07/02	Orig CO Name:+Lincoln Nationa Orig ID:6203950959 Desc Date: CO Entry Descr:EDI Pymntssec:CCD Trace#:091000013792468 Eed:260702 Ind ID:Vzhbeifwdt Ind Name:Southern California Li Rmr*IV*9100001162539512534444Ardis-P Re\ EDI Trn: 1833792468Tc	60.99
07/03	Orig CO Name:Irs Orig ID:3387702000 Desc Date:070326 CO Entry Descr:Usataxpymtsec:CCD Trace#:061036011509594 Eed:260703 Ind ID:225658495137964 Ind Name:Southern California Li Trn: 1841509594Tc	3,051.99
07/03	Orig CO Name:Employment Devel Orig ID:2282533055 Desc Date:070226 CO Entry Descr:Edd Eftpmtsec:CCD Trace#:042000011509596 Eed:260703 Ind ID:1399099360 Ind Name:Southern California Li Payment Trn: 1841509596Tc	1,043.86
07/08	07/08 Online ACH Payment 11227007215 To Sclcdelivery (_##########3792)	2,548.00
07/09	Orig CO Name:Calpers Orig ID:1946207465 Desc Date: CO Entry Descr:3100 Sec:CCD Trace#:042000019167408 Eed:260709 Ind ID:7503917825 Ind Name:Southern California Li 100000018324940 Cur Trn: 1909167408Tc	2,122.16
07/09	Orig CO Name:Calpers Orig ID:1946207465 Desc Date: CO Entry Descr:1900 Sec:CCD Trace#:011000029167413 Eed:260709 Ind ID:7503917825 Ind Name:Southern California Li 100000018347691 Irc Trn: 1909167413Tc	1,825.90
07/09	Orig CO Name:Progent Corporat Orig ID:1273846756 Desc Date:260708 CO Entry Descr:8007939400Sec:CCD Trace#:091000019167406 Eed:260709 Ind ID:12278997758 Ind Name:Southern California Li 20260708060000Pgcach Trn: 1909167406Tc	1,473.00
07/09	Orig CO Name:Calpers Orig ID:1946207465 Desc Date: CO Entry Descr:3100 Sec:CCD Trace#:042000019167410 Eed:260709 Ind ID:7503917825 Ind Name:Southern California Li 100000018324978 Cur Trn: 1909167410Tc	805.32
07/15	Orig CO Name:Calpers Orig ID:1946207465 Desc Date: CO Entry Descr:1900 Sec:CCD Trace#:042000015920546 Eed:260715 Ind ID:7503917825 Ind Name:Southern California Li 100000018342919 Unf Trn: 1965920546Tc	217,015.00
07/16	Orig CO Name:Intuit Payroll S Orig ID:1722616679 Desc Date:260716 CO Entry Descr:Quickbookssec:CCD Trace#:021000024526403 Eed:260716 Ind ID:953877419 Ind Name:Southern California Li Ervices 953877419 Trn: 1974526403Tc	11,571.68
07/17	Orig CO Name:Irs Orig ID:3387702000 Desc Date:071726 CO Entry Descr:Usataxpymtsec:CCD Trace#:061036019835761 Eed:260717 Ind ID:225659870262045 Ind Name:Southern California Li Trn: 1989835761Tc	3,052.05
07/17	Orig CO Name:American Express Orig ID:9493560001 Desc Date:260717 CO Entry Descr:ACH Pmt Sec:CCD Trace#:021000029835763 Eed:260717 Ind ID:A9996 Ind Name:Christine Powers Am Trn: 1989835763Tc	1,440.98
07/17	Orig CO Name:Employment Devel Orig ID:2282533055 Desc Date:071626 CO Entry Descr:Edd Eftpmtsec:CCD Trace#:042000019835759 Eed:260717 Ind ID:821817312 Ind Name:Southern California Li Payment Trn: 1989835759Tc	1,043.86
07/21	07/21 Online ACH Payment 11228802006 To Sclcdelivery (_##########3792)	2,670.00
07/28	07/28 Online ACH Payment 11229674606 To Workcarrels (_######8549)	13,522.80
07/28	Orig CO Name:CA Dept Tax Fee Orig ID:2822162215 Desc Date:260728 CO Entry Descr:Cdtfa Epmtsec:CCD Trace#:042000016900619 Eed:260728 Ind ID:25260875 Ind Name:Southern California Li Trn: 2096900619Tc	38,556.00

ELECTRONIC WITHDRAWALS *(continued)*

DATE	DESCRIPTION	AMOUNT
07/29	Orig CO Name:Calpers Orig ID:1946207465 Desc Date: CO Entry Descr:3100 Sec:CCD Trace#:042000011826792 Eed:260729 Ind ID:7503917825 Ind Name:Southern California Li 100000018324960 Cur Trn: 2101826792Tc	2,122.16
07/29	Orig CO Name:Calpers Orig ID:1946207465 Desc Date: CO Entry Descr:1900 Sec:CCD Trace#:011000021826789 Eed:260729 Ind ID:7503917825 Ind Name:Southern California Li 100000018365337 Irc Trn: 2101826789Tc	1,825.90
07/29	Orig CO Name:Calpers Orig ID:1946207465 Desc Date: CO Entry Descr:3100 Sec:CCD Trace#:042000011826794 Eed:260729 Ind ID:7503917825 Ind Name:Southern California Li 100000018324999 Cur Trn: 2101826794Tc	805.32
07/30	Orig CO Name:Intuit Payroll S Orig ID:1722616679 Desc Date:260730 CO Entry Descr:Quickbookssec:CCD Trace#:021000023735321 Eed:260730 Ind ID:953877419 Ind Name:Southern California Li Ervices 953877419 Trn: 2113735321Tc	11,571.71
07/31	Orig CO Name:Irs Orig ID:3387702000 Desc Date:073126 CO Entry Descr:Usataxpymtsec:CCD Trace#:061036012571202 Eed:260731 Ind ID:225661285654923 Ind Name:Southern California Li Trn: 2122571202Tc	3,051.99
07/31	Orig CO Name:Employment Devel Orig ID:2282533055 Desc Date:073026 CO Entry Descr:Edd Eftpmtsec:CCD Trace#:042000012571204 Eed:260731 Ind ID:1018265568 Ind Name:Southern California Li Payment Trn: 2122571204Tc	1,043.86
Total Electronic Withdrawals		**$334,771.33**

FEES

DATE	DESCRIPTION	AMOUNT
07/03	Service Charges For The Month of June	$12.50
Total Fees		**$12.50**

DAILY ENDING BALANCE

DATE	AMOUNT	DATE	AMOUNT	DATE	AMOUNT
07/01	$1,004,721.71	07/13	979,640.28	07/21	739,991.82
07/02	993,089.01	07/14	979,594.78	07/28	687,913.02
07/03	988,980.66	07/15	761,239.78	07/29	683,159.64
07/08	986,432.66	07/16	749,668.10	07/30	670,247.93
07/09	980,206.28	07/17	742,661.82	07/31	666,152.08
07/10	980,106.28				

SERVICE CHARGE SUMMARY

Monthly Service Fee	$0.00	
Other Service Charges	$12.50	
Total Service Charges	**$12.50**	Will be assessed on 8/5/26

The monthly service fee was waived on your Chase Platinum Business Checking account because you maintained the required relationship balance.

SERVICE CHARGE DETAIL

DESCRIPTION	VOLUME	ALLOWED	CHARGED	PRICE/ UNIT	TOTAL
Monthly Service Fee					
Monthly Service Fee Waived	0			$95.00	$0.00
Other Service Charges:					
Credits					
Non-Electronic Transactions	27	500	0	$0.50	$0.00
Cash Management Services					
Standard ACH Pmnts Initial Fee	5	0	5	$2.50	$12.50
Debit Block Maintenance	1	0	1	$0.00	$0.00
ACH Debit Block - Authorized ID	26	0	26	$0.00	$0.00
Quick Deposit Single Feed Maint	1	0	1	$0.00	$0.00
Subtotal Other Service Charges (Will be assessed on 8/5/26)					**$12.50**

ACCOUNT [redacted]

Other Service Charges:	
Credits	
Non-Electronic Transactions	27
Cash Management Services	
Standard ACH Pmnts Initial Fee	5
Debit Block Maintenance	1
ACH Debit Block - Authorized ID	26
Quick Deposit Single Feed Maint	1

Reminder: Fees associated with ACH Payments, Real Time Payments, Same Day ACH, ACH Collections and Chase QuickDeposit℠ are based on previous month activity.

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC FUNDS TRANSFERS:

Call us at 1-866-564-2262 or write us at the address on the front of this statement immediately if you think your statement or receipt is incorrect or if you need more information about a transfer listed on the statement or receipt.

For personal accounts only: We must hear from you no later than 60 days after we sent you the FIRST statement on which the problem or error appeared. Be prepared to give us the following information:

- Your name and account number;
- A description of the error or the transaction you are unsure about, and why you think it is an error or want more information; and
- The amount of the suspected error.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days (or 20 business days for new accounts) to do this, we will provide provisional credit to your account for the amount you think is in error so that you will have use of the money during the time it takes us to complete our investigation.

For business accounts, our practice is to follow the procedures described above as detailed in your Deposit Account Agreement or other applicable agreements, but we are not legally required to do so. For example, we require you to notify us no later than 30 days after we sent you the first statement on which the error appeared. We may require you to provide us with a written statement that the disputed transaction was unauthorized. We are also not required to give provisional credit.

IN CASE OF ERRORS OR QUESTIONS ABOUT NON-ELECTRONIC FUNDS TRANSFERS: Contact us immediately if your statement is incorrect or if you need more information about any non-electronic funds transfers on this statement. For more details, see your Deposit Account Agreement or other applicable agreements that govern your account.

JPMorgan Chase Bank, N.A. Member FDIC

CHASE

JPMorgan Chase Bank, N.A.
P O Box 44959
Indianapolis, IN 46244-4959

August 01, 2026 through August 31, 2026
Account Number: [redacted]

CUSTOMER SERVICE INFORMATION

Web site:	**www.Chase.com**
Service Center:	**1-877-425-8100**
Para Espanol:	1-888-622-4273
International Calls:	1-713-262-1679

We accept operator relay calls

00086849 DRE 703 210 24626 NNNNNNNNNNN 1 000000000 Z9 0000 AT 00

SOUTHERN CALIFORNIA LIBRARY COOPERATIVE
OPERATING ACCOUNT
222 E HARVARD ST
GLENDALE CA 91205-1017

CHECKING SUMMARY

Chase Platinum Business Checking

	INSTANCES	AMOUNT
Beginning Balance		**$666,152.08**
Checks Paid	3	-14,975.50
Electronic Withdrawals	20	-484,152.39
Fees	1	-12.50
Ending Balance	**24**	**$167,011.69**

Your Chase Platinum Business Checking account provides:
- No transaction fees for unlimited electronic deposits (including ACH, ATM, wire, Chase Quick Deposit)
- 500 debits and non-electronic deposits (those made via check or cash in branches) per statement cycle
- $25,000 in cash deposits per statement cycle
- Unlimited return deposited items with no fee

There are additional fee waivers and benefits associated with your account – please review the Additional Banking Services and Fees for Business Accounts at chase.com/business/disclosures or visit a Chase branch.

CHECKS PAID

CHECK NO.	DESCRIPTION	DATE PAID	AMOUNT
1418 ^		08/17	$45.50
1419 ^		08/27	13,590.00
1420 ^		08/27	1,340.00
Total Checks Paid			**$14,975.50**

If you see a description in the Checks Paid section, it means that we received only electronic information about the check, not the original or an image of the check. As a result, we're not able to return the check to you or show you an image.
^ An image of this check may be available for you to view on Chase.com.

ELECTRONIC WITHDRAWALS

DATE	DESCRIPTION	AMOUNT
08/04	08/04 Online ACH Payment 11230798167 To Pillardesignsllc (_######8001)	$21,654.98
08/04	08/04 Online ACH Payment 11230791777 To Sclcdelivery (_##########3792)	2,670.00
08/04	Orig CO Name:+Lincoln Nationa Orig ID:6203950959 Desc Date: CO Entry Descr:EDI Pymntssec:CCD Trace#:091000017393252 Eed:260804 Ind ID:Lwhmsiwsh6 Ind Name:Southern California Li Rmr*IV*9100001164232112534444rdis-P Re\ EDI Trn: 2167393252Tc	60.99
08/05	Orig CO Name:Calpers Orig ID:1946207465 Desc Date: CO Entry Descr:3100 Sec:CCD Trace#:042000011602447 Eed:260805 Ind ID:7503917825 Ind Name:Southern California Li 100000018356199 Cur Trn: 2171602447Tc	2,122.16
08/05	Orig CO Name:Calpers Orig ID:1946207465 Desc Date: CO Entry Descr:1900 Sec:CCD Trace#:011000021602452 Eed:260805 Ind ID:7503917825 Ind Name:Southern California Li 100000018370847 Irc Trn: 2171602452Tc	1,825.90
08/05	Orig CO Name:Calpers Orig ID:1946207465 Desc Date: CO Entry Descr:3100 Sec:CCD Trace#:042000011602449 Eed:260805 Ind ID:7503917825 Ind Name:Southern California Li 100000018356253 Cur Trn: 2171602449Tc	805.32
08/12	Orig CO Name:Progent Corporat Orig ID:1273846756 Desc Date:260811 CO Entry Descr:8007939400Sec:CCD Trace#:091000012750771 Eed:260812 Ind ID:12416761715 Ind Name:Southern California Li 20260811060001Pgcach Trn: 2242750771Tc	2,348.80
08/12	Orig CO Name:Calpers Orig ID:1946207465 Desc Date: CO Entry Descr:1800 Sec:CCD Trace#:042000012750773 Eed:260812 Ind ID:7503917825 Ind Name:Southern California Li 100000018361430 Pab Trn: 2242750773Tc	975.09
08/13	Orig CO Name:Intuit Payroll S Orig ID:1722616679 Desc Date:260813 CO Entry Descr:Quickbookssec:CCD Trace#:021000027156212 Eed:260813 Ind ID:953877419 Ind Name:Southern California Li Ervices 953877419 Trn: 2257156212Tc	11,571.69
08/14	Orig CO Name:Irs Orig ID:3387702000 Desc Date:081426 CO Entry Descr:Usataxpymtsec:CCD Trace#:061036012406410 Eed:260814 Ind ID:225662662695748 Ind Name:Southern California Li Trn: 2262406410Tc	3,052.03
08/14	Orig CO Name:Employment Devel Orig ID:2282533055 Desc Date:081326 CO Entry Descr:Edd Eftpmtsec:CCD Trace#:042000012406412 Eed:260814 Ind ID:23142416 Ind Name:Southern California Li Payment Trn: 2262406412Tc	1,043.86
08/17	Orig CO Name:American Express Orig ID:9493560001 Desc Date:260817 CO Entry Descr:ACH Pmt Sec:CCD Trace#:021000029059928 Eed:260817 Ind ID:A7552 Ind Name:Christine Powers Am Trn: 2299059928Tc	1,380.73
08/19	08/19 Online ACH Payment 11232899524 To Sclcdelivery (_##########3792)	1,460.00
08/19	Orig CO Name:Calpers Orig ID:1946207465 Desc Date: CO Entry Descr:3100 Sec:CCD Trace#:042000013888675 Eed:260819 Ind ID:7503917825 Ind Name:Southern California Li 100000018356221 Cur Trn: 2313888675Tc	2,122.16
08/19	Orig CO Name:Calpers Orig ID:1946207465 Desc Date: CO Entry Descr:1800 Sec:CCD Trace#:042000013888680 Eed:260819 Ind ID:7503917825 Ind Name:Southern California Li 100000018396648 Pab Trn: 2313888680Tc	975.09
08/19	Orig CO Name:Calpers Orig ID:1946207465 Desc Date: CO Entry Descr:3100 Sec:CCD Trace#:042000013888677 Eed:260819 Ind ID:7503917825 Ind Name:Southern California Li 100000018356274 Cur Trn: 2313888677Tc	805.32
08/20	Orig CO Name:Calpers Orig ID:1946207465 Desc Date: CO Entry Descr:1900 Sec:CCD Trace#:011000025615520 Eed:260820 Ind ID:7503917825 Ind Name:Southern California Li 100000018394517 Irc Trn: 2325615520Tc	1,825.90

ELECTRONIC WITHDRAWALS *(continued)*

DATE	DESCRIPTION	AMOUNT
08/25	08/25 Online ACH Payment 11233742773 To Ebike (_########5213)	17,700.00
08/27	08/27 Online International Wire Transfer Via: Bmo Bank NA/071000288 A/C: Bank of Montreal Montreal H2Y1L6 Canada CA Ben: Pressreader Inc Richmond BC V6V2J1 CA Ref: Invoice No. Si017392 Invoice Payment/Time/22:16 Imad: 0827Mmqfmp2L080106 Tm: 3801646239Es	398,180.67
08/27	Orig CO Name:Intuit Payroll S Orig ID:1722616679 Desc Date:260827 CO Entry Descr:Quickbookssec:CCD Trace#:021000022421373 Eed:260827 Ind ID:953877419 Ind Name:Southern California Li Ervices 953877419 Tm: 2392421373Tc	11,571.70
Total Electronic Withdrawals		**$484,152.39**

FEES

DATE	DESCRIPTION	AMOUNT
08/05	Service Charges For The Month of July	$12.50
Total Fees		**$12.50**

DAILY ENDING BALANCE

DATE	AMOUNT
08/04	$641,766.11
08/05	637,000.23
08/12	633,676.34
08/13	622,104.65
08/14	618,008.76
08/17	616,582.53
08/19	611,219.96
08/20	609,394.06
08/25	591,694.06
08/27	167,011.69

SERVICE CHARGE SUMMARY

Monthly Service Fee	$0.00	
Other Service Charges	$10.00	
Total Service Charges	**$10.00**	Will be assessed on 9/3/26

The monthly service fee was waived on your Chase Platinum Business Checking account because you maintained the required relationship balance.

SERVICE CHARGE DETAIL

DESCRIPTION	VOLUME	ALLOWED	CHARGED	PRICE/ UNIT	TOTAL
Monthly Service Fee					
Monthly Service Fee Waived	0			$95.00	$0.00
Other Service Charges:					
Miscellaneous Fees					
Online US Dollar Intl Wire Fee	[redacted]	4	0	$40.00	$0.00
Credits					
Non-Electronic Transactions	19	500	0	$0.50	$0.00
Cash Management Services					
Standard ACH Pmnts Initial Fee	4	0	4	$2.50	$10.00
Debit Block Maintenance	1	0	1	$0.00	$0.00
ACH Debit Block - Authorized ID	26	0	26	$0.00	$0.00
Quick Deposit Single Feed Maint	1	0	1	$0.00	$0.00
Subtotal Other Service Charges (Will be assessed on 9/3/26)					**$10.00**

SERVICE CHARGE DETAIL *(continued)*

DESCRIPTION	VOLUME	ALLOWED	CHARGED	PRICE/ UNIT	TOTAL
ACCOUNT [redacted]					
Other Service Charges:					
Miscellaneous Fees					
Online US Dollar Intl Wire Fee	1				
Credits					
Non-Electronic Transactions	19				
Cash Management Services					
Standard ACH Pmnts Initial Fee	4				
Debit Block Maintenance	1				
ACH Debit Block - Authorized ID	26				
Quick Deposit Single Feed Maint	1				

Reminder: Fees associated with ACH Payments, Real Time Payments, Same Day ACH, ACH Collections and Chase QuickDeposit℠ are based on previous month activity.

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC FUNDS TRANSFERS:

Call us at 1-866-564-2262 or write us at the address on the front of this statement immediately if you think your statement or receipt is incorrect or if you need more information about a transfer listed on the statement or receipt.

For personal accounts only: We must hear from you no later than 60 days after we sent you the FIRST statement on which the problem or error appeared. Be prepared to give us the following information:

- Your name and account number;
- A description of the error or the transaction you are unsure about, and why you think it is an error or want more information; and
- The amount of the suspected error.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days (or 20 business days for new accounts) to do this, we will provide provisional credit to your account for the amount you think is in error so that you will have use of the money during the time it takes us to complete our investigation.

For business accounts, our practice is to follow the procedures described above as detailed in your Deposit Account Agreement or other applicable agreements, but we are not legally required to do so. For example, we require you to notify us no later than 30 days after we sent you the first statement on which the error appeared. We may require you to provide us with a written statement that the disputed transaction was unauthorized. We are also not required to give provisional credit.

IN CASE OF ERRORS OR QUESTIONS ABOUT NON-ELECTRONIC FUNDS TRANSFERS: Contact us immediately if your statement is incorrect or if you need more information about any non-electronic funds transfers on this statement. For more details, see your Deposit Account Agreement or other applicable agreements that govern your account.

JPMorgan Chase Bank, N.A. Member FDIC

CHASE

JPMorgan Chase Bank, N.A.
P O Box 44959
Indianapolis, IN 46244 - 4959

August 01, 2026 through August 31, 2026
Account Number: [redacted]

CUSTOMER SERVICE INFORMATION

Web site:	**www.Chase.com**
Service Center:	**1-877-425-8100**
Para Espanol:	1-888-622-4273
International Calls:	1-713-262-1679

We accept operator relay calls

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SOUTHERN CALIFORNIA LIBRARY COOPERATIVE
OPERATING ACCOUNT
222 E HARVARD ST
GLENDALE CA 91205-1017

0686849021000000022

CHECKING SUMMARY

Chase Platinum Business Checking

	INSTANCES	AMOUNT
Beginning Balance		**$666,152.08**
Checks Paid	3	-14,975.50
Electronic Withdrawals	20	-484,152.39
Fees	1	-12.50
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CHECKS PAID

CHECK NO.	DESCRIPTION	DATE PAID	AMOUNT
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1419 ^		08/27	13,590.00
1420 ^		08/27	1,340.00
Total Checks Paid			**$14,975.50**

If you see a description in the Checks Paid section, it means that we received only electronic information about the check, not the original or an image of the check. As a result, we're not able to return the check to you or show you an image.

^ An image of this check may be available for you to view on Chase.com.

ELECTRONIC WITHDRAWALS

DATE	DESCRIPTION	AMOUNT
08/04	08/04 Online ACH Payment 11230798167 To Pillardesignsllc (_######8001)	$21,654.98
08/04	08/04 Online ACH Payment 11230791777 To Sclcdelivery (_##########3792)	2,670.00
08/04	Orig CO Name:+Lincoln Nationa Orig ID:6203950959 Desc Date: CO Entry Descr:EDI Pymntssec:CCD Trace#:091000017393252 Eed:260804 Ind ID:Lwhmsiwsh6 Ind Name:Southern California Li Rmr*IV*9100001164232112534444Ardis-P Re\ EDI Trn: 2167393252Tc	60.99
08/05	Orig CO Name:Calpers Orig ID:1946207465 Desc Date: CO Entry Descr:3100 Sec:CCD Trace#:042000011602447 Eed:260805 Ind ID:7503917825 Ind Name:Southern California Li 100000018356199 Cur Trn: 2171602447Tc	2,122.16
08/05	Orig CO Name:Calpers Orig ID:1946207465 Desc Date: CO Entry Descr:1900 Sec:CCD Trace#:011000021602452 Eed:260805 Ind ID:7503917825 Ind Name:Southern California Li 100000018370847 Irc Trn: 2171602452Tc	1,825.90
08/05	Orig CO Name:Calpers Orig ID:1946207465 Desc Date: CO Entry Descr:3100 Sec:CCD Trace#:042000011602449 Eed:260805 Ind ID:7503917825 Ind Name:Southern California Li 100000018356253 Cur Trn: 2171602449Tc	805.32
08/12	Orig CO Name:Progent Corporat Orig ID:1273846756 Desc Date:260811 CO Entry Descr:8007939400Sec:CCD Trace#:091000012750771 Eed:260812 Ind ID:12416761715 Ind Name:Southern California Li 20260811060001Pgcach Trn: 2242750771Tc	2,348.80
08/12	Orig CO Name:Calpers Orig ID:1946207465 Desc Date: CO Entry Descr:1800 Sec:CCD Trace#:042000012750773 Eed:260812 Ind ID:7503917825 Ind Name:Southern California Li 100000018361430 Pab Trn: 2242750773Tc	975.09
08/13	Orig CO Name:Intuit Payroll S Orig ID:1722616679 Desc Date:260813 CO Entry Descr:Quickbookssec:CCD Trace#:021000027156212 Eed:260813 Ind ID:953877419 Ind Name:Southern California Li Ervices 953877419 Trn: 2257156212Tc	11,571.69
08/14	Orig CO Name:Irs Orig ID:3387702000 Desc Date:081426 CO Entry Descr:Usataxpymtsec:CCD Trace#:061036012406410 Eed:260814 Ind ID:225662662695748 Ind Name:Southern California Li Trn: 2262406410Tc	3,052.03
08/14	Orig CO Name:Employment Devel Orig ID:2282533055 Desc Date:081326 CO Entry Descr:Edd Eftpmtsec:CCD Trace#:042000012406412 Eed:260814 Ind ID:23142416 Ind Name:Southern California Li Payment Trn: 2262406412Tc	1,043.86
08/17	Orig CO Name:American Express Orig ID:9493560001 Desc Date:260817 CO Entry Descr:ACH Pmt Sec:CCD Trace#:021000029059928 Eed:260817 Ind ID:A7552 Ind Name:Christine Powers Am Trn: 2299059928Tc	1,380.73
08/19	08/19 Online ACH Payment 11232899524 To Sclcdelivery (_##########3792)	1,460.00
08/19	Orig CO Name:Calpers Orig ID:1946207465 Desc Date: CO Entry Descr:3100 Sec:CCD Trace#:042000013888675 Eed:260819 Ind ID:7503917825 Ind Name:Southern California Li 100000018356221 Cur Trn: 2313888675Tc	2,122.16
08/19	Orig CO Name:Calpers Orig ID:1946207465 Desc Date: CO Entry Descr:1800 Sec:CCD Trace#:042000013888680 Eed:260819 Ind ID:7503917825 Ind Name:Southern California Li 100000018396648 Pab Trn: 2313888680Tc	975.09
08/19	Orig CO Name:Calpers Orig ID:1946207465 Desc Date: CO Entry Descr:3100 Sec:CCD Trace#:042000013888677 Eed:260819 Ind ID:7503917825 Ind Name:Southern California Li 100000018356274 Cur Trn: 2313888677Tc	805.32
08/20	Orig CO Name:Calpers Orig ID:1946207465 Desc Date: CO Entry Descr:1900 Sec:CCD Trace#:011000025615520 Eed:260820 Ind ID:7503917825 Ind Name:Southern California Li 100000018394517 Irc Trn: 2325615520Tc	1,825.90

ELECTRONIC WITHDRAWALS *(continued)*

DATE	DESCRIPTION	AMOUNT
08/25	08/25 Online ACH Payment 11233742773 To Ebike (_########5213)	17,700.00
08/27	08/27 Online International Wire Transfer Via: Bmo Bank NA/071000288 A/C: Bank of Montreal Montreal H2Y1L6 Canada CA Ben: Pressreader Inc Richmond BC V6V2J1 CA Ref: Invoice No. Si017392 Invoice Payment/Time/22:16 Imad: 0827Mmqfmp2L080106 Trn: 3801646239Es	398,180.67
08/27	Orig CO Name:Intuit Payroll S Orig ID:1722616679 Desc Date:260827 CO Entry Descr:Quickbookssec:CCD Trace#:021000022421373 Eed:260827 Ind ID:953877419 Ind Name:Southern California Li Ervices 953877419 Trn: 2392421373Tc	11,571.70
Total Electronic Withdrawals		**$484,152.39**

FEES

DATE	DESCRIPTION	AMOUNT
08/05	Service Charges For The Month of July	$12.50
Total Fees		**$12.50**

DAILY ENDING BALANCE

DATE	AMOUNT
08/04	$641,766.11
08/05	637,000.23
08/12	633,676.34
08/13	622,104.65
08/14	618,008.76
08/17	616,582.53
08/19	611,219.96
08/20	609,394.06
08/25	591,694.06
08/27	167,011.69

SERVICE CHARGE SUMMARY

Monthly Service Fee	$0.00	
Other Service Charges	$10.00	
Total Service Charges	**$10.00**	Will be assessed on 9/3/26

The monthly service fee was waived on your Chase Platinum Business Checking account because you maintained the required relationship balance.

SERVICE CHARGE DETAIL

DESCRIPTION	VOLUME	ALLOWED	CHARGED	PRICE/UNIT	TOTAL
Monthly Service Fee					
Monthly Service Fee Waived	0			$95.00	$0.00
Other Service Charges:					
Miscellaneous Fees					
Online US Dollar Intl Wire Fee	[redacted]	4	0	$40.00	$0.00
Credits					
Non-Electronic Transactions	19	500	0	$0.50	$0.00
Cash Management Services					
Standard ACH Pmnts Initial Fee	4	0	4	$2.50	$10.00
Debit Block Maintenance	1	0	1	$0.00	$0.00
ACH Debit Block - Authorized ID	26	0	26	$0.00	$0.00
Quick Deposit Single Feed Maint	1	0	1	$0.00	$0.00
Subtotal Other Service Charges (Will be assessed on 9/3/26)					**$10.00**

SERVICE CHARGE DETAIL *(continued)*

DESCRIPTION	VOLUME	ALLOWED	CHARGED	PRICE/ UNIT	TOTAL
ACCOUNT [redacted]					
Other Service Charges:					
Miscellaneous Fees					
Online US Dollar Intl Wire Fee	1				
Credits					
Non-Electronic Transactions	19				
Cash Management Services					
Standard ACH Pmnts Initial Fee	4				
Debit Block Maintenance	1				
ACH Debit Block - Authorized ID	26				
Quick Deposit Single Feed Maint	1				

Reminder: Fees associated with ACH Payments, Real Time Payments, Same Day ACH, ACH Collections and Chase QuickDeposit℠ are based on previous month activity.

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Call us at 1-866-564-2262 or write us at the address on the front of this statement immediately if you think your statement or receipt is incorrect or if you need more information about a transfer listed on the statement or receipt.

For personal accounts only: We must hear from you no later than 60 days after we sent you the FIRST statement on which the problem or error appeared. Be prepared to give us the following information:

- Your name and account number;
- A description of the error or the transaction you are unsure about, and why you think it is an error or want more information; and
- The amount of the suspected error.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days (or 20 business days for new accounts) to do this, we will provide provisional credit to your account for the amount you think is in error so that you will have use of the money during the time it takes us to complete our investigation.

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JPMorgan Chase Bank, N.A. Member FDIC

REPORT TO THE ADMINISTRATIVE COUNCIL
SOUTHERN CALIFORNIA LIBRARY COOPERATIVE

DATE: November 5, 2026
FROM: Andy Beck, Controller

SUBJECT: **Audit Report FY 2025/26 (ACTION)**

BACKGROUND: An annual audit of the Southern California Library Cooperative's (SCLC) financial statements is required by the State and counties within its jurisdiction. This audit is to be reviewed and formally accepted by the Administrative Council, and is to be submitted to the State of California, County of Ventura, and County of Los Angeles within one year of the end of a fiscal year.

To conduct this audit, interim testing and final fieldwork were conducted in October 2026 by SCLC's external auditors, C.J. Brown & Company, CPAs. The draft Financial Statements for SCLC have been included for review.

The first exhibit is the draft audited financial statements (Exhibit "a") preceded by the management discussion and analysis (MD&A) and the auditor's report. The MD&A is a required supplementary information mandated by the Governmental Accounting Standards Board (GASB). The MD&A explains an entity's financial position, results of operations, and the reason behind changes in financial balances. The auditor's report explains the responsibilities of SCLC's management, the auditor's responsibilities, scope of the audit, basis for opinion, and the audit opinion. There are several opinions that an auditor can issue. An unmodified opinion is issued where the financial statements are accurate and comply with generally accepted accounting principles (GAAP). A qualified opinion is an opinion modified for a specific non-pervasive issue whereby the financial statements would otherwise be fairly presented. An adverse opinion is where the financial statements are heavily misstated and unreliable. Finally, a disclaimer of opinion is where the auditor could not gather enough evidence to form any opinion. Generally, there are three sections of the financial statements: 1) the statement of net position, which presents the assets, liabilities, and net position of the entity, 2) the

statement of activities, which presents the revenues, expenses, and changes in net position of the entity, and 3) the notes to the financial statements.

The second attached document is the draft management report (Exhibit “b”) consisting of a letter to communicate internal control deficiencies identified during the financial statement audit to management and those charged with governance control deficiencies and the audit/finance committee letter. In the letter to communicate internal control deficiencies, no material weaknesses or significant deficiencies were identified during the audit of June 30, 2026, financial statements.

The audit/finance committee letter is a two-way communication between the auditor and those charged with governance. The intent of this letter is to bypass management and directly report significant, high-level insights to a governing body overseeing financial integrity.

FISCAL IMPACT: While SCLC has yet to receive all invoices for the June 30, 2026, audit from the auditors, $20,500 has been budgeted for this year’s audit.

RECOMMENDATION: Recommend the Administrative Council accept the draft audited financial statements, as presented.

EXHIBITS:

a. Draft audited financial statements
b. Draft management report



Southern California Library Cooperative

Annual Financial Report

For the Fiscal Year Ended June 30, 2026

DRAFT

DRAFT

Southern California Library Cooperative

Annual Financial Report

For the Fiscal Year Ended June 30, 2026

DRAFT

Southern California Library Cooperative
Annual Financial Report
For the Fiscal Year Ended June 30, 2026

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Financial Section

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Independent Auditor's Report

Administrative Council
Southern California Library Cooperative
Glendale, California

Report on the Audit of the Financial Statements

We have audited the financial statements of the governmental activities of the Southern California Library Cooperative (Cooperative) as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Cooperative'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 of the Southern California Library Cooperative as of June 30, 2026, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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* (GAS), issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts. 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 Cooperative, 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 these 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 Cooperative's ability to continue as a going concern for twelve months beyond the financial statement issuance 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 *GAS* 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 *GAS*, 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 Cooperative'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 Cooperative'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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Cooperative implemented *Governmental Accounting Standards Board (GASB) Statement No. 103, Financial Reporting Model Improvements*, and *GASB Statement No. 104, Disclosure of Certain Capital Assets*, for the fiscal year ended June 30, 2026. Implementation affected the organization and content of Management's Discussion and Analysis and the expanded capital-asset note disclosures. Comparative amounts for 2025 have been presented on a consistent basis where required. Our opinion is not modified with respect to this matter.

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 10, and the required supplementary information on pages 37 through 41, 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated November 13, 2026, on our consideration of the Cooperative's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 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 Cooperative's internal control over financial reporting and compliance. That report can be found on pages 42 and 43.

C.J. Brown & Company, CPAs
Cypress, California
November 13, 2026

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The Management Discussion and Analysis (MD&A) is designed to help readers who may not have detailed knowledge of governmental accounting understand Southern California Library Cooperative (Cooperative) financial activities and performance for the fiscal year ended June 30, 2026. The MD&A is based on facts, decisions, and conditions known to management as of November 13, 2026. Readers should use this analysis together with the accompanying basic financial statements, which follow this section.

Overview of the Financial Statements

The Southern California Library Cooperative (SCLC or the Cooperative) is a Joint Powers Authority (JPA) established under California law to support cooperation among independent public libraries. Its roots lie in the San Gabriel Valley Library System, formed in 1965 by five autonomous public libraries (including Altadena Library District, Monrovia, Pasadena, Sierra Madre, and South Pasadena) to share resources and improve services under early state library system grants. In 1967, as additional libraries joined, the system was renamed to the Metropolitan Cooperative Library System (MCLS). MCLS continued to expand over the following decades, incorporating more city and special district libraries (including the Los Angeles Public Library around 1980), and operated under an Amended Joint Powers Agreement dated October 1, 1983. These cooperative systems were shaped by the California Library Services Act (CLSA) of 1963, which established frameworks for interlibrary communication, materials delivery, second-level reference support, cross-jurisdictional resource sharing, and service to underserved populations.

Effective July 1, 2009, MCLS merged with the Santiago Library System (originally the Orange County Cooperative Library System, formed in 1969 and renamed in 1989) and the South State Cooperative Library System (established in the late 1970s, including the County of Los Angeles Public Library and other members) to form the Southern California Library Cooperative. Bylaws were adopted by the MCLS Administrative Council in May 2009 (effective July 1) and by the SCLC Administrative Council in July 2009. In 2013, the former Santiago (Orange County) member libraries withdrew from SCLC and reestablished an independent Santiago Library System. Today, SCLC is a consortium of 40 independent city, county, and special district public libraries serving Los Angeles and Ventura counties. It provides a resource-sharing network, a delivery service for materials transfer, reciprocal loan privileges across member jurisdictions, advocacy, networking, and professional development. SCLC administers CLSA funds for its members and also provides administrative and fiscal services to other California cooperative library systems (including 49-99, Inland, Santiago, and Serra).

Mission: The Southern California Library Cooperative fosters communication and collaboration among its member libraries to provide advocacy, networking, resource-sharing, and professional growth opportunities.

Vision: The public libraries of Los Angeles and Ventura Counties are connected and empowered to serve their communities.

The Cooperative reports a single primary government and a single major governmental fund, the General Fund. There are no blended or discretely presented component units and no business-type activities. Governance is provided by the Administrative Council, composed of representatives from member libraries.

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Overview of the Financial Statements, continued

Using This Financial Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities and performance of the Cooperative using accounting methods similar to those used by private sector companies. The Statement of Net Position includes all of the Cooperative's investments in resources (assets), deferred outflows of resources, the obligations to creditors (liabilities), and deferred inflows of resources. It also provides the basis for computing a rate of return, evaluating the capital structure of the Cooperative, and assessing the liquidity and financial flexibility of the Cooperative. All of the current year's revenue and expenses are accounted for in the Statement of Activities. This statement measures the success of the Cooperative's operations over the past year and can be used to determine the Cooperative's profitability and credit worthiness.

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities use the economic-resources measurement focus and the accrual basis of accounting, which is the same timing of recognition used by most private sector entities. Revenues are recognized when earned and expenses when the related liability is incurred, regardless of when cash moves. These statements include capital assets, net pension and OPEB liability, and the related deferred outflows and inflows of resources. They answer whether the Cooperative's overall financial position improved during the year.

Statement of Net Position and Statement of Activities

One of the most important questions asked about the Cooperative's finances is, "Is the Cooperative better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Activities report information about the Cooperative in a way that help answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the Cooperative's *net position* and changes in it. Think of the Cooperative's net position – assets and deferred outflows of resources less liabilities and deferred inflows of resources – as one way to measure the Cooperative's financial health, or *financial position*. Over time, *increases or decreases* in the Cooperative's net position are one indicator of whether its *financial health* is improving or deteriorating.

Governmental Fund Financial Statements

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

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

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Overview of the Financial Statements, continued

Governmental Fund Financial Statements, continued

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

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

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 18 through 36.

Financial Summary

The following condensed information is drawn from the government-wide financial statements. The Cooperative has only governmental activities.

Statement of Net Position

Condensed Statements of Net Position

	2026	2025	Change
Assets:			
Current assets	$ 3,063,654	3,165,902	(102,248)
Non-current assets	16,107	32,215	(16,108)
Total assets	3,079,761	3,198,117	(118,356)
Deferred outflows of resources	609,860	755,395	(145,535)
Liabilities:			
Current liabilities	1,156,366	1,351,258	(194,892)
Non-current liabilities	2,337,887	2,551,674	(213,787)
Total liabilities	3,494,253	3,902,932	(408,679)
Deferred inflows of resources	490,862	158,665	332,197
Net position:			
Restricted	111,397	102,453	8,944
Unrestricted	(406,891)	(210,538)	(196,353)
Total net position	$ (295,494)	(108,085)	(187,409)

In fiscal year 2026, the Cooperative's net position decreased 173.39%, or $187,409 from ongoing operations.

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Financial Summary, continued

Statement of Net Position, continued

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Cooperative, liabilities and deferred inflows exceeded assets and deferred outflows of resources by $295,494, as of June 30, 2026. At June 30, 2026, the Cooperative's total net position is made up of two components: (1) restricted in the amount of $111,397 (primarily the Section 115 Trust for pension prefunding), and (2) unrestricted deficit in the amount of $406,891. The deficit is primarily due to the effect of revenue shortfalls brought about by a decrease in funding at the State and Federal level that happened in fiscal year 2025, combined with the recognition of net pension and OPEB liabilities. See notes 8, 9, and 11 for further information.

Statement of Activities

Condensed Statements of Activities

Governmental Activities:		**2026**	**2025**	**Change**
Expenses:				
Cooperative operations	$	3,715,191	2,574,636	1,140,555
Total expenses		3,715,191	2,574,636	1,140,555
Program revenues		3,194,799	1,905,827	1,288,972
General revenues		332,983	361,966	(28,983)
Total revenues		3,527,782	2,267,793	1,259,989
Changes in net position		(187,409)	(306,843)	119,434
Net position, beginning of year		(108,085)	198,758	(306,843)
Net position, end of year	$	(295,494)	(108,085)	(187,409)

The statement of activities shows how the government's net position changes during a fiscal year. In the case of the Cooperative, net position decreased $187,409 from ongoing operations.

In fiscal year 2026, the Cooperative's total revenues increased 55.56%, or $1,259,989 to $3,527,782 from $2,267,793. In fiscal year 2026, the Cooperative's total expenses increased 44.30%, or $1,140,555 to $3,715,191 from $2,574,636.

Detailed Analyses

Governmental activities – why net position changed?

The Cooperative's total revenues increased by 55.56%, or $1,259,989, from $2,267,793 to $3,527,782, in fiscal year 2026, primarily due to an increase of $1,842,280 in Federal grant revenues as a result of the EmPOWERing Access Grant Award. The California State Library awarded approximately $2,013,624 (with subsequent augmentation bringing the project total to $2.5 million) under the Library Services and Technology Act (LSTA) to fund the Cooperative's EmPOWERing Access project. This project assists library users in making connections, both digitally and physically, to their community by providing new ways to access information and learn new skills. Funded items include accessible privacy booths, Charlie carts, book bikes for outreach, family workstations, light tables, and sewing machines. Statewide demand exceeded $5 million in requests, underscoring the high value libraries place on these resources. Implementation occurred in phases, with materials shipped to member libraries.

Detailed Analyses, continued

This increase was offset by decreases of $362,152 in California Library Services Act (CLSA) appropriations and $190,438 in State grant. CLSA reductions reflect ongoing challenges in state funding for library cooperatives, which management has been actively addressing through advocacy with the California Library Association and State Library staff, as reported in Administrative Council minutes throughout the year.

The Cooperative's total expenses increased by 44.30%, or $1,140,555, from $2,574,636 to $3,715,191, primarily due to an increase of $1,718,521 in Federal grant expenditures related to the EmPOWERing Access project, which was offset by decreases of $372,799 in materials and services and $166,750 in State grant expenditures. Salaries and benefits reflected ordinary operations and the effects of prior workforce reductions implemented in response to funding pressures.

Non-cash items related to pensions (GASB 68) and OPEB (GASB 75) also affected the change in net position. The net pension liability increased, and deferred amounts were amortized. These amounts are measurement results based on the June 30, 2025, measurement date and can reverse in future years depending on CalPERS investment performance relative to the 6.90% discount rate.

General Fund – why fund balance changed?

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

The General Fund is the Cooperative's only major fund and accounts for all current financial resources. Fund balance increased $95,832, from $1,865,323 to $1,961,155.

As of June 30, 2026, the Cooperative's General Fund reported a fund balance of $1,961,155. An amount of $1,686,008 constitutes the Cooperative's unassigned fund balance, which is available for future expenditures. Nonspendable prepaid items were $126,732, restricted (Section 115 Trust) item was $111,397, and assigned (compensated absences) item was $37,018.

In accordance with GASB Statement No. 103, the General Fund budgetary comparison schedule is presented as required supplementary information immediately after the notes.

In 2026, actual expenditures were less than the anticipated budget by $236,017. The variance is due primarily to actual grant expenditure, and materials and services being less than budget by $197,580 and $35,876, respectively.

In 2026, actual revenues were less than the anticipated budget by $266,302. The variance is due primarily to actual operating grant, California State Library Act appropriation, investment return and charge for services being less than budget by $224,776, $30,081, $7,337, and $4,159, respectively.

The General Fund budget to actual comparison schedule can be found on page 37.

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Significant Capital Asset and Long-Term Financing Activity

Changes in capital assets for 2026, were as follows:

		Balance 2025	Additions	Deletions/ Transfers	Balance 2026
Depreciable assets	$	158,085	-	-	158,085
Accumulated depreciation		(125,870)	(16,108)	-	(141,978)
Total capital assets, net	$	32,215	(16,108)	-	16,107

At the end of fiscal year 2026, the Cooperative's capital assets (net of accumulated depreciation) decreased from $32,215 to $16,107. There were no additions or disposals. Depreciation of $16,108 relates primarily to the right-to-use asset.

The Cooperative's capitalization threshold remains at $5,000. Note 3 presents the rollforward by major class and the GASB 104 disclosures. In accordance with GASB Statement No. 104, lease assets (right-to-use assets recognized under GASB Statement No. 87) are disclosed separately by major class of underlying assets. The Cooperative has a right-to-use asset for office space leased from the City of Glendale. There are no subscription assets under GASB 96, no PPP/APA right-to-use assets under GASB 94, and no other intangible assets. No capital assets were held for sale at June 30, 2026.

In June 2024, the Cooperative entered into an agreement with the City of Glendale to rent office space located in Glendale Library, Arts and Culture. The term is three years, commencing July 1, 2024, and ending June 30, 2027, with monthly rent of $1,680; however, effective May 2025, the City of Glendale reduce the monthly rent to $1,340. The right-to-use asset and lease obligation were recorded at present value using an implicit interest rate of 4.58%. The amount due within one year is $16,849.

See note 3 for further information.

Currently Known Facts, Decisions or Conditions

The following items are known to management as of the date of the independent auditor's report and are expected to affect the Cooperative in fiscal 2027 and, in some cases, later years.

Grant Funding Concentration and Risks

The Cooperative receives approximately between 74% and 85% of its operating revenues from federal and state grants, which are funded primarily through state allocations from the California State Library. These grants are subject to constraints limiting their use to specific programs, such as digital literacy and summer reading initiatives. As of October 1, 2025, a triggering event occurred due to a federal government shutdown affecting federal appropriations for the California State Library under the Library Services and Technology Act, and the budget deficit currently experienced by the State of California. This presents a credible risk of substantial financial impact within the next 12 months, potentially resulting in 11–12% revenue shortfalls, staff reductions, and cancellation of essential programs. As a result, the Cooperative reduced its workforce, which helped reduce the budget deficit by approximately $175,000. Management continues advocacy efforts, as documented in Administrative Council minutes, to restore CLSA funding and secure additional grants. The EmPOWERing Access project materials are currently being utilized by member libraries, with usage counts to follow.

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Currently Known Facts, Decisions or Conditions, continued

Pension Measurement Volatility

The net pension liability of $2,111,630 and related deferred amounts depend on CalPERS investment results and the Cooperative's proportionate share. A single year of underperformance relative to the 6.90 percent discount rate can significantly affect pension expense. Cash contributions will continue regardless of the accounting result. The Section 115 Trust (balance $111,397 at year-end) is restricted for pension prefunding but is not considered a plan asset for GASB 68 purposes until transferred.

Liquidity and Reserves

Cash and investments of approximately $2.76 million, including the restricted Section 115 Trust, give the Cooperative capacity to absorb temporary grant timing differences. Investment income will vary with short-term rates.

Accounting Standards Already Adopted

Fiscal year 2026 is the Cooperative's first year applying GASB Statement No. 103. The statement changes how this MD&A is organized and how unusual or infrequent items are presented; it does not change the measurement of assets and liabilities. The Cooperative also applied GASB Statement No. 104, "Disclosure of Certain Capital Assets." No unusual or infrequent items were identified for 2026 or 2025.

Requests for Information

The Cooperative's basic financial statements are designed to present users with a general overview of the Cooperative's finances and to demonstrate the Cooperative's accountability. If you have any questions about the report or need additional information, please contact the Cooperative's Controller at the Southern California Library Cooperative, 222 East Harvard Street, Glendale, CA 91205, or visit www.socallibraries.org.

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Basic Financial Statements

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Southern California Library Cooperative
Statement of Net Position
June 30, 2026

		2026
Current assets:		
Cash and investments (note 2)	$	2,653,244
Cash and investments - restricted (note 2)		111,397
Accrued interest receivable		1,765
Accounts receivable		170,516
Prepaid expenses and deposits		126,732
Total current assets		3,063,654
Non-current assets:		
Capital assets, net (note 3)		16,107
Total non-current assets		16,107
Total assets		3,079,761
Deferred outflows of resources:		
Deferred OPEB outflows (note 6)		116,131
Deferred pension outflows (note 7)		493,729
Total deferred outflows of resources	$	609,860

Continued on next page

See accompanying notes to the basic financial statements

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Southern California Library Cooperative
Statement of Net Position, continued
June 30, 2026

		2026
Current liabilities:		
Accounts payable and accrued expenses	$	40,533
Accrued payroll and related expenses		13,858
Compensated absences (note 5)		37,018
Unearned revenues		918,410
Other liabilities		129,698
Long-term liabilities - due within one year:		
Lease obligation (note 4)		16,849
Total current liabilities		1,156,366
Non-current liabilities:		
Long-term liabilities - due in more than one year:		
Other post-employment benefit payable (note 6)		226,257
Net pension liability (note 7)		2,111,630
Total non-current liabilities		2,337,887
Total liabilities		3,494,253
Deferred inflows of resources:		
Deferred OPEB inflows (note 6)		130,950
Deferred pension inflows (note 7)		359,912
Total deferred inflows of resources		490,862
Net position: (note 9)		
Restricted		111,397
Unrestricted		(406,891)
Total net position	$	(295,494)

See accompanying notes to the basic financial statements

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Southern California Library Cooperative
Statement of Activities
For the Fiscal Year Ended June 30, 2026

Governmental Activities:		2026
Expenses:		
Cooperative operations:		
Salaries and wages	$	423,753
Employee benefits		583,828
Materials and services		601,528
Grant expense – Federal		2,089,974
Depreciation expense		16,108
Total expenses		3,715,191
Program revenues:		
Charge for services		215,841
California Library Services Act appropriations		645,626
Operating grant – Federal		2,333,332
Total program revenues		3,194,799
Net program expense		(520,392)
General revenues:		
Member and associate dues		259,768
Investment returns		72,663
Other revenues, net		552
Total general revenues		332,983
Changes in net position		(187,409)
Net position, beginning of year		(108,085)
Net position, end of year	$	(295,494)

See accompanying notes to the basic financial statements

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Southern California Library Cooperative
Balance Sheet of Governmental Type Fund
June 30, 2026

	General Fund	Reclassifications & Eliminations	Statement of Net Position
Assets:			
Cash and investments	$ 2,653,244	-	2,653,244
Cash and investments - restricted	111,397	-	111,397
Accrued interest receivable	1,765	-	1,765
Accounts receivable	170,516	-	170,516
Prepaid expenses and deposits	126,732	-	126,732
Capital assets, net	-	16,107	16,107
Total assets	3,063,654	16,107	3,079,761
Deferred outflows of resources:			
Deferred OPEB outflows	-	116,131	116,131
Deferred pension outflows	-	493,729	493,729
Total deferred outflows of resources	-	609,860	609,860
Liabilities:			
Accounts payable and accrued expenses	40,533	-	40,533
Accrued payroll and related expenses	13,858	-	13,858
Compensated absences	-	37,018	37,018
Unearned revenue	918,410	-	918,410
Other liabilities	129,698	-	129,698
Lease obligation	-	16,849	16,849
Net other post-employment benefit liability	-	226,257	226,257
Net pension liability	-	2,111,630	2,111,630
Total liabilities	1,102,499	2,391,754	3,494,253
Deferred inflows of resources:			
Deferred OPEB inflows	-	130,950	130,950
Deferred pension inflows	-	359,912	359,912
Total deferred inflows of resources	-	490,862	490,862
Fund balance: (note 10)			
Nonspendable	126,732	(126,732)	-
Restricted	111,397	(111,397)	-
Assigned	37,018	(37,018)	-
Unassigned	1,686,008	(1,686,008)	-
Total fund balance	1,961,155	(1,961,155)	-
Total liabilities and fund balance	$ 3,063,654		
Net position:			
Restricted		111,397	111,397
Unrestricted		(406,891)	(406,891)
Total net position		$ (295,494)	(295,494)

See accompanying notes to the basic financial statements

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Southern California Library Cooperative
Reconciliation of the Balance Sheet of Governmental Type Fund to the Statement of Net Position
June 30, 2026

		2026
Reconciliation:		
Fund balance - Governmental Fund	$	1,961,155
Amounts reported for governmental activities in the statement of net position are different because:		
Non-current assets and deferred outflows of resources used in governmental activities are not current financial resources and, therefore, are not reported in the governmental fund balance sheet. However, the statement of net position includes these assets of the Cooperative as a whole as follows:		
Capital assets, net		16,107
Deferred OPEB outflows		116,131
Deferred pension outflows		493,729
Long-term liabilities and deferred inflows of resources applicable to the Cooperative are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities both current and long-term are reported in the statement of net position.		
Compensated absences		(37,018)
Lease obligation		(16,849)
Net other post-employment benefits payable		(226,257)
Net pension liability		(2,111,630)
Deferred OPEB inflows		(130,950)
Deferred pension inflows		(359,912)
Net position of Governmental Activities	$	(295,494)

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Southern California Library Cooperative
Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Type Fund
For the Fiscal Year Ended June 30, 2026

	General Fund	Reclassifications & Eliminations	Statement of Activities
Expenditures/Expenses:			
Cooperative operations:			
Salaries and wages	$ 411,880	11,873	423,753
Employee benefits	312,472	271,356	583,828
Materials and services	617,624	(16,096)	601,528
Grant expense – Federal	2,089,974	-	2,089,974
Depreciation	-	16,108	16,108
Total expenditures/expenses	3,431,950	283,241	3,715,191
Program revenues:			
Charge for services	215,841	-	215,841
California State Library Act appropriations	645,626	-	645,626
Operating grant – Federal	2,333,332	-	2,333,332
Total program revenues	3,194,799	-	3,194,799
Net program expense			(520,392)
General revenues:			
Member and associate dues	259,768	-	259,768
Investment returns	72,663	-	72,663
Other revenues, net	552	-	552
Total general revenues	332,983	-	332,983
Total revenues	3,527,782	-	
Excess of revenues over expenditures	95,832	(95,832)	
Changes in net position	-	(187,409)	(187,409)
Fund balance/Net position, beginning of year	1,865,323	-	(108,085)
Fund balance/Net position, end of year	$ 1,961,155	-	(295,494)

See accompanying notes to the basic financial statements

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Southern California Library Cooperative
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Type Fund to the Statement of Activities
For the Fiscal Year Ended June 30, 2026

Reconciliation:

Net change in fund balance - Governmental Fund	$	95,832
Amounts reported for governmental activities in the statement of activities are different because:		
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenses in governmental funds as follows:		
Depreciation expense		(16,108)
Governmental funds report payments of lease obligations as rent expenditures. However, in the statement of activities, the principal portion of the rent payment reduce lease obligations and the interest portion of the rent payment are reflected as interest expense. This is the amount by which rent reduces lease obligations.		16,096
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenses in governmental funds as follows:		
Net change in compensated absences		(11,873)
Net change in employee benefit		(271,356)
Changes in net position of Governmental Activities	$	(187,409)

See accompanying notes to the basic financial statements

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(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

The Southern California Library Cooperative (Cooperative) is an association of 40 independent cities and special district public libraries located in Los Angeles and Ventura counties, which have agreed to cooperate in providing library service to the residents of all participating jurisdictions. The Cooperative provides member libraries a resource-sharing network and means for enhancing the level and diversity of resources available to library users, while reducing duplication of effort.

B. Basis of Accounting and Measurement Focus

The *basic financial statements* of the Cooperative are comprised of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

Government-wide Financial Statements

These statements are presented on an *economic resource* measurement focus and the accrual basis of accounting. Accordingly, all of the Cooperative's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which the liability is incurred. The Statement of Activities demonstrates the degree to which direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The types of transactions reported as program revenues for the Cooperative are to be reported in three categories, if applicable: 1) charge for services, 2) operating grants and contributions, and 3) capital grants and contributions. Charge for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Grants and contributions include revenues restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Governmental Fund Financial Statements

These statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balance for all major governmental funds. Incorporated into these statements is a schedule to reconcile and explain the difference in fund balance as presented in these statements to the net position presented in the Government-wide Financial Statements. The Cooperative has presented its General Fund as its major fund in these statements to meet the qualifications of GASB Statement No. 34.

Governmental funds are accounted for on a spending or *current financial resources* measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balance presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60-days after year-end) are recognized when earned. The primary sources susceptible to accrual for the Cooperative are interest earnings, rental revenue, and operating and capital grant revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, exceptions to this rule include principal and interest on debt, which are recognized when due.

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

B. Basis of Accounting and Measurement Focus, continued

Governmental Fund Financial Statements, continued

The Cooperative reports the following major governmental fund:

General Fund – a government's primary operating fund. It accounts for all financial resources of the Cooperative, except those required to be accounted for in another fund when necessary.

C. Financial Reporting

The Cooperative's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Cooperative has adopted the following GASB pronouncements in the current year:

In April 2024, the GASB issued Statement No. 103 – *Financial Reporting Model Improvements*. The primary objective of this Statement is to improve key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assessing a government's accountability. Also, this Statement: (1) continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information (RSI); (2) describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence; (3) requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses; (4) requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements; and (5) requires governments to present budgetary comparison information using a single method of communication—RSI.

In September 2024, the GASB issued Statement No. 104 – *Disclosure of Certain Capital Assets*. The primary objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34, Basic Financial Statements and Management Discussion and Analysis for State and Local Governments. Also, this Statement establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The requirements of this Statement apply to the financial statements of all state and local governments.

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

1. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosures of contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements, and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

2. Cash and Investments

Substantially all of the Cooperative's cash is invested in interest bearing accounts and U.S. Treasury bills. The Cooperative considers all highly liquid investments with a maturity of three months to be cash equivalents.

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

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

3. Investments and Investment Policy

The Cooperative has adopted an investment policy to deposit funds in financial institutions. Investments are to be made in the following areas:

- Checking and savings accounts at financial institutions
- California Local Agency Investment Fund (LAIF)
- U.S. Treasury Bills

Changes in fair value that occur during a fiscal year are recognized as unrealized gains or losses and reported for that fiscal year. Investment income comprises interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

4. Fair Value Measurements

The Cooperative categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

The hierarchy is based on valuation inputs used to measure the fair value of the asset, as follows:

- **Level 1** – Valuation is based on quoted prices in active markets for identical assets.
- **Level 2** – Valuation is based on directly observable and indirectly observable inputs. These inputs are derived principally from or corroborated by observable market data through correlation or market-corroborated inputs. The concept of market-corroborated inputs incorporates observable market data such as interest rates and yield curves that are observable at commonly quoted intervals.
- **Level 3 –** Valuation is based on unobservable inputs where assumptions are made based on factors such as prepayment rates, probability of defaults, loss severity, and other assumptions that are internally generated and cannot be observed in the market.

5. Prepaid Expenses

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

6. Capital Assets

Capital assets are recorded in the government-wide financial statements. Included in capital assets are equipment and furniture and fixtures. The Cooperative's policy has set the capitalization threshold for reporting capital assets at $5,000. Donated assets are recorded at estimated fair market value at the date of donation. Capital outlay is recorded as expenditures of the General Fund and as assets in the government-wide financial statements to the extent the Cooperative's capitalization threshold is met.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

- Right to use asset – shorter of the lease term or the useful life of the asset
- Equipment and furniture and fixtures – 3 to 5 years

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

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

7. Deferred Outflows of Resources

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

8. Compensated Absences

The Cooperative's policy is to permit employees to accumulate earned but unused vacation pay. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured; for example, as a result of employee resignation and retirement.

9. Lease Obligation

Lease obligation is measured at the present value of payments expected to be paid during the lease term.

10. Deferred Inflows of Resources

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

11. Pensions

For the purpose of measuring net pension liability, deferred outflows/inflows of resources related to pension and pension expense, information about the fiduciary net position of the Cooperative's California Public Employees' Retirement System (CalPERS) plans (Plans) and addition to/deduction from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

GASB 68 requires that reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following time frames are used:

- Valuation date: June 30, 2024
- Measurement date: June 30, 2025
- Measurement period: July 1, 2024 to June 30, 2025

12. Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as follows:

- **Net investment in capital assets** – consists of capital assets, net of accumulated depreciation, and reduced by any outstanding debt against the acquisition, construction, or improvement of those assets.
- **Restricted** – consists of constraints placed on net position use through external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted** – consists of the net amount of assets that are not included in the determination of *restricted* or *net investment in capital assets* components of net position.

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

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

13. Fund Balance

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

- **Nonspendable** – amounts that cannot be spent because they are either (a) not spendable in form, or (b) legally or contractually required to be maintained intact.
- **Restricted** – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions of enabling legislation.
- **Committed** – amounts that can only be used for specific purposes determined by formal action of the Cooperative's highest level of decision-making authority (the Administrative Council) and that remains binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Assigned** – amounts that are constrained by the Cooperative's intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose. This is also the classification for residual funds in the Cooperative's special revenue funds.
- **Unassigned** – the residual classification for the Cooperative's general fund that includes amounts not contained in other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

Fund Balance Policy

The Administrative Council establishes, modifies, or rescinds fund balance commitments and assignments by passage of an ordinance or resolution. This is done through adoption of a budget and subsequent budget amendments that occur throughout the year. When both restricted and unrestricted resources are available for use, it is the Cooperative's policy to use restricted resources first, followed by the unrestricted, committed, assigned, and unassigned resources as they are needed.

The Cooperative believes that sound financial management principles require that sufficient funds be retained by the Cooperative to provide a stable financial base at all times. To retain this stable financial base, the Cooperative needs to maintain an unrestricted fund balance in its fund sufficient for cash flows of the Cooperative and to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature. Committed, assigned, and unassigned fund balance are considered unrestricted. The purpose of the Cooperative's fund balance policy is to maintain a prudent level of financial resources to protect against reducing service levels or raising fees because of temporary revenue shortfalls or unpredicted one-time expenditures.

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(2) Cash and Investments

Cash and investments as of June 30, consist of the following:

		2026
Cash and investments		
Petty cash	$	266
Deposits held in financial institutions		1,003,175
Deposits held with the California Local Agency Investment Fund (LAIF)		180,570
U.S. Treasury bills		1,469,233
Total cash and investments		2,653,244
Cash and investment - restricted		
Deposits held with the California Employee Pension Prefunding Trust		111,397
Total cash and investments, restricted		111,397
Total cash and investments	$	2,764,641

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

	2026
Deposits held with the California Local Agency Investment Fund (LAIF)	269 days

Authorized Deposits and Investments

The Cooperative has adopted an investment policy directing the Fiscal Officer to deposit funds in financial institutions. Investments are to be made in the in the following areas:

a. Checking and savings accounts at financial institutions
b. California Local Agency Investment Fund (LAIF)
c. United States Treasury Bill

Cash with California Local Agency Investment Fund

The Cooperative is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the Cooperative's investment in LAIF is reported in the accompanying financial statements at amounts based upon the Cooperative's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The Cooperative's deposit and withdrawal restrictions and limitations are as follows:

- Same day transaction processing occurs for orders received before 10:00 a.m.
- Next day transaction processing occurs for orders received after 10:00 a.m.
- Maximum limit of 15 transactions (combination of deposits and withdrawals) per month.
- Minimum transaction amount requirement of $5,000, in increments of $1,000.
- Withdrawals of $10 million or more require 24 hours advance notice.
- Prior to funds transfer, an authorized person must call LAIF to do a verbal transaction.

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(2) Cash and Cash Equivalents, continued

Custodial Credit Risk

The custodial credit risk for *deposits* is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

The California Government Code and the Cooperative's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of pledged securities in the collateral pool must equal at least 110% of the total amount deposited by public agencies. As of June 30, 2026, bank balances are federally insured up to $250,000. The remaining balance is collateralized in accordance with the Code; however, collateralized securities are not held in the Cooperative's name.

Interest Rate Risk

Interest rate risk is the risk that the change in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity an investment, the greater the sensitivity of its fair value to the change in market interest rates. One of the ways that the Cooperative manages its exposure to interest rate risk is by purchasing a combination of short-term and long-term investments and by timing cash flows from maturities so that a portion of the portfolio matures or comes close to maturity evenly over time as necessary to provide requirements for cash flow and liquidity needed for operations. The U.S. Treasury Bill is scheduled to mature within 12 months from balance sheet date of June 30, 2026.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. As of June 30, 2026, the Cooperative's investment in LAIF is unrated and the U.S. Treasury Bill is rated AA+ from both Fitch and S&P, and Aaa from Moody's.

Fair Value Measurements

As of June 30, 2026, investments measured at fair value on a recurring basis and non-recurring basis, are as follows:

			Fair Value Measurements Using		
Investment Type		**Total**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
U.S. Treasury Bills	$	1,469,233	1,469,233	-	-
Investments measured at amortized cost:					
Local Agency Investment Fund (LAIF)		180,570			
Total	$	1,649,803			

(3) Capital Assets

The change in capital assets for 2026, was as follows:

		Balance 2025	Additions	Deletions/ Transfers	Balance 2026
Depreciable assets:					
Right to use asset	$	48,322	-	-	48,322
Equipment, furniture, and fixtures		109,763	-	-	109,763
Total depreciable assets		158,085	-	-	158,085
Accumulated depreciation					
Right to use asset		(16,107)	(16,108)	-	(32,215)
Equipment, furniture, and fixtures		(109,763)	-	-	(109,763)
Total accumulated depreciation		(125,870)	(16,108)	-	(141,978)
Total depreciable assets, net		32,215	(16,108)	-	16,107
Total capital assets, net	$	32,215			16,107

Lease assets, public-private and public-public partnership assets, and subscription assets

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 104, "Disclosure of Certain Capital Assets", the following categories are disclosed separately. At June 30, 2026, the Cooperative had a right-to-use lease asset recognized under GASB Statement No. 87 related to office space (major class: buildings/improvements underlying asset). There were no intangible right-to-use assets recognized as an operator under GASB Statement No. 94, and no subscription-based information technology arrangement assets recognized under GASB Statement No. 96. Amortization of the right-to-use asset was $16,108.

Other intangible assets

The Cooperative held no other intangible assets (including internally generated software, purchased software above the capitalization threshold, easements, or water rights) at June 30, 2026.

Capital assets held for sale

A capital asset is held for sale when the Cooperative has decided to pursue its sale and it is probable the sale will be completed within one year of the financial statement date. Management evaluates that status each reporting period. At June 30, 2026, no capital assets met those criteria.

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(4) Operating Lease

The change in operating lease obligation at June 30 was as follows:

		2025	Additions	Principal Payment	2026
Lease obligation	$	32,945	-	(16,096)	16,849

In June 2024, the Cooperative entered into an agreement with the City of Glendale (City), a California municipal corporation, to rent an office building space. The Cooperative's office space is located in Glendale Library, Arts and Culture in the County of Los Angeles. The term and payment provisions of the original lease agreement, are as follows:

1. The term of the lease shall be for a period of three (3) years, commencing July 1, 2024, and ending June 30, 2027.
2. The Cooperative shall pay $1,680 monthly rent and ancillary cost to the City. Effective May 2025, the City agreed to reduce the rent to $1,340.

The Cooperative recorded a right-to-use asset and a lease obligation at present value using an implicit interest rate of 4.58%. The right-to-use asset is amortized on a straight-line basis over the term of the lease.

Principal and interest requirements to maturity are as follows:

Year		Principal	Interest	Total
2027	$	16,849	421	17,270
Total		16,849	421	17,270
Current		(16,849)		
Non-current	$	-		

(5) Compensated Absences

The Cooperative recognizes liability for compensated absences in accordance with GASB Statement No. 101, "*Compensated Absences*". Compensated absences include unpaid vacation leave and sick leave which is accrued as earned, which are expected to be settled through paid time off or cash payments upon termination or retirement.

As of June 30, 2026, the liability for compensated absences was calculated based on employees' pay rates at the fiscal year-end and historical usage data, considering employment policies. The liability represents amounts that are more likely than not be used or paid out.

As of June 30, 2026, the total liability for compensated absences amounted to $37,018.

The net change in the compensated absences liability for the fiscal year ended June 30, 2026 was $11,873, reflecting a net increase due to changes in employee leave balances, pay rates, and usage patterns. The liability is reported in government-wide financial statements.

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(6) Other Post-Employment Benefits Payable

Plan Description

The Cooperative's defined benefit OPEB plan (Plan) provides OPEB for all permanent full-time employees. The Plan is a single employer defined benefit OPEB plan administered by the Cooperative. The Cooperative's Administrative Council has the authority to establish and amend the benefit terms and financing requirements of the Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75, and benefit payments are made on a "pay-as-you-go" basis.

Benefits Provided

The Plan solely provides medical benefits to only retirees through CalPERS. The benefit terms provide for payment of 100% of health insurance premiums for retirees up to a cap of $1,944 per year starting at a minimum age of 50 and for the retirees' lifetime.

Employees Covered by Benefit Terms

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

	2026
Inactive employees or beneficiaries currently receiving benefit payments	6
Active employees	4
Total plan membership	10

Total OPEB Liability

The Cooperative's total OPEB liability of $226,257 was measured as of June 30, 2026, and was determined by an actuarial valuation as of June 30, 2026.

Changes in the Total OPEB Liability

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

		2026
Balance at June 30, 2025	$	280,143
Changes for the year:		
Service cost		3,046
Interest		14,241
Experience (Gains)/Losses		(84,629)
Changes in assumptions or other inputs		29,041
Employer contributions		(15,585)
Net change		(53,886)
Balance at June 30, 2026	$	226,257

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(6) Other Post-Employment Benefits Payable, continued

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

For the year ended June 30, 2026, the Cooperative recognized an OPEB expense of $28,208. As June 30, 2026, the Cooperative reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 89,319	(71,806)
Changes in assumptions or other inputs	26,812	(59,144)
Total	$ 116,131	(130,950)

As of June 30, 2026, amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Fiscal Year Ending June 30,	Deferred Net Outflows(Inflows) of Resources
2027	$ (5,644)
2028	19,160
2029	(3,782)
2030	(11,075)
2031	(8,422)
Thereafter	(5,056)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2026, actuarial valuation for the measurement date June 30, 2026, was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50% per year
Salary increases	2.75% per year
Discount rate	4.67% per year changed from 5.20% in 2025
Retirees' share of benefit-related cost	Not Applicable

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

Mortality assumptions are based on the 2025 CalPERS Mortality for Miscellaneous Employees and School Employees. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. The tables incorporate mortality projection as deemed appropriate based on CalPERS analysis. Inasmuch as these tables are based on appropriate populations, and that these tables are used for pension purposes, these tables are to be the most appropriate for the valuation.

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(6) Other Post-Employment Benefits Payable, continued

Actuarial Assumptions and Other Inputs, continued

The retirement and turnover assumptions used in the June 30, 2026, valuation were based on the results of an actuarial experience study as follows:

- Retirement Table – 2025 CalPERS 2.0% @ 62 Rates for Miscellaneous Employees
- Turnover Tables – 2025 CalPERS Turnover for Miscellaneous Employees

Inasmuch as the above tables are based on appropriate populations, and that these tables are used for pension purposes, these tables are to be the most appropriate for the valuation.

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

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

		Discount Rate 1% Lower	Valuation Discount Rate	Discount Rate 1% Higher
Total OPEB liability	$	252,123	226,257	204,606

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Cooperative, as well as what the Cooperative's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

		Trend 1% Lower	Valuation Trend	Trend 1% Higher
Total OPEB liability	$	202,205	226,257	255,581

(7) Defined Benefit Pension Plan

Plan Description

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

Benefits Provided

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

(7) Defined Benefit Pension Plan, continued

Benefits Provided, continued

On September 12, 2012, the California Governor signed the California Public Employees' Pension Reform Act of 2013 (PEPRA) into law. PEPRA took effect January 1, 2013. The new legislation closed the Cooperative's CalPERS 2.0% at 55 Risk Pool Retirement Plan to new employee entrants effective December 31, 2012. All employees hired after January 1, 2013, are eligible for the Cooperative's CalPERS 2.0% at 62 Retirement Plan under PEPRA.

The Cooperative participates in the Plan's miscellaneous risk pool. The provisions and benefits for the Plan's miscellaneous risk pool in effect at June 30, 2026, are summarized as follows:

	Classic	PEPRA
Hire date	Prior to Jan 1, 2011	After Jan 1, 2013
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	
Benefit payments	monthly for life	
Retirement age	50 - 55	57 - 62
Monthly benefits, as a percentage of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	7.000%	7.750%
Required employer contribution rates	11.940%	7.960%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by an actuary and be effective on July 1, following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30, by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Cooperative is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2026, the Cooperative's contributions to the Plan was as follows:

	2026
Contributions – employer	$ 240,706

Net Pension Liability

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

	2026
Proportionate share of net pension liabiltiy	$ 2,111,630

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(7) Defined Benefit Pension Plan, continued

Net Pension Liability, continued

The Cooperative's net pension liability for the Plan is measured as the proportionate share of the net pension liability for the miscellaneous risk pool. As of June 30, 2026, the net pension liability of the Plan is measured as of June 30, 2025 (the measurement date). The total pension liability for the Plan's miscellaneous risk pool used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024 (the valuation date), rolled forward to June 30, 2025, using standard update procedures. The Cooperative's proportion of the net pension liability was based on a projection of the Cooperative's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Cooperative's changes in proportionate share of the net pension liability for the Plan pool as of the measurement date June 30, 2025, was as follows:

Measurement Date	2026
Proportion – June 30, 2024	0.01867%
Proportion – June 30, 2025	0.02064%
Change in proportion	0.00197%

Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2026, the Cooperative recognized pension expense of $442,234. As June 30, 2026, the Cooperative reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 240,706	-
Difference between actual and expected experience	253,023	-
Change in assumptions	-	-
Net difference between projected and actual earnings on plan investments	-	(285,727)
Change in proportion and the difference between employer's contributions and employer's proportionate share of contributions	-	(74,185)
Total	$ 493,729	(359,912)

As of June 30, 2026, the Cooperative reported $240,706 as deferred outflows of resources related to contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability for the year ended June 30, 2027.

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(7) Defined Benefit Pension Plan, continued

As of June 30, 2026, other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

Fiscal Year Ending June 30,	Deferred Net Outflows(Inflows) of Resources
2027	$ 207,883
2028	(73,797)
2029	(131,902)
2030	(109,073)

Actuarial Assumptions

The total pension liabilities in the June 30, 2024, actuarial valuation were determined using the following actuarial assumptions and methods:

Valuation date	June 30, 2024
Measurement date	June 30, 2025
Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial assumptions	
Discount rate	6.90%
Inflation	2.30%
Salary increase	Varies by entry age and service
Mortality Table*	Derived using CalPERS membership data
Period upon which actuarial Experience survey assumptions were based	1997 – 2015
Post-retirement benefit increase	Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

* The mortality table was developed based on CalPERS specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study that can be found on the CalPERS website.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued CalPERS financial reports.

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(7) Defined Benefit Pension Plan, continued

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

The table below reflects the expected real rates of return by asset class.

Asset Class	New Strategic Allocation[1]	Real Return[2]
Public Equity	37.00%	4.56%
Private Equity	17.00%	5.56%
Fixed Income	28.00%	2.53%
Real Assets	15.00%	3.03%
Private Debt	8.00%	4.93%
Strategic Leverage	-5.00%	1.40%

[1] Figures are based on the 2024 Mid-Cycle Asset Liability Management Study.
[2] An expected inflation of 2.30% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Cooperative's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the Cooperative's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate.

As of June 30, 2026, the Cooperative's net pension liability at the current discount rate, using a discount rate that is one-percentage point lower, and using a discount rate that is one-percentage point higher, were as follows:

	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
Cooperative's net pension liability	$ 3,055,549	2,111,630	1,334,795

(8) Section 115 Trust

In fiscal year 2022, the Cooperative's Administrative Council approved the creation of a Section 115 Trust Agreement with the Benefit Trust, Trustee and Trust Administrator. The Section 115 Trust was established as a means to set aside monies to fund the Cooperative's pension plan obligation. Contributions to the Section 115 Trust are irrevocable, the assets are dedicated to providing benefits to plan members, and the assets are protected from creditors of the Cooperative. The purpose the Section 115 Trust was to address the Cooperative's pension obligations by accumulating assets in consideration of its defined benefit pension plan. However, in accordance with generally accepted accounting principles, the assets in the Section 115 Trust are not considered to have present service capacity as plan assets and are therefore considered restricted assets of the Cooperative rather than pension plan assets. Accordingly, the Section 115 Trust's assets are recorded as restricted for pension benefits in the Cooperative's net position and fund balance rather than assets of the pension plan during the measurement date of the net pension liability. The assets held in trust will be considered pension plan assets at the time they are transferred out of the Trust into the pension plan.

During fiscal year ended June 30, 2026, the Trust earned $9,192 in investment earnings and incurred $249 in fees. The Trust account balance at June 30, 2026 amounted to $111,397.

(9) Net Position

The details of net position are as follows:

		2026
Net investment in capital assets:		
Capital assets, net	$	16,107
Lease obligation - current portion		(16,849)
Excess of lease obligation over capital assets		742
Total net investment in capital assets		-
Restricted net position:		
Section 115 Trust		111,397
Total restricted net position		111,397
Unrestricted net position:		
Non-spendable net position:		
Prepaid expenses and deposit		126,732
Total non-spendable net position		126,732
Spendable net position:		
Unrestricted		(533,623)
Total spendable net position		(533,623)
Total unrestricted net position		(406,891)
Total net position	$	(295,494)

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(10) Fund Balance

Fund balance is presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned (See Note 1.D.13 for a description of these categories). A detailed schedule of fund balance and their funding composition at June 30, are as follows:

Description		2026
Nonspendable:		
Prepaid expenses and deposits	$	126,732
Restricted:		
Section 115 Trust		111,397
Assigned:		
Compensated absences		37,018
Unassigned:		
Operations		1,686,008
Total fund balance	$	1,961,155

(11) Risks from Concentrations in Grant Revenue

Concentration

The Cooperative receives approximately between 74% and 85% of its operating revenues from federal and state grants, which are funded primarily through state allocations from the California State Library. These grants are subject to constraints limiting their use to specific programs, such as digital literacy, resource sharing and summer reading initiatives.

Associated events

As of October 1, 2025, a triggering event has occurred due to a federal government shutdown affecting federal appropriations for the California State Library under the Library Services and Technology Act, and the budget deficit currently experience by the State of California. Legal challenges (e.g., American Library Association lawsuit) have provided temporary relief but ongoing uncertainty remains. These events have occurred or are more likely than not to continue impacting the next 12 months from the issuance date (November 13, 2026).

Vulnerability and potential impact

This concentration makes the Cooperative vulnerable to a substantial impact (estimated 11-12% revenue shortfalls), which could necessitate further staff reductions, program cancellations, or service level declines. Website and board minutes confirm the scale of the Empowering Access grant ($2.5 million total award in FY 2025/26, with administrative revenue share of $288,796) which temporarily mitigated but does not eliminate the structural concentration.

Mitigation actions taken prior to issuance

The Administrative Council approved workforce reductions (saving approximately $175,000), and amended the budget to incorporate the Empowering Access grant moving the budget deficit to a budget surplus for FY 2025/26. Current mitigation actions include ongoing advocacy for CLSA restoration (Executive Director reports in March and May 2026 minutes), maintenance of unassigned fund balance for reserves, and monitoring of State Library allocations. These actions reduce but do not eliminate the vulnerability.

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(12) Risk Management

The Cooperative is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. The Cooperative has purchased commercial insurance coverage to limit the risk of loss for the above named sources. Also, the Cooperative has obtained workers' compensation coverage to the statutory limits of the State of California.

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

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to the report date, that have effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 105

In December 2025, the GASB issued Statement No. 105 – *Subsequent Events*. The primary objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. This Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. This Statement describes the date the financial statements are available to be issued as the date at which (1) the financial statements are complete in a form and format that complies with generally accepted accounting principles and (2) approvals necessary for issuance have been obtained. That definition modifies the subsequent events time frame throughout the GASB literature. This Statement also requires the date through which subsequent events have been evaluated to be disclosed. This Statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter. Earlier application is encouraged.

(14) Commitments and Contingencies

Grant Awards

Grant funds received by the Cooperative are subject to audit by grantor agencies. Such audit could lead to requests for reimbursements to grantor agencies for expenditures disallowed under terms of the grant. Management of the Cooperative believes that such disallowances, if any, would not be significant.

Litigation

In the ordinary course of operations, the Cooperative is subject to claims and litigation from outside parties. After consultation with legal counsel, the Cooperative believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

(15) Subsequent Events

Events occurring after June 30, 2026, have been evaluated for possible adjustment to the financial statements or note disclosures as of November 13, 2026, which is the date the financial statements were available to be issued. The Cooperative is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

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Required Supplementary Information

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Southern California Library Cooperative
Budgetary Comparison Schedule – General Fund
For the Fiscal Year Ended June 30, 2026

	Adopted Original Budget	Board Approved Changes	Revised Budget	Actual Budgetary Basis	Variance Positive (Negative)
Expenditures/Expenses:					
Cooperative operations:					
Salaries and wages	$ 407,000	-	407,000	411,880	(4,880)
Employee benefits	319,913	-	319,913	312,472	7,441
Materials and services	653,500	-	653,500	617,624	35,876
Grant expense	-	2,287,554	2,287,554	2,089,974	197,580
Total expenditures/expenses	1,380,413	2,287,554	3,667,967	3,431,950	236,017
Program revenues:					
Charge for services	220,000	-	220,000	215,841	(4,159)
California State Library Act appropriation	675,707	-	675,707	645,626	(30,081)
Operating grant	-	2,558,108	2,558,108	2,333,332	(224,776)
Total program revenues	895,707	2,558,108	3,453,815	3,194,799	(259,016)
General revenues:					
Member and associate dues	259,769	-	259,769	259,768	(1)
Investment return	80,000	-	80,000	72,663	(7,337)
Other revenues(expenses), net	500	-	500	552	52
Total general revenues	340,269	-	340,269	332,983	(7,286)
Total revenues	1,235,976	2,558,108	3,794,084	3,527,782	(266,302)
Net change in fund balance	(144,437)	270,554	126,117	95,832	(30,285)
Fund balance, beginning of year	1,865,323		1,865,323	1,865,323	
Fund balance, end of year	$ 1,720,886		1,991,440	1,961,155	

Notes to Required Supplementary Information

(1) Budgets and Budgetary Data

The Cooperative follows specific procedures in establishing the budgetary data reflected in the financial statements. Each year the Cooperative prepares and submits an operating budget to the Administrative Council for the General Fund no later than June of each year. The basis used to prepare the budget does not differ substantially from the modified accrual basis of accounting. The adopted budget becomes operative on July 1. The Administrative Council must approve all supplemental appropriations to the budget and transfers between major accounts.

The Cooperative presents a comparison of the annual budget to actual results for the General Fund at the functional expenditure-type major object level for financial reporting purposes.

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Southern California Library Cooperative
Schedules of the Cooperative's Proportionate Share of the Net Pension Liability
For the Fiscal Year Ended June 30, 2026
Last Ten Years

Defined Benefit Pension Plan

Description	Measurement dates									
	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016
Cooperative's proportion of the net pension liability/(asset)	0.02064%	0.01867%	0.01812%	0.01846%	0.02202%	0.01685%	0.01655%	0.01611%	0.01584%	0.01559%
Cooperative's proportionate share of the net pension liability/(asset)	$ 2,111,630	2,264,120	2,260,115	2,132,687	1,191,104	1,833,412	1,695,854	1,552,311	1,570,767	1,349,435
Cooperative's covered-employee payroll	$ 401,730	497,962	573,687	444,242	580,404	587,683	617,093	385,527	361,657	420,168
Cooperative's proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	525.63%	454.68%	393.96%	480.07%	205.22%	311.97%	274.81%	402.65%	434.33%	321.17%
Plan's fiduciary net position as a percentage of total pension liability	82.43%	78.08%	76.21%	76.68%	88.29%	75.10%	75.26%	75.26%	73.31%	74.06%

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

Changes in Benefit Terms

Public agencies can make changes to their plan provisions, and such changes occur on an ongoing basis. A summary of the plan provisions that were used for a specific plan can be found in the plan's annual valuation report.

Change of Assumptions and Methods

In fiscal year 2025, the contract COLA was reduced from 2.30% to 2.00% for post-retirement benefit increases.

In fiscal year 2024 and 2023, there were no changes to actuarial assumptions or methods.

In fiscal year 2022, the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

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

Change of Assumptions and Methods, continued

In fiscal year 2021, there were no changes to actuarial assumptions or methods.

The CalPERS Board of Administration adopted a new amortization policy effective with the June 30, 2019, actuarial valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses.These changes will apply only to new UAL bases established on or after June 30, 2019.

In fiscal year 2020, CalPERS implemented a new actuarial valuation software system for the June 30, 2018 valuation. This new system has refined and improved calculation methodology.

In December 2017, the CalPERS Board adopted new mortality assumptions for plans participating in the PERF. The new mortality table was developed from the December 2017 experience study and includes 15 years of projected ongoing mortality improvement using 90% of scale MP 2016 published by the Society of Actuaries. The inflation assumption is reduced from 2.75% to 2.50%.

The assumptions for individual salary increases and overall payroll growth are reduced from 3.00% to 2.75%. These changes will be implemented in two steps commencing in the June 30, 2017 funding valuation. However, for financial reporting purposes, these assumption changes are fully reflected in the results for fiscal year 2018.

In fiscal year 2017, the financial reporting discount rate for the PERF C was lowered from 7.65% to 7.15%. In December 2016, the CalPERS Board approved lowering the funding discount rate used in the PERF C from 7.50% to 7.00%, which is to be phased in over a three-year period (7.50% to7.375%, 7.375% to 7.25%, and 7.25% to 7.00%) beginning with the June 30, 2016, valuation reports. The funding discount rate includes a 15 basis-point reduction for administrative expenses, and the remaining decrease is consistent with the change in the financial reporting discount rate.

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Southern California Library Cooperative
Schedules of Pension Plan Contributions
For the Fiscal Year Ended June 30, 2026
Last Ten Years

Defined Benefit Pension Plan

Description	Fiscal Years Ended 6/30/2026	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Actuarially determined contribution	$ 223,661	201,492	194,667	186,801	170,277	151,131	127,566	98,856	90,401	68,087
Contributions in relation to the actuarially determined contribution	(223,661)	(201,492)	(194,667)	(186,801)	(170,277)	(151,131)	(127,566)	(98,856)	(79,604)	(63,835)
Contribution deficiency (excess)	$ -	-	-	-	-	-	-	-	10,797	4,252
Cooperative's covered payroll	$ 401,730	497,962	573,687	444,242	580,404	587,683	617,093	385,527	361,657	420,168
Contribution's as a percentage of covered-employee payroll	55.67%	40.46%	33.93%	42.05%	29.34%	25.72%	20.67%	25.64%	22.01%	15.19%

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Southern California Library Cooperative
Schedules of Changes in the Cooperative's Total OPEB Liability and Related Ratios
For the Fiscal Year Ended June 30, 2026
Last Ten Years*

Other Post-Employment Benefits Payable

	2026	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability									
Service cost	$ 3,046	4,092	33,975	33,461	44,810	51,311	35,574	21,125	20,010
Interest	14,241	12,578	35,618	30,789	22,170	20,934	17,045	28,419	25,845
Employer contributions	(15,585)	(15,168)	(45,564)	(38,597)	(37,552)	(32,171)	(28,397)	(31,067)	(27,752)
Experience (Gains)/Losses	(84,629)	-	136,711	77,989	-	-	-	-	-
Difference between expected and actual experience	-	-	-	-	-	(14,416)	(1,465)	(25,867)	-
Change of assumptions or other inputs	29,041	(46,943)	(11,788)	5,656	(179,859)	55,142	147,279	26,463	(25,991)
Changes in benefit terms	-	-	(804,988)	-	-	-	-	-	-
Net change in total OPEB liability	(53,886)	(45,441)	(656,036)	109,298	(150,431)	80,800	170,036	19,073	(7,888)
Total OPEB liability – beginning	280,143	325,584	981,620	872,322	1,022,753	941,953	771,917	752,844	760,732
Total OPEB liability – ending	$ 226,257	280,143	325,584	981,620	872,322	1,022,753	941,953	771,917	752,844
Covered-employee payroll	$ 401,730	497,962	573,687	444,242	580,404	587,683	617,093	385,527	361,657
Total OPEB liability as a percentage of covered-employee payroll	56.32%	56.26%	56.75%	220.97%	150.30%	174.03%	152.64%	200.22%	208.17%

Note to Schedule:

The Cooperative maintains no assets that are accumulated in a trust to pay related OPEB.

Changes in Benefit Terms – Effective January 1, 2025, the Cooperative changed to the PEMCHA minimum.

Changes of Assumptions – In the June 30, 2026, actuarial valuation, the discount rate used was 4.67% per year net of expenses.

In the June 30, 2025 and 2024, actuarial valuation, the discount rate used was 5.20% and 3.93% per year net of expenses, respectively.

In the June 30, 2023, actuarial valuation, the discount rate used was 3.65% per year net of expenses.

In the June 30, 2021, the inflation rate used was 2.50% and discount rate used was 3.54% per year net of expenses.

In the June 30, 2020, there is no actuarial valuation since it is a roll forward from the prior year.

* The Cooperative has presented information for those years for which information is available until a full 10-year trend is compiled.

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Report on Internal Controls and Compliance

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

Administrative Council
Southern California Library Cooperative
Glendale, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of Southern California Library Cooperative (Cooperative) as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprises the Cooperative's basic financial statements, and have issued our report thereon dated November 13, 2026.

Internal Control Over Financial Reporting

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

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 Cooperative's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Cooperative's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 the Cooperative'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 Cooperative's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

C.J. Brown & Company, CPAs
Cypress, California
November 13, 2026

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Southern California Library Cooperative

Management Report

June 30, 2026

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Southern California Library Cooperative

Management Report

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Administrative Council
Southern California Library Cooperative
Glendale, California

Dear Members of the Administrative Council:

In planning and performing our audit of the financial statements of the governmental activities and each major fund of the Southern California Library Cooperative (Cooperative) as of and for the year ended June 30, 2026, in accordance with auditing standards generally accepted in the United States of America, we considered the Cooperative's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Cooperative's internal control. Accordingly, we do not express an opinion on the effectiveness of the Cooperative's internal control over financial reporting.

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 over financial reporting, such that there is a reasonable possibility that a material misstatement of the Cooperative's financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible*. The chance of the future event or events occurring is more than remote but less than likely.
- *Probable*. The future event or events are likely to occur.

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

C.J. Brown & Company, CPAs
Cypress, California
November 13, 2026

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APPENDIX

Southern California Library Cooperative

Audit/Finance Committee Letter

June 30, 2026

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Administrative Council
Southern California Library Cooperative
Glendale, California

We have audited the financial statements of the governmental activities and each major fund of the Southern California Library Cooperative (Cooperative) for the year ended June 30, 2026, and have issued our report thereon dated November 13, 2026.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated August 7, 2026, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

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

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

If any, we have provided our findings regarding significant control deficiencies over financial reporting and material noncompliance, and other matters noted during our audit in a separate letter to you dated November 13, 2026.

Planned Scope and Timing of the Audit

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

Compliance with All Ethics Requirements Regarding Independence

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

An auditor that is not involved in the engagement performed an independent review of the financial statements that was prepared by us based on the information provided by management. This safeguard reduces the threat of self-review risk to an acceptable level.

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Significant Risks Identified

We have identified the following significant risks:

- Management override of controls
- Revenue recognition

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Cooperative is included in Note 1 to the financial statements. As of and for the year ended June 30, 2026, the Cooperative implemented the provisions of GASB Statement No. 103 – *"Financial Reporting Model Improvements"*, and 104, *"Disclosure of Certain Capital Assets"*. There have been no other initial selection of accounting policies and no other changes in significant accounting policies or their application during 2026. No other matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

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

The most sensitive accounting estimates affecting the financial statements are as follows:

Management's estimate of the fair value of cash and investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of cash and investments in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of capital assets depreciation is based on historical estimates of each capitalized item's useful life expectancy or cost recovery period. We evaluated the key factors and assumptions used to develop the capital asset depreciation calculations in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the net other post-employment benefit (OPEB) liability is based on an actuarial valuation that was conducted by a third-party actuary. We evaluated the basis, actuarial methods, and significant assumptions used by the actuary to calculate these amounts for the Cooperative and determined that the estimate is reasonable in relation to the basic financial statements taken as a whole.

Management's estimate of the defined benefit pension plan's deferred outflows of resources, net pension liability, and deferred inflows of resources are based on an actuarial valuation of these amounts which was conducted by a third-party actuary. We evaluated the basis, actuarial methods and significant assumptions used by the actuary to calculate these amounts for the Cooperative and determined that the estimate is reasonable in relation to the basic financial statements taken as a whole.

DRAFT

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Cooperative's financial statements relate to:

The disclosure of fair value of cash and cash investments in Note 2 to the basic financial statements represents amounts susceptible to market fluctuations.

The disclosure of capital assets, net in Note 3 to the basic financial statements is based on historical information which could differ from actual useful lives of each capitalized item.

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

The disclosure of the Cooperative's defined benefit pension plan in Note 7 to the basic financial statements is based on actuarial assumptions which could differ from actual costs.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. No significant unusual transactions were identified as a result of our audit procedures that were brought to the attention of management.

Identified or Suspected Fraud

We have not identified or have not obtained information that indicates that fraud may have occurred.

Significant Difficulties Encountered during the Audit

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

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit.

Disagreements with Management

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

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. There were no circumstances that affect the form and content of the auditor's report.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated November 13, 2026.

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Management's Consultations with Other Accountants

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

Other Significant Matters, Findings, or Issues

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

Other Matters

We applied certain limited procedures to the Management Discussion and Analysis, Budgetary Comparison Schedules – General Fund, Schedules of the Cooperative's Proportionate Share of the Net Pension Liability, Schedules of Pension Plan Contributions, and Schedules of Changes in the Cooperative's Total OPEB Liability and Related Ratios, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Conclusion

We appreciate the cooperation extended to us by Andy Beck, Controller, in the performance of our audit testwork.

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to the Cooperative.

C.J. Brown & Company, CPAs
Cypress, California
November 13, 2026

Southern California Library Cooperative
Schedule of Reclassifying Journal Entry
For the Fiscal Year Ended June 30, 2026

Reclassifying Journal Entries JE # 1

To reclassify deferred outflows and inflows at year-end.

1690	Deferred OPEB Outflows	$ 116,131.00	
2590	Deferred OPEB Inflows		116,131.00

DRAFT

REPORT TO THE ADMINISTRATIVE COUNCIL
SOUTHERN CALIFORNIA LIBRARY COOPERATIVE

DATE: November 5, 2026
FROM: Christine Powers, Executive Director, SCLC

SUBJECT: **CLSA FY 2026/27 Plan of Service Update (DISCUSSION)**

BACKGROUND: The California State Library appropriates funding for communication and delivery "to facilitate greater equality of access to library services and resources," as mandated by the California Library Services Act (CLSA). Each year, the Southern California Library Cooperative (SCLC) receives (CLSA funds from the state to promote resource sharing within the system. To receive these funds, SCLC must complete and submit a Plan of Service to be approved by the California Library Services Board (CLSB). The Plan outlines how the system intends to expend funds and how those expenditures will benefit the communities served by SCLC libraries.

The Governor's final budget, signed on June 29, 2026, included language allocating $552,124 in CLSA funds ($441,699 in Baseline Communications & Delivery; $110,425 in System Administration) to SCLC for FY 2026/27, a 53% increase over the original preliminary system budget allocation originally proposed for the fiscal year. On August 13, 2026, the Administrative Council approved allocation of the additional CLSA funds toward resource sharing and system administration. Based on this approval, a revised Plan of Service was submitted to the California Library Services Board (CLSB) for their review. The CLSB met on October 6, 2026, and approved all system Plans of Service, as presented.

FISCAL IMPACT: None

RECOMMENDATION: Informational item

EXHIBITS: None

REPORT TO THE ADMINISTRATIVE COUNCIL
SOUTHERN CALIFORNIA LIBRARY COOPERATIVE

DATE: November 5, 2026
FROM: Christine Powers, Executive Director, SCLC

SUBJECT: **SCLC Annual Planning Meeting (ACTION)**

BACKGROUND: The Southern California Library Cooperative's (SCLC) strategic plan calls for an annual planning session of the Administrative Council. For the past two years, this one-day, in-person session has included a guest speaker to provide Council members and their upper management staff with professional development. In 2025, the session included a speaker on applied resilience in times of stress and conflict. In 2026, the session included a speaker on proactive strategies for a stronger library. The annual session also includes discussions about the work of SCLC, lightening talks presented by members, as well as breakout sessions and roundtable discussions.

Given that the Leadership and Professional Development (LPD) Committee is tasked with suggesting and helping to implement any new programs that support members in their professional growth, this Committee discussed topics and issues that would benefit SCLC Council members during this annual planning meeting during their last Committee meeting on October 26, 2026. They suggested topics such as intergenerational leadership, including how to identify one's leadership philosophy and bridge the gap with managers.

An annual planning session can be scheduled for 2027 at the direction of the Council. The goal would be to hold this session in the first quarter of the calendar year. The recommendations from the LPD Committee will help any ad hoc committee appointed by the Administrative Council as they plan the agenda for this year's planning session.

FISCAL IMPACT: There is $5,000 in the budget for use for this annual planning session. Additionally, there is currently a Local California Libraries Learn (CALL) opportunity that provides up to $5,000 to support customized training at the regional level between libraries with similar training needs. Staff can apply for this opportunity at the direction of the Administrative Council. If successful, these funds can either supplant or supplement what is currently in the budget.

RECOMMENDATION: Provide direction on whether an annual planning session of the Administrative Council should be held in 2027, and if so, establish a Planning Meeting Ad Hoc Committee, and appoint members to this committee that can, along with the Chair, work to plan this meeting; and provide direction authorizing staff to apply for the CALL opportunity for training funds.

EXHIBITS: None

REPORT TO THE ADMINISTRATIVE COUNCIL
SOUTHERN CALIFORNIA LIBRARY COOPERATIVE

DATE: November 5, 2026
FROM: Christine Powers, Executive Director

SUBJECT: **Delivery Services Review: Findings and Options for Improvement (ACTION)**

BACKGROUND: The Southern California Library Cooperative (SCLC) has maintained a contract with Reliant Express Courier for systemwide delivery services since fiscal year 2014-15. Current service consists of three routes, each operated twice weekly (with some exceptions, as noted), providing delivery among 40 member libraries in Los Angeles and Ventura Counties. The original agreement is included as “Exhibit a” of this report, and the current delivery routes are included as “Exhibit b” of this report.

This agreement has not been updated since its original effective date of July 1, 2014. Over the past 13 years, delivery costs have increased by 9.4% to approximately $69,420 for the current fiscal year. Delivery counts conducted over four (4) two-week periods in FY 2025/26 indicate an average of approximately 1,350 materials moved systemwide in a two-week period.

Over the past two years, SCLC members have reported concerns regarding the consistency and reliability of service, with reports becoming more frequent in this calendar year. SCLC staff have spent considerable time investigating missed service and arranging pickups while library materials have been delayed. Staff have brought these issues to the attention of the owner of Reliant and worked with the vendor through driver and route changes, but members continue to report problems.

Reliant Express Courier is a small company that relies on independent contractors paid hourly who use their own vehicles and does not use a centralized courier tracking system. This operating model may contribute to variability in vehicle capacity, route coverage, and service continuity. Given this, the continued problems reported by members, and a contract that has not been updated in over a decade, staff recommend that SCLC evaluate courier options.

Before developing a new procurement, staff received direction from the Executive Committee to survey member libraries. This survey sought out to confirm current and anticipated delivery needs, including desired frequency, volume, schedules, service standards, tracking and communication expectations, and site-specific requirements. This online survey was distributed to all SCLC Administrative Council members via email using the Administrative Council listserv in October 2026.

SCLC Delivery Services Needs Assessment Survey
Based on responses from 39 (out of 40) participating libraries, the survey indicates that libraries generally view the existing delivery service positively and consider it an essential component of resource sharing. While respondents identified several opportunities for improvement, the data do not suggest widespread dissatisfaction or a compelling need to replace the current provider at this time. Instead, the findings support retaining the current service while strengthening contract requirements, performance expectations, and communication practices.

Overall, the survey found:

- 79% of respondents indicated current delivery days and pickup times are appropriate for their operations.
- 59% reported being either satisfied or very satisfied with overall service, while only 13% reported dissatisfaction. Another 28% were neutral.
- Libraries rated the service particularly highly for:
    - Condition and security of materials (4.29/5.00)
    - Driver professionalism (4.14/5.00)
- The lowest-rated areas were:
    - Communication regarding delays or missed stops (3.39/5.00)
    - Consistency of service (3.55/5.00)
    - Responsiveness when problems occur (3.67/5.00)
- Reliability was identified as the most important priority for future service (weighted average: 7.32), followed by timeliness (weighted average: 5.21), cost (weighted average: 5.08), and delivery frequency (weighted average: 5.05).
- Most libraries (87%) do not wish to change delivery frequency, days, times, or locations; and most (74%) expect delivery volume to remain stable over the next three years.

Strengths of Current Service
The top three strengths of SCLC's current delivery service are:

1. Strong Operational Foundation
   The survey demonstrates that the core delivery function is meeting library needs:
    - Most libraries receive service on a schedule that works for their operations.
    - Overall satisfaction is positive.

- Reliability, timeliness, and consistency all received ratings in the “good” range.
- Serious issues such as lost items, damaged materials, incorrect deliveries, and negative driver interactions were reported infrequently.

2. High Quality Material Handling
   Condition and security of materials received the highest rating in the survey (4.29/5.00), suggesting that libraries trust the service to safely transport materials. Reports of damaged materials and lost items were infrequent.

3. Professional Drivers
   Driver professionalism received one of the strongest ratings (4.14/5.00), and negative interactions with drivers were rarely reported.

Areas Requiring Improvement
The top three issues with SCLC’s current delivery service were reported as:

1. Communication During Service Disruptions
   Communication emerged as the clearest area for improvement. Member libraries specifically identified the need for:
   - Advance notice of delays or missed stops (59%)
   - Designated customer service contacts (46%)
   - Tracking and reporting capabilities
   - Better responsiveness when issues occur

   Communication about delays received the lowest service rating (3.39/5.00), indicating a gap between library expectations and current performance.

2. Greater Visibility and Accountability
   Member libraries expressed interest in:
   - Driver identification badges (72%)
   - Proof of pickup and delivery (54%)
   - Written procedures for lost or damaged items (49%)
   - Centralized tracking systems (31%)

   These requests suggest that libraries want more transparency and accountability.

3. Reliability Concerns at Certain Locations
   Although overall satisfaction is positive, some libraries reported:
   - Missed pickups
   - Delayed service
   - Inconsistent performance

   These issues were not widespread enough to drive overall dissatisfaction but should be addressed through performance standards and monitoring.

Consideration of Recommendations

Option 1: Retain Current Service and Implement Improvements

The results of the survey do not indicate systemic service failure. In fact, most indicators point to a service that performs well operationally:

- Positive overall satisfaction
- Strong confidence in drivers
- Safe handling of materials
- Limited desire for schedule changes
- Stable projected delivery demand.

The main concerns focus on communication, tracking, and accountability systems rather than dissatisfaction with the provider's ability to move materials.

Should the Council decide to maintain its current vendor, staff recommends renewing the current service with a revised agreement with measurable enhancements, including:

- Service-level agreement (SLA) for communication of delays.
- Designated customer-service contact.
- Driver identification requirements.
- Written incident-response procedures.
- Proof-of-delivery documentation.
- Annual performance reporting.
- Quarterly customer satisfaction review process.
- Exploration of affordable route-tracking technology.

Maintaining the current vendor would preserve continuity of service, would avoid procurement and transition costs (as well as likely overall cost increases), and would focus staff resources on service improvements rather than vendor replacement.

The Council should take into account that the current delivery provider operates as a sole proprietorship, with key operations concentrated under the owner’s management. Given the owner's (assumed) proximity to retirement, succession planning and long-term operational continuity may warrant consideration. Delivery services are performed by 1099 independent contractors using their own vehicles and communication devices. Given this model of operation, some of the improvements recommended above may not be attainable.

Option 2: Issue an RFQ for Alternative Vendors

A request for quotes (RFQ) to identify alternative vendors could be considered if the Council wishes to:

- Evaluate whether modern tracking technologies are available.
- Benchmark pricing and service levels against the market.
- Test whether vendors can offer stronger communication protocols and reporting requirements.

The survey does not provide strong evidence that libraries are seeking a new delivery system, and most respondents did not want any changes to the delivery schedule. Dissatisfaction with the current vendor was reported by just 13% of member libraries, which equates to about 5 members. Importantly, only 5% of member libraries indicated definite willingness to contribute additional funds for a new tracking-enabled vendor, while 67% responded "maybe" and 28% said "no." This suggests that although libraries support service improvements, there is limited evidence of support for substantially increased costs.

Issuing an RFQ would provide SCLC with market comparisons and identify emerging technologies in delivery tracking. Disadvantages to issuing an RFQ include:

- Significant staff time and procurement effort.
- Potential transition disruptions.
- Possibility of higher costs.
- Loss of institutional knowledge and existing driver relationships (this applies to one out of the two drivers).

The survey findings support retaining the current delivery service provider while implementing targeted service improvements rather than immediately issuing a competitive RFQ. The survey suggests that the current service appears to be functioning effectively in the areas that libraries value most: safe transport of materials, professional drivers, and generally reliable operations. The primary concerns involve communication, tracking, and responsiveness, which staff may be able to address through strengthened contract requirements, service-level expectations, and performance monitoring, although the current vendor has service capacities.

The Council may wish to prepare for a future procurement by incorporating the survey's desired features, while attempting to enter into contract negotiations and conducting periodic performance assessments with the current vendor. If those improvements cannot be achieved or service performance declines by a date specified by Council, a future RFQ would then be supported by stronger evidence of unmet member needs. Council would need to approve issuing an RFQ in order for staff to solicit quotes from other delivery vendors.

FISCAL IMPACT: There is no immediate fiscal impact associated with the member survey or preparing a request for quotes. Any future contract award and related fiscal impact will be presented to the Executive Committee and Administrative Council for consideration after quotes are received and evaluated.

RECOMMENDATION: Staff respectfully recommend that the Administrative Council deliberate on the two options presented in the report, discuss additional options, and provide direction to staff on next steps regarding SCLC’s delivery services.

EXHIBIT:

a. Independent Contractor Service Agreement with Reliant Express Courier
b. Current Delivery Routes

Independent Contractor Services Agreement

This Agreement is made and entered into this 1st day of July, 2014, by and between Southern California Library Cooperative, (herein "Company") with offices at 248 E. Foothill Blvd # 101 , Monrovia, CA. 91016 and Reliant Express Courier (herein "Contractor").

The parties desire to enter into this Agreement whereby Contractor will perform such services as described. In Consideration of the mutual covenants hereinafter set forth, Contractor and Company do hereby respectively grant, covenant and agree as follows:

1. **Representations and Relationship**. The representations set forth in Exhibit A are true and correct and are made a part hereof. Contractor is an independent contractor of Company and nothing herein shall be construed to constitute the parties hereto as having the relationship of employer-employee, partners, or joint venturers; however, Company reserves the right to appoint Contractor as a Manager of Company if deemed to be in the best interests of Company. Regardless of the appointment of Contractor as Manager of Company, this Agreement shall not be construed as authority for either party to act for the other party in any agency or other capacity or to make commitments of any kind for the account of or on behalf of the other, except to the extent and for the purposes provided herein. Neither Company nor Contractor shall be liable for any obligation to the employees, agents, contractors, or other parties utilized by the other party for any reason whatsoever.

As an independent contractor, Contractor shall be solely responsible to pay all applicable taxes arising from payments made by Company, including, but not limited to, social security, self-employment taxes and disability insurance.

2. **Engagement of Contractor**. Company does hereby engage the services of Contractor for the purpose of providing services to Company (such services are referred to as the "SCLC Delivery"). Contractor hereby accepts such engagement and agrees to perform the services as specified on Exhibit A and B attached hereto.

3. **Responsibilities of Contractor**. Contractor does hereby agree, throughout the term of this Agreement, as follows:

a. Contractor will fulfill responsibilities as specified on Exhibit A attached hereto.

b. Contractor will be accessible to address critical issues as needed, regardless of the day of week or time of day.

c. Company's management reserves the right to add and/or change the duties and responsibilities of Contactor on an as needed basis.

d. Contractor will be fully responsible and liable and will indemnify and hold Company harmless from any liability asserted against Company arising from any activities of Contractor, its employees, agents, independent contractors.

e. Contractor shall be liable to Company for full replacement cost value of merchandise, damages, or injury to cargo , up to a maximum of $5,000.00, while cargo is in the possession or control of Contractor. Contractor shall have no liability for any loss, damage or injury arising out of the negligence, gross negligence or willful misconduct of Company or their employees, acts of God, the inherent nature of the cargo, or its packing or packaging or the loading of the shipments by Company .

The liability limit set forth in the preceding paragraph shall include all taxes, fees, and other charges of any kind of nature, which company may have paid or may be, required to pay or collect regarding the manufacture, storage, distribution, sale, or purchase of the shipments.

f. Contractor shall also be liable for the amount of any physical damage to real and personal property of Company and member libraries (including, without limitation, Company and member libraries' buildings and premises, equipment and vehicles) and injury to any Company personnel which is the direct result of the negligence, gross negligence or willful misconduct of Contractor or a Contractor Representative and which occurs in the course of Contractor or a Contractor Representative providing services. Nothing in this subsection (f) is intended to increase Contractor liability for any loss as set forth in subsection (e) above.

g. The Company will complete the Contractors claim presentation forms within 30 days of the date of shipment and any others forms required by Contractor or its insurers and submit them to Contractor for payment.

As used in this Agreement, the term "Contractor Representative" means the agents, directors, officers, employees, drivers, contractors and their agents and employees, and other persons performing any portion of the Services provided hereunder under a contract with or otherwise on behalf of Contractor.

h. That Contractor at all times shall perform its services hereunder in an honest and ethical manner and will, at a minimum, comply with the provisions of any and all state or federal statutes, laws, rules or regulations applicable to it or any requirement of any federal or state agency having jurisdiction over it.

i. Contractor's drivers will carry a valid drivers license and have a good driving record .

j. That Contractor shall not engage in any act nor make any misrepresentations or omissions of fact in order to defraud, misrepresent and/or enhance Company in any manner

4. **Responsibilities of Company**. Company does hereby agree, throughout the term of this Agreement, as follows:

a. That it will cooperate with Contractor in giving access to required information needed to assist Contractor in performing his services under this Agreement.

b. That it will provide timely feedback on projects and the success of project goals undertaken by Contractor in performing his duties.

c. Company shall pay to Contractor all amounts due hereunder upon recept of invoice.

d. Company will notify contractor of any changes to the routes. Compensation adjustments may be made as mutually agreed upon.

5. **Compensation to Contractor**. In consideration for performance of the services specified herein on behalf of the Company, the Company will pay the consideration specified on Exhibit B hereto.

6. **Term of Agreement**.

a. Initial Term. The initial term of this Agreement shall be as specified on Exhibit C hereto.

b. Voluntary Termination. Either party may terminate this Agreement at any time by providing the other party at least ten (10) days advance written notice of their intent to terminate effective as of a specific date stated therein.

c. Automatic Termination. Notwithstanding anything stated herein to the contrary, this Agreement may be terminated immediately by either party under the following conditions:

1. In the event that one party discovers that the other party (i) has committed an act of fraud or dishonesty or willful misconduct, (ii) has damaged the notifying party's goodwill or business reputation, (iii) has been indicted for a felony related to its professional activities, or (iv) breached any material term or provision of this Agreement and such breach is not cured within 10 days of having receipt of written notice thereof.

2. Notwithstanding anything stated herein to the contrary, Company's performance hereunder is conditioned on its continued operations, and contract shall be subject to termination by Company if required by or as a result of any required compliance with any applicable laws and regulations. In addition, Company may terminate this Agreement immediately in the event any of the following shall occur: (a) if any state or federal law or regulation is violated by Contractor or any of Contractor's employees, contractors, sub-contractors, or agents (including misrepresentation) or (b) if Contractor's operations generate types or quantities of complaints not within industry norms, as determined by Company in its reasonable discretion.

7. **Marketing Materials.** Contractor acknowledges, understands and agrees that its use of Company's trade names, trademarks, logos, and all other references to Company and its programs in telemarketing, point-of-sale activities, marketing materials, advertising, and

training materials must be approved by Company, in writing, prior to such use. Title to and ownership of all materials that contain any such information shall remain Company's exclusive property and Contractor has no rights thereto other than as authorized herein in relation to promoting Company's services as provided herein. Contractor shall provide Company with the opportunity to review and approve any planned reference to Company and/or its corporate partners, and affiliates before any such reference is used by Contractor in any fashion. After the expiration or termination of this Agreement, Contractor agrees to immediately cease use of any and all materials that contain reference to any such party.

8. **Compliance with Laws**. Each party hereto does hereby acknowledge and agree that it will comply with all laws and applicable governmental rules and regulations pertaining to its operations covered by this Agreement. Contractor will upon demand, provide to Company evidence of such compliance with applicable governmental laws and regulations.

9. **Indemnification**. To the fullest extent permitted by law, each of the parties do hereby agree to indemnify, defend and hold each other (referred to collectively with its officers, directors, employees, agents, successors and assigns as the "Indemnified Party") harmless from and against any and all losses, liabilities, damages, penalties and claims and all related costs and expenses (including reasonable attorneys' fees) related to claims made by third parties against the Indemnified Party that arise out of (i) any dealing with the Indemnifying Party (i.e. not the Indemnified Party) and/or (ii) any act or omission by the Indemnifying Party which is contrary to the terms of this Agreement. The Indemnified Party agrees to promptly notify the Indemnifying Party in writing of any claim that gives rise to indemnification as provided herein. The Indemnified Party shall cooperate in all reasonable respects with the Indemnifying Party and its attorneys in the investigation, trial, defense and settlement of such claim and any appeal arising therefrom. The Indemnified Party may participate in such investigation, trial, defense and settlement of such claim and any appeal arising there from, through its attorneys or otherwise, at its own cost and expense. No settlement of a claim that involves a remedy other than the payment of money by the Indemnifying Party shall be entered into without the consent of the Indemnified Party, unless the settlement includes an unconditional general release of the Indemnified Party, which consent will not be unreasonably withheld.

10. **Miscellaneous**.

1. Any notice required or permitted hereunder shall be in writing and delivered either personally to the other party or the other party's authorized agent, or by mailing such notice by certified or registered mail, Return Receipt Requested, Postage Prepaid, or sending it via Federal Express or other nationally-recognized overnight air courier to the person at the respective party's address, or to such other address and/or person as either party may later designate in writing. Notice shall be deemed given upon the date of receipt or attempted delivery, if delivery is refused, if personally delivered or if delivered by messenger or overnight delivery service; or three (3) days following the deposit thereof with the U.S. postal service, if mailed:

Notice to Contractor: Wendell K Rogers
Reliant Express Courier
432 South Harbor Blvd, Spc 91
Santa Ana, Ca 92704

Notice to Company: _Diane R. Satchwell
Southern California Library Cooperative
248 E. Foothill Blvd, Suite 101
Monrovia, Ca. 91016

2. This Agreement represents the entire agreement between the parties hereto and supersedes all prior agreements and integrates all prior oral conversations and negotiations of the parties hereto. This Agreement may not be amended except in writing, and no alleged oral agreements shall be binding upon any party nor any evidence thereof received by any court or tribunal.

3. Company's obligations cease upon termination. Contractor's obligations except as defined in Sections 7, 8, and 10 of this Agreement, cease upon termination.

4. Both parties acknowledge that Company is entering into this Agreement due to the special, unique and extraordinary skills of Contractor. Accordingly, this Agreement may not be transferred, sold or assigned to any other individual, corporation, partnership or joint venture without the Company's prior approval.

5. In the event of any litigation arising between the parties as a result of any of the terms or provisions in this Agreement, then, and in that event, the successful party shall be entitled to recover reasonable attorney's fees and costs incurred through all levels of proceedings.

6. This agreement shall be governed by and shall be construed and interpreted according to the laws of the State of California, and venue for any action arising between the parties shall be exclusively held within the State or Federal Courts located in Orange County, California.

7. The headings herein are for convenience purposes only, and in no way restrict, modify or add to the meaning hereof. The use of the singular number shall include the plural, and the use of the plural shall include the singular.

8. In the event any portion of this Agreement shall be declared invalid by any court of competent jurisdiction, such portion shall be severed from this Agreement, and the remaining parts hereof shall remain in full force and effect.

9. Each party represents and warrants that he/it has full right, power and authority to enter into this Agreement and to perform all of his/its obligations hereunder and that the performance of those obligations will be in compliance with all federal, state and local laws, rules and regulations. Contractor further represents that this Agreement does not violate any agreement between Contractor and a third party.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement to be effective as of the day and year first above written.

By: _____

Name: Diane R Satchwell
Title: Executive Director

By: _____

Name: Wendell K Rogers
Independent Contractor

EXHIBIT A

DESCRIPTION OF SERVICES

Company is in the business of providing services to member libraries.

Contractor is familiar and has knowledge of Southern California Library Cooperative. As of the date of this Agreement, Contractor is independent to work for more than one company and makes his services available to the general public.

Responsibilities of Contractor

I. Contractor will report directly to Company's Managing Members. Contractor agrees to assist Company's Management in providing delivery services to member libraries in accordance with the routes, schedules, and procedures established by Company.
II. Contractor will deliver to the routes as listed in Exhibit B according to the Delivery Calendar provided by Company. Each route usually receives a delivery every other working day.
III. All routes will begin and end at the Company office.
IV. Items to deliver to the libraries will be picked up at the Company office
V. When drivers pick up items from the libraries, they will sort through the items and deliver items for libraries that follow on the route that same day.
VI. All remaining items picked up from the libraries are to be returned to the Company office at the end of the route.
VII. Drivers should notify Company as soon as possible if there is difficulty in making a delivery.
VIII. Deliveries will be made in an enclosed vehicle.

COMPENSATION

Compensation to Contractor

i. Contractor's full and complete compensation for its services provided pursuant to this Agreement shall be in accordance with Exhibit B. Company and Contractor agree to evaluate and discuss the rate on an annual basis.

EXHIBIT B

SOUTHERN CALIFORNIA LIBRARY COOPERATIVE DELIVERY

ATTN --- JERILYNN TAKEDA

RELIANT EXPRESS COURIER
432 SO HARBOR BLVD SPC 91
SANTA ANA , CA. 92704

VALLEY -- LIBRARIES	NORTHWEST - LIBRARIES	BEACH - LIBRARIES
MONROVIA	CITY OF CALABASAS	SOUTH PASADENA
ARCADIA	VENTURA	# 5 LA - ARROYO SECO
SIERRA MADRE	OXNARD	LA SHIPPING / ILL
ALTADENA	CAMARILLO	SIGNAL HILL
SAN MARINO	THOUSAND OAKS	LONG BEACH
ALHAMBRA	MOORPARK	# 9 LA - SAN PEDRO
MONTEREY PARK	SANTA CLARITA	PALOS VERDES
CITY OF COMMERCE	BURBANK	TORRANCE
DOWNEY	GLENDALE	REDONDO BEACH
COUNTY OF LA	PASADENA	EL SEGUNDO
SANTA FE SPRINGS		INGLEWOOD
WHITTIER		SANTA MONICA
POMONA		# 27 LA - WEST LA
COVINA		BEVERLY HILLS
GLENDORA		# 37 LA - NORTH HOLLYWOOD
AZUZA		
IRWINDALE		
* 165.00 PER DAY	* 215.00 PER DAY	* 180.00 PER DAY
PALMDALE LIBRARY	* 100.00 PER DAY	

INSURANCE

COMMERCIAL GENERAL LIABILITY INSURANCE POLICIES BODILY INJURY & PROPERTY DAMAGE
1,000,000.00

EXCESS LIABILITY OR COMMERCIAL UMBRELLA INSURANCE POLICIES
3,000,000.00

EMPLOYEE DISHONESTY COVERAGE INSURANCE
100,000.00

WORKERS COMPENSATION

EXHIBIT C

TERM

Initial Term

The initial term of this Agreement shall be for one year commencing as of the effective date hereof.

Renewal Period(s)

This agreement will automatically renew after the initial term unless both parties execute a written agreement indicating otherwise.

DELIVERY ROUTES – SOUTHERN CALIFORNIA LIBRARY COOPERATIVE

NORTHWEST
(Tuesday and Thursday)
Driver: Abram

Code	Library
SCLC	SCLC Headquarters
BUR	Burbank
PALM	Palmdale (Tuesday)
CAB	Calabasas (No Mondays)
THO	Thousand Oaks
SIM	Simi Valley
MOOR	Moorpark
CAM	Camarillo
OXN	Oxnard (No Fridays)
VEN	Ventura County (No Fridays)
SCL	Santa Clarita
PAS	Pasadena
GDL	Glendale
SCLC	SCLC Headquarters

BEACH
(Monday and Wednesday)
Driver: Abram

Code	Library
SCLC	SCLC Headquarters
LAPL	LAPL
SIG	Signal Hill
LBPL	Long Beach (Mondays Admin. only)
PVP	Palos Verdes
TOR	Torrance
RED	Redondo Beach
ELS	El Segundo
ING	Inglewood (closed alternate Fridays)
SAM	Santa Monica
BEV	Beverly Hills
SOPAS	South Pasadena
SCLC	SCLC Headquarters

VALLEY
(Tuesday and Thursday)
Driver: Freda

Code	Library
SCLC	SCLC Headquarters
SMAR	San Marino (Crowell)
AHM	Alhambra
MPK	Monterey Park (No Fridays)
CMM	Commerce
LACO	LA County (No Fridays)
DOW	Downey
SFE	Santa Fe Springs
WHI	Whittier
IRW	Irwindale
COV	Covina (No Mondays)
POM	Pomona (Once a month on Thursday)
DORA	Glendora
AZU	Azusa
MON	Monrovia
ARC	Arcadia
SMD	Sierra Madre (No Fridays)
ALT	Altadena
SCLC	SCLC Headquarters

REPORT TO THE ADMINISTRATIVE COUNCIL
SOUTHERN CALIFORNIA LIBRARY COOPERATIVE

DATE: November 5, 2026
FROM: Christine Powers, Executive Director, SCLC

SUBJECT: **Proposed Regional Training (ACTION)**

BACKGROUND: The Southern California Library Cooperative's (SCLC) Standing Rules define the duties of its Leadership and Professional Development (LPD) Committee, which was established a couple of years ago by the Administrative Council. The duties of the LPD Committee are:

- create and maintain the operation of SCLC's Mentorship Program;
- develop an annual regional training program, to be considered and approved by the Administrative Council; and
- suggest and help implement any new programs that support members in their professional growth.

Given these duties, the LPD Committee spent some time during their last meeting discussing topics and issues that would benefit SCLC Council members during their annual planning meeting. They suggested topics such as intergenerational leadership, including how to identify one's leadership philosophy and bridge the gap with managers.

One of the topics suggested by Committee Member DeLeon was to provide members with the opportunity to discuss and learn more about facilities and project management. This would include building basics, conversations about recent library renovations, planning upcoming renovations, and how to advocate for modernization of facilities. During this discussion, it became clear that an entire day could be spent discussing these issues, and much of the information would come from fellow member libraries, their Public Works Department colleagues, and various vendors that libraries have worked with on facility maintenance and improvements.

The LPD Committee initially focused its efforts on establishing and strengthening SCLC's Mentorship Program, making an annual regional training program a longer-term goal in light of current budgetary constraints. A program drawing on member libraries and their partners could reduce the need for a paid keynote speaker, although a paid

speaker remains an option. Organizing regional training during this fiscal year may be feasible, particularly if SCLC secures outside funding for its separate annual planning meeting, but this would depend on the proposed event's scope and costs.

FISCAL IMPACT: There is $5,000 in the budget for use for the annual planning session, which is different from this proposed regional training session. Should SCLC successfully obtain up to $5,000 from the current Local California Libraries Learn (CALL) opportunity for library training, the $5,000 originally budgeted for that planning session could be utilized for this proposed regional training. Any additional funds for this event would need to be authorized by Council.

RECOMMENDATION: Provide direction on whether the proposed regional training session on facility and project management (capital improvements) should be held during FY 2026/27. If so, provide some level of feedback on the following:

- what time of the year should this session be held;
- the intended audience for this session, as well as the projected number of attendees;
- whether it should be open to libraries outside of the SCLC jurisdiction;
- if there should be a cost associated with attending this session (and any distinction between a member and non-member rate, if applicable); and
- potential locations that would have minimal to no cost associated with hosting this session.

Additionally, staff recommend that an ad hoc committee be formed to help plan and organize this event along with SCLC staff. The ad hoc committee can provide updates to the LPD Committee, as well as the Executive Committee.

EXHIBITS: None

REPORT TO THE ADMINISTRATIVE COUNCIL

SOUTHERN CALIFORNIA LIBRARY COOPERATIVE

DATE: November 5, 2026
FROM: Christine Powers, Executive Director

SUBJECT: **Executive Committee Appointment (ACTION)**

BACKGROUND: The Southern California Library Cooperative (SCLC) has standing committees, including the Executive Committee. SCLC's Standing Rules indicate that the Chair is to appoint members, subject to approval by the Administrative Council, when there are committee vacancies.

SCLC Bylaws state that the Executive Committee will be composed of the following eight members: Council Chair, Vice-Chair/Chair Elect, immediate Past Chair, and one member from each of the five Statistical Groups as approved by the Administrative Council. Members selected from each of those groups serve a two-year term, and terms are staggered so that the majority of the Executive Committee does not change in a single year. Interim or acting directors (with the exception of Los Angeles City and County libraries) are not eligible for selection to the Executive Committee.

The current Executive Committee consists of the following members:

- Erica Cuyugan, Chair (will serve as Immediate Past Chair in FY 2027/28)
- Mark Herbert, Vice-Chair/Chair-Elect (will serve as Chair in FY 2027/28)
- Mandy Nasr, Immediate Past Chair (term ending FY 2026/27; will be replaced by new incoming Vice-Chair/Chair-Elect)
- Kathleen Ashmore (Oxnard), Statistical Group 1 (term ending FY 2027/28)
- Stephanie Wronka (Simi Valley), Statistical Group 2 (term ending FY 2026/27)
- Jennifer Addington (Palos Verdes), Statistical Group 3 (term ending FY 2026/27)
- *Vacant,* Statistical Group 4 (term ending FY 2026/27)
- Leila Arciero (Sierra Madre), Statistical Group 5 (term ending FY 2027/28)

Currently, there is a vacancy in Statistical Group 4, as Christine (Conwell) McKeel, who represented that group, left the Moorpark City Library to oversee the Palmdale City Library. Given that there are three more Executive Committee meetings scheduled for this fiscal year, Chair Cuyugan is interested in appointing a Council member to serve on that Committee. Furthermore, she would like the Council's consideration to extend the term for Statistical Group 4 to end in FY 2027/28. This would provide the appointed member an additional year to serve on the Committee while still retaining staggered terms for continuity. Chair Cuyugan does not have a specific member to appoint and would like to have eligible members consider serving on the Executive Committee. Exhibit "a" provides a list of the five Statistical Groups and the eight (8) member libraries in each, including the members that are in Statistical Group 4.

FISCAL IMPACT: None

RECOMMENDATION: Should an eligible member of Statistical Group 4 wish to serve on the Executive Committee, Chair Cuyugan extends authority to the Administrative Council to appoint and confirm the member. Should a member be appointed at this time, Council may also consider extending the term for Statistical Group 4 for one year, to end in FY 2027/28.

Alternatively, Council may consider deferring this item until Chair Cuyugan has the opportunity to appoint a representative from Statistical Group 4 to the Executive Committee.

EXHIBITS:

a. SCLC Executive Committee Statistical Groups: FY 2026/27

Southern California Library Cooperative Executive Committee
Statistical Groups: FY 2026/27
(Updated October 27, 2026)

SG1: Over 160,000	
Los Angeles City – Susan Broman	3,835,263
LA County – Jesse Walker Lanz	3,266,750
Long Beach – Cathy DeLeon	462,561
Ventura County – Nancy Schram	247,650
Santa Clarita – Gina Roberson	232,377
Oxnard – Kathleen Ashmore**	198,733
Glendale – Lessa Pelayo-Lozada	192,212
Palmdale – Christine McKeel	167,097

SG2: 100,000 - 160,000	
Pomona – Joyce Ryan (Interim)	153,042
Torrance – Cynthia Aguado	143,261
Pasadena – Tim McDonald	140,631
Simi Valley – Stephanie Wronka*	124,815
Thousand Oaks – Darren Jeffery	122,468
Downey – Ben Dickow	111,871
Inglewood – Kerri Arroyo	106,305
Burbank – Eric Lashley	106,146

SG3: 55,000 - 99,999	
Santa Monica – Erica Cuyugan (C)	93,212
Whittier – Jac Sanchez (Interim)	87,850
Alhambra – Hilda LohGuan	82,374
Camarillo – Lisa Givens (Interim)	68,927
Redondo Beach – Dana Vinkey	68,091
Palos Verdes – Jennifer Addington*	66,294
Monterey Park – Kristen Olivarez	59,269
Arcadia – Samantha Alba	56,116

SG4: 25,000 - 54,999	
Glendora – Rino Landa	51,254
Covina – Petra Morris (Interim)	51,090
Azusa – Leila Hassan	48,988
Altadena – Nikki Winslow	42,567
Monrovia – Carrey Vance	38,920
Moorpark – VACANT*	34,754
Beverly Hills – Karen Buth	31,945
South Pasadena - Matthew Patsel	26,287

SG5: Under 25,000	
Calabasas – Mandy Nasr (IPC)	22,797
Santa Fe Springs – Debra Raya	18,680
El Segundo – Mark Herbert (VC)	16,983
San Marino – Ashley Watts	12,330
Commerce – Sonia Bautista	12,146
Signal Hill – Charles Hughes	11,421
Sierra Madre – Leila Arciero**	10,870
Irwindale – Shayna Balli	1,509

* *Term through FY 2026/27*
** *Term through FY 2027/28*

Agenda Item 12b

REPORT TO THE ADMINISTRATIVE COUNCIL
SOUTHERN CALIFORNIA LIBRARY COOPERATIVE

DATE: November 5, 2026
FROM: Christine Powers, Executive Director

SUBJECT: **Mentorship Program Update (DISCUSSION)**

BACKGROUND: The Leadership and Professional Development (LPD) Committee established SCLC's mentorship program in April 2024. This program allows experienced library staff to mentor others, strengthen leadership skills, create meaningful relationships between library cultures, and will support and strengthen SCLC's initiatives and objectives, as laid out in its Strategic Plan.

The first cohort in 2025 consisted of 35 mentors and 39 mentees. The 2026 cohort, which just concluded on September 30, 2026, consisted of 25 mentors and 25 mentees. A mixer was held in July 2026 at the Michelle Obama Library in Long Beach at which just over 20 program participants had the opportunity to meet in person. A survey of the mentorship program has been shared with participants, and the information from that survey will be shared with the Committee once it is available.

At the last Leadership and Professional Development Committee meeting, members approved moving forward with a 2027 cohort of the mentorship program. Applications are currently being accepted through Sunday, November 15, 2026. This cohort will run from January through September of 2027. An ad hoc committee consisting of two members will work to pair mentors to mentees between late November and early December. As of October 30, 2026, four (4) mentor and eight (8) mentee applications have been submitted.

FISCAL IMPACT: None

RECOMMENDATION: Informational item only; this report is being provided to the Council to provide an update on the status of the SCLC Mentorship Program, and encourage Council members and their respective staff to participate.

EXHIBITS: None

Cooperative Library System Liaison Report

Updated October 26, 2026

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State Library News

COMPASS and the State Budget

The recently passed state budget ends the COMPASS partnership with the Riverside County Office of Education, with all funding for resources ceasing in July 2027.

Unless there is a change in the California state budget between now and June 2027, the COMPASS program's resources and collections will no longer be available at no cost to local libraries via COMPASS after July 31, 2027.

The California State Library will keep the field updated on this matter and provide any new information (sign up at https://bit.ly/COMPASSnewslettersignup). Questions may be directed to compass@library.ca.gov.

HomeworkCA

HomeworkCA - free online tutoring for K-12 students across California is now available for libraries to provide to their patrons. If your library has not signed up for HomeworkCA, they can do so by filling out this form.

HomeworkCA provides live tutoring sessions, on-demand homework help resources, and subject-specific assistance across core academic areas including mathematics, science, language arts, and social studies. The platform also offers test preparation support to help students build confidence and succeed academically. With qualified tutors available 24/7, HomeworkCA removes barriers to educational support by making professional tutoring accessible to all students in California.

For libraries interested in learning more about implementation, patron access options, training resources, or partnership details, visit www.HomeworkCA.com *LSTA-funded*

PolicyMap

The California State Library and Pacific Library Partnership are excited to provide free statewide access to Policy Map, an online mapping platform that enables public library workers to access information about their communities beyond traditional U.S. Census datasets. PolicyMap is the perfect place to learn more about your community and strengthen the impact of your library services and programs.

Your access is now live and will conclude on July 31, 2027.

If your library team previously used PolicyMap, your former login credentials are the same.

If you'd like to get set up with an account, reset your password for an old account, or for any issues logging in, email Alexis LaCroix at lacroix@plpinfo.org.

Free Digital Tools and Resources for California Libraries

The California State Library and the Department of Technology are excited to offer library branches access to a comprehensive suite of free digital tools and resources! This includes digital inclusion program management training for library branches and digital navigation training for staff, digital literacy assessment and skills training, Artificial Intelligence training, all designed to promote digital inclusion for patrons.

Resources will be made available through state Digital Inclusion partnerships established with CETF, DigitalLift, Human IT and Northstar Digital Literacy platform. **There are 100 Northstar licenses reserved for public libraries, with staff training included if needed.**

For more information and to indicate your desire to utilize these resources go to Digital Inclusion Partnerships | Broadband for All or email broadbandforall@state.ca.gov.

Share the Digital Equity Resource Finder with your Patrons

Help connect every Californian to essential digital inclusion programs and services right in their communities. The Outreach Toolkit includes customizable outreach materials to promote the Resource Finder with your patrons and residents in your community. Help spread the word!

Please send questions to DEResourceFinder@state.ca.gov.

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.

LDS Newsletter

Please be sure to sign up for the LDS Newsletter LibrarytoLibrary. For those who receive this monthly email, please consider forwarding it to your staff and/or printing a copy for your break rooms.

Career Online High School

The Governor approved $5 million in state funding for the Career Online High School (COHS) program in the 2026-2027 California state budget. We are working on moving forward with this funding. In the meantime, current COHS libraries can enroll students by using scholarships available through the Literacy and Learning Initiatives project, a partnership between the State Library and Pacific Library Partnership. COHS questions can be sent to cohs@library.ca.gov. *State of CA and LSTA-funded.*

Networking and Training Opportunities

Public Library Directors Networking Call

The State Library will not hold a Directors Networking Call in October or December 2026. We hope you'll join us for the next Library Director's Networking Call, on **Wednesday, November 18th from 3:30-4:30**. This will be the last call of 2026.

In January 2027 we will resume the Directors Networking Calls at a new day and time. The 2027 calls will move to the third Thursday of the month from 3:00- 4:00 in response to our Directors Networking Call Survey that we distributed in June 2026.

January 2027 Public Directors Networking Calls
Thursday**, January 21st, 3:00-4:00**
Thursday, **February 18th, 3:00-4:00**
Thursday, **March 18th, 3:00-4:00**
Thursday, **April 15th, 3:00-4:00**
Thursday, **May 20th, 3:00-4:00**

Successful Summers Networking Calls

The California State Library will continue its Successful Summers Networking Calls to support planning summer 2027. This is a series of Networking Calls and resources for library staff focused on designing community-based summer programs. Participants will learn strategies to work with their community to support their specific needs and strengths. You can register for all sessions here.

Networking calls are open to all library staff. Note that only the presentation portion of the calls will be recorded. Active participation and conversation is greatly encouraged.

Contact the Successful Summers team with any questions or feedback at Summers@library.ca.gov. Suggestions on any topics or resources to help in your summer planning are welcome.

Communities of Practice

The California State Library lists all Community of Practice events on a single calendar. On our website, under Services to Libraries, select Resources for Public Libraries to find the Communities of Practice calendar. Help your staff build valuable connections across the state by sharing relevant Communities of Practice with them. Newly added is a **Community of Practice for Rural Health Programming**. Details on this and more can be found on the calendar.

Current Projects and Services

Rural Library Leaders: A Community of Practice for New Directors

The year-long cohort, launched through a partnership between Califa and the California State Library, begins in the fall. This group will help inform a New Library Director Toolkit. califa.org/rural-library-leaders *LSTA-funded.*

California Library Literacy Services: ESL included in 2026-2027 Budget, Guidance Shared

The 2026-2027 California state budget states that California Library Literacy Services (CLLS) funds may now be used to provide English as a Second Language (ESL) services. The CLLS team shared guidance on August 3, which included details about the Project Scope Change process.

For general information on the CLLS program, see the CLLS web pages and visit the Manage Your Current Grant page for information on CLLS data collection. Reach out to clls@library.ca.gov for more information. *State of CA-funded.*

California Libraries Learn (CALL) – professional development for all levels of library staff & Local CALL Funding Opportunity for in-person trainings now available

Local CALL

Is there a training topic your region needs? Want to learn in-person alongside library colleagues nearby?

Local CALL gives California libraries the opportunity to host a regional learning event with financial support from California Libraries Learn.

Funding of up to $5,000 can cover presenter and trainer fees, plus facility fees if you're meeting outside your library. The program aims to bring more in-person, on-the-ground training to California libraries while keeping staff time away from work to a minimum.

Guidelines

- Local CALL events must be hosted by a California public library, library cooperative, or tribal library. California school and academic libraries may also apply for funding if they partner with at least one local public or tribal library. Staff from other library types may be invited to participate.
- **Local CALL interest forms will be accepted starting October 6, 2026 and reviewed on a rolling basis until May 31, 2027**. All Local CALL events must be completed by August 2, 2027.
- One person from the host library must attend a 30-minute onboarding meeting with CALL prior to acceptance of the application.

- You may apply for financial support up to $5,000. Allowable expenses are presenter/trainer fees and facility fees if the facility is outside of the host library. Food, refreshments, and giveaways are not allowable.
- The host library must invite other library staff within its region or cooperative library system. Local CALL cannot support training for a single library jurisdiction, such as a staff training day.
- The host library will be responsible for all logistics, including registration, scheduling and promotion of the event, trainer/presenter communications, as well as distribution of a required LSTA survey after the event.
- Topics for the training are not limited, but special consideration will be given to topics identified in the CALL Needs Assessment and the California State Library LSTA 5-Year Plan.
- CALL can also assist with identifying a presenter or trainer if requested. Please contact Madeline Walton-Hadlock for more information at mwaltonhadlock@cla-net.org.

CALL Ongoing / Always available:

- Access live and recorded professional development for all members of your team at www.callacademy.org.
- Subscribe to the CALL Letters newsletter for weekly updates.
- Encourage all levels of your staff to get started with CALL Academy.
  LSTA-funded.

Library Statistics

The 2025-2026 Public Libraries Survey opens 9/1/2026 and closes 10/31/2026. This survey pertains to every California public library's building(s), budget, staffing, collections, and services during fiscal year 7/1/2025-6/30/2026.

The survey portal for submitting library data is at https://ca.countingopinions.com/

Instructions to the Public Libraries Survey and other resources can be found at California Public Library Statistics - California State Library (under the "Resources for Completing the Public Libraries Survey" section). For more information or questions, contact LibraryStatistics@library.ca.gov

Parks Pass Program

Great news! As part of the approved 2026-2027 State of California budget, funding for the State Parks Passes is now **ongoing**. This means your library's park passes **will not expire** on 12/31/2026, and they can continue to be used in the future.

The Parks Pass program supports all Californians in exploring the outdoors and gaining the benefits of our parks by providing free vehicle day-use entry passes for checkout at local libraries. The public can access information on the State Parks Pass at checkoutcastateparks.com

The Parks Pass quarterly report due dates are:

- October 22, 2026 (for reporting period July-Sept 2026)
- January 28, 2027 (for reporting period Oct-Dec 2026)
- April 22, 2027 (for reporting period Jan-Mar 2027)
- July 22, 2027 (for reporting period Apr-June 2027)

Quarterly reports should be submitted via the California State Library Statistics Portal. For any questions, email parkspass@library.ca.gov.

To report lost passes and request replacement, please enter each lost pass using this webform (an individual submission for each lost pass). If a participating public library jurisdiction needs more bookmarks, survey flyers, or passes, please fill out the order form from State Parks.

Program information is available at Parks Pass Program and a Parks Pass subject guide is available to support marketing, circulation, programming, and more. *State of CA-funded.*

Ready – Or Not: Cultural Heritage Disaster Preparedness Project

California's Cultural Heritage Disaster Preparedness Project connected communities holding at-risk collections with the resources needed to protect those collections from destruction and make them available to all Californians.

In partnership with the Northeast Document Conservation Center, the Ready – Or Not: Cultural Heritage Disaster Preparedness Project has practical resources that can help cultural organizations everywhere strengthen their emergency preparedness.

The project provided video shorts to prepare, prioritize, and recover collections. These three short videos highlight key steps for protecting collections before and after a disaster:

1. Preparing Collections Before a Disaster - Learn how California State Parks sites reduce risks and prepare for emergencies.
2. Prioritizing Collections for Emergencies - Discover strategies for prioritizing collections for evacuation ahead of a wildfire.
3. Recovering Collections from Soot and Ash - See safe and effective techniques for recovering collections and collection spaces affected by soot and ash after a fire.

For more information, contact info@nedcc.org *State of CA-funded.*

Rural Health Connections

The American Heart Association's Libraries with Heart program can now be found in 18 counties serving rural California residents across the state: Butte, El Dorado, Fresno, Glenn, Inyo, Kings, Madera, Mariposa, Mendocino, Mono, Riverside, San Benito, San Diego, Santa Barbara, Siskiyou, Sutter, Tehama, and Tulare.

With support from Califa, 52 public and tribal library locations now have blood pressure monitors for in-library use, along with supporting material, including information on local clinics for anyone without a primary care provider.
LSTA-funded

Student Success Cards for All

Library cards help children succeed.

California legislation SB 321 (Ashby), updated SB 1329 makes it easier for public libraries to put library cards into the hands of every California child who wants one. The State Library is working with schools and libraries to help make sure every California student has a library card by the third grade.

The California State Library has launched a new Student Success Cards Partnerships Toolkit to help libraries plan, strengthen, and sustain partnerships that support Student Success Cards (public library cards issued in collaboration with local educational agencies).

This toolkit for library staff includes practical, ready-to-use resources such as:

- Guidance on identifying and engaging potential partners to start a Student Success Cards program
- Tips for developing partnership goals, roles, and workflows
- Communication tools and templates that can be adapted locally
- Examples and materials to help with program implementation and ongoing support

For more information about the Student Success Cards initiative, visit the State Library's Student Success Cards for All website or contact the Student Success team at studentsuccess@library.ca.gov.

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.

REPORT TO THE ADMINISTRATIVE COUNCIL
SOUTHERN CALIFORNIA LIBRARY COOPERATIVE

DATE: November 5, 2026
FROM: Christine Powers, Executive Director

SUBJECT: **Executive Director's Report**

Since the last meeting in August, staff at Southern California Library Cooperative (SCLC) have been working on various reports to the California State Library, holding meetings for all five systems, assessing member needs, and connecting with various library stakeholders.

Annual Reports
Staff worked to obtain information to complete and obtain Chairs' approval and signatures on the Annual Reports for all five systems managed by SCLC staff. These reports provide information to the California Library Services Board on how CLSA funds for FY 2025/26 were expended.

PressReader Technical Support
A reminder that any members having technical issues with PressReader can reach out directly to PressReader's technical support team at B2Btechsupport@pressreader.com and copy the PressReader public libraries email as well at publiclibraries@pressreader.com. I am also happy to help in any way possible, should any members need SCLC's assistance with their PressReader account.

Digital Periodical Vendor Consideration
In May, the Administrative Council discussed SCLC's digital periodical vendor at length. The Council ultimately requested further study during this fiscal year to determine whether to retain PressReader or transition to OCLC CloudLibrary NewsStand.

PressReader offers established, high-volume use and direct access to several popular titles, but it no longer includes the *Los Angeles Times*. CloudLibrary NewsStand would restore *Los Angeles Times* access, integrate with some member libraries CloudLibrary app, and provide implementation support, although it lacks PressReader's most-used

titles. NewsStand is the lower-cost option, so the Council must ultimately weigh savings and restored local newspaper access against service continuity and current patron preferences. A discussion was originally planned for the November meeting, but given the delivery issues that members were experiencing, an evaluation of SCLC's current delivery system took precedence. Members who attended CLA had the opportunity to meet with OCLC to learn more about CloudLibrary NewsStand and be provided with demonstrations. Staff will plan additional opportunities for members to learn more about and interact with NewsStand this fiscal year through guided demonstrations. If there is additional information or opportunities that would help members in making this decision, please reach out to me directly.

Public Library Directors' Forum

In March 2026, the Administrative Council was presented with a draft of the Vision for California's Public Libraries, an LSTA-funded project which "imagines and describes what California's public libraries can become and achieve when working together as a connected supported network of local libraries and library workers." This was presented during the 2026 Public Library Directors' Forum on Wednesday, October 21, 2026, at the Riverside Convention Center by the working group that presented the draft document to the Administrative Council earlier this year. The following link provides access to the document, a description of how it was formed, as well as accompanying documents and information: Vision for California's Public Libraries - California State Library.

CLA Conference

I attended the California Library Association (CLA) conference in October in Riverside. During the conference, I was able to participate in sessions that provided me with a better perspective on library operations and challenges. Of note were sessions led by members of SCLC's Administrative Council, including the presentation by Council Member Nikki Winslow about SCLC's Mentorship Program. I spent time with many vendors and various cooperative members who were also attending the conference. During the conference, I also met with CLA's new Executive Director to provide him with the opportunity to learn more about library cooperatives, how CLA can support them, and how the cooperatives can support CLA.

Grant Projects & Member Participation Opportunities

In October, the project team officially wrapped up the $2.5 million LSTA-funded Empowering Access grant for SCLC for FY 2025/26. In partnership with the State Library, this grant allowed for the distribution of privacy booths, Charlie Carts, e-tricycles for outreach, parent and child work carrels, light tables, and sewing machines.

Additionally, SCLC secured a $400,000 LSTA-funded grant to administer the Public Library Staff Education Program (PLSEP) for FY 2026/27. PLSEP is a long-standing program funded through LSTA in partnership with the State Library that supports the improvement of library services to California's diverse communities. The program reimburses California public and county law library staff who are pursuing a master's degree in library and information science. PLSEP was not offered last year, but the

State Library has allocated funding this year to ensure the continuation of this program. Staff worked on revising the student applications, which will be made available on Monday, November 2, 2026. Information will be posted on SCLC's website, as well as the State Library website. Administrative Council members will also receive the information via email, as will members of SCLC's Interest Group listservs. If anyone is interested in serving as a rater to review applications, please let me know as soon as possible. The rating/review period will take place the first two weeks of December. This program also has a mentorship component to it, and any member who has been a previous PLSEP recipient and is interested in a six-month, six-hour virtual mentorship opportunity is welcome to reach out.

SCLC Meeting Dates
FY 2026/27

Thursday, August 13, 2026 – Special Meeting
1:00 pm Executive Committee
2:15 pm Administrative Council
LAPL Mid-Valley Branch

~~**Thursday, August 27, 2026**~~
~~1:00 pm Executive Committee~~
~~2:15 pm Administrative Council~~
Canceled

Thursday, October 1, 2026*
1:00 pm Executive Committee (only)
* *Rescheduled due to conflict with CLA Conference*

Thursday, November 5, 2026
1:00 pm Executive Committee
2:15 pm Administrative Council
LA County Lynwood Library

Thursday, January 28, 2027
1:00 pm Executive Committee (only)
Via Zoom

Thursday, March 25, 2027
1:00 pm Executive Committee
2:15 pm Administrative Council
Location TBD

Thursday, May 27, 2027
1:00 pm Executive Committee
2:15 pm Administrative Council
Location TBD