

PLS Executive Committee Agenda

May 1, 2025
2:00 p.m. via Zoom

<https://us06web.zoom.us/j/82053984646?pwd=UgxQz0MnlkV3F7bEgC9SVVavLlFaCc.1>

Meeting ID: 820 5398 4646; Passcode: 905728

Call-in Option: 669 444 9171

Peninsula Library System Executive Committee

Chela Anderson, Daly City Public Library (Chair)
Brad McCulley, Burlingame Public Library
Tim Wallace, San Bruno Public Library (Vice Chair)
Anne Marie Despain, San Mateo County Libraries

- | | | |
|---|----------|----------------------|
| I. Approval of Consent Items (Action Item) | Anderson | |
| A. Adoption of Agenda | | |
| B. Approval of March 6, 2025 Minutes | | Attachment 1, pg. 3 |
| C. Fund Allocation for the PLS eBook Purchasing Chair for FY 2025-26 | | Attachment 2, pg. 5 |
| D. Approval of Second Amendment to the FY 2024-25 PLP/PLS Contract for Fiscal and Administrative Services | | Attachment 3, pg. 8 |
| II. New Business | | |
| A. Finance | | |
| 1) Review of the FY 2025-26 PLS/PLP Contract for Administrative and Fiscal Services (Action Item) | Frost | Attachment 4, pg. 10 |
| 2) Review of the FY 2025-26 Budget and Recommendation to PLS Council (Action Item) | Yon | Attachment 5, pg. 12 |
| 3) Acceptance of the PLS FY 2023-24 Audit and Recommend Acceptance to PLS Council (Action Item) | Yon | Attachment 6, pg. 25 |
| 4) FY 2025-26 PLS Executive Committee Meeting Schedule | Anderson | Attachment 7, pg. 68 |
| III. Reports | | |
| A. Administration | Frost | |

- IV. **Public Comment** - (Individuals are allowed three minutes, groups in attendance five minutes. It is system policy to refer matters raised in this forum to staff for further investigation or action if appropriate. The Brown Act prohibits the Executive Committee from discussing or acting on any matter not agendaized pursuant to state law.)
- V. **Agenda Building for Next Meeting on July 3, 2025**
- VI. **Announcements**
- VII. **Adjournment**

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

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

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

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

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

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

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

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

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

Meeting Locations

Daly City Department of Recreation Services, 111 Lake Merced Boulevard, Daly City, 94015

San Bruno Public Library, 701 Angus Avenue West, San Bruno, CA 94006

San Mateo County Library, 125 Lessingia Court, San Mateo, CA 94402

PLS/PLP Offices, 32 West 25th Avenue, Suite 201, San Mateo, CA 94403

1486 Oakdale Ave, San Francisco, CA 94124

PLS Executive Committee
March 6, 2025
2:00 p.m. via Zoom

MINUTES

Committee:

Chela Anderson, Chair, Daly City Public Library
Brad McCulley, Burlingame Public Library
Tim Wallace, San Bruno Public Library
Anne-Marie Despain, San Mateo County Libraries

System Staff:

Carol Frost, PLS
Justin Wasterlain, PLS
Andrew Yon, PLS
Pam Evans, RCPL

The meeting was called to order at 2:01 p.m. by Chair Anderson.

I. Approval of Consent Items

A. Adoption of Agenda

B. Approval of January 14, 2025 Minutes

C. Youth Services Work Group Initiatives Update

A motion was made, and passed, to approve the Consent Items. Despain was not present, all others voted in the affirmative (M/S McCulley/Wallace)

II. New Business

A. Structural Considerations for PLS Administrative Budget Long-Term Sustainability

Frost described the revenue sources for the PLS Administration budget. She noted that libraries do not directly contribute to the Administration budget and the budget is reliant on the revenue derived from the PLS/PLP contract and additional work done to support LSTA grant projects. She stated that the attempted federal funding freeze in January prompted staff to explore ways to reduce expenses in this budget to lower the amount of fund balance that would be needed should LSTA funding be eliminated. Frost identified the Youth Services' shared programming as an expense that could be moved out of the Administration budget to aid this. McCulley suggested that moving these programs to PLAN Local to be paid by participating libraries would make sense. Wallace agreed that the items should be moved out of the Administration budget but was hesitant to take on new local expenses at the moment. Anderson and Despain also agreed the items should not be in the Administration budget, but there was no consensus as to where they should be moved to. Despain suggested this needed more conversation from the Administrative Council and there may be a need to make changes in a later budget cycle. Frost stated new charts would be created for the Administrative Council to show what each library would pay for if moved into the PLAN Local budget.

B. Recommendations for FY 2025-26 Funding for System-wide Youth Services Work Group Initiatives

Evans provided an overview of the current Youth Services Work Group (YSWG) Initiatives. She noted the loss of Measure K funding prompted the YSWG to reevaluate the programs to focus funding on the most impactful programs. She stated the YSWG

felt PLCAF and YANovCon were unique and beyond what any local system could do independently. Evans identified San Mateo County Reads as a program which could sunset, though work group members would continue to discuss possible collaborative projects with the County Office of Education. She noted the YSWG felt funding scholarships for summer learning was important for equity reasons and asked to provide a scholarship for each participating branch. A Committee member asked if PLCAF and YANovCon could be held on alternating years to reduce the staff workload and costs. Evans answered the idea had been discussed but there was a concern that a two-year gap for programs would cause a loss of institutional knowledge and public awareness between the events. Wallace voiced concern about increasing local funding during an uncertain budget time period but agreed with not continuing San Mateo County Reads. Despain asked for additional discussion to be held at the Administrative Council's April meeting. No action was taken.

III. Reports

A. Administration

Frost reported on changes to tenants at the PLS Office.

IV. Public Comment

No public comments were made.

V. Agenda Building for the May 1, 2025 meeting

- PLS/PLP Contract Amendments and FY 2025-26 Contract
- PLS Budget
- PLS Audit

VI. Announcements

No announcements.

VII. Adjournment

The meeting was adjourned at 3:14 p.m. by Chair Anderson.

To: PLS Executive Committee
From: Carol Frost
Subject: Fund Allocation for PLS eBook Purchasing Chair for FY 2025-26
Date: May 1, 2025

Background

At the August 2021 PLS Executive Committee meeting, the Committee approved funding a part-time eBook Purchasing Chair for a two-year period, per an alphabetical rotation for the Chair. The position is now an itemized cost in the OverDrive budget.

Per the PLS Administrative Council, \$39,000 will be allocated annually from the OverDrive budget to the PLS library which is the eBook Purchasing Chair. **Exhibit 1** includes the approved workflow for funding, **Exhibit 2** is the approved rotation schedule, and **Exhibit 3** is the approved duties.

The Daly City Public Library has been the eBook Purchasing Chair for FY 2023-24 and FY 2024-25. Daly City expects there to be approximately \$12,000 in unspent funds for eBook Chair activities in FY 2024-25. The position will be transitioned to Menlo Park for FY 2025-26 and FY 2026-27.

Recommendation

It is recommended that the PLS Executive Committee approve the allocation of \$39,000 for the eBook Purchasing Chair in FY 2025-26 and recommend to the PLS Council the approval of the allocation.

Exhibit 1

Below is the approved workflow for libraries to support the eBook position (Updated December 2023):

- The public libraries will be invoiced at the beginning of the fiscal year for the full OverDrive budget, including the itemized cost of \$39,000 to support the eBook Purchasing Chair library.
- After payment is received from the libraries, a full \$39,000 distribution will be paid to the eBook Purchasing Chair library.
- The eBook Purchasing Chair library will bill back actual staffing costs against the \$39,000 received.
- The eBook Purchasing Chair library will report any unexpended funds to the Administrative Council at the end of the fiscal year.
- The eBook Purchasing Chair library will issue a check for the unspent funds at the end of the fiscal year to the PLS Administration. Unexpended funds will be returned to the OverDrive budget to be applied to the following fiscal year's OverDrive budget.

Exhibit 2

Approved rotation for the eBook Purchasing Chair and Deputy Chair**

FISCAL YEAR	CHAIR	DEPUTY CHAIR
2021-2022	Burlingame	
2022-2023	Burlingame	Daly City
2023-2024	Daly City	
2024-2025	Daly City	Menlo Park
2025-2026	Menlo Park	
2026-2027	Menlo Park	Redwood City
2027-2028	Redwood City	
2028-2029	Redwood City	San Mateo City
2029-2030	San Mateo City	
2030-2031	San Mateo City	San Mateo County
2031-2032	San Mateo County	
2032-2033	San Mateo County	South San Francisco
2033-2034	South San Francisco	
2034-2035	South San Francisco	San Bruno*
2035-2036	San Bruno	
2036-2037	San Bruno	Burlingame

*San Bruno was moved to the bottom of the rotation for fairness

**The Director of each library would appoint who the participating party would be to serve the 3-year commitment when their year came up in rotation, and additionally that if a volunteer expresses interest outside of rotation, this would be accommodated until no volunteer was available, at which point the rotation would resume.

Exhibit 3

Duties of eBook Purchasing Chair

This position is a rotating, 2-year assignment for a staff person at an existing PLS member library. The member library would receive funds as backfill to help free up the time of the chairperson to fulfill the duties of the eBook Purchasing Chair. The person will supervise selection, manage the budget and vendor relationship, and report to the InfoServices Committee and Administrative Council.

Budget Tracking:

It is recommended that each eBook Chair follow these guidelines:

- Create an annual budget.
- Utilize the InfoServices eBooks section on FIDO to track the orders, invoices, and expenditures. Excel files for tracking the budget have been developed and each Chair will use these in coordination with PLS staff.
- The eBook Chair will work with selectors on purchases and will review the monthly invoices before they are paid by PLS accounting staff.
- To ensure all invoices are paid within the correct fiscal year, the eBook Chair should implement a cut-off date for purchases which do not fall within the monthly billing. The

eBook Chair should work with the PLS accounting staff for all June invoices to identify in which fiscal year they should be paid.

- The eBook Chair should meet with the PLS Executive Director, Assistant Director and/or Controller on a quarterly basis to ensure that the budget is on track. PLS accounting staff will provide a quarterly expenditure report to the eBook Chair to ensure the budget is being expended.
- The eBook Chair's director should be included in budget tracking discussions.
- PLS staff will communicate with the eBook Chair should additional funding be added to the budget mid-year (e.g., CLSA funds).

Supervise selection:

- coordinate eBook selectors in the eBook Purchasing Group for monthly ordering of materials
- recruit eBook selectors (create job descriptions, communicate effectively with PLS committees, Administrative Council and member libraries' staff)
- train eBook selectors as needed
- convene the eBook Purchasing Group 1-2 times/year to discuss and adjust budget priorities
- communicate regularly with eBook Purchasing Group members
- oversee the eBook collection in terms of identifying gaps and expired content for eBook Purchasing Group selectors to address
- route eBook purchasing requests to appropriate selector

Manage OverDrive budget:

- purchase OverDrive carts created by selectors
- monitor budget expenditure
- coordinate with PLS for invoice approval
- work with PLS Executive Director for budget coordination, grant opportunities, general reporting
- keep PLS Executive Director apprised of developments

Vendor relationship:

- primary liaison to eBook vendor for content
- evaluate eBook vendor service-model changes
- implement new eBook service initiatives due to changes by vendor or library services
- manage eBook account users' access and permissions

Report out:

- prepare and present mid-year and year-end reports to InfoServices Committee and Administrative Council
- attend PLS committee meetings as needed, up to 6 times per year

It is anticipated this would be an average of 10-15 hours per week (520-780 hours/year).

To: PLS Executive Committee
From: Carol Frost
Subject: Approval of Second Amendment to the FY 2024-25 PLP/PLS Contract for Fiscal and Administrative Services
Date: May 1, 2025

Background

Both PLP and PLS Executive Committees have approved the first amendment to the FY 2024-25 PLP/PLS contract for fiscal and administrative services.

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

Additional Grant Work

The first contract amendment total is \$1,061,004.

The second amendment includes additional work and staff time during FY 2024-25 for two statewide grants which PLP handles: Community-Centered Libraries and Literacy Initiatives. The attached second contract amendment includes \$5,363 for staff time.

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

The amount of additional indirect revenue is \$9,788. In consideration of the time needed to oversee, administer, and perform the work, as well as general Indirect costs, it is recommended that 10% of the Indirect, \$979, be allocated to PLS, and 90% be allocated to PLP. This is in alignment with past practices.

Recommendation

It is recommended that the Executive Committee approve the second contract amendment to the FY 2024-25 PLP/PLS contract, for an additional \$6,342, for a total revised contract of \$1,067,345.

This contract will be reviewed and approved by the PLP Executive Committee at their May 16, 2025 meeting.

PLP/PLS CONTRACT
July 1, 2024 to June 30, 2025
2nd Amendment

Additional Work Related to Statewide Grants

PLP/PLS Baseline Contract \$ 1,061,004

Additional Grant Work for PLP:

	Amount
Staff time Related to FY 2024-25 Community Centered Learning Grant	\$ 2,495
Staff Time Related to FY24-25 Literacy Initiatives Grant	\$ 2,868

TOTAL Staff Support Costs	2nd Amendment Total	\$ 5,363
	Additional Indirect from Grants	\$ 9,788
	10% of Indirect costs	\$ 979
	Total Additional Costs	\$ 6,342

Total Revised Contract \$ 1,067,345

To: PLS Executive Committee
From: Carol Frost
Subject: Review and Approval of FY 2025-26 PLP/PLS Contract for Administrative and Fiscal Services
Date: May 1, 2025

Background

The Pacific Library Partnership (PLP) contracts with the Peninsula Library System for fiscal and administrative oversight. The PLP/PLS Baseline Contract for FY 2025-26 is \$1,077,035, which reflects a 3.5% increase from the previous year's contract of \$1,038,616.

For FY 2025-26, the following should be noted:

- Staff costs include a Cost-of-Living Adjustment of 3%
- There is typically at least one contract amendment annually, based on additional grant work. However, it is not known at this time whether any future LSTA funds will be available. The contract includes work through September 2025 for current grants.
- Should no additional grants be awarded for FY 2025-26 for PLP, the contract amendment between the two agencies shall be amended to reflect the reduction in work.

Recommendation

This contract will be considered for approval at the PLP Executive Committee meeting on May 16, 2025.

It is recommended that the Executive Committee approve the FY 2025-26 contract for \$1,077,035.

PLP/PLS CONTRACT
July 1, 2025 to June 30, 2026
Scope of Services for PLP and NorthNet Systems

Administration, Operation & Accounting

Oversee the action plan to institute strategic directions

Coordinate and attend System Executive and Council Meetings

* Prepare and distribute System Executive and Council Meeting agenda packets & minutes

* Make arrangements for System Executive and Council Meetings

* Prepare and submit reports to System Executive and Council Meeting regarding system activities

Maintain systems member rosters and directories

Prepare, monitor, and report on CLSA activities, funding and reports in consultation with System Executive Committees

Represent and advocate for PLP and NLS regionally, statewide and nationally

Distribute legislative, State Library and federal/IMLS correspondence

Coordinate with member libraries for delivery needs

Pursue grant and other funding opportunities

Administer and evaluate system contracts

Explore cooperative purchasing opportunities with other systems or regions

Prepare and monitor systems budget in consultation with System Executive Committees

Prepare Professional Services and Contractual Services agreements

Invoice preparation, accounts receivable and payable

Systems acquisitions and invoice payments

Systems narrative and financial reporting (grant & non-grant)

Prepare annual IRS 1099 form for contractors

Coordinate systems annual Single Audit and Financial Statements

Prepare annual statements of LAIF interest earned, Statement of Economic Interest, etc.

Indirect costs contribute to overhead that enable the Peninsula Library System to manage the activities of the Pacific Library Partnersh including rent, utilities, equipment and services (e.g. photocopiers, phone systems, janitorial service, IT support).

	FTE	Hourly Rate	Amount
Chief Executive Officer	0.800	\$ 143.72	\$ 239,150
Assistant Director	0.875	\$ 120.83	\$ 219,911
Controller	0.600	\$ 120.61	\$ 150,521
Office Manager	0.625	\$ 76.04	\$ 98,852
Fiscal/Admin Services Specialist	0.463	\$ 76.04	\$ 73,150
Accounting Assistant II	0.719	\$ 50.24	\$ 75,109
Administrative Assistant	0.500	\$ 51.10	\$ 53,144
Office Assistants	0.842	\$ 27.41	\$ 48,011
IT Director	0.050	\$ 114.18	\$ 11,875
TOTAL PLP & NLS Staffing Support Costs	5.47		\$ 969,723
<i>(Time included for administering PLP and NorthNet)</i>			
Records Storage Rental		\$	4,000
Director & Assistant Director pro-rated auto allowance		\$	5,400
Total PLP & NLS Staffing Support & Auto Allow. Costs		\$	979,123
10% Overhead		\$	97,912
Total PLS/PLP BASELINE CONTRACT		\$	1,077,035

FY 24-25 PLP/PLS Contract	Amount
Admin Staffing Cost	\$ 938,796
PLS Director & Asst Auto Allowance	\$ 5,400
10% Overhead	\$ 94,420
Total	\$ 1,038,616
Contract Amendments	\$ 28,730
TOTAL CONTRACT	\$ 1,067,345

To: PLS Executive Committee
From: Andrew Yon
Subject: Review of the FY 2025-26 Budget and Recommendation to PLS Council
Date: May 1, 2025

Attached is the proposed FY 2025-26 budget. Below are several items which should be noted:

DELIVERY BUDGET

At the February PLS Administrative Council meeting, the Council reviewed the Delivery budget for FY 2025-26. No further changes have been made.

PLAN CENTRAL AND LOCAL BUDGET

Since the PLAN budget was presented at the February PLS Administrative Council meeting, there have been no changes to the PLAN Central Budget. The following changed items should be noted for the PLAN Local Budget:

- The OverDrive eMagazine three-year subscription has been negotiated, with a 15% discount for a multi-year commitment. The cost is \$38,250/year, from \$35,000/year.
- Another 3-year extension for EBSCO Databases was secured at the same price as previous years, \$112,350/year.
- Prior budgets included bundled costs for self-checks and RFID maintenance. This budget includes more detailed costs related to AMH warranties, Envisionware and Bibliotheca. As is always the case, libraries are only invoiced for what their actual costs are from the vendors.

ADMINISTRATION BUDGET

- Revenue from LAIF account is estimated to increase to \$180,800 as a result of raising LAIF interest rates.
- Salaries and Hourly employees budget lines include a 3% COLA adjustment to align with City of San Mateo's minimum wage annual increase.
- The FY 2025-26 PLS/PLP Contract for baseline work is currently expected to be \$1,077,035. This includes work for Q1 2025 related to LSTA grants for the State Library. A revised contract may be required mid-year.
- Per the April 2025 PLS Administrative Council approval, a total of \$43,000 is allocated for Youth Services Work Group shared programming. \$15,000 has been allocated for PLCAF, \$15,000 for YANovCon, and \$5,000 for Children Summer Reading graphic design. \$8,000 is being rolled over from FY 2024-25 for \$1,000 scholarships which were approved in this fiscal year, but which will pay out in November 2025. It should be noted that these program funds are not charged back to libraries but are included in the use of fund balance to maintain these programs. Commencing in FY 2026-27, they will be moved to a separate budget and Council will confirm if participating libraries will be charged back or funded in a different manner.

- The budget reflects the use of \$282,769 of Fund Balance, which is offset by the \$192,901 from the 6% administrative fees for the PLAN and Delivery budgets.

SYSTEM BUILDING BUDGET

- The \$245,500 rental revenue is based on current leased spaces and one office vacancy on the 2nd floor, which is expected to be difficult to lease as a result of the current leasing market.
- Building Improvement includes a portion of the HVAC Phase 2 Project to replace an HVAC unit located in Suite #100, a ground floor vacant space to new unit and to upgrade the suite with a restroom and new flooring. The previous tenant had vacated the space in April and had leased the space for over 30 years. The space is need of renovation to enhance its functionality and presentation.
- The annual Building Reserve contribution of \$6,500 has been deferred due to the building budget shortfall.
- Should PLS be able to rent out the remaining vacant space sooner, additional revenue may occur that can be applied to this shortfall.

USE OF FUND BALANCE AND RESERVES POLICY

In the proposed FY 2025/26 budget, the following Reserves have been designated:

\$10,000 Delivery Reserve
\$40,000 Vehicle Replacement Reserve
\$55,000 Central AMH Replacement Reserve
\$30,000 PLAN Reserve
\$0 System Building Reserve
Total Reserve Contributions: \$ 135,000

The Operating Reserve balance is \$574,596.

RECOMMENDATION

It is recommended that the PLS Executive Committee approve the PLS budget and recommend to the PLS Administrative Council the adoption of the FY 2025-26 budget.

FY 2025-26				Revised 4/23/25			
PROPOSED PLS ALL FEES							
	BPL 25/26	BPL 24/25	BPL 23/24		DCPL 25/26	DCPL 24/25	DCPL 23/24
JPA Fees (Pay to PLP)	\$15,641	\$15,641	\$15,641		\$11,641	\$11,641	\$11,641
DELIVERY	\$107,367	\$91,193	\$73,354		\$105,367	\$88,970	\$67,918
PLAN CENTRAL	\$136,786	\$127,217	\$117,109		\$92,205	\$85,856	\$83,014
Total PLS Fees	\$259,794	\$234,050	\$206,103		\$209,213	\$186,467	\$162,573
PLAN LOCAL - Cost Recovery							
(-) RFID Maint (SelfChks+ AMH+Other Eqp)		\$10,398	\$27,913			\$21,274	\$23,247
(+) Bibliotheca Maint. (SelfChks+other equipment)	\$3,994				\$21,539		
(+) Envisionware Maint. (SelfChks+other equipment)	\$10,749	\$6,778	\$6,455		\$8,169	\$10,580	\$10,076
(+) AMH Lyngsoe Maint.	\$13,274						
Domain Controller/Additional servers	\$400	\$400	\$400		\$400	\$400	\$400
CENIC 1 G with E-rate discount	\$2,462	\$3,850	\$3,378		\$4,934	\$7,698	\$6,815
Authority Control Maint. Charge	\$1,167	\$1,174	\$962		\$787	\$792	\$682
BiblioCommons (fine + language)	\$9,219	\$9,275	\$8,756		\$6,214	\$6,259	\$6,207
Innovative Mobile App	\$3,939	\$3,810			\$2,655	\$2,571	
DeepFreeze	\$8,020	\$7,610	\$7,610		\$1,156	\$1,550	\$1,550
TeamViewer	\$337	\$294	\$288		\$227	\$199	\$204
eResources							
Content Café Ebsco	\$2,022	\$2,044	\$2,031		\$1,363	\$1,380	\$1,440
Data Axle	\$1,098	\$1,105	\$1,085		\$740	\$746	\$769
EBSCO	\$9,781	\$9,841	\$9,641		\$6,593	\$6,641	\$6,834
eMagazine	\$3,352	\$3,153	\$3,089		\$2,259	\$2,128	\$2,190
OverDrive Collection	\$63,119	\$59,124	\$51,723		\$42,548	\$39,901	\$40,719
O'Reilly (Safari) eBooks	\$1,608	\$1,618	\$1,470		\$1,084	\$1,092	\$1,042
Pronunciator	\$1,122	\$1,125	\$1,135				
Future Purchases		\$1,728	\$1,692			\$1,166	\$1,199
Total PLAN LOCAL	\$135,664	\$123,328	\$130,333		\$100,669	\$104,377	\$108,218
Grand Total	\$395,458	\$357,378	\$336,436		\$309,882	\$290,844	\$270,792
Grand Total = JPA fees+Delivery+PLAN Central+PLAN Local							
	MPL 25/26	MPL 24/25	MPL 23/24		RCL 25/26	RCL 24/25	RCL 23/24
JPA Fees (Pay to PLP)	\$9,641	\$9,641	\$9,641		\$19,641	\$19,641	\$19,641
DELIVERY	\$62,345	\$59,941	\$50,379		\$129,744	\$111,615	\$91,432
PLAN CENTRAL	\$102,757	\$96,947	\$90,528		\$172,735	\$166,087	\$162,655
Total PLS Fees	\$174,743	\$166,529	\$150,548		\$322,120	\$297,342	\$273,728
PLAN LOCAL - Cost Recovery							
(-) RFID Maint (SelfChks+ AMH+Other Eqp)		\$24,154	\$28,789			\$37,131	\$46,201
(+) Bibliotheca Maint. (SelfChks+other equipment)	\$ 50,856						
(+) Envisionware Maint. (SelfChks+other equipment)	\$1,983	\$5,565	\$5,300		\$19,548	\$14,412	\$13,726
(+) AMH Lyngsoe Maint.							
Domain Controller/Additional servers	\$400	\$400	\$400		\$400	\$400	\$400
CENIC 1 G with E-rate discount	\$2,467	\$3,850	\$3,407		\$3,695	\$5,774	\$5,082
Authority Control Maint. Charge	\$877	\$895	\$744		\$1,474	\$1,533	\$1,337
BiblioCommons (fine + language)	\$6,925	\$7,068	\$6,768		\$11,642	\$12,109	\$12,161
Innovative Mobile App	\$2,959	\$2,904			\$4,974	\$4,974	
DeepFreeze	\$812	\$813	\$813		\$3,321	\$3,075	\$3,075
Innovative Modules (floating collections, Link+)	\$18,026	\$18,026	\$17,333				
TeamViewer	\$253	\$224	\$223		\$426	\$384	\$400
eResources							
Content Café Ebsco	\$1,519	\$1,558	\$1,570		\$2,553	\$2,669	\$2,822
Data Axle	\$825	\$842	\$839		\$1,387	\$1,443	\$1,507
EBSCO	\$7,348	\$7,499	\$7,453		\$12,352	\$12,848	\$13,391
eMagazine	\$2,518	\$2,403	\$2,388		\$4,233	\$4,117	\$4,291
OverDrive Collection	\$47,417	\$45,056	\$42,105		\$79,708	\$77,188	\$72,860
O'Reilly (Safari) eBooks	\$1,208	\$1,233	\$1,137		\$2,030	\$2,112	\$2,042
Pronunciator	\$843	\$857	\$877		\$1,417	\$1,469	\$1,576
Future Purchases		\$1,317	\$1,308			\$2,256	\$2,350
Total PLAN LOCAL	\$147,236	\$124,665	\$125,915		\$149,160	\$183,893	\$192,220
Grand Total	\$321,979	\$291,193	\$276,463		\$471,280	\$481,235	\$465,948
Grand Total = JPA fees+Delivery+PLAN Central+PLAN Local							

FY 2025-26				Revised 4/23/25			
PROPOSED PLS ALL FEES							
	SBL 25/26	SBL 24/25	SBL 23/24		SMPL 25/26	SMPL 24/25	SMPL 23/24
JPA Fees (Pay to PLP)	\$9,641	\$9,641	\$9,641		\$17,641	\$17,641	\$17,641
DELIVERY	\$46,629	\$37,622	\$32,084		\$154,536	\$128,956	\$102,738
PLAN CENTRAL	\$63,450	\$53,909	\$49,663		\$196,961	\$179,877	\$180,689
Total PLS Fees	\$119,720	\$101,173	\$91,387		\$369,138	\$326,474	\$301,069
PLAN LOCAL - Cost Recovery							
(-) RFID Maint (SelfChks+ AMH+Other Eqp)		\$6,161	\$6,870			\$65,965	\$65,462
(+) Bibliotheca Maint. (SelfChks+other equipment)					\$28,853		
(+) Envisionware Maint. (SelfChks+other equipment)	\$6,800	\$5,098	\$4,855		\$11,467	\$15,735	\$14,986
(+) AMH Lyngsoe Maint.					\$35,108		
Domain Controller/Additional servers	\$400	\$400	\$400		\$400	\$400	\$400
CENIC 1 G with E-rate discount	\$1,234	\$1,925	\$1,704		\$3,695	\$5,774	\$5,082
Authority Control Maint. Charge	\$541	\$497	\$408		\$1,680	\$1,660	\$1,485
BiblioCommons (fine + language)	\$4,276	\$3,930	\$3,713		\$13,275	\$13,114	\$13,510
Innovative Mobile App	\$1,827	\$1,615			\$5,671	\$5,387	
DeepFreeze	\$462	\$325	\$325		\$3,936	\$4,059	\$4,059
Innovative Modules (floating collections, Link+)							
TeamViewer	\$156	\$125	\$122		\$485	\$416	\$445
eResources							
Content Café Ebsco	\$938	\$866	\$861		\$2,912	\$2,891	\$3,134
Data Axle	\$509	\$468	\$460		\$1,582	\$1,562	\$1,674
EBSCO	\$4,537	\$4,170	\$4,089		\$14,084	\$13,914	\$14,876
eMagazine	\$1,555	\$1,336	\$1,310		\$4,826	\$4,459	\$4,767
OverDrive Collection	\$29,278	\$25,054	\$27,562		\$90,887	\$83,597	\$91,530
O'Reilly (Safari) eBooks	\$746	\$685	\$623		\$2,315	\$2,287	\$2,268
Pronunciator	\$521	\$477	\$481		\$1,616	\$1,591	\$1,751
Future Purchases		\$732	\$718			\$2,443	\$2,611
Total PLAN LOCAL	\$53,781	\$53,866	\$57,733		\$222,793	\$225,255	\$237,804
Grand Total	\$173,500	\$155,038	\$149,120		\$591,930	\$551,729	\$538,873
Grand Total = JPA Fees+Delivery+PLAN Central+PLAN Local Costs							
	SMCO 25/26	SMCO 24/25	SMCO 23/24		SSF 25/26	SSF 24/25	SSF 23/24
JPA Fees (Pay to PLP)	\$35,641	\$35,641	\$35,641		\$16,641	\$16,641	\$16,641
DELIVERY	\$496,333	\$423,967	\$353,341		\$75,679	\$63,418	\$53,651
PLAN CENTRAL	\$668,752	\$620,638	\$574,848		\$137,505	\$121,873	\$106,148
Total PLS Fees	\$1,200,726	\$1,080,246	\$963,830		\$229,825	\$201,932	\$176,440
PLAN LOCAL - Cost Recovery							
(-) RFID Maint (SelfChks+ AMH+Other Eqp)		\$106,570	\$116,577			\$18,881	\$34,363
(+) Bibliotheca Maint. (SelfChks+other equipment)					\$3,523		
(+) Envisionware Maint. (SelfChks+other equipment)	\$46,910	\$53,264	\$50,728		\$16,669	\$9,975	\$9,500
(+) AMH Lyngsoe Maint.	\$62,462						
Domain Controller/Additional servers	\$1,400	\$1,400	\$1,400				
CENIC 1 G with E-rate discount	\$17,293	\$26,944	\$23,521		\$2,467	\$3,849	\$3,408
Authority Control Maint. Charge	\$5,705	\$5,727	\$4,725		\$1,173	\$1,125	\$872
BiblioCommons (fine + language)	\$45,072	\$45,249	\$42,980		\$9,267	\$8,885	\$7,936
Innovative Mobile App	\$19,256	\$18,588	\$23,370		\$3,959	\$3,650	
DeepFreeze	\$12,120	\$13,320	\$13,320		\$765	\$734	\$734
Innovative Modules (floating collections, Link+)	\$32,382	\$33,130	\$31,939				
TeamViewer	\$1,648	\$1,436	\$1,415		\$339	\$282	\$261
eResources							
Content Café Ebsco	\$9,886	\$9,973	\$9,972		\$2,033	\$1,958	\$1,841
Data Axle	\$5,370	\$5,391	\$5,325		\$1,104	\$1,059	\$983
EBSCO	\$47,821	\$48,009	\$47,326		\$9,833	\$9,427	\$8,739
eMagazine	\$16,387	\$15,383	\$15,165		\$3,369	\$3,021	\$2,800
OverDrive Collection	\$308,592	\$288,439	\$249,568		\$63,451	\$56,640	\$48,932
O'Reilly (Safari) eBooks	\$7,861	\$7,891	\$7,217		\$1,616	\$1,550	\$1,333
Pronunciator	\$5,488	\$5,489	\$5,570				
Future Purchases		\$8,429	\$8,306			\$1,655	\$1,534
Total PLAN LOCAL	\$645,653	\$694,635	\$685,278		\$119,569	\$122,692	\$128,633
Grand Total	\$1,846,378	\$1,774,881	\$1,649,108		\$349,394	\$324,624	\$305,072
Grand Total = JPA Fees+Delivery+PLAN Central+PLAN Local Costs							

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FY 2025-26				Revised 4/23/25			
PROPOSED PLS ALL FEES							
	SMCCCD 25/26	SMCCCD 24/25	SMCCCD 23/24		PLS Total 25/26	PLS Total 24/25	PLS Total 23/24
JPA Fees (Pay to PLP)	\$3,000	\$3,000	\$3,000		\$139,128	\$139,128	\$139,128
DELIVERY	\$15,975	\$15,600	\$15,000		\$1,194,132	\$1,021,281	\$839,897
PLAN CENTRAL	\$20,351	\$19,874	\$19,110		\$1,591,502	\$1,472,278	\$1,383,763
Total PLS Fees	\$39,326	\$38,474	\$37,110		\$2,924,762	\$2,632,688	\$2,362,788
PLAN LOCAL - Cost Recovery							
(-) RFID Maint (SelfChks+ AMH+Other Eqp)						\$290,535	\$349,420
(+) Bibliotheca Maint. (SelfChks+other equipment)					\$108,764		
(+) Envisionware Maint. (SelfChks+other equipment)					\$122,295	\$121,407	\$115,626
(+) AMH Lyngsoe Maint.					\$110,844		
Domain Controller/Additional servers					\$3,800	\$3,800	\$3,800
CENIC 1 G with E-rate discount					\$38,247	\$59,664	\$52,397
Authority Control Maint. Charge					\$13,403	\$13,403	\$11,216
BiblioCommons (fine + language)					\$105,891	\$105,891	\$102,031
Innovative Mobile App					\$45,240	\$43,500	\$23,370
DeepFreeze					\$30,592	\$31,486	\$31,486
Innovative Modules (floating collections, Link+)					\$50,409	\$51,156	\$49,272
TeamViewer					\$3,871	\$3,360	\$3,360
eResources							
Content Café Ebsco					\$23,225	\$23,340	\$23,672
Data Axle	\$884	\$884	\$858		\$13,500	\$13,500	\$13,500
EBSCO					\$112,350	\$112,350	\$112,350
eMagazine					\$38,500	\$36,000	\$36,000
OverDrive Collection					\$725,000	\$675,000	\$625,000
O'Reilly (Safari) eBooks	\$884	\$884	\$859		\$19,351	\$19,351	\$17,991
Pronunciator	\$884	\$884	\$858		\$11,892	\$11,892	\$12,249
Future Purchases		\$274	\$283			\$20,000	\$20,000
Total PLAN LOCAL	\$2,652	\$2,926	\$2,858		\$1,577,175	\$1,635,635	\$1,668,993
Grand Total	\$41,978	\$41,401	\$39,968		\$4,501,937	\$4,268,323	\$4,031,781
Grand Total = JPA Fees+Delivery+PLAN Central+PLAN Local Costs							

FY 2025-26 PLS PROPOSED BUDGET SUMMARY

	(919)	(917)	(951)	(952)	(956)	
	Admin	Delivery	PLAN Central	Local	Building	TOTAL
Revenue						
Federal Grants	\$0	\$0	\$0	\$0	\$0	\$0
Other Agencies	\$1,077,035	\$93,080				\$1,170,115
PLAN Shared Cost			\$1,591,502			\$1,591,502
PLAN Cost Recovery			\$5,950			\$5,950
PLAN Reimbursable Cost				\$1,577,175		\$1,577,175
Delivery Shared cost		\$1,194,132				\$1,194,132
Interest Income	\$180,800					\$180,800
Rental Income					\$245,500	\$245,500
Fund Balance	\$290,769	\$65,000	\$108,500		\$76,403	\$540,672
Total Revenue	\$1,548,604	\$1,352,211	\$1,705,952	\$1,577,175	\$321,903	\$6,505,845
Salaries & Benefits	\$1,439,302	\$978,918	\$881,563	\$0	\$0	\$3,299,783
Expenditure						
Advertisement	\$582	\$680	\$680	\$0	\$0	\$1,942
Worker's Comp for Contractor						\$0
Communications	\$200	\$3,300	\$21,660		\$3,900	\$29,060
Rent		\$16,740	\$25,000			\$41,740
Equipment Maint		\$14,940	\$166,200			\$181,140
Printing	\$7,000	\$1,200				\$8,200
Professional Services			\$40,000			\$40,000
Contractual Services	\$28,275		\$55,000		\$33,500	\$116,775
Office Expense	\$2,250	\$500	\$900			\$3,650
Utilities					\$26,000	\$26,000
Special Departmental	\$43,000					\$43,000
Postage		\$0	\$58,000			\$58,000
Vehicle Operating Expense		\$53,960				\$53,960
Repair & Maintenance					\$18,000	\$18,000
Misc Supplies	\$1,400	\$2,000	\$3,000		\$1,800	\$8,200
General Insurance	\$2,850	\$32,500	\$11,606		\$9,000	\$55,956
Membership Fees/Dues	\$1,210		\$300			\$1,510
Travel & Meetings	\$300	\$50	\$9,000			\$9,350
Education & Training	\$1,100	\$1,099	\$12,000			\$14,199
Subscriptions			\$1,266			\$1,266
Software License Fees	\$85		\$131,100			\$131,185
Service Fees	\$12,050	\$350	\$1,200			\$13,600
Network Support & Maint			\$128,600			\$128,600
Vehicle Replacement Reserve		\$40,000				\$40,000
Central AMH Replacement Res.		\$55,000				
Computer Equipment	\$9,000	\$0	\$11,950			\$20,950
Vehicle Replacement Acquisition		\$65,000				\$65,000
Reimbursable Library Expenses				\$1,577,175		\$1,577,175
Property Taxes					\$2,600	\$2,600
Building Improvements					\$113,500	\$113,500
Building Principal					\$88,575	\$88,575
Building Interest					\$25,028	\$25,028
Total Expenditure	\$1,548,604	\$1,266,237	\$1,559,025	\$1,577,175	\$321,903	\$6,217,944
Administrative Fee		\$75,974	\$116,927	\$0	\$0	\$192,901
Delivery and PLAN Reserves		\$105,000	\$30,000	\$0	\$0	\$135,000
TOTAL	\$1,548,604	\$1,447,211	\$1,705,952	\$1,577,175	\$321,903	\$6,545,845
	Fund Balance	FY 24/25	FY25/26		Reserves	FY25/26
Beginning Fund Balance		\$2,383,928	\$1,888,498		Building Reserve	\$6,500
Change (+/-)		(\$495,430)	(\$540,672)		PLAN Reserve	\$323,934
Estimated Ending Fund Balance		\$1,888,498	\$1,347,826		Delivery Reserve	\$48,532
					Vehicle Replacement Reserve	\$114,414
			P 17		(Restricted) Operating Reserve	\$574,596
					Total Reserves	\$1,067,976

PENINSULA LIBRARY SYSTEM
FY2025-26 Proposed Administration Budget

ADMINISTRATION (919)

<u>GL Acct</u>	<u>Revenue</u>	Adopted 24/25	Proposed 25/26	Note
3601	Other Agencies	\$1,038,616	\$1,077,035	PLP/PLS contract
3510	Interest Income	135,000	180,800	Investment Interest (LAIF)
3668	Federal Grants	0	0	
3000	Budget Fund Balance	0	8,000	Roll-over Scholarship Funds
3000	Budget Fund Balance	337,577	282,769	Use of Fund Balance
	Total Revenue	\$1,511,193	\$1,548,604	2.48%

Expenditures

Salaries & Benefits

Total FTE= 8.70, Incl. 3% COLA and EE Merit Increases

4100	Auto Allowance	\$600	\$600	Dir. & Asst. Dir. Mileage Allowance
4101	Salaries	1,034,583	1,049,405	Coded FTE=7.75
4115	Hourly/On-Call Employees	43,270	46,782	Non-Coded FTE=0.95 FTE Hourly Staff: Office Assistants
4102	Dental	4,223	7,017	
4103	Pension	80,839	82,214	
4104	Deferred Comp	175,834	191,144	
4105	Health	23,758	26,710	
4106	Workers' Comp	11,145	6,975	
4107	Medicare	15,629	15,895	
4109	Life Insurance	1,379	1,379	
4108	Unemployment Insurance	10,994	11,181	
	Subtotal Salaries & Benefits	\$1,402,254	\$1,439,302	2.64%

OPERATION

4211	Advertisement	\$1,164	\$582	Job Postings
4212	Communications	1,220	200	Zoom
4218	Printing	7,500	7,000	Copier Cost Per Copy Lease; PLS Bookmarks (\$4K)
4220	Contractual Services	27,798	28,275	Audit(\$11K); PLS Storage (\$12,275); Consultants (\$5K)
4230	Office Expense	1,150	2,250	Office Supplies (paper, pens, toners, etc); Checks Order (\$500)
4234	Special Departmental	49,200	43,000	Special Projects - PLCAF (\$15K); YANovCon (\$15K); Children Summer Reading Graphics (\$5K); FY 24-25 scholarship rollover (\$8K)
4250	Misc Supplies	1,200	1,400	Misc Supplies; Labor Law poster
4301	General Insurance	1,400	2,850	Professional Liability Insurance (\$2.5K); Business Property (\$350)
4302	Membership Fees	1,000	1,210	CA Chamber of Commerce \$700; Costco \$120; Amazon \$180
4303	Travel & Meeting	300	300	
4304	Education & Training	1,072	1,100	Target Solutions - Staff Mandatory Trainings
4310	Software License Fee	85	85	Doodle Subscription
4373	Service Fees	12,550	12,050	Health Ins.(\$550); ADP P/R (\$7K); Pension(\$3K); New Bank (\$1.5K)
4567	Computer Equipment	3,300	9,000	Staff PC Replacement
	Subtotal	\$108,939	\$109,302	

Total Expenditure \$1,511,193 \$1,548,604 2.48%

FY 2024-25 PLP/PLS Contract

Baseline Contract	\$1,038,616
Contract Amendment(s)	\$22,388
Total PLP/PLS Baseline Contract	\$1,061,004

**PENINSULA LIBRARY SYSTEM
FY2025-26 Proposed Budget**

5-Day Plus Saturday Delivery Budget

DELIVERY (917)

	<u>Adopted</u>	<u>Proposed</u>	
	<u>FY 24/25</u>	<u>FY 25/26</u>	<u>Note</u>
<u>GL Acct</u>			
<u>Revenue</u>			
3601 Other Agencies	\$90,951	\$93,080	CLSA C&D Funds: \$73,080; Special library delivery services \$20,000
3650 Delivery Shared Cost	968,663	1,128,500	Members Shared Cost
3650 Delivery Shared Cost	57,524	65,632	Members Shared Cost (BPL, DLC, MLP, RCPL & SMCL Saturday Delivery)
3000 Budget Fund Balance	0	65,000	Vehicle Replacement Reserve Funds
Total Revenue	\$1,117,138	\$1,352,211	21.04%

Expenditure

	<u>SALARIES & BENEFITS</u>		<u>Total FTE= 7.55, Incl. 3% COLA and EE Merit Increases</u>
4101 Salaries	\$429,866	\$447,308	Coded 7.55 FTE: Delivery Suprv (1.0 FTE), Drivers I & II (3.8 FTE) & Sorter I & II (2.75FTE)
4101 Salaries	54,785	62,648	Saturday Delivery Service
4115 Hourly/On-Call Employees	8,750	11,075	Non-coded Hourly-Sorter (.2FTE)
4116 Pay Differential	2,739	2,984	Pay Differential - Weekend
4114 Overtime	2,000	2,000	
4102 Dental	12,767	11,785	
4103 Pension	37,211	39,301	
4104 Deferred Comp	77,306	88,477	
4105 Health	108,611	120,865	
4106 Workers' Comp	118,500	172,473	
4107 Medicare	7,194	7,598	
4108 Unemployment Insurance	9,923	10,480	
4109 Life Insurance	1,724	1,724	
4132 Employee Safety Footwear Allow.	2,400	200	OSHA Safety Footwear (\$200/per person)
Subtotal	\$873,776	\$978,918	12.03%

OPERATION

4211 Advertisement	\$2,750	\$680	Job Postings
4212 Communications	2,660	3,300	Cell plan for supervisor and drivers (\$2800), two phone replacements (\$250/phone)
4215 Rent	13,612	16,740	SMCL Delivery Space
4217 Equipment Maintenance	14,900	14,940	AMH annual maintenance cost (Lyngsoe System)
4218 Printing	1,200	1,200	Library labels, delivery tags, toner, paper
4230 Office Expense	500	500	Office Supplies
4233 Postage	50	0	Postage
4236 Vehicle Operating Expense	52,960	53,960	Fuel \$35,000 and maint. & repairs \$18,000; GPS/Vehicle Tracking System (\$960)
4250 Misc Supplies	2,000	2,000	Bin replacements, cleaning and other misc supplies
4301 General Insurance	24,990	32,500	Auto Insurance for 4 delivery vehicles
4303 Travel and Meetings	50	50	Staff Travel and Meetings
4304 Education & Training	1,072	1,099	Target Solutions - Staff Mandatory Trainings
4373 Service Fees	350	350	DMV Driving Records Monitoring; Background Checks
4410 Vehicle Replacement Reserve	40,000	40,000	Annual Vehicle Reserve Contribution
4420 Central AMH Replacement Reserve	0	55,000	Annual Central AMH Reserve Contribution
4567 Computer Equipment	13,600	0	No equipment replacement in FY 2025-26
4586 Vehicle Acquisition	0	65,000	New Replacement Truck
Subtotal	\$170,694	\$287,319	68.32%

Total Salaries & Benefits and Operation \$ **1,044,470** \$ **1,266,237** **21.23%**

6% Administrative Fee \$ **62,668** \$ **75,974**

Delivery Reserve \$ **10,000** \$ **10,000**

Total \$ **1,117,138** \$ **1,352,211** **21.04%**

	FY24/25	FY25/26	
Delivery Reserve Balance	\$38,532	\$48,532	25.95%

Vehicle Replacement Reserve	\$114,414	\$89,414	(21.85%)
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Central AMH Replacement Reserve	\$0	\$55,000	100.00%
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FY 25-26 PLS Delivery Formula

SMCCD BASE FEE	\$15,975
PUBLIC LIBRARY 5-DAY SHARED COST	\$1,112,525
PUBLIC LIBRARY SATURDAY SHARED COST	\$65,632
TOTAL	\$1,194,132

DELIVERY FORMULA: 25% BASED ON NUMBER OF STOPS AND 75% ON VOLUME

Library	# of Stops Mon-Fri	% of Stop	# of Saturday Stops	% of Sat stops	5 Day % of Usage	FY 25-26 Est. Monthly Usage (5 day)***	Saturday % of Usage	FY 25-26 Est. Monthly Usage (Sat)***	FY 24-25 Monthly Usage (From FY 24-25 Formula)	Variance (+/-)
BPL	10	6.94%	2	10.00%	9.58%	17,195	13.42%	1,950	20,196	-5%
DCL*	19	13.19%	1	5.00%	7.94%	14,240	3.30%	480	15,640	-6%
MPL	5	3.47%	1	5.00%	5.67%	10,170	9.29%	1,350	11,650	-1%
RCL	15	10.42%	3	15.00%	10.89%	19,545	15.07%	2,190	23,332	-7%
SBL	5	3.47%		0.00%	4.43%	7,950	0.00%	0	7,966	0%
SMCO	65	45.14%	13	65.00%	39.68%	71,200	58.93%	8,565	84,876	-6%
SMPL	15	10.42%		0.00%	15.05%	27,000	0.00%	0	28,218	-4%
SSF	10	6.94%		0.00%	6.76%	12,120	0.00%	0	12,756	-5%
SMCCCD**										
Total	144	100%	20	100.00%	100%	179,420	100.00%	14,535	204,634	-5%

Library	AMOUNT BASE # OF STOPS	AMOUNT BASE ON USAGE	5-Day DELIVERY FY 2025-26	Saturday AMOUNT BASE # OF STOPS	Saturday AMOUNT BASE ON USAGE	Saturday DELIVERY FY 2025-26	TOTAL DELIVERY COST FY 2025-26	FY2024-25 DELIVERY COST (Incl. Saturday)	Variance (+/-)
BPL	\$19,315	\$79,965	\$99,280	\$1,641	\$6,604	\$8,245	\$107,525	\$91,620	\$15,905
DCL*	\$36,698	\$66,223	\$102,921	\$820	\$1,626	\$2,446	\$105,367	\$89,422	\$15,945
MPL	\$9,657	\$47,296	\$56,953	\$820	\$4,572	\$5,392	\$62,345	\$60,223	\$2,122
RCL	\$28,972	\$90,894	\$119,866	\$2,461	\$7,417	\$9,878	\$129,744	\$112,148	\$17,596
SBL	\$9,657	\$36,972	\$46,629	\$0	\$0	\$0	\$46,629	\$37,817	\$8,812
SMCO	\$125,545	\$331,116	\$456,661	\$10,665	\$29,006	\$39,671	\$496,333	\$425,988	\$70,345
SMPL	\$28,972	\$125,564	\$154,536	\$0	\$0	\$0	\$154,536	\$129,623	\$24,913
SSF	\$19,315	\$56,364	\$75,679	\$0	\$0	\$0	\$75,679	\$63,746	\$11,933
SMCCCD**			\$15,975				\$15,975	\$15,600	\$375
Total	\$278,131	\$834,394	\$1,128,500	\$16,408	\$49,224	\$65,632	\$1,194,132	\$1,026,187	\$167,945

*DCL Saturday delivery only for Westlake

** SMCCCD has been charged a flat fee of \$15,975

*** Usage statistics based on four quarterly two-week counts taken during 2024

PENINSULA LIBRARY SYSTEM
FY2025-26 Proposed PLAN Budget

PLAN Central (951)

		Adopted FY 24/25	Proposed FY 25/26	Note
<u>Revenues</u>				
3660	PLAN Shared Cost	\$ 1,472,278	\$ 1,591,502	Includes 6% for administrative fees
3682	PLAN Recovery Cost	5,950	5,950	Special projects
3732	Ecommerce Pass-Through Revenue			Pass-Thru Ecommerce revenue to PLS Libraries
3000	Budget Fund Balance	39,105	0	Roll-Over Funds for Cybersecurity Mitigation Project Unspent Funds
3000	Budget Fund Balance	55,000	108,500	PLAN Reserve Funds - Firewall and ITiva Server Replacements
Total Revenues		\$1,572,333	\$ 1,705,952	8.50%
<u>Expenditures</u>				
<u>SALARIES & BENEFITS</u>				
<i>Total FTE= 5.0, Incl. 3% COLA and EE Merit Increases</i>				
4101	Salaries	\$616,492	\$665,936	1.0 FTE IT Director and 4.0 FTE IT Staff
4100	Auto Allowance	\$1,200	\$1,200	
4102	Dental	5,442	6,237	
4103	Pension	46,237	49,945	
4104	Deferred Comp	93,351	70,500	
4105	Health	26,776	57,882	
4106	Workers' Comp	5,526	4,052	
4107	Medicare	8,939	9,656	
4108	Unemployment Insurance	6,288	6,793	
4109	Life Insurance	862	862	
4135	Employee Communication Allow.	8,500	8,500	
Total Salaries & Benefits		\$819,613	\$881,563	7.56%
<u>OPERATIONS</u>				
4211	Advertisement	\$ 500	\$ 680	Job Postings
4212	Communication	26,200	21,660	(2) 10G Headends CENIC+Collector Circuit (w/Erate & CTF Credits Applied); III Telecirc landline (\$6K); Comcast (1k); Dept Cellphone Usage (\$660)
4215	Rent	25,000	25,000	
4217	Equipment Maint (Sierra License/Supp	160,700	166,200	Sierra Maint.(\$165.5K); PCs Warr. Renewal (\$700)
4219	Professional Services	27,000	40,000	Consultants (\$25K), ILS Review (\$15K)
4220	Contract Services	55,000	55,000	SMCCCD for hosting all servers and support
4230	Office Expense	800	900	Office supplies
4250	Misc. Supplies	3,000	3,000	Computer supplies & accessories
4233	Postage	45,000	58,000	Unique Management Overdue Notices and Statement of Charges
4301	General Insurance	15,976	11,606	Equipment Property and Cybersurity Liability Insurances
4302	Membership Fees & Dues	300	300	Professional memberships for staff
4303	Travel & Meeting	9,000	9,000	Professional conferences;staff mileage
4304	Education & Training	12,000	12,000	Staff training
4305	Subscriptions	1,205	1,266	OCLC - Cataloging and Metadata
4310	Software License Fee	126,900	90,000	MS Office 360 A3 (\$21K), iTiva (\$18.4K plus one-time \$8.5K implementation), Microsoft Azure (\$5.6K), VOIP (\$7.7K),Freshworks Help Desk (\$6.8K) , Knowbe4 (\$5.8K), Listserv Server (\$3.5K), Go Daddy (\$1.6K), Linux OS (\$3K), EZ Proxy (\$800), Adobe Acrobat Pro (\$1.7K), Email Security SPAM/Bkup (\$4K).
4310	Software License Fee	5,035	41,100	Cybersecurity Subscriptions: Firewall Maint and IPS (\$16.9K), FortiAV (\$5.7K), FortiEDM/MDR (\$14.4K), FortiAnalyzer/Auth (\$1.6K), Patch Mgmt. (\$2.5K).
4373	Service Fees	4,500	1,200	Credit card fees for E-commerce \$1,000; E-waste Fee \$200
4439	Network Support & Maint	97,000	128,600	Barracuda Server Backups (\$16K), VMWare (\$12.6K), Firewall Replacement including 5 Year Support Services (\$100K).
4567	Computer Equipment	0	11,950	Staff PC with software
Total Operations		\$ 615,116	\$ 677,462	10.14%
Total Expenditure		\$ 1,434,729	\$ 1,559,025	8.66%
6% Administrative Fee		\$ 107,605	\$ 116,927	
PLAN Reserve		\$ 30,000	\$ 30,000	
Total		\$ 1,572,334	\$ 1,705,952	8.50%
		FY 24/25	FY 25/26	
PLAN Reserves Balance		\$348,934	\$270,434	(22.50%)

Peninsula Library System

FY 2025-26

PLAN Formula Schedule

PLAN Formula (Approved 2/7/2013)	FY 25/26
PLAN Shared Costs	\$1,591,502
*Revised SMCCCD Base Fee	\$20,351
10% Base Fee (PLAN shared cost -SMCCCD Flat Fee)	\$157,115
50% Resident Circulation	\$707,018
50% Technology	\$707,018
Total	\$1,591,502

RESIDENT CIRCULATION	FY 23/24	% Library Circulation
BPL	243,101	10.08%
DCPL	110,742	4.59%
MPL	186,910	7.75%
RCPL	269,942	11.19%
SBPL	85,410	3.54%
SMCO	1,076,493	44.63%
SMPL	293,149	12.15%
SSFPL	146,451	6.07%
Total	2,412,198	100%

TECHNOLOGY	FY 23/24 Network Devices	% of Network Devices	FY 23/24 Wired PCs	% of Wired PCs	FY 23/24 Wifi Stats	% Wifi Stats	Avg % Technology Indicators
BPL	25	6.94%	71	5.48%	28,240	7.05%	6.49%
DCPL	19	5.28%	90	6.95%	19,200	4.79%	5.67%
MPL	17	4.72%	28	2.16%	20,593	5.14%	4.01%
RCPL	52	14.44%	86	6.64%	41,296	10.30%	10.46%
SBPL	8	2.22%	55	4.25%	6,003	1.50%	2.66%
SMCO	166	46.11%	606	46.80%	194,949	48.64%	47.18%
SMPL	27	7.50%	225	17.37%	55,740	13.91%	12.93%
SSFPL	46	12.78%	134	10.35%	34,762	8.67%	10.60%
Total	360	100%	1,295	100.00%	400,783	100.00%	100.00%

SMCCCD New Base Fee

FY25/26 New Base Fee
\$20,351

FY24/25 Base Fee
\$19,874

					FY 25/26 PLAN Formula with SMCCD Base Fee	FY 25/26 PLAN and SMCCD Base Fee Cost Distribution	FY 24/25 PLAN Formula w/SMCCD Flat Fee	FY 24/25 SMCCD Flat Fee PLAN Cost Distribution
10% Base Fee =	\$157,115	Circulation	Technology					
BPL	\$ 19,639	\$ 71,253	\$ 45,893		8.59%	\$ 136,786	8.46%	\$ 117,109
DCPL	\$ 19,639	\$ 32,459	\$ 40,107		5.79%	\$ 92,205	6.00%	\$ 83,014
MPL	\$ 19,639	\$ 54,784	\$ 28,334		6.46%	\$ 102,757	6.54%	\$ 90,528
RCPL	\$ 19,639	\$ 79,120	\$ 73,976		10.85%	\$ 172,735	11.75%	\$ 162,655
SBPL	\$ 19,639	\$ 25,034	\$ 18,776		3.99%	\$ 63,450	3.59%	\$ 49,663
SMCO	\$ 19,639	\$ 315,521	\$ 333,591		42.02%	\$ 668,752	41.54%	\$ 574,848
SMPL	\$ 19,639	\$ 85,922	\$ 91,399		12.38%	\$ 196,961	13.06%	\$ 180,689
SSFPL	\$ 19,639	\$ 42,925	\$ 74,941		8.64%	\$ 137,505	7.67%	\$ 106,148
SMCCCD	\$ 20,351	\$ -	\$ -		1.28%	\$ 20,351	1.38%	\$ 19,110
Total	\$ 177,466	\$ 707,018	\$ 707,018		100.00%	\$ 1,591,502	100.00%	\$ 1,383,763

*2.4% CPI Adjustment (November 2024 BLS)

PENINSULA LIBRARY SYSTEM
FY2025-26 Proposed PLAN LOCAL Budget

PLAN LOCAL (952)

		Adopted	Proposed	
		FY 24/25	FY 25/26	Note
<hr/>				
<u>GL Acct</u>	<u>Revenue</u>			
3674	Reimbursable Costs	\$1,615,635	\$1,577,175	
	Total Revenues	\$1,615,635	\$1,577,175	7.76%
<hr/>				
	<u>Expenditure</u>			
4445	Reimbursable Library Expense	\$1,615,635	\$1,577,175	
	Total Expenditure	\$1,615,635	\$1,577,175	7.76%
<hr/>				

**PENINSULA LIBRARY SYSTEM
FY2025-26 Proposed Building Budget**

SYSTEM BUILDING (956)

		Adopted 24/25	Proposed 25/26	Note
<u>GL Acct</u>	<u>Revenue</u>			
3800	Rental Income	\$220,800	\$245,500	<i>Annual Rental Income</i>
3000	Budget Fund Balance	64,768	76,403	<i>Use of Fund Balance- Suite #100 HVAC Replc.and Space Renovation</i>
	Total Revenue	\$285,568	\$321,903	12.72%
	<u>Expenditure</u>			
4212	Communication	\$ 3,165	\$ 3,900	<i>Elevator Emerg. Phone (\$1.1K)Fire alarm monitoring \$2.8K)</i>
4220	Contractual services	33,500	33,500	<i>Gardening & Tree Trimming Services (\$3K), Janitorial (\$10K), Pest Control (\$300); Leasing Agent Comm (\$18K)</i>
4231	Utilities	24,000	26,000	<i>PG&E, Garbage, and Water</i>
4244	Repair & Maintenance	20,000	18,000	<i>Elevator service (\$2.5K); HVAC (\$5.5K); Repairs & Other (\$10K)</i>
4250	Misc Supplies	2,000	1,800	<i>Building supplies (Janitorial supplies, LED bulbs, etc)</i>
4301	General Insurance	7,000	9,000	<i>Fire and Property Insurance</i>
4442	Property Taxes	2,300	2,600	<i>Building Property Taxes</i>
4591	Building Improvement	80,000	113,500	<i>Suite #100 HVAC Replc.(\$43K); Restroom Upgrade (\$48.5K); New Flooring & Interior Painting (\$22K)</i>
4603	Building Principal	83,928	88,575	<i>Mortgage Principal</i>
4604	Building Interest	29,675	25,028	<i>Mortgage Interest</i>
	Total Expenditure	\$285,568	\$ 321,903	12.72%
Building Maintenance & Repair Reserve		\$0	\$0	<i>Annual Building Reserve</i>
	Total	\$285,568	\$321,903	12.72%
		FY 24/25	FY 25/26	
<u>Building Reserves Balance</u>	\$	6,500	\$ 6,500	

PENINSULA LIBRARY SYSTEM
BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

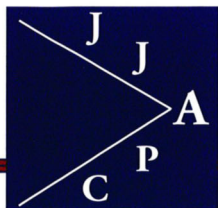
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Peninsula Library System
Basic Financial Statements
For the year ended June 30, 2024

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JJACPA, Inc.

A Professional Accounting Services Corp.

INDEPENDENT AUDITOR'S REPORT

To the Administrative Council of the
Peninsula Library System
San Mateo, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the Government activities and each major fund of the Peninsula Library System (System) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise System's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and the aggregate remaining fund information of the System, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4-11 and budgetary comparison information on page 30, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Administrative Council of the
Peninsula Library System
San Mateo, California
Page 3

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2025 on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

April 18, 2025

JJACPA, Inc.
JJACPA, Inc.
Dublin, CA

Peninsula Library System

Management's Discussion and Analysis

For the year ended June 30, 2024

This section of the Peninsula Library System's (System) basic financial statements presents management's discussion and analysis of the System's financial performance during the fiscal year ended June 30, 2024. Since this management's discussion and analysis is designed to focus on current activities, resulting change, and current known facts, please read it in conjunction with the System's basic financial statements (pages 13 and 16) as well as the footnotes to the financial statements (pages 17 - 27).

Financial Highlights

At June 30, 2024, the System's net position increased to \$5,906,077 from \$5,437,096 in 2023, which includes capitalization of \$2,818,179 in capital assets and accrual of a loan payable for the administration building of \$704,873 which includes both the current and long term portions as shown in Note 10 as reclassifications/eliminations on page 26.

Additionally, changes to net position resulted from the following items shown in the Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balances/Statement of Activities on nm page 16:

- Operating expenses decreased by \$541,351 due primarily to decreases in PLS libraries' technology purchases.
- Program revenues decreased by \$799,172 due primarily to decreases in PLS libraries' reimbursements of technology purchases.
- General revenues increased by \$661,471, which was the result of increases in membership fees, rental income, and interest income.

Using This Report

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

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

Peninsula Library System
Management's Discussion and Analysis, Continued
For the year ended June 30, 2024

Financial Analysis of the System as a Whole

Net Position
As of June 30, 2024 and 2023

	2024	2023	Increase (Decrease)	Percent Change
Assets:				
Current Assets	\$ 7,452,896	\$ 7,338,301	\$ 114,595	1.6%
Non-current assets	2,818,179	2,724,699	93,480	3.4%
Total Assets	10,271,075	10,063,000	208,075	2.1%
Liabilities:				
Current Liabilities	3,744,254	3,920,705	(176,451)	-4.5%
Non-current liabilities	620,744	705,199	(84,455)	-12.0%
Total liabilities	4,364,998	4,625,904	(260,906)	-5.6%
Net position:				
Net investment in capital assets	2,113,306	1,938,945	174,361	9.0%
Unrestricted	3,792,771	3,498,151	294,620	8.4%
Total net position	5,906,077	5,437,096	468,981	8.6%
Total liabilities and net position	\$ 10,271,075	\$ 10,063,000	\$ 208,075	2.1%

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

Net position at June 30, 2024, increased to \$5,906,077 from \$5,437,096 in 2023. The 8.6% increase is primarily from increased in general revenues. Working capital (current assets less current liabilities) decreased by \$291,046.

Peninsula Library System
Management's Discussion and Analysis, Continued
For the year ended June 30, 2024

Financial Analysis of the System as a Whole, Continued

Operating Results
For the years ended June 30, 2024 and 2023

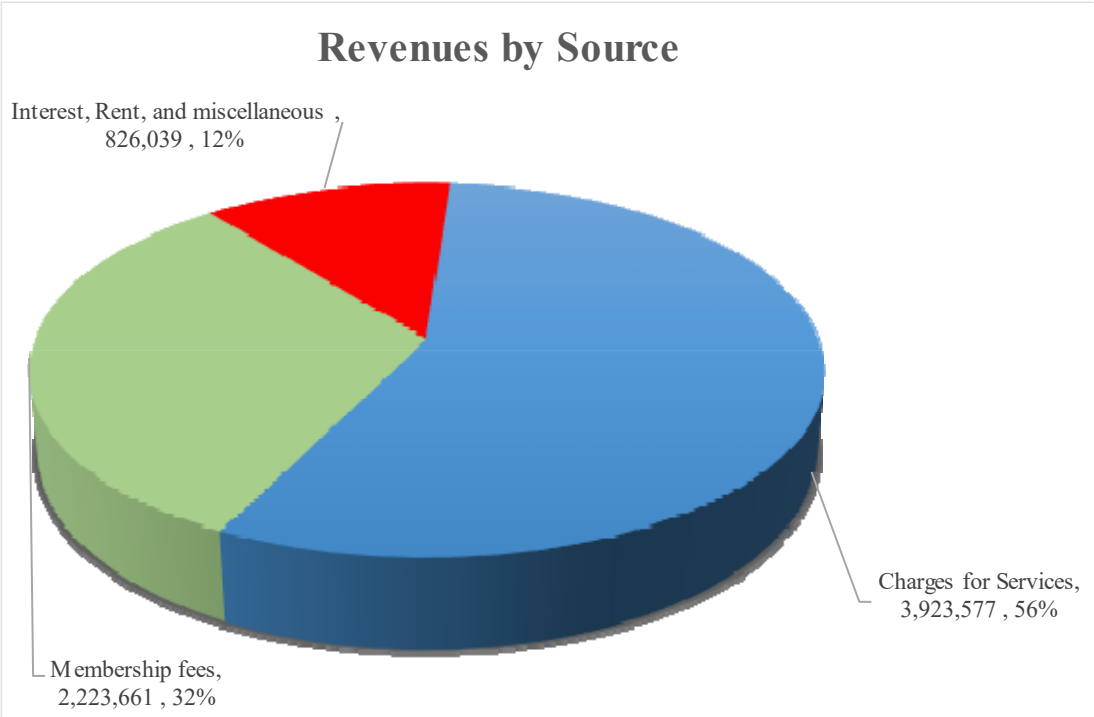
	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Operating Expenses	\$ 6,504,296	\$ 7,045,647	\$ (541,351)	-7.7%
Program Revenues:				
Grants	-	63,825	(63,825)	-100.0%
Charges for services	3,923,577	4,658,924	(735,347)	-15.8%
Total program revenue	3,923,577	4,722,749	(799,172)	-16.9%
Net program expense	2,580,719	2,322,898	257,821	11.1%
General revenue:				
Membership fees	2,223,661	2,126,987	96,674	4.5%
Interest, rent, and miscellaneous	826,039	261,242	564,797	216.2%
Total general revenue	3,049,700	2,388,229	661,471	27.7%
Increase (decrease) in net position	468,981	65,331	403,650	617.9%
Net position:				
Beginning of year	5,437,096	5,371,765	65,331	1.2%
End of year	\$ 5,906,077	\$ 5,437,096	\$ 468,981	8.6%

In fiscal year 2024, program revenues decreased by \$799,172 and operating expenses decreased by \$541,351, due primarily to PLS libraries' hardware and software purchases. General revenues increased by \$661,471 which was the result of membership fees, interest income, and rental income from leased spaces.

Peninsula Library System
Management’s Discussion and Analysis, Continued
For the year ended June 30, 2024

Financial Analysis of the System as a Whole, Continued

The following is a graphic illustration of revenues by source for the year ended June 30, 2024:



Operating Expenses
For the years ended June 30, 2024 and 2023

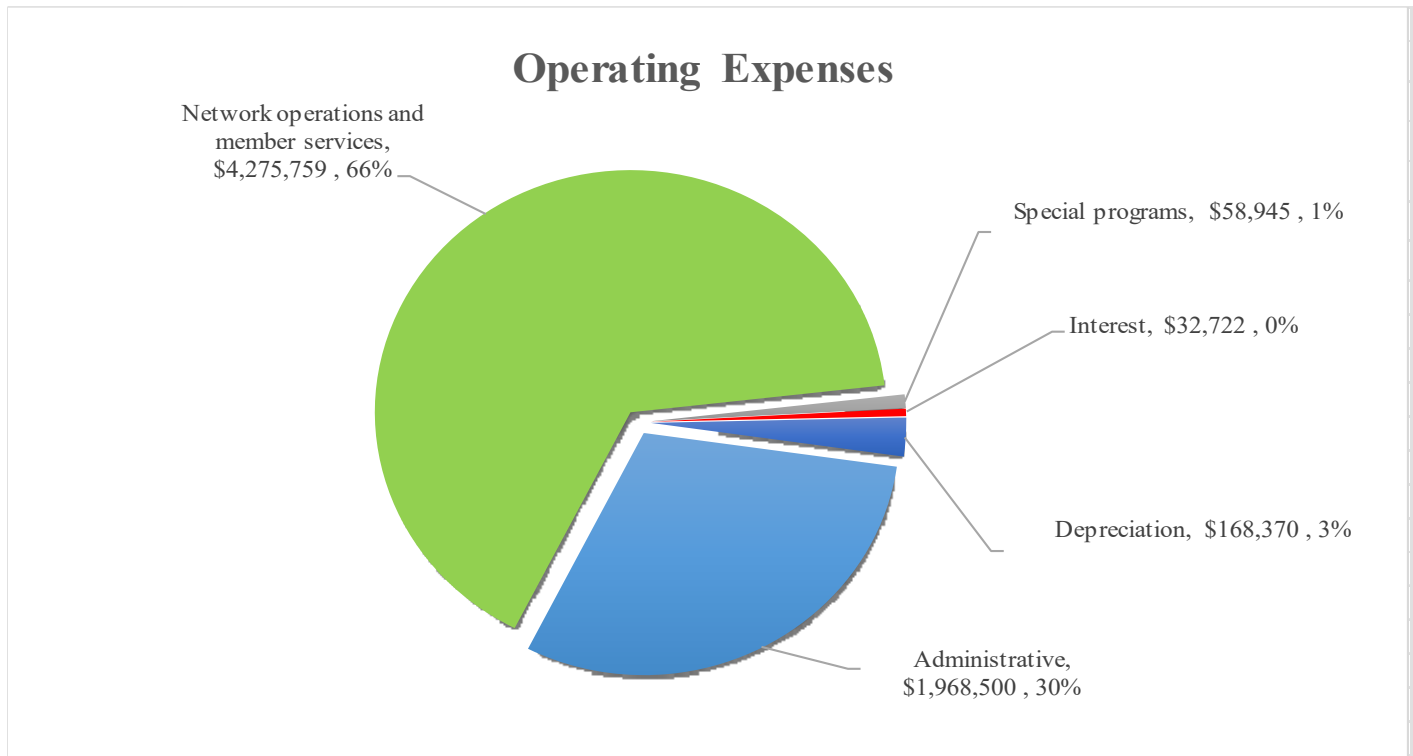
	2024	2023	Increase (Decrease)	Percent Change
Operating expenses:				
Administrative	\$ 1,968,500	\$ 2,025,006	\$ (56,506)	-2.8%
Network operations and member services	4,275,759	4,699,793	(424,034)	-9.0%
Special programs	58,945	69,858	(10,913)	-15.6%
Interest	32,722	36,082	(3,360)	-9.3%
Depreciation	168,370	214,908	(46,538)	-21.7%
Total	<u>\$ 6,504,296</u>	<u>\$ 7,045,647</u>	<u>\$ (541,351)</u>	-7.7%

Operating expenses decreased by \$541,351 in 2024 due primarily to PLS libraries’ hardware and software purchases; and fixed assets depreciation.

Peninsula Library System
Management’s Discussion and Analysis, Continued
For the year ended June 30, 2024

Financial Analysis of the System as a Whole, Continued

The following is a graphic illustration of operating expenses for the year ended June 30, 2024:



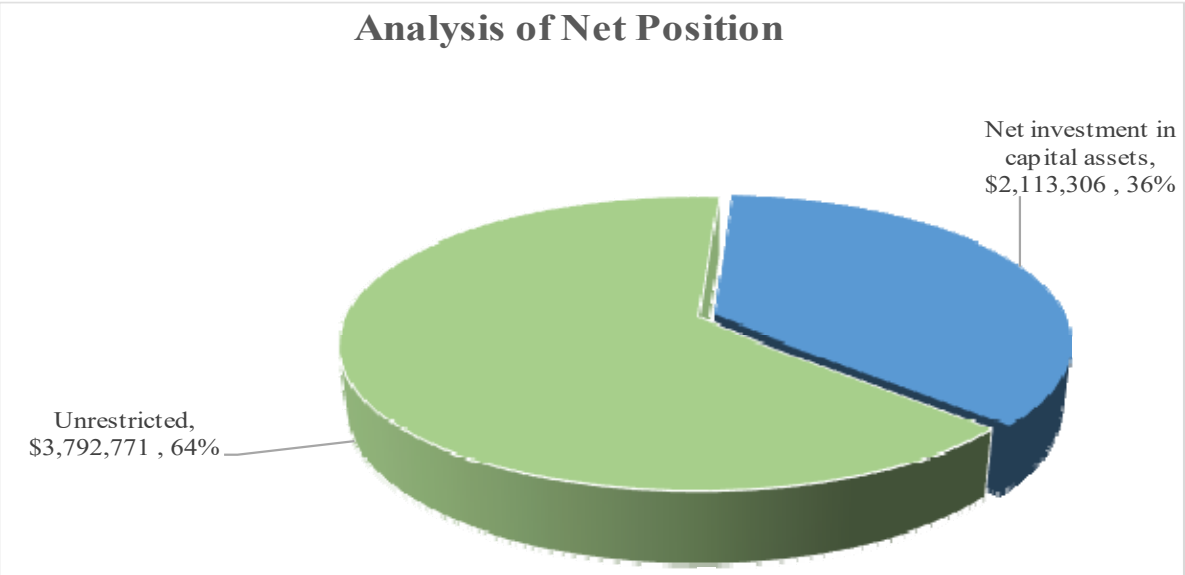
Peninsula Library System
Management’s Discussion and Analysis, Continued
For the year ended June 30, 2024

Financial Analysis of the System as a Whole, Continued

Analysis of Net Position				
As of June 30, 2024 and 2023				
	2024	2023	Increase (Decrease)	Percent Change
Net Position:				
Net investment in capital assets	\$ 2,113,306	\$ 1,938,945	\$ 174,361	9.0%
Unrestricted	3,792,771	3,498,151	294,620	8.4%
Total	<u>\$ 5,906,077</u>	<u>\$ 5,437,096</u>	<u>\$ 468,981</u>	8.6%

The change in net position increased by \$468,981 primarily due to increased membership fees, interest income, and rental income.

The following is a graphic illustration of net position for June 30, 2024:



Peninsula Library System
Management's Discussion and Analysis, Continued
For the year ended June 30, 2024

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

As the current economy has affected the Federal and State operations in the way of significant revenue reductions and rising costs, so too has the System been affected by a trickle down of cost without adequate resources to sustain programs at their current level. Since the System has managed their finances prudently, reductions and cuts have been minimized, but further economic strain could cause deeper service level reductions either at the program level with personnel or at the regional level with services provided by the System.

In considering the System's Budget for fiscal year 2024-2025, the Administrative Council and management used the following criteria:

The key assumptions in our revenue forecast were:

1. Interest earnings should gradually increase.
2. Membership fees will increase relative to the Bay Area CPI index.
3. Rent income from renting vacant office space.

The proposed budget for the new fiscal year of 2024-2025 is \$6,300,847 and is summarized as follows:

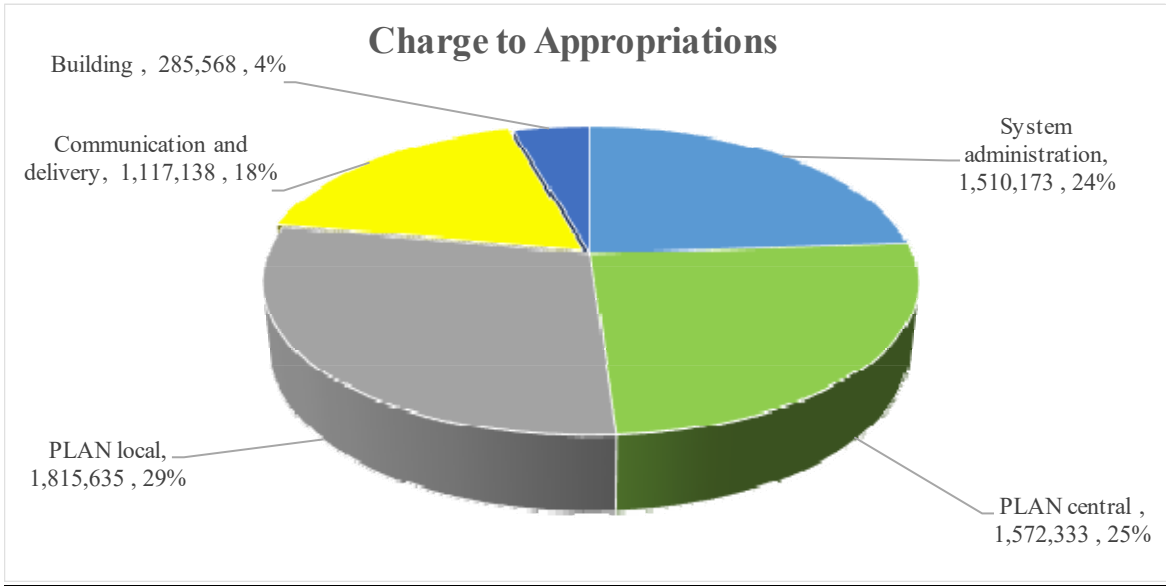
	<u>FY 2024-25</u>	<u>FY 2023-24</u>	<u>Percentage change</u>
Administration:			
System administration	\$ 1,510,173	\$ 1,425,987	5.9%
Total administration	<u>1,510,173</u>	<u>1,425,987</u>	5.9%
Network operations and member services:			
PLAN central	1,572,333	1,424,513	10.4%
PLAN local	1,815,635	1,759,181	3.2%
Communication and delivery	1,117,138	927,469	20.5%
Building	285,568	285,500	0.0%
Total network operations and member services	<u>4,790,674</u>	<u>4,396,663</u>	9.0%
Total budget	<u>\$ 6,300,847</u>	<u>\$ 5,822,650</u>	

1. Administration - Shows a combined increase of approximately 5.9%, which is mainly due to the increase in administration staffing costs.
2. Network Operations and Member Services - Show a combined increase of approximately 9% due to increase in PLAN and Delivery operating costs.

Peninsula Library System
Management’s Discussion and Analysis, Continued
For the year ended June 30, 2024

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES (Continued)

The following is a graphic illustration of appropriations for fiscal year 2024-2025:



Contacting the System

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

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BASIC FINANCIAL STATEMENTS

Peninsula Library System

Governmental Funds Balance Sheet/Statement of Net Position

June 30, 2024

	Governmental Funds	Adjustments (Note 10)	Statement of Net Position
ASSETS			
<u>Current</u>			
Cash and investments:			
Available for operations	\$ 3,590,656	\$ -	\$ 3,590,656
Pension plan	3,186,157	-	3,186,157
Accounts receivable	643,288	-	643,288
Interest receivable	32,795	-	32,795
Total current assets	7,452,896	-	7,452,896
<u>Noncurrent</u>			
Capital assets, net of accumulated depreciation	-	2,818,179	2,818,179
Total assets	\$ 7,452,896	\$ 2,818,179	\$ 10,271,075
LIABILITIES AND FUND BALANCES			
Liabilities:			
<u>Current</u>			
Accounts payable and accrued liabilities	\$ 242,271	\$ -	\$ 242,271
Accrued payroll	108,893	-	108,893
Security deposits	36,598	-	36,598
Unearned revenue	396,202	-	396,202
Pension plan payable	2,727,697	-	2,727,697
Loan payable - Building - current portion	-	84,129	84,129
Accrued vacation payable	148,464	-	148,464
Total current liabilities	3,660,125	84,129	3,744,254
<u>Noncurrent</u>			
Loan payable - Building	-	620,744	620,744
Total liabilities	3,660,125	704,873	4,364,998
Fund balances/Net position:			
Committed:			
General fund	1,016,186	(1,016,186)	-
Unassigned:			
General fund	2,776,585	(2,776,585)	-
Total fund balances	3,792,771	(3,792,771)	-
Total liabilities and fund balances	\$ 7,452,896		
NET POSITION			
Net investment in capital assets		\$ 2,113,306	\$ 2,113,306
Unrestricted		3,792,771	3,792,771
Total net position		\$ 5,906,077	5,906,077
Total liabilities and net position			\$ 10,271,075

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

Peninsula Library System

Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities For the year ended June 30, 2024

	Governmental Funds	Adjustments (Note 11)	Statement of Activities
EXPENDITURES/EXPENSES:			
Administration	\$ 2,230,350	\$ (261,850)	\$ 1,968,500
Network operations and member services	4,356,640	(80,881)	4,275,759
Special programs:			
Federal	58,945	-	58,945
Interest	32,722	-	32,722
Depreciation	-	168,370	168,370
Total expenditures/expenses	6,678,657	(174,361)	6,504,296
REVENUES:			
Program revenues:			
Charges for services	3,923,577	-	3,923,577
Total program revenues	3,923,577	-	3,923,577
Net program expense	2,755,080	(174,361)	2,580,719
General revenues:			
Membership fees	2,223,661	-	2,223,661
Interest, rent, and miscellaneous	826,039	-	826,039
Total general revenues	3,049,700	-	3,049,700
REVENUES OVER (UNDER)			
EXPENDITURES	294,620		
NET CHANGE IN FUND BALANCE	294,620		
CHANGE IN NET POSITION		174,361	468,981
FUND BALANCES/NET POSITION:			
Beginning of the year	3,498,151	1,938,945	5,437,096
End of the year	\$ 3,792,771	\$ 2,113,306	\$ 5,906,077

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

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Peninsula Library System
Notes to Basic Financial Statements
For the year ended June 30, 2024

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Peninsula Library System (“the System”) is a Joint Exercise of Powers Agency established in 1970 by the cities of Burlingame, Daly City, Menlo Park, Redwood City, San Mateo, San Bruno, South San Francisco, the San Mateo Community College system, and San Mateo County. The System is a library service organization which provides computer access terminals at each member library. The System also delivers library materials to members, provides research services and general education workshops, and training seminars for its members.

The System is governed by a Board consisting of representatives from each member entity. Oversight responsibility, the ability to conduct independent financial affairs, issue debt instruments, approve budgets, and otherwise influence operations and account for fiscal matters is exercised by the System's governing board. The System is a separate reporting entity for financial reporting purposes and the accompanying basic financial statements reflect the assets, liabilities, fund balances/net position, revenues, and expenditures/expenses of the System only.

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

In June 1999, the GASB released Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. The System implemented these changes in fiscal year ended June 30, 2004. The change in financial statement presentation provides a comprehensive one-line look at the total entity and requires capitalization of assets and recording of depreciation. The only significant changes made in order to comply with the new requirements were capitalization of fixed assets and recording of long term debt. The System has selected the single governmental fund (General Fund) presentation since this reflects the most concise and easily readable presentation for the System’s operations.

A. Reporting Entity

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

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

Peninsula Library System
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting

The fund-based financial statement columns (Governmental Funds column) on Pages 14 and 15 are accounted for using the modified accrual basis of accounting and reflect balances for the System's General Fund and Federal Grant Special Revenue Fund. These funds revenues are recognized when they become measurable and available as net current assets. Measurable means the amount of the transaction can be determined and available means the amount is collectible within the current period or soon enough thereafter (generally sixty days) to be used to pay liabilities of the current period. Amounts, which could not be measured or were not available, were not accrued as revenue in the current fiscal year. The Statements of Net position and Activities columns on Pages 14 and 15 have been prepared on the accrual basis of accounting whereby all revenues are recorded when earned and all expenses are recorded when they have been reduced to a legal or contractual obligation to pay.

C. Use of Estimates

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

D. Budgets

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

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

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

Peninsula Library System
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,
Continued

D. Budgets, continued

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

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

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

E. Cash and Investments

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

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

F. Capital Assets

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

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

Buildings	25 years
Furniture and fixtures	5 to 10 years
Automobiles	5 years
Tools and equipment	5 to 10 years
Computer equipment	5 to 10 years

G. Interfund Transactions

With Administrative Council approval, resources may be transferred from one fund to another. The purpose of the majority of transfers, called operating transfers, is to reimburse a fund, which has made an expenditure on behalf of another fund. A residual equity transfer may be made to open or close a fund.

Peninsula Library System
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

H. Compensated Absences

Compensated absences consist of accrued vacation time. It is the policy of the System to pay 100% of the accumulated vacation when an employee retires or terminates. In addition to the time normally accrued during the current twelve months, employees are permitted to defer a maximum of two years of accrued vacation with the approval of the System's Director. The System recognizes the liability for its compensated absences in the General Fund.

I. Jointly Governed Organizations

The Cities of Burlingame, Daly City, San Bruno, San Mateo, Redwood City, Menlo Park, South San Francisco, the County of San Mateo, and the San Mateo County Community College District entered into a Joint Powers Agreement to consolidate to form the Peninsula Library System (PLS), Joint Powers Authority, to provide cooperative library services to better serve the residents of San Mateo County in a manner consistent with and in furtherance of the objectives of the California Library Services Act. (Education Code, Sec. 18, 700 et seq.). The Peninsula Library System is governed by an Administrative Council, composed of all of the library directors of libraries agencies, therein.

2. CASH AND INVESTMENTS

The System had the following cash and investments at June 30, 2024:

	FDIC / SIPC		
	Insured	Not Rated	Fair Value
Checking	\$ 654,693	\$ -	\$ 654,693
Local Agency Investment Fund (LAIF)	-	2,892,708	2,892,708
E-Payment Account	33,153	-	33,153
Payroll Account	10,002	-	10,002
Petty Cash	-	100	100
	<u>\$ 697,848</u>	<u>\$ 2,892,808</u>	<u>\$ 3,590,656</u>

A. Cash Deposits

The System pools cash from all sources. The System invests excess cash in California Local Agency Investment Fund (LAIF), a special fund of the California State Treasury through which local governments may pool investments. At June 30, 2024, the System has balance of \$2,892,708 invested with LAIF. The System maintains a petty cash fund of \$100.

Peninsula Library System
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

2. CASH AND INVESTMENTS, Continued

A. Cash Deposits, continued

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

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

B. Investments

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

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

In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, investments were stated at fair value using the aggregate method, which includes any adjustments recorded in interest/investment income.

Peninsula Library System
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

2. CASH AND INVESTMENTS, Continued

C. Investments in External Investment Pools

The System's investments with LAIF at June 30, 2024, included a portion of the pool funds invested in structured notes and asset backed securities and similar transactions.

LAIF that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. NLS reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are maintained on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2024, these investments matured in an average of 311 days.

3. CAPITAL ASSETS

Changes in capital assets were as follows:

	Balance July 1, 2023	Additions	Adjustments/ Deletions	Balance June 30, 2024
Land	\$ 2,110,730	\$ -	\$ -	\$ 2,110,730
Buildings	2,728,616	261,850	-	2,990,466
Furniture and fixtures	87,111	-	(16,975)	70,136
Automobiles	229,575	-	(42,743)	186,832
Tools and Computer equipment	1,648,226	-	(962,702)	685,524
Total capital assets	6,804,258	261,850	(1,022,420)	6,043,688
Accumulated depreciation	(4,079,559)	(168,370)	1,022,420	(3,225,509)
Net capital assets	\$ 2,724,699	\$ 93,480	\$ -	\$ 2,818,179

4. DEFINED CONTRIBUTION PENSION PLAN

All qualified System employees participate in the Section 401 (a) qualified defined contribution pension plan as allowed under the Internal Revenue Code. The plan type sponsored by the System is a Money Purchase Plan, which was last amended July 1, 1996. This plan is a defined contribution retirement plan in which the employer's contribution is nondiscretionary and is based on a formula that is not related to profits. The plan sponsor guarantees no benefit and bears no investment risk while the plan participants bear all investment risk and have no guaranteed level of benefits. An administrative committee comprised of System personnel governs the plan.

Peninsula Library System
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

4. DEFINED CONTRIBUTION PENSION PLAN, Continued

Eligible employees begin participating the first day of their employment. The plan is entirely funded by System contributions of 7.5% of the participant's gross pay, which vests fully and immediately for participants. Plan provisions and contribution requirements are established and may be amended by the System. Participants are eligible to begin receiving benefits at age 62.

The System's payroll for employees covered by the plan for the year ended June 30, 2024, was \$1,999,653. Total employee contributions paid by the System amounted to \$149,974 or 7.5% of covered payroll. All of the System's employees are covered by the plan.

The plan's assets are invested and administered by Alerus. As of June 30, 2024, the plan had 35 participants and the market value of plan investments amounted to \$3,186,157 in cash and investments.

5. DEBT

The following is a summary of changes in long-term liabilities for PLS at June 30, 2024:

	Balance July 1, 2023	Additions	Retirements	Balance June 30, 2024	Due Within One Year
Loan Payable - Building	\$ 785,754	\$ -	\$ (80,881)	\$ 704,873	\$ 84,129
Total	<u>\$ 785,754</u>	<u>\$ -</u>	<u>\$ (80,881)</u>	<u>\$ 704,873</u>	<u>\$ 84,129</u>

On May 21, 2002, the System purchased a building in the city of San Mateo to be used as its administrative offices. The purchase price of \$4,750,000 was financed by a 25-year mortgage of \$3,250,000 at a 7.25% interest rate and a down payment of \$1,500,000. On February 15, 2012 the System refinanced the outstanding mortgage with a new debt of \$2,250,000 with interest rates of 4.5% and 4.62%. The first payment on the new mortgage was due March 15, 2012, with the note maturity on November 10, 2031. The note will be funded by future revenues and rent savings of the System which includes rental income from other tenants in the building. The System refinanced to reduce its total debt service payments over the next 15 years by \$983,777, and obtain an economic gain (the difference between the present values of the debt service payments on the old and new debt) of \$974,476. The note maturity schedule is as follows:

Year ending June 30	Principal	Interest	Total
2025	84,129	29,474	113,603
2026	87,975	25,628	113,603
2027	91,888	21,715	113,603
2028	95,928	17,675	113,603
2029	100,242	13,361	113,603
2030-2031	244,711	40,787	285,498
Total	<u>704,873</u>	<u>\$ 148,640</u>	<u>\$ 853,513</u>
Due within one year	\$ 84,129	\$ 29,474	\$ 113,603
Due after one year	620,744	119,166	739,910
Total	<u>\$ 704,873</u>	<u>\$ 148,640</u>	<u>\$ 853,513</u>

Peninsula Library System
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

6. RELATED PARTY TRANSACTIONS

The System is contracted with the Pacific Library Partnership (PLP) and the NorthNet Library System (NLS) to provide administrative & fiscal services and/or materials. As compensation for services provided, the System received \$1,036,035 from PLP for both PLP and NLS administrative & fiscal services for the year ended June 30, 2024. The other amounts, JPA members' fees were reported as membership fees.

7. FUND BALANCES/NET POSITION

Fund Balances consist of the following: Nonspendable, restricted, committed, assigned and unassigned.

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

Currently, the System uses the committed and unassigned categories as follows:

- *Committed for Building* – Used for maintenance repairs to be performed on building heating and air-conditioning units not completed prior to purchase of the administrative building.
- *Committed for Communications and delivery* – Amounts set aside for communications and delivery services.
- *Committed for PLAN* – Amounts set aside by the System to be used for future Peninsula Library Automated Network upgrades.
- *Committed for Operating* – Amounts set aside by the System to be used for operations.

Peninsula Library System
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

7. FUND BALANCES/NET POSITION, Continued

Fund Balances at June 30, 2024 consisted of:

	<u>Governmental</u>
	<u>Fund Balance</u>
Commitments:	
PLAN	\$ 348,934
Communications and delivery	38,532
Operating	574,596
Vehicle replacement	54,124
Total Commitments	<u>1,016,186</u>
Unassigned	<u>2,776,585</u>
Total	<u><u>\$ 3,792,771</u></u>

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

	<u>Net Position</u>
Net investment in capital assets	2,113,306
Unrestricted	<u>3,792,771</u>
Total net position	<u><u>\$ 5,906,077</u></u>

8. INSURANCE

The System purchases several insurance policies to protect against catastrophic loss: (1) Workers' Compensation insurance with a limit of \$1,000,000 per occurrence. (2) General Liability and Automobile Liability with \$1,000,000 limit per occurrence and a \$500 deductible. (3) A Master Property Insurance Policy covers the System's real and personal property on a replacement cost basis with a \$4,880,800 limit and a \$1,000 deductible.

9. CONTINGENT LIABILITIES

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

Peninsula Library System
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

10. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUNDS BALANCE SHEETS AND THE STATEMENTS OF NET POSITION

“Total fund balances” of the System’s Governmental funds \$3,792,771 differs from “net position” of governmental activities \$5,906,077, reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the Governmental funds balance sheets. The effect of the difference is illustrated below:

Balance Sheet/Statement of Net Position

ASSETS	Governmental Funds	Reclassifications and Eliminations ¹	Statement of Net Position
Cash and investments	\$ 6,776,813	\$ -	\$ 6,776,813
Accounts receivable	643,288	-	643,288
Interest receivable	32,795	-	32,795
Capital assets	-	2,818,179	2,818,179
Total assets	\$ 7,452,896	\$ 2,818,179	\$ 10,271,075
LIABILITIES			
Accounts payable and accrued liabilities	242,271	-	242,271
Accrued payroll	108,893	-	108,893
Security deposits	36,598		36,598
Unearned revenue	396,202		
Pension plan payable	2,727,697	-	2,727,697
Loan payable - Building - current portion	-	84,129	84,129
Accrued vacation payable	148,464	-	148,464
Loan payable - Building	-	620,744	620,744
Total liabilities	3,660,125	704,873	4,364,998
Fund Balances/Net Position			
Total fund balances/net position	3,792,771	2,113,306	5,906,077
Total liabilities and fund balances/net position	\$ 7,452,896	\$ 2,818,179	\$ 10,271,075

¹ When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported in expenditures in governmental funds. However, the statement of net position includes these capital assets among the assets of the System as a whole. Also, liabilities associated with these capital assets in the form of interest and principal payments are recorded to expenditures. However, the Statement of Net position includes these liabilities of the System as a whole.

Peninsula Library System
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

**11. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUNDS
OPERATING STATEMENTS AND THE STATEMENT OF ACTIVITIES**

The “net change in fund balances” for the Governmental funds \$294,620 differs from the “change in net position” for governmental activities \$468,981 reported in the Statement of Activities on page 16. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the General fund. The effect of the difference is illustrated below:

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

	Governmental Funds	Reclassifications and Eliminations	Statement of Activities
EXPENDITURE/EXPENSES:			
Administration	\$ 2,230,350	\$ (261,850)	\$ 1,968,500
Network operations and member services	4,356,640	(80,881)	4,275,759
Special programs	58,945	-	58,945
Interest	32,722	-	32,722
Depreciation	-	168,370	168,370
Total expenditures/expenses	6,678,657	(174,361)	6,504,296
REVENUES:			
Program revenues:			
Grants	-	-	-
Charges for services	3,923,577	-	3,923,577
Total program revenues	3,923,577	-	3,923,577
Net program expense	2,755,080	(174,361)	2,580,719
General revenues:			
Member fees	2,223,661	-	2,223,661
Interest, rent and miscellaneous	826,039	-	826,039
Total general revenues	3,049,700	-	3,049,700
REVENUES OVER (UNDER) EXPENDITURES	294,620		
NET CHANGE IN FUND BALANCE	294,620		
CHANGE IN NET POSITION		174,361	468,981
FUND BALANCES/NET POSITION			
Beginning of the year	3,498,151	1,938,945	5,437,096
End of the year	\$ 3,792,771	\$ 2,113,306	\$ 5,906,077

¹ Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Governmental funds also report principal payments on debt as expenditures while governmental activities report reductions to the note payable liability.

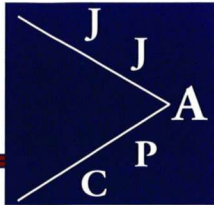
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REQUIRED SUPPLEMENTARY INFORMATION

Peninsula Library System
Required Supplementary Information
For the year ended June 30, 2024

Budgetary Comparison Schedule
General Fund
For the year ended June 30, 2024

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget (Negative)
Budgetary fund balance, July 1, 2023	\$ 3,498,151	\$ 3,498,151	\$ 3,498,151	\$ -
Resources (inflows):				
Grants:				
Federal	40,000	40,000	-	(40,000)
Membership fees	2,144,820	2,144,820	2,223,661	78,841
Service charges:				
Reimbursements	1,709,653	1,709,653	2,364,007	654,354
PLAN recovery costs	5,950	5,950	1,260	(4,690)
Other Agencies	1,511,896	1,511,896	1,557,918	46,022
Miscellaneous fines, fees, and income	-	-	392	392
Interest, rent, and cash over/short	271,500	271,500	826,039	554,539
Amounts available for appropriation	9,181,970	9,181,970	10,471,428	1,289,458
Charges to appropriations (outflows):				
Administration:				
System administration	2,288,236	2,288,236	2,212,968	(75,268)
System operations	9,068	9,068	17,382	8,314
Network operations and member services:				
PLAN central	1,308,010	1,308,010	1,179,824	(128,186)
PLAN local	1,802,333	1,802,333	2,505,195	702,862
Communication and delivery	373,262	373,262	426,651	53,389
Building	242,170	242,170	244,970	2,800
Local:				
Federal	40,000	40,000	58,945	18,945
Interest	36,330	36,330	32,722	(3,608)
Total charges to appropriations	6,099,409	6,099,409	6,678,657	(579,248)
Budgetary fund balance, June 30, 2024	\$ 3,082,561	\$ 3,082,561	\$ 3,792,771	\$ 710,210



JJACPA, Inc.

A Professional Accounting Services Corp.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS**

INDEPENDENT AUDITOR'S REPORT

To the Administrative Council of the
Peninsula Library System
San Mateo, California

We have audited, in accordance with the auditing standard generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Peninsula Library System (System) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the System's basic financial statements, and have issued our report thereon dated April 18, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

April 18, 2025

JJACPA, Inc.

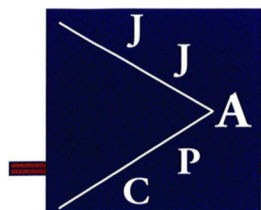
JJACPA, Inc.

Dublin, CA

PENINSULA LIBRARY SYSTEM

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

JUNE 30, 2024



JJACPA, Inc.

A Professional Accounting Services Corp.

April 18, 2025

To the Administrative Council of the
Peninsula Library System
San Mateo, California

We have audited the basic financial statements of the Peninsula Library System as of and for the year ended June 30, 2024, and have issued our report thereon dated April 18, 2025. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility under Generally Accepted Auditing Standards and Government Auditing Standards

As communicated in our engagement letter dated August 16, 2024, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

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

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

Planned Scope and Timing of the Audit

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

Compliance with All Ethics Requirements Regarding Independence

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

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

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

Significant Accounting Estimates

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

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

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

Financial Statement Disclosures

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

Significant Difficulties Encountered during the Audit

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

Uncorrected and Corrected Misstatements

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

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The following material misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management:

To update the pension plan to match the market value as of June 30, 2024, management made entries of \$295,145 for the pension plan payable adjustment.

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 Peninsula Library System's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated April 18, 2025 .

Management's Consultations with Other Accountants

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

Other Significant Findings or Issues

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

Communication of Internal Control Related Matters

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

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

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

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

Very truly yours,

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

April 18, 2025

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

Dear Mr. Arch:

This representation letter is provided in connection with your audit of the basic financial statements of the Peninsula Library System (PLS) as of June 30, 2024 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of PLS in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

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

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of April 18, 2025.

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated August 16, 2024, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

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

- There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation or claims.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- PLS has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which PLS is contingently liable.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement

amounts, including legal and contractual provisions for reporting specific activities in separate funds.

- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
- PLS has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.



Carol Frost, Chief Executive Officer



Andrew Yon, Controller

FY 2025-26 PLS Executive Committee Meeting Schedule

July 3, 2025

September 4, 2025

November 6, 2025

January 8, 2026 (adjusted for New Year's holiday)

March 5, 2026

May 7, 2026

All meetings will be held first Thursdays at 2:00 p.m. unless otherwise noted. The location is to be determined. As per past practice, we will hold these dates for potential meetings but will cancel any meetings that are not deemed necessary.