

AGENDA

BOARD OF LAW LIBRARY TRUSTEES of the LOS ANGELES COUNTY LAW LIBRARY

REGULAR BOARD MEETING

Wednesday, November 18, 2020 at 12:15 PM

MILDRED L. LILLIE BUILDING TRAINING CENTER

301 WEST FIRST STREET

LOS ANGELES, CA 90012-3140

Trustees will participate remotely via Zoom.

*Members of the Public may listen and participate by joining
Zoom meeting #968 6503 8012 using this link*

<https://zoom.us/j/96865038012> or calling (408) 638 0968.

ACCOMMODATIONS

A person with a disability may contact the Board Secretary's office at (213) 785-2511 at least 24 hours before the scheduled meeting to request receipt of an agenda in an alternative format or to request disability-related accommodations, including aids or services, in order to participate in the public meeting. Later requests will be accommodated to the extent feasible.

AGENDA DESCRIPTIONS

The agenda descriptions are intended to give notice to members of the public of a brief general description of items of business to be transacted or discussed. The posting of the recommended actions does not indicate what action will be taken. The Board may take any action that it deems to be appropriate on the agenda item and is not limited in any way by the notice of the recommended action. The President reserves the right to discuss the items listed on the agenda in any order.

REQUESTS AND PROCEDURES TO ADDRESS THE BOARD

A member of the public may listen to the meeting and offer public comment by joining Zoom meeting #968 6503 8012 using this link <https://zoom.us/j/96865038012> or calling (408) 638 0968. Each member of the public has the right to address the Board on agenda items or on items of interest which are not on the agenda and which are within the subject matter jurisdiction of the Board. Public comments will be taken at the beginning of the meeting as Agenda Item 1.0. Members of the public will be called upon at that time. A member of the public will be allowed to address the Board for a total of three (3) minutes for a single item or a maximum of five (5) minutes for all items unless the President grants more or less time based on the number of people requesting to speak and the business of the Board. When members of the public address the Board on agenda items, the President determines the order in which speakers will be called. Persons addressing the Board shall not make impertinent, slanderous or profane remarks to the Board, any member of the Board, staff or general public, nor utter loud, threatening, personal or abusive language, nor engage in any other disorderly conduct that disrupts or disturbs the orderly conduct of any Board Meeting. The President may order the removal (by muting or disconnection of the telephone line) of any person who disrupts or disturbs the orderly conduct of the Board Meeting.

AGENDA MATERIALS

Unless otherwise exempt from disclosure, all materials relating to items on the agenda distributed to all, or a majority of the members of the Board less than 72 hours prior to the meeting shall be made available for public inspection at the time the writing is distributed on the Law Library website.

CALL TO ORDER

1.0 PUBLIC COMMENT

2.0 PRESIDENT'S REPORT

3.0 CONSENT CALENDAR

- 3.1 Approval of Minutes of the September 23, 2020 Regular Board Meeting
- 3.2 Review of August and September Financials and List of September and October Checks and Warrants
- 3.3 Receipt of FY20-21 Quarter 1 Statistics
- 3.4 Approval of 2021 Holiday Schedule
- 3.5 Approval of 2021 Board of Trustees Meeting Schedule

4.0 DISCUSSION ITEMS

- 4.1 Review and Acceptance of Draft Financial Statement Audit Report and AU-C260 Letter for the Fiscal Year Ended June 30, 2020.
- 4.2 Review of FY21 Quarter 1 Budget
- 4.3 Acceptance of Bequest to LA Law Library
- 4.4 Staff Presentation: Online MCLE and Legal Education Developments

5.0 AGENDA BUILDING

Items not on the posted agenda may be presented by a Trustee and, if requested, may be referred to staff or placed on the agenda for consideration at a future meeting of the Board.

6.0 EXECUTIVE DIRECTOR REPORT

7.0 ADJOURNMENT

It is requested that the meeting be adjourned in memory of Joan C. Lavine, a long time Member and Patron of the Law Library. The next Regular Meeting of the Board of Law Library Trustees is scheduled for Wednesday, December 16, 2020.

POSTED FRIDAY, NOVEMBER 13, 2020 @ 11:30 A.M.

POSTED BY SANDRA J. LEVIN



AGENDA ITEM 3

CONSENT CALENDAR

- 3.1 Approval of Minutes of the September 23, 2020 Regular Board Meeting
- 3.2 Review of August Financials and List of September Checks and Warrants
- 3.3 Receipt of FY20-21 Quarter 1
- 3.4 Approval of 2021 Holiday Schedule
- 3.5 Approval of 2021 Board of Trustees Meeting Schedule

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF LAW LIBRARY TRUSTEES OF
LOS ANGELES COUNTY**

**A California Independent Public Agency Under
Business & Professions Code Section 6300 et sq.**

September 23, 2020

The Regular Meeting of the Board of Law Library Trustees of Los Angeles County was held on Wednesday, September 23, 2020 at 12:15 p.m. via Zoom Webinar for the purposes of considering reports of the affairs to the Library, and transacting such other business as might properly come before the Board of Trustees. All Trustees indicated as present participated by telephone.

ROLL CALL/QUORUM

Trustees Present: Judge Michelle Williams Court
Judge Dennis Landin
Judge Yolanda Orozco
Susan Steinhauser, Esquire
Judge Michael Stern

Trustees Absent: Judge Mark Juhas
Kenneth Klein, Esquire

Senior Staff Present: Sandra J. Levin, Executive Director
Jaye Steinbrick, Senior Director

Also Present: Marcelino Juarez, Finance Manager
Ann Marie Gamez, Executive Assistant

Vice-President Court determined a quorum to be present, convened the meeting at 12:16 p.m. and thereafter presided. Executive Director, Sandra J. Levin recorded the Minutes. Trustee Stern joined the meeting at 12:23pm.

1.0 PUBLIC COMMENT
No public comment.

2.0 PRESIDENT'S REPORT
No President's Report.

3.0 CONSENT CALENDAR

- 3.1 Approval of Minutes of the July 22, 2020 Regular Board Meeting
- 3.2 Review of June and July Financials and List of July and August Checks and Warrants.

Vice-President Court requested a motion to approve all items on the Consent Calendar. So moved by Trustee Landin, seconded by Trustee Orozco. The motion was unanimously approved, 4-0.

4.0 DISCUSSION ITEMS

4.1 Determination of Need to Undertake Emergency Repairs Relating to Broken Water Intake Pipe

ED Levin explained the situation concerning leaks from an external water intake pipe. The condition of the leaking pipe caused concern regarding the potential for a burst pipe which could cause damage, safety hazards and costs. The Library's plumbing consultant had advised that repairs should be undertaken immediately on an urgent basis. ED Levin explained that the costs of repairing the entire two sections of pipe was far less of an amount than what would be had there been a pipe burst. Trustee Orozco commented that the cost of immediate repair was reasonable. Trustee Steinhauser thanked the Facilities Department for their prompt and immediate attention to the needs of the Library.

Vice-President Court requested a motion to determine by a four-fifths vote that an emergency existed that required the immediate expenditure of public money to safeguard life, health, or property. So moved by Trustee Steinhauser, seconded by Trustee Landin. The motion was unanimously approved, 5-0.

4.2 Approval of Trustee Designated Members of the Friends of Los Angeles County Law Library Board of Directors

ED Levin explained that the Board of Trustees appoints the majority of the members of the Board of Directors for the Friends of the Los Angeles County Law Library. The usual process is that the Friends Board suggests prospective members for appointment. The following were proposed appointees:

- Jordan Weiss
- Peter Morrison
- Gretchen Nelson
- David Hackett
- James Ham
- Jeff Kichaven
- Mark Yohalem

Trustee Steinhauser gave a brief summary on each appointee. Trustee Stern inquired how many members were on the Board of Directors and how many were ethnic or minority persons. ED Levin replied that she was aware of diversity on the 20+ member board, but did not have exact counts and would request that information from the Friends. Trustee Orozco asked what the requirements were to be an appointed Board Director. Trustee Steinhauser replied that any one person who would be able to fundraise for the law library either from being a part of a law firm that would be willing and able to donate at any of the Friends Gala pledge levels, by donating at a pledge level alone or by soliciting contributions. VP Court added that she was glad to see such enthusiasm from the Friends each year and how difficult it can be to have members who are unable to fulfill the fundraising aspect.

Trustee Orozco asked what the timeframe was for appointments to be researched. ED Levin replied that September is the usual month for Trustee Board approval, however recommendations and referrals for potential Friends members were welcome at any time. Trustee Steinhauser

mentioned a hopeful plan to bring in the Friends Directors to a future LACLL Board meeting to meet everyone.

Vice-President Court requested a motion to approve the aforementioned Friends of the Los Angeles County Law Library Board of Directors appointments for the terms identified in Discussion Item 4.2. So moved by Trustee Steinhauser, seconded by Trustee Orozco. The motion was unanimously approved, 5-0.

4.3 Review and Approval of Annual Report to the Board of Supervisors

ED Levin briefly summarized the content of this year's LA County Board of Supervisors Annual Report. Included in the report was a lengthy description of the operations, protocols and procedures including those due to COVID-19 closures. Trustee Steinhauser asked whether the Supervisors Report could be posted on the law library website, adding that she was quite proud of the continued work and diligence by Staff throughout the pandemic. ED Levin responded that it was possible to post the report on the library website. VP Court also added how happy she was as well to see how the Law Library responded to the pandemic.

Vice-President Court requested a motion to approve the attached cover letter and annual report to the Los Angeles County Board of Supervisors in Discussion Item 4.3. So moved by Trustee Orozco, seconded by Trustee Landin. The motion was unanimously approved, 5-0.

6.0 **AGENDA BUILDING**

There were no items for agenda building

7.0 **EXECUTIVE DIRECTORS REPORT**

ED Levin reported that the law library did not yet have plans to reopen its physical facilities to the public on any specific date, adding that the library will not open for in-person visits until other libraries in downtown open as well. The Law Library is providing service via phone, email and live chat, as well as providing book check-out by appointment only. Clinics continue to be operated via telephone and dozens of classes and MCLE'S are available online (either live or recorded). Lastly, ED Levin announced the upcoming Pro Bono Week event from Oct. 26-30, which will be held entirely online and by phone.

8.0 **ADJOURNMENT**

There being no further business to come before the Board, the meeting was adjourned at 1:13pm. The next Regular Meeting of the Board of Law Library Trustees is scheduled for Wednesday, October 28, 2020 at 12:15pm.

Sandra J. Levin, Executive Director and Secretary
Los Angeles County Law Library Board of Trustees

Los Angeles County Law Library

Balance Sheet

As of August 31, 2020

(Provisional and subject to year-end audit adjustments)

	6/30/2020	8/31/2020	YTD
Assets			
Current assets			
Cash and cash equivalents	9,704,362	8,922,325	(782,037)
Accounts receivable	2,496,795	2,490,431	(6,364)
Prepaid expenses	287,576	433,778	146,202
Total current assets	<u>12,488,733</u>	<u>11,846,534</u>	<u>(642,199)</u>
Noncurrent assets			
Restricted cash and cash equivalents	318,470	318,470	-
Investments	5,997,413	6,001,381	3,968
Capital assets, not being depreciated	903,040	903,040	-
Capital assets, being depreciated - net	15,954,246	15,797,812	(156,434)
Total noncurrent assets	<u>23,173,168</u>	<u>23,020,702</u>	<u>(152,466)</u>
Total assets	<u>35,661,901</u>	<u>34,867,236</u>	<u>(794,665)</u>
deferred Outflows of Resources			
deferred Outflows of Resources	1,544,792	1,544,792	-
Total assets and deferred outflows of resources	<u>37,206,694</u>	<u>36,412,029</u>	<u>(794,665)</u>
Liabilities			
Current Liabilities			
Accounts payable	292,692	99,581	(193,111)
Other current liabilities	-	-	-
Payroll liabilities	6,605	15,722	9,117
Total current liabilities	<u>299,297</u>	<u>115,303</u>	<u>(183,994)</u>
Noncurrent Liabilities			
Accrued sick and vacation liability	295,282	295,282	-
Borrowers' deposit	280,275	257,897	(22,378)
OPEB liability	2,729,306	2,772,640	43,334
Net pension liability	2,775,910	2,775,910	-
Total noncurrent liabilities	<u>6,080,773</u>	<u>6,101,729</u>	<u>20,956</u>
Total liabilities	<u>6,380,070</u>	<u>6,217,032</u>	<u>(163,038)</u>
deferred Inflows of Resources			
deferred Inflows of Resources	1,233,204	1,233,204	-
Total liabilities and deferred inflows of resources	<u>7,613,274</u>	<u>7,450,236</u>	<u>(163,038)</u>
Net Position			
Invested in capital assets	16,857,286	16,700,852	(156,434)
Unrestricted	12,736,134	12,260,941	(475,193)
Total net position	<u>29,593,419</u>	<u>28,961,793</u>	<u>(631,627)</u>
Total liabilities and deferred inflows of resources and net position	<u>37,206,694</u>	<u>36,412,029</u>	<u>(794,665)</u>

Los Angeles County Law Library
Income Statement for the Period Ending August 31, 2020
(Provisional and subject to year-end audit adjustments)

Aug 18	Aug 2019			
	Budget	Actual	\$ Fav (Unf)	% Fav (Unf)
767,479	340,653	515,853	175,200	51.4%
16,653	10,375	5,265	(5,110)	-49.2%
59,372	43,750	23,604	(20,146)	-46.0%
28,797	28,621	12,569	(16,051)	-56.1%
872,301	423,398	557,292	133,893	31.6%
483,902	338,492	313,048	25,444	7.5%
49,495	51,200	51,273	(73)	-0.1%
135,441	169,815	140,852	28,963	17.1%
(135,441)	(169,815)	(140,852)	(28,963)	17.1%
71,290	70,144	83,220	(13,076)	-18.6%
10,888	12,692	10,250	2,442	19.2%
11,619	6,650	1,622	5,028	75.6%
509	594	299	295	49.7%
39	2,200	2	2,198	99.9%
34	121	0	121	100.0%
2,992	8,710	4,474	4,236	48.6%
220,517	214,353	212,172	2,180	1.0%
851,285	705,156	676,361	(28,795)	-4.1%
21,015	(281,758)	(119,069)	162,688	-57.7%
52,775	7,500	(1,788)	(9,288)	-123.8%
0	0	0	0	0.0%
0	0	0	0	0.0%
73,790	(274,258)	(120,858)	153,400	-55.9%
0	95,000	0	95,000	100.0%

Summary:

Income

L.A. Superior Court Fees	1,386,995	340,653	957,706	617,053	181.1%
Interest	32,972	20,750	11,596	(9,154)	-44.1%
Parking	110,650	87,500	45,479	(42,021)	-48.0%
Library Services	85,224	63,299	42,228	(21,072)	-33.3%
Total Income	1,615,841	512,202	1,057,008	544,806	106.4%

Expense

Staff (payroll + benefits)	1,095,071	1,074,415	1,014,842	59,573	5.5%
Electronic Resource Subscriptions	69,032	102,400	82,220	20,180	19.7%
Library Materials	258,777	339,629	267,765	71,864	21.2%
Library Materials Transferred to Assets	(258,777)	(339,629)	(267,765)	(71,864)	21.2%
Facilities	135,208	141,665	136,226	5,439	3.8%
Technology & Data	20,935	24,779	21,133	3,659	14.8%
General	20,045	14,950	5,170	9,780	65.4%
Professional Development	5,719	2,723	1,331	1,392	51.1%
Communications & Marketing	78	6,750	4	6,746	99.9%
Travel & Entertainment	34	243	108	135	55.5%
Professional Services	6,925	17,420	7,370	10,050	57.7%
Depreciation	440,373	427,888	424,199	3,689	0.9%
Total Expenses	1,793,421	1,813,232	1,692,603	120,629	6.7%

Net Income (Loss)

Net Income (Loss)	(177,580)	(1,301,030)	(635,595)	665,435	51.1%
Investment Gain (Loss) ¹	48,181	15,000	3,968	(11,032)	-73.5%
Extraordinary Income	0	0	0	0	0.0%
Extraordinary Expense	0	0	0	0	0.0%
Net Income Including Extraordinary Items	(129,399)	(1,286,030)	(631,627)	654,403	50.9%

Capitalized Expenditures

Capitalized Expenditures	0	95,000	0	95,000	100.0%
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Comments

Los Angeles County Law Library
Income Statement for the Period Ending August 31, 2020
(Provisional and subject to year-end audit adjustments)

Aug 18	Aug 2019				FY 2019-20	FY 2020-21 YTD				Comments		
	Actual	Budget	Actual	\$ Fav (Unf)		% Fav (Unf)	YTD Actual	Budget	Actual		\$ Δ	% Δ
162	0	0	0	0.0%	37 COM 801330	Staff meals & events	1,350	1,200	0	1,200	100.0%	No summer picnic as a result of COVID-19.
3,698	3,177	99	3,078	96.9%	15 FIN 801335	Supplies - Office	7,603	6,803	339	6,464	95.0%	Low office supply requests due to limited onsite staff.
0	0	0	0	0.0%	35 CMS 801337	Supplies - Library materials	0	0	0	0	0.0%	
0	50	0	50	100.0%	37 COM 801340	Stationery, business cards, etc.	0	100	0	100	100.0%	Timing variance.
0	0	0	0	0.0%	25 PS 801365	Grant Application Expenses	0	0	0	0	0.0%	
1,659	1,087	205	882	81.1%	33 IT 801370	Copy Center Expense	3,078	2,173	417	1,756	80.8%	Low usage due to ongoing COVID-19 library closure.
0	0	0	0	0.0%	15 FIN 801375	General - Misc	136	0	0	0	0.0%	
480	675	0	675	100.0%	25 PS 801390	Course Registration	480	1,350	1,580	(230)	-17.0%	Better than expected online course attendance for OTF-supported programs.
0	0	0	0	0.0%	17 EXEC 801395	Friends of Law Library	0	0	149	(149)	0.0%	
11,619	6,650	1,622	5,028	75.6%		Subtotal	20,045	14,950	5,170	9,780	65.4%	
						Professional Development:						
211	0	0	0	0.0%	ALL 803105	Travel	2,400	0	0	0	0.0%	
61	0	0	0	0.0%	ALL 803110	Meals	61	0	0	0	0.0%	
0	0	0	0	0.0%	ALL 803113	Incidental and miscellaneous	0	0	0	0	0.0%	
646	0	0	0	0.0%	ALL 803115	Membership dues	646	0	0	0	0.0%	
(408)	594	299	295	49.7%	ALL 803120	Registration fees	2,612	2,723	1,331	1,392	51.1%	AALL converted to online; registration costs lower than budgeted.
0	0	0	0	0.0%	ALL 803125	Educational materials	0	0	0	0	0.0%	
509	594	299	295	49.7%		Subtotal	5,719	2,723	1,331	1,392	51.1%	
						Communications & Marketing:						
0	0	0	0	0.0%	37 COM 803205	Services	0	0	0	0	0.0%	
39	1,500	0	1,500	100.0%	37 COM 803210	Collateral materials	78	3,000	0	3,000	100.0%	Timing variance.
0	700	2	698	99.7%	37 COM 803215	Advertising	0	3,750	4	3,746	99.9%	Timing variance.
0	0	0	0	0.0%	37 COM 803220	Trade shows & Outreach	0	0	0	0	0.0%	
39	2,200	2	2,198	99.9%		Subtotal	78	6,750	4	6,746	99.9%	
						Travel & Entertainment						
0	0	0	0	0.0%	ALL 803305	Travel	0	0	0	0	0.0%	
0	0	0	0	0.0%	ALL 803310	Meals	0	0	0	0	0.0%	
0	0	0	0	0.0%	ALL 803315	Entertainment	0	0	0	0	0.0%	
34	121	0	121	100.0%	ALL 803320	Ground transportation & mileage reimb.	34	243	108	135	55.5%	
0	0	0	0	0.0%	ALL 803325	Incidental travel expenses	0	0	0	0	0.0%	
34	121	0	121	100.0%		Subtotal	34	243	108	135	55.5%	
						Professional Services						
0	0	1,578	(1,578)	0.0%	15 FIN 804005	Accounting	0	0	1,578	(1,578)	0.0%	
2,896	2,983	2,896	87	2.9%	17 EXEC 804008	Consulting Services	5,793	5,966	5,793	173	2.9%	
0	5,477	0	5,477	100.0%	17 EXEC 804010	Legal	975	10,954	0	10,954	100.0%	Delays in OTF projects due to ongoing COVID-19 closure.
96	250	0	250	100.0%	15 FIN 804015	Other	158	500	0	500	100.0%	Delays in OTF projects due to ongoing COVID-19 closure.
2,992	8,710	4,474	4,236	48.6%		Subtotal	6,925	17,420	7,370	10,050	57.7%	
						Depreciation:						
196,750	190,103	188,756	1,347	0.7%	15 FIN 806105	Depreciation - Library Materials	392,839	380,153	377,298	2,855	0.8%	
23,767	24,250	23,417	833	3.4%	15 FIN 806110	Depreciation Exp - FF&E	47,534	47,734	46,901	833	1.7%	
220,517	214,353	212,172	2,180	1.0%		Subtotal	440,373	427,888	424,199	3,689	0.9%	
851,285	705,156	676,361	(28,795)	-4.1%		Total Expense	1,793,421	1,813,232	1,692,603	120,629	6.7%	
21,015	(281,758)	(119,069)	162,688	-57.7%		Net Income Before Extraordinary Items	(177,580)	(1,301,030)	(635,595)	665,435	51.1%	
52,775	7,500	(1,788)	(9,288)	-123.8%	15 FIN 321000	Investment Gain (Loss) ¹	48,181	15,000	3,968	(11,032)	-73.5%	Lower than expected gains due to market volatility.
0	0	0	0	0.0%	17 EXEC 401000	Extraordinary Income	0	0	0	0	0.0%	
0	0	0	0	0.0%	17 EXEC 901000	Extraordinary Expense	0	0	0	0	0.0%	
73,790	(274,258)	(120,858)	153,400	-55.9%		Net Income Including Extraordinary Items	(129,399)	(1,286,030)	(631,627)	654,403	50.9%	

Los Angeles County Law Library
Income Statement for the Period Ending August 31, 2020
(Provisional and subject to year-end audit adjustments)

Aug 18 Actual	Aug 2019			
	Budget	Actual	\$ Fav (Unf)	% Fav (Unf)
0	0	0	0	0.0%
0	80,000	0	80,000	100.0%
0	15,000	0	15,000	100.0%
0	0	0	0	0.0%
0	0	0	0	0.0%
<u>0</u>	<u>95,000</u>	<u>0</u>	<u>(95,000)</u>	<u>-100.0%</u>

FY 2019-20 YTD Actual	FY 2020-21 YTD				Comments
	Budget	Actual	\$ Δ	% Δ	
0	0	0	0	0.0%	
0	80,000	0	80,000	100.0%	Timing variance.
0	15,000	0	15,000	100.0%	Timing variance.
0	0	0	0	0.0%	
0	0	0	0	0.0%	
<u>0</u>	<u>95,000</u>	<u>0</u>	<u>95,000</u>	<u>100.0%</u>	

Capital Expenditures:

39 FAC 161100	Furniture / Appliances (>3k)	0	0	0	0.0%		
33 TECH 161300	Electronics / Computer Hardware (>3k)	0	80,000	0	80,000	100.0%	Timing variance.
39 FAC 164500	Exterior Building Repairs/ Improvements (>3k)	0	15,000	0	15,000	100.0%	Timing variance.
39 FAC 164000	Interior Improvements / Alterations (>3k)	0	0	0	0	0.0%	
33 TECH 168000	Computer Software	0	0	0	0	0.0%	
	Total - Capitalized Expenditures	<u>0</u>	<u>95,000</u>	<u>0</u>	<u>95,000</u>	<u>100.0%</u>	

CalPERS CERBT Trust Fund:

Beginning Balance	2,286,737	
Administrative Expense	(96)	CalPERS CERBT program cost.
Investment Expense	(70)	Investment management cost.
Unrealized Gain/Loss	47,781	Fluctuating market conditions.
Distribution		Distribution from Fund.
Ending Balance	<u>2,334,351</u>	

¹ UBS interest/dividend income and gains/losses is consolidated into Investment Gain (Loss) effective FY 2016. It was also moved to "non-operating income" section of the budget as recommended by outside auditors.

Los Angeles County Law Library
Statement of Cash Flows
As of August 31, 2020
(Provisional and subject to year-end audit adjustments)

	8/31/2020	YTD
Cash flows from operating activities		
L.A. Superior court fees	515,853	957,706
Parking fees	23,604	45,479
Library services	12,569	42,228
(Increase) decrease in accounts receivable	17,241	6,364
Increase (decrease) in borrowers' deposit	(1,197)	(22,378)
Cash received from filing fees and services	568,069	1,029,398
Facilities	(83,220)	(136,226)
Technology	(10,250)	(21,133)
General	(1,622)	(5,170)
Professional development	(299)	(1,331)
Communications & marketing	(2)	(4)
Travel & entertainment	-	(108)
Professional services	(4,474)	(7,370)
Electronic Resource Subscriptions (ERS)	(51,273)	(82,220)
(Increase) decrease in prepaid expenses	41,097	(146,202)
Increase (decrease) in accounts payable	24,802	(193,111)
Increase (decrease) in other liabilities	-	-
Cash payments to suppliers for goods and services	(85,242)	(592,875)
Staff (payroll + benefits)	(313,048)	(1,014,842)
Increase (decrease) in payroll liabilities	382	9,117
Increase (decrease) in accrued sick and vacation liability	-	-
Increase (decrease) in OPEB liability	21,667	43,334
Net impact of GASB 68 adjustments	-	-
Net effect of prior period adjustments	-	-
Cash payments to employees for services	(290,999)	(962,391)
Contributions received	-	-
Net cash from operating activities	191,828	(525,868)
Cash flow from capital and related financing activities		
Library materials	(140,852)	(267,765)
Fixed assets	-	-
Capital - Work in Progress (WIP)	-	-
Cash flows from investing activities		
Investment	-	-
Investment earnings	5,265	11,596
Net cash increase (decrease) in cash and cash equivalents	56,242	(782,037)
Cash and cash equivalents, at beginning of period	9,184,553	10,022,832
Cash and cash equivalents, at end of period	9,240,795	9,240,795
Reconciliation of Operating Income to Net Cash from Operating Activities		
Operating income	(124,335)	(647,191)
Adjustments for noncash effects:		
Depreciation	212,172	424,199
Extraordinary expense: book write-off		
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	17,241	6,364
(Increase) decrease in prepaid expenses	41,097	(146,202)
Increase (decrease) in accounts payable	24,802	(193,111)
Increase (decrease) in other liabilities	-	-
Increase (decrease) in payroll liabilities	382	9,117
Increase (decrease) in accrued sick and vacation liability	-	-
Increase (decrease) in borrowers' deposit	(1,197)	(22,378)
Increase (decrease) in OPEB liability	21,667	43,334
Net impact of GASB 68 adjustments	-	-
Net cash from operating activities	191,828	(525,868)

Los Angeles County Law Library

Balance Sheet

As of September 30, 2020

(Provisional and subject to year-end audit adjustments)

	6/30/2020	9/30/2020	YTD
Assets			
Current assets			
Cash and cash equivalents	9,704,362	10,173,284	468,921
Accounts receivable	1,242,621	1,233,187	(9,434)
Prepaid expenses	287,576	418,098	130,522
Total current assets	11,234,559	11,824,569	590,009
Noncurrent assets			
Restricted cash and cash equivalents	318,470	318,470	-
Investments	5,997,413	6,002,270	4,858
Capital assets, not being depreciated	903,040	906,340	3,300
Capital assets, being depreciated - net	15,954,246	15,733,960	(220,285)
Total noncurrent assets	23,173,168	22,961,040	(212,128)
Total assets	34,407,727	34,785,609	377,882
Deferred Outflows of Resources			
Deffered Outflows of Resources	1,559,140	1,559,140	-
Total assets and deffered outflows of resources	35,966,868	36,344,749	377,882
Liabilities			
Current Liabilities			
Accounts payable	249,615	96,750	(152,865)
Other current liabilities	-	-	-
Payroll liabilities	6,605	14,843	8,238
Total current liabilities	256,221	111,594	(144,627)
Noncurrent Liabilities			
Accrued sick and vacation liability	295,282	295,282	-
Borrowers' deposit	280,275	257,797	(22,478)
OPEB liability	2,580,670	2,645,671	65,001
Net pension liability	3,330,753	3,330,753	-
Total noncurrent liabilities	6,486,980	6,529,503	42,523
Total liabilities	6,743,201	6,641,097	(102,104)
Deferred Inflows of Resources			
Deffered Inflows of Resources	1,184,693	1,184,693	-
Total liabilities and Deffered inflows of resources	7,927,894	7,825,790	(102,104)
Net Position			
Invested in capital assets	16,857,286	16,640,300	(216,985)
Unrestricted	11,181,688	11,878,659	696,971
Total net position	28,038,974	28,518,959	479,986
Total liabilities and Deffered inflows of resources and net position	35,966,868	36,344,749	377,882

Los Angeles County Law Library
 Income Statement for the Period Ending September 30, 2020
 (Provisional and subject to year-end audit adjustments)

Sep 19	Sep 2020				YTD Actual	FY 2020-21 YTD				Comments				
	Budget	Actual	\$ Fav (Unf)	% Fav (Unf)		Budget	Actual	\$ Δ	% Δ					
Detailed Budget:														
Income:														
731,309	340,653	499,252	158,599	46.6%	15	FIN	303300	L.A. Superior Court Fees	2,118,304	681,305	1,456,957	775,652	113.8%	Better than expected revenue.
								Interest:						
2,276	1,875	801	(1,074)	-57.3%	15	FIN	311000	Interest - LAIF	2,276	1,875	801	(1,074)	-57.3%	
15,149	10,000	4,704	(5,296)	-53.0%	15	FIN	312000	Interest - General Fund	46,993	30,000	15,910	(14,091)	-47.0%	Lower interest revenue due to market volatility.
538	375	174	(201)	-53.6%	15	FIN	313000	Interest - Deposit Fund	1,666	1,125	565	(560)	-49.8%	Lower interest revenue due to market volatility.
17,963	12,250	5,679	(6,571)	-53.6%				Subtotal	50,935	33,000	17,275	(15,725)	-47.7%	
Parking:														
55,804	43,750	22,860	(20,890)	-47.7%	39	FAC	330100	Parking	166,453	131,250	68,339	(62,911)	-47.9%	Reduction in revenue due to COVID-19 and contract restructure.
55,804	43,750	22,860	(20,890)	-47.7%				Subtotal	166,453	131,250	68,339	(62,911)	-47.9%	
Library Services:														
49	49	163	114	231.6%	27	CIRC	330150	Annual Designation Fee	455	472	439	(33)	-7.0%	Fewer messengers due to COVID-19.
16,924	20,831	8,740	(12,091)	-58.0%	25	PS	330140	Annual Members Fee	44,970	48,546	26,569	(21,977)	-45.3%	Timing variance - Members delaying renewal pending reopening.
6,830	839	880	41	4.9%	25	PS	330340	Course Registration	10,228	8,117	4,080	(4,037)	-49.7%	Timing variance due to delay in receiving sponsorship funds (\$5,600)
3,759	3,333	0	(3,333)	-100.0%	27	CIRC	330129	Copy Center	12,811	10,000	1	(9,999)	-100.0%	Copy center is inaccessible to the public due to ongoing COVID-19 library closure.
1,168	1,200	856	(344)	-28.7%	27	CIRC	330205	Document Delivery	5,081	1,200	1,897	697	58.0%	Requests exceed free limits resulting in revenue.
1,725	2,000	8	(1,992)	-99.6%	27	CIRC	330210	Fines	8,399	7,700	8	(7,692)	-99.9%	Fines and fees are frozen due to COVID-19.
722	7,833	0	(7,833)	-100.0%	15	FIN	330310	Miscellaneous	12,728	8,500	0	(8,500)	-100.0%	Timing variance.
1,048	2,400	0	(2,400)	-100.0%	39	FAC	330330	Room Rental	5,159	7,200	0	(7,200)	-100.0%	No room rentals due to ongoing COVID-19 library closure.
0	0	0	0	0.0%	23	COL	330350	Book Replacement	350	0	5	5	0.0%	
0	0	20	20	0.0%	15	FIN	330360	Forfeited Deposits	17,186	10,000	19,895	9,895	99.0%	Reflects forfeited accounts inactive for 3 years or more after unanswered notices.
125,000	145,000	0	(145,000)	-100.0%	17	EXEC	330400	Friends of Law Library	125,000	145,000	0	(145,000)	-100.0%	Timing variance.
0	0	0	0	0.0%	25	PS	330420	Grants	0	0	0	0	0.0%	
35	25	0	(25)	-100.0%	15	FIN	330450	Vending	116	75	0	(75)	-100.0%	No revenue due to COVID-19 library closures.
0	0	0	0	0.0%	39	FAC	330465	Special Events Income	0	0	0	0	0.0%	
157,259	183,511	10,666	(172,845)	-94.2%				Subtotal	242,484	246,810	52,894	(193,916)	-78.6%	
962,335	580,163	538,457	(41,706)	-7.2%				Total Income	2,578,176	1,092,365	1,595,465	503,100	46.1%	
Expenses:														
Staff:														
176,658	199,536	181,129	18,407	9.2%	ALL	501000	Salaries (FT)	727,661	675,299	634,214	41,085	6.1%		
0	(3,991)	0	(3,991)	100.0%	15	FIN	501025	Staff Vacancy Offset (FT)	0	(13,506)	0	(13,506)	100.0%	
21,242	22,846	14,153	8,693	38.1%	ALL	501050	Salaries (PT)	89,392	79,961	48,627	31,334	39.2%	Reflects vacancies and unpaid leaves.	
0	(457)	0	(457)	100.0%	15	FIN	501075	Staff Vacancy Offset (PT)	0	(1,599)	0	(1,599)	100.0%	
10,549	12,422	10,909	1,513	12.2%	15	FIN	502000	Social Security	48,232	42,189	42,773	(584)	-1.4%	
2,800	2,986	2,773	213	7.1%	15	FIN	503000	Medicare	11,668	10,140	10,364	(224)	-2.2%	
20,172	23,278	21,482	1,796	7.7%	15	FIN	511000	Retirement	289,759	354,865	342,793	12,072	3.4%	
0	0	0	0	0.0%	15	FIN	511050	Pension Exp (Actuarial)	0	0	0	0	0.0%	
0	0	0	0	0.0%	15	FIN	511100	Pension Exp (Acctg)	0	0	0	0	0.0%	
47,106	52,687	47,874	4,812	9.1%	15	FIN	512000	Health Insurance	132,615	158,060	144,610	13,450	8.5%	Reflects vacancies.
383	460	383	77	16.7%	15	FIN	513000	Disability Insurance	1,116	1,338	1,104	234	17.5%	Reflects vacancies.
5,311	6,269	4,916	1,353	21.6%	15	FIN	514000	Dental Insurance	15,422	18,238	14,819	3,419	18.7%	Reflects vacancies.
550	664	558	106	16.0%	15	FIN	514500	Vision Insurance	1,530	1,931	1,589	342	17.7%	Reflects vacancies.
211	181	178	3	1.5%	15	FIN	515000	Life Insurance	563	526	513	13	2.5%	
0	0	0	0	0.0%	15	FIN	515500	Vacancy Benefits Offset	0	0	0	0	0.0%	
3,177	3,089	3,089	0	0.0%	15	FIN	516000	Workers Compensation Insurance	9,531	9,266	9,266	0	0.0%	
0	2,000	3,909	(1,909)	-95.5%	15	FIN	517000	Unemployment Insurance	0	2,000	3,909	(1,909)	-95.5%	Reflects UI claims during library closure.
1,836	6,092	2,348	3,745	61.5%	ALL	514010	Temporary Employment	8,968	13,876	5,068	8,809	63.5%	Savings due to ongoing COVID-19 closure.	
148	3,000	0	3,000	100.0%	13	HR	514015	Recruitment	183	3,000	0	3,000	100.0%	Recruitment on hold during COVID-19 closure.
0	0	0	0	0.0%	15	FIN	517500	Accrued Sick Expense	0	0	0	0	0.0%	
0	0	0	0	0.0%	15	FIN	518000	Accrued Vacation Expense	0	0	0	0	0.0%	
21,667	21,667	21,667	(0)	0.0%	15	FIN	518500	OPEB Expense	65,001	65,000	65,001	(1)	0.0%	
(307)	160	219	(59)	-36.6%	15	FIN	518550	TMP	2,947	4,220	4,086	134	3.2%	
907	1,250	769	481	38.5%	15	FIN	518560	Payroll and Benefit Administration	2,895	3,750	2,462	1,288	34.4%	Timing variance.
312,410	354,138	316,354	37,784	10.7%				Total - Staff	1,407,482	1,428,553	1,331,196	97,357	6.8%	
Library Materials/Electronic Resources Subscription:														

Los Angeles County Law Library
 Income Statement for the Period Ending September 30, 2020
 (Provisional and subject to year-end audit adjustments)

Sep 19 Actual	Sep 2020				FY 2019-20 YTD Actual	FY 2020-21 YTD				Comments				
	Budget	Actual	\$ Fav (Unf)	% Fav (Unf)		Budget	Actual	\$ Δ	% Δ					
114,292	131,517	120,441	11,076	8.4%	23	COL	601999	American Continuations	276,226	394,550	292,837	101,713	25.8%	Timing variance.
3,570	1,833	2,705	(872)	-47.6%	23	COL	602999	American New Orders	5,947	5,500	5,513	(13)	-0.2%	
1,459	1,631	1,401	230	14.1%	23	COL	609199	Branch Continuations	3,457	4,894	5,217	(323)	-6.6%	Timing variance.
0	0	0	0	0.0%	23	COL	609299	Branch New Orders	0	0	0	0	0.0%	
18,219	12,083	1,237	10,846	89.8%	23	COL	603999	Commonwealth Continuations	76,781	36,250	63,617	(27,367)	-75.5%	Timing variance; LNUK contract renewal - large one-time annual payment. Variance anticipated to align to forecast by 4QFY21.
51	333	0	333	100.0%	23	COL	604999	Commonwealth New Orders	299	333	0	333	100.0%	Timing variance.
4,814	11,250	6,759	4,491	39.9%	23	COL	605999	Foreign Continuations	18,595	33,750	11,735	22,015	65.2%	Timing variance.
6	667	159	507	76.1%	23	COL	606999	Foreign New Orders	73	667	159	507	76.1%	
9,519	10,000	11,242	(1,242)	-12.4%	23	COL	607999	International Continuations	25,824	30,000	29,152	848	2.8%	
14	667	347	320	47.9%	23	COL	608999	International New Orders	158	667	347	320	47.9%	Timing variance.
320	1,500	3,054	(1,554)	-103.6%	23	COL	609399	General/Librarianship Continuations	3,679	4,500	6,534	(2,034)	-45.2%	Timing variance.
0	333	187	146	43.8%	23	COL	609499	General/Librarianship New Orders	0	333	187	146	43.8%	Timing variance.
152,263	171,815	147,534	24,281	14.1%				Subtotal	411,040	511,444	415,299	96,145	18.8%	
(152,263)	(171,815)	(147,534)	(24,281)	14.1%	23	COL	690000	Library Materials Transferred to Assets	(411,041)	(511,444)	(415,299)	(96,145)	18.8%	
52,769	51,200	50,143	1,057	2.1%	23	COL	685000	Electronic Resource Subscriptions (ERS)	121,801	153,600	132,363	21,236	13.8%	Timing variance.
								Facilities:						
1,255	4,500	0	4,500	100.0%	39	FAC	801005	Repair & Maintenance	2,579	12,900	7,344	5,556	43.1%	Timing variance.
6,232	1,780	1,210	570	32.0%	39	FAC	801010	Building Services	9,143	5,837	4,422	1,415	24.2%	Timing variance.
0	0	123	(123)	0.0%	39	FAC	801015	Cleaning Supplies	0	1,975	602	1,373	69.5%	Timing variance. Reduction in supplies due to COVID 19 closure.
12,055	12,000	15,858	(3,858)	-32.2%	39	FAC	801020	Electricity & Water	35,032	36,000	47,929	(11,929)	-33.1%	Timing variance. Electricity meter reading delayed due to ongoing COVID-19.
966	966	966	0	0.0%	39	FAC	801025	Elevator Maintenance	2,898	2,898	2,898	0	0.0%	
9,185	9,000	25,382	(16,382)	-182.0%	39	FAC	801030	Heating & Cooling	17,835	15,500	25,382	(9,882)	-63.8%	Timing variance.
18,328	21,156	20,539	617	2.9%	15	FIN	801035	Insurance	54,984	63,468	61,463	2,005	3.2%	
9,718	9,824	10,174	(350)	-3.6%	39	FAC	801040	Janitorial Services	28,804	29,472	30,397	(925)	-3.1%	
1,250	1,500	1,250	250	16.7%	39	FAC	801045	Landscaping	3,750	4,500	3,750	750	16.7%	Timing variance. Budgeted rate increase not implemented.
15,156	11,450	11,082	368	3.2%	39	FAC	801050	Security	53,145	37,446	37,797	(351)	-0.9%	
772	1,166	0	1,166	100.0%	39	FAC	801060	Room Rental Expenses	1,180	3,499	0	3,499	100.0%	Timing variance due to ongoing COVID-19 library closure.
239	4,341	25	4,316	99.4%	39	FAC	801065	Special Events Expenses	239	4,373	25	4,348	99.4%	Timing variance due to ongoing COVID-19 library closure.
969	0	0	0	0.0%	39	FAC	801100	Furniture & Appliances (<3K)	1,132	0	0	0	0.0%	
0	0	0	0	0.0%	39	FAC	801110	Equipment (<3K)	0	600	380	220	36.7%	Timing variance.
0	0	0	0	0.0%	39	FAC	801115	Building Alterations (<3K)	0	0	0	0	0.0%	
46	325	25	300	92.3%	39	FAC	801120	Delivery & Postage	424	785	331	454	57.8%	Timing variance.
272	423	0	423	100.0%	39	FAC	801125	Kitchen supplies	507	843	141	702	83.3%	Timing variance due to library closure.
76,443	78,431	86,634	(8,203)	-10.5%				Subtotal	211,651	220,096	222,860	(2,764)	-1.3%	
								Technology:						
3,132	3,418	1,171	2,247	65.7%	33	TECH	801210	Software Maintenance	6,172	6,933	4,884	2,049	29.5%	Timing variance.
1,761	1,814	1,978	(164)	-9.1%	33	TECH	801212	Hardware Maintenance	5,283	5,442	5,935	(493)	-9.1%	Timing variance.
0	701	0	701	100.0%	33	TECH	801215	Software (<\$3k)	0	2,103	0	2,103	100.0%	Timing variance.
286	343	0	343	100.0%	33	TECH	801220	Hardware (<\$3k)	286	1,029	40	989	96.1%	Timing variance.
0	86	0	86	100.0%	33	TECH	801225	Computer Supplies	0	258	0	258	100.0%	Timing variance.
4,626	4,789	4,849	(60)	-1.2%	33	TECH	801230	Integrated Library System	13,879	14,367	14,546	(179)	-1.2%	
2,270	2,544	1,771	773	30.4%	33	TECH	801235	Telecommunications	7,390	7,632	5,469	2,163	28.3%	Timing variance.
0	0	0	0	0.0%	33	TECH	801245	Tech & Data - Misc	0	0	0	0	0.0%	
676	348	0	348	100.0%	33	TECH	801250	Services	677	1,044	0	1,044	100.0%	Timing variance.
0	7	0	7	100.0%	33	TECH	801275	Online Service Providers	0	21	28	(7)	-31.0%	Timing variance.
12,751	14,050	9,769	4,274	30.4%				Subtotal	33,686	38,829	30,902	7,933	20.4%	
								General:						
483	667	429	237	35.6%	15	FIN	801310	Bank Charges	1,534	2,000	1,363	637	31.8%	Timing variance.
875	875	875	(0)	0.0%	35	CMS	801315	Bibliographical Services	2,626	2,625	2,626	(1)	0.0%	
394	0	0	0	0.0%	35	CMS	801320	Binding	4,893	0	0	0	0.0%	
85	120	0	120	100.0%	17	EXEC	801325	Board Expense	183	360	0	360	100.0%	No onsite meeting due to ongoing COVID-19 library closure.
510	300	0	300	100.0%	37	COM	801330	Staff meals & events	1,860	1,500	0	1,500	100.0%	No summer picnic as a result of COVID-19 library closure.

Los Angeles County Law Library
Income Statement for the Period Ending September 30, 2020
(Provisional and subject to year-end audit adjustments)

Sep 19 Actual	Sep 2020				FY 2019-20 YTD Actual	FY 2020-21 YTD				Comments					
	Budget	Actual	\$ Fav (Unf)	% Fav (Unf)		Budget	Actual	\$ Δ	% Δ						
929	3,177	0	3,177	100.0%	15	FIN	801335	Supplies - Office	8,532	9,980	339	9,641	96.6%	Low office supply requests due to limited onsite staff.	
1,354	1,400	0	1,400	100.0%	35	CMS	801337	Supplies - Library materials	1,354	1,400	0	1,400	100.0%		
0	50	0	50	100.0%	37	COM	801340	Stationery, business cards, etc.	0	150	0	150	100.0%	Timing variance.	
0	0	0	0	0.0%	25	PS	801365	Grant Application Expenses	0	0	0	0	0.0%		
1,446	1,087	210	877	80.7%	33	IT	801370	Copy Center Expense	4,523	3,260	627	2,633	80.8%	Low usage due to ongoing COVID-19 library closure.	
959	1,000	0	1,000	100.0%	15	FIN	801375	General - Misc	1,094	1,000	0	1,000	100.0%		
320	675	2,500	(1,825)	-270.4%	25	PS	801390	Course Registration	800	2,025	4,080	(2,055)	-101.5%	Better than expected online course attendance for OTF-supported programs.	
286	0	615	(615)	0.0%	17	EXEC	801395	Friends of Law Library	286	0	764	(764)	0.0%		
7,641	9,350	4,629	4,721	50.5%				Subtotal	27,685	24,300	9,800	14,500	59.7%		
								Professional Development:							
535	500	0	500	100.0%	ALL	803105	Travel	2,935	500	0	500	100.0%	No travel incurred for AALL due to COVID-19.		
0	0	0	0	0.0%	ALL	803110	Meals	61	0	0	0	0.0%			
0	0	0	0	0.0%	ALL	803113	Incidental and miscellaneous	0	0	0	0	0.0%			
0	0	0	0	0.0%	ALL	803115	Membership dues	646	0	0	0	0.0%			
0	144	79	65	45.1%	ALL	803120	Registration fees	2,612	2,867	1,410	1,457	50.8%	AALL converted to online; registration costs lower than budgeted.		
0	0	0	0	0.0%	ALL	803125	Educational materials	0	0	0	0	0.0%			
535	644	79	565	87.7%				Subtotal	6,254	3,367	1,410	1,957	58.1%		
								Communications & Marketing:							
0	0	0	0	0.0%	37	COM	803205	Services	0	0	0	0	0.0%		
39	2,500	0	2,500	100.0%	37	COM	803210	Collateral materials	117	5,500	0	5,500	100.0%	Timing variance.	
1,700	2,850	17	2,833	99.4%	37	COM	803215	Advertising	1,700	6,600	21	6,579	99.7%	Timing variance.	
0	0	0	0	0.0%	37	COM	803220	Trade shows & Outreach	0	0	0	0	0.0%		
1,739	5,350	17	5,333	99.7%				Subtotal	1,817	12,100	21	12,079	99.8%		
								Travel & Entertainment							
0	0	0	0	0.0%	ALL	803305	Travel	0	0	0	0	0.0%			
0	0	0	0	0.0%	ALL	803310	Meals	0	0	0	0	0.0%			
0	0	0	0	0.0%	ALL	803315	Entertainment	0	0	0	0	0.0%			
0	121	0	121	100.0%	ALL	803320	Ground transportation & mileage reimb.	34	364	108	256	70.3%	Lower usage due to COVID-19 library closure.		
0	0	0	0	0.0%	ALL	803325	Incidental travel expenses	0	0	0	0	0.0%			
0	121	0	121	100.0%				Subtotal	34	364	108	256	70.3%		
								Professional Services							
700	700	0	700	100.0%	15	FIN	804005	Accounting	700	700	1,578	(878)	-125.4%	Timing variance.	
2,896	2,983	2,896	87	2.9%	17	EXEC	804008	Consulting Services	8,689	8,949	8,689	260	2.9%		
0	5,477	0	5,477	100.0%	17	EXEC	804010	Legal	975	16,431	0	16,431	100.0%	Delays in OTF projects due to ongoing COVID-19 closure.	
0	250	0	250	100.0%	15	FIN	804015	Other	158	750	0	750	100.0%	Delays in OTF projects due to ongoing COVID-19 closure.	
3,596	9,410	2,896	6,514	69.2%				Subtotal	10,521	26,830	10,266	16,563	61.7%		
								Depreciation:							
195,986	189,835	188,036	1,799	0.9%	15	FIN	806105	Depreciation - Library Materials	588,826	569,988	565,334	4,655	0.8%		
23,648	25,433	23,349	2,083	8.2%	15	FIN	806110	Depreciation Exp - FF&E	71,182	73,167	70,250	2,917	4.0%		
219,634	215,268	211,385	3,883	1.8%				Subtotal	660,008	643,155	635,584	7,571	1.2%		
687,518	737,962	681,907	56,055	7.6%				Total Expense	2,480,939	2,551,194	2,374,511	176,683	6.9%		
274,817	(157,799)	(143,451)	14,348	-9.1%				Net Income Before Extraordinary Items	97,237	(1,458,829)	(779,046)	679,783	46.6%		
(7,549)	7,500	889	(6,611)	-88.1%	15	FIN	321000	Investment Gain (Loss) ¹	40,632	22,500	4,858	(17,642)	-78.4%	Reflects gains/loss if sold at time of report (before maturity)	
0	0	1,254,174	1,254,174	0.0%	17	EXEC	401000	Extraordinary Income	0	0	1,254,174	1,254,174	0.0%	One-time funding from State budget.	
0	0	0	0	0.0%	17	EXEC	901000	Extraordinary Expense	0	0	0	0	0.0%		
267,268	(150,299)	1,111,612	1,261,911	-839.6%				Net Income Including Extraordinary Items	137,868	(1,436,329)	479,986	1,916,315	133.4%		

Los Angeles County Law Library

Income Statement for the Period Ending September 30, 2020

(Provisional and subject to year-end audit adjustments)

Sep 19 Actual	Sep 2020			
	Budget	Actual	\$ Fav (Unf)	% Fav (Unf)
0	0	0	0	0.0%
0	40,000	0	40,000	100.0%
0	0	0	0	0.0%
0	0	0	0	0.0%
0	0	0	0	0.0%
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>
<u>0</u>	<u>40,000</u>	<u>0</u>	<u>(40,000)</u>	<u>-100.0%</u>

FY 2019-20 YTD Actual	FY 2020-21 YTD				Comments
	Budget	Actual	\$ Δ	% Δ	
0	0	0	0	0.0%	
0	120,000	0	120,000	100.0%	Timing variance.
0	15,000	0	15,000	100.0%	Timing variance.
0	0	0	0	0.0%	
0	0	0	0	0.0%	
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>	
<u>0</u>	<u>135,000</u>	<u>0</u>	<u>135,000</u>	<u>100.0%</u>	

Capital Expenditures:

39 FAC 161100	Furniture / Appliances (>3k)	0	0	0	0.0%	
33 TECH 161300	Electronics / Computer Hardware (>3k)	0	120,000	0	120,000	100.0%
39 FAC 164500	Exterior Building Repairs/ Improvements (>3k)	0	15,000	0	15,000	100.0%
39 FAC 164000	Interior Improvements / Alterations (>3k)	0	0	0	0	0.0%
33 TECH 168000	Computer Software	0	0	0	0	0.0%
	Total - Capitalized Expenditures	<u>0</u>	<u>135,000</u>	<u>0</u>	<u>135,000</u>	<u>100.0%</u>

CalPERS CERBT Trust Fund:

Beginning Balance	2,334,351	
Administrative Expense	(93)	CalPERS CERBT program cost.
Investment Expense	(68)	Investment management cost.
Unrealized Gain/Loss	(40,333)	Fluctuating market conditions.
Distribution		Distribution from Fund.
Ending Balance	<u>2,293,857</u>	

¹ UBS interest/dividend income and gains/losses is consolidated into Investment Gain (Loss) effective FY 2016. It was also moved to "non-operating income" section of the budget as recommended by outside auditors.

Los Angeles County Law Library
Statement of Cash Flows
As of September 30, 2020
(Provisional and subject to year-end audit adjustments)

	9/30/2020	YTD
Cash flows from operating activities		
L.A. Superior court fees	499,252	1,456,957
Parking fees	22,860	68,339
Library services	1,264,840	1,307,068
(Increase) decrease in accounts receivable	3,070	9,434
Increase (decrease) in borrowers' deposit	(99)	(22,478)
Cash received from filing fees and services	1,789,922	2,819,319
Facilities	(86,634)	(222,860)
Technology	(9,769)	(30,902)
General	(4,629)	(9,800)
Professional development	(79)	(1,410)
Communications & marketing	(17)	(21)
Travel & entertainment	-	(108)
Professional services	(2,896)	(10,266)
Electronic Resource Subscriptions (ERS)	(50,143)	(132,363)
(Increase) decrease in prepaid expenses	15,680	(130,522)
Increase (decrease) in accounts payable	40,245	(152,865)
Increase (decrease) in other liabilities	-	-
Cash payments to suppliers for goods and services	(98,242)	(691,117)
Staff (payroll + benefits)	(316,354)	(1,331,196)
Increase (decrease) in payroll liabilities	(879)	8,238
Increase (decrease) in accrued sick and vacation liability	-	-
Increase (decrease) in OPEB liability	21,667	65,001
Net impact of GASB 68 adjustments	-	-
Net effect of prior period adjustments	-	-
Cash payments to employees for services	(295,566)	(1,257,957)
Contributions received	-	-
Net cash from operating activities	1,396,113	870,245
Cash flow from capital and related financing activities		
Library materials	(147,534)	(415,299)
Fixed assets	-	-
Capital - Work in Progress (WIP)	(3,300)	(3,300)
Cash flows from investing activities		
Investment	-	-
Investment earnings	5,679	17,275
Net cash increase (decrease) in cash and cash equivalents	1,250,959	468,921
Cash and cash equivalents, at beginning of period	9,240,795	10,022,832
Cash and cash equivalents, at end of period	10,491,754	10,491,754
Reconciliation of Operating Income to Net Cash from Operating Activities		
Operating income	1,105,044	457,853
Adjustments for noncash effects:		
Depreciation	211,385	635,584
Extraordinary expense: book write-off		
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	3,070	9,434
(Increase) decrease in prepaid expenses	15,680	(130,522)
Increase (decrease) in accounts payable	40,245	(152,865)
Increase (decrease) in other liabilities	-	-
Increase (decrease) in payroll liabilities	(879)	8,238
Increase (decrease) in accrued sick and vacation liability	-	-
Increase (decrease) in borrowers' deposit	(99)	(22,478)
Increase (decrease) in OPEB liability	21,667	65,001
Net impact of GASB 68 adjustments	-	-
Net cash from operating activities	1,396,113	870,245

LOS ANGELES COUNTY LAW LIBRARY
September 1, 2020 - September 30, 2020 (CHECKS)
Account No.: 102001

DATE	PAYEE	FOR	AMOUNT	CHECK NO.
September 1	VUCACIOUS CATERING	FRIENDS OF LALL	267.08	V005497
September 4	GOOGLE	ADVERTISING	1.99	V005567
September 11	STAMPS.COM	DELIVERY & POSTAG	24.99	V005498
September 15	ABD OFFICE SOLUTIONS	COPY CENTER	114.99	V005499
	BANDWIDTH.COM, INC.	TELECOM	822.36	V005500
	BRIGHTVIEW	REPAIR/MAINTENAN	240.00	V005501
	HOME DEPOT	CLEANING SUPPLIES	401.70	V005502
	INFINISOURCE INC	PAYROLL/HR BENEFI	77.00	V005503
	OCLC INC	BIBLIOGRAPHICAL S	781.55	V005504
	PACER	DOC DEL	28.20	V005505
	STATE COMPENSATION	WORKERS COMP	3,088.50	V005506
	BRIGHTVIEW	LANDSCAPING	1,250.00	V005507
	NASA SERVICES	BLDG SVCS	497.41	V005508
	PAN AMERICAN PEST CONTROL CO	BLDG SVCS	276.00	V005509
	HOME DEPOT PRO	CLEANING SUPPLIES	77.80	V005510
	AMERICAN BAR ASSOCIATION	BOOKS	4,152.26	V005512
	WOLTERS KLUWER LAW & BUSINESS	BOOKS	7,398.81	V005513
	CONTINUING EDUCATION OF THE BAR CAL	BOOKS	1,583.26	V005514
	CALIFORNIA MEDICAL ASSOCIATION	BOOKS	1,005.06	V005515
	INGRAM LIBRARY SERVICES	BOOKS	110.07	V005516
	LAWPRESS CORPORATION	BOOKS	950.95	V005517
	LEXISNEXIS ONLINE SERVICES	BOOKS	16,311.03	V005518
	PRACTISING LAW INSTITUTE	BOOKS	368.02	V005519
	SUPREME COURT HISTORICAL SOCIETY	BOOKS	150.00	V005520
	FRANK R THOROLD	BOOKS	141.71	V005521
	THOMSON REUTERS TAX & ACCOUNTING	BOOKS	744.33	V005522
	THOMSON REUTERS	BOOKS	83,118.03	V005523
	UNIVERSITY OF WISCONSIN LAW SCHOOL	BOOKS	84.15	V005524
	LEXISNEXIS MATTHEW BENDER	BOOKS	31,633.94	V005536
September 18	LEXISNEXIS MATTHEW BENDER	BOOKS	260.82	V005525
	CONTINUING EDUCATION OF THE BAR CAL	BOOKS	2,436.01	V005526
	PROQUEST LLC COUTTS INFORMATION SER	BOOKS	64.21	V005527
	JAMES PUBLISHING INC	BOOKS	163.16	V005528
	JURIS PUBLISHING INC	BOOKS	166.74	V005529
	MUNICIPAL CODE CORPORATION	BOOKS	2,361.60	V005530
	ROWMAN & LITTLEFIELD PUBLISHING GRO	BOOKS	32.97	V005531
	THOMSON REUTERS TAX & ACCOUNTING	BOOKS	291.27	V005532
	WEST ACADEMIC	BOOKS	109.50	V005533
	WILLIAM S HEIN & CO	BOOKS	211.92	V005534
	GOBI LIBRARY SOLUTIONS	BOOKS	757.40	V005535

162,978.99

LOS ANGELES COUNTY LAW LIBRARY
 September 1, 2020 - September 30, 2020 (CHECKS)
 Account No.: 102001

DATE	PAYEE	FOR	AMOUNT	CHECK NO.
September 21	GARY AUSTIN ADVERTISING	FRIENDS	422.20	V005537
	GENERAL LOGISTICS SYSTEMS US, INC.	DELIVERY & POSTAG	10.52	V005538
	HOME DEPOT PRO	CLEANING SUPPLIES	122.77	V005539
September 25	FACEBOOK	ADVERTISING	15.00	V005540
	AT&T MOBILITY	TELECOM	16.24	V005541

163,143.52

LOS ANGELES COUNTY LAW LIBRARY
September 1, 2020 - September 30, 2020 (CHECKS)
Account No.: 102004

DATE	PAYEE	FOR	AMOUNT	CHECK NO.
September 15	LA DEPT OF WATER & POWER	WATER/SEWER	31,164.83	V000158

31,164.83

LOS ANGELES COUNTY LAW LIBRARY
 September 1, 2020 - September 30, 2020 (CHECKS)
 Account No.: 103000

DATE	PAYEE	FOR	AMOUNT	CHECK NO.
September 4	SEIU LOCAL 721	UNION DUES	2,368.81	001664
	SEIU LOCAL 721	UNION SUPPL	115.78	001665
September 25	SEIU LOCAL 721	UNION DUES	949.08	001666

3,433.67

LOS ANGELES COUNTY LAW LIBRARY
September 1, 2020 - September 30, 2020 (CHECKS)
Account No.: 108000

DATE	PAYEE	FOR	AMOUNT	CHECK NO.
September 15	AT&T	TELECOM	542.75	031609
	BRIDGES FILTER SERVICE, INC	BLDG SVCS	614.49	031610
	CALIBER ELEVATOR	ELEVATOR MAINT	966.00	031611
	COUNTY OF LOS ANGELES	BANK CHARGES	44.58	031612
	GTT COMMUNICATIONS	PREPAID EXP	464.26	031613
	IMAGE ACCESS INC	PREPAID EXP	5,069.00	031614
	METROLINK	TMP	406.00	031615
	NATIONAL 50 SECURITY	SECURITY	4,594.58	031616
	ONEDIGITAL HR CONSULTING	CONSULTING	2,896.26	031617
	THE PUN GROUP LLP	PREPAID EXP	5,000.00	031618
	ROMERO MAINTENANCE LLC	JANITORIAL SVCS	9,649.14	031619
	TOTAL COMPENSATION SYSTEMS, INC	ACCOUNTING	877.50	031620
	TIME WARNER CABLE	TELECOM	120.00	031621
	GAUNT	BOOKS	261.12	031622
	OTTO HARRASSOWITZ	BOOKS	2,756.35	031623
	LEXISNEXIS CANADA INC	BOOKS	570.54	031624
	MARY MARTIN BOOKSELLERS	BOOKS	1,061.60	031625
	PAN PACIFICA	BOOKS	627.50	031626
	QUALITY CODE PUBLISHING	BOOKS	64.90	031627
	WILLIAM S HEIN & CO	BOOKS	543.74	031628
September 18	GAUNT	BOOKS	212.96	031629
	OTTO HARRASSOWITZ	BOOKS	3,444.17	031630
	LEXISNEXIS CANADA INC	BOOKS	122.07	031631
	UNA LEE JOST	REFUND	105.00	031632
	DONNA LYNN JONES	REFUND	109.00	031633
	KEITH MICHAEL YANOV	REFUND	130.00	031634
	CAROLE AZRAN DICKSTEIN	REFUND	140.00	031635
	CINDY YOONYOUNG OH	REFUND	140.00	031636
	GUARDIAN	PREPAID EXP	8,068.97	031637
	THE PUN GROUP LLP	PREPAID EXP	10,000.00	031638
WOODS MAINTENANCE SERVICES, INC	JANITORIAL SVCS	175.00	031639	
September 25	AFLAC REMITTANCE	CAFE PLAN-INSURA	837.96	031640
	CALIFORNIA DEPARTMENT OF TAX	USE TAX	906.00	031641
	NATIONAL 50 SECURITY	SECURITY	4,352.68	031642

65,874.12

LOS ANGELES COUNTY LAW LIBRARY
October 1, 2020 - October 31, 2020 (WARRANTS)
Account No.: 102000

DATE	PAYEE	FOR	AMOUNT	CHECK NO.
October 2	EX LIBRIS (USA) INC.	PREPAID EXP	14,217.96	TS00297707

14,217.96

LOS ANGELES COUNTY LAW LIBRARY
October 1, 2020 - October 31, 2020 (CHECKS)
Account No.: 103000

DATE	PAYEE	FOR	AMOUNT	CHECK NO.
October 23	SEIU LOCAL 721 SEIU LOCAL 721	UNION DUES UNION SUPPL	965.25 57.89	001669 001670

1,023.14

LOS ANGELES COUNTY LAW LIBRARY
October 1, 2020 - October 31, 2020 (CHECKS)
Account No.: 102004

DATE	PAYEE	FOR	AMOUNT	CHECK NO.
October 16	LA DEPT OF WATER & POWER	ELECTRIC/FIRE	15,858.47	V000160

15,858.47

LOS ANGELES COUNTY LAW LIBRARY
 October 1, 2020 - October 31, 2020 (CHECKS)
 Account No.: 108000

DATE	PAYEE	FOR	AMOUNT	CHECK NO.
October 1	LEXISNEXIS CANADA INC	BOOKS	284.09	031643
	MARY MARTIN BOOKSELLERS	BOOKS	1,800.00	031644
	MONTANA LEGISLATIVE SERVICES	BOOKS	425.00	031645
October 9	COUNTY RECORDERS ASSOCIATION OF CA	BOOKS	191.63	031646
	LOS ANGELES COUNTY PUBLIC DEFENDERS	BOOKS	76.65	031647
	WILLIAM S HEIN & CO	BOOKS	515.40	031648
	BRIDGES FILTER SERVICE, INC	BLDG SVCS	614.49	031649
	CALIBER ELEVATOR	ELEVATOR MAINT	966.00	031650
	DYNAELECTRIC	SECURITY	675.00	031651
	GTT COMMUNICATIONS	TELECOM	384.18	031652
	METROLINK	TMP	406.00	031653
	NATIONAL 50 SECURITY	SECURITY	5,022.26	031654
	WOODS MAINTENANCE SERVICES, INC	JANITORIAL SVCS	350.00	031655
	CHRISTOPHER BROWN	REFUND	189.15	031656
	DESHAWN ANTOINE MCQUEEN	REFUND	140.00	031657
October 16	CASALINI LIBRI	BOOKS	529.40	031659
	LEXISNEXIS CANADA INC	BOOKS	324.43	031660
	SELDEN SOCIETY	BOOKS	90.00	031661
	ONEDIGITAL HR CONSULTING	CONSULTING	2,896.26	031662
	ROMERO MAINTENANCE LLC	JANITORIAL SVCS	9,649.14	031663
	WOODS MAINTENANCE SERVICES, INC	JANITORIAL SVCS	175.00	031664
October 23	OTTO HARRASSOWITZ	BOOKS	546.42	031665
	LEXISNEXIS CANADA INC	BOOKS	115.78	031666
	MARY MARTIN BOOKSELLERS	BOOKS	2,310.00	031667
	AT&T	TELECOM	428.16	031668
	CALIFORNIA DEPARTMENT OF TAX	USE TAX	1,055.00	031669
	GUARDIAN	PREPAID EXP	8,075.27	031670
	HKA ELEVATOR CONSULTING INC	CAPITAL WIP	3,300.00	031671
	COUNTY OF LOS ANGELES	HEATING/COOLING	9,530.77	031672
	SECRETARY OF STATE	BOARD EXP	6.50	031673
	COUNTY OF LOS ANGELES	HEATING/COOLING	6,971.12	031674
October 29	OTTO HARRASSOWITZ	BOOKS	1,775.70	031675
	KINOKUNIYA BOOK STORES OF AMERICA	BOOKS	1,056.57	031676
	LAW PUBLISHERS	BOOKS	460.00	031677
October 30	SYNCB AMAZON	SUPPLIES-OFFICE	63.48	031678
	CALIBER ELEVATOR	ELEVATOR MAINT	966.00	031679
	COUNTY OF LOS ANGELES	HEATING/COOLING	8,879.94	031680
	WOODS MAINTENANCE SERVICES, INC	JANITORIAL SVCS	175.00	031681
	GTT COMMUNICATIONS	PREPAID EXP	384.26	031682

76,658.88

LOS ANGELES COUNTY LAW LIBRARY
October 1, 2020 - October 31, 2020 (CHECKS)
Account No.: 108000

DATE	PAYEE	FOR	AMOUNT	CHECK NO.
	NATIONAL 50 SECURITY	SECURITY	4,854.83	031683
	NATIONAL 50 SECURITY	SECURITY	4,352.25	031684

81,011.13

LOS ANGELES COUNTY LAW LIBRARY
 October 1, 2020 - October 31, 2020 (CHECKS)
 Account No.: 102001

DATE	PAYEE	FOR	AMOUNT	CHECK NO.
October 1	AMERICAN BAR ASSOCIATION	BOOKS	2,457.28	V005542
	AMERICAN IMMIGRATION LAWYERS ASSOCI	BOOKS	883.00	V005543
	WOLTERS KLUWER LAW & BUSINESS	BOOKS	2,805.50	V005544
	BLR	BOOKS	2,337.60	V005545
	CAL OSHA REPORTER	BOOKS	427.00	V005546
	CCH INCORPORATED	BOOKS	240.24	V005547
	CONTINUING EDUCATION OF THE BAR CAL	BOOKS	2,110.94	V005548
	DAILY JOURNAL CORPORATION	BOOKS	278.00	V005549
	JURIS PUBLISHING INC	BOOKS	138.66	V005550
	LAWPRESS CORPORATION	BOOKS	421.35	V005551
	PRACTISING LAW INSTITUTE	BOOKS	1,336.67	V005552
	THOMSON REUTERS TAX & ACCOUNTING	BOOKS	523.46	V005553
	UNITED NATIONS PUBLICATIONS	BOOKS	134.97	V005554
	GOBI LIBRARY SOLUTIONS	BOOKS	122.48	V005555
October 5	GOOGLE	ADVERTISING	1.99	V005568
October 6	STAMPS.COM	DELIVERY & POSTAG	300.00	V005569
October 7	AMERICAN BAR ASSOCIATION	REGISTRATION FEE	299.00	V005583
October 9	WOLTERS KLUWER LAW & BUSINESS	BOOKS	2,642.89	V005556
	LEXISNEXIS MATTHEW BENDER	BOOKS	1,106.58	V005557
	CONTINUING EDUCATION OF THE BAR CAL	BOOKS	576.35	V005558
	COPWARE INC	BOOKS	85.00	V005559
	JAMES PUBLISHING INC	BOOKS	392.01	V005560
	LEXISNEXIS ONLINE SERVICES	BOOKS	16,311.03	V005561
	NATIONAL CONSUMER LAW CENTER	BOOKS	40.00	V005562
	PRACTISING LAW INSTITUTE	BOOKS	959.89	V005563
	THOMSON REUTERS	BOOKS	80,617.05	V005564
	GOBI LIBRARY SOLUTIONS	BOOKS	425.88	V005565
	BANDWIDTH.COM, INC.	TELECOM	869.40	V005570
	KONICA MINOLTA BUSINESS	COPY CENTER	94.71	V005571
	NASA SERVICES	BLDG SVCS	479.41	V005572
	OCLC INC	BIBLIOGRAPHICAL S	1,389.55	V005573
	STATE COMPENSATION	WORKERS COMP	3,088.50	V005574
October 16	WOLTERS KLUWER LAW & BUSINESS	BOOKS	1,169.24	V005575
	KONINKLIJKE BRILL NV	BOOKS	2,181.10	V005576
	CONTINUING EDUCATION OF THE BAR CAL	BOOKS	863.90	V005577
	JURIS PUBLISHING INC	BOOKS	164.25	V005578
	PRACTISING LAW INSTITUTE	BOOKS	630.13	V005579
	ROWMAN & LITTLEFIELD PUBLISHING GRO	BOOKS	22.02	V005580
	THOMSON REUTERS TAX & ACCOUNTING	BOOKS	457.44	V005581

129,439.22

LOS ANGELES COUNTY LAW LIBRARY
 October 1, 2020 - October 31, 2020 (CHECKS)
 Account No.: 102001

DATE	PAYEE	FOR	AMOUNT	CHECK NO.
October 23	WEST ACADEMIC	BOOKS	54.75	V005582
	BRIGHTVIEW	LANDSCAPING	1,250.00	V005584
	PAN AMERICAN PEST CONTROL CO	BLDG SVCS	98.00	V005585
	BNI BUILDING NEWS	BOOKS	355.19	V005586
	CONTINUING EDUCATION OF THE BAR CAL	BOOKS	1,400.08	V005587
	DISTRICT OF COLUMBIA BAR	BOOKS	350.00	V005588
	GALE CENGAGE LEARNING	BOOKS	12,781.84	V005589
	IMMIGRANT LEGAL RESOURCE CENTER	BOOKS	640.15	V005590
	INGRAM LIBRARY SERVICES	BOOKS	60.81	V005591
	JAMES PUBLISHING INC	BOOKS	163.16	V005592
	JURIS PUBLISHING INC	BOOKS	109.25	V005593
	PRACTISING LAW INSTITUTE	BOOKS	405.86	V005594
	ROWMAN & LITTLEFIELD PUBLISHING GRO	BOOKS	150.81	V005595
	TOWER PUBLISHING	BOOKS	45.00	V005596
	THOMSON REUTERS TAX & ACCOUNTING	BOOKS	455.25	V005597
	UNITED NATIONS PUBLICATIONS	BOOKS	206.52	V005598
	WEST ACADEMIC	BOOKS	426.72	V005599
October 30	GOBI LIBRARY SOLUTIONS	BOOKS	465.52	V005600
	ABD OFFICE SOLUTIONS	COPY CENTER	115.39	V005601
	AT&T MOBILITY	TELECOM	16.24	V005602
	LEXISNEXIS MATTHEW BENDER	BOOKS	88.44	V005603
	CONTINUING EDUCATION OF THE BAR CAL	BOOKS	1,137.70	V005604
	PROQUEST LLC COUTTS INFORMATION SER	BOOKS	1,890.87	V005605
	JURIS PUBLISHING INC	BOOKS	88.08	V005606
	JURISNET LLC	BOOKS	143.66	V005607
	MUNICIPAL CODE CORPORATION	BOOKS	151.00	V005608
	PRACTISING LAW INSTITUTE	BOOKS	381.22	V005609
	BANDWIDTH.COM, INC.	PREPAID EXP	806.34	V005611
KONICA MINOLTA BUSINESS	PREPAID EXP	536.73	V005612	

154,159.05

LA Law Library
Fiscal Year Quarterly Statistics

		FY18 1st Quarter	FY19 1st Quarter	FY20 1st Quarter	FY21 1st Quarter	FY21 1st Quarter Notes
Reference and Research						
	<i>Reference and Research responds to user requests for Library materials in-person,</i>					
	Desk Inquiries	6,240	5,695	6,087	0	Not applicable due to library closure
	Tuesday 6pm to 8pm - All Queries	113	57	97	0	Not applicable due to library closure
	Phone	1,982	1,502	1,630	2,752	
	Email/ Live Chat	206	156	255	2,091	
	By Mail	46	57	70	51	
	Global Law Inquires	68	24	10	0	
	Global Law Web Inquires	23	17	0	0	Not applicable due to library closure
	e-Branch Chat	59	50	26	0	Not applicable due to library closure
	e-Branch Email	0	0	3	0	Not applicable due to library closure
	Totals	8,737	7,669	8,178	4,894	
Circulation Services						
	<i>The Circulation Desk responds to requests for computer sign-up, books on reserve, placing books on hold, questions about overdue fines and lost items, paging</i>					
	Desk Inquiries	3,647	5,328	4,103	0	Not applicable due to library closure
	Phone Inquiries	1,921	2,000	1,714	604	Also Includes emails
	Totals	5,568	7,328	5,817	604	
	Books Circulated	2,686	2,204	1,991	356	
	Library Card Sign-ups	474	475	507	0	Not applicable due to library closure
	Members Program - Active Members	311	326	311	224	New sign ups not yet available
	Public Terminal Logins	8,875	8,590	7,057	0	Not applicable due to library closure

LA Law Library
Fiscal Year Quarterly Statistics

		FY18 1st Quarter	FY19 1st Quarter	FY20 1st Quarter	FY21 1st Quarter	FY21 1st Quarter Notes
Document Delivery / E-Delivery/Copies						
	<i>Document Delivery responds to requests for materials from the LA Law Library collection. Copy Center responds to requests for photocopies, printouts from our</i>					
	Phone Inquiries	216	258	281	167	
	In-Person	2,563	2,282	5,059	0	Not applicable due to library closure
	Email (Includes Members Program)	275	225	878	980	
	Totals	3,054	2,765	6,218	1,147	
	Pages Delivered	9,437	6,279	6,726	9,862	
	Copies Made (Main Library)	54,043	63,324	105,615	0	Not applicable due to library closure
Collection Management Services						
	<i>Collection Management handles all new acquisitions, continuation and updates, as well as any volumes that are withdrawn</i>					
	New Titles Added	89	129	247	146	
	Print Volumes Added	1,276	1,792	1576	1,377	
	New Serials	7	21	13	7	
	Non-Print Media Added	10,596	126	890	372	
	Records Cataloged/Updated	102	865	395	1,245	
	Print & Non-Print Withdrawn	254	440	423	401	
Brief Scanning Project						
	Briefs Logged (Google)	16,945	16,192	19,820	0	Not applicable due to library closure

LA Law Library
Fiscal Year Quarterly Statistics

		FY18 1st Quarter	FY19 1st Quarter	FY20 1st Quarter	FY21 1st Quarter	FY21 1st Quarter Notes
Website Statistics						
	Visitors	22,553	31,942	30,790	22,569	
	Visits (previously counted as "Pages Viewed")	89,050	100,275	95,230	65,338	
	Average Daily Visits	968	1,143	349	284	
	Average Duration	3:01	2:28	5:14	3:01	
	Visitors: US	98.62%	98.00%	96.80%	95.27%	
	Visitors: International / Unspecified	1.38%	2.00%	3.20%	4.79%	
Training and Events (Includes Online,Prerecorded/Live via ZOOM)						
	Public Classes Held Online					
	Internal speaker	0	0	0	11	
	Guest speaker	0	0	0	31	
	MCLE Classes Held Online					
	Internal speaker	0	0	0	0	
	Guest speaker	0	0	0	1	
	Clinics/ Workshops Held Online	0	0	0	3	LITL continuously offered
	Public Classes Held at Main & Branches					
	Internal speaker	22	33	49	0	Not applicable due to library closure
	Guest speaker	61	50	28	0	Not applicable due to library closure
	MCLE Classes Held					
	Internal speaker	1	1	1	0	Not applicable due to library closure
	Guest speaker	5	4	3	0	Not applicable due to library closure
	Clinics/ Workshops Held	57	33	60	0	Not applicable due to library closure
	Totals	146	121	141	46	
	Class Attendance in Person Total (Estimated)	1,753	1,456	2,077	0	Not applicable due to library closure
	Online Class Registration	N/A	N/A	0	1,666	
	Number of plays of Online Classes	N/A	N/A	0	1,017	Includes registrants and virtual walk ins
	Class Attendance Branches (Estimated)	N/A	N/A	357	0	Not applicable due to library closure
Visits to Main Branch						
	Number of Patron Visits (front door)	N/A	25,434	25,488	0	Not applicable due to library closure

MEMORANDUM

DATE: November 18, 2020

TO: Board of Law Library Trustees

FROM: Sandra J. Levin, Executive Director

RE: Approval of 2021 LA Law Library Holiday Calendar

SUMMARY

Each year, the Library observes 13 federal and state holidays during the year. If one of the holidays falls on Saturday, it is observed on the preceding Friday. If one of the holidays falls on Sunday, it is observed on the following Monday.

Attached you will find the proposed 2021 holiday schedule.

In any year, the Library may elect to use December 24 or December 31, or both, as designated holidays in lieu of Lincoln’s Birthday or Columbus Day, or both. For 2021, Staff does not recommend the switch since New Year’s Eve day is already a holiday (as the observance day for New Year’s Day).

RECOMMENDATION

Staff recommends the Board approve the attached 2021 holiday schedule.



ATTACHMENT

2021 HOLIDAY SCHEDULE

Friday	January 1, 2021	New Year's Day
Monday	January 18, 2021	Martin Luther King, Jr. Birthday
Friday	February 12, 2021	Lincoln's Birthday
Monday	February 15, 2021	Presidents' Day
Wednesday	March 31, 2021	César Chávez Day
Monday	May 31, 2021	Memorial Day
Sunday	July 4, 2021	Independence Day
Monday	July 5, 2021	Independence Day (Observance)
Monday	September 6, 2021	Labor Day
Monday	October 11, 2021	Columbus/Indigenous People's Day
Thursday	November 11, 2021	Veterans Day
Thursday	November 25, 2021	Thanksgiving Day
Friday	November 26, 2021	Day after Thanksgiving
Friday	December 24, 2021	Christmas Day (Observance)
Saturday	December 25, 2021	Christmas Day
Friday	December 31, 2021	New Year's Day (Observance)
Saturday	January 1, 2022	New Year's Day (2022)



MEMORANDUM

DATE: November 18, 2020

TO: Board of Law Library Trustees

FROM: Sandra J. Levin, Executive Director

RE: Approval of 2021 Board of Trustees Meeting Schedule

For the past several years, the Board has met on the fourth Wednesday of each month except for November and December. During those two months, the Board generally meets on an earlier Wednesday so as to avoid conflicts with holiday and vacation schedules.

Consistent with these practices and recommendations, the proposed 2021 dates are:

2021 DATES	
January 27	July 28
February 24	August 25
March 24	September 22
April 28	October 27
May 26	*November 17
June 23	*December 15

For planning purposes, we have identified the following items to be discussed at Board meetings throughout 2021. Both the topics and the assigned dates are tentative, but we wanted to apprise you as to the status of our efforts to organize and plan upcoming agenda items. We will, of course, work with the Board President on specific scheduling as the year progresses.

DATE	TENTATIVE TOPIC
January 27	<ul style="list-style-type: none"> FY21 Quarter 2 Statistics Review of Insurance Renewal Options - Workers Comp Insurance
February 24	<ul style="list-style-type: none"> Mid-Year Budget Review Approval of Insurance Renewal Options - Workers Comp Update to Employee Handbook & Personnel Policies Manual Update to SEIU MOU
March 24	<ul style="list-style-type: none"> Approval of Revised Rules of Conduct



April 28	<ul style="list-style-type: none"> • FY20 Quarter 3 Statistics • Beacon of Justice Award Acknowledgment
May 26	<ul style="list-style-type: none"> • Discussion of Operating Budget, FY 2021-2022 • Review of Insurance Renewal Options - Property & Liability • Review of Insurance Renewal Options – LTD, Life, Dental, Vision
June 23	<ul style="list-style-type: none"> • Approval of Final Budget FY 2021 – 2022 • Approval of Property & Liability Insurance • Approval of Insurance Renewal Options – LTD, Life, Dental, Vision
July 28	<ul style="list-style-type: none"> • Fiscal Year-2020 Statistics • Approval of Audit Engagement Letter
August 25	<ul style="list-style-type: none"> • Annual Report to the Board of Supervisors
September 22	<ul style="list-style-type: none"> • Approval of Revised Borrower Rules • Friends Board of Director Appointments
October 27	<ul style="list-style-type: none"> • FY22 Quarterly 1 Statistics Update • Review & Acceptance of FY 2020-21 Audit Report
*November 17	<ul style="list-style-type: none"> • 2022 BoT Meeting Dates / Schedule • 2022 Holiday Schedule • Acceptance of Final Audit Report • FY2021-22 1st Quarter Budget Review • Pro Bono Week After-Report
*December 15	<ul style="list-style-type: none"> • Executive Director Performance Evaluation • Volunteer Recognition



AGENDA ITEM 4

DISCUSSION ITEMS

- 4.1 Review and Acceptance of Draft Financial Statement Audit Report and AU-C260 Letter for the Fiscal Year Ended June 30, 2020
- 4.2 Review of FY21 Quarter 1 Budget
- 4.3 Acceptance of Bequest to LA Law Library
- 4.4 Staff Presentation: Online MCLE and Legal Education Developments

MEMORANDUM

DATE: November 18, 2020

TO: Board of Law Library Trustees

FROM: Sandra J. Levin, Executive Director
Marcelino Juarez, Finance Manager

RE: Review and Acceptance of Draft Financial Statement Audit Report and AU-C260 Letter for the Fiscal Year Ended June 30, 2020

SUMMARY

Staff recommends that the Board review and accept the draft audited financial statement report and AU-C260 (formerly SAS 114) Letter for the fiscal year ended June 30, 2020.

DISCUSSION

Staff is pleased to report that the LA Law Library's outside auditors, The Pun Group LLP, with the assistance of the Library's finance staff, have completed their audit of the Law Library's financial statements for the fiscal year ended June 30, 2020 and issued an unmodified opinion. No material weaknesses were identified. The proposed draft audited financial statement report, the AU-C260 letter, and the auditor's presentation slides are attached.

Operating revenue was nearly 6% lower than prior fiscal year primarily due to COVID-19 impact on 4th quarter court and parking fee revenues. Operating expense was nearly 9% over prior fiscal year primarily due to increased, non-cash, pension expense. Overall, this resulted in a negative change in net position of \$554K for fiscal year 2020. Additionally, non-operating revenue of nearly \$390K was also recorded.

In terms of cash position, the Library went from a cash position of \$14.5M at the end of fiscal year 2019 to \$16M at the end of the fiscal year 2020. This increase is primarily due to lower payroll as a result of unplanned vacancies, better than expected return on investments, and deferral of capital expenditures. The Library also maintains a Section 115 trust fund with CalPERS for the purpose of pre-funding its Other Post-Employment Benefits (OPEB) for eligible employees. At the end of fiscal year 2020 the account balance was \$2.2M.



RECOMMENDATION

Staff recommends that the Board review the attached audited financial statements and AU-C260 Letter, ask any questions, discuss and then accept the report.

Attachments:

1. Draft Los Angeles County Law Library Financial Statement and Independent Auditor's Report for the Year Ended June 30, 2020 (with Comparative Totals for 2019)
2. Draft AU-C260 Letter
3. Auditor Presentation Slides



Los Angeles County Law Library

Los Angeles, California

Financial Statements and Independent Auditors' Report

For the Years Ended June 30, 2020 and 2019



DRAFT 10.21.2020

Los Angeles County Law Library

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
of the Los Angeles County Law Library

Report on the Financial Statements

We have audited the accompanying financial statements of the Los Angeles County Law Library (the "Law Library"), as of and for the year ended June 30, 2020 and the related notes to the basic financial statements, which collectively comprise the Law Library's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Law Library as of June 30, 2020, and the changes in its net position and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of the Law Library's Proportionate Share of the Net Pension Liability and Related Ratios, the Schedule of Contributions – Pensions, the Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios, and the Schedule of Contributions – Other Postemployment Benefits on pages 3 through 9 and 44 through 49, 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.

2019 Financial Statements

The Law Library's basic financial statements for the year ended June 30, 2019 were audited by other auditors whose report thereon dated October 28, 2019, expressed an unmodified opinion on the financial statement of the Law Library.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated **NEED DATE, 2020** on our consideration of the Law Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Law Library's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Law Library's internal control over financial reporting and compliance.

Santa Ana, California
NEED DATE, 2020

**Los Angeles County Law Library
Management's Discussion and Analysis
For the Years Ended June 30, 2020 and 2019**

This section is intended to provide the reader of this report with a general overview of the financial activities of the Law Library for the fiscal years ended June 30, 2020 and 2019. The information in this section should be read in conjunction with the accompanying financial statements and footnotes.

FINANCIAL HIGHLIGHTS

Total revenues for the fiscal years ended June 30, 2020 and 2019 for the Law Library were \$8,867,370 and \$12,888,426, respectively. Of the total revenue amounts, \$7,394,973 and \$7,734,201 represent portions of filing fees paid by parties in civil cases in the Superior Court of California, County of Los Angeles.

Operating expenses for the years ended June 30, 2019 and 2018 totaled \$9,031,633 and \$8,257,112, respectively.

Depreciable capital assets aggregating \$1,864,062 and \$2,434,400 were acquired during the fiscal years 2020 and 2019, respectively.

The Law Library continues to have no long-term debt.

HIGHLIGHTS OF FISCAL YEAR 2020 and 2019

Financial Impact of Coronavirus (COVID-19)

After the World Health Organization (WHO) declared the COVID-19 outbreak as a pandemic in March 2020, the Library closed its physical facilities to the public but continued to provide online and remote services. The immediate financial impact came in the form of a sharp drop in CalPERS CERBT trust fund investment earnings tied to the stock market. It was followed by a 45% decline in Court Fee revenues and a freeze on parking revenues and other in-house revenue streams such as fines and room rentals. With so many financial uncertainties, the Library and the Council of California County Law Librarians (CCCLL) began drafting a successful plan to request one-time backfill funds from the State's FY2020-21 budget. The State allocated \$7M for all County Law Libraries in California, of which \$1.2M was apportioned to LA Law Library to be recognized in its fiscal year 2020-21 financial reports. Thanks to diligent planning by the Board and management, the Library continues to deliver on its commitment to providing service whether it be online or will-call.

Board of Trustees Composition

The composition of the LA Law Library's Board of Trustees changed during the fiscal year. Hon. Richard Rico retired. Hon. Mark A. Juhas continued as President and Hon. Michelle W. Court continued as Vice President. Kenneth Klein, Esq., Hon. Dennis Landin, Susan Steinhauer, Esq. and Hon. Michael L. Stern, continued as members. Hon. Yolanda Orozco joined the Board in July 2020.

Contract for Financial Audit

Following a Request for Proposals (RFP) for LA Law Library's annual audit services, The Pun Group, LLP were confirmed as the Law Library's auditors for fiscal year 2019-20 (with an option to renew for two subsequent years).

**Los Angeles County Law Library
Management's Discussion and Analysis (Continued)
For the Years Ended June 30, 2020 and 2019**

Cash Rewards Payment System

Having identified a business card partner in January 2015, the Law Library's credit card reward program was once again utilized. In fiscal year 2019-20, the Law Library generated \$30K in rewards -- \$227K since inception.

California Employer's Retirement Benefit Trust (CERBT)

At the end of FY 2014, the Board approved entering into an agreement with the California Public Employee's Retirement System Board of Administration (CalPERS Board) to establish a California Employers' Retirement Benefit Trust funded initially with \$2M to fund its Other Post-Employment Benefits (OPEB) liability for its current and future retirees. At the end of fiscal year 2018-19, the fund balance was \$2.2M, after a \$90K distribution request to offset retiree medical costs paid during the year.

GASB 68 – Accounting and Financial Reporting for Pensions

GASB 68 requires the reporting of net pension liability or assets in accrual-based financial statements. It may also result in a corresponding pension expense depending on factors such as service and interest cost, changes in benefit terms, employee contributions and projected earnings on plan investment. For fiscal year 2019-20, the Law Library recognized an actuarially determined non-cash pension expense of \$1,052,510 for its Classic and PEPRA plan participants. The higher pension expense this fiscal year, as compared to last fiscal year, is due to increase of the Library's proportionate share of the net pension liability.

GASB 75 – Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (OPEB)

GASB 75 requires the reporting of net OPEB liability or asset in accrual based financial statements. It may also result in a corresponding OPEB expense depending on factors such as benefits earned each year, interest on the total OPEB liability, changes in benefit terms, and projected earnings on plan investments. For fiscal year 2019-20 and 2018-19, the Law Library recognized an actuarially determined non-cash OPEB expense in the amount of \$210,680 and \$243,856, respectively.

Friends of LA Law Library

The Friends of the LA Law Library (Friends) is the fund-raising organization for the Law Library. Its activities raise the visibility of the Law Library's services and provide a much-needed additional base of financial support. For fiscal year 2019-20 and 2018-19, the Friends made a generous contribution of \$145,000 and \$140,000, respectively.

More information about the Friends can be found at: <http://www.friendsoflacll.org/>

**Los Angeles County Law Library
Management's Discussion and Analysis (Continued)
For the Years Ended June 30, 2020 and 2019**

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of two parts: 1) Management's Discussion and Analysis and 2) the Basic Financial Statements composed of four components: a) statement of net position, b) statement of revenues, expenses and changes in net position, c) statement of cash flows, and d) notes to the financial statements.

Statement of Net Position

The statement of net position presents information on all the Law Library's assets, deferred outflows and inflows of resources, and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Law Library is improving or deteriorating. The statement of net position can be found on page 13.

Statement of Revenues, Expenses and Change in Net Position

This statement presents information on the Law Library's revenues and expenses with the difference being the change in net position during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. The statement of revenues, expenses and changes in net position can be found on page 14.

Statement of Cash Flows

This statement presents detailed information on the Law Library's three main sources and uses of funds which are classified as operating, financing and investing activities. The statement of cash flows can be found on page 15.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the statement of net position, statement of revenues, expenses and change in net position and statement of cash flows. The notes to the financial statements can be found on pages 19 through 41 of this report.

**Los Angeles County Law Library
Management's Discussion and Analysis (Continued)
For the Years Ended June 30, 2020 and 2019**

FINANCIAL ANALYSIS

The following table presents a condensed statement of net position of the Library:

	2020	2019	2018
Assets			
Current and other assets	\$ 17,550,442	\$ 16,391,185	\$ 11,432,706
Capital assets (net)	16,857,285	17,581,688	17,805,087
Total assets	<u>34,407,727</u>	<u>33,972,873</u>	<u>29,237,793</u>
Deferred Outflows of Resources	<u>1,559,140</u>	<u>1,544,792</u>	<u>1,713,393</u>
Liabilities:			
Current liabilities	285,748	268,439	233,063
Other liabilities	6,457,452	5,812,785	6,201,039
Total liabilities	<u>6,743,200</u>	<u>6,081,224</u>	<u>6,434,102</u>
Deferred Inflows of Resources	<u>1,184,693</u>	<u>1,233,204</u>	<u>(48,511)</u>
NET POSITION			
Investment in capital assets	16,857,285	17,581,688	17,805,087
Restricted ¹	38,195	23,408	27,910
Unrestricted	11,143,494	10,598,141	5,738,926
Total net position	<u>\$ 28,038,974</u>	<u>\$ 28,203,237</u>	<u>\$ 23,571,923</u>

¹\$23,408 and \$27,910 of unrestricted net position were reclassified to restricted net position at June 30, 2019 and 2018, respectively related to restricted cash for borrower's deposits

Unrestricted net position can be used to finance daily operations without constraints established by debt covenants, enabling legislation, or other legal requirements.

Unrestricted net position of the Law Library increased in 2020 from \$10,598,141 to \$11,143,494 and in 2019 from \$5,738,926 to \$10,598,141. While the Law Library's total net position increased during the year, the investment in capital assets decreased due to depreciation reported during the year and the restricted increased due to decrease in the borrower's deposits.

**Los Angeles County Law Library
Management's Discussion and Analysis (Continued)
For the Years Ended June 30, 2020 and 2019**

The condensed statement of revenues, expenses and change in net position follows:

	2020	2019	2018
OPERATING REVENUES			
Court fees	\$ 7,394,973	\$ 7,734,201	\$ 7,219,802
Other operating revenues ¹	1,081,830	1,224,397	1,327,201
Total operating revenues	8,476,803	8,958,598	8,547,003
NONOPERATING REVENUES			
Investment income	390,567	386,558	51,305
SB 840 funding	-	3,543,270	-
Total nonoperating revenues	390,567	3,929,828	51,305
Total revenues	8,867,370	12,888,426	8,598,308
OPERATING EXPENSES			
Salaries and benefits	4,681,212	3,765,298	3,755,848
Depreciation and amortization	2,588,465	2,646,441	2,733,569
Other operating expenses	1,761,956	1,845,373	1,762,764
Total expenses	9,031,633	8,257,112	8,252,181
Change in net position	\$ (164,263)	\$ 4,631,314	\$ 346,127

¹ Other nonoperating revenue in the amount of \$69,633 and \$58,407 were reclassified to other operating revenues for the year ended June 30, 2019 and 2018, respectively.

**Los Angeles County Law Library
Management's Discussion and Analysis (Continued)
For the Years Ended June 30, 2020 and 2019**

BUDGETARY HIGHLIGHTS

The comparison of the Fiscal Year 2020 actual results of operations against budget and the explanations of significant variances is presented below:

	Actual	Budget	Variance
OPERATING REVENUES			
Court fees	\$ 7,394,973	\$ 7,872,267	(477,294)
Other operating revenues ¹	1,081,830	1,214,216	(132,386)
Total operating revenues	8,476,803	9,086,483	(609,680)
NONOPERATING REVENUES			
Investment income	390,567	276,227	114,340
Total nonoperating revenues	390,567	276,227	114,340
Total revenues	8,867,370	9,362,710	(495,340)
OPERATING EXPENSES			
Salaries and benefits	4,681,212	4,383,890	297,322
Depreciation and amortization	2,588,465	2,661,769	(73,304)
Other operating expenses	1,761,956	1,920,003	(158,047)
Total expenses	9,031,633	8,965,662	65,971
Change in net position	\$ (164,263)	\$ 397,048	\$ (429,369)

The actual change in net position differed from budget by \$429,369.

The unfavorable variance in operating revenues was directly due to the COVID-19 pandemic. Court fees dropped by 40% and parking fees were frozen starting mid-March 2020. The favorable variance in operating expenses was primarily due to decreases in depreciation and amortization and other operating expenses. In salaries and benefits, an increase in pension expense resulting from GASB 68 resulted in an unfavorable variance. In other operating expenses, decreases in facilities and professional services expenses generated a favorable variance.

**Los Angeles County Law Library
Management's Discussion and Analysis (Continued)
For the Years Ended June 30, 2020 and 2019**

CAPITAL ASSETS

The Law Library had \$16,857,285 and \$17,581,688 invested in capital assets as of June 30, 2020 and 2019, respectively. The following schedule summarizes capital assets held by the Law Library:

Additional information on the Law Library's capital assets can be found in Note 5, page 27 of this report.

	Balance June 30, 2020	Balance June 30, 2019	Balance June 30, 2018
Capital assets, not being depreciated:	\$ 903,040	\$ 889,025	\$ 624,325
Capital assets, being depreciated/amortized:	70,153,998	68,303,951	66,145,609
Accumulated depreciation/amortization	(54,199,753)	(51,611,288)	(48,964,847)
Capital assets, being depreciated/amortized, net	15,954,245	16,692,663	17,180,762
Total capital assets, net	<u>\$ 16,857,285</u>	<u>\$ 17,581,688</u>	<u>\$ 17,805,087</u>

Contacting the Los Angeles County Law Library's Financial Management

This financial report is designed to provide citizens and other interested parties with a general overview of the Law Library's finances and to demonstrate its accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Los Angeles County Law Library's Executive Office at (213)785-2529.

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FINANCIAL STATEMENTS

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Los Angeles County Law Library
Statements of Net Position
June 30, 2020 and 2019

ASSETS	<u>2020</u>	<u>2019</u>
Current assets:		
Cash and cash equivalents	\$ 12,355,244	\$ 10,498,207
Accounts receivable	1,242,621	1,531,186
Prepaid items	<u>287,576</u>	<u>333,124</u>
Total current assets	<u>13,885,441</u>	<u>12,362,517</u>
Noncurrent assets:		
Restricted cash and cash equivalents	318,470	318,470
Investments	3,346,531	3,710,198
Nondepreciable capital assets	903,040	889,025
Depreciable capital assets, net	<u>15,954,245</u>	<u>16,692,663</u>
Total noncurrent assets	<u>20,522,286</u>	<u>21,610,356</u>
Total assets	<u>34,407,727</u>	<u>33,972,873</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related deferred outflows of resources	1,549,353	1,544,792
Other postemployment benefits related deferred outflows of resources	<u>9,787</u>	<u>-</u>
Total deferred outflows of resources	<u>1,559,140</u>	<u>1,544,792</u>
LIABILITIES		
Current liabilities:		
Accounts payable	249,615	230,629
Other current liabilities	6,605	7,531
Compensated absences, due in one year	<u>29,528</u>	<u>30,279</u>
Total current liabilities	<u>285,748</u>	<u>268,439</u>
Noncurrent liabilities:		
Compensated absences, due in more than one year	265,754	272,511
Borrowers' deposits	280,275	295,062
Net other postemployment benefits liability	2,580,670	2,469,302
Net pension liability	<u>3,330,753</u>	<u>2,775,910</u>
Total noncurrent liabilities	<u>6,457,452</u>	<u>5,812,785</u>
Total liabilities	<u>6,743,200</u>	<u>6,081,224</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related deferred inflows of resources	876,945	867,309
Other postemployment benefits related deferred inflows of resources	<u>307,748</u>	<u>365,895</u>
Total deferred inflows of resources	<u>1,184,693</u>	<u>1,233,204</u>
NET POSITION		
Investment in capital assets	16,857,285	17,581,688
Restricted	38,195	23,408
Unrestricted	<u>11,143,494</u>	<u>10,598,141</u>
Total net position	<u>\$ 28,038,974</u>	<u>\$ 28,203,237</u>

Los Angeles County Law Library
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2020 and 2019

	2020	2019
OPERATING REVENUES		
Court fees	\$ 7,394,973	\$ 7,734,201
Parking fees	534,848	638,848
Contributions	145,000	140,000
Annual fees	158,128	187,704
Copy center and document delivery	47,101	61,315
Other operating revenues	196,753	196,530
Total operating revenues	8,476,803	8,958,598
OPERATING EXPENSES		
Salaries and benefits	4,681,212	3,765,298
Depreciation and amortization	2,588,465	2,646,441
Services and supplies	1,273,957	1,342,285
Insurance	220,280	247,804
Utilities	178,734	179,791
Other operating expenses	88,985	75,493
Total operating expenses	9,031,633	8,257,112
Operating income (loss)	(554,830)	701,486
NONOPERATING REVENUES		
Investment income	390,567	386,558
SB 840 funding	-	3,543,270
Total nonoperating revenues	390,567	3,929,828
Change in net position	(164,263)	4,631,314
Net Position, Beginning of year	28,203,237	23,571,923
Net Position, End of year	\$ 28,038,974	\$ 28,203,237

Los Angeles County Law Library
Statements of Cash Flows
For the Years Ended June 30, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from court fees and services	\$ 8,605,581	\$ 8,890,747
Cash payments to suppliers for goods and services	(1,697,422)	(1,974,587)
Cash payments to employees for services	(4,086,294)	(3,667,600)
Contributions received	145,000	140,000
Net cash provided by operating activities	2,966,865	3,388,560
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(1,864,062)	(2,423,042)
Net Cash used in capital and related financing activities	(1,864,062)	(2,423,042)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
SB 840 funding	-	3,543,270
Net cash provided by noncapital and related financing activities	-	3,543,270
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment to acquire Treasury securities	-	(223,954)
Receipt from matured Treasury securities	550,000	-
Investment earnings	204,234	386,558
Net cash provided by (used in) investing activities	754,234	162,604
Net increase in cash and cash equivalents	1,857,037	4,671,392
Cash and cash equivalents, beginning of year	10,816,677	6,145,285
Cash and cash equivalents, end of year	\$ 12,673,714	\$ 10,816,677
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ (554,830)	\$ 701,486
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	2,588,465	2,646,441
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	288,565	68,647
(Increase) decrease in prepaid items	45,548	(131,780)
(Increase) decrease in deferred outflows of resources	(14,348)	168,601
Increase (decrease) in accounts payable	18,986	2,566
Increase (decrease) in other current liabilities	(926)	2,531
Increase (decrease) in compensated absences	(7,508)	9,580
Increase (decrease) in borrowers' deposits	(14,787)	3,502
Increase (decrease) in other postemployment benefits liability	111,368	(266,191)
Increase (decrease) in net pension liability	554,843	(104,866)
Increase (decrease) in deferred inflows of resources	(48,511)	288,043
Net cash provided by operating activities	\$ 2,966,865	\$ 3,388,560

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NOTES TO THE BASIC FINANCIAL STATEMENTS

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Los Angeles County Law Library
Notes to the Basic Financial Statements
For the Years Ended June 30, 2020 and 2019

Note 1 – Organization

The Los Angeles County Law Library (the “Law Library”) was established in 1891 under a California statute of that year. As do other county law libraries in California, it operates under §6300 of the California Business and Professions Code. The Law Library is an independent public agency and is not part of the county government. Its income is derived primarily from a portion of the filing fees paid by parties in civil cases in the Superior Court of California County of Los Angeles. Thus, it is supported by litigants who are using the court system, rather than by general tax funds.

The Law Library is governed by the Board of Trustees, which consists of five (5) Superior Court Judges, the Chairman of the Board of Supervisors (or his designee), and one trustee appointed by the Board of Supervisors. The Trustees serve without compensation and meet monthly. The Law Library’s administrative officer is the Library Executive Director and is directly responsible to report to the Law Library’s Board of Trustees. The Library Executive Director also serves as Secretary of the Board.

The Law Library presently operates and maintains a flagship branch in downtown Los Angeles, thirteen (13) branch and partnership locations in courthouses, public libraries and a bar association office throughout the County of Los Angeles. The Law Library is open to the public and provides classes, workshops, books, online resources, self- help materials and reference assistance for self-represented litigants, judges, attorneys, legal professionals and other members of the public.

The accompanying financial statements reflect the Law Library’s financial activities. The Law Library has no component units.

Note 2 – Summary of Significant Accounting Policies

The Law Library’s financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental agencies. The Governmental Accounting Standards Board (the “GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Law Library’s more significant accounting policies are described below.

A. Basis of Accounting and Measurement Focus

The Law Library is considered an enterprise fund for financial reporting purposes. The accompanying financial statements have been prepared using the “*economic resources*” measurement focus and the accrual basis of accounting. Under this basis of accounting and measurement focus, revenues are recognized when they are earned and expenses are recognized when they are incurred regardless of the timing of related cash flows.

The Law Library’s revenues are recognized on accrual basis. However, amounts collected from borrowers representing security deposits for their library privileges are reported in the accompanying financial statements as Borrowers’ Deposits.

The Law Library derives its income primarily from a portion of the filing fee charged to parties engaged in civil litigation in the Superior Court of California County of Los Angeles.

Operating revenues are those revenues that are generated directly from activities of the Law Library. Non-operating revenues are revenues related to intergovernmental and investment earnings.

Los Angeles County Law Library
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020 and 2019

Note 2 – Summary of Significant Accounting Policies (Continued)

B. Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents have been defined as deposits and highly liquid investments with maturity of 90 days or less at the date of purchase. As of June 30, 2020, and 2019, cash and cash equivalents consist of:

	2020	2019
Cash and cash equivalents	\$ 12,355,244	\$ 10,498,207
Restricted cash and cash equivalents	318,470	318,470
Total Cash and cash equivalents	\$ 12,673,714	\$ 10,816,677

Restricted cash and cash equivalents represent deposits received from members for their library privileges.

C. Fair Value Measurement

U.S. GAAP defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the financial statements, are categorized based upon the level of judgement associated with the inputs used to measure their fair value. Level of inputs are as follows;

The three levels of the fair value measurement hierarchy are described below:

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

D. Accounts Receivables

Accounts receivable consist of amounts owed by individuals, court fees, parking fees, and grant receivables. Receivables are shown at net of allowances for doubtful accounts. Uncollectable accounts are based on prior experience and management’s assessment of the collectability of existing accounts.

E. Prepaid Items

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items and deposits in the basic financial statements.

F. Capital Assets and Depreciation

Capital assets are recorded at cost. Assets, other than books and reference materials, with acquisition costs of \$3,000 or more are capitalized. Books and reference materials are capitalized regardless of the amount.

The provision for depreciation is computed using the straight-line method over the estimated service lives of the capital assets. Estimated service lives for the Law Library’s capital assets are as follows:

Los Angeles County Law Library
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020 and 2019

Note 2 – Summary of Significant Accounting Policies (Continued)

F. Capital Assets and Depreciation (Continued)

Books and reference materials	10 years
Computer equipment and software	4 years
Furniture, fixtures and other equipment	4-7 years
Interior building improvements	15 years
Buildings and exterior building improvements	15-50 years

G. Deferred Outflows of Resources and Deferred Inflows of Resources

The Statement of Net Position reports separate sections for deferred outflows of resources, and deferred inflows of resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net position) that apply to future periods; therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources represent inflows of resources (acquisition of net position) that apply to future periods; therefore, are not recognized as a revenue until that time.

H. Pensions

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

The following timeframes are used for pension reporting:

<u>CalPERS</u>		
For the Year Ended	June 30, 2020	June 30, 2019
Valuation Date	June 30, 2018	June 30, 2017
Measurement Date	June 30, 2019	June 30, 2018
Measurement Period	July 1, 2018 to June 30, 2019	July 1, 2017 to June 30, 2018

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

Los Angeles County Law Library
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020 and 2019

Note 2 – Summary of Significant Accounting Policies (Continued)

I. Postemployment Benefits Other Than Pensions (“OPEB”)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense information about the fiduciary net position of the Law Library’s OPEB Plan and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

The following timeframes are used for OPEB reporting:

<u>OPEB</u>		
For the Year Ended	June 30, 2020	June 30, 2019
Valuation Date	June 30, 2019	June 30, 2019
Measurement Date	June 30, 2020	June 30, 2019
Measurement Period	July 1, 2019 to June 30, 2020	July 1, 2018 to June 30, 2019

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

J. Net Position

The Law Library’s net positions are classified into three components – Investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

- *Investment in capital assets* – This component of net position consists of capital assets, net of accumulated depreciation.
- *Restricted* – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.
- *Unrestricted* – This component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of investment in capital assets or the restricted component of net position.

Los Angeles County Law Library
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020 and 2019

Note 2 – Summary of Significant Accounting Policies (Continued)

K. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

L. Reclassifications

The miscellaneous income in the amount of \$69,633 was reclassified from the nonoperating revenues to the operating revenues in the Statements of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2019. The reclassification also resulted in reclassifying the same amount from the cash provided by the noncapital financing activities to the cash provided by the operating activities in the Statements of Cash Flows for the year ended June 30, 2019. \$23,408 of unrestricted net position was reclassified to restricted net position at June 30, 2019 related to restricted cash for the borrower's deposits. In addition, the investment in the money market fund in the amount of \$1,078,478 was reclassified from the investments to the cash and cash equivalents at June 30, 2019.

Note 3 – Cash and Cash Equivalents and Investments

As of June 30, 2020 and 2019, cash and cash equivalents and investments consisted of:

	2020	2019
<u>Cash and cash equivalents:</u>		
Local Agency Investment Fund	\$ 375,823	\$ 367,183
Cash deposited with the Los Angeles County Treasurer	9,246,762	9,060,318
Cash on hand and in bank	2,732,659	1,070,706
Restricted deposits	318,470	318,470
Total Cash and cash equivalents	\$ 12,673,714	\$ 10,816,677
<u>Investments:</u>		
U.S. Treasury securities	\$ 3,346,531	\$ 3,710,198
Total investments	\$ 3,346,531	\$ 3,710,198
Total cash and investments	\$ 16,020,245	\$ 14,526,875

The Law Library is a voluntary participant in the Local Agency Investment Fund (“LAIF”), a special fund regulated by the California State Treasury through which each city, district or agency may invest up to \$40 million. As of June 30, 2020 and 2019, the total market value of LAIF, including accrued interest was approximately \$32 billion and \$25 billion, respectively. The Law Library’s proportionate share of that value as of June 30, 2020 and 2019 were \$375,823 and \$367,183, respectively. Investments in LAIF are highly liquid, as deposits can be converted to cash within twenty-four (24) hours without loss of interest.

In accordance with the Government Code, cash balances of the Law Library are deposited with the County’s investment pool and invested by the Los Angeles County Treasurer for the purpose of increasing interest earnings through investments activities. Interest earned on pooled investments is deposited in participating funds based upon each fund’s average daily balance during the allocation period.

Los Angeles County Law Library
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020 and 2019

Note 3 – Cash and Cash Equivalents and Investments (Continued)

Statutes authorize the County of Los Angeles to invest pooled investments in obligations of the United States Treasury, federal agencies, municipalities, commercial papers rated A-1 by Standard and Poor’s Corporation and P-1 by Moody’s Commercial Paper Record, bankers’ acceptances, negotiable certificates of deposit, floating rate notes, repurchase agreements, and reverse repurchase agreements.

Funds deposited in the Los Angeles County Treasury Pool were in the amount of \$9,565,232 and \$9,378,788 as of June 30, 2020 and 2019, respectively. Of these amounts, \$318,470 represents restricted cash and cash equivalents relating to deposits received from members for their library privileges as of June 30, 2020 and 2019.

All investments are reported at fair value. Net changes in the fair value of investments are reflected as nonoperating revenue in the Statement of Revenues, Expenses and Changes in Net Position.

Risk

Certain required disclosures regarding investment policies and practices with respect to the risk associated with their credit risk, concentration of credit risk, custodial credit risk and interest rate risk are discussed in the following paragraphs:

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The following table shows the distribution of the Law Library’s investments by maturity:

<i>June 30, 2020</i>		Remaining Maturity (in Months)		
Investment Type	Total	12 Months or Less	13 to 24 Months	25 to 60 Months
U.S. Treasury securities	\$ 3,346,531	\$ 564,701	\$ 578,672	\$ 2,203,158

<i>June 30, 2019</i>		Remaining Maturity (in Months)		
Investment Type	Total	12 Months or Less	13 to 24 Months	25 to 60 Months
U.S. Treasury securities	\$ 3,710,198		\$ 1,096,767	\$ 2,613,431

Los Angeles County Law Library
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020 and 2019

Note 3 – Cash and Cash Equivalents and Investments (Continued)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating by Standard & Poor’s required by (where applicable) the California Government Code or the Law Library’s investment policy and the actual rating as of year-end for each investment type:

Investment Type	Minimum Legal Rating	June 30, 2020 AAA	June 30, 2019 AAA
U.S. Treasury securities	N/A	\$ 3,346,531	\$ 3,710,198

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the magnitude of the Law Library’s investment in a single issuer. As of June 30, 2020 and 2019, the Law Library was not exposed to concentration of credit risk.

Custodial Credit Risk

Custodial credit risk as the risk that the Law Library will not be able to (a) recover deposits if the depository financial institution fails, or (b) recover the value of investments or collateral securities that are in the possession of an outside party.

The California Government Code requires California banks and savings and loan associations to secure a local government agency’s (agency) deposit by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of an agency’s deposits. California law also allows financial institutions to secure an agency’s deposit by pledging first trust deed mortgage notes having a value of 150% of an agency’s total deposits.

The agency may waive collateral requirements for deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation.

Deposits are exposed to custodial credit risk if they are uninsured and are either:

- Uncollateralized.
- Collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the depositor-government’s name.

As of June 30, 2020 and 2019, the Law Library was not exposed to custodial credit risk.

Los Angeles County Law Library
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020 and 2019

Note 4 – Fair Value Measurements

As of June 30, 2020 and 2019, investments are reported at fair value. The following table presents the fair value measurements of investments on a recurring basis and the levels with GASB 72 fair value hierarchy in which the fair value measurements fall as of June 30, 2020 and 2019:

	June 30, 2020	June 30, 2019
	Significant	Significant
	other	other
	Observable	Observable
	Level 2	Level 2
Investments Type		
U.S. Treasury securities ¹	\$ 3,346,531	\$ 3,710,198

¹Institutional Bond Quotes - evaluations based on various market and industry inputs

The Library's investments in LAIF and LA County Pool as of June 30, 2020 and 2019 are reported at the Library's pro-rata share of the amortized cost provided by LAIF and LA County Treasurer for the entire portfolio. This amount approximates fair value.

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Los Angeles County Law Library
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020 and 2019

Note 5 – Capital Assets

Summary of changes in capital assets for the years ended June 30, 2020 and 2019 as following:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Capital assets, not being depreciated:				
Land	\$ 580,333	\$ -	\$ -	\$ 580,333
Construction in progress	308,692	14,015	-	322,707
Total capital assets, not being depreciated	<u>889,025</u>	<u>14,015</u>	<u>-</u>	<u>903,040</u>
Capital assets, being depreciated/amortized:				
Building and improvements	12,366,979	-	-	12,366,979
Books and reference materials	53,078,070	1,844,791	-	54,922,861
Furniture, fixtures and other equipment	2,062,080	-	-	2,062,080
Computer equipment and software	796,822	5,256	-	802,078
Total capital assets, being depreciated/amortized	<u>68,303,951</u>	<u>1,850,047</u>	<u>-</u>	<u>70,153,998</u>
Total accumulated depreciation/amortization	<u>(51,611,288)</u>	<u>(2,588,465)</u>	<u>-</u>	<u>(54,199,753)</u>
Total capital assets, being depreciated/amortized, net	<u>16,692,663</u>	<u>(738,418)</u>	<u>-</u>	<u>15,954,245</u>
Total capital assets, net	<u>\$ 17,581,688</u>	<u>\$ (724,403)</u>	<u>\$ -</u>	<u>\$ 16,857,285</u>
	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
Capital assets, not being depreciated:				
Land	\$ 580,333	\$ -	\$ -	\$ 580,333
Construction in progress	43,992	264,700	-	308,692
Total capital assets, not being depreciated	<u>624,325</u>	<u>264,700</u>	<u>-</u>	<u>889,025</u>
Capital assets, being depreciated/amortized:				
Building and improvements	12,142,220	224,759	-	12,366,979
Books and reference materials	51,167,270	1,910,800	-	53,078,070
Furniture, fixtures and other equipment	2,058,728	3,352	-	2,062,080
Computer equipment and software	777,391	30,789	(11,358)	796,822
Total capital assets, being depreciated/amortized	<u>66,145,609</u>	<u>2,169,700</u>	<u>(11,358)</u>	<u>68,303,951</u>
Total accumulated depreciation/amortization	<u>(48,964,847)</u>	<u>(2,646,441)</u>	<u>-</u>	<u>(51,611,288)</u>
Total capital assets, being depreciated/amortized, net	<u>17,180,762</u>	<u>(476,741)</u>	<u>(11,358)</u>	<u>16,692,663</u>
Total capital assets, net	<u>\$ 17,805,087</u>	<u>\$ (212,041)</u>	<u>\$ (11,358)</u>	<u>\$ 17,581,688</u>

Los Angeles County Law Library
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020 and 2019

Note 6 – Compensated Absences

A summary of changes in compensated absences for the years ended June 30, 2020 and 2019 is as follows:

Year Ended	Beginning Balance	Additions	Deletions	Ending Balance	Due wihtin One Year	Due in More Than One Year
June 30, 2020	\$ 302,790	17,759	\$ (25,267)	\$ 295,282	\$ 29,528	\$ 265,754
June 30, 2019	293,210	21,200	(11,620)	302,790	30,279	272,511

Note 7 – Retirement Plan

A. General Information about the Pension Plan Description

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Law Library’s Miscellaneous Employee Pension Plan, cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees’ Retirement System (“CalPERS”). Benefit provisions under the Plan are established by State statute and the Law Library’s resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Classic participants (defined as eligible participants prior to January 1, 2013) are required to contribute 8% of their annual covered salary. New or Public Employees’ Pension Reform Act of 2013 (PEPRA) participants (defined as eligible employees brought into CalPERS membership for the first time on or after January 1, 2013) contribute at least half the normal cost rate as determined by CalPERS. The Law Library contributes the remaining amounts necessary to fund the benefits for its employees, using the actuarial basis adopted by the CalPERS Board of Administration.

Benefits Provided

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

Los Angeles County Law Library
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020 and 2019

Note 7 – Retirement Plan (Continued)

A. General Information about the Pension Plan Description (Continued)

Benefits Provided (Continued)

The Plans' provisions and benefits in effect as of June 30, 2020, and 2019 are summarized as follows:

	Miscellaneous Plan	
	Classic	PEPRA (Public Employees' Pension Reform Act)
Hire Date	Prior to January 1, 2013	January 1, 2013 and after
Benefit Formula	2.5% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	52-67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rate (FY18-19)	8.000%	7.000%
Required employee contribution rate (FY19-20)	8.000%	7.000%
Required employer contribution rate (FY18-19)	12.588%	7.557%
Required employer contribution rate (FY19-20)	13.180%	7.582%

Participants are eligible for non-industrial disability retirement if they become disabled and have at least 5 years credited service. There is no special age requirement. The standard non-industrial disability retirement benefit is a monthly allowance equal to 1.8 percent of final compensation, multiplied by service years.

An employee's beneficiary may receive the basic death benefit if the employee becomes deceased while actively employed. The employee must be actively employed with the Law Library to be eligible for this benefit. An employee's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit. The basic death benefit is a lump sum in the amount of the employee's accumulated contributions, where interest is currently credited at 7.5 percent per year, plus a lump sum in the amount of one month's salary for each completed year of current service, up to a maximum of six month's salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death. Upon the death of a retiree, a one-time lump sum payment of \$500 will be made to the retiree's designated survivor(s), or to the retiree's estate.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance. Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 2 percent.

Los Angeles County Law Library
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020 and 2019

Note 7 – Retirement Plan (Continued)

A. General Information about the Pension Plan Description (Continued)

Employees Covered by Benefit Terms

As of June 30, 2018 and 2017, the valuation dates, the following number of employees were covered by the benefit terms:

	2018		2017	
	Classic	PEPRA	Classic	PEPRA
Active employees	23	11	25	11
Transferred and terminated employees	24	10	24	5
Retired Employees and Beneficiaries	60	0	60	0
Total	<u>107</u>	<u>21</u>	<u>109</u>	<u>16</u>

Contributions

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

The Law Library is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the years ended June 30, 2020 and 2019, the contributions made to the Plan were as follows:

	2020	2019
Contributions - employer	\$ 492,592	\$ 389,154
Contributions - employee	185,620	168,924

Los Angeles County Law Library
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020 and 2019

Note 7 – Retirement Plan (Continued)

B. Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2018 and 2017 valuations were rolled forward to determine the June 30, 2019 and 2018 total pension liabilities based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ¹	Derived using CalPERS' Membership Data for all
Post Retirement Benefit Increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection. Allowance floor on purchasing power applies, 2.50% thereafter

¹The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

Change of Assumptions

In 2019, there were no changes of assumptions. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

Los Angeles County Law Library
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020 and 2019

Note 7 – Retirement Plan (Continued)

B. Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Long-Term Expected Rate of Return (Continued)

The expected real rates of return by asset class are as followed:

Asset Class ¹	Assumed Asset Allocation	Real Return Years 1 - 10 ²	Real Return Years 11+ ³
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
	<u>100%</u>		

¹ In the CalPERS' CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

² An expected inflation of 2.00% used

³ An expected inflation of 2.92% used

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15%) or 1 percentage-point higher (8.15%) than the current rate:

Measurement Date	Plan's Aggregate Net Pension Liability		
	Discount Rate	Current Discount	Discount Rate
	- 1% (6.15%)	Rate (7.15%)	+ 1% (8.15%)
June 30, 2019	\$ 5,342,702	\$ 3,330,753	\$ 1,670,031
June 30, 2018	\$ 6,052,437	\$ 2,775,910	\$ 71,191

Pension Plan Fiduciary Net Position

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

Los Angeles County Law Library
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020 and 2019

Note 7 – Retirement Plan (Continued)

B. Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Proportionate Share of Net Pension Liability and Pension Expense

The following table shows the plan’s proportionate share of the risk pool collective net pension liability over the measurement periods:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(c) = (a) - (b)
Balance at 6/30/18 (Valuation Date)	\$ 24,221,914	\$ 21,446,004	\$ 2,775,910
Balance at 6/30/19 (Measurement Date)	24,943,350	21,612,597	3,330,753
Net Changes during 2018-2019	721,436	166,593	554,843

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(c) = (a) - (b)
Balance at 6/30/17 (Valuation Date)	\$ 24,489,301	\$ 21,608,525	\$ 2,880,776
Balance at 6/30/18 (Measurement Date)	24,221,914	21,446,004	2,775,910
Net Changes during 2017-2018	1,761,711	1,419,365	342,346

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool for the measurement periods ended June 30, 2019 and 2018.

- (1) In determining a cost-sharing plan’s proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation dates (June 30, 2018 and 2017). The risk pool’s fiduciary net position (“FNP”) subtracted from its total pension liability (“TPL”) determines the net pension liability (“NPL”) at the valuation date.
- (2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement dates (June 30, 2019 and 2018). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool’s FNP at the measurement date denotes the aggregate risk pool’s FNP at June 30, 2019 and June 30, 2018 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement periods (2018-19 and 2017-2018).
- (3) The individual plan’s TPL, FNP and NPL are also calculated at the valuation date. TPL is allocated based on the rate plan’s share of the actuarial accrued liability. FNP is allocated based on the rate plan’s share of the market value assets.
- (4) Two ratios are created by dividing the plan’s individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool’s total TPL and FNP, respectively.

Los Angeles County Law Library
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020 and 2019

Note 7 – Retirement Plan (Continued)

B. Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

(5) The plan’s TPL as of the Measurement Date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan’s FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.

(6) The plan’s NPL at the Measurement Date is the difference between the TPL and FNP calculated in (5).

Deferred outflows of resources, deferred inflows of resources, and pension expense is allocated based on the Law Library’s share of contribution.

The Law Library’s proportionate share of the net pension liability was as follows:

2020		2019	
Measurement Date		Measurement Date	
June 30, 2018	0.02881%	June 30, 2017	0.02905%
June 30, 2019	0.03250%	June 30, 2018	0.02881%
Change - Increase (Decrease)	0.00369%	Change - Increase (Decrease)	-0.00024%

For the years ended June 30, 2020 and 2019, the District recognized pension expense in the amounts of \$1,052,510 and \$373,994 for CalPERS plan, respectively.

The expected average remaining service lifetime (“EARSL”) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired). The EARSL for the miscellaneous plan risk pool for the 2018-19 measurement period is 3.8 years, which was obtained by dividing the total service years of 530,470 (the sum of remaining service lifetimes of the active employees) by 140,593 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members’ probability of decrementing due to an event other than receiving a cash refund. The EARSL for the miscellaneous plan risk pool for the 2017-18 measurement period is 3.8 years, which was obtained by dividing the total service years of 516,147 (the sum of remaining service lifetimes of the active employees) by 135,474 (the total number of participants: active, inactive, and retired).

Los Angeles County Law Library
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020 and 2019

Note 7 – Retirement Plan (Continued)

B. Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

At June 30, 2020 and 2019, the Law Library has deferred outflows and deferred inflows of resources related to pensions as follows:

	2020		2019	
	Deferred outflows of Resources	Deferred inflows of Resources	Deferred outflows of Resources	Deferred inflows of Resources
Contribution made after the measurement date	\$ 492,592	\$ -	\$ 389,154	\$ -
Changes of assumptions	158,824	(56,302)	316,462	(77,558)
Difference between expected and actual experience	231,334	(17,923)	106,507	(36,243)
Net difference between projected and actual earning on pension plan investments	-	(58,234)	13,723	-
Adjustment due to differences in proportions	666,603	(119,445)	718,946	(268,752)
Difference between the City's contributions and proportionate share of contributions	-	(625,041)	-	(484,756)
Total	\$ 1,549,353	\$ (876,945)	\$ 1,544,792	\$ (867,309)

\$492,592 and \$389,154 reported as deferred outflows of resources related to pensions for the fiscal year ended June 30, 2020 and 2019, respectively, resulting from the Law Library's contributions subsequent to the measurement date will be recognized as a reduction of the collective net pension liability in the years ending June 30, 2021 and June 30, 2020.

Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in the future pension expense as follows:

Year Ended June 30	Deferred Outflows/(Inflows) of Resources 2020	Year Ended June 30	Deferred Outflows/(Inflows) of Resources 2019
2021	\$ 173,246	2020	\$ 180,525
2022	5,955	2021	134,479
2023	(11,151)	2022	(1,707)
2024	11,766	2023	(24,968)
2025	-	2024	-
Thereafter	-	Thereafter	-
Total	\$ 179,816	Total	\$ 288,329

C. Payable to the Pension Plan

As of June 30, 2020, and 2019, the Law Library did not have outstanding amount of contributions to the pension plan required for the years ended June 30, 2020 and 2019.

Los Angeles County Law Library
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020 and 2019

Note 8 – Other Postemployment Benefits (“OPEB”)

A. General Information about the OPEB Plan

Plan Description

The Law Library provides postemployment medical benefits to employees who retires directly from the Law Library under a single-employer defined benefit plans, CalPERS administers the Library’s medical plans. The Law Library’s Board of Trustees has the authority to establish and amend benefit provisions for its employees. CalPERS issues publicly available annual financial reports that include financial statements and required supplementary information for their benefit plans. Those reports may be obtained through their websites at www.calpers.ca.gov.

Description of Retiree Benefits

Following is a description of the benefits provided under the Plan:

	SEIU	Non-represented
Benefits types provided	Medical only*	Medical only*
Duration of Benefits	Lifetime	Lifetime
Required Service	5 Years	5 Years
Minimum Age	50	50
Dependent Coverage	Yes	Yes
Library Contribution %	100% up to cap	100% up to cap
Library Medical Cap	Employee Only: Up to \$650 per month Employee + 1: Up to \$950 per month Employee + 2 or more: Up to \$1,150 per month	Employee Only: Up to \$650 per month Employee + 1: Up to \$950 per month Employee + 2 or more: Up to \$1,150 per month

*Those hired prior to 7/1/08 receive dental coverage 100% employer paid cost for employee and 50% employer paid cost for dependents.

Employees Covered by Benefit Terms

At June 30, 2019 (valuation date), the following employees were covered by the benefit terms of the Plan:

Category	
Active employees	36
Inactive employees or beneficiaries currently receiving benefit	31
Inactive employees entitled to but not yet receiving benefit payment	-
Total	67

Contributions and Funding Policy

The contribution requirements of plan members and the Law Library are established and may be amended by the Board of Trustees. During the fiscal year 2014, the Law Library joined the California Employers’ Retiree Benefit Trust (CERBT) program and contributed \$2,000,000 to the Plan. At June 30, 2020 and 2019, the Trust account balances were \$2,201,040 and \$2,174,145, respectively.

Los Angeles County Law Library
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020 and 2019

Note 8 – Other Postemployment Benefits (“OPEB”) (Continued)

B. Net OPEB Liability

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2019 valuation was rolled forward to determine the June 30, 2020 and 2019 total OPEB liabilities based on the following actuarial methods and assumptions:

This valuation assumes that the Law Library will fund the Plan on an ad hoc basis, in an amount sufficient to fully fund the obligation over a period not to exceed 30 years. The Normal Cost is the portion of the Actuarial Present Value of benefits allocated to a valuation year. The UAAL is the excess of the Entry Age Normal Actuarial Accrued Liability over the Market Value of Assets.

The total OPEB liability for the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry-Age Normal Cost Method
Inflation	2.75%
Salary Increases	2.75% per year
Investment rate of return	6.5%; based on assumed long-term return on plan assets assuming 100% funding through CERBT using the Building Block Method
Healthcare cost trend rates	4% per year
Mortality Rate Table	Based of 2014 CalPERS active mortality for Miscellaneous employees

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) was used and developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage using geometric means and by adding expected inflation. The target allocation and best estimates of the arithmetic real rates of return for each major asset class are summarized in the following table as of June 30, 2020 and 2019, the measurement dates:

Asset Class Component	Percentage of Portfolio	Assumed Growth Return
All Equities	40%	7.7950%
All Fixed Income	43%	4.5000%
Real Estate Investment Trusts	8%	7.5000%
All Commodities	4%	7.7950%
Treasury Inflation Protected Securities (TIPS)	5%	3.2500%
Total	100%	

Discount Rate

The discount rate used to measure the total OPEB liability was 6.5%. The projection of cash flows used to determine the discount rate assumed that the Law Library contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to cover all future OPEB payments. Therefore, the discount rate was determined to be the long-term expected rate of return on OPEB plan investments.

Los Angeles County Law Library
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020 and 2019

Note 8 – Other Postemployment Benefits (“OPEB”) (Continued)

B. Net OPEB Liability (Continued)

Change in the Net OPEB Liability

The following table shows the changes in net OPEB liability recognized over the measurement period of July 1, 2019 to June 30, 2020.

	Increase (Decrease)		
	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)
Balance at June 30, 2019	\$ 4,643,447	\$ 2,174,145	\$ 2,469,302
Changes Recognized for the Measurement Period:			
Service cost	95,599	-	95,599
Interest on the total OPEB liability	296,676	-	296,676
Changes of benefit terms	-	-	-
Difference between expected and actual experience	3,235	-	3,235
Changes of assumptions	-	-	-
Contributions from the employer	-	-	-
Contributions from the employee	-	167,247	(167,247)
Net investment income	-	118,792	(118,792)
Actual payments from trust	(90,000)	(90,000)	-
Actual payments from employer	(167,247)	(167,247)	-
Administrative expenses	-	(1,897)	1,897
Net Changes	138,263	26,895	111,368
Balance at June 30, 2020	\$ 4,781,710	\$ 2,201,040	\$ 2,580,670

The following table shows the changes in net OPEB liability recognized over the measurement period of July 1, 2018 to June 30, 2019.

	Increase (Decrease)		
	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)
Balance at June 30, 2018	\$ 4,851,516	\$ 2,116,022	\$ 2,735,494
Changes Recognized for the Measurement Period:			
Service cost	114,698	-	114,698
Interest on the total OPEB liability	311,347	-	311,347
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(4,683)	-	(4,683)
Experience gain/losses	(396,323)	-	(396,323)
Contributions from the employer	-	143,108	(143,108)
Contributions from the employee	-	-	-
Net investment income	-	149,935	(149,935)
Benefit payments	(233,108)	(233,108)	-
Administrative expenses	-	(1,812)	1,812
Net Changes	(208,069)	58,123	(266,192)
Balance at June 30, 2019	\$ 4,643,447	\$ 2,174,145	\$ 2,469,302

Los Angeles County Law Library
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020 and 2019

Note 8 – Other Postemployment Benefits (“OPEB”) (Continued)

B. Net OPEB Liability (Continued)

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

The net OPEB liability of the Library, as well as what the Law Library's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.5%) or one percentage point higher (7.5%) follows:

Measurement Date	Plan's Net OPEB Liability		
	Discount Rate -1% (5.50%)	Current Discount Rate (6.50%)	Discount Rate +1% (7.50%)
June 30, 2020	\$ 3,170,780	\$ 2,580,670	\$ 2,092,690
June 30, 2019	\$ 3,044,073	\$ 2,469,302	\$ 1,993,670

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

The net OPEB liability of the Law Library, as well as what the Library's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (3%) or one percentage point higher (5%) than current healthcare cost trend rates follows:

Measurement Date	Plan's Net OPEB Liability		
	1% Decrease	Current Trend	1% Increase
June 30, 2020	\$ 2,037,566	\$ 2,580,670	\$ 3,227,401
June 30, 2019	\$ 1,986,203	\$ 2,469,302	\$ 3,037,874

C. OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB

For the years ended June 30, 2020 and 2019, the Law Library recognized OPEB expense of \$210,680 and \$243,856, respectively, with details as follows:

	2020	2019
Service Cost	\$ 95,598	\$ 114,698
Interest on Total OPEB Liability	296,676	311,348
Recognized Experience Gains/Losses	(46,252)	(46,629)
Expected investment income	(138,333)	(134,558)
Recognized Investment (Gains)/Losses	1,094	(2,815)
Administrative Expense	1,897	1,812
Total OPEB Expense	<u>\$ 210,680</u>	<u>\$ 243,856</u>

Los Angeles County Law Library
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020 and 2019

Note 8 – Other Postemployment Benefits (“OPEB”) (Continued)

C. OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB (Continued)

The Law Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2020		2019	
	Deferred outflows of Resources	Deferred inflows of Resources	Deferred outflows of Resources	Deferred inflows of Resources
Difference between expected and actual experience	\$ 2,858	\$ (307,748)	\$ -	\$ (354,377)
Net difference between projected and actual earning on OPEB plan investments	6,929	-	-	(11,518)
Total	\$ 9,787	\$ (307,748)	\$ -	\$ (365,895)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in future OPEB expenses based on expected average remaining service lifetime for the measurement periods as follows:

Year Ending June 30	Deferred Outflows/(Inflows) of Resources	Year Ending June 30	Deferred Outflows/(Inflows) of Resources
	2020		2019
2021	\$ (45,158)	2020	\$ (49,444)
2022	(45,158)	2021	(49,444)
2023	(45,416)	2022	(49,444)
2024	(42,347)	2023	(49,702)
2025	(46,252)	2024	(46,629)
Thereafter	(73,630)	Thereafter	(121,232)
	\$ (297,961)		\$ (365,895)

Note 9 – Risk Management

The Law Library is expensed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The Law Library is insured for all risks of loss through insurance companies. The following is a summary of the insurance policies carries by the Law Library as of June 30, 2020:

Insurance	Amounts	Deductible
Worker's compensation	\$ 1,000,000	N/A
Earthquake	10,000,000	25,000
Flood	10,000,000	50,000
ACIP Crime	100,000	2,500
Special Property Insurance Program	100,000,000	50,000
Boiler & Machinery	100,000,000	5,000
General Liability Program	25,000,000	50,000
Cyber Liability Program	25,000,000	50,000

Los Angeles County Law Library
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020 and 2019

Note 10 – Contingent Liabilities

The Law Library is not aware of potential claims that may be filed against them. The outcome of these matters is not presently determinable, but the resolution of these matters is not expected to have a significant impact on the financial condition of the Law Library.

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

To the Board of Trustees
of the Los Angeles County Law Library

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Los Angeles County Law Library (the “Law Library”), as of and for the year ended June 30, 2019, and the related notes to the finance statements, which collectively comprise the Law Library’s basic financial statements, and have issued our report thereon dated **NEED DATE**, 2020.

Internal Control Over Financial Reporting

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

Compliance and Other Matters

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

Purpose of this Report

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

Santa Ana, California
NEED DATE, 2020

DRAFT 10.21.2020

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

DRAFT 10.21.2020

Los Angeles County Law Library
Required Supplementary Information (Unaudited)
Schedule of the Law Library's Proportionate Share of the Net Pension Liability
For the Years Ended June 30, 2020 and 2019

Measurement Period	Last Ten Fiscal Years ¹				
	2013-14 ¹		2014-15		2015-16
	Classic	PEPEA	Classic	PEPEA	
Proportion of the Net Pension Liability/ (Asset)	-0.002750%	0.000020%	-0.002750%	0.000020%	0.031017%
Proportionate Share of the Net Pension Liability/ (Assets)	\$ (170,833)	\$ 1,048	\$ 1,236,782	\$ (2,909)	\$ 2,683,917
Covered Payroll	\$ 2,156,949	\$ 311,812	\$ 2,080,358	\$ 204,804	\$ 2,323,308
as a Percentage of Covered Payroll	-7.92%	0.34%	59.45%	-1.42%	115.52%
Total Pension Liability	100.75%	83.01%	93.34%	103.72%	88.23%

¹ Historical information is presented only for measurement periods for which GASB 68 is available for periods after GASB 68 implementation in 2013-14.

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Los Angeles County Law Library
Required Supplementary Information (Unaudited)
Schedule of the Law Library's Proportionate Share of the Net Pension Liability (Continued)
For the Years Ended June 30, 2020 and 2019

Last Ten Fiscal Years¹

Measurement Period	2016-17	2017-18	2018-19
Proportion of the Net Pension Liability/ (Asset)	0.029050%	0.028810%	0.032505%
Proportionate Share of the Net Pension Liability/ (Assets)	\$ 2,880,776	\$ 2,775,910	\$ 3,330,753
Covered Payroll	\$ 2,170,427	\$ 2,118,653	\$ 2,291,091
as a Percentage of Covered Payroll	132.73%	131.02%	145.38%
Total Pension Liability	88.24%	88.54%	80.32%

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**Los Angeles County Law Library
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions
For the Years Ended June 30, 2020 and 2019**

Fiscal Year:	Last Ten Fiscal Years				
	2013-14 ¹	2014-15	2015-16	2016-17	2017-18
Actuarially Determined Contribution ²	\$ 285,076	\$ 273,383	\$ 278,176	\$ 292,226	\$ 296,357
Contribution in Relation to the Actuarially Determined Contribution	(285,076)	(273,383)	(278,176)	(292,226)	(296,357)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll ³	\$ 2,468,761	\$ 2,285,162	\$ 2,323,308	\$ 2,170,427	\$ 2,118,653
Contributions as a Percentage of Covered Payroll	11.55%	11.96%	11.97%	13.46%	13.99%

¹ Historical information is presented only for measurement periods for which GASB 68 is available for periods after GASB 68 implementation in 2013-14.

² Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

³ Payroll from prior year (2018-19) was assumed to increase by the 2.75 percent payroll growth assumption.

Note to Schedule:

Change in Benefit Terms: There were no changes in benefit term.

Changes of Assumptions: In 2019, there were no changes. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

Los Angeles County Law Library
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions (Continued)
For the Years Ended June 30, 2020 and 2019

Last Ten Fiscal Years

Fiscal Year:	<u>2018-19</u>	<u>2019-20</u>
Actuarially Determined Contribution ²	\$ 389,154	\$ 492,592
Contribution in Relation to the Actuarially Determined Contribution	<u>(389,154)</u>	<u>(492,592)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll ³	<u>\$ 2,291,091</u>	<u>\$ 2,354,096</u>
Contributions as a Percentage of Covered Payroll	<u>16.99%</u>	<u>20.92%</u>

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Los Angeles County Law Library
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios
For the Years Ended June 30, 2020 and 2019

Last Ten Fiscal Years*

Measurement period	Fiscal Year Ending			
	2016-17 ¹	2017-18	2018-19	2019-20
Total OPEB liability				
Service cost	\$ 108,640	\$ 111,628	\$ 114,698	\$ 95,599
Interest	278,115	297,273	311,347	296,676
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	-	(401,006)	3,235
Changes of assumptions	-	-	-	-
Benefit payments, including refunds of employee contributions	(40,000)	(150,000)	(233,108)	(257,247)
Net change in total OPEB liability	346,755	258,901	(208,069)	138,263
Total OPEB liability - beginning	4,245,860	4,592,615	4,851,516	4,643,447
Total OPEB liability - ending (a)	<u>\$ 4,592,615</u>	<u>\$ 4,851,516</u>	<u>\$ 4,643,447</u>	<u>\$ 4,781,710</u>
OPEB fiduciary net position				
Contributions - employer	\$ -	\$ -	\$ 143,108	\$ 167,247
Contributions - employee	-	-	-	-
Net investment income ²	147,500	132,557	149,935	118,792
Benefit payments, including refunds of employee contributions	(40,000)	(150,000)	(233,108)	(257,247)
Other	(1,775)	(1,897)	(1,812)	(1,897)
Net change in plan fiduciary net position	105,725	(19,340)	58,123	26,895
Plan fiduciary net position - beginning	2,029,637	2,135,362	2,116,022	2,174,145
Plan fiduciary net position - ending (b)	<u>\$ 2,135,362</u>	<u>\$ 2,116,022</u>	<u>\$ 2,174,145</u>	<u>\$ 2,201,040</u>
Net OPEB liability - ending (a) - (b)	<u>\$ 2,457,253</u>	<u>\$ 2,735,494</u>	<u>\$ 2,469,302</u>	<u>\$ 2,580,670</u>
Plan fiduciary net position as a percentage of the total OPEB liability	46.50%	43.62%	46.82%	46.03%
Covered payroll	<u>\$ 2,193,942</u>	<u>\$ 1,631,171</u>	<u>\$ 1,613,171</u>	<u>\$ 2,366,358</u>
Net OPEB liability as a percentage of covered payroll	<u>112.00%</u>	<u>167.70%</u>	<u>153.07%</u>	<u>109.06%</u>

¹ Historical information is presented only for measurement periods for which GASB 75 is available for periods after GASB 75 implementation in 2016-17.

Los Angeles County Law Library
Required Supplementary Information (Unaudited)
Schedule of Contributions - Other Postemployment Benefits Plan
For the Years Ended June 30, 2020 and 2019

Last Ten Fiscal Years

Other Postemployment Benefits Plan

Fiscal Year:	<u>2016-17¹</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
Actuarially Determined Contribution ²	N/A	N/A	N/A	N/A
Contribution in Relation to the Actuarially Determined Contribution	-	-	143,108	167,247
Contribution Deficiency (Excess)	\$ -	\$ -	\$ 143,108	\$ 167,247
Covered Payroll	<u>\$ 2,193,942</u>	<u>\$ 1,631,171</u>	<u>\$ 1,613,171</u>	<u>\$ 2,366,358</u>
Contributions as a Percentage of Covered Payroll	<u>0.00%</u>	<u>0.00%</u>	<u>-8.87%</u>	<u>-7.07%</u>

¹ Historical information is presented only for measurement periods for which GASB 75 is available for periods after GASB 75 implementation in 2016-17.

² The actuarially determined contribution was not calculated. The assumption used was that the Law Library contributes on an ad hoc basis, but in an amount sufficient to fully fund the obligation over a period not to exceed 30 years. Moreover, there are no statutorily or contractually established contribution requirements.

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NEED DATE, 2020

To the Board of Trustees
of the Los Angeles County Law Library
Los Angeles, California

We have audited the financial statements of the Los Angeles County Law Library (the "Law Library") as of and for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 3, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Law Library are described in Note 2 to the basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2020. We noted no transactions entered into by the Law Library during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's 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 significantly from those expected. The most sensitive estimates affecting the Law Library's financial statements were:

- Management's estimate of the investment fair value is based on information provided by UBS Financial Services Inc., the custodial of the investment in the U.S. Government Sponsored Enterprise Securities based on interactive data. We evaluated the key factors and assumptions used to develop the investment fair value in determining that it is reasonable in relation to the financial statements as a whole.
- Management's estimate of the depreciation on capital assets is based on the industry standard and past experience on actual useful life of the asset groups. We evaluated the key factors and assumptions used to develop the depreciation on capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the net other postemployment benefits ("OPEB") liability is based on the actuarial valuation on total OPEB liability and financial statements on fiduciary net position. We evaluated the key factors and assumptions used to develop the net OPEB liability in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the net pension liability is based on the actuarial valuation on total pension liability and based on the audited financial statements on fiduciary net position. We evaluated the key factors and assumptions used to develop the net pension liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the financial statements were:

- Note 2 – Summary of Significant Accounting Policies
- Note 7 – Retirement Plan
- Note 8 – Other Postemployment Benefits (“OPEB”)
- Note 10 – Contingent Liabilities

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated **NEED DATE**, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Law Library's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis, the Schedule of Law Library's Proportionate Share of the Net Pension Liability and Related Ratios, the Schedules of Contributions - Pensions, the Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios, and the Schedule of Contributions – Other Postemployment Benefits, which are Required Supplementary Information ("RSI") that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of Board of Trustees and management of the Law Library and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Santa Ana, California.



Los Angeles County Law Library

Presentation to the Board of Trustees
For the Fiscal Year Ended June 30, 2020

October 28, 2020

Contents

- Audit Responsibilities
- Approach to the Audit
- Overview of Financial Statements
- Key Pension and Other Postemployment Benefits Information
- Audit Results





Audit Responsibilities

Management Responsibilities

- Responsible for the Financial Statements
- Present the Financial Statements in accordance with Accounting Principles Generally Accepted in the United States of America
- Adopt sound accounting policies
- Establish and maintain internal controls over financial reporting
- Provide evidence supporting the amounts and disclosures in the financial statements
- Fair presentation of financial statements that are free from material misstatements, whether due to fraud or error
- Prevent and detect fraud

Auditors' Responsibilities

- Perform the audit in accordance with Auditing Standards Generally Accepted in the United States of America
- Perform the audit in accordance with *Government Auditing Standards*
- Communicate with “Those Charged with Governance”
- Assess risk of material misstatement
- Determine fairness in presentation of the financial statements
- Issue recommendations to Management, if any



Approach to the Audit

The Pun Group's Audit Approach

- Phase I – Detail Planning
- Phase II – Risk Based Review of Internal Controls Over Systems
 - Financial Reporting
 - Revenues – Billings and Cash receipts
 - Expenses – Purchasing and Cash Disbursements
 - Payroll and Related Liabilities
 - General IT Controls
 - Census Data Testing
- Phase III – Validation of Account Balances
- Phase IV – Assist in Preparing Financial Statements and Issue Audit Opinion



Overview of the Financial Statements

Los Angeles County Law Library
Summary Statements of Net Position
June 30, 2020 and 2019

	2020	2019
Net Position:		
Net investments in capital assets	16,857,000	17,582,000
Restricted	38,000	23,000
Unrestricted	11,144,000	10,598,000
Total Net Position	\$ 28,039,000	\$ 28,203,000

Los Angeles County Law Library
Summary Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended June 30, 2020 and 2019

	2020	2019
Operating Revenues	\$ 8,477,000	\$ 8,959,000
Operating Expenses	9,032,000	8,257,000
Net Operating Income (loss)	(555,000)	702,000
Nonoperating Revenues	391,000	3,929,000
Changes in Net Position	\$ (164,000)	\$ 4,631,000

Los Angeles County Law Library
Summary Statements of Cash Flows
For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities	\$ 2,967,000	\$ 3,389,000
Cash Flows from Noncapital Financing Activities	-	3,543,000
Cash Flows from Capital and Related Financing Activities	(1,864,000)	(2,423,000)
Cash Flows from Investing Activities	<u>754,000</u>	<u>163,000</u>
Changes in cash and cash equivalents	<u>\$ 1,857,000</u>	<u>\$ 4,672,000</u>



Key Pension and Other Postemployment Benefits Information

Los Angeles County Law Library
Net Pension Liability
For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Plan Total Pension Liability	\$ 24,943,000	\$ 24,222,000
Plan Fiduciary Net Position	21,612,000	21,446,000
Net Pension Liability	<u>\$ 3,331,000</u>	<u>\$ 2,776,000</u>
 Funding Ratio	 <u>87%</u>	 <u>89%</u>
 Contribution Made	 <u>\$ 493,000</u>	 <u>\$ 389,000</u>

Los Angeles County Law Library
Net Other Postemployment Benefits Liability
For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Plan Total OPEB Liability	\$ 4,782,000	\$ 4,643,000
Plan Fiduciary Net Position	2,201,000	2,174,000
Net OPEB Liability	<u>\$ 2,581,000</u>	<u>\$ 2,469,000</u>
 Funding Ratio	 <u>46%</u>	 <u>47%</u>
 Contribution Made	 <u>\$ 167,000</u>	 <u>\$ 143,000</u>



Audit Result

Audit Result

- **Unmodified Opinion**

- Financial Statements are fairly presented in all material respects
- Significant accounting policies have been consistently applied
- Estimates are reasonable
- Disclosures are properly reflected in the financial statements

- **Other Results**

- No disagreements with Management
- No material weaknesses in internal controls over financial reporting were reported
- No accounting issues

For more information, contact:

Presenters:

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frances.kuo@pungroup.com

MEMORANDUM

DATE: November 18, 2020
TO: Board of Law Library Trustees
FROM: Marcelino Juarez, Finance Manager
VIA: Sandra Levin, Executive Director
RE: FY2020-21 1st Quarter Budget Review

Staff is pleased to report year-to-date, overall, favorable financial results for the 1st quarter of fiscal year 2021. The 1st quarter financial statements were provided concurrently as Item 3.3 on the Agenda. Details and explanations of significant items are provided below.

Income

Court fees – Staff was very conservative in its 1st quarter budget as a result of uncertainties created by COVID-19. The favorable variance must be tempered with continued uncertainties surrounding the courts and the overall economy. In later months, the budget anticipates a more steady economy. If this does not materialize, the favorable variance in this quarter will most certainly diminish. Nevertheless, this is welcome news as we head into the next quarter.

Parking – As a result of limited court accessibility and overall limited civic center activities, usage of our parking structure have decreased dramatically. This is reflected by the 50% drop in revenue this quarter.

Library Services – Library services have been directly impacted by the closure during COVID-19. Revenue from services such as copy center, room rentals, and class registrations are at a stop and revenue from other services are down by almost 50%.

Interest – the 50% drop in interest revenue when compared to budget is indicative of the ongoing market volatility resulting from financial uncertainties created by COVID-19 and other world events.

Expense

Staff – The favorable variance in staff expense (salaries and benefits) is primarily due to continued vacancies, including the Global Law Librarian, CMS Managing Librarian, IT Database Administrator and CMS Library Tech.

Electronic Resource Subscriptions (ERS) – Staff expects the current 14% favorable variance to diminish as the year progresses. Some vendors provided credits as a result of COVID-19 but those are unlikely to continue throughout the year.

Library Materials – Staff expects the 19% favorable variance to diminish as the year progresses and more purchases are approved. Although book purchasing slowed down at the beginning of the COVID-19 pandemic, starting July 2020 staff began ordering at a more normal pace.

Facilities – Overall purchases in facilities are on target and meeting budget expectations.



Technology & Data – Staff expects to meet budget expectations. At the moment we are 20% under budget primarily due to lower than expected software maintenance and telecommunication costs.

General – The 60% favorable variance is primarily due to decreased costs in office supplies (toner purchases), copy center expense, and miscellaneous one-time expenses. Amendments at mid-year may be advisable.

Professional Development – The 58% favorable variance is primarily due to lower than expected AALL registration costs and no travel costs.

Communications & Marketing – The 100% favorable variance is primarily due to delays in one-time funding project costs. Staff expects this to diminish as the year progresses.

Travel & Entertainment – The 70% favorable variance is primarily due to lower than expected mileage reimbursement.

Professional Services - The 61% favorable variance is primarily due to delays in one-time funding project costs. Staff expects this to diminish as the year progresses.

Depreciation – Overall depreciation expense is on target and meeting budget expectations.

Investment Gain (Loss) – The 80% unfavorable variance in the Library's Zero-Coupon Treasury Bill investment with UBS is due to the ongoing market volatility due to financial uncertainties created by COVID-19 and other world events. However, this unrealized gain is a snapshot, before maturity date.

Extraordinary Income – As a result of a successful plan by the CCCLL, the State apportioned \$7M to all public law libraries in California from its budget to back-fill court fee revenue losses as a result of COVID-19. Of this amount, LA Law Library received \$1.2M.

Summary

Overall, staff is pleased with this quarter's results. As the year progresses, staff will continue to provide the Board monthly updates. Staff welcomes the Board's comments and suggestions in any areas of this report.



FY 2019-20	FY 2020-21 YTD			
	YTD Actual	Budget	Actual	\$ Δ

Summary:

Income

L.A. Superior Court Fees	2,118,304	681,305	1,456,957	775,652	113.8%
Interest	50,935	33,000	17,275	(15,725)	-47.7%
Parking	166,453	131,250	68,339	(62,911)	-47.9%
Library Services	242,484	246,810	52,894	(193,916)	-78.6%
Total Income	2,578,176	1,092,365	1,595,465	503,100	46.1%

Expense

Staff (payroll + benefits)	1,407,482	1,428,553	1,327,277	101,276	7.1%
Electronic Resource Subscriptions	121,801	153,600	132,363	21,236	13.8%
Library Materials	411,040	511,444	415,299	96,145	18.8%
Library Materials Transferred to Assets	(411,041)	(511,444)	(415,299)	(96,145)	18.8%
Facilities	211,651	220,096	222,860	(2,764)	-1.3%
Technology & Data	33,686	38,829	30,902	7,933	20.4%
General	27,685	24,300	7,300	17,000	70.0%
Professional Development	6,254	3,367	1,410	1,957	58.1%
Communications & Marketing	1,817	12,100	21	12,079	99.8%
Travel & Entertainment	34	364	108	256	70.3%
Professional Services	10,521	26,830	10,266	16,563	61.7%
Depreciation	660,008	643,155	635,584	7,571	1.2%
Total Expenses	2,480,939	2,551,194	2,368,092	183,102	7.2%

Net Income (Loss)

Net Income (Loss)	97,237	(1,458,829)	(772,627)	686,202	47.0%
Investment Gain (Loss) ¹	40,632	22,500	4,858	(17,642)	-78.4%
Extraordinary Income	0	0	1,254,174	1,254,174	0.0%
Extraordinary Expense	0	0	0	0	0.0%
Net Income Including Extraordinary Items	137,868	(1,436,329)	486,405	1,922,734	133.9%

Capitalized Expenditures

Capitalized Expenditures	0	135,000	0	135,000	100.0%
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MEMORANDUM

DATE: November 18, 2020
TO: Board of Law Library Trustees
FROM: Sandra Levin, Executive Director
RE: Acceptance of Bequest to LA Law Library

SUMMARY

We recently learned that Joan Lavine, one of our longstanding Members, passed away in February and as a testament to the excellent service and support Staff provided her over the years, that she bequeathed \$100,000 to the Law Library in memory of Morris Lavine.

BACKGROUND

Ms. Lavine was one of our most devoted Members, having joined soon after the program’s creation in 2010. Prior to that, she was a registered borrower and patron since at least 2000. She frequently worked in the Members Study, and religiously attended MCLEs at the Library, where she was a very active participant with astute and probing questions for our presenters. She believed strongly in the mission of the Library, and shared constructive feedback and ideas with staff regarding the Library’s classes, programs, and facilities, on many occasions. She was especially passionate about ways to expand continuing education opportunities at the Library, as her bequest now commemorates. Members Program, Reference, Circulation, Facilities and IT staff all remember her well and fondly, and she will be missed.

The bequest provides fairly broad discretion to the Law Library in how to use the funds:

“The Library agrees that, as required by the Trust, the funds received shall be used by the Library "in the discretion of the Executive Director for the purposes of training, scholarships, education programs for California State Bar Minimum Continuing Education for lawyers, judges, paralegals and others in occupations related to the U.S. legal profession, for California judicial training programs, and for training internships and scholarships for U.S. law librarian trainees, programs, and/or seminars."

The document also provides that if asked, the Law Library will provide a budget for how the funds are intended to be used and evidence of how they were used:

“The Library further agrees that upon the reasonable written request of the Trustee, the Library shall provide the Trustee with (1) a budget or other written indication of the proposed use of the funds received in accordance with the permitted purposes



referenced above, and (2) written evidence of the actual application of the funds received in accordance with the permitted purposes.”

After consulting with the Board President, the Executive Director accepted the bequest on the terms stated.

Staff is evaluating a number of possible options as to how the money should be used and will make recommendations to the Board at a subsequent meeting. The best use of the funds may be affected by the financial circumstances created by the pandemic and the prospects for adequate baseline funding from our usual revenue sources.

RECOMMENDATION

Staff requests that the Board acknowledge and accept the generous bequest made by Ms. Joan Lavine. Staff also requests that the Board adjourn the October Board meeting in memory of Joan Lavine. As is our usual practice, Staff would then send a letter to Ms. Lavine’s surviving relatives (and the executor of the estate) informing them of the adjournment in her memory.



Staff Presentation:

Online MCLE and Legal Education Developments

Presented by:

Managing Librarian of Legal Education,

Ryan Metheny

November 18, 2020