

AGENDA

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

REGULAR BOARD MEETING

Wednesday, October 26, 2022

12:15 PM

MILDRED L. LILLIE BUILDING TRAINING CENTER

301 WEST FIRST STREET

LOS ANGELES, CA 90012-3140

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

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 in the Executive Office of the Law Library.

CALL TO ORDER

1.0 PUBLIC COMMENT

2.0 PRESIDENT'S REPORT

3.0 CONSENT CALENDAR

- 3.1 Approval of Minutes of the September 28, 2022 Regular Board Meeting
- 3.2 Review of August Financials and List of September Checks and Warrants
- 3.3 Review and Approval of FY23 1st Quarter Statistics

4.0 DISCUSSION ITEMS

- 4.1 Review and Acceptance of Draft Financial Statement Audit Report and AU-C260 Letter for Fiscal Year Ended June 30, 2022
- 4.2 Update and Discussion Regarding Surveillance Systems at the Law Library
- 4.3 Staff Presentation Re: Implementation and Usage of E-Book Platform
- 4.4 Staff Presentation Re: Status of Platinum Program

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

The next Regular Meeting of the Board of Law Library Trustees is scheduled for Wednesday, November 16, 2022.

POSTED THURSDAY, OCTOBER 20, 2022 @ 2:00 P.M.

POSTED BY ANN MARIE GAMEZ



AGENDA ITEM 3

CONSENT CALENDAR

- 3.1 Approval of Minutes of the September 28, 2022, Regular Board Meeting
- 3.2 Review of August Financials and List of September Checks and Warrants
- 3.3 Review and Approval of FY23 1st Quarter Statistics

**MINUTES OF THE COMBINED REGULAR AND SPECIAL BOARD MEETINGS
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 28, 2022

The Regular Meeting of the Board of Law Library Trustees of Los Angeles County was held on Wednesday, September 28, 2022 at 12:15 p.m., at the Los Angeles County Law Library Mildred L. Lillie Main Library Building at 301 West First Street, Los Angeles, California 90012 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.

ROLL CALL/QUORUM

Trustees Present: Judge Mark Juhas
Judge Michelle Williams Court
Judge Dennis Landin
Judge Yolanda Orozco
Susan Steinhauser, Esquire
Kenneth Klein, Esquire participating via Zoom (non-voting)

Trustees Absent: Judge Michael Stern

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

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

President Juhas determined a quorum to be present, convened the meetings at 12:19 p.m. and thereafter presided. Executive Director, Sandra J. Levin recorded the Minutes.

1.0 PUBLIC COMMENT

Juliette Szegedi spoke before the Board on the remembrance of her late mother and past employee of Los Angeles County Law Library, Isabella Szegedi, recounting her mother's history as a young woman coming from her home country of Hungary, and later living in various countries such as Austria, Norway and Canada. Isabella's final home country was the United States, where she worked at the LA County Law Library from 1970 – 1986 as a Catalog Typist and later a Library Clerk. Juliette Szegedi shared a photo of her mother at the meeting and thanked the law library for remembering her after all the years past.

Ann Marie Gamez read a remembrance of Isabella Szegedi on behalf of LA County Law Library Retiree, Diane Reynolds, who was unable to attend in person. Ms. Reynolds worked closely with Isabella Szegedi and reminisced about what a lovely person and dedicated employee Mrs. Szegedi was.

LALL patron, Trammel Carter, spoke before the Board alleging discrimination at the law library and demanding answers from the Board on what their action has been regarding his complaint. E.D. Levin responded to Mr. Carter that she had provided the Board with the patron's complaint and noted that Mr. Carter had previously been asked for clarification or details regarding his complaint, but that no clarification was provided and everything sits as it did since the matter was first brought to their attention.

LALL Patron, Malinda Muhammed, spoke before the Board and inquired as to what services were available for low income people. Ms. Muhammed has been using the library resources for two cases she is dealing with, and was interested in knowing what other services and amenities could be available to her, for example free office space in order to hold depositions. E.D. Levin responded to Ms. Muhammed and agreed there is a gap in service for those needing free space to conduct legal activities. E.D. Levin added that unfortunately, the library was not in a position to offer free spaces other than the public reading room.

Board Trustee Orozco also replied that there are larger works at hand throughout the justice system in providing a bridge to the underserved, such as being able to check out internet hot spots and other accessing tools. However it was also mentioned that these were ideas at the moment with hopes to have such accessibility in the future.

2.0 PRESIDENT'S REPORT

No report.

3.0 CONSENT CALENDAR

- 3.1 Approval of Minutes of the August 24, 2022 Regular Board Meeting
- 3.2 Review of July Financials and List of August Checks and Warrants
- 3.3 Approval of Revised Rules of Conduct
- 3.4 Conflict of Interest and Disclosure Code for the Los Angeles County Law Library

President Juhas requested a motion to approve the Consent Calendar. So moved by Trustee Landin seconded by Trustee Orozco. The motion was unanimously approved, 6 - 0.

4.0 DISCUSSION

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

ED Levin summarized the request on behalf of the Friends of the Los Angeles County Law Library to approve the Trustee Designated members to the Friends Board of Directors. ED Levin reminded the Board that this item is a biennial occurrence where trustee appointed incumbents who are ready to work for the Friends are nominated. Also noted was the desired implementation of diversifying the Board of Directors.

President Juhas requested a motion to thank the board members and approve the aforementioned appointments for the terms identified. So moved by Trustee Steinhauser seconded by Trustee Court. The motion was unanimously approved, 6 - 0.

7.0 EXECUTIVE DIRECTOR REPORT (TAKEN OUT OF ORDER)

ED Levin announced this year's Pro Bono Week event, to be held during the week of October 24, 2022. More than 80 programs will be available either in person, via live zoom sessions, or recordings on demand through our website.

1.0 PUBLIC COMMENT (TAKEN OUT OF ORDER)

LALL Patron, Eric Sidengance spoke before the Board to thank the library for maintaining such a great library, as it has been an integral place of resources for ongoing research on specific topics. Patron Sidengance requested a private office space at no cost for his wife to work during research due to a medical condition which causes her to be unsafe in public.

ED Levin replied to the patron that the Law Library is not in a position to rent out office space free of charge. But noted that there is a program called Community Connections, where our staff might be able to assist with various social services or other opportunities,

6.0 AGENDA BUILDING

No future items were presented by Trustees to be referred to staff or placed on the agenda for consideration at a future meeting of the Board.

5.0 CLOSED SESSION

**5.1 CONFERENCE WITH LEGAL COUNSEL: EXISTING LITIGATION
(G.C. 54956.9(d)(1))**

Craig Jones v. Los Angeles County Law Library, (LASC 22STCV08938) The Board finds, based on advice from legal counsel, that discussion in open session will prejudice the position of the local agency in the litigation.

President Juhas announced that direction had been provided regarding the pending matter but that no reportable action was taken.

8.0 ADJOURNMENT

There being no further business to come before the Board the meeting was adjourned at 1:17pm. The next Regular Meeting of the Board of Law Library Trustees currently scheduled for Wednesday, October 26, 2022 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, 2022

(Provisional and subject to year-end audit adjustments)

	6/30/2022	8/31/2022	YTD
Assets			
Current assets			
Cash and cash equivalents	13,315,059	12,539,569	(775,490)
Accounts receivable	207,666	106,396	(101,270)
Other receivable	1,138,800	1,169,861	31,061
Prepaid expenses	261,033	540,910	279,877
Total current assets	14,922,559	14,356,736	(565,822)
Noncurrent assets			
Restricted cash and cash equivalents	318,470	318,470	-
Investments	5,936,527	5,940,345	3,818
Capital assets, not being depreciated	664,178	664,178	-
Capital assets, being depreciated - net	15,124,179	14,993,762	(130,418)
Total noncurrent assets	22,043,355	21,916,755	(126,600)
Total assets	36,965,913	36,273,491	(692,422)
Deferred Outflows of Resources			
Deferred Outflows of Resources	2,309,920	2,309,920	-
Total assets and deferred outflows of resources	39,275,833	38,583,411	(692,422)
Liabilities			
Current Liabilities			
Accounts payable	246,725	208,735	(37,990)
Other current liabilities	-	-	-
Payroll liabilities	8,073	6,095	(1,979)
Total current liabilities	254,798	214,829	(39,968)
Noncurrent Liabilities			
Accrued sick and vacation liability	289,435	279,190	(10,245)
Borrowers' deposit	214,913	218,373	3,461
OPEB liability	3,745,828	3,762,495	16,667
Net pension liability	788,233	804,900	16,667
Total noncurrent liabilities	5,038,408	5,064,957	26,549
Total liabilities	5,293,206	5,279,787	(13,419)
Deferred Inflows of Resources			
Deferred Inflows of Resources	1,738,733	1,738,733	-
Total liabilities and Deferred inflows of resources	7,031,939	7,018,520	(13,419)
Net Position			
Invested in capital assets	15,788,357	15,657,940	(130,418)
Unrestricted	16,455,537	15,906,952	(548,585)
Total net position	32,243,894	31,564,892	(679,003)
Total liabilities and Deferred inflows of resources and net position	39,275,833	38,583,411	(692,422)

Los Angeles County Law Library

Statement of Cash Flows

As of August 31, 2022

(Provisional and subject to year-end audit adjustments)

	8/31/2022	YTD
Cash flows from operating activities		
L.A. Superior court fees	559,688	1,142,245
Parking fees	5,961	50,425
Library services	27,081	53,188
(Increase) decrease in accounts receivable	77,038	101,270
(Increase) decrease in other receivable	18,508	(31,061)
Increase (decrease) in borrowers' deposit	737	3,461
Cash received from filing fees and services	689,012	1,319,529
Facilities	(82,207)	(158,890)
Technology	(11,795)	(26,450)
General	(106,126)	(111,811)
Professional development	(1,315)	(9,957)
Communications & marketing	(452)	(530)
Travel & entertainment	-	(24)
Professional services	(2,800)	(5,003)
Electronic Resource Subscriptions (ERS)	(59,774)	(80,585)
(Increase) decrease in prepaid expenses	43,143	(279,877)
Increase (decrease) in accounts payable	54,437	(37,990)
Increase (decrease) in other liabilities	-	-
Cash payments to suppliers for goods and services	(166,889)	(711,117)
Staff (payroll + benefits)	(360,934)	(1,160,554)
Increase (decrease) in payroll liabilities	(13,534)	(1,979)
Increase (decrease) in accrued sick and vacation liability	-	(10,245)
Increase (decrease) in OPEB liability	8,333	16,667
Increase (decrease) in net pension liability	8,333	16,667
Cash payments to employees for services	(357,802)	(1,139,445)
Contributions received	-	-
Net cash from operating activities	164,321	(531,033)
Cash flow from capital and related financing activities		
Library materials	(135,118)	(271,131)
Fixed assets	-	-
Capital - Work in Progress (WIP)	-	-
Cash flows from investing activities		
Investment	-	-
Investment earnings	14,526	26,674
Net cash increase (decrease) in cash and cash equivalents	43,729	(775,490)
Cash and cash equivalents, at beginning of period	13,633,529	13,633,529
Cash and cash equivalents, at end of period	13,677,258	12,858,039
Reconciliation of Operating Income to Net Cash from Operating Activities		
Operating income	(233,548)	(709,494)
Adjustments for noncash effects:		
Depreciation	200,873	401,549
Extraordinary expense: book write-off		
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	77,038	101,270
(Increase) decrease in other receivable	18,508	(31,061)
(Increase) decrease in prepaid expenses	43,143	(279,877)
Increase (decrease) in accounts payable	54,437	(37,990)
Increase (decrease) in other liabilities	-	-
Increase (decrease) in payroll liabilities	(13,534)	(1,979)
Increase (decrease) in accrued sick and vacation liability	-	(10,245)
Increase (decrease) in borrowers' deposit	737	3,461
Increase (decrease) in OPEB liability	8,333	16,667
Increase (decrease) in net pension liability	8,333	16,667
Net cash from operating activities	164,321	(531,033)

LOS ANGELES COUNTY LAW LIBRARY
September 1, 2022 - September 30, 2022 (WARRANTS)
Account No.: 102000

DATE	PAYEE	FOR	AMOUNT	CHECK NO.
September 2	COUNCIL OF CALIFORNIA COUNTY	MISC	100,000.00	TS00320462
September 8	LAIC C/O ELDER LAW CENTER	OTHER	15,000.00	TS00320615
	FASTCASE INC	BOOKS	13,470.00	TS00320615
	ROMERO MAINTENANCE LLC	JANITORIAL SVCS	10,749.14	TS00320615
September 23	THE PUN GROUP LLP	PREPAID EXP	15,000.00	TS00321168

154,219.14

LOS ANGELES COUNTY LAW LIBRARY
 September 1, 2022 - September 30, 2022 (CHECKS)
 Account No.: 103000

DATE	PAYEE	FOR	AMOUNT	CHECK NO.
September 12	SEIU LOCAL 721	UNION DUES	3,016.85	001706
	SEIU LOCAL 721	UNION SUPPL	64.56	001707

3,081.41

LOS ANGELES COUNTY LAW LIBRARY
September 1, 2022 - September 30, 2022 (CHECKS)
Account No.: 108000

DATE	PAYEE	FOR	AMOUNT	CHECK NO.
September 2	LEXISNEXIS CANADA INC	BOOKS	432.04	032525
	MARTIN DE JESUS SANCHEZ ESPINOSA	BOOKS	2,100.00	032526
	AFLAC REMITTANCE	CAFE PLAN-INSURA	614.62	032527
	SYNCB AMAZON	SUPPLIES-OFFICE	643.49	032528
	BANDWIDTH INC	TELECOM	759.91	032529
	GUARDIAN	PREPAID EXP	7,466.04	032530
	CHARTER COMMUNICATIONS	TELECOM	47.50	032531
	WOODS MAINTENANCE SERVICES, INC	JANITORIAL SVCS	875.00	032532
	FRANCISCO JAVIER NOYOLA	REFUND	140.00	032533
	SHAWN JIMMY SAMUEL	REFUND	70.00	032534
	SCOTT B SEYMANN	REFUND	140.00	032535
	ERIKA WILLIAMS	REFUND	189.15	032536
September 9	SYNCB AMAZON	BOOKS	166.58	032537
	SUSANNE BACH COMERCIO	BOOKS	162.67	032538
	GAUNT	BOOKS	246.12	032539
	WILLIAM S HEIN & CO	BOOKS	397.25	032540
September 16	SYNCB AMAZON	BOOKS	239.61	032541
	OTTO HARRASSOWITZ	BOOKS	2,842.25	032542
	CALIFORNIA DEPARTMENT OF TAX	USE TAX	501.00	032543
	COUNTY OF LOS ANGELES	BANK CHARGES	48.13	032544
	DIGITAL INSURANCE LLC	CONSULTING	2,100.00	032545
	LANGUAGE PEOPLE INC	OTHER	102.50	032546
	LIFTECH ELEVATOR SERVICES INC	ELEVATOR MAINT	1,014.00	032547
	METROLINK	TMP	623.00	032548
	TOTAL COMPENSATION SYSTEMS, INC	PREPAID EXP	922.50	032549
	CHARTER COMMUNICATIONS	TELECOM	47.50	032550
	WOODS MAINTENANCE SERVICES, INC	JANITORIAL SVCS	700.00	032551
	KELLY SERVICES, INC	TEMP EMPLOYMENT	7,174.56	032552
September 26	E. ITURRIAGA Y CIA S.A.C	BOOKS	195.00	032553
	KINOKUNIYA BOOK STORES OF AMERICA	BOOKS	792.05	032554
	MARY MARTIN BOOKSELLERS	BOOKS	1,190.00	032555
	SYNCB AMAZON	BOOKS	540.46	032556
	COLANTUONO, HIGHSMITH	LEGAL	5,934.57	032557
	GUARDIAN	PREPAID EXP	7,814.84	032558
	WOODS MAINTENANCE SERVICES, INC	JANITORIAL SVCS	175.00	032559
	September 30	ALABAMA BAR ICLE UNIV OF ALABAMA	BOOKS	94.00
SYNCB AMAZON		BOOKS	318.76	032561
OTTO HARRASSOWITZ		BOOKS	1,256.49	032562
KINOKUNIYA BOOK STORES OF AMERICA		BOOKS	70.38	032563
AFLAC REMITTANCE		CAFE PLAN-INSURA	518.10	032564

LOS ANGELES COUNTY LAW LIBRARY
 September 1, 2022 - September 30, 2022 (CHECKS)
 Account No.: 108000

DATE	PAYEE	FOR	AMOUNT	CHECK NO.
	AT&T	TELECOM	568.30	032565
	COUNTY OF LOS ANGELES	HEATING/COOLING	6,740.95	032566
	KELLY SERVICES, INC	TEMP EMPLOYMENT	1,256.32	032567
	WOODS MAINTENANCE SERVICES, INC	JANITORIAL SVCS	350.00	032568

58,580.64

LOS ANGELES COUNTY LAW LIBRARY
September 1, 2022 - September 30, 2022 (CHECKS)
Account No.: 102001

DATE	PAYEE	FOR	AMOUNT	CHECK NO.
September 1	CHERRY PICK CAFE	FRIENDS	84.00	V007180
September 2	AMERICAN IMMIGRATION LAWYERS ASSOCI	BOOKS	887.00	V007132
	WOLTERS KLUWER LAW & BUSINESS	BOOKS	94.66	V007133
	CONTINUING EDUCATION OF THE	BOOKS	1,275.76	V007134
	COPWARE INC	BOOKS	115.00	V007135
	PROQUEST LLC COUTTS INFORMATION SER	BOOKS	744.02	V007136
	JAMES PUBLISHING INC	BOOKS	196.01	V007137
	LAWPRESS CORPORATION	BOOKS	535.01	V007138
	MUNICIPAL CODE CORPORATION	BOOKS	3,225.60	V007139
	PRACTISING LAW INSTITUTE	BOOKS	286.13	V007140
	THOMSON REUTERS	BOOKS	298.94	V007141
	ABD OFFICE SOLUTIONS	COPY CENTER	126.41	V007148
	GOOD GUARD SECURITY, INC	SECURITY	8,004.00	V007149
	GTT COMMUNICATIONS	TELECOM	665.80	V007150
	KONICA MINOLTA BUSINESS	COPY CENTER	574.79	V007151
	ODP OFFICE SOLUTIONS, LLC	SUPPLIES-OFFICE	152.50	V007152
	PAN AMERICAN PEST CONTROL CO	BLDG SVCS	374.00	V007153
	PRESTIGE OFFICE SOLUTIONS, INC	COPY CENTER	14.22	V007154
	PURE PROCESS FILTRATION INC.	BLDG SVCS	961.38	V007155
	STATE COMPENSATION	WORKERS COMP	2,015.58	V007156
	UPS	DELIVERY & POSTAG	26.81	V007157
	LA DEPT OF WATER & POWER	ELECTRIC/FIRE	12,017.24	V007159
	LEMONADE RESTURANT GROUP	FRIENDS	228.00	V007181
September 5	GURU PRINTERS	SPECIAL EVENTS EX	444.03	V007217
September 8	STAMPS COM	DELIVERY & POSTAG	300.00	V007182
	SOUTHWEST AIRLINES	PREPAID EXP	137.97	V007183
September 9	AMERICAN BAR ASSOCIATION	BOOKS	1,053.82	V007160
	CONTINUING EDUCATION OF THE	BOOKS	822.42	V007161
	INTERNATIONAL MUNICIPAL LAWYERS ASS	BOOKS	150.00	V007162
	INFORMATION TODAY INC	BOOKS	99.95	V007163
	JURIS PUBLISHING INC	BOOKS	53.49	V007164
	LAW JOURNAL PRESS	BOOKS	790.06	V007165
	LEXISNEXIS ONLINE SERVICES	BOOKS	16,803.62	V007166
	THOMSON REUTERS TAX & ACCOUNTING	BOOKS	381.06	V007167
	UNITED NATIONS PUBLICATIONS	BOOKS	106.16	V007168
	WEST ACADEMIC	BOOKS	231.05	V007169
	THOMSON REUTERS	BOOKS	85,825.34	V007170
	GOBI LIBRARY SOLUTIONS	BOOKS	327.75	V007171
September 12	STAMPS COM	DELIVERY & POSTAG	24.99	V007184

LOS ANGELES COUNTY LAW LIBRARY
September 1, 2022 - September 30, 2022 (CHECKS)
Account No.: 102001

DATE	PAYEE	FOR	AMOUNT	CHECK NO.
September 16	CAL OSHA REPORTER	BOOKS	497.00	V007172
	CONTINUING EDUCATION OF THE	BOOKS	1,250.57	V007173
	PROQUEST LLC COUTTS INFORMATION SER	BOOKS	1,177.16	V007174
	PRACTISING LAW INSTITUTE	BOOKS	563.87	V007175
	UNITED NATIONS PUBLICATIONS	BOOKS	95.08	V007176
	WILLIAM S HEIN & CO	BOOKS	385.08	V007177
	ABD OFFICE SOLUTIONS	COPY CENTER	262.40	V007185
	GOOD GUARD SECURITY, INC	SECURITY	8,390.50	V007186
	ISOLVED BENEFIT SERVICES	PAYROLL/HR BENEFI	78.75	V007187
	NASA SERVICES	BLDG SVCS	569.19	V007188
	ODP OFFICE SOLUTIONS, LLC	SUPPLIES-OFFICE	1,974.21	V007189
	PRESTIGE OFFICE SOLUTIONS, INC	COPY CENTER	430.30	V007190
	THE HOME DEPOT PRO	CLEANING SUPPLIES	179.23	V007191
	CHERRY PICK CAFE	MISCELLANEOUS	284.88	V007198
September 19	CHERRY PICK CAFE	SPECIAL EVENTS	112.10	V007199
September 20	OFFICESUPPLY.COM	SUPPLIES LIBRARY	69.20	V007212
September 23	STAMPS.COM	DELIVERY & POSTAG	300.00	V007200
	GOOGLE	SERVICES	1.99	V007218
September 26	AMERICAN LAWYER MEDIA	BOOKS	660.00	V007192
	CONTINUING EDUCATION OF THE	BOOKS	1,204.58	V007193
	PRACTISING LAW INSTITUTE	BOOKS	453.56	V007194
	CITY OF THOUSAND OAKS	BOOKS	48.78	V007195
	THOMSON REUTERS TAX & ACCOUNTING	BOOKS	987.71	V007196
	GOBI LIBRARY SOLUTIONS	BOOKS	113.19	V007197
	DEMCO	SUPPLIES LIBRARY	1,987.60	V007201
	GOOD GUARD SECURITY, INC	SECURITY	7,217.58	V007202
	GRAINGER	EQUIPMENT (<3K)	256.39	V007203
	PURE PROCESS FILTRATION INC.	BLDG SVCS	961.38	V007204
September 28	LEXISNEXIS MATTHEW BENDER	BOOKS	33,209.88	V007213
September 30	CONTINUING EDUCATION OF THE	BOOKS	2,319.88	V007205
	DAILY JOURNAL CORPORATION	BOOKS	283.50	V007206
	IMPRIMATUR PRESS	BOOKS	138.50	V007207
	LRP PUBLICATIONS	BOOKS	633.40	V007208
	PRACTISING LAW INSTITUTE	BOOKS	1,339.57	V007209
	THOMSON REUTERS TAX & ACCOUNTING	BOOKS	968.10	V007210
	GOBI LIBRARY SOLUTIONS	BOOKS	969.86	V007211
	KONICA MINOLTA BUSINESS	COPY CENTER	1,063.59	V007214
	UPS	SUSPENSE	22.89	V007215

LOS ANGELES COUNTY LAW LIBRARY
September 1, 2022 - September 30, 2022 (CHECKS)
Account No.: 102001

DATE	PAYEE	FOR	AMOUNT	CHECK NO.
	AMERICAN ASSOCIATION OF LAW LIBRARI SOUTHERN CALIF ASSOC OF LAW LIBRARY	MEMEBERSHIP MEMEBERSHIP	321.00 40.00	V007219 V007220

212,276.82

LA Law Library
Fiscal Year Quarterly Statistics

		FY20 1st Quarter	FY21 1st Quarter	FY22 1st Quarter	FY23 1st Quarter	FY23 1st Quarter Notes
Reference and Research						
	<i>Reference and Research responds to user requests for Library materials in-person, mail and electronic</i>					
	Desk Inquiries	6,087	0	2,413	6,186	
	Tuesday 6pm to 8pm - All Queries	97	0	0	0	NA
	Phone	1,630	2,752	3,132	3,326	
	Email/ Live Chat	255	2,091	1,879	741	
	By Mail	70	51	56	49	
	Global Law Inquires	10	0	0	27	
	Global Law Web Inquires	0	0	0	0	
	e-Branch Chat	26	0	0	0	Not applicable due to computer maintenance
	e-Branch Email	3	0	0	0	Not applicable due to computer maintenance
	Totals	8,178	4,894	7,480	10,329	
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 materials needed from closed stacks as well as</i>					
	Desk Inquiries	4,103	0	2,125	3,637	
	Phone Inquiries	1,714	604	1,202	1,326	Includes Emails
	Totals	5,817	604	3,327	4,963	
	Books Circulated	1,991	356	893	3,205	Includes E-Books
	Library Card Sign-ups	507	0	203	327	
	Members Program - Active Members	311	224	222	230	
	Public Terminal Logins	7,057	0	1,675	3,081	
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 computers as well as from the microfiche reader-</i>					
	Phone Inquiries	281	167	337	262	
	In-Person	5,059	0	475	555	
	Email (Includes Members Program)	878	980	978	906	
	Totals	6,218	1,147	1790	1723	

LA Law Library
Fiscal Year Quarterly Statistics

		FY20 1st Quarter	FY21 1st Quarter	FY22 1st Quarter	FY23 1st Quarter	FY23 1st Quarter Notes
	Pages Delivered	6,726	9,862	8,698	7,743	
	Copies Made (Main Library)	105,615	0	54,679	51,281	
Collection Management Services						
	<i>Collection Management handles all new acquisitions, continuation and updates, as well as any volumes that are withdrawn from the collection.</i>					
	New Titles Added	247	146	108	126	
	Print Volumes Added	1576	1,377	1,963	2,700	
	New Serials	13	7	7	17	
	Non-Print Media Added	890	372	2,462	887	
	Records Cataloged/Updated	395	1,245	701	514	
	Print & Non-Print Withdrawn	423	401	403	319	
Brief Scanning Project						
	Briefs Logged (Google)	19,820	5,535	0	0	Google Operations Ceased as of March 29, 2021; Scheduled to resume in 2023.
Website Statistics						
	Visitors	30,790	22,569	23,918	29,838	
	Visits (previously counted as "Pages Viewed")	95,230	65,338	71,688	86,134	
	Average Daily Visits	349	284	283	302	
	Average Duration	5:14	3:01	2:53	3:06	
	Visitors: US	96.80%	95.27%	92.87%	91.21%	
	Visitors: International / Unspecified	3.20%	4.79%	7.13%	8.79%	
Training and Events (Includes Online,Prerecorded/Live via ZOOM)						
	Public Classes Held Online					
	Internal speaker	0	11	20	43	
	Guest speaker	0	31	107	116	
	MCLE Classes Held Online					
	Internal speaker	0	0	0	0	
	Guest speaker	0	1	19	35	
	Clinics/ Workshops Held Online	0	3	3	1	LITL continuously offered telephonically
	Public Classes Held at Main & Branches					
	Internal speaker	49	0	0	4	
	Guest speaker	28	0	0	9	
	MCLE Classes Held					
	Internal speaker	1	0	0	0	
	Guest speaker	3	0	0	0	
	Clinics/ Workshops Held	60	0	0	4	
	Totals	141	46	149	212	

LA Law Library
Fiscal Year Quarterly Statistics

		FY20 1st Quarter	FY21 1st Quarter	FY22 1st Quarter	FY23 1st Quarter	FY23 1st Quarter Notes
	Class Attendance in Person Total (Estimated)	2,077	0	0	415	Includes LITL
	Live Class Attendance: Online/Remote	N/A	880	649	429	Includes LITL
	Live Class Registration: Online/Remote	0	786	1,422	1,275	Includes LITL
	Number of plays of prerecorded Classes	0	1,017	110	1,096	
	Class Attendance Branches (Estimated)	357	0	0	0	Not applicable due to library closure
Visits to Main Branch						
	Number of Patron Visits (front door)	25,488	0	26,515	13,602	

AGENDA ITEM 4

DISCUSSION ITEMS

- 4.1 Review and Acceptance of Draft Financial Statement Audit Report and AU-C260 Letter for Fiscal Year Ended June 30, 2022
- 4.2 Update and Discussion Regarding Surveillance Systems at the Law Library
- 4.3 Staff Presentation Re: Implementation and Usage of E-Book Platform
- 4.4 Staff Presentation Re: Status of Platinum Program

MEMORANDUM

DATE: October 26, 2022

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, 2022

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, 2022.

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, 2022 and issued an unmodified opinion. No material weaknesses were identified. The proposed draft audited financial statement report can be found at website link provided below and the AU-C260 letter is attached.

Draft audited financial statement report website link:

https://www.lalawlibrary.org/pdfs/2022_Los%20Angeles%20County%20Law%20Library_FINAL%20DRAFT_10182022_SC.pdf

Operating revenue was nearly 1.5% higher than prior fiscal year primarily due to an increase in parking fee revenue. Additionally, the State’s \$3.1M one-time backfill funding boosted revenue by 30% bringing our total overall revenue 22% higher than prior fiscal year. Operating expense was nearly 30% lower than prior fiscal year primarily due to nearly \$1.7M pension credit resulting from the GASB68 valuation calculations. Overall, this resulted in a positive change in net position of \$4.2M for fiscal year 2022.

In terms of cash position, the Library from the end of fiscal year 2021 to the end of fiscal year 2022 the Law Library increased its cash position by approximately \$3.6M. This increase is primarily due to lower payroll as a result of unplanned vacancies, deferral of capital expenditures, and the State’s one-time funding backfill. 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 2022 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, 2022 (with Comparative Totals for 2021)
2. Draft AU-C260 Letter



Los Angeles County Law Library

Los Angeles, California

DRAFT 10.18.2022

Financial Statements and Independent Auditors' Report

For the Years Ended June 30, 2022 and 2021



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Los Angeles County Law Library

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of the Los Angeles County Law Library (the "Law Library"), as of and for the years ended June 30, 2022 and 2021 and the related notes to the financial statements, which collectively comprise the Law Library's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Law Library, as of June 30, 2022 and 2021, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibility for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, 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 5 through 11 and 44 through 51 be presented to supplement the basic financial statements. Such information is the responsibility of management, and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Board of Trustees
of the Los Angeles County Law Library
Los Angeles, California
Page 3

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2022 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
October 18, 2022

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**Los Angeles County Law Library
Management's Discussion and Analysis
For the Years Ended June 30, 2022 and 2021**

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, 2022 and 2021. 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, 2022 and 2021 for the Law Library were \$10,731,356 and \$8,749,605, respectively. Of the total revenue amounts, \$6,503,138 and \$6,659,012 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, 2022 and 2021 totaled \$6,456,252 and \$8,804,413, respectively.

Depreciable capital assets aggregating \$1,868,010 and \$1,957,584 were acquired during the fiscal years 2022 and 2021, respectively.

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

HIGHLIGHTS OF FISCAL YEAR 2022 and 2021

State of California – Access to Justice Package

As part of its Access to Justice package, the State of California included \$16.5 million General Fund in each of 2021-22 and 2022-23 for County Law Libraries to backfill previous years lost revenue and most recently resulting from the COVID-19 pandemic. For fiscal year 2021-22, the Library's share was \$3.1M.

Board of Trustees Composition

The composition of the LA Law Library's Board of Trustees has not changed during the fiscal year. Hon. Mark A. Juhas continued as President and Hon. Michelle W. Court continued as Vice President. Kenneth Klein, Esq., Hon. Dennis Landin, Susan Steinhauser, Esq., Hon. Yolanda Orozco, and Hon. Michael L. Stern, continued as members.

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 2021-22, this marks the final year of the current audit service agreement.

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 2021-22, the Law Library generated \$33K in rewards -- \$295K since inception.

**Los Angeles County Law Library
Management's Discussion and Analysis (Continued)
For the Years Ended June 30, 2022 and 2021**

HIGHLIGHTS OF FISCAL YEAR 2022 and 2021 (Continued)

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 2021-22, the fund balance was \$2.2M, a \$300K decline from last fiscal year primarily due to the market volatility caused by foreign and domestic events.

GASB 68 – Accounting and Financial Reporting for Pensions

GASB 68 requires the reporting of net pension liability or assets in accrual-based financial statements for the Library's Classic and PEPR plan participants. It may also result in a corresponding pension expense or credit depending on factors such as service and interest cost, changes in benefit terms, employee contributions and projected earnings on plan investment. For fiscal year 2021-22 and 2020-21, the Law Library recognized an actuarially determined non-cash pension expense (credit) in the amount of \$(1.7)M and \$1M, respectively. The pension credit this fiscal year, as compared to last fiscal year, is due to a decrease of the Library's proportionate share of the net pension liability resulting from strong 21.3% investment earnings for CalPERS for the FY2020-21 period.

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 2021-22 and 2020-21, the Law Library recognized an actuarially determined non-cash OPEB expense in the amount of \$440,793 and \$264,830, 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 2021-22 and 2020-21, the Friends made a generous contribution of \$145,000 and \$145,000, 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, 2022 and 2021

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 15.

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 16.

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 17.

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 21 through 42 of this report.

**Los Angeles County Law Library
Management's Discussion and Analysis (Continued)
For the Years Ended June 30, 2022 and 2021**

FINANCIAL ANALYSIS

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

	2022	2021	2020
Assets			
Current and other assets	\$ 21,177,893	\$ 18,494,288	\$ 17,550,442
Capital assets (net)	15,788,357	16,319,223	16,857,285
Total assets	<u>36,966,250</u>	<u>34,813,511</u>	<u>34,407,727</u>
Deferred Outflows of Resources	<u>2,309,920</u>	<u>2,410,452</u>	<u>1,559,140</u>
Liabilities:			
Current liabilities	268,742	194,735	285,748
Other liabilities	5,009,465	7,626,636	6,457,452
Total liabilities	<u>5,278,207</u>	<u>7,821,371</u>	<u>6,743,200</u>
Deferred Inflows of Resources	<u>1,738,733</u>	<u>1,418,426</u>	<u>1,184,693</u>
NET POSITION			
Investment in capital assets	15,788,357	16,319,223	16,857,285
Unrestricted	16,470,873	11,664,943	11,181,689
Total net position	<u>\$ 32,259,230</u>	<u>\$ 27,984,166</u>	<u>\$ 28,038,974</u>

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 2022 from \$11,664,943 to \$16,470,873 and in 2021 from \$11,181,689 to \$11,664,943. 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, 2022 and 2021**

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

	2022	2021	2020
OPERATING REVENUES			
Court fees	\$ 6,503,138	\$ 6,659,012	\$ 7,394,973
Other operating revenues	899,139	631,022	936,830
Total operating revenues	7,402,277	7,290,034	8,331,803
NONOPERATING REVENUES			
Investment income	8,749	60,397	390,567
Contributions	145,000	145,000	145,000
State Grant	3,175,330	1,254,174	-
Total nonoperating revenues	3,329,079	1,459,571	535,567
Total revenues	10,731,356	8,749,605	8,867,370
OPERATING EXPENSES			
Salaries and benefits	2,039,850	4,551,849	4,681,212
Depreciation and amortization	2,448,860	2,502,332	2,588,465
Other operating expenses	1,967,582	1,750,232	1,761,956
Total expenses	6,456,292	8,804,413	9,031,633
Change in net position	\$ 4,275,064	\$ (54,808)	\$ (164,263)

**Los Angeles County Law Library
Management's Discussion and Analysis (Continued)
For the Years Ended June 30, 2022 and 2021**

BUDGETARY HIGHLIGHTS

The comparison of the Fiscal Year 2022 actual results of operations against budget and the explanations of significant variances is presented below:

	Actual	Budget	Variance
OPERATING REVENUES			
Court fees	\$ 6,503,138	\$ 6,729,920	\$ (226,782)
Other operating revenues	899,139	852,297	46,842
Total operating revenues	<u>7,402,277</u>	<u>7,582,217</u>	<u>(179,940)</u>
NONOPERATING REVENUES			
Investment income	8,749	37,952	(29,203)
Contribution	145,000	145,000	-
State Grant	3,175,330	3,175,330	-
Total nonoperating revenues	<u>3,329,079</u>	<u>3,358,282</u>	<u>(29,203)</u>
Total revenues	<u>10,731,356</u>	<u>10,940,499</u>	<u>(209,143)</u>
OPERATING EXPENSES			
Salaries and benefits	2,039,850	4,705,504	2,665,654
Depreciation and amortization	2,448,860	2,411,014	(37,846)
Other operating expenses	1,967,582	1,997,145	29,563
Total expenses	<u>6,456,292</u>	<u>9,113,663</u>	<u>2,657,371</u>
Change in net position	<u>\$ 4,275,064</u>	<u>\$ 1,826,836</u>	<u>\$ 2,448,228</u>
Net Position, Beginning of year	<u>27,984,166</u>	<u>28,038,974</u>	
Net Position, End of year	<u>\$ 32,259,230</u>	<u>\$ 29,865,810</u>	

The actual change in net position differed from budget by \$2,448,228.

The unfavorable variance in operating revenues was due primarily to lower than expected court fees. The favorable variance in operating expenses was primarily due to a decrease in the Library's non-cash pension expense resulting from GASB 68 year-end entries. 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, 2022 and 2021**

CAPITAL ASSETS

The Law Library had \$15,788,357 and \$16,319,223 invested in capital assets as of June 30, 2022 and 2021, 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 28 of this report.

	Balance June 30, 2022	Balance June 30, 2021
Capital assets, not being depreciated:	\$ 664,178	\$ 909,725
Capital assets, being depreciated/amortized:	74,275,124	72,111,583
Accumulated depreciation/amortization	(59,150,945)	(56,702,085)
Capital assets, being depreciated/amortized, net	15,124,179	15,409,498
Total capital assets, net	\$ 15,788,357	\$ 16,319,223

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, 2022 and 2021

ASSETS	Business-Type Activities	
	2022	2021
Current assets:		
Cash and cash equivalents	\$ 16,925,107	\$ 13,289,374
Cash held for deposits	318,470	318,470
Investments	2,326,479	3,181,859
Accounts receivable	1,346,804	1,451,794
Prepaid items	261,033	252,791
Total current assets	21,177,893	18,494,288
Noncurrent assets:		
Nondepreciable capital assets	664,178	909,725
Depreciable capital assets, net	15,124,179	15,409,498
Total noncurrent assets	15,788,357	16,319,223
Total assets	36,966,250	34,813,511
DEFERRED OUTFLOWS OF RESOURCES		
Pensions related deferred outflows of resources	1,284,673	1,453,026
Other postemployment benefits related deferred outflows of resources	1,025,247	957,426
Total deferred outflows of resources	2,309,920	2,410,452
LIABILITIES		
Current liabilities:		
Accounts payable	231,725	164,793
Other current liabilities	8,073	-
Compensated absences, due in one year	28,944	29,942
Total current liabilities	268,742	194,735
Noncurrent liabilities:		
Compensated absences, due in more than one year	260,491	269,476
Borrowers' deposits	214,913	229,794
Net other postemployment benefits liability	3,745,828	3,239,511
Net pension liability	788,233	3,887,855
Total noncurrent liabilities	5,009,465	7,626,636
Total liabilities	5,278,207	7,821,371
DEFERRED INFLOWS OF RESOURCES		
Pensions related deferred inflows of resources	1,357,431	725,455
Other postemployment benefits related deferred inflows of resources	381,302	692,971
Total deferred inflows of resources	1,738,733	1,418,426
NET POSITION		
Investment in capital assets	15,788,357	16,319,223
Unrestricted	16,470,873	11,664,943
Total net position	\$ 32,259,230	\$ 27,984,166

Los Angeles County Law Library
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2022 and 2021

	Business-Type Activities	
	2022	2021
OPERATING REVENUES		
Court fees	\$ 6,503,138	\$ 6,659,012
Parking fees	555,429	284,242
Annual fees	194,508	111,799
Copy center and document delivery	25,736	5,708
Other operating revenues	123,466	229,273
Total operating revenues	7,402,277	7,290,034
OPERATING EXPENSES		
Salaries and benefits	2,039,850	4,551,849
Depreciation and amortization	2,448,860	2,502,332
Services and supplies	1,389,307	1,241,310
Insurance	290,255	246,359
Utilities	166,889	238,262
Other operating expenses	121,131	24,301
Total operating expenses	6,456,292	8,804,413
Operating income (loss)	945,985	(1,514,379)
NONOPERATING REVENUES		
Investment income	8,749	60,397
Contributions	145,000	145,000
State Grant	3,175,330	1,254,174
Total nonoperating revenues	3,329,079	1,459,571
Change in net position	4,275,064	(54,808)
Net Position, Beginning of year	27,984,166	28,038,974
Net Position, End of year	\$ 32,259,230	\$ 27,984,166

Los Angeles County Law Library
Statements of Cash Flows
For the Years Ended June 30, 2022 and 2021

	Business-Type Activities	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from court fees and services	\$ 7,492,386	\$ 7,030,380
Cash payments to suppliers for goods and services	(1,908,892)	(1,800,269)
Cash payments to employees for services	(4,214,226)	(3,955,954)
Net cash provided by operating activities	1,369,268	1,274,157
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(1,917,994)	(1,964,270)
Net cash used in capital and related financing activities	(1,917,994)	(1,964,270)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State grant	3,175,330	1,254,174
Contributions received	145,000	145,000
Net cash provided by noncapital and related financing activities	3,320,330	1,399,174
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment to acquire Treasury securities	-	(399,309)
Receipt from matured Treasury securities	790,000	565,000
Investment earnings	74,129	59,378
Net cash provided by investing activities	864,129	225,069
Net increase in cash and cash equivalents	3,635,733	934,130
Cash and cash equivalents, beginning of year	13,607,844	12,673,714
Cash and cash equivalents, end of year	\$ 17,243,577	\$ 13,607,844
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ 945,985	\$ (1,514,379)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	2,448,860	2,502,332
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	104,990	(209,173)
(Increase) decrease in prepaid items	(8,242)	34,785
(Increase) decrease in deferred outflows of resources	100,532	(851,312)
Increase (decrease) in accounts payable	66,932	(84,822)
Increase (decrease) in other current liabilities	8,073	(6,605)
Increase (decrease) in compensated absences	(9,983)	4,136
Increase (decrease) in borrowers' deposits	(14,881)	(50,481)
Increase (decrease) in other postemployment benefits liability	506,317	658,841
Increase (decrease) in net pension liability	(3,099,622)	557,102
Increase (decrease) in deferred inflows of resources	320,307	233,733
Net cash provided by operating activities	\$ 1,369,268	\$ 1,274,157
NON CASH ITEM FROM INVESTING ACTIVITIES		
Unrealized gain (loss) on investment	\$ 65,380	\$ 1,020

See accompanying Notes to the Basic Financial Statements.

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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, 2022 and 2021

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 business-type activities 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, 2022 and 2021

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, 2022, and 2021, cash and cash equivalents consist of:

	2022	2021
Cash and cash equivalents	\$ 16,925,107	\$ 13,289,374
Cash held for deposits	318,470	318,470
Total Cash and cash equivalents	\$ 17,243,577	\$ 13,607,844

Cash held for deposits 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, and parking fees. 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, 2022 and 2021

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, 2022	June 30, 2021
Valuation Date	June 30, 2020	June 30, 2019
Measurement Date	June 30, 2021	June 30, 2020
Measurement Period	July 1, 2020 to June 30, 2021	July 1, 2019 to June 30, 2020

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, 2022 and 2021

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, 2022	June 30, 2021
Valuation Date	June 30, 2021	June 30, 2021
Measurement Date	June 30, 2022	June 30, 2021
Measurement Period	July 1, 2021 to June 30, 2022	July 1, 2020 to June 30, 2021

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.

When expenses are incurred for purposes for which restricted and unrestricted components of net position are available, the Library’s policy is to apply the restricted component of net position first, then the unrestricted component of net position as needed.

Los Angeles County Law Library
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

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.

Note 3 – Cash, Cash Equivalents, and Investments

As of June 30, 2022 and 2021, cash, cash equivalents, and investments consisted of:

	2022	2021
<u>Cash and cash equivalents:</u>		
Local Agency Investment Fund	\$ 380,065	\$ 379,007
Pool cash with the Los Angeles County Treasurer	12,899,130	9,774,389
Cash on hand and in bank	3,645,912	3,135,979
Deposits held with Los Angeles County Treasurer	318,470	318,470
Total Cash and cash equivalents	<u>\$ 17,243,577</u>	<u>\$ 13,607,844</u>
<u>Investments:</u>		
U.S. Treasury securities	<u>\$ 2,326,479</u>	<u>\$ 3,181,859</u>
Total investments	<u>\$ 2,326,479</u>	<u>\$ 3,181,859</u>
Total cash and investments	<u>\$ 19,570,056</u>	<u>\$ 16,789,703</u>

The Law Library is a voluntary participant in the Local Agency Investment Fund (“LAIF”), an investment pool regulated by the California State Treasury through which each city, district or agency may invest up to \$40 million. As of June 30, 2022 and 2021, the total market value of LAIF, including accrued interest was approximately \$35 billion and \$37 billion, respectively. The Law Library’s proportionate share of that value as of June 30, 2022 and 2021 were \$380,065 and \$379,007, 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.

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 \$13,217,600 and \$10,092,859 as of June 30, 2022 and 2021, respectively. Of these amounts, \$318,470 represents cash held for deposits relating to deposits received from members for their library privileges as of June 30, 2022 and 2021.

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.

Los Angeles County Law Library
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

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

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:

June 30, 2022

Investment Type	Total	Remaining Maturity (in Months)		
		12 Months or Less	13 to 24 Months	25 to 60 Months
U.S. Treasury securities	\$ 2,326,479	\$ 794,586	\$ 775,094	\$ 756,799

June 30, 2021

Investment Type	Total	Remaining Maturity (in Months)		
		12 Months or Less	13 to 24 Months	25 to 60 Months
U.S. Treasury securities	\$ 3,181,859	\$ 789,897	\$ 798,128	\$ 1,593,834

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, 2022	June 30, 2021
U.S. Treasury securities	N/A	\$ 2,326,479	\$ 3,181,859

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, 2022 and 2021, the Law Library was not exposed to concentration of credit risk.

Los Angeles County Law Library
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

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

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, 2022 and 2021, the Law Library was not exposed to custodial credit risk.

Note 4 – Fair Value Measurements

As of June 30, 2022 and 2021, investments are reported at fair value. The law Library's investment in US Treasury Securities' fair value measurements on a recurring basis and the levels input with GASB 72 fair value hierarchy as of June 30, 2022 and 2021 were both level 2 (significant other observable input). The valuation is based on Institutional Bond Quotes on various market and industry inputs.

The Law Library's investments in LAIF and LA County Pool as of June 30, 2022 and 2021 are reported at the Library's pro-rata share of the amortized cost provided by LAIF and Los Angeles County Treasury Pool for the entire portfolio. This amount approximates fair value.

Los Angeles County Law Library
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 5 – Capital Assets

Summary of changes in capital assets for the years ended June 30, 2022 and 2021 is as following:

	Balance July 1, 2021	Additions	Reclassification	Balance June 30, 2022
Capital assets, not being depreciated:				
Land	\$ 580,333	\$ -	\$ -	\$ 580,333
Construction in progress	329,392	49,984	(295,531)	83,845
Total capital assets, not being depreciated	<u>909,725</u>	<u>49,984</u>	<u>(295,531)</u>	<u>664,178</u>
Capital assets, being depreciated/amortized:				
Building and improvements	12,366,979	-	-	12,366,979
Books and reference materials	56,856,641	1,853,566	-	58,710,207
Furniture, fixtures and other equipment	2,062,080	-	-	2,062,080
Computer equipment and software	825,883	14,444	295,531	1,135,858
Total capital assets, being depreciated/amortized	<u>72,111,583</u>	<u>1,868,010</u>	<u>295,531</u>	<u>74,275,124</u>
Total accumulated depreciation/amortization	<u>(56,702,085)</u>	<u>(2,448,860)</u>	<u>-</u>	<u>(59,150,945)</u>
Total capital assets, being depreciated/amortized, net	<u>15,409,498</u>	<u>(580,850)</u>	<u>295,531</u>	<u>15,124,179</u>
Total capital assets, net	<u>\$ 16,319,223</u>	<u>\$ (530,866)</u>	<u>\$ -</u>	<u>\$ 15,788,357</u>
	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Capital assets, not being depreciated:				
Land	\$ 580,333	\$ -	\$ -	\$ 580,333
Construction in progress	322,707	6,685	-	329,392
Total capital assets, not being depreciated	<u>903,040</u>	<u>6,685</u>	<u>-</u>	<u>909,725</u>
Capital assets, being depreciated/amortized:				
Building and improvements	12,366,979	-	-	12,366,979
Books and reference materials	54,922,861	1,933,780	-	56,856,641
Furniture, fixtures and other equipment	2,062,080	-	-	2,062,080
Computer equipment and software	802,078	23,805	-	825,883
Total capital assets, being depreciated/amortized	<u>70,153,998</u>	<u>1,957,585</u>	<u>-</u>	<u>72,111,583</u>
Total accumulated depreciation/amortization	<u>(54,199,753)</u>	<u>(2,502,332)</u>	<u>-</u>	<u>(56,702,085)</u>
Total capital assets, being depreciated/amortized, net	<u>15,954,245</u>	<u>(544,747)</u>	<u>-</u>	<u>15,409,498</u>
Total capital assets, net	<u>\$ 16,857,285</u>	<u>\$ (538,062)</u>	<u>\$ -</u>	<u>\$ 16,319,223</u>

Los Angeles County Law Library
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 6 – Compensated Absences

A summary of changes in compensated absences for the years ended June 30, 2022 and 2021 is as follows:

Year Ended	Beginning Balance	Additions	Deletions	Ending Balance	Due within One Year	Due in More Than One Year
June 30, 2022	\$ 299,418	\$ 9,662	\$ (19,645)	\$ 289,435	\$ 28,944	\$ 260,491
June 30, 2021	295,282	57,801	(53,665)	299,418	29,942	269,476

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, 2022 and 2021

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, 2022, and 2021 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 (FY20-21)	8.000%	7.500%
Required employee contribution rate (FY21-22)	8.000%	7.500%
Required employer contribution rate (FY20-21)	14.054%	8.239%
Required employer contribution rate (FY21-22)	13.890%	8.090%

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, 2022 and 2021

Note 7 – Retirement Plan (Continued)

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

Employees Covered by Benefit Terms

As of June 30, 2020 and 2019, the valuation dates, the following number of employees were covered by the benefit terms:

	2020		2019	
	Classic	PEPRA	Classic	PEPRA
Active employees	17	19	21	15
Transferred and terminated employees	25	11	25	10
Retired Employees and Beneficiaries	58	0	57	0
Total	100	30	103	25

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, 2022 and 2021, the contributions made to the Plan were as follows:

	2022	2021
Contributions - employer	\$ 627,100	\$ 550,822
Contributions - employee	182,593	178,483

Los Angeles County Law Library
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

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, 2020 and 2019 valuations were rolled forward to determine the June 30, 2021 and 2020 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 Funds
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 2021, and 2020, there were no changes of assumptions.

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, 2022 and 2021

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>100.00%</u>		

¹ In the CalPERS' ACFR, 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:

<u>Measurement Date</u>	<u>Plan's Aggregate Net Pension Liability (Asset)</u>		
	<u>Discount Rate - 1% (6.15%)</u>	<u>Current Discount Rate (7.15%)</u>	<u>Discount Rate + 1% (8.15%)</u>
June 30, 2021	\$ 4,300,100	\$ 788,233	\$ 2,114,978
June 30, 2020	\$ 6,208,588	\$ 3,887,855	\$ 1,970,306

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, 2022 and 2021

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 (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)
Balance at 6/30/20 (Valuation Date)	\$ 25,491,505	\$ 21,603,650	\$ 3,887,855
Balance at 6/30/21 (Measurement Date)	26,598,829	25,810,596	788,233
Net Changes during 2020-2021	1,107,324	4,206,946	(3,099,622)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)
Balance at 6/30/19 (Valuation Date)	\$ 24,943,350	\$ 21,612,597	\$ 3,330,753
Balance at 6/30/20 (Measurement Date)	25,491,505	21,603,650	3,887,855
Net Changes during 2019-2020	548,155	(8,947)	557,102

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, 2021 and 2020.

- (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, 2020 and 2019). 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, 2021 and 2020). 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, 2021 and June 30, 2020 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement periods (2020-21 and 2019-20).
- (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, 2022 and 2021

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:

2022		2021	
Measurement Date		Measurement Date	
June 30, 2020	0.03573%	June 30, 2019	0.03250%
June 30, 2021	0.01457%	June 30, 2020	0.03573%
Change - Increase (Decrease)	-0.02116%	Change - Increase (Decrease)	0.00323%

For the years ended June 30, 2022 and 2021, the Law Library recognized pension expense (credit) in the amounts of \$(1,672,193) and \$1,052,761 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 PERF C for the measurement period is 3.7 years, which was obtained by dividing the total service years 2020-2021 of 561,622 (the sum of remaining service lifetimes of the active employees) by 150,648 (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 2019-20 measurement period is 3.8 years, which was obtained by dividing the total service years of 548,581 (the sum of remaining service lifetimes of the active employees) by 145,663 (the total number of participants: active, inactive, and retired) in PERF C.

Los Angeles County Law Library
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

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, 2022 and 2021, the Law Library has deferred outflows and deferred inflows of resources related to pensions as follows:

	2022		2021	
	Deferred outflows of Resources	Deferred inflows of Resources	Deferred outflows of Resources	Deferred inflows of Resources
Contribution made after the measurement date	\$ 627,100	\$ -	\$ 550,822	\$ -
Changes of assumptions	-	-	-	(27,730)
Difference between expected and actual experience	88,393	-	200,353	-
Net difference between projected and actual earning on pension plan investments	-	(688,087)	115,496	-
Adjustment due to differences in proportions	569,180	-	586,355	-
Difference between the City's contributions and proportionate share of contributions	-	(669,344)	-	(697,725)
Total	<u>\$ 1,284,673</u>	<u>\$ (1,357,431)</u>	<u>\$ 1,453,026</u>	<u>\$ (725,455)</u>

\$627,100 and \$550,822 reported as deferred outflows of resources related to pensions for the fiscal year ended June 30, 2022 and 2021, 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, 2023 and June 30, 2022.

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 Ending	Deferred Outflows/(Inflows) of Resources	Year Ending	Deferred Outflows/(Inflows) of Resources
2023	\$ (198,041)	2022	\$ 39,615
2024	(161,367)	2023	28,381
2025	(150,299)	2024	53,357
2026	(190,151)	2025	55,396
2027	-	2026	-
Total	<u>\$ (699,858)</u>	Total	<u>\$ 176,749</u>

C. Payable to the Pension Plan

As of June 30, 2022, and 2021, the Law Library did not have outstanding amounts of contributions due to the pension plan for the years ended June 30, 2022 and 2021.

Los Angeles County Law Library
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

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

Employees Covered by Benefit Terms

At June 30, 2021 (valuation date), the following employees were covered by the benefit terms of the Plan:

Category	
Active employees	34
Inactive employees or beneficiaries currently receiving benefit	33
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, 2022 and 2021, the Trust account balances were \$2,223,900 and \$2,544,277 respectively.

Los Angeles County Law Library
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

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

B. Net OPEB Liability

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2021 valuation was rolled forward to determine the June 30, 2021 and June 30, 2022 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, 2021 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	2.50%
Salary Increases	2.75% per year
Investment rate of return	6.25% ; 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 2017 CalPERS Mortality for Miscellaneous and Schools 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, 2022 and 2021, the measurement dates:

<u>Asset Class Component</u>	<u>Percentage of Portfolio</u>	<u>Assumed Growth Return</u>
All Equities	40%	7.545%
All Fixed Income	43%	4.250%
Real Estate Investment Trusts	8%	7.250%
All Commodities	4%	7.545%
Treasury Inflation Protected Securities (TIPS)	5%	3.000%
Total	<u>100%</u>	

Discount Rate

The discount rate used to measure the total OPEB liability was 6.25% for measurement date June 30, 2022 and 2021, respectively. 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, 2022 and 2021

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, 2021 to June 30, 2022.

	Increase (Decrease)		
	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)
Balance at June 30, 2021	\$ 5,783,788	\$ 2,544,277	\$ 3,239,511
Changes Recognized for the Measurement Period:			
Service cost	147,438	-	147,438
Interest on the total OPEB liability	356,167	-	356,167
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(3,699)	-	(3,699)
Changes of assumptions	-	-	-
Contributions from the employer	-	313,966	(313,966)
Contributions from the employee	-	-	-
Actual investment income	-	(318,238)	318,238
Actual payments from trust	-	-	-
Actual payments from employer	(313,966)	(313,966)	-
Administrative expenses	-	(2,139)	2,139
Net Changes	185,940	(320,377)	506,317
Balance at June 30, 2022	\$ 5,969,728	\$ 2,223,900	\$ 3,745,828

The following table shows the changes in net OPEB liability recognized over the measurement period of July 1, 2020 to June 30, 2021.

	Increase (Decrease)		
	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)
Balance at June 30, 2020	\$ 4,781,710	\$ 2,201,040	\$ 2,580,670
Changes Recognized for the Measurement Period:			
Service cost	98,227	-	98,227
Interest on the total OPEB liability	305,605	-	305,605
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(215,483)	-	(215,483)
Changes of assumptions	1,072,134	-	1,072,134
Contributions from the employer	-	168,405	(168,405)
Contributions from the employee	-	-	-
Actual investment income	-	435,303	(435,303)
Actual payments from trust	(90,000)	(90,000)	-
Actual payments from employer	(168,405)	(168,405)	-
Administrative expenses	-	(2,066)	2,066
Net Changes	1,002,078	343,237	658,841
Balance at June 30, 2021	\$ 5,783,788	\$ 2,544,277	\$ 3,239,511

Los Angeles County Law Library
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

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 (5.25%) or one percentage point higher (7.25%) follows:

Measurement Date	Plan's Net OPEB Liability		
	Discount Rate -1% (5.25%)	Current Discount Rate (6.25%)	Discount Rate +1% (7.25%)
June 30, 2022	\$ 4,464,077	\$ 3,745,828	\$ 3,149,597
June 30, 2021	\$ 3,939,149	\$ 3,239,511	\$ 2,658,468

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, 2022	\$ 3,007,637	\$ 3,745,828	\$ 4,657,006
June 30, 2021	\$ 2,570,180	\$ 3,239,511	\$ 4,062,885

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

For the years ended June 30, 2022 and 2021, the Law Library recognized OPEB expense of \$440,793 and \$264,830, respectively, with details as follows:

	2022	2021
Service Cost	\$ 147,438	\$ 98,227
Interest on Total OPEB Liability	356,167	305,605
Expected Return on Assets	(158,950)	(140,075)
Recognition of Experience (gain)/loss deferrals	(72,660)	(72,214)
Recognition of Assumption Change deferrals	129,173	129,173
Recognized Investment (Gains)/Losses	37,486	(57,952)
Administrative Expense	2,139	2,066
Total OPEB Expense	\$ 440,793	\$ 264,830

Los Angeles County Law Library
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

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:

	2022		2021	
	Deferred outflows of Resources	Deferred inflows of Resources	Deferred outflows of Resources	Deferred inflows of Resources
Difference between expected and actual experience	\$ 2,104	\$ (381,302)	\$ 2,481	\$ (450,640)
Changes in assumptions	813,788	-	942,961	-
Difference between projected and actual return on assets				
OPEB plan investments	209,355	-	11,984	(242,331)
Total	<u>\$ 1,025,247</u>	<u>\$ (381,302)</u>	<u>\$ 957,426</u>	<u>\$ (692,971)</u>

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
	2022		2021
2023	\$ 93,741	2022	\$ (993)
2024	96,810	2023	(1,251)
2025	92,907	2024	1,818
2026	151,949	2025	(2,085)
2027	75,168	2026	56,959
Thereafter	133,370	Thereafter	210,007
Total	<u>\$ 643,945</u>	Total	<u>\$ 264,455</u>

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 carried by the Law Library as of June 30, 2022:

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	1,000,000	2,500
Special Property Insurance Program	100,000,000	50,000
Boiler & Machinery	100,000,000	50,000
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, 2022 and 2021

Note 10 – Contingent Liabilities

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

Note 11 – Subsequent event

On August 3, 2022, the Law Library had to shut down the parking structure. The library does not know when the parking structure will resume operations and the effect on future revenues.

DRAFT 10.18.2022

DRAFT 10.18.2022

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

Los Angeles County Law Library
Required Supplementary Information (Unaudited)
Schedule of the Law Library's Proportionate Share of the Net Pension Liability and Related Ratios
For the Years Ended June 30, 2022 and 2021

Measurement Period	Last Ten Fiscal Years ¹				
	2013-14 ¹		2014-15		2015-16
	Classic	PEPRA	Classic	PEPRA	
Proportion of the Net Pension Liability	-0.002750%	0.000020%	-0.002750%	0.000020%	0.031017%
Proportionate Share of the Net Pension Liability	\$ (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
Library's proportionate share of the net pension liability as a percentage of its covered payroll	-7.92%	0.34%	59.45%	-1.42%	115.52%
Plan Fiduciary net position as a percentage of the total pension liability	100.75%	83.01%	93.34%	103.72%	88.23%

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

Los Angeles County Law Library
Required Supplementary Information (Unaudited)
Schedule of the Law Library's Proportionate Share of the Net Pension Liability and Related Ratios (Continued)
For the Years Ended June 30, 2022 and 2021

Measurement Period	Last Ten Fiscal Years ¹				
	2016-17	2017-18	2018-19	2019-20	2020-21
Proportion of the Net Pension Liability	0.029050%	0.028810%	0.032505%	0.035733%	0.014575%
Proportionate Share of the Net Pension Liability	\$ 2,880,776	\$ 2,775,910	\$ 3,330,753	\$ 3,887,855	\$ 788,233
Covered Payroll	\$ 2,170,427	\$ 2,118,653	\$ 2,291,091	\$ 2,455,496	\$ 2,231,983
Library's proportionate share of the net pension liability as a percentage of its covered payroll	132.73%	131.02%	145.38%	158.33%	35.32%
Plan Fiduciary net position as a percentage of the total pension liability	88.24%	88.54%	86.65%	84.75%	97.04%

DRAFT 10.18.2022

Los Angeles County Law Library
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions
For the Years Ended June 30, 2022 and 2021

Fiscal Year:	Last Ten Fiscal Years				
	2013-14 ¹	2014-15	2015-16	2016-17	2017-18
Actuarially Determined Contribution	\$ 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 ²	\$ 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 after GASB 68 implementation in 2013-14.

² Payroll from prior year 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 2021, 2020 and 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, 2022 and 2021

Last Ten Fiscal Years

Fiscal Year:	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-2022</u>
Actuarially Determined Contribution	\$ 389,154	\$ 492,592	\$ 550,822	\$ 627,100
Contribution in Relation to the Actuarially Determined Contribution	<u>(389,154)</u>	<u>(492,592)</u>	<u>(550,822)</u>	<u>(627,100)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll ²	<u>\$ 2,291,091</u>	<u>\$ 2,455,496</u>	<u>\$ 2,231,983</u>	<u>\$ 2,293,363</u>
Contributions as a Percentage of Covered Payroll	<u>16.99%</u>	<u>20.06%</u>	<u>24.68%</u>	<u>27.34%</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, 2022 and 2021

Last Ten Fiscal Years

Measurement period	Fiscal Year Ending				
	2016-17 ¹	2017-18	2018-19	2019-20	2020-21
Total OPEB liability					
Service cost	\$ 108,640	\$ 111,628	\$ 114,698	\$ 95,599	\$ 98,227
Interest	278,115	297,273	311,347	296,676	305,605
Experience (Gains)/ Losses	-	-	-	-	(215,483)
Differences between expected and actual experience	-	-	(401,006)	3,235	-
Changes of assumptions	-	-	-	-	1,072,134
Benefit payments, including refunds of employee contributions	(40,000)	(150,000)	(233,108)	(257,247)	(258,405)
Net change in total OPEB liability	346,755	258,901	(208,069)	138,263	1,002,078
Total OPEB liability - beginning	4,245,860	4,592,615	4,851,516	4,643,447	4,781,710
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>	<u>\$ 5,783,788</u>
OPEB fiduciary net position					
Contributions - employer	-	-	143,108	167,247	\$ 168,405
Contributions - employee	-	-	-	-	-
Investment income	147,500	132,557	149,935	118,792	435,303
Benefit payments, including refunds of employee contributions	(40,000)	(150,000)	(233,108)	(257,247)	(258,405)
Other	(1,775)	(1,897)	(1,812)	(1,897)	(2,066)
Net change in plan fiduciary net position	105,725	(19,340)	58,123	26,895	343,237
Plan fiduciary net position - beginning	2,029,637	2,135,362	2,116,022	2,174,145	2,201,040
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>	<u>\$ 2,544,277</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>	<u>\$ 3,239,511</u>
Plan fiduciary net position as a percentage of the total OPEB liability	46.50%	43.62%	46.82%	46.03%	43.99%
Covered-employee payroll	<u>\$ 2,193,942</u>	<u>\$ 1,631,171</u>	<u>\$ 1,613,171</u>	<u>\$ 2,366,358</u>	<u>\$ 2,310,228</u>
Net OPEB liability as a percentage of covered-employee payroll	<u>112.00%</u>	<u>167.70%</u>	<u>153.07%</u>	<u>109.06%</u>	<u>140%</u>

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

Los Angeles County Law Library
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios (Continued)
For the Years Ended June 30, 2022 and 2021

Last Ten Fiscal Years	Fiscal Year Ending
Measurement period	2021-22
Total OPEB liability	
Service cost	\$ 147,438
Interest	356,167
Experience (Gains)/ Losses	(3,699)
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit payments, including refunds of employee contributions	(313,966)
Net change in total OPEB liability	185,940
Total OPEB liability - beginning	5,783,788
Total OPEB liability - ending (a)	\$ 5,969,728
OPEB fiduciary net position	
Contributions - employer	\$ 313,966
Contributions - employee	-
Investment income	(318,238)
Benefit payments, including refunds of employee contributions	(313,966)
Other	(2,139)
Net change in plan fiduciary net position	(320,377)
Plan fiduciary net position - beginning	2,544,277
Plan fiduciary net position - ending (b)	\$ 2,223,900
Net OPEB liability - ending (a) - (b)	\$ 3,745,828
Plan fiduciary net position as a percentage of the total OPEB liability	37.25%
Covered-employee payroll	\$ 2,397,642
Net OPEB liability as a percentage of covered-employee payroll	156%

Los Angeles County Law Library
Required Supplementary Information (Unaudited)
Schedule of Contributions - Other Postemployment Benefits Plan
For the Years Ended June 30, 2022 and 2021

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>	<u>2020-21</u>
Actuarially Determined Contribution ²	N/A	N/A	N/A	N/A	N/A
Contribution in Relation to the Actuarially Determined Contribution	-	-	143,108	167,247	168,405
Contribution Deficiency (Excess)	\$ -	\$ -	\$ 143,108	\$ 167,247	\$ 168,405
Covered-employee Payroll	\$ 2,193,942	\$ 1,631,171	\$ 1,613,171	\$ 2,366,358	\$ 2,310,228
Contributions as a Percentage of Covered-employee Payroll	0.00%	0.00%	8.87%	7.07%	7.29%

¹ Historical information is presented only for measurement 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.

Los Angeles County Law Library
Required Supplementary Information (Unaudited)
Schedule of Contributions - Other Postemployment Benefits Plan (Continued)
For the Years Ended June 30, 2022 and 2021

Last Ten Fiscal Years

Other Postemployment Benefits Plan

Fiscal Year:	<u>2021-22</u>
Actuarially Determined Contribution ²	N/A
Contribution in Relation to the Actuarially Determined Contribution	<u>313,966</u>
Contribution Deficiency (Excess)	<u>\$ 313,966</u>
Covered-employee Payroll	<u>\$ 2,397,642</u>
Contributions as a Percentage of Covered-employee Payroll	<u>13.09%</u>

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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
Los Angeles, California

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 (“*Government Auditing Standards*”), the financial statements of the business-type activities of the Los Angeles County Law Library (the “Law Library”), as of and for the year ended June 30, 2022, 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 October 18, 2022.

Report on 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.

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

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

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

Santa Ana, California
October 18, 2022

DRAFT 10.18.2022

October 18, 2022

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

We have audited the financial statements of the business-type activities of Los Angeles County Law Library (the “Law Library”) for the year ended June 30, 2022. 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 July 6, 2022. 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 2022. 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. Treasury 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 October 18, 2022.

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.

To the Board of Trustees
of the Los Angeles County Law Library
Los Angeles, California
Page 3

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 Law Library'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

MEMORANDUM

DATE: October 26, 2022

TO: Board of Law Library Trustees

FROM: Sandra J. Levin, Executive Director
Jaye Steinbrick, Senior Director

RE: Update and Discussion Regarding Surveillance Systems at the Law Library

SUMMARY

While surveillance systems are a useful tool for monitoring and managing various security risks at a facility, the Law Library has historically made only limited or incidental use of these systems. Due to changes in risks and expectations, the Law Library will be expanding its use of such systems. The purpose of this staff report is to update the Board as to the needs of the Law Library, the complexity of the various facets of the project, potential benefits and detriments and likely next steps.

DISCUSSION

Historically, the Law Library's use of surveillance systems has been limited to observational (non-recording) cameras. Until recent years, this was consistent with the level of high-risk incidents, vandalism and staff and community expectations. However, both the need and expectation have changed in recent years. We have seen increased vandalism, patron confrontations and trespassing after hours. In addition, staff and community expectations have changed to where it is a common belief that surveillance offers protection and that recordings will be available as proof of what transpired when conflict occurs.

After the recent vandalism staff installed three additional cameras to monitor movement at the front lobby and lower level where the vandalism previously occurred (and receive notifications of movement via email while the library is closed or unoccupied).

Going forward, there are numerous options for additional surveillance coverage, each with pros and cons.

1. Using the current standard of high definition cameras to record and retain the video creates a need for an extensive amount of data storage. The amount of storage needed depends on the number of cameras installed, the quality of the video recorded and the duration the recordings must be retained.
2. Cloud storage is an option for retention, but again the number of cameras and the resolution of the recordings dictate the bandwidth required to transmit and store the video to the cloud. We will need to decide whether to hire a service to manage storing and retrieval of recordings or host recordings on site.



3. Because cameras use both audio and video to determine movement, recording of both audio and video in some interior areas may be preferred. The need to record audio in exterior spaces would be less of a priority.
4. Many services make recording easier by capturing only video recorded during movement and then storing the recording on their own cloud based servers. Most of these services are designed for residential use. The concern with these services is they typically lack the high definition storage and playback required for an exterior wider field of view video monitoring system as would be needed for a facility of this size.
5. The size and layout of the building makes complete coverage impractical. Decisions will need to be made as to the priority locations, both internally and externally.
6. Similarly, the building materials of the main Library building block WiFi transmission in many areas and make direct wiring difficult, which adds to the installation complexity and requirements.

In other words, the selection of an appropriate system is a complex problem logistically. Compounding the practical issues are certain legal constraints. A significant barrier to recording surveillance systems is the record retention requirement for any resulting public records (videos). While it might sound simple, in reality, the volume of data involved if we were to retain daily tapes for numerous locations around the building, at high enough resolution to make them useful, is likely prohibitive. It would be both expensive to store and incredibly cumbersome to retrieve (compounded by obligations under the Public Records Act to retrieve video or audio recordings that are considered public records).

Moreover, while we are a public facility, we try to respect patrons' privacy. For example, we do not disclose names of patrons who use the Law Library, the materials that they use or the subject area of their inquiry. As an example, we want to be sure that those who are victims of crimes or otherwise fear for their safety or rights, are comfortable accessing the library and its services without concern that video from which they could be identified might be made public. It is therefore important that we implement a system that creates only limited public record videos.

At this time, Staff intends to continue temporary measures for the purpose of intrusion detection and vandalism prevention and to pursue a longer-term solution by retaining a professional video surveillance consultant to design and install a more robust solution. Staff will keep the Board apprised of major steps in this process but does not recommend Board involvement in the details of the system – both because these are operational matters not generally the province of a policy-level board and because significant advantages of a surveillance system are defeated by publicly broadcasting the specific features, locations, etc.

RECOMMENDATION

Staff recommends that the Board ask any questions it may have regarding this topic, discuss to the extent desired, and identify any issues the Board would like brought back at future meetings on this topic.



Staff Presentation:

Implementation and Usage of E-Book Platform

Presented by:

**Senior Librarian: Collection Development and
Branch Locations**

Linda Heichman

October 26, 2022

Staff Presentation:
Status of Platinum Program

Presented by:
**Senior Librarian: Reference, Research & Legal
Education**

Ryan Metheny

October 26, 2022