

# **AGENDA**

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

### **REGULAR BOARD MEETING**

***Wednesday, October 23, 2019***

***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**

A 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. All requests to address the Board must be submitted in person to the Board President prior to the start of the meeting. Public comments will be taken at the beginning of each meeting as Agenda Item 1.0. 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 of any person who disrupts or disturbs the orderly conduct of any 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 25, 2019 Regular Board Meeting
- 3.2 Review of August Financials and List of September Checks and Warrants
- 3.3 Platinum Program Update for the Month of September
- 3.4 Receipt of FY19-20 Quarter 1 Statistics
- 3.5 Approval of CalPERS Health Resolution

**4.0 DISCUSSION ITEMS**

- 4.1 Review and Acceptance of Draft Financial Statement Audit Report and SAS 114 Letter for the Fiscal Year Ended June 30, 2019
- 4.2 UBS Financial Services Inc. Investment Presentation
- 4.3 Decision Regarding Closure on New Year's Eve Day

**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 20, 2019.

POSTED WEDNESDAY, OCTOBER 17, 2019 @ 3:30 P.M.

POSTED BY ANN MARIE GAMEZ



# AGENDA ITEM 3

## CONSENT CALENDAR

- 3.1 Approval of Minutes of the September 25, 2019, Regular Board Meeting
- 3.2 Review of August Financials and List of September Checks and Warrants
- 3.3 Platinum Program Update for the Month of July and August
- 3.4 Receipt of FY19-20 Quarter 1 Statistics
- 3.5 Approval of CalPERS Health Resolution



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

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

**September 25, 2019**

The Regular Meeting of the Board of Law Library Trustees of Los Angeles County was held on Wednesday, September 25, 2018 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 Michelle Williams Court  
Judge Dennis Landin  
Kenneth Klein, Esquire  
Judge Richard Rico  
Judge Michael Stern  
Susan Steinhauser, Esquire

**Trustees Absent:** Judge Mark Juhas

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

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

Vice-President Court determined a quorum to be present, convened the meeting at 12:17 p.m. and thereafter presided. Executive Director, Sandra J. Levin recorded the Minutes. Trustee Steinhauser joined the meeting at 12:24pm.

**1.0 PUBLIC COMMENT**

No requests for public comment were received

**2.0 PRESIDENT'S REPORT**

Vice-President Court commenced the Retirement Commendation presentation to Olivia Nuno, who retired from Los Angeles County Law Library on August 16, 2019 after 33 years of service, from 1986-2019. Mrs. Nuno was present at the meeting and accepted the retirement commendation and commemorative crystal book. Photos were taken.

### **3.0 CONSENT CALENDAR**

- 3.1 Approval of Minutes of the July 24, 2019 Regular Board Meeting
- 3.2 Review of June and July Financials and List of July and August Checks and Warrants.
- 3.3 Receipt of Platinum Program Update for the month of July and August

Vice-President Court requested a motion to approve items on the Consent Calendar. So moved by Trustee Landin, seconded by Trustee Rico. The motion was unanimously approved, 5-0.

### **4.0 DISCUSSION ITEMS**

- 4.1 Review and Approval of the Annual Report to the Board of Supervisors

Vice-President Court commended staff on the incredible report to the Board of Supervisors. Trustee Klein noted the dramatic increase in programs available to the public over the years. ED Levin added a special thanks to the law library staff for their hard work and continued excellence in providing service for the public.

Vice-President Court requested a motion to approve the Annual Report to the Board of Supervisors. So moved by Trustee Landin, seconded by Trustee Rico. The motion was unanimously approved, 6-0.

- 4.2 Fire-Life-Safety Updates

Senior Director Jaye Steinbrick presented before the board the updates regarding the law library's fire, life and safety protocols. SD Steinbrick demonstrated an evacuation map noting emergency exit doors and various intended improvements. Trustee Stern inquired about the possibility of book stacks catching fire and if sprinklers should be installed. SD Steinbrick answered that there are multiple fire extinguishers on every floor and ED Levin added that a sprinkler system would further damage any books should they erroneously activate. Vice-President Court thanked SD Steinbrick for his time, work and research.

No action was requested or taken.

- 4.3 Staff Presentation: Update Regarding Remote Locations

Senior Librarian, Linda Heichman, presented before the board an update on Remote Locations, mentioning the law library's presence at 11 other locations including Superior Courthouses and partnerships with other public libraries. The Board commented on the value and need for these remote locations and commended Staff for the improvement in access seen over recent years. Vice-President Court mentioned the reopening of the courthouse in Beverly Hills next to BHPL, in case the library would be interested in partnering in the future. Trustee Steinhauer inquired if branch and partnership locations have flyers. Senior Librarian Heichman answered yes, as well as noted the classes and

workshops offered at some of the locations such as Torrance, Long Beach, Santa Monica and Pasadena.

No action was requested or taken.

**5.0 CLOSED SESSION**

5.1 Conference with Legal Counsel; Existing Litigation (Gov. Code § 54956.9 (d)(1)); *Palmer vs. Longteur* Case No. 19STCV18166

No reportable action was taken.

**6.0 AGENDA BUILDING**

There were no items for agenda building.

**7.0 EXECUTIVE DIRECTORS REPORT**

ED Levin announced Pro Bono Week programming including the recent addition of the Citizenship Assistance Workshop sponsored by the Mayor's Office. Also mentioned was the California Lawyers Association (CLA) and Bet Tzedek presence at the Public Legal Services Fair on Saturday October 26<sup>th</sup>. CLA will be making their debut presence as an entity at the Legal Services Fair which is exciting and an honor for the law library.

**8.0 ADJOURNMENT**

There being no further business to come before the Board, the meeting was adjourned at 1:34pm. The next Regular Meeting of the Board of Law Library Trustees is scheduled for Wednesday, October 23, 2019 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, 2019

(Provisional and subject to year-end audit adjustments)

	6/30/2019	8/31/2019	YTD
<b>Assets</b>			
Current assets			
Cash and cash equivalents	9,419,729	9,127,885	(291,843)
Accounts receivable	1,531,186	1,607,999	76,813
Prepaid expenses	333,124	462,311	129,186
Total current assets	11,284,040	11,198,195	(85,844)
Noncurrent assets			
Restricted cash and cash equivalents	318,470	318,470	-
Investments	4,788,676	4,836,857	48,181
Capital assets, not being depreciated	883,768	883,768	-
Capital assets, being depreciated - net	16,697,919	16,516,323	(181,596)
Total noncurrent assets	22,688,833	22,555,418	(133,415)
Total assets	33,972,873	33,753,613	(219,260)
<b>Deferred Outflows of Resources</b>			
Deffered Outflows of Resources	1,712,350	1,712,350	-
Total assets and deferred outflows of resources	<b>35,685,223</b>	<b>35,465,963</b>	<b>(219,260)</b>
<b>Liabilities</b>			
Current Liabilities			
Accounts payable	230,629	102,869	(127,760)
Other current liabilities	-	-	-
Payroll liabilities	7,532	21,840	14,309
Total current liabilities	238,161	124,710	(113,451)
Noncurrent Liabilities			
Accrued sick and vacation liability	302,790	298,915	(3,876)
Borrowers' deposit	295,062	279,194	(15,868)
OPEB liability	2,985,489	3,028,823	43,334
Net pension liability	2,880,776	2,880,776	-
Total noncurrent liabilities	6,464,117	6,487,707	23,590
Total liabilities	6,702,278	6,612,417	(89,861)
<b>Deferred Inflows of Resources</b>			
Deffered Inflows of Resources	944,117	944,117	-
Total liabilities and Deffered inflows of resources	7,646,395	7,556,534	(89,861)
<b>Net Position</b>			
Invested in capital assets	17,581,688	17,400,091	(181,596)
Unrestricted	10,457,141	10,509,338	52,198
Total net position	28,038,828	27,909,430	(129,399)
Total liabilities and Deffered inflows of resources and net position	<b>35,685,223</b>	<b>35,465,963</b>	<b>(219,260)</b>

**Los Angeles County Law Library**  
Income Statement for the Period Ending August 31, 2019  
(Provisional and subject to year-end audit adjustments)

Aug 18 Actual	Aug 2019			
	Budget	Actual	\$ Fav (Unf)	% Fav (Unf)
680,091	625,610	767,479	141,869	22.7%
7,609	12,167	16,653	4,486	36.9%
59,295	59,295	59,372	77	0.1%
39,412	33,205	28,797	(4,408)	-13.3%
786,408	730,276	872,301	142,024	19.4%
383,037	480,114	483,902	(3,788)	-0.8%
45,898	52,701	49,495	3,206	6.1%
147,729	172,698	135,441	37,258	21.6%
(147,729)	(172,698)	(135,441)	(37,258)	21.6%
83,625	77,618	71,290	6,328	8.2%
10,444	12,708	10,888	1,820	14.3%
5,263	8,768	11,619	(2,850)	-32.5%
(532)	30	509	(479)	-1598.0%
39	3,700	39	3,661	98.9%
7	142	34	108	76.2%
5,886	14,309	2,992	11,316	79.1%
222,149	229,516	220,517	8,999	3.9%
755,817	879,606	851,285	(28,320)	-3.2%
30,591	(149,329)	21,015	170,345	-114.1%
24,205	2,083	52,775	50,692	2433.2%
0	0	0	0	0.0%
0	0	0	0	0.0%
54,796	(147,246)	73,790	221,036	-150.1%
0	125,000	0	125,000	100.0%

**Summary:**

**Income**

L.A. Superior Court Fees	1,332,310	1,262,768	1,386,995	124,227	9.8%
Interest	14,813	24,333	32,972	8,638	35.5%
Parking	118,884	118,884	110,650	(8,234)	-6.9%
Library Services	77,517	59,007	85,224	26,217	44.4%
<b>Total Income</b>	<b>1,543,524</b>	<b>1,464,993</b>	<b>1,615,841</b>	<b>150,848</b>	<b>10.3%</b>

**Expense**

Staff (payroll + benefits)	812,162	1,165,530	1,095,071	70,458	6.0%
Electronic Resource Subscriptions	63,790	105,403	69,032	36,371	34.5%
Library Materials	211,959	345,395	258,777	86,618	25.1%
Library Materials Transferred to Assets	(211,959)	(345,395)	(258,777)	(86,618)	25.1%
Facilities	153,609	156,635	135,208	21,427	13.7%
Technology & Data	20,770	25,416	20,935	4,466	17.6%
General	13,114	13,987	20,045	(6,058)	-43.3%
Professional Development	1,433	11,127	5,719	5,408	48.6%
Communications & Marketing	290	8,600	78	8,522	99.1%
Travel & Entertainment	45	283	34	250	88.1%
Professional Services	8,698	27,913	6,925	20,988	75.2%
Depreciation	445,174	456,708	440,373	16,334	3.6%
<b>Total Expenses</b>	<b>1,519,086</b>	<b>1,971,601</b>	<b>1,793,421</b>	<b>178,180</b>	<b>9.0%</b>

**Net Income (Loss)**

<b>Net Income (Loss)</b>	<b>24,439</b>	<b>(506,608)</b>	<b>(177,580)</b>	<b>329,028</b>	<b>64.9%</b>
Investment Gain (Loss) <sup>1</sup>	17,511	4,167	48,181	44,014	1056.3%
Extraordinary Income	0	0	0	0	0.0%
Extraordinary Expense	0	0	0	0	0.0%
<b>Net Income Including Extraordinary Items</b>	<b>41,950</b>	<b>(502,441)</b>	<b>(129,399)</b>	<b>373,042</b>	<b>74.2%</b>

**Capitalized Expenditures**

<b>Capitalized Expenditures</b>	<b>0</b>	<b>125,000</b>	<b>0</b>	<b>125,000</b>	<b>100.0%</b>
---------------------------------	----------	----------------	----------	----------------	---------------

FY 2018-19 YTD Actual	FY 2019-20 YTD				Comments
	Budget	Actual	\$ Δ	% Δ	
1,332,310	1,262,768	1,386,995	124,227	9.8%	
14,813	24,333	32,972	8,638	35.5%	
118,884	118,884	110,650	(8,234)	-6.9%	
77,517	59,007	85,224	26,217	44.4%	
1,543,524	1,464,993	1,615,841	150,848	10.3%	
812,162	1,165,530	1,095,071	70,458	6.0%	
63,790	105,403	69,032	36,371	34.5%	
211,959	345,395	258,777	86,618	25.1%	
(211,959)	(345,395)	(258,777)	(86,618)	25.1%	
153,609	156,635	135,208	21,427	13.7%	
20,770	25,416	20,935	4,466	17.6%	
13,114	13,987	20,045	(6,058)	-43.3%	
1,433	11,127	5,719	5,408	48.6%	
290	8,600	78	8,522	99.1%	
45	283	34	250	88.1%	
8,698	27,913	6,925	20,988	75.2%	
445,174	456,708	440,373	16,334	3.6%	
1,519,086	1,971,601	1,793,421	178,180	9.0%	
24,439	(506,608)	(177,580)	329,028	64.9%	
17,511	4,167	48,181	44,014	1056.3%	
0	0	0	0	0.0%	
0	0	0	0	0.0%	
41,950	(502,441)	(129,399)	373,042	74.2%	
0	125,000	0	125,000	100.0%	

**Los Angeles County Law Library**  
Income Statement for the Period Ending August 31, 2019  
(Provisional and subject to year-end audit adjustments)

Aug 18	Aug 2019			
	Budget	Actual	\$ Fav (Unf)	% Fav (Unf)

FY 2018-19	FY 2019-20 YTD			
	YTD Actual	Budget	Actual	\$ Δ

Comments

Detailed Budget:														
Income:														
680,091	625,610	767,479	141,869	22.7%	15	FIN	303300	L.A. Superior Court Fees	1,332,310	1,262,768	1,386,995	124,227	9.8%	Better than expected fees.
0	0	0	0	0.0%	15	FIN	311000	Interest - LAIF	0	0	0	0	0.0%	
7,100	11,667	16,084	4,417	37.9%	15	FIN	312000	Interest - General Fund	13,815	23,333	31,844	8,511	36.5%	Reflects higher fund balance and better than expected rate of return on investment.
509	500	569	69	13.8%	15	FIN	313000	Interest - Deposit Fund	998	1,000	1,128	128	12.8%	Better than expected rate of return on investment.
7,609	12,167	16,653	4,486	36.9%				Subtotal	14,813	24,333	32,972	8,638	35.5%	
59,295	59,295	59,372	77	0.1%	39	FAC	330100	Parking:	118,884	118,884	110,650	(8,234)	-6.9%	Timing variance.
59,295	59,295	59,372	77	0.1%				Parking	118,884	118,884	110,650	(8,234)	-6.9%	
								Subtotal	118,884	118,884	110,650	(8,234)	-6.9%	
								Library Services:						
49	200	33	(168)	-83.8%	27	CIRC	330150	Annual Designation Fee	276	1,000	406	(594)	-59.4%	Timing variance.
17,863	14,965	12,798	(2,167)	-14.5%	25	PS	330140	Annual Members Fee	32,338	27,127	28,046	919	3.4%	
7,321	6,632	1,921	(4,711)	-71.0%	25	PS	330340	Course Registration	9,171	7,664	3,399	(4,265)	-55.7%	Timing variance. Receipt of sponsorship funds expected Sep 2019.
3,492	3,500	4,130	630	18.0%	27	CIRC	330129	Copy Center	7,471	7,400	9,052	1,652	22.3%	Increased usage.
1,789	1,500	2,154	654	43.6%	27	CIRC	330205	Document Delivery	3,211	3,000	3,913	913	30.4%	Timing variance.
3,905	3,200	3,110	(90)	-2.8%	27	CIRC	330210	Fines	7,709	6,400	6,674	274	4.3%	
1,270	783	465	(319)	-40.7%	15	FIN	330310	Miscellaneous	12,331	1,567	12,007	10,440	666.4%	Timing variance, reflects BofA visa rebate.
3,263	2,400	3,898	1,498	62.4%	39	FAC	330330	Room Rental	4,528	4,800	4,111	(690)	-14.4%	Timing variance.
455	0	280	280	0.0%	23	COL	330350	Book Replacement	455	0	350	350	0.0%	
0	0	0	0	0.0%	15	FIN	330360	Forfeited Deposits	0	0	17,186	17,186	0.0%	Due to timing, this is reflected in FY20, not FY19.
0	0	0	0	0.0%	17	EXEC	330400	Friends of Law Library	0	0	0	0	0.0%	
0	0	0	0	0.0%	25	PS	330420	Grants	0	0	0	0	0.0%	
7	25	9	(16)	-64.0%	15	FIN	330450	Vending	28	50	82	32	63.1%	
0	0	0	0	0.0%	39	FAC	330465	Special Events Income	0	0	0	0	0.0%	
39,412	33,205	28,797	(4,408)	-13.3%				Subtotal	77,517	59,007	85,224	26,217	44.4%	
786,408	730,276	872,301	142,024	19.4%				Total Income	1,543,524	1,464,993	1,615,841	150,848	10.3%	
Expenses:														
Staff:														
248,528	304,693	309,260	(4,567)	-1.5%	ALL	501000	Salaries (FT)	413,281	601,289	551,003	50,286	8.4%	Reflects vacancies.	
0	(6,094)	0	(6,094)	100.0%	15	FIN	501025	Staff Vacancy Offset (FT)	0	(10,156)	0	(10,156)	100.0%	
29,210	31,723	44,662	(12,939)	-40.8%	ALL	501050	Salaries (PT)	48,882	65,679	68,149	(2,471)	-3.8%		
0	(634)	0	(634)	100.0%	15	FIN	501075	Staff Vacancy Offset (PT)	0	(1,057)	0	(1,057)	100.0%	
16,215	18,792	21,531	(2,739)	-14.6%	15	FIN	502000	Social Security	26,986	37,909	37,683	227	0.6%	
3,793	4,517	5,091	(575)	-12.7%	15	FIN	503000	Medicare	6,312	9,069	8,869	200	2.2%	
18,882	34,162	23,396	10,766	31.5%	15	FIN	511000	Retirement	176,200	282,654	269,586	13,068	4.6%	
0	0	0	0	0.0%	15	FIN	511050	Pension Exp (Actuarial)	0	0	0	0	0.0%	
0	0	0	0	0.0%	15	FIN	511100	Pension Exp (Acctg)	0	0	0	0	0.0%	
38,872	50,909	42,720	8,189	16.1%	15	FIN	512000	Health Insurance	79,484	101,817	85,508	16,309	16.0%	Reflects vacancies.
370	441	369	73	16.5%	15	FIN	513000	Disability Insurance	754	862	733	129	15.0%	Reflects vacancies.
4,387	5,842	5,340	502	8.6%	15	FIN	514000	Dental Insurance	9,405	11,405	10,111	1,294	11.3%	Reflects vacancies.
478	645	492	153	23.7%	15	FIN	514500	Vision Insurance	1,033	1,259	980	279	22.2%	Reflects vacancies.
(25)	206	169	37	17.8%	15	FIN	515000	Life Insurance	115	402	351	51	12.6%	Reflects vacancies.
0	0	0	0	0.0%	15	FIN	515500	Vacancy Benefits Offset	0	0	0	0	0.0%	
306	3,177	3,177	0	0.0%	15	FIN	516000	Workers Compensation Insurance	5,568	6,354	6,354	0	0.0%	
0	0	0	0	0.0%	15	FIN	517000	Unemployment Insurance	0	0	0	0	0.0%	
0	7,736	5,091	2,645	34.2%	ALL	514010	Temporary Employment	0	10,044	7,132	2,911	29.0%	Timing variance.	
0	0	0	0	0.0%	13	HR	514015	Recruitment	0	0	35	(35)	0.0%	
0	0	0	0	0.0%	15	FIN	517500	Accrued Sick Expense	0	0	0	0	0.0%	
0	0	0	0	0.0%	15	FIN	518000	Accrued Vacation Expense	0	0	0	0	0.0%	
20,833	21,667	21,667	(0)	0.0%	15	FIN	518500	OPEB Expense	41,666	43,333	43,334	(1)	0.0%	
337	1,083	(85)	1,168	107.8%	15	FIN	518550	TMP	776	2,167	3,254	(1,087)	-50.2%	Timing variance.
852	1,250	1,021	229	18.3%	15	FIN	518560	Payroll and Benefit Administration	1,700	2,500	1,988	512	20.5%	Timing variance.
383,037	480,114	483,902	(3,788)	-0.8%				Total - Staff	812,162	1,165,530	1,095,071	70,458	6.0%	
Library Materials/Electronic Resources Subscription:														
121,580	129,378	116,004	13,374	10.3%	23	COL	601999	American Continuations	173,610	258,758	161,934	96,824	37.4%	Timing Variance.
1,470	1,877	2,436	(559)	-29.8%	23	COL	602999	American New Orders	3,433	3,753	2,377	1,376	36.7%	Timing Variance.
1,041	1,560	706	854	54.7%	23	COL	609199	Branch Continuations	2,609	3,121	1,999	1,122	36.0%	Timing Variance

**Los Angeles County Law Library**  
Income Statement for the Period Ending August 31, 2019  
(Provisional and subject to year-end audit adjustments)

Aug 18	Aug 2019												FY 2019-20 YTD				Comments
	Actual	Budget	Actual	\$ Fav (Unf)									% Fav (Unf)	FY 2018-19 YTD Actual	Budget	Actual	
0	3,186	0	3,186	100.0%	23	COL	609299	Branch New Orders	0	6,368	0	6,368	100.0%	Timing Variance - new orders for project code OTF-002 targeted for later in FY20.			
1,067	12,254	958	11,296	92.2%	23	COL	603999	Commonwealth Continuations	2,939	24,507	58,562	(34,054)	-139.0%	Annual contract - Lexis Nexis UK			
0	0	0	0	0.0%	23	COL	604999	Commonwealth New Orders	0	0	249	(249)	0.0%				
6,969	11,396	7,352	4,043	35.5%	23	COL	605999	Foreign Continuations	9,166	22,791	13,781	9,010	39.5%	Timing Variance.			
0	0	67	(67)	0.0%	23	COL	606999	Foreign New Orders	0	0	67	(67)	0.0%				
13,482	11,369	7,276	4,094	36.0%	23	COL	607999	International Continuations	18,082	22,739	16,305	6,433	28.3%	Timing Variance.			
0	0	144	(144)	0.0%	23	COL	608999	International New Orders	0	0	144	(144)	0.0%				
2,120	1,679	498	1,180	70.3%	23	COL	609399	General/Librarianship Continuations	2,120	3,357	3,360	(3)	-0.1%				
0	0	0	0	0.0%	23	COL	609499	General/Librarianship New Orders	0	0	0	0	0.0%				
147,729	172,698	135,441	37,258	21.6%	23	COL	690000	Subtotal	211,959	345,395	258,777	86,618	25.1%	Timing Variance.			
(147,729)	(172,698)	(135,441)	(37,258)	21.6%	23	COL	690000	Library Materials Transferred to Assets	(211,959)	(345,395)	(258,777)	(86,618)	25.1%				
45,898	52,701	49,495	3,206	6.1%	23	COL	685000	Electronic Resource Subscriptions (ERS)	63,790	105,403	69,032	36,371	34.5%	Timing Variance.			
Facilities:																	
7,918	4,200	354	3,846	91.6%	39	FAC	801005	Repair & Maintenance	9,673	8,400	1,324	7,076	84.2%	Timing variance.			
1,027	1,500	1,731	(231)	-15.4%	39	FAC	801010	Building Services	3,233	3,800	2,911	889	23.4%	Timing variance, delay in fire extinguisher certification.			
2,271	0	0	0	0.0%	39	FAC	801015	Cleaning Supplies	2,271	1,800	0	1,800	100.0%	Timing variance, invoice to be received Aug 2019.			
10,680	12,500	11,637	863	6.9%	39	FAC	801020	Electricity & Water	22,877	25,000	22,977	2,023	8.1%	Cooler summer as compared to previous years.			
0	966	966	0	0.0%	39	FAC	801025	Elevator Maintenance	966	1,932	1,932	0	0.0%				
4,589	4,300	4,697	(397)	-9.2%	39	FAC	801030	Heating & Cooling	8,786	8,700	8,650	50	0.6%				
22,455	19,823	18,328	1,495	7.5%	15	FIN	801035	Insurance	44,910	39,646	36,656	2,990	7.5%	Budgeted increase lower than expected.			
8,849	9,668	9,543	125	1.3%	39	FAC	801040	Janitorial Services	17,523	19,336	19,086	250	1.3%				
1,250	1,500	1,250	250	16.7%	39	FAC	801045	Landscaping	2,500	3,000	2,500	500	16.7%	Budgeted rate increase not yet implemented.			
21,873	19,718	21,806	(2,088)	-10.6%	39	FAC	801050	Security	37,608	39,436	37,989	1,447	3.7%				
85	1,167	408	759	65.1%	39	FAC	801060	Room Rental Expenses	315	2,333	408	1,925	82.5%	Unexpected delay in room rentals			
2,049	0	0	0	0.0%	39	FAC	801065	Special Events Expenses	2,049	0	0	0	0.0%				
0	1,500	0	1,500	100.0%	39	FAC	801100	Furniture & Appliances (<3K)	0	1,700	163	1,537	90.4%	Timing variance.			
0	125	0	125	100.0%	39	FAC	801110	Equipment (<3K)	48	250	0	250	100.0%	Timing variance.			
0	0	0	0	0.0%	39	FAC	801115	Building Alterations (<3K)	0	0	0	0	0.0%				
382	441	336	105	23.9%	39	FAC	801120	Delivery & Postage	403	882	378	504	57.2%	Lower than expected postage usage for the month.			
197	210	235	(25)	-11.9%	39	FAC	801125	Kitchen supplies	448	420	235	185	44.0%	Timing variance.			
83,625	77,618	71,290	6,328	8.2%				Subtotal	153,609	156,635	135,208	21,427	13.7%				
Technology:																	
1,101	1,903	1,814	89	4.7%	33	TECH	801210	Software Maintenance	2,205	3,806	3,040	767	20.1%	Timing variance.			
1,794	2,126	1,761	365	17.2%	33	TECH	801212	Hardware Maintenance	3,588	4,253	3,522	731	17.2%	Timing variance.			
129	681	0	681	100.0%	33	TECH	801215	Software (<\$3k)	44	1,361	0	1,361	100.0%	Timing variance.			
71	368	0	368	100.0%	33	TECH	801220	Hardware (<\$3k)	617	736	0	736	100.0%	Timing variance.			
0	83	0	83	100.0%	33	TECH	801225	Computer Supplies	61	167	0	167	100.0%	Timing variance.			
4,415	4,672	4,626	46	1.0%	33	TECH	801230	Integrated Library System	8,829	9,344	9,253	91	1.0%				
2,935	2,806	2,686	120	4.3%	33	TECH	801235	Telecommunications	5,425	5,611	5,120	492	8.8%	Timing variance.			
0	0	0	0	0.0%	33	TECH	801245	Tech & Data - Misc	0	0	0	0	0.0%				
0	62	1	61	99.2%	33	TECH	801250	Services	0	124	1	123	99.2%	Timing variance.			
0	7	0	7	100.0%	33	TECH	801275	Online Service Providers	0	14	0	14	100.0%	Timing variance.			
10,444	12,708	10,888	1,813	14.3%				Subtotal	20,770	25,416	20,935	4,466	17.6%				
General:																	
496	667	597	70	10.5%	15	FIN	801310	Bank Charges	970	1,333	1,051	282	21.2%	Lower than expected cost for the month.			
843	878	875	3	0.3%	35	CMS	801315	Bibliographical Services	1,686	1,756	1,751	5	0.3%				
0	2,500	4,148	(1,648)	-65.9%	35	CMS	801320	Binding	0	2,500	4,499	(1,999)	-80.0%				
99	120	0	120	100.0%	17	EXEC	801325	Board Expense	99	240	98	142	59.1%				
1,437	1,500	162	1,338	89.2%	37	COM	801330	Staff meals & events	1,504	1,500	1,350	150	10.0%	Timing variance.			
1,719	2,083	3,698	(1,615)	-77.5%	15	FIN	801335	Supplies - Office	3,652	4,167	7,603	(3,436)	-82.5%	Increased toner purchase for the month.			
0	0	0	0	0.0%	35	CMS	801337	Supplies - Library materials	3,782	0	0	0	0.0%				
0	0	0	0	0.0%	37	COM	801340	Stationery, business cards, etc.	0	450	0	450	100.0%	Timing variance, expected new staff and re-orders.			
0	0	0	0	0.0%	25	PS	801365	Grant Application Expenses	0	0	0	0	0.0%				
670	970	1,659	(689)	-71.0%	33	IT	801370	Copy Center Expense	1,420	1,940	3,078	(1,138)	-58.6%	Timing variance, increased color copy cost for the month.			
0	0	0	0	0.0%	15	FIN	801375	General - Misc	0	0	136	(136)	0.0%				
0	50	480	(430)	-852.1%	25	PS	801390	Course Registration	0	101	480	(379)	-376.0%				
0	0	0	0	0.0%	17	EXEC	801395	Friends of Law Library	0	0	0	0	0.0%				



**Los Angeles County Law Library**  
Income Statement for the Period Ending August 31, 2019  
(Provisional and subject to year-end audit adjustments)

Aug 18 Actual	Aug 2019			
	Budget	Actual	\$ Fav (Unf)	% Fav (Unf)
0	0	0	0	0.0%
0	80,000	0	80,000	100.0%
0	0	0	0	0.0%
0	0	0	0	0.0%
0	45,000	0	45,000	100.0%
0	125,000	0	(125,000)	-100.0%

Capital Expenditures:

39	FAC	161100	Furniture / Appliances (>3k)
33	TECH	161300	Electronics / Computer Hardware (>3k)
39	FAC	164500	Exterior Building Repairs/ Improvements (>3k)
39	FAC	164000	Interior Improvements / Alterations (>3k)
33	TECH	168000	Computer Software
			Total - Capitalized Expenditures

FY 2018-19 YTD Actual	FY 2019-20 YTD				Comments
	Budget	Actual	\$ Δ	% Δ	
0	0	0	0	0.0%	
0	80,000	0	80,000	100.0%	Timing variance, delay in budgeted project costs.
0	0	0	0	0.0%	
0	0	0	0	0.0%	
0	45,000	0	45,000	100.0%	Timing variance, delay in budgeted project costs.
0	125,000	0	125,000	100.0%	

CalPERS CERBT Trust Fund:

Beginning Balance	2,272,207	
Administrative Expense	(91)	CalPERS CERBT program cost.
Investment Expense	(66)	Investment management cost.
Unrealized Gain/Loss	23,868	Fluctuating market conditions.
Distribution	(90,000)	Distribution from Fund.
Ending Balance	2,205,919	

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

**Los Angeles County Law Library**  
Statement of Cash Flows  
As of August 31, 2019  
(Provisional and subject to year-end audit adjustments)

	8/31/2019	YTD
<b>Cash flows from operating activities</b>		
L.A. Superior court fees	767,479	1,386,995
Parking fees	59,372	110,650
Library services	28,219	84,646
(Increase) decrease in accounts receivable	(204,133)	(76,813)
Increase (decrease) in borrowers' deposit	(125)	(15,868)
<b>Cash received from filing fees and services</b>	<b>650,812</b>	<b>1,489,610</b>
Facilities	(71,290)	(135,208)
Technology	(10,888)	(20,935)
General	(11,619)	(20,045)
Professional development	(1,325)	(6,535)
Communications & marketing	(39)	(78)
Travel & entertainment	(34)	(34)
Professional services	(2,992)	(6,925)
Electronic Resource Subscriptions (ERS)	(49,495)	(69,032)
(Increase) decrease in prepaid expenses	18,723	(129,186)
Increase (decrease) in accounts payable	(492)	(127,760)
Increase (decrease) in other liabilities	-	-
<b>Cash payments to suppliers for goods and services</b>	<b>(129,451)</b>	<b>(515,738)</b>
Staff (payroll + benefits)	(483,902)	(1,095,071)
Increase (decrease) in payroll liabilities	13,170	14,309
Increase (decrease) in accrued sick and vacation liability	(3,876)	(3,876)
Increase (decrease) in OPEB liability	21,667	43,334
Net impact of GASB 68 adjustments	-	-
Net effect of prior period adjustments	-	-
<b>Cash payments to employees for services</b>	<b>(452,940)</b>	<b>(1,041,305)</b>
Contributions received	-	-
Net cash from operating activities	68,420	(67,432)
<b>Cash flow from capital and related financing activities</b>		
Library materials	(135,441)	(258,777)
Fixed assets	-	-
Capital - Work in Progress (WIP)	-	-
<b>Cash flows from investing activities</b>		
Investment	-	-
Investment earnings	16,653	32,972
<b>Net cash increase (decrease) in cash and cash equivalents</b>	<b>(50,368)</b>	<b>(293,238)</b>
Cash and cash equivalents, at beginning of period	9,495,329	9,738,199
<b>Cash and cash equivalents, at end of period</b>	<b>9,444,961</b>	<b>9,444,961</b>
<b>Reconciliation of Operating Income to Net Cash from Operating Activities</b>		
Operating income	2,968	(214,914)
Adjustments for noncash effects:		
Depreciation	220,517	219,856
Extraordinary expense: book write-off		
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(204,133)	127,320
(Increase) decrease in prepaid expenses	18,723	(147,909)
Increase (decrease) in accounts payable	(492)	(127,267)
Increase (decrease) in other liabilities	-	-
Increase (decrease) in payroll liabilities	13,170	1,138
Increase (decrease) in accrued sick and vacation liability	(3,876)	-
Increase (decrease) in borrowers' deposit	(125)	(15,743)
Increase (decrease) in OPEB liability	21,667	21,667
Net impact of GASB 68 adjustments	-	-
Net cash from operating activities	68,420	(135,853)

**LOS ANGELES COUNTY LAW LIBRARY**  
**September 1, 2019 - September 30, 2019 (CHECKS)**  
**Account No.: 108000**

DATE	PAYEE	FOR	AMOUNT	CHECK NO.
September 3	CASALINI LIBRI	BOOKS	498.86	031088
	QUALITY CODE PUBLISHING	BOOKS	26.70	031089
September 5	BAVCO	BLDG MAINT	325.00	031090
	CALIBER ELEVATOR	ELEVATOR MAINT	1,932.00	031091
	GTT COMMUNICATIONS	TELECOM	384.18	031092
	METROLINK	TMP	449.75	031093
	ROMERO MAINTENANCE LLC	JANITORIAL SVCS	9,368.10	031094
	WOODS MAINTENANCE SERVICES, INC	JANITORIAL SVCS	175.00	031095
September 6	SATENIG SUSAN HAROUTUNIAN	REFUND	140.00	031096
	RAVINDER KAUR LALLY	REFUND	140.00	031097
	ELLEN LIN	REFUND	140.00	031098
	LEXISNEXIS CANADA BUTTERWORTHS CANA	BOOKS	281.99	031099
	GAUNT	BOOKS	257.33	031100
	AT&T	TELECOM	461.65	031101
September 13	GTT COMMUNICATIONS	TELECOM	92.97	031102
	NATIONAL 50 SECURITY	SECURITY	5,344.74	031103
	WOODS MAINTENANCE SERVICES, INC	JANITORIAL SVCS	175.00	031104
	LEXISNEXIS CANADA BUTTERWORTHS CANA	BOOKS	121.33	031105
	GAUNT	BOOKS	189.93	031106
September 16	LANGUAGE PEOPLE INC	OTHER	61.50	031107
	ONEDIGITAL HR CONSULTING	CONSULTING	5,792.52	031108
September 17	TONY CHAN	REFUND	140.00	031109
	JUSTIN EARL LEDDEN	REFUND	125.00	031110
	VICKI SUHYUN WONG	REFUND	140.00	031111
	YUXUAN ZHANG	REFUND	140.00	031112
September 19	COUNTY OF LOS ANGELES	HEATING/COOLING	4,696.74	031113
September 20	LEXISNEXIS CANADA BUTTERWORTHS CANA	BOOKS	6,899.68	031114
	OTTO HARRASSOWITZ	BOOKS	4,194.89	031115
	E ITURRIAGA Y CIA S A C	BOOKS	88.00	031116
September 24	GUARDIAN	PREPAID EXP	7,462.21	031117
	LOS ANGELES EDUCATION PARTNERSHIP	TEMP EMPL	2,214.80	031118
	METROLINK	TMP	449.75	031119
	LEVITT & QUINN FAMILY LAW CENTER	ADVERTISING	700.00	031120
September 26	COUNCIL OF CALIFORNIA COUNTY	PREPAID EXP	100.00	031121
September 27				

54,321.67

**LOS ANGELES COUNTY LAW LIBRARY**  
**September 1, 2019 - September 30, 2019 (CHECKS)**  
**Account No.: 108000**

DATE	PAYEE	FOR	AMOUNT	CHECK NO.
	SYNCB AMAZON	BOOKS	612.05	031122
	LEXISNEXIS CANADA BUTTERWORTHS CANA	BOOKS	1,901.94	031123
	COUNTY RECORDERS ASSOCIATION OF CA	BOOKS	191.63	031124
	LOS ANGELES COUNTY PUBLIC DEFENDERS	BOOKS	76.66	031125

56,491.90

**LOS ANGELES COUNTY LAW LIBRARY**  
**September 1, 2019 - September 30, 2019 (CHECKS)**  
**Account No.: 102001**

DATE	PAYEE	FOR	AMOUNT	CHECK NO.
September 3	ALEXANDERS LEGAL SEMINARS AND PUBLI	BOOKS	56.75	V004620
	WOLTERS KLUWER LAW & BUSINESS	BOOKS	2,018.69	V004621
	CALIF SUPREME COURT HISTORICAL	BOOKS	57.42	V004622
	CONTINUING EDUCATION OF THE BAR CAL	BOOKS	884.50	V004623
	PROQUEST LLC COUTTS INFORMATION SER	BOOKS	113.65	V004624
	INGRAM LIBRARY SERVICES	BOOKS	221.72	V004625
	JAMES PUBLISHING INC	BOOKS	370.12	V004626
	KENDALL HUNT PUBLISHING COMPANY ** VOIDED **	BOOKS	0.00	V004627
	LAWPRESS CORPORATION	BOOKS	372.64	V004628
	PRACTISING LAW INSTITUTE	BOOKS	529.21	V004629
	ROWMAN & LITTLEFIELD PUBLISHING GRO	BOOKS	333.43	V004630
	UNITED NATIONS PUBLICATIONS	BOOKS	88.47	V004631
	WEST ACADEMIC	BOOKS	107.30	V004632
	GOBI LIBRARY SOLUTIONS	BOOKS	218.62	V004633
September 3	GURU PRINTERS	SPECIAL EVENTS EX	65.70	V004636
September 5	ALTA FOODCRAFT	KITCHEN SUPPLIES	210.82	V004637
	INFINISOURCE INC	PAYROLL/HR BENEFI	75.00	V004638
	NASA SERVICES	BLDG SVCS	467.45	V004639
	OFFICE DEPOT	SUPPLIES-OFFICE	694.93	V004640
	STANLEY ACCESS TECH LLC	REPAIR & MAINTENA	404.71	V004641
	STATE COMPENSATION	WORKERS COMP	3,177.08	V004642
September 6	AMERICAN BAR ASSOCIATION	BOOKS	1,316.26	V004643
	WOLTERS KLUWER LAW & BUSINESS	BOOKS	1,082.74	V004644
	DR MYCOMMERCE INC	BOOKS	555.00	V004645
	INGRAM LIBRARY SERVICES	BOOKS	44.39	V004646
	LEXISNEXIS ONLINE SERVICES	BOOKS	16,000.00	V004647
	PRACTISING LAW INSTITUTE	BOOKS	216.92	V004648
	WILLIAM S HEIN & CO	BOOKS	763.06	V004649
September 10	CDW GOVERNMENT INC	SUPPLIES-OFFICE	459.00	V004651
	CDW GOVERNMENT INC	SOFTWARE MAINTE	603.00	V004674
	TEAM SOFTWARE	SOFTWARE MAINTE	125.00	V004675
September 11	STAMPS.COM	DELIVERY & POSTAG	24.99	V004693
September 13	BANDWIDTH.COM, INC.	TELECOM	304.66	V004652
	BRIGHTVIEW ** VOIDED *****	LANDSCAPING	0.00	V004653
	NASA SERVICES	BLDG SVCS	474.47	V004654
	PAN AMERICAN PEST CONTROL CO	BLDG SVCS	276.00	V004655
	SPECTRUM	TELECOM	1,086.05	V004656
	UPS	DELIVERY & POSTAG	10.71	V004657
	WILLIAM S HEIN & CO	BOOKS	7,565.00	V004658
			41,599.28	

**LOS ANGELES COUNTY LAW LIBRARY**  
**September 1, 2019 - September 30, 2019 (CHECKS)**  
**Account No.: 102001**

DATE	PAYEE	FOR	AMOUNT	CHECK NO.
	CCH INCORPORATED	BOOKS	223.82	V004659
	CONTINUING EDUCATION OF THE BAR CAL	BOOKS	796.55	V004660
	PROQUEST LLC COUTTS INFORMATION SER	BOOKS	818.41	V004661
	JURIS PUBLISHING INC	BOOKS	123.60	V004662
	MUNICIPAL CODE CORPORATION	BOOKS	2,432.00	V004663
	PRACTISING LAW INSTITUTE	BOOKS	207.06	V004664
	ROWMAN & LITTLEFIELD PUBLISHING GRO	BOOKS	4,048.14	V004665
	THOMSON REUTERS TAX & ACCOUNTING	BOOKS	620.87	V004666
	WEST ACADEMIC	BOOKS	107.30	V004667
	THOMSON REUTERS	BOOKS	110.60	V004668
	GOBI LIBRARY SOLUTIONS	BOOKS	122.51	V004669
	LYFT	TRAVEL	5.00	V004694
September 16				
	GOLDEN STATE OVERNIGHT	DELIVERY & POSTAG	9.10	V004670
	OCLC INC	BIBLIOGRAPHICAL S	781.55	V004671
	UPS	BOOKS	60.72	V004672
September 17				
	CITY FARE	FRIENDS	285.90	V004676
	S.A.L. DIGITAL COPIES INC	SPECIAL EVENTS EX	118.26	V004677
September 19				
	CORODATA	BLDG SVCS	47.87	V004678
	LANGUAGE PEOPLE INC	OTHER	96.00	V004679
	GURU PRINTERS	SPECIAL EVENTS EX	375.59	V004695
September 20				
	AMERICAN LAWYER MEDIA	BOOKS	655.07	V004680
	WOLTERS KLUWER LAW & BUSINESS	BOOKS	248.95	V004681
	CONTINUING EDUCATION OF THE BAR CAL	BOOKS	1,992.41	V004682
	PROQUEST LLC COUTTS INFORMATION SER	BOOKS	1,056.45	V004683
	JURIS PUBLISHING INC	BOOKS	570.00	V004684
	KENDALL HUNT PUBLISHING COMPANY	BOOKS	147.23	V004685
	LAW JOURNAL PRESS	BOOKS	4,706.64	V004686
	PRACTISING LAW INSTITUTE	BOOKS	535.79	V004687
	PUBLIC UTILITIES REPORTS INC	BOOKS	500.00	V004688
	THOMSON REUTERS TAX & ACCOUNTING	BOOKS	277.58	V004689
	WEST ACADEMIC	BOOKS	48.29	V004690
	THOMSON REUTERS	BOOKS	15,975.94	V004691
	GOBI LIBRARY SOLUTIONS	BOOKS	19.83	V004692
September 24				
	INFINISOURCE INC	PAYROLL/HR BENEFI	75.00	V004696
	OFFICE DEPOT	SUPPLIES-OFFICE	173.78	V004697
September 25				
	FASTCASE INC	BOOKS	10,955.00	V004698
	DEMCO	SUPPLIES LIBRARY	1,354.17	V004714
	LA CAFE	BOARD EXPENSE	84.57	V004730
September 27				

92,293.01

**LOS ANGELES COUNTY LAW LIBRARY**  
**September 1, 2019 - September 30, 2019 (CHECKS)**  
**Account No.: 102001**

DATE	PAYEE	FOR	AMOUNT	CHECK NO.
September 30	OFFICE OF THE DISTRICT ATTORNEY	BOOKS	150.00	V004699
	WOLTERS KLUWER LAW & BUSINESS	BOOKS	2,628.66	V004700
	LEXISNEXIS MATTHEW BENDER	BOOKS	408.76	V004701
	CONTINUING EDUCATION OF THE BAR CAL	BOOKS	2,282.47	V004702
	PROQUEST LLC COUTTS INFORMATION SER	BOOKS	379.70	V004703
	IMMIGRANT LEGAL RESOURCE CENTER	BOOKS	200.73	V004704
	IMPRIMATUR PRESS	BOOKS	127.50	V004705
	JAMES PUBLISHING INC	BOOKS	185.06	V004706
	LAW JOURNAL PRESS	BOOKS	1,670.55	V004707
	PRACTISING LAW INSTITUTE	BOOKS	211.99	V004708
	THOMSON REUTERS TAX & ACCOUNTING	BOOKS	822.68	V004709
	UNITED NATIONS PUBLICATIONS	BOOKS	124.22	V004710
	THOMSON REUTERS	BOOKS	65,412.94	V004711
	WILLIAM S HEIN & CO	BOOKS	591.60	V004712
	GOBI LIBRARY SOLUTIONS	BOOKS	207.18	V004713
4IMPRINT	MISCELLANEOUS	958.71	V004715	
	LEXISNEXIS MATTHEW BENDER	BOOKS	32,945.79	V004716

201,451.55

LOS ANGELES COUNTY LAW LIBRARY  
September 1, 2019 - September 30, 2019 (CHECKS)  
Account No.: 102003

DATE	PAYEE	FOR	AMOUNT	CHECK NO.
September 4	AMAZON WEB SERVICES	SERVICES	0.52	V000345
September 9	SYNCB AMAZON	FURNITURE/APPLIAN	372.00	V000346
September 10	SYNCB AMAZON	FURNITURE/APPLIAN	599.80	V000347
	INDEED, INC	RECRUITING	26.62	V000348
September 11	SYNCB AMAZON	HARDWARE	285.78	V000349
September 12	WILD APRICOT INC ** VOIDED *****	SOFTWARE MAINT	0.00	V000350
	WILD APRICOT INC	SOFTWARE MAINT	1,166.40	V000352
September 16	PORTO'S BAKERY & CAFE	STAFF MEALS & EVE	85.70	V000351

2,536.82

**LOS ANGELES COUNTY LAW LIBRARY**  
**September 1, 2019 - September 30, 2019 (CHECKS)**  
**Account No.: 102004**

DATE	PAYEE	FOR	AMOUNT	CHECK NO.
September 5	LA CAFE	ROOM RENTAL EXP	239.85	V000108
September 11	RALPHS	ROOM RENTAL EXP	12.51	V000109
September 12	99 CENT'S STORE	STAFF MEALS & EVE	9.91	V000110
	BIG MAMAS AND PAPAS PIZZERIA	STAFF MEALS & EVE	213.45	V000111
	COSTCO WHOLESALE MEMBERSHIP	STAFF MEALS & EVE	113.30	V000112
	LA CAFE	ROOM RENTAL EXP	465.75	V000113
	SMART & FINAL	ROOM RENTAL EXP	53.78	V000114
September 13	LA DEPT WATER & POWER	ELECTRIC/FIRE	11,636.91	V000102
	ALBERTSONS	STAFF MEALS & EVE	87.59	V000115

12,833.05

LOS ANGELES COUNTY LAW LIBRARY  
September 1, 2019 - September 30, 2019 (CHECKS)  
Account No.: 103000

DATE	PAYEE	FOR	AMOUNT	CHECK NO.
September 4	SEIU LOCAL 721	UNION DUES	1,549.94	001641
	SEIU LOCAL 721	UNION DENTAL	40.44	001642

1,590.38

LOS ANGELES COUNTY LAW LIBRARY  
September 1, 2019 - September 30, 2019 (WARRANTS)  
Account No.: 102000

DATE	PAYEE	FOR	AMOUNT	CHECK NO.
September 25	EX LIBRIS (USA) INC.	ILS	13,566.74	TS00284644

13,566.74

**MEMORANDUM**

**DATE:** October 23, 2019

**TO:** Board of Law Library Trustees

**FROM:** Sandra Levin, Executive Director  
Malinda Muller, Director, Patron Services  
Austin Stoub, Senior Librarian, Reference & Research

**RE:** Platinum Program Update for the Month of September

**INTRODUCTION**

At the December 2017 Board of Trustees meeting, the Board approved a plan to allow LA Law Library to offer a Platinum level members program. At the time of approving the plan, the Board also requested monthly updates on the status of the Platinum Members program. This is our monthly report, for the October 23, 2019 board meeting, reporting Platinum Member services for September of 2019.

This report is informational only; no action is requested or required.

**ANALYSIS**

In the month of September we responded to ten edelivery requests, with a total of seventeen documents delivered across these requests. Due to changes in the terms of the contract, we have more leeway as to a timeframe for responding. As a result of these changes, our average time for responding to these requests was 5 hour and 4 minutes. The document requests filled were generally case or statute pulls from subscription databases, though there were requests for secondary sources and requests for scans from our print collection.

All requests were filled by staff assigned to the Platinum Members program, without any negative impact on public services or programs. Staff assigned to the Platinum Members program made productive use of time not spent serving Platinum Members to work on other Law Library tasks or assist with public service at the reference desk.

Staff is available to answer any questions the Board of Trustees may have.







LA Law Library  
Fiscal Year Quarterly Statistics

			FY17 1st Quarter	FY18 1st Quarter	FY19 1st Quarter	FY20 1st Quarter	FY20 1st Quarter Notes
<b>Collection Management Services</b>							
	<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		108	89	129	247	
	Print Volumes Added		1,129	1,276	1,792	1576	
	New Serials		25	7	21	13	
	Non-Print Media Added		9,552	10,596	126	890	
	Records Cataloged/Updated		484	102	865	395	
	Print & Non-Print Withdrawn		505	254	440	423	
<b>Brief Scanning Project</b>							
	Briefs Logged (Google)		7,561	16,945	16,192	19,820	
<b>Website Statistics</b>							
	Visitors		26,842	22,553	31,942	30,790	
	Visits (previously counted as "Pages Viewed")		99,035	89,050	100,275	95,230	
	Average Daily Visits		1,076	968	1,143	349	
	Average Duration		2:59	3:01	2:28	5:14	
	Visitors: US		93.59%	98.62%	98.00%	96.80%	
	Visitors: International / Unspecified		6.41%	1.38%	2.00%	3.20%	
<b>Training and Events (Includes Main &amp; Branch locations)</b>							
	Public Classes Held						
	Internal speaker		23	22	33	49	
	Guest speaker		38	61	50	28	
	MCLE Classes Held						
	Internal speaker		0	1	1	1	
	Guest speaker		6	5	4	3	
	Clinics/ Workshops Held		39	57	33	60	
	<b>Total</b>		<b>106</b>	<b>146</b>	<b>121</b>	<b>141</b>	
	Class Attendance Total (Estimated)		<b>1,180</b>	<b>1,753</b>	<b>1,456</b>	<b>2,077</b>	
	Class Attendance Branches (Estimated)		N/A	N/A	N/A	45	New line statisitc began Q1 FY20
<b>Visits to Main Branch</b>							
	Number of Patron Visits (front door)		N/A	N/A	25,434	25,488	

**MEMORANDUM**

**DATE:** October 23, 2019

**TO:** Board of Law Library Trustees

**FROM:** Sandra Levin, Executive Director  
Marcelino Juarez, Finance Manager

**RE:** Approval of CalPERS Health Resolution

**SUMMARY**

Each time the share of health care costs to be charged to LA Law Library employees changes, CalPERS requires the Board adopt a resolution memorializing the new rates and authorizing CalPERS to charge at those rates. However, since there are no changes to the Library's contribution for calendar year 2020 for eligible employees and retirees, no resolution is required to be adopted at this time per our conversation with CalPERS staff.

**BACKGROUND**

The Memorandum of Understanding (MOU) between the Law Library and SEIU obligates the Law Library to pay a share of the cost of health insurance for eligible represented employees and their dependents and for eligible retired employees who were represented prior to retirement and their dependents. The MOU approved at the Board's 9/26/2018 regular meeting limits the Law Library's contribution to a flat dollar maximum amount: for employee only (\$650); employee & 1 (\$950); and employee & 2+ (\$1,150) coverage. At that same meeting, the Board extended this cap on premiums to unrepresented employees and retired employees, and their dependents. These rates applied to calendar year 2019 will also be applied to calendar year 2020.

Since there are no changes to the Library's contribution for calendar year 2020 for eligible employees and retirees, no resolution is required to be adopted.

**RECOMMENDATION**

Staff recommends that the Board receive and file the information provided.





# AGENDA ITEM 4

## DISCUSSION ITEMS

- 4.1 Review and Acceptance of Draft Financial Statement Audit Report and SAS 114 Letter for the Fiscal Year Ended June 30, 2019
- 4.2 UBS Financial Services Inc. Investment Presentation
- 4.3 Decision Regarding Closure on New Year's Eve Day



**MEMORANDUM**

**DATE:** October 23, 2019

**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 SAS 114 Letter for the Fiscal Year Ended June 30, 2019

**SUMMARY**

Staff recommends that the Board review and accept the draft audited financial statement report and SAS 114 Letter for the fiscal year ended June 30, 2019.

**DISCUSSION**

Staff is pleased to report that the LA Law Library's outside auditors, Vasquez & Company, 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, 2019 and issued an unqualified opinion. No material weaknesses were identified. The proposed draft audited financial statement report and SAS 114 letter are attached.

Net operating revenue was nearly 5% over prior fiscal year primarily due to better than expected court fee revenues. Net operating expense was maintained relatively at the same level as prior fiscal year primarily due to lower depreciation expense. Overall, this resulted in a positive change in net position of \$630K for fiscal year 2019. Additionally, non-operating revenue of nearly \$4M was also recorded which includes the \$3.5M one-time funding from the State's budget.

In terms of cash position, the Library went from a cash position of \$9.6M at the end of fiscal year 2018 to \$14.5M at the end of the fiscal year 2019. This increase is primarily due to a slight increase in filing fee revenue, lower payroll as a result of unplanned vacancies, better than expected return on investments, deferral of capital expenditures and the one-time funding from the State's budget mentioned above. 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 2019 the account balance was \$2.1M.



**RECOMMENDATION**

Staff recommends that the Board review the attached audited financial statements and SAS 114 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, 2019 (with Comparative Totals for 2017)
2. Draft SAS 114 Letter





**Los Angeles County Law Library**  
**Audited Financial Statements**  
*As of and for the Years Ended June 30, 2019 and 2018*  
*with Report of Independent Auditors*

**Los Angeles County Law Library**  
**Audited Financial Statements**  
*As of and for the Years Ended June 30, 2019 and 2018*  
*with Report of Independent Auditors*

	<u>PAGE</u>
<b>REPORT OF INDEPENDENT AUDITORS</b>	1
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	3
<b>BASIC FINANCIAL STATEMENTS</b>	
Statements of Net Position	10
Statements of Revenues, Expenses and Changes in Net Position	11
Statements of Cash Flows	12
Notes to Financial Statements	13
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Net OPEB Liability	33
Schedule of OPEB Contribution	34
Schedule of Proportionate Share of the Net Pension Liability	35
Schedule of Pension Contributions	36
<b>REPORT OF INDEPENDENT AUDITORS 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</b>	37



655 N Central Avenue, Suite 1550  
 Glendale, CA 91203  
 Ph. (213) 873-1700  
 Fax (213) 873-1777  
[www.vasquezcpa.com](http://www.vasquezcpa.com)

OFFICE LOCATIONS:  
 Los Angeles  
 Sacramento  
 San Diego  
 Manila

## Report of Independent Auditors

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the Los Angeles County Law Library (the Law Library) which comprise the statements of net position as of June 30, 2019 and 2018 and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditors' Responsibility***

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

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Law Library as of June 30, 2019 and 2018, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters***Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 9 and the required supplementary information on pages 34 through 37 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated **October XX, 2019** 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, 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.

**Glendale, California**  
**October \_\_, 2019**

**Los Angeles County Law Library  
Management's Discussion and Analysis  
Years ended June 30, 2019 and 2018**

---

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, 2019 and 2018. 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, 2019 and 2018 for the Law Library were \$12,888,426 and \$8,598,308, respectively. Of the total revenue amounts, \$7,734,201 and \$7,219,802 represent portions of filing fees paid by parties in civil cases in the Superior Court of California, County of Los Angeles.

Operating expenses for the years ended June 30, 2019 and 2018 totaled \$8,257,112 and \$8,252,181, respectively.

Depreciable capital assets aggregating \$2,434,400 and \$1,883,831 were acquired during the fiscal years 2019 and 2018, respectively.

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

The Law Library early adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* in 2017. This resulted in recognition of Net OPEB Liability of \$2,469,302 and \$2,735,493 as of June 30, 2019 and 2018, respectively; and OPEB expense of \$243,856 and \$277,197 for the years then ended.

### **HIGHLIGHTS OF FISCAL YEAR 2019**

#### Board of Trustees Composition

The composition of LA Law Library's Board of Trustees did not change 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, Hon. Richard Rico, Susan Steinhauser, Esq. and Hon. Michael L. Stern, continued as members.

#### Contract for Financial Audit

Vasquez & Company, LLP were confirmed as the Library's auditors for fiscal year 2018-19.

#### One-Time Funding from the State

In late June 2018, years of work lobbying and advocating on behalf of County law libraries by CCCLL and others culminated in a one-time \$16.5M allotment from the State's budget to backfill the declining civil filing fee revenues. Of this amount, \$3.5M was allotted to LA Law Library. As a result, a number of one-time funding projects were developed aimed at expanding services in underserved communities and enhancing services at main and remote locations.

**Los Angeles County Law Library  
Management's Discussion and Analysis  
Years ended June 30, 2019 and 2018**

---

Cash Rewards Payment System

Having identified a business card partner in January 2015, LA Law Library's credit card reward program was once again utilized. In fiscal year 2018-19, the Library generated an additional \$41K in rewards, \$197K since inception

California Employer's Retirement Benefit Trust (CERBT)

At the end of FY 2014, the Board approved entering into an agreement with the California Public Employee's Retirement System Board of Administration (CalPERS Board) to establish a California Employers' Retirement Benefit Trust funded initially with \$2M to fund its Other Post-Employment Benefits (OPEB) liability for its current and future retirees. At the end of fiscal year 2018-19, the fund balance was \$2.1M, after a \$90K distribution request to offset retiree medical costs paid during the year.

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 FY 2018-19, the Library will recognize an actuarially determined non-cash OPEB expense of \$243,856 which is primarily composed of increased service and interest cost tempered by positive investment earnings.

GASB 68 – Accounting and Financial Reporting for Pensions

GASB 68 requires the reporting of net pension liability or assets in accrual-based financial statements. It may also result in a corresponding pension expense depending on factors such as service and interest cost, changes in benefit terms, employee contributions and projected earnings on plan investment. For FY2018-19, the Library will recognize an actuarially determined non-cash pension expense of \$373,994 for its Classic and PEPRA plan participants. The higher pension expense this fiscal year, as compared to last fiscal year, is due to, among other factors, CalPERS' lower 8.6% investment return for FY2017-18 as compared to 11.2% for FY2016-17.

Hill Street Parking Revenue

In addition to the \$525K guarantee LA Law Library receives from its parking operator, Parking Concepts, Inc., \$113K was generated as a result of additional demand, including after-hour, weekend, and special event activities.

Friends of LA Law Library

The Friends of the LA Law Library 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 FY2018-19, the Friends made a generous contribution of \$140,000.

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

**Los Angeles County Law Library  
Management's Discussion and Analysis  
Years ended June 30, 2019 and 2018**

---

## **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 and liabilities, with the difference between the two 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 10.

### 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 11.

### 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 12.

### 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 13 through 33 of this report.

**Los Angeles County Law Library  
Management's Discussion and Analysis  
Years ended June 30, 2019 and 2018**

**FINANCIAL ANALYSIS**

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

	<u>2019</u>	<u>2018</u>
<b>Assets</b>		
Current and other assets	\$ 16,391,185	\$ 11,432,706
Capital assets (net)	<u>17,581,688</u>	<u>17,805,087</u>
Total assets	<u>33,972,873</u>	<u>29,237,793</u>
<b>Deferred Outflows of Resources</b>	<u>1,544,792</u>	<u>1,713,393</u>
<b>Liabilities</b>		
Current liabilities	238,160	233,063
Other liabilities	<u>5,843,064</u>	<u>6,201,039</u>
Total liabilities	<u>6,081,224</u>	<u>6,434,102</u>
<b>Deferred Inflows of Resources</b>	<u>1,233,204</u>	<u>945,161</u>
<b>Net position</b>		
Net investment in capital assets	17,581,688	17,805,087
Unrestricted	<u>10,621,549</u>	<u>5,766,836</u>
Total net position	<u>\$ 28,203,237</u>	<u>\$ 23,571,923</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 2019 from \$5,766,836 to \$10,621,549. While the Law Library's total net position increased during the year, the Net Investment in capital assets decreased due to depreciation reported during the year.

**Los Angeles County Law Library  
Management's Discussion and Analysis  
Years ended June 30, 2019 and 2018**

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

	<u>2019</u>	<u>2018</u>
<b>Operating Revenues</b>		
Court fees	\$ 7,734,201	\$ 7,219,802
Other operating revenues	1,154,764	1,268,654
<b>Non-operating revenues (expenses)</b>		
Investment (loss) earnings	386,558	51,305
SB 840 funding	3,543,270	-
Miscellaneous	69,633	58,547
Total revenues	<u>12,888,426</u>	<u>8,598,308</u>
<b>Operating Expenses</b>		
Salaries and benefits	3,765,298	3,755,848
Depreciation	2,646,441	2,733,569
Other operating expenses	1,845,373	1,762,764
Total expenses	<u>8,257,112</u>	<u>8,252,181</u>
Change in net position	4,631,314	346,127
<b>Net position</b>		
Net position at beginning of year	<u>23,571,923</u>	23,225,796
Net position at end of year	<u>\$ 28,203,237</u>	<u>\$ 23,571,923</u>

**Los Angeles County Law Library  
Management's Discussion and Analysis  
Years ended June 30, 2019 and 2018**

**BUDGETARY HIGHLIGHTS**

The comparison of the Fiscal Year 2019 actual results of operations against budget and the explanations of significant variances is presented below:

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Operating Revenues:			
Court fees	\$ 7,734,201	\$ 7,740,046	\$ (5,845)
Other operating revenues	1,154,764	1,178,354	(23,590)
Non-operating revenues:			
Investment earnings	386,558	230,793	155,765
SB 840 funding	3,543,270	3,543,270	-
Miscellaneous	69,633	65,371	4,262
Total revenues	<u>12,888,426</u>	<u>12,757,834</u>	<u>130,592</u>
Operating Expenses:			
Salaries and benefits	3,765,298	3,932,863	167,565
Depreciation	2,646,441	2,628,744	(17,697)
Other operating expenses	1,845,373	1,960,803	115,430
Total expenses	<u>8,257,112</u>	<u>8,522,410</u>	<u>265,298</u>
Change in net position	<u>\$ 4,631,314</u>	<u>\$ 4,235,424</u>	<u>\$ 395,890</u>

The actual change in net position differed from budget by \$395,890.

The favorable variance in operating revenues was primarily due to the better than expected earnings from investments. Additionally, since its peak in 2009, court fees continuously decreased until FY 2015. Starting with FY 2017, court fees have increased slightly. The favorable variance in operating expenses was primarily due to decreases in salaries and benefits and other operating expenses. In salaries and benefits, continued vacancies and decreases in OPEB and pension expenses generated a favorable variance. In other operating expenses, decreases in facilities and ERS expenses generated a favorable variance.

**CAPITAL ASSETS**

The Law Library had \$17,581,688 and \$17,805,08 invested in capital assets as of June 30, 2019 and 2018, 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 22 of this report.

	<u>2019</u>	<u>2018</u>
Capital assets, not being depreciated	\$ <u>889,025</u>	\$ <u>624,325</u>
Capital assets, being depreciated	<u>68,303,951</u>	66,145,609
Accumulated depreciation	<u>(51,611,288)</u>	<u>(48,964,847)</u>
Capital assets being depreciated, net	<u>16,692,663</u>	<u>17,180,762</u>
Total capital assets, net	<u>\$ 17,581,688</u>	<u>\$ 17,805,087</u>

**Los Angeles County Law Library  
Management's Discussion and Analysis  
Years ended June 30, 2019 and 2018**

---

**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.

**Los Angeles County Law Library  
Statements of Net Position**

	June 30	
	2019	2018
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 9,419,729	\$ 4,748,337
Accounts receivable	1,531,186	1,599,833
Prepaid expenses and other current assets	333,124	201,344
Total current assets	11,284,039	6,549,514
Noncurrent assets		
Restricted cash and cash equivalents	318,470	318,470
Investments	4,788,676	4,564,722
Capital assets, not being depreciated	889,025	624,325
Capital assets, being depreciated – net	16,692,663	17,180,762
Total noncurrent assets	22,688,834	22,688,279
Total assets	33,972,873	29,237,793
<b>Deferred Outflows of Resources</b>		
Deferred outflows of resources - pension	1,544,792	1,712,349
Deferred outflows of resources - OPEB	-	1,044
Total deferred outflows of resources	1,544,792	1,713,393
<b>Liabilities</b>		
Current liabilities		
Accounts payable	230,629	228,063
Other current liabilities	7,531	5,000
Total current liabilities	238,160	233,063
Noncurrent liabilities		
Accrued sick and vacation liability	302,790	293,210
Borrowers' deposits	295,062	291,560
Net OPEB liability	2,469,302	2,735,493
Net pension liability	2,775,910	2,880,776
Total noncurrent liabilities	5,843,064	6,201,039
Total liabilities	6,081,224	6,434,102
<b>Deferred Inflows of Resources</b>		
Deferred inflows of resources - pension	867,309	-
Deferred inflows of resources - OPEB	365,895	945,161
Total deferred inflows of resources	1,233,204	945,161
<b>Net Position</b>		
Net position		
Net investment in capital assets	17,581,688	17,805,087
Unrestricted	10,621,549	5,766,836
Total net position	\$ 28,203,237	\$ 23,571,923

*See notes to financial statements.*

**Los Angeles County Law Library**  
**Statements of Revenues, Expenses and Changes in Net Position**

---

	<b>Years Ended June 30</b>	
	<b>2019</b>	<b>2018</b>
<b>Operating Revenues</b>		
Court fees	\$ 7,734,201	\$ 7,219,802
Parking fees	638,848	666,265
Contributions	140,000	145,000
Annual fees	187,704	215,153
Copy center and document delivery	61,315	61,406
Other operating revenues	126,897	180,830
Total operating revenues	<u>8,888,965</u>	<u>8,488,456</u>
<b>Operating Expenses</b>		
Salaries and benefits	3,765,298	3,755,848
Depreciation	2,646,441	2,733,569
Services and supplies	1,342,285	1,332,116
Insurance	247,804	237,731
Utilities	179,791	160,838
Other operating expenses	75,493	32,079
Total operating expenses	<u>8,257,112</u>	<u>8,252,181</u>
<b>Operating income (loss)</b>	<b>631,853</b>	<b>236,275</b>
<b>Non-operating revenues (expenses)</b>		
Investment earnings	386,558	51,305
SB 840 funding	3,543,270	-
Miscellaneous income	69,633	58,547
Total non-operating revenues (expenses)	<u>3,999,461</u>	<u>109,852</u>
<b>Change in net position</b>	<b>4,631,314</b>	<b>346,127</b>
<b>Net position</b>		
Net position at beginning of year	<u>23,571,923</u>	<u>23,225,796</u>
Net position at end of year	<u>\$ 28,203,237</u>	<u>\$ 23,571,923</u>

*See notes to financial statements.*

**Los Angeles County Law Library  
Statements of Cash Flows**

	<b>Years Ended June 30</b>	
	<b>2019</b>	<b>2018</b>
<b>Cash flows from operating activities</b>		
Cash received from court fees and services	\$ 8,821,114	\$ 8,065,993
Cash payments to suppliers for goods and services	(1,974,587)	(1,566,035)
Cash payments to employees for services	(3,667,600)	(3,470,480)
Contributions received	140,000	145,000
Net cash from operating activities	3,318,927	3,174,478
<b>Cash flows from capital and related financing activities</b>		
Acquisition of capital assets	(2,423,042)	(1,858,250)
Net cash used in capital and related financing activities	(2,423,042)	(1,858,250)
<b>Cash flows from non-capital and related financing activities</b>		
Miscellaneous income	69,633	58,547
SB 840 funding	3,543,270	-
Net cash from non-capital and related financing activities	3,612,903	58,547
<b>Cash flows from investing activities</b>		
Investment in money market funds and government securities	(223,954)	12,565
Investment (loss) earnings	386,558	51,305
Net cash from investing activities	162,604	63,870
Net increase (decrease) in cash and cash equivalents	4,671,392	1,438,645
Cash and cash equivalents, at beginning of year	5,066,807	3,628,162
Cash and cash equivalents, at end of year	\$ 9,738,199	\$ 5,066,807
<b>Reconciliation of Operating Income to Net Cash from Operating Activities</b>		
Operating income (loss)	\$ 631,853	\$ 236,275
Adjustments to reconcile operating income (loss) to net cash from operating activities:		
Depreciation	2,646,441	2,733,569
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	68,647	(276,195)
(Increase) decrease in prepaid expenses and other current assets	(131,780)	82,688
Increase (decrease) in accounts payable	2,566	114,041
Increase (decrease) in other liabilities	2,531	(3,319)
Increase (decrease) in accrued sick and vacation liability	9,580	(11,544)
Increase (decrease) in borrowers' deposits	3,502	(1,268)
(Increase) decrease in OPEB asset/liability	(266,191)	278,241
(Increase) decrease in net pension asset/liability	(104,866)	196,859
(Increase) decrease in deferred outflows of resources	168,601	(588,528)
Increase (decrease) in deferred inflows of resources	288,043	413,659
Net cash from operating activities	\$ 3,318,927	\$ 3,174,478

*See notes to financial statements.*

**Los Angeles County Law Library**  
**Notes to Financial Statements**  
**Years ended June 30, 2019 and 2018**

---

**NOTE 1 ORGANIZATION AND PROFILE**

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 conformity with accounting principles generally accepted in the United States of America as applied to governmental agencies. The Governmental Accounting Standards Board (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.

**Basis of Accounting and Measurement Focus**

The Law Library is considered an enterprise fund for financial reporting purposes. The accompanying financial statements have been prepared using the total economic 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.

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

The Law Library's financial statements are presented in accordance with the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, as amended by Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*. Statement No. 63 requires the classification of net position into three components – net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

- *Net investment in capital assets* – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net assets. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of invested in capital assets. Instead, that portion of the debt or deferred inflow of resources should be included in the same net position component (restricted or unrestricted) as the unspent amounts.
- *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 net investment in capital assets or the restricted component of net position.

**Pensions**

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

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**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, 2019 and 2018, cash and cash equivalents consist of:

	<b>2019</b>	<b>2018</b>
Cash and cash equivalents	\$ <b>9,419,729</b>	\$ 4,748,337
Restricted cash and cash equivalents	<b>318,470</b>	318,470
	<b>\$ 9,738,199</b>	\$ 5,066,807

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

**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:

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
Buidings and exterior building improvements	15 – 50 years

**Los Angeles County Law Library**  
**Notes to Financial Statements**  
**Years ended June 30, 2019 and 2018**

**NOTE 2            SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition**

The Law Library's revenues are recognized on an 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 and Non-Operating Revenues**

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

**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 AND CASH EQUIVALENTS AND INVESTMENTS**

As of June 30, 2019 and 2018, cash and cash equivalents and investments are composed of:

	<u>2019</u>	<u>2018</u>
<u>Cash and cash equivalents:</u>		
Local Agency Investment Fund	\$ 367,183	\$ 359,038
Cash deposited with the Los Angeles County Treasurer	9,060,318	4,477,250
Cash on hand and in bank	(7,772)	(87,951)
Restricted deposits	318,470	318,470
	<u>9,738,199</u>	<u>5,066,807</u>
<u>Investments:</u>		
Money market funds	1,078,478	1,053,931
Government securities	3,710,198	3,510,791
	<u>4,788,676</u>	<u>4,564,722</u>
Total	<u>\$ 14,526,875</u>	<u>\$ 9,631,529</u>

**Los Angeles County Law Library**  
**Notes to Financial Statements**  
**Years ended June 30, 2019 and 2018**

---

**NOTE 3 CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

The Law Library is a voluntary participant in the Local Agency Investment Fund (LAIF), a special fund regulated by the California State Treasury through which each city, district or agency may invest up to \$40 million. As of June 30, 2019 and 2018, the total market value of LAIF, including accrued interest was approximately \$106 billion and \$88.9 billion, respectively. The Law Library's proportionate share of that value as of June 30, 2019 and 2018 is \$0.4 million. 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 amounted to \$9,377,788 and \$4,795,720 as of June 30, 2019 and 2018, respectively. Of this amount, \$318,470 represents restricted cash and cash equivalents relating to deposits received from members for their library privileges as of June 30, 2019 and 2018.

All investments are stated at fair value. Net changes in the fair value of investments are reflected as non-operating revenue in the Statement of Revenues, Expenses and Changes in Net Position.

**Risk**

In accordance with GASB Statement No. 40, *Deposit and Risk Disclosure – an Amendment of GASB Statement No.3*, 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:

**Los Angeles County Law Library  
Notes to Financial Statements  
Years ended June 30, 2019 and 2018**

**NOTE 3 CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)****Interest Rate Risk**

Interest rate risk, as defined under GASB Statement No. 40, 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, 2019**

<u>Investment Type</u>	<u>Total</u>	<u>Remaining Maturity in Months</u>		
		<u>12 Months Or Less</u>	<u>13 to 24 Months</u>	<u>25-60 Months</u>
Money market funds	\$ 1,078,478	\$ 1,078,478	\$ -	\$ -
Government securities	3,710,198	-	1,096,767	2,613,431
	<u>\$ 4,788,676</u>	<u>\$ 1,078,478</u>	<u>\$ 1,096,767</u>	<u>\$ 2,613,431</u>

**June 30, 2018**

<u>Investment Type</u>	<u>Total</u>	<u>Remaining Maturity in Months</u>		
		<u>12 Months Or Less</u>	<u>13 to 24 Months</u>	<u>25-60 Months</u>
Money market funds	\$ 1,053,931	\$ 1,053,931	\$ -	\$ -
Government securities	3,510,791	-	532,136	2,978,655
	<u>\$ 4,564,722</u>	<u>\$ 1,053,931</u>	<u>\$ 532,136</u>	<u>\$ 2,978,655</u>

**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:

**Los Angeles County Law Library**  
**Notes to Financial Statements**  
**Years ended June 30, 2019 and 2018**

**NOTE 3 CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

June 30, 2019

<u>Investment Type</u>	<u>Total</u>	<u>Minimum Legal Rating</u>	<u>AA+/AA</u>
Money market funds	\$ 1,078,478	A	\$ 1,078,478
Government securities	<u>3,710,198</u>	A	<u>3,710,198</u>
	<u>\$ 4,788,676</u>		<u>\$ 4,788,676</u>

June 30, 2018

<u>Investment Type</u>	<u>Total</u>	<u>Minimum Legal Rating</u>	<u>AA+/AA</u>
Money market funds	\$ 1,053,931	A	\$ 1,053,931
Government securities	<u>3,510,791</u>	A	<u>3,510,791</u>
	<u>\$ 4,564,722</u>		<u>\$ 4,564,722</u>

**Concentration of Credit Risk**

Under GASB Statement No. 40, 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, 2019 and 2018, the Law Library was not exposed to concentration of credit risk.

**Custodial Credit Risk**

GASB Statement No. 40 defines 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:

- a. Uncollateralized.
- b. 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, 2019 and 2018, the Law Library was not exposed to custodial credit risk.

**Los Angeles County Law Library  
Notes to Financial Statements  
Years ended June 30, 2019 and 2018**

**NOTE 4 FAIR VALUE MEASUREMENTS**

GASB 72 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The Library categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; while Level 3 inputs are significant unobservable inputs.

- 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, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The following tables represent the Library's fair value hierarchy for its financial assets measured at fair value on a recurring basis:

June 30, 2019				
Investment Type	Quoted Prices in Active Markets for Identical Assets Level 1	Significant other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total
Money market funds	\$ 1,078,478	\$ -	\$ -	\$ 1,078,478
Government securities	-	3,710,198	-	3,710,198
	\$ 1,078,478	\$ 3,710,198	\$ -	\$ 4,788,676

June 30, 2018				
Investment Type	Quoted Prices in Active Markets for Identical Assets Level 1	Significant other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total
Money market funds	\$ 1,053,931	\$ -	\$ -	\$ 1,053,931
Government securities	-	3,510,791	-	3,510,791
	\$ 1,053,931	\$ 3,510,791	\$ -	\$ 4,564,722

The Library's investments in LAIF and LA County Pool as of June 30, 2019 and 2018 is reported at the Library's pro-rata share of the amortized cost provided by LAIF and LA County Treasurer for the entire portfolio. This amount approximates fair value.

**Los Angeles County Law Library**  
**Notes to Financial Statements**  
**Years ended June 30, 2019 and 2018**

**NOTE 5 CAPITAL ASSETS**

The investment in capital assets consists of the following:

	Balance June 30, 2018	Adjustment	Additions	Deletions	Balance June 30, 2019
Capital assets, not being depreciated:					
Land	\$ 580,333	\$ -	\$ -	\$ -	\$ 580,333
Construction in progress	43,992	-	264,700	-	308,692
Total capital assets, not being depreciated	<u>624,325</u>	<u>-</u>	<u>264,700</u>	<u>-</u>	<u>889,025</u>
Capital assets, being depreciated:					
Building and improvements	12,142,220	-	224,759	-	12,366,979
Books and reference materials	51,167,270	-	1,910,800	-	53,078,070
Furniture, fixtures and other equipment	2,058,728	-	3,352	-	2,062,080
Computer equipment and software	777,391	-	30,789	11,358	796,822
Total capital assets, being depreciated	66,145,609	-	2,169,700	11,358	68,303,951
Accumulated depreciation	<u>(48,964,847)</u>	<u>-</u>	<u>(2,646,441)</u>	<u>-</u>	<u>(51,611,288)</u>
Capital assets being depreciated, net	17,180,762	-	(476,741)	11,358	16,692,663
Capital assets, net	<u>\$ 17,805,087</u>	<u>\$ -</u>	<u>\$ (212,041)</u>	<u>\$ 11,358</u>	<u>\$ 17,581,688</u>

	Balance June 30, 2017	Adjustment	Additions	Deletions	Balance June 30, 2018
Capital assets, not being depreciated:					
Land	\$ 580,333	\$ -	\$ -	\$ -	\$ 580,333
Construction in progress	-	-	43,992	-	43,992
Total capital assets, not being depreciated	<u>580,333</u>	<u>-</u>	<u>43,992</u>	<u>-</u>	<u>624,325</u>
Capital assets, being depreciated:					
Building and improvements	12,136,023	-	6,197	-	12,142,220
Books and reference materials	49,359,209	-	1,808,061	-	51,167,270
Furniture, fixtures and other equipment	2,058,728	-	-	-	2,058,728
Computer equipment and software	777,391	-	25,581	25,581	777,391
Total capital assets, being depreciated	64,331,351	-	1,839,839	25,581	66,145,609
Accumulated depreciation	<u>(46,231,278)</u>	<u>-</u>	<u>(2,733,569)</u>	<u>-</u>	<u>(48,964,847)</u>
Capital assets being depreciated, net	18,100,073	-	(893,730)	25,581	17,180,762
Capital assets, net	<u>\$ 18,680,406</u>	<u>\$ -</u>	<u>\$ (849,738)</u>	<u>\$ 25,581</u>	<u>\$ 17,805,087</u>

**NOTE 6 RETIREMENT PLAN****A. General Information about the Pension Plans****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.

**Los Angeles County Law Library  
Notes to Financial Statements  
Years ended June 30, 2019 and 2018**

**NOTE 6 RETIREMENT PLAN (CONTINUED)**

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.

The Plans' provisions and benefits in effect at June 30, 2019 and 2018 are summarized as follows:

	<b>Miscellaneous Plan</b>	
	<b>Classic</b>	<b>PEPRA</b>
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.5% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years 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 rates	8%	6.31%
Required employer contribution rates	11.68%	6.90%

**Los Angeles County Law Library  
Notes to Financial Statements  
Years ended June 30, 2019 and 2018**

---

**NOTE 6 RETIREMENT PLAN (CONTINUED)****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, 2019 and 2018, the contributions recognized as part of pension expense for each Plan were as follows:

	<u>2019</u>	<u>2018</u>
Contributions - employer	\$ 389,154	\$ 296,357
Contributions - employee	168,924	168,884

**B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

As of June 30, 2019 and 2018, the Law Library reported net pension liabilities for its proportionate share of the net pension liability of each Plan as follows:

	<b>Proportionate Share of Net Pension Liability (Asset)</b>	
	<u>2019</u>	<u>2018</u>
Miscellaneous Plan	<u>\$ 2,775,910</u>	<u>\$ 2,880,776</u>

**Los Angeles County Law Library  
Notes to Financial Statements  
Years ended June 30, 2019 and 2018**

**NOTE 6 RETIREMENT PLAN (CONTINUED)**

The Law Library's net pension liability was measured as the proportionate share of the net pension liability of the collective cost-sharing plan. The Law Library's net pension liability was measured as of June 30, 2018, and the total pension liability for the Plan was used to calculate the net pension liability determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The Law Library's proportion of the net pension liability was based on a projection of the Law Library's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2017 and 2018 were as follows:

The Law Library's proportionate share of the net pension liability for the Plan as of June 30, 2017 and 2018 were as follows:

	<b>Miscellaneous</b>	
	<b>2019</b>	<b>2018</b>
Proportion - Beginning of Year	0.07308%	0.07726%
Proportion - End of Year	0.07366%	0.07308%
Change - Increase (Decrease)	0.00058%	-0.00418%

For the reporting years ended June 30, 2019 and 2018, the Law Library recognized pension expense of \$373,994 and \$319,391, respectively. At June 30, 2019 and 2018, the Law Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2019		2018	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement	\$ 389,154	\$ -	\$ 296,357	\$ -
Differences between actual and expected experience	106,507	36,243	8,236	(117,995)
Differences in proportions	-	-	-	-
Changes in assumptions	316,462	77,558	1,021,886	(77,920)
Change in employer's proportion	718,946	268,752	154,762	(418,057)
Differences between the employer's contributions and the employer's proportionate share of contributions	-	484,756	-	(331,189)
Net differences between projected and actual earnings on plan investments	13,723	-	231,108	-
Total	\$ 1,544,792	\$ 867,309	\$ 1,712,349	\$ (945,161)

**Los Angeles County Law Library  
Notes to Financial Statements  
Years ended June 30, 2019 and 2018**

**NOTE 6 RETIREMENT PLAN (CONTINUED)**

\$389,154 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

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

Year ended June 30	Amount
2020	\$ 180,525
2021	134,479
2022	(1,707)
2023	(24,968)
2024	-
Thereafter	-
	\$ 288,329

**Actuarial Assumptions**

The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	30-Jun-17
Measurement Date	30-Jun-18
Actuarial Cost Method	Entry-Age Normal Cost Method
<b>Actuarial Assumptions:</b>	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	(1)
Mortality	(2)
Post-Retirement Benefit Increase	(3)

- (1) Varies by entry age and service
- (2) Derived using CalPERS' Membership Data for all funds
- (3) Contract COLA up to 2.5% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.5% thereafter.

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 CalPERS Experience Study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov).

**NOTE 6      RETIREMENT PLAN (CONTINUED)**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.15 percent, gross of administrative expense. CalPERS pension discount rate is set equal to the long-term expected rate of return calculated using the capital market assumptions.

The long-term expected rate of return on pension 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 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 the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 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 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 equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

<u>Asset Class (1)</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10(a)</u>	<u>Real Return Years 11+(b)</u>
Global Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%
Inflation Sensitive	0.00%	77.00%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	<u>100.00%</u>		

*(1) In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Shortterm Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.*

*(a) An expected inflation of 2% used for this period.*

*(b) An expected inflation of 2.92% used for this period.*

**NOTE 6 RETIREMENT PLAN (CONTINUED)****Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

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

		<u>Miscellaneous Plan</u>
1% Decrease		6.15%
Net Pension Liability	\$	6,052,437
Current Discount Rate		7.15%
Net Pension Liability (Asset)	\$	2,775,910
1% Increase		8.15%
Net Pension Liability (Asset)	\$	71,191

**C. Pension Plan Fiduciary Net Position**

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

**D. Payable to the Pension Plan**

As of June 30, 2019 and 2018, the Law Library did not have outstanding amount of contributions to the pension plan required for the years ended June 30, 2019 and 2018.

**NOTE 7 OTHER POSTEMPLOYMENT BENEFITS (OPEB)****Plan Description**

The Law Library offers medical and dental insurance to eligible retirees and their spouses. CalPERS and Guardian, single-employer defined benefit plans, administer the Library's medical and dental plans, respectively. The Law Library's Board of Trustees has the authority to establish and amend benefit provisions for its employees. CalPERS and Guardian issue 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](http://www.calpers.ca.gov) and [www.guardianlife.com](http://www.guardianlife.com).

**Los Angeles County Law Library  
Notes to Financial Statements  
Years ended June 30, 2019 and 2018**

**NOTE 7 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**Description of Retiree Benefits**

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

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

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

**Employees covered by benefit terms**

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

<u>Category</u>	<u>Count</u>
Active employees	36
Inactive employees or beneficiaries currently receiving benefit	31
Inactive employees entitled to but not yet receiving benefit payment	-
	<u>67</u>

**NOTE 7      OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**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, 2019, the Trust account balance was \$2,114,145.

**Net OPEB Liability**

The Library's net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019.

*Actuarial Assumptions*

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

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

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

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

**Los Angeles County Law Library**  
**Notes to Financial Statements**  
**Years ended June 30, 2019 and 2018**

**NOTE 7 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

Asset Class	Percentage of Portfolio	Assumed Growth Return
US Large Cap	40%	7.7950%
US Small Cap	10%	7.7950%
Long-term Corporate Bonds	18%	5.2950%
Long-term Government Bonds	6%	4.5000%
Treasury Inflation Protected Securities (TIPS)	15%	7.7950%
US Real Estate	8%	7.7950%
All Commodities	3%	7.7950%
Total	<u>100%</u>	

*Discount rate*

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

*Change in the Net OPEB Liability*

	Increases (Decreases)		
	Total OPEB Liability	Plan Fiduciary	Net OPEB Liability
<b>Balance at June 30, 2018</b>	\$ 4,851,516	\$ 2,116,022	\$ 2,735,494
<b>Changes for the year:</b>			
Service cost	114,698	-	114,698
Interest on the total OPEB liability	311,347	-	311,347
Difference between actual and expected experience	(4,683)	-	(4,683)
Experience gains/losses	(396,323)	-	(396,323)
Contribution - employer	-	143,108	(143,108)
Net investment income	-	149,935	(149,935)
Benefit payments	(233,108)	(233,108)	-
Administrative expense	-	(1,812)	1,812
<b>Net Changes</b>	<u>(208,069)</u>	<u>58,123</u>	<u>(266,192)</u>
<b>Balance at June 30, 2019</b>	<u>\$ 4,643,447</u>	<u>\$ 2,174,145</u>	<u>\$ 2,469,302</u>

**Los Angeles County Law Library  
Notes to Financial Statements  
Years ended June 30, 2019 and 2018**

**NOTE 7 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)***Sensitivity of the net OPEB liability to changes in the discount rate*

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

	<u>Discount Rate 1% Lower</u>	<u>Valuation Discount Rate</u>	<u>Discount Rate 1% Higher</u>
Net OPEB liability	\$ 3,044,073	\$ 2,469,302	\$ 1,993,670

*Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates*

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

	<u>Trend 1% lower</u>	<u>Valuation Trend</u>	<u>Trend 1% higher</u>
Net OPEB liability	\$ 1,986,203	\$ 2,469,302	\$ 3,037,874

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

For the year ended June 30, 2019, the Law Library recognized OPEB expense of \$243,856 with details as follows:

	<u>Total</u>
Service Cost	\$ 114,698
Interest on Total OPEB Liability	311,348
Recognized Experience Gains/Losses	(46,629)
Actual Investment Income	(137,373)
Administrative Expense	1,812
Total OPEB Expense	<u>\$ 243,856</u>

At June 30, 2019, the Law Library reported a total deferred inflows of resources of \$365,895 representing difference in actual and expected investment earnings of \$11,518 and experience gains and losses of \$354,377.

**Los Angeles County Law Library  
Notes to Financial Statements  
Years ended June 30, 2019 and 2018**

---

**NOTE 7      OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

The deferred inflows of resources will be recognized as reduction in pension expense as follows:

Year ended June 30		Amount
2020	\$	(49,444)
2021		(49,444)
2022		(49,444)
2023		(49,702)
2024		(46,629)
Thereafter		(121,232)
	\$	(365,895)

**NOTE 8      CONTINGENT LIABILITIES**

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

**NOTE 9      SUBSEQUENT EVENTS**

In preparing these financial statements, the Law Library has evaluated events or transactions that occurred subsequent to the balance sheet date through October XX, 2019, the date the accompanying financial statements were available to be issued, for potential recognition or disclosure in the financial statements. The Law Library determined that no subsequent events required disclosure or adjustment to the accompanying financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Los Angeles County Law Library  
Schedule of Net OPEB Liability**

	Last Ten Years *		
	Fiscal Year Ending*		
	June 30, 2019	June 30, 2018	June 30, 2017
<b>Total OPEB Liability</b>			
Service cost	\$ 114,698	\$ 111,628	\$ 108,640
Interest on total OPEB liability	311,348	297,273	278,115
Benefit payments, including refunds of employee contributions	(233,108)	(150,000)	(40,000)
Experience gains/losses	(401,006)	-	-
<b>Net change in total OPEB liability</b>	(208,068)	258,901	346,755
<b>Total OPEB liability - beginning of year</b>	4,851,516	4,592,615	4,245,860
<b>Total OPEB liability - end of year (a)</b>	<u>\$ 4,643,448</u>	<u>\$ 4,851,516</u>	<u>\$ 4,592,615</u>
<b>Plan Fiduciary Net Position</b>			
Net investment income	\$ 149,935	\$ 132,557	\$ 147,500
Contributions - employer	143,108	-	-
Benefit payments, including refunds of employee contributions	(233,108)	(150,000)	(40,000)
Administrative expenses	(1,812)	(1,897)	(1,774)
<b>Net change in plan fiduciary net position</b>	58,123	(19,340)	105,726
<b>Plan fiduciary net position - beginning of year</b>	2,116,023	2,135,363	2,029,637
<b>Plan fiduciary net position - end of year (b)</b>	<u>\$ 2,174,146</u>	<u>\$ 2,116,023</u>	<u>\$ 2,135,363</u>
<b>Net OPEB liability - end of year (a)-(b)</b>	<u>\$ 2,469,302</u>	<u>\$ 2,735,493</u>	<u>\$ 2,457,252</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>46.82%</u>	<u>43.62%</u>	<u>46.50%</u>
Covered - employee payroll	<u>\$ 1,631,171</u>	<u>\$ 1,631,171</u>	<u>\$ 2,193,942</u>
Net OPEB liability as percentage of covered-employee payroll	<u>151.38%</u>	<u>167.70%</u>	<u>112.00%</u>

\* Fiscal year 2017 was the first year of implementation, therefore only three years are shown.

*See report of independent auditors.*

**Los Angeles County Law Library  
Schedule of OPEB Contribution  
June 30, 2017**

---

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

*See report of independent auditors.*

**Los Angeles County Law Library**  
**Schedule of Proportionate Share of the Net Pension Liability**  
**Last 10 years\***

	Measurement Date						
	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015		June 30, 2014	
				Classic	PEPRA	Classic	PEPRA
Proportion of the net pension liability (asset)	0.07366%	0.07308%	0.07726%	-0.00275%	0.00002%	-0.00275%	0.00002%
Proportionate Share of the net pension liability (asset)	\$ 2,775,910	\$ 2,880,776	\$ 2,683,917	\$ 1,236,782	\$ (2,909)	\$ (170,833)	\$ 1,048
Covered - employee payroll	\$ 2,217,890	\$ 2,219,036	\$ 2,193,142	\$ 2,090,465	\$ 283,145	\$ 2,447,858	\$ 79,187
Proportionate Share of the net pension liability (asset) as percentage of covered-employee payroll	125%	130%	122%	59.16%	-1.03%	-6.98%	1.32%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	88.54%	88.24%	88.23%	94.34%	103.72%	100.75%	83.01%

### Notes to Schedule

- <sup>1</sup> GASB Statement Nos. 68 and 82 define covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan or the payroll on which contributions are made.

\* Fiscal year 2015 was the 1st year of implementation, therefore only 5 years are shown.

*See report of independent auditors.*

**Los Angeles County Law Library  
Schedule of Pension Contributions  
Last 10 years\***

	Reporting Date				
	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution (actuarially determined)	\$ 389,154	\$ 296,357	\$ 292,226	\$ 278,176	\$ 273,383
Contributions in relation to the actuarially determined contributions	(389,154)	(296,357)	(292,226)	(278,176)	(273,383)
Contribution deficiency (excess)	<u>\$ -</u>				
 Covered-employee payroll	 \$ 2,217,890	 \$ 2,219,036	 \$ 2,193,142	 \$ 2,090,465	 \$ 2,447,858
 Contributions as a percentage of covered-employee payroll	 17.55%	 13.36%	 13.32%	 13.31%	 11.17%

**Notes to Schedule**

Valuation date

6/30/2017

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry-Age Normal Cost Method
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years as of valuation date
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	Varies by entry age and age
Investment rate of return	7.15%, net of pension plan investment expense; includes inflation
Retirement age	57 yrs.
Mortality Rate Table	Derived using CalPERS' membership Data for all funds

\* Fiscal year 2015 was the 1st year of implementation, therefore only 5 years are shown.

*See report of independent auditors.*



655 N Central Avenue, Suite 1550  
 Glendale, CA 91203  
 Ph. (213) 873-1700  
 Fax (213) 873-1777  
[www.vasquezcpa.com](http://www.vasquezcpa.com)

OFFICE LOCATIONS:  
 Los Angeles  
 Sacramento  
 San Diego  
 Manila

**Report of Independent Auditors 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  
 Los Angeles County Law Library**

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Los Angeles County Law Library (the Law Library) which comprise the statement of net position as of June 30, 2019 and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated, October\_, 2019.

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

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



### **Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is 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 Law Library's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Law Library's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**Glendale, California**  
**October \_\_, 2019**



[www.vasquezcpa.com](http://www.vasquezcpa.com)

Vasquez & Company LLP has 50 years of experience in performing audit, accounting & consulting services for all types of nonprofit organizations, for-profit companies, governmental entities and publicly traded companies. Vasquez is a member of the RSM US Alliance. RSM US Alliance provides its members with access to resources of RSM US LLP. RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International. Visit [rsmus.com/about-us](http://rsmus.com/about-us) for more information regarding RSM US LLP and RSM International. The RSM™ logo is used under license by RSM US LLP. RSM US Alliance products and services are proprietary to RSM US LLP.



**Los Angeles County Law Library  
Communication to the Board of Trustees Regarding  
The Results of the Audit  
*Year ended June 30, 2019***

**To the Board of Trustees of Los Angeles County Law Library  
301 W. First Street  
Los Angeles, CA 90012**

We have audited the financial statements of the Los Angeles County Law Library (Law Library) for the year ended June 30, 2019. Generally accepted auditing standards require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process of the Law Library.

**Communications Required Under SAS 114**

Overview of the Planned Scope and Timing of the Financial Statement Audit

We have issued a separate communication regarding the planned scope and timing of our audit in our letter dated June 28, 2019.

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 financial statements. The application of existing accounting policies was not changed during the year ended June 30, 2019.

*Significant or Unusual Transactions*

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*

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 estimate(s) affecting the Law Library's financial statements were the useful lives for capital assets, pension and OPEB liability and the valuation of investments as of June 30, 2019. Our comments with respect to those estimates are as follows:

- The estimated useful lives of the Law Library's capital assets were based on management's best estimate and prevailing practices in the industry.
- The net pension and OPEB liability are based on the report of CalPERS and the Law Library's actuarial consultants.
- Estimated fair values for investments are obtained from quoted market prices where available.

### 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

There were no corrected and uncorrected misstatements noted during our audit.

### Disagreements with Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures included in the financial statements.

### Management Representations

We will request certain representations from management that are included in the management representation letter which will be dated October 23, 2019, the target date of the issuance of the report.



Management Consultations with Other Independent Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Other Information in Documents Containing Audited Financial Statements

Our responsibility relates to the Law Library's financial statements and other information as identified in the auditor's report. We have no responsibility for any other information that may be included in documents containing those audited financial statements. We do not have an obligation to perform any procedures to corroborate other information contained in these documents. We read the management's discussion and analysis and nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information or manner of its presentation appearing in the financial statements.

Independence

We confirm that we are independent of the Law Library within the meaning of the independence, integrity and objectivity rules, regulations, interpretations, and rulings of the AICPA, the State of California Board of Accountancy, the Comptroller General as set forth in *Government Auditing Standards*, and other regulatory agencies.

\*\*\*\*\*

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

VASQUEZ & COMPANY LLP

A handwritten signature in blue ink that reads "Cristy A. Canieda".

**Cristy Canieda**  
Partner  
October 17, 2019



[www.vasquezcpa.com](http://www.vasquezcpa.com)

Vasquez & Company LLP has 50 years of experience in performing audit, accounting & consulting services for all types of nonprofit organizations, for-profit companies, governmental entities and publicly traded companies. Vasquez is a member of the RSM US Alliance. RSM US Alliance provides its members with access to resources of RSM US LLP. RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International. Visit [rsmus.com/about-us](http://rsmus.com/about-us) for more information regarding RSM US LLP and RSM International. The RSM™ logo is used under license by RSM US LLP. RSM US Alliance products and services are proprietary to RSM US LLP.

655 N Central Avenue, Suite 1550 • Glendale, California 91203-1437 • Ph. (213) 873-1700 • Fax (213) 873-1777

**MEMORANDUM**

**DATE:** October 23, 2019

**TO:** Board of Law Library Trustees

**FROM:** Marcelino Juarez, Finance Manager

**RE:** UBS Financial Services Inc. Investment Presentation

**SUMMARY**

UBS Financial Services, Inc., the Library's investment advisor, is pleased to make this informational presentation as means to provide a brief update on the investment mechanism and performance.

**BACKGROUND**

In April 2014 and pursuant to California & Professional Code Section 6348.5, the Board authorized the Library's then Finance Director to enter into a consulting agreement with UBS Financial Services Inc. to invest surplus funds in long term zero-coupon U.S. Treasury obligations to maximize investment returns. At that time, an initial investment of \$4M was authorized. In June 2016, an additional \$500K was authorized. The current value of our investment as of 10/17/2019 is \$4.8M.

The costs of the investment strategy continue to be minimal, given that the Law Library received a proposal to provide investment management services for only the transaction costs. The cost for each transaction is \$5.35. If the Zero-Coupon U.S. Treasury obligations would be sold prior to maturity, an additional \$5.35 would be incurred.

The attached summary is a brief overview of the presentation.

**RECOMMENDATION**

No recommendation is being presented at this time.





## **UBS Financial Services, Inc. Presentation Summary 10-23-2019**

US Treasury Obligations have been an integral part of the portfolio's low risk orientation.

The willingness to understand further the workings of the "Zero-Coupon US Treasury Obligations" can best be presented beginning from a generic perspective of the most utilized and recognized direct US Treasury Obligations.

The following is a brief summary of those most utilized and recognized direct US Treasury Obligations:

**1. U.S. Treasury Bills**

1. issued at a discount from Face Value
2. no cash flow
3. interest return is paid upon maturity
4. issued for maturities of no longer than one (1) year in duration

**2. U.S. Treasury Notes**

1. issued at Face Value ("Par")
2. interest payments made every six (6) months
3. issued for maturities of 2, 3, 5, 7, and 10 years

**3. U.S. Treasury Bonds**

1. issued at Face Value ("Par")
2. interest payments made every six (6) months
3. issued for maturity in thirty (30) years

**4. U.S. Treasury Inflation-Protected Securities ("TIPS")**

1. issued with a Fixed Interest rate
2. interest payments made every six (6) months
3. Face Value varies with inflation per CPI
4. issued for maturities of 5, 10, and 30 years

**5. U.S. Treasury Floating Rate Notes ("FRNs")**

1. issued at Face Value ("Par")
2. interest payments made every three (3) months
3. payments vary based on 13-week U.S. Treasury Bill rates
4. issued for maturity in two (2) years

6. **Separate Trading of Registered Interest and Principal of Securities("STRIPS") or "Zero Coupon US Treasuries"**

1. "issued" at a discount from Face Value
2. no cash flow
3. interest return is secured upon maturity
4. issued for maturities as long as thirty (30) years

Applying pure and basic mathematics, item "6" above is the one to understand, appreciate, and utilize.

Here is a real-life (per 10/15/19 interest rate quotes) example:

- The general equation applied toward a **"Zero-Coupon US Treasury" STRIPS** is

"\$ \_\_\_\_\_ @ \_\_\_\_\_ % for \_\_\_\_\_ years = \$ \_\_\_\_\_ in year \_\_\_\_\_ for Desired Maturity Value \$ \_\_\_\_\_"

- For example,

- today is in year 2019,
- the Desired Maturity Value is \$100,000
- maturing in year 2024 (i.e., 5 years from now),
- today's interest rate for a 5-year maturity US Obligation is x.xxxx%

Thus, by calculating backwards, "\$ XXXX @ 1.781 % for 5 years = \$100,000 in year 2024 for Desired Maturity Value of \$100,000".

The answer is: \$91,792.

The LA Law Library account consists only of the following assets:

1. Bank Deposits (with the \$250,000 FDIC insurance coverage),
2. The Federated US Treasury Cash Reserves money market fund (consisting only of US Treasury Bills, Security Symbol, "UTIXX"),
3. US Treasury Bills, and
4. STRIPS.

**MEMORANDUM**

**DATE:** October 23, 2019

**TO:** Board of Law Library Trustees

**FROM:** Sandra Levin, Executive Director

**RE:** Decision Regarding Closure on New Year's Eve Day

**BACKGROUND AND DISCUSSION**

Ordinarily, the Law Library is open on both Christmas eve and New Year's eve. Some years (including last year when the eve-days fell on Mondays) we trade working on other holidays (Lincoln's birthday, Presidents' Day, etc.) in order to get a day off on Christmas Eve or New Year's Eve or both.

This year, we did not trade holidays and were planning to be open on Christmas Eve and New Year's Eve, which are both Tuesdays. However, we were recently informed that ALL of the streets around us will be closed all day on New Year's Eve day due to a Grand Park celebration involving tens of thousands of public participants, bands, fireworks and other entertainment. So far, Grand Park has not been able to figure out a safe way to provide us access during the day.

We will continue to discuss the situation with Grand Park personnel, but need to decide what will happen should they be unable to provide us access.

**OPTIONS**

In light of the anticipated street closures, Staff has identified the following options:

- Give staff an extra holiday on New Year's Eve Day;
- Find somewhere else for staff to work on that day;
- Make New Year's Eve Day a furlough day (so staff would be unpaid unless they take vacation that day); or
- Insist that Grand Park and the County find a way to keep us open (likely an uphill battle).

**RECOMMENDATION**

Staff recommends that the Board discuss the options above, identify whether additional feasible options exist, and direct the Executive Director which option to implement.

