

AGENDA

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

REGULAR BOARD MEETING

Wednesday, October 24, 2018

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 26, 2018, 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 Approval of Amended LA Law Library Classification Chart
- 3.5 Receipt of FY18-19 Quarter 1 Statistics
- 3.6 Approval of CalPERS Health Resolution
- 3.7 Approval of Certain One-Time Funding Projects and Related Budget Amendment

4.0 DISCUSSION ITEMS

- 4.1 Approval of Amendment to the Fee Schedule to Add Copy Confirmation Charge
- 4.2 Review and Acceptance of Draft Financial Statement Audit Report and SAS 114 Letter for the Fiscal Year Ended June 30, 2018

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 14, 2018.

POSTED THURSDAY, OCTOBER 18, 2018 @ 4:00 P.M.

POSTED BY ANN MARIE GAMEZ



AGENDA ITEM 3

CONSENT CALENDAR

- 3.1 Approval of Minutes of the September 26, 2018, 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 Approval of Amended LA Law Library Classification Chart
- 3.5 Receipt of FY18-19 Quarter 1 Statistics
- 3.6 Approval of CalPERS Health Resolution
- 3.7 Approval of Certain One-Time Funding Projects and related Budget Amendment

**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 26, 2018

The Regular Meeting of the Board of Law Library Trustees of Los Angeles County was held on Wednesday, September 26, 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 Mark Juhas
Judge Michelle Williams Court
Judge Dennis Landin
Judge Richard Rico
Judge Michael Stern
Susan Steinhauser, Esquire

Trustees Absent: Kenneth Klein, Esquire

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

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

President Juhas determined a quorum to be present, convened the meeting at 12:15 p.m. and thereafter presided. Executive Director, Sandra J. Levin recorded the Minutes. Trustee Steinhauser and Trustee Stern joined the meeting during Public Comment at 12:19pm.

1.0 PUBLIC COMMENT

Public comment from patron, Tramell Carter, regarding a past complaint regarding his experience during Lawyers in the Library. T. Carter stated he had not received a response from the library and expressed frustration at not being given personal contact information of the Trustees to complain directly to the Board. T. Carter also complained about a recent encounter with library security.

Public comment from SEIU Director, Renee Anderson, regarding the proposed MOU. R. Anderson commented positively on the negotiation process and was proud of the work done. R. Anderson added that the bargaining was smooth and done in good faith.

Public comment from patron Lee Paradise, regarding several topics. Mr. Paradise commented on (1) the benefits of the one-time funding, (2) the need for updated public computers, (3) public being able to propose items on the board agenda per the Brown Act, and (4) the length of time to respond to a claim (1 year) according to the Tort Claim Act. Senior Director, Jaye Steinbrick, addressed the public computers, noting that the library was currently underway with replacing all the public computers with solid state machines that have a much faster restart.

2.0 PRESIDENT'S REPORT

No Report

3.0 CONSENT CALENDAR

- 3.1 Approval of Minutes of the August 26, 2018 Regular Board Meeting.
- 3.2 Review of July and Financials & List of August Checks and Warrants.
- 3.3 Approval of Revised Standard and Member Borrower Rules
- 3.4 Platinum Program Update for the Months of August
- 3.5 FY18-19 Financial Budget Review

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

4.0 CLOSED SESSION

- 4.1 Conference with Labor Negotiator (G.C. 54957.6). *Library Negotiator:* Executive Director, Sandra J. Levin; *Employee Organization:* SEIU Local 721.

5.0 OPEN SESSION: DISCUSSION ITEMS

- 5.1 Approval of Amendment to 2018 Holiday Schedule

ED Levin summarized the conflict between the approved LALL Holiday Schedule, under which the library would remain open on Columbus/Indigenous Peoples Day, and the City of LA street event that same day, which would make access to the law library impossible. A letter was sent to the law library by councilmember Mitch O'Farrell, asking the law library to remain closed for the day.

President Juhas requested a motion to approve an additional holiday on October 8, 2018 with no other changes to the holiday schedule. So moved by Trustee Court, seconded by Trustee Landin. The motion was unanimously approved, 6-0.

- 5.2 Discussion and Approval of Memorandum of Understanding with SEIU Local 721

ED Levin summarized the negotiated items in the proposed Memorandum of Understanding including a 4% raise to be retro paid from July 1, 2018 for represented staff, a 5% bonus in July, 2019 and an increase in employer share medical caps. In addition to the compensation increase, other benefits such as bereavement leave, Life Insurance and vacation accrual were amended to be available for part time staff. ED Levin thanked Senior Director Jaye Steinbrick, Finance Manager Marcelino Juarez and the SEIU Bargaining Team.

President Juhas requested a motion to approve the terms of the new, proposed MOU and authorize the Executive Director to execute the MOU. So moved by Trustee Steinhauser, seconded by Trustee Stern. The motion was unanimously approved, 6-0.

5.3 Approval of Changes to Compensation and Benefits and Revisions to Employee Handbook

ED Levin explained the revisions to the Employee Handbook that would conform benefits for unrepresented employees to those in the approved MOU including the Life Insurance, Vacation Accrual and Bereavement Leave for part time staff and an increase in employer share medical caps, and compensation 4% raises to non-represented staff with an effective date of September 2018 with a %5 bonus in July, 2019 and other redlined items as reflected in the redlined Employee Handbook, attachment 5.3.1.

President Juhas requested a motion to approve the changes to compensation and benefits, as indicated in the attached proposed revisions to the Law Library Employee handbook and Personnel Policies Manual. So moved by Trustee Landin, seconded by Trustee Stern. The motion was unanimously approved, 6-0.

6.0 AGENDA BUILDING

There were no items for agenda building.

7.0 EXECUTIVE DIRECTOR REPORT

No report given.

8.0 ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:04 p.m. in memory of Barbara Albert who worked at the Los Angeles County Law Library for 20 years as Bookkeeper and later as Accounting Manager. The next Regular Meeting of the Board of Law Library Trustees is scheduled for Wednesday, October 24, 2018 at 12:15 pm.

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, 2018

(Provisional and subject to year-end audit adjustments)

	6/30/2018	8/31/2018	Change
Assets			
Current assets			
Cash and cash equivalents	4,748,337	5,054,066	305,728
Accounts receivable	1,599,833	1,400,486	(199,347)
Prepaid expenses	201,343	414,439	213,095
Total current assets	6,549,514	6,868,990	319,476
Noncurrent assets			
Restricted cash and cash equivalents	318,470	318,470	-
Investments	4,564,722	4,582,233	17,511
Capital assets, not being depreciated	630,426	810,106	179,680
Capital assets, being depreciated - net	17,174,661	16,941,446	(233,215)
Total noncurrent assets	22,688,279	22,652,255	(36,024)
Total assets	29,237,793	29,521,245	283,452
Deferred Outflows of Resources			
Deffered Outflows of Resources	1,712,350	1,712,350	-
Total assets and deffered outflows of resources	30,950,143	31,233,595	283,452
Liabilities			
Current Liabilities			
Accounts payable	228,063	414,680	186,618
Other current liabilities	-	30	30
Payroll liabilities	5,000	17,009	12,009
Total current liabilities	233,063	431,720	198,657
Noncurrent Liabilities			
Accrued sick and vacation liability	293,210	293,210	-
Borrowers' deposit	291,560	292,740	1,180
OPEB liability	2,735,493	2,777,159	41,666
Net pension liability	2,880,776	2,880,776	-
Total noncurrent liabilities	6,201,038	6,243,884	42,846
Total liabilities	6,434,101	6,675,604	241,503
Deferred Inflows of Resources			
Deffered Inflows of Resources	944,117	1,312,538	368,421
Total liabilities and Deffered inflows of resources	7,378,218	7,988,142	609,924
Net Position			
Invested in capital assets	17,805,087	17,751,552	(53,535)
Unrestricted	5,766,838	5,493,901	(272,936)
Total net position	23,571,925	23,245,453	(326,471)
Total liabilities and Deffered inflows of resources and net position	30,950,143	31,233,595	283,452

Los Angeles County Law Library
Income Statement for the Period Ending August 31, 2018
(Provisional and subject to year-end audit adjustments)

Aug 17 Actual	Aug 2018			
	Budget	Actual	\$ Fav (Unf)	% Fav (Unf)
562,493	583,902	680,091	96,189	16.5%
3,798	2,708	7,609	4,901	180.9%
60,071	56,667	59,295	2,628	4.6%
54,778	45,917	39,412	(6,505)	-14.2%
681,140	689,195	786,408	97,213	14.1%
285,430	451,735	383,037	68,698	15.2%
43,158	51,467	45,898	5,569	10.8%
187,409	159,669	147,729	11,940	7.5%
(187,409)	(159,669)	(147,729)	(11,940)	7.5%
69,421	76,179	83,625	(7,446)	-9.8%
10,521	12,564	10,444	2,120	16.9%
4,649	5,640	5,263	377	6.7%
300	400	(532)	932	232.9%
82	120	39	81	67.5%
73	132	7	125	95.0%
16,012	13,216	5,886	7,331	55.5%
231,646	224,807	222,149	2,658	1.2%
661,291	836,261	755,817	(80,444)	-9.6%
19,849	(147,066)	30,591	177,657	-120.8%
25,211	2,083	24,205	22,122	1061.8%
0	0	0	0	0.0%
0	0	0	0	0.0%
45,061	(144,983)	54,796	199,779	-137.8%
0	10,000	0	10,000	100.0%

Summary:

Income

	FY 2017-18 YTD Actual	FY 2018-19 YTD			
	Budget	Actual	\$ Fav (Unf)	% Fav (Unf)	
L.A. Superior Court Fees	1,186,896	1,178,584	1,332,310	153,726	13.0%
Interest	6,837	5,417	14,813	9,396	173.5%
Parking	115,314	113,334	118,884	5,550	4.9%
Library Services	230,937	86,224	77,517	(8,707)	-10.1%
Total Income	1,539,984	1,383,558	1,543,524	159,966	11.6%

Expense

Staff (payroll + benefits)	621,468	918,721	812,162	106,559	11.6%
Electronic Resource Subscriptions	74,177	102,934	63,790	39,143	38.0%
Library Materials	306,985	319,338	211,959	107,379	33.6%
Library Materials Transferred to Assets	(306,985)	(319,338)	(211,959)	(107,379)	33.6%
Facilities	141,924	154,318	153,609	708	0.5%
Technology & Data	24,332	25,128	20,770	4,359	17.3%
General	7,518	13,771	13,114	656	4.8%
Professional Development	4,179	5,165	1,433	3,732	72.3%
Communications & Marketing	1,743	1,140	290	850	74.5%
Travel & Entertainment	126	264	45	219	82.9%
Professional Services	18,889	16,113	8,698	7,415	46.0%
Depreciation	461,224	448,980	445,174	3,806	0.8%
Total Expenses	1,355,581	1,686,532	1,519,086	167,447	9.9%

Net Income (Loss)

Net Income (Loss)	184,403	(302,974)	24,439	327,413	108.1%
Investment Gain (Loss) ¹	38,903	4,167	17,511	13,344	320.3%
Extraordinary Income	0	0	0	0	0.0%
Extraordinary Expense	0	0	0	0	0.0%
Net Income Including Extraordinary Items	223,305	(14,769)	41,950	56,718	384.0%

Capitalized Expenditures

Capitalized Expenditures	0	180,000	0	180,000	100.0%
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Comments

Los Angeles County Law Library
Income Statement for the Period Ending August 31, 2018
(Provisional and subject to year-end audit adjustments)

Aug 17	Aug 2018			
	Budget	Actual	\$ Fav (Unf)	% Fav (Unf)

FY 2017-18	FY 2018-19 YTD				Comments
	YTD Actual	Budget	Actual	\$ Fav (Unf)	

Detailed Budget:												
Income:												
562,493	583,902	680,091	96,189	16.5%	15 FIN 303300	L.A. Superior Court Fees	1,186,896	1,178,584	1,332,310	153,726	13.0%	Better than expected court fee revenue.
0	0	0	0	0.0%	15 FIN 311000	Interest - LAIF	0	0	0	0	0.0%	
3,438	2,383	7,100	4,717	197.9%	15 FIN 312000	Interest - General Fund	6,135	4,767	13,815	9,048	189.8%	Better than expected County investment interest rate.
361	325	509	184	56.6%	15 FIN 313000	Interest - Deposit Fund	702	650	998	348	53.6%	Better than expected County investment interest rate.
3,798	2,708	7,609	4,901	180.9%		Subtotal	6,837	5,417	14,813	9,396	173.5%	
60,071	56,667	59,295	2,628	4.6%	39 FAC 330100	Parking:	115,314	113,334	118,884	5,550	4.9%	
60,071	56,667	59,295	2,628	4.6%		Subtotal	115,314	113,334	118,884	5,550	4.9%	
163	300	49	(251)	-83.8%	27 CIRC 330150	Library Services:	1,690	1,900	276	(1,624)	-85.5%	Timing variance.
15,715	18,715	17,863	(852)	-4.6%	25 PS 330140	Annual Designation Fee	24,509	35,420	32,338	(3,082)	-8.7%	Timing variance.
7,335	6,557	7,321	764	11.7%	25 PS 330340	Annual Members Fee	8,478	7,514	9,171	1,657	22.0%	Higher than expected income from MCLE registration fees.
3,362	2,700	3,492	792	29.3%	27 CIRC 330129	Course Registration	6,619	6,200	7,471	1,271	20.5%	Timing variance. Better than expected start to the fiscal year.
1,227	2,300	1,789	(511)	-22.2%	27 CIRC 330205	Copy Center	2,499	4,600	3,211	(1,389)	-30.2%	Timing variance.
4,398	4,500	3,905	(595)	-13.2%	27 CIRC 330210	Document Delivery	7,105	8,900	7,709	(1,191)	-13.4%	Timing variance.
13,911	5,153	1,270	(3,883)	-75.4%	15 FIN 330310	Fines	14,900	10,307	12,331	2,025	19.6%	
7,509	5,667	3,263	(2,405)	-42.4%	39 FAC 330330	Miscellaneous	13,978	11,334	4,528	(6,806)	-60.1%	Timing variance
1,125	0	455	455	0.0%	23 COL 330350	Room Rental	1,125	0	455	455	0.0%	
0	0	0	0	0.0%	15 FIN 330360	Book Replacement	0	0	0	0	0.0%	
0	0	0	0	0.0%	17 EXEC 330400	Forfeited Deposits	150,000	0	0	0	0.0%	
0	0	0	0	0.0%	25 PS 330420	Friends of Law Library	0	0	0	0	0.0%	
35	25	7	(18)	-72.0%	15 FIN 330450	Grants	35	50	28	(22)	-44.3%	
0	0	0	0	0.0%	37 COM 330465	Vending	0	0	0	0	0.0%	
54,778	45,917	39,412	(6,505)	-14.2%		Special Events Income	230,937	86,224	77,517	(8,707)	-10.1%	
681,140	689,195	786,408	97,213	14.1%		Subtotal	1,539,984	1,383,558	1,543,524	159,966	11.6%	
						Total Income						
Expenses:												
Staff:												
171,914	289,919	248,528	41,391	14.3%	ALL 501000	Salaries (FT)	336,159	483,199	413,281	69,917	14.5%	Favorable variance due to vacancies.
0	(5,798)	0	(5,798)	100.0%	15 FIN 501025	Staff Vacancy Offset (FT)	0	(9,664)	0	(9,664)	100.0%	
17,023	31,280	29,210	2,070	6.6%	ALL 501050	Salaries (PT)	35,684	52,134	48,882	3,252	6.2%	Favorable variance due to vacancies.
0	(626)	0	(626)	100.0%	15 FIN 501075	Staff Vacancy Offset (PT)	0	(1,043)	0	(1,043)	100.0%	
11,086	17,942	16,215	1,727	9.6%	15 FIN 502000	Social Security	23,322	29,904	26,986	2,918	9.8%	Favorable variance due to vacancies.
2,593	4,312	3,793	519	12.0%	15 FIN 503000	Medicare	5,454	7,187	6,312	875	12.2%	Favorable variance due to vacancies.
18,451	31,935	18,770	13,164	41.2%	15 FIN 511000	Retirement	93,689	192,263	176,089	16,174	8.4%	
0	0	0	0	0.0%	15 FIN 511050	Pension Exp (Actuarial)	0	0	0	0	0.0%	
0	0	111	(111)	0.0%	15 FIN 511100	Pension Exp (Acctg)	0	0	111	(111)	0.0%	
43,675	44,836	38,872	5,964	13.3%	15 FIN 512000	Health Insurance	85,848	89,673	79,484	10,189	11.4%	Favorable variance due to vacancies.
344	441	370	71	16.2%	15 FIN 513000	Disability Insurance	712	882	754	128	14.5%	Favorable variance due to vacancies.
4,554	5,582	4,387	1,196	21.4%	15 FIN 514000	Dental Insurance	9,054	11,165	9,405	1,760	15.8%	Favorable variance due to vacancies.
439	629	478	151	24.0%	15 FIN 514500	Vision Insurance	907	1,259	1,033	226	18.0%	Favorable variance due to vacancies.
52	131	(25)	156	119.4%	15 FIN 515000	Life Insurance	171	261	115	146	56.0%	
0	0	0	0	0.0%	15 FIN 515500	Vacancy Benefits Offset	0	0	0	0	0.0%	
4,523	5,262	306	4,955	94.2%	15 FIN 516000	Workers Compensation Insurance	9,045	10,523	5,568	4,955	47.1%	Favorable variance due to 2016-17 audit refund.
0	0	0	0	0.0%	15 FIN 517000	Unemployment Insurance	0	0	0	0	0.0%	
0	1,306	0	1,306	100.0%	ALL 514010	Temporary Employment	0	3,811	0	3,811	100.0%	Timing variance.
188	2,000	0	2,000	100.0%	13 HR 514015	Recruitment	188	2,000	0	2,000	100.0%	
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%	
9,167	20,833	20,833	0	0.0%	15 FIN 518500	OPEB Expense	18,334	41,667	41,666	1	0.0%	
584	500	337	163	32.6%	15 FIN 518550	TMP	1,167	1,000	776	224	22.4%	
839	1,250	852	398	31.8%	15 FIN 518560	Payroll and Benefit Administration	1,735	2,500	1,700	800	32.0%	
285,430	451,735	383,037	68,698	15.2%		Total - Staff	621,468	918,721	812,162	106,559	11.6%	
Library Materials/Electronic Resources Subscription:												

Los Angeles County Law Library
Income Statement for the Period Ending August 31, 2018
(Provisional and subject to year-end audit adjustments)

Aug 17	Aug 2018					FY 2017-18	FY 2018-19 YTD					Comments
	Actual	Budget	Actual	\$ Fav (Unf)	% Fav (Unf)		YTD Actual	Budget	Actual	\$ Fav (Unf)	% Fav (Unf)	
105,719	123,782	121,580	2,202	1.8%	23 COL 601999	American Continuations	211,876	247,565	173,610	73,954	29.9%	Timing variance.
893	0	1,470	(1,470)	0.0%	23 COL 602999	American New Orders	1,042	0	3,433	(3,433)	0.0%	Large number of replacements due to lost/damaged books.
1,759	1,458	1,041	417	28.6%	23 COL 609199	Branch Continuations	4,357	2,917	2,609	308	10.6%	Timing variance.
0	0	0	0	0.0%	23 COL 609299	Branch New Orders	0	0	0	0	0.0%	
56,992	11,673	1,067	10,606	90.9%	23 COL 603999	Commonwealth Continuations	57,675	23,346	2,939	20,407	87.4%	Timing variance.
0	0	0	0	0.0%	23 COL 604999	Commonwealth New Orders	0	0	0	0	0.0%	
6,965	10,579	6,969	3,610	34.1%	23 COL 605999	Foreign Continuations	9,909	21,159	9,166	11,993	56.7%	Timing variance.
112	0	0	0	0.0%	23 COL 606999	Foreign New Orders	112	0	0	0	0.0%	
13,017	10,607	13,482	(2,875)	-27.1%	23 COL 607999	International Continuations	20,062	21,215	18,082	3,133	14.8%	Timing variance.
0	0	0	0	0.0%	23 COL 608999	International New Orders	0	0	0	0	0.0%	
1,953	1,569	2,120	(551)	-35.1%	23 COL 609399	General/Librarianship Continuations	1,953	3,137	2,120	1,018	32.4%	Timing variance.
0	0	0	0	0.0%	23 COL 609499	General/Librarianship New Orders	0	0	0	0	0.0%	
187,409	159,669	147,729	11,940	7.5%	23 COL 690000	Subtotal	306,985	319,338	211,959	107,379	33.6%	
(187,409)	(159,669)	(147,729)	(11,940)	7.5%	23 COL 690000	Library Materials Transferred to Assets	(306,985)	(319,338)	(211,959)	(107,379)	33.6%	
43,158	51,467	45,898	5,569	10.8%	23 COL 685000	Electronic Resource Subscriptions (ERS)	74,177	102,934	63,790	39,143	38.0%	Timing variance due to reclassification of Lexis and West payments per auditor's recommendation.
Facilities:												
3,704	3,500	7,918	(4,418)	-126.2%	39 FAC 801005	Repair & Maintenance	4,835	7,000	9,673	(2,673)	-38.2%	Timing variance.
851	1,482	1,027	455	30.7%	39 FAC 801010	Building Services	1,605	2,740	3,233	(493)	-18.0%	Timing variance due fire extinguisher certification.
0	0	2,271	(2,271)	0.0%	39 FAC 801015	Cleaning Supplies	1,914	2,084	2,271	(187)	-9.0%	Timing variance, invoice not received.
11,630	12,500	10,680	1,820	14.6%	39 FAC 801020	Electricity & Water	23,486	25,000	22,877	2,123	8.5%	Timing variance
966	966	0	966	100.0%	39 FAC 801025	Elevator Maintenance	1,932	1,932	966	966	50.0%	Timing variance
4,403	4,300	4,589	(289)	-6.7%	39 FAC 801030	Heating & Cooling	9,330	8,700	8,786	(86)	-1.0%	
19,811	20,063	22,455	(2,392)	-11.9%	15 FIN 801035	Insurance	39,622	40,126	44,910	(4,784)	-11.9%	Timing variance due to broker's fee amortization.
8,674	8,934	8,849	85	1.0%	39 FAC 801040	Janitorial Services	17,348	17,868	17,523	345	1.9%	
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 in effect.
15,996	19,718	21,873	(2,155)	-10.9%	39 FAC 801050	Security	31,749	39,436	37,608	1,828	4.6%	Timing variance.
140	1,700	85	1,615	95.0%	39 FAC 801060	Room Rental Expenses	5,297	3,400	315	3,085	90.7%	Offset by room rental income.
792	0	2,049	(2,049)	0.0%	37 COM 801065	Special Events Expenses	841	0	2,049	(2,049)	0.0%	Timing; PBW expenses expected no later than 10/30
392	350	0	350	100.0%	39 FAC 801100	Furniture & Appliances (<3K)	392	700	0	700	100.0%	Timing variance.
0	300	0	300	100.0%	39 FAC 801110	Equipment (<3K)	18	600	48	552	92.0%	Timing variance.
0	225	0	225	100.0%	39 FAC 801115	Building Alterations (<3K)	0	450	0	450	100.0%	Timing variance.
366	441	382	59	13.4%	39 FAC 801120	Delivery & Postage	538	882	403	479	54.3%	Timing variance
446	200	197	3	1.4%	39 FAC 801125	Kitchen supplies	517	400	448	(48)	-12.0%	Timing variance.
69,421	76,179	83,625	(7,446)	-9.8%		Subtotal	141,924	154,318	153,609	708	0.5%	
Technology:												
1,604	1,824	1,101	723	39.7%	33 TECH 801210	Software Maintenance	3,585	3,649	2,205	1,444	39.6%	Timing variance.
1,789	2,157	1,794	363	16.8%	33 TECH 801212	Hardware Maintenance	3,578	4,314	3,588	726	16.8%	Timing variance.
1	650	129	522	80.2%	33 TECH 801215	Software (<\$3k)	1	1,301	44	1,256	96.6%	Timing variance.
290	485	71	414	85.4%	33 TECH 801220	Hardware (<\$3k)	542	970	617	353	36.4%	Timing variance.
0	50	0	50	100.0%	33 TECH 801225	Computer Supplies	0	100	61	39	38.7%	Timing variance.
4,224	4,484	4,415	70	1.6%	33 TECH 801230	Integrated Library System	8,449	8,969	8,829	140	1.6%	
2,614	2,913	2,935	(22)	-0.8%	33 TECH 801235	Telecommunications	8,021	5,826	5,425	402	6.9%	Timing variance.
0	0	0	0	0.0%	33 TECH 801245	Tech & Data - Misc	0	0	0	0	0.0%	
0	0	0	0	0.0%	33 TECH 801250	Services	156	0	0	0	0.0%	
10,521	12,564	10,444	2,120	16.9%		Subtotal	24,332	25,128	20,770	4,359	17.3%	
General:												
550	667	496	171	25.6%	15 FIN 801310	Bank Charges	1,068	1,333	970	363	27.3%	
813	842	843	(1)	-0.1%	35 CMS 801315	Bibliographical Services	1,625	1,684	1,686	(2)	-0.1%	
0	0	0	0	0.0%	35 CMS 801320	Binding	0	0	0	0	0.0%	
0	83	99	(16)	-19.0%	17 EXEC 801325	Board Expense	0	167	99	68	40.5%	Jul 2018 Board meeting cancelled.
286	300	1,437	(1,137)	-379.0%	37 COM 801330	Staff meals & events	286	300	1,504	(1,204)	-401.4%	Includes unbudgeted summer picnic expenses.
2,579	1,583	1,719	(135)	-8.5%	15 FIN 801335	Supplies - Office	2,789	3,167	3,652	(485)	-15.3%	Timing variance.
0	500	0	500	100.0%	35 CMS 801337	Supplies - Library materials	0	3,870	3,782	88	2.3%	
0	120	0	120	100.0%	37 COM 801340	Stationery, business cards, etc.	27	160	0	160	100.0%	Timing variance.
0	0	0	0	0.0%	25 PS 801365	Grant Application Expenses	0	0	0	0	0.0%	
389	1,545	670	875	56.7%	27 CIRC 801370	Copy Center Expense	1,691	3,090	1,420	1,670	54.0%	Timing variance.
32	0	0	0	0.0%	15 FIN 801375	General - Misc	32	0	0	0	0.0%	

Los Angeles County Law Library
Income Statement for the Period Ending August 31, 2018
(Provisional and subject to year-end audit adjustments)

Aug 17	Aug 2018				FY 2017-18	FY 2018-19 YTD				Comments	
	Actual	Budget	Actual	\$ Fav (Unf)		% Fav (Unf)	YTD Actual	Budget	Actual		\$ Fav (Unf)
0	0	0	0	0.0%	25 PS 801390	0	0	0	0	0.0%	
0	0	0	0	0.0%	17 EXEC 801395	0	0	0	0	0.0%	
4,649	5,640	5,263	377	6.7%		7,518	13,771	13,114	656	4.8%	
0	0	(531)	531	0.0%	ALL 803105	1,987	3,000	718	2,282	76.1%	Timing variance
0	0	30	(30)	0.0%	ALL 803110	0	50	30	20	39.2%	
0	0	0	0	0.0%	ALL 803113	0	0	0	0	0.0%	
0	0	0	0	0.0%	ALL 803115	0	0	20	(20)	0.0%	
300	400	(31)	431	107.8%	ALL 803120	2,192	2,115	664	1,451	68.6%	Timing variance
0	0	0	0	0.0%	ALL 803125	0	0	0	0	0.0%	
300	400	(532)	932	232.9%		4,179	5,165	1,433	3,732	72.3%	
0	0	0	0	0.0%	37 COM 803205	0	0	0	0	0.0%	
82	120	39	81	67.5%	37 COM 803210	1,743	640	290	350	54.6%	Timing variance, additional collateral material forthcoming.
0	0	0	0	0.0%	37 COM 803215	0	500	0	500	100.0%	Timing variance. Budgeted purchases expected Nov 2018.
0	0	0	0	0.0%	37 COM 803220	0	0	0	0	0.0%	
82	120	39	81	67.5%		1,743	1,140	290	850	74.5%	
0	0	0	0	0.0%	ALL 803305	0	0	0	0	0.0%	
0	0	0	0	0.0%	ALL 803310	0	0	0	0	0.0%	
0	0	0	0	0.0%	ALL 803315	0	0	0	0	0.0%	
73	132	7	125	95.0%	ALL 803320	126	264	45	219	82.9%	
0	0	0	0	0.0%	ALL 803325	0	0	0	0	0.0%	
73	132	7	125	95.0%		126	264	45	219	82.9%	
13,200	6,500	700	5,800	89.2%	15 FIN 804005	13,200	6,500	700	5,800	89.2%	
2,812	2,896	2,896	0	0.0%	17 EXEC 804008	5,689	5,793	5,708	85	1.5%	
0	0	0	0	0.0%	17 EXEC 804010	0	0	0	0	0.0%	
0	3,820	2,290	1,530	40.1%	15 FIN 804015	0	3,820	2,290	1,530	40.1%	
16,012	13,216	5,886	7,331	55.5%		18,889	16,113	8,698	7,415	46.0%	
206,865	202,136	199,598	2,538	1.3%	15 FIN 806105	411,570	403,807	400,072	3,735	0.9%	
24,781	22,671	22,551	120	0.5%	15 FIN 806110	49,654	45,173	45,102	71	0.2%	
231,646	224,807	222,149	2,658	1.2%		461,224	448,980	445,174	3,806	0.8%	
661,291	836,261	755,817	(80,444)	-9.6%		1,355,581	1,686,532	1,519,086	167,447	9.9%	
19,849	(147,066)	30,591	177,657	-120.8%		184,403	(302,974)	24,439	327,413	108.1%	
25,211	2,083	24,205	22,122	1061.8%	15 FIN 321000	38,903	4,167	17,511	13,344	320.3%	Reflects loss/gain if sold at time of report (before maturity).
0	0	0	0	0.0%	17 EXEC 401000	0	0	0	0	0.0%	
0	0	0	0	0.0%	17 EXEC 901000	0	0	0	0	0.0%	
45,061	(144,983)	54,796	199,779	-137.8%		223,305	(14,769)	41,950	56,718	384.0%	

Los Angeles County Law Library
Income Statement for the Period Ending August 31, 2018
(Provisional and subject to year-end audit adjustments)

Aug 17 Actual	Aug 2018			
	Budget	Actual	\$ Fav (Unf)	% Fav (Unf)
0	0	0	0	0.0%
0	0	0	0	0.0%
0	0	0	0	0.0%
0	10,000	0	10,000	100.0%
0	0	0	0	0.0%
0	10,000	0	(10,000)	-100.0%

FY 2017-18 YTD Actual	FY 2018-19 YTD			
	Budget	Actual	\$ Fav (Unf)	% Fav (Unf)
0	0	0	0	0.0%
0	0	0	0	0.0%
0	170,000	0	170,000	100.0%
0	10,000	0	10,000	100.0%
0	0	0	0	0.0%
0	180,000	0	180,000	100.0%

Comments

Capital Expenditures:

39 FAC 161100	Furniture / Appliances (>3k)	0	0	0	0.0%	
33 TECH 161300	Electronics / Computer Hardware (>3k)	0	0	0	0.0%	
39 FAC 164500	Exterior Building Repairs/ Improvements (>3k)	0	170,000	0	170,000	100.0%
39 FAC 164000	Interior Improvements / Alterations (>3k)	0	10,000	0	10,000	100.0%
33 TECH 168000	Computer Software	0	0	0	0.0%	
	Total - Capitalized Expenditures	0	180,000	0	180,000	100.0%

Timing variance, Roof North (1970) project completed Sep 2018.

CalPERS CERBT Trust Fund:

Beginning Balance	2,137,156
Administrative Expense	(89)
Investment Expense	(65)
Unrealized Gain/Loss	19,362
Distribution	0
Ending Balance	2,156,364

CalPERS CERBT program cost.
Investment management cost.
Fluctuating market conditions.
Distribution from Fund

¹UBS 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, 2018
(Provisional and subject to year-end audit adjustments)

	7/31/2018	8/31/2018	YTD
Cash flows from operating activities			
L.A. Superior court fees	652,218	680,091	1,332,310
Parking fees	59,589	59,295	118,884
Library services	38,105	39,412	77,517
(Increase) decrease in accounts receivable	26,884	172,463	199,347
Increase (decrease) in borrowers' deposit	212	968	1,180
Cash received from filing fees and services	777,009	952,230	1,729,238
Facilities	(69,985)	(83,625)	(153,609)
Technology	(10,325)	(10,444)	(20,770)
General	(7,851)	(5,263)	(13,114)
Professional development	(1,964)	532	(1,433)
Communications & marketing	(251)	(39)	(290)
Travel & entertainment	(38)	(7)	(45)
Professional services	(2,812)	(5,886)	(8,698)
Electronic Resource Subscriptions (ERS)	(17,892)	(45,898)	(63,790)
(Increase) decrease in prepaid expenses	(231,503)	18,407	(213,095)
Increase (decrease) in accounts payable	(47,513)	234,131	186,618
Increase (decrease) in other liabilities	14,150	(14,120)	30
Cash payments to suppliers for goods and services	(375,985)	87,788	(288,197)
Staff (payroll + benefits)	(429,125)	(383,037)	(812,162)
Increase (decrease) in payroll liabilities	669	11,340	12,009
Increase (decrease) in accrued sick and vacation liability	-	-	-
Increase (decrease) in OPEB liability	20,833	20,833	41,666
Net impact of GASB 68 adjustments	-	-	-
Net effect of prior period adjustments	-	-	-
Cash payments to employees for services	(407,623)	(350,864)	(758,487)
Contributions received	-	-	-
Net cash from operating activities	(6,599)	689,153	682,554
Cash flow from capital and related financing activities			
Library materials	(64,230)	(147,729)	(211,959)
Fixed assets	-	-	-
Capital - Work in Progress (WIP)	(10,339)	(169,342)	(179,680)
Cash flows from investing activities			
Investment	-	-	-
Investment earnings	7,204	7,609	14,813
Net cash increase (decrease) in cash and cash equivalents	(73,963)	379,692	305,728
Cash and cash equivalents, at beginning of period	5,066,807	4,992,844	5,066,807
Cash and cash equivalents, at end of period	4,992,844	5,372,536	5,372,536
Reconciliation of Operating Income to Net Cash from Operating Activities			
Operating income	(13,357)	22,982	9,626
Adjustments for noncash effects:			
Depreciation	223,025	222,149	445,174
Extraordinary expense: book write-off			
Changes in operating assets and liabilities:			
(Increase) decrease in accounts receivable	26,884	172,463	199,347
(Increase) decrease in prepaid expenses	(231,503)	18,407	(213,095)
Increase (decrease) in accounts payable	(47,513)	234,131	186,618
Increase (decrease) in other liabilities	14,150	(14,120)	30
Increase (decrease) in payroll liabilities	669	11,340	12,009
Increase (decrease) in accrued sick and vacation liability	-	-	-
Increase (decrease) in borrowers' deposit	212	968	1,180
Increase (decrease) in OPEB liability	20,833	20,833	41,666
Net impact of GASB 68 adjustments	-	-	-
Net cash from operating activities	(6,599)	689,153	682,554

LOS ANGELES COUNTY LAW LIBRARY
September 1, 2018 - September 30, 2018 (CHECKS)
Account No.: 102001

DATE	PAYEE	FOR	AMOUNT	CHECK NO.
September 4	AMERICAN BAR ASSOCIATION	BOOKS	1,235.55	V003570
	WOLTERS KLUWER LAW & BUSINESS	BOOKS	1,576.86	V003571
	LEXISNEXIS MATTHEW BENDER	BOOKS	322.71	V003572
	BLOOMBERG BNA	BOOKS	431.96	V003573
	CONTINUING EDUCATION OF THE BAR CAL	BOOKS	1,823.05	V003574
	JURIS PUBLISHING INC	BOOKS	207.93	V003575
	LAWPRESS CORPORATION	BOOKS	345.58	V003576
	PRACTISING LAW INSTITUTE	BOOKS	202.96	V003577
	PUBLIC UTILITIES REPORTS INC	BOOKS	300.00	V003578
	UNITED NATIONS PUBLICATIONS	BOOKS	199.94	V003579
	THOMSON REUTERS	BOOKS	63,585.38	V003580
	JOHN WILEY & SONS INC	BOOKS	158.73	V003581
	UNIVERSITY OF WISCONSIN LAW SCHOOL	BOOKS	95.00	V003582
GOBI LIBRARY SOLUTIONS	BOOKS	1,517.73	V003583	
September 5	AT&T MOBILITY	TELECOM	16.24	V003585
	BANDWIDTH.COM, INC.	TELECOM	287.16	V003586
	BRIGHTVIEW	LANDSCAPING	1,250.00	V003587
	GTT COMMUNICATIONS	TELECOM	685.27	V003588
	INFINISOURCE INC	PAYROLL/HR BENEFI	75.00	V003589
	STATE COMPENSATION	WORKERS COMP	5,261.58	V003590
September 7	SPECTRUM	TELECOM	1,106.72	V003591
	TEAM SOFTWARE	SOFTWARE <3K	125.00	V003592
September 12	ALTA FOODCRAFT	KITCHEN SUPPLIES	81.31	V003593
	KONICA MINOLTA BUSINESS	COPY CENTER	463.20	V003594
	NASA SERVICES	BLDG SVCS	451.34	V003595
	OCLC INC	BIBLIOGRAPHICAL S	752.70	V003596
	OFFICE DEPOT	SUPPLIES-OFFICE	525.48	V003597
	STAMPS.COM	DELIVERY & POSTAG	24.99	V003598
	WOLTERS KLUWER LAW & BUSINESS	BOOKS	2,256.25	V003599
	LEXISNEXIS MATTHEW BENDER	BOOKS	79.86	V003600
	BLOOMBERG BNA	BOOKS	242.98	V003601
	PROQUEST LLC COUTTS INFORMATION SER	BOOKS	32.12	V003602
	LEXISNEXIS ONLINE SERVICES	BOOKS	15,298.00	V003603
	STATE HUMANE ASSOCIATION OF CALIFOR	BOOKS	65.00	V003604
	September 18	WOLTERS KLUWER LAW & BUSINESS	BOOKS	193.94
LEXISNEXIS MATTHEW BENDER		BOOKS	920.62	V003606
BLOOMBERG BNA		BOOKS	554.95	V003607
CONTINUING EDUCATION OF THE BAR CAL		BOOKS	453.99	V003608
PROQUEST LLC COUTTS INFORMATION SER		BOOKS	40.97	V003609
INTERNATIONAL MUNICIPAL LAWYERS ASS		BOOKS	150.00	V003610

105,346.05

LOS ANGELES COUNTY LAW LIBRARY
September 1, 2018 - September 30, 2018 (CHECKS)
Account No.: 102001

DATE	PAYEE	FOR	AMOUNT	CHECK NO.
September 19	MUNICIPAL CODE CORPORATION	BOOKS	1,948.00	V003611
September 20	STAMPS.COM	DELIVERY & POSTAG	300.00	V003612
	BULBS.COM	CIP INTERIOR	372.00	V003613
	CDW GOVERNMENT INC	SUPPLIES-OFFICE	390.04	V003614
	INFINISOURCE INC	PAYROLL/HR BENEFI	75.00	V003615
	OFFICE DEPOT	SUPPLIES-OFFICE	601.86	V003616
September 24	UPS	DELIVERY & POSTAG	30.82	V003617
	AMERICAN BAR ASSOCIATION	BOOKS	174.41	V003618
	LEXISNEXIS MATTHEW BENDER	BOOKS	485.69	V003619
	CCH INCORPORATED	BOOKS	207.39	V003620
	CONTINUING EDUCATION OF THE BAR CAL	BOOKS	1,472.93	V003621
	INGRAM LIBRARY SERVICES	BOOKS	157.77	V003622
	JAMES PUBLISHING INC	BOOKS	217.91	V003623
	PRACTISING LAW INSTITUTE	BOOKS	175.47	V003624
	PUBLIC UTILITIES REPORTS INC	BOOKS	134.00	V003625
	ROWMAN & LITTLEFIELD PUBLISHING	BOOKS	1,122.02	V003626
	THOMSON REUTERS TAX & ACCOUNTING	BOOKS	265.54	V003627
	WEST ACADEMIC	BOOKS	51.47	V003628
	THOMSON REUTERS	BOOKS	3,168.93	V003629
	JOHN WILEY & SONS INC	BOOKS	446.58	V003630
	WILLIAM S HEIN & CO	BOOKS	105,309.00	V003631
	LEXISNEXIS MATTHEW BENDER	BOOKS	31,974.05	V003632
	LEXISNEXIS MATTHEW BENDER	BOOKS	31,974.05	V003633
	CDW GOVERNMENT INC	SUPPLIES-OFFICE	605.66	V003638
September 25	QUIKSHIP HOLDINGS	SUPPLIES - OFFICE	678.72	V003639
September 26	GURU PRINTERS	SPECIAL EVENTS EX	144.54	V003634
	SAP DIGITAL CORP	SPECIAL EVENTS EX	91.98	V003635
	ALONTI CAFE & CATERING	BOARD EXPENSE	104.89	V003640
September 27	COSTCO WHOLESALE MEMBERSHIP	PREPAID EXP	1,449.34	V003641

287,528.11

LOS ANGELES COUNTY LAW LIBRARY
September 1, 2018 - September 30, 2018 (CHECKS)
Account No.: 102004

DATE	PAYEE	FOR	AMOUNT	CHECK NO.
September 5	L A DEPT WATER & POWER	WATER/SEWER	10,679.93	V000039

LOS ANGELES COUNTY LAW LIBRARY
September 1, 2018 - September 30, 2018 (CHECKS)
Account No.: 108000

DATE	PAYEE	FOR	AMOUNT	CHECK NO.
September 4	ATLANTIC LAW BOOK COMPANY	BOOKS	177.00	030525
	GAUNT	BOOKS	164.96	030526
	OTTO HARRASSOWITZ	BOOKS	1,211.19	030527
	MARY MARTIN BOOKSELLERS	BOOKS	2,660.00	030528
September 5	CALIBER ELEVATOR	ELEVATOR MAINT	966.00	030529
September 6	CALIBER ELEVATOR	REPAIR & MAINTENA	4,804.48	030530
	GOLDEN STATE ELECTRIC	REPAIR & MAINTENA	810.00	030531
	WESTCOAST GATE & ENTRY	CAPITAL WIP	4,465.00	030532
September 10	SANDRA J LEVIN	LODGING	307.54	030533
	SANDRA J LEVIN	LODGING	237.30	030534
	CHARLES UKWU	REFUND	10.00	030535
September 12	AT&T	TELECOM	389.22	030536
	BRIDGES FILTER SERVICE, INC	BLDG SVCS	575.29	030537
	MANAGE EASE INCORPORATED	CONSULTING	2,896.26	030538
	NATIONAL 50 SECURITY	SECURITY	5,514.08	030539
	LAW PUBLISHERS	BOOKS	85.00	030540
	MINISTER OF FINANCE	BOOKS	138.61	030541
	SHAHRAM ESMAILZADEH	REFUND	140.00	030542
September 18	YULAN LAN	REFUND	140.00	030543
	BRIAN J PHILPOTT	REFUND	140.00	030544
	COMMERCIAL RESOURCE MANAGEMENT, LLC	CAPITAL WIP	2,000.00	030545
	GUARDIAN	PREPAID INS	7,410.41	030546
	LEXISNEXIS CANADA BUTTERWORTHS CANA	BOOKS	120.74	030547
	OTTO HARRASSOWITZ	BOOKS	795.55	030548
	COUNTY OF LOS ANGELES	HEATING/COOLING	4,588.58	030549
September 20	WOODS MAINTENANCE SERVICES, INC	LANDSCAPE	175.00	030550
September 24	SYNCB AMAZON	BOOKS	303.63	030551
	LEXISNEXIS CANADA BUTTERWORTHS CANA	BOOKS	120.74	030552
	FASTCASE INC ** VOIDED *****	BOOKS	0.00	030553
	GAVILANES BOOKS FROM INDOAMERICA	BOOKS	89.00	030554
	OTTO HARRASSOWITZ	BOOKS	2,293.94	030555
	MARY MARTIN BOOKSELLERS	BOOKS	1,620.00	030556
September 26	CITY OF LA - BUILDING AND SAFETY	ELEVATOR MAINT	783.71	030557
	CALIBER ELEVATOR	ELEVATOR MAINT	3,000.00	030558
	COUNTY OF LOS ANGELES	BANK CHARGES	48.50	030559
	ANN MARIE GAMEZ	MILEAGE	19.27	030560

50,649.13

LOS ANGELES COUNTY LAW LIBRARY
September 1, 2018 - September 30, 2018 (CHECKS)
Account No.: 108000

DATE	PAYEE	FOR	AMOUNT	CHECK NO.
September 27	MANAGE EASE INCORPORATED	CONSULTING	1,448.13	030561
	IMAGE ACCESS INC	HARDWARE MAINTENANCE	5,069.00	030562

55,718.13

LOS ANGELES COUNTY LAW LIBRARY
September 1, 2018 - September 30, 2018 (CHECKS)
Account No.: 103000

DATE	PAYEE	FOR	AMOUNT	CHECK NO.
September 10	CALPERS	PREPAID EXP	49,473.34	1001158563
	CALPERS	ACCOUNTING	700.00	1001158565
September 18	SEIU LOCAL 721	UNION DUES	1,333.91	001618

51,507.25

LOS ANGELES COUNTY LAW LIBRARY
September 1, 2018 - September 30, 2018 (WARRANTS)
Account No.: 102000

DATE	PAYEE	FOR	AMOUNT	CHECK NO.
September 20	ROOFING STANDARDS, INC.	CAPITAL WIP	178,670.00	TS00269989
September 28	FASTCASE INC	BOOKS	11,830.00	TS00270317

190,500.00

MEMORANDUM

DATE: October 18, 2018

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 ninth report, for the October 2018 board meeting, reporting Platinum Member services for September of 2018.

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

ANALYSIS

In the month of September we responded to 3 edelivery requests, with a total of 5 documents delivered across these requests. Our average response time to deliver the requested items was 43 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.

We recently had discussions with representatives from White and Case about continuing their membership in the Platinum Members Program at the conclusion of our one year Platinum Members agreement, which will expire at the end of 2018. From our discussions, it seems that they are pleased with the service overall but for internal reasons may not renew their enrollment in this program in 2019.

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



MEMORANDUM

DATE: October 24, 2018

TO: Board of Law Library Trustees

FROM: Sandra J. Levin, Executive Director

RE: Approval of Amended LA Law Library Classification Chart

SUMMARY

The Board of Trustees discussed and approved changes to the Memorandum of Understanding with SEIU Local 721 in September of this year, including revisions to the compensation chart by classification. The Law Library also maintains a Broadband Classification Chart that includes all represented classifications as well as non-represented classifications.

As a result of the revisions set forth in the MOU, as well as the minimum wage increases implemented by the City of LA and the State of California, the Law Library Broadband Classification needs to be revised in order to comply with both the MOU as well as City and State ordinances.

RECOMMENDATION

Staff recommends that the Board approve the attached revised Broadband Classification Chart.



Salary Grade	Classification	Beginning	End
1	Library Aide Administrative Aide	\$13.25 / hr	\$17.00 / hr
2	Library Clerk Administrative Clerk	\$15.00 / hr \$31,200	\$22.00 / hr \$45,760
3	Branch Assistant	\$19.00 / hr	\$26.50 / hr
3	Library Technician Administrative Technician	\$19.00 / hr \$39,520	\$26.50 / hr \$55,120
4	Library Associate	\$21.15 / hr	\$31.73 / hr
4	Support Supervisor System Administrator / Designer Executive Staff	\$44,000	\$66,000
5	Librarian	\$53,000	\$82,500
6	Manager	\$60,000	\$99,000
7	Senior Librarian Senior Administrative Staff	\$65,000	\$97,500
8	Director	\$85,000	\$112,500
9	Senior Director	\$125,000	\$175,800
10	Executive Director	\$150,000	\$202,175

LA Law Library
Fiscal Year Quarterly Statistics

		FY16 1st Quarter	FY17 1st Quarter	FY18 1st Quarter	FY19 1st Quarter	FY19 1st Quarter Notes
Collection Management Services						
	<i>Collection Management handles all new acquisitions, continuation and updates, as well as any volumes that are withdrawn from the collection.</i>					
	New Titles Added	132	108	89	129	
	New Serials	18	25	7	21	
	Print Volumes Added	1,362	1,129	1,276	1,792	
	Non-Print Media Added	10,523	9,552	10,596	126	TR West discontinued microfiche production of CA briefs
	Books Cataloged/Reclassified	646	484	102	865	
	Print & Non-Print Withdrawn	601	505	254	440	
Brief Scanning Project						
	Briefs Logged (Google)	N/A	7,561	16,945	16,192	
Website Statistics						
	Visitors	24,096	26,842	22,553	31,942	
	Visits (previously counted as "Pages Viewed")	101,619	99,035	89,050	100,275	
	Average Daily Visits	1,105	1,076	968	1,143	
	Average Duration	4:09	2:59	3:01	2:28	
	Visitors: US	96.02%	93.59%	98.62%	98.00%	
	Visitors: International / Unspecified	3.98	6.41%	1.38%	2.00%	
Training and Events (Includes Main & Branch locations)						
	Public Classes Held					
	Internal speaker	7	23	22	33	
	Guest speaker	9	38	61	50	
	MCLE Classes Held					
	Internal speaker	0	0	1	1	
	Guest speaker	5	6	5	4	
	Clinics/ Workshops Held	16	39	57	33	
	Total	37	106	146	121	
	Class Attendance Total (Estimated)	658	1,180	1,753	1,456	
Visits to Main Branch						
	Number of Patron Visits (front door)			N/A	25,434	

MEMORANDUM

DATE: October 24, 2018

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 that the Board adopt a resolution memorializing the new rates and authorizing CalPERS to charge at those rates. Accordingly, Staff recommends that the Board adopt the attached resolution authorizing CalPERS to charge eligible employees and retirees the appropriate share of health insurance premiums effective January 1, 2019.

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, employee & 1, and employee & 2+ coverage. At that same meeting, the Board extended this cap on premiums to unrepresented employees and retired employees, and their dependents.

RESOLUTION

The attached resolution is in the form requested by CalPERS and implements the formula by informing CalPERS about the maximum amount the Law Library will pay for health insurance on behalf of eligible employees and retirees and their dependents.

RECOMMENDATION

Staff recommends that the Board adopt the attached resolution for health insurance premiums that will take effect on January 1, 2019.



To: California Public Employees' Retirement System
Health Contracts Unit, Employer Account Management Division
PO BOX 942714
Sacramento, CA 94229-2714

From:

CalPERS ID #	5612780823
Agency Name	Los Angeles County Law Library

HEALTH RESOLUTION

Please staple on top of your health resolution(s) or cover letter. This will ensure that the CalPERS mailroom expedites delivery to our office.

LOS ANGELES COUNTY LAW LIBRARY
RESOLUTION NO. 2017-1

FIXING THE EMPLOYER CONTRIBUTION AT AN EQUAL AMOUNT FOR EMPLOYEES AND ANNUITANTS
UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT

WHEREAS, (1) Los Angeles County Law Library is a contracting agency under Government Code Section 22920 and subject to the Public Employees' Medical and Hospital Care Act (the "Act"); and

WHEREAS, (2) Government Code Section 22892(a) provides that a contracting agency subject to Act shall fix the amount of the employer contribution by resolution; and

WHEREAS, (3) Government Code Section 22892(b) provides that the employer contribution shall be an equal amount for both employees and annuitants, but may not be less than the amount prescribed by Section 22892(b) of the Act;

RESOLVED, (a) That the employer contribution for each employee or annuitant shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan or plans up to a maximum of:

Medical Group	Monthly Employer Contribution		
	Single	Two-Party	Family
701 Unrepresented Employees	\$650.00	\$950.00	\$1,150.00
702 Represented Employees	\$650.00	\$950.00	\$1,150.00

Plus administrative fees and Contingency Reserve Fund assessments; and be it further

RESOLVED, (b) Los Angeles County Law Library has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and be it further

RESOLVED, (c) That the participation of the employees and annuitants of Los Angeles County Law Library shall be subject to determination of its status as an "agency or instrumentality of the state or political subdivision of a State" that is eligible to participate in a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code, upon publication of final Regulations pursuant to such Section. If it is determined that Los Angeles County Law Library would not qualify as an agency or instrumentality of the state or political subdivision of a State under such final Regulations, CalPERS may be obligated, and reserves the right to terminate the health coverage of all participants of the employer.

RESOLVED, (d) That the executive body appoint and direct, and it does hereby appoint and direct, the Executive Director to file with the Board a verified copy of this resolution, and to perform on behalf of Los Angeles County Law Library all functions required of it under the Act.

Adopted at a regular meeting of the Board of Trustees of the Los Angeles County Law Library at 301 W. 1st Street, Los Angeles, CA 90012, this 24th day of October, 2018.

Signed: _____
Hon. Mark A. Juhas, President

Attest: _____
Sandra J. Levin, Executive Director

MEMORANDUM

DATE: October 24, 2018

TO: Board of Law Library Trustees

FROM: Sandra Levin, Executive Director

RE: Approval of Certain One-Time Funding Projects and Related Budget Amendment

BACKGROUND AND SUMMARY

In anticipation of receipt of the one-time supplemental funding from the State of California General Fund, on August 22, 2018 the Board reviewed and discussed a list of potential projects and services to be funded with these new monies. The list was preliminary in nature and, although the Board made favorable comments, no formal approval was requested or provided at that time.

Now, and in the coming months, Staff will be requesting approval of these projects and the necessary, related budget amendments, as the feasibility, scope and costs of these proposed projects are developed. These will be presented as consent calendar agenda items in light of the fact that the Board previously reviewed the conceptual list of ideas with preliminary cost estimates and was supportive.

DISCUSSION

The one-time funding money has been received by the Law Library, but the budget amendments authorizing the expenditures necessary to implement the attached projects have not yet been approved.

Attached is a list of projects, along with the cost information, now recommended for approval and inclusion in the FY19 budget. Each of these projects was previously reviewed by the Board on August 22 when it reviewed the preliminary project list.

RECOMMENDATION

Staff recommends that the Board approve implementation of the proposed projects and amend the FY19 budget to include the expenditures indicated on the attached project list.



Attachment 3.7.1

ONE TIME FUNDING PROPOSALS – For approval 10/24/18

# for Identification (does not reflect priority)	Department Initiating	Project/Program	Cost Estimate	Comments
9	COLLECTION DEVELOPMENT	Pilot project to expand SHC to include circulating copies for self-represented litigants. Dual purpose: 1) access and 2) loss prevention.	\$3K	Staff has identified 10-15 titles that are popular and useful
11	COLLECTION DEVELOPMENT	Purchase new copies of oft-used volumes in CA collection that are in poor physical condition and need to be replaced, such as California Forms of Pleading & Practice. (\$7,600) and CA practice guides (\$12,400).	\$20K	
28B	PATRON SERVICES	Public facing translation and interpreter services; 1 year pilot. Selected vendor: Language People (used by Sacramento Law Library). Can provide interpreter services via telephone (connection within 5 minutes) in many languages, including: Spanish, Korean, Chinese-Cantonese/Mandarin, Tagalog, American Sign Language (ASL), Armenian, Russian. Cost: Over-the-phone: \$1.50 per minute 8 a.m. – 6 p.m. \$2 per minute 6 PM – 8 AM & weekends; 10 minute min On-Demand (Video Remote Interpreting (VRI) - \$2.99 per minute; useful for ASL; 10 minute min per call Funding is sufficient for 2-3 sessions per week for one year.	\$5K	
29	COMMUNICATIONS	Two Year Language Outreach Pilot Program, including developing new avenues of promoting to non-English-speaking patrons Annual cost: \$10K/year part-time intern; plus \$5K printing, advertising and mailing	\$30K	\$15K per year

Attachment 3.7.1

30	COMMUNICATIONS	<p>One Year Printed Flyer Outreach Pilot Program, printing flyers for ongoing series to be disseminated at public libraries, elected officials' offices and other public locations</p> <p>Annual cost: \$2K/year (small portion of part-time intern); plus \$16K printing and mailing</p>	\$18K	
31	COMMUNICATIONS	<p>One Year Printed Third Party Info Pilot Program, printing flyers for third-party, law-related services to be displayed in the Law Library. This project will fund the cost of providing printed information about legal clinics, workshops and lawyer referral services to expand the legal information and resources available to patrons.</p>	\$10K	
34	ADMIN	<p>Dues for professional organizations (e.g., SCALL, AALL, etc). These were eliminated from the budget approximately 2 years ago due to financial constraints. Dual purpose: 1) professional development and training; and 2) exposure for LALL within the legal and librarian communities</p>	\$5K	
35	ADMIN	<p>Supplemental CCCLL dues assessment for statewide resources. CCCLL is assessing supplemental dues in the amount of 1% of the supplemental funding to each CLL, to be used for statewide public access to legal resources</p>	\$35K	

AGENDA ITEM 4

DISCUSSION ITEMS

- 4.1 Approval of Amendment to the Fee Schedule to Add Copy Confirmation Charge
- 4.2 Review and Acceptance of Draft Financial Statement Audit Report and SAS 114 Letter for the Fiscal Year Ended June 30, 2018

MEMORANDUM

DATE: October 19, 2018

TO: Board of Law Library Trustees

FROM: Sandra Levin, Executive Director
Austin Stoub, Senior Librarian

RE: Approval of Amendment to the Fee Schedule to Add Copy Confirmation Charge

INTRODUCTION

For a number of years, LA Law Library has offered patrons the option of “confirming” the authenticity of copies made of materials from within the LA Law Library collection. In the past, we have not charged for this service. As patrons are requesting this service more frequently, however, it is taking more staff time to accommodate these requests. To recoup a portion of these costs, we are recommending that the Board of Trustees approve a \$15.00 charge for this service.

ANALYSIS & BACKGROUND

Frequently in legal proceedings, parties wish to provide copies of the legal authorities to support their position. Because some recipients prefer to have confirmation that the copies are accurate, LA Law Library has offered a service whereby we verify, or confirm, that the patron made copies of materials from our physical (ie, print or microfiche) collection, and that the copies are true copies of the originals. Specifically, we provide the patrons with a signed letter attesting to the veracity of the copies.

In the past, we received these types of requests very infrequently, generally around twice per year. Over the past few years, however, these types of requests have increased in frequency to the point where we have provided almost two dozen of these letters over the past year. (Of note, some consulates are now requiring that letters of this type accompany copies provided in consulate proceedings.) When these requests were infrequent, the staff disruption was minimal; with the increase in these requests, however, staff has had to dedicate more time to assisting with these requests, drafting the confirmation letters, and verifying the copies. A majority of the tasks and staff time for these requests falls on the Circulation Supervisor and the Senior Librarian, Reference.

Based on the number of requests we have received, and the amount of staff time involved in processing the requests, we would propose that the Board of Trustees approve a charge of \$15.00 to charge for this service.



This proposed charge is based on the following calculations:

- Average hourly rate for Circ. Supervisor and Senior Librarian: \$30.58
- Minimum of 5 minutes to instruct patron, and review the request: \$2.55
- 15-20 minutes to review and confirm “true” copies: \$7.64 to \$10.19
- Minimum of 5 minute to finalize the letter and review with patron: \$2.55
- TOTAL COST: at least \$12.74 to \$15.29

The proposed charge would be in addition to the cost of making copies.

OPTIONS

After considering the background and calculations for the proposed charge, the Board of Trustees has the following options:

1. Approve a new charge of \$15.00 for copy confirmation to be added to the LA Law Library Fee Schedule
2. Approve an amended charge of greater or less than \$15.00 for copy confirmation to be added to the LA Law Library Fee Schedule
3. Continue to provide this service to patrons for no charge
4. Discontinue providing the service

RECOMMENDATION

Staff recommends the Board of Trustees approve option 1, adoption of a \$15 charge for the provision of confirmation letters.



MEMORANDUM

DATE: October 24, 2018

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, 2018

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, 2018.

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, 2018 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 13% lower than prior fiscal year primarily due to a lower pension expense stemming from CalPERS' favorable investment return for fiscal year 2017 and the Board's decision to prefund its unfunded actuarial pension liability by an additional \$500K at its May 2017 meeting. Overall, this resulted in a positive change in net position of \$346K for fiscal year 2018.

In terms of cash position, the Library went from a cash position of \$8.2M at the end of fiscal year 2017 to \$9.6M at the end of the fiscal year 2018. 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, and deferral of capital expenditures.

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, 2018 (with Comparative Totals for 2017)
2. Draft SAS 114 Letter



DRAFT



**Los Angeles County Law Library
Audited Financial Statements
*Years Ended June 30, 2018 and 2017
with Report of Independent Auditors***

DRAFT

DRAFT

**Los Angeles County Law Library
Audited Financial Statements
*Years Ended June 30, 2018 and 2017
with Report of Independent Auditors***

DRAFT

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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, 2018 and 2017 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, 2018 and 2017, 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 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 24, 2018 on our consideration of the Law Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Law Library's internal control over financial reporting and compliance.

Los Angeles, California
October 24, 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, 2018 and 2017. 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, 2018 and 2017 for the Law Library were \$8,598,308 and \$8,202,320, respectively. Of the total revenue amounts, \$7,219,802 and \$6,863,014 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, 2018 and 2017 totaled \$8,252,181 and \$9,811,772, respectively.

Depreciable capital assets aggregating \$1,858,250 and \$1,869,045 were acquired during the fiscal years 2018 and 2017, 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 \$2,735,493 and \$2,457,252 as of June 30, 2018 and 2017, respectively; and OPEB expense of \$277,197 and \$241,029 for the years then ended.

HIGHLIGHTS OF FISCAL YEAR 2018

Board of Trustees Composition

The composition of LA Law Library's Board of Trustees changed during the fiscal year. Hon. Ann I. Jones, President, resigned. Hon. Mark A. Juhas was elected as President and Hon. Michelle W. Court was elected as Vice President. Hon. Michael L. Stern joined the Board. Susan Steinhauser, Esq., Hon. Dennis Landin, Hon. Richard Rico and Kenneth Klein, Esq. continued as members.

Award of Contract for Financial Audit

Following a Request for Proposals (RFP) for LA Law Library's annual audit services, Vasquez & Company, LLP was selected as the Library's auditors for fiscal year 2018 (with an option to renew for two subsequent years).

Implementation of 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 2017-18, the Library generated an additional \$35K in rewards, \$156K 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 2017-18, the fund balance was \$2.1M, after a \$150K 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 2017-18, the Library will recognize an actuarially determined non-cash OPEB expense of \$277,197 which is primarily composed of an 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 asset 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 FY2017-19, the Library will recognize an actuarially determined non-cash pension expense of \$319,391 for its Classic and PEPR plan participants. The lower pension expense this fiscal year, as compared to last fiscal year, is due to CalPERS' better than expected 11.2% investment return for FY2017 and the Library's \$500,000 additional contribution toward its unfunded actuarial liability last year.

Hill Street Parking Revenue

In addition to the \$525K guarantee LA Law Library receives from its parking operator, Parking Concepts, Inc., \$140K 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 FY2017-18, the Friends made a generous contribution of \$145,000.

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

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.

FINANCIAL ANALYSIS

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

	2018	2017
Assets		
Current and other assets	\$ 11,432,706	\$ 9,813,119
Capital assets (net)	17,805,087	18,680,406
Total assets	29,237,793	28,493,525
Deferred Outflows of Resources	1,713,393	1,124,865
Liabilities		
Current liabilities	233,062	122,341
Other liabilities	6,201,039	5,738,751
Total liabilities	6,434,101	5,861,092
Deferred Inflows of Resources	945,161	531,502
Net position		
Net investment in capital assets	17,805,087	18,680,406
Unrestricted	5,766,836	4,545,390
Total net position	\$ 23,571,923	\$ 23,225,796

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 2018 from \$4,545,390 to \$5,766,836. While the Law Library's total net position decreased during the year, the decrease was attributable to depreciation of capital assets and therefore, affected primarily the balance of net investment in capital assets.

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

	2018	2017
Operating Revenues		
Court fees	\$ 7,219,802	\$ 6,863,014
Other operating revenues	1,268,654	1,232,247
Non-operating (expenses) revenues		
Investment (loss) earnings	51,305	(3,562)
Miscellaneous	58,547	110,621
Total revenues	8,598,308	8,202,320
Operating Expenses		
Salaries and benefits	3,755,848	5,165,184
Depreciation	2,733,569	2,821,826
Other operating expenses	1,762,764	1,824,762
Total expenses	8,252,181	9,811,772
Change in net position	346,127	(1,609,452)
Net position		
Net position at beginning of year	23,225,796	24,835,248
Net position at end of year	\$ 23,571,923	\$ 23,225,796

BUDGETARY HIGHLIGHTS

The comparison of the Fiscal Year 2018 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	\$ 7,219,802	\$ 6,826,559	\$ 393,243
Other operating revenues	1,268,654	1,297,899	(29,245)
Non-operating revenues:			
Investment earnings	51,305	55,217	(3,912)
Miscellaneous	58,547	21,504	37,043
Total revenues	<u>8,598,308</u>	<u>8,201,179</u>	<u>397,129</u>
Operating Expenses:			
Salaries and benefits	3,755,848	3,667,933	(87,915)
Depreciation	2,733,569	2,734,571	1,002
Other operating expenses	1,762,764	1,897,155	134,391
Total expenses	<u>8,252,181</u>	<u>8,299,659</u>	<u>47,478</u>
Change in net position	<u>\$ 346,127</u>	<u>\$ (98,480)</u>	<u>\$ 444,607</u>

The actual change in net position differed from budget by \$444,607.

The favorable variance in court fees was due to the slight increase in court fees revenue. Since its peak in 2009, court fees continuously decreased until FY 2015. In FY 2017 and FY 2018, court fees increased slightly. The unfavorable variance in salaries and benefits was due to reporting of pension and OPEB expense as required by the accounting standards, GASB 68 and GASB 75.

CAPITAL ASSETS

The Law Library had \$17,805,087 and \$18,680,406 invested in capital assets as of June 30, 2018 and 2017, respectively. The following schedule summarizes capital assets held by the Law Library:

	<u>2018</u>	<u>2017</u>
Capital assets, not being depreciated	\$ <u>580,333</u>	\$ <u>580,333</u>
Capital assets, being depreciated	<u>66,189,601</u>	64,331,351
Accumulated depreciation	<u>(48,964,847)</u>	(46,231,278)
Capital assets being depreciated, net	<u>17,224,754</u>	18,100,073
Total capital assets, net	<u>\$ 17,805,087</u>	<u>\$ 18,680,406</u>

Additional information on the Law Library's capital assets can be found in Note 5, page 22 of this report.

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.

	June 30	
	2018	2017
Assets		
Current assets		
Cash and cash equivalents	\$ 4,748,337	\$ 3,309,692
Accounts receivable	1,599,833	1,323,638
Prepaid expenses and other current assets	201,344	284,032
Total current assets	6,549,514	4,917,362
Noncurrent assets		
Restricted cash and cash equivalents	318,470	318,470
Investments	4,564,722	4,577,287
Capital assets, not being depreciated	580,333	580,333
Capital assets, being depreciated – net	17,224,754	18,100,073
Total noncurrent assets	22,688,279	23,576,163
Total assets	29,237,793	28,493,525
Deferred Outflows of Resources		
Deferred outflows of resources - pension	1,712,349	1,124,865
Deferred outflows of resources - pension	1,044	-
Total deferred outflows of resources	1,713,393	1,124,865
Liabilities		
Current liabilities		
Accounts payable	228,063	114,022
Other current liabilities	5,000	8,319
Total current liabilities	233,063	122,341
Noncurrent liabilities		
Accrued sick and vacation liability	293,210	304,754
Borrowers' deposits	291,560	292,828
Net OPEB liability	2,735,493	2,457,252
Net pension liability	2,880,776	2,683,917
Total noncurrent liabilities	6,201,039	5,738,751
Total liabilities	6,434,102	5,861,092
Deferred Inflows of Resources		
Deferred inflows of resources	945,161	531,502
Net Position		
Net position		
Net investment in capital assets	17,805,087	18,680,406
Unrestricted	5,766,836	4,545,390
Total net position	\$ 23,571,923	\$ 23,225,796

See notes to financial statements.

	Years Ended June 30	
	2018	2017
Operating Revenues		
Court fees	\$ 7,219,802	\$ 6,863,014
Parking fees	666,265	703,924
Contributions	145,000	157,289
Annual fees	215,153	111,484
Copy center and document delivery	61,406	67,428
Other operating revenues	180,830	192,122
Total operating revenues	8,488,456	8,095,261
Operating Expenses		
Salaries and benefits	3,755,848	5,165,184
Depreciation	2,733,569	2,821,826
Services and supplies	1,332,116	1,358,783
Insurance	237,731	261,565
Utilities	160,838	156,517
Other operating expenses	32,079	47,897
Total operating expenses	8,252,181	9,811,772
Operating income (loss)	236,275	(1,716,511)
Non-operating revenues (expenses)		
Investment (loss) earnings	51,305	(3,562)
Miscellaneous income	58,547	110,621
Total non-operating revenues (expenses)	109,852	107,059
Change in net position	346,127	(1,609,452)
Net position		
Net position at beginning of year	23,225,796	24,835,248
Net position at end of year	\$ 23,571,923	\$ 23,225,796

See notes to financial statements.

	Years Ended June 30	
	2018	2017
Cash flows from operating activities		
Cash received from court fees and services	\$ 8,065,993	\$ 7,891,391
Cash payments to suppliers for goods and services	(1,566,035)	(1,966,563)
Cash payments to employees for services	(3,470,480)	(4,114,938)
Contributions received	145,000	157,289
Net cash from operating activities	<u>3,174,478</u>	<u>1,967,179</u>
Cash flows from capital and related financing activities		
Acquisition of capital assets	<u>(1,858,250)</u>	<u>(1,854,489)</u>
Net cash used in capital and related financing activities	<u>(1,858,250)</u>	<u>(1,854,489)</u>
Cash flows from non-capital and related financing activities		
Miscellaneous income	<u>58,547</u>	110,622
Net cash from non-capital and related financing activities	<u>58,547</u>	<u>110,622</u>
Cash flows from investing activities		
Investment in money market funds and government securities	12,565	(461,331)
Investment (loss) earnings	<u>51,305</u>	<u>(3,562)</u>
Net cash from investing activities	<u>63,870</u>	<u>(464,893)</u>
Net increase (decrease) in cash and cash equivalents	1,438,645	(241,581)
Cash and cash equivalents, at beginning of year	<u>3,628,162</u>	<u>3,869,743</u>
Cash and cash equivalents, at end of year	<u>\$ 5,066,807</u>	<u>\$ 3,628,162</u>
Reconciliation of Operating Income to Net Cash from Operating Activities		
Operating income (loss)	\$ 236,275	\$ (1,716,511)
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation	2,733,569	2,821,826
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(276,195)	(11,460)
(Increase) decrease in prepaid expenses and other current assets	82,688	(30,224)
Increase (decrease) in accounts payable	114,041	(111,577)
Increase (decrease) in other liabilities	(3,319)	(3,994)
Increase (decrease) in accrued sick and vacation liability	(11,544)	(55,227)
Increase (decrease) in borrowers' deposits	(1,268)	(35,121)
(Increase) decrease in OPEB asset/liability	278,241	241,029
(Increase) decrease in net pension asset/liability	196,859	1,450,044
(Increase) decrease in deferred outflows of resources	(588,528)	(217,335)
Increase (decrease) in deferred inflows of resources	413,659	(364,271)
Net cash from operating activities	<u>\$ 3,174,478</u>	<u>\$ 1,967,179</u>

See notes to financial statements.

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 derive the main benefits from the Law Library, 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 member of the local bar 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, nine (9) 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Implementation of New Accounting Pronouncements

During the fiscal year ended June 30, 2017, the Law Library early adopted the following new Statements of the Governmental Accounting Standards Board (GASB):

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed in this Statement.

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.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2018 and 2017, cash and cash equivalents consist of:

	2018	2017
Cash and cash equivalents	\$ 4,748,337	\$ 3,309,692
Restricted cash and cash equivalents	318,470	318,470
	\$ 5,066,807	\$ 3,628,162

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

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 Borrower 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 investment earnings.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2018 and 2017, cash and cash equivalents and investments are composed of:

	2018	2017
<u>Cash and cash equivalents:</u>		
Local Agency Investment Fund	\$ 359,038	\$ 353,722
Cash deposited with the Los Angeles County Treasurer	4,477,250	3,040,285
Cash on hand and in bank	(87,951)	(84,315)
Restricted deposits	318,470	318,470
	5,066,807	3,628,162
<u>Investments:</u>		
Money market funds	1,053,931	919,258
Government securities	3,510,791	3,658,029
	4,564,722	4,577,287
Total	\$ 9,631,529	\$ 8,205,449

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, 2018 and 2017, the total market value of LAIF, including accrued interest was approximately \$88.9 billion and \$77.6 billion, respectively. The Law Library's proportionate share of that value as of June 30, 2018 and 2017 is \$0.3 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.

NOTE 3 CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Funds deposited in the Los Angeles County Treasury Pool amounted to \$4,795,720 and \$3,358,755 as of June 30, 2018 and 2017, 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, 2018 and 2017.

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:

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, 2018

Investment Type	Total	Remaining maturity in Months		
		12 Months Or Less	13 to 24 Months	25-60 Months
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>

June 30, 2017

Investment Type	Total	Remaining maturity in Months		
		12 Months Or Less	13 to 24 Months	25-60 Months
Money market funds	\$ 919,258	\$ 919,258	\$ -	\$ -
Government securities	3,658,029	-	521,394	3,136,635
	<u>\$ 4,577,287</u>	<u>\$ 919,258</u>	<u>\$ 521,394</u>	<u>\$ 3,136,635</u>

NOTE 3 CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Credit Risk

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

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>

June 30, 2017

<u>Investment Type</u>	<u>Total</u>	<u>Minimum Legal Rating</u>	<u>AA+/AA</u>
Money market funds	\$ 919,258	A	\$ 919,258
Government securities	<u>3,658,029</u>	A	<u>3,658,029</u>
	<u>\$ 4,577,287</u>		<u>\$ 4,577,287</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, 2018 and 2017, 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.

NOTE 3 CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

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, 2018 and 2017, the Law Library was not exposed to custodial credit risk.

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:

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

<u>Investment Type</u>	June 30, 2018			
	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	\$ -	\$ -
Government securities	-	3,510,791	-	3,510,791
	<u>\$ 1,053,931</u>	<u>\$ 3,510,791</u>	<u>\$ -</u>	<u>\$ 4,564,722</u>

<u>Investment Type</u>	June 30, 2017			
	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	\$ 919,258	\$ -	\$ -
Government securities	-	3,658,029	-	3,658,029
	<u>\$ 919,258</u>	<u>\$ 3,658,029</u>	<u>\$ -</u>	<u>\$ 4,577,287</u>

The Library's investments in LAIF and LA County Pool as of June 30, 2018 and 2017 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.

NOTE 5 CAPITAL ASSETS

The investment in capital assets consists of the following:

	Balance June 30, 2017	Adjustment	Additions	Deletions	Balance June 30, 2018
Capital assets, not being depreciated:					
Land	\$ 580,333	\$ -	\$ -	\$ -	\$ 580,333
Total capital assets, not being depreciated	<u>580,333</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>580,333</u>
Capital assets, being depreciated:					
Building and improvements	12,136,023		50,189	-	12,186,212
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	<u>777,391</u>		<u>25,581</u>	<u>25,581</u>	<u>777,391</u>
Total capital assets, being depreciated	64,331,351	-	1,883,831	25,581	66,189,601
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	<u>18,100,073</u>	<u>-</u>	<u>(849,738)</u>	<u>25,581</u>	<u>17,224,754</u>
Capital assets, net	<u>\$ 18,680,406</u>	<u>\$ -</u>	<u>\$ (849,738)</u>	<u>\$ 25,581</u>	<u>\$ 17,805,087</u>

	Balance June 30, 2016	Adjustment	Additions	Deletions	Balance June 30, 2017
Capital assets, not being depreciated:					
Land	\$ 580,333	\$ -	\$ -	\$ -	\$ 580,333
Total capital assets, not being depreciated	<u>580,333</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>580,333</u>
Capital assets, being depreciated:					
Building and improvements	12,136,023	-	-	-	12,136,023
Books and reference materials	47,517,488	-	1,841,721	-	49,359,209
Furniture, fixtures and other equipment	2,058,728	-	-	-	2,058,728
Computer equipment and software	<u>764,623</u>	<u>(14,556)</u>	<u>27,324</u>	<u>-</u>	<u>777,391</u>
Total capital assets, being depreciated	62,476,862	(14,556)	1,869,045	-	64,331,351
Accumulated depreciation	<u>(43,409,452)</u>	<u>-</u>	<u>(2,821,826)</u>	<u>-</u>	<u>(46,231,278)</u>
Capital assets being depreciated, net	<u>19,067,410</u>	<u>(14,556)</u>	<u>(952,781)</u>	<u>-</u>	<u>18,100,073</u>
Capital assets, net	<u>\$ 19,647,743</u>	<u>\$ (14,556)</u>	<u>\$ (952,781)</u>	<u>\$ -</u>	<u>\$ 18,680,406</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.

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, 2018 and 2017 are summarized as follows:

	Miscellaneous Plan	
	Classic	PEPRA
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%

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 year ended June 30, 2018 and 2017, the contributions recognized as part of pension expense for each Plan were as follows:

	2018	2017
Contributions - employer	\$ 296,357	\$ 292,226
Contributions - employee	168,884	168,651

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

As of June 30, 2018 and 2017, the Law Library reported net pension liabilities for its proportionate share of the net pension liability of each Plan as follows:

	Proportionate Share of Net Pension Liability (Asset)	
	2018	2017
Miscellaneous Plan	\$ <u>2,880,776</u>	\$ <u>2,683,917</u>

NOTE 6 RETIREMENT PLAN (CONTINUED)

Effective for measurement period 2015, CalPERS provides GASB 68 Accounting Valuation Report for the Miscellaneous risk pool and allocation methodology to be used by participants in the risk pool. The schedules of employer allocation include three ratios. It includes allocation for the Total Pension Liability, Plan Fiduciary Net Position and all others pension amounts (e.g. deferred outflows/inflows of resources and pension expense). The Total Pension Liability is allocated based on the Actuarial Accrued Liability from the most recent Actuarial Valuation Report as of June 30, 2016 used for funding purposes. The Plan Fiduciary Net Position is allocated based on the sum of the Market Value of Assets from the most recent Actuarial Valuation as of June 30, 2016 used for funding purposes plus supplemental payments made by employers during the current measurement period to reduce their unfunded actuarial accrued liabilities. All other pension amounts (deferred outflows/inflows of resources and pension expense) are allocated based on the legally or statutorily required employer contributions for the fiscal year ended June 30, 2017, including reported contribution adjustments and suspended payroll information.

The Law Library's allocation bases for pension items for 2018 reporting period are as follows:

	2018
Total pension liability and deferred inflows and outflows of resources	0.00152900
Plan fiduciary net position	0.00178960

For the year ended June 30, 2018, the Law Library recognized pension expense of \$319,391. At June 30, 2018 and 2017, the Law Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2018		2017	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 296,357	\$ -	\$ 792,226	\$ -
Differences between actual and expected experience	8,236	(117,995)	11,264	(2,278)
Differences in proportions	-	-	34,024	-
Changes in assumptions	1,021,886	(77,920)	-	(106,568)
Change in employer's proportion	154,762	(418,057)	247,854	-
Differences between the employer's contributions and the employer's proportionate share of contributions	-	(331,189)	-	(422,656)
Net differences between projected and actual earnings on plan investments	231,108	-	39,497	-
Total	\$ 1,712,349	\$ (945,161)	\$ 1,124,865	\$ (531,502)

NOTE 6 RETIREMENT PLAN (CONTINUED)

\$296,357 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, 2019.

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
2019	\$ (28,289)
2020	402,970
2021	233,363
2022	(137,213)
2023	-
Thereafter	-
	\$ 470,831

Actuarial Assumptions

The total pension liabilities in the June 30, 2016 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	30-Jun-16
Measurement Date	30-Jun-17
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
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 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2016 valuation were based on the results of a January 2015 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

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. The target allocation shown was adopted by the Board effective on July 1, 2016.

Asset Class	Target Allocation	Long-term Expected Real Rate of Return Years 1-10 ¹	Long-term Expected Real Rate of Return Years 11 + ²
Global Equity	47%	4.90%	5.38%
Fixed Income	19%	0.80%	2.27%
Inflation Assets	6%	0.60%	1.39%
Private Equity	12%	6.60%	6.63%
Real Estate	11%	2.80%	5.21%
Infrastructure and Forestland	3%	3.90%	5.36%
Liquidity	2%	(0.40%)	(0.90%)
Total	100%		

¹ An expected inflation of 2.5% used for this period

² An expected inflation of 3.0% 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	\$	6,249,203
Current Discount Rate		7.15%
Net Pension Liability (Asset)	\$	2,880,776
1% Increase		8.15%
Net Pension Liability (Asset)	\$	90,984

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, 2018 and 2017, the Law Library did not have outstanding amount of contributions to the pension plan required for the years ended June 30, 2018 and 2017.

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 and www.guardianlife.com.

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>
Benefit types provided	Medical and dental *	Medical and dental *
Duration of Benefits	Lifetime	Lifetime
Required Service	5 years	5 years
Minimum Age	50	50
Dependent Coverage	Yes	Yes
Library Contribution %	100% for employee and 50% for dependent up to cap	100% for employee and 50% for dependent up to cap
Library Medical Cap**	<u>Employee Only:</u> Up to full cost of 2011 premium highest CalPERS LA Region Group Health HMO plan offered (\$496.93) and one half (50%) of all premium increases since 2011 <u>Dependents:</u> Up to one half (50%) of the cost of 2011 premiums highest CalPERS LA Region Group Health HMO plan for dependents (\$248.47 for Employee & 1 Dependent, \$397.55 for Employee & 2 or more dependents), plus one half (50%) of the cost of any increase since 2011	<u>Employee Only:</u> Up to full cost of 2011 premium highest CalPERS LA Region Group Health HMO plan offered (\$496.93) and one half (50%) of all premium increases since 2011 <u>Dependents:</u> Up to one half (50%) of the cost of 2011 premiums highest CalPERS LA Region Group Health HMO plan for dependents (\$248.47 for Employee & 1 Dependent, \$397.55 for Employee & 2 or more dependents), plus one half (50%) of the cost of any increase since 2011

*Those hired prior to 7/1/08 receive dental coverage

**There is no cap for dental

Employees covered by benefit terms

At June 30, 2016 (valuation date), the following employees were covered by the benefit terms of the Plan:

Category	Count
Active employees	36
Inactive employees or beneficiaries currently receiving benefit payments	33
Inactive employees entitled to but not yet receiving benefit payment	-
	<u>69</u>

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, 2018, the Trust account balance was \$2,116,023.

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Net OPEB Liability

The Library's net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017.

Actuarial Assumptions

This valuation assumes that the 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, 2017 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:

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	100%	

Discount rate

The discount rate used to measure the total OPEB liability was 6.5%. The projection of cash flows used to determine the discount rate assumed that the 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
Balance at June 30, 2016	\$ 4,592,615	\$ 2,135,363	\$ 2,457,252
Changes for the year:			
Service cost	111,628	-	111,628
Interest on the total OPEB liability	297,273	-	297,273
Difference between actual and expected experience	-	-	-
Changes in assumptions	-	-	-
Contribution - employer	-	-	-
Net investment income	-	132,557	(132,557)
Benefit payments	(150,000)	(150,000)	-
Administrative expense	-	(1,897)	1,897
Net Changes	258,901	(19,340)	278,241
Balance at June 30, 2017	\$ 4,851,516	\$ 2,116,023	\$ 2,735,493

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 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:

	Discount Rate 1% Lower 5.50%	Valuation Discount Rate 6.50%	Discount Rate 1% Higher 7.50%
Net OPEB liability	\$ 3,344,973	\$ 2,735,493	\$ 2,232,871

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

The net OPEB liability of the 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:

	Trend 1%	Valuation Trend	Trend 1% higher
Net OPEB liability	\$ 1,953,573	\$ 2,735,493	\$ 3,720,007

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

For the year ended June 30, 2018, the Library recognized OPEB expense of \$277,197 with details as follows:

	Total
Service Cost	\$ 111,628
Interest on Total OPEB Liability	297,273
Actual Investment Income	(133,862)
Recognized diff in investment gain/losses	261
Administrative Expense	1,897
Total OPEB Expense	\$ 277,197

At June 30, 2018, the Library reported a deferred outflows of resources of \$1,044 representing difference in actual and expected investment earnings.

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 25, 2018, 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.

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REQUIRED SUPPLEMENTARY INFORMATION

Last Ten Years *

	Fiscal Year Ending*	
	June 30, 2018	June 30, 2017
Total OPEB Liability		
Service cost	\$ 111,628	\$ 108,640
Interest on total OPEB liability	297,273	278,115
Benefit payments, including refunds of employee contributions	(150,000)	(40,000)
Net change in total OPEB liability	258,901	346,755
Total OPEB liability - beginning of year	4,592,615	4,245,860
Total OPEB liability - end of year (a)	<u>\$ 4,851,516</u>	<u>\$ 4,592,615</u>
Plan Fiduciary Net Position		
Net investment income	\$ 132,557	\$ 147,500
Contributions - employer	-	-
Benefit payments, including refunds of employee contributions	(150,000)	(40,000)
Administrative expenses	(1,897)	(1,774)
Net change in plan fiduciary net position	(19,340)	105,726
Plan fiduciary net position - beginning of year	2,135,363	2,029,637
Plan fiduciary net position - end of year (b)	<u>\$ 2,116,023</u>	<u>\$ 2,135,363</u>
Net OPEB liability - end of year (a)-(b)	<u>\$ 2,735,493</u>	<u>\$ 2,457,252</u>
Plan fiduciary net position as a percentage of the total pension liability	43.62%	46.50%
Covered - employee payroll	\$ 1,631,171	\$ 2,193,942
Net OPEB liability as percentage of covered-employee payroll	167.70%	112.00%

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

See report of independent auditors.

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.

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

	Measurement Date					
	June 30, 2017	June 30, 2016	June 30,2015		June 30,2014	
			Classic	PEPRA	Classic	PEPRA
Proportion of the net pension liability (asset)	0.07308%	0.07726%	-0.00275%	0.00002%	-0.00275%	0.00002%
Proportionate Share of the net pension liability (asset)	\$ 2,880,776	\$ 2,683,917	\$ 1,236,782	\$ (2,909)	\$ (170,833)	\$ 1,048
Covered - employee payroll	\$ 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	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	88.24%	88.23%	94.34%	103.72%	100.75%	83.01%

Notes to Schedule

¹ 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 4 years are shown.

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

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

Notes to Schedule

Valuation date

6/30/2016

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 4 years are shown.

See report of independent auditors.

**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, 2018 and 2017 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, and have issued our report thereon dated, October 24, 2018.

Internal Control over Financial Reporting

In planning and performing our audit, 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 would not necessarily 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, and contracts, 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.

Los Angeles, California
October 24, 2018

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**Los Angeles County Law Library
Communication to the Board of Trustees Regarding
The Results of the Audit
*Year ended June 30, 2018***

**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, 2018. 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, 2018.

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, 2018.

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, 2018. 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 24, 2018, 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.

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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.

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

Cristy Canieda
October 18, 2018



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