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**Joint Powers Authority Governing Board**

Rick DeGolia, Atherton

Charles Stone, Belmont

Karen Cunningham, Brisbane

Regina Wallace-Jones, East Palo Alto

Sanjay Gehani, Foster City

Deborah Penrose, Half Moon Bay

Reuben Holoher, Millbrae (Chair)

Mike O'Neill, Pacifica

Maryann Moise Derwin, Portola Valley

Sara McDowell, San Carlos (Vice Chair)

Carole Groom, San Mateo County

Dick Brown, Woodside

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**San Mateo County Library Joint Powers Authority  
Governing Board Agenda  
February 7 2022, 8:15 a.m. Teleconference Meeting****COVID-19 ADVISORY NOTICE**

Meetings of the Joint Powers Authority Operations Committee will be held by teleconference only pursuant to Government Code Section 54953(e). No physical location will be available for these meetings. However, members of the public will be able to participate in the meetings remotely via the Zoom platform by using the link below.

**PUBLIC PARTICIPATION**

Members of the public may join this videoconference meeting through Zoom by clicking the following link:

<https://SMCL.zoom.us/j/98601410422?pwd=TWNtYUZHb1FoSjFXMldUbG1ldW40UT09>

**Or Telephone: +1 669 900 6833 Meeting ID: 986 0141 0422 Password: 612169**

In addition, members of the public may also email written public comments in advance of the meeting to [bermudez@smcl.org](mailto:bermudez@smcl.org). Your email should include the specific agenda item on which you are commenting or note that your comment concerns an item not on the agenda or on the consent agenda. The Committee will make reasonable efforts to read into the record all emails received before the meeting. All emailed written comments, regardless of when received, will be included in the administrative record.

ADA Accommodation Requests: Individuals who require special assistance or a disability-related accommodation to participate in this meeting may contact Priscilla Bermudez before 8:00 a.m. the day of the meeting by sending an email to [bermudez@smcl.org](mailto:bermudez@smcl.org).

<b>I. Call to Order</b>	Action
<b>II. Authorize Continued Use of Virtual Meetings</b>	Action
<b>III. Public Comments</b>	Information
<b>IV. Consent Agenda</b>	Action
<b>A. Minutes of the November 15, 2021 Governing Board Meeting</b>	
<b>B. Financial Audit Report for FY 2020-21</b>	
<b>V. Strategic Plan Subcommittee Summary and Research Reports</b>	Action
<b>VI. FY 2021-22 Mid-Year Financial Report</b>	Action
<b>VII. Director's Report</b>	Information
<b>VIII. Governing Board Members Announcements</b>	Information
<b>IX. Adjournment</b>	Action

**2022 Operations Committee Meetings:** May 10, June 7, September 13, November 8

**2022 Governing Board Meetings:** May 16, June 13, September 19, November 14



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To: JPA Governing Board  
From: Anne-Marie Despain, Director of Library Services  
Date: February 1, 2022  
Meeting: February 7, 2022  
Re: Authorize Continued Use of Virtual Meetings

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## Background

On September 16, 2021, Governor Newsom signed into law Assembly Bill 361 (AB 361) which sets forth remote meeting requirements and procedures for local legislative bodies during a proclaimed state of emergency. Specifically, AB 361 allows a local legislative body to continue holding remote meetings between October 1, 2021 and January 1, 2024 under the following circumstances:

- Automatically whenever the legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing; or
- When the legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees; or
- When the legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

Once the Governing Board complies with AB 361, traditional Brown Act rules for remote meetings are suspended—specifically, requirements that (a) the Commission make available a physical location to observe the meeting or to make public comment and (b) teleconference locations each have posted notices or agendas, be accessible to the public, and be identified by address on the agenda. In addition, the following procedures apply to the remote meetings:

- AB 361 forbids agencies from requiring public comment to be submitted in advance and requires an opportunity to address the public/Committee in real time. Thus, limiting comments to emails received prior to the meeting is no longer acceptable.
- AB 361 regulates, for the first time, the rules and procedures for opening and closing a public comment period for agenda items. Specifically, a reasonable time for indicating a desire to comment (i.e., to use the “raise hand” feature in Zoom) must be provided.

- AB 361 prohibits agencies from taking action on agenda items when there is a disruption to the teleconference proceedings or technical failure on the agency's end which prevents members of the public from making comments, until public access is restored, and creates a cause of action to challenge agency actions taken during a disruption to public access.
- Notwithstanding Brown Act prohibitions on requiring attendees to register their names as a condition of meeting attendance, AB 361 expressly authorizes agencies to use third-party teleconference platforms that require registration (i.e., Zoom requiring an attendee to include their email).

## Discussion

Currently, the COVID-19-related proclaimed state of emergency remains in place, but the local health officer has not "imposed or recommended measures to promote social distancing" and the state's website indicates that social distancing "requirements" are no longer in effect, except for rules on "mega-events" over 1,000. Thus, under AB 361, the Governing Board's ability to hold remote meetings is not automatically extended and, in order to continue holding remote meetings for the next 30 days, the Governing Board must determine, by majority vote that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees. It would.

Both the California Department of Public Health and the United States Centers for Disease Control and Prevention caution that the Delta and Omicron variants of COVID-19 are more transmissible than prior variants, and even fully vaccinated individuals can spread the virus to others, resulting in rapid and alarming rates of COVID-19 cases and hospitalizations. Therefore, reducing the circumstances under which individuals come into close contact with each other indoors remains a vital component of the COVID-19 response strategy.

Indoor public meetings of the Governing Board pose particularly high risks for transmission of COVID-19, as such meetings would bring together people from across the county and the open nature of public meetings makes it difficult to enforce compliance with vaccination, physical distancing, masking, and other safety measures essential to enabling that all residents—including those who are immunocompromised or unvaccinated—can safely participate.

Therefore, it is recommended that the Governing Board invoke the provisions of AB 361 for its meetings.

## Fiscal Impact

There is no fiscal impact associated with the continued use of virtual JPA Governing Board meetings.

## **Recommendation**

Approve the continued use of virtual JPA Governing Board meetings, as a result of the continuing COVID-19 pandemic state of emergency proclaimed by Governor Newsom and based on findings that meeting in person would present imminent risks to the health or safety of attendees. Operations Committee members present at the February 1, 2022 meeting concurred with this recommendation.



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San Mateo County Libraries Joint Powers Authority  
Governing Board Meeting  
Minutes of November 15, 2021

Board Members Present:

Rick DeGolia, Atherton  
Julia Mates, Belmont (Alternate)  
Karen Cunningham, Brisbane  
Regina Wallace-Jones, East Palo Alto  
Sam Hindi, Foster City  
Deborah Penrose, Half Moon Bay  
Reuben Holoher, Millbrae (Chair)  
Mike O' Neill, Pacifica  
Maryann Moise Derwin, Portola Valley  
Sara McDowell, San Carlos (Vice Chair)  
Carole Groom, San Mateo County  
Dick Brown, Woodside

Staff Present:

Anne-Marie Despain  
Carine Risley  
Danae Ramirez  
Lindsey Freeland  
Priscilla Bermudez

Others Present:

John Shupe, JPA Attorney  
Tygarjas Bigstyck, Pacifica (Alternate)

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- I. Call to Order. The meeting was called to order at 8:16 a.m. by Chair Holoher.
- II. Authorize Continued Use of Virtual Meetings. Director Despain presented an overview of the memo. Staff is recommending that as a result of the continuing COVID-19 pandemic and findings that meeting in person would present risks to the health and safety of attendees, that the board invoke the provisions of AB 361 and continue to meet virtually. Chair Holoher provided further clarification around AB 361 and the implications for future Governing Board meetings.

Motion: Approve the continued use of virtual JPA Governing Board meetings. Passed (MSP: Penrose/Brown).

- III. Public Comments. None.
- IV. Approval of the September 20, 2021 Minutes. Meeting minutes approved without changes (MSP: McDowell/Cunningham).
- V. Approval of the Library JPA Regular Meeting Schedule for Calendar Year 2022.

Motion: Approve the proposed 2022 Library JPA Meeting Schedule. Passed (MSP: O'Neill/Hindi).

- VI. Approval of Library Policies. Director Despain presented an overview of the report and the three policies staff are recommending for approval. The Conflict of Interest policy was last approved by the Board in November 2018 and reflects minor changes. The Exhibit and Display Policy was established in June 2001. Updates include language that reflects the current library mission, existing practices and the Board's direction to clarify and broaden the hold harmless language. Lastly, The Procurement Policy was last approved in February 2021. The policy has been updated to include a Small Business First policy addendum.

Motion: Approve the Conflict of Interest Policy, Exhibit and Display Policy, and Procurement Policy. Passed (MSP: O'Neill/Penrose).

- VII. Operations Update and Recommended Service Hours. Deputy Director Risley provided an overview of the report and highlighted staff recommendations to restore pre-pandemic hours utilizing a consistent library schedule at all locations, and an increase of hours pilot for Brisbane and Pacifica. when safe to do so in the second half of the fiscal year. Since the additional hours would begin no sooner than January 2022, the increase in costs is estimated at \$150,500. There are sufficient existing funds in the FY 2021-22 Adopted Budget to accommodate the proposed temporary increase in service hours. Staff will work to evaluate and assess new service hour schedules and whether any budgetary increases should be recommended for the FY 2022-23 Recommended Budget to maintain hours.

Motion: Approve the recommendation to restore pre-pandemic hours when safe to do so in the second half of the fiscal year; and an expansion of hours pilot for Brisbane and Pacifica. Passed (MSP: O'Neill/McDowell).

- VIII. Director's Report. Director Despain highlighted some updates from the Director's Report including the additional patron surveying that is being done in North Fair Oaks and other unincorporated communities in the service area, and update on the Atherton Library building project progress, and photographs of the new Brisbane Library celebration. Member Cunninham shared additional details on the very special glass artwork and how it relates to the landscape. Members congratulated Brisbane and commented that the opening was fabulous, and the new library is stunning.
- IX. Governing Board Member Announcements. Member O'Neill invited Board Members to the Half Moon Bay Library on December 4 for a Christmas celebration that will be hosted in collaboration with the library and the Parks and Recreation department.
- X. Adjournment. The meeting adjourned at 8:46 a.m.



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To: JPA Governing Board  
From: Anne-Marie Despain, Director of Library Services  
Lindsey Freeland, Financial Services Manager  
Date: February 1, 2022  
Meeting: February 7, 2022  
Re: Financial Audit Report for FY 2020-21

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## Background

San Mateo County Libraries contract with a qualified independent Certified Public Accountant to annually audit the financial statements from the prior year. An audit of financial statements includes testing of internal controls as well as identification of matters relevant to the Library's responsibility in overseeing financial procedures and reporting.

## Discussion

JJACPA, Inc., has completed the audit for the Library's basic financial statements for the year ended June 30, 2021. Attached are their following reports: 1) Communication with those Charged with Governance and Communication of Internal Control Related Matters and 2) Basic Financial Statements for the Year Ended June 30, 2021.

Highlights of the Communication of Internal Control Related Matters are noted below:

- There were no matters uncovered which would require reporting under professional accounting standards about 1) the methods used to account for significant unusual transactions and 2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance.
- There were no identified deficiencies in internal controls considered to be material weaknesses. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.
- As part of obtaining reasonable assurance about whether the Library's financial statements are free from material misstatement, tests performed of its legal and regulatory compliance disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.



Highlights of the Basic Financial Statements for the Year Ended June 30, 2021, are noted below:

- The financial statements of the Library have been prepared in conformity with accounting principles generally accepted in the United States. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In accordance with GASB Statement No. 34, the Library has selected the single governmental fund (General Fund) presentation since this reflects the most concise and easily readable presentation for the Library's operations.
- At June 30, 2021, the Library's net position increased to \$34,694,198 from \$33,300,113 in 2020, as shown in the Governmental Funds Balance Sheet/Statement of Net Position on Page 13.
- Operating expenses increased \$6,968,939 principally due to the one-time advancement to the Town of Atherton to support construction of their new library (Page 8).
- General revenues increased by \$1,495,086 principally from increased secured property taxes and Excess ERAF. Program revenues decreased by \$1,895,020 principally due to the Town of Atherton beginning to pay back the JPA's one-time advancement.
- Additionally, the year was marked with a number of significant accomplishments and system improvements reflecting the Library's values and priorities and highlighted on pages 3-5 of the report.

### **Fiscal Impact**

There is no fiscal impact associated with accepting this report.

### **Recommendation**

Recommend Library JPA Governing Board accept the Financial Audit Report for FY 2020-21. Operations Committee members present at the February 1, 2022 meeting concurred with this recommendation.

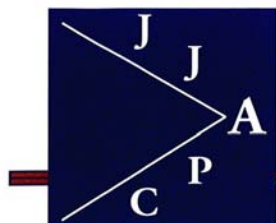
### **Attachments**

1. Communication with Those Charged with Governance and Communication of Internal Control Related Matters, June 30, 2021
2. Basic Financial Statements for the Year Ended June 30, 2021

**SAN MATEO COUNTY LIBRARY JPA**

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

**JUNE 30, 2021**



**JJACPA, Inc.**

A Professional Accounting Services Corp.

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January 4, 2021

To the Governing Board  
San Mateo County Library  
San Mateo, California

We have audited the basic financial statements of the San Mateo County Library as of and for the year ended June 30, 2021, and have issued our report thereon dated January 4, 2021. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated August 10, 2021, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

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

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

### **Compliance with All Ethics Requirements Regarding Independence**

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

### **Planned Scope and Timing of the Audit**

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

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by San Mateo County Library is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2020-21. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

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

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

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

### *Financial Statement Disclosures*

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

## **Significant Difficulties Encountered during the Audit**

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

## **Uncorrected and Corrected Misstatements**

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

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the San Mateo County Library's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter January 4, 2021.

### **Management's Consultations with Other Accountants**

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

### **Other Significant Findings or Issues**

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

### **Communication of Internal Control Related Matters**

In planning and performing our audit of the financial statements of San Mateo County Library as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered San Mateo County Library's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of San Mateo County Library's internal control over financial reporting.

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

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

These communications are intended solely for the information and use of the Governing Board and management of the San Mateo County Library and are not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Joseph J. Arch, CPA*

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

January 4, 2022

JJACPA, Inc.  
7080 Donlon Way, Suite 204  
Dublin, CA 94568

Dear Mr. Arch:

This representation letter is provided in connection with your audit of the basic financial statements of San Mateo County Library as of June 30, 2020 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of San Mateo County Library in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

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

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of January 4, 2022:

#### **Financial Statements**

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated August 10, 2021 for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- We are not aware of any pending or threatened litigation, claims, or assessments, or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with GASB Statement No. 62 (GASB-62), Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements (FASB Accounting Standards Codification™ (ASC) 450, Contingencies), and we have not consulted a lawyer concerning litigation, claims, or assessments.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.



- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available is appropriately disclosed and net position is properly recognized under the policy.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
  - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
  - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
  - The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
  - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

#### **Information Provided**

- We have provided you with:
  - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- San Mateo County Library has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which San Mateo County Library is contingently liable.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of*



*Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.* Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

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

To the best of our knowledge and belief, no events have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.



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Anne-Marie Despain, Director of Library Services



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Lindsey Freeland, Financial Services Manager

**SAN MATEO COUNTY LIBRARY**  
**JOINT POWERS AUTHORITY**  
**BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2021**

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**San Mateo County Library Joint Powers Authority**  
**Basic Financial Statements**  
**For the year ended June 30, 2021**

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## INDEPENDENT AUDITOR'S REPORT

To the Governing Board of the  
San Mateo County Library Joint Powers Authority  
San Mateo, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the San Mateo County Library Joint Powers Authority (Library), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents. The prior year summarized comparative information has been derived from the Library's June 30, 2020, financial statements in which an unqualified opinion was expressed on those financial statements.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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 opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Library, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information on pages 3-11 and 27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 4, 2022 on our consideration of the Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.

January 4, 2022

*JJACPA, Inc.*  
**JJACPA, Inc.**  
**Dublin, CA**

# **San Mateo County Library Joint Powers Authority**

## **Management's Discussion and Analysis**

### **For the year ended June 30, 2021**

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#### **Management's Discussion and Analysis**

This section of the San Mateo County Library Joint Powers Authority's (Library) basic financial statements presents management's discussion and analysis of the Library's financial performance during the fiscal year ended June 30, 2021. Since this management's discussion and analysis is designed to focus on current activities, resulting change, and current known facts, please read it in conjunction with the Library's basic financial statements (pages 13 and 14) and the footnotes (pages 15 - 25).

#### **Financial Highlights & Accomplishments**

At June 30, 2021, the Library's net position increased to \$34,694,198 from \$33,300,113 in 2020, which includes additions of \$296,095 and deletions of \$15,206 in capital assets, all shown in the Governmental Funds Balance Sheet/Statement of Net Position on Page 13. Additionally, changes to net position resulted from the following items shown in the Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balances/Statement of Activities on Page 14:

- Operating expenses increased \$6,968,939 principally due to the one-time advancement to the Town of Atherton to support construction of their new library (\$5,391,725).
- Program revenues increased by \$1,895,020 principally due the Town of Atherton beginning to pay back the JPA's one-time advancement (\$1,951,424), offset by a decline to other donations and grants. General revenues increased by \$1,495,086 principally from increased secured property taxes and Excess ERAF.

The year was marked with a number of significant accomplishments and system improvements reflecting the Library's values and priorities. Some of these include:

#### *Community Impact*

- Expanded curbside services to five days a week and began providing walkup services later in the year. As of March 2021, 897,865 checkouts were fulfilled using our Walkup and Curbside Pickup services.
- Reopened our doors to the public on April 22, 2021, after over a year of library closures due to the pandemic.
- Partnered with Calm, a mindfulness app, as their first public library partner, to provide resources for adults and children.
- Introduced Grab & Go bundles to allow patrons to pick up staff-curated bundles or to request personalized bundles. This service put 129,967 books into the hands of our community members.
- Staff participated in a 21-Day Racial and Social Equity Challenge and managers completed a series of three equity trainings. We also engaged a consultant, The Justice Collective, for an organizational equity lens assessment to identify opportunities for growth and action moving forward.
- Hosted one the world's leading experts on unconscious bias, Dr. Jennifer Eberhardt. Over 1,000 community members registered for the event. Additional equity author series programs featured four authors discussing redlining, immigration, education, and the LGBTQIA+ community.
- Provided 23,346 meals to our community, working to combat food insecurity.



**San Mateo County Library Joint Powers Authority**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2021**

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**Financial Highlights & Accomplishments – continued**

- Expanded our online ESL services, engaging 1,802 adult learners in learning experiences.
- Held 232 school outreach events with 7,919 participants.

*Exploration and Growth*

- The Big Lift 2020 Summer Program adapted to the pandemic environment to provide a half-day, in-person camp to 605 rising kindergarten through 3rd grade students. The STEAM portion of the program was reimagined so families could do activities together from home. Over 850 students were provided with a STEAM kit, including materials and instructions in English and Spanish.
- Offered 8,458 Take and Make to our community as a way to engage young minds. Kits included activities with yarn, puppet making, and even catapult construction.
- Incorporated Raising A Reader, a national evidence-based early literacy and parent engagement program into our collection of services. The program, which is aimed at sustaining literacy routines at home, was born at San Mateo County Libraries decades ago and is currently serving over 4,000 students in 205 classrooms throughout the county.
- The Summer Learning Challenge reached 54,170 youth and, in collaboration with community partners, 82,909 books were given away.
- Launched a new virtual afterschool engineering program, GeneAcademy, in collaboration with Genentech, engaging 100 students throughout the county. Students built literacy skills while learning about various STEAM topics through live hands-on activities. The program was offered to 3rd-5th grade students, targeting youth from the highest need and Big Lift partner schools.
- Worked to ensure every school age child has a library card through the Student Success Project. We successfully worked with the La Honda-Pescadero and San Carlos School Districts to provide all students active cards.
- Re-launched our 3D printing services in November, with 281 projects submitted by patrons.
- Hosted 17 youth authors in schools throughout the county, serving over 3,533 students and giving away over 2,665 books to classrooms. To accompany our adult and equity author series, we gave away 3,770 featured titles at our curbside locations.

*Vital Support*

- Supported critical community needs throughout the pandemic. Our library champions served as contact tracers, meal providers, and vaccine distribution workers. Staff spent 10,320 hours contact tracing to curb the spread of COVID-19.

**San Mateo County Library Joint Powers Authority  
Management's Discussion and Analysis, Continued  
For the year ended June 30, 2021**

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**Financial Highlights & Accomplishments – continued**

- Increased the number of hotspots available to over 1,500 and worked with schools and community partners to ensure those most in need have distance learning support. One partnership with the Sequoia District Adult School enabled us to loan 50 WiFi-Hotspots to their students.
- Hosted Tech Café programming, providing resources and demos to help increase digital literacy on a range of topics, including Library Tools for Students, Using Zoom, and Career Online High. In addition, 573, 45-minute, one-on-one, tech support sessions were provided through Zoom.
- Launched a new Customer Care service, which was contacted 27,309 times by residents through email, text, and phone. Support was also available in Spanish and Mandarin.
- Provided access to our public printers through our Print Anywhere service, fulfilling over 12,000 print jobs. Patrons printed forms for essential programs, schoolwork, and creative projects.
- Received a grant from the County Office of Community Affairs to assist with coronavirus outreach efforts through programming and events, and digital and print materials.
- Reached over 500 people through 44 work development programs, including a new partnership with the Employment Development Department that provides one-on-one resume assistance.

*Inspiring Spaces*

- Opened the new, light-filled Brisbane Library in April 2021. The new building meets LEED Silver standards and is designed to be a Zero Net Energy building. The beautiful 7,670 square foot library provides a 50% increase in collection size, and includes new dedicated areas, such as a collaborative makerspace, Community Room, children's space, and History Room.
- The much-anticipated Atherton Library will open in 2022 and include a new one-story, 9,600 square-foot building and the restored historic Town Hall, increasing the total footprint to just under 11,000 square feet. New services will include a digital lab, makerspace, café, and outdoor patios.
- Welcomed the North Fair Oaks Library to our system in March 2021. The transfer followed approval of a new cost-sharing agreement between the JPA and Redwood City. We look forward to working together with them to continue to expand our presence and design services for the community.

**San Mateo County Library Joint Powers Authority**  
**Management's Discussion and Analysis, Continued**  
**For the year ended June 30, 2021**

**Using This Report**

In December 1998, the Governmental Accounting Standards Board (GASB) released statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, which revised the reporting of property tax revenue. In June 1999, GASB released Statement No. 34, *Basic Financial Statements -- and Management's Discussion and Analysis -- for State and Local Governments*. Changes in Statement No. 34 require a comprehensive presentation for the entity as a whole and conversion of fund based information to this entity wide perspective. The major reconciling items necessary were capitalization and depreciation of capital assets and recording of long-term compensated absences. The Library has selected the single governmental fund (General Fund) presentation since this reflects the most concise and easily readable presentation for the Library's operations.

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

**Financial Analysis of the Library as a Whole**

<b>Net Position</b> <b>As of June 30, 2021 and 2020</b>				
	<b>2021</b>	<b>2020</b>	<b>Increase (Decrease)</b>	<b>Percent Change</b>
<b>Assets:</b>				
Current assets	\$ 44,467,508	\$ 45,342,237	\$ (874,729)	-1.9%
Non-current assets	1,435,225	1,359,075	76,150	5.6%
Total assets	45,902,733	46,701,312	(798,579)	-1.7%
<b>Liabilities</b>				
Current liabilities	10,591,263	12,857,503	(2,266,240)	-17.6%
Non-current liabilities	617,272	543,696	73,576	13.5%
<b>Total liabilities</b>	11,208,535	13,401,199	(2,192,664)	-16.4%
<b>Net position:</b>				
Net investment in capital assets	1,435,225	1,359,075	76,150	5.6%
Unrestricted	33,258,973	31,941,038	1,317,935	4.1%
<b>Total net position</b>	<u>\$ 34,694,198</u>	<u>\$ 33,300,113</u>	<u>\$ 1,394,085</u>	4.2%

This schedule is prepared from the Library's Statement of Net Position (page 13), which is presented on an accrual basis of accounting whereby assets are capitalized and depreciated.

Net position at June 30, 2021, increased to \$34,694,198 from \$33,300,113 in 2020 primarily due to increases in secured property tax funds, including Excess ERAF. The Library had compensated absences of \$617,272 at year-end. Current liabilities consisted of accounts payable with the accompanying sales tax payable as well as accrued payroll for contracted salaries and benefits.

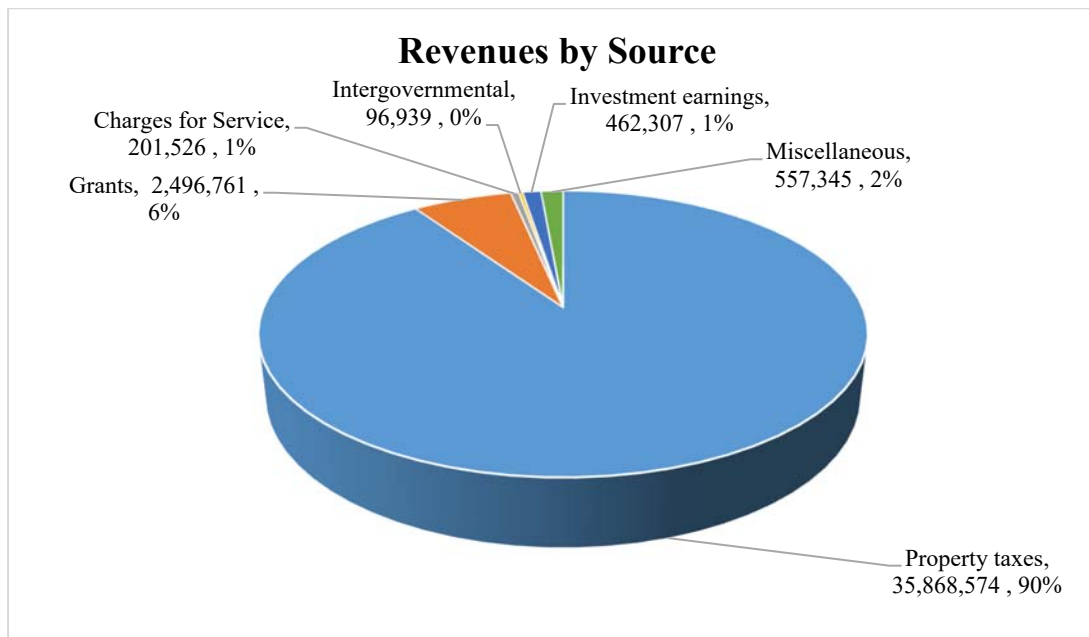
**San Mateo County Library Joint Powers Authority**  
**Management's Discussion and Analysis, Continued**  
**For the year ended June 30, 2021**

**Financial Analysis of the Library as a Whole – continued**

	<b>2021</b>	<b>2020</b>	<b>Increase (Decrease)</b>	<b>Percent Change</b>
<b>Operating expenses</b>	\$ 38,289,367	\$ 31,320,428	\$ 6,968,939	22.3%
<b>Program revenue:</b>				
Intergovernmental	96,939	100,230	(3,291)	-3.3%
Grants	2,496,761	486,913	2,009,848	412.8%
Charges for services	201,526	313,063	(111,537)	-35.6%
<b>Total program revenue</b>	<b>2,795,226</b>	<b>900,206</b>	<b>1,895,020</b>	<b>210.5%</b>
<b>Net operating expenses</b>	<b>35,494,141</b>	<b>30,420,222</b>	<b>5,073,919</b>	<b>16.7%</b>
<b>General revenue:</b>				
Property taxes	35,868,574	34,252,270	1,616,304	4.7%
Investment earnings	462,307	555,759	(93,452)	-16.8%
Miscellaneous	557,345	585,111	(27,766)	-4.7%
<b>Total general revenue</b>	<b>36,888,226</b>	<b>35,393,140</b>	<b>1,495,086</b>	<b>4.2%</b>
<b>Increase in net position</b>	<b>1,394,085</b>	<b>4,972,918</b>	<b>(3,578,833)</b>	<b>-72.0%</b>
<b>Net position:</b>				
Beginning of the year	33,300,113	28,327,195	4,972,918	17.6%
End of the year	<u>\$ 34,694,198</u>	<u>\$ 33,300,113</u>	<u>\$ 1,394,085</u>	4.2%

Program revenues increased by \$1,895,020 principally due the Town of Atherton beginning to pay back the JPA's one-time advancement (\$1,951,424), offset by a decline to other donations and grants. General revenues increased by \$1,495,086 principally from increases to secured property taxes and Excess ERAF.

The following is a graphic illustration of revenues by source for the year ended June 30, 2021:



**San Mateo County Library Joint Powers Authority**  
**Management's Discussion and Analysis, Continued**  
**For the year ended June 30, 2021**

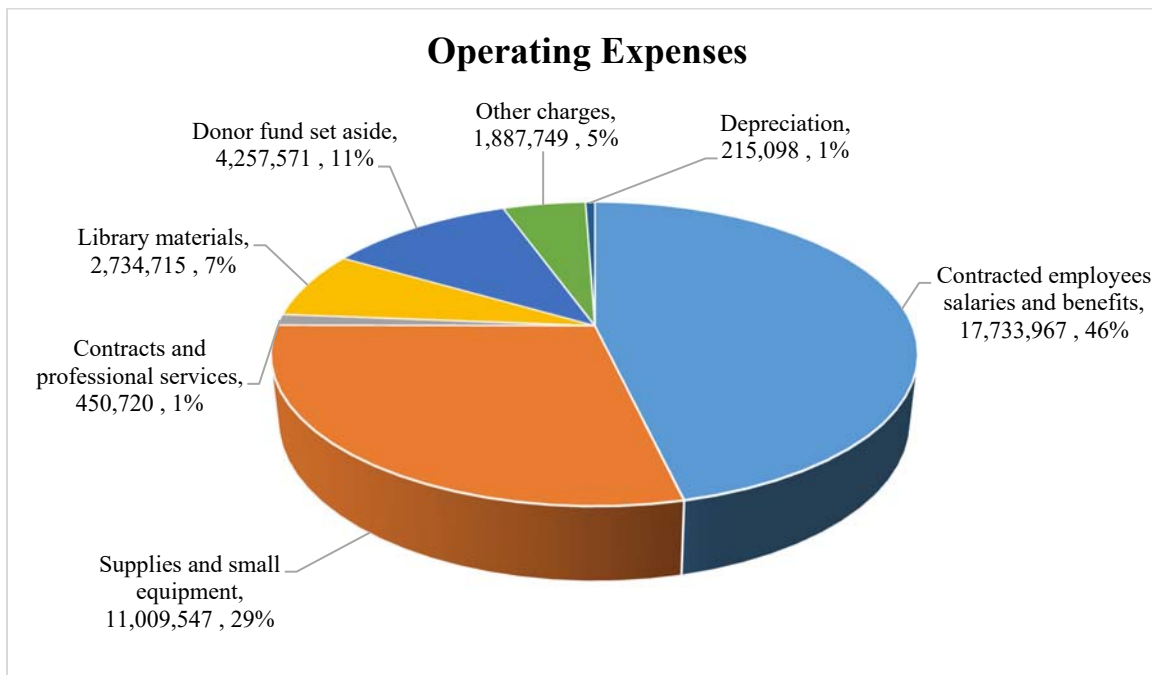
**Financial Analysis of the Library as a Whole – continued**

**Operating Expenses**  
**For the years ended June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
<b>Operating expense:</b>				
Contracted employees salaries and benefits	\$ 17,733,967	\$ 17,259,616	\$ 474,351	2.7%
Supplies and small equipment	11,009,547	5,398,165	5,611,382	103.9%
Contracts and professional services	450,720	576,050	(125,330)	-21.8%
Library materials	2,734,715	2,723,546	11,169	0.4%
Donor fund set aside	4,257,571	3,178,621	1,078,950	33.9%
Other charges	1,887,749	1,995,469	(107,720)	-5.4%
Depreciation	215,098	188,961	26,137	13.8%
<b>Total operating expenses</b>	<u><u>\$ 38,289,367</u></u>	<u><u>\$ 31,320,428</u></u>	<u><u>\$ 6,968,939</u></u>	<u><u>22.3%</u></u>
<b>Net investment in capital assets</b>	<u><u>\$ 1,435,225</u></u>	<u><u>\$ 1,359,075</u></u>	<u><u>\$ 76,150</u></u>	<u><u>5.6%</u></u>

Operating expenses increased \$6,968,939 principally due to the one-time advancement to the Town of Atherton to support construction of their new library (\$5,391,725).

The following is a graphic illustration of operating expenses for June 30, 2021:



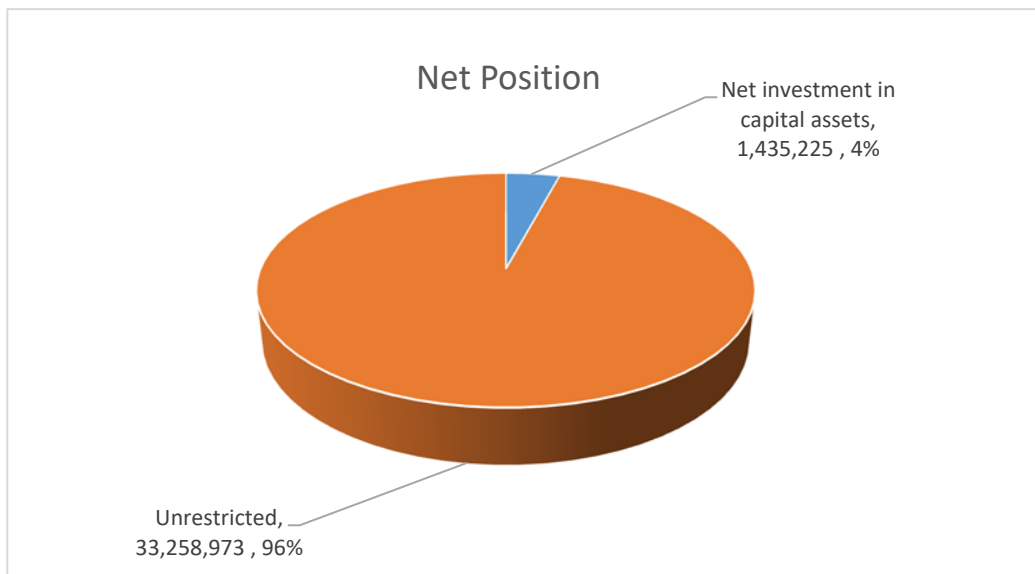
**San Mateo County Library Joint Powers Authority  
Management's Discussion and Analysis, Continued  
For the year ended June 30, 2021**

**Financial Analysis of the Library as a Whole – continued**

Analysis of Net Position As of June 30, 2021 and 2020				
	2021	2020	Increase (Decrease)	Percent Change
<b>Net Position:</b>				
Net investment in capital assets	\$ 1,435,225	\$ 1,359,075	\$ 76,150	5.6%
Unrestricted	33,258,973	31,941,038	1,317,935	4.1%
<b>Total</b>	<u>\$ 34,694,198</u>	<u>\$ 33,300,113</u>	<u>\$ 1,394,085</u>	4.2%

The \$1,394,085 increase in net position is primarily due to increases in secured property taxes, including Excess ERAF.

The following is a graphic illustration of net position as of June 30, 2021:



**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

In considering the Library budget for fiscal year 2020-2021, the Governing Board and management used the following criteria:

The key assumptions in the revenue forecast were:

Secured property tax revenues are expected to increase at a rate of 3% based on actual receipts in the current year and growth in prices and appraised property values. Library revenue from secured property taxes (taxes assessed against real property) is estimated at \$25.8 million, and unsecured taxes (taxes on aircraft and commercial equipment largely generated from businesses at San Francisco International Airport) are estimated at \$1.2 million.

Continued State transfer of excess Educational Revenue Augmentation Fund (ERAF) revenue is estimated at \$4.6 million.

**San Mateo County Library Joint Powers Authority**  
**Management's Discussion and Analysis, Continued**  
**For the year ended June 30, 2021**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES - continued**

The adopted budget for the new fiscal year 2021-22 was \$72,053,116, including reserves of \$27,152,280, and is summarized as follows:

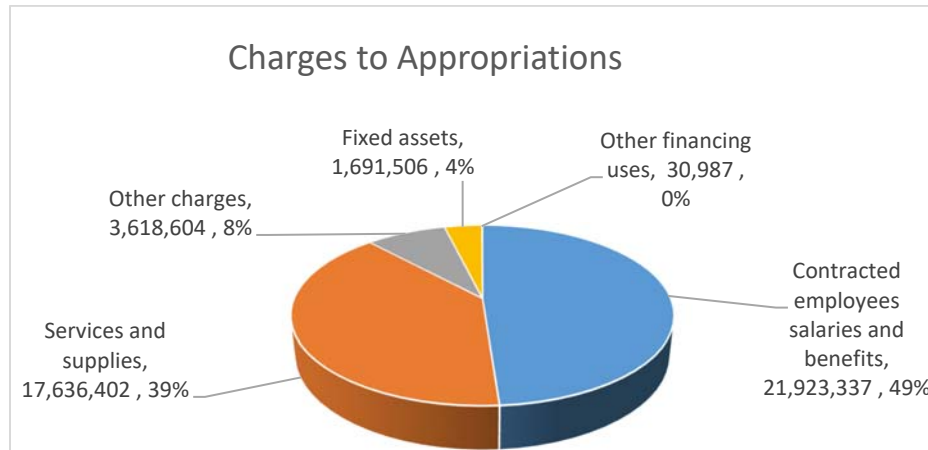
	FY 2020-21	FY 2020-21	Increase (Decrease)	Percentage change
Contracted employees salaries and benefits	\$ 21,923,337	\$ 19,790,444	\$ 2,132,893	10.8%
Services and Supplies	17,636,402	20,554,885	(2,918,483)	-14.2%
Other charges	3,618,604	2,162,685	1,455,919	67.3%
Fixed Assets	1,691,506	1,733,396	(41,890)	-2.4%
Other Financing Uses	30,987	15,130	15,857	104.8%
<b>Total budget</b>	<b>\$ 44,900,836</b>	<b>\$ 44,256,540</b>	<b>\$ 644,296</b>	<b>1.5%</b>

1. Contracted employee's salaries and benefits – Shows an increase of 10.8% primarily due to the addition of 12 new positions, including 6 positions to staff our new library, North Fair Oaks, which was transferred to the system in March 2021.
2. Services and Supplies – Shows a decrease of 14.2% primarily due to removing the allocation for the one-time advancement of funds to the Town of Atherton to help finance the construction of their new library.
3. Other charges – Shows an increase of 67.3% primarily due to allocating \$1,063,463 of County of San Mateo Measure K funds and \$750,000 of Library JPA funds to support construction of a new library in East Palo Alto.
4. Fixed Assets – Shows a decrease of 2.4% due to reduced fixed asset expenditures.
5. Other Financing Uses – Shows an increase of 104.8% primarily due to the addition of North Fair Oaks Library and Central Administration facility surcharges, which are charged by the County of San Mateo as a percent of building rent.

**San Mateo County Library Joint Powers Authority  
Management's Discussion and Analysis, Continued  
For the year ended June 30, 2021**

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**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES - continued**



**Contacting the Library**

This financial report is designed to provide customers and creditors with a general overview of the Library's finances and to demonstrate the Library's accountability for the money it receives and is allocated to it. For questions about this report, contact Lindsey Freeland, Financial Services Manager with San Mateo County Libraries, [freeland@smcl.org](mailto:freeland@smcl.org), (650) 312-5236. Inquiries by mail can be sent to the San Mateo County Library Joint Powers Authority, Attention Finance, 125 Lessingia Court, San Mateo, CA 94402.



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**San Mateo County Library Joint Powers Authority**  
**Governmental Funds Balance Sheet/Statement of Net Position**  
**June 30, 2021**

(With comparative totals for June 30, 2020)

	<b>General Fund</b>	<b>Adjustments (Note 5)</b>	<b>Statement of Net Position</b>	<b>2020</b>
<b>ASSETS</b>				
Cash and investments	\$ 39,612,192	\$ -	\$ 39,612,192	\$ 37,660,089
Cash and investments - restricted	4,765,835	-	4,765,835	7,573,476
Interest receivable	89,481	-	89,481	108,672
Capital assets, net of accumulated depreciation	-	1,435,225	1,435,225	1,359,075
<b>Total assets</b>	<b>\$ 44,467,508</b>	<b>\$ 1,435,225</b>	<b>\$ 45,902,733</b>	<b>\$ 46,701,312</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts and sales tax payable	\$ 889,308	\$ -	\$ 889,308	\$ 1,481,499
Other current liabilities	3,897,742	-	3,897,742	3,064,121
Eligible donor fund set aside	4,765,835	-	4,765,835	7,573,476
Accrued payroll	1,038,378	-	1,038,378	738,407
Compensated absences	-	617,272	617,272	543,696
<b>Total liabilities</b>	<b>10,591,263</b>	<b>617,272</b>	<b>11,208,535</b>	<b>13,401,199</b>
<b>Fund balances/Net position:</b>				
Nonspendable	2,070	(2,070)	-	-
Committed	33,874,175	(33,874,175)	-	-
<b>Total fund balances</b>	<b>33,876,245</b>	<b>(33,876,245)</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 44,467,508</b>			
<b>NET POSITION</b>				
Net investment in capital assets		1,435,225	1,435,225	1,359,075
Unrestricted		33,258,973	33,258,973	31,941,038
<b>Total net position</b>		<b>\$ 34,694,198</b>	<b>34,694,198</b>	<b>33,300,113</b>
<b>Total liabilities and net position</b>			<b>\$ 45,902,733</b>	<b>\$ 46,701,312</b>

The accompanying notes are an integral part of these financial statements

**San Mateo County Library Joint Powers Authority**  
**Statement of Governmental Fund Revenues, Expenditures, and**  
**Changes in Fund Balances/Statement of Activities**  
**For the year ended June 30, 2021**  
**(With comparative totals for the year ended June 30, 2020)**

	<b>General Fund</b>	<b>Adjustments (Note 6)</b>	<b>Statement of Activities</b>	<b>2020</b>
<b>EXPENDITURES/EXPENSES:</b>				
Contracted employees salaries and benefits	\$ 17,660,391	\$ 73,576	\$ 17,733,967	17,259,616
Supplies and small equipment	11,033,691	(24,144)	11,009,547	5,398,165
Contracts and professional services	450,720	-	450,720	576,050
Library materials	2,734,715	-	2,734,715	2,723,546
Donor fund set aside	4,257,571	-	4,257,571	3,178,621
Other charges	1,887,749	-	1,887,749	1,995,469
Capital outlay	267,104	(267,104)	-	-
Depreciation	-	215,098	215,098	188,961
<b>Total expenditures/expenses</b>	<b>38,291,941</b>	<b>(2,574)</b>	<b>38,289,367</b>	<b>31,320,428</b>
<b>REVENUES:</b>				
Program revenues:				
Intergovernmental	96,939	-	96,939	100,230
Grants	2,496,761	-	2,496,761	486,913
Charges for services	201,526	-	201,526	313,063
<b>Total program revenues</b>	<b>2,795,226</b>	<b>-</b>	<b>2,795,226</b>	<b>900,206</b>
<b>Net program expenses</b>	<b>35,496,715</b>	<b>(2,574)</b>	<b>35,494,141</b>	<b>30,420,222</b>
General revenues:				
Property taxes	35,868,574	-	35,868,574	34,252,270
Investment earnings	462,307	-	462,307	555,759
Miscellaneous	557,345	-	557,345	585,111
<b>Total general revenues</b>	<b>36,888,226</b>	<b>-</b>	<b>36,888,226</b>	<b>35,393,140</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>1,391,511</b>			
<b>CHANGE IN NET POSITION</b>		<b>2,574</b>	<b>1,394,085</b>	<b>4,972,918</b>
<b>FUND BALANCES/NET POSITION:</b>				
Beginning of the year	32,484,734	815,379	33,300,113	28,327,195
End of the year	<u>\$ 33,876,245</u>	<u>\$ 817,953</u>	<u>\$ 34,694,198</u>	<u>\$ 33,300,113</u>

The accompanying notes are an integral part of these financial statements

**San Mateo County Library Joint Powers Authority**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2021**

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**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The San Mateo County Library Joint Powers Authority (Library) is a Joint Exercise of Powers Agency, which is a library service organization comprised of the cities of Atherton, Belmont, Brisbane, East Palo Alto, Foster City, Half Moon Bay, Millbrae, Pacifica, Portola Valley, San Carlos, and Woodside and the County of San Mateo. The Library was formed on January 11, 1999, under Government Code Section 6500 et. seq. A restated Joint Powers Agreement was approved by the Governing Board and its member agencies and took effect as of May 31, 2004, to clarify various administrative, property, and service issues, which were not included in the original agreement.

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

The financial statements of the Library have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. When applicable, certain prior year amounts have been reclassified to conform to current year presentation. The following is a summary of the more significant policies:

In accordance with GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* the Library has selected the single governmental fund (General Fund) presentation since this reflects the most concise and easily readable presentation for the Library's operations.

**A. Reporting Entity**

As defined by GASB Statement No. 39, *The Financial Reporting Entity*, the Library is not financially accountable for any other entity other than itself, nor are there any other entities for which the nature and significance of their relationship with the Library are such that exclusion would cause the Library's financial statements to be misleading or incomplete. In addition, based upon the above criteria, the Library is not aware of any entity which would be financially accountable for the Library which would result in the Library being considered a component of the entity.

**San Mateo County Library Joint Powers Authority**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

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**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**B. Basis of Accounting**

The fund-based financial statement columns (General Fund column) on Pages 13 and 14 are accounted for using the modified accrual basis of accounting. These fund revenues are recognized when they become measurable and available as net current assets. Measurable means the amount of the transaction can be determined and available means the amount is collectible within the current period or soon enough thereafter (generally sixty days) to be used to pay liabilities of the current period. Amounts, which could not be measured or were not available, were not accrued as revenue in the current fiscal year. The Statements of Net Position and Activities columns on Pages 13 and 14 have been prepared on the accrual basis of accounting whereby all revenues are recorded when earned and all expenses are recorded when they have been reduced to a legal or contractual obligation to pay.

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

**C. Budgets**

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

The legal budget is the same as the operating budget in total. Total expenditures may not exceed the budgeted expenditures without approval of the Library's Governing Board. The budget lapses at the end of each fiscal year.

Estimated revenues and recommended appropriations are shown and supported by detailed documentation at each administrative level within the Library. The Library follows these procedures in establishing the budgetary data reflected in the financial statements:

- By June 30, the Operations Committee reviews and recommends to the Governing Board a proposed operating budget for the year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
- The budget is legally enacted through passage of a motion during a Governing Board meeting prior to year-end.
- The Operations Committee reviews all budget transfers and revisions, which are then approved by the Governing Board.

**San Mateo County Library Joint Powers Authority**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

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**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**C. Budgets – continued**

- Formal budgeting is employed as a management control device during the year for the Library's single fund the General Fund.
- Budgets for the General Fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

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

**D. Property Taxes**

The State of California (State) Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed one percent (1%) of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100% of market value as defined by Article XIII A and may be adjusted by no more than two percent (2%) per year unless the property is sold, transferred, or improved. The State Legislature has determined the method of distribution of receipts from a one percent (1%) tax levy among the counties, cities, school districts, and other districts.

San Mateo County assesses, bills for, and collects property taxes as follows:

	<u>Secured</u>	<u>Unsecured</u>
Lien dates	January 1	January 1
Levy dates	July 1	July 1
Due dates	50% on November 1 and 50% on March 1	July 1
Delinquent as of	December 10 (for November) and April 10 (for March)	August 31

The term "unsecured" refers to taxes on personal property other than real estate, land, and buildings. These taxes are secured by liens on the property being taxed.

Property taxes levied are recorded as revenue when received in the fiscal year of levy because of the adoption of the "alternate method of property tax distribution," known as the Teeter Plan, by the Library and the County of San Mateo (County). The Teeter Plan authorizes the Controller of the County to allocate 100% of the secured property taxes billed, but not yet paid. The County remits tax monies to the Library in three installments, as follows:

50%	remitted on December 14
40%	remitted on April 16
10%	remitted on June 28

**San Mateo County Library Joint Powers Authority**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**E. Cash and Investments**

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

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

**F. Net Investment in Capital Assets**

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

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

Furniture and equipment – 5 to 10 years

**2. CASH AND INVESTMENTS**

The Library had the following cash and investments at June 30, 2021:

	<u>Not rated</u>	<u>Fair Value</u>
San Mateo County Treasury	\$ 37,417,217	\$ 37,417,217
San Mateo County Treasury- restricted	4,765,835	4,765,835
California Local Agency Investment Fund (LAIF)	2,192,905	2,192,905
Petty Cash/Change funds	<u>2,070</u>	<u>2,070</u>
Total	<u>\$ 44,378,027</u>	<u>\$ 44,378,027</u>
Presentation in Statement of Net Position:		
Cash and investments	\$ 39,612,192	
Cash and investments- restricted	<u>4,765,835</u>	
	<u>\$ 44,378,027</u>	

**San Mateo County Library Joint Powers Authority**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

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**2. CASH AND INVESTMENTS - continued**

**A. Cash Deposits**

The Library pools cash from all sources. The Library invests excess cash in the San Mateo County Treasury and LAIF investment pools, which at June 30, 2021, approximated fair value of \$37,417,217. The Libraries maintain change funds at all of the branches in a range of \$50 to \$200 per branch and a total of \$2,070 overall. The restricted cash and investments balance represents the amount held under the donor city provision.

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

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

The County Treasurer maintains a cash and investment pool, on behalf of the Library, as their custodian, which includes cash balances and authorized investments for all Library funds, which is invested to enhance interest earnings. The pooled interest earned is allocated quarterly to the Library based on average daily cash and investment balance.

**B. Investments**

The Library is authorized by State statutes and Governing Board action to invest in the following:

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



**San Mateo County Library Joint Powers Authority**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

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**2. CASH AND INVESTMENTS - continued**

**B. Investments – continued**

- California Local Agency Investment Fund (LAIF).
- San Mateo County Treasury

The Library's practice has been to limit investments to LAIF and the San Mateo County Treasury, an unrated investment pool, which limits the exposure of Library funds to interest rate and credit risk by treating all balances as current.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments were stated at fair value using the aggregate method, which includes any adjustments recorded in interest/investment income.

**C. Investments in External Investment Pools**

The Library's investments with the County at June 30, 2021, included a portion of the pool funds invested in structured notes and asset backed securities and similar transactions. These investments may include the following:

Structured Notes are debt securities (other than asset-backed securities) whose cash-flow characteristics (coupon rate, redemption amount, or stated maturity) depends on one or more indices and/or that have embedded forwards or options.

Asset-backed Securities, the bulk of which are mortgage-backed securities, entitle their purchaser to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMOs) or credit card receivables

As of June 30, 2021, the Library had \$2,192,905 invested directly in LAIF. The LAIF investment pool consisted of derivative products in the form of asset-backed securities in the amount of \$2,772.671 million and \$1,700.000 million in floating rate securities, each of these investment types representing 1.21% and 1.10% of the total LAIF investment pool, respectively. The current average life of the LAIF portfolio as of June 30, 2021 was 291 days.

As of June 30, 2021, the Library also had \$37,417,217 invested directly in the County investment pool. The County investment pool currently holds \$102,976,400 in asset-backed securities, and \$50,281,166 in floating rate securities, each of these investment types representing 1.55%, and 0.76%, of the total County investment pool, respectively. The current average maturity of the portfolio is 1.81 years with an average duration of 1.77 years.

**San Mateo County Library Joint Powers Authority**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

**3. CAPITAL ASSETS**

Changes in capital assets were as follows:

	July 1, 2020	Additions	Retirements	June 30, 2021
Furniture and equipment	\$ 2,025,020	\$ 296,095	\$ (15,206)	\$ 2,305,909
Accumulated depreciation	(665,945)	(215,098)	10,359	(870,684)
Total fixed assets	<u>\$ 1,359,075</u>	<u>\$ 80,997</u>	<u>\$ (4,847)</u>	<u>\$ 1,435,225</u>

During the fiscal year, the Library added \$296,095 and deleted \$15,206 in equipment.

**4. FUND BALANCES/NET POSITION**

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

Nonspendable		\$ 2,070
Committed for:		
Capital Projects	28,874,175	
Contingencies - Stabilization	<u>5,000,000</u>	<u>33,874,175</u>
		<u>\$ 33,876,245</u>

- *Nonspendable*: Represents amounts set aside for petty cash and change funds.
- *Capital Projects*: Represents amounts set aside for future capital purchases.
- *Contingencies – Stabilization*: Represents remaining amounts set aside by the Library's Governing Board to be used in the event of sudden, unanticipated revenue loss or expenditure requirements.

Net position consists of restricted and unrestricted amounts. Restricted amounts reflect balances which cannot be influenced by Library Governing Board action, such as the net investment in capital assets. Unrestricted amounts reflect balances available for current operations.

**San Mateo County Library Joint Powers Authority**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

**4. FUND BALANCES/NET POSITION - continued**

	<u>Net Position</u>
Net investment in capital assets	\$ 1,435,225
Unrestricted	<u>33,258,973</u>
<b>Total</b>	<u><u>\$ 34,694,198</u></u>

**5. EXPLANATION OF DIFFERENCES BETWEEN THE GENERAL FUND BALANCE SHEET AND THE STATEMENT OF NET POSITION**

“Total fund balances” of the Library’s General fund (\$33,876,245) differs from “net position” of governmental activities (\$34,694,198) reported in the Statement of Net Position on page 13. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the General fund balance sheet. The effect of the difference is illustrated below:

**Balance Sheet/Statement of Net Position**

	<u>General Fund</u>	<u>Reclassifications and Eliminations <sup>1</sup></u>	<u>Statement of Net Position</u>
<b>Assets:</b>			
Cash and investments	\$ 39,612,192	\$ -	\$ 39,612,192
Cash and investments- restricted	4,765,835	-	4,765,835
Interest receivable	89,481	-	89,481
Capital assets	<u>-</u>	<u>1,435,225</u>	<u>1,435,225</u>
<b>Total assets</b>	<u><u>\$ 44,467,508</u></u>	<u><u>\$ 1,435,225</u></u>	<u><u>\$ 45,902,733</u></u>
<b>Liabilities:</b>			
Accounts payable	\$ 889,308	\$ -	\$ 889,308
Other current liabilities	3,897,742	-	3,897,742
Eligible donor fund set aside	4,765,835	-	4,765,835
Accrued payroll	1,038,378	-	1,038,378
Compensated absences	<u>-</u>	<u>617,272</u>	<u>617,272</u>
<b>Total liabilities</b>	<u>10,591,263</u>	<u>617,272</u>	<u>11,208,535</u>
<b>Fund Balances/Net Position:</b>			
Total fund balances/net position	<u>33,876,245</u>	<u>817,953</u>	<u>34,694,198</u>
<b>Total liabilities and fund balances/net position</b>	<u><u>\$ 44,467,508</u></u>	<u><u>\$ 1,435,225</u></u>	<u><u>\$ 45,902,733</u></u>

<sup>1</sup> When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported in expenditures in governmental funds. However, the statement of net position includes these capital assets among the assets of the Library as a whole. Long-term liabilities such as compensated absences are not due and payable in the current period and therefore they are not reported in the government's fund balance sheets.

**San Mateo County Library Joint Powers Authority**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

**6. EXPLANATION OF DIFFERENCES BETWEEN GENERAL FUND OPERATING STATEMENTS AND THE STATEMENT OF ACTIVITIES**

The “net change in fund balances” for the General fund \$1,391,511 differs from the “change in net position” for governmental activities \$1,394,085 reported in the Statement of Activities on page 14. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the General fund. The effect of the difference is illustrated below:

<b>Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities</b>			
	<b>General Fund</b>	<b>Reclassifications and Eliminations <sup>1</sup></b>	<b>Statement of Activities</b>
<b>EXPENDITURES/EXPENSES:</b>			
Contracted employees salaries and benefits	\$ 17,660,391	\$ 73,576	\$ 17,733,967
Supplies and small equipment	11,033,691	(24,144)	11,009,547
Contracts and professional services	450,720	-	450,720
Library materials	2,734,715	-	2,734,715
Donor fund set aside	4,257,571	-	4,257,571
Other charges	1,887,749	-	1,887,749
Capital outlay	267,104	(267,104)	-
Depreciation	-	215,098	215,098
<b>Total expenditures/expenses</b>	<b>38,291,941</b>	<b>(2,574)</b>	<b>38,289,367</b>
<b>REVENUES:</b>			
Program revenues:			
Intergovernmental	96,939	-	96,939
Grants	2,496,761	-	2,496,761
Charges for services	201,526	-	201,526
<b>Total program revenues</b>	<b>2,795,226</b>	<b>-</b>	<b>2,795,226</b>
<b>Net program expense</b>	<b>35,496,715</b>	<b>(2,574)</b>	<b>35,494,141</b>
General revenues:			
Property taxes	35,868,574	-	35,868,574
Investment earnings	462,307	-	462,307
Miscellaneous	557,345	-	557,345
<b>Total general revenues</b>	<b>36,888,226</b>	<b>-</b>	<b>36,888,226</b>
<b>REVENUES OVER (UNDER)</b>			
<b>EXPENDITURES</b>	<b>1,391,511</b>		
<b>CHANGE IN NET POSITION</b>		<b>2,574</b>	<b>1,394,085</b>
<b>FUND BALANCES/NET POSITION:</b>			
Beginning of the year	32,484,734	815,379	33,300,113
End of the year	\$ 33,876,245	\$ 817,953	\$ 34,694,198

<sup>1</sup> Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. The changes to capital outlay reflect the capitalization of these assets. Additionally, governmental funds report compensated absences as expenditures while governmental activities recognize the long-term nature as a liability, the change to contracted salaries and benefits reflects the change in the long-term compensated absences liability from the prior year.

**San Mateo County Library Joint Powers Authority**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

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**7. RELATED PARTY TRANSACTIONS**

The Library contracts with the County of San Mateo (County) to provide some administrative, accounting, personnel, and facilities maintenance services. Under these arrangements, the Library pays the County the cost of services performed. During the year ended June 30, 2021, the Library paid the County \$1,164,523 in services charges. \$189,706 for administrative and support services, \$202,097 for insurance and \$186,284 for facilities maintenance services.

Section VI. D. of the San Mateo County Library JPA Agreement states the following, "In the event that the allocated library service revenue for a member city exceeds the amount required to maintain the minimum library service for that member, such excess funds shall, after deduction of any activities approved by the Governing Board for library related expenditures within that city, be restricted and held by the JPA for library related activities within that member city including but are not limited to, facility maintenance, facility remodeling or expansion, increased service hours, or increased material and equipment purchases, as mutually agreed by the Library JPA and the city council of that member city." In accordance with the excess fund provision, and as approved by the Library JPA Governing Board, at the end of each fiscal year, funds in excess of the amount required to operate a branch are distributed and held by the Library in separate library accounts or Trust Funds. The funds are segregated from the Library's general operating budget where they accrue interest.

The FY 2020-21 excess fund amounts are as follows: Atherton Library \$1,951,424, Woodside Library \$968,489, San Carlos Library \$752,237, and Portola Valley Library \$225,592, representing a combined total of \$3,897,742. In addition, excess funds for San Carlos of \$359,829 that were realized at the end of FY 2019-20 were moved to a San Carlos trust fund during FY 2020-21 once a trust fund was established, for a total excess fund set aside of \$4,257,571, as shown as a charge to Excess Fund set aside on the statement of revenues, expenditures and changes in fund balance/statement of activities. In addition, a one-time advancement to the Town of Atherton of \$5,391,725 to support construction of a new library, as approved by the JPA Governing Board, was moved into the Atherton trust fund before it was dispersed to the town. As of June 30, 2021, the total held by the Library was \$5,880,462. The amounts by library were Atherton Library \$10,640, Portola Valley Library \$1,173,082, San Carlos Library \$1,114,626, and Woodside Library \$3,582,114.

As of June 30, 2021, excess County Free Library property taxes with a combined balance of \$6,280,453 remain in accounts currently held by each excess fund city and depleted first before accessing any funds held in the Library's Excess Fund City Trust Funds. These amounts are as follows: Atherton Library \$6,003,238, Woodside Library \$1,365, and Portola Valley Library \$275,850.

In order to secure agreement by the Library JPA, member cities that qualify as an excess fund City and are interested in utilizing excess County Free Library property taxes to support public library related activities, provide information to the JPA Governing Board in order to obtain approval for the proposed uses of this revenue for the upcoming fiscal year.

**San Mateo County Library Joint Powers Authority**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

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**8. PANDEMIC EFFECTS**

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The Library JPA is closely monitoring its investment portfolio and its liquidity and is actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on the Library JPA's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Library JPA's employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Library JPA's financial position and changes in net position, fund balance and cash flows is uncertain, and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

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## **REQUIRED SUPPLEMENTARY INFORMATION**



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**San Mateo County Library Joint Powers Authority**  
**Required Supplementary Information**  
**For the year ended June 30, 2021**

**Budgetary Comparison Schedule**  
**General Fund**  
**For the year ended June 30, 2021**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>with Final Budget Positive (Negative)</b>
<b>Budgetary fund balance, July 1, 2018</b>	\$ 32,484,734	\$ 32,484,734	\$ 32,484,734	\$ -
<b>Resources (inflows):</b>				
Intergovernmental revenue	367,925	367,925	96,939	(270,986)
Interfund revenue	315,570	315,570	2,496,761	2,181,191
Charges for services	24,000	24,000	201,526	177,526
Taxes	32,914,656	32,914,656	35,868,574	2,953,918
Use of money and property	155,042	155,042	462,307	307,265
Miscellaneous revenue	158,000	158,000	557,345	399,345
<b>Total revenues</b>	<b>33,935,193</b>	<b>33,935,193</b>	<b>39,683,452</b>	<b>5,748,259</b>
<b>Amounts available for appropriation</b>	<b>66,419,927</b>	<b>66,419,927</b>	<b>72,168,186</b>	<b>5,748,259</b>
<b>Charges to appropriations (outflows):</b>				
Salaries and benefits	19,790,444	19,790,444	17,660,391	2,130,053
Supplies and small equipment	7,123,364	7,123,364	11,033,691	(3,910,327)
Contracts and professional services	2,813,410	2,813,410	450,720	2,362,690
Library materials	4,306,687	4,306,687	2,734,715	1,571,972
Donor fund set aside	6,351,554	6,351,554	4,257,571	2,093,983
Other charges	2,137,685	2,137,685	1,887,749	249,936
Capital outlay	1,733,396	1,733,396	267,104	1,466,292
<b>Total charges to appropriations</b>	<b>44,256,540</b>	<b>44,256,540</b>	<b>38,291,941</b>	<b>5,964,599</b>
<b>Budgetary fund balance, June 30, 2019</b>	<b>\$ 22,163,387</b>	<b>\$ 22,163,387</b>	<b>\$ 33,876,245</b>	<b>\$ 11,712,858</b>

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**JJACPA, Inc.**

A Professional Accounting Services Corp.

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

**Independent Auditor's Report**

To the Governing Board of the  
San Mateo County Library Joint Powers Authority  
San Mateo, California

We have audited, in accordance with the auditing standard generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of San Mateo County Library Joint Powers Authority (Library) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements, and have issued our report thereon dated January 4, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control of the Library's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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


January 4, 2022

*JJACPA, Inc.*

**JJACPA, Inc.  
Dublin, CA**



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To: JPA Governing Board  
From: Anne-Marie Despain, Director of Library Services   
Date: February 1, 2022  
Meeting: February 7, 2022  
Re: Strategic Plan Subcommittee Summary and Research Reports

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### Background

In 2014, San Mateo County Libraries worked with EMC Research to complete a research project to identify the demographic characteristics, behaviors and values of users and non-users in order to better understand and tailor library services to community needs. The resulting report was used to effectively allocate resources, strengthen our relevance to the community, and create focus for future planning efforts, including the development of a new Strategic Plan.

In 2020, EMC designed two new surveys for both patrons and residents, which included comparisons to the 2014 survey to show relative changes over time. In September 2020, survey results were shared with the Governing Board and Operations Committee. The research demonstrated that the library system continues to enjoy extremely strong favorability ratings and that the public felt positive about our response to the COVID-19 epidemic.

At the February 8, 2021 Governing Board meeting, members approved an extension of the Strategic Plan to 2025 and established a Strategic Plan Subcommittee to work with staff to gather additional data. Governing Board members requested that an updated survey be conducted to capture the changes in usage patterns that have occurred due to the pandemic and inform planning on how patrons will use libraries in the future.

Subcommittee members consisting of Member Brown, Member Groom, Member Moise Derwin, Member O'Neill and Member Penrose have met several times over the past year and informed a new expanded survey. Preliminary results from this survey were shared with the Subcommittee at their last meeting on January 13, 2022.

### Discussion

The new survey focused on collecting a larger sample size particularly in the communities of East Palo Alto, Half Moon Bay, North Fair Oaks, and unincorporated areas. The reporting also includes comparisons to both the 2014 and 2020 surveys to show relative changes over time and provides data by individual community.

In addition, EMC completed the demographic profile of residents in San Mateo County Libraries' service area utilizing Census data and, by request, has included more disaggregated data by race and ethnicity.

The following summarizes key findings, full reports are included as attachments:

#### Demographic Profile of Library Service Area

- The demographic profile analyzes the demographic changes that have taken place within the San Mateo County Libraries' service area from 2012 and 2019 utilizing estimates from the American Community Survey from the Census Bureau.
- San Mateo County Libraries' service area has a population of 283,977, 37% of the total population of San Mateo County, and has grown by 6% since 2012.
- The race and ethnicity of the service area is estimated at 48% white, 22% Hispanic or Latino, 22% Asian, 4% multiracial, 2% Black or African American, and 1 % Native Hawaiian or Other Pacific Islander.
- Our service area has stark wealth and income inequality that is rooted in historical and present-day institutional racism. Thirty-five percent of Black households and 31% of Latino households make less than \$50,000 compared to 17% for white and 13% for Asian households. By contrast, 39% of Asian and 38% of white households make more than \$200,000 annually, compared with 12% of Latino and 9% of Black households. Full household income estimate breakdowns by race and ethnicity are provided in the report.
- Sixty-one percent of residents reported speaking English at home, followed by Spanish at 17% and Asian and Pacific Island languages at 14%.
- A quarter (25%) of service area residents aged 3 or older are enrolled in a school or a post-secondary institution. Children who are white or Asian are more likely to be enrolled in a Pre-K or Kindergarten program (79%) than children who are Latino or Black (58% and 47% respectively).

#### 2021 Survey of Library Patrons

- The survey was conducted September–November 10, 2021 and offered in English, Chinese and Spanish. The new sample size was 2,188.
- Survey respondents had the following demographic characteristics: 83% have some college education, 31% speak a language other than English, and 33% have children in the household under 18.

- Race and ethnicity of respondents included 57% white, 8% Hispanic or Latino, 16% Asian/Pacific Islander, 1% Black or African American, and 6% multiracial or other Ethnicity, with 12% preferring not to select a race or ethnicity.
- San Mateo County Libraries continues to receive high marks regarding its job performance and services. All communities, regardless of local library rate the system very high.
- San Mateo County Libraries' response to the pandemic is strongly rated by patrons.
- The job San Mateo County Libraries is doing supporting communities of color received an 80% positive rating. When responses were disaggregated by the race and ethnicity the positive rating was as follows: white 78%, Asian/Pacific Islander 90%, Hispanic/Latino 82%, Other Race/Ethnicity 76%, no race/ethnicity selected 71%.
- Traditional library services, like checking out materials, computer/internet access, and accessing materials online are seen as the most important.
- Educational and training programs for all ages are well received by patrons, with basic computer skills increasing in importance.
- Patrons are using the library less often than they did pre-pandemic, but they anticipate returning to the same usage when COVID-19 is contained. Eight-in-ten patrons say they are comfortable visiting a library in person.

Using the information collected and analyzed in this study, staff will proceed with updating the current Strategic Plan and continuing to focus on important goals including restoration and expansion of library services and hours, engaging and supporting our communities of color, and building upon the good work and success that has resonated so positively with community members.

### **Fiscal Impact**

There is no fiscal impact associated with accepting this report.

### **Recommendation**

Recommend JPA Governing Board accept the 2021 Survey of Library Patrons and Demographic Profile of Library Service Area. Operations Committee members present at the February 1, 2022 meeting concurred with this recommendation.

### **Attachments**

1. Demographic Profile of Library Service Area
2. 2021 Survey of Library Patrons



# Demographic Study San Mateo County Libraries

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## Overview

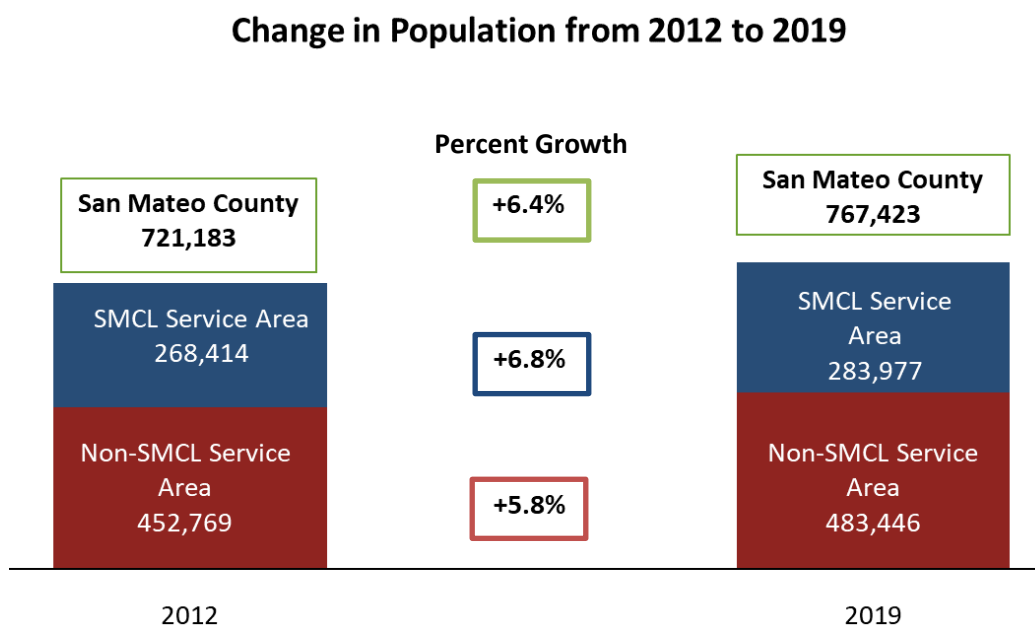
This report analyzes the demographic changes that have taken place within San Mateo County Libraries' (SMCL) service area from 2012 and 2019. This report seeks to contextualize current social and economic environment in the service area to assist SMCL in understanding the residents they serve and to assist with programmatic planning. The SMCL service area is defined as the cities of Atherton, Belmont, Brisbane, Colma, East Palo Alto, Foster City, Half Moon Bay, Millbrae, Pacifica, Portola Valley, San Carlos, Woodside, and the unincorporated areas of San Mateo County. Where applicable, data from other areas – the rest of San Mateo County (the parts not in the SMCL service area) and San Mateo County as a whole – is referenced for comparison purposes. However, please note that, unless otherwise specified, figures show data for the SMCL service area population.

This document's statistics are derived from 5-year population estimates from the 2019 American Community Survey (ACS). The most recent demographic data for the SMCL service area comes from the 2019 5-year ACS results, which were published in December 2020 by the US Census Bureau. This dataset combines responses from the 2014 through 2019 ACS iterations to paint the most accurate picture of demographics within communities the size of the service area. The statistics used below should be interpreted as averages over five years ending in 2019, not just as a snapshot of 2019 specifically. Where applicable, statistics from the 2019 and 2012 ACS datasets are compared for context.

### Total Population

According to the ACS 2019 five-year estimates (hereby referred to as the “2019 data”), the SMCL service area has a population of 283,977, which is 37% of the total population of San Mateo County. The population of the SMCL service area has grown by 6.8% since 2012, which is about the same level of growth as the county overall. Please see Figure 1 below for more information.

**Figure 1**



## Age and Gender

The SMCL service area has seen some change in the age makeup of its residents. A larger proportion of residents overall fall into the oldest age cohort (65 or older) in 2019 than in 2012, but the youngest age cohort (under 15) also saw some overall growth.

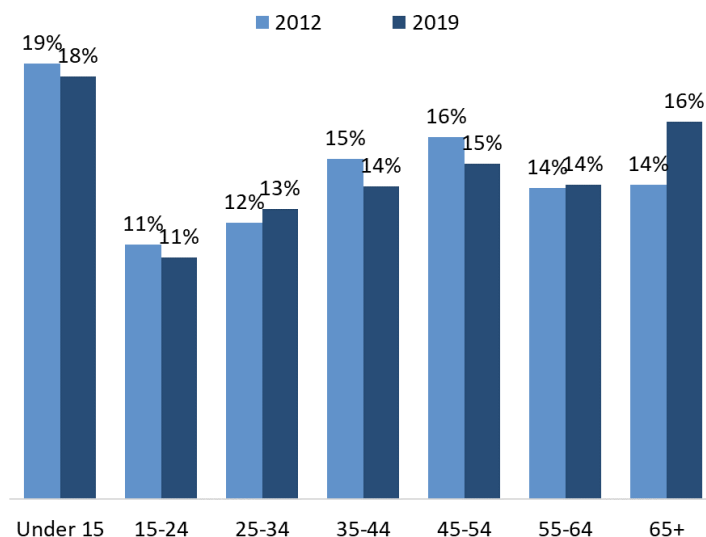
As Figure 2 shows, the service area population now has a larger share of residents in the oldest age cohort, with 14% of the population aged 65 or older in 2012, compared to 16% of the population being in this category in 2019. Older ACS data shows that in 2000, adults aged 65 or older were only 12% of the service area's population, illustrating consistent growth in that segment of the population. The 65 or older age cohort is now the second-largest in the service area, while in 2012 it was the fourth-largest.

In the service area between 2012 and 2019, the 65 or older age cohort increased in size by 27%, compared to a 22% increase in the rest of the county (please see Figure 3). There have been positive growth rates in other service area age cohorts: those aged 25-34 years old (which grew 11% since 2012) and those aged 55-64 years old (which grew 7%).

While trending the same way as San Mateo County as a whole, the growth rates of both the 25-34-year-old cohort and in the 45-54-year-old cohort are smaller in the service area than they are in the rest of the county. However, the service area bucks the countywide trends by seeing some growth in the under 15 cohort (grew by 3% compared to decreasing by 2% in the rest of the county), though the overall share of this population in this cohort in the service area dropped since 2012.

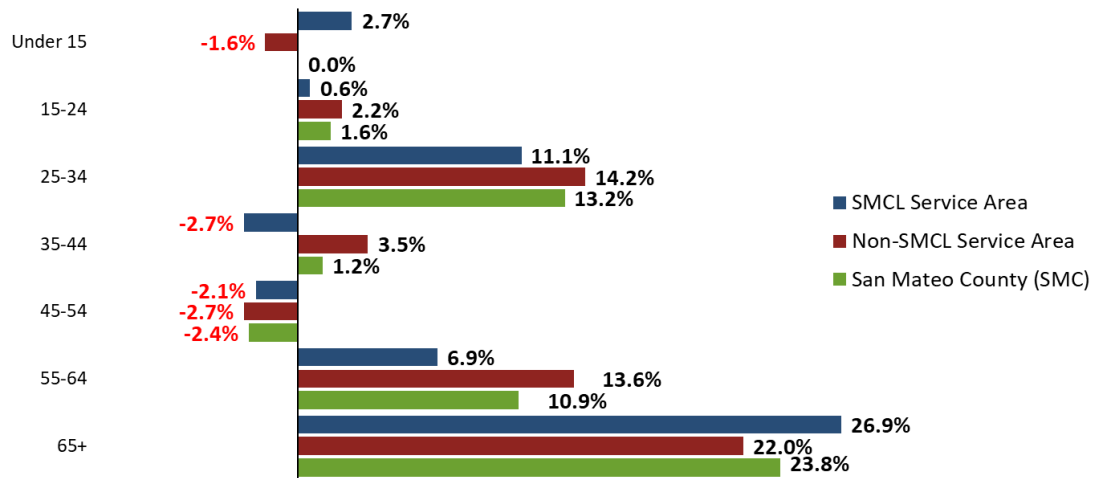
In 2019, 51% of the service area population was female, a proportion similar to that in 2012. In the oldest age cohort (65 or older), the female population has grown a bit faster than the male population (28% increase compared to a 26% increase). Nearly one in ten residents in the service area (9%) are women aged 65 years and older, as seen in Figure 4

**Figure 2**  
**Age Cohorts as a Percentage of the Population Over Time**



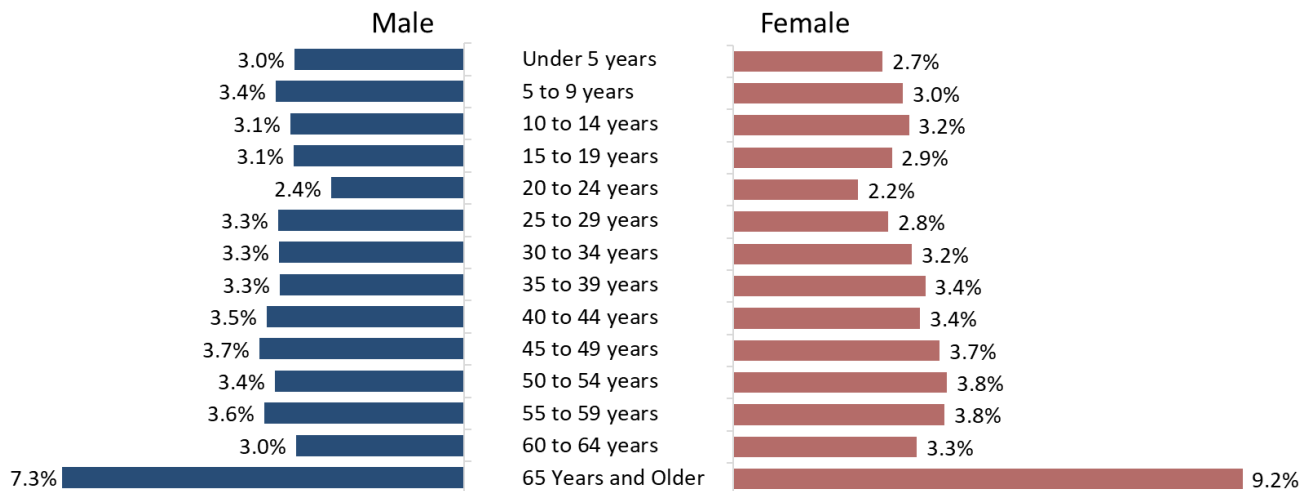
**Figure 3**

**Growth in the Size of Each Age Cohort from 2012 - 2019**



**Figure 4**

**Age and Gender as a Percentage of the Total Population**



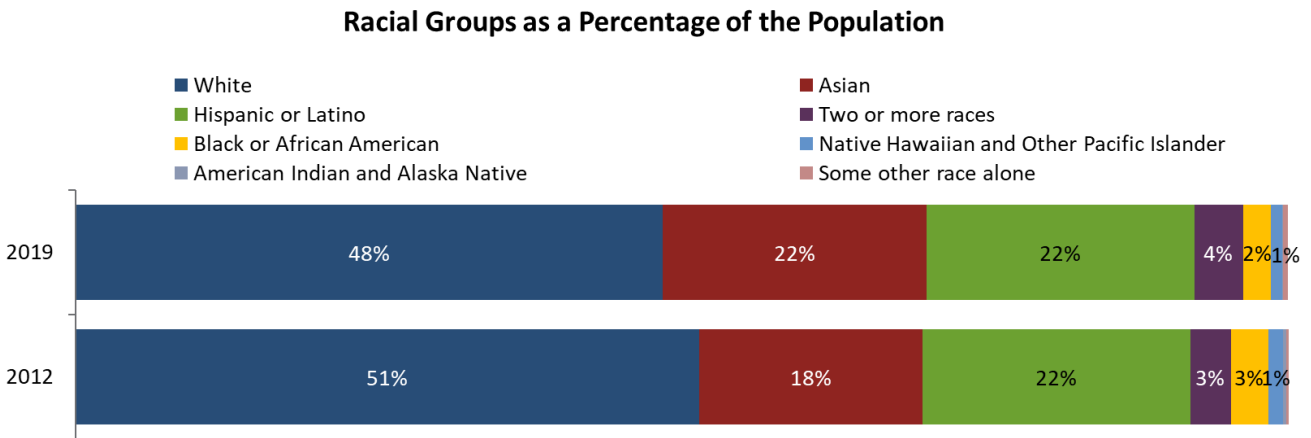
## Race and Ethnicity

In the United States Census, the categories of "Hispanic" and "Latino/a" are not considered racial categories. "Hispanic" and "Latino/a" are categorized as an ethnicity versus a race (like white or Asian) and calculated separately. When taking the Census or the American Community Survey, one may select both Black/African American and Hispanic, white and Hispanic, or any other mix of ethnicity and race categories as defined by the Census. A respondent cannot say that they are only Hispanic – they must also select a race – as Hispanic is treated as a separate, binary category.

When looking at racial categories only, not including the Hispanic ethnicity question, a majority of SMCL service area residents (60%) identify their race as white, compared to 51% of residents in San Mateo County overall. Compared to the rest of the county, SMCL service area residents are less likely to identify their race as Asian (22% versus 28% countywide). Those who identify as Hispanic in the service area most likely to identify their race as white (47% of those who identify as Hispanic) or as "some other race" (43%). Additionally, service area residents are less likely to identify as Hispanic than those in the rest of the county (22% versus 24%).

As seen in Figure 5, when Hispanic residents are broken out into their own category<sup>1</sup>, the percentage of residents in the service area who identify as white, non-Hispanic is down three points from 2012. White, non-Hispanic residents are the plurality of residents in the service area (48%), with approximately a fifth of residents identifying as Hispanic (22%) or Asian (22%). The percentage of the population that is Hispanic has not changed since 2012, but the proportion of residents who are Asian has increased by four points since then (18% versus 22%). Overall, the number of residents in the SMCL area who identify as Hispanic or Latino is lower compared to the rest of the country (22% in the service area versus 24% in San Mateo County overall).

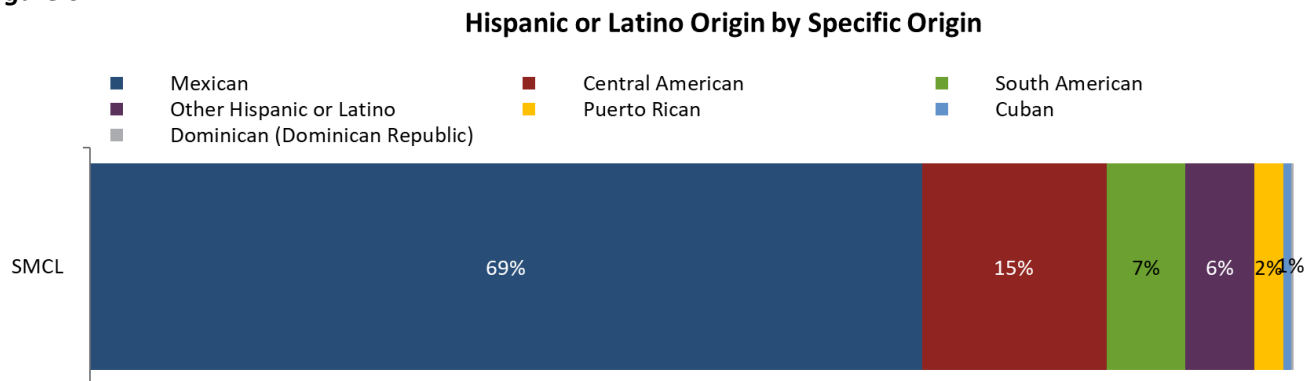
**Figure 5**



<sup>1</sup> For the purposes of Figure 5, we removed those who identified as Hispanic from the racial category they selected in the race question (white, black or African-American, American Indian or Alaska Native, Asian, Native Hawaiian or other Pacific Islander, some other race, or two or more races) and placed them into a separate ethnicity category to best approximate a simpler way to view ethnic groups in the service area. This is imperfect, as the question of race and ethnicity can be more complex than what can be expressed in the questions posed by the Census Department, but it more consistently aligns with the way we asked respondents about ethnicity in our previous surveys with SMCL.

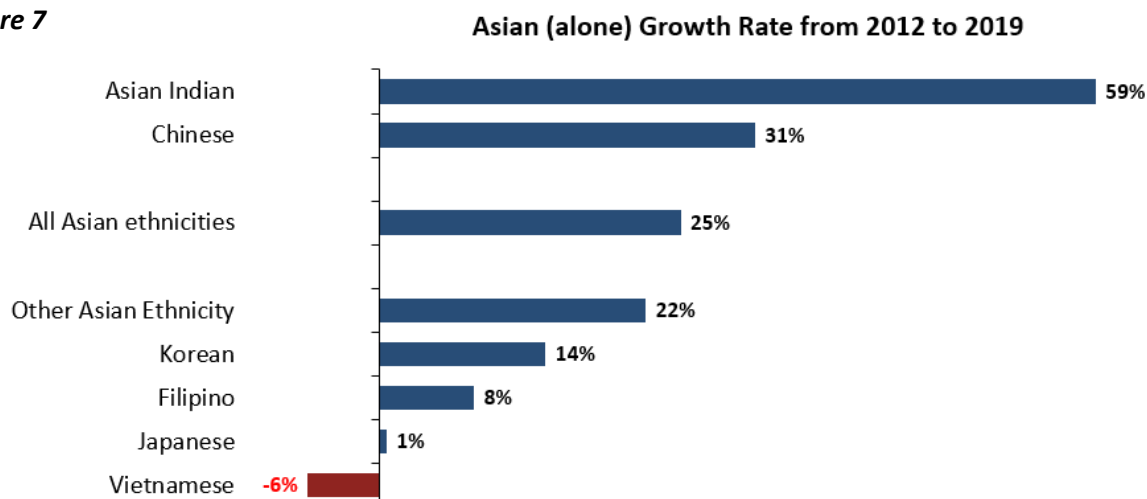
Over two-thirds (69%) of residents who identify as Hispanic say that they are of Mexican origin, with the next-largest group comprised of those who say they are of Central American origin (15%). Please refer to Figure 6 for more information.

**Figure 6**



Half of Asian residents (11% of the total service population) in the service area identify as Chinese, which is similar to the countywide proportion (12% of San Mateo County residents). The next most prevalent Asian ethnicity that service area residents identify as is Filipino (4% of service area), followed by Asian Indian (3% of service area population). As shown in Figure 7, those who identify as Asian grew 25% as a group since 2012, with the most growth in those who identify as Asian Indian or Chinese.

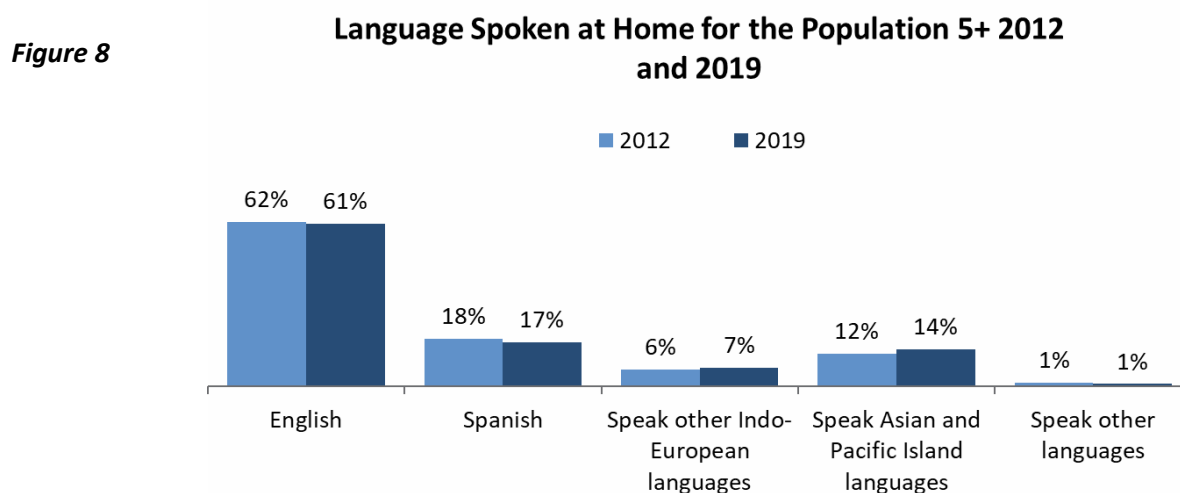
**Figure 7**



### Language Spoken at Home

The language spoken at home statistic is reported for only the population aged five or older. For the SMCL service area, 61% of residents report speaking English at home, compared to 54% of residents in the rest of San Mateo County. As shown in Figure 8, this percentage has held relatively steady since 2012.

The proportion of Spanish speakers among SMCL service area residents has also held steady over the years (17% in 2019 and 18% in 2012). There has been an increase in service area residents who speak Asian and Pacific languages, and specifically among those who speak Chinese at home (who now make up 8% of the service area population) and Tagalog at home (who now make up 3% of the service area population). The proportion of Chinese speakers in the service area is close to that across the whole county (9% of county residents speak Chinese at home), but the service area has a lower proportion of Tagalog speakers (who make up 7% of the county).





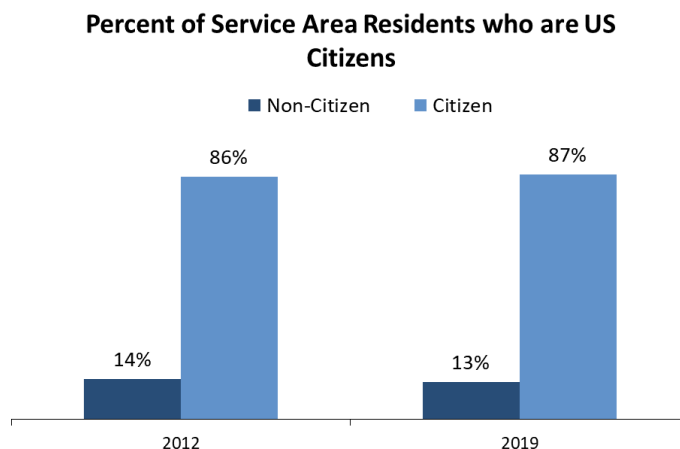
### US Citizenship and Country of Origin

The majority of SMCL service area residents are US citizens, either by birth or by naturalization - 87% as of 2019, compared to 86% in 2012, as shown by Figure 9. Three-in-ten service area residents (29%) are foreign-born, and of that group, 55% are naturalized citizens, and 45% are non-citizens.

While the plurality of foreign-born residents in the service area are from Asia (49%), this proportion is lower among the subset of the foreign-born population who are not naturalized (34%), as seen in Figure 10. Additionally, the proportion of the foreign-born population from Latin America is nearly 20 percentage points higher among the non-citizen versus the overall foreign-born populations (31% compared to 49% respectively).

As shown by Figure 11, the percentage of the foreign-born population from Asia in the service area increased from 44% in 2012. However, the percentage of the foreign-born population remained lower than that countywide (54%). While still making up one-third (31%) of the foreign-born population, the proportion of this population born in Latin America is down from 2012, when it was 36%.

**Figure 9**



**Figure 10**

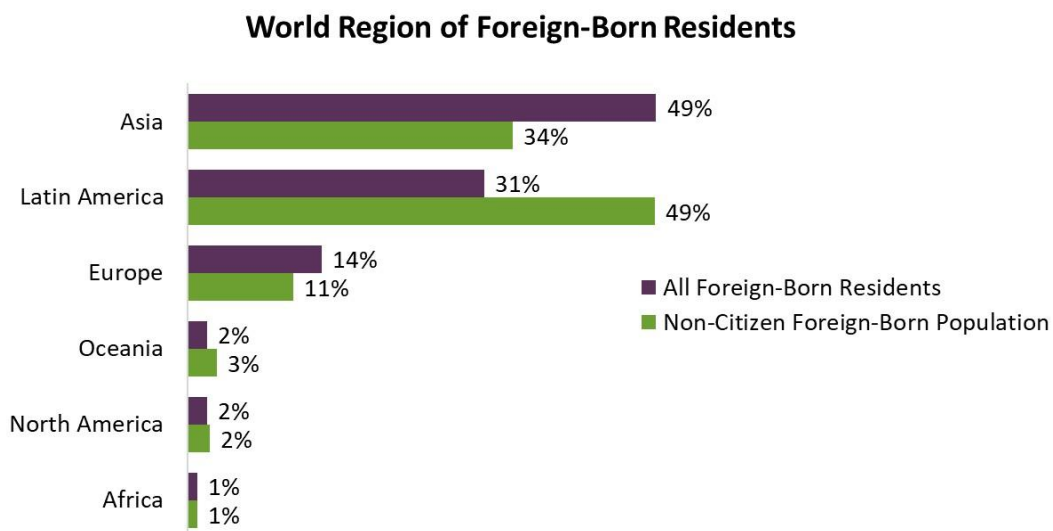
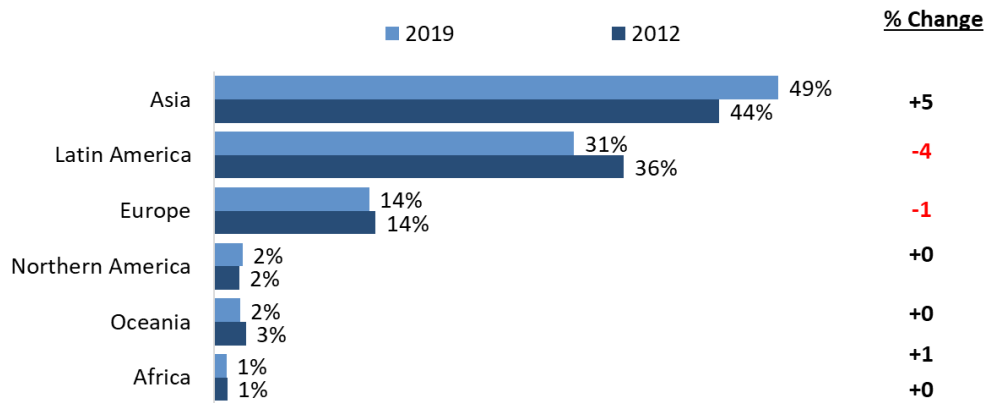


Figure 11

### World Region of Foreign-Born Residents Between 2012 and 2019



### School Enrollment

A quarter (25%) of service area residents aged 3 or older are enrolled in a school or a post-secondary institution. In 2012, 27% of residents aged 3 and older were enrolled in a school or a post-secondary institution. As seen in Figure 12, 14% of those enrolled in school are in a Kindergarten or a pre-K program, 61% are in grade school, and 24% are in higher education. Those who are enrolled in school in 2019 are a little less likely to be in a post-secondary program than they were in 2012.

Figure 12

### School Enrollment for the Population 3+

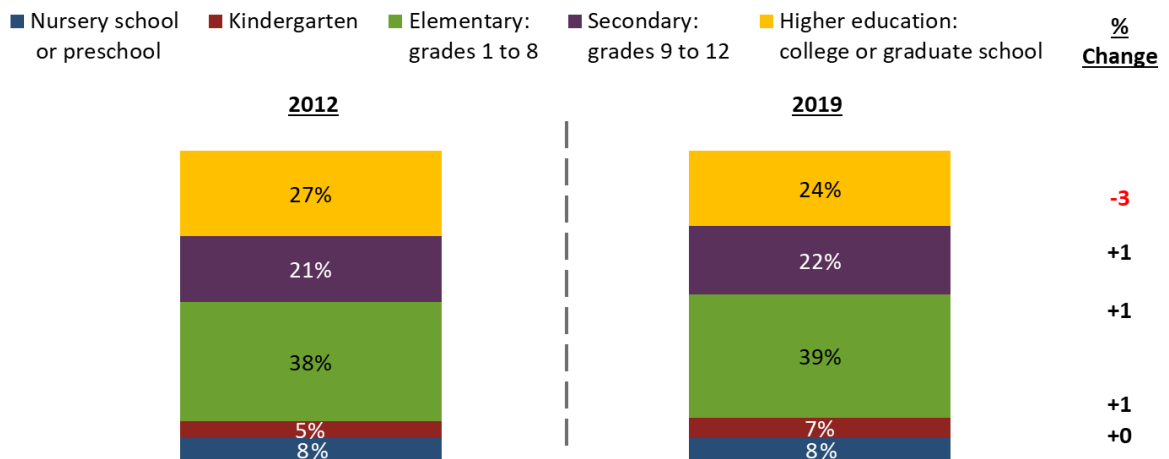
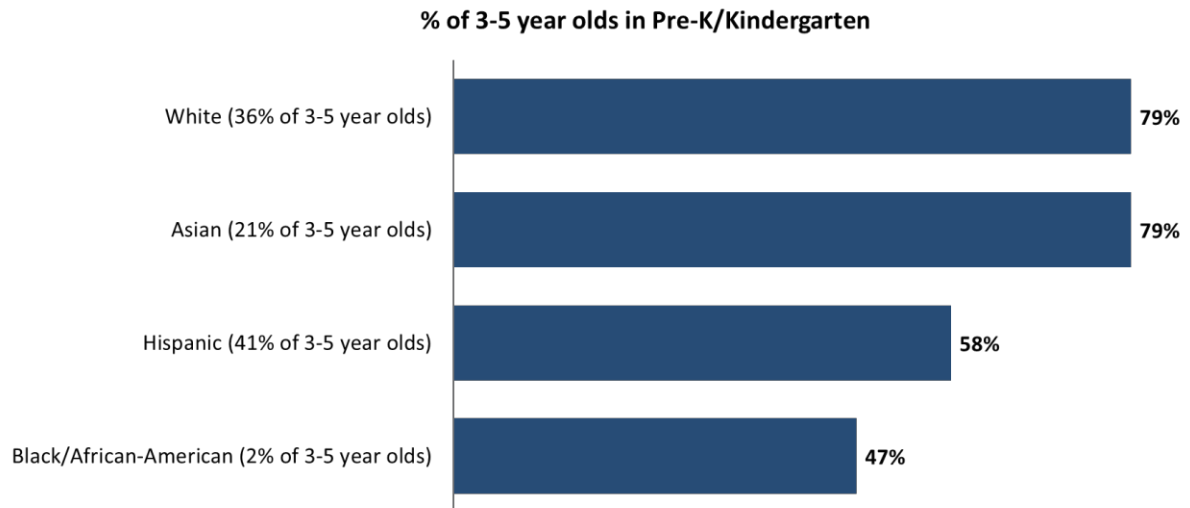


Figure 13 shows Pre-K (defined as preschool or nursery school) and Kindergarten enrollment among children aged 3 to 5 by ethnicity. Children who are white or Asian are more likely to be enrolled in a Pre- K or Kindergarten program than Hispanic or Black/African American children. Please note that due to the small size of the Black/African-American group (only 2% of the 3-5 year-olds in the service area are Black/African-American), the margin of error for this ACS statistic is higher compared to that for the other ethnic groups.

**Figure 13**

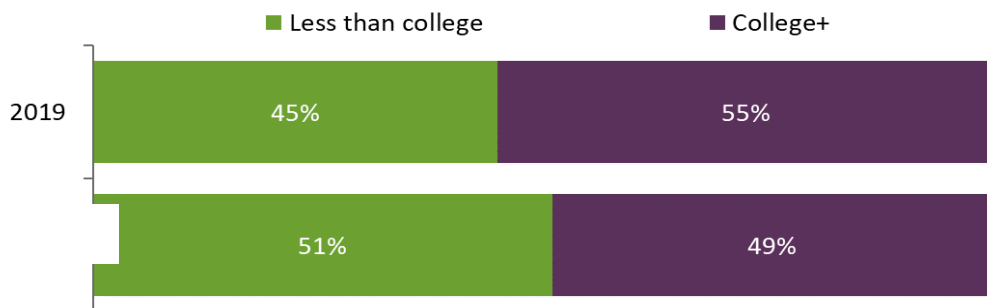


### Educational Attainment

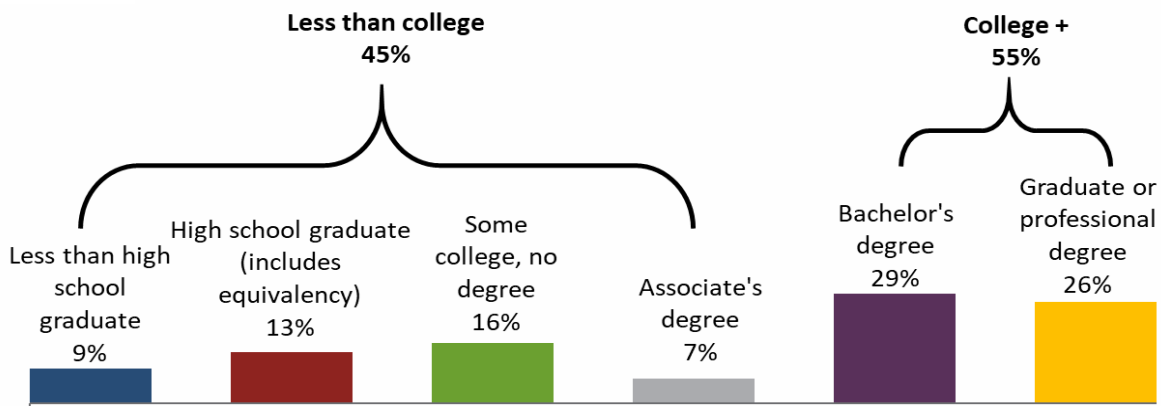
As shown in Figure 14, the service area population has seen growth in the percentage of residents with at least a four-year college degree since 2012, a statistic that is reported among the population over the age of 25. In 2019, over half of the residents (55%) in the service area had a four year-degree or a further degree, compared to about half (49%) in the rest of the county. A third (33%) of California residents have a four-year college degree, showing that the service area population is significantly more likely to have a college degree than the general statewide population.

The service area has a high proportion of residents with a graduate or professional degree – 26%, or nearly half of those who have a four-year degree or more. One-in-ten residents (9%) have less than a high school education, with a similar number (13%) graduating high school or having an equivalent certificate. Please see Figure 15 for more information.

**Figure 14** Educational Attainment for the Population 25 Years and Over from 2012 to 2019



**Figure 15** Educational Attainment for the Population 25 Years and Older

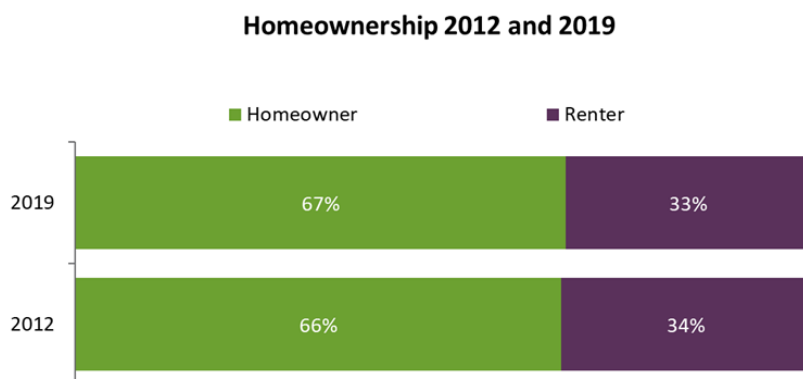


## Household Financial Characteristics

Income and other financial statistics are calculated at the household level, rather than the individual level. More than a third (37%) of the total households in San Mateo County are in the service area.

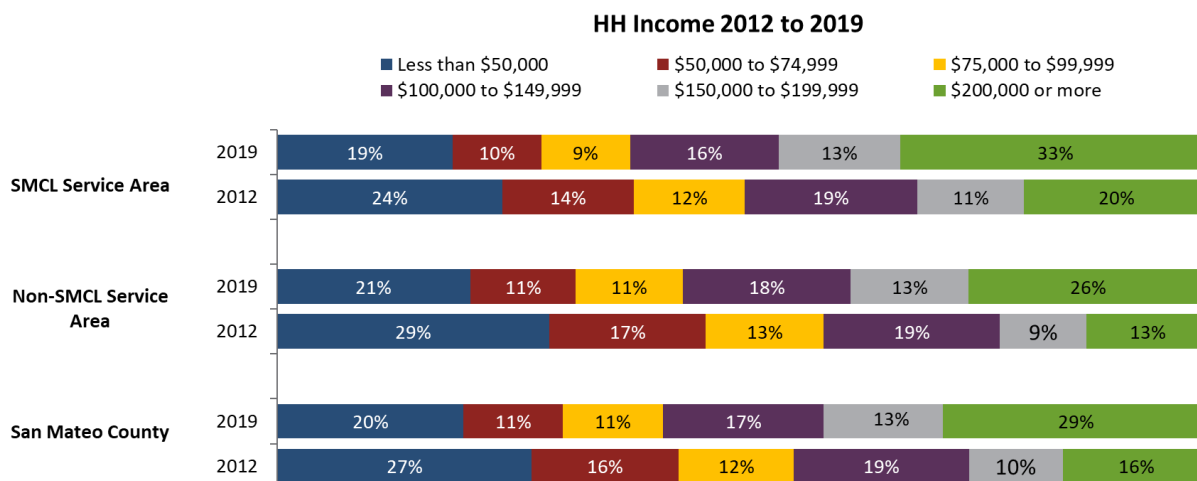
Homeownership, defined by households that owned their dwelling, has stayed relatively similar in the service area between 2012 and 2019, with ownership increasing a percentage point over the years (66% in 2012 to 67% in 2019). Please see Figure 16 for more information.

**Figure 16**



As shown in Figure 17, household incomes across San Mateo County, as well as specifically in the service area, have increased significantly since 2012. The percentage of households making \$100,000 or more in the county at large has increased (45% in 2012 to 59% in 2019) with a similar increase in the service area specifically (50% to 62%). The largest increase has happened in households making \$200,000, which experienced an increase of 71% in the service area, and 87% across the county. The percentage of households making less than \$50,000 has decreased since 2012, when they made up nearly one-quarter (24%) of households, compared to under one-fifth (19%) in 2019. The percentage of households making between \$50,000 and \$99,999 decreased as well – in 2012 they were a quarter of households (26%), but in 2019 are only 19% of households.

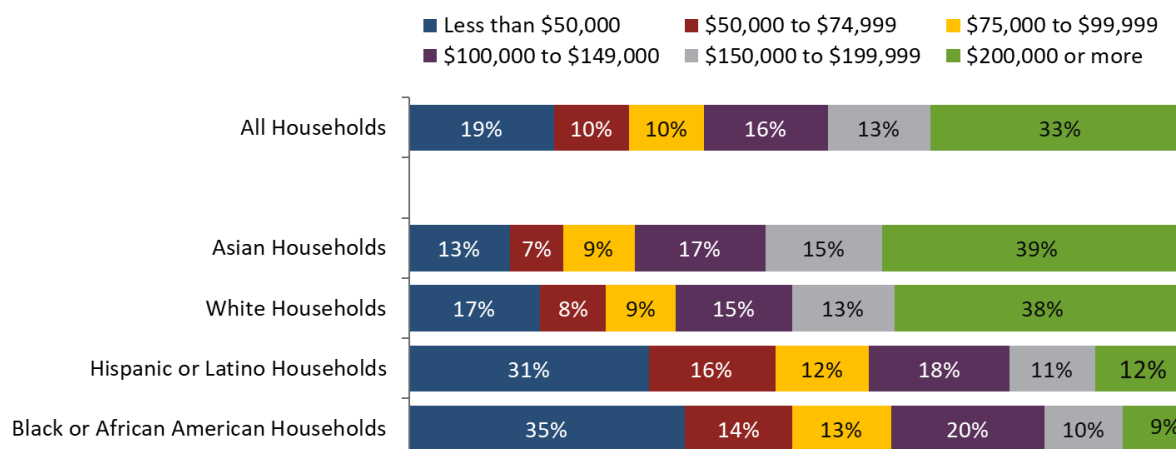
**Figure 17**



As Figure 18 shows, Hispanic/Latino and Black /African American households are more likely to have lower annual household incomes than non-Hispanic white and Asian households. A third (35%) of Black or African American households and 31% of Hispanic or Latino households made less than \$50,000 annually compared to 19% of households across the service area overall. Nearly two-fifths of Asian and non-Hispanic white households reported an annual income of \$200,000 or more (39% and 38% respectively), while only one tenth of Hispanic/Latino (12%) and Black/African-American (9%) households reported that same income level.

**Figure 18**

### Household Income by Race and Ethnicity



Nearly a quarter (23%) of households in the service area make at or below 300% of the poverty line, with one-in-ten (10%) at 200% or below the poverty line<sup>2</sup>. Over a third of San Mateo County households were considered to be financially burdened in 2019, down from 44% in 2012<sup>3</sup>. A small percentage (3%) of service area households received food stamps/SNAP in the past 12 months, comparable to San Mateo countywide (3%). Of those households receiving food stamps in the service area, 61% have children under 18 years of age living in the house. Nearly four-in-ten (39%) of the service area's families (households with children) make \$200,000 or above, compared to 33% of all households in the service area and 34% of families in San Mateo County overall.

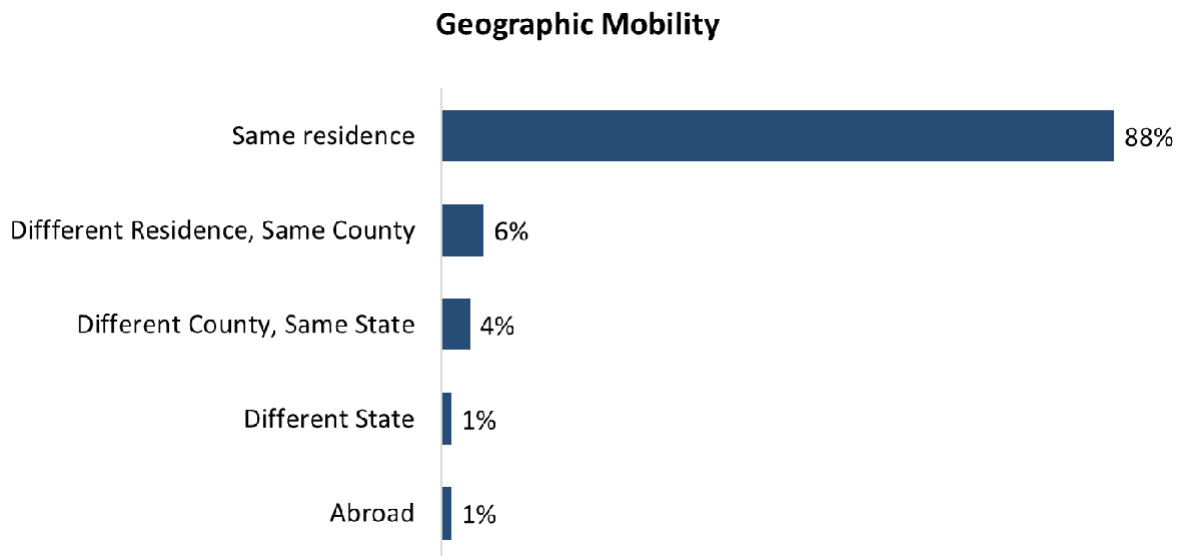
<sup>2</sup> For ACS data, the poverty line varies on household size and number of children in the household.

<sup>3</sup> EMC did not calculate this data, instead accessing it from the [Federal Reserve Bank of St. Louis](#), which used ACS data to calculate these numbers. The definition they used for their calculation follows: the sum of households with a mortgage spending 30.0-34.9% of their income on selected monthly owner costs, households with a mortgage spending 35.0% or more of their income on selected monthly owner costs, households without a mortgage spending 30.0-34.9% of their income on selected monthly owner costs, households without a mortgage spending 35.0% or more of their income on selected monthly owner costs, households that rent spending 30.0-34.9% of their income on gross rent, and households that rent spending 35.0% or more of their income on gross rent divided by the sum of the total number of households with a mortgage, the total number of households without a mortgage, and the total number of households that rent.

### Geographic Mobility

Nine in ten (88%) residents in the service area occupy the same residence they lived in in 2012. Meanwhile, 6% of the population moved residences but stayed within the boundaries of San Mateo County, and 4% moved out of the county but stayed within the State of California, 1% have moved out of the state, and 1% have moved abroad. SMCL area geographic mobility is on par with countywide levels as far as residents who have stayed in the same residence, moved to a different county in California, and those who moved states or abroad. Please refer to Figure 19 for more information.

**Figure 19**







# San Mateo County Libraries Survey of Patrons September 2021



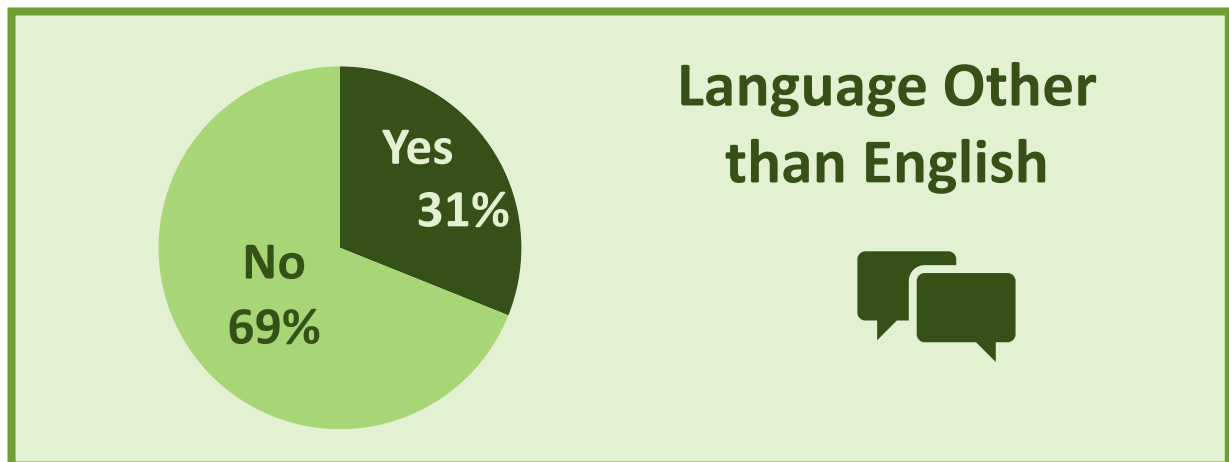
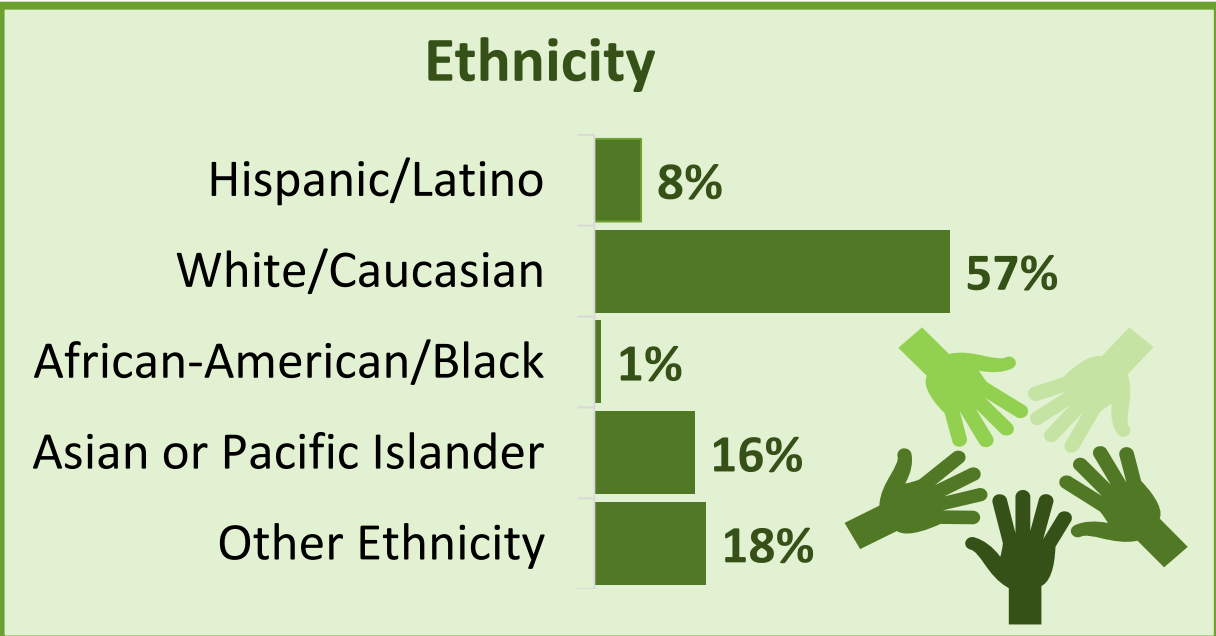
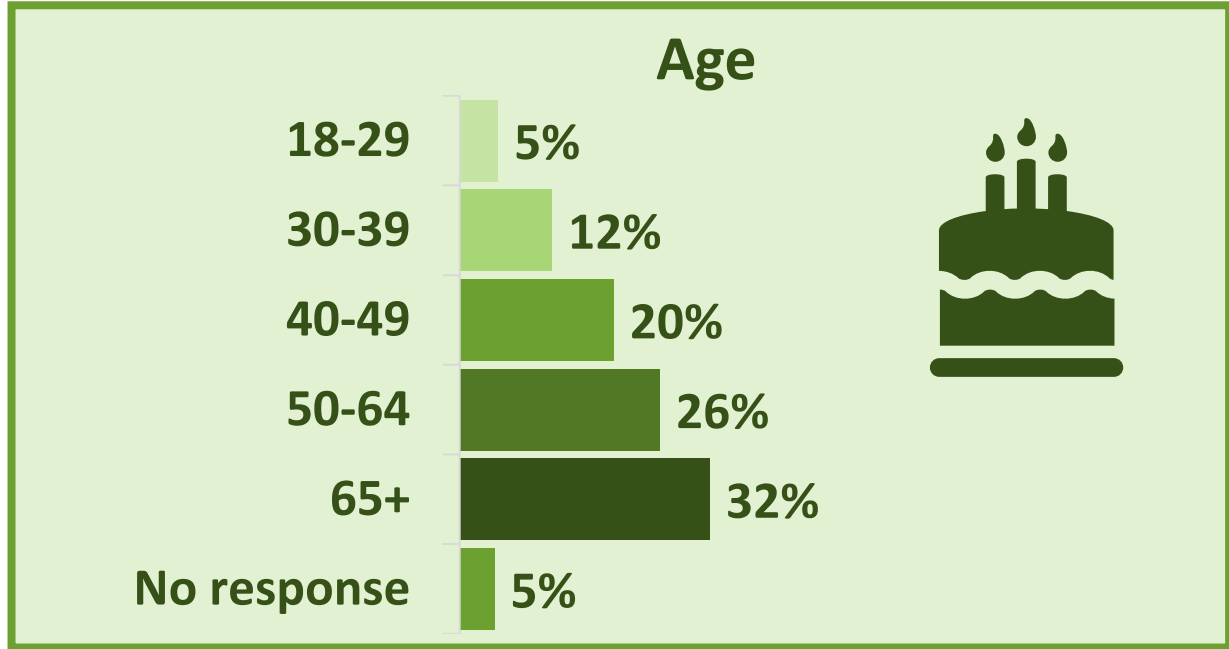
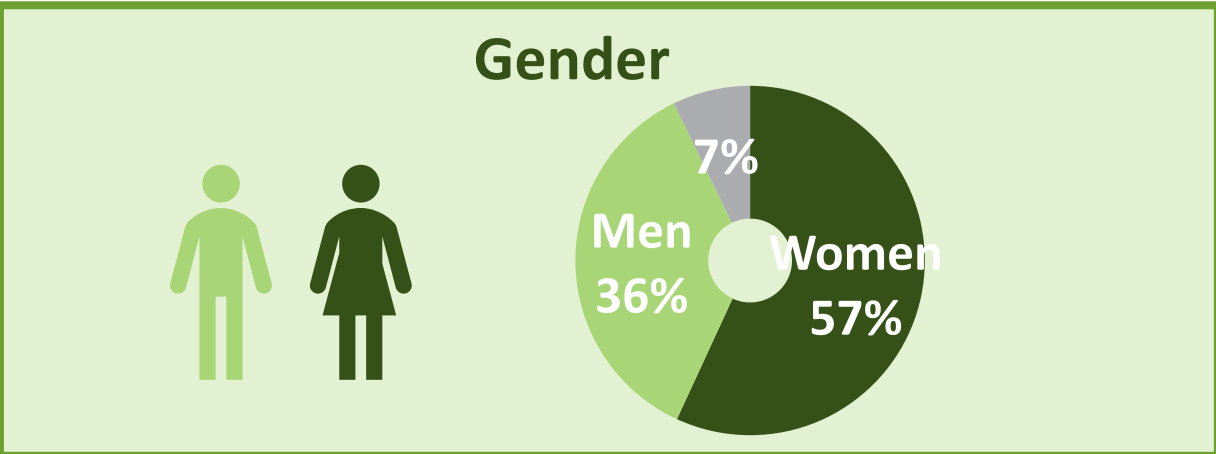
- ▶ Online email-to-web survey of San Mateo County Libraries Patrons
- ▶ Survey conducted September 21 – November 10, 2021
- ▶ 2,188 responses; overall margin of error  $\pm 2.1$  percentage points
- ▶ Surveys were offered in English, Spanish, and Chinese
- ▶ Where applicable, results compared with the following:

Methodology	Dates	Universe	Sample Size	Margin of Error	EMC #
Online	July 22 – August 3, 2020	SMCL Patrons	1,021	$\pm 3.07$ percentage points	20-7652
Online	May 15-23, 2014	SMCL Cardholders	1,200	$\pm 2.83$ percentage points	14-5153

Please note that due to rounding, some percentages may not add up to exactly 100%.

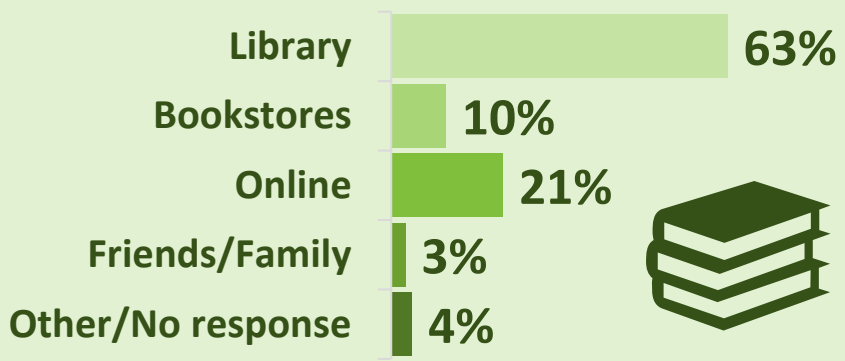
- ▶ SMCL continues to enjoy strong positive ratings regarding its job performance and services.
- ▶ Patrons are using the system less often than they did pre-pandemic, but they anticipate returning to the same usage when COVID-19 is contained.
- ▶ Traditional library services, like checking out materials, computer/internet access, and accessing materials online are seen as the most important.
- ▶ Educational and training programs for all ages are well received by patrons.

# Profile of Respondents

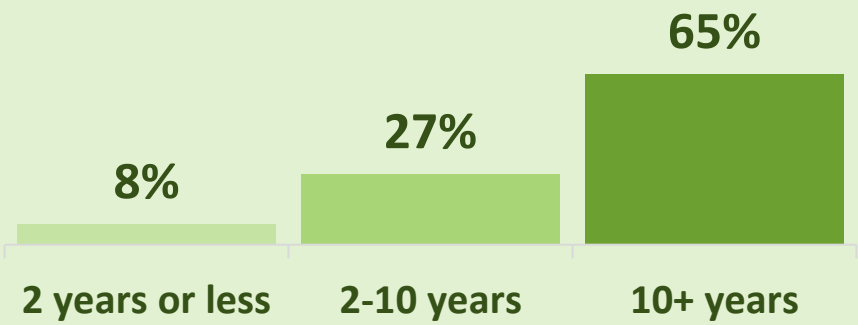


# Profile of Respondents

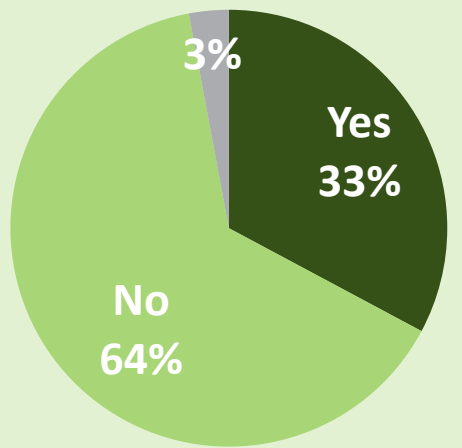
## Primary Source of Books



## Cardholder Tenure

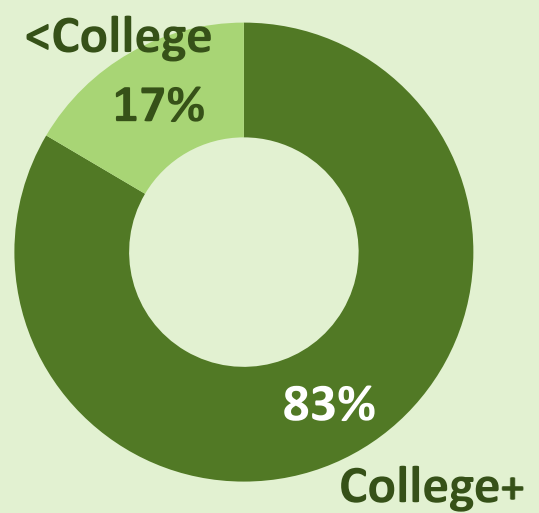


## \*Children in HH



\*Kids in household who are <18

## Education

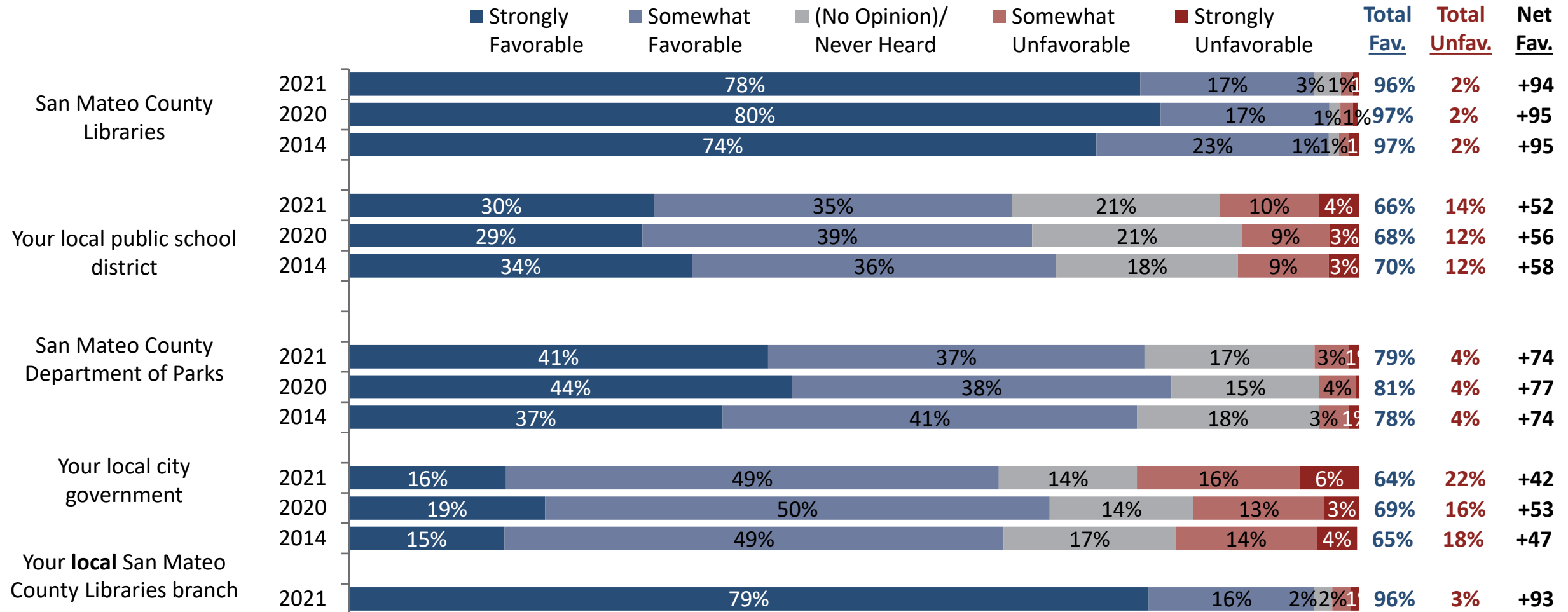




**Job Ratings**

# Favorable Ratings Over Time

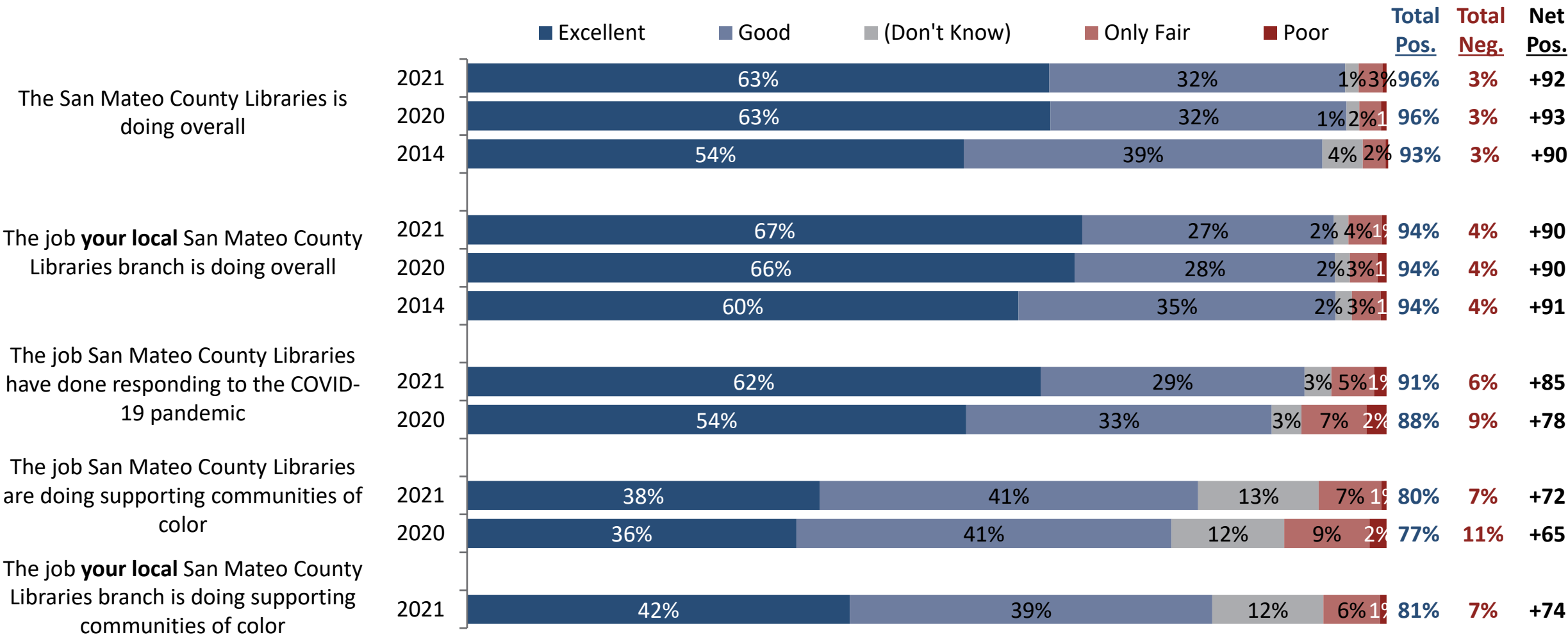
*Ratings of San Mateo County Libraries and other organizations remains steady.*



Q2-Q6. I'm going to read you a list of several people and organizations. Please tell me if you have a strongly favorable, somewhat favorable, somewhat unfavorable or strongly unfavorable opinion of each one. If you have never heard of one, please just say so.

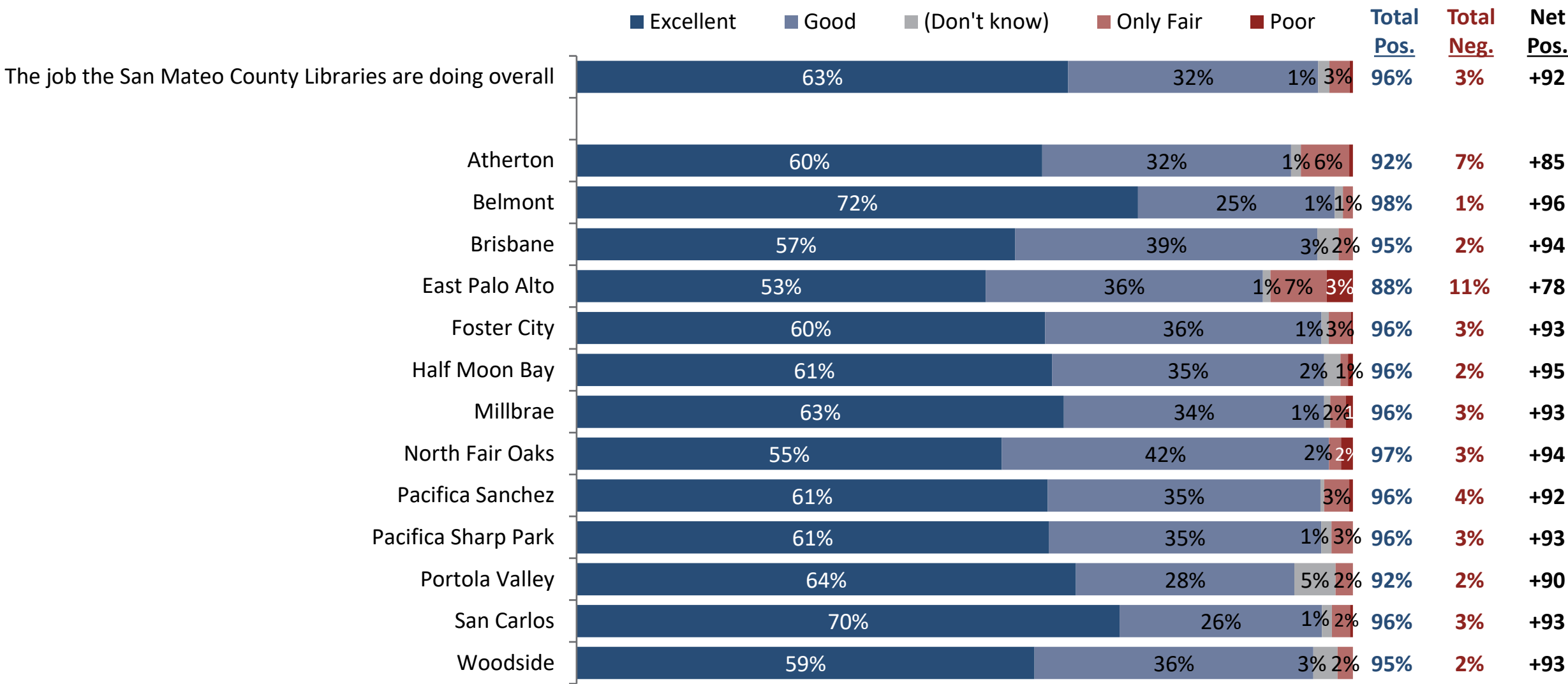
# SMCL Job Ratings Over Time

SMCL continues to receive high marks for overall job performance, and SMCL’s response to the pandemic is very strongly rated by patrons.



# SMCL Job Rating Overall by Local Library

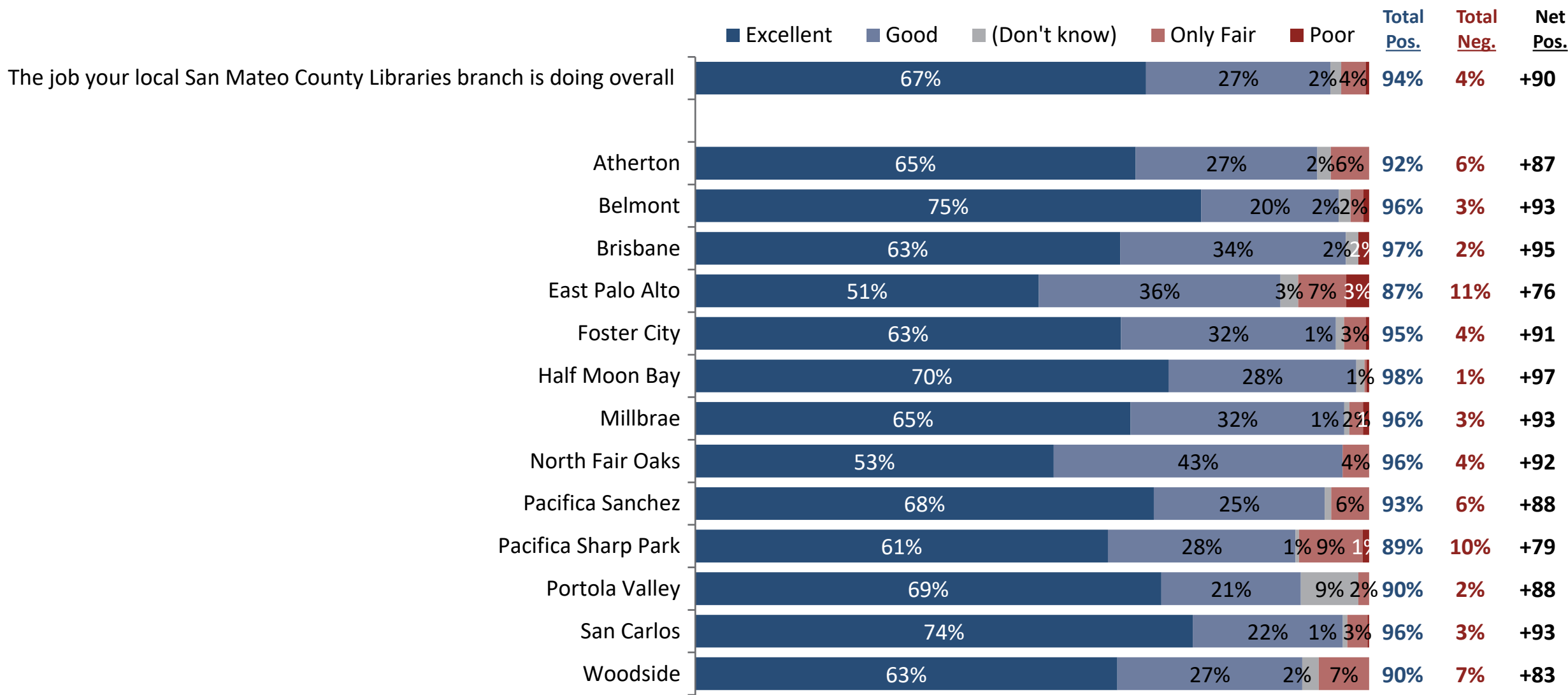
All communities rate the library system very positively.





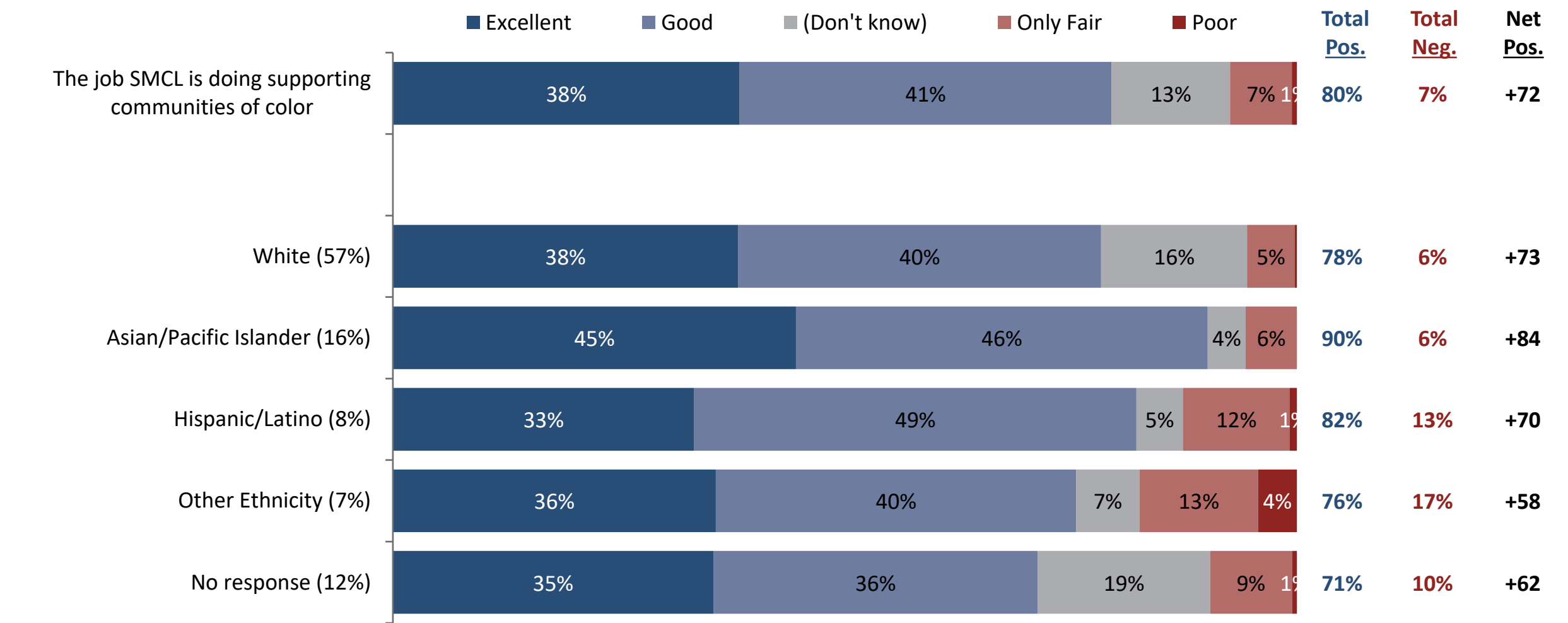
# Job Ratings of Local Community Libraries

*Most patrons rate the job their local library is doing positively.*



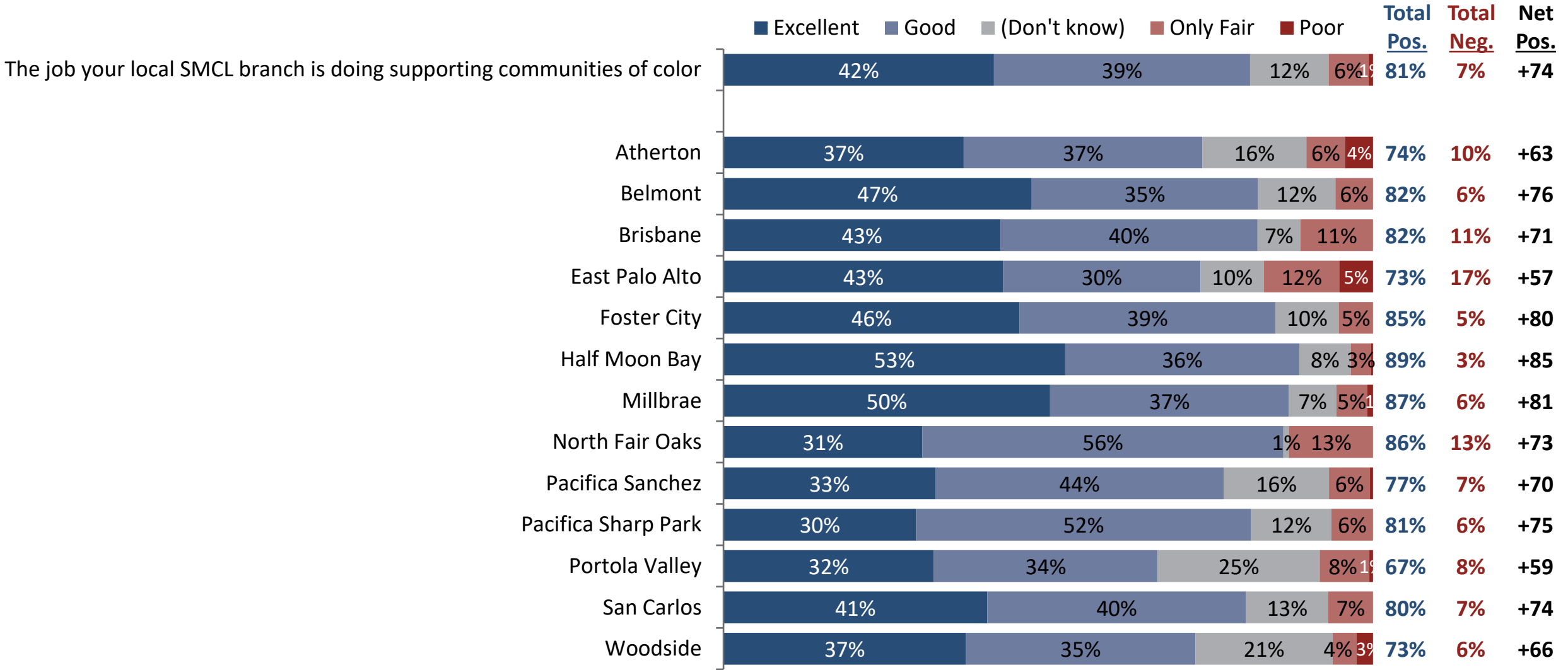
# SMCL Rating Supporting Communities of Color by Ethnicity

SMCL receives high marks for the job it does supporting communities of color, especially from Asian patrons though some communities of color see room for improvement.



# SMCL Rating Supporting Communities of Color by Library

Half Moon Bay and Millbrae receive the highest rating on supporting communities of color.

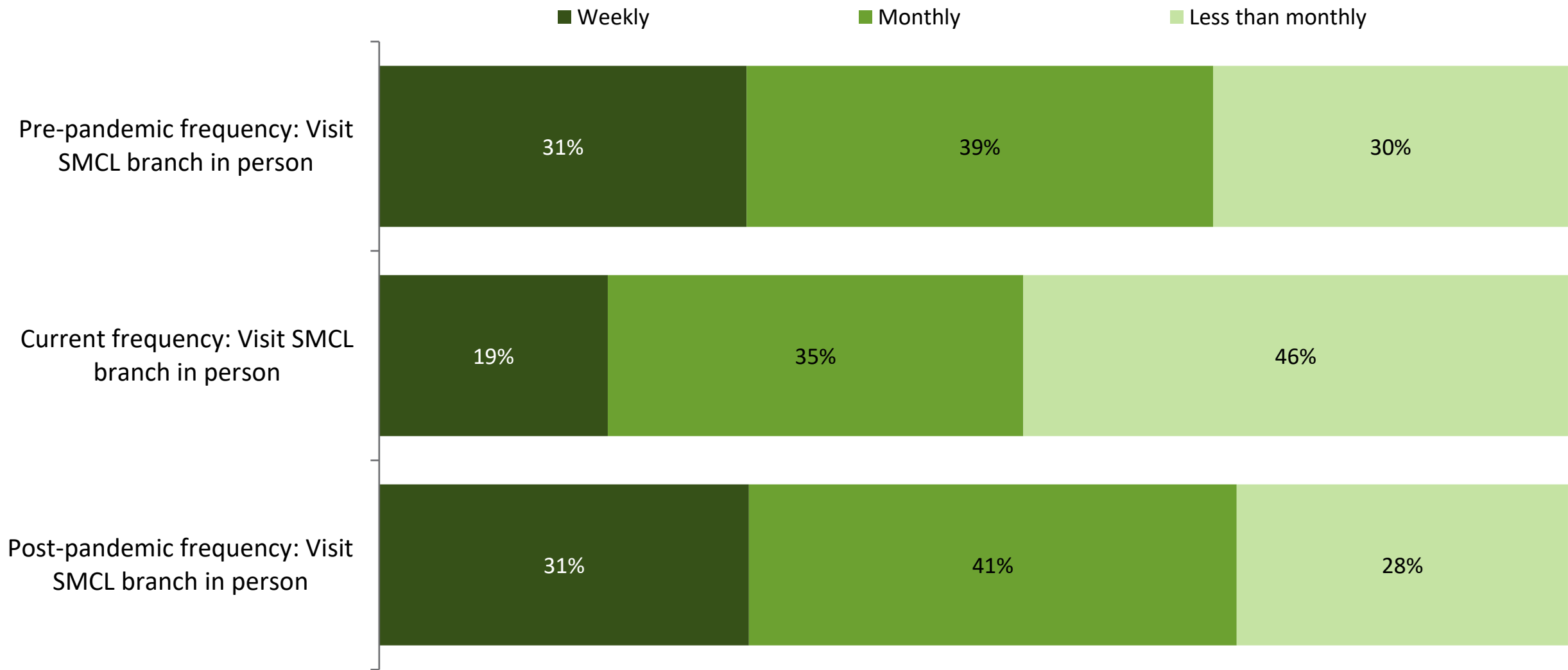




**Library Usage**

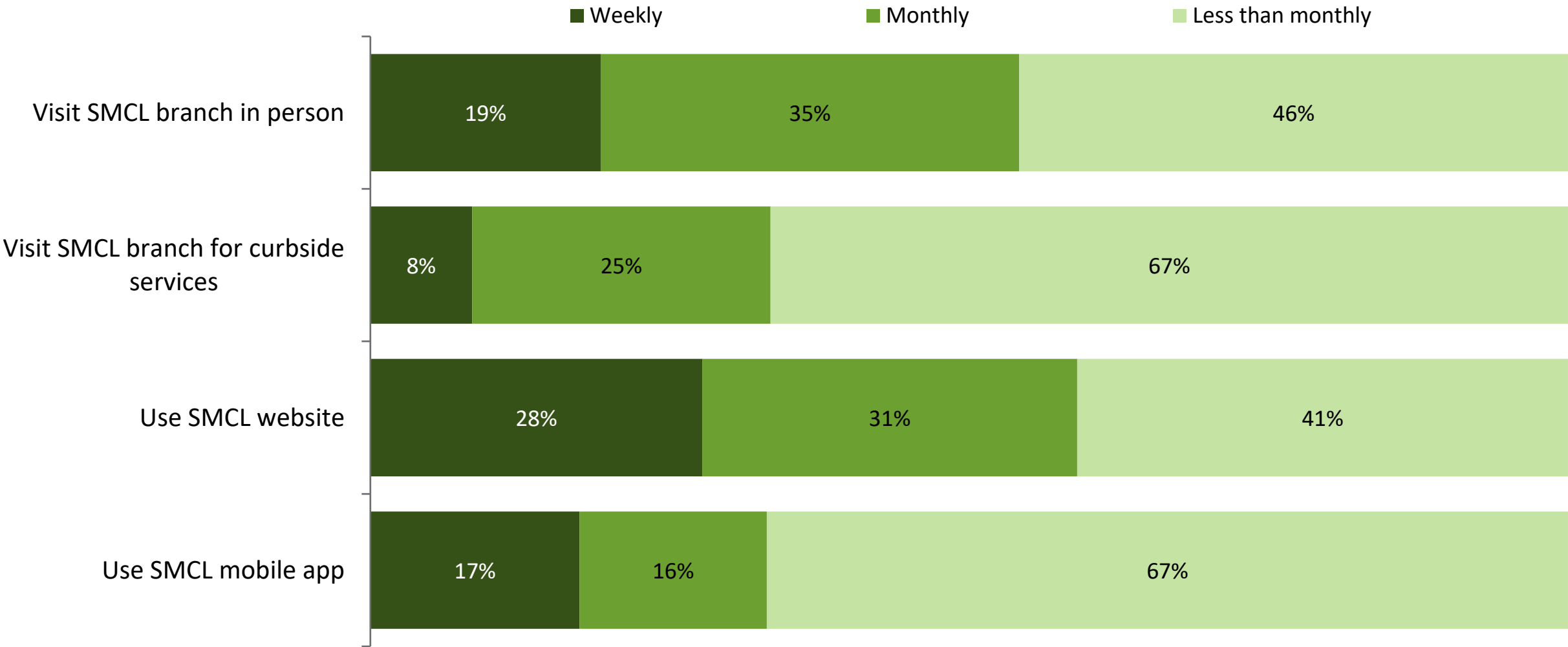
# SMCL In Person Pre-Covid, Current, and Post-Covid

*Patrons project that, once COVID-19 has been managed, they will return to the library at a similar rate as pre-pandemic.*



# Current SMCL Visitation

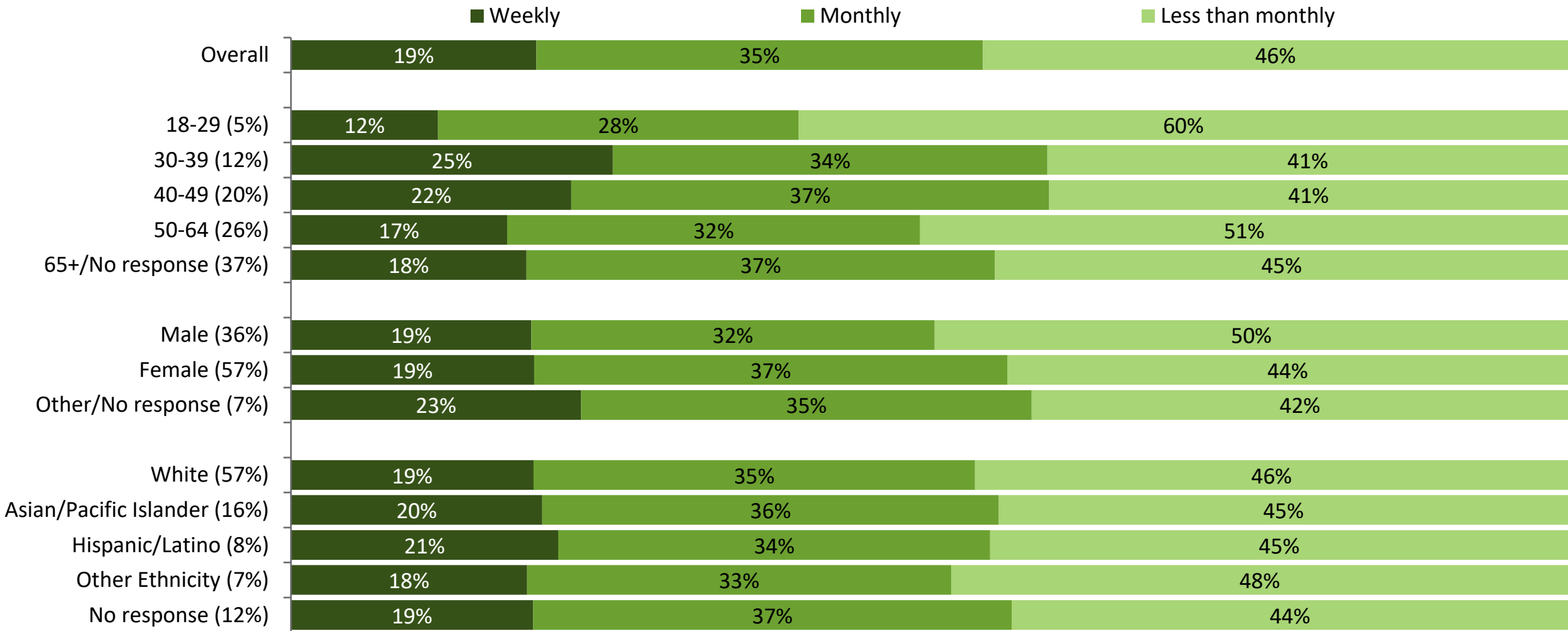
*A majority of patrons say they're visiting an SMCL branch in-person at least once a month. Two thirds report using curbside services and the mobile app less than monthly.*



# Current SMC Libraries In Person Visitation by Subgroups



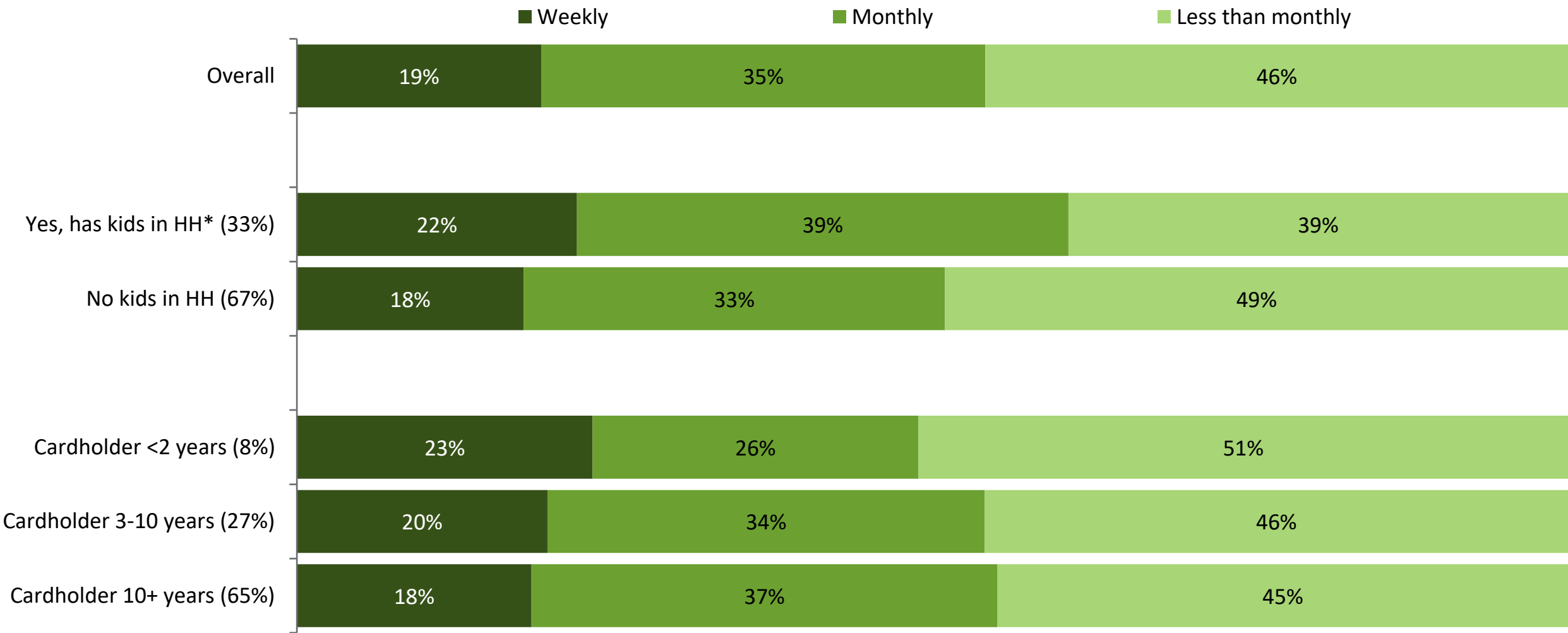
Usage is fairly steady across age, gender, and ethnic lines, though patrons under 30 are less likely to visit on a weekly basis.



Q16. How often do you currently... Visit a physical San Mateo County Library branch in person (not including for curbside services)

# Current SMCL In Person Visitation by Subgroups

*Currently, those with children in the household are more likely to use the library more frequently.*

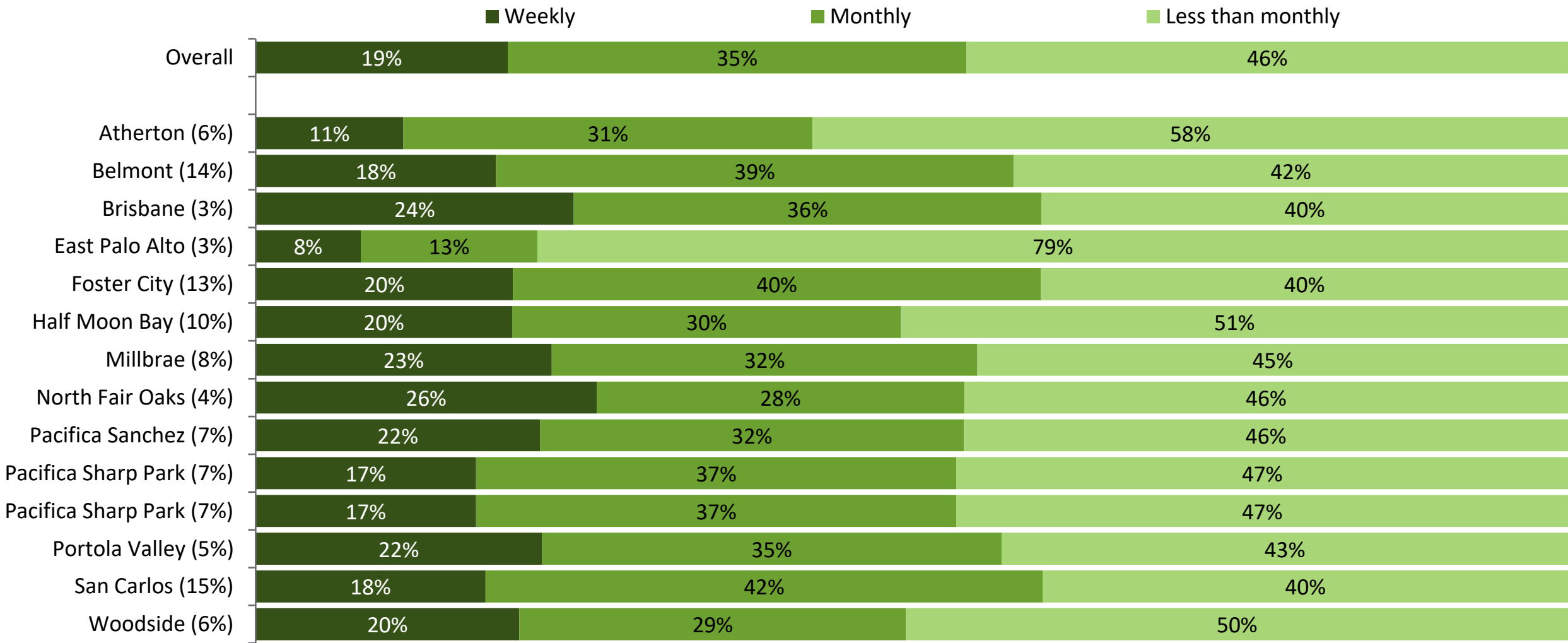


\*Kids in household who are <18



# Current In Person Visitation by Local Library

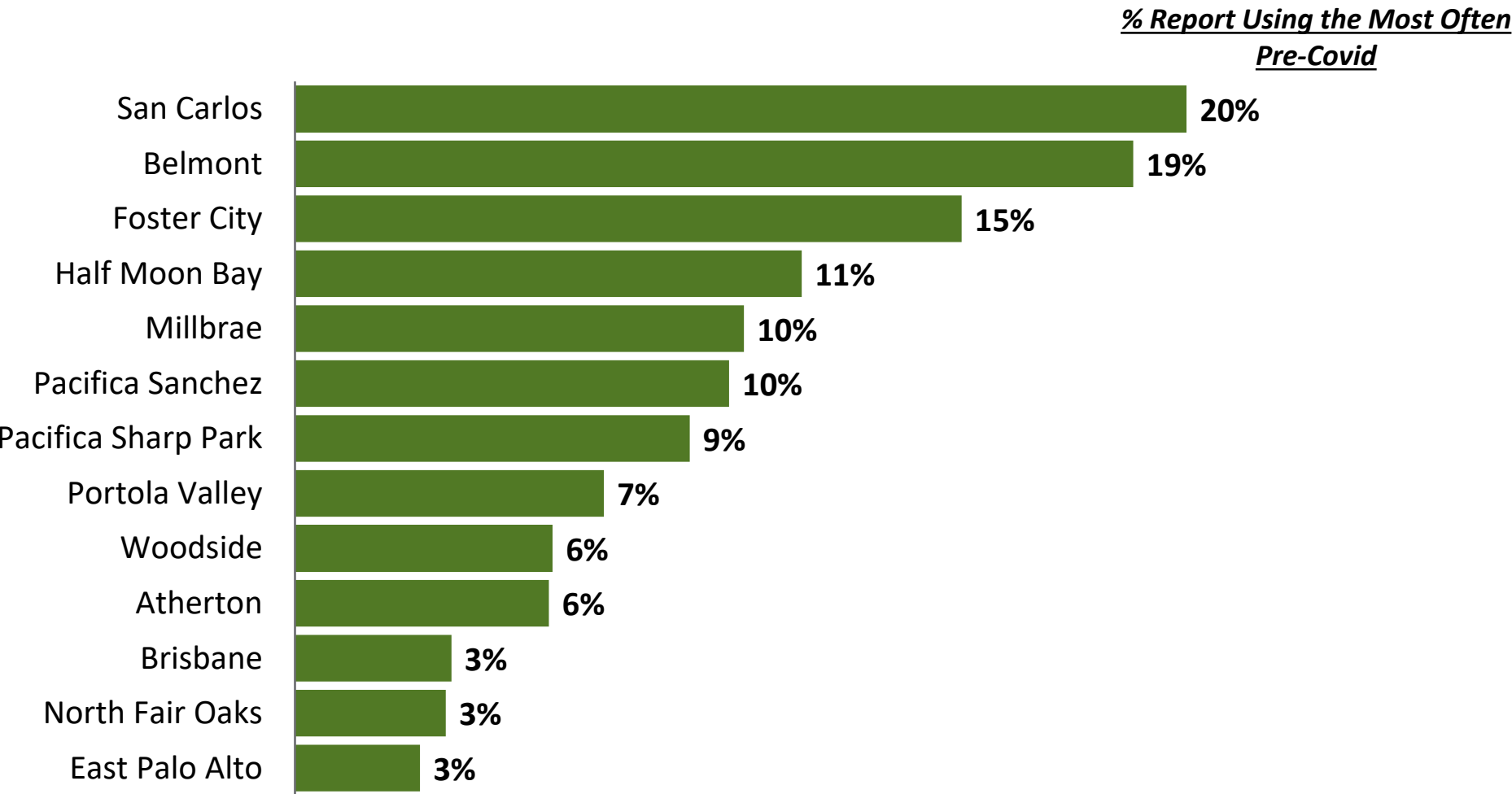
*NFO and Brisbane patrons have the highest rates of current weekly visitors. This is likely due to the new library opening in Brisbane and the use of in-person invites at North Fair Oaks.*



# Self-Reported Local Library Usage

*The San Carlos, Belmont and Foster City branches are the most frequented.*

*\*Multiple Responses Accepted*



# Library User Segmentation

*Nearly one-in-three patrons either visit a library branch or use the website weekly.*

**Heavy User:** Visits a library branch or website once a week and the other at least once a month

**Medium User:** Visits a library branch or website at least monthly

**Light User:** Does not visit a library branch or website at least once a month

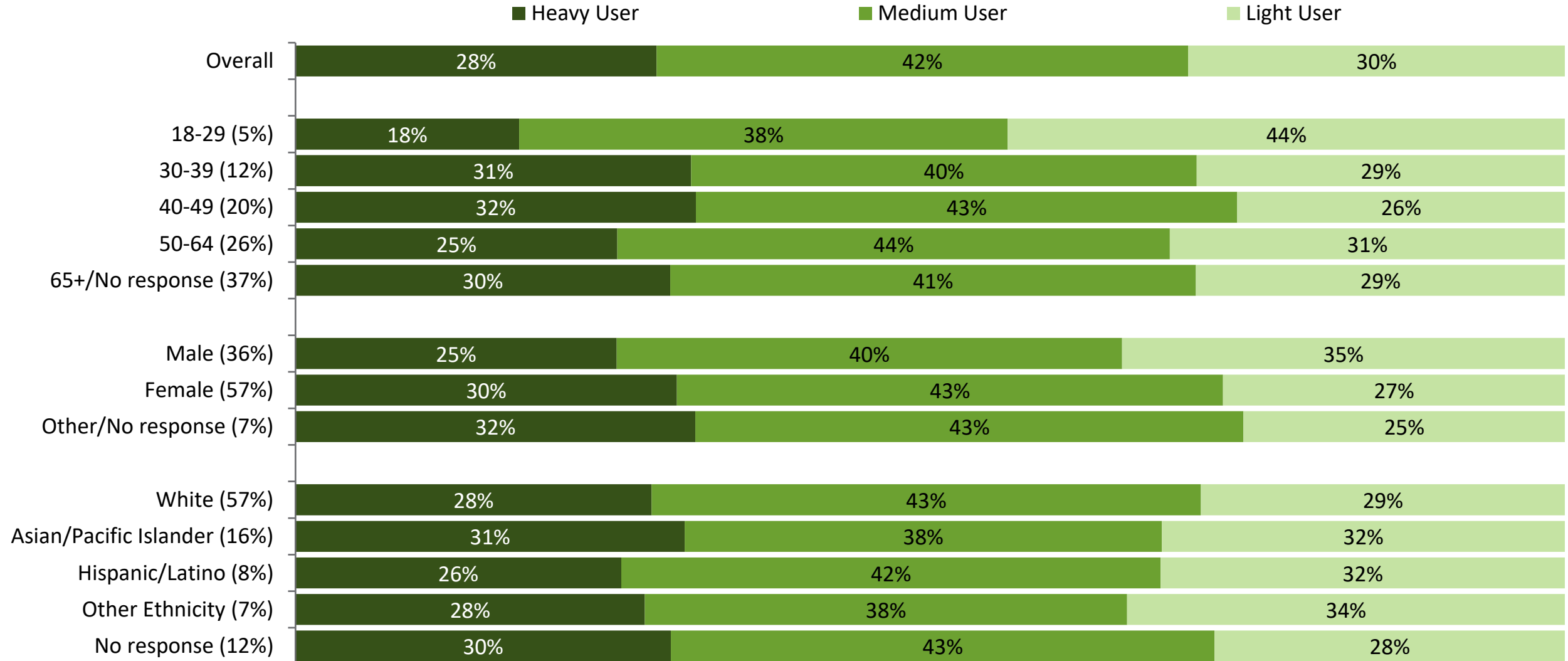
**Heavy User**  
**28%**

**Medium User**  
**42%**

**Light User**  
**30%**

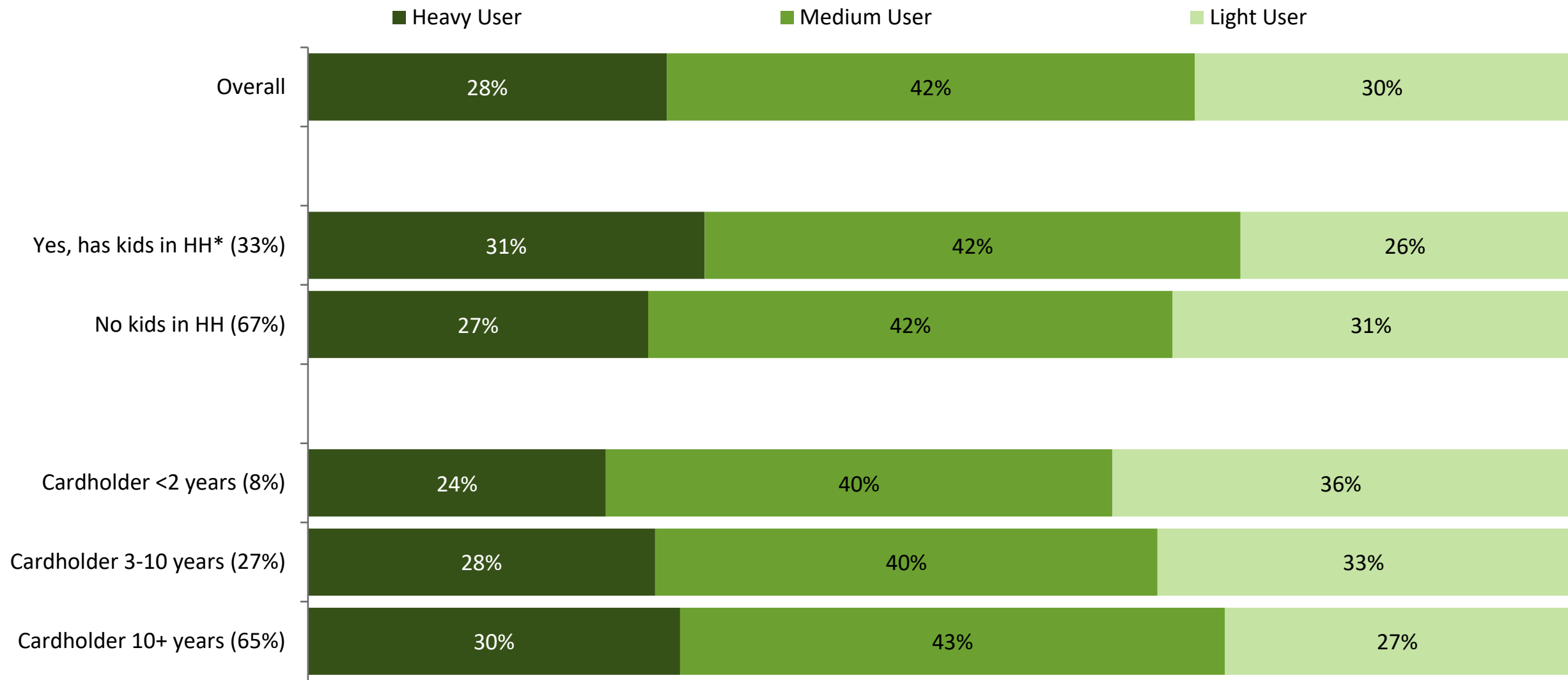
# Library User Segmentation by Subgroups

*Patrons aged 30-49 are more likely to be heavy SMCL users.*



# Library User Segmentation by Subgroups

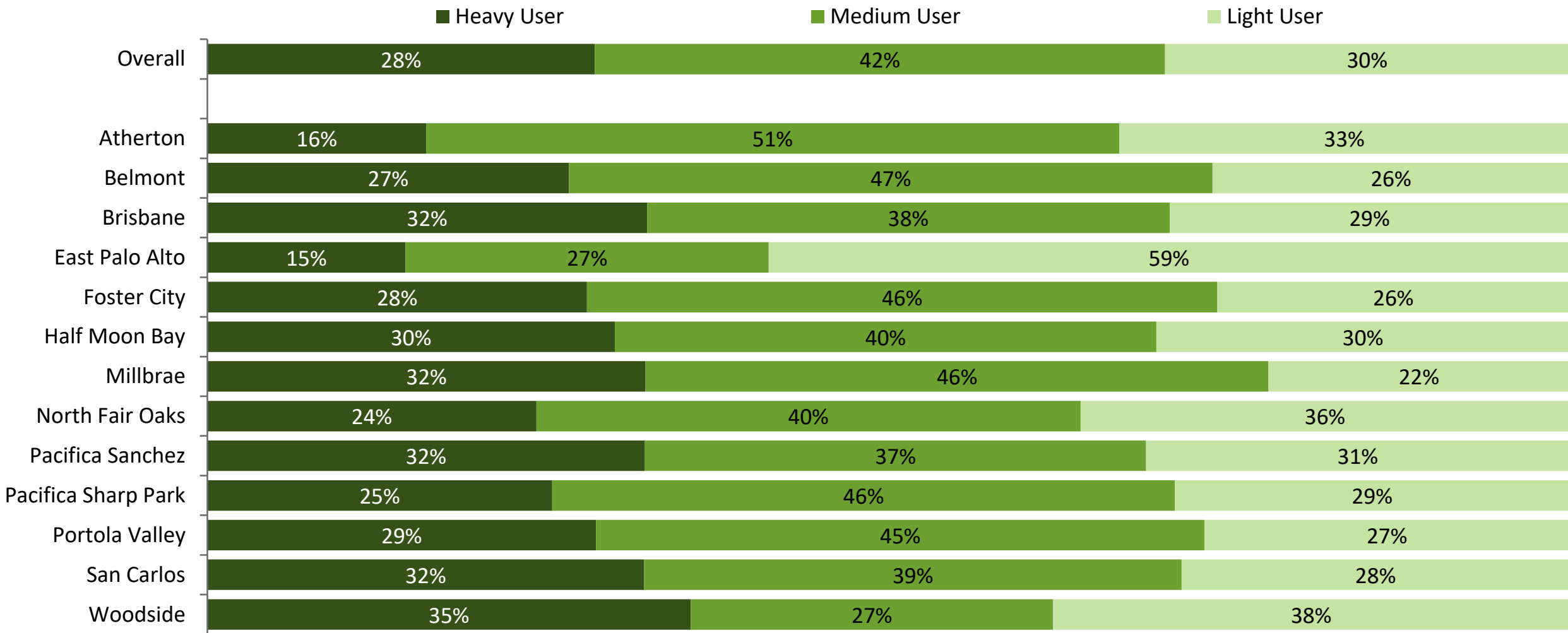
*Patrons with children in their household are more likely to be heavy SMCL users.*



*\*Kids in household who are <18*

# SMCL Usage by Local Library

*Woodside has the highest share of heavy users.*



# Barriers to Using SMCL

*Library hours and public health concerns were the most mentioned barriers, though a majority reported no barriers.*

***Are there any barriers preventing you from using San Mateo County Libraries and/or library services more often?***

Open Ended Response	(%)
Library hours	12
Health/Safety Concerns/COVID	9
Difficult to find books/Limited selection	5
Free time/Personal constraints	4
Parking availability/Ease of commute	3
Other	1
Don't know	3
None/No Answer	63

*"No barriers except my free time."*

*"No barriers except covid."*

*"Hours have been extremely curtailed and changing."*

*"I find the book selection to be tricky for my 8th grade son. It's hard to find books that may interest him as the selection isn't enormous. I also find it a bit challenging to find books I want to read that I don't have to have sent to the library."*

***(Verbatim Responses)***

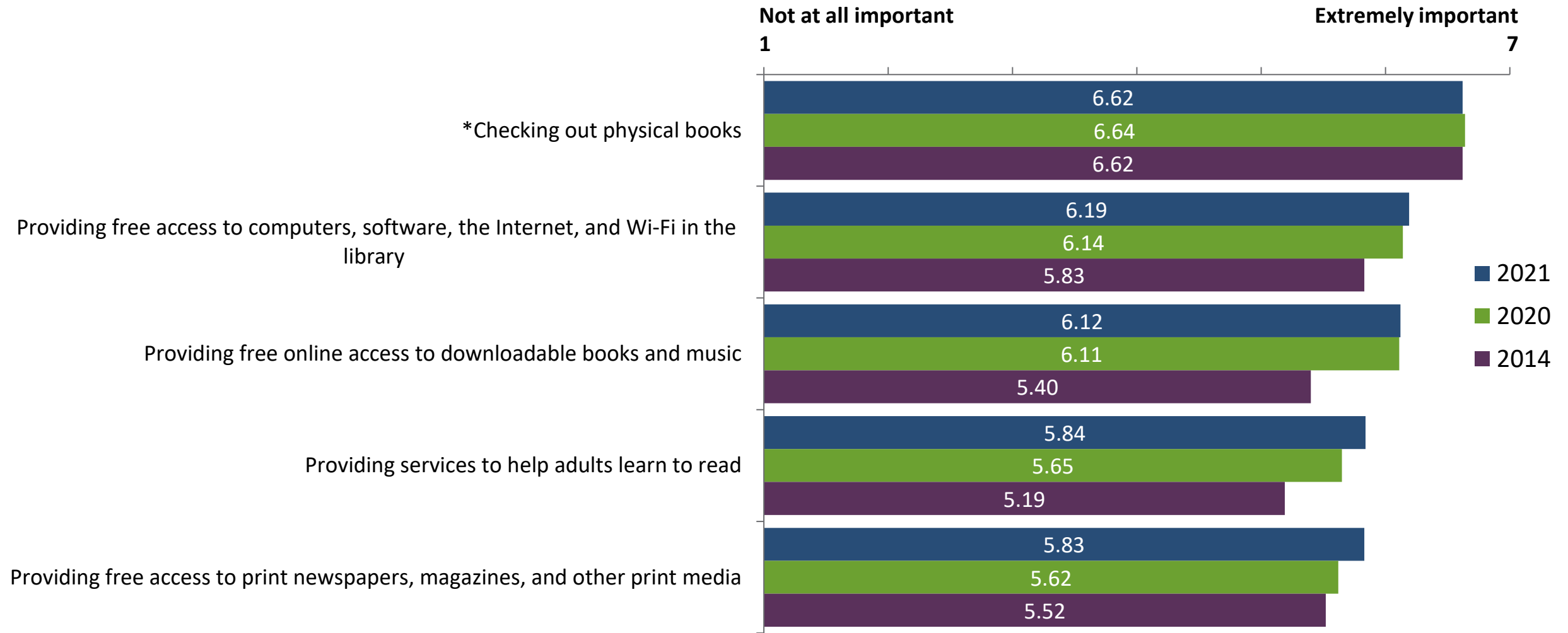


**Service Importance**



# Service Component Importance Over Time

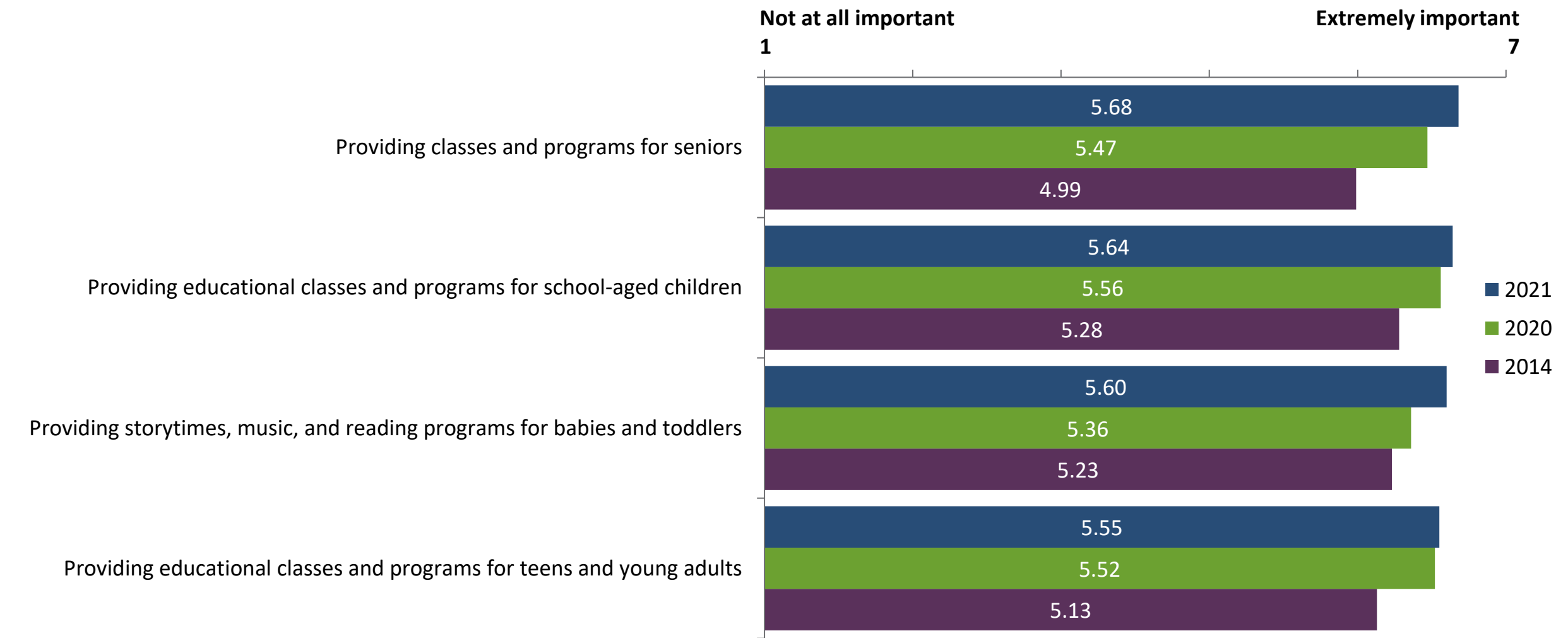
Importance ratings for computers and wi-fi, as well as downloadable items, saw a large increase from 2014.



\*“Physical” added to question text in 2021 to reflect current services

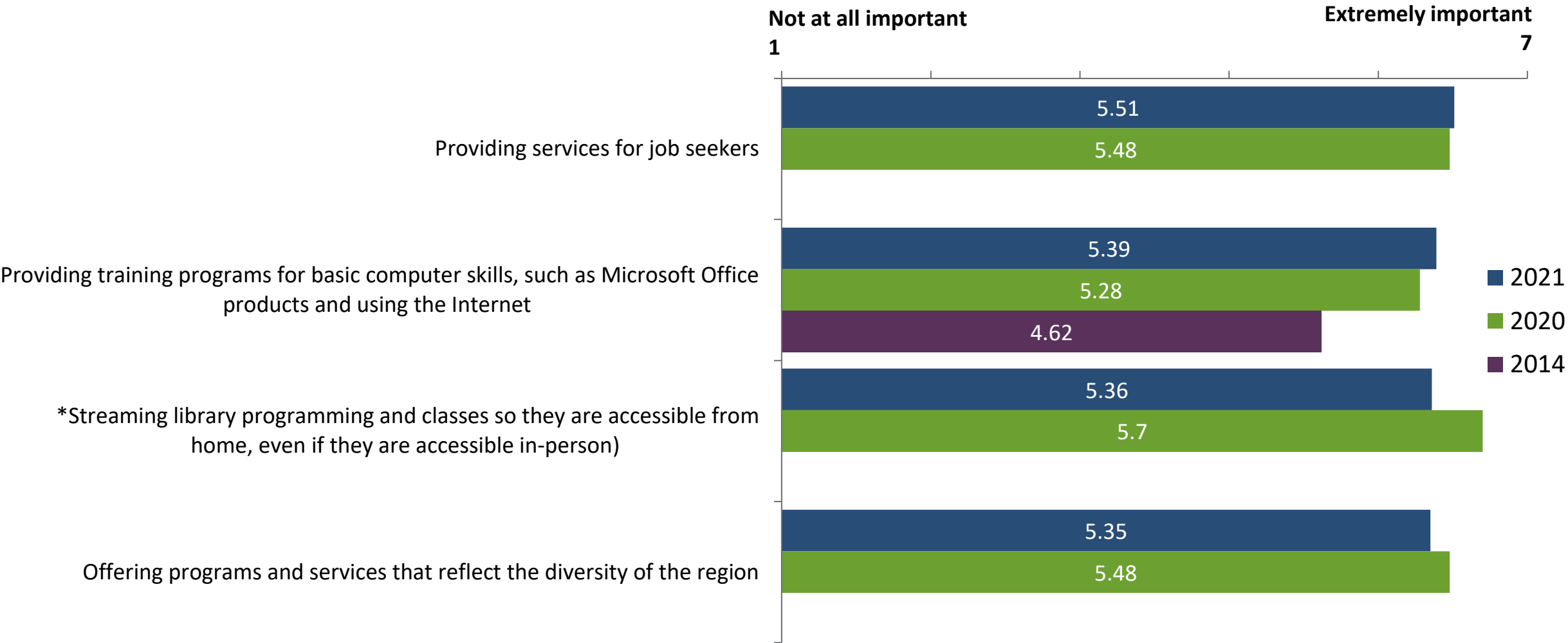
# Service Component Importance Over Time

*Programs aimed at babies and seniors saw the largest jump in mean.*



# Service Component Importance Over Time

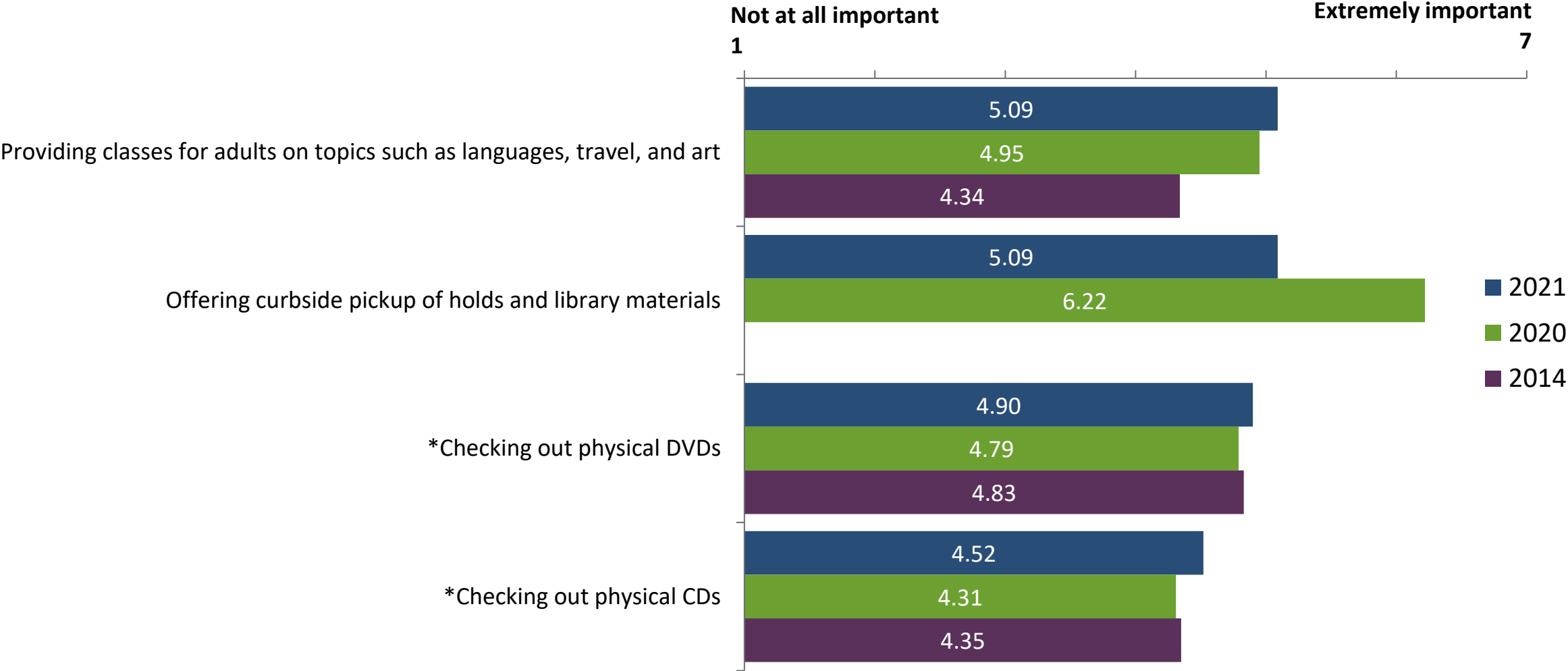
*Providing training programs for basic computer skills has increased in importance.*



*\*In 2020, question text was, “Streaming library programming and classes so they are accessible from home”.*

# Service Component Importance Over Time

*Offering curbside pickup has fallen in importance.*



*\*“Physical” added to question text in 2021 to reflect current services*

# Service Importance By Home Library Branch

	SMCL Overall	ATH	BEL	BRI	EPA	FOS	HMB	MIL	NFO	PAC SNZ	PAC SHP	PVL	SCL	WDS
Checking out physical books	6.62													
Having library buildings open to the public for in-person services	6.30													
Providing free access to computers, software, Internet, Wi-Fi in the library	6.19													
Providing free online access to downloadable books and music	6.12													
Providing services to help adults learn to read	5.84													
Providing free access to print newspapers, magazines, and other print media	5.83													
Providing classes and programs for seniors	5.68													
Providing educational classes and programs for school-aged children	5.64													
Providing storytimes, music, and reading programs for babies and toddlers	5.60													
Expanding services, resources for school-age children...pandemic-related issues	5.60													
Providing educational classes and programs for teens and young adults	5.55													
Providing services for job seekers	5.51													
Providing training programs for basic computer skills	5.39													
Streaming library programming and classes so they are accessible from home	5.36													
Offering programs and services that reflect the diversity of the region	5.35													
Providing reservable meeting and study rooms	5.19													
Offering curbside pickup of holds and library materials	5.09													
Providing classes for adults on topics such as languages, travel, and art	5.09													
Checking out electronic equipment	5.03													
Providing classes for adults on home and garden topics	4.91													
Checking out physical DVDs	4.90													
Providing access to specialty equipment	4.68													
Checking out physical CDs	4.52													

Highest Importance



Lowest Importance

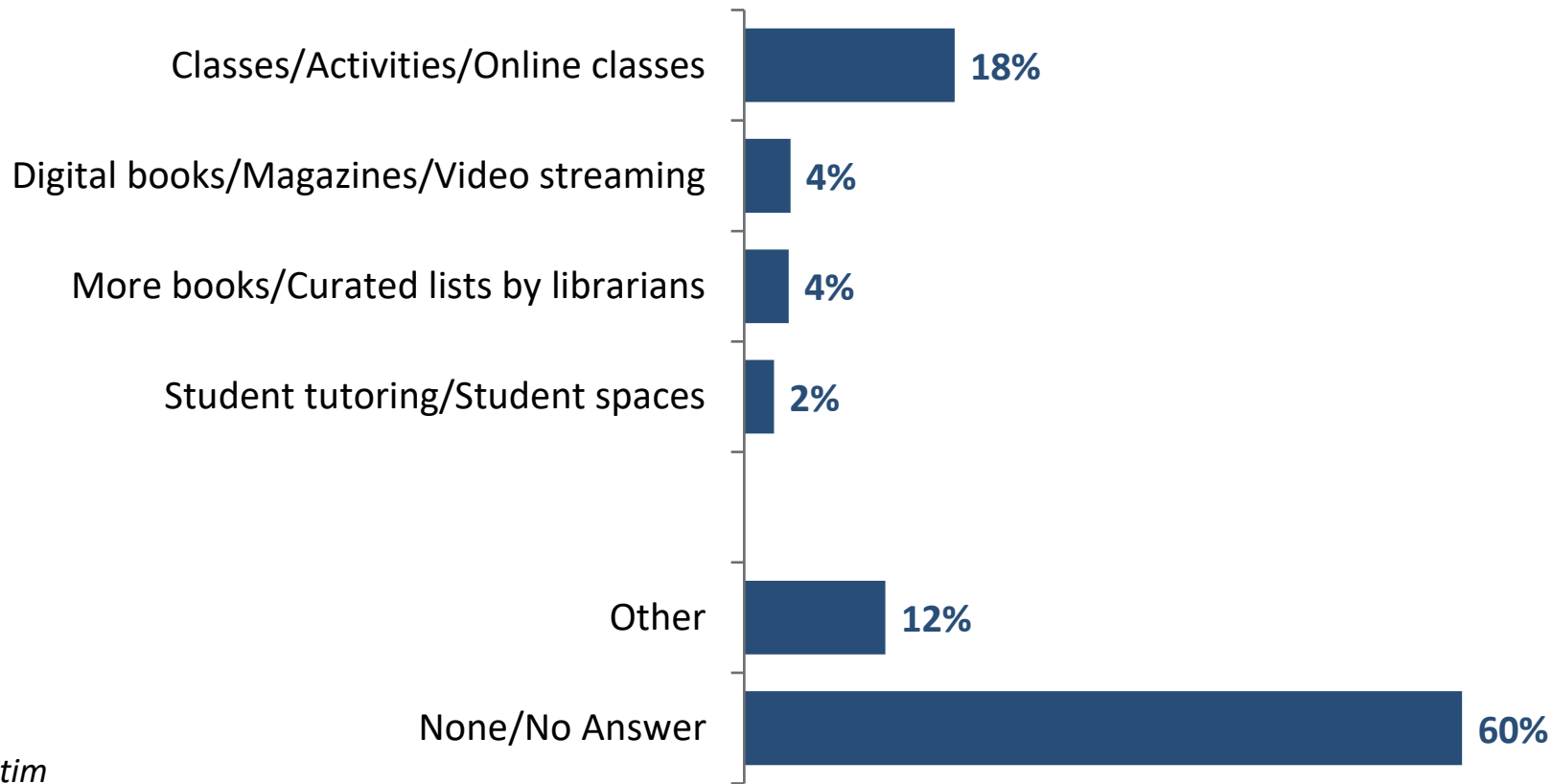
Q31-Q53. The following is a list of services that the San Mateo County Libraries offer. For each one, indicate how important you think this service is.

(1-7 scale: Not at all important to very important.)

# Additional Services

*A majority of respondents offered no suggestions; those that did suggested programs or online classes.*

***Besides those presented in this survey, what other programs or services could San Mateo County Library offer that would***

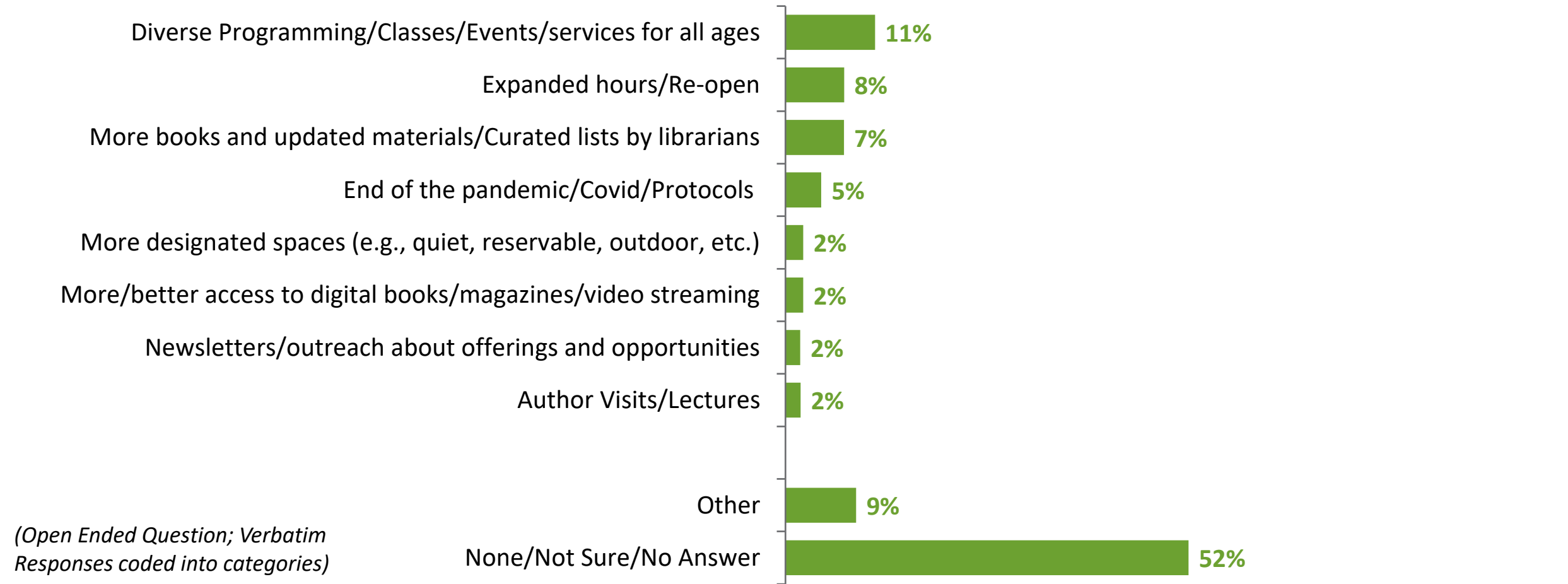


*(Open Ended Question; Verbatim Responses coded into categories)*

# Suggestions For Engagement With SMCL

*Suggestions for increasing engagement are varied, with diverse programming the top-of-mind suggestion.*

***What, if anything, would make you feel more engaged with San Mateo County Libraries, or make you visit more often?***



*(Open Ended Question; Verbatim Responses coded into categories)*



Tom Patras  
tom@EMCresearch.com  
614.827.9677

Kevin White  
kwhite@emcresearch.com  
206.204.8033





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To: JPA Governing Board  
From: Anne-Marie Despain, Director of Library Services  
Lindsey Freeland, Financial Services Manager  
Date: February 1, 2022  
Meeting: February 7, 2022  
Re: FY 2021-22 Mid-Year Financial Report

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## Background

The FY 2021-22 Mid-Year Financial Report provides the Operations Committee and Governing Board with information about the status of the financial condition of San Mateo County Libraries for the current year. The report includes year-end estimates, and based on current indicators, budget development recommendations for FY 2022-23.

## Discussion

The FY 2021-22 Adopted Budget, approved in September 2021, totals \$72,053,116 and distributes resources designed to meet performance and service objectives. Expenditures in the budget contain all operational functions including ongoing operations and one-time projects totaling \$44.9 million and Reserves of \$27.2 million. Due to the leadership provided by the JPA Governing Board and Operations Committee and sound fiscal stewardship, the Library's financial condition continues to be strong.

### Current Year Financial Status

Using historical trends, projections, and actual activity in the current fiscal year, the Library is estimated to realize 108% of projected revenue and spend 94% of budgeted expenditures. The change in revenue of \$3,227,313 is primarily due to realized distributions of Excess ERAF, which exceed budgeted amounts.

Expenditure savings are estimated to be \$2,632,725 primarily attributed to savings in services and supplies and fixed assets due to COVID-19 and supply chain impacts to project and purchasing timelines. Modest salary and benefit savings is also anticipated due to vacancies and the delay in returning to pre-pandemic hours.

The FY 2021-22 Adopted Budget anticipated \$27.2 million in Reserves to carry over to FY 2022-23 Fund Balance. At Mid-Year, we now estimate a Year-End Fund Balance of \$33,012,318, representing excess revenue, expenditure savings, and budgeted Reserves.

The following table provides a breakdown of projected year-end revenues and expenditures.

### FY 2021-22 Mid-Year Estimate Summary

	<b>FY 2021-22 Adopted Budget</b>	<b>FY 2021-22 Year-End Estimate</b>	<b>FY 2021-22 Year-End Variance</b>	<b>% of Budget Realized/ Spent</b>
<b>Revenues</b>				
Taxes	36,100,144	39,178,243	3,078,099	109%
Use of Money and Property	395,542	395,542	0	100%
Intergovernmental Revenue	178,000	258,064	80,064	145%
Charges for Services	24,000	32,288	8,288	135%
Interfund Revenue	466,853	466,853	0	100%
Miscellaneous Revenue	1,012,332	1,073,194	60,862	106%
<b>Total Revenue</b>	<b>38,176,871</b>	<b>41,404,184</b>	<b>3,227,313</b>	<b>108%</b>
Fund Balance	33,876,245	33,876,245	0	
<b>Total Sources</b>	<b>72,053,116</b>	<b>75,280,429</b>	<b>3,227,313</b>	
<b>Expenditures</b>				
Salaries and Benefits	21,923,337	21,104,068	819,269	96%
Services and Supplies	17,636,402	16,097,946	1,538,456	91%
Other Charges	3,618,604	3,618,604	0	100%
Fixed Assets	1,691,506	1,416,506	275,000	84%
Other Financing Uses	30,987	30,987	0	100%
<b>Net Appropriations</b>	<b>44,900,836</b>	<b>42,268,111</b>	<b>2,632,725</b>	<b>94%</b>
Operating Reserves	4,464,763	4,464,763	0	
Capital Reserves	22,687,517	22,687,517	0	
<b>Total Reserves</b>	<b>27,152,280</b>	<b>27,152,280</b>	<b>0</b>	
<b>Total Requirements</b>	<b>72,053,116</b>	<b>69,420,391</b>	<b>2,632,725</b>	

**FY 2021-22 Year-End Fund Balance Estimate:** **33,012,318**  
(FY 2021-22 Budgeted Reserves + Estimated FY 2021-22 Year-End Variance)

The County's Open Data Portal ([checkbook.smcgov.org](http://checkbook.smcgov.org)) continues to provide an easily accessible view of library expenditures and activity data to both the public and policymakers and a list of invoices and contracts with a total amount of \$50,000 or more that were paid or executed between July 1, 2021 and December 31, 2021 is provided as an attachment.

### FY 2022-23 Budget Assumptions

December marks the point at which we begin to evaluate current trends and conditions which may affect the development of the budget. The most significant factors which influence Library operations include property tax revenues and personnel costs. The following revenue and expenditure assumptions are based on current economic indicators, historical trends, negotiated agreements and potential legislative changes which may influence development of the budget. Significant sources of revenue are addressed followed by a summary of major operating costs.

### **Revenue Assumptions**

#### County Free Library Property Taxes

Property tax revenues are the Library's primary source of funding. Designated as a special district, the system is entitled to receive a small portion of the property tax collected within the boundaries of the Library service area. Approximately 284,000 people live within the boundaries of the Library's legal taxing district, which covers 351 square miles.

Secured property tax revenues (taxes assessed against real property) are expected to increase 4% in FY 2022-23. Unsecured property taxes (taxes on aircraft and commercial equipment largely generated from businesses at San Francisco International Airport) are expected to be budgeted at similar levels as FY 2021-22.

#### Excess Educational Revenue Augmentation Fund (ERAF)

Pursuant to Revenue and Taxation Code 97.2 and 97.3, property tax contributions made by local governments to the ERAF in excess of State-mandated school funding levels are returned to the local governmental entity that made the contribution. Due to the potential unpredictability of this funding, the JPA Governing Board has authorized the use of excess ERAF for one-time expenditures. Amounts not appropriated for one-time purposes are set aside in Reserves.

Next year we anticipate budgeting ERAF at approximately \$5 million. State mandated changes to the County Excess ERAF calculation have not yet resulted in decreases to our distribution and our Excess ERAF amount is expected to increase in FY 2022-23. Factors which could influence the continuation and/or level of funding include State mandated changes to school funding formulas or the State utilizing these funds for other purposes.

#### Measure K

Measure A, a half-cent sales tax designed to support general county services and functions, was approved by voters in November 2012. Measure K, approved by the voters in November 2016, extended the half-cent sales tax for an additional 20 years. The Library is expected to continue to receive an allocation of Measure K funds of approximately \$1.5 million to support Summer Learning and Big Lift Inspiring Summers in FY 2022-23.

### Redwood City Contribution for North Fair Oaks

As established in the Library JPA agreement with Redwood City for the North Fair Oaks Library, the Library will start to receive a \$400,000 contribution from Redwood City in FY 2022-23. As outlined in the agreement, that amount will be adjusted in future years based on San Francisco Bay Area CPI as of December 1 of the previous year.

## **Expenditure Assumptions**

### Salaries and Benefits

At Mid-Year FY 2021-22, the Library estimates that it will spend \$21,104,068 for salaries and benefits. Salaries and benefits represent the most significant ongoing operational cost for the Library. The Library currently has 135 permanent positions.

All library staff are employees of the County of San Mateo. All non-management regular and extra-help employees are represented by SEIU Local 521, the County's second largest union. No estimate is available for increases in FY 2022-23 until a new labor contract is completed. The County is currently engaged in extended negotiations with SEIU, as the last agreement expired in October 2021.

In addition, in November 2021, the JPA Governing Board and Operations Committee approved a recommendation to restore pre-pandemic hours and an expansion of hours pilot when safe to do so in the second half of the current fiscal year. Once implemented, new service hours will be evaluated for inclusion in the FY 2022-23 budget to accommodate a continuation of expanded hours.

### Services and Supplies

The Library will continue to restrict the use of County Free Library revenue as outlined in the Second Amended JPA Agreement. Preliminary estimates for FY 2022-23 would require that amounts of approximately \$2.4 million be set aside and withheld from general operations. The JPA Agreement includes a provision to split excess funds 50%-50% between the Library JPA and member city starting in the fiscal year following the completion and opening of the new Atherton Library. Since the Atherton Library will be completed this year, in FY 2022-23, these excess funds, after deduction of any activities approved by the Governing Board for library related expenditures within a member city, shall be split equally between the Library JPA and the member city to which the funds are attributable. Costs associated with support provided by the Peninsula Library System, including delivery, management of the shared online library catalog, and costs related to databases and maintenance agreements, are estimated at \$1.5 million.

### Other Charges

County service charges for human resources, IT, accounting, facilities, and vehicles are anticipated to increase next fiscal year by 1%. The contribution to Daly City for services provided on behalf of residents of unincorporated Broadmoor and Colma is estimated at \$350,000.

## **Library Reserves**

The Library utilizes Reserves it has built up over time, primarily through the accumulation of excess ERAF, to support significant one-time projects, often in response to changes and service innovations made in the industry and community needs. Based on service priorities and past direction from the JPA Governing Board, the FY 2022-23 Recommended Budget will continue to include proposals in the range of \$3-5 million annually to support one-time purchases and projects for literacy efforts, collection enhancements, technology advancements, major system projects and costs associated with interior furnishings and equipment due to decisions made by member cities to build and/or remodel library facilities.

## **FY 2022-23 Budget Development Recommendations**

Staff recommends moving forward with development of the FY 2022-23 Budget based on the following recommendations:

- Continue to operate at existing levels based on projected property tax revenue which is anticipated to roughly offset the anticipated increases in ongoing personnel costs.
- Strategically use Excess ERAF and Reserves to advance priorities, innovate, and support exceptional service.
- Place an emphasis on developing services and programs that support and align with Strategic Plan goals and annual priorities.

The Library looks forward to making progress on our current year priorities and working with the JPA Governing Board and Operations Committee to establish ambitious goals for FY 2022-23.

## **Fiscal Impact**

There is no fiscal impact associated with accepting this report. JPA Operations Committee and Governing Board input and direction will be used to prepare the FY 2022-23 Budget.

## **Recommendation**

Recommend Library JPA Governing Board accept the report and direct staff to move forward with development of the FY 2022-23 Budget. Operations Committee members present at the February 1, 2022 meeting concurred with this recommendation.

## **Attachment**

FY 2021-22 Invoices and Contracts Over \$50,000

## FY 2020-21 Invoices and Contracts Over \$50,000

Vendor	Amount	Description
<b>Invoices:</b>		
Coordinated Resources Inc.	61,596	Atherton Library furniture
Dell Technologies	57,716	Annual computer replacements
Kanopy, Inc.	60,000	Annual streaming video license
Ross McDonald Co., Inc.	137,976	Atherton and Brisbane Library shelving
Zoom	147,973	Zoom meeting licenses and phone system
<b>Contracts:</b>		
Brad Cox, Architect, Inc.	79,790	Foster City Library makerspace contract
Lakeshore Learning	100,000	Programming supplies and educational materials (2-year contract)
Phoenix Motorcars	300,000	Makermobile contract
RAFT	50,000	Programming supplies and other educational materials (2-year contract)
Sustainable Future Outdoor Academy	59,625	Field trips for elementary and middle school students
Velofix	54,600	Book-A-Bike maintenance contract



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To: JPA Governing Board  
From: Anne-Marie Despain, Director of Library Services  
Date: February 1, 2022  
Meeting: February 7, 2022  
Re: Director's Report

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This report summarizes significant library operations and program activities that have occurred since the last meeting of the Governing Board. Services and activities are aligned with our Strategic Plan Goals.

**We understand community needs and promote meaningful library services as solutions.**

2021 was another year of profound change for our communities. From the moment we were able to reopen our libraries, we focused our efforts on deepening community connections and providing boundless opportunities for exploration. It was a proud moment for us to end the year being named a [5-Star Library](#). Library Journal announced the [list of Star Libraries](#) in



December and out of 5,608 qualifying public library systems, 85 were awarded 5 stars, the highest honor on the list. San Mateo County Libraries received the top score of the three libraries from California. Ratings are based on how the public uses their library and is a testament to our community's steadfast support. 2022 will bring new opportunities for growth, and we can't wait to continue our transformative work and expand our services.

Top Circulating Titles

Our 2021 top circulating titles show the diversity of collections currently trending in our communities. The top circulating titles for adult collections show that 63% are fiction and 37% are non-fiction. The highest circulating titles include Taylor Jenkins Reid's [Malibu Rising](#), Kate Quinn's [The Rose Code](#), Stephen King's [Later](#), Sam Sifton's [No-recipe Recipes](#), Robert Kolker's [Hidden Valley Road](#), and Isabel Wilkerson's [The Warmth of Other Suns](#).

Phonic books topped the charts for the most circulated children's titles. The popularity of *Peppa Pig*, *Transformers Rescue Bots*, and *Pete the Cat* remained consistent for the latter half of 2021. Additional popular titles for youth include Raina Telgemeier's [Guts](#), Victoria Jamieson's [When Stars Are Scattered](#), and James Dean's [Pete the Cat and the Cool Caterpillar](#).



### Operations Update and New Service Hours

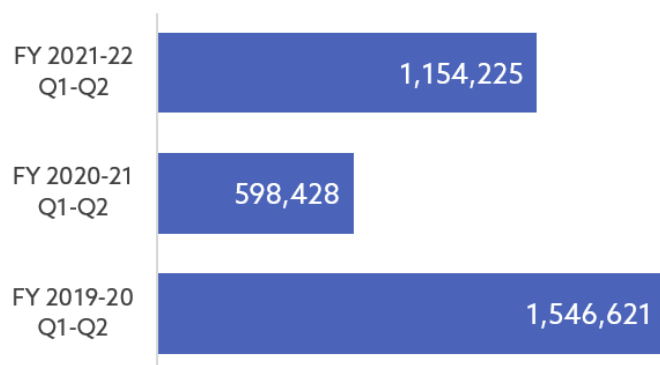
The winter COVID-19 surge is affecting all of our communities as we've seen the highest number of positive cases being reported in the County. In response to evolving conditions, the rapid spread of the omicron variant, and input and guidance from stakeholders, we have delayed our timeline for expanding library hours and indoor programming.

To provide a safe library environment we will continue to follow safety protocols including requiring proof of vaccines or testing for all employees, maintaining strict adherence to the mask mandate, observing social distancing in all indoor and outdoor spaces, and avoiding indoor group gatherings. So far, the impact on our libraries has been low due to the current precautions we have in place.



Circulation has increased 93% when comparing FYTD 2021-22 to FYTD 2020-21. As hours increase and COVID case decline, we project continued growth in library material circulation. We anticipate offering our new operating hours and resuming indoor programming as soon as we see a trend of decreased COVID-19 activity reestablished. We are disappointed to delay our plans but looking forward to being able to serve the public with additional services and hours very soon.

Circulation has Increased 93% Over Last Year



A recent patron comment included these kind words, "The pandemic has been so stifling on our household and the library has been such a beacon of support. Such a great inventory of books, friendly/helpful librarians, easy/efficient check-in/out and everything is so easy to find and manage on the library website too! It also feels safe in terms of COVID-prevention at the library when we do come in. We honestly don't know how we'd be coping without you all. My son says that checking out books from the library has been his favorite part of the pandemic."



**We are leaders in establishing a foundation for early literacy and supporting exploration and growth at every stage of life.**



### Together Outdoors

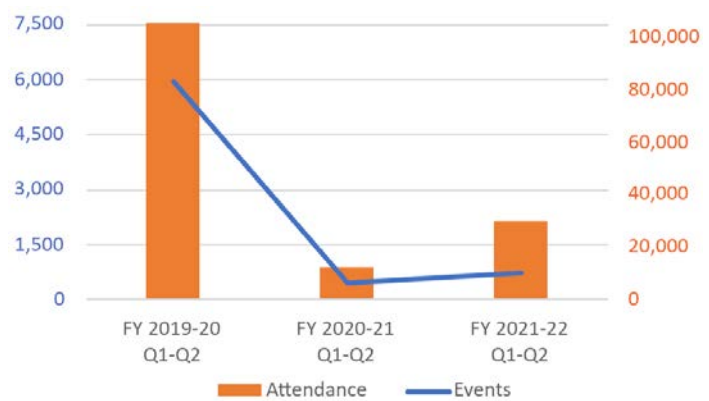
In September we relaunched in-person programs outdoors to increase options for our community members and bring back highly anticipated offerings. Outdoor storytimes in English, Spanish, and Mandarin are offered weekly at libraries and community parks and are an exciting mix of toddler, preschool, family, and musical experiences. More than 6,800 children and families have attended our storytimes throughout the county.

Virtual programming continues with choices that include our monthly Live Virtual Family and Baby Storytimes. Families can access our pre-recorded storytime content at any time through our YouTube channel while we all eagerly look forward to resuming indoor storytimes as soon as local conditions allow.

In October, our libraries debuted a new monthly series designed around the principles of STEAM.

Participants created bath fizzers, made basic light-up circuits, and designed their own unique door latches. These exciting in-person experience engaged over 600 local 2nd-5th graders in exploring science, technology, engineering, art, and mathematics.

**Attendance Rebounds 146% as we Strategically Bring Back Programming**



### Sustainability Field Trips

This fall, our work with nonprofit Sustainable Future Outdoor Academy allowed us to offer a series of enriching field trips for middle school students from East Palo Alto, Millbrae, North Fair Oaks, and San Carlos.

Over the course of 9 weeks, 75 youth from over twelve middle schools engaged in meaningful outdoor experiences in beautiful San Mateo County locations and away from screens to get hands-on with sustainability. 39% of the participants were from Millbrae, 39% were from San Carlos, 10% were from East Palo Alto and 12% were from North Fair Oaks.

One student's mother was very appreciative and grateful for the opportunity – she shared a lot of positive feedback and expressed her desire for the library to offer more programs like this. Students left the field trips with a strong understanding of our food cycle, the hard work that goes into



harvesting the food we eat, and the importance of having a sustainable approach to our daily lives. This important work develops a new generation to lead us into a greener future.

#### The Big Lift Inspiring Summers Outcomes

Two recent reports highlight the success of Inspiring Summers and the meaningful outcomes we have been able to support in partnership with the County of San Mateo, San Mateo County Office of Education, and our local school districts.

The Big Lift Evaluation: [Research Findings Five Years In:](#) this study was undertaken by RAND Education and Labor, and is the fifth in its multiphase, independent evaluation of The Big Lift. The study revealed – for the first time – a statistically significant gain for children who attended both The Big Lift preschool and summer learning programs, demonstrating the positive effects of combining multiple approaches.

The Big Lift: [5 Years of Learning Gains report:](#) this Sperling Center Research Institute report incorporates key program evaluation findings and outcomes from 2016 to the present and focuses on 2021 outcomes. In 2021, Inspiring Summers demonstrated strong positive academic gains in literacy and math assessments across the overall initiative, as well as at the district and school site level. Youth, on average, gained between 1.5 months in literacy and half a month in math. The literacy gain is equal to our highest gains in the history of the program, remarkably achieved in a pandemic context.





### Library Outreach Highlights

We are an active presence in our communities, working with local partners to support and promote library resources. Highlights of recent outreach activities include:

- Hosting virtual, schoolwide author visits including Victoria Jamieson and Omar Mohamed, the authors of *When Stars are Scattered*. More than 7,000 students all over San Mateo County were able to attend these visits and engage in conversation with acclaimed and accomplished authors.
- Participating in San Carlos Parks & Recreation's Goblin Walk, where we distributed books, maker and craft kits, and shared information about library hours and services with 500 people. We also attended San Carlos' Night of Holiday lights, where we met 900 more people to share library resources with.
- Providing book giveaways in partnership with Second Harvest Food Bank in North Fair Oaks. 250 books were given to attendees picking up free meals.
- Hosting a Makers Marketplace with book distribution, a 3D Printer Lab, and a Fix-It Clinic as part of Half Moon Bay's Make It Main Street where 65 visitors had the opportunity to learn something new about their library and its services.

**We cultivate an active presence and create spaces that support discovery, enrich lives, and uplift the community.**

### Atherton Library Project

After three years of service in the modular unit space, the doors finally closed at the Temporary Atherton Library on Saturday, December 4. The modular unit will be removed from the site to allow construction crews to continue landscaping the campus – paving the way to our new library. The library collection is circulating through mail outs until the new building is ready for us to move in sometime in February.

Construction on new Atherton Library is progressing beautifully, the flooring is complete, and shelving will be installed over the next few weeks. Work will soon begin planning an Atherton grand-opening celebration in Spring 2022.



### East Palo Alto Library Project

At the December 7 East Palo Alto City Council meeting, Council approved moving forward with a purchase and sales agreement of the land adjacent to the EPACenter Arts building for a new library. The proposed location of the new library at this site gets us one step closer to seeing the conceptual plans become a reality! The two facilities were designed in a way to provide the community with an educational hub where residents would access services and complementary common areas offered by both EPACenter Arts and a library. There will be a 90-day process for this sale to go through with the anticipated acquisition to be completed in Summer 2022.

### New Face of Library Makerspaces Charter

We are proud to announce that we have been selected to be a Charter Member of the New Face of Library Makerspaces Collective. 31 libraries from around the country applied for this opportunity presented by Makers in the Library, and after an application and interview process, San Mateo County Libraries and six other libraries were selected to lead as the Collective's Charter Members.

Charter Members are distinguished by having adapted maker activities during the pandemic and by their ability to serve as leaders to other libraries pursuing makerspaces.

By joining the Collective, San Mateo County Libraries will explore, share, and grow together with Collective members and other libraries across the nation in the area of making. Supported through funding from the Institute of Museum and Library Services, the duration of the Collective will last for approximately two years. We truly believe that *Everyone is a Maker* and San Mateo County Libraries is a leader in the field of making.



### Makermobile Update

After some delays due to the supply chain and the pandemic, the building and fabrication of our Makermobile is once again on the move! After a long wait, we were recently informed that our Makermobile chassis has been delivered and is ready to be converted into a zero-emission, all electric Makermobile. Before electrification of the chassis, the body of the vehicle will undergo a custom build and fabrication process to turn it into our first mobile makerspace.

The Makermobile will bring a diverse array of maker activities to libraries and community destinations in order to encourage making, ignite a growth mindset through trial and error process, create transformative experiences, and teach timeless skills like problem solving, critical thinking, design thinking, creativity, and curiosity.

### Equity Initiatives Updates

Our Equity through Art Series, in partnership with the County's Equity Office, has looked at various communities of color facing inequities in San Mateo County through the lens of art. The most recent event focused on the [LatinX experience on the coast side](#).

San Mateo County Libraries was chosen to participate as part of a select cohort among leading libraries throughout the US and Canada, to pilot and test new library benchmarks for anti-racism and digital equity and inclusion. The Urban Library Council's Edge 360 Pilot will help us assess our work and establish benchmarks to underscore the urgency of paying attention to and aligning priorities to build a stronger, more equitable library system. We are thrilled to be working closely with strong visionaries in the field to learn and collaborate in service of a more equitable and inclusive future.

### Grants and Fundraising

We recently received several grants to support our ongoing work. To support a Resource Access Program at North Fair Oaks Library to connect local community resources through local programs and dedicated services at the library, we received \$60,000 through the California State Library Services and Technology Act and Institute of Museum and Library Services. To create and support outdoor spaces at East Palo Alto Library and North Fair Oaks Library the Foundation received \$75,000 from Sunlight Giving and finally, the County extended our COVID-19 Outreach grant by \$20,000, for a total of \$70,000 to continue our work to reach out and keep community members informed about COVID resources and public health updates.

The Foundation for San Mateo County Libraries is also hosting [Home is Where the Heart is](#) for their annual winter fundraiser on February 5. Guests are invited to virtually join a one-hour program where you can create a charcuterie board, set intentions for your home, and learn about the impact of the libraries.

### Small Business First Policy

The JPA Governing Board approved the Library's Small Business (SB) First Policy in November 2021. Since approval, a new [procurement webpage](#) has been launched. This page provides information about general procurement and our SB policy, posts the certifications accepted under the SB policy, links to an outreach survey vendors can submit that are interested in providing goods or services to the Library, and links to any available formal RFP and RFQ opportunities.

In the coming months, we will be sending out a survey to vendors we have awarded procurements to in recent years to better understand who our vendors are and to help us identify California-based small businesses and disabled veteran business enterprises that we have used in the past. This information will also help us as we work to build an internal database of SB vendors with active certifications accepted under the new policy.

### Library Personnel News

We are excited to share the following personnel announcements:

Alex Chen has accepted the limited-term position of Data and Performance Management Analyst. Alex joins us from Change Research in Palo Alto. Alex has worked with public, private, and non-profit sectors in data analysis and data engineering. Alex holds a B.A. from Harvard College in Computer Science, with secondary in Ethnicity, Migration, and Rights.

Gina Feil has accepted the position as Senior Librarian at the Half Moon Bay Library. Gina joins us from the Menlo Park Library where she was a supervisor at the Belle Haven Branch Library and prior, a Teen Librarian at the Mitchell Park Library. Gina holds an MLIS from San Jose State University, and a bachelor's degree in Molecular, Cell, and Developmental Biology from UC Santa Cruz.

Michele Foley has accepted the limited-term position of Projects Management Analyst. Michele joins us from the City of Santa Cruz as the IT Projects Manager. Michele has worked in communications and project management since 2001 and has experience working in public and government sectors. Michelle holds a B.A. in English from Old Dominion University and holds certificates in Leadership Training, Project Management, and Business Process Analysis and Design.

Caila Parodi has accepted the limited-term position of The Big Lift Inspiring Summers Management Analyst. Caila joins us from the Boys & Girls Clubs of the Peninsula where she served as the Programs Operations Manager and Associate Director. She has experience providing oversight, guidance, and leadership to summer and out of school time programs. Caila holds a B.A. in Social Science from Westmont College in Santa Barbara.

Shawnte Santos has accepted the position of Senior Librarian in Youth and Family Services. Shawnte joins us from the South San Francisco Library where she served as the Youth Services Manager. Shawnte was responsible for the development and delivery of both educational and recreational classes, workshops, and programming for all ages. Shawnte holds an MLIS from San Jose State University, and a bachelor's degree in Art History and Visual Culture.

Julie Smith has been promoted to Senior Librarian at the Belmont Library. Most recently Julie served as the Youth Services Librarian at the Half Moon Bay Library where she gained experience with youth services programming, collection development, and customer service. Julie holds an MLIS from San Jose State University, a Ph.D. in Pharmacy from UC San Francisco, and a bachelor's degree in Biochemistry from the University of Oregon.

Rex Viernes has accepted the position of Information Technology Technician. Rex joins us from Genentech where he worked as an Information Technology Services Coordinator supporting both clients and employees. Rex's excellent customer service focus was developed during his tenure with Trader Joe's. Rex holds an Associate in Arts Degree in General Studies and Social Science from Foothill College.

Welcome and congratulations to all of our Library Champions!