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**Joint Powers Authority Operations Committee**

George Rodericks, Atherton  
Afshin Oskoui, Belmont (Vice Chair)  
Christina Fernandez, Brisbane  
Melvin Gaines, East Palo Alto  
Stefan Chatwin, Foster City  
Matthew Chidester, Half Moon Bay

Hannah Moran, Millbrae  
Kevin Woodhouse, Pacifica (Chair)  
Corie Stocker-Pedalino, Portola Valley  
Crystal Mui, San Carlos  
Rocio Kiryczun, San Mateo County  
Jason Ledbetter, Woodside

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**San Mateo County Library Joint Powers Authority**

**Operations Committee Agenda**

**January 27, 2026, 1:30 p.m.**

**Library Administration, 125 Lessingia Court, San Mateo, CA**

Meetings of the Joint Powers Authority Operations Committee will be held **in-person at Library Administration, 125 Lessingia Court**. Members of the public are able to participate in the meeting in person or remotely via the Zoom platform by using the link below.

<https://SMCL.zoom.us/j/92379875376?pwd=Uab5tMSwG3Vg1QKFQaLyk7IUI9HEbi.1>

Or Telephone: +1 669 900 6833 Meeting ID: 923 7987 5376 Passcode: 724627

Members of the public may email written public comments in advance of the meeting to Chelsea Quintanilla at [quintanillac@smcl.org](mailto:quintanillac@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. 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.

In compliance with Title II of the Americans with Disabilities Act, the County will provide reasonable accommodations for persons with disabilities. If possible, please give three (3) business days advance notice of any accommodation needs by contacting Chelsea Quintanilla at [quintanillac@smcl.org](mailto:quintanillac@smcl.org) or call the California Relay Service (711).

If you believe the County has not met your rights under Title II of the Americans with Disabilities Act, please contact Anne-Marie Despain at (650) 684-0711 and/or [despain@smcl.org](mailto:despain@smcl.org) or call the California Relay Service (711).

<b>I.</b>	<b>Call to Order</b>	Action
<b>II.</b>	<b>Public Comments</b>	Information
<b>III.</b>	<b>Consent Agenda</b>	Action
	<b>A. Approval of the October 21, 2025 Minutes</b>	
	<b>B. Unapproved Minutes of November 3, 2025 Governing Board Meeting</b>	
	<b>C. Financial Audit Report for FY 2024-25</b>	
<b>IV.</b>	<b>FY 2024-25 Mid-Year Report</b>	Action
<b>V.</b>	<b>Director's Report</b>	Information
<b>VI.</b>	<b>Election of Operations Committee Officers</b>	Action
<b>VII.</b>	<b>Operations Committee Members Announcements</b>	Information
<b>VIII.</b>	<b>Adjournment</b>	Action

**2026 Operations Committee Meetings: May 5, June 2, September 8, October 27**

**2026 Governing Board Meetings: February 3, May 11, June 8, September 14, November 9**



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San Mateo County Libraries Joint Powers Authority  
Operations Committee Meeting  
Minutes of October 21, 2025

Board Members Present:

George Rodericks, Atherton  
Afshin Oskoui, Belmont (Vice Chair)  
Melvin Gaines, East Palo Alto  
Stefan Chatwin, Foster City  
Matthew Chidester, Half Moon Bay  
Hannah Moran, Millbrae  
Kevin Woodhouse, Pacifica (Chair)  
Corie Stocker-Pedalino, Portola Valley  
Crystal Mui, San Carlos  
Justin Mates, San Mateo County  
Jason Ledbetter, Woodside

Staff Present:

Anne-Marie Despain  
Danae Ramirez  
Paniz Amirinasi  
Chelsea Quintanilla

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- I. Call to Order. The meeting was called to order at 1:30 p.m. by Chair Woodhouse.
- II. Public Comments. None.
- III. Consent Agenda. The Consent Agenda included the Approval of the September 9, 2025 Minutes, the Unapproved Minutes of the September 15 2025 Governing Board Meeting, and the San Carlos Makerspace Project.  
Motion: Approve the Consent Agenda without changes. Passed (MSP: Rodericks/Oskoui).
- IV. Approval of Library Policies. Director Despain presented two recommended policies for approval, including the renewal of the Conflict of Interest Policy, which remains unchanged since its last approval in November 2023. The Procurement Policy, last approved in November 2024, has been updated with minor changes.  
Motion: Approve the Conflict of Interest Policy and Procurement Policy. Passed (MSP: Oskoui/Gaines).
- V. Approval of Operations Committee Meeting Schedule for 2026. Director Despain presented the proposed 2026 Library JPA Meeting Schedule. Member Chidester noted a scheduling conflict, and members proposed an alternative day to hold the November Library JPA Operations Committee meeting. Members agreed to reschedule the meeting for October 27, 2026.  
Motion: Approve the Operations Committee Meeting Schedule for 2026 with one meeting change. Passed (MSP: Oskoui/Chidester).

- VI. Director's Report. Director Despain shared several highlights from the Director's Report, including the addition of blood pressure monitor kits for checkout in partnership with San Mateo County Health; the Board of Supervisors' recognition of Wellness Leaders Richard Moala and Amy Selmi; the 2026 Holiday Library Closure dates; and an update on Quarter 1 data. Member Afshin observed that the number of library visitors has not yet returned to pre-Covid levels, and members suggested this may be due to increased digital circulation. Chair Woodhouse asked whether the system-wide data reflects state or national trends. Director Despain responded that the Library participates in the annual surveys conducted by the California State Library and various national organizations, which indicate that comparable library systems are also experiencing high digital use alongside lower in-person visits.
- VII. Operations Committee Members Announcements. Chair Woodhouse announced his upcoming retirement in March 2026. Member Moran shared a great experience attending an art program at the Millbrae Library. Member Chidester inquired about the portable power now available at library locations and Deputy Director Ramirez shared that portable, mobile chargers are available for temporary power outages.
- VIII. Convene Closed Session: Public Employee Performance Evaluation Closed Session Pursuant to Government Code Section 54957 (Director of Library Services). No action was taken.
- IX. Adjournment. The meeting adjourned at 2:33 p.m.



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San Mateo County Libraries Joint Powers Authority  
Governing Board Meeting  
Minutes of November 3, 2025

Board Members Present:

Rick DeGolia, Atherton (Vice Chair)  
Julia Mates, Belmont (Chair)  
Frank Kern, Brisbane  
Mark Dinan, East Palo Alto  
Art Kiesel, Foster City  
Deborah Penrose, Half Moon Bay  
Reuben Holober, Millbrae  
Mary Bier, Pacifica  
Rebecca Flynn, Portola Valley  
Sara McDowell, San Carlos  
Lisa Gauthier, San Mateo County  
Dick Brown, Woodside

Staff Present:

Anne-Marie Despain  
Danae Ramirez  
Carine Risley  
Paniz Amirkasiri  
Mary Abler  
Chelsea Quintanilla

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- I. Call to Order. The meeting was called to order at 8:19 a.m. by Chair Mates.
- II. Public Comments. None.
- III. Approval of the September 15, 2025 Minutes.

Motion: Approve the September 15, 2025 Minutes without changes. Passed (MSP: Penrose/DeGolia)

- IV. Approval of Library Policies. Director Despain introduced the policies recommended for approval. The Conflict of Interest policy, last approved in November 2023, will be held for additional updates. The Procurement Policy, last approved in November 2024, has been updated with minor changes to align with the County Controller's Office requirements. Member Flynn inquired about the changes made for purchases under \$10,000. Interim Financial Services Manager Amirkasiri explained that with the implementation of the Controller's new invoice system (Coupa), a minimum of three quotes is required for all dollar amounts and a contract is required for recurring items. Member Kiesel asked whether County policies take precedence over Library policies. Director Despain explained that, as County employees, library staff are required to follow County policies; however, the Board has the authority to approve Library policies.

Motion: Approve the Procurement Policy. Passed (MSP: McDowell/Bier)

V. San Carlos Makerspace Project. Deputy Director Ramirez presented the San Carlos Makerspace Project, stating that the design phase had been completed and that the project was now moving into the construction phase. The makerspace project involves renovating a 1,000-square-foot space on the second floor of the library, which will include new resilient flooring, cabinetry, and furnishings. Member Penrose asked when construction would begin, to which Deputy Director Ramirez gave a brief overview of the project's next steps, including moving forward to the San Carlos City Council this month and the bid for the contractor in January. Member Flynn asked where the main costs originate, and Deputy Director Ramirez shared that the main expenses are derived from the electrical, plumbing, and design features, such as cabinetry and seating.

Motion: Accept the San Carlos Makerspace Project Report. Passed (MSP: DeGolia/Flynn).

VI. Approval of Governing Board Meeting Schedule for 2026. Director Despain presented the proposed 2026 Library JPA Meeting Schedule.

Motion: Approve the Governing Board Meeting Schedule for 2026. Passed (MSP: Penrose/Kiesel).

VII. Director's Report. Director Despain shared several highlights from the Director's Report, including the addition of blood pressure monitor kits for checkout in partnership with San Mateo County Health; the Board of Supervisors' recognition of Wellness Leaders Richard Moala and Amy Selmi; the 2026 Holiday Library Closure dates; and an update on Quarter 1 data. Personnel updates were also shared, including the appointment of new Community Library Managers and leadership transitions at the Half Moon Bay, San Carlos, and Pacifica Libraries.

Member Penrose inquired about the blood pressure monitor kits and staff preparedness in responding to patron results. Director Despain clarified that the blood monitor kits are intended for checkout and informational use only, to help patrons understand and monitor their general blood pressure range, and in the event of a medical emergency or health concern, standard emergency procedures would be followed.

VIII. Governing Board Members Announcements. Member Hober asked if there are services available to support those affected by the suspension of SNAP. Director Despain highlighted the free meals at the library programs and our long-standing partnership with Second Harvest. Deputy Director Risley shared that staff are monitoring program attendance at the participating libraries in Half Moon Bay, East Palo Alto, Brisbane, and North Fair Oaks.

IX. Convene Closed Session: Public Employee Performance Evaluation Closed Session Pursuant to Government Code Section 54957 (Director of Library Services). No action was taken.

X. Adjournment. The meeting adjourned at 9:37 a.m.



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To: JPA Operations Committee

From: Anne-Marie Despain, Director of Library Services   
Paniz Amirnasiri, Interim Director of Finance

Date: January 22, 2026

Meeting: January 27, 2026

Re: Financial Audit Report for FY 2024-25

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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, 2025. Attached are the 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, 2025.

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 or consensus.
- 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, 2025, 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, 2025, the Libraries' net position increased to \$54,735,992 from \$49,025,212 in 2024, as shown in the Governmental Funds Balance Sheet/Statement of Net Position on Page 12.
- Operating expenses increased by \$273,677, primarily due to negotiated salary increases, including the addition of nine new permanent positions, as well as the expansion of digital materials due to increases in demand.
- General revenues increased by \$1,442,936 principally from increases to secured property taxes, including Excess ERAF. Program revenues decreased by \$332,861 primarily due to completion of the Millbrae Library Makerspace and the higher loan repayment from the Town of Atherton in the previous year. This year's repayments and Friends of the Library donations are smaller in comparison.
- 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 Operations Committee accept the Financial Audit Report for FY 2024-25.

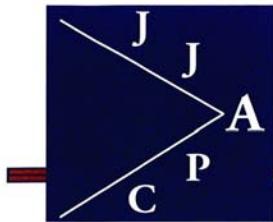
### **Attachments**

1. Communication with Those Charged with Governance and Communication of Internal Control Related Matters, June 30, 2025
2. Basic Financial Statements for the Year Ended June 30, 2025

**SAN MATEO COUNTY LIBRARY JPA**

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

**JUNE 30, 2025**



**JJACPA, Inc.**

A Professional Accounting Services Corp.

January 8, 2026

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, 2025, and have issued our report thereon dated January 8, 2026. 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 September 29, 2025, 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. As described in Note 8 to the financial statements, the San Mateo County Library changed accounting policies related to compensated absences by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 101, “*Compensated Absences*”, in 2024-2025. The implementation of this statement did not have an effect on the financial statements. 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 8, 2026.

### **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, 2025, 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.

**SAN MATEO COUNTY LIBRARY**  
**JOINT POWERS AUTHORITY**  
**BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2025**

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**San Mateo County Library Joint Powers Authority**  
**Basic Financial Statements**  
**For the year ended June 30, 2025**

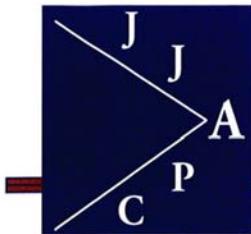
**Table of Contents**

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	<u>Page</u>
Independent Auditor's Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Governmental Funds Balance Sheet/Statement of Net Position .....	12
Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance/ Statement of Activities .....	13
Notes to Basic Financial Statements .....	14
Required Supplementary Information.....	27
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.....	28

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# JJACPA, Inc.

A Professional Accounting Services Corp.

## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Audit of the Financial Statements**

#### *Opinions*

We have audited the 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, 2025, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, 2025, 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.

#### *Basis for Opinions*

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

#### *Responsibilities of Management for the Financial Statements*

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3–11 and 26 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 8, 2026 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 8, 2026

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

# San Mateo County Library Joint Powers Authority

## Management's Discussion and Analysis, Continued

For the year ended June 30, 2025

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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, 2025. 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 12 and 13) and the footnotes (pages 15 - 25).

### Financial Highlights & Accomplishments

At June 30, 2025, the Library's net position increased to \$54,735,992 from \$49,025,212 in 2024, which includes additions of \$592,975 in capital assets, all shown in the Governmental Funds Balance Sheet/Statement of Net Position on Page 12. 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 13:

- Operating expenses increased by \$273,677, primarily due to negotiated salary increases, including the addition of nine new permanent positions, as well as the expansion of digital materials due to increases in demand.
- Program revenues decreased by \$332,861 primarily due to completion of the Millbrae Makerspace and the higher loan repayment from the Town of Atherton in the previous year. This year's repayments and Friends of the Library donations are smaller in comparison. General revenues increased by \$1,442,936 principally from increases to secured property taxes including Excess ERAF.

### FY 2024-25 Accomplishments

The fiscal year 2024-25 was marked with a number of significant accomplishments and system improvements reflecting the Library's values and priorities. Some of these include:

#### *Strategic Outreach*

- Completed the new 2025-2030 Strategic Plan through input from 3,500 community survey respondents, 195 staff participants, 30 stakeholder interviews and five focus groups. The plan reflects a shared vision to listen, connect, discover, and engage.
- Through a partnership with the San Francisco Giants and the Foundation for San Mateo County Libraries, hosted Library Night at Oracle Park, giving out 220 limited edition Giants-themed library cards to new and existing patrons.
- Between July 2024 and March 2025, logged 3,600 miles on outreach vehicles (Makermobile, Bookmobile and book vans), supporting 69 school stops, 143 community stops and 16 special events.
- Launched a multilingual advertising campaign that drew more than 30,000 visits to the Welcome webpage in three months.

# San Mateo County Library Joint Powers Authority

## Management's Discussion and Analysis, Continued

For the year ended June 30, 2025

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### Financial Highlights & Accomplishments – continued

#### *Imaginative Programs*

- Engaged 3,800 adults in 392 workshops, classes and field trips designed to support cognitive health and social engagement for the 55+ community.
- Launched My Summer Adventure, a learning initiative that invited residents to explore, learn and create through over 650 events.
- Welcomed over 1,500 community members to Adult Learning classes and workshops, including expanded English classes to unincorporated areas of the county and online.
- Added video games and consoles to library collections, with over 4,000 games checked out.
- Offered quarterly Fixit Clinics, inviting neighbors to bring in broken items for disassembly and repair.

#### *Transformative Spaces*

- Unveiled the first Library Outpost in Pacifica, offering 24/7 access to materials that are curated and refreshed regularly to reflect community interests, as well as outdoor seating and free WiFi.
- Temporarily closed the Belmont Library for a refresh including new interior and exterior painting, new flooring, upgraded shelving and furniture, and enhanced meeting room technology.
- Finalized plans for a new 6,500-square foot children's play garden at the Atherton Library, developed with the Town and Miller Company landscape architects.
- Completed design plans for a new makerspace on the second floor of San Carlos Library in partnership with the City and Friends of the San Carlos Library.
- Received City Council approval for the updated design and cost estimate of the new East Palo Alto Library.
- Upgraded technology in meeting spaces at all libraries, including updated interactive displays and microphones in large meeting rooms and new displays in small study rooms.

#### *Fostering Wellness*

- Introduced blood pressure monitor kits to the collection, available for checkout at all library locations.
- Partnered with local urban forestry nonprofit Canopy to bring hands-on, climate-focused events to our community, including bilingual gardening workshops, tree walks, climate justice presentations and listening sessions led by local environmental experts.

**San Mateo County Library Joint Powers Authority**  
**Management's Discussion and Analysis, Continued**  
**For the year ended June 30, 2025**

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**Financial Highlights & Accomplishments – continued**

*Fostering Wellness, continued*

- Welcomed 105 new volunteers and saw an increase in both total volunteer hours and active participants, with 461 volunteers contributing 17,123 hours of service between July 2024 and March 2025.
- Completed over 2,300 hours of training among staff, with nearly 200 staff joining the annual Staff Development Day to shape our Strategic Plan.
- Recognized as a Top Innovator by the Urban Libraries Council for efforts to prevent domestic abuse before it begins by partnering with Community Overcoming Relationship Abuse to deliver an eight-week program helping 250 families with young families build strong, healthy relationships.

# San Mateo County Library Joint Powers Authority

## Management's Discussion and Analysis, Continued

For the year ended June 30, 2025

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### 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

Net Position As of June 30, 2025 and 2024				
	2025	2024	Increase (Decrease)	Percent Change
<b>Assets:</b>				
Current assets	\$ 67,879,616	\$ 65,325,840	\$ 2,553,776	3.9%
Non-current assets	2,532,297	2,380,983	151,314	6.4%
Total assets	<u>70,411,913</u>	<u>67,706,823</u>	<u>2,705,090</u>	<u>4.0%</u>
<b>Liabilities</b>				
Current liabilities	14,986,423	18,016,378	(3,029,955)	-16.8%
Non-current liabilities	689,498	665,233	24,265	3.6%
<b>Total liabilities</b>	<u>15,675,921</u>	<u>18,681,611</u>	<u>(3,005,690)</u>	<u>-16.1%</u>
<b>Net position:</b>				
Net investment in capital assets	2,532,297	2,380,983	151,314	6.4%
Unrestricted	52,203,695	46,644,229	5,559,466	11.9%
<b>Total net position</b>	<u>\$ 54,735,992</u>	<u>\$ 49,025,212</u>	<u>\$ 5,710,780</u>	<u>11.6%</u>

This schedule is prepared from the Library's Statement of Net Position (page 12), which is presented on an accrual basis of accounting whereby assets are capitalized and depreciated.

Net position at June 30, 2025, increased to \$54,735,992 from \$49,025,212 primarily due to increases in secured property tax funds, including Excess ERAF as well as decreases in expenses tied to one-time purchases and projects. The Library had compensated absences of \$689,498 at year-end. Current liabilities are primarily due to restricted excess funds held by the Library.

# San Mateo County Library Joint Powers Authority

## Management's Discussion and Analysis, Continued

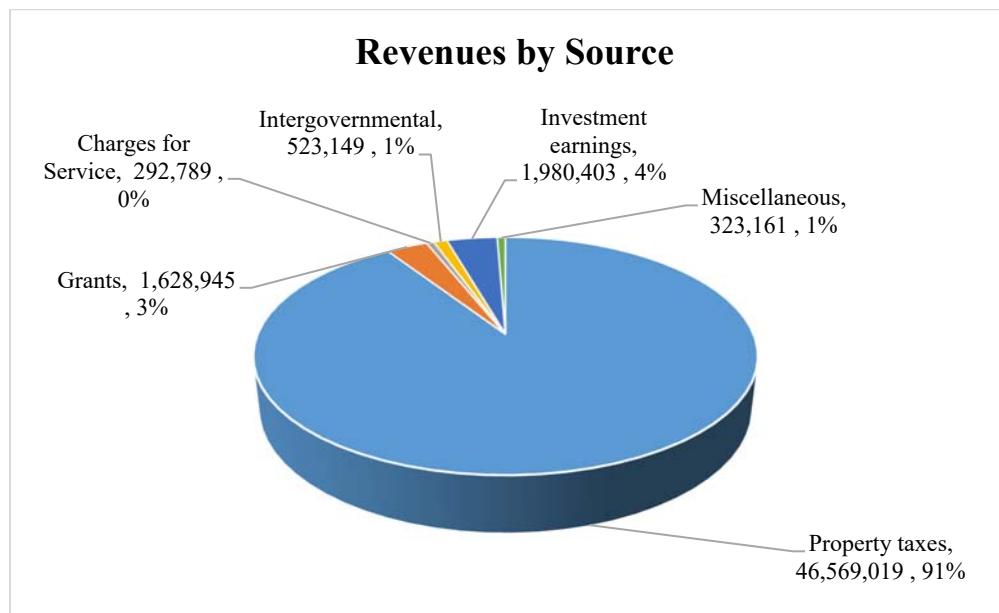
For the year ended June 30, 2025

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

	2025	2024	Increase (Decrease)	Percent Change
<b>Operating expenses</b>	\$ 45,606,686	\$ 45,333,009	\$ 273,677	0.6%
<b>Program revenue:</b>				
Intergovernmental	523,149	512,577	10,572	2.1%
Grants	1,628,945	1,983,609	(354,664)	-17.9%
Charges for services	292,789	281,558	11,231	4.0%
<b>Total program revenue</b>	<b>2,444,883</b>	<b>2,777,744</b>	<b>(332,861)</b>	<b>-12.0%</b>
<b>Net operating expenses</b>	<b>43,161,803</b>	<b>42,555,265</b>	<b>606,538</b>	<b>1.4%</b>
<b>General revenue:</b>				
Property taxes	46,569,019	45,429,637	1,139,382	2.5%
Investment earnings	1,980,403	1,618,877	361,526	22.3%
Miscellaneous	323,161	381,133	(57,972)	-15.2%
<b>Total general revenue</b>	<b>48,872,583</b>	<b>47,429,647</b>	<b>1,442,936</b>	<b>3.0%</b>
<b>Increase in net position</b>	<b>5,710,780</b>	<b>4,874,382</b>	<b>836,398</b>	<b>17.2%</b>
<b>Net position:</b>				
Beginning of the year	49,025,212	44,150,830	4,874,382	11.0%
End of the year	<b>\$ 54,735,992</b>	<b>\$ 49,025,212</b>	<b>\$ 5,710,780</b>	<b>11.6%</b>

Program revenues decreased by \$332,861 primarily due to completion of the Millbrae Makerspace and the higher loan repayment from the Town of Atherton in the previous year. This year's repayments and Friends of the Library donations are smaller in comparison as this was one-time funding. General revenues increased by \$1,442,936 principally from increases to secured property taxes including Excess ERAF.

The following is a graphic illustration of revenues by source for the year ended June 30, 2025:



# San Mateo County Library Joint Powers Authority

## Management's Discussion and Analysis, Continued

For the year ended June 30, 2025

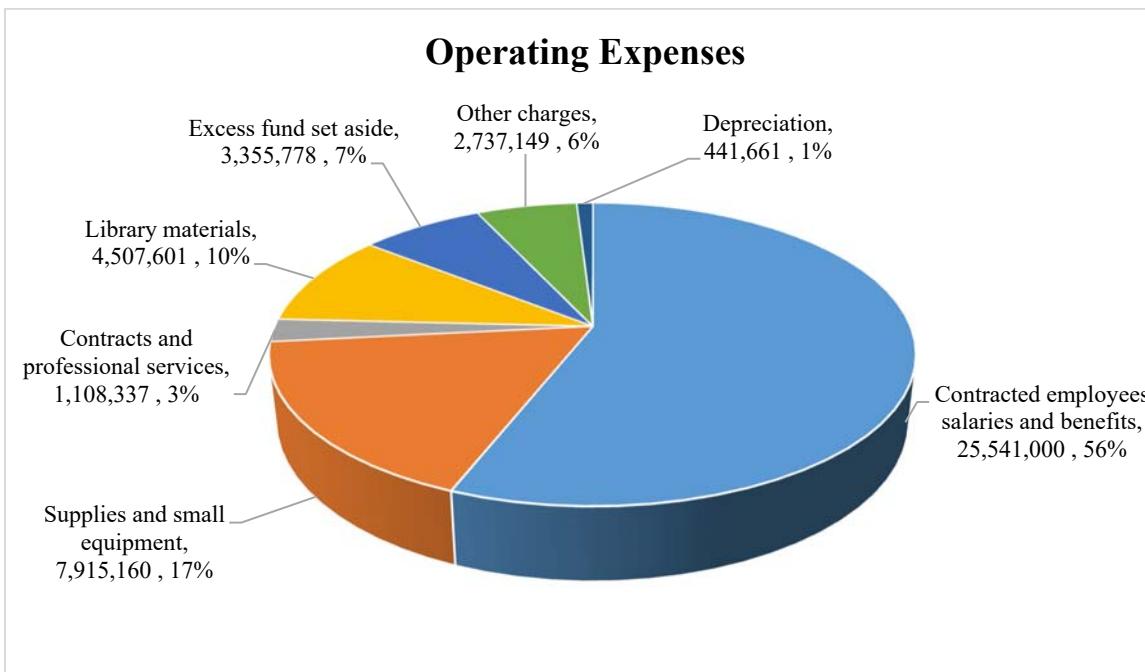
### Financial Analysis of the Library as a Whole – continued

#### Operating Expenses For the years ended June 30, 2025 and 2024

	2025	2024	Increase (Decrease)	Percent Change
<b>Operating expense:</b>				
Contracted employees salaries and benefits	\$ 25,541,000	\$ 23,310,081	\$ 2,230,919	9.6%
Supplies and small equipment	7,915,160	8,538,258	(623,098)	-7.3%
Contracts and professional services	1,108,337	962,715	145,622	15.1%
Library materials	4,507,601	3,962,969	544,632	13.7%
Excess fund set aside	3,355,778	3,749,487	(393,709)	-10.5%
Other charges	2,737,149	4,392,697	(1,655,548)	-37.7%
Depreciation	441,661	416,802	24,859	6.0%
<b>Total operating expenses</b>	<b>\$ 45,606,686</b>	<b>\$ 45,333,009</b>	<b>\$ 273,677</b>	<b>0.6%</b>
<b>Net investment in capital assets</b>	<b>\$ 2,532,297</b>	<b>\$ 2,380,983</b>	<b>\$ 151,314</b>	<b>6.4%</b>

Operating expenses increased by \$273,677, primarily due to negotiated salary increases, including the addition of nine new permanent positions, as well as the expansion of digital materials due to increases in demand.

The following is a graphic illustration of operating expenses for June 30, 2025:



**San Mateo County Library Joint Powers Authority**  
**Management's Discussion and Analysis, Continued**  
**For the year ended June 30, 2025**

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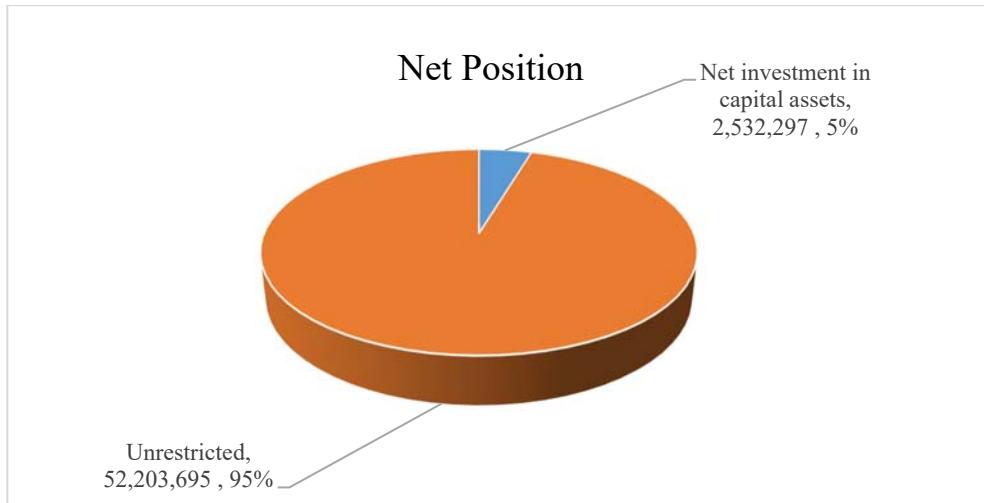
**Financial Analysis of the Library as a Whole – continued**

**Analysis of Net Position**  
**As of June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
<b>Net Position:</b>				
Net investment in capital assets	\$ 2,532,297	\$ 2,380,983	\$ 151,314	6.4%
Unrestricted	<u>52,203,695</u>	<u>46,644,229</u>	<u>5,559,466</u>	11.9%
<b>Total</b>	<b><u>\$ 54,735,992</u></b>	<b><u>\$ 49,025,212</u></b>	<b><u>\$ 5,710,780</u></b>	<b>11.6%</b>

The \$5,710,780 increase in net position is primarily due to increases in secured property taxes, including Excess ERAF, as well as the reversal of an accrual from FY 2023-24 to move excess funds to library trust accounts, thereby reducing the \$3.7 million liability.

The following is a graphic illustration of net position as of June 30, 2025:



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

In considering the Library budget for fiscal year 2025-2026, the Governing Board and management used the following criteria:

The key assumptions in the revenue forecast were:

Secured property tax revenues expected to increase at a rate of 4% 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) was estimated at \$33.4 million, and unsecured taxes (taxes on aircraft and commercial equipment largely generated from businesses at San Francisco International Airport) was estimated at \$1.2 million.

# San Mateo County Library Joint Powers Authority

## Management's Discussion and Analysis, Continued

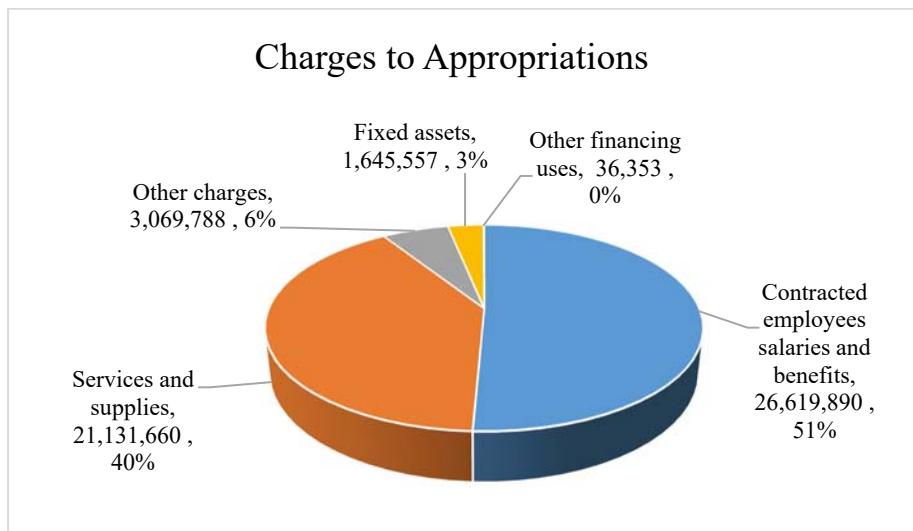
For the year ended June 30, 2025

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

The adopted budget for the new fiscal year 2025-26 was \$99,071,733, including reserves of \$42,758,763. The \$56,312,970 in anticipated expenditures are summarized as follows:

	FY 2025-26	FY 2024-25	Increase (Decrease)	Percentage change
Contracted employees salaries and benefits	\$ 29,620,070	\$ 26,619,890	\$ 3,000,180	11.3%
Services and Supplies	19,626,317	21,131,660	(1,505,343)	-7.1%
Other charges	5,358,335	3,069,788	2,288,547	74.6%
Fixed Assets	1,666,205	1,645,557	20,648	1.3%
Other Financing Uses	42,043	36,353	5,690	15.7%
<b>Total budget</b>	<b>\$ 56,312,970</b>	<b>\$ 52,503,248</b>	<b>\$ 3,809,722</b>	<b>7.3%</b>

1. Contracted employee's salaries and benefits – Shows an increase of 11.3% primarily due to the addition of nine new positions and County negotiated salary and benefit increases.
2. Services and Supplies – Shows a decrease of 7.1% primarily due to the completion of one-time projects, including deployment of ZoomRooms to all library community rooms, other computer hardware purchases, design and planning costs for Makerspaces, and furniture and shelving updates for facilities.
3. Other charges – Shows an increase of 74.6% primarily due to the addition of design, construction, and furniture costs for the Foster City Makerspace, San Carlos Makerspace, and Atherton Children's Garden.
4. Fixed Assets – Shows an increase of 1.3% due to the addition of nine new outreach vehicles.
5. Other Financing Uses – Shows an increase of 15.7% due to adjustments in County facility charges.



**San Mateo County Library Joint Powers Authority**  
**Management's Discussion and Analysis, Continued**  
**For the year ended June 30, 2025**

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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 Paniz Amirkasiri, Interim Director of Finance and Performance with San Mateo County Libraries, [amirkasiri@smcl.org](mailto:amirkasiri@smcl.org), (833) 937-7625 x10509. Inquiries by mail can be sent to the San Mateo County Library Joint Powers Authority, Attention Finance, 125 Lessingia Court, San Mateo, CA 94402.

**San Mateo County Library Joint Powers Authority**  
**Governmental Funds Balance Sheet/Statement of Net Position**  
**June 30, 2025**  
**(With comparative totals for June 30, 2024)**

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	<b>General Fund</b>	<b>Adjustments (Note 5)</b>	<b>Statement of Net Position</b>		<b>2024</b>
<b>ASSETS</b>					
Cash and investments	\$ 53,375,803	\$ -	\$ 53,375,803	\$ 52,191,145	
Cash and investments - restricted	13,944,423	-	13,944,423	12,651,364	
Interest receivable	557,394	-	557,394	481,742	
Other receivables	1,996	-	1,996	1,589	
Capital assets, net of accumulated depreciation	-	2,532,297	2,532,297	2,380,983	
<b>Total assets</b>	<b><u>\$ 67,879,616</u></b>	<b><u>\$ 2,532,297</u></b>	<b><u>\$ 70,411,913</u></b>	<b><u>\$ 67,706,823</u></b>	
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts and sales tax payable	\$ 409,126	\$ -	\$ 409,126	\$ 1,143,677	
Other current liabilities	-	-	-	3,749,487	
Eligible excess fund set aside	13,944,423	-	13,944,423	12,651,364	
Accrued payroll	632,874	-	632,874	471,850	
Compensated absences	-	689,498	689,498	665,233	
<b>Total liabilities</b>	<b><u>14,986,423</u></b>	<b><u>689,498</u></b>	<b><u>15,675,921</u></b>	<b><u>18,681,611</u></b>	
<b>Fund balances/Net position:</b>					
Nonspendable	-	-	-	-	
Committed	<u>52,893,193</u>	<u>(52,893,193)</u>	<u>-</u>	<u>-</u>	
<b>Total fund balances</b>	<b><u>52,893,193</u></b>	<b><u>(52,893,193)</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	
<b>Total liabilities and fund balances</b>	<b><u>\$ 67,879,616</u></b>				
<b>NET POSITION</b>					
Net investment in capital assets		2,532,297	2,532,297	2,380,983	
Unrestricted		<u>52,203,695</u>	<u>52,203,695</u>	<u>46,644,229</u>	
<b>Total net position</b>		<b><u>\$ 54,735,992</u></b>	<b><u>54,735,992</u></b>	<b><u>49,025,212</u></b>	
<b>Total liabilities and net position</b>		<b><u>\$ 70,411,913</u></b>	<b><u>\$ 67,706,823</u></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, 2025**  
**(With comparative totals for the year ended June 30, 2024)**

	<b>General Fund</b>	<b>Adjustments (Note 6)</b>	<b>Statement of Activities</b>	<b>2024</b>
<b>EXPENDITURES/EXPENSES:</b>				
Contracted employees salaries and benefits	\$ 25,516,735	\$ 24,265	\$ 25,541,000	\$ 23,310,081
Supplies and small equipment	7,915,160	-	7,915,160	8,538,258
Contracts and professional services	1,108,337	-	1,108,337	962,715
Library materials	4,507,601	-	4,507,601	3,962,969
Excess fund set aside	3,355,778	-	3,355,778	3,749,487
Other charges	2,737,149	-	2,737,149	4,392,697
Capital outlay	592,975	(592,975)	-	-
Depreciation	-	441,661	441,661	416,802
<b>Total expenditures/expenses</b>	<b>45,733,735</b>	<b>(127,049)</b>	<b>45,606,686</b>	<b>45,333,009</b>
<b>REVENUES:</b>				
Program revenues:				
Intergovernmental	523,149	-	523,149	512,577
Grants	1,628,945	-	1,628,945	1,983,609
Charges for services	292,789	-	292,789	281,558
<b>    Total program revenues</b>	<b>2,444,883</b>	<b>-</b>	<b>2,444,883</b>	<b>2,777,744</b>
<b>Net program expenses</b>	<b>43,288,852</b>	<b>(127,049)</b>	<b>43,161,803</b>	<b>42,555,265</b>
General revenues:				
Property taxes	46,569,019	-	46,569,019	45,429,637
Investment earnings	1,980,403	-	1,980,403	1,618,877
Miscellaneous	323,161	-	323,161	381,133
<b>Total general revenues</b>	<b>48,872,583</b>	<b>-</b>	<b>48,872,583</b>	<b>47,429,647</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>5,583,731</b>			
<b>CHANGE IN NET POSITION</b>		<b>127,049</b>	<b>5,710,780</b>	<b>4,874,382</b>
<b>FUND BALANCES/NET POSITION:</b>				
Beginning of the year	47,309,462	1,715,750	49,025,212	44,150,830
End of the year	<b>\$ 52,893,193</b>	<b>\$ 1,842,799</b>	<b>\$ 54,735,992</b>	<b>\$ 49,025,212</b>

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, 2025

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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 agreement was updated again in December 2018 to reflect changes pertaining to the manner in which County tax revenues are allocated to the JPA members.

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, 2025**

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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 12 and 13 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 12 and 13 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, 2025

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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, 2025

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### 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, 2025:

	Not rated	Fair Value
San Mateo County Treasury	\$ 50,918,510	\$ 50,918,510
San Mateo County Treasury- restricted	13,944,423	13,944,423
California Local Agency Investment Fund (LAIF)	<u>2,457,293</u>	<u>2,457,293</u>
<b>Total</b>	<b><u>\$ 67,320,226</u></b>	<b><u>\$ 67,320,226</u></b>

Presentation in Statement of Net Position:

Cash and investments	\$ 53,375,803
Cash and investments- restricted	<u>13,944,423</u>
	<b><u>\$ 67,320,226</u></b>

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

## **Notes to Basic Financial Statements, Continued**

**For the year ended June 30, 2025**

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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, 2025, approximated fair value of \$53,375,803. The restricted cash and investments balance represents the amount held under the excess fund 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.
- California Local Agency Investment Fund (LAIF).
- San Mateo County Treasury

# San Mateo County Library Joint Powers Authority

## Notes to Basic Financial Statements, Continued

For the year ended June 30, 2025

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## 2. CASH AND INVESTMENTS - continued

### B. Investments – continued

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.

*Fair value of investments.* The Library measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than those in Level 1; and
- Level 3: Unobservable inputs.

Debt and equity securities classified as Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches: debt securities are normally valued based on price data obtained from observed transactions and market price quotations from broker dealers and/or pricing vendors; equity securities are valued using fair value per share for each fund. Certificates of deposit classified in level 2 are valued using broker quotes that utilize observable market inputs. Securities classified as Level 3 have limited trade information, these securities are priced or using the last trade price or estimated using recent trade prices.

### C. Investments in External Investment Pools

The Library's investments with the County at June 30, 2025, 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, 2025, the Library had \$2,457,293 invested directly in LAIF. The LAIF investment pool consisted of derivative products in the form of asset-backed securities in the amount of \$3,194.964 million and \$3,350.000 million in Structured Notes, each of these investment types representing 2.02% and 1.79% of the total LAIF investment pool, respectively. The current average life of the LAIF portfolio as of June 30, 2025 was 248 days.

As of June 30, 2025, the Library also had \$50,918,510 invested directly in the County investment pool. The County investment pool currently holds \$729,027 in asset-backed securities, representing 0.01% the total County investment pool. The current average maturity of the portfolio is 2.28 years with an average duration of 2.05 years.

# San Mateo County Library Joint Powers Authority

## Notes to Basic Financial Statements, Continued

For the year ended June 30, 2025

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### 3. CAPITAL ASSETS

Changes in capital assets were as follows:

	July 1, 2024	Additions	Retirements	June 30, 2025
Furniture and equipment	\$ 4,214,544	\$ 592,975	\$ -	\$ 4,807,519
Accumulated depreciation	(1,833,561)	(441,661)	-	(2,275,222)
Total fixed assets	\$ 2,380,983	\$ 151,314	\$ -	\$ 2,532,297

During the fiscal year, the Library added \$592,975 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	\$ -
Committed for:	
Capital Projects	47,893,193
Contingencies - Stabilization	<u>5,000,000</u>
	<u>52,893,193</u>
	<u>\$ 52,893,193</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.

	<u>Net Position</u>
Net investment in capital assets	\$ 2,532,297
Unrestricted	<u>52,203,695</u>
<b>Total</b>	<b><u>\$ 54,735,992</u></b>

# San Mateo County Library Joint Powers Authority

## Notes to Basic Financial Statements, Continued

For the year ended June 30, 2025

### 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 (\$52,893,193) differs from “net position” of governmental activities (\$54,735,992) reported in the Statement of Net Position on page 12. 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

	<b>General Fund</b>	<b>Reclassifications and Eliminations<sup>1</sup></b>	<b>Statement of Net Position</b>
<b>Assets:</b>			
Cash and investments	\$ 53,375,803	\$ -	\$ 53,375,803
Cash and investments- restricted	13,944,423	-	13,944,423
Interest receivable	557,394	-	557,394
Other receivables	1,996	-	1,996
Capital assets	-	2,532,297	2,532,297
<b>Total assets</b>	<b><u>\$ 67,879,616</u></b>	<b><u>\$ 2,532,297</u></b>	<b><u>\$ 70,411,913</u></b>
<b>Liabilities:</b>			
Accounts and sales tax payable	\$ 409,126	\$ -	\$ 409,126
Eligible excess fund set aside	13,944,423	-	13,944,423
Accrued payroll	632,874	-	632,874
Compensated absences	-	689,498	689,498
<b>Total liabilities</b>	<b><u>14,986,423</u></b>	<b><u>689,498</u></b>	<b><u>15,675,921</u></b>
<b>Fund Balances/Net Position:</b>			
Total fund balances/net position	<u>52,893,193</u>	<u>1,842,799</u>	<u>54,735,992</u>
<b>Total liabilities and fund balances/net position</b>	<b><u>\$ 67,879,616</u></b>	<b><u>\$ 2,532,297</u></b>	<b><u>\$ 70,411,913</u></b>

<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, 2025

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

The “net change in fund balances” for the General fund \$5,583,731 differs from the “change in net position” for governmental activities \$5,710,780 reported in the Statement of Activities on page 13. 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:

#### Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities

	Reclassifications		Statement of Activities
	General Fund	and Eliminations <sup>1</sup>	Statement of Activities
<b>EXPENDITURES/EXPENSES:</b>			
Contracted employees salaries and benefits	\$ 25,516,735	\$ 24,265	\$ 25,541,000
Supplies and small equipment	7,915,160	-	7,915,160
Contracts and professional services	1,108,337	-	1,108,337
Library materials	4,507,601	-	4,507,601
Excess fund set aside	3,355,778	-	3,355,778
Other charges	2,737,149	-	2,737,149
Capital outlay	592,975	(592,975)	-
Depreciation	-	441,661	441,661
<b>Total expenditures/expenses</b>	<b>45,733,735</b>	<b>(127,049)</b>	<b>45,606,686</b>
<b>REVENUES:</b>			
Program revenues:			
Intergovernmental	523,149	-	523,149
Grants	1,628,945	-	1,628,945
Charges for services	292,789	-	292,789
<b>Total program revenues</b>	<b>2,444,883</b>	<b>-</b>	<b>2,444,883</b>
<b>Net program expense</b>	<b>43,288,852</b>	<b>(127,049)</b>	<b>43,161,803</b>
General revenues:			
Property taxes	46,569,019	-	46,569,019
Investment earnings	1,980,403	-	1,980,403
Miscellaneous	323,161	-	323,161
<b>Total general revenues</b>	<b>48,872,583</b>	<b>-</b>	<b>48,872,583</b>
<b>REVENUES OVER (UNDER)</b>			
<b>EXPENDITURES</b>	<b>5,583,731</b>		
<b>CHANGE IN NET POSITION</b>		<b>127,049</b>	<b>5,710,780</b>
<b>FUND BALANCES/NET POSITION:</b>			
Beginning of the year	47,309,462	1,715,750	49,025,212
End of the year	<b>\$ 52,893,193</b>	<b>\$ 1,842,799</b>	<b>\$ 54,735,992</b>

<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, 2025

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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 provided. During the year ended June 30, 2025, the Library paid the County \$2,337,729 in service charges, including \$192,853 for administrative and support services, \$940,667 for insurance and \$425,451 for facilities maintenance services.

Section VI. D. of the San Mateo County Library JPA Agreement states the following:

- 1. 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.*
- 2. Excess funds, after deduction of any activities approved by the Governing Board for library related expenditures within a member city, shall be split 50%-50% between the Library JPA and the member city to which those excess funds are attributable.*

In FY 2024-25, a new trust fund was established to hold these Library JPA Excess Fund dollars.

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.

As of June 30, 2025, the amounts transferred for set aside are as follows: Atherton Library \$1,613,623, San Carlos Library \$878,175, and Woodside Library \$863,980, representing a combined total of \$3,355,778.

As of June 30, 2025, the balance held by the Library in Trust are as follows: Atherton Library \$2,280,906, Foster City \$163,405, Portola Valley Library \$1,341,907, San Carlos Library \$2,899,460, and Woodside Library \$6,846,146, and Library JPA Excess Funds Trust Fund \$412,599 representing a combined total of \$13,944,423 as shown as a charge to excess fund payments on the statement of revenues, expenditures and changes in net position/statement of activities.

As of June 30, 2025 excess County Free Library property taxes with a combined balance of \$1,875,965 remain in accounts currently held by each excess fund city and are to be depleted first before accessing any funds held in the Library's Trust Funds. These amounts are as follows: Atherton Library \$260,160, Woodside Library \$5,000, Portola Valley Library \$14,313 and San Carlos Library \$1,926,142.

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, 2025

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### 8. NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 100, "*Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62.*" The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The implementation of this statement did not have an effect on the financial statements.

The GASB has issued Statement No. 101, "*Compensated Absences.*" The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The implementation of this statement did not have an effect on the financial statements.

The GASB has issued Statement No. 102, "*Certain Risk Disclosures.*" The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition. The implementation of this statement did not have an effect on the financial statements.

The GASB has issued Statement No. 103, "*Financial Reporting Model Improvements.*" The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2026.

The GASB has issued Statement No. 104, "*Disclosure of Certain Capital Assets.*" The objective of this Statement is to improve the clarity and consistency of note disclosures related to capital assets by requiring governments to separately disclose certain types of capital assets, including lease assets, intangible right-to-use assets, subscription assets, and capital assets held for sale. These enhanced disclosures are intended to provide financial statement users with more decision-useful information about the nature and composition of a government's capital assets. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2026.

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**REQUIRED SUPPLEMENTARY INFORMATION**

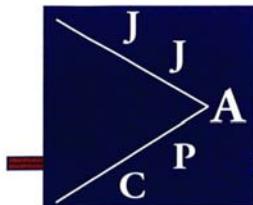
**San Mateo County Library Joint Powers Authority**

**Required Supplementary Information**

**For the year ended June 30, 2025**

**Budgetary Comparison Schedule**  
**General Fund**  
**For the year ended June 30, 2025**

	<b>Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>	<b>Positive (Negative)</b>
<b>Budgetary fund balance, July 1, 2024</b>	\$ 47,309,462	\$ 47,309,462	\$ -
<b>Resources (inflows):</b>			
Intergovernmental revenue	768,510	768,510	2,152,094
Interfund revenue	295,292	295,292	267,163
Charges for services	-	-	14,395
Taxes	41,084,616	41,084,616	46,569,019
Use of money and property	371,216	371,216	1,980,403
Miscellaneous revenue	5,000	5,000	323,161
<b>Total revenues</b>	<b>42,524,634</b>	<b>42,524,634</b>	<b>8,781,601</b>
<b>Amounts available for appropriation</b>	<b>89,834,096</b>	<b>89,834,096</b>	<b>8,781,601</b>
<b>Charges to appropriations (outflows):</b>			
Salaries and benefits	26,619,890	26,619,890	25,516,735
Supplies and small equipment	21,131,660	21,131,660	7,915,160
Other charges	3,106,141	3,106,141	11,708,865
Capital outlay	1,645,557	1,645,557	592,975
<b>Total charges to appropriations</b>	<b>52,503,248</b>	<b>52,503,248</b>	<b>6,769,513</b>
<b>Budgetary fund balance, June 30, 2025</b>	<b>\$ 37,330,848</b>	<b>\$ 37,330,848</b>	<b>\$ 52,881,962</b>
			<b>\$ 15,551,114</b>



## 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of San Mateo County Library as of and for the year ended June 30, 2025, 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 8, 2026.

#### ***Report on 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) as a basis for designing 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 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 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 or significant deficiencies may exist that were not identified.

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

### **Purpose of this Report**

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

*JJACPA, Inc.*

**JJACPA, Inc.  
Dublin, CA**

January 8, 2026



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To: JPA Operations Committee

From: Anne-Marie Despain, Director of Library Services *AMD*  
Paniz Amirnasiri, Interim Director of Finance

Date: January 22, 2025

Meeting: January 27, 2025

Re: FY 2025-26 Mid-Year Report

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## Background

The FY 2025-26 Mid-Year Report provides the JPA Governing Board and Operations Committee with information about the status of the financial condition of San Mateo County Libraries for the current year. The report includes highlights and progress on current year priorities, year-end estimates, significant factors that will impact the upcoming budget, and budget development recommendations for FY 2026-27.

## Discussion

The FY 2025-26 Adopted Budget, approved in September 2025, totals \$99,071,733 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 \$56.3 million and reserves of \$42.8 million. Due to the leadership provided by the JPA Governing Board and Operations Committee and sound fiscal stewardship, our financial condition continues to be strong.

### Mid-Year Financial Status

Using historical trends, projections, and actual activity in the current fiscal year, the Library is estimated to realize 106% of projected revenue and spend 93% of budgeted expenditures. The change in revenue of \$2,832,950 is primarily due to secured property taxes and excess ERAF, which are expected to exceed budgeted amounts.

Expenditure savings are estimated to be \$4,101,121, primarily attributable to salary and benefit savings due to staff vacancies and savings in service and supplies and fixed assets due to project delays.

The FY 2025-26 Adopted Budget anticipated \$42,758,763 million in reserves to carry over to FY 2026-27 fund balance. At mid-year, we now estimate a year-end fund balance of \$49,692,834 representing excess revenue, expenditure savings, and budgeted reserves.

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

**FY 2025-26 Mid-Year Estimate Summary**

	<b>FY 2025-26 Adopted Budget</b>	<b>FY 2025-26 Year-End Estimate</b>	<b>FY 2025-26 Year-End Variance</b>	<b>% of Budget Realized/ Spent</b>
<b>Revenues</b>				
Taxes	44,707,104	46,927,268	2,220,164	105%
Use of Money and Property	371,216	982,770	611,554	265%
Intergovernmental Revenue	778,842	778,842	-	100%
Charges for Services	-	1,232	1,232	-
Interfund Revenue	316,378	316,378	-	100%
Miscellaneous Revenue	5,000	5,000	-	100%
<b>Total Revenue</b>	<b>46,178,540</b>	<b>49,011,490</b>	<b>2,832,950</b>	<b>106%</b>
Fund Balance	52,893,193	52,893,193	-	
<b>Total Sources</b>	<b>99,071,733</b>	<b>101,904,683</b>	<b>2,832,950</b>	
<b>Expenditures</b>				
Salaries and Benefits	29,620,070	26,996,949	(2,623,121)	91%
Services and Supplies	19,626,317	18,398,317	(1,228,000)	94%
Other Charges	5,358,335	5,358,335	-	100%
Fixed Assets	1,666,205	1,416,205	(250,000)	85%
Other Financing Uses	42,043	42,043	-	100%
<b>Net Appropriations</b>	<b>56,312,970</b>	<b>52,211,849</b>	<b>(4,101,121)</b>	<b>93%</b>
Operating Reserves	5,874,774	5,874,774	-	
Capital Reserves	36,883,989	36,883,989	-	
<b>Total Reserves</b>	<b>42,758,763</b>	<b>42,758,763</b>		
<b>Total Requirements</b>	<b>99,071,733</b>	<b>94,970,612</b>	<b>4,101,121</b>	

**FY 2025-26 Year-End Fund Balance Estimate: **\$49,692,834****

(FY 2025-26 Budgeted Reserves + Estimated FY 2025-26 Year-End Variance)

## **Mid-Year Priorities Update**

The budget prioritizes and distributes resources to support goals that are in line with our Strategic Plan. Progress highlights on FY 2025-26 priorities are listed below:

### ***Implement our new strategic plan and respond to the priorities identified through community and stakeholder outreach and engagement efforts.***

We continue to advance our strategic plan by aligning programs and services with the priorities identified through community and stakeholder engagement. From expanded cultural programming to innovative literacy and technology initiatives, and strengthened youth educational supports, we are responding directly to the diverse needs and interests of the public. Regular data collection and the establishment of performance measures are helping to guide our work and ensure responsiveness as we progress toward our goals.

### ***Reach more community members through intentional outreach and marketing efforts.***

This year, we have explored a variety of creative approaches to engage new and additional members of the public. To power us towards our goal of serving additional adult literacy learners, we hosted successful volunteer parties and unveiled a radio and social media campaign that not only resulted in additional tutors but also increased awareness of the importance of literacy as well as the library's role in addressing the challenge. These efforts have broadened our reach and introduced new audiences to library resources.

To enhance community reach and advance the strategic goal of building meaningful connections, our new outreach vehicles are beginning to arrive and will be on the road soon, reflecting our commitment to meeting people where they are. Looking ahead, the new Bookmobile, scheduled for delivery in mid-2026, will extend access to communities with limited access to physical library locations. This transition to a hybrid fleet aligns with sustainability goals while increasing staff capacity for mobile outreach.

### ***Prioritize cultural programming in our libraries to ensure everyone feels welcome and represented in our spaces.***

Building on prior efforts, we increased and highlighted the diversity of our communities in greater depth and from different perspectives. Our programs celebrate cultural richness while fostering understanding, connection, and a sense of belonging. Enhanced experiences include additional focus on Native American Heritage, Jewish American Heritage, and Disability Pride for all ages. Activities have included storytelling, drumming and music performances, arts workshops, and wellness programs, reflecting the breadth and depth of the communities we serve.

***Elevate adult and youth literacy efforts and develop responsive programs to empower and cultivate a community of learners.***

Our work has expanded literacy opportunities countywide. To support efforts to increase 3rd grade reading skills, we have put an increased emphasis on the Science of Reading. All Librarians serving youth attended a two-day training to better understand how reading development happens. This fall, we began offering free after-school tutoring to 1st through 8th grade students in several key communities. Over the course of 12 weeks, youth participated in reading-focused tutoring sessions twice a week and developed their English Language Arts skills while becoming more active users of the library. Families who attended noted greater confidence and test scores in school, with many adults seeking out support for their own English Language development.

Adult literacy initiatives are also growing in scope and impact. New volunteer recruitment, workshops, and multimedia outreach engaged prospective tutors, increasing capacity for personalized learning support. In partnership with the San Mateo County Sheriff's Office, staff completed the delivery of initial literacy services in county correctional facilities, focusing on reading, writing, and English language development. Interactive activities included workplace communication practice, essay drafting and revision, vocabulary-building through stories, and discussions of historical events.

***Establish new and deepen existing community partnerships to expand and enhance supportive services.***

We continue to strengthen and develop meaningful partnerships to support community needs. A recent collaboration with San Mateo County Medical Center connected us with families who are 200% below the poverty level. At both their backpack giveaway and winter toy distribution, library staff supported families and provided free books to help establish home libraries and promote early literacy. Key partnerships with schools, parks and organizations such as the YMCA, Coastsid Hope, CORA, NovaWorks and the Dolly Parton Imagination Library have further deepened community connections and expanded our ability to deliver impactful services.

***Increase access to technology and hands-on learning to advance digital literacy.***

Technology and computer literacy classes continued through the first half of the fiscal year. Since July 1, 2025, the library has welcomed 376 participants to 68 digital literacy classes of broad appeal, such as Intro to Google Photos, Navigating the Internet and Websites, and Computer Safety Basics. These classes welcomed all adults, in Spanish and Chinese as well as English, while hands on lectures designed for 55+ members of the community covered topics such as Smartphone Apps, Fraud Prevention, and Cybersecurity.

A new staff workgroup was established to spearhead the exploration of advanced technologies, including Artificial Intelligence (AI), to enhance service delivery. To equip staff with effective tools for exceptional customer service, we are evaluating enterprise-wide AI solutions such as GovAI, ChatGPT, and Copilot. Concurrently, the team is developing responsible-use guidelines to ensure appropriate and ethical use by employees.

Library makerspaces are expanding access to hands-on, STEAM-focused learning. Our new makerspaces in Millbrae and Belmont are popular and well-used, while the San Carlos and Foster City makerspaces are progressing toward construction, creating additional dedicated spaces for creativity, experimentation, and innovation.

Next month, we will launch recruitment for a Maker in Residence program. This exciting initiative will tap the expertise of STEAM subject matter experts from our communities to facilitate collaborative learning experiences for all ages. This program seeks to build enduring community partnerships and strengthen the library's role as a hub for innovation and lifelong curiosity.

***Create and update libraries to include vibrant, welcoming spaces that inspire creativity, collaboration, and exploration.***

Library spaces continue to be updated and reimagined as welcoming, inclusive, and inspiring environments. Investments in revitalized facilities, such as the Belmont Library remodel, are transforming libraries into dynamic gathering hubs. The Atherton Library Children's Garden is moving forward toward construction, creating a nature-rich outdoor learning space that supports early learning, play, and exploration.

This year, we also updated technology in meeting rooms and continued to support major facility projects in East Palo Alto, Pacifica, and North Fair Oaks, working to expand access to modern, flexible, and inviting destinations for all. Together, these improvements reflect community input and ensure library spaces continue to meet evolving needs across all communities.

***Develop and implement performance metrics and system targets to track progress and inform ongoing improvements.***

Participation and engagement metrics are being monitored across programs and locations, guiding improvements in outreach, program design, and service delivery. Early indicators show strong attendance, increased digital engagement, and positive feedback from community members and partners.

***Support the well-being and growth of our library champions and amplify their talents.***

Supporting the well-being, professional growth, and recognition of our library champions remains a priority. In the first half of the fiscal year, 15 staff members received promotions and five were recognized by the Board for graduating from our LEAD Leadership Program. These investments in our workforce foster a culture of excellence, creativity, and community-centered service that benefits both staff and the residents they serve.

Staff continue to innovate through programs like Pitch It!, which funds employee-led initiatives including English learner tutoring and Book Club in a Bag. Ongoing staff development, conference attendance, training opportunities, and collaborative projects are designed to enhance skills, strengthen engagement, and amplify talent across the organization.

**FY 2026-27 Budget Assumptions**

January 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 JPA 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. The system is entitled to receive a small portion of the property tax collected within the boundaries of the Library service area. Approximately 280,000 people live within the boundaries of the Library JPA's legal taxing district, which covers 351 square miles.

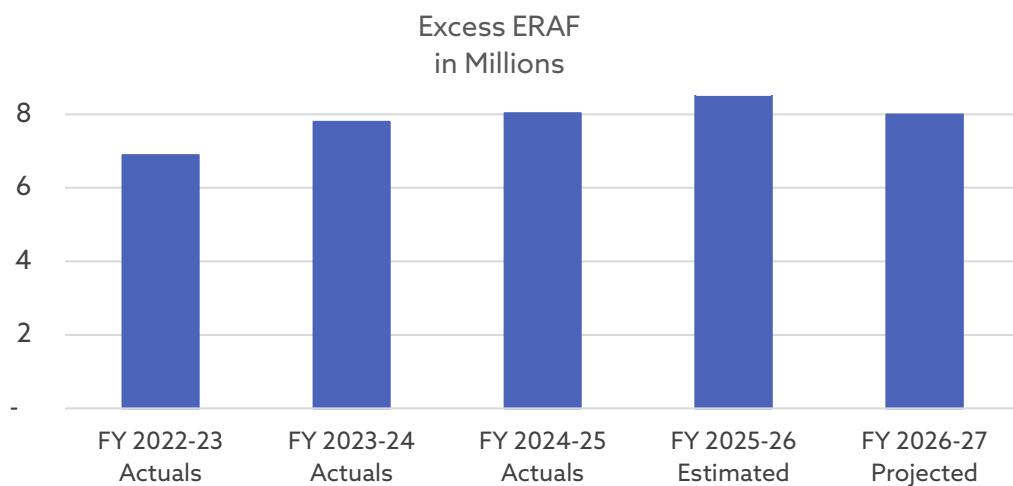


Secured property tax revenues (taxes assessed against real property) have shown strong growth over the past decade and are expected to increase 4% in FY 2026-27.

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 this year.

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

Excess ERAF is the amount of property tax generated in a year which exceeds the amount due to the State to offset support for education. Due to the potential unpredictability of this funding, the Library has used excess ERAF for non-recurring expenditures or to be set aside in reserves. The growth of excess ERAF has been a significant factor in the growth of Library reserves.



Beginning in FY 2025-26, the JPA approved the recommendation to budget 50 percent of anticipated excess ERAF for ongoing purposes. While the State has unsuccessfully attempted to reclaim excess ERAF funds in previous years, the Library JPA has sufficient reserves to respond to any unanticipated loss in this funding source in the future.

For next year's budget, we anticipate budgeting \$8 million in excess ERAF, of that amount, \$4 million would be utilized for ongoing allocations.

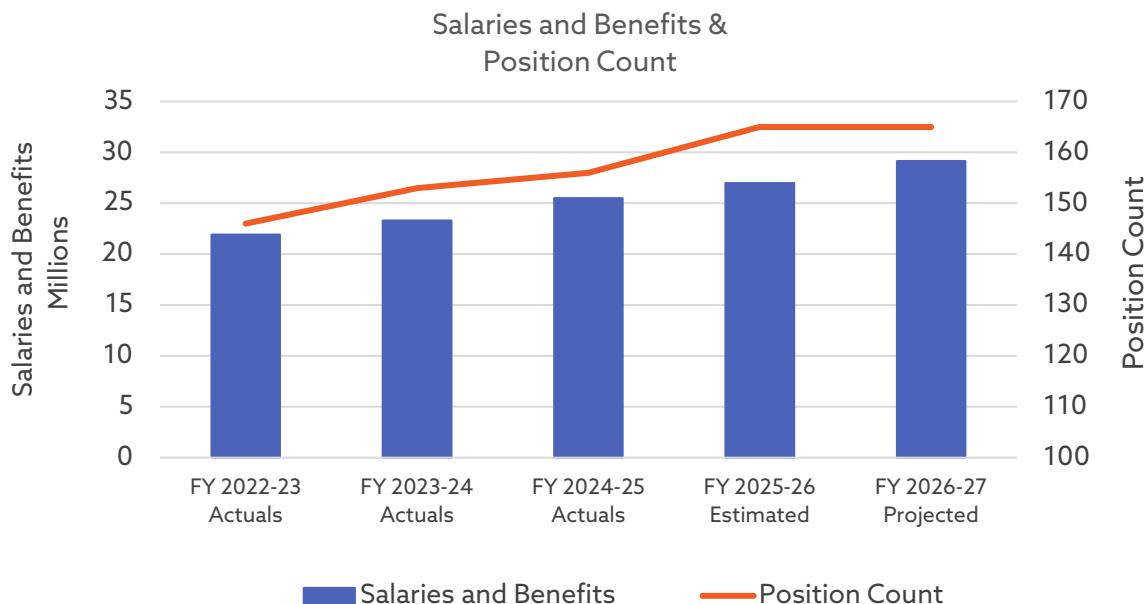
#### Measure K

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. For FY 2025-26, Measure K funds of approximately \$1.2 million were allocated to support The Big Lift Inspiring Summers program. The allocation for FY 2026-27 is under review by the County Executive's Office and will be determined in March of 2026.

## Expenditure Assumptions

### Salaries and Benefits

At FY 2025-26 Mid-Year, the Library estimates that it will spend \$26,996,949 for salaries and benefits. Salaries and benefits represent the most significant ongoing operational cost. 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. The current Memorandum of Understanding between SEIU permanent and extra-help employees and the County was finalized in December 2024 and is in effect through October 2027. The agreement includes a 4-5% cost-of-living adjustments (COLA) effective October 2026, with the final 1% adjustment contingent upon confirmation that the County will continue to receive Vehicle License Fee repayment from the State and that no State legislation will offset, reduce, or limit other County funding sources. Unrepresented management employees will receive the same COLAs. The impact of the most recent October 2025 COLA is estimated at \$625,806 and is included in the FY 2025-26 Mid-Year estimates.

### Services and Supplies

Savings this year are estimated to be \$1.2 million primarily related to library material purchases. Baker and Taylor, one of our major book suppliers, closed operations this fiscal year, impacting the purchase and processing of print books. We are being proactive and working with new vendors to fill orders, but this has resulted in slower than usual spending in the first half of the year.

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 2025-26 will require that amounts of approximately \$1.5 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.

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 \$1.8 million.

#### Other Charges

County service charges for human resources, IT, accounting, facilities, and vehicles are anticipated to increase next fiscal year, with human resources costs rising in particular. The contribution to Daly City for services provided on behalf of the residents of unincorporated Broadmoor and Colma is estimated at \$408,476.

#### Fixed Assets

The automated material handling and smart return projects are delayed until next fiscal year. The projects will require some additional facilities work that will benefit from further planning and resource allocation.

#### **Reserves**

The Library utilizes reserves 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 2026-27 Recommended Budget will continue to include proposals for use of reserves to support one-time purchases and projects in alignment with our new strategic plan.

#### **FY 2026-27 Budget Development Recommendations**

Staff recommends moving forward with the development of the FY 2026-27 Budget based on the following recommendations:

- Continue to emphasize and enhance services and programs that support and align with the Strategic Plan 2025-2030. Allocate resources that support strategic goals, priorities, and most impactful programs and services.
- Continue allocating 50 percent of excess ERAF for ongoing purposes.
- Strategically use reserves to advance one-time priorities, innovate, and support exceptional service.

- Develop a balanced budget that accounts for both short-term and long-term financial health.

We look forward to fulfilling our current year priorities and working with the JPA Governing Board and Operations Committee to establish ambitious goals and utilize resources to strengthen our communities in the new year.

### **Fiscal Impact**

There is no fiscal impact associated with accepting this report. JPA Governing Board and Operations Committee input and direction will be used to prepare the FY 2026-27 Recommended Budget.

### **Recommendation**

Recommend Library JPA Operations Committee accept the report and direct staff to move forward with development of the FY 2026-27 Recommended Budget.



To: JPA Operations Committee  
From: Anne-Marie Despain, Director of Library Services  
Date: January 22, 2026  
Meeting: January 27, 2026  
Re: Director's Report

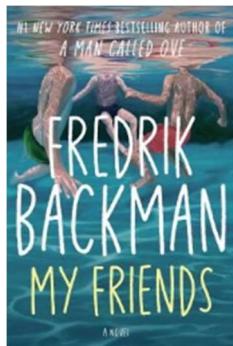
*Anne-Marie Despain*

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

**We listen to our community and create responsive services and spaces where everyone belongs**

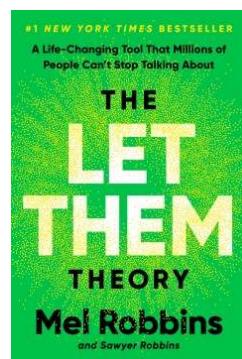
Top Print, Digital and Audio Titles

The past year included exciting debuts and the return of beloved authors—offering something for readers of all ages and interests. As we look ahead to 2026, here is a snapshot of the most popular titles of 2025 in print, digital and audio formats.



The top three popular books for adults were *My Friends* by Fredrik Backman, a tender and reflective novel; *Great Big Beautiful Life* by Emily Henry; and *Three Days in June* by Anne Tyler. In the young adult category, *Sunrise on the Reaping* by Suzanne Collins was the most read, as it marked a return to the Hunger Games universe. While our young patrons kept series such as *Dog Man*, *Diary of a Wimpy Kid*, *Big Nate*, and *Spy School* at the top of the most popular books, *Upstaged* by Robin Easter garnered a lot of attention with its subject matter centered around navigating social groups as a middle-schooler.

Our digital collections are attracting more readers than ever. Once again, adult fiction led the way with *Funny Story* by Emily Henry continuing to hold its title as most popular eBook. For audiobooks, *The Frozen River* by Ariel Lawhon was the most listened-to title, topping all eBooks and audiobooks in downloads. Other favorite titles for adults included *The Wedding People* by Alison Espach and *The Let Them Theory* by Mel Robbins. While series such as *Throne of Glass* and *Powerless* remain very popular, *The Book Thief* by Markus Zusak and *Check & Mate* by Ali Hazelwood were two of the most popular titles with our young adult patrons. Finally, the most downloaded titles for young patrons included series such as *Baby-Sitters Club*, *Smile*, and *Wings of Fire*.



### Local Author Talk Spotlight

On November 5, 70 patrons gathered at the Millbrae Library to hear Bay Area author Nicole Wong discuss her book *The Mahjong Project: House Rules from Across the Asian Diaspora*. The diverse crowd represented a wide range of ages and ethnicities, and both Wong and the audience shared stories and insights that highlighted the rich, varied traditions and experiences of Asian American Pacific Islander (AAPI) families. As one patron remarked at the end, "I'm AAPI, and I learned so much and felt connected to a community!" If Wong's book didn't already make the case for mahjong's power to forge connection, the hour of gameplay that followed her talk certainly did. Nervous newbies were warmly welcomed by experienced players, and patrons of all backgrounds learned and played together. Some of those in attendance have also begun joining regular mahjong sessions in the branches.

### Native American Heritage Month

In November and December, we celebrated Native American Heritage Month with music, dancing, art, and more. Families were invited to share in the All Nations Singers and Dancers Pow Wow Presentation to enjoy drumming, dancing, and learning about the beautiful attire worn by the group. Adults further enjoyed a Native/Indigenous Peoples Community Discussion at the East Palo Alto Library and a Native Art Workshop and Lecture on the Red Power Movement and Occupation of Alcatraz at the Sharp Park Library. Teens and adults alike at 11 community libraries learned traditional pine needle weaving techniques and then used these skills to create medallions.



Over 624 attendees joined us in learning about the history and current experiences of the Indigenous People who remain a vibrant part of our local culture.

### Immigration Resources

On December 5th, we held our final immigration workshop of the year at East Palo Alto Library, where 15 attendees met with an immigration attorney for personalized legal guidance. Participants received support on the citizenship process, U-visa questions, Temporary Protected Status, and other general immigration concerns. To enhance the day, the Mexican Consulate joined this event and interacted with more than 40 patrons, offering additional resources to the community.

The immigration workshop is part of a series with the Council on American-Islamic Relations, which, together with the sessions previously offered in Half Moon Bay and Millbrae, has reached 85 individuals this calendar year. 11 community members have successfully completed and submitted their U.S. citizenship applications through the assistance provided. We look forward to continuing to connect residents with needed resources through strategic collaboration with our partners.



### Atherton Library Children's Garden

The Atherton Library Children's Garden project is set to launch an exciting new phase. Following a public bidding process, the Town of Atherton awarded Selway Construction Inc. the contract with a winning bid of \$617,000. Construction begins in January and is expected to be completed in 90 days.

The 6,500 square foot, nature-rich Children's Garden will transform the space into a vibrant outdoor learning environment, inviting children to

connect with the natural world. Designed to spark curiosity and creativity, the garden will offer a welcoming place for all. We are thrilled to watch this project come to life and enhance the Atherton Library.

### San Carlos Makerspace

Exciting advancements are taking shape for the new makerspace at the San Carlos Library, a dynamic hub designed to spark creativity, curiosity, and collaboration. The San Carlos City Council approved the release of the Request for Proposals for January 14, 2026, with proposals due by February 19. This milestone positions the City and Library to select a contractor and begin construction this spring.

Located on the library's second floor near the community rooms, the 1,000-square-foot makerspace will be part of a lively hub of activity, complementing meetings, programs, and hands-on learning experiences. With strong support from the community and the Friends of the San Carlos Library, the space is designed to empower learners of all ages to experiment, create, and bring their ideas to life using state-of-the-art tools and technology.

### Foster City Makerspace

Exciting progress is underway on the new Foster City Makerspace, a project shaped by community input and guided by our Makerspace Master Plan. The initiative will transform a teen and conference room into a 1,000-square-foot, flexible, technology-rich environment designed to inspire creativity and support hands-on learning for all ages.



Final plans are now being refined for city review, paving the way for the next steps in the project. The makerspace is expected to move into the bidding phase early this year, with construction following soon after. Once complete, the Foster City Makerspace will provide a dynamic hub for creativity, experimentation, and community connection.

## We connect people and build partnerships to achieve shared goals



### Let's Read Together Family Literacy Workshops

This year, we deepened our Big Lift and subsidized preschool partnership to further develop family engagement. Let's Read Together directly supports families through hands-on literacy workshops. Nationwide, families are reading less at home with their children, and 35% of families that attended the first workshops self-reported that they only read 1-2 times per week at home with their child.

Over the past few months, our staff trained preschool educators and co-facilitated 19 family workshops from Pacifica to Pescadero to East Palo Alto. During the workshops, families learned ways to incorporate literacy skills by reading signs aloud at the grocery store, listening to audiobooks downloaded for free from the library, or telling stories in the car. One attendee expressed appreciation for being reminded that reading with her child doesn't need to be a "perfect experience" and shared that she's going to start reading to her child at bedtime every night because she knows it's okay if they don't finish the whole book.

In addition, attendees committed to a new literacy habit in the home. A Pacifica family shared "I learned a lot today and plan to ask more open-ended questions while reading with my kiddo," an East Palo Alto family commented "the reading tips [will help me] build my child's vocabulary and learn sight words," and a North Fair Oaks family stated "I loved the workshop, it taught me how to read with my son". Overall, 98% of caregiver attendees reported that they now felt more confident reading with their child after having participated in the program.

### Ageless Adventures

Our 55+ programs focus is on creating deeper social connections, promoting cognitive health, and providing resources for engagement and healthy aging. Age-Friendly Brain Games is a series that stretches both body and mind, encouraging community members to form relationships and connections beyond the bounds of the library. Since February of 2025, Brain Games has had 447 participants – evidence of the program's clear impact on the community.



Creative Writer's Workshop brings together retirees who bond over their writing projects. One recent attendee learned about the writing workshops through our Medicare classes and two patrons in their 90s are working on writing their first books. The class not only provides purpose; it offers opportunities for verbal and social interaction. We bring together educators and experts to support the needs of this diverse and varied population.

Mahjong classes provide a gathering place for seniors to learn and play. A talk focused on a solo traveling adventure to Mongolia at the age of 87 inspired participants about the adventures available to us as we age. An Alzheimer's Association three-part class provided critical support to individuals and their caregivers. Medicare classes prepped patrons for open enrollment and provided tips for maximizing their benefits.

### **We engage our communities through meaningful outreach and expanded access to resources**

#### Student Language Proficiency

In September we introduced an effort to support English language learners in preparing for the English Language Proficiency Assessments for California (ELPAC). This program was developed as part of Pitch-It, our annual competition to encourage and support staff innovation. Susan Verlander won the staff vote to bring her idea to the community. With less than 15% of students passing the exam in the 2023-2024 school year, the initiative addresses critical literacy gaps through family workshops explaining ELPAC content and scoring and bi-monthly practice sessions for students to build foundational skills.

Workshops in Half Moon Bay, Pescadero, and East Palo Alto attracted 50 participants, who shared high satisfaction ratings when surveyed and actively participated in Q&A sessions. From September to November, one-third of online homework help visits were to the new ELPAC section, and community partners are interested in replicating our parent information sessions.

#### Reading Tutoring Program

This fall we completed the first 12 weeks of a new afterschool tutoring program. Youth met in small groups with expert tutors to receive English Language Arts support in North Fair Oaks, Pacifica, East Palo Alto, and Half Moon Bay. Local school districts helped us connect with youth reading below grade level, who then engaged in twice a week small group sessions. In total, the program provided 290 hours of tutoring to 162 students, supporting our commitment to creating responsive services and improving reading rates for students.

"We are so appreciative of this program and want to commend [the tutor] for being so helpful and caring, it has made a big difference for [our fourth grader] and he never complains about going straight to tutoring class after school because the program is comfortable and positive for him." -Pacifica parent

### Bookmobile Weekend in Pescadero

While the bookmobile frequents Pescadero, it is not often that we are able to support two trusted community partners on the same weekend. On a recent Saturday and Sunday, staff brought services to more than 500 Pescadero residents at two different community events. Hosted by the Office of Community Affairs, the Bookmobile supported Emergency Preparedness Day by sharing emergency information, hotspot availability, and our extensive Library of Things to discover and explore. Attendees toured the Bookmobile and learned about its variety of materials for individuals to learn and spend time together, from books to DVDs, board games and karaoke machines.



On Sunday, the Supplies4Farmworker's Supply and Resource Fair included the Bookmobile hosting a storytime for children of attending families. Working alongside other organization's tables with clothing and household supplies, library staff drew attendees with information about our resources and information about local classes while distributing over 500 books.

### **We champion a culture of continuous growth and discovery for all**

#### Expanding Adult Literacy Capacity

We are exploring a variety of novel efforts to engage new and additional members of the public this year. To power us toward our goal of serving additional adult literacy learners, we hosted well-attended volunteer parties and unveiled a radio, social media and digital ad campaign that successfully resulted in additional literacy tutors. The campaign had strong engagement levels, reaching 763,682 individuals with 7,694 clicking on the ad to learn more. This engagement resulted in increased traffic to our adult literacy webpage, as well as the libraries' social accounts. During the ad campaign, we received more than quadruple the number of tutor applications we received in the same six-week period last year. The media advertisements also promoted awareness of the importance of literacy and the library's role in addressing these challenges.

In December, we concluded our first series of library literacy classes for incarcerated residents, which expanded our reach into the community and provided a new opportunity to address literacy needs in vulnerable populations in alignment with strategic goals. Since July, in partnership with the San Mateo County Sheriff's office, staff delivered 86 hours of instruction to 14 learners, focused on the development of reading, writing, and English language skills. Interactive activities included workplace communication practice, drafting and revising essays, exploring new vocabulary through stories, and discussing historical events.

### Noon Year's Eve

We waved goodbye to 2025 at our 10<sup>th</sup> annual Noon Year's Eve events across the county. These family friendly parties invite kids and adults alike to ring in the new year together. Each event featured a storytime, snacks, activities, and a special costumed picture book guest! This year we were joined by literary celebrities, including Llama Llama, Curious George, Paddington Bear, and the Very Hungry Caterpillar who all stuck around for a countdown at noon and family photos.

In total, we held 13 special Noon Year's Eve events at our community library locations and Pescadero! Over 1700 people celebrated the arrival of 2026 as we welcomed a joyful New Year.



### Teen Winter Art

To break up the winter study sessions, we invited teens to help close out the year at special events in four of our communities in Brisbane, Belmont, Foster City and Pacifica. Our Winter Art Contest was a time for both creation and celebration as teens spent two hours creating the ultimate work of art and then voting on their favorites across several categories. For those looking to start the end of the year celebrations early, we held an early New Year's Eve and Mini Disco Ball Decorating Party. Over 150 teens participated in these events to enjoy fun, connection, and creativity as we added sparkle and color to the end of the year.

### Personnel News

We are excited to share the following personnel announcement:

Peter Newson has accepted a promotion to the position of Community Program Specialist at the Half Moon Bay Library. Peter previously worked as a Library Assistant at the Half Moon Bay Library and as an Extra-Help Library Assistant at the San Carlos Library. Peter holds a bachelor's of science in mathematics with an applied mathematics concentration from Sonoma State University. Peter is bilingual in Spanish.

Kay Wong (Tsz Ka Wong) has accepted the position of Fiscal Office Specialist in our Finance Division. Kay joins us from the County of San Mateo's Human Services Agency, where she most recently served as a Fiscal Office Specialist supporting accounts payable and journal entry functions. Kay holds a bachelor's in economics with a specialization in international macro-finance from the University of California, Davis, and is bilingual in Cantonese and Mandarin.

Valery Marin Revolorio has accepted a promotion to the position of Community Program Specialist at the Portola Valley Library. Valery previously served as a Library Assistant at the Woodside Library. Valery holds a master's in social work from the University of Southern California and a bachelor's in French and Francophone Studies from Santa Clara University.

#### FY 2024-25 Invoices Over \$50,000

The [County's Open Data Portal](https://checkbook.smcgov.org) (checkbook.smcgov.org) continues to provide an easily accessible view of Library expenditures and activity data to both the public and policymakers. A list of invoices with a total amount of \$50,000 or more that were paid between July 1, 2025 and December 31, 2025 is provided below.

<b>Vendor</b>	<b>Amount</b>	<b>Description</b>
Bibliocommons	58,026	Website Software Annual Fee
Carahsoft	110,760	Zoom Licenses and Phones Annual Fee
CDW Government	105,009	Annual Adobe License Purchase
Ford Auto Center	119,293	Vehicle Purchases
Inside Source	67,036	Library Furniture
Kanopy	75,000	Digital Stream Resources Annual Fee
Laptops Anytime	75,515	Laptop Kiosks Hardware and Software
Midwest Tape Hoopla	160,885	Digital Media Streaming Service Fee
MG West	307,983	Library Furniture
Peninsula Library System	661,382 497,412 308,592 60,643	Annual Automated Network Changes Library Deliveries Annual Fee Overdrive Annual Fee Automated Material Handling Services
Ross McDonald	92,045	Furniture and Shelving

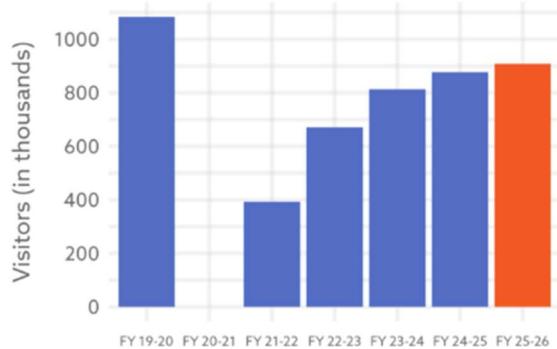
#### Libraries in the News

- [10+ ways to celebrate Diwali this October around the Bay Area](#), The Mercury News, October 10, 2025
- [Words unread: The consequences of America's illiteracy crisis](#), Scot Scoop (Carlmont High School's Student News), November 12, 2025
- [Atherton approves \\$617K contract for children's garden](#), The Almanac, November 21, 2025
- [Our picks to ring in 2026: New Year's Eve parties, performances and deluxe dinners around the Peninsula](#), Palo Alto Online, December 18, 2025
- [Best Bay Area Stroller Hikes to Bring Family This New Year](#), KQED, December 31, 2025
- [A 200-year-old book distributor is closing. Here's what that means for public libraries](#), NPR, January 7, 2026
- [Read all about it: Silicon Valley is home to a plethora of book clubs for all kinds of readers](#), Mountain View Voice, January 15, 2026

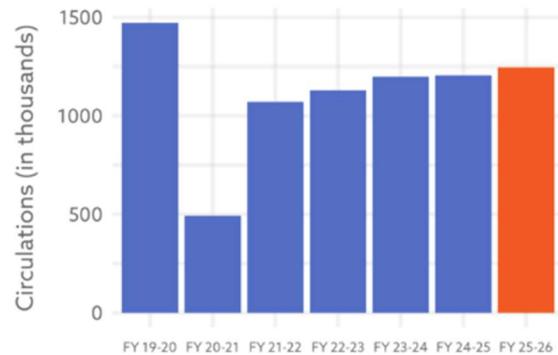
## Mid-Year Data Update

The following charts summarize systemwide totals through the second quarter for key library services from FY 2019-2020 through the current fiscal year.

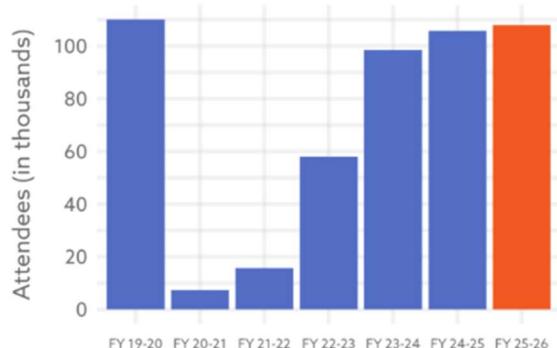
### LIBRARY VISITORS



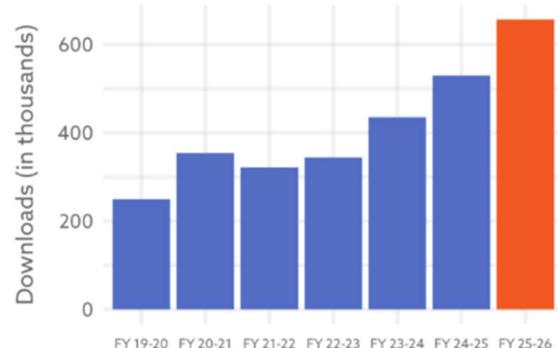
### ITEMS CIRCULATED



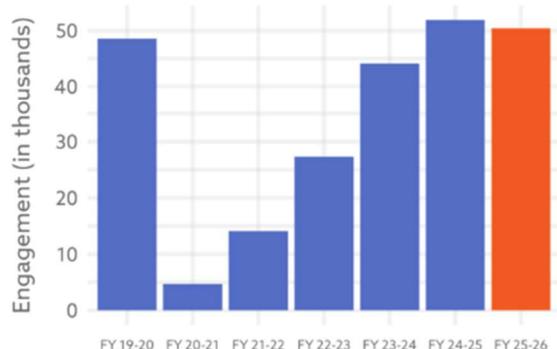
### PROGRAM ATTENDANCE



### DIGITAL DOWNLOADS



### OUTREACH ENGAGEMENT





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To: JPA Operations Committee  
From: Anne-Marie Despain, Director of Library Services   
Date: January 22, 2026  
Meeting: January 27, 2026  
Re: Special Election of Operations Committee Officers

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### Background

The Bylaws for the Library Joint Powers Authority provide specific guidance regarding the election of officers of the Operations Committee. Article V., A. states:

1. The Operations Committee will be comprised of the Chief Executive Officer of each city which is a Party, or his/her designee, and the representative designated by County.
2. The Operations Committee shall be responsible for advising the Library Director and Governing Board on budget and operational issues of the library system.
3. The Operations Committee shall elect a Chair and Vice Chair from among its members annually.
4. It shall be the duty of the Operations Committee Chair to preside at the meetings of the Operations Committee, call special meetings and set the agenda in conjunction with the Library Director.
5. The Operations Committee Vice Chair shall have all the powers and duties of the Chair in his or her absence.
6. The term of office for the Operations Committee Chair and Vice Chair shall commence on July 1 and be for a period of one year. No person shall hold the same office for more than two consecutive terms.
7. Nomination for officers shall be from the floor. Nominations shall be made by members of the Operations Committee only. Nominations and election of the Chair shall precede nominations and election of the Vice Chair.

### Discussion

Operations Committee member Kevin Woodhouse was elected Chair on June 10, 2025. He assumed office on July 1, 2025. He is retiring in March, creating a Chair vacancy. As specified in the Bylaws, the election of a new chair is required to serve the remaining term.

### **Fiscal Impact**

There is no fiscal impact associated with this item.

### **Recommendation**

Invite nominations from the floor for the positions of Operations Committee Chair and conduct an election at the January 27 meeting.