



Board of Trustees

Kathy Little — President
Alex Geronimo — Vice President
Melanie Lara — Secretary
Jana Brassfield — Trustee
Loretta Cousar — Trustee

Regular Board Meeting Agenda

December 8, 2021

5:00 p.m.

Children Area

Americans with Disabilities Act Compliance: If you need special assistance to participate in this meeting, please contact the administration office at (951) 849-3192 at least 72 hours prior to the meeting.

Public Requests for Documents: The District provides a public inspection copy of all materials included in the agenda packet distributed to the Board members. Members of the public who wish to obtain a copy of any document may do so by completing a Request for Public Document form and submitting it to the Administration who will arrange for the documents to be copied at a charge of 10¢ per page. Request forms are available at the District Administration offices.

1. **Call to Order, Pledge of Allegiance, Roll Call**

2. **Adoption of Agenda**

3. **Public Comment**

Individuals may address the Board regarding any item of Library District business on or not on the agenda. Comments are limited to 5 minutes per person. While all comments are welcome, the Brown Act does not allow the Board to take action on any item not on the agenda. Please complete the "Request to Address the Board" card by filling out your name and the specific item you wish to address.

4. **Consent Calendar**

All Consent Calendar items will be acted upon a single action of the Board unless otherwise requested by an individual Board Member for separate consideration.

Recommended Action: The Board of Trustees hereby approves the items below:

4.1 Minutes of the Regular Board meeting—November 10, 2021

5. **Consideration of Items Removed from the Consent Calendar**

6. **Reports, Presentations, Recognitions**

- 6.1 Friends of Banning Library Report
- 6.2 Carpet Presentation and Discussion by Linda Braverman from Yamada Enterprises
- 6.3 Recognition: Certificate of Appreciation – Board of Trustees
- 6.4 Recognition: Certificate of Appreciation – Friends of Banning Library

7. **Finance Report**

8. **District Director's Report**

9. **Board Reports and Comments**

Board members are encouraged to report on items of information not requiring comment or discussion to the entire body at this time. (Reference: The Ralph M. Brown Act)

10. **Unfinished Business**

- 10.1 Discussion and Action: Reselecting Carpet Tile and Pattern Due to Unavailability of Previous Selection

11. **New Business**

- 11.1 Amendments to Policy No. 5110 Holidays
11.2 Authorize the Director to Enter into an Agreement with Nigro & Nigro, Certified Public Accountants, for the annual audit of the District financial statements for Fiscal Years ending in June 30, 2022-2024. Each audit engagement is not to exceed \$15,500.
11.3 Approval of Cost-of-Living Adjustment Increase

12. **Last Minute Action Items**

The Board may discuss an item, which was not previously placed on the agenda when the Board determines that there is a need for immediate action which cannot reasonably wait for the next regularly scheduled meeting. The determination must be made by two-thirds of the total Board or, if two-thirds of the Board is no present, by a unanimous vote of those remaining. (Reference: The Ralph M. Brown Act)

13. **Closed Session**

- 13.1 Public Employee Performance Evaluation - District Director
Pursuant to Government Code Section 54957

14. **Agenda Items for Future Agendas**

15. **Next Regular Board Meeting**

December 8, 2021

16. **Adjournment**



Board of Trustees
Kathy Little — President
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Melanie Lara — Secretary
Jana Brassfield — Trustee
Loretta Cousar — Trustee

MINUTES
REGULAR MEETING OF THE BOARD OF TRUSTEES
November 10, 2021 | 5:00 P.M. | Non-fiction Room

**CALL TO ORDER,
PLEDGE OF
ALLEGIANCE, ROLL
CALL**

Board President Little called the Regular Meeting of the Banning Library District Board of Trustees to order on November 10, 2021 at 5:03 p.m.

Members Present: Kathy Little, Alejandro Geronimo, Melanie Lara, Loretta Cousar, and Jana Brassfield.

Members Absent: None.

Staff Present: Kevin Lee, District Director; Fernando Morales, Library Manager; and Christian Tzintzun, Library Technician.

Guests: David Becker.

**ADOPTION OF
AGENDA**

A motion was made by Cousar and seconded by Lara to adopt the agenda for the November 10, 2021 Regular Meeting.

AYES: Little, Lara, Cousar, Brassfield.

NOES: None.

ABSTAIN: None.

ABSENT: Geronimo.

**PUBLIC COMMENT
CONSENT CALENDAR**

None.

A motion was made by Brassfield and seconded by Cousar to approve the Minutes of the October 13, 2021 Regular Meeting.

AYES: Little, Lara, Cousar, Brassfield.

NOES: None.

ABSTAIN: None.

ABSENT: Geronimo.

**CONSIDERATION OF
ITEMS REMOVED
FROM THE CONSENT
CALENDAR**

None.

**REPORTS AND
PRESENTATIONS**

6.1 Friends of the Banning Library Report.
None.

6.2 Audit Report and Presentation by David Becker from James Marta & Co. for FY 20/21.

Becker told the Board that the audit is unmodified and there were no issues with internal control. The overall revenue is up \$140K. Expenses increased by \$311K because of the renovations to children and teen rooms. Fund balance increased by \$37K and the fund/cash balance is at \$2.3M. Little mentioned that hiring an outside HR company was a good idea.

FINANCE REPORT

Lee told the Board that everything was steady. Property taxes went up. The health insurance went up as usual.

DISTRICT DIRECTOR'S REPORT

Lee announced that Andrea is no longer working for the Library. Lee wished everyone a happy Veteran's Day and Thanksgiving. Lee said that when he went to the ASRL conference he noticed that most small and rural libraries are also having problems with patron accessibility, reaching out to patrons who are not able to come to the library. Little asked Lee to think about bringing guests or volunteers to read story time.

BOARD REPORTS AND COMMENTS

None.

UNFINISHED BUSINESS

10.1 Announcement of Silent Auction Winners.

Little announced the winners of the silent auction.

10.2 Silent Auction: Unsold Furniture to be Donated to Friends of the Banning Library or another Nonprofit Organization.

The Board agreed to offer the unsold furniture to the Friends of the Banning Library first, then to another Nonprofit Organization. A motion was made by Lara and seconded by Brassfield to donate the unsold furniture.

AYES: Little, Geronimo, Lara, Cousar, Brassfield.

NOES: None.

ABSTAIN: None.

ABSENT: None.

10.3 Approve and Authorize the Director to Enter into an Agreement with Yamada Enterprises to Renovate Library Furniture in Nonfiction, Fiction, Conference Room, Staff Kitchen, Hallway, Back offices, and Admin Rooms in the Amount Not to Exceed \$423,816.31.

Lee mentioned that the project would take between five to six months to complete because of delays. A motion was made by Brassfield and seconded by Geronimo to approve and authorize the Director to Enter into an Agreement with Yamada Enterprises to Renovate the Library Furniture.

AYES: Little, Geronimo, Lara, Cousar, Brassfield.
NOES: None.
ABSTAIN: None.
ABSENT: None.

NEW BUSINESS

11.1 Amendments to Policy No. 6020 Library Use.

Lara proposed to lower the cost of replacing a library card to \$2. A motion was made by Lara and seconded by Cousar to Approve and Adopt amendments to Policy No. 6020 with modifications to lower the card replacement cost from \$5 down to \$2.

AYES: Little, Geronimo, Lara, Cousar, Brassfield.
NOES: None.
ABSTAIN: None.
ABSENT: None.

11.2 Approve and Authorize the Director to Enter into Agreement with IE Junk to Demolish and Remove Pony and Outside Brick Walls in the Amount Not to Exceed \$6,500.00.

A motion was made by Brassfield and seconded by Cousar to Approve and Authorize the Director to Enter into an Agreement with IE Junk Removal.

AYES: Little, Geronimo, Lara, Cousar, Brassfield.
NOES: None.
ABSTAIN: None.
ABSENT: None.

11.3 Approve and Authorize the Director to Enter into an Agreement with MB Painting to Paint Non-Fiction, Fiction, Conference Room, Staff Kitchen, Hallway, Back offices, and Admin Rooms in the Amount Not to Exceed \$5,800.00.

A motion was made by Geronimo and Seconded by Lara to Approve and Authorize the Director to Enter into an Agreement with MB Painting.

AYES: Little, Geronimo, Lara, Cousar, Brassfield.
NOES: None.
ABSTAIN: None.
ABSENT: None.

11.4 Approve and Authorize the Director to Enter into an Agreement with Floor Tech of America to Install Carpet in Non-Fiction, Fiction, Conference Room, Staff Kitchen, Hallway, Back offices, and Admin Rooms in the Amount Not to Exceed \$46,104.00.

The Board decided on the slate colored carpet and installed in a quarter turn pattern. A motion was made by Geronimo and seconded by Cousar to Approve and Authorize the Director to Enter into an Agreement with Floor Tech of America.

AYES: Little, Geronimo, Lara, Cousar, Brassfield.
NOES: None.
ABSTAIN: None.
ABSENT: None.

**LAST MINUTE
AGENDA ITEMS** None.

**AGENDA ITEMS FOR
FUTURE AGENDAS** None.

**NEXT REGULAR
BOARD MEETING** December 8, 2021

ADJOURNMENT Adjourned at 5:56 p.m.

Prepared by:

Christian Tzintzun, Library Technician

The foregoing minutes are approved by the
Board of Trustees on _____, 2021.

Melanie Lara, Board Secretary

Kathy Little, Board President



Banning Library District

Profit & Loss (Unaudited)

General Fund

	October 2021 YTD	Budget	\$ Over (Under) Budget	% of Budget
1 REVENUES				
2 County Revenues	\$ 38,318	\$ 1,042,400	\$ (1,004,082)	4%
3 Local Revenues				
4 Interest	14	4,300	(4,286)	0%
5 Fines	360	3,100	(2,740)	12%
6 Service Sales	181	4,100	(3,919)	4%
7 Rental Fees	-	500	(500)	0%
8 Other Revenues	75	-	75	0%
9 Total Local Revenues	630	12,000	(11,370)	16%
10 TOTAL REVENUES	38,949	1,054,400	(1,015,451)	4%
11 EXPENSE				
12 Salaries & Benefits				
13 Regular Salaries	162,866	510,300	(347,434)	32%
14 Overtime	-	1,000	(1,000)	0%
15 Health Insurance	12,914	36,600	(23,686)	35%
16 Social Security	9,744	31,700	(21,956)	31%
17 Retirement	4,372	18,100	(13,728)	24%
18 Medicare	2,279	7,400	(5,121)	31%
19 Unemployment Insurance	702	4,800	(4,098)	15%
20 Total Salaries & Benefits	192,877	609,900	(417,023)	32%
21 Operational				
22 Equipment Leases/Automation	4,322	20,400	(16,078)	21%
23 Maintenance	4,400	16,000	(11,600)	28%
24 Program Expense	2,708	14,000	(11,292)	19%
25 Juvenile Books (Childrens)	1,547	10,000	(8,453)	15%
26 Adult Books	1,836	5,100	(3,264)	36%
27 Youth books (YA)	310	700	(390)	44%
28 Equipment & Furniture	1,229	10,000	(8,771)	12%
29 Data Base	3,522	30,000	(26,478)	12%
30 Audio	943	2,000	(1,057)	47%
31 DVD/Videos	869	3,500	(2,631)	25%
32 Periodical	1,082	1,700	(618)	64%
33 Processing Books & ILL	-	8,800	(8,800)	0%
34 Security	608	1,800	(1,192)	34%
35 Website Maintenance	3,060	4,000	(940)	77%
36 Janitorial	-	2,800	(2,800)	0%
37 Total Operational	26,436	130,800	(104,364)	20%

*No assurance provided on these financial statements. These financial statements do not include a statement of cash flows. Substantially all disclosures required by accounting principles generally accepted in the United States not included.



Banning Library District

Profit & Loss (Unaudited)

General Fund

		October 2021 YTD	Budget	\$ Over (Under) Budget	% of Budget
38	Administrative				
39	HR Services	\$ 47	\$ 24,000	\$ (23,953)	0%
40	Professional	22,389	78,600	(56,211)	28%
41	Insurance	6,276	18,300	(12,024)	34%
42	Professional Development	750	2,200	(1,450)	34%
43	Recognition Events	297	1,500	(1,203)	20%
44	Advertising/Marketing	-	1,700	(1,700)	0%
45	Cty. Auditing and Accounting	-	500	(500)	0%
46	Membership	2,510	4,900	(2,390)	51%
47	Travel/Training	708	35,000	(34,292)	2%
48	Utilities	12,898	35,100	(22,202)	37%
49	Office	8,377	21,400	(13,023)	39%
50	Total Administrative	54,252	223,200	(168,948)	24%
51	Capital Outlay	11,194	350,000	(338,806)	3%
52	TOTAL EXPENSE	284,759	1,313,900	(1,029,141)	22%
53	NET INCOME / (LOSS)	\$ (245,811)	\$ (259,500)	\$ 13,689	

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Banning Library District

Profit & Loss (Unaudited)

Grants

		<u>October 2021</u>
		<u>YTD</u>
1	REVENUES	
2	Grant Income	\$ 15,530
3	TOTAL REVENUES	<u>15,530</u>
4	EXPENSE	
5	Program Expense	2,197
6	Adult Books	18
7	TOTAL EXPENSE	<u>2,216</u>
8	NET INCOME / (LOSS)	<u><u>\$ 13,314</u></u>

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Banning Library District

Balance Sheet (Unaudited)

As of October 31, 2021

		<u>Oct 31, 21</u>
1 ASSETS		
2 Checking/Savings		
3 County General Fund Cash	\$	55,829
4 LAIF		608,830
5 Bank of Hemet - Operating Account		1,347,830
6 Bank of Hemet - Money Market		83,725
7 Petty Cash		500
8 LAIF FMV		50
9 Total Checking/Savings		<u>2,096,765</u>
10 Other Current Assets		
11 Prepaid Expenses		17,451
12 Accounts Receivable Property Tax		-
13 Miscellaneous Receivable		2,179
14 Total Other Current Assets		<u>19,630</u>
15 Fixed Assets		
16 County General Fund Assets		1,231,732
17 Accumulated Depreciation		(607,147)
18 Construction in Progress		89,419
19 Total Fixed Assets		<u>714,004</u>
20 TOTAL ASSETS	\$	<u>2,830,399</u>
21 LIABILITIES & EQUITY		
22 Liabilities		
23 Accounts Payable		12,917
24 Credit Cards		2,930
25 Year End Accrued Payroll		15,009
26 Vacation Payable		23,570
27 Total Liabilities		<u>54,425</u>
28 Equity		2,775,974
29 TOTAL LIABILITIES & EQUITY	\$	<u>2,830,399</u>

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Loretta Cousar — Trustee

Director's Report

Meeting Date: December 8, 2021
By: Kevin Lee

- Hire/Promotion/Separation:
 - Promotion — Toni is promoted to Library Clerk from Library Aide. She started her new position on November 21, 2021.
- Our new website is coming soon - anytime this month. Our old website will still work until February 28, 2022.
- Library will also be closed on December 24, 2021, and December 25, 2021, in observance of Christmas Eve and Christmas Day.
- Red brick wall and awning outside by the Children's Room is now removed. The purpose of this demolition was to prevent individuals from using it to climb over the roof.
- Children Program: Mayor of Banning will do a Storytime on December 10th at 3 pm.
- Fernando and I will be attending the Public Library Association conference in Portland, Oregon from March 23 to 25. This will be our first time attending a PLA Conference.
- We applied for Home Connectivity Kits, which awards up to \$10,290. It is currently in pending status. This grant will allow patrons to check out laptops and take them home.
- We also applied to Penguin Random House grant, which is up to \$2,500 for library programs and books. This is in pending status as well.
- California State Library is working with California State Parks for a partnership program that will allow library card holders to check out state park passes to visit selected California State Parks for free. More information can be found here: http://www.parks.ca.gov/?page_id=30641/. We will update and announce this exciting opportunity once we get an update.
- Our new networking system was able to detect an individual who was using a software to illegally download pirated movies. The said system booted that individual off the network.
- No incidents in November!



21 W. Nicolet St.
Banning, CA 92220
(951) 849-3192 (tel.)
(951) 849-6355 (fax)
www.banninglibrarydistrict.org

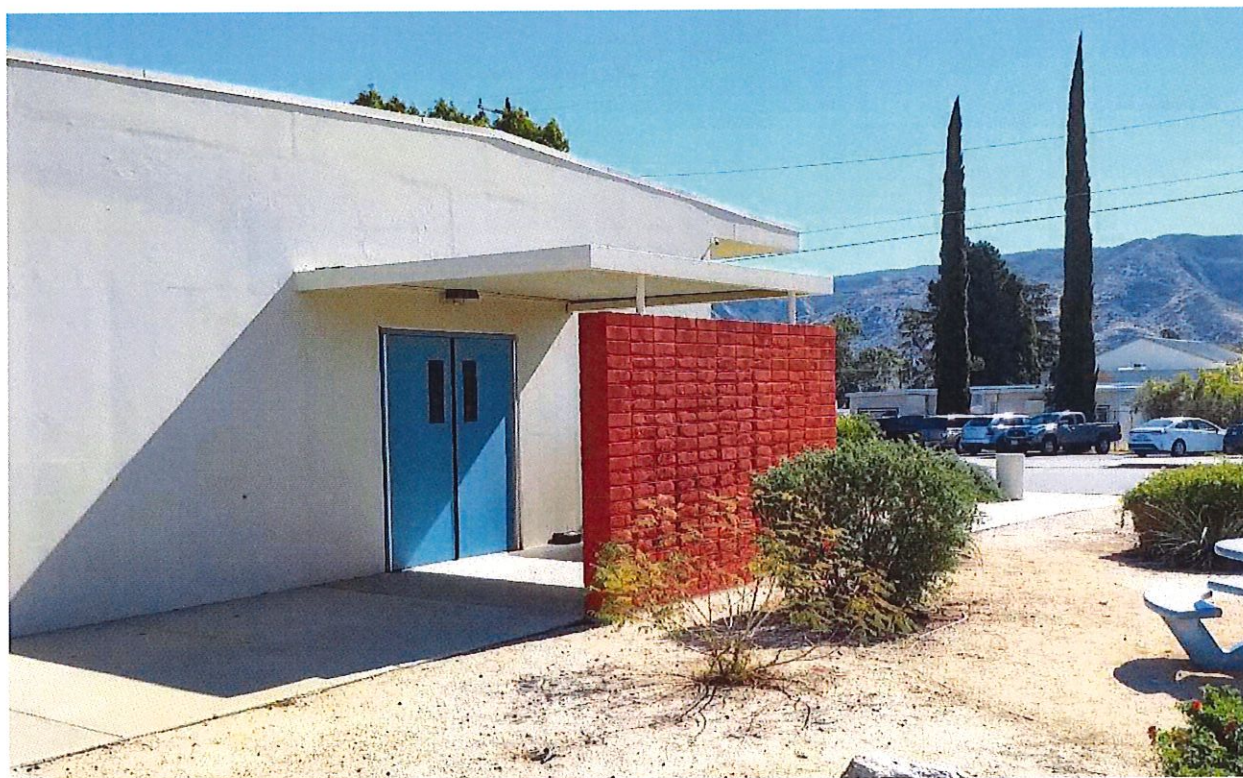
STAFF REPORT

Meeting Date: *December 8th 2021*

Prepared by: *Fernando Morales, Library Manager*

Renovation Progress:

On November 23rd, IE Junk came and took down the red brick wall and awning cover. Construction was completed in a day. So far no patrons have commented on it, however it has allowed for a bit more light to come in through the two children room door. Improving illumination by the children's room desk.





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Children's Department






During the month of November the Children's programs had a total of 64 people for all our programs.

- We had 31 people attend our preschool, toddler, and bilingual storytime.
- The STEM project this month was slime. You could make slime:cheese, make a bouncing ball, glow in the dark slime and make quicksand.
- On Family Game Night we had a lively and energetic crowd





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DECEMBER 2021						
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
			1) TODDLER STORY TIME 11:00AM-11:30	2) BILINGUAL STORY TIME 3:00PM-4:00PM	3) FAMILY GAME NIGHT 3:30PM-4:30PM	4) ORNAMENTS DECORATION 1:00PM-2:00PM
5) CLOSED	6) PRESCHOOL STORY TIME MOVEMENT 11:00AM-11:30AM	7) 	8) TODDLER STORY TIME 11:00AM-11:30 STEAM PROGRAM 3:30PM-4:00PM	9) BILINGUAL STORY TIME 3:00PM-4:00PM	10) CHRISTMAS TREE DECORATING 3:30PM-4:30PM	11) EMBROIDERY & CROSS STITCH 1:00PM-2:00PM
12) CLOSED	13) PRESCHOOL STORY TIME MOVEMENT 11:00AM-11:30AM	14) 	All programs will be in the children's room			
15) CLOSED	16) TODDLER STORY TIME 11:00AM-11:30	17) BILINGUAL STORY TIME 3:00PM-4:00PM	18) GINGERBREAD HOUSES 3:00PM-4:00PM	19) SCENTED PINE CONES 1:00PM-2:00PM		
19) CLOSED	20) PRESCHOOL STORY TIME MOVEMENT 11:00AM-11:30AM	21) 	22) TODDLER STORY TIME 11:00AM-11:30	23) BILINGUAL STORY TIME 3:00PM-4:00PM	24) CLOSED	25) CLOSED 
26) CLOSED	27) PRESCHOOL STORY TIME MOVEMENT 11:00AM-11:30AM	28) 	29) TODDLER STORY TIME 11:00AM-11:30	30) BILINGUAL STORY TIME 3:00PM-4:00PM	31) CLOSED	



WWW.BANNINGLIBRARYDISTRICT.ORG

21 W. NICOLET ST
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MONDAY 9AM-6PM
TUESDAY 9AM-6PM
WEDNESDAY 10AM-7PM
THURSDAY 9AM-6PM
FRIDAY 9AM-6PM
SATURDAY 10AM-5PM



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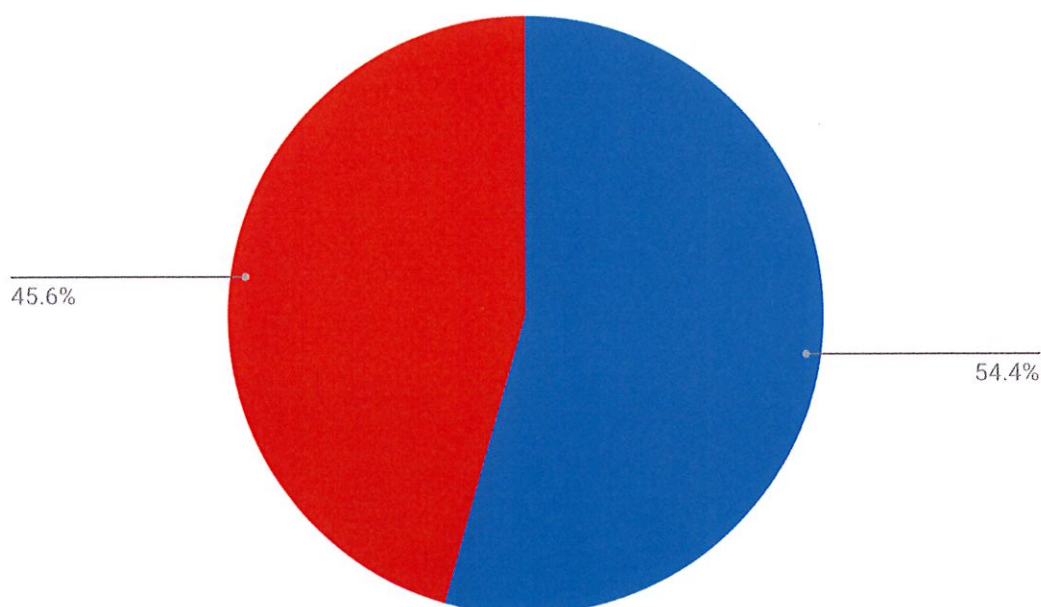
@Banning Library District

MEET YOUR PROGRAMMING
STAFF MEMBERS
ELIZABETH BILINEAL CHILDREN'S PROGRAMMING
DIRECTOR NUMBER 10 CHILDREN'S ROOM
(951) 849-3192 EXT. 225
FRANCISCO FANOS LOCAL HISTORIAN PROGRAM
MINE
(951) 849-3192 EXT. 225

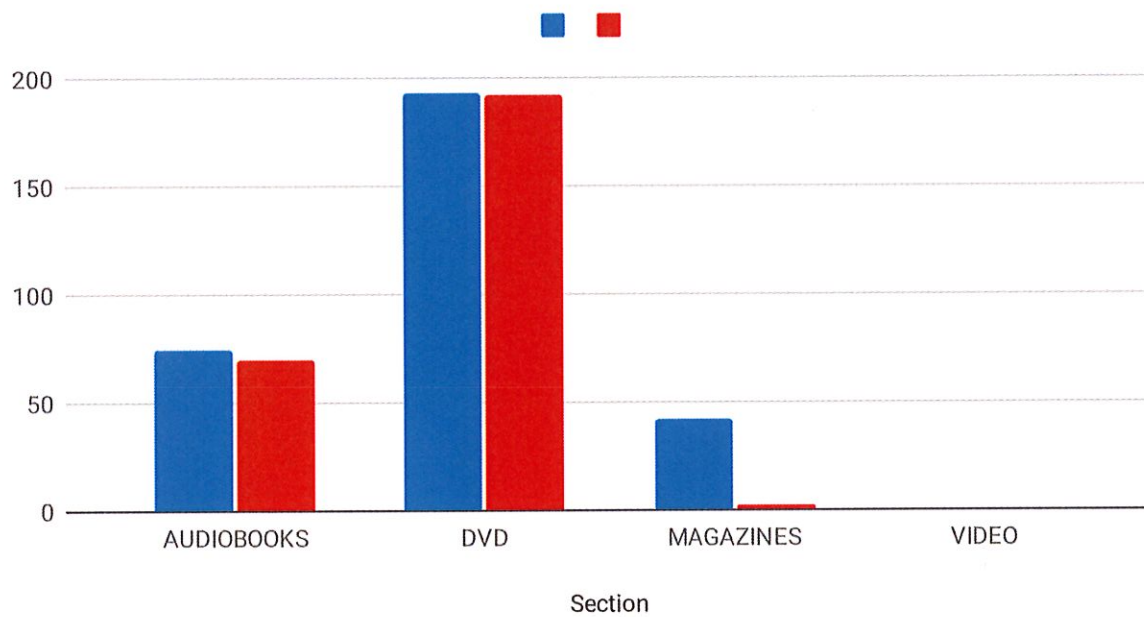


Oct/Nov Circulation Stats

Section	October	November
AUDIOBOOKS	74	70
DVD	193	192
MAGAZINES	42	2
VIDEO	0	0
ADULT FIC	230	180
ADULT NF	149	205
YA FICTION	42	21
YA NON FICTION	1	1
JUVENILE FICTION	479	351
JUVENILE NON FICTION	91	67
CHROMEBOOKS	22	19
HOTSPOTS	3	3
REALIA	0	0
MENTAL HEALTH KITS	2	3
BOARDGAMES	1	0
Total	1329	1114



October and November



250

200

150

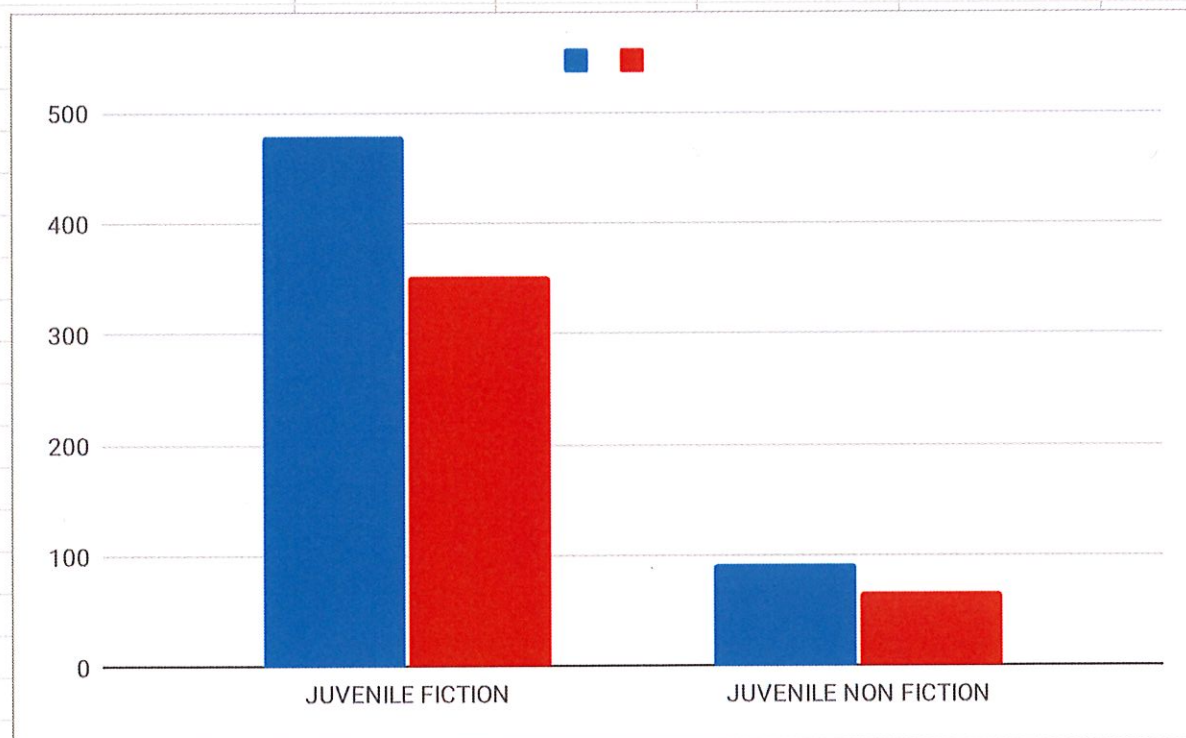
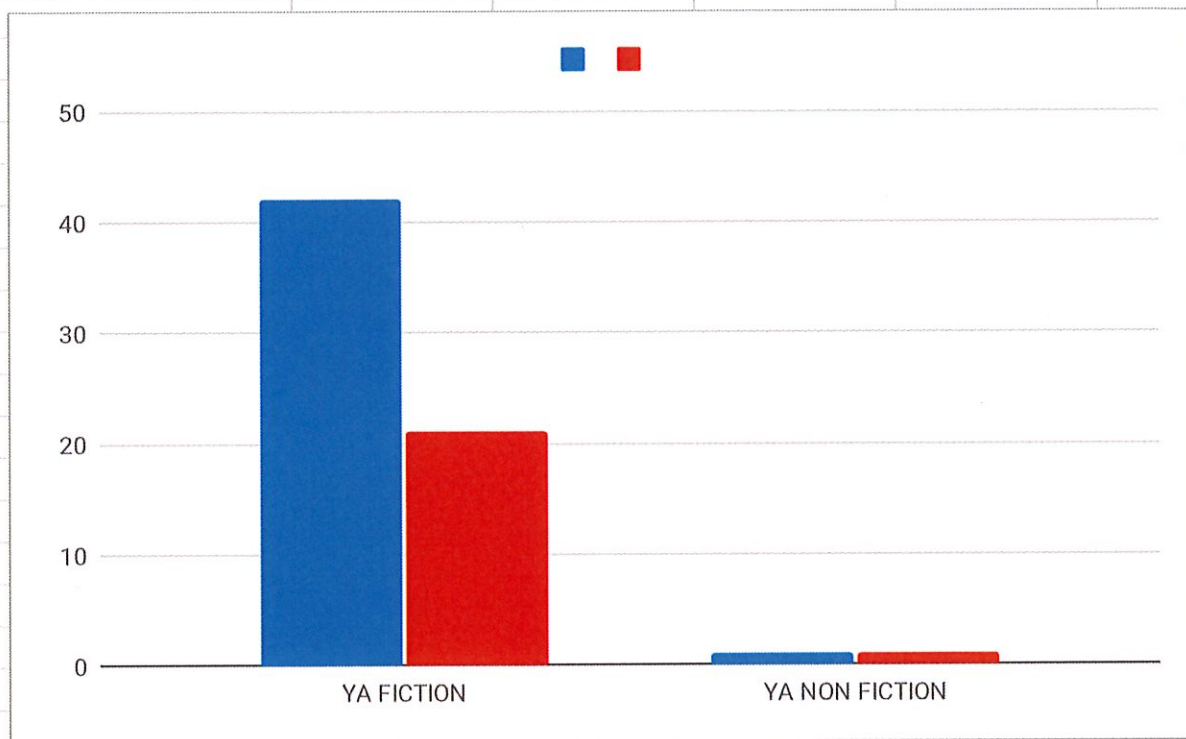
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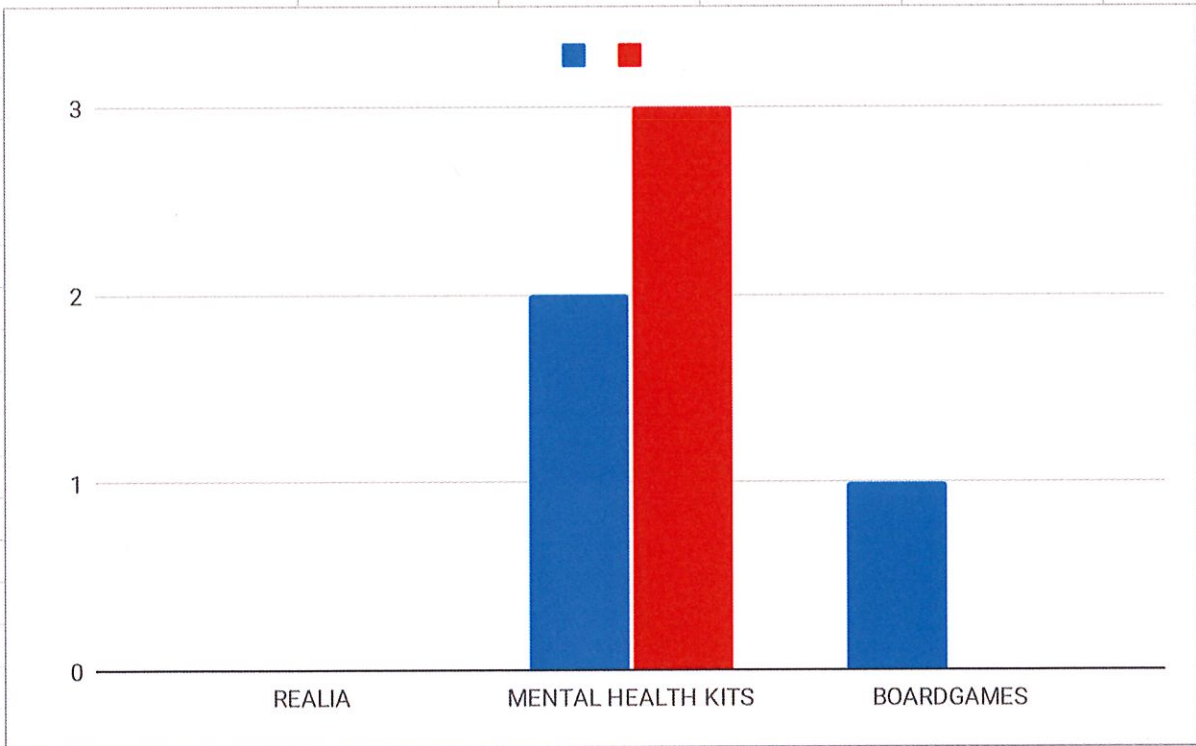
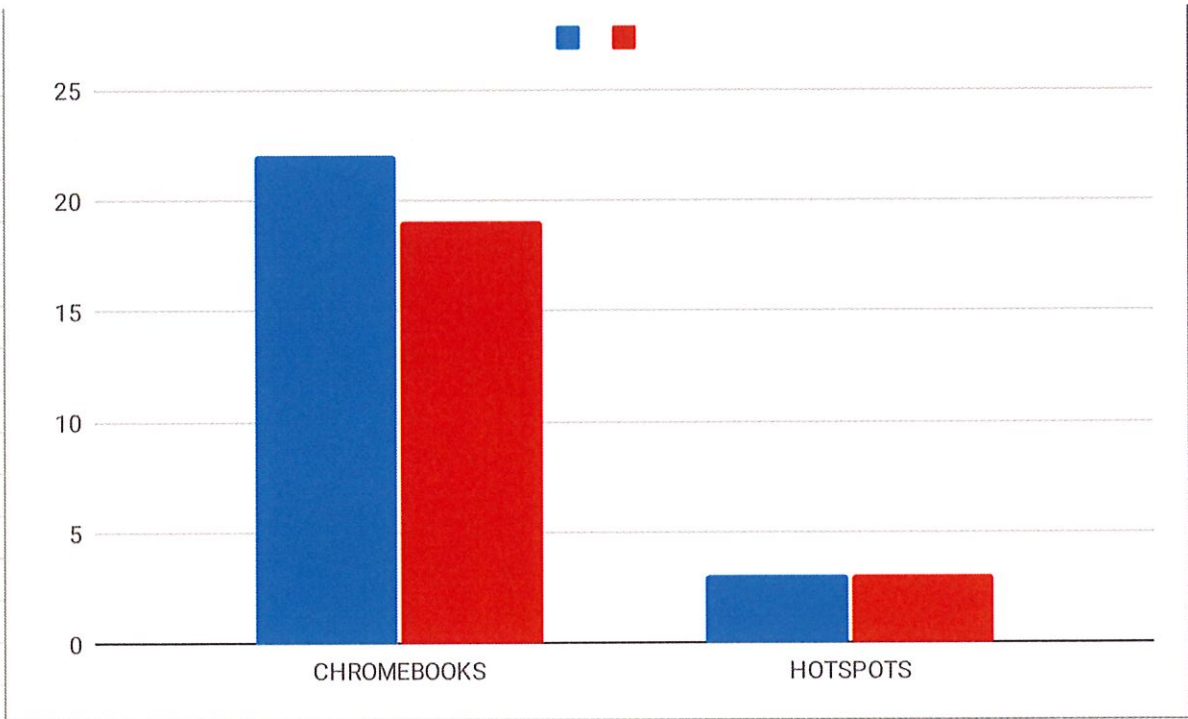
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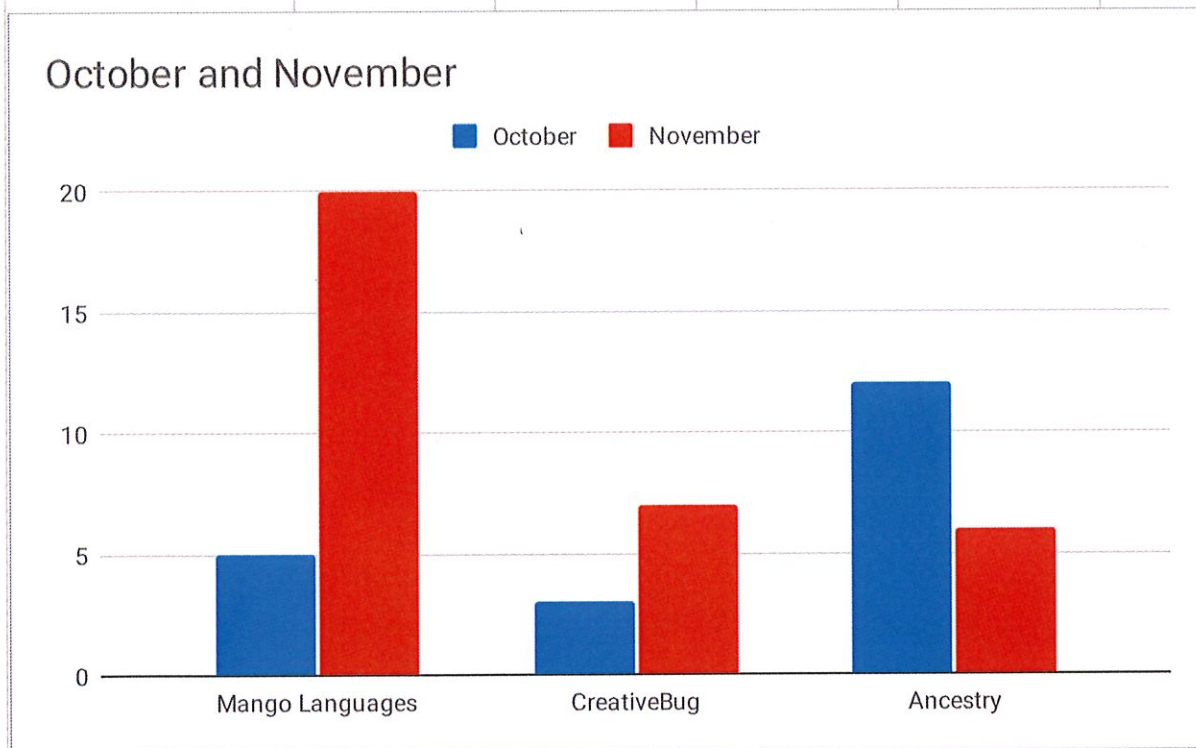
ADULT FIC

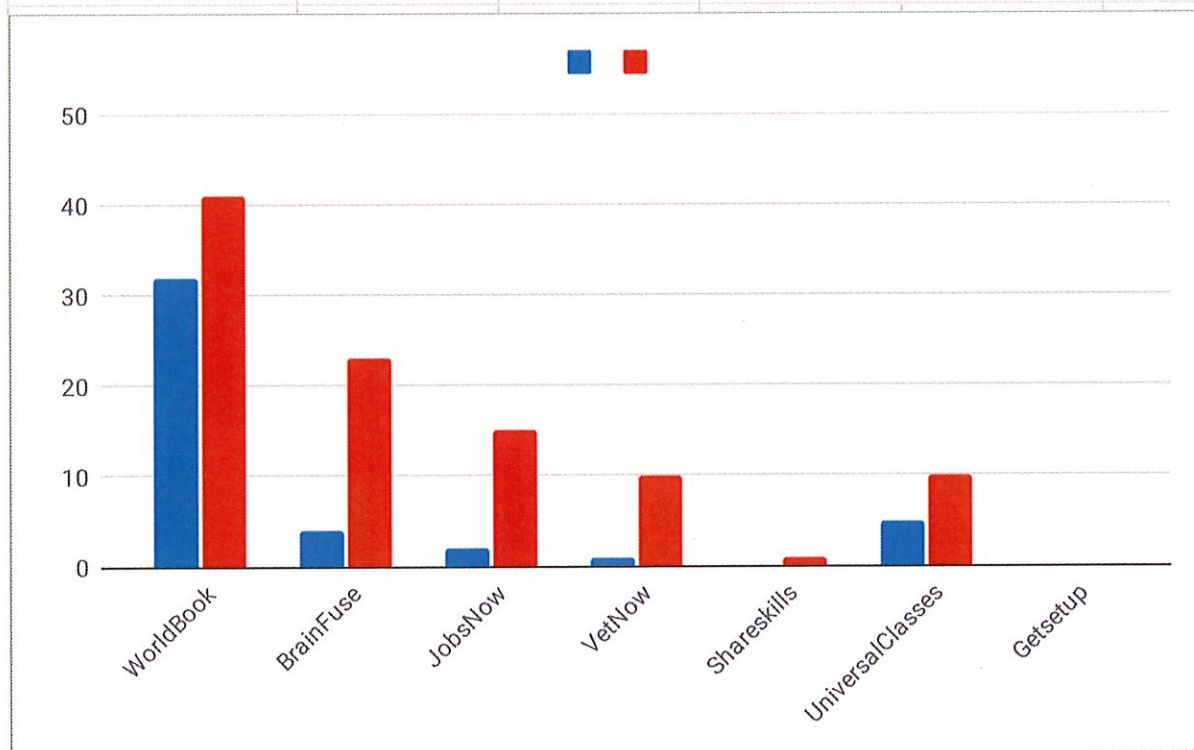
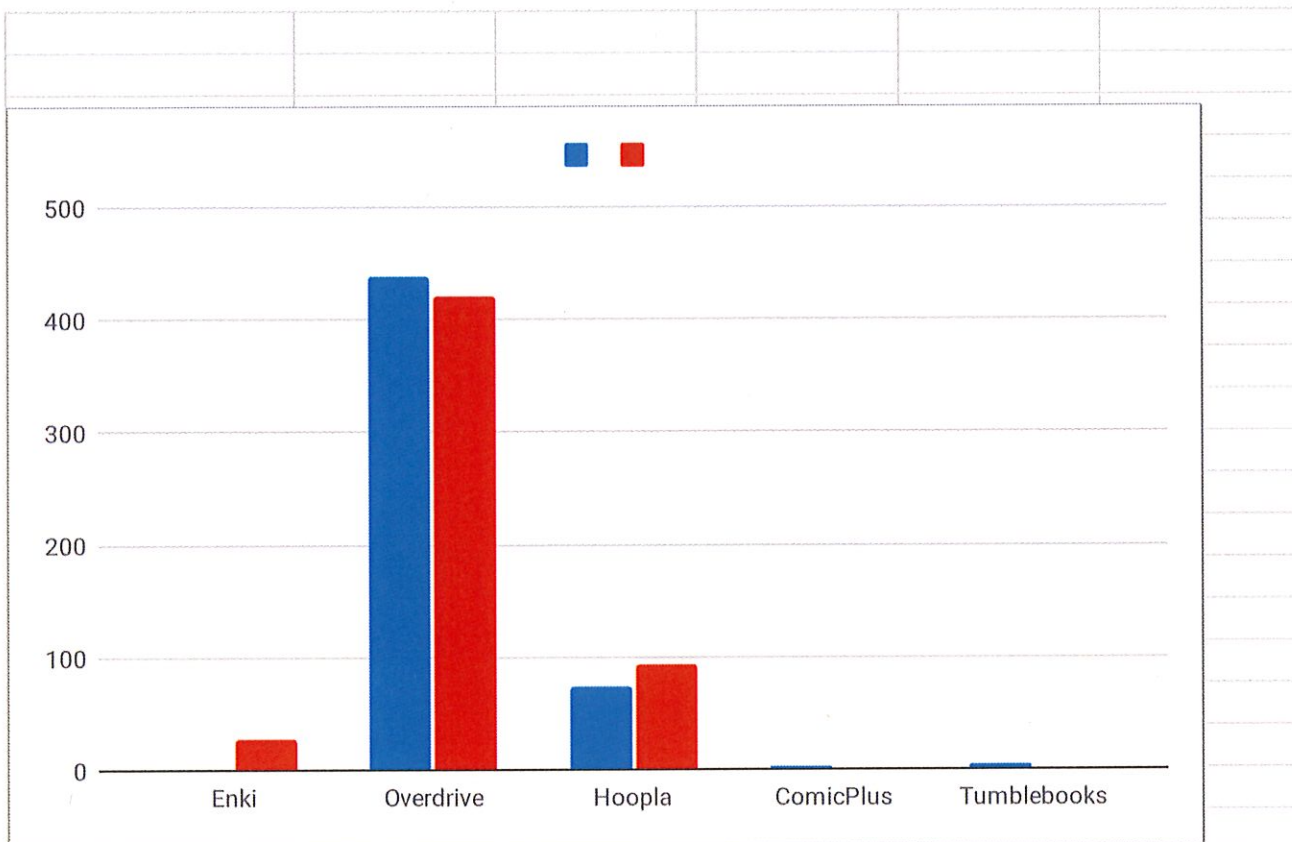
ADULT NF





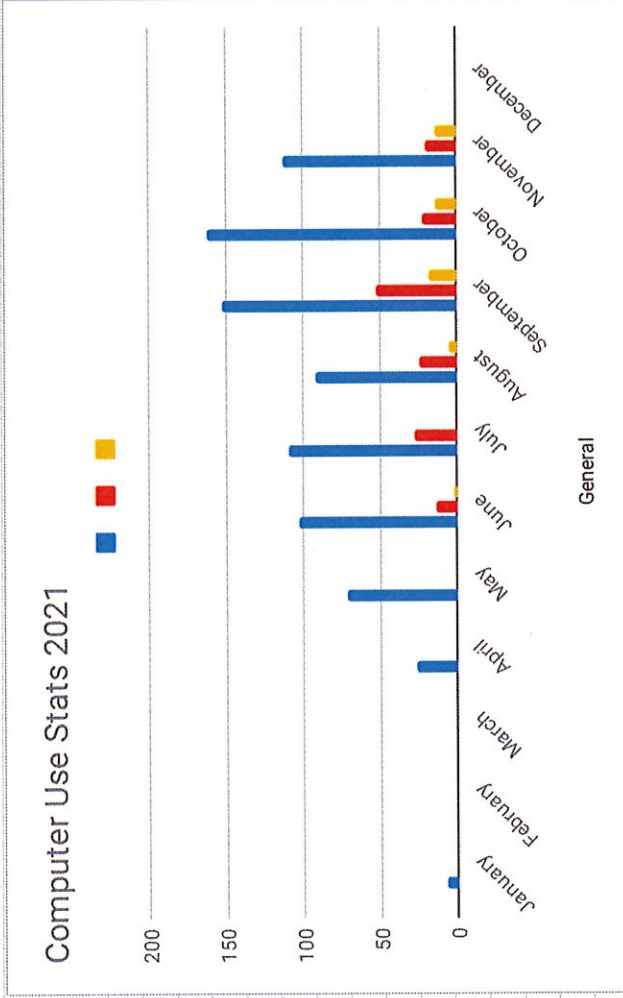
DATABASE STATS					
	October	November			
Mango Languages	5	20			
CreativeBug	3	7			
Ancestry	12	6			
Enki	1	27			
Overdrive	438	420			
Hoopla	74	94			
ComicPlus	3	1			
Tumblebooks	5	0			
WorldBook	32	41			
BrainFuse	4	23			
JobsNow	2	15			
VetNow	1	10			
Shareskills	0	1			
UniversalClasses	5	10			
Getsetup	0	0			





Public Computer Use 2021

2021	General	Teen Room	Childrens Room
January	7	0	0
February	0	0	0
March	0	0	0
April	27	0	0
May	72	0	0
June	103	14	2
July	109	28	0
August	92	24	5
September	152	52	18
October	162	22	14
November	113	20	14
December	0	0	0
Total	837	160	53



Prepared by Fernando Morales

Board Meeting Dec 8th 2021

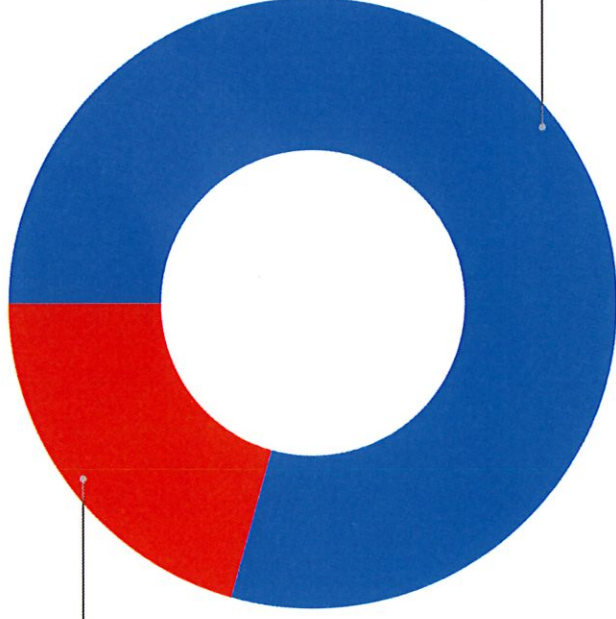
Library Cards 2021

Month	Adult	Children
January	4	1
February	4	2
March	9	0
April	14	3
May	20	8
June	41	10
July	40	12
August	48	16
September	49	16
October	52	5
November	34	9
December	0	0
Total	315	82

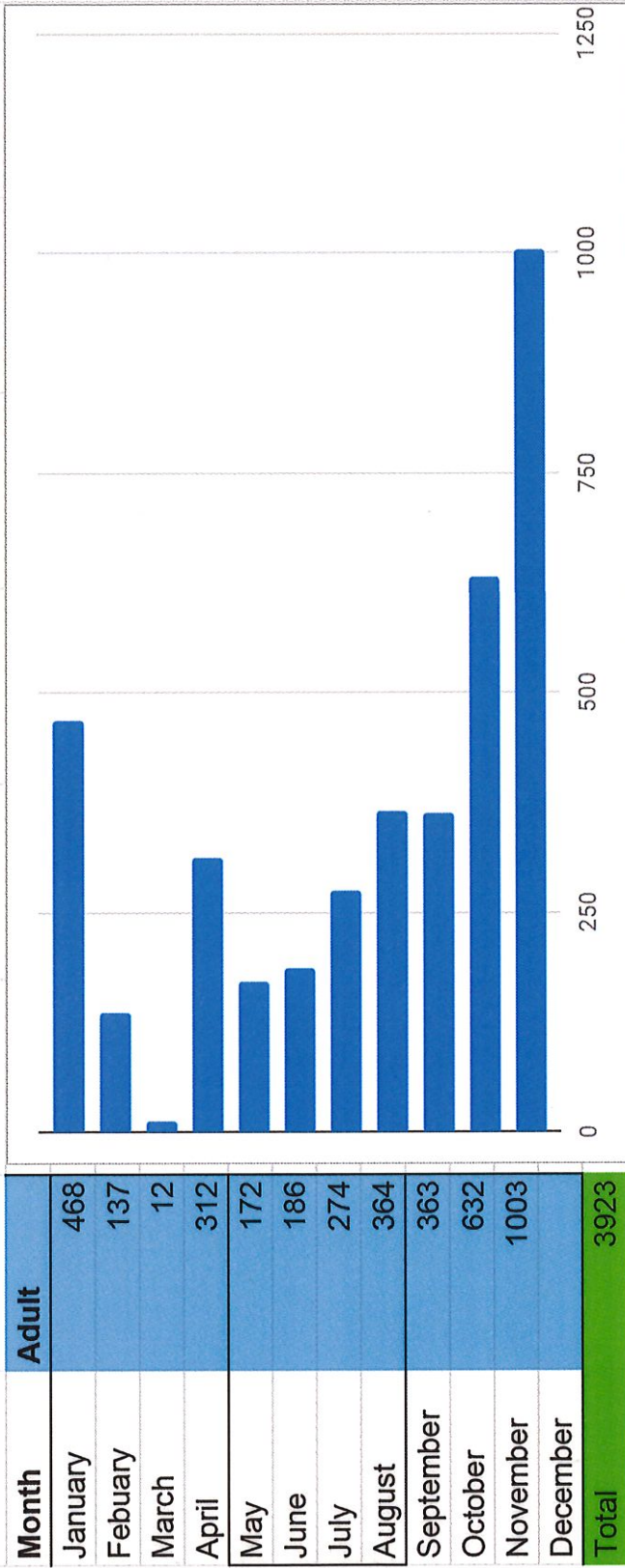
Average per Mor	26	7
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Report prepared by Fernando Morales

Board Meeting Dec 8th 2021



Library Door Count for the Banning Library 2021



Report prepared by Fernando Morales

Board Meeting Dec 8th 2021

Historian's Report for November 2021

November reached new milestones for our oral history programs and public outreach. In November there were seven total patron requests and two public history programs.

Patron Requests -

Most public requests were about information regarding the St. Boniface Indian School. There were two requests from public institutions (Moreno Valley College and Morongo Band) and two from the public. The Morongo Band of California Indians inquired about our vertical files regarding St. Boniface. Morongo visited us in November with their head archivist and representatives to look at our files.

Currently, we are cataloging each item and letter in the file. Once completed, the tribe will reach back to request more copies of the information in the file. The project will be completed, in December of this year.

Premiere Night at the Fox Cineplex -

On Tuesday, November 9th, we had the premiere of our documentary at the FOX Cineplex. Fellow promoters D'Place Entertainment were pleased, with the turnout. Over 35 people came from places as far as Palm Springs and Riverside to see the documentary.

Oral History Lecture with Steve Lech -

On November 13th Riverside County Parks Historian Steve Lech came to our library to speak about the history of the founding of Riverside county. This event was also shown online via ZOOM. Mr. Lech's lecture was attended by ten people who stayed for this hour and a half event. Mr. Lech was also kind enough to sign out two copies of his book regarding the subject, *Along the Old Roads*.

Digitizing Yearbooks -

The California State Library updated us regarding the yearbooks we sent to them for digitizing. In early 2020, the State Library awarded us a grant for digitizing our first yearbooks from 1906-1935. We sent them the books before the COVID-19 pandemic started. When the state shutdown happened, their service was placed on hold and development stopped. Digitizing has now begun in the last month again. We should see the return of these books towards the end of 2022.

Moreover, the library was awarded a grant to continue the digitizing of other yearbooks from 1935-1975. We sent these books last week to the State Library in Sacramento. Banning Library should see our books returned also at the end of 2022.

Meeting with Mayor Wallace/ Proposed History Commission –

In August, one of Banning's more historic homes was demolished by Banning Unified School District. The "Jost" home which was built in 1910 was one of the oldest in the city still standing. After consulting with us and the San Geronio Pass Historical Society, the School District without further warning decided to demolish the home without notifying us.

After this event in November, the historical society approached me and the Friends of the Library regarding meeting with Mayor Colleen Wallace to re-start discussions about creating a history commission or organizing within the city's structure that will notify our organizations about other historic structures in danger. Mayor Wallace came to the library and we met to discuss what the next steps might be.

As for the Library's perspective on the matter, we encouraged sharing of information in our archive as well as gathering information from the City and School district that may be only in their possession. This sharing of information may allow us to better add to our archive and document for future reference, historic structures that may, unfortunately, have to be torn down.

To this effect, we began online cataloging of the information have in our archive of historic homes. This information will be more easily shared digitally and allow anyone who requests it, to see the provenance and metadata that the Library, SGPHS, and Friends can provide through primary sources or memories.

This effort and spreadsheet will better help patrons, and anyone who requests more data regarding historic structure and their provenance.

Submitted Respectfully by,
Francisco Ramos, Historian



Board of Trustees
Kathy Little — President
Alex Geronimo — Vice President
Melanie Lara — Secretary
Jana Brassfield — Trustee
Loretta Cousar — Trustee

STAFF REPORT

Meeting Date: December 8, 2021
Prepared By: Kevin Lee, District Director
Agenda Item: 10.1
Title: Discussion and Action: Reselecting Carpet Tile and Pattern Due to Unavailability of Previous Selection

RECOMMENDATION:

That the Board **approve** another carpet tile and pattern due to unavailability of previous selection.

BACKGROUND/INFORMATION:

At the last regular board meeting, the Board chose linear Slate carpet with a quarter-turn pattern. Unfortunately, linear Slate does not come in quarter-turn pattern.



Board of Trustees
Kathy Little — President
Alex Geronimo — Vice President
Melanie Lara — Secretary
Jana Brassfield — Trustee
Loretta Cousar — Trustee

STAFF REPORT

Meeting Date: December 8, 2021
Prepared By: Kevin Lee, District Director
Agenda Item: 11.1
Title: Amendments to Policy No. 5110 Holidays

RECOMMENDATION:

Approve and adopt amendments to Policy No. 5110 Holidays

BACKGROUND/ANALYSIS:

5110.3 – This section needs some clarification on how many hours each holiday is because “employee will receive one day’s pay” is ambiguous for several reasons. For example, the District accommodates full-time employees with their school schedules, on a case by case status, if 1) employees want to obtain college degrees that would benefit the District and 2) if the District is able to efficiently operate with such accommodation. An employee may be scheduled to work six days a week, but no more than forty hours a week at the employee’s request and the Director’s approval. Such that, each day may have different work hours, which affects the “one day’s pay.” Second, full-time status is 36 hours a week per Policy No. 5010 Employee Status. Employees’ schedules, for those who work 36 hours a week, need to be readjusted based on what that “one day’s pay” is.

On the draft, Staff applied eight hours to be a one-day work.

5110.7 – At the regular board meeting on December 5, 2018, the Board removed part-time employees’ holiday benefit. Such action was taken to align with general practice of most government agencies.

5110.8 – Floating holiday needs to be reduced to one per calendar year for full time employees due to several reasons. First, the Library already gives a generous vacation time benefit for full time employees. Second, for efficiency of library operations. At times when the Library is understaffed due to employee turnovers, the Library needs to be in a position to satisfy those uncertain situations. Next, the Library wants to bring more services and programs, which requires employees being present at the library more than ever.

Banning Library District

POLICY MANUAL

POLICY TITLE: Holidays

POLICY NUMBER: 5110

5110.1 This policy will only apply to all regular full-time employees defined under Employee Status, 5010.1, ~~describing Full-time employee status, except for Section 5110.7, which applies to part-time employees as well, and Section 5110.8, which applies to full-time and part time employees.~~

5110.2 The following days will be recognized and observed as paid holidays:

New Year's Day – January
Martin Luther King Jr. Day – January
President's Day – February
Memorial Day – May
Independence Day – July
Labor Day – September
Veteran's Day – November
Thanksgiving Day – November
Day After Thanksgiving Day – November
Christmas Eve – December
Christmas Day – December
New Year's Eve – December

5110.3 All regular work will be suspended, and employees will receive one day's pay (*eight hours*) for each of the holidays listed above. An employee is eligible for any paid holiday if he/she works his/her last regularly scheduled workday before and his/her first regularly scheduled workday after said holiday. Eligibility is also granted if the employee is on vacation or has notified his/her supervisor and the District Director and received permission to be absent from work on that specific day or days.

5110.4 If any employee works on any of the holidays listed above, he/she will be given compensatory time off may be approved in lieu of overtime pay at the request of the employee, or be paid for all hours worked at the rate of time and one-half (1½) his/her regular rate of pay specified under Policy #5100, "Hours of Work and Overtime.

5110.5 When an employee is taking an authorized leave with pay when a holiday occurs, said holiday shall not be charged against said leave with pay.

5110.6 When a holiday falls on a full-time employee's day off, the employee will request a day off during the week of the holiday. The District Director or designee will make every effort to accommodate the employee's request.

~~5110.7~~ When a holiday falls on a part-time employee's workday, the employee will be scheduled to ensure his or her work hours are not lost during the week of the holiday.

~~5110.8~~ **5110.7** Regular full-time employees qualify for ~~two~~ *one* floating holidays per calendar year. Regular part-time employees qualify for 4 hours of floating holidays per calendar year. Employee must request which ~~two~~ *one* floating holidays he/she wishes to designate his/her floating holidays before January 15th of each year. Floating holidays do not accumulate. Any unused floating holidays will be forfeited at the end of each calendar year. Floating holiday must be tied to a date or a specific event. Floating holidays must be approved by the District Director. Employees do not receive pay for unused floating holidays upon termination of employment.



Board of Trustees
Kathy Little — President
Alex Geronimo — Vice President
Melanie Lara — Secretary
Jana Brassfield — Trustee
Loretta Cousar — Trustee

STAFF REPORT

Meeting Date: December 8, 2021
Prepared By: Kevin Lee, District Director
Agenda Item: 11.2
Title: Authorize the Director to Enter into an Agreement with Nigro & Nigro, Certified Public Accountants, for the annual audit of the District financial statements for Fiscal Years ending in June 30, 2022-2024. Each audit engagement is not to exceed \$15,500.

RECOMMENDATION:

Authorize the Director to Enter into an Agreement with Nigro & Nigro, Certified Public Accountants, for the annual audit of the District financial statements for Fiscal Years ending in June 30, 2022-2024. Each audit engagement is not to exceed \$15,500.

BACKGROUND/ANALYSIS:

Three-year engagement term with James Martha & Company completed last month. Every three years, it is the practice of the District to invite new audit bids for comparison.

The District invited several different audit firms, but only one has replied. Another firm said it would consider submitting an audit proposal, but never responded.

About Nigro & Nigro:

Nigro & Nigro team members are highly trained in governmental accounting and auditing, which sets them apart as being able to add value beyond the basic attest engagement. Paul Kaymark, CPA, and lead auditor, has 26 years of audit experience. He has experiences in many different areas of accounting and auditing, for examples, internal controls, financial reporting, and annual report of financial transactions.

The audit of the financial statements is a standard requirement for proper public agency financial operations and State compliance.

ALTERNATIVES/OPTIONS:

1. Continue working with James Martha & Company for audit services.
2. Enter into an Agreement with Nigro & Nigro for audit services.

FISCAL IMPACT:

1. James Martha & Company:
 - a. \$18,770 for audit ending June 30, 2022, and \$525 for Financial Transaction Report
 - b. \$19,700 for audit ending June 30, 2023, and \$550 for Financial Transaction Report
 - c. \$20,685 for audit ending June 30, 2024, and \$575 for Financial Transaction Report
 - d. **Total impact for three audits: \$60,805**
2. Nigro & Nigro:

- a. \$15,000 for audit ending June 30, 2022, and \$500 for Financial Transaction Report
- b. \$15,000 for audit ending June 30, 2022, and \$500 for Financial Transaction Report
- c. \$15,000 for audit ending June 30, 2022, and \$500 for Financial Transaction Report
- d. **Total impact for three audits: \$46,500**

The difference in savings is \$14,305.



James Marta & Company LLP
Certified Public Accountants

Accounting ▪ Audit ▪ Consulting ▪ Tax

November 2, 2021

Banning Library District
21 West Nicolet Street
Banning, CA 92220

To the Board of Directors of Banning Library District.

RE: Engagement Letter for Independent Financial Audit Services

We are pleased to confirm our understanding of the services we are to provide for Banning Library District related to the June 30, 2022, 2023, and 2024 fiscal years.

This letter confirms the services you have asked our firm to perform and the terms under which we have agreed to do that work. Please read this letter carefully because it is important to both our firm and you that you understand what you can and cannot expect from our work. In other words, we want you to know the limitations of the services you have asked us to perform. If you are confused at all by this letter or believe we have misunderstood what you need, please call to discuss this letter before you sign it.

1. OBJECTIVE AND SCOPE OF THE AUDIT

You have requested that we audit the Financial Statements of Banning Library District as of June 30, 2022, 2023 and 2024, and the related Statement of Net Position, Statement of Activities, and Statement of Revenues, Expenditures, and Changes in Fund Balance for the years then ended and the related notes to the financial statements, which collectively comprise Banning Library District's basic financial statements and provide assistance with the preparation of the financial statements.

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board (GASB) 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. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI.

The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis

2. THE RESPONSIBILITIES OF THE AUDITOR

We will conduct our audit in accordance with applicable auditing standards generally accepted in the United States of America (U.S. GAAS). Applicable standards include:

- The AICPA Audit Guide, Audits of State and Local Government Units, generally accepted auditing standards;
- The California State Controller's Minimum Audit Requirements and Reporting Guidelines for California Special Districts; and
- The United States General Accounting Office (GAO) Government Auditing Standards, Office of Management and Budget (OMB), Audits of States, Local Governments and Nonprofit Organizations.

As part of an audit in accordance with GAAS, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- 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 entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

- 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, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Banning Library District's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements (whether caused by errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations) may not be detected by our firm, even though our audit is properly planned and performed in accordance with GAAS, Government Auditing Standards, promulgated by the United States Comptroller General; and the Uniform Guidance (2 CFR Section 200), Audits of States, Local Government, and Nonprofit Organizations.

3. CHARACTER AND LIMITATIONS OF AN AUDIT

The purpose of an audit is to express an opinion as to whether your financial statements are fairly presented, in all material respects in conformity with United States generally accepted accounting principles, and is limited to the period covered by our audit. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement. In the event we must withdraw from the engagement, our fees will be limited to the fees incurred up to the point of withdrawal.

We will also issue a written report on internal control, a report to those charged with governance and a management comment letter (if applicable).

At the conclusion of our audit engagement, we will communicate to those charged with governance the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;

- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

Our audit will be conducted in accordance with generally accepted auditing standards. Those standards require that we initially assess the risk that errors, fraud, irregularities, and illegal acts may cause the financial statements to contain a material misstatement. This is necessary because we do not audit all the transactions and balances in the financial statements, only a selected portion of them, in some cases a very small portion. The costs for us to examine a large portion of them, or all of them of a certain category, or all of them in all categories, would be prohibitive. Consequently, there are risks.

In making this initial assessment, we are required to obtain an understanding of the entity and its environment, including its internal control, sufficient to assess the risks of material misstatement of financial statements and to design appropriate audit procedures. Those considerations mandate your complete cooperation and honesty about your knowledge and understanding of the possibility of the existence of errors, fraud, irregularities and illegal acts. By signing this letter, you agree that you will provide this cooperation and that you will be totally honest with us.

Based on that assessment, the standards require us to design the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement, whether caused by errors, fraud, irregularities and illegal acts. Accordingly, a material misstatement may remain undetected. While we are required to exercise due care and professional skepticism, since our opinion is based on the concept of reasonable assurance, we are not an insurer and our report does not constitute a guarantee. We will inform you of all matters of fraud that come to our attention. We will also inform you of illegal acts that come to our attention, unless they are clearly inconsequential. We will inform you of any need to extend our procedures because of them and our estimate of their additional cost.

The discovery, subsequent to the date of the auditor's report, that one or more errors, frauds, irregularities, or illegal acts causing the financial statements to contain one or more material misstatements, have occurred does not necessarily mean that our audit was not conducted in accordance with generally accepted auditing standards.

An audit includes obtaining an understanding of internal control sufficient to plan the audit, but is not designed to provide assurance on internal control or to identify significant deficiencies conditions. However, during the audit, if we become aware of such reportable conditions or ways that we believe management practices can be improved, we will communicate them to you in a separate letter.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of certain assets, revenues and expenses by correspondence with selected individuals, legal counsel, creditors, and financial institutions.

In the event that the financial information provided is incomplete or inaccurate, then we will either complete the work at our standard rate, or delay the audit until this information is complete and accurate.

At the conclusion of our audit, we will require you to furnish us a management representation letter confirming, among others, your responsibility for your financial statements and for the design and implementation of program and controls to prevent and detect fraud. This letter is a required audit procedure prior to issuing our report. By signing this engagement letter and furnishing a management representation letter, you agree to indemnify us and hold us harmless for any liability and costs arising from knowing misrepresentations by management.

In accordance with auditing standards generally accepted in the United States of America, we will also issue a written report describing the scope of our testing over internal control over financial reporting, including the results of that testing. However, providing an opinion on internal control and compliance will not be an objective of the audit and, therefore, no such opinion will be expressed.

4. COMPLIANCE WITH LAWS AND REGULATIONS

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Banning Library District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

5. MANAGEMENT RESPONSIBILITIES

At the outset, it is imperative that we state the scope of your responsibilities in connection with this engagement:

- a. The financial statements are the responsibility of Banning Library District's management. As such, management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.
- b. Encompassed in that responsibility is the establishment and maintenance of effective internal control over financial reporting, the establishment and maintenance of proper accounting records, and the selection of appropriate accounting principles.
- c. Management is responsible for the design and implementation of programs and controls to prevent or detect fraud, and for informing us about all known or suspected fraud affecting the organization involving (a) management, (b) individuals who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements.
- d. Management is also responsible for informing us of its knowledge of any allegations of fraud or suspected fraud affecting the organization received in communications from members, regulators,

or others. In addition, management is responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

- e. In accordance with the terms and conditions of this agreement, Banning Library District Management is responsible for:
 - i. Identification of the applicable reporting framework;
 - ii. Preparation and fair presentation of financial statements in accordance with accounting principles generally accepted in the United States of America; and
 - iii. Design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
 - iv. Having appropriate programs and controls in place to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the company that involves management, employees who have significant roles in internal control, and others where fraud could have a material impact on the financial statements. You are also responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting the company received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the company complies with the applicable laws and regulations.
 - v. Accuracy and completeness of all data, information and representations provided to us for the purposes of this engagement. Because of the importance of oral and written management representations to the effective performance of our services, Banning Library District releases and indemnifies our firm and its personnel from any and all claims, liabilities, costs and expenses attributable to any misrepresentation by management and its representatives.
- f. Management is responsible to provide us with
 - i. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters;
 - ii. Additional information that we may request from management for the purpose of the audit; and
 - iii. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

We will assist in the preparation of your financial statements, but the responsibility for the financial statements remains with you. You are responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest

period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

As part of our engagement, we may propose standard, adjusting, or correcting journal entries to your financial statements. You are responsible for reviewing the entries and understanding the nature of any proposed entries and the impact they have on your financial statements. Further, you are responsible for designating a qualified management-level individual to be responsible and accountable for overseeing these activities.

6. INDEPENDENT CONTRACTOR STATUS

James Marta & Company LLP shall perform the required services as an independent contractor and not as an “officer, employee, or agent” of Banning Library District. Although Banning Library District reserves the right to evaluate the quality of the service provided by James Marta & Company LLP, Banning Library District will not control the means or manner of James Marta & Company LLP’s performance.

7. REPORTING

We will issue a written reports upon completion of our audit of Banning Library District’s basic financial statements. Our reports will be addressed to the Board of Directors of Banning Library District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances is may be necessary for us to modify our opinion, add an emphasis-of-matter paragraph or other-matter paragraph to our auditor’s report, or if necessary, withdraw from the engagement.

8. OTHER STIPULATIONS

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing or review.

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers’ proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

9. PROVISIONS OF ENGAGEMENT ADMINISTRATION, TIMING AND FEES

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

We expect to begin our audit in September and to complete and issue our report no later than December of each year.

James Marta, CPA, is the Engagement Partner for the audit services specified in this letter. His responsibilities include supervising James Marta & Company LLP's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

10. RECORD RETENTION

It is our policy to keep records related to this engagement for seven (7) years. However, James Marta & Company LLP does not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies.

By your signature below, you acknowledge and agree that upon the expiration of the 7-year period, James Marta & Company LLP shall be free to destroy our records related to this engagement.

11. INSURANCE

During the term of this Contract, James Marta & Company LLP shall maintain in force insurance coverage as follows:

- a. Commercial General Liability insurance applicable to the services provided to Banning Library District, with a combined single limit, or the equivalent, of not less than \$2,000,000 per claim (\$4,000,000 aggregate) for Bodily Injury, Personal Injury, and Property Damage, including contractual liability coverage applicable to the indemnity provided under this contract.
- a. Workers' Compensation insurance: Up to 1,000,000 per claim.
- b. Business Automobile Coverage insurance applicable to the operation of James Marta & Company LLP's trucks or automobiles with a combined single limit of not less than \$2,000,000 per claim for Bodily Injury and Property Damage, including coverage for owned, non-owned, and hired vehicles, as applicable.
- c. Professional Liability insurance: Up to \$1,000,000 per claim and \$2,000,000 aggregate.

Notice of Cancellation or Change. There shall be no cancellation, material change, reduction of limits without 30 days prior written notice from James Marta & Company LLP or its insurer(s) to Banning Library District.

Certificates of Insurance. As evidence of the insurance coverages required by this contract, James Marta & Company LLP shall provide acceptable insurance certificates to Banning Library District as soon as practicable upon written request by Banning Library District. If requested, complete copies of insurance policies, shall be provided to Banning Library District.

12. ASSUMPTIONS

The fees quoted are based upon several assumptions about the adequacy of the accounting records, the degree of assistance to be provided by your personnel, and current audit and accounting standards.

This fee is based upon the assumption that the closing journal entries will be made and accounting will be finalized and closed before the year end audit fieldwork. If compliance requirements change, or if the Group is involved in issuing an exempt offering, additional fees and an amended engagement letter may be required. Additional time and billing charges will be charged at our standard hourly rates and costs in the event of the following:

- Account reconciliations are not completed for, (example but not limited to):
 - Cash Accounts
 - Accounts Receivable and Allowance for Doubtful Accounts
 - Inventory
 - Investments
 - Prepaid Expenses
 - Capital Assets and Depreciation
 - Accounts Payable
 - Accrued Expenses
 - Unearned Revenue
 - Deposits
 - Long-Term Liabilities
 - Compensated Absences
- Accounting system or account group changes from prior year
- Allocation of expenses not completed
- Allocation of investments not completed
- Allocation of income not completed
- Changes in accounts after beginning of audit work that necessitates additional or redo of audit work.
- Changes or revision of the initial trial balance
- Addition of new activities
 - New funding sources
 - New funds
 - New debt

Whenever possible, we will attempt to use your personnel to assist in the preparation of schedules and analyses of accounts. We understand that your employees will prepare all cash or other confirmations we request and will locate any invoices selected by us for testing. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit.

Our initial fee estimate assumes we will receive the aforementioned assistance from your personnel and unexpected circumstances will not be encountered. In the event that the GASB, FASB, AICPA, GAO, OMB, or the State of California issues additional standards or audit procedures that require additional work during the audit period, we will discuss these requirements with you before proceeding further.

Before starting the additional work, we will prepare an estimate of the time necessary, as well as the fee for performing the additional work. Our fee for addressing the additional requirements will be at our standard hourly rates for each person involved in the additional work.

In the event we are required to respond to discovery requests, subpoenas, and outside inquiries, we will first obtain your permission unless otherwise required to comply under the law. Our time and expense to comply with such requests will be charged at our standard hour rates in addition to the stated contract.

At the conclusion of our audit engagement, we will communicate to the governing board the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

The audit documentation for this engagement is the property of James Marta & Company LLP and constitutes confidential information. However, we may be requested to make certain audit documentation available pursuant to authority given to any regulator by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of James Marta & Company James Marta & Company LLP's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to any regulator. They may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

13. REPORTS

We will provide you with 7 copies of the report. If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

The intended users of the report are the board of directors of Banning Library District. You agree to be responsible to distribute the reports to those charged with governance and to the appropriate officials of the responsible party.

Reports included in this engagement include:

- Independent Auditor's Report, Financial Statements and associated notes;
- Management Letter including notification of reportable conditions (if necessary);
- Present Audit results to the Audit Committee and to the Board of Directors;
- Report on Internal Control and Compliance and Other Matters;
- Financial Transaction Report to the State Controller's Office

14. WORKING PAPERS

The audit documentation for this engagement is the property of James Marta & Company LLP and constitutes confidential information. However, we may be requested to make certain audit documentation available pursuant to authority given to any regulator by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of James Marta & Company LLP's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to any regulator. They may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

15. FEES

Our fees for the audit will be:

- \$18,770 for the fiscal year beginning July 1, 2021 and ending June 30, 2022.
 - \$19,700 for the fiscal year beginning July 1, 2022 and ending June 30, 2023.
 - \$20,685 for the fiscal year beginning July 1, 2023 and ending June 30, 2024.
- Our fee to file the Special Districts Financial Transactions Report required by the State Controller's office will be
- | | |
|-------|---------------|
| \$525 | June 30, 2022 |
| \$550 | June 30, 2023 |
| \$575 | June 30, 2024 |

We will submit monthly progress billings for our services during the project. Invoices are payable upon presentation. Unpaid fee balances 30 days overdue will bear interest at 18 percent per annum. Payment by Credit Card is subject to a 5% processing fee.

16. INDEMNIFICATION

Pursuant to the contract with James Marta & Company LLP, Consultant's indemnification obligation shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, and, upon Consultant obtaining a final adjudication by a court of competent jurisdiction, Consultant's liability for such claim, including the cost to defend, shall not exceed the Consultant's proportionate percentage of fault.

17. TERMINATION

- Either Party may terminate this contract in whole or in part, with 30 days written notice to the other Party.
- In the event of contract termination, Banning Library District agrees to pay James Marta & Company LLP the fees and expenses incurred prior to such termination.
- Banning Library District may terminate this contract upon notice to James Marta & Company LLP, or at such later date as Banning Library District may establish in such notice, if James Marta & Company LLP commits any material breach or default of any covenant, warranty, obligation or agreement under this contract, or fails to perform in a timely manner the services under this contract, and such breach, default, or failure is not cured within 10 business days after delivery of Banning Library District's notice, or such longer period as Banning Library District may specify in such notice.
- James Marta & Company LLP may terminate this contract upon 10 days' written notice to Banning Library District if Banning Library District fails to pay James Marta & Company LLP pursuant to the terms of this contract and Banning Library District fails to cure within 30 days after receipt of James Marta & Company LLP written notice, or such longer period as James Marta & Company LLP may specify in such notice.

18. MEDIATION PROVISION

Disputes arising under this agreement (including scope, nature, and quality of services to be performed by us, our fees and other terms of the engagement) shall be submitted to mediation. A competent and impartial third party, acceptable to both parties shall be appointed to mediate, and each disputing party shall pay an equal percentage of the mediator's fees and expenses. No suit or arbitration proceedings shall be commenced under this agreement until at least 60 days after the mediator's first meeting with the involved parties. If the dispute requires litigation, the court shall be authorized to impose all defense costs against any non-prevailing party found not to have participated in the mediation process in good faith.

19. ENGAGEMENT EXECUTION

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our Engagement. Several technical accounting and auditing words and phrases have been used herein. We presume you to understand their meaning or that you will notify us otherwise so that we can furnish appropriate explanations. If you have any questions, please let us know.

Please sign and return the attached copy of this letter to indicate your acknowledgement of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities. This letter will continue in effect until canceled by either party.

Respectfully,

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California

20. RESPONSE

This letter correctly sets forth our understanding

Acknowledged and agreed on behalf of Banning Library District.

Authorized Signature: _____

Name: _____

Title: _____

Date: _____

**PROPOSAL FOR PROFESSIONAL AUDITING SERVICES
Banning Library District**

**For the Fiscal Years Ending
June 30, 2022-2024**

NIGRO & NIGRO^{PC}

Respectfully Submitted by:

Paul J. Kaymark, CPA

Nigro & Nigro, PC

pkaymark@nncpas.com

Murrieta Office: 25220 Hancock Ave. #400, Murrieta, CA 92562 • P: (951) 698-8783 • F: (951) 699-1064
Walnut Creek: 2121 N. California Blvd. #290, Walnut Creek, CA 94596 • P: (844) 557-3111 • F: (844) 557-3444

Let's Work Together!



*By applying our financial expertise,
we partner with our clients to build
valuable relationships that inspire success.*

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COST PROPOSAL

Total All-Inclusive Maximum Price



November 11, 2021

Kevin Lee, MMLIS
District Director
Banning Library District
21 West Nicolet Street
Banning, California 9220

Dear Mr. Lee:

Thank you for the opportunity to submit this proposal to provide auditing services for the Banning Library District. Our understanding of the work to be done is: the annual audit of the District's financial statements for the years ending June 30, 2022-24 with option to renew for two subsequent years. Based on our history with special districts, I believe our firm would be a great fit, and we would develop a great working relationship. Our staff works hard to help ensure our audits are completed with the highest level of service and meet all deadlines.

Although many people think that all special districts function in the same manner, we know that's not the case. The audit leadership team we've assigned to your district, including myself, will take the time to learn the intricacies of your organization. We find that by delving deep into our client's structure and operations we are able to make recommendations that are not only useful, but also practical to implement.

At Nigro & Nigro, PC, our greatest strengths correspond to your most critical needs; we possess the full spectrum of resources needed to most effectively help the District's management team and Board members meet their goals – all at a very competitive rate. We believe we are your best choice.

- **Credibility, Reputation, and Resources of a Large Firm** without sacrificing the small-firm touch. Our CPAs and consultants can help you analyze and address financial, operational, and regulatory issues so you can focus attention on serving your citizens. We were originally formed in 1999, and now perform annual audits for approximately 60+ public agencies annually.
- **State-Wide Reach with Local Presence.** At Nigro & Nigro, we have the benefit of having the resources of a state-wide firm while serving you from our Murrieta office. We also have an office in Walnut Creek for additional resources.
- **Efficiency.** Our use of portal software allows you to upload audit documentation at any time, which will minimize disruption to your staff and enable timely completion of all deliverables.

- **An Efficient and Effective Work Plan.** We currently serve over 60+ governmental entities state-wide, which enables our staff to understand the scope of the audit. We also understand the District's complexities, not just from a compliance standpoint but also from an operational point of view. We have developed an effective work plan that takes into consideration your needs for high quality audit services, as well as timely deliverables. As a result of our efficient work plan, we commit to meeting your deadlines to complete our auditing services within the time period you specify.
- **Thought Leadership.** Members of our firm have been actively involved as presenters in numerous industry conferences and programs, including the GFOA, CSDA, and CSMFO. We have incorporated our experience with these committees into our audit framework.
- **Engagement Team.** We know that quality people drive quality results, which is why our commitment to you starts with the engagement team members who are selected based on their experience, focus on serving local government agencies, and who are the best fit for you. Each of the District's engagement team members have completed and exceeded the mandatory requirement for continuing professional education hours as requested in the RFP. Paul Kaymark, Partner, will be the main contact for the District regarding this project.
- **A Focus on Providing Consistent, Dependable Service to Government Entities.** Nigro & Nigro is organized by industry, affording our clients with industry-specific expertise supplemented by valuable local service and insight. Therefore, the District will enjoy the service of members of our Governmental Audit Services Team who have experience with similar governmental entities and understand the issues and environment critical to you. You will not have to train our auditors.

You may have many options in selecting a professional audit firm. By choosing Nigro & Nigro, you will gain value-added accounting and operational insights. We are the right fit for the District, as we have the expertise and depth of resources within our firm to offer you exceptional service while maintaining a sincere and honest relationship. We understand the work, we are committed to meeting your deadlines, and we would like the opportunity to be your auditors. We also commit to meeting or exceeding your expectations.

It is understood that the District reserves the right to reject this proposal and that this proposal is a firm and irrevocable offer for 90 days from the date of the proposal.

Thank you once again for the opportunity to present our qualifications. If you have any questions about our offerings, please do not hesitate to contact me.

Sincerely,



Paul J. Kaymark, CPA
Audit Services Partner

LICENSE TO PRACTICE IN CALIFORNIA

The firm and its entire CPA staff hold licenses to practice in the State of California. The Firm's CPA's are all members in good standing with the California Society of CPA's and the AICPA. We will assign a California licensed CPA as the auditor in charge of the audit.

STATEMENT OF INDEPENDENCE

Our standards require that we be without bias with respect to your operations. The Firm is independent of all entities listed in the RFP, as defined by auditing standards generally accepted in the United States of America and the U.S. General Accounting Office's "Governmental Auditing Standards". In addition, the Firm shall give the District written notice of any relevant professional relationships entered into during the period of this agreement.

The Firm has had no prior engagements with the District, nor are there any personal or organizational conflicts of interest as prohibited by law.

FIRM QUALIFICATIONS & EXPERIENCE

Experience

Nigro & Nigro team members are highly trained in governmental accounting and auditing, which sets us apart as being able to add value beyond the basic attest engagement. We are comfortable working with clients of various sizes. Within the past five years, we have worked with numerous governmental clients with revenues ranging from \$200,000 to over \$300 million.

Prior to any audit engagement, our engagement team leader will meet with the Board, Audit Committee and Management to gain a full understanding of the philosophy, objectives and policies for operating the organization, as well as to discuss significant business, regulatory and accounting matters that will affect the audit. At the conclusion of the audit, we will communicate the results of the audit with the Board, Audit Committee and Management.

Areas of specialization include:

- Audit and Review Services
- Government Auditing Standards & Single Audits
- Annual Report of Financial Transactions
- Agreed Upon Procedures Engagements
- Comprehensive Annual Financial Report (CAFR) development

FIRM QUALIFICATIONS & EXPERIENCE (CONTINUED)

Size and Location of Offices

The firm was originally established in 1999. In 2013, we opened our second office in Northern California in order to better serve our growing client base of school districts in the San Francisco Bay Area. The Firm now has five partners and a professional staff of 19 accountants and expects to add more in the coming years as we continue to grow. We are a full service firm, providing audit and review, tax, consulting, and accounting services to local government, non-profit organizations, charter schools, commercial businesses and homeowners' associations. The office serves clients of all sizes and industries, however, we focus on government agencies, just like yours.

We are prepared to do what it takes to provide the extra level of service required to maintain a long-term business relationship.



MURRIETA OFFICE



WALNUT CREEK OFFICE

Size of Our Firm

Firm-wide, we have the following staffing for our governmental audit services:

Position	Number of Employees	Number of Licensed CPA's
Partner*	5	5
Senior Manager	1	1
Manager	2	-
Supervisor	1	1
Senior Associates	4	-
Support Staff	6	1
Total	3	-
	22	8

**Although the term "partner" is used throughout this proposal to avoid confusion, the firm is organized as a Professional Corporation, and the firm's owners are "shareholders."*

FIRM QUALIFICATIONS & EXPERIENCE (CONTINUED)

Peer Review

Our firm's most recently issued peer review report can be found under the "Additional Documents" section of the proposal. A firm can receive a "Fail", "Pass with Deficiencies", or a "Pass" rating. The firm's most recent peer review report rating was a Pass with Deficiencies. This rating indicates that the firm's system of quality control has been suitably designed and complied with to provide the audit organization with reasonable assurance of performing and reporting in conformity with professional standards and applicable legal and regulatory requirements in all material respects with the exception of a certain deficiency. The deficiency noted in the review has been subsequently corrected and accepted by the CalCPA Peer Review program. As required by our membership in the Government Audit Quality Center (GAQC), the peer review included a selection of a sample of governmental audit engagements.

Past Performance / Disciplinary Action

The Firm has not had any State desk reviews or field reviews of its audits in the last five years. We also have had no disciplinary action taken or pending against the Firm during the past five years with state regulatory bodies or professional organizations.

PARTNER/SUPERVISOR/STAFF QUALIFICATIONS & EXPERIENCE

Meet Your Audit Leadership Team

Listed on the following pages are the resumes of the management team that will be assigned to your audit. As mentioned previously, our staff members have considerable governmental audit experience. This gives us a pool to draw on in addition to the group listed.

Name	Role	Years of Experience in Audits
Paul J. Kaymark, CPA	Lead Partner	26
Peter Glenn, CPA	Review Partner	11
Jared Solmonsén, CPA	Audit Senior	2

Staff Continuity

Effective service relies on a strong-working relationship between clients and our staff. For this reason, we do our best to ensure a consistent audit team is working on the engagement not only throughout the year, but in each subsequent year. This helps enable us to best respond to the specific needs of our clients, and will prevent your staff from feeling like they must "train" new auditors each year.

Our firm has been fortunate to experience less than typical turnover for a typical CPA firm. The average length of time a typical auditor has been employed by the firm is around four years. We find that our employees enjoy coming into work every day, which in turn provides a much better client experience.

Paul J. Kaymark, CPA

Lead Audit Partner

Paul recently joined the firm after more than 26 years of previous public accounting and auditing governmental entities experience. Paul is our choice for new governmental audit clients, having extensive experience in the areas of governmental entities. His main responsibilities include assistance in the preliminary planning of audit work, review of assistants' work, and performing audit procedures in more complex audit areas.

Audit Services:

Mr. Kaymark has been working on audit engagements of governmental agencies, not-for-profit organizations, as well as for-profit corporations and companies. His previous experience includes audit and consulting work for large and small businesses with a focus on client service. Paul strives to build strong relationships with his clients by assisting them with any emerging issues and being available as a resource.

Consulting Services:

Mr. Kaymark has experience in a variety of governmental issues, garnered from his auditing experience over the years. He regularly consults with clients in areas of:

Special District Accounting:

- Internal controls
- Financial reporting
- Annual report of financial transactions

Financial Reporting:

- Year-end closing procedures
- Cash flows
- Budget development and projections
- Multi-Year projections
- Pension and OPEB accounting

Some Agencies Served:

- Palmdale Water District
- Mojave Water Agency
- Western Municipal Water District
- El Toro Water District
- East Orange County Water District
- Trabuco Canyon Water District



Education:

Bachelor of Science, Business Administration, Accountancy
California State University, Long Beach
1994

Licenses and Certifications:

- Certified Public Accountant, California
- GFOA Certificate for Excellence in Financial Reporting - Reviewer

Professional Affiliations:

- Government Finance Officers Association (GFOA)
- California Society of Municipal Finance Officers (CSMFO)
- California Special District Association (CSDA)

Continuing Education:

Various municipal accounting courses offered by the AICPA, CalCPA Education Foundation including:

- Governmental and Nonprofit Annual Update
- GASB Basic Financial Statements for State and Local Governments
- Single Audits: Uniform Grant Guidance (formerly OMB Circular A-133)
- Financial Accounting Standards Board Annual Updates



Peter Glenn, CPA

Review Partner

Peter joined the firm in 2011 after nearly three years of previous public accounting and auditing experience. Peter will work under the general direction of the partner. Peter is our choice for new governmental audit clients, having successfully worked on each of the Firm's clients since beginning with the Firm. His main responsibilities include assistance in the preliminary planning of audit work, review of assistants' work, and performing audit procedures in more complex audit areas.

Audit Services:

Peter Glenn began his auditing career with Nigro & Nigro in 2011, participating in audits of special districts, LEAs, other governmental audits, and agreed-upon procedure engagements. Prior to joining the firm, he worked for three years at another public accounting firm, developing his auditing skills. He has previously been the in-charge accountant for some of the firm's largest clients.

Consulting Services:

Mr. Glenn has experience in a variety of governmental accounting issues, derived from his auditing experience at the firm. He regularly consults with clients in areas of:

Special District Accounting:

- Internal controls
- Financial reporting & GASB 34
- Annual report of financial transactions

Financial Reporting:

- Uniform Guidance
- Performance Audits
- Year-end closing procedures
- Cash flows
- Budget development and projections
- Multi-Year projections

Other Agencies Served:

- Riverside County Open Space and Park District
- Cahuilla Band of Indians
- Central Basin Municipal Water District
- Murrieta Valley Cemetery District
- Elsinore Valley Cemetery District
- Alamo-Lafayette Cemetery District
- Bodega Bay Fire Protection District
- Los Angeles Harbor Cemetery District



Education:

Bachelor of Science, Business Administration, Accounting
California State University,
San Marcos, 2008, Magna Cum Laude

Licenses and Certifications:

- Certified Public Accountant, California

Continuing Education:

- CASBO Annual Conference
- SSC Finance & Management Conferences
- Government Accounting & Auditing Conference
- In-house training for audit staff (presenter)



PARTNER/SUPERVISOR/STAFF QUALIFICATIONS & EXPERIENCE (CONTINUED)

Training & Resources

The Firm is committed to a continuing professional education program, which emphasizes the areas of expertise of each member of our professional staff. The Firm is required to comply with the *Government Auditing Standards* for each professional practicing in the area of governmental accounting and auditing. We are committed to follow those standards, which result in quality audit services, including continuing education for all staff of 60-80 hours each year, specifically in school districts and governmental auditing. As required by *Government Auditing Standards*, all governmental audit staff receives the required continuing education in the area of governmental auditing and accounting. These policies are monitored internally, reviewed annually and certified periodically by independent peer review.

Library facilities are maintained which include current professional literature and specific information for the industries that we serve. The Firm library is also reviewed as part of the external quality review program. The Firm has in-house training programs specific to our school district clients. We also perform auditing and accounting updates for our clients that are organized by our staff. These practices ensure the quality of our staff over the term of the engagement.

Our staff participates in activities relating to government accounting and reporting issues through our membership and involvement with the following organizations:

- a. American Institute of CPA's Governmental Audit Quality Center
- b. California Society of CPAs
- c. Government Finance Officers Association (GFOA)
- d. California Special Districts Association (CSDA)
- e. Government Accounting Standards Board (GASB)
- f. Association of Certified Fraud Examiners (ACFE)

We recognize that our most important product is prompt and effective service.

Through our participation in these organizations and continuing education provided by them, the Firm continues to stay abreast of all current governmental accounting and reporting issues. Some of the professional education our audit team members have either presented at or attended in the last two years include:

- SSC Annual Finance and Management Conference
- SSC Governor's Budget Workshop
- CSDA Annual Conference
- CSMFO Conference
- GFOA Annual Conference
- Various other governmental workshops

We recognize that our most important product is prompt and effective service. We believe the District should work with its CPA firm throughout the entire year. We are available at any time throughout the year to provide any assistance you may need.

SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES

We currently conduct over 60+ government audits each year and have well rounded experience with local governmental agencies. We are excited for the opportunity to devote our attention to you and your specific needs. Below is a partial list of some similar governmental clients we have audited within the past three years.

Organization Name:	Altadena Library District
Contact Person:	Nicole Fabry, Library Director
Address:	600 East Mariposa Street Altadena, CA 91001
Phone:	(626) 798-0833
Project(s):	Financial Statement Audits

Organization Name:	Casitas Municipal Water District
Contact Person:	Denise Collin, CFO
Address:	1055 N. Ventura Ave. Oak View, CA 93022
Phone:	(805) 649-2251 x 103
Project(s):	Financial Statement Audits

Organization Name:	Oxnard Harbor District
Contact Person:	Austin Yang, Director of Finance
Address:	333 Ponomo Street Port Hueneme, CA 93041
Phone:	(805) 488-3677
Project(s):	Financial Statement Audits

Organization Name:	San Gabriel Mosquito & Vector Control District
Contact Person:	Rose Alba, Office Manager
Address:	1145 N. Azusa Canyon Road West Covina, CA 91790
Phone:	(626) 814-9466
Project(s):	Financial Statement Audits

Organization Name:	Pauma Valley Community Services District
Contact Person:	Bobby Graziano, Administrator
Address:	33129 Cole Grade Road Pauma Valley, CA 92061
Phone:	(760) 742-6900
Project(s):	Financial Statement Audits

SPECIFIC AUDIT APPROACH

We will audit the basic financial statements of the District for the fiscal year ended June 30, 2020 in accordance with the following standards:

- Auditing Standards Generally Accepted in the United States of America
- *Government Auditing Standards*, issued by the Comptroller General of the United States
- Minimum Audit Requirements and Reporting Guidelines for Special Districts

Our audit will be for the purpose of expressing an opinion on the basic financial statements, and will include such auditing procedures as considered necessary to accomplish this purpose. We will also provide an "in-relation-to" opinion on any other supplemental information and statistical schedules. We anticipate issuing the following reports:

- Independent Auditors' Report on the basic financial statements.
- Independent Auditors' 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*.

In addition, we will provide the District with a management letter that will give written appraisals of its accounting and related systems. This letter will identify any control deficiencies, significant control deficiencies or material weaknesses that are identified during the audit. We will work with management before audit fieldwork and during the course of the audit to assess internal controls and review mitigating controls in place in an effort to reduce the control deficiencies, significant control deficiencies and material weaknesses that need to be reported to management in writing, assuming there are mitigating controls in place. The letter will also offer recommendations for the elimination of weaknesses that we identify, and we will suggest any methods we discover to help improve efficiency and effectiveness.

We will schedule an appearance with the Board and the Audit Committee that allows an opportunity for us to present the audit and management letter. This is an excellent time for the District to resolve any questions it has regarding our audit or management letter. As mentioned earlier, the value in hiring our Firm comes from not only the audit, but from our experience and the education, we can provide. We hope that as questions or concerns arise throughout the year, the District staff will contact us and draw on our knowledge and experience.

Non-significant deficiencies discovered during the audit process shall be reported in a separate letter to management, the Board and the Audit Committee, which shall be referred to in the report(s) on internal controls.

This separate letter also informs the Board and the Audit Committee of the following:

- 1) The auditor's responsibility under auditing standards generally accepted in the United States of America.
- 2) Significant accounting policies.
- 3) Management judgments and accounting estimates.
- 4) Significant audit adjustments.
- 5) Other information in documents containing audited financial statements.
- 6) Disagreements with management.
- 7) Management consultation with other accountants.
- 8) Major issues discussed with management prior to retention.
- 9) Difficulties encountered in performing the audit.

All working papers and reports will be retained at the Firm's expense for a minimum of seven (7) years, unless the Firm is notified in writing by the District of the need to extend the retention period.

SPECIFIC AUDIT APPROACH (CONTINUED)

Segmentation of Engagement

STEP 1: Planning

Our goal in preliminary fieldwork is to gain a thorough understanding of your internal controls, processes and procedures. Our goal is to accomplish as much interim fieldwork as possible so that our stay during final fieldwork is kept to a minimum. Our preliminary work focuses on planning and internal control documentation.

STEP 2: Interim Field Work

Internal Control Documentation

Our internal control documentation usually occurs during interim fieldwork. Our documentation process will be as follows:

- 1) Gather or update documentation for significant processes defined in our preliminary fieldwork.
- 2) Perform a "walk-through" of these significant processes.
- 3) Ask "what can go wrong" questions.
- 4) Identify controls in place. This will include both preventative and detective controls.
- 5) Evaluate the design of internal controls.
- 6) Decide whether to test and rely on controls.
- 7) Summarize preliminary fieldwork and submit management letter of all areas of concern.

STEP 3: Final Fieldwork

We assess risks, design procedures and obtain evidence to support financial statement amounts and disclosures during final fieldwork. Our Firm utilizes a methodology designed specifically for special districts. Our process emphasizes continuous communication with our staff.

Assess Risks and Design Procedures

As outlined in the risk based statements of audit standards (SAS 104 to 111), our Firm uses a risk-based approach to the audit. Our procedures to assess risks and design procedures are as follows:

- 1) Assess risk of material misstatement from errors or fraud based on internal controls combined with inherent risk of significant accounts.
- 2) Design procedures to test controls if considered necessary.
- 3) Design procedures to test details of account balances and classes of transactions based on risk.

Interim and Year End Testing

- 1) Perform tests of controls if considered necessary.
- 2) Perform tests of details of account balances and classes of transactions.
- 3) Evaluate quality and sufficiency of audit evidence.
- 4) Evaluate misstatements.

STEP 4: Audit Completion

Preparation of Audit Report and Management Letter

After reviewing the financial statements, notes and required supplementary schedules, we will agree the data to our working papers and provide a thorough review of all information by using written Firm standards and checklists. We will also review and incorporate any statistical data. This will verify appropriate presentation and disclosure. We will also at this time prepare our management letter that identifies financial trends and recommendations for improvement, reports required communications to the governing board, and discusses change in the environment in which the Agency operates.

SPECIFIC AUDIT APPROACH (CONTINUED)

Proposed Timeline

We will provide a detailed audit plan and prepare a list of schedules upon proposal acceptance. The following table summarizes our proposed segmentation of the engagement by date, segment, and level of staff:

Date/Segment	Total Hours			Total
	Partner/Manager	Supervisor	Staff/Admin	
May/June				
Preliminary planning and fieldwork	2	10	10	22
May/June				
Interim fieldwork	12	10	10	32
September/October				
Final fieldwork, report preparation, review, finalization, and presentation	24	41	37	102
Total hours	38	61	57	156

Type and Extent of Analytical Procedures to be Used

We will perform analytical procedures throughout the course of our audit. Professional standards require that analytical procedures be performed in the planning and wrap-up stages of the audit. Analytical review will be used during our expenditure, revenue, budget information as well as many other areas.

These procedures typically entail a review of interim reports, budgets, and comparisons to prior year data. We also use financial statement amounts to calculate certain ratios to determine whether any unusual or unexpected relationships exist in the financial data.

These procedures are then followed by inquiry of key District personnel to corroborate the auditors' expectations based on the data.

Approach to be Taken to Gain and Document an Understanding of Internal Control Structure(s)

Our audit approach will entail interviews with key personnel in the District involved in the design and implementation of internal controls. In conjunction with the interviews, we will perform tests and observations of how well the controls function. Key areas of internal control generally include: cash receipting, accounts payable/purchasing, payroll/personnel, technology, facilities, and maintenance and operations.

Identification of Anticipated Potential Audit Problems

At this time, we anticipate no audit problems. Should problems arise, the engagement partner will arrange a meeting with key staff and/or Board members to resolve the situation accordingly. We have a "no surprises" commitment to all of our clients. We strongly believe viewing the draft copy of an audit report is not the time when potential problems should be brought to management's attention. We stress open lines of communication between the District and its auditors. We take a proactive stance on assisting our clients with the difficult treatment of accounting for certain non-routine transactions.

SPECIFIC AUDIT APPROACH (CONTINUED)

Identification of Anticipated Potential Audit Problems (continued)

Should minor issues arise, we address the situations and bring it to the attention of the appropriate level of management. All issues are periodically discussed with management at exit conferences which are conducted at the conclusion of each segment of the audit. Our preliminary testing results are documented in writing with copies distributed to management outlining areas for improvement, potential non-compliance, and possible control weaknesses.

We encourage our clients to call or email us with any questions. We are known in the industry for providing clear and concise answers. An important aspect of this commitment is our typical response time of less than 24 hours.

ADDITIONAL INFORMATION

Testimonial

"Few people have the opportunity to work with someone who was a coach and a mentor-but I did when I worked with Paul. I had the pleasure working directly under Paul's supervision and I was particularly impressed by his ability to handle even the toughest clients - and effortlessly. That skill often takes years to develop, but it seemed to come perfectly natural to him. Paul was one of those rare partners who also naturally serve as an inspiring mentor for the whole staff and I was grateful to learn a lot from him."

*Deana Miller
Accounting Manager
PolyCera, Inc.*

Fraud Hotline



Throughout the audit process, we will make available our fraud hotline reporting service at no additional charge over the period of the contract to ensure the District has an effective anti-fraud program.

ADDITIONAL DOCUMENTS

COST PROPOSAL

COST PROPOSAL

Total-All-Inclusive Maximum Price

		Rates		
	Hours	Standard	Quoted	Total
Partner	15.00	175.00	150.00	2,250.00
Manager	23.00	150.00	125.00	2,875.00
Supervisor	61.00	125.00	100.00	6,100.00
Staff	57.00	100.00	75.00	4,275.00
Admin	-	75.00	50.00	-
Subtotal	156.00			15,500.00
Out-of-Pocket				-
Total Max				15,500.00

Fiscal Year	2021-2022	2022-2023	2023-2024	Total
Audit	\$ 15,000	\$ 15,000	\$ 15,000	\$ 45,000
State Controllers	500	500	500	1,500
Total Max	\$ 15,500	\$ 15,500	\$ 15,500	\$ 46,500



Board of Trustees
Kathy Little — President
Alex Geronimo — Vice President
Melanie Lara — Secretary
Jana Brassfield — Trustee
Loretta Cousar — Trustee

STAFF REPORT

Meeting Date: December 8, 2021
Prepared By: Kevin Lee, District Director
Agenda Item: 11.3
Title: Approval of Cost-of-Living Adjustment Increase

RECOMMENDATION:

That the Board **Approve** the 3% Cost of Living Adjustment Increase

BACKGROUND/ANALYSIS:

The annual rate of inflation as measured in the Consumer Price Index (CPI) by the US Department of Labor is up to 6.8% from a year ago as of September 2021, the latest information at the time of this writing.

See attached.

Part-time employees do not get Annual Step increase this year because the hours worked is not equivalent to that of full-time employees. This is in accordance with the Step Schedule policy the Board approved and adopted in February of this year.

OPTIONS/ALTERNATIVES:

1. Approve 3% Cost of Living Adjustment with Annual Step
2. Approve 2% Cost of Living Adjustment with Annual Step
3. No Cost of Living Adjustment increase

FISCAL IMPACT:

Reflecting options above:

1. There will be a \$17,600 impact.
2. There will be a \$14,700 impact.
3. There will be no impact.

Banning Library District
Proposed COLA Adjustment - 3% Eff. 1/1/2022
& Annual Step Increases

	FY 22 Adopted Budget	FY 22 Adj. Budget w/ COLA & Step Increases	\$ Change	% Change
Salaries and Benefits				
Regular Salaries	510,300	526,000	15,700	3.1%
Overtime	1,000	1,000	-	0.0%
Health Insurance	36,600	36,600	-	0.0%
Retirement	18,100	18,800	700	3.9%
Social Security	31,700	32,700	1,000	3.2%
Medicare	7,400	7,600	200	2.7%
Unemployment Insurance	4,800	4,800	-	0.0%
Total Salaries & Benefits	609,900	627,500	17,600	2.9%

Banning Library District
Proposed COLA Adjustment - 2% Eff. 1/1/2022
& Annual Step Increases

	FY 22 Adopted Budget	FY 22 Adj. Budget w/ COLA & Step Increases	\$ Change	% Change
Salaries and Benefits				
Regular Salaries	510,300	523,400	13,100	2.6%
Overtime	1,000	1,000	-	0.0%
Health Insurance	36,600	36,600	-	0.0%
Retirement	18,100	18,700	600	3.3%
Social Security	31,700	32,500	800	2.5%
Medicare	7,400	7,600	200	2.7%
Unemployment Insurance	4,800	4,800	-	0.0%
Total Salaries & Benefits	609,900	624,600	14,700	2.4%

NEWS RELEASE

BUREAU OF LABOR STATISTICS

U. S. D E P A R T M E N T O F L A B O R



For Release: Wednesday, October 13, 2021

21-1853-SAN

WESTERN INFORMATION OFFICE: San Francisco, Calif.

Technical information: (415) 625-2270 BLSinfoSF@bls.gov www.bls.gov/regions/west

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Consumer Price Index, Riverside Area – September 2021

Area prices were up 0.8 percent over the past two months, up 6.8 percent from a year ago

Prices in the Riverside area, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), increased 0.8 percent for the two months ending in September 2021, the U.S. Bureau of Labor Statistics reported today. (See table A.) Regional Commissioner Chris Rosenlund noted that the September increase was influenced by higher prices for shelter and apparel. (Data in this report are not seasonally adjusted. Accordingly, bi-monthly changes may reflect seasonal influences.)

Over the last 12 months, the CPI-U increased 6.8 percent. Food prices increased 4.2 percent. Energy prices jumped 27.0 percent, largely the result of an increase in the price of gasoline. The index for all items less food and energy increased 5.2 percent over the year. (See table 1.)

Food

Food prices advanced 1.1 percent for the two months ending in September. (See table 1.) Prices for food at home advanced 1.3 percent, led by higher prices for nonalcoholic beverages and beverage materials (4.0 percent) and meats, poultry, fish, and eggs (2.3 percent). Prices for food away from home rose 0.8 percent for the same period.

Over the year, food prices increased 4.2 percent. Prices for food at home advanced 4.3 percent since a year ago, influenced by a jump in prices of 14.2 percent for meats, poultry, fish, and eggs. Prices for food away from home rose 4.1 percent.

Energy

The energy index rose 1.4 percent for the two months ending in September. The increase was mainly due to higher prices for gasoline (1.4 percent). Prices for electricity rose 1.7 percent, and prices for natural gas service advanced 1.1 percent for the same period.

Energy prices surged 27.0 percent over the year, largely due to higher prices for gasoline (36.0 percent). Prices paid for natural gas service jumped 16.0 percent, and prices for electricity jumped 15.5 percent during the past year.

All items less food and energy

The index for all items less food and energy advanced 0.6 percent in the latest two-month period. Higher prices for apparel (5.9 percent), new vehicles (4.2 percent), and shelter (1.7 percent) were partially offset by lower prices for used cars and trucks (-5.4 percent), recreation (-4.1 percent), and household furnishings and operations (-0.8 percent).

Over the year, the index for all items less food and energy increased 5.2 percent. Components contributing to the increase included new and used motor vehicles (18.2 percent), household furnishings and operations (6.1 percent), and shelter (4.9 percent). Partly offsetting the increases were price decreases in recreation (-2.7 percent) and apparel (-2.0 percent).

The November 2021 Consumer Price Index for the Riverside area is scheduled to be released on December 10, 2021.

Coronavirus (COVID-19) Pandemic Impact on September 2021 Consumer Price Index Data

Data collection by personal visit for the Consumer Price Index (CPI) program has been suspended since March 16, 2020. When possible, data normally collected by personal visit were collected either online or by phone. Additionally, data collection in September was affected by the temporary closing or limited operations of certain types of establishments. These factors resulted in an increase in the number of prices considered temporarily unavailable and imputed.

While the CPI program attempted to collect as much data as possible, many indexes are based on smaller amounts of collected prices than usual, and a small number of indexes that are normally published were not published this month. Additional information is available at <https://www.bls.gov/covid19/effects-of-covid-19-pandemic-on-consumer-price-index.htm>.

Technical Note

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics publishes CPIs for two population groups: (1) a CPI for All Urban Consumers (CPI-U) which covers approximately 93 percent of the total U.S. population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers approximately 29 percent of the total U.S. population. The CPI-U includes, in addition to wage earners and clerical workers, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. Each month, prices are collected in 75 urban areas across the country from about 6,000 housing units and approximately 22,000 retail establishments—department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments. All taxes directly associated with the purchase and use of items are included in the index.

The index measures price changes from a designated reference date; for most of the CPI-U the reference base is 1982-84 equals 100. An increase of 7 percent from the reference base, for example, is shown as 107.000. Alternatively, that relationship can also be expressed as the price of a base period market basket of goods and















































services rising from \$100 to \$107. For further details see the CPI home page on the Internet at www.bls.gov/cpi and the CPI section of the BLS Handbook of Methods available on the internet at www.bls.gov/opub/hom/cpi/.

In calculating the index, price changes for the various items in each location are averaged together with weights that represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. city average. Because the sample size of a local area is smaller, the local area index is subject to substantially more sampling and other measurement error than the national index. In addition, local indexes are not adjusted for seasonal influences. As a result, local area indexes show greater volatility than the national index, although their long-term trends are quite similar. **NOTE: Area indexes do not measure differences in the level of prices between cities; they only measure the average change in prices for each area since the base period.**

The Riverside-San Bernardino-Ontario, CA metropolitan area includes Riverside and San Bernardino Counties in California.











Information in this release will be made available to sensory impaired individuals upon request. Voice phone: (202) 691-5200; Federal Relay Service: (800) 877-8339.

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods Riverside-San Bernardino-Ontario (December 2017=100 unless otherwise noted)

Item and Group	Indexes				Percent change from-		
	Historical data	Jul. 2021	Aug. 2021	Sep. 2021	Sep. 2020	Jul. 2021	Aug. 2021
Expenditure category							
All items		114.682	-	115.557	6.8	0.8	-
Food and beverages		114.876	-	116.213	4.1	1.2	-
Food		115.351	-	116.564	4.2	1.1	-
Food at home		114.183	113.869	115.655	4.3	1.3	1.6
Cereals and bakery products		119.875	-	119.893	3.6	0.0	-
Meats, poultry, fish, and eggs		118.483	-	121.158	14.2	2.3	-
Dairy and related products		108.333	-	105.590	-1.9	-2.5	-
Fruits and vegetables		114.204	-	116.447	-0.6	2.0	-
Nonalcoholic beverages and beverage materials		115.090	-	119.676	3.8	4.0	-
Other food at home		109.189	-	109.625	1.7	0.4	-
Food away from home		116.163	-	117.066	4.1	0.8	-
Alcoholic beverages		106.547	-	110.294	2.2	3.5	-
Housing		115.204	-	116.848	5.7	1.4	-
Shelter		114.225	114.983	116.173	4.9	1.7	1.0
Rent of primary residence		114.534	115.176	116.578	4.3	1.8	1.2
Owners' equiv. rent of residences		114.070	114.961	115.856	4.4	1.6	0.8
Owners' equiv. rent of primary residence		114.070	114.961	115.856	4.4	1.6	0.8
Fuels and utilities		126.873	-	128.311	11.3	1.1	-
Household energy		129.340	130.444	131.382	15.2	1.6	0.7
Energy services		130.160	131.270	132.178	15.6	1.6	0.7
Electricity		125.387	126.319	127.491	15.5	1.7	0.9
Utility (piped) gas service		148.992	150.838	150.636	16.0	1.1	-0.1
Household furnishings and operations		109.019	-	108.177	6.1	-0.8	-
Apparel		99.178	-	105.003	-2.0	5.9	-
Transportation		123.234	-	122.634	21.6	-0.5	-
Private transportation		125.090	-	125.208	22.6	0.1	-
New and used motor vehicles		114.513	-	113.728	18.2	-0.7	-
New vehicles		109.450	-	114.090	12.5	4.2	-
Used cars and trucks		144.266	-	136.488	23.5	-5.4	-
Motor fuel		139.197	140.639	141.089	36.0	1.4	0.3
Gasoline (all types)		139.544	141.036	141.459	36.0	1.4	0.3
Gasoline, unleaded regular(1)		140.051	141.559	141.977	36.6	1.4	0.3
Gasoline, unleaded midgrade(1)		140.177	141.640	142.077	34.2	1.4	0.3
Gasoline, unleaded premium(1)		136.760	138.188	138.624	33.4	1.4	0.3
Motor vehicle insurance		124.119	-	123.914	6.5	-0.2	-
Medical care		111.171	-	111.558	1.8	0.3	-
Recreation		104.158	-	99.851	-2.7	-4.1	-
Education and communication		109.439	-	109.805	2.8	0.3	-
Tuition, other school fees, and child care		119.305	-	120.178	0.8	0.7	-
Other goods and services		114.563	-	115.833	6.1	1.1	-
Commodity and service group							
All items		114.682	-	115.557	6.8	0.8	-
Commodities		115.009	-	116.214	9.4	1.0	-
Commodities less food & beverages		115.045	-	116.173	12.7	1.0	-
Nondurables less food & beverages		115.722	-	118.249	15.1	2.2	-
Durables		113.748	-	113.380	10.1	-0.3	-
Services		114.594	-	115.277	5.3	0.6	-
Special aggregate indexes							

Note: See footnotes at end of table.

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods Riverside-San Bernardino-Ontario (December 2017=100 unless otherwise noted) - Continued

Item and Group	Indexes				Percent change from-		
	Historical data	Jul. 2021	Aug. 2021	Sep. 2021	Sep. 2020	Jul. 2021	Aug. 2021
All items less medical care		114.925	-	115.834	7.1	0.8	-
All items less shelter		115.048	-	115.293	8.0	0.2	-
Commodities less food		114.765	-	115.966	12.4	1.0	-
Nondurables		115.272	-	117.167	9.0	1.6	-
Nondurables less food		115.192	-	117.783	14.4	2.2	-
Services less rent of shelter		115.055	-	113.974	6.1	-0.9	-
Services less medical care services		114.599	-	115.360	5.7	0.7	-
Energy		135.842	137.153	137.806	27.0	1.4	0.5
All items less energy		112.816	-	113.596	5.0	0.7	-
All items less food and energy		112.440	-	113.149	5.2	0.6	-

Footnotes

(1) Special index based on a substantially smaller sample.

- Data not available

NOTE: Index applies to a month as a whole, not to any specific date.