

NorthNet Library System

Steering Committee

Agenda

Thursday, April 4, 2013

2:30 PM – 4:30 PM

1. Welcome and Roll Call Jennifer Baker, Chair
2. Public invited to address the committee
- ACTION** 3. Approval of the Agenda Jennifer Bake
4. Consent Calendar Jane Light
- ACTION** A. Minutes from October 3, 2012 Meeting
- ACTION** 5. FY11/12 Audit Donna Truong
6. Financial Statements through 3/28/13 Donna Truong
- ACTION** 7. FY12/13 Budget Adjustments Donna Truong
- ACTION** 8. PLS FY13/14 Contract Donna Truong
- ACTION** 9. NorthNet Membership Dues FY 2013/2014 Donna Truong
10. Delivery Contracts Donna Truong
11. Database renewal Donna Truong
- ACTION** 12. Direction to staff for Preparation of FY13/14 Budget Jane Light
13. Adjourn

*Ralph M. Brown Act
Section 54953*

*Meetings to be public; attendance by phone
(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public*

appearing before the legislative body of a local agency. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public.

A reminder for all Steering Committee members: All votes must be by roll call. If a member is not in a location that provides access to the public the member may not participate or vote.

Meeting Locations

Audio Conference Details:
Participant Code: 325220

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NorthNet Library System

Steering Committee Meeting

Minutes (Unapproved)

Wednesday, October 3, 2012

1. Welcome and Roll Call Jennifer Baker, Chair
Meeting called to order by Chair Jennifer Baker at 2:35 PM via Adobe Connect

Present were Steering Committee members Chair Jennifer Baker (St Helena Public Library), Vice-Chair Michael Perry (Siskiyou County Library) Jeanne Amos (El Dorado county Library), Jessica Hudson (Nevada County Library), Mel Lightbody (Butte County Library); Diane Smikahl (Benicia Public Library), Jody Meza (Orland Free Library). Also present were Donna Truong, Terry Jackson, and Jane Light, all of the Peninsula Library System, administrative services contractor.

2. Public invited to address the committee
None

3. Approval of the Agenda
Agenda was approved unanimously. M by Smikahl, S by Lightbody.

4. Consent Calendar J
A. Minutes from February 9, 2012 Meeting
Minutes of the February 9, 2012 meeting were noted and filed. Steering Committee membership had changed effective July 1. Only three people who attended that meeting were present.

5. News from the State Library Darla Gunning
No report

6. Recommendations re FY12/13 Budget Allocations Jennifer Baker
Chair Baker reviewed the September 27 memo included with the agenda packet "NorthNet FY2012/13 Budget Allocations" (attached). The Steering Committee was charged by the Administrative Council with making recommendations regarding adjustments and amendments to the adopted NLS budget due to the addition of CLSA funding after the Council adopted the fiscal year budget.

Discussion ensued. Overdrive augmentation funding should benefit all CLSA eligible (public) libraries. The suggested total of \$42,368 is approximately \$1,000 per public library member. The Library-To-Go Overdrive group can recommend how the funds can

be disbursed so that the libraries using Overdrive but not part of that group can benefit.

The Sonoma County Library proposal for funding for piloting open source ILL fulfillment software was discussed. Jennifer Baker was charged with discussing the proposal with Sonoma County Librarian Sandy Cooper and making a recommendation to the full Administrative Council about funding for it.

Smikahl moved and Perry seconded accepting the recommendations with the modification that Baker make a recommendation about Sonoma County's ILL Fulfillment proposal. Passed Unanimously.

7. Parameters for Innovation and Staff Development Grants

General parameters included with the agenda packet for these two types of grants, recommended for one-time funding, were discussed. Approval was moved by Amos and seconded by Smikahl and passed unanimously.

8. FY13/14 Legacy System Administration

Chair Baker reminded Steering Committee members that the functions and costs involved in administering the remaining Legacy Systems business is included in the FY2012/13 budget but may not be in the FY2013/14 and each System may need to contract separately for those.

9. Adjourn

Meeting adjourned at 4:20 PM.



JJACPA, Inc.

A Professional Accounting Services Corp.

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

Administrative Council
Northnet Library System
San Mateo, California

We have audited the basic financial statements of Northnet Library System (NLS) as of and for the year ended June 30, 2012, and have issued our report thereon dated February 28, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

Management of NLS is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered NLS's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of NLS's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of NLS's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of management, the Administrative Council, others within the entity and is not intended to be and should not be used by anyone other than these specified parties.

February 28, 2013

JJACPA, Inc.
JJACPA, Inc.

NORTHNET LIBRARY SYSTEM
BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

Northnet Library System
Basic Financial Statements
For the year ended June 30, 2011

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INDEPENDENT AUDITOR'S REPORT

To the Administrative Council of the
Northnet Library System
San Mateo, California

We have audited the accompanying basic financial statements of the Northnet Library System ("NLS"), as of and for the year ended June 30, 2012, as listed in the foregoing table of contents. These basic financial statements are the responsibility of NLS's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to previously present fairly, in all material respects, the financial position of NLS as of June 30, 2012, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2013 on our consideration of NLS's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

To the Administrative Council of the
Northnet Library System
San Mateo, California
Page 2

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3–8 and 24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

February 28, 2013

JJACPA, Inc.
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**Northnet Library System
Management's Discussion and Analysis
For the year ended June 30, 2012**

Management's Discussion and Analysis

This section of the Northnet Library System's (NLS) basic financial statements presents management's discussion and analysis of NLS's financial performance during the fiscal year ended June 30, 2012. Since this management's discussion and analysis is designed to focus on current activities, resulting change, and current known facts, please read it in conjunction with NLS's basic financial statements (pages 10 and 11) as well as the footnotes to the financial statements (pages 13 - 22).

Financial Highlights

At June 30, 2012, NLS ended the year with a net asset balance of \$124,782 which is an increase of \$854,410 over the net asset balance at June 30, 2011 of (\$729,628). The increase is primarily the result of the write down of the OPEB liability reported in the prior year. A description of the one-time adjustment can be found in Note 9 to the financial statements on page 21.

Using This Report

In June 1999, the Governmental Accounting Standards Board (GASB) released Statement No. 34, *Basic Financial Statements -- and Management's Discussion and Analysis -- for State and Local Governments*. Changes in Statement No. 34 require a comprehensive one-line look at the entity as a whole and capitalization of assets and depreciation. The major reconciling items necessary were capitalization and depreciation of capital assets and inclusion of long-term liabilities. NLS has selected the single governmental fund (General Fund) presentation since this reflects the most concise and easily readable presentation for NLS's operations.

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

Northnet Library System
Management's Discussion and Analysis, Continued
For the year ended June 30, 2012

Financial Analysis of NLS as a Whole

	Net Assets			Percent Change
	As of June 30, 2012 and 2011			
	2012	2011	Increase (Decrease)	
Assets:				
Current Assets	\$ 658,320	\$ 1,301,598	\$ (643,278)	-49%
Non-Current assets	-	15,411	(15,411)	-100%
Total Assets	<u>658,320</u>	<u>1,317,009</u>	<u>(658,689)</u>	-50%
Liabilities				
Current Liabilities	\$ 533,538	\$ 313,510	220,028	70%
Non-Current Liabilities	-	1,733,127	(1,733,127)	-100%
Total Liabilities	<u>533,538</u>	<u>2,046,637</u>	<u>(1,513,099)</u>	-74%
Net Assets				
Invested in capital assets	-	18,350	(18,350)	-100%
Restricted	-	558,071	(558,071)	-100%
Unrestricted	124,782	(1,306,049)	1,430,831	-110%
Total Net Assets	<u>124,782</u>	<u>(729,628)</u>	<u>854,410</u>	-117%
Total Liabilities and net assets	<u>\$ 658,320</u>	<u>\$ 1,317,009</u>	<u>\$ (658,689)</u>	-50%

This schedule is prepared from NLS's Statement of Net Assets, which is presented on an accrual basis of accounting whereby assets are capitalized and depreciated.

Net assets at June 30, 2012, of \$124,782, consisted of amounts available for operations.

Northnet Library System
Management's Discussion and Analysis, Continued
For the year ended June 30, 2012

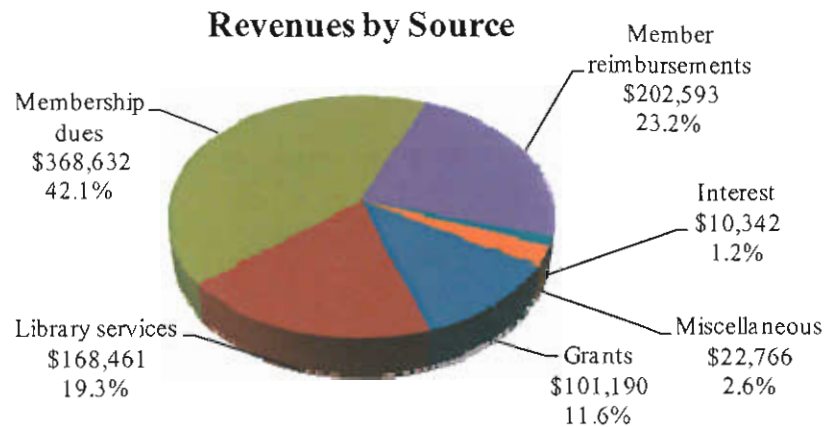
Financial Analysis of NLS as a Whole, Continued

Operating Results
For the year ended June 30, 2012 and 2011

	2012	2011	Increase (Decrease)	Percent Change
Operating expenses:	\$ 1,737,290	\$ 2,333,256	\$ (595,966)	-26%
Program revenue:				
Grants	101,190	1,125,526	(1,024,336)	-91%
Library services	168,461	350,242	(181,781)	-52%
Membership dues	368,632	148,124	220,508	149%
Member reimbursements	202,593	280,781	(78,188)	-28%
Total Program Revenue	<u>840,876</u>	<u>1,904,673</u>	<u>(1,063,797)</u>	-56%
Net operating expenses	<u>896,414</u>	<u>428,583</u>	<u>467,831</u>	109%
General revenue:				
Interest	10,342	10,950	(608)	-6%
Miscellaneous	22,766	4,034	18,732	464%
Gain (loss) on disposal of capital assets	(15,411)	-	-	100%
Total general revenue	<u>17,697</u>	<u>14,984</u>	<u>2,713</u>	18%
Special Item:				
Write-off of OPEB Liability	1,733,127	-	1,733,127	100%
Increase in net assets	854,410	(413,599)	1,268,009	-307%
Net assets (deficit):				
Beginning of year	(729,628)	(316,029)	(413,599)	
End of year	<u>\$ 124,782</u>	<u>\$ (729,628)</u>	<u>\$ 854,410</u>	-117%

In fiscal 2012, program revenues were primarily from member contributions, which consisted of \$368,632. General revenues consisted of miscellaneous and interest revenue.

The following is a graphic illustration of revenues by source for the year ended June 30, 2012:



Northnet Library System
Management's Discussion and Analysis, Continued
For the year ended June 30, 2012

Financial Analysis of NLS as a Whole, Continued

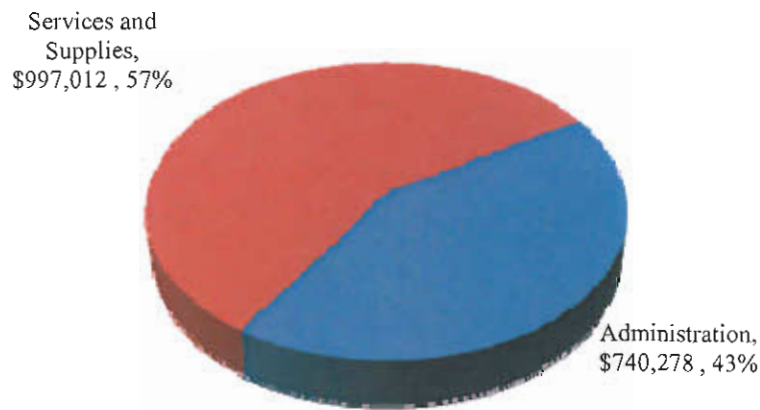
Operating Expenses
For the year ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>	<u>Increase Decrease</u>	<u>Percent Change</u>
Operating expense:				
Administration	\$ 740,278	\$ 1,016,102	\$ (275,824)	-27%
Services and Supplies	997,012	1,314,215	(317,203)	-24%
Depreciation	-	2,939	(2,939)	-100%
Total operating expenses	<u>\$ 1,737,290</u>	<u>\$ 2,333,256</u>	<u>\$ (595,966)</u>	-26%

Operating expenses in the amount of \$1,737,290 were split amongst two major categories; administration and services and supplies.

The following is a graphic illustration of operating expenses for the year ended June 30, 2012:

Operating Expenses



Northnet Library System
Management's Discussion and Analysis, Continued
For the year ended June 30, 2012

Financial Analysis of NLS as a Whole, Continued

	Analysis of Net Assets			
	As of June, 2012 and 2011			
	<u>2012</u>	<u>2011</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Net Assets (Deficit)				
Invested in capital assets	\$ -	\$ 18,350	\$ (18,350)	-100%
Restricted:				
Equipment replacement	-	82,148	(82,148)	-100%
Retirement benefits	-	129,447	(129,447)	-100%
Future Commitments	-	346,476	(346,476)	-100%
Unrestricted	<u>124,782</u>	<u>(1,306,049)</u>	<u>1,430,831</u>	110%
Total	<u>\$ 124,782</u>	<u>\$ (729,628)</u>	<u>\$ 854,410</u>	117%

The increase in net assets of \$854,410 is primarily due to the reduction in the OPEB liability.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In considering NLS's Budget for fiscal year 2012-2013 the Administrative Council and management used the following criteria:

The key assumptions in our revenue forecast were:

1. Interest earnings should be approximately the same.
2. State library and membership fees are expected to be approximately the same.

Continuing items specifically addressed in the budget were:

Concern over possible State budget reductions, especially in the CLSA category, and avoiding further excesses of service costs over revenues.

**Northnet Library System
 Management's Discussion and Analysis, Continued
 For the year ended June 30, 2012**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES (Continued)

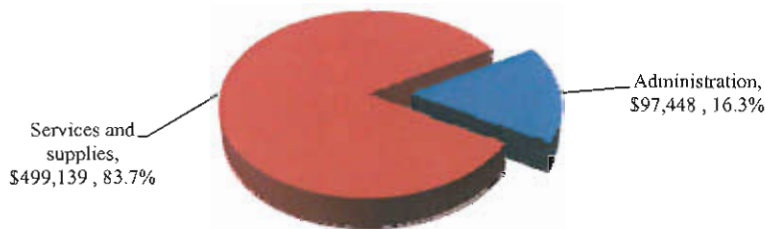
The adopted budget for the new fiscal year of 2011-2012 was \$596,587 and is summarized as follows:

	<u>FY 2012-13</u>	<u>FY 2011-12</u>	<u>Percentage Change</u>
Expenditures:			
Administration	\$ 97,448	\$ 293,254	-67%
Services and supplies	499,139	1,019,528	-51%
Total Expenditures	<u>596,587</u>	<u>1,312,782</u>	<u>-55%</u>
Total Budget	<u>\$ 596,587</u>	<u>\$ 1,312,782</u>	<u>-55%</u>

1. Administration – Shows a decrease of approximately 67%, which is due to the change in administration of NLS.
2. Services and Supplies – Shows a decrease of approximately 61% due to a reduction in services as a result of a decrease in CLSA funding.

The following is a graphic illustration of appropriations for 2011-12:

Budgeted Expenditures



Contacting NLS

This financial report is designed to provide our customers and creditors a general overview of NLS's finances and to demonstrate NLS's accountability for the money it receives and is allocated to it. If you have questions about this report, contact the Northnet Library System, 2471 Flores Street, San Mateo, CA 94403, telephone number (650) 349 5538.

BASIC FINANCIAL STATEMENTS

Northnet Library System
Governmental Funds Balance Sheet/Statement of Net Assets
June 30, 2012

	<u>General Fund</u>	<u>Adjustments (Note 7)</u>	<u>Statement of Net Assets</u>
ASSETS			
<u>Current</u>			
Cash and investments:			
Available for operations	\$ 640,638	\$ -	\$ 640,638
Accounts receivable	17,682	-	17,682
Total assets	<u>\$ 658,320</u>	<u>\$ -</u>	<u>\$ 658,320</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
<u>Current</u>			
Accounts payable and accrued liabilities	\$ 37,146	\$ -	\$ 37,146
Deposits payable	496,392	-	496,392
Total liabilities	<u>533,538</u>	<u>-</u>	<u>533,538</u>
Fund balances/Net assets:			
Unassigned, reported in:			
General fund	124,782	(124,782)	-
Total fund balances	<u>124,782</u>	<u>(124,782)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 658,320</u>		
NET ASSETS			
Unrestricted (Deficit)		124,782	124,782
Total net assets		<u>\$ 124,782</u>	<u>124,782</u>
Total liabilities and net assets			<u>\$ 658,320</u>

The accompanying notes are an integral part of these basic financial statements

Northnet Library System
Statement of Governmental Fund Revenues, Expenditures, and
Changes in Fund Balances/Statement of Activities
For the year ended June 30, 2012

	<u>General Fund</u>	<u>Adjustments (Note 8)</u>	<u>Statement of Activities</u>
EXPENDITURES/EXPENSES:			
Administration	\$ 776,969	\$ (36,691)	\$ 740,278
Services and supplies	997,012	-	997,012
Total expenditures/expenses	<u>1,773,981</u>	<u>(36,691)</u>	<u>1,737,290</u>
REVENUES:			
Program revenues:			
Grants	101,190	-	101,190
Library services	168,461	-	168,461
Membership dues	368,632	-	368,632
Member reimbursements	202,593	-	202,593
Total program revenues	<u>840,876</u>	<u>-</u>	<u>840,876</u>
Net program expense	<u>933,105</u>	<u>(36,691)</u>	<u>896,414</u>
General revenues:			
Interest	10,342	-	10,342
Miscellaneous	22,766	-	22,766
Gain (loss) on disposal of capital assets	-	(15,411)	(15,411)
Total general revenues	<u>33,108</u>	<u>(15,411)</u>	<u>17,697</u>
SPECIAL ITEM:			
Write-off of OPEB liability	-	1,733,127	1,733,127
REVENUES OVER (UNDER) EXPENDITURES	<u>(899,997)</u>		
CHANGE IN NET ASSETS		<u>1,754,407</u>	<u>854,410</u>
FUND BALANCES/NET ASSETS:			
Beginning of the year	<u>1,024,779</u>	<u>(1,754,407)</u>	<u>(729,628)</u>
End of the year	<u>\$ 124,782</u>	<u>\$ -</u>	<u>\$ 124,782</u>

The accompanying notes are an integral part of these basic financial statements

Northnet Library System
Notes to Basic Financial Statements
For the year ended June 30, 2012

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Northnet Library System (“NLS”) is a Joint Powers Agency under Government Code Section 6500 *et. seq.* established on January 9, 2009 which began operations on July 1, 2009 through a Joint Powers Agreement entered into on May 8, 2009 by the North Bay Cooperative Library System, Mountain Valley Library System and the North State Cooperative Library System. NLS is a library services organization which has the powers necessary to establish, improve and extend library services held by its members and those powers designated in Government Code Section 6508. No single member controls NLS. NLS also delivers library materials to members, provides research services and general education workshops, and training seminars for its members.

NLS is governed by an Administrative Council composed of all of the library directors of library agencies therein. Oversight responsibility, the ability to conduct independent financial affairs, issue debt instruments, approve budgets, and otherwise influence operations and account for fiscal matters is exercised by NLS's Administrative Council. NLS is a separate reporting entity for financial reporting purposes and the accompanying basic financial statements reflect the assets, liabilities, fund balances/net assets, revenues, and expenditures/expenses of NLS only.

The Peninsula Library System (PLS) acts as fiscal agent and Treasurer/Controller for NLS and acts as the depository and has custody of the money of NLS and performs those duties required by Government Code sections 6505 and 6505.5. PLS took over these duties on July 1, 2012. More information regarding the contract with PLS is located in Note 5.

The financial statements of NLS have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies:

In June 1999, the GASB released Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. NLS has selected the single governmental fund (General Fund) presentation since this reflects the most concise and easily readable presentation for NLS’s operations.

A. Reporting Entity

As defined by GASB Statement No.39, *The Financial Reporting Entity*, NLS is not financially accountable for any other entity other than itself, nor are there any other entities for which the nature and significance of their relationship with NLS are such that exclusion would cause NLS’s financial statements to be misleading or incomplete.

In addition, based upon the above criteria, NLS is not aware of any entity which would be financially accountable for NLS which would result in NLS being considered a component of the entity.

Northnet Library System
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,
Continued

B. Basis of Accounting

The fund-based financial statement columns (Governmental Funds column) on Pages 10 and 11 are accounted for using the modified accrual basis of accounting and reflect balances for NLS's General Fund. This funds revenues are recognized when they become measurable and available as net current assets. Measurable means the amount of the transaction can be determined and available means the amount is collectible within the current period or soon enough thereafter (generally sixty days) to be used to pay liabilities of the current period. Amounts, which could not be measured or were not available, were not accrued as revenue in the current fiscal year. The Statements of Net Assets and Activities columns on Pages 10 and 11 have been prepared on the accrual basis of accounting whereby all revenues are recorded when earned and all expenses are recorded when they have been reduced to a legal or contractual obligation to pay.

C. Use of Estimates

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

D. Budgets

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

NLS follows these procedures in establishing the budgetary data reflected in the financial statements:

- By June 30, the proposed budget is presented to the Administrative Council to review and approve for the year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
- The budget is legally enacted through passage of a motion during a Administrative Council meeting prior to year-end.
- Formal budgeting is employed as a management control device during the year for the general fund.
- Budgets for the General Fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

Northnet Library System
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,
Continued

D. Budgets, continued

The legal level of a budgetary control, the amount to which budget should not be exceeded, is the program level.

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

E. Cash and Investments

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

2. CASH AND INVESTMENTS

Investment in the Sonoma County Treasurer's Investment Pool

NLS's cash is pooled with the Sonoma County Treasurer, who acts as a disbursing agent for NLS. The fair value of NLS's investment in this pool is reported in the accompanying financial statements at amounts based upon NLS's pro-rata share of the fair value provided by the Treasury Pool for the entire Treasury Pool portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on accounting records maintained by the Treasury Pool, which are recorded on an amortized cost basis. Interest earned on investments pooled with the County is allocated quarterly to the appropriate fund based on its respective average daily balance for that quarter. The Treasury Oversight Committee has regulatory oversight for all monies deposited into the Treasury Pool.

As of June 30, 2012, NLS's share of the change in fair value of investments was .039% of the County pool.

Investment Guidelines

NLS's pooled cash and investments are invested pursuant to investment policy guidelines established by the County Treasurer and approved by the Board of Supervisors. The objectives of the policy are, in order of priority: safety of capital, liquidity and maximum rate of return. The policy addresses the soundness of financial institutions in which the County will deposit funds, types of investment instruments as permitted by the California Government Code 53601, and the percentage of the portfolio that may be invested in certain instruments with longer terms to maturity.

A copy of the Treasury Pool investment policy is available upon request from the Sonoma County Treasurer at 585 Fiscal Drive, Suite 100, Santa Rosa, California, 95403-2871.

Northnet Library System
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

2. CASH AND INVESTMENTS, Continued

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, one of the ways that the Treasury Pool manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturing evenly over time as necessary to provide the cash flow and liquidity needed for operations.

As of June 30, 2012, approximately 28% of the securities in the Treasury Pool had maturities of one year or less. Of the remainder, only 5% had a maturity of more than five years.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Treasury Pool does not have a rating provided by a nationally recognized statistical rating organization.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Treasury Pool's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits and securities lending transactions:

- The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.
- The California Government Code limits the total of all securities lending transactions to 20% of the fair value of the investment portfolio.

With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as the Treasury Pool).

Northnet Library System
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

2. CASH AND INVESTMENTS, Continued

Concentration of Credit Risk

The investment policy of the County contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code.

3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012, was as follows:

	Balance July 1, 2011	Additions	Adjustments/ Deletions	Balance June 30, 2012
Computer equipment	\$ 91,299	\$ -	\$ (91,299)	\$ -
Total capital assets	91,299	-	(91,299)	-
Accumulated depreciation	(75,888)	-	75,888	-
Net capital assets	<u>\$ 15,411</u>	<u>\$ -</u>	<u>\$ (15,411)</u>	<u>\$ -</u>

NLS disposed of all its capital assets by June 30, 2012. The disposed assets had no salvage value. NLS recorded a loss on the disposal of \$15,411. Management of NLS does not intend to replace the disposed assets

4. DEPOSITS PAYABLE

NLS records payments for services not yet rendered as deposits payable. The deposits payable balance consists of payments made by member systems. The balance at June 30, 2012 consists of the following contributions:

North Bay Cooperative Library System	\$ 281,088
North State Cooperative Library System	3,505
Mountain Valley Library System	211,799
Total deposits payable:	<u>\$ 496,392</u>

5. FUND BALANCES/NET ASSETS

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

Northnet Library System
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

5. FUND BALANCES/NET ASSETS, Continued

Unassigned	<u>124,782</u>
Total	<u><u>\$ 124,782</u></u>

Net assets consist of unrestricted amounts. Unrestricted amounts reflect balances available for current operations. At June 30, 2012, NLS had only an unrestricted balance:

	<u>Net Assets</u>
Unrestricted	<u>124,782</u>
Total	<u><u>\$ 124,782</u></u>

Excess of expenditures over appropriations

Expenditures exceeded appropriations for administration by \$483,715 for the year ended June 30, 2012. NLS funded the excess with residual fund balance.

6. INSURANCE

NLS purchases catastrophic liability insurance to protect itself from unforeseen losses utilizing a premium based policy.

Northnet Library System
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

7. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND BALANCE SHEETS AND THE STATEMENTS OF NET ASSETS

“Total fund balances” of NLS’s Governmental funds of \$124,782 does not differ from “net assets” of governmental activities of \$124,782, reported in the Statement of Net Assets. A difference may occur from the long-term economic focus of the statement of net assets versus the current financial resources focus of the Governmental funds balance sheets. As of June 30, 2012 there was no difference between the long-term economic focus of the statement of net assets and the current financial resources focus of the Governmental funds balance sheets. Any effects of this difference would be illustrated below:

Balance Sheet/Statement of Net Assets

	General Fund	Reclassifications and Eliminations	Statement of Net Assets
Assets:			
Cash and investments	\$ 640,638	\$ -	\$ 640,638
Accounts receivable	17,682	-	17,682
Interest receivable	-	-	-
Prepaid items	-	-	-
Capital assets	-	-	-
Total assets	\$ 658,320	\$ -	\$ 658,320
Liabilities			
Accounts payable	\$ 37,146	\$ -	\$ 37,146
Deposits payable	496,392	-	496,392
Total Liabilities	533,538	-	533,538
Fund Balances/Net Assets			
Total Fund balances/net assets	124,782	-	124,782
Total liabilities and fund balances/net assets	\$ 658,320	\$ -	\$ 658,320

Northnet Library System
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

8. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND OPERATING STATEMENTS AND THE STATEMENT OF ACTIVITIES

The “net change in fund balances” for Governmental funds (\$899,997) differs from the “change in net assets” for governmental activities of \$854,410 reported in the Statement of Activities. The differences are primarily from NLS not incurring any long term liabilities and disposing of its capital assets. The effect of the difference is illustrated below:

	<u>General Fund</u>	<u>and Eliminations ¹</u>	<u>Statement of Net Assets</u>
EXPENDITURES/EXPENSES:			
Administration and operations	\$ 776,969	\$ (36,691)	\$ 740,278
Member service	997,012	-	997,012
Total expenditures/expenses	<u>1,773,981</u>	<u>(36,691)</u>	<u>1,737,290</u>
REVENUES			
Program revenues			
Grants	101,190	-	101,190
Library Services	168,461	-	168,461
Membership dues	368,632	-	368,632
Member reimbursements	202,593	-	202,593
Total program revenues	<u>840,876</u>	<u>-</u>	<u>840,876</u>
Net program expense	<u>933,105</u>	<u>(36,691)</u>	<u>896,414</u>
General revenue			
Interest	10,342	-	10,342
Miscellaneous	22,766	-	22,766
Gain (loss) on disposal of capital assets	-	(15,411)	(15,411)
Total general revenues	<u>33,108</u>	<u>(15,411)</u>	<u>17,697</u>
SPECIAL ITEM:			
Write-off of OPEB liability	-	1,733,127	1,733,127
REVENUES OVER (UNDER)			
EXPENDITURES	<u>(899,997)</u>		
CHANGE IN NET ASSETS		<u>1,754,407</u>	<u>854,410</u>
FUND BALANCES/NET ASSETS			
Beginning of the year	1,024,779	(1,754,407)	(729,628)
End of the year	<u>\$ 124,782</u>	<u>\$ -</u>	<u>\$ 124,782</u>

¹ Governmental funds report capital outlays as expenditures when incurred and do not report the disposal of capital assets. The economic focus of the statement of activities reports the loss on disposal of assets of \$15,411 when the assets were taken out of service. Governmental funds report compensated absences as expenditures while governmental activities recognize the long-term nature as a liability. NLS did not incur any additions to compensated absences. The reduction in administration expenditures of \$36,691 is a result of the change in the long-term compensated absences liability from the prior year. Additions and reductions of the Other Post Employment Benefit liability do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The write-off of the OPEB liability of \$1,733,127 is reported as an addition to net assets on the on the statement of activities.

Northnet Library System
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

9. SPECIAL ITEM

Write-off of OPEB liability

During the fiscal year, management of NLS made the decision to write off the OPEB liability. NLS contracts with third parties to perform administrative services, and as a result, has no employees. The prior year reported OPEB liability was recorded for former employees of North Bay Cooperative Library System and North State Library System. Northnet Library System was formed as a JPA of its three member library systems and upon formation did not assume any liabilities of its member systems. This one-time adjustment increased NLS's net asset balance by \$1,733,127.

10. SUBSEQUENT EVENTS

Change in fiscal agent

For fiscal year starting July 1, 2012, NLS contracted with the Peninsula Library System (PLS), as its fiscal agent, for administrative services and/or materials. In compensation for services provided, NLS will pay \$76,000 to PLS for the year ending June 30, 2013. These amounts will be reported as administration expenses in the Statement of Activities.

Change in cash and investment policy

On September 6, 2012, NLS's cash and investments were transferred to PLS. The funds were invested according to PLS investment policy, which is approved by the Administrative Council of NLS. PLS is authorized by State statutes and Administrative Council action to invest in the following:

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

PLS invests in LAIF, an unrated pool, which limits the exposure of NLS funds to interest rate and credit risk by treating all balances as current.

Northnet Library System
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

10. SUBSEQUENT EVENTS, Continued

Change in cash and investment policy, continued

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

Change in External Investment Pools

PLS's investments with LAIF at September 30, 2012, included a portion of the pool funds invested in structured notes and asset backed securities and similar transactions. These investments may include the following:

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

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

As of September 30, 2012 LAIF had invested 2.25% of its funds in structured notes and asset-backed securities and similar transactions.

REQUIRED SUPPLEMENTARY INFORMATION

Northnet Library System
Required Supplementary Information
For the year ended June 30, 2012

Budgetary Comparison Schedule
General Fund
For the year ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1, 2011	\$ 1,024,779	\$ 1,024,779	\$ 1,024,779	\$ -
Resources (inflows):				
Grants:				
Federal	99,106	99,106	93,259	5,847
State	7,613	7,613	7,931	(318)
Library services	185,270	185,270	168,461	16,809
Membership dues	333,627	333,627	368,632	(35,005)
Membership reimbursements	198,889	198,889	202,593	(3,704)
Interest	7,407	7,407	10,342	(2,935)
Miscellaneous	441,815	441,815	22,766	419,049
Amounts available for appropriation	<u>1,273,727</u>	<u>1,273,727</u>	<u>873,984</u>	<u>399,743</u>
Changes to appropriations (outflows):				
Administration	293,254	293,254	776,969	(483,715)
Services and supplies	1,019,528	1,019,528	997,012	22,516
Total charges to appropriations	<u>1,312,782</u>	<u>1,312,782</u>	<u>1,773,981</u>	<u>(461,199)</u>
Budgetary fund balance, June 30, 2012	<u>\$ 985,724</u>	<u>\$ 985,724</u>	<u>\$ 124,782</u>	<u>\$ 184,723</u>

NorthNet
Balance Sheet
As of 3/28/2013

001 - General Fund

	<u>Current Year</u>			
Assets				
Current Assets				
Cash & Cash Equivalents				
Cash	<u>1,017,773.68</u>			
Total Cash & Cash Equivalents	1,017,773.68			
Accounts Receivable				
Accounts Receivable	<u>79,208.25</u>			
Total Accounts Receivable	<u>79,208.25</u>			
Total Current Assets	<u>1,096,981.93</u>			
Total Assets	<u>1,096,981.93</u>			
Liabilities				
Current Liabilities				
Deferred Revenue	469,934.43	<==	257,261.34	NBCLS
Total Current Liabilities	<u>469,934.43</u>		209,880.53	MVLS
			2,792.56	NSCLS
Reserves & Fund Balance				
Fund Balance	627,047.50	****	\$191,570 estimated	
Total Reserves & Fund Balance	<u>627,047.50</u>		<u>6/30/13</u>	
Total Liabilities & Fund Balance	<u>1,096,981.93</u>			

NorthNet
Statement of Revenues and Expenditures
From 7/1/2012 Through 3/28/2013

001 - General Fund
915 - LOCAL

	Current Period Actual	Current Year Actual	Total Budget \$ - Original	Total Budget \$ Variance - Original
Revenue				
Other Income				
Other Agencies	17,682.14	17,682.14	0.00	17,682.14
Reimbursale Costs	<u>135,587.64</u>	<u>135,587.64</u>	<u>115,105.00</u>	<u>20,482.64</u>
Total Other Income	153,269.78	153,269.78	115,105.00	38,164.78
Budgeted Fund Balance				
Budgeted Fund Balance	0.00	0.00	<u>33,863.00</u>	<u>(33,863.00)</u>
Total Budgeted Fund Balance	<u>0.00</u>	<u>0.00</u>	<u>33,863.00</u>	<u>(33,863.00)</u>
Total Revenue	<u>153,269.78</u>	<u>153,269.78</u>	<u>148,968.00</u>	<u>4,301.78</u>
Expenditures				
Other Charges				
Reimburseable - Library	<u>119,533.93</u>	<u>119,533.93</u>	<u>148,968.00</u>	<u>29,434.07</u>
Total Other Charges	<u>119,533.93</u>	<u>119,533.93</u>	<u>148,968.00</u>	<u>29,434.07</u>
Total Expenditures	<u>119,533.93</u>	<u>119,533.93</u>	<u>148,968.00</u>	<u>29,434.07</u>
Changes in Fund Balance	<u>33,735.85</u>	<u>33,735.85</u>	<u>0.00</u>	<u>33,735.85</u>

NorthNet
Statement of Revenues and Expenditures
From 7/1/2012 Through 3/28/2013

001 - General Fund
916 - Communication

	Current Period Actual	Current Year Actual	Total Budget \$ - Original	Total Budget \$ Variance - Original
Revenue				
Grant Revenue				
State Library	343,176.00	343,176.00	0.00	343,176.00
Total Grant Revenue	343,176.00	343,176.00	0.00	343,176.00
Fees				
Delivery Cost	251,627.00	251,627.00	263,146.00	(11,519.00)
Total Fees	251,627.00	251,627.00	263,146.00	(11,519.00)
Budgeted Fund Balance				
Budgeted Fund Balance	0.00	0.00	1,216.00	(1,216.00)
Total Budgeted Fund Balance	0.00	0.00	1,216.00	(1,216.00)
Total Revenue	<u>594,803.00</u>	<u>594,803.00</u>	<u>264,362.00</u>	<u>330,441.00</u>
Expenditures				
Services & Charges				
Communication	(77.33)	(77.33)	1,216.00	1,293.33
Contractual Services	189,015.64	189,015.64	263,146.00	74,130.36
Postage	2,529.73	2,529.73	0.00	(2,529.73)
Total Services & Charges	<u>191,468.04</u>	<u>191,468.04</u>	<u>264,362.00</u>	<u>72,893.96</u>
Total Expenditures	<u>191,468.04</u>	<u>191,468.04</u>	<u>264,362.00</u>	<u>72,893.96</u>
Changes in Fund Balance	<u>403,334.96</u>	<u>403,334.96</u>	<u>0.00</u>	<u>403,334.96</u>

NorthNet
Statement of Revenues and Expenditures
From 7/1/2012 Through 3/28/2013

001 - General Fund
918 - Administration

	Current Period Actual	Current Year Actual	Total Budget \$ - Original	Total Budget \$ Variance - Original
Revenue				
Grant Revenue				
State Library	85,794.00	85,794.00	0.00	85,794.00
Federal Grants	<u>4,591.00</u>	<u>4,591.00</u>	<u>0.00</u>	<u>4,591.00</u>
Total Grant Revenue	90,385.00	90,385.00	0.00	90,385.00
Fees				
JPA Member Fees	95,820.00	95,820.00	92,880.00	2,940.00
Administrative Fees	<u>1,350.00</u>	<u>1,350.00</u>	<u>0.00</u>	<u>1,350.00</u>
Total Fees	97,170.00	97,170.00	92,880.00	4,290.00
Use of Money & Property				
Interest Income	<u>1,126.02</u>	<u>1,126.02</u>	<u>1,500.00</u>	<u>(373.98)</u>
Total Use of Money & Property	1,126.02	1,126.02	1,500.00	(373.98)
Other Income				
Miscellaneous Income	<u>0.94</u>	<u>0.94</u>	<u>0.00</u>	<u>0.94</u>
Total Other Income	0.94	0.94	0.00	0.94
Budgeted Fund Balance				
Budgeted Fund Balance	<u>0.00</u>	<u>0.00</u>	<u>3,068.00</u>	<u>(3,068.00)</u>
Total Budgeted Fund Balance	<u>0.00</u>	<u>0.00</u>	<u>3,068.00</u>	<u>(3,068.00)</u>
Total Revenue	<u>188,681.96</u>	<u>188,681.96</u>	<u>97,448.00</u>	<u>91,233.96</u>
Expenditures				
Services & Charges				
Printing	216.55	216.55	0.00	(216.55)
Professional Services	386.58	386.58	15,756.00	15,369.42
Contractual Services	156,117.92	156,117.92	76,000.00	(80,117.92)
Office Expense	645.80	645.80	2,000.00	1,354.20
Postage	1,543.65	1,543.65	2,000.00	456.35
Service Fees	<u>20.00</u>	<u>20.00</u>	<u>0.00</u>	<u>(20.00)</u>
Total Services & Charges	158,930.50	158,930.50	95,756.00	(63,174.50)
Other Charges				
General Insurance	<u>0.00</u>	<u>0.00</u>	<u>1,692.00</u>	<u>1,692.00</u>
Total Other Charges	<u>0.00</u>	<u>0.00</u>	<u>1,692.00</u>	<u>1,692.00</u>
Total Expenditures	<u>158,930.50</u>	<u>158,930.50</u>	<u>97,448.00</u>	<u>(61,482.50)</u>
Changes in Fund Balance	<u>29,751.46</u>	<u>29,751.46</u>	<u>0.00</u>	<u>29,751.46</u>

NorthNet
Statement of Revenues and Expenditures
From 7/1/2012 Through 3/28/2013

001 - General Fund
922 - MVLS

	Current Period Actual	Current Year Actual	Total Budget \$ - Original	Total Budget \$ Variance - Original
Revenue				
Use of Money & Property				
Interest Income	403.57	403.57	500.00	(96.43)
Total Use of Money & Property	403.57	403.57	500.00	(96.43)
Other Income				
Other Agencies	2,512.41	2,512.41	0.00	2,512.41
Total Other Income	2,512.41	2,512.41	0.00	2,512.41
Budgeted Fund Balance				
Budgeted Fund Balance	0.00	0.00	7,000.00	(7,000.00)
Total Budgeted Fund Balance	0.00	0.00	7,000.00	(7,000.00)
Total Revenue	<u>2,915.98</u>	<u>2,915.98</u>	<u>7,500.00</u>	<u>(4,584.02)</u>
Expenditures				
Personnel Expenses				
Pension Fund/PER5	4,834.00	4,834.00	7,500.00	2,666.00
Total Personnel Expenses	4,834.00	4,834.00	7,500.00	2,666.00
Total Expenditures	<u>4,834.00</u>	<u>4,834.00</u>	<u>7,500.00</u>	<u>2,666.00</u>
Changes in Fund Balance	<u>(1,918.02)</u>	<u>(1,918.02)</u>	<u>0.00</u>	<u>(1,918.02)</u>

001 - General Fund
923 - NSCLS

	Current Period Actual	Current Year Actual	Total Budget \$ - Original	Total Budget \$ Variance - Original
Revenue				
Other Income				
Reimbursale Costs	3,200.00	3,200.00	1,600.00	1,600.00
Total Other Income	3,200.00	3,200.00	1,600.00	1,600.00
Budgeted Fund Balance				
Budgeted Fund Balance	0.00	0.00	4,900.00	(4,900.00)
Total Budgeted Fund Balance	0.00	0.00	4,900.00	(4,900.00)
Total Revenue	<u>3,200.00</u>	<u>3,200.00</u>	<u>6,500.00</u>	<u>(3,300.00)</u>
Expenditures				
Personnel Expenses				
Health	3,821.31	3,821.31	6,500.00	2,678.69
Total Personnel Expenses	3,821.31	3,821.31	6,500.00	2,678.69
Total Expenditures	<u>3,821.31</u>	<u>3,821.31</u>	<u>6,500.00</u>	<u>2,678.69</u>
Changes in Fund Balance	<u>(621.31)</u>	<u>(621.31)</u>	<u>0.00</u>	<u>(621.31)</u>

NorthNet Library System

BUDGET TRANSFER/ADJUSTMENT

Program: Communication & Delivery
 Month/Fiscal Year: April 2013

Revenue Source:	Account	Amount
CLSA	916-3667	343,176
Delivery Cost (move revenue to Admin)	916-3650	(264,362)
Expenditure Description:		
Contractual Services for PLS, ILL Fulfillment, OverDrive	916-4220	78,814
Explanation/Justification		
Year-end adjustments		
	Total	78,814

Approvals

 System Director

 NLS Council Chair

4. **An augmentation of the NLS Library-to-Go contract with Overdrive.** Currently 27 libraries participate. Although started with grant funding, this activity is now funded by the participants. Using CLSA funding, for the Reference program, would permit licensing of additional titles and perhaps participation in Overdrive's Local Advantage program. **The Steering Committee recommended \$42,368 of CLSA funds for Overdrive augmentation and further that the Administrative Council assign specific decisions about spending the funds to the group overseeing the Overdrive contract.**

Recommended allocation of \$78,814 in CLSA funding:

Local \$	Purpose
31,572	PLS Base Contract Augmentation (does not include CLSA C&D \$ below)
15,296	PLS Contract Augmentation for Special Projects
50,000	Evergreen migration project
150,000	Innovation and staff development grants
6,500	Spring Administrative Council in-person meeting
66,788	Planned end of year fund balance
30,000	Pilot of Equinox ILL Fulfillment
\$350,156	Total

CLSA \$	Purpose
6,446	PLS contract additional services - C&D to manage NorthNet listservs and produce 8 newsletters distributed via listservs
30,000	Pilot of Equinox ILL Fulfillment - C&D
42,368	Overdrive contract augmentation -- CLSA Reference
78,814	Total

Recommended allocation of \$350,156 local funding:

NorthNet Library System

BUDGET TRANSFER/ADJUSTMENT

Program: PLSEP Grant 11/12

Month/Fiscal Year: April 2013

Revenue Source:	Account	Amount
Federal Grant	849-3668	1,928
Expenditure Description:		
Contractual Services	849-3668	1,928
Explanation/Justification		
PLSEP grant from FY 11/12 thru September 2012		
	Total	1,928

Approvals

System Director

NLS Council Chair

PLS Contract FY 13/14

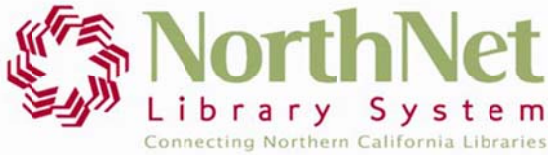
Personnel	Services
<p>System Director</p> <p>Special Projects Consultant</p> <p>Office Manager & Secretary</p>	<p style="text-align: center;">Administrative</p> <p>Prepare the System Uniform Budget, Plan of Service and Annual Report in compliance with the requirements of CLSA as administered by the California State Library, subject to approval by the NLS Administrative Council.</p> <p>Maintain and report records in compliance with CLSA and other applicable state and federal requirements.</p> <p>Coordinate and staff Council meetings 4 times a year and maintain regular communications with NLS Chair and Executive Committee.</p> <p>Prepare and distribute Council agenda packets and minutes. Make arrangements for Council meetings.</p> <p>Distribute legislative, CLSA, and other State Library correspondence.</p> <p>Administer and evaluate system contracts.</p> <p>Maintain rosters, directories, etc.</p> <p>Pursue funding opportunities (Grants, Partnerships, etc.).</p> <p>Represent and advocate for NLS regionally and statewide.</p> <p>Negotiate and monitor cooperative purchasing opportunities and contracts with vendors, consultants, other systems or regions including services authorized and funded by CLSA (delivery, reference, etc.).</p> <p>Support special projects and activities not mandated by CLSA as determined by NLS Council (costs to be negotiated with providers).</p> <p>Maintain files and records required by state and federal laws as well as applicable documents necessary for system business.</p> <p>Produce newsletter</p> <p>Manage all listserves</p> <p>Prepare form 700s for NorthNet and legacy systems</p>
<p>Chief Financial Officer & Accounting Staff</p>	<p style="text-align: center;">Fiscal</p> <p>Act as system's financial manager establishing separate accounts for all NLS funds.</p> <p>Develop an annual budget in collaboration with NLS officers and Administrative Council for programs or services to be provided in the subsequent fiscal year.</p> <p>Monitor budget developed by Council Budget Committee.</p> <p>Arrange for the receipt and deposit of State funds, member fee funds and other fees or revenues whether by grant application invoice or other means.</p> <p>Prepare financial statements showing revenues, expenditures and reserves to be submitted to Council.</p> <p>Prepare and execute payments on behalf of NLS to approved vendors, contractors, consultants, member libraries and others for services rendered, in compliance with budget.</p> <p>Invoice vendors.</p> <p>Prepare 1099s for contractors.</p> <p>Provide comprehensive revenue expenditure and reserve financial reports in accordance with requirements of CLSA or other State Library legislation and generally accepted accounting principles.</p> <p>Maintain files and records as required by State and Federal laws and retention policies.</p> <p>Submit the annual report for Special Districts to State Controller.</p> <p>Arrange for annual independent financial audit.</p> <p>Prepare annual statements of LAIF interest earned, Statement of Economic Interests.</p> <p>Prepare controller report for NorthNet and legacy systems</p>

NORTHNET Proposal FY 13/14

Staff		Administration	62,360.52
.467 FTE			
System Director	10 hours/month @114.88/hour		13,780.80
Coordinator	28 hours/month @75/hour		25,200.00
Office Manager	28 hours/month @ 46.97hour		15,781.92
Secretary	15 hours/month @42.21/hour		7,597.80
			-
.334 FTE		Accounting	43,284.72
Finance Director	30 hours/month@84.89/hour		30,560.40
Account Clerk	28 hours/month@37.87hour		12,724.32
		Mileage	508.50
	5 trips @180 mile@.565 per mile		
		Total	106,153.74
		10% Overhead	10,615.37
TOTAL =.8 FTE		Grand Total	116,769.11

FY 12/13 PLS Amended contract was \$122,867

NORTHNET LIBRARY SYSTEM							
MEMBERSHIP DUES FY 2013/2014							
Tiers plus Cafeteria (Based on \$100,000 Budget)							
Source: California State Library Statistics 2012							
	Population	Op. Budget	Membership	Delivery Admin & Fiscal	OverDrive Admin & Fiscal	Database Admin & Fiscal	FY 13/14 Dues
Alpine	1,176	\$ 223,723	\$ 500	\$ -	\$ 280	\$ 210	\$ 990
Belvedere Tiburon	11,114	\$ 1,662,444	\$ 1,000		\$ -	\$ 210	\$ 1,210
Benicia	27,118	\$ 2,154,130	\$ 1,000	\$ 1,530	\$ 280	\$ -	\$ 2,810
Butte	221,388	\$ 2,770,519	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000
Colusa	21,593	\$ 735,349	\$ 500	\$ 510	\$ 280	\$ 210	\$ 1,500
Del Norte	28,594	\$ 250,598	\$ 500	\$ -	\$ 280	\$ 210	\$ 990
Dixon	27,068	\$ 927,859	\$ 500	\$ 1,530	\$ 280	\$ -	\$ 2,310
Dominican			\$ 500		\$ -	\$ -	\$ 500
El Dorado	182,498	\$ 3,335,224	\$ 2,000	\$ 510	\$ 560	\$ -	\$ 3,070
Folsom	72,439	\$ 1,524,663	\$ 1,000	\$ 1,020	\$ 560	\$ -	\$ 2,580
Humboldt	135,263	\$ 3,109,495	\$ 2,000	\$ -	\$ 280	\$ -	\$ 2,280
Lake City	64,784	\$ 1,045,000	\$ 500	\$ 1,530	\$ -	\$ 210	\$ 2,240
Larkspur	12,014	\$ 721,886	\$ 500		\$ -	\$ -	\$ 500
Lassen	34,577	\$ 177,085	\$ 500	\$ -	\$ 280	\$ 210	\$ 990
Lincoln	43,248	\$ 764,267	\$ 500	\$ 510	\$ 280	\$ 210	\$ 1,500
Marin	139,822	\$ 14,108,404	\$ 3,000		\$ -	\$ 210	\$ 3,210
Mendocino	88,197	\$ 1,496,446	\$ 1,000	\$ 1,530	\$ -	\$ 210	\$ 2,740
Mill Valley	14,064	\$ 1,896,575	\$ 1,000		\$ -	\$ 210	\$ 1,210
Modoc	9,705	\$ 327,435	\$ 500	\$ -	\$ 280	\$ 210	\$ 990
Mono	14,308	\$ 1,142,606	\$ 500	\$ -	\$ 280	\$ 210	\$ 990
Napa City-County	131,790	\$ 7,550,476	\$ 3,000	\$ 1,530	\$ 560	\$ -	\$ 5,090
Napa College			\$ 500	\$ 1,530	\$ -	\$ -	\$ 2,030
Nevada	99,111	\$ 2,284,957	\$ 1,000	\$ 510	\$ 560	\$ 210	\$ 2,280
Orland	14,815	\$ 290,770	\$ 500	\$ -	\$ 280	\$ -	\$ 780
Placer	188,539	\$ 5,204,056	\$ 3,000	\$ 510	\$ 560	\$ -	\$ 4,070
Plumas	23,273	\$ 780,405	\$ 500	\$ -	\$ 280	\$ 210	\$ 990
Roseville	120,593	\$ 3,589,160	\$ 2,000	\$ 510	\$ 560	\$ 210	\$ 3,280
Sacramento	1,355,916	\$ 34,147,637	\$ 5,000	\$ 1,020	\$ -	\$ -	\$ 6,020
St. Helena	5,849	\$ 1,121,552	\$ 500	\$ 1,530	\$ 280	\$ -	\$ 2,310
San Anselmo	12,426	\$ 758,264	\$ 500		\$ -	\$ -	\$ 500
San Rafael	58,136	\$ 2,854,100	\$ 2,000		\$ -	\$ 210	\$ 2,210
SRJC			\$ 500	\$ 510			\$ 1,010
Sausalito	7,116	\$ 693,334	\$ 500	\$ 1,530	\$ -	\$ 210	\$ 2,240
Shasta	177,924	\$ 2,150,631	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000
Siskiyou	45,084	\$ 435,618	\$ 500	\$ -	\$ 280	\$ 210	\$ 990
Solano Coll			\$ 500				\$ 500
Solano	360,323	\$ 16,326,384	\$ 5,000	\$ 1,530	\$ 560	\$ -	\$ 7,090
Sonoma	487,125	\$ 15,329,137	\$ 5,000	\$ 1,530	\$ -	\$ 420	\$ 6,950
Sutter	95,800	\$ 1,411,816	\$ 500	\$ 1,020	\$ 280	\$ 210	\$ 2,010
Tehama	63,950	\$ 562,309	\$ 500	\$ -	\$ 280	\$ 210	\$ 990
Trinity	13,853	\$ 328,628	\$ 500	\$ -	\$ 280	\$ -	\$ 780
Willows	13,458	\$ 287,803	\$ 500	\$ -	\$ 280	\$ -	\$ 780
Woodland	55,549	\$ 1,723,911	\$ 1,000	\$ 1,020	\$ 280	\$ -	\$ 2,300
Yolo	146,210	\$ 6,395,612	\$ 4,000	\$ 510	\$ -	\$ 210	\$ 4,720
Yuba	72,479	\$ 513,841	\$ 500	\$ 510	\$ 280	\$ -	\$ 1,290
	4,698,289	\$ 143,114,109	\$ 57,500	\$ 23,970	\$ 9,520	\$ 4,830	\$ 95,820



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www.northnetlibs.org

To: NorthNet Library System Steering Committee

From: Jane Light

Subject: Direction to Staff for Preparation of NLS FY13/14 Budget

Date: March 28, 2013

Your April 4 meeting will bring you up to date on the status of the FY12/13 NLS budget and will kick off the process of developing a budget for FY13/14. That process will begin with your giving staff direction about what you want to include. The purpose of this memo is to identify specific points on which we want direction.

First, PLS staff is approaching this task with a few assumptions, which are listed below and need to be validated (or not).

Assumptions:

- 1) CLSA funding for NLS will be essentially the same as in FY12/13 -- \$85,794 for System Administration and \$264,362 for other CLSA programs including Communications and Delivery (C&D) and Reference.
- 2) Member Dues (not the participation fees for Delivery, OverDrive and Databases that some libraries pay) will remain the same in FY13/14 as in FY12/13, totaling \$95,820.
- 3) In FY13/14 NLS will continue to contract with PLS for administrative services.
- 4) CLSA funding and local funds from member dues should be used to benefit the maximum number of members and the cooperative itself.
- 5) Special projects and activities should have a clearly articulated benefit NLS.
- 6) The FY13/14 budget will be balanced without using any of current fund balance or the additional \$66,788 that was planned to add to the Fund Balance in the actions taken at the Oct Admin Council meeting.

I. Budgeting CLSA \$ for programs other than System Administration

Some options for use of CLSA funds for C&D or Reference (can be mixed and matched and must meet program requirements as determined by State Library):

- 1) Use CLSA funds to pay for some of the delivery costs that are now paid through Member fees or are incurred directly by the members or through Marin Net.

Discussion: Fees for delivery totaled \$258,387. However, 22 of the 41 members did not participate in the NLS delivery contracts. And among those that did, the SNAP libraries and the libraries participating in the Sonoma County Shared ILS accounted for over \$200,000. Members in Marin County have their own contract for delivery.

Recommendation: *Use some CLSA \$ to pay part of the delivery costs (C&D program of CLSA) incurred by the members.* Those that handle their delivery via another group or method (US Mail, or other provider) would complete a claim form specifying the method of delivery used and NLS would pay the claim.

Question: Would the \$ be the same for each public library member or vary according to size or some other factor? (Some members may be incurring few costs due to low delivery activity and reimbursements should not exceed costs.)

- 2) Allocate some CLSA \$ to the Reference Program to pay data base subscription costs for member public library.

Discussion: Only a few NLS libraries (14) subscribe thru NLS for a total of \$25,294 in FY12/13. As far as we know, all or nearly all libraries do purchase some databases or other online reference products.

Recommendation: None

Questions: How many, if any, \$ should be allocated for this purpose? How to distribute those \$ among the public library members?

- 3) Allocate some CLSA \$ to the Reference Program for Overdrive.

Discussion: The Administrative Council did that this year when it adjusted its budget in October to reflect the addition of CLSA \$. It allocated about \$42,000 or approximately \$1000 per public library member. Libraries not participating in the Library-To-Go group but using Overdrive received an allocation of \$1000 that will be paid after receipt of a claim form.

Recommendation: None

Questions: How many, if any, \$ should be allocated for this purpose? How to distribute those \$ among the public library members?

- 4) Your ideas for how these CLSA \$ can be budgeted to benefit member library resource sharing and meet CLSA program requirements.

Please note that some fairly small portion of the CLSA \$ will be used for communications and delivery costs such as the Adobe Connect costs, NLS system office mailing costs, and costs of maintaining the website and listservs.

II. Funding for Innovation Grants and/or Staff Development grants

These grants, funded on a one-time basis with local funds after CLSA funds were received in FY13/14, have proven to be quite popular in terms of the number and \$ amount of the applications. The results and outcomes have not yet been reported or even experienced, however.

If the Administrative Council wishes to fund either of these, options include:

- 1) Use membership fee income remaining after funding System Administration costs not covered by CLSA for this purpose. Current estimate is approximately \$35,000 available. It should be noted that there are System Administration costs in addition to the PLS contract, such as auditing and other professional services, and the annual in-person Administrative Council meetings.
- 2) Exploring with CSL staff if use of CLSA reference \$ could be used for staff development and what parameters would be required.
- 3) Reallocate \$ unspent as of June 30 from projects approved for local funding at Oct Admin Council meeting. These might include the Evergreen migration project at \$50,000 and/or the \$30,000 local funds portion of the ILL fulfillment project (CLSA C&D funds were also \$30,000 budgeted for this program). If you go this route, specific action should be taken at the May 31 Admin Council meeting regarding these projects.
- 4) Your other ideas?

NorthNet Libraries Dues and Fees 2012/2013

Library	Base Dues	Delivery Admin	Over Drive Admin	Database Admin	Total Member Dues	Delivery	OverDrive	Database	TOTAL Dues & Fees
Alpine	\$ 500	\$ -	\$ 280	\$ 210	\$ 990		\$ 237	\$ 88	\$ 1,315
Bel-Tib	\$ 1,000	\$ -	\$ -	\$ 210	\$ 1,210			\$ 1	\$ 1,211
Benicia	\$ 1,000	\$ 1,530	\$ 280	\$ -	\$ 2,810	\$ 13,271	\$ 1,145		\$ 17,226
Butte	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000				\$ 1,000
Colusa	\$ 500	\$ 510	\$ 280	\$ 210	\$ 1,500	\$ 3,244	\$ 438	\$ 328	\$ 5,510
Del Norte	\$ 500	\$ -	\$ 280	\$ 210	\$ 990		\$ 655	\$ 1,576	\$ 3,221
Dixon	\$ 500	\$ 1,530	\$ 280	\$ -	\$ 2,310	\$ 6,390	\$ 543		\$ 9,243
Dominican	\$ 500	\$ -	\$ -	\$ -	\$ 500	\$ -			\$ 500
El Dorado	\$ 2,000	\$ 510	\$ 560	\$ -	\$ 3,070	\$ 1,612	\$ 4,539		\$ 9,221
Folsom	\$ 1,000	\$ 1,020	\$ 560	\$ -	\$ 2,580	\$ 6,448	\$ 2,082		\$ 11,110
Humboldt	\$ 2,000	\$ -	\$ 280	\$ -	\$ 2,280		\$ 3,702		\$ 5,982
Lake Cty	\$ 500	\$ 1,530	\$ -	\$ 210	\$ 2,240	\$ 33,061		\$ 1	\$ 35,302
Larkspur	\$ 500	\$ -	\$ -	\$ -	\$ 500				\$ 500
Lassen	\$ 500	\$ -	\$ 280	\$ 210	\$ 990	\$ 1,612	\$ 431	\$ 1,569	\$ 4,602
Lincoln	\$ 500	\$ 510	\$ 280	\$ 210	\$ 1,500	\$ 1,612	\$ 1,318	\$ 564	\$ 4,994
Marin	\$ 3,000	\$ -	\$ -	\$ 210	\$ 3,210			\$ 1	\$ 3,211
Mendocino	\$ 1,000	\$ 1,530	\$ -	\$ 210	\$ 2,740	\$ 44,517		\$ 1	\$ 47,258
Mill Valley	\$ 1,000	\$ -	\$ -	\$ 210	\$ 1,210			\$ 1	\$ 1,211
Modoc	\$ 500	\$ -	\$ 280	\$ 210	\$ 990		\$ 364	\$ 1,361	\$ 2,715
Mono	\$ 500	\$ -	\$ 280	\$ 210	\$ 990		\$ 701	\$ 393	\$ 2,084
Napa City-Cty	\$ 3,000	\$ 1,530	\$ 560	\$ -	\$ 5,090	\$ 35,170	\$ 2,616		\$ 42,876
Napa Coll	\$ 500	\$ 1,530	\$ -	\$ -	\$ 2,030	\$ 3,968			\$ 5,998
Nevada	\$ 1,000	\$ 510	\$ 560	\$ 210	\$ 2,280	\$ -	\$ 3,431	\$ 1,285	\$ 6,996
Orland	\$ 500	\$ -	\$ 280	\$ -	\$ 780		\$ 408		\$ 1,188
Placer	\$ 3,000	\$ 510	\$ 560	\$ -	\$ 4,070	\$ 1,612	\$ 6,399		\$ 12,081
Plumas	\$ 500	\$ -	\$ 280	\$ 210	\$ 990		\$ 568	\$ 2,758	\$ 4,316
Roseville	\$ 2,000	\$ 510	\$ 560	\$ 210	\$ 3,280	\$ 1,612	\$ 3,693	\$ 1,689	\$ 10,274
Sacramento	\$ 5,000	\$ 1,020	\$ -	\$ -	\$ 6,020	\$ 6,448	\$ -		\$ 12,468
St. Helena	\$ 500	\$ 1,530	\$ 280	\$ -	\$ 2,310	\$ 9,705	\$ 582		\$ 12,597
San Anselmo	\$ 500	\$ -	\$ -	\$ -	\$ 500				\$ 500
San Rafael	\$ 2,000	\$ -	\$ -	\$ 210	\$ 2,210			\$ 1	\$ 2,211
SRJC	\$ 500	\$ 510			\$ 1,010				\$ 1,010
Sausalito	\$ 500	\$ -	\$ -	\$ 210	\$ 710			\$ 1	\$ 711
Shasta	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000				\$ 1,000
Siskiyou	\$ 500	\$ -	\$ 280	\$ 210	\$ 990		\$ 1,624	\$ 2,671	\$ 5,285
Solano Coll	\$ 500	\$ 1,530	\$ -	\$ -	\$ 2,030	\$ 1,872			\$ 3,902
Solano	\$ 5,000	\$ 1,530	\$ 560		\$ 7,090	\$ 34,333	\$ 7,894		\$ 49,317
Sonoma	\$ 5,000	\$ 1,530	\$ -	\$ 420	\$ 6,950	\$ 34,168		\$ 1	\$ 41,119
Sutter	\$ 500	\$ 1,020	\$ 280	\$ 210	\$ 2,010	\$ 6,448	\$ 2,090	\$ 1,092	\$ 11,640
Tehama	\$ 500	\$ -	\$ 280	\$ 210	\$ 990		\$ 1,231	\$ 3,826	\$ 6,047
Trinity	\$ 500	\$ -	\$ 280	\$ -	\$ 780		\$ 546		\$ 1,326
Willows	\$ 500	\$ -	\$ 280	\$ -	\$ 780		\$ 658		\$ 1,438
Woodland	\$ 1,000	\$ 1,020	\$ 280	\$ -	\$ 2,300	\$ 6,448	\$ 1,605		\$ 10,353
Yolo	\$ 4,000	\$ 510	\$ -	\$ 210	\$ 4,720	\$ 3,224		\$ 6,086	\$ 14,030
Yuba	\$ 500	\$ 510	\$ 280	\$ -	\$ 1,290	\$ 1,612	\$ 1,850		\$ 4,752
Total	\$ 57,500	\$ 23,970	\$ 9,520	\$ 4,830	\$ 95,820	\$258,387	\$ 51,350	\$ 25,294	\$ 430,851

NorthNet
Statement of Revenues and Expenditures
From 7/1/2012 Through 3/28/2013

001 - General Fund
921 - NBCLS

	Current Period Actual	Current Year Actual	Total Budget \$ - Original	Total Budget \$ Variance - Original
Revenue				
Use of Money & Property				
Interest Income	<u>786.41</u>	<u>786.41</u>	<u>2,600.00</u>	<u>(1,813.59)</u>
Total Use of Money & Property	786.41	786.41	2,600.00	(1,813.59)
Other Income				
Reimbursale Costs	<u>9,993.08</u>	<u>9,993.08</u>	<u>13,338.00</u>	<u>(3,344.92)</u>
Total Other Income	9,993.08	9,993.08	13,338.00	(3,344.92)
Budgeted Fund Balance				
Budgeted Fund Balance	<u>0.00</u>	<u>0.00</u>	<u>43,371.00</u>	<u>(43,371.00)</u>
Total Budgeted Fund Balance	0.00	0.00	43,371.00	(43,371.00)
Total Revenue	<u>10,779.49</u>	<u>10,779.49</u>	<u>59,309.00</u>	<u>(48,529.51)</u>
Expenditures				
Personnel Expenses				
Pension Fund/PERS	42.40	42.40	0.00	(42.40)
Health	<u>34,662.74</u>	<u>34,662.74</u>	<u>59,209.00</u>	<u>24,546.26</u>
Total Personnel Expenses	34,705.14	34,705.14	59,209.00	24,503.86
Services & Charges				
Membership Fees/Dues	<u>0.00</u>	<u>0.00</u>	<u>100.00</u>	<u>100.00</u>
Total Services & Charges	0.00	0.00	100.00	100.00
Total Expenditures	<u>34,705.14</u>	<u>34,705.14</u>	<u>59,309.00</u>	<u>24,603.86</u>
Changes in Fund Balance	<u>(23,925.65)</u>	<u>(23,925.65)</u>	<u>0.00</u>	<u>(23,925.65)</u>
Ending Fund Balance	<u>(23,925.65)</u>	<u>(23,925.65)</u>	<u>0.00</u>	<u>(23,925.65)</u>

NorthNet
Statement of Revenues and Expenditures
From 7/1/2012 Through 3/28/2013

100 - Grant Fund
849 - NorthNet PLSEP Grant 11/12

	Current Period Actual	Current Year Actual	Total Budget \$ - Original	Total Budget \$ Variance - Original
Revenue				
Grant Revenue				
Federal Grants	<u>1,928.00</u>	<u>1,928.00</u>	<u>0.00</u>	<u>1,928.00</u>
Total Grant Revenue	<u>1,928.00</u>	<u>1,928.00</u>	<u>0.00</u>	<u>1,928.00</u>
Total Revenue	<u>1,928.00</u>	<u>1,928.00</u>	<u>0.00</u>	<u>1,928.00</u>
Expenditures				
Services & Charges				
Contractual Services	<u>1,928.00</u>	<u>1,928.00</u>	<u>0.00</u>	<u>(1,928.00)</u>
Total Services & Charges	<u>1,928.00</u>	<u>1,928.00</u>	<u>0.00</u>	<u>(1,928.00)</u>
Total Expenditures	<u>1,928.00</u>	<u>1,928.00</u>	<u>0.00</u>	<u>(1,928.00)</u>
Changes in Fund Balance	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Ending Fund Balance	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

NorthNet
Statement of Revenues and Expenditures
From 7/1/2012 Through 3/28/2013

100 - Grant Fund
850 - 21st Century Cooperative Service
Model

	Current Period Actual	Current Year Actual	Total Budget \$ - Original	Total Budget \$ Variance - Original
Revenue				
Grant Revenue				
Federal Grants	<u>19,200.00</u>	<u>19,200.00</u>	<u>20,000.00</u>	<u>(800.00)</u>
Total Grant Revenue	<u>19,200.00</u>	<u>19,200.00</u>	<u>20,000.00</u>	<u>(800.00)</u>
Total Revenue	<u>19,200.00</u>	<u>19,200.00</u>	<u>20,000.00</u>	<u>(800.00)</u>
Expenditures				
Services & Charges				
Contractual Services	12,387.50	12,387.50	10,300.00	(2,087.50)
Travel & Meetings	<u>6,812.50</u>	<u>6,812.50</u>	<u>9,700.00</u>	<u>2,887.50</u>
Total Services & Charges	<u>19,200.00</u>	<u>19,200.00</u>	<u>20,000.00</u>	<u>800.00</u>
Total Expenditures	<u>19,200.00</u>	<u>19,200.00</u>	<u>20,000.00</u>	<u>800.00</u>
Changes in Fund Balance	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Ending Fund Balance	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>