

NorthNet Library System

1701 Fourth Street, Suite 100

Santa Rosa, CA 95404

Council of Librarians

WebEx Desktop Meeting Agenda

Thursday, June 14, 2012

10:00 AM -- Noon

Meeting Number: 578 234 186

Meeting Password: (This meeting does not require a password.)

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Go to Go to

<https://infopeople.webex.com/infopeople/j.php?ED=203344937&UID=489649202&RT=MiM0>

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1. Enter your name and email address.

2. Click "Join"

- | | | |
|---------------|--|--------------------|
| | 1. Welcome and Roll Call | Wendy Burke, Chair |
| | 2. Public invited to address the committee | |
| | 3. Plan for taking minutes | Wendy Burke |
| ACTION | 4. Approval of the Agenda | Wendy Burke |
| ACTION | 5. Consent Calendar | Annette Milliron |
| | A. Financial Statement ending May 31, 2012 | |
| | B. Minutes of the April 26, 2012 Council Meeting | |
| | C. FY 2010/11 Audit | |
| | D. Adoption of a file retention schedule | |
| | E. Revised 2011/12 Budget | |
| | 6. News from the State Library | Darla Gunning |
| ACTION | 7. Nominations for Chair, Vice-Chair, and Steering Committee | |

Representatives for FY 2012/13

Wendy Burke

ACTION

8. Plan of Service and Preliminary Budget for FY 2012/13

Wendy Burke

- A. Plan of Service
- B. Delivery Contracts with BeavEx and Sprint Courier Service
- C. Preliminary Budget for FY 2012/13
 - 1. Sonoma County for transfer of funds to PLS
 - 2. Peninsula Library System as fiscal agent

9. LSTA System Augmentation Grant

Wendy Burke

- A. August 27 on-ground meeting in Sacramento area
 - PLS discussion in am
 - Joan Frye Williams in pm
- B. Questions needing addressing by legal counsel
- C. Digitization of system files

10. Transition of administration to PLS

11. Next Meeting Date and Agenda Building:

12. Agenda Building

13. Adjourn

Bold indicates document included

Support materials for agenda available for review at NLS Headquarters Office

*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

Alpine County Library, 270 Laramie Street, Markleeville, CA 96120
Belvedere-Tiburon Public Library, 1501 Tiburon Boulevard, Tiburon, CA 94920
Benicia Public Library, 150 East L Street, Benicia, CA 95410
Butte County Library, 1820 Mitchell Avenue, Oroville, CA 95966
Colusa County Library - 738 Market Street Colusa, CA 95932
Del Norte County Library District, 190 Price Mall, Crescent City, CA 95531
Dixon Public Library - 230 North First Street Dixon, CA 95620
Dominican University Library – 50 Acacia Ave., San Rafael, CA 94901
El Dorado Public Library - 345 Fair Lane Placerville, CA 95667
Folsom Public Library – 411 Stafford St., Folsom, CA 95630
Humboldt County Library – 1313 Third Street, Eureka, CA 95501
Lake County Library – 1425 High St., Lakeport, CA 95453
Larkspur Public Library – 400 Magnolia Avenue, Larkspur, CA 94939
Lassen Library District – 1618 Main Street, Susanville, CA 96130
Lincoln Public Library – 485 Twelve Bridges Dr., Lincoln, CA 95648
Marin County Free Library - 3501 Civic Center Drive, #414 San Rafael, CA 94903
Mendocino County Library – 105 Main St., Ukiah, CA 95482
Mill Valley Public Library – 375 Throckmorton Avenue, Mill Valley, CA 93941
Modoc County Library - 212 W. 3rd Street Alturas, CA 96101
Mono County Library – 400 Sierra Park Rd., Mammoth Lakes, CA 93546
Napa City-County Library – 580 Coombs St., Napa, CA 94559
Napa Valley College Library – 2277 Napa-Vallejo Hwy, Napa, CA 94558
Nevada County Library – 980 Helling Way, Nevada City, CA 95959
NorthNet Library System – 1701 Fourth St., Suite 100, Santa Rosa, CA 95404
Orland Free Library - 333 Mill Street Orland, CA 95963
Placer County Library – 350 Nevada Street, Auburn, CA 95603
Plumas County Library – 455 Jackson Street, Quincy, CA 95971
Roseville Public Library – 225 Taylor Street, Roseville, CA 95678
Sacramento Public Library – 828 I Street, Sacramento, CA 95814
St. Helena Public Library - 1492 Library Lane St. Helena, CA 94574
San Anselmo Public Library – 10 Tunstead Ave., San Anselmo, CA 94960
San Rafael Public Library – 1100 E Street, San Rafael, CA 94901
Shasta Public Libraries – 1100 Parkview Avenue, Redding, CA 96001
Sausalito Public Library – 420 Litho Street, Sausalito, CA 94965
Shasta Public Libraries – 1100 Parkview Avenue, Redding, CA 96001
Siskiyou County Library – 719 4th Street, Yreka, CA 96097
Solano County Library – 1150 Kentucky Street, Fairfield, CA 96097
Sonoma County Library – 211 E Street, Santa Rosa, CA 95404
Sutter County Library – 750 Forbes Ave., Yuba City, CA 95991
Tehama County Library – 645 Madison Street, Red Bluff, CA 96080
Trinity County Library – 211 N. Main St., Weaverville, CA 96093
Willows Public Library – 201 N. Lassen Street, Willows, CA 95988
Woodland Public Library – 250 First Street, Woodland, CA 95695
Yolo County Library – 226 Buckeye, Woodland, CA 95695
Yuba County Library – 303 Second Street, Marysville, CA 95901

CONSENT CALENDAR
June 14, 2012

- A. Financial Statement ending May 31, 2012
- B. Minutes of the April 26, 2012 Council Meeting
- C. FY 2010/11 Audit
- D. Adoption of a file retention schedule
- E. Revised 2011/2012 Budget

NorthNet Library System
General Ledger
For the Eleven Months Ending May 31, 2012

Item #5A

	YTD Budget	YTD Spent/Rec'd	YTD Balance	Remaining %	Current Month
Revenues					
1650-Rev Carried Fwd-LSTA	\$ 199,632.00	\$ 0.00	199,632.00	100.00	\$ 0.00
1700-Interest Earned	1,500.00	2,740.45	(1,240.45)	(82.70)	0.00
2560-CLSA Reference	0.00	0.00	0.00	0.00	0.00
2562-CLSA SAB	0.00	0.00	0.00	0.00	0.00
2563-CLSA TBR-ILL	7,613.00	7,931.49	(318.49)	(4.18)	0.00
2565-CLSA Comm. &	0.00	0.00	0.00	0.00	0.00
Total CLSA	7,613.00	7,931.49	(318.49)	(4.18)	0.00
2803-LSTA	99,106.00	93,259.00	5,847.00	5.90	0.00
Total LSTA	99,106.00	93,259.00	5,847.00	5.90	0.00
3480-Contract Fees	174,961.00	168,461.24	6,499.76	3.71	10,795.00
3482-Contract Fees	324,047.00	350,897.33	(26,850.33)	(8.29)	970.94
Total Member Share	499,008.00	519,358.57	(20,350.57)	(4.08)	11,765.94
4102-Donations/Reimbursements	974.00	10,388.15	(9,414.15)	(966.55)	38.62
4109-Outdated/Cancelled Warran	0.00	112.11	(112.11)	0.00	112.11
4157-Member Reimbursement	67,488.00	176,286.00	(108,798.00)	(161.21)	1,145.00
Total Donations & Reimbursements	68,462.00	186,786.26	(118,324.26)	(172.83)	1,295.73
4620-Transfer between funds	0.00	0.00	0.00	0.00	0.00
Total Transfer Between Funds	0.00	0.00	0.00	0.00	0.00
4645-Trust to General Fund	152,089.00	0.00	152,089.00	100.00	0.00
Total Trust to General Fund	152,089.00	0.00	152,089.00	100.00	0.00
Grand Total Revenues	\$ 1,027,410.00	\$ 810,075.77	217,334.23	21.15	\$ 13,061.67

NorthNet Library System
General Ledger
For the Eleven Months Ending May 31, 2012

	YTD Budget	YTD Spent/Rec'd	YTD Balance	Remaining %	Current Month
Salaries & Benefits					
5900-Payoff Account	\$ 0.00	\$ 0.00	0.00	0.00	\$ 0.00
5910-Perm Positions	95,573.00	137,101.60	(41,528.60)	(43.45)	0.00
5911-Extra Help	0.00	195.00	(195.00)	0.00	0.00
5921-Retirement Cont.	14,609.00	13,484.36	1,124.64	7.70	0.00
5924-MediCare	1,386.00	2,056.96	(670.96)	(48.41)	399.60
5925-Deferred Cost	0.00	0.00	0.00	0.00	0.00
5930-Health Insurance	11,725.00	19,924.33	(8,199.33)	(69.93)	3,818.77
5931-Disability Insurance	1,434.00	853.01	580.99	40.52	0.00
5932-Dental Insurance	2,122.00	2,844.72	(722.72)	(34.06)	0.00
5933-Life Insurance	881.00	431.50	449.50	51.02	0.00
5934-Vision Insurance	928.00	172.00	756.00	81.47	0.00
5935-Unemployment Insurance	31,641.00	23,272.38	8,368.62	26.45	1,732.00
5940-Workers Compensation	965.00	1,166.90	(201.90)	(20.92)	0.00
Total Salaries & Benefits	161,264.00	201,502.76	(40,238.76)	(24.95)	5,950.37

NorthNet Library System
General Ledger
For the Eleven Months Ending May 31, 2012

	YTD Budget	YTD Spent/Rec'd	YTD Balance	Remaining %	Current Month
Services & Supplies					
6040-Comm. - E Mail	1,216.00	685.37	530.63	43.64	72.00
6045-Comm. - Telephone	500.00	584.98	(84.98)	(17.00)	166.36
6085-Adm Janitorial	960.00	970.00	(10.00)	(1.04)	0.00
6100-Insurance	1,260.00	1,691.62	(431.62)	(34.26)	0.00
6140-Maint. of Equipment	350.00	153.13	196.87	56.25	0.00
6280-Memberships	100.00	0.00	100.00	100.00	0.00
6302-Adm Debt Revolve	0.00	0.00	0.00	0.00	0.00
6400-Office Expense	2,951.00	2,800.55	150.45	5.10	52.86
6410-Postage	33,185.00	16,934.63	16,250.37	48.97	445.95
6415-Library Materials	0.00	0.00	0.00	0.00	0.00
6461-Purchases for Members	125,396.00	166,478.97	(41,082.97)	(32.76)	19,660.64
6500-Other Prof. Services	71,942.00	59,581.47	12,360.53	17.18	8,511.34
6516-Data Processing Services	1,859.00	1,386.29	472.71	25.43	0.00
6517-Online Services OCLC	27,749.00	68,552.73	(40,803.73)	(147.05)	4,646.13
6521-County Services	7,634.00	0.00	7,634.00	100.00	0.00
6540-Contract Services	403,600.00	297,672.49	105,927.51	26.25	37,778.31
6800-Duplicating / Photocopies	3,336.00	4,324.25	(988.25)	(29.62)	0.00
6820-Rental of Equipment	0.00	0.00	0.00	0.00	0.00
6840-Building Rent / Lease	11,498.00	11,498.34	(0.34)	0.00	0.00
7000-Special Dept. Expenses	28,143.00	3,171.44	24,971.56	88.73	3,000.00
7110-Staff Development	54,411.00	37,641.00	16,770.00	30.82	1,856.00
7120-In-Service Training	55,467.00	25,336.91	30,130.09	54.32	0.00
7302-Conferences & Travel	32,316.00	34,898.64	(2,582.64)	(7.99)	0.00
7303-Private Car Expense	350.00	1,739.68	(1,389.68)	(397.05)	87.60
7320-Utilities	1,923.00	1,958.78	(35.78)	(1.86)	0.00
Total Services & Supplies	866,146.00	738,061.27	128,084.73	14.79	76,277.19
Fixed Assets					
8640-Operational Transfer	0.00	0.00	0.00	0.00	0.00
8800-Equip Reserve	0.00	0.00	0.00	0.00	0.00
Total Fixed Assets	0.00	0.00	0.00	0.00	0.00
Grand Total Expenditures	\$ 1,027,410.00	\$ 939,564.03	87,845.97	8.55	\$ 82,227.56

NorthNet Library System
General Ledger
For the Eleven Months Ending May 31, 2012

	YTD Budget	YTD Spent/Rec'd	YTD Balance	Remaining %	Current Month
Grand Total Expenditures	<u>1,027,410.00</u>	<u>939,564.03</u>	<u>87,845.97</u>	<u>8.55</u>	<u>82,227.56</u>
Grand Total Revenues	<u>1,027,410.00</u>	<u>810,075.77</u>	<u>217,334.23</u>	<u>(21.15)</u>	<u>13,061.67</u>
Difference	\$ <u>0.00</u>	\$ <u>(129,488.26)</u>	<u>129,488.26</u>		\$ <u>(69,165.89)</u>
Net Change in Journals	\$ <u>0.00</u>	\$ <u>(129,488.26)</u>	<u>129,488.26</u>		\$ <u>(69,165.89)</u>

**Council of Librarians WebEx Desktop Meeting Agenda
April 26, 2012**

1. Welcome and Roll Call Wendy Burke, Chair
 Meeting called to order at 10:08AM by Wendy Burke, Chair. Gail Haar – left meeting at 11:00 AM.
 Diane Smikahl and Abbot Chambers left meeting at 11:30 AM

PRESENT	ABSENT	MEMBER LIBRARY	NAME
x		Colusa County Library	Wendy Burke, Chair
x		St. Helen Public Library	Jennifer Baker, Vice-Chair
x		Alpine County Library	Rita Lovell
	x	Belvedere-Tiburon Library	Debbie Mazzolini
x		Benicia Public Library	Diane Smikahl
	x	Butte College Library	Luozhu Cen
	x	Butte County Library	Jan Christofferson
	x	College of the Redwoods Library	Rachel Anderson
	x	College of the Siskiyous Library	Dennis Freeman
	x	CSU Chico Library	Sarah Blakeslee
	x	CSU Sacramento Library	Tabzeera Dosu
	x	Del Norte Co. Library District	Linda Kaufmann
	x	Dixon Public Library	Gregg Atkins
x		El Dorado County Library	Jeanne Amos
	x	Feather River College Library	Tom Davis
	x	Folsom Public Library	Greta Galindo
x		Humboldt County Library	Victor Zazueta
	x	Humboldt State Univ. Library	Wayne Perryman
x		Lake County Library	Susan Clayton
	x	Larkspur Public Library	Frances Gordon
	x	Lassen College Library	Stephaney Stuart
x		Lassen Library District	Jeff Hawkins
x		Lincoln Public Library	Jon Torkelson
x		Marin County Free Library	Gail Haar
	x	Mendocino County Library	Mel Lightbody
	x	Mill Valley Public Library	Anji Brenner
x		Modoc County Library	Cheryl Baker
	x	Mono County Free Library	Bill Michael
	x	Napa City-County Library	Danis Kreimeier
	x	Napa Valley Comm. College	Rebecca Scott

x		Nevada County Library	Jessica Hudson
x		Orland Free Library	Jody Meza
x		Placer County Library	Mary George
	x	Plumas County Library	Dora Mitchell
	x	Roseville Public Library	Natasha Casteel
	x	Sacramento Co. Pub. Law Lib.	Coral Henning
x		Sacramento Public Library	Nina Biddle for Rivkah Sass
x		San Anselmo Public Library	Linda Kenton
	x	San Rafael Public Library	David Dodd
	x	Santa Rosa Junior College	Cherry Li-Bugg
x		Sausalito Public Library	Abbot Chambers
	x	Shasta College Library	Janet Albright
x		Shasta Libraries	Jan Erickson
	x	Simpson University Library	Larry Haight
	x	Siskiyou County Library	Michael Perry
	x	Solano Comm. College Library	Jeffery Lamb
x		Solano County Library	Lynne Williams for Bonnie Katz
x		Sonoma County Library	Sandy Cooper
	x	Sonoma Dev. Center	Vacant
x		Sutter County Library	James Oschner
	x	Tehama County Library	Sally Answorth
	x	Trinity County Library	Oresta Esquibel
	x	UC Davis	Sandra Vella
x		Willows Public Library	Jody Meza
x		Woodland Public Library	Heather Muller
x		Yolo County Library	Patty Wong
	x	Yuba County Library	Sandeep Sidhu
x		California State Library	Darla Gunning
x		NLS System Headquarters	Annette Milliron DeBacker

2. PUBLIC INVITED TO ADDRESS THE COUNCIL:

No members of the public were present.

3. PLAN FOR TAKING MINUTES:

Patty Wong agreed to take minutes.

4. APPROVAL OF AGENDA:

The agenda was approved by acclamation. Mary George (present but not in public location)

ACTION: Jennifer Baker moved to accept AGENDA and place items 7 & 8 to immediately after approval of agenda. Diana Smikahl from Benicia seconded. Unanimously approved.

5. PLAN FOR ADMINISTRATIVE AND FISCAL AGENT SERVICES FOR FY 2012-13

- A. Report: All three legacy systems (MVLS, NBCLS and NSCLS) approved a vote to change NLS JPA Section 5 to designate Peninsula Library System Executive Director or Finance Director as Treasurer/Controller and fiscal agent effective July 1, 2012.
- B. Contract with Peninsula Library System for NLS administrative and fiscal services FY2012-13:
ACTION: Diane moved approval of standard agreement with PLS for administration and fiscal services for \$76,000. Jon Torkelson seconded. 22 ayes, 1 abstention (Shasta)
Point of information: \$ allocation is less than total budgeted for NLS for FY 2012-13. This will allow some room for unanticipated costs
- C. Contract with Peninsula Library System in the amount of \$7,500 for consulting service May 1- June 30, 2012 in preparation of assuming NLS administrative and fiscal services authority on July 1, 2012
ACTION: Jennifer Baker moved approval of transition contract. Diana Smikahl seconded. Unanimously approved.
Point of information: These costs are covered in the current budget for NLS. And negotiations for relative contracts regarding delivery and databases that are about to expire that have been or will be renewed for funding.

6. NORTHNET LIBRARY SYSTEM DUES AND MEMBERSHIP FEE SCHEDULE FOR FY2012-13

ACTION: Jennifer Baker moved approval of the dues structure. Jon Torkelson seconded. A error correction was made for the amount for Sacramento Pubic Library line in the chart to remove \$562 from OverDrive and place in St. Helena dues. Jennifer and Jon agreed to a change in the motion to approve the dues structure as amended. Passed unanimously. 20 yes 3 abstain
Consideration: After discussion it was agreed that the NSCLS and MVLS colleges which were not included in the chart need to be considered by NSCLS and MVLS separately in their governing body meetings. Bring colleges and dues structure concerns to include to PLS administration for guidance on incorporation of colleges and impact on overall dues. Information on outcomes requested to be shared with all members. 20 yes 3 abstain .

7. CONSENT AGENDA

ACTION: Cheryl Baker moved to accept consent calendar – Financial Statement ending March 31, 2012 and Minutes of the December 19, 2011 Council meeting. Jeff Lassen seconded. Unanimously approved.

8. NEWS FROM THE STATE LIBRARY

Darla Gunning reported that the State Library had a conference call last Monday with CLSA systems about an LSTA grant opportunity. The deadline is May 4, 2012. The time period would cover April – September of 2012. The maximum grant award would be for \$20,000.

9. LSTA GRANT OPPORTUNITY FOR 2011-12

Wendy Burke reported on three areas that are being considered for the grant opportunity that Darla Dunning had discussed. These include:

- Identify legal questions and obtain answers for transition and moving forward for three legacy systems

- Digitization, indexing and hosting of files for three systems
- On-ground annual meeting possibly in June 2012.

The group expressed support for each of these areas.

10. NEXT MEETING:

Annual meeting in June would include:

- Nominations for new leadership
- Orientation of new chair
- Potential meet and greet with new PLS administrators and networking with NLS members

Meeting was adjourned at 12:45 pm.

**NORTHNET LIBRARY SYSTEM
FINANCIAL STATEMENTS
June 30, 2011**

DRAFT

NORTHNET LIBRARY SYSTEM
Financial Statements
June 30, 2011

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INDEPENDENT AUDITOR'S REPORT

Council of Librarians
NorthNet Library System
Santa Rosa, CA

I have audited the accompanying financial statements of the governmental activities and major fund of the NorthNet Library System (Library) as of and for the year ended June 30, 2011, which collectively comprise the Library's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Library's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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. I believe that my audit provides a reasonable basis for my opinion.

The accompanying financial statements have been prepared assuming that the Library will continue as a going concern. As discussed in Note 13, the Library has anticipated losing its state funding. This condition raises doubt about the Library's ability to continue as a going concern. The financial statements do not include any adjustments that may result from the outcome of this uncertainty.

In my opinion, except as to the going concern issue discussed above, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the NorthNet Library System as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The budgetary comparison information on pages 20 through 22, respectively, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

NorthNet has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.



Larry D. Johnson
Certified Public Accountant

May 31, 2012
Santa Rosa, CA

**NORTHNET LIBRARY SYSTEM
STATEMENT OF NET ASSETS
6/30/2011**

ASSETS:	
Cash in County Treasury	\$ 1,301,598
Capital Assets:	
Computer Equipment	91,299
	<u>91,299</u>
Less: Accumulated Depreciation	<u>(75,888)</u>
Total Capital Assets, net of accumulated Depreciation	15,411
Total Assets	<u><u>\$ 1,317,009</u></u>
LIABILITIES	
Accounts Payable	\$ 102,403
Deferred Grant Revenue	174,416
Compensated Absences- Current Portion	36,691
Non-Current Liabilities:	
Other Post Benefit Employee Liability	1,733,127
Compensated Absences- Due beyond one year	-
Total Liabilities	<u><u>\$ 2,046,637</u></u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	\$ 18,350
Restricted for Equipment Replacement	82,148
Restricted for Retirement Benefits	129,447
Restricted for Future Commitments	346,476
Unrestricted (Deficit)	<u>(1,306,049)</u>
Total Net Assets	<u><u>\$ (729,628)</u></u>

The accompanying notes are an integral part of the financial statements

**NORTHNET LIBRARY SYSTEM
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2011**

Program Expenses	
Library Services	
Salaries & Benefits	\$ 1,016,102
Services & Supplies	1,314,215
Depreciation	<u>2,939</u>
Total Program Expenses	2,333,256
Program Revenues	
Library Services	350,242
Membership Dues	148,124
Member Reimbursements	<u>280,781</u>
Total Program Revenues	779,147
Net Program Expenses before Operating Grants	1,554,109
Federal LSTA Grant	488,989
State CLSA Grants	<u>636,537</u>
Total Operating Grants	1,125,526
Net Program expenses	428,583
General Revenues	
Interest Income	10,950
Miscellaneous Revenues	<u>4,034</u>
Total General Revenues	14,984
Increase (Decrease) in Net Assets	(413,599)
Net Assets, (Deficit) Beginning of Year	<u>(316,029)</u>
Net Assets, (Deficit) End of Year	<u><u>\$ (729,628)</u></u>

The accompanying notes are an integral part of the financial statements

**NORTHNET LIBRARY SYSTEM
BALANCE SHEET- GOVERNMENTAL FUND TYPES
6/30/2011**

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS:			
Cash in County Treasury	\$ 1,215,626	\$ 85,972	\$ 1,301,598
Total Assets	<u>\$ 1,215,626</u>	<u>\$ 85,972</u>	<u>\$ 1,301,598</u>
LIABILITIES & FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 102,403	\$ -	102,403
Deferred Grant Revenue	174,416	-	174,416
Total Liabilities	<u>276,819</u>	<u>-</u>	<u>276,819</u>
Fund Equity:			
Committed for Equipment Replacement	-	82,148	82,148
Committed for Future Claims	-	3,824	3,824
Assigned for Future Commitments	346,476	-	346,476
Unassigned	592,331	-	592,331
Total Fund Balances	<u>938,807</u>	<u>85,972</u>	<u>1,024,779</u>
TOTAL LIABILITIES & FUND BALANCES	<u>\$ 1,215,626</u>	<u>\$ 85,972</u>	<u>\$ 1,301,598</u>

The accompanying notes are an integral part of the financial statements

NORTHNET LIBRARY SYSTEM
Reconciliation of Governmental Fund Type Balance Sheet to the Statement of Net Assets
6/30/2011

TOTAL FUND BALANCES- GOVERNMENTAL FUNDS **\$ 1,024,779**

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in the operation of governmental funds are not financial resources and, therefore, are not reported in the general fund. These assets consist of:

Capital Assets:

Computer Equipment	\$ 91,299	
	<u>91,299</u>	
Less: Accumulated Depreciation	(75,888)	
Total Capital Assets, net of accumulated Depreciation	<u>\$ 15,411</u>	15,411

Long- Term liabilities are not due and payable in the Current period and, therefore, are not reported in the general fund. This consists of:

Other Post Benefit Employee Liability Change		(1,733,127)
Compensated Absences		<u>(36,691)</u>

NET ASSETS OF GOVERNMENTAL ACTIVITIES **\$ (729,628)**

The accompanying notes are an integral part of the financial statements

NORTHNET LIBRARY SYSTEM
Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Fund Type
For The Year Ended June 30, 2011

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES			
User Charges	\$ 350,242	\$ -	\$ 350,242
Membership Fees	148,124	-	148,124
Federal Operating Grants	488,989	-	488,989
State Operating Grants	636,537	-	636,537
Interest Income	10,504	446	10,950
Member Reimbursements	280,781	-	280,781
Miscellaneous Income	529	3,505	4,034
Total Revenues	<u>1,915,706</u>	<u>3,951</u>	<u>1,919,657</u>
EXPENDITURES			
Salaries & Benefits	649,140	-	649,140
Operating Expenses	1,314,215	-	1,314,215
Equipment Purchases	-	-	-
Total Expenditures	<u>1,963,355</u>	<u>-</u>	<u>1,963,355</u>
Excess (Deficiency) of Revenues Over Expenditures	(47,649)	3,951	(43,698)
Other Financing Sources (Uses):			
Transfers in (out)	<u>(38,885)</u>	<u>38,885</u>	<u>-</u>
	(38,885)	38,885	-
Excess (Deficiency) of Revenues Over Expenditures & Other Financing Sources	(86,534)	42,836	(43,698)
Fund Balance, Beginning of Year	<u>1,025,341</u>	<u>43,136</u>	<u>1,068,477</u>
Fund Balance, End of Year	<u><u>\$ 938,807</u></u>	<u><u>\$ 85,972</u></u>	<u><u>\$ 1,024,779</u></u>

The accompanying notes are an integral part of the financial statements

**NORTHNET LIBRARY SYSTEM
Reconciliation of Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Fund Types
To The Statement of Activities
For The Year Ended June 30, 2011**

NET CHANGE IN FUND BALANCES- GOVERNMENTAL FUND TYPE **\$ (43,698)**

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. In the statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Differences are as follows:

Current year depreciation expense (2,939)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds, as follows:

Change in long term compensated absences	10,163
Addition of Other Post Employment Benefit Liability	(421,358)
Payment of Current years liability	44,233

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ (413,599)

The accompanying notes are an integral part of the financial statements

NORTHNET LIBRARY SYSTEM
Statement of Fiduciary Net Assets
6/30/2011

	Agency Funds	
	TBR Trust Fund	Member Library Trust Fund
ASSETS:		
Cash in County Treasury	\$ 356,697	\$ 4,119
Total Assets	\$ 356,697	\$ 4,119
 LIABILITIES		
Accounts Payable	\$ -	\$ -
Total Liabilities	\$ -	\$ -
 NET ASSETS		
Held for Member Libraries	\$ 356,697	\$ 4,119
Total Net Assets	\$ 356,697	\$ 4,119

The accompanying notes are an integral part of the financial statements

NORTHNET LIBRARY SYSTEM
Statement of Changes in Fiduciary Net Assets
6/30/2011

	<u>Agency Funds</u>	
	<u>TBR</u> <u>Trust Fund</u>	<u>Member Library</u> <u>Trust Fund</u>
ADDITIONS		
State Grant Revenues	\$ 123,858	\$ -
Member Reimbursements	65,126	200
Total Additions	<u>188,984</u>	<u>200</u>
DEDUCTIONS		
Payments on behalf of members	<u>218,829</u>	-
Total Deductions	218,829	-
Changes in Net Assets	(29,845)	200
Net Assets, Beginning of Year	<u>386,542</u>	<u>3,919</u>
Net Assets, End of Year	<u>\$ 356,697</u>	<u>\$ 4,119</u>

The accompanying notes are an integral part of the financial statements

NORTHNET LIBRARY SYSTEM
Notes to Financial Statements
June 30, 2011

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

A joint powers agreement was entered into by the parties named below to combine activities of the several cooperative library systems. The "JPA" was entered into on May 8, 2009. Government Code Section 6500 allows several public agencies to form a separate agency.

This consolidated entity includes the accounting activity of the following entities:

NorthNet Library System
North Bay Cooperative Library System
North State Cooperative Library System
Mountain Valley Library System

B. Significant Accounting Policies

The basic financial statements of the NorthNet Library System have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Boards (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Library's accounting policies are described below.

1. Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor have been met.

NORTHNET LIBRARY SYSTEM
Notes to Financial Statements

June 30, 2011

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

When both restricted and unrestricted resources are available for use, it is the government's policy to use unrestricted resources first, then restricted resources as they are needed.

2. Governmental Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for its major governmental fund. An accompanying schedule is presented to reconcile and explain the differences in net assets as presented in these statements to the net assets presented in the Government-wide financial statements. The Library's General Fund is its only major governmental fund.

Governmental funds are accounted for on a spending or "*current financial resources*" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the Library, are property taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Reconciliation of the Fund Financial Statements to the Government-wide Financial Statements is provided to explain the differences created by the integrated approach.

3. Types of Funds

- a) The General Fund is the Library's primary operating fund. It accounts for all financial resources of the Library except those required to be accounted for in another fund.
- b) The Library has two other non-major funds that are reported as "Other Governmental Funds" in the Fund Financial Statements. These are the "Equipment Replacement Trust" and "Employee Benefit Trust".
- c) Fiduciary Fund Financial Statements include a Statement of Net Assets. The Library's Fiduciary Funds represent Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency Funds are accounted for on a spending or "*current financial resources*" measurement focus and the modified accrual basis of accounting as are the governmental funds explained above. These funds include the "TBR Trust Fund" and the "Member Library Trust Fund". These funds are not included in either the Government-wide Financial Statements or the Government Fund Financial Statements.

**NORTHNET LIBRARY SYSTEM
Notes to Financial Statements**

JUNE 30, 2011

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Capital Assets

Capital assets, which include primarily computer equipment, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$2,500, and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Buildings and improvements and equipment of the primary government, is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Computer Equipment	5-10

5. Fund Equity

In the fund financial statements, governmental funds report fund balance using the classifications listed in *GASB Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definitions*. Initial distinction is made in reporting fund balance information identifying amounts that are considered nonspendable, such as fund balance associated with inventories. Spendable fund balance for the governmental fund consists of the following classifications:

- a. *Restricted Fund Balance* – the portion of fund balance that can only be spent for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- b. *Committed Fund Balance* – the portion of fund balance whose use is subject to formal action of the government's highest level decision making authority. These commitments remain binding unless changed or removed by formal action of the Board as the formal authority that imposed the constraint. The underlying action that imposed, modified, or removed the limitation would need to occur no later than the close of the reporting period.
- c. *Assigned* – the portion of fund balance that is intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed.
- d. *Unassigned* – the residual amount of all general fund spendable resources not contained in the other classifications.

NORTHNET LIBRARY SYSTEM
Notes to Financial Statements

JUNE 30, 2011

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Net Assets

In the government-wide financial statements, net assets are classified into two components – invested in capital assets and unrestricted. These classifications are defined as follows:

- Invested in capital assets – This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation.
- Unrestricted net assets – This component of net assets consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.
- Restricted assets – This component of net assets that are restricted for future equipment replacement or payroll claims.

7. Allowance for Doubtful Accounts

The Library had no accounts receivable at 6/30/11.

8. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2—CASH AND INVESTMENTS

Investment in the Sonoma County Treasurer’s Investment Pool

The Library’s cash is pooled with the Sonoma County Treasurer, who acts as a disbursing agent for the Library. The fair value of the Library’s investment in this pool is reported in the accompanying financial statements at amounts based upon the Library’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, 2011, the Library’s share of the change in fair value of investments was not material.

Investment Guidelines

The Library’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

NORTHNET LIBRARY SYSTEM
Notes to Financial Statements

JUNE 30, 2011

NOTE 2—CASH AND INVESTMENTS (Continued)

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.

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, 2011, approximately 57.5% of the securities in the Treasury Pool had maturities of one year or less. Of the remainder, only 3.0% 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 stated 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 Financial Statements

June 30, 2011

NOTE 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. For a listing of investments in any one issuer (other than U.S. Treasury securities, mutual funds, or external investment pools) that represent 5% or more of total County investments, refer to the 2011 Sonoma County CAFR.

NOTE 3—RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A summary reconciliation of the difference between total fund balances as reflected on the Governmental Funds Balance Sheet and total net deficit of governmental activities as shown on the Government-wide Statement of Net Assets is presented in an accompanying schedule to the Governmental Funds Balance Sheet. The asset and liability elements which comprise the reconciliation difference stem from governmental funds using the current financial resources measurement focus and the modified accrual basis of accounting while the Government-wide Financial Statements use the economic resources measurement focus and the accrual basis of accounting.

A summary reconciliation of the difference between net change in fund balances as reflected on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and Change in Net Assets of Governmental Activities as shown on the Government-wide Statement of Activities is presented in an accompanying schedule to the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances. The revenue and expense elements which comprise the reconciliation difference stem from governmental funds using the current financial resources measurement focus and the modified accrual basis of accounting while the Government-wide Financial Statements use the economic resources measurement focus and the accrual basis of accounting.

NOTE 4—CAPITAL ASSET ACTIVITY

Capital asset activity for the year ended June 30, 2011 was as follows:

	<u>Balance</u> <u>7/1/2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>6/30/2011</u>
Capital Assets, Being Depreciated				
Computer Equipment	\$ 91,299	\$ -	\$ -	\$ 91,299
Total Capital Assets, Being Depreciated	91,299	-	-	91,299
Less: Accumulated Depreciation	<u>(72,949)</u>	<u>(2,939)</u>	<u>-</u>	<u>(75,888)</u>
Total Capital Assets, Being Depreciated Net	<u>18,350</u>	<u>(2,939)</u>	<u>-</u>	<u>15,411</u>
Governmental Activities, Capital Assets, Net	<u>\$ 18,350</u>	<u>\$ (2,939)</u>	<u>-</u>	<u>\$ 15,411</u>

**NORTHNET LIBRARY SYSTEM
Notes to Financial Statements**

June 30, 2011

NOTE 4—CAPITAL ASSET ACTIVITY (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

Library Services	\$ 2,939
Total Depreciation Expense – Governmental Activities	<u>\$ 2,939</u>

NOTE 5—OPERATING LEASE

The Library executed a building lease effective January 1, 2005, which ended at December 31, 2009. The lease was not extended. The Library vacated the building around 1/15/12, and is presently located in donated facilities.

NOTE 6—COMPENSATED ABSENCES

Accumulated sick leave benefits may convert to cash or compensatory time to a maximum of three days.

Terminated employees may receive payment of the monetary equivalent of 25% of unused sick leave. For the fiscal year ended June 30, 2011, 25% of the total amount of sick leave is \$20,141.

Accumulated vacation benefits can be accrued by no more than 240 hours per employee. Terminated employees are entitled to full payment of unused vacation. A vacation buy-back may be requested in some cases to reimburse current employees for unused time. The total liability of unused vacation pay for the fiscal year ended June 30, 2011 is \$16,250.

NOTE 7—EMPLOYEES' RETIREMENT PLAN

A. Plan Description

The Library contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participation public entities within the State of California. Benefit provisions and all other requirements are established by state statute and city ordinance. Copies of PERS' annual financial report may be obtained from its Executive Office, 400 P Street, Sacramento, California 95814.

B. Funding Policy

Participants are required to contribute 7.0% of their annual covered salary. The Library makes the contributions required of Library employees on their behalf and for their account. The Library is required to contribute at an actuarially determined rate; the current rate at 10/11 was 7.357% of annual covered payroll. The contributions requirements of the plan members and the Library are established and may be amended by PERS.

**NORTHNET LIBRARY SYSTEM
Notes to Financial Statements**

June 30, 2011

NOTE 7—EMPLOYEES' RETIREMENT PLAN (Continued)

C. Annual Pension Cost

For 2011, the Library's annual pension cost of \$65,547 for PERS was equal to the Library's required and actual contributions. The required contribution was determined as part of the June 30, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary by duration of service, and (c) a payroll growth rate of 3.25%. Both (a) and (b) included an inflation component of 3.0%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period (smoothed market value). PERS unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis.

THREE YEAR TREND INFORMATION FOR PERS

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/09	\$ 41,425	100	-0-
6/30/10	\$ 57,997	100	-0-
6/30/11	\$ 65,547	100	-0-

D. Funded Status of the Plan

With the implementation of risk pooling, stand alone valuation reports for the Library are not available. PERS provides the Library with a valuation report for the entire state, however.

NOTE 8—LONG TERM DEBT

Activity of Long Term Debt for the year ended 6/30/10 was as follows:

	<u>Balance 7/1/2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 6/30/2011</u>
Compensated Absences	\$ 46,854	\$ -	\$ 10,463	\$ 36,391
OPEB Liability	1,356,002	421,358	44,233	1,733,127
Total Long Term Liabilities	<u>\$ 1,402,856</u>	<u>\$ 421,358</u>	<u>\$ 54,696</u>	<u>\$ 1,769,518</u>

NOTE 9—OTHER POST EMPLOYMENT BENEFITS (OPEB)

As required by GASB (Governmental Accounting Standards Board) numbers 42 and 45, the District is now recognizing their post employment health obligation. (Health insurance paid for retirees).

The District is contractually required to pay post employment health benefits for 3 former North Bay Cooperative Library System employees and 4 former North State Library employees. In accordance with governmental

NORTHNET LIBRARY SYSTEM
Notes to Financial Statements
June 30, 2011

NOTE 9—OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

accounting standards the full liability of \$1,356,002 has been recorded as an expense in the first year of implementation.

The liability was determined by assuming an annual 3.0% increase in health insurance premiums with a present value discount rate at 2%. The \$1,356,002 liability has been recorded as a long term liability in the Government-wide "Statement of Net Assets".

NOTE 10—CONSOLIDATED FUND BALANCES

The beginning of the year fund balances have been consolidated with the individual entities at 7/1/2010 as stated below:

<u>Governmental Basis at 7/1/10</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Totals</u>
NorthNet Library System	\$ 318,296	\$ -	\$ 318,296
Northbay Cooperative Library System	384,564	43,136	427,700
North State Cooperative Library System	79,849	-	79,849
Mountain Valley Library System	242,632	-	242,632
	<u>\$ 1,025,341</u>	<u>\$ 43,136</u>	<u>\$ 1,068,477</u>

Government Wide Basis at 7/1/10

NorthNet Library System	\$ (1,023,074)
Northbay Cooperative Library System	384,564
North State Cooperative Library System	79,849
Mountain Valley Library System	242,632
	<u>\$ (316,029)</u>

NOTE 11—DEFERRED REVENUE

At June 30, 2011, the following resources were received that do not yet meet the criteria for revenue recognition:

	<u>6/30/2011</u>
Project Advances – Federal Grant	\$ 174,416
Total Unearned Revenues	<u>\$ 174,416</u>

The grant period ends on September 30. After year end expenditures are incurred on the projects, any excess funds would be returned.

NOTE 12—ECONOMIC DEPENDENCY

The Library is dependent upon federal and state funding for maintaining current operations. For the year 6/30/11, federal funding was 25.5% of total revenue and state funding was 33.2% of total revenue.

NORTHNET LIBRARY SYSTEM
Notes to Financial Statements

June 30, 2011

NOTE 13—SUBSEQUENT EVENT / GOING CONCERN ISSUES

- a) State funding for the California Library Service Act activities was eliminated in January 2012 by implementation of AB 121 aka the "trigger" bill. The budget bill removed all funding from designated programs if collected revenues did not meet expectations by December 15th. Revenues did not match projections. No CLSA funding will be received by NLS in 2011/12 and none is projected for the 2012/13 year.

In response to the lack of state funding all staff was laid-off or retired by December 30, 2012. NLS moved out of the leased office space by January 15, 2012. All archive files were distributed to members for safe keeping. The Executive Director was hired back as a retired annuitant to work 21 hours per week with support from a temporary account clerk (up to 20 hours per week). Office operations were moved into a donated office space for a six month period. An RFP was issued for contract management and fiscal agent services. The Peninsula Library System will take over the administrative and fiscal operations of the NorthNet Library System effective July 1, 2012.

A complete restructuring of the services offered by NLS is underway. Higher dues or fees are not an option. Member libraries have also suffered revenue cuts. Member libraries are expected to contribute time and talent to assist with provision of NLS services. Operational costs have been deeply cut. Reserves are being used to backfill the lack of revenue in 2011/12. In 2012/13 staff support is being further reduced to a total of 22.5 hours per week. The 2012/13 preliminary budget uses reserves but at a much lower amount.

- b) All compensated absences have been paid as of December 31, 2011.

Supplemental Information

NORTHNET LIBRARY SYSTEM
Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual-General Fund
For The Year Ended June 30, 2011

	Budgeted Amounts		Budgetary Basis Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
User Charges	\$ -	\$ 388,706	\$ 350,242	\$ 38,464
Membership Fees	-	736,813	148,124	588,689
Federal Operating Grants	30,792	464,432	488,989	(24,557)
Other Governmental Agencies	-	-	-	-
State Operating Grants	-	644,230	636,537	7,693
Interest Income	6,567	13,067	10,504	2,563
Member Reimbursements	6,690	284,774	280,781	3,993
Miscellaneous Revenues	12,146	-	529	(529)
Transfers In/ Residual Equity	196,540	213,461		
Total Revenues	<u>252,735</u>	<u>2,745,483</u>	<u>1,915,706</u>	<u>829,777</u>
EXPENDITURES				
Salaries & Benefits	187,276	682,054	649,140	32,914
Operating Expenses	488,758	2,170,074	1,314,215	855,859
Equipment Purchases	-	-	-	-
Transfers Out	-	-	38,885	(38,885)
Total Expenditures	<u>676,034</u>	<u>2,852,128</u>	<u>2,002,240</u>	<u>849,888</u>
Excess of Revenues Over Expenditures	<u>\$ (423,299)</u>	<u>\$ (106,645)</u>	(86,534)	<u>\$ (20,111)</u>
Fund Balance, Beginning of Year			<u>1,025,341</u>	
Fund Balance, End of Year			<u>\$ 938,807</u>	

The accompanying notes are an integral part of the financial statements

NORTHNET LIBRARY SYSTEM
Notes to Required Supplementary Information
June 30, 2011

NOTE 1—BUDGETARY INFORMATION

Annual budgets are adopted on a non-GAAP basis for all governmental funds. All annual appropriations lapse at fiscal year-end.

Before October 31, the proposed budget is presented to the board of directors for review. The board holds public hearings and a final budget must be prepared and adopted no later than December 31.

The appropriated budget is prepared by character and subobject. Transfers of appropriations between characters require the approval of the board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the character level. The board made several supplemental budgetary appropriations throughout the year.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

NORTHNET LIBRARY SYSTEM
Required Supplementary Information – Schedule of Funding Progress
June 30, 2011

North Bay Cooperative Library System
Miscellaneous Plan 2% @ 55 Risk Pool

Valuation Date	Accrued Liabilities (AL)	Actuarial Value of Assets (AVA)	Unfunded Liabilities (UL)	Funded Ratio (AVA/AL)	Annual Covered Payroll	UL As a % of Payroll
6/30/2008	\$2,780,280,768	\$2,547,323,278	\$232,957,490	91.6%	\$688,606,681	33.8%
6/30/2009	\$3,104,798,222	\$2,758,511,101	\$346,287,121	88.9%	\$742,981,488	46.6%
6/30/2010	\$3,309,064,934	\$2,946,408,106	\$362,656,828	89.0%	\$748,401,352	48.5%

Mountain Valley Cooperative Library System
Inactive Agency Risk Pool – 2% @ 60

Valuation Date	Accrued Liabilities (AL)	Actuarial Value of Assets (AVA)	Unfunded Liabilities (UL)	Funded Ratio (AVA/AL)	Annual Covered Payroll	UL As a % of Payroll
6/30/2008	\$ 399,268,718	\$ 390,402,716	\$ 8,866,002	97.8%	\$0	0.0%
6/30/2009	\$ 480,513,699	\$ 442,936,897	\$ 37,576,802	92.2%	\$0	0.0%
6/30/2010	\$ 509,198,137	\$ 466,195,860	\$ 43,002,277	91.6%	\$0	0.0%

North State Cooperative Library System
Inactive Agency Risk Pool – 2% @ 55

Valuation Date	Accrued Liabilities (AL)	Actuarial Value of Assets (AVA)	Unfunded Liabilities (UL)	Funded Ratio (AVA/AL)	Annual Covered Payroll	UL As a % of Payroll
6/30/2008	\$ 399,268,718	\$ 390,402,716	\$ 8,866,002	97.8%	\$0	0.0%
6/30/2009	\$ 480,513,699	\$ 442,936,897	\$ 37,576,802	92.2%	\$0	0.0%
6/30/2010	\$ 509,198,137	\$ 466,195,860	\$ 43,002,277	91.6%	\$0	0.0%

Notes:

- 1) Amounts reported above are by state-wide risk pools.
- 2) The most recent information available is 6/30/2010.

NORTHNET LIBRARY SYSTEM

MANAGEMENT REPRESENTATION LETTER

May 31, 2012

Larry D. Johnson
Certified Public Accountant
3402 Mendocino Avenue
Santa Rosa, CA 95403

We are providing this letter in connection with your audit of the financial statements of the NorthNet Library System as of June 30, 2011 and for the year then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position of the NorthNet Library System and the results of its operations and the cash flows of its proprietary and similar trust fund types in conformity with U.S. generally accepted accounting principles. We confirm that we are responsible for the fair presentation in the financial statements of financial position, results of operations, and cash flows of the proprietary and similar trust fund types in conformity with U.S. generally accepted accounting principles. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control, and preventing and detecting fraud.

We confirm, to the best of our knowledge and belief, as of June 30, 2011, the following representations made to you during your audit.

1. The financial statements referred to above are fairly presented in conformity with U.S. generally accepted accounting principles and include all properly classified funds and other financial information of the primary government required by generally accepted accounting principles to be included in the financial reporting entity.
2. We have made available to you all-
 - a. Financial records and related data [and all audit or relevant monitoring reports, if any, received from funding sources].
 - b. Minutes of the meetings of the District Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
4. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.

5. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.
6. We have no knowledge of any fraud or suspected fraud affecting the entity involving:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
7. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, or others.
8. The NorthNet Library System has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or fund equity.
9. The following, if any, have been properly recorded or disclosed in the financial statements:
 - a. Related party transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - b. Guarantees, whether written or oral, under which the NorthNet Library System is contingently liable.
 - c. All accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates, and we believe the estimates are reasonable in the circumstances.
10. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax on debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
11. There are no –
 - a. Violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
 - b. Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with Financial Accounting Standards Board (FASB) Statement No. 5, *Accounting for Contingencies*.

- c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by FASB Statement No. 5.
 - d. Reservations or designation of fund equity that were not properly authorized and approved.
12. The NorthNet Library System has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
13. The NorthNet Library System has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
14. With respect to federal award programs –
- a. We are responsible for complying and have complied with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.
 - b. We are responsible for complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each federal program.
 - c. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relating to each major federal program.
 - d. We have received no requests from a federal agency to audit one or more specific programs as a major program.
 - e. We have complied, in all material respects, with the compliance requirements, including when applicable, those set forth in the *OMB Circular A-133 Compliance Supplement*, relating to federal awards and have identified and disclosed to you all amounts questioned and any known noncompliance with the requirements of federal awards, including the results of other audits or program reviews.
15. The financial statements properly classify all funds and activities.
16. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
17. Net asset components (invested in capital assets, net of related debt; restricted; and unrestricted) and fund balance reserves and designations are properly classified and, if applicable, approved.
18. Provisions for uncollectible receivables have been properly identified and recorded.
19. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
20. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.

21. Interfund, internal, and intra-entity, activity and balances have been appropriately classified and reported.
22. Special and extraordinary items are appropriately classified and reported.
23. Deposits and investment securities are properly classified in category of custodial credit risk.
24. Capital assets, including infrastructure assets, are properly capitalized, reported, and, if applicable, depreciated.
25. The government meets the GASB-established requirements for accounting for eligible infrastructure assets using the modified approach.
26. Required supplementary information (RSI) is measured and presented within prescribed guidelines.
27. You have advised us that there are no uncorrected financial statement misstatements. In addition, you have recommended adjusting journal entries that were required to be made. We understand the basic underlying concepts relating to those adjustments. Since our books are kept on the cash basis, our books need not be adjusted for these accruals.

To the best of our knowledge and belief, no events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements [or in the schedule of findings and questioned costs].

Signed: _____

Title: _____

May 31, 2012

Council of Librarians
NorthNet Library System
1585 Terrace Way #244
Santa Rosa, CA 95404

Dear Board Members:

I am required to communicate to you the requirements of SAS 112/114 (Statement on Auditing Standards), which addresses internal control issues.

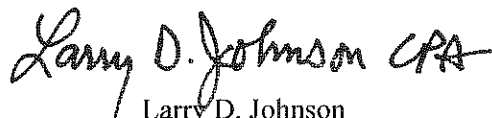
The attached letter identifies the fact that you have outsourced the year end adjustments, preparation of the financial statements and foot notes to me, as you have directed me to do in prior years.

The individuals who sit on the national accounting boards are accustomed to auditing large entities who have their own CPA's on staff. Since you do not, they have decided to call this outsourcing of the above as a material weakness.

I assure you that I did not make up the terminology required for this report. The information of most importance to you is at the bullet "•".

No action is required on your part; and our engagement can remain the same. Please let me know if you have any questions.

Sincerely,



Larry D. Johnson
Certified Public Accountant

Attachment

LDJ:mj

INTERNAL CONTROL COMMUNICATIONS

May 31, 2012

Council of Librarians
NorthNet Library System
1585 Terrace Way #244
Santa Rosa, CA 95404

In planning and performing my audit of the financial statements of NorthNet Library System, as of and for the year ended 6/30/11, in accordance with auditing standards generally accepted in the United States of America, I considered NorthNet Library System's, internal control over financial reporting (internal control) as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the NorthNet Library System's internal control. Accordingly, I do not express an opinion on the effectiveness of the NorthNet Library System's internal control.

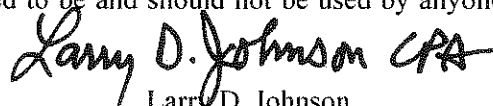
My consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, I identified certain deficiencies in internal control that I consider to be material weaknesses.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. I believe that the following deficiency constitutes a material weakness:

- The NorthNet Library System does not have a system of internal controls that would enable management to conclude that the financial statements and the related disclosures are complete and presented in accordance with generally accepted accounting principles. As such, management requested me to assist in identifying adjustments to the accounting records and to prepare a draft of the financial statements, including the related footnote disclosures. The outsourcing of this service is not unusual in entities of your size and is a result of management's cost benefit decision to use my accounting expertise rather than to incur internal resource costs (i.e. hire their own in-house CPA).

This communication is intended solely for the information and use of the Council, management, and other member libraries, and is not intended to be and should not be used by anyone other than these specified parties.


Larry D. Johnson
Certified Public Accountant

Communication with Those Charged with Governance at or Near the Conclusion of the Audit

May 31, 2012

Council of Librarians
NorthNet Library System
1585 Terrace Way #244
Santa Rosa, CA 95404

I have audited the financial statements of NorthNet Library System for the year ended June 30, 2011, and have issued my report thereon dated May 31, 2012. Professional standards require that I provide you with information about my responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of my audit. I have communicated such information in my letter to you dated July 1, 2011. Professional standards also require that I communicate to you the following information related to my audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by NorthNet Library System, are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2010/12 year. I noted no transactions entered into by the NorthNet Library System during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the financial statements was:

Management's estimate of the OPEB liability (health insurance liability for retirees) is based on our best in-house calculations. I evaluated the key factors and assumptions used to develop this account in determining that it is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

I encountered no significant difficulties in dealing with management in performing and completing my audit.

Corrected and Uncorrected Misstatements

Professional standards require me to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to my satisfaction, that could be significant to the financial statements or the auditor's report. I am pleased to report that no such disagreements arose during the course of my audit.

Management Representations

I have requested certain representations from management that are included in the management representation letter dated May 31, 2012.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Association's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, my professional standards require the consulting accountant to check with me to determine that the consultant has all the relevant facts. To my knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

I generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Association's auditors. However, these discussions occurred in the normal course of our professional relationship and my responses were not a condition to my retention.

Supplementary Information Accompanying the Audited Financial Statements (Schedule of Funding Progress)

With respect to the supplementary information accompanying the financial statements, I made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to my audit of the financial statements. The information provided in the audit has been obtained from the PERS Annual Report.

Supplementary Information Accompanying the Audited Financial Statements (Budgetary Comparison)

With respect to the supplementary information required by the Financial Accounting Standards Board, I applied certain limited procedures to the information, including inquiring of management about their methods of preparing the information; comparing the information for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements; and obtaining certain representations from management, including about whether the required supplementary information is measured and presented in accordance with prescribed guidelines.

This information is intended solely for the use of the Board and management of NorthNet Library System, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,


Larry D. Johnson
Certified Public Accountant

LDJ:maj

**RECORDS RETENTION SCHEDULE
NORTH NET LIBRARY SYSTEM ETAL.**

Item #5D

North Bay Cooperative Library System - North State Cooperative Library System - Mountain Valley Library System -

Department of Record	Records Description / Subject	PROPOSED Retention/Disposition TOTAL RETENTION	CURRENT RETENTION	Comments / Reference
FIN	1099s Issued	4 years	Permanent	IRS: 4 years after tax is due or paid; CA FTB 3 years, IRS reg 31.6001-1(e)(2), R&T 19530, GC 34090
FIN	Accounts Payable; Includes claims log, vendor files, purchase orders	Audit + 4 years	8 years	Statewide guidelines propose Audit + 4 years; GC 34090
FIN	Accounts Payable; Vendor Files	Audit + 4 years	4 years	
FIN	Accounts Receivable; Includes deposits & invoices	Audit + 4 years	8 years	Statewide guidelines propose Audit + 4 years; GC 34090
ADM	Agenda	5 years	none	GC 34090 - Agendas & Backup are not required to be kept permanent; Department Preference
ADM	Agreements / Contracts	Completion +5 year	none	Consistent with Statewide guidelines for non-infrastructure agreements
ADM	Audits - Annual	Permanent	Permanent	GC 34090
ADM	Audits - Working Papers & Correspondence	Audit + 2 years	none	Administrative value GC 34090
FIN	Bank Statements / Reconciliations	2 years	8 years	For Auditing purposes; Consistent with Statewide guidelines GC 34090
HR	Benefit Enrollment Forms: Health, Life, Dental, Vision, Insurance, PERS etc	When No Longer Required or Superseded	none	Benefit records are required for 2 years; LC 1174, 1197.5©(d); 2 CCR 7287.00©, 29 CFR 516.5
ADM	Budget Adopted	Permanent	Permanent	GC 34090
ADM	Budget Transfers	Audit + 2 years	none	GC 34090.7; Department Preference
ALL	Copies / Notes / Drafts	When No Longer Required	none	GC 34090; Administrative Value
ALL	Correspondence - Routine	2 years	none	GC 34090; Administrative Value
HR	Employee Reports; Disability (LTD)	Termination + 30 years	Permanent	May consider keeping Termination + 40 years due to increasing life expectancy
HR	Employee Medical Records	Termination + 30 years	none	May consider keeping Termination + 40 years due to increasing life expectancy
FIN	Fixed Assets Records	Disposal + 4 years	none	Consistent with Statewide guidelines GC 34090
FIN	General Ledger Reports: County of Sonoma	Audit + 1 year	8 years	GC 34090; Administrative Value
ADM/FIN	Grants: State, Accounting Records & Reports	Audit + 4 years	Permanent	Uniform Administration Requirements for CDBG and other Federal Grants is 3 years from the submission of the last expenditure report or annual report; statewide guidelines propose 4 years; 21 CFR 1403.36 & 1403.42(b); 24 CFR 85.42, 91.105(h) 92.505 & 570.502(b), 28 CFR 66.42; 29 CFR 97.42; 40 CFR 31.42; 44 CFR 13.42; 45 CFR 92.42; OMB Circular A-133; GC 34090
ADM	Insurance (all Liability policies)	Expiration + 10 years	none	Protection from litigation GC 34090, CCP 337 et seq.
FIN	Interest Reports from Sonoma County	Audit + 1 year	Permanent	Department Preference; GC 34090
HR	Job Descriptions	Superseded + 2 years	none	Department Preference; GC 34090
FIN	Journal Vouchers	4 years	8 years	Meets government auditing standards, statute of limitations is 4 years. GC 34090, CCP 337

**RECORDS RETENTION SCHEDULE
NORTH NET LIBRARY SYSTEM ETAL.**

North Bay Cooperative Library System - North State Cooperative Library System - Mountain Valley Library System -

Department of Record	Records Description / Subject	PROPOSED	CURRENT	Comments / Reference
		Retention/Disposition TOTAL RETENTION	RETENTION	
ADM	Minutes	Permanent	none	GC 34090
FIN	Misc Vendor & Supply Brochures & Info	Until Superseded	8	Administrative Value GC 34090
FIN	Payroll: Adjustments, Deduction Registers, YTD reports, payroll registers, time sheets	Audit + 8 years	8 years	Consistent with Statewide guidelines GC 34090; IRS requires 4 year; FTB keeps 3 years
FIN	Payroll: Vacation / Sick Leave Reports	Audit + 8 years	Permanent	Department Preference; Consistent with Statewide guidelines GC 34090; IRS requires 4 year; FTB keeps 3 years and Payroll Reports
ADM	PeachTree Ledgers	Audit + 1 year	8 years	Administrative Value GC 34090
FIN	PERS Records	Permanent	none	Published articles show permanent
HR	Personnel Files	Termination + 30 years	none	EEOC/FLSA/ADEA (age) requires 3 yrs for promotion, demotion, transfer, selection or discharge; State Law requires 2-3 yrs; INS requires 1 yr after termination; 29 CF\$1602.31 & 1672.3(b)(iii), 8 CCR 3204(d)(1), 8 USC 1324A(b)(3), GC 12946, 34090
ALL	Policies & Procedures	Superseded + 4 years	none	
FIN	Purchase Orders or Requisitions - See Accounts Payable			
ADM	Records Management: List of Records Destroyed, stored	Permanent	none	Administrative Value GC 34090
ADM	Records Management: Retention Schedule, Manuals, Policies, Procedures	Permanent	none	Administrative Value GC 34090
ALL	Reference Materials	When No Longer Required	none	GC 34090
ADM	Resolutions - Board Approved	Permanent	none	GC 34090
HR	Retiree/Layoff Cobra Information	Closure + 7 years	none	
HR	Salary Advance Schedule	3 years	none	EEOC/FLSA/ADEA (age) requires 3 yrs for promotion, demotion, transfer, selection or discharge; State Law requires 2-3 yrs; INS requires 1 yr after termination; 29 CF\$1602.31 & 1672.3(b)(iii), 8 CCR 3204(d)(1), 8 USC 1324A(b)(3), GC 12946, 34090
FIN	Sales Tax	Permanent	Permanent	
FIN	Subscriptions	When No Longer Required	8 years	Administrative Value GC 34090
ALL	Surveys & Studies	When No Longer Required	none	GC 34090
HR	Training - All Safety Training	5 years	none	Cal OSHA
HR	Training - Non Safety	3 years	none	Consistent with State Law 8 CCR 3203
FIN	Trust Fund Reports - TBR/MLTF	Audit + 4 years	Permanent	Department Preference; consistent with Accounts Payable; CG 34090

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-----		LSTA LAIF	LSTA Lib2Go	LSTA - PLSEP	LSTA - System	LOC	SUPERS	COM	ADMIN	Budget
Salaries and Benefits:										
5900	Payoff Acct	0	0	0	0	0	0	0	0	0
5910	Perm. Positions	0	0	0	0	0	19,880	0	117,222	137,102
5911	Extra Help	0	0	0	0	0	0	0	195	195
5921	Retirement Cont.	0	0	0	0	0	2,126	0	12,483	14,609
5924	Medicare	0	0	0	0	0	238	0	1,184	1,422
5925	Deferred Comp.	0	0	0	0	0	0	0	0	0
5930	Health Insurance	0	0	0	0	0	517	0	11,208	11,725
5931	Disability Ins.	0	0	0	0	0	128	0	725	853
5932	Dental Insurance	0	0	0	0	0	711	0	2,015	2,726
5933	Life Insurance	0	0	0	0	0	84	0	370	454
5934	Vision Insurance	0	0	0	0	0	54	0	172	226
5935	Unemployment Ins	0	0	0	0	0	139	0	23,272	23,411
5940	Workers Comp	0	0	0	0	0	151	0	993	1,144
TOTAL	SAL. & BEN.	0	0	0	0	0	24,028	0	169,839	193,867
Services and Supplies:										
6040	Comm. - E Mail	0	0	0	0	0	0	500	188	688
6045	Comm. - Tphone	0	0	0	0	0	0	700	0	700
6085	Janitorial Service	0	0	0	0	0	0	240	720	960
6100	Insurance	0	0	0	0	0	0	0	1,260	1,260
6140	Maint. of Equip.	0	0	0	0	0	0	100	250	350
6280	Memberships	0	0	0	0	0	0	0	100	100
6302	Dept Revolving	0	0	0	0	0	0	0	0	0
6400	Office Expense	2,101	0	0	100	0	0	600	100	2,901
6410	Postage	0	0	0	0	0	0	17,000	185	17,185
6415	Library Mat.	0	0	0	0	0	0	0	0	0
6461	Purchases for Members	0	30,217	0	0	185,430	0	0	0	215,647
6500	Other Prof Serv	53,842	0	0	3,100	0	0	1,700	15,000	73,642
6516	Data Proc'ing Serv	0	0	0	0	0	0	0	1,859	1,859
6517	Online Serv, OCLC	0	0	0	0	22,612	0	25,300	0	47,912
6521	County Services	0	0	0	0	0	0	0	7,634	7,634
6540	Contractual Service Delivery	0	0	0	0	0	0	336,000	0	336,000
6540	Contractual Service Staff	0	0	0	0	0	0	0	67,600	67,600
6800	Dup/Photocopy	0	0	0	0	0	0	4,325	1,668	5,993
6820	Rental of Equip	0	0	0	0	0	0	0	0	0
6840	Bldg.Rent/Lease	0	0	0	0	0	728	1,841	0	2,569
7000	Special Dept.Exp.	0	0	0	0	0	0	3,707	50,000	53,707
7110	Staff Devel.	0	0	54,121	0	0	0	0	240	54,361
7120	In-Serv Training	51,028	0	0	3,939	0	0	0	500	55,467
7302	Conf. & Travel	29,890	0	0	2,426	0	0	0	0	32,316
7303	Private Car Exp.	0	0	0	0	0	0	0	250	250
7320	Utilities	0	0	0	0	0	517	34	1,000	1,551
TOTAL	SERV & SUPPLIES	136,861	30,217	54,121	9,565	208,042	1,245	392,047	148,554	980,652
Fixed Assets:										
8560	Equipment	0	0	0	0	0	0	0	0	0
8640	Operational Transfer	0	0	0	0	0	0	0	0	0
8800	Equip. Reserve	0	0	0	0	0	0	0	0	0
TOTAL FIXED ASSETS		0	0	0	0	0	0	0	0	0
GRAND TOTAL EXPENDITURES		136,861	30,217	54,121	9,565	208,042	25,273	392,047	318,393	1,174,519

**California Library Services Act
Plan of Service and Budget
2012/13**

Cooperative System: NorthNet Library System

System Coordinator: Linda Crowe

Approval Signature: _____ **Date:** May 30, 2012
(System Chair)

Please describe briefly how you will provide services in each CLSA program. Include System staffing levels and operations needed to function.

In FY 2012/13 NorthNet Library System is contracting with Peninsula Library System for staff support of services. The staffing level breakdown is as follows:

System Director	12 hours monthly
Coordinator	20 hours monthly
Office Manager	20 hours monthly
Secretary	12 hours monthly
Chief Financial Officer	10 hours monthly
Account Clerk	15 hours monthly

This model equals about a .55 FTE of staff. The members of NLS are expected to contribute time and talent to assist in the supervision and provision of services.

CLSA defined second level reference service will not provided. Demand for the service has been in decline for several years. The NLS Council made a decision to shutter the operation of the reference center with the loss of state funding in FY 2011/2012. However, provision of database resources to enhance local reference service will be coordinated by NLS. The consortium purchase approach provides larger discounts for members which is very important this year as all databases will be funded by charging costs back to members.

The communication and delivery function of CLSA within NLS will continue with libraries supporting the cost of delivery from their local funds. The North State region libraries will continue to use USPS as their primary method of delivery. The North Bay and Mountain Valley area libraries will continue to use van based delivery. However a number of libraries have significantly reduced the number of days of delivery. Several libraries will receive delivery only one day per week. A few libraries are completely withdrawing from system based van delivery. In one case the library will use USPS or UPS. In another a group that shares an ILS is joining Link+ and will use the Link+ delivery system with their new resource sharing partners. Any material routed to NLS members will be shipped using UPS or USPS. All delivery methods will be supported with local funds supplied by members.

NLS did not allocate any funds to the support of the CLSA System Advisory Board program in FY 2011/12. The radical reduction of staff hours and the lack of CLSA revenue were the reasons that the Council decided to put this segment of system operations into hiatus.

System Advisory Board activities will not be supported in FY 2012/13 as the staffing level and lack of revenue continues to be a problem.

NLS will continue to contract for administrative and fiscal management services. Peninsula Library System will provide these services for FY 2012/13.

What services will be covered through other funding sources?

Delivery services will be covered by using member fees and local funds. Members will either pay for UPS or USPS charges on their own. Van based delivery will be provided through a contract vendor. Use of the van based delivery system will be charged back to the participating members.

Database purchases will be charged back to participating members.

Does your System have reserve funds to continue providing services, and for how long?

NLS has reserves and will use about \$4,300 to balance the budget in FY 2012/13. However, the Council plans to minimize the use of reserves until it is determined that the funds will not be needed to cover future obligations should the System close.

What services previously supported by CLSA have already ceased?

The second level reference center ceased operations on July 1, 2011. System Advisory Board activities also ceased on July 1, 2011.

Will your System consider closing in FY 2012/13, or in FY 2013/14?

The System will not close in FY 2012/13 but it is too early to determine Council actions for FY 2013/14.

How is the loss of TBR funds affecting your System members?

The loss of TBR has lead to a decline in resource sharing. Several members have suspended ILL activities entirely while other members have begun to charge or have increased charges for the service. Some NLS members are joining other consortia such as Link+ to improve access to collections at larger libraries.

2012/13 PROGRAM BASELINE BUDGET

Please indicate how you will budget for each of the CLSA programs

BUDGET SUMMARY						
PROGRAMS	Expense Category					
	Local Funds	Member Fees	Reserve funds	Interest	Other funds	Total Budgeted
System Administration		92,880	3,069	1,500		97,449
Reference		148,968				148,368
Communications & Delivery		263,146	1,216			264,362
System Advisory Board						
GRAND TOTAL		504,994	4,285	1,500		510,779

NORTHNET LIBRARY SYSTEM
55 E Street, Santa Rosa, CA 95404-4728
VOICE: 707-544-0142 FAX: 707-544-8411

SERVICES AGREEMENT

1. Scope of Service:

- A. The BeavEx will provide delivery service to the Mountain-Valley Library System region of the NorthNet Library System (NLS) members as per the frequency on the routing schedules which is attached as Exhibit B.
- B. The BeavEx will provide delivery service on a Monday through Friday basis. Service will not be provided on the days listed, except if specifically requested by member library, on the Holiday Schedules which are attached as Exhibit C. When libraries have additional schedule closures, the NorthNet Library System will notify BeavEx as early as possible. The BeavEx agrees to provide at least 24 hours notice whenever a minor schedule change is required. The BeavEx will present notice two (2) weeks in advance for written approval of any proposed major schedule changes.
- C. The BeavEx will provide a service along existing dedicated routes when combining with other appropriate cargo to create a cost effective service.
- D. The BeavEx agrees to arrive at each member library during a window of time designated for pick-up at that library, unless notification of changes has been made; and to notify NorthNet Library System, 707-544-0142, if there is an emergency change in schedule of more than ½ hour due to poor weather, road work, and/or traffic conditions.
- E. The BeavEx will sort the materials by library code provided by NLS when the material is picked up at each library. The materials will be protected from inclement weather while they are being moved between the truck and at the building, as well as while they are being sorted. Each subsequent schedule stop will include deliveries picked up during that day's route.
- F. The BeavEx will complete a simple written survey form, supplied by NLS, to count items delivered for a 2-week period in each quarter of the year.
- G. The BeavEx will transport books, written materials in packages, audio-visual materials and equipment, realia and other reasonable library materials that normally fit into a one-ton van.
- H. The BeavEx shall provide a trained, knowledgeable substitute driver as required.

2. BeavEx Responsibilities:

- A. Materials must be protected from the environment at all times while in the BeavEx's care (i.e. warehoused, closed trucks, transfer to and from trucks, etc.) The vehicle used by the BeavEx shall protect the materials transported in a covered, water-tight environment and drivers will be trained to keep materials dry while moving to and from libraries as all locations require pickup and delivery to be inside their building.
- B. BeavEx agrees to maintain comprehensive automobile liability insurance in the amount of \$1,000,000 liability, \$1,000,000 worker's compensation, \$100,000 bond, \$25,000 cargo insurance and \$50,000/\$25,000 transit. The BeavEx will further agree to defend, indemnify, and hold harmless NLS, its member libraries, officers and agents from any claims for damages, injuries, or losses resulting from the operations or services.

3. Terms and Termination:

- A. The agreement is effective July 5, 2011 through June 30, 2012, with optional one year extensions. Negotiation for the extension of this contract for subsequent fiscal years will be completed by April 15th of each year beginning in 2012.
- B. If the services provided by BeavEx fall below an acceptable performance level, or if there is any breach of this agreement, NLS may, at its option, terminate this contract upon ten days' written notice. In the event of such termination, NLS shall be obliged to pay the BeavEx only for the services provided to the date termination.
- C. The contract is subject to annual funding of NLS by the State of California. If, due to changes in State funding, funding is not available in any given year of the contract, the contract will be canceled, with no further obligation by NLS. NLS will give written notification sixty (60) days prior to termination in the event of changes in State funding.

4. Fees and Billing:

- A. NLS will pay BeavEx per price quoted for schedule for the 12 month period July 1, 2011 through June 30, 2012 for the services described in the Scope of Services section. The amount per regional route is noted in the attached BeavEx proposal.
- B. BeavEx will submit invoices, in arrears, to NLS on a monthly basis. Invoice may be submitted electronically.
- C. A fuel surcharge as noted on Fuel Surcharge chart will be added to the monthly charge.

In WITNESS WHEREOF, NLS and BeavEx have duly executed this contract.

BeavEx: _____

Date: June 10, 2011

NorthNet Library System: _____
Annette Milliron DeBacker

Date: June 10, 2011

Exhibit A

Monthly Charges July 1, 2011 through June 30, 2012

Mountain-Valley Region

Annual amount not to exceed \$60,245 (fuel surcharge increases exempt from this cap)

Any additional route stops to be added or deleted will be calculated on a case by case basis.

MODIFICATION of AGREEMENT

This agreement is made by and between the NorthNet Library System , a Joint Powers Authority (hereinafter NLS), and BeavEx, Inc. (hereinafter Contractor). The parties agree as follows:

RELATIONSHIP OF THE PARTIES

The parties agree that the provisions of that certain contract between them, dated June 10, 2012, shall continue in effect except as modified below. A copy of the original contract is attached hereto and incorporated herein by reference.

MODIFICATION

The parties agree to modify the following:

1. Scope of Services:

Section A: Delivery Schedule will change to reflect the July 1, 2012 through June 30, 2013 as shown Attachment B-2012/13

Section D: Notification of delivery delays while on route will be made to the Peninsula Library System at (650) 349-5538

3. Terms and Conditions:

Section A: The agreement is effective July 1, 2012 through June 30, 2013, with optional one year extensions. Negotiation for the extension of this contract for subsequent fiscal years will be completed by April 15th of each year beginning in 2012.

4. Fees and Billing:

Section A: The agreement is effective July 5, 2011 through June 30, 2012, with optional one year extensions. Negotiation for the extension of this contract for subsequent fiscal years will be completed by April 15th of each year beginning in 2013.

Exhibit A:

Monthly Charges July 2012 through June 30, 2013

Annual amount not to exceed \$42,855 (fuel surcharge is exempt from this cap).

Any additional route stops to be added or deleted will be calculated on a case by case basis.

Exhibit B:

Library	# Deliveries per week	Days of Delivery
Colusa County	2	Tuesday and Thursday
CSU Sacramento	1	Weds.
El Dorado County	1	Thursday
Folsom	4	Tuesday - Friday
Lincoln	1	Weds.
Nevada County	0	
Placer	1	Monday
Roseville	1	Tuesday
Sacramento	4	Tuesday – Friday
Sutter	4	Tuesday – Friday
UC Davis	1	Thursday
Woodland	4	Monday – Thursday
Yolo County	2	Weds. and Friday
Yuba	1	Weds.
California State Library	1	Tuesday
Dixon as touch point	1	Thursday
Total stops weekly	29	

28 stops X 28.54= \$799.12 weekly
 1 stop X 25.00 = \$ 25.00

\$824.12 x 52 week = \$42,854.24 base price.

CONSTRUCTION

In the event of any conflict or inconsistency between the provisions of this modification agreement and the original contract, the provisions of this modification agreement shall control in all respects.

Executed at _____, California on _____, 2012

NorthNet Library System

BeavEx, Inc.

By _____ By
 (Name)

(Name)

Annette Milliron DeBacker Title:
Executive Director

ADDENDUM

Fuel Surcharge – based on the per gallon unleaded fuel price on 1st business day of each month (Sacramento Area) according to the AAA Fuel Gauge Report. Current unleaded fuel price for April 2011 is \$4.18 per gallon.

PER GAL UNLEADED REGULAR	SURCHARGE =
From \$0.00 to \$3.60	0.00%
From \$3.60 to \$3.75	1.50%
From \$3.75 to \$3.90	3.00%
From \$3.90 to \$4.05	4.00%
From \$4.05 to \$4.20	5.00%
Each Additional \$0.10	1.00%

In Witness Whereof, the parties have signed this Agreement as of the date and year first above written

CUSTOMER

By: _____

BEAVEX INCORPORATED

By: _____
Pat Grum

NORTHNET LIBRARY SYSTEM
55 E Street, Santa Rosa, CA 95404-4728
VOICE: 707-544-0142 FAX: 707-544-8411

SERVICES AGREEMENT

1. Scope of Service:

- A. The Sprint Courier Service will provide delivery service to the North Bay region of the NorthNet Library System (NLS) members as per the frequency on the routing schedules as submitted in the attached Sprint Exhibit A.
- B. The Sprint Courier Service will provide delivery service on a Monday through Friday basis. Service will not be provided on the days listed on the Holiday Schedules which are attached as Exhibit C. When libraries have additional schedule closures, the NorthNet Library System will notify Sprint Courier Service as early as possible. The Sprint Courier Service agrees to provide at least 24 hours notice whenever a minor schedule change is required. The Sprint Courier Service will present notice two (2) weeks in advance for written approval of any proposed major schedule changes.
- C. The Sprint Courier Service will provide a dedicated route when appropriate so that library materials are not intermingled with any other materials. On rural/remote routes library materials may be combined with other appropriate cargo to create a cost effective service.
- D. The Sprint Courier Service agrees to arrive at each member library during a window of time designated for pick-up at that library, unless notification of changes has been made; and to notify NorthNet Library System, 707-544-0142, if there is an emergency change in schedule of more than ½ hour due to poor weather, road work, and/or traffic conditions.
- E. The Sprint Courier Service will sort the materials by library code provided by NLS when the material is picked up at each library. The materials will be protected from inclement weather while they are being moved between the truck and at the building, as well as while they are being sorted. Each subsequent schedule stop will include deliveries picked up during that day's route.
- F. The Sprint Courier will complete a simple written survey form, supplied by NLS, to count items delivered for a 2-week period in each quarter of the year.
- G. The Sprint Courier Service will transport books, written materials in packages, audio-visual materials and equipment, realia and other reasonable library materials that normally fit into a one-ton van.
- H. The Sprint Courier Service shall provide a trained, knowledgeable substitute driver as required.

2. Sprint Courier Service Responsibilities:

- A. Materials must be protected from the environment at all times while in the Sprint Courier Service's care (i.e. warehoused, closed trucks, transfer to and from trucks, etc.) The vehicle used by the Sprint Courier Service shall protect the materials transported in a covered, water-tight environment and drivers will be trained to keep materials dry while moving to and from libraries as all locations require pickup and delivery to be inside their building.
- B. Sprint Courier Service agrees to maintain comprehensive automobile liability insurance in the amount of \$4,000,000 liability, \$1,000,000 worker's compensation, \$100,000 bond, \$25,000 cargo insurance and \$50,000/\$25,000 transit. The Sprint Courier Service will further agree to defend, indemnify, and hold harmless NLS, its member libraries, officers and agents from any claims for damages, injuries, or losses resulting from the operations or services.

3. Terms and Termination:

- A. The agreement is effective July 1, 2011 through June 30, 2012, with optional one year extensions. Negotiation for the extension of this contract for subsequent fiscal years will be completed by April 15th of each year beginning in 2012.
- B. If the services provided by Sprint Courier Service fall below an acceptable performance level, or if there is any breach of this agreement, NLS may, at its option, terminate this contract upon ten days' written notice. In the event of such termination, NLS shall be obliged to pay the Sprint Courier only for the services provided to the date termination.
- C. The contract is subject to annual funding of NLS by the State of California. If, due to changes in State funding, funding is not available in any given year of the contract, the contract will be canceled, with no further obligation by NLS. NLS will give written notification sixty (60) days prior to termination in the event of changes in State funding.

4. Fees and Billing:

- A. NLS will pay Sprint Courier Service per regional schedule for the 12 month period July 1, 2011 through June 30, 2012 for the services described in the Scope of Services section. The amount per regional route is noted in the attached Sprint proposal.
- B. Sprint Courier Service will submit invoices, in arrears, to NLS on a monthly basis.
- C. A fuel surcharge as noted on Exhibit B Fuel Surcharge will be added in the event of fuel prices in Santa Rosa exceed \$4.10 per gallon for regular grade fuel. Additionally if fuel charges decline a decrease will be applied to the invoice. However, the decrease in fuel surcharge will be capped a \$3.70.

Exhibit A

Monthly Charges July 1, 2011 through June 30, 2012

North Bay Region

Annual amount not to exceed \$269,592 (fuel surcharge increases exempt from this cap)

Any additional route stops to be added or deleted will be calculated on a case by case basis.

MODIFICATION of AGREEMENT

This agreement is made by and between the NorthNet Library System , a Joint Powers Authority (hereinafter NLS), and Sprint Courier Service (hereinafter Contractor). The parties agree as follows:

RELATIONSHIP OF THE PARTIES

The parties agree that the provisions of that certain contract between them, dated June 10, 2012, shall continue in effect except as modified below. A copy of the original contract is attached hereto and incorporated herein by reference.

MODIFICATION

The parties agree to modify the following:

1. Scope of Services:

Section A: Delivery Schedule will change to reflect the July 1, 2012 through June 30, 2013 as shown Attachment B-2012/13

Section D: Notification of delivery delays while on route will be made to the Peninsula Library System at (650) 349-5538

3. Terms and Conditions:

Section A: The agreement is effective July 1, 2012 through June 30, 2013, with optional one year extensions. Negotiation for the extension of this contract for subsequent fiscal years will be completed by April 15th of each year beginning in 2012.

4. Fees and Billing:

Section A: The agreement is effective July 5, 2011 through June 30, 2012, with optional one year extensions. Negotiation for the extension of this contract for subsequent fiscal years will be completed by April 15th of each year beginning in 2013.

Exhibit A:

Monthly Charges July 2012 through June 30, 2013.

Annual amount not to exceed \$216,396 (fuel surcharge increases exempt from this cap).

Any additional route stops to be added or deleted will be calculated on a case by case basis.

As of 7/1/2012

Mendocino					
	Monday	Tuesday	Wednesday	Thursday	Friday
Ukiah	8:00 AM	8:00 AM	8:00 AM	8:00 AM	8:00 AM
Sonoma County	11:15 AM	11:15 AM	11:15 AM	11:15 AM	11:15 AM
Santa Rosa JC				12:30 PM	
Ukiah	8:30 AM		8:30 AM	8:30 AM	8:30 AM
Willits	10:00 AM		10:00 AM		10:00 AM
Ft. Bragg	11:30 AM		11:30 AM	11:30 AM	
Pt. Arena	Day to be added			1:00 PM	
Ukiah	4:00 PM		4:00 PM	4:00 PM	4:00 PM
Covelo	day and time to be confirmed for once a week delivery				

Lake					
	Monday	Tuesday	Wednesday	Thursday	Friday
Sonoma County	11:30 AM	11:30 AM	11:30 AM	11:30 AM	11:30 AM
Lakeport		1:30 PM	1:30 PM	1:30 PM	1:30 PM
Clearlake		2:30 PM	2:30 PM	2:30 PM	2:30 PM
Upperalake			3:45 PM		3:45 PM
Middletown		3:00 PM		3:00 PM	

SNAP					
	Monday	Tuesday	Wednesday	Thursday	Friday
American Canyon	7:30 AM	7:30 AM	7:30 AM	7:30 AM	7:30 AM
Benicia	8:10	8:10	8:10 AM	8:10 AM	8:10

	AM	AM			AM
Solano County	9:00 AM	9:00 AM	9:00 AM	9:00 AM	9:00 AM
Dixon	10:00 AM	10:00 AM	10:00 AM	10:00 AM	10:00 AM
Solano College	10:45 AM	10:45 AM	10:45 AM	10:45 AM	10:45 AM
Napa Valley College	11:15 AM	11:15 AM	11:15 AM	11:15 AM	11:15 AM
Napa City County	11:30 AM	11:30 AM	11:30 AM	11:30 AM	11:30 AM
Yountville	12:30 PM		12:30 PM		12:30 PM
Upper Valley Campus	1:00 PM	1:00 PM	1:00 PM	1:00 PM	1:00 PM
St. Helena	1:15 PM	1:15 PM	1:15 PM	1:15 PM	1:15 PM
Calistoga	2:15 PM	2:15 PM	2:15 PM	2:00 PM	2:00 PM

Cost per month: \$17,606.00 (monthly)

Less reduced delivery at Lake County -429.00 (monthly)

Add 1 day to Covelo \$ 606.00 (monthly)

Add 1 day to Pt, Arena \$ 250.00 (monthly)

Total Monthly Cost: \$ 18,033.00

\$18,033.03 x 12 months = \$216,396 base price.

CONSTRUCTION

In the event of any conflict or inconsistency between the provisions of this modification agreement and the original contract, the provisions of this modification agreement shall control in all respects.

Executed at _____, California on _____, 2012

NorthNet Library System

Sprint Courier Service

By _____

By

(Name)

(Name)

Annette Milliron DeBacker

Title:

Executive Director

Budget12/13
rev.6/12/2012

NorthNet Library System
Revised Draft Budget FY 2012/13
Presented June 14, 2012
Contract with PLS

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-----		LSTA - PLSEP	LOC	COM	ADMIN	Budget	
	Services and Supplies:						
6040	Comm. - E Mail	0	0	1,216	0	1,216	email for 1 year
6045	Comm. - Tphone	0	0	0	0	0	
6085	Janitorial Service	0	0	0	0	0	
6100	Insurance	0	0	0	1,692	1,692	estimated \$
6140	Maint. of Equip.	0	0	0	0	0	
6280	Memberships	0	0	0	0	0	
6302	Dept Revolving	0	0	0	0	0	
6400	Office Expense	0	0	0	2,000	2,000	
6410	Postage	0	0	0	2,000	2,000	
6415	Library Mat.	0	0	0	0	0	
6461	Purchases for Members	0	148,968	0	0	148,968	51,350 OverDrive;63,755 Database
6500	Other Prof Serv	0	0	0	15,756	15,756	Infostor \$38 monthly; audit \$15,000;GDV Backup \$50 monthly x 6
6516	Data Proc'ing Serv	0	0	0	0	0	
6517	Online Serv, OCLC	0	0	0	0	0	
6521	County Services	0	0	0	0	0	
6540	Contractual Service Delivery	0	0	263,146	0	263,146	\$46,748BeavEx; \$221,398 Sprint
6540	Contractual Service Staff	0	0	0	76,000	76,000	PLS Contract
6800	Dup/Photocopy	0	0	0	0	0	
6820	Rental of Equip	0	0	0	0	0	
6840	Bldg.Rent/Lease	0	0	0	0	0	
7000	Special Dept.Exp.	0	0	0	0	0	
7110	Staff Devel.	0	0	0	0	0	
7120	In-Serv Training	0	0	0	0	0	
7302	Conf. & Travel	0	0	0	0	0	
7303	Private Car Exp.	0	0	0	0	0	
7320	Utilities	0	0	0	0	0	
TOTAL	SERV & SUPPLIES	0	148,968	264,362	97,448	510,778	
GRAND TOTAL EXPENDITURES		0	148,968	264,362	97,448	510,778	

Item #8C2

Budget12/13
rev:6/12/2012

NorthNet Library System
Budget FY 2012/13
Revised Draft June 14, 2012
Contract with PLS

REVENUE

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		LSTA -- PLSEP	LOC	COM	ADMIN	Proj. Revenue
320	Fund Balance		0	0	132,552	132,552
			0	0	0	0
1700	Interest Earned		0	0	0	
	TOTAL INTEREST		0	0	0	0
2560	CLSA Reference		0	0	0	
2562	CLSA SAB		0	0	0	
2563	CLSA TBR-ILL		0	0	0	
2564	CLSA Data Base		0	0	0	
2565	CLSA Comm. & Del.		0	0	0	
	TOTAL CLSA		0	0	0	0
2803	LSTA		0	0	0	
	TOTAL LSTA		0	0	0	0
3480	Membership Fees		0	0	0	
3482	Contract Fee/Delivery		0	0	0	
4040	Miscellaneous		0	0	0	
4102	Donations/Reimb		0	0	0	
4157	Member Reimb		0	0	0	
	TOTAL LOCAL		0	0	0	0
	Equip. Reserve					
	GRAND TOTAL REVENUES		0	0	132,552	132,552

Est. 132,552 in reserves after \$50,000 transfer to PLS in June 2012 for cash flow

> 1% interest rate

Budget12/13
rev.6/12/2012

NorthNet Library System
Revised Draft Budget FY 2012/13
Presented June 14, 2012
Contract with PLS

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-----		LSTA - PLSEP	LOC	COM	ADMIN	Budget
						.
Salaries and Benefits:						
5900	Payoff Acct	0	0	0	0	0
5910	Perm. Positions	0	0	0	0	0
5911	Extra Help	0	0	0	0	0
5921	Retirement Cont.	0	0	0	0	0
5924	Medicare	0	0	0	0	0
5925	Deferred Comp.	0	0	0	0	0
5930	Health Insurance	0	0	0	0	0
5931	Disability Ins.	0	0	0	0	0
5932	Dental Insurance	0	0	0	0	0
5933	Life Insurance	0	0	0	0	0
5934	Vision Insurance	0	0	0	0	0
5935	Unemployment Ins	0	0	0	0	0
5940	Workers Comp	0	0	0	0	0
TOTAL	SAL. & BEN.	0	0	0	0	0
Services and Supplies:						
6040	Comm. - E Mail	0	0	0	0	0
6045	Comm. - Tphone	0	0	0	0	0
6085	Janitorial Service	0	0	0	0	0
6100	Insurance	0	0	0	0	0
6140	Maint. of Equip.	0	0	0	0	0
6280	Memberships	0	0	0	0	0
6302	Dept Revolving	0	0	0	0	0
6400	Office Expense	0	0	0	0	0
6410	Postage	0	0	0	0	0
6415	Library Mat.	0	0	0	0	0
6461	Purchases for Members	0	0	0	0	0
6500	Other Prof Serv	0	0	0	0	0
6516	Data Proc'ing Serv	0	0	0	0	0
6517	Online Serv, OCLC	0	0	0	0	0
6521	County Services	0	0	0	0	0
6540	Contractual Service Delivery	0	0	0	0	0
6540	Contractual Service Staff	0	0	0	0	0
6800	Dup/Photocopy	0	0	0	0	0
6820	Rental of Equip	0	0	0	0	0
6840	Bldg.Rent/Lease	0	0	0	0	0
7000	Special Dept.Exp.	0	0	0	132,552	132,552
7110	Staff Devel.	0	0	0	0	0
7120	In-Serv Training	0	0	0	0	0
7302	Conf. & Travel	0	0	0	0	0
7303	Private Car Exp.	0	0	0	0	0
7320	Utilities	0	0	0	0	0
TOTAL	SERV & SUPPLIES	0	0	0	132,552	132,552
Fixed Assets:						
8560	Equipment	0	0	0	0	0
8640	Operational Transfer	0	0	0	0	0
8800	Equip. Reserve	0	0	0	0	0
TOTAL	FIXED ASSETS	0	0	0	0	0
GRAND TOTAL EXPENDITURES						
		0	0	0	132,553	132,552

**Gale Database Costs
for MVLS**

Library	Gale Cengage Chillton's Automobile Repair	Gale Virtual Reference Library - Hosting Fee	Total Gale Costs	Gale Costs Quoted on May Letter to Directors	NLS Database Administrative Fee	Grand Total
<i>Total Cost</i>	\$ 6,359.83	\$ 1,800.00	\$ 8,159.83		\$ 1,680.00	\$ 9,839.83
<i>Expiration</i>	8/21/2012	6/30/2012				\$ -
Alpine County Library	\$ 68.76	\$ 19.45	\$ 88.21	\$ 84.59	\$ 210.00	\$ 298.21
Colusa County Library	\$ 255.90	\$ 72.43	\$ 328.33	\$ 295.76	\$ 210.00	\$ 538.33
Lincoln Public Library	\$ 439.28	\$ 124.33	\$ 563.61	\$ 504.49	\$ 210.00	\$ 773.61
Placerville Library	\$ 306.04	\$ 86.62	\$ 392.66	\$ 367.57	\$ 210.00	\$ 602.66
Nevada County Library	\$ 1,001.54	\$ 283.46	\$ 1,285.00	\$ 1,144.94	\$ 210.00	\$ 1,495.00
Roseville Public Library	\$ 1,316.33	\$ 372.56	\$ 1,688.89	\$ 1,519.69	\$ 210.00	\$ 1,898.89
Sutter County Library	\$ 851.41	\$ 240.97	\$ 1,092.38	\$ 956.97	\$ 210.00	\$ 1,302.38
Yolo County Library	\$ 2,120.57	\$ 600.18	\$ 2,720.75	\$ 2,491.91	\$ 210.00	\$ 2,930.75
Total	\$ 6,359.83	\$ 1,800.00	\$ 8,159.83	\$ 9,959.83	\$ 1,680.00	\$ 9,839.83

Gale Database Costs for NSCLS

Library	Gale Cengage Chillton's Automobile Repair	Gale Virtual Reference Library - Hosting Fee	Gale Cengage General Reference Center Gold + Infotrac Jr K-12 Graphics + Infotrac K-12 Student on it Web + Kids InfoBits + Health Reference Center Academic + Hosting Fee \$1,200 - NSCLS	Total Gale Costs	Gale Costs Quoted on May Letter to Directors	NLS Database Admiistrative Fee	Grand Total
Total Cost	\$6,921.84	\$ 400.00	\$ 6,439.87	\$ 13,761.71	\$ 10,101.45	\$1,260.00	\$ 15,021.71
Expiration	7/31/2012	6/30/2012	6/20/2012				
Del Norte Co. Lib. Dist.	\$ 792.71	\$ 45.81	\$ 737.51	\$ 1,576.03	\$ 1,160.76	\$ 210.00	\$ 1,786.03
Lassen Library District	\$ 789.26	\$ 45.61	\$ 734.30	\$ 1,569.17	\$ 1,159.99	\$ 210.00	\$ 1,779.17
Modoc County Library	\$ 684.79	\$ 39.57	\$ 637.11	\$ 1,361.47	\$ 992.08	\$ 210.00	\$ 1,571.47
Plumas County Library	\$ 1,387.37	\$ 80.17	\$ 1,290.77	\$ 2,758.31	\$ 2,012.57	\$ 210.00	\$ 2,968.31
Siskiyou County Library	\$ 1,343.34	\$ 77.63	\$ 1,249.80	\$ 2,670.77	\$ 1,964.19	\$ 210.00	\$ 2,880.77
Tehama County Library	\$ 1,924.37	\$ 111.21	\$ 1,790.38	\$ 3,825.96	\$ 2,811.86	\$ 210.00	\$ 4,035.96
Total	\$ 6,921.84	\$ 400.00	\$ 6,439.87	\$ 13,761.71	\$ 10,101.45	\$ 1,260.00	\$ 15,021.71