

NLS Executive Committee Meeting

May 25, 2022, 10:00 a.m.

ZOOM MEETING

<https://us02web.zoom.us/j/82296301765?pwd=MmE4MG5iZ2F4ZDR5RXk0T2ZaQk8wdz09>

Meeting ID: 822 9630 1765

Passcode: 478565

Phone: +1 669 900 6833

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|---|----------------|---------------------|
| 1. Welcome and Roll Call | Olawski, Chair | |
| 2. Public Invited to Comment | Olawski | |
| 3. Approval of Consent Calendar (Action Item) | | |
| A. Adoption of Agenda | Olawski | |
| B. Approve Minutes of April 25, 2022 | Brinkley | Attachment 1, p. 3 |
| 4. Old Business | | |
| A. Library-to-Go Collection Development Policy (Action Item) | Platt/Perry | Attachment 2, p. 11 |
| B. Approval of Library-to-Go Co-Chairs (Action Item) | Fink | Attachment 3, p. 24 |
| 5. New Business | | |
| A. Recommendation for OverDrive Reciprocal Lending by Library-to-Go Committee (Action Item) | Platt/Perry | Attachment 4, p. 25 |
| B. Approve Slate of Nominees for FY 2022-23 Executive Committee Members (Action Item) | Brinkley | Attachment 5, p. 35 |
| C. Review of Recommendations by Ad Hoc Strategic Priorities Committee (Action Item) | Fink | Attachment 6, p. 36 |
| D. Review and Approval of Proposed NLS FY 2022-23 Budget (Action Item) | Yon | Attachment 7, p. 39 |
| E. Review and Approval of NLS FY 2022-23 CLSA Plan of Service and Recommendation of Adoption to the NLS Administrative Council (Action Item) | Brinkley | Attachment 8, p. 46 |
| F. Approve NLS FY 2020-21 Financial Audit (Action Item) | Yon | Attachment 9, p. 61 |

6. Agenda Building for June 15, 2022 Annual Administrative Council Meeting

- A. Review and Acceptance of NLS Study of CLSA Cost Share Formula and Allocation of Funds, and Next Steps
- B. Approval of Slate of Candidates for Executive Committee
- C. Approval of NLS FY 2022-23 Budget
- D. Approval of NLS/PLP FY 2022-23 Contract
- E. Approval of NLS CLSA FY 2022-23 CLSA Plan of Service
- F. Approval of Recommendations by Ad Hoc Strategic Priorities Committee
- G. Approval of Library-to-Go Collection Development Policy
- H. Approval of Library-to-Go Co-Chairs
- I. Approval of OverDrive Reciprocal Lending with MARINet and Peninsula Library System
- J. Consideration of Developing NLS List-Serv for Assistant/Deputy Directors

7. System Chair Report

8. Announcements

9. Next Executive Committee Meeting Date and Items

10. Adjournment

Brown Act: The legislative body of a local agency may use teleconferencing in connection with any meeting or proceeding authorized by law. Cal. Gov't Code § 54953(b)(1). A "teleconference" is "a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both." Cal. Gov't Code § 54953(b)(4). A local agency may provide the public with additional teleconference locations. Cal. Gov't Code § 54953(b)(4).

The teleconferenced meeting must meet the following requirements:

- (1) it must comply with all of the Act's requirements applicable to other meetings;
- (2) all votes must be taken by roll call;
- (3) agendas must be posted at all teleconference locations and the meeting must be conducted in a manner that protects the statutory and constitutional rights of the parties or public appearing before the body;
- (4) each teleconference location must be identified in the notice and agenda and each location must be accessible to the public;

(5) during the teleconferenced meeting, at least a quorum of the members of the legislative body must participate from locations within the boundaries of the body's jurisdiction; and
(6) the agenda must provide the public with an opportunity to address the legislative body at each teleconference location. Cal. Gov't Code § 54953(b).

Meeting Locations

NLS Administrative Office, 32 West 25th Avenue, Suite 201, San Mateo, CA 94403
El Dorado County Library, 345 Fair Lane, Placerville, CA 95667
Humboldt County Library, 715 Cedar Street, Ste A, Eureka, CA 95542
Mendocino County Library Administrative Offices, 880 North Bush Street, Ukiah, CA 95482
Mono County Free Library, 400 Sierra Park Road, Mammoth Lakes, CA 93546
Napa County Library, 580 Coombs Street, Napa, CA 94559
Nevada County Library, 980 Helling Way, Nevada City, CA 95959
Solano County Library, 1150 Kentucky Street, Fairfield, CA 94533
Tehama County Library, 545 Diamond Avenue, Red Bluff, CA 96080
Yolo County Library, 226 Buckeye, Woodland, CA 95695



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DRAFT MINUTES

NLS Executive Committee Meeting

April 25, 2022

1. **Welcome and Roll Call** –Chair, Suzanne Olawski, Solano County, called the meeting to order at 10:01 a.m. Also present were NLS Executive Committee members: Christopher Cooper, Humboldt County; Deb Fader Samson, Mendocino County; Christopher Platt, Mono County; Anthony Halstead, Napa County; Nick Wilczek, Nevada County, Todd Deck, Tehama County, and Mark Fink, Yolo County. Also attending were NLS fiscal and administrative support, Carol Frost, Pacific Library Partnership; Andrew Yon, Pacific Library Partnership; Jacquie Brinkley, NLS/Pacific Library Partnership.

Note: Cooper was attending from a location where no meeting agenda was posted, and therefore was unable to vote in Action Items.

2. **Public Invited to Comment** - Michael Perry, Siskiyou County Library, was in attendance.

3. **Approval of Consent Calendar – Motion to approve the Consent Calendar.**

Fader Samson moved; Fink seconded. Vote taken by roll call, all votes in favor, motion passed unanimously.

4. **Old Business**

A. Library-to-Go Collection Development Policy

Platt presented the Draft Collection Development Policy for discussion. He thanked Library-to-Go incoming co-chair, Renee Forte, Napa County Library, for her work to develop this draft policy. Platt noted that this document represents a policy, not a process for collection development and requested that the Executive Committee provide input.

Platt suggested that NLS create a generic email address for communication to the Library-to-Go chair and co-chair.

Fink recommended that the “Freedom to Read” statement be added in full as an Appendix to this Policy. Halstead agreed.

Cooper asked if physical material was included and asked for clarification of the expectation of each jurisdiction to follow-up on any questions, challenges, or concerns.

Platt suggested that each jurisdiction be responsible for as much communication to patrons as possible and that the Library-to-Go committee be a mechanism to advance any unresolved questions or concerns, should local staff be uncomfortable in responding, and clarified that the primary purpose of the Policy was for the Library-to-Go collection and not to replace local policies.

Deck requested that a timeline be included in a Reconsideration Policy so the patron would know when they would receive a response. Deck noted that his library held a “mock reconsideration” drill to know how the process works, stating that this may be helpful for rural library staff that may have limited resources.

Cooper stated that it was important to have a process of closing the loop in reconsideration.

Platt suggested that the jurisdiction be copied with a response if provided by Library-to-Go Committee, and asked for clarification if the reconsideration responses were to be addressed by the Library-to-Go Chair or by the NLS Executive Committee.

Samson recommended that more than one person make the decision on reconsideration.

Fink stated that people want a response and a definite timeline and suggested a 60-to-90-day response time. He asked if there is a plan to report reconsideration requests to ALA.

Platt concurred that ALA would be notified.

Deck noted that a group consensus on reconsideration requests would be more acceptable.

Olawski reviewed the steps for a Reconsideration request.

Platt stated that all members would receive a link to the Reconsideration Request document and noted that it would be available to print for the patron to submit via email, if preferred. An acknowledgement of receipt would be generated with next steps detailed. The Library-to-Go Selection Committee will be notified of any reconsideration request.

Halstead suggested using the library’s in-house Reconsideration Request form and have the library advance to the appropriate party being the library or the Library-to-Go Committee.

Platt reviewed recommendations from the Executive Committee including Library-to-Go Committee to make reconsideration decision and recommendation to the NLS Executive Committee; the reconsideration form would be either the library’s local form or the Library-to-Go Reconsideration Request form; an explicit timeline for response will be included; reconsideration requests will be reported to ALA. Platt will re-draft the policy with these recommendations and will bring back to the Executive Committee at the May 2022 meeting.

Deck asked who would respond if the library purchased the eBook that was also a Library-to-Go item. It was agreed that the local library handle the response in this case.

Platt stated that he welcomed the insights from the Executive Committee and anticipates learning more as these reconsideration requests come up.

No Action taken on this item at this time.

B. Recovering Together Website Update

Brinkley stated that, with approval from the RT website Committee, the LibraryRecovery.org website was updated in March with new information on wildfire preparation. She continued to note that new content was contributed from PLA workshop that Frost attended from Jefferson County Library (Colorado) on creating a Continuity of Operations Plan (COOP). NLS received permission from the workshop presenters to post this information on the RT website. Brinkley also noted that NLS Disaster Response Buddy List would be sent out in May for updates on staff and contact information. Frost mentioned that she would also recommend a Red Cross poster titled "Predictable Pattern of Recovery" as a good resource for the RT site. Brinkley will research and share with the content Committee.

C. Review of Finalized NLS CLSA Study Report

Olawski presented the NLS CLSA Study Report for discussion and comment. Olawski noted the following:

1. The report was updated since the last Executive Committee meeting and has incorporated the suggestions recommend by this Committee. The major changes include:
 - a. Page 43 of the packet – a chart 'Option 5' was developed that allocated all of the funds for Link+, Courier, Library to Go OverDrive and eMagazines. In this scenario, all of the funds are completely spent. It was noted that the \$687,380 exceeds the CLSA allocation by \$40,324. The additional overage cost is distributed by libraries, and the chart identifies the libraries which will no longer have funds available for any local services.
2. Page 45 of the packet is a comparative option with a description on Page 27.
3. The report does recommend the following actions be taken:
 - b. Onboard all new library directors.
 - c. Consider reviewing CLSA formula at each of the three legacy systems.
 - d. Having the Executive Committee Chair send out emails more regularly regarding Committee decisions/set up pathway for better transparency/input.
 - e. Develop task force for updating what can be claimed on the claim form.
 - f. Develop a task force for updating claim form.
 - g. How would we address the Library-to-Go OverDrive and eMagazine subscriptions if there were no pre-set costs?
4. What recommendations will be put forth for the Admin Council meeting and what needs to be done before that meeting.

Olawski asked for Executive Committee thoughts on the formula options and stated she did not think Option #5 was feasible.

Frost commented that the Consultant's assessment from the survey and interview responses was that the current CLSA allocation formula works for the majority of NLS members. Frost continued to note that there appears to be a correlation between the formula and the menu of choices and suggested that these

discussions go hand-in-hand. She noted that the expanded CLSA Menu is a result of NLS making a formal request to the California Library Services Board (CLSB) to expand the definition of how Communications and Delivery funds can be spent and based on their testimony, the CLSB approved the expansion of allowable expenses that NLS members are now taking advantage of. Frost noted that more rural libraries are choosing from the expanded options, including CENIC, which is creating a trend where fewer libraries are directing additional funds to the Library-to-Go collection. Based on this, Frost recommended that a review or revision of the NLS Claim Form should include a review of allocations and the menu of choices.

Fink stated that Option 1 is the best opportunity for rural libraries.

Samson asked if any other member benefits from Option 5 as much as Mendocino would.

Frost reviewed how Option 5 would impact others, while benefiting only a few.

Platt stated that Option 1 seems fair and noted that Population Based (Option 2) and Option 5 would be a “no go” for Mono County.

Fink noted that an Ad Hoc Committee is currently reviewing the NLS Strategic Priorities and looking closely at Equity, Diversity, and Inclusion impact, including how the rural and small NLS member libraries can benefit most from CLSA. Based on the current CLSA funding, Option 1 seems to account best for the small and rural libraries.

Frost shared that Pacific Library Partnership (PLP) often does a hybrid approach to support smaller libraries in providing opportunities for their resource sharing. Libraries with the smallest budgets and who are not sharing resources are identified and then PLP allocates some CLSA funds “off the top” to give those identified libraries as a shared resource. The balance of the CLSA allocation is then distributed among all members according to the established formula.

Olowski asked the Executive Committee how they would like to move this Study forward to the Administrative Council. She asked if the Executive Committee should continue to work on this and consider the Options.

Fink recommended that this report be shared with the Administrative Council and to have all members vote on the Options.

The suggestion was made to share this report with the Administrative Council with the Executive Committee’s recommendation to continue the CLSA allocation as outlined in Option 1.

Halstead noted that 24 NLS libraries would benefit from Option 1 over Option 5. 12 NLS libraries would benefit from Option 5.

Frost noted that the fixed costs included the Link+ contract and two courier contracts. OverDrive is a variable cost.

Platt stated that while he recommended Option 1, he is prepared to talk about the other Options with the Administrative Council.

Deck asked how many NLS members allocate funds to CENIC. Frost reported that for FY 2021-22, with 1/3 of Claim Forms submitted, 5 libraries have indicated CENIC to allocate funds. Deck stated that having CENIC as a menu option made a big impact for Tehama County.

Frost stated that more libraries are keeping CLSA funds for their own OverDrive Advantage account that will later be shared with Library-to-Go.

5. New Business

A. FY 2022-23 OverDrive Budget Request

Perry reviewed the FY 2022-23 proposed OverDrive budget and noted that it was the same as the FY 2021-22 budget. He reported that 15 libraries had redirected CLSA funds to Library-to-Go for a total of \$80,000. Perry continued to review the proposed budget that included a reserve or roll-over amount for FY 2023-24. Perry noted that participation in eMagazines was an all-in requirement and that no Library-to-Go members could opt out of eMagazines, although Folsom, Lincoln and El Dorado County had all expressed desire to opt out.

Frost noted that regarding roll-over funds in the OverDrive budget that responses to the CLSA Study survey indicated directors wanted more control over what they designate as allocations.

Perry stated that the budget could be adjusted at year-end based on Claim Forms filed and how funds were designated. He noted that this roll-over models the NLS Reserve Policy in that Reserves are held should there be a downturn in CLSA funding and would allow time to adjust with some coverage. He recommended that NLS confirm an OverDrive budget annually and not be dependent on allocations from libraries. He continued to note that Option 5 presented in the CLSA Study Report would give flexibility to NLS overall and would allow the OverDrive budget to avoid getting reduced as opposed to the fixed contract costs of NLS.

Olowski asked Perry if all Library-to-Go members supported the roll-over of funding.

Perry stated that a general consensus supports having the funds roll-over, but there is concern that roll-over funds could be reapportioned back to NLS.

Platt stated that his experience is that budgets zero out yearly, but also sees value in a Reserve to buffer any downturn. Perry reported that he is not aware of reallocated amounts by the libraries until late in the fiscal year and would need to spend all those funds by June 30. He continued to note that if Claims with allocation amounts were available earlier in the year (fall), the Library-to-Go budget could be spent out in the fall.

Platt noted that this makes an argument for a baseline funding for OverDrive.

Frost reminded the Executive Committee that the CLSA System funding depends on the CLSB meeting held each Fall where system allocations are approved, and that NLS cannot send out Claim Forms until the allocation is confirmed. She also noted that NLS does distribute a preliminary allocation after the CLSB meets and approves funding in the fall of each year.

Platt recommended creating a “Base Reserve” to go from year-to-year that would allow Library-to-Go to respond to the demand. He noted that this would address the fluctuating cost of eBooks and as more titles are available and higher demand is in the fall. Library-to-Go could use those reserves to make purchases in the fall when supply and demand is highest.

Frost asked the Executive Committee for direction and amounts on the OverDrive and eMagazine budget so that the NLS FY 2022-23 budget could be drafted.

Platt noted that the California State Library is also now in the eResources space with the funding of the Palace Project.

Frost reported that the State Library has approved that Palace Project purchases are allowable as CLSA expenditures.

Motion to approve the FY 2022-23 OverDrive Budget request of \$114,000.

Halstead moved; Olawski seconded. Vote taken by roll call, all votes in favor, motion passed unanimously.

B. Request for Consideration of Developing an NLS List-serv for Assistant/Deputy Directors

Olawski presented the memo regarding a request to establish an NLS list-serv for Assistant or Deputy directors.

Halstead suggested that Assistants be added to the NLS Director list-serv.

Frost noted that at times there was sensitive information sent via the Directors list-serv.

Halstead stated that this would pose no problem for him.

Olawski noted that there would be an expectation of confidentiality for all members of the list-serv.

Discussion ensued regarding pros and cons of including Assistants on the Directors list-serv

Platt and Deck both preferred to present this request to the Administrative Council for their consideration.

Deck noted that he prefers to retain a Directors-only list-serv.

NO ACTION taken on this item. The item will be included on the Annual Administrative Council meeting agenda.

C. Appoint Nominating Committee for FY 2022-23 Executive Committee Members

Brinkley presented the memo regarding Executive Committee members who are terming out and positions that need filled for the coming year that include three (3) Executive Committee members and one (1) Vice-Chair.

Cooper and Platt volunteered to work as the Nominating Committee members and contact candidates. Halstead volunteered Jennifer Baker, Benicia Public Library, as a third Nominating Committee member.

Brinkley will follow-up with the Nominating Committee to provide background and contact information.

6. System Chair Report

Olawski reported that the FY 2022-23 CLSA System Allocations were sent from the State Library and that the NLS allocation is \$832,503 which is \$15,000 more than FY 2021-22.

7. Announcements

A. State Library Report for Cooperative Library Systems

Brinkley noted that four NLS libraries received state funding for Mobile Library equipment – Plumas County, Lake County, Woodland Public and Yolo County. Brinkley also reminded members that grant funds were available for programming to support the new State Parks Pass and that the application deadline was April 27.

8. Agenda Building May 25, 2022 Executive Committee meeting and location

- Preliminary NLS FY 2022-23 Budget with CLSA allocation
- NLS Annual Audit
- NLS Strategic Priorities Report

Meeting to be via Zoom

9. Meeting adjourned at 12:11 p.m.



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To: NorthNet Library System (NLS) Executive Committee
From: Christopher Platt
Subject: Review and Approval of Library-to-Go Collection Development Policy
Date: May 25, 2022

Background:

Based on feedback and direction from the 4/25/22 NLS Executive Committee, we have revised the previous draft of the Library-to-Go (LTG) Collection Development policy, including adding in additional appendices for the three ALA statements cited in the work, a link to the ALA Intellectual Freedom reporting database, and the central LibraryToGo@northnetlibs.org email address that the LTG Chairs will use to monitor reconsideration request submissions. We also drafted a brief staff-facing FAQ separate from the policy that will help local libraries more clearly understand the process for submitting a reconsideration request. This update was shared with current directors of Library-To-Go participating libraries for feedback (none was received).

Discussion:

Staff-facing FAQs regarding the policy and request for reconsideration process:

1. *Does this supplant my local process for collection questions or reconsideration?* No. It is recommended that materials challenges of this collection be addressed as locally as possible, including through your own process. Recognizing this may not always be sufficient, this process allows such requests to be filtered up direct to the LTG and NLS Executive Committees. It is recommended that any locally resolved challenge be recorded with the ALA's Office for Intellectual Freedom database. (see #5)
2. *Do we need to post this policy?* It is recommended that local participating LTG libraries post or otherwise make available this policy as a supplement to their own.
3. *Why does the patron need to provide contact information on the request for reconsideration?* So that the NLS response can be shared directly with the patron in an efficient manner, with the local Library Director cc'd. Their contact information will be kept confidential to this process.
4. *How long will a request for reconsideration take to generate a response?* The request will be shared with the LTG Committee Chair(s) who will consult with the selection committee for additional information on the work itself. The Chair(s) will generate a recommendation for the NLS Executive Committee to consider. This may occasionally

require a special meeting of the Exec Committee outside of their regular schedule. Chairs will aim to have a response within 4 weeks. (This may adjust as we learn in practice how often this happens, etc.)

5. *Will requests for reconsideration be logged with the American Library Association?* Yes. Any requests for reconsideration received at LibraryToGo@northnetlibs.org will be logged with the ALA's Office for Intellectual Freedom database by the Library-To-Go Chairs when a reconsideration decision has been reached by the NLS Executive Committee.

Future LTG developments: The policy already articulates a review on a regular basis. The LTG Committee understands that ongoing developments in the eBook space, including progress of the Palace Project may cause NLS to reconsider the scope of the Committee's remit. At such a time the language in this policy should be reviewed and updated as necessary.

Recommendation:

We recommend the NLS Exec Committee approve this revised policy and recommend that the NLS Administrative Council adopt the policy.

NorthNet Library System Library-to-Go Collection Development Policy

May 2022 (Adopted: , 2022)

- I. Mission & Vision
- II. Purpose
- III. Collection Development
 - a. Collection Responsibilities
 - b. Scope of Collection
 - c. Selection Criteria
 - d. Selection Guidelines
 - e. Patron Recommended Material
 - f. Gift Policy
 - g. Weeding
 - h. Advantage Collections
- IV. Intellectual Freedom
 - a. Reconsideration of Materials
- V. Review of Policy

I. Mission & Vision

The purpose of NorthNet Library System (NLS) is to improve the services of its constituent member libraries by maintaining existing California Library Services Act (CLSA) programs, leading research and development efforts to ensure that libraries are best positioned to respond to demographic, economic, and cultural changes through innovative and collaborative approaches to programming and services and the enhancement of collective resource building and sharing.

The NorthNet Library System's Library-to-Go collection was created and is intended to provide residents of the participating member libraries with shared access to a collection of electronically published materials in a wide range of subjects and formats. It is primarily funded with CLSA funds directed by participating member libraries to this collection, which is currently structured to support OverDrive-provided access to eBooks, eAudiobooks, eVideo and eMagazines.

II. Purpose

This policy acts as a guide for selectors in order to ensure comparability of collection depth and breadth between collection areas and similarity of selection criteria among selectors within the centralized collection management framework. This policy intends to assist selectors in building collections that are responsive to the community's informational and recreational reading needs, while still meeting the mission and goals of both NLS and public libraries.

This policy also informs the public of the principles upon which collection development and management decisions are based. This policy describes the role of selection and management in the mission of the NLS to serve a broad range of library users that reside across most of Northern California in the member jurisdictions of the NLS. It defines the scope of the

collection, provides a plan for continual and strategic development, and identifies strengths in the collection. It connects selection decisions and collection management to intellectual freedom principles.

III. Collection Development

A. Collection Responsibilities

The NLS Library-to-Go Committee is comprised of consistently active members from each NLS library participating in the Library-to-Go collection. Each library system director nominates their respective selectors who commit to both selection and monthly meetings.

The committee chair/co-chairs are approved by the NLS Executive Committee and adopted by the NLS Administrative Council. This position shall be for a two-year term, and may be renewed for an additional two years. The chair will ensure continuity of service and efficient program facilitation. The chair will monitor expenditures of the selection committee, ensure materials are ordered according to established timelines and procedures, prepare and distribute statistical reports to the consortium and serve as a central contact between committee members, the NLS, and OverDrive.

The NLS Executive Committee and Administrative Council set the direction of all of the consortia priorities and budgets.

B. Scope of Collection

The NLS Library-to-Go Collection is funded by its member library systems, primarily via CLSA funds. Member libraries have access to the digital collaborative collection and as such, their local library card holders have access to the shared collection as authorized users. The community served by this collection is incredibly diverse; the collection must reflect the needs, interests, and viewpoints of this large community in its entirety, taking into consideration access needs in a digital environment.

The collection is board, current, and popular. This collection is not concerned with being completely comprehensive and some subject areas are collected in greater depth than others, as a reflection of current use and demand. The Library-to-Go collection aims for a balance of popular materials and those in line with the institutional goals of public libraries. The materials chosen support general interest in a broad range of categories. This collection is intended to serve the general patron instead of the researcher. Titles selected reflect contemporary significance instead of long-term enduring value. No material that meets the Consortia's selection criteria shall be excluded because of the origin, background, or views of the author or those contributing to its creation. Not all materials may be suitable for all members of the community. Not all materials may be suitable for all audiences.

A variety of reading and comprehension levels are also represented in the collection, based on community need. Materials are collected in English and Spanish; languages other than these will be added as determined by community need and title availability.

C. Selection Criteria

The following criteria are taken into consideration when selectors are choosing materials. An item need not meet all of the criteria to be selected.

- Identified, expressed, or anticipated need in the general community
- Availability of titles from vendors
- Contemporary significance or popular interest
- Attention of critics and reviewers
- Prominence, authority, significance, and/or competence of author or creator
- Timeliness and accuracy of material including new editions of existing materials
- Relation to existing collections, such as titles in a series
- Statement of challenging, original, or alternative point of view
- Authenticity of historical, regional, or social setting

Public demand for an author, title or subject is an important criterion. All requests from patrons for specific authors, titles or subjects will be considered.

Title availability is another important consideration. Given the volatile world of digital rights and publishers, it is important to note that although titles may be available for purchase to consumers from various outlets, they may not be available to NLS patrons because certain major publishers do not allow public libraries to purchase digital editions of titles, and/or place embargoes on new titles for a designated time period.

In addition to content and availability criteria for selection, given the digital nature of this collection, selectors must also take into consideration format factors. The following criteria will be considered.

- Affordability
- Appropriateness of format
- Illustration rendering in books for youth or in graphic novels
- Narrator's qualifications for audio books
- Stability of content
- Titles with simultaneous use rights

D. Selection Guidelines

Currently the collection is comprised of eBooks, eAudiobooks, Video and eMagazines. Materials are selected to support a variety of computer systems and e-reader hardware in multiple prevailing formats in order to serve the differing needs of individual users.

Selectors will be instructed to select materials in all genre and format areas each month, as titles are available with an emphasis on popular demand. Each month purchases will include new materials, patron requests and multiple copies of items on hold, and management of metered access items. Monthly materials will include adult, young adult,

and children's content. Materials are selected in English and Spanish and other relevant language editions as they are available.

Each year a budget will be allocated for simultaneous use packages and other special collections to be purchased.

Spending within these areas may be modified as needed to account for the availability of content and any changing needs of the consortium. The budget will be reviewed and adjusted as the availability of funds change.

It is the goal of the committee to keep the holds ratio under 10. This ratio may change as budget and size of consortium membership changes.

Current lending policies allow for 10 checkouts and 5 holds per library card.

E. Patron Recommended Materials

Input from patrons is highly valued and therefore patrons are able to recommend for purchase within the OverDrive platform. It is important to note that due to the very large population this collection serves, the recommendation process is limited by a monthly monetary limit. In addition, titles must fit the criteria for selection described in this policy and must be of interest to a larger audience. The decision to add or not add patron recommended titles is at the discretion of the Library-to-Go selection committee members and is not open to appeal.

F. Gift Policy

Given technical and licensing limitations as they stand today, the NLS is unable to accept gifts of personally purchased eBooks. NLS is unable to accept donated money for digital books or collections and refers all donations to the local library system.

G. Weeding

Although a digital collection does not have the same space constraints of a physical collection, weeding is necessary to upgrade the collection in terms of relevancy, usefulness, patron ease of searching and circulation statistics. The Library-to-Go committee will be responsible for facilitating the review of the digital collection on a regular basis and determine which titles warrant being weeded. In addition, titles may be pulled from the Library-to-Go collection at any time by publishers without prior notice or titles may not be available for re-purchase.

H. Advantage Collections

Public library systems within the NLS have the option to establish collections of materials that are only accessible by their patrons. Libraries with Advantage Collections are encouraged to, but are not required to share additional purchased content with the

consortium. Advantage Collections shared by member libraries follow local rather than consortium selection criteria and guidelines. Shared content is available to other consortium members, but hold priorities are granted to the purchasing institution's patron base. All libraries choosing to spend beyond their annual content fees with either Advantage or Advantage Plus accounts are responsible for their own ordering, and will be invoiced directly by OverDrive.

IV. Intellectual Freedom

The NLS aims to provide a collection with information spanning a broad spectrum of opinions. The NLS directs patrons to the American Library Association's Library Bill of Rights (Appendix B), Freedom to Read (Appendix C), and Freedom to View (Appendix D) statements. These principles guide the materials selection policies.

Selection decisions are based on the merit of works as they relate to the mission and goals of the NLS and its partners. Titles are selected to meet expressed and anticipated needs of the greater Northern California community. Selectors are located all across the NLS region to ensure a fair and balanced collection. Variety and balance of opinion is sought in all collections. NLS recognizes that some materials may be controversial or offensive to an individual, but maintains that individuals can apply their values to only themselves. Parents have the responsibility and right to guide the values of their children. An opinion represented in the collection is an expression of the Consortium's commitment to intellectual freedom and not an endorsement of a point of view or opinion.

A. Request for Reconsideration Policy

Patrons wanting to communicate their concerns beyond their local library about materials in the NLS digital collection should be directed to a reconsideration form available as Appendix A below. Any requests will be directed to the NLS Library-to-Go Chair for discussion. A recommendation for action will be made by the NLS Chair to the NLS Executive Committee.

V. Review of Policy

The Library-to-Go Collection Development Policy of the NorthNet Library System will be reviewed on a regular basis. This policy was approved by the NLS Executive Committee on _____.

Appendix A: Request for Reconsideration of Library Materials - NorthNet Library System Library-to-Go Collection.

If you have found materials or library resources about which you have concerns, please discuss with the local branch staff to understand its relevance to the NLS Library-to-Go collection. If you would like to file a request for reconsideration of the item, please fill out the form below and mail to the address provided. The request will be considered by the Library-to-Go Committee Chair and NLS Executive Committee. A response will be delivered in writing to an individual's written request within four weeks. Any challenges will be recorded with the American Library Association's [Office for Intellectual Freedom](#) for tracking and statistical reporting purposes.

Prior to filling out this form, please read in its entirety the above NLS Library-to-Go Collection Development Policy and the following supporting documents it references: The American Library Association's Library Bill of Rights, Freedom to Read, and Freedom to View.

Material for consideration

Title:

Author:

Indicate type of material: eBook, eAudiobook, Video, eMagazine

Publisher:

Date/Edition:

Did you read, view or listen to the entire work? All Part

Please describe your concerns regarding this material:

What specific pages or sections best illustrate your concerns?

How did this work come to your attention?

As an alternative, what work would you recommend that would best convey as valuable a picture and perspective of the subject?

Contact Information (Required for Response)

Name:

Address:

City:

Zip:

Phone:

Do you represent yourself or an organization? (If an organization, please indicate)

Please provide this completed form to your local library staff or email to the Library-To-Go Committee Chair at LibraryToGo@northnetlibs.org. (Local staff please scan completed form and email it to the same address.)

Appendix B: [ALA Library Bill of Rights](#)

Library Bill of Rights

The American Library Association affirms that all libraries are forums for information and ideas, and that the following basic policies should guide their services.

I. Books and other library resources should be provided for the interest, information, and enlightenment of all people of the community the library serves. Materials should not be excluded because of the origin, background, or views of those contributing to their creation.

II. Libraries should provide materials and information presenting all points of view on current and historical issues. Materials should not be proscribed or removed because of partisan or doctrinal disapproval.

III. Libraries should challenge censorship in the fulfillment of their responsibility to provide information and enlightenment.

IV. Libraries should cooperate with all persons and groups concerned with resisting abridgment of free expression and free access to ideas.

V. A person's right to use a library should not be denied or abridged because of origin, age, background, or views.

VI. Libraries which make exhibit spaces and meeting rooms available to the public they serve should make such facilities available on an equitable basis, regardless of the beliefs or affiliations of individuals or groups requesting their use.

VII. All people, regardless of origin, age, background, or views, possess a right to privacy and confidentiality in their library use. Libraries should advocate for, educate about, and protect people's privacy, safeguarding all library use data, including personally identifiable information.

Adopted June 19, 1939, by the ALA Council; amended October 14, 1944; June 18, 1948; February 2, 1961; June 27, 1967; January 23, 1980; January 29, 2019.

Inclusion of "age" reaffirmed January 23, 1996.

Although the Articles of the *Library Bill of Rights* are unambiguous statements of basic principles that should govern the service of all libraries, questions do arise concerning application of these principles to specific library practices. See the documents designated by the Intellectual Freedom Committee as [Interpretations of the Library Bill of Rights](#).

Appendix C: [Freedom to Read](#)

The Freedom to Read Statement

The freedom to read is essential to our democracy. It is continuously under attack. Private groups and public authorities in various parts of the country are working to remove or limit access to reading materials, to censor content in schools, to label "controversial" views, to distribute lists of "objectionable" books or authors, and to purge libraries. These actions apparently rise from a view that our national tradition of free expression is no longer valid; that censorship and suppression are needed to counter threats to safety or national security, as well as to avoid the subversion of politics and the corruption of morals. We, as individuals devoted to reading and as librarians and publishers responsible for disseminating ideas, wish to assert the public interest in the preservation of the freedom to read.

Most attempts at suppression rest on a denial of the fundamental premise of democracy: that the ordinary individual, by exercising critical judgment, will select the good and reject the bad. We trust Americans to recognize propaganda and misinformation, and to make their own decisions about what they read and believe. We do not believe they are prepared to sacrifice their heritage of a free press in order to be "protected" against what others think may be bad for them. We believe they still favor free enterprise in ideas and expression.

These efforts at suppression are related to a larger pattern of pressures being brought against education, the press, art and images, films, broadcast media, and the Internet. The problem is not only one of actual censorship. The shadow of fear cast by these pressures leads, we suspect, to an even larger voluntary curtailment of expression by those who seek to avoid controversy or unwelcome scrutiny by government officials.

Such pressure toward conformity is perhaps natural to a time of accelerated change. And yet suppression is never more dangerous than in such a time of social tension. Freedom has given the United States the elasticity to endure strain. Freedom keeps open the path of novel and creative solutions, and enables change to come by choice. Every silencing of a heresy, every enforcement of an orthodoxy, diminishes the toughness and resilience of our society and leaves it the less able to deal with controversy and difference.

Now as always in our history, reading is among our greatest freedoms. The freedom to read and write is almost the only means for making generally available ideas or manners of expression that can initially command only a small audience. The written word is the natural medium for the new idea and the untried voice from which come the original contributions to social growth. It is essential to the extended discussion that serious thought requires, and to the accumulation of knowledge and ideas into organized collections.

We believe that free communication is essential to the preservation of a free society and a creative culture. We believe that these pressures toward conformity present the danger of limiting the range and variety of inquiry and expression on which our democracy and our culture depend. We believe that every American community must jealously guard the freedom to publish and to circulate, in order to preserve its own freedom to read. We believe that publishers and librarians have a profound responsibility to give validity to that freedom to read by making it possible for the readers to choose freely from a variety of offerings.

The freedom to read is guaranteed by the Constitution. Those with faith in free people will stand firm on these constitutional guarantees of essential rights and will exercise the responsibilities that accompany these rights.

We therefore affirm these propositions:

1. *It is in the public interest for publishers and librarians to make available the widest diversity of views and expressions, including those that are unorthodox, unpopular, or considered dangerous by the majority.*

Creative thought is by definition new, and what is new is different. The bearer of every new thought is a rebel until that idea is refined and tested. Totalitarian systems attempt to maintain themselves in power by the ruthless suppression of any concept that challenges the established orthodoxy. The power of a democratic system to adapt to change is vastly strengthened by the freedom of its citizens to choose widely from among conflicting opinions offered freely to them. To stifle every nonconformist idea at birth would mark the end of the democratic process. Furthermore, only through the constant activity of weighing and selecting can the democratic mind attain the strength demanded by times like these. We need to know not only what we believe but why we believe it.

2. *Publishers, librarians, and booksellers do not need to endorse every idea or presentation they make available. It would conflict with the public interest for them to establish their own political, moral, or aesthetic views as a standard for determining what should be published or circulated.*

Publishers and librarians serve the educational process by helping to make available knowledge and ideas required for the growth of the mind and the increase of learning. They do not foster education by imposing as mentors the patterns of their own thought. The people should have the freedom to read and consider a broader range of ideas than those that may be held by any single librarian or publisher or government or church. It is wrong that what one can read should be confined to what another thinks proper.

3. *It is contrary to the public interest for publishers or librarians to bar access to writings on the basis of the personal history or political affiliations of the author.*

No art or literature can flourish if it is to be measured by the political views or private lives of its creators. No society of free people can flourish that draws up lists of writers to whom it will not listen, whatever they may have to say.

4. *There is no place in our society for efforts to coerce the taste of others, to confine adults to the reading matter deemed suitable for adolescents, or to inhibit the efforts of writers to achieve artistic expression.*

To some, much of modern expression is shocking. But is not much of life itself shocking? We cut off literature at the source if we prevent writers from dealing with the stuff of life. Parents and teachers have a responsibility to prepare the young to meet the diversity of experiences in life to which they will be exposed, as they have a responsibility to help them learn to think critically for themselves. These are affirmative responsibilities, not to be discharged simply by preventing them from reading works for which they are not yet prepared. In these matters values differ, and values cannot be legislated; nor can machinery be devised that will suit the demands of one group without limiting the freedom of others.

5. *It is not in the public interest to force a reader to accept the prejudgment of a label characterizing any expression or its author as subversive or dangerous.*

The ideal of labeling presupposes the existence of individuals or groups with wisdom to determine by authority what is good or bad for others. It presupposes that individuals must be directed in making up their minds about the ideas they examine. But Americans do not need others to do their thinking for them.

6. *It is the responsibility of publishers and librarians, as guardians of the people's freedom to read, to contest encroachments upon that freedom by individuals or groups seeking to impose their own standards or tastes upon the community at large; and by the government whenever it seeks to reduce or deny public access to public information.*

It is inevitable in the give and take of the democratic process that the political, the moral, or the aesthetic concepts of an individual or group will occasionally collide with those of another individual or group. In a free society individuals are free to determine for themselves what they wish to read, and each group is free to determine what it will recommend to its freely associated members. But no group has the right to take the law into its own hands, and to impose its own concept of politics or morality upon other members of a democratic society. Freedom is no freedom if it is accorded only to the accepted and the inoffensive. Further, democratic societies are more safe, free, and creative when the free flow of public information is not restricted by governmental prerogative or self-censorship.

7. *It is the responsibility of publishers and librarians to give full meaning to the freedom to read by providing books that enrich the quality and diversity of thought and expression. By the exercise of this affirmative responsibility, they can demonstrate that the answer to a "bad" book is a good one, the answer to a "bad" idea is a good one.*

The freedom to read is of little consequence when the reader cannot obtain matter fit for that reader's purpose. What is needed is not only the absence of restraint, but the positive provision of opportunity for the people to read the best that has been thought and said. Books are the major channel by which the intellectual inheritance is handed down, and the principal means of its testing and growth. The defense of the freedom to read requires of all publishers and librarians the utmost of their faculties, and deserves of all Americans the fullest of their support.

We state these propositions neither lightly nor as easy generalizations. We here stake out a lofty claim for the value of the written word. We do so because we believe that it is possessed of enormous variety and usefulness, worthy of cherishing and keeping free. We realize that the application of these propositions may mean the dissemination of ideas and manners of expression that are repugnant to many persons. We do not state these propositions in the comfortable belief that what people read is unimportant. We believe rather that what people read is deeply important; that ideas can be dangerous; but that the suppression of ideas is fatal to a democratic society. Freedom itself is a dangerous way of life, but it is ours.

This statement was originally issued in May of 1953 by the Westchester Conference of the American Library Association and the American Book Publishers Council, which in 1970 consolidated with the American Educational Publishers Institute to become the Association of American Publishers. Adopted June 25, 1953, by the ALA Council and the AAP Freedom to Read Committee; amended January 28, 1972; January 16, 1991; July 12, 2000; June 30, 2004.

A Joint Statement by:

[American Library Association](#)

[Association of American Publishers](#)

Subsequently endorsed by:

[American Booksellers for Free Expression](#)

[The Association of American University Presses](#)

[The Children's Book Council](#)

[Freedom to Read Foundation](#)

[National Association of College Stores](#)

[National Coalition Against Censorship](#)

[National Council of Teachers of English](#)

The Thomas Jefferson Center for the Protection of Free Expression

Appendix D: [Freedom to View](#)

Freedom to View Statement

The FREEDOM TO VIEW, along with the freedom to speak, to hear, and to read, is protected by the First Amendment to the Constitution of the United States. In a free society, there is no place for censorship of any medium of expression. Therefore these principles are affirmed:

1. To provide the broadest access to film, video, and other audiovisual materials because they are a means for the communication of ideas. Liberty of circulation is essential to insure the constitutional guarantee of freedom of expression.
2. To protect the confidentiality of all individuals and institutions using film, video, and other audiovisual materials.
3. To provide film, video, and other audiovisual materials which represent a diversity of views and expression. Selection of a work does not constitute or imply agreement with or approval of the content.
4. To provide a diversity of viewpoints without the constraint of labeling or prejudging film, video, or other audiovisual materials on the basis of the moral, religious, or political beliefs of the producer or filmmaker or on the basis of controversial content.
5. To contest vigorously, by all lawful means, every encroachment upon the public's freedom to view.

This statement was originally drafted by the Freedom to View Committee of the American Film and Video Association (formerly the Educational Film Library Association) and was adopted by the AFVA Board of Directors in February 1979. This statement was updated and approved by the AFVA Board of Directors in 1989.

Endorsed January 10, 1990, by the ALA Council

To: NLS Executive Committee
From: Mark Fink
Subject: Rotation of NLS Library-to-Go Chair Rotation
Date: May 25, 2022

Background

The NLS Bylaws (June 2018), Section 5. Standing Committees states: "Meetings of NLS Standing Committees are to be conducted in accordance with Article V, Sections 1-4 of these Bylaws." Section 5.2 states that "Executive Committee members serve a two-year term and may serve no more than two consecutive terms."

Section 5. Standing Committees

5.1 Meetings of all standing committees shall be conducted in accordance with Article V, Sections 1-4 of these Bylaws.

5.2 Executive Committee

e. Executive Committee members shall serve a two-year term and may serve no more than two consecutive terms, not to include terms as Vice-Chair and/or Chair. Terms shall be staggered such that the terms of three members will conclude in even numbered years and those of three members in odd numbered years. Terms shall begin on July 1 and end on June 30.

At the May 2021 NLS Executive Committee meeting, it was noted that Library-to-Go Committee is the only current standing committee without rotation. Jeanne Amos, El Dorado County, and Lisa Dale, Sacramento Public Library, co-chaired the Library-to-Go Committee from approximately 2013 to 2016. Jeanne Amos chaired the Committee from 2016 until approximately July 2018. Michael Perry, Siskiyou County, assumed the Chairmanship approximately July 2018 and has been serving as Chair since.

Mark Fink, Lindsay Fuchs, Carolyn Brooks and Michael Perry volunteered to work on a subcommittee to develop a Scope of Work and reporting requirement for the Library-to-Go Chair and to identify a candidate to assume the position of Chair on July 1, 2022, and to be approved by the Administrative Council at the NLS Mid-Year meeting in January 2022.

Recommendation

It is recommended that that NLS Executive Committee approve Christopher Platt and Renee Forte as the NLS Library-to-Go Co-Chairs for FY 2022-23, for a term of two years, and to recommend approval by the Administrative Council, per the assigned rotation schedule set forth by the NLS Bylaws.



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To: NorthNet Library System (NLS) Executive Committee
From: Library-To-Go Committee Chair Michael Perry and Incoming Chairs Christopher Platt and Renée Forte
Subject: Library-to-Go Collection Reciprocal Lending Agreement
Date: May 25, 2022

Background:

You may remember that the Library-to-Go (LTC) Committee brought forth the opportunity earlier this year of joining into a Reciprocal Lending Agreement (RLA) for the OverDrive shared collections with MARINet and the Peninsula Library System (PLS). We are including the original documents including an overview memo, collection overlap stats, and memo that went to MARINet that Kevin Coons from OverDrive had shared at that time. We met with Kevin Coons again in May to get a refresher on where this stands. Numerous systems in Southern California have signed agreements between their libraries for reciprocal lending. MARINet and PLS are on track for their decisions to enter into the RLA with each other, and each agency is doing this with the hope that NorthNet will join in this RLA with their agencies. We also shared this information with the directors of current LTG participating libraries for feedback (none has been received as of this writing).

Discussion:

Carol Frost is setting up a committee chairs meeting between the 3 systems in early June. There are some details to be worked out once the decision is approved such as spending level commitments, potential tweaks to lending parameters, etc. Those negotiations will be led by Carol on behalf of NLS, working in conjunction with the NLS LTG Co-Chairs. 4 quick bullets:

- An RLA with MARINet and PLS will dramatically increase the number of eBooks NLS patrons have access to. Via the Libby app, patrons logged in to view all their available collections options will be able to see any available title's holdings at the partner collections underneath the NLS copies.
- It is for eBooks/audiobooks only. eMagazines, streaming video and any simultaneous use packages will not be part of the RLS because they are pre-built vendor collections that are licensed geographically. There are also parameters we can set that limit availability to RLS partner patrons (such as Lucky Days, etc.).

- If you are an NLS Library connecting your OverDrive collection to the Palace Project app, only the NLS (and your own) OverDrive collection will be reflected in that app. Functionality to search across RLA collections from within the Palace app is not in place.
- An RLA will require an annual spending level commitment based on a select previous year's spending level. We will negotiate this, and it will exclude amounts of any local spending (shared or not) and locally redirected CLSA funds since those fluctuate.

Recommendation:

The LTG Committee recommends the NLS Executive Committee approve that NLS enter into this RLA with MARINet and PLS, and allowing the LTG Co-Chairs and the NLS Fiscal Agent to negotiate the final contract, which will be brought to the Executive Committee for approval, and that the Executive Committee have the authority to modify the agreement thereafter, and that the Executive Committee recommend that this be adopted by the NLS Administrative Council at its June meeting.

Overdrive Reciprocal Lending Agreement (RLA)

What is it?

Overdrive's Reciprocal Lending Arrangement (RLA) program will allow NorthNet consortia patrons to search and borrow titles from another consortium's collection. At the moment, potential partner consortia are MARINet and PLS.

Cost

There is no cost to enter into an RLA with a partner.

Collection Budget

The Overdrive agreement does include a "maintenance of effort" condition where participating consortia will need to maintain a spending level of at least 95% of the previous fiscal year.

We could clarify that this reference budget would be the consortia's contribution (i.e. the budget that NLS approves each year that is cost-shared by all members) and not include *all* expenditures made by participating libraries.

Advantages

Expands access

According to Overdrive, there are

- 112,000 titles across all 3 consortia collections that exist in only *one* of the consortia collection;
- a further 18,000 titles that are found in all 3 collections

NLS current collection size is 77,000 unique titles (including consortia and Advantage titles, shared or not). Entering into a RLA would increase access to a minimum 35,000 titles not currently available to NLS patrons.

Maximizes content use

As the trends in e-resources continues to be time-based licenses, joining an RLA would minimize the amount of time that a title remains idle.

Increased checkout limits

The checkout limit for the patrons account would be tied to the collection the items is checked out from, not just the consortia they belong to. So NLS patrons would be able to checkout 10 items from NLS collections (NLS current maximum) and an 25 titles from MARINet collection (MARINet's maximum).

Considerations

Maintaining annual contribution level

Since Overdrive budget is contingent on the State Library budget, it could be a challenge to maintain a consistent budget if there were dramatic cuts, similar to the cuts in the FY 20/21 budget year.

Advantage Shared titles would also be shared

Any title purchased by a local library system and shared with the consortia would also be available to the patrons in the partnering consortia.

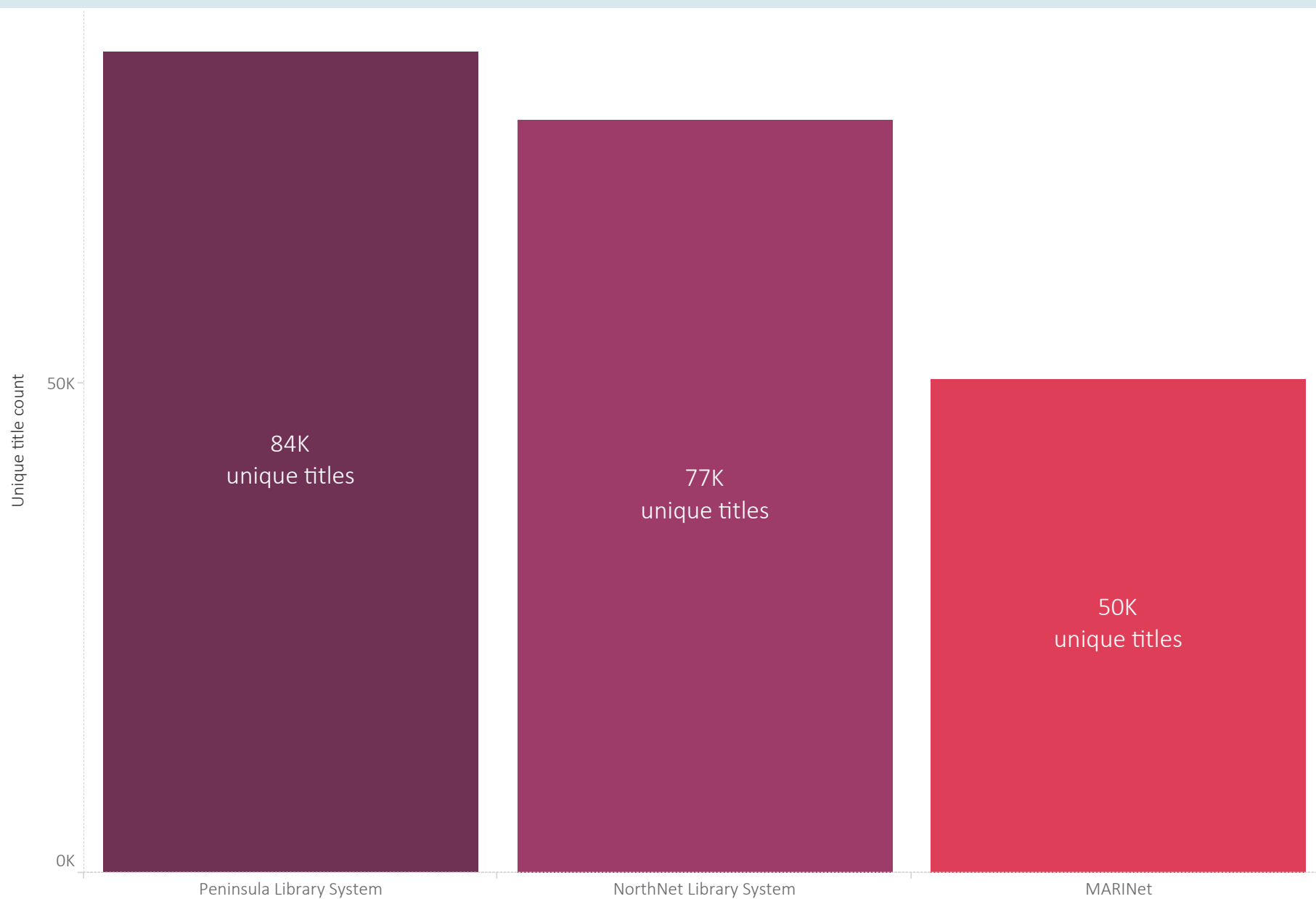
Harmonizing circulation and sharing parameters

While not a requirement that each consortium have the same RLA parameters, it might be more beneficial to bring NLS's circulation and sharing rules in line with the partner consortia so all access is as equal as possible.

Recommendation

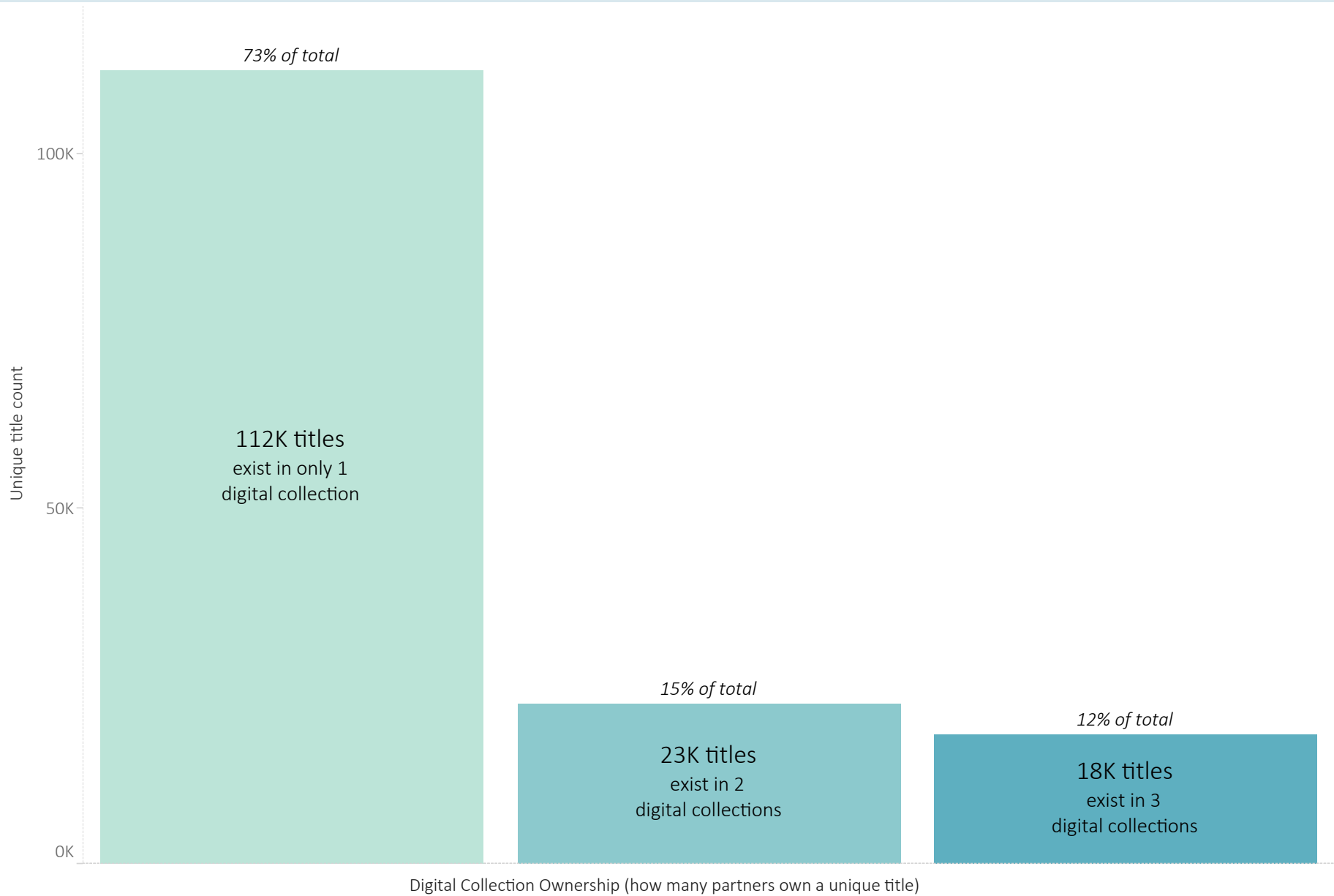
The Overdrive group did discuss this at the January meeting and there was general consensus by the 10 participants (of the 26 membership) to move forward with this agreement.

Digital Collection Size



Digital Collection Overlap

Together, these partners own 152K total unique titles.



Overdrive Reciprocal Lending Agreement (RLA)

The DRWG is recommending linking our Overdrive collection with NorthNet and PLS. Carol Frost is conferring with PLS and NorthNet stakeholders to get approval to link to our Overdrive.

What is RLA?

RLA functions much like Link+. MARINet patrons can borrow eBooks and eAudiobooks from linked libraries, if those items are not already checked out or on hold.

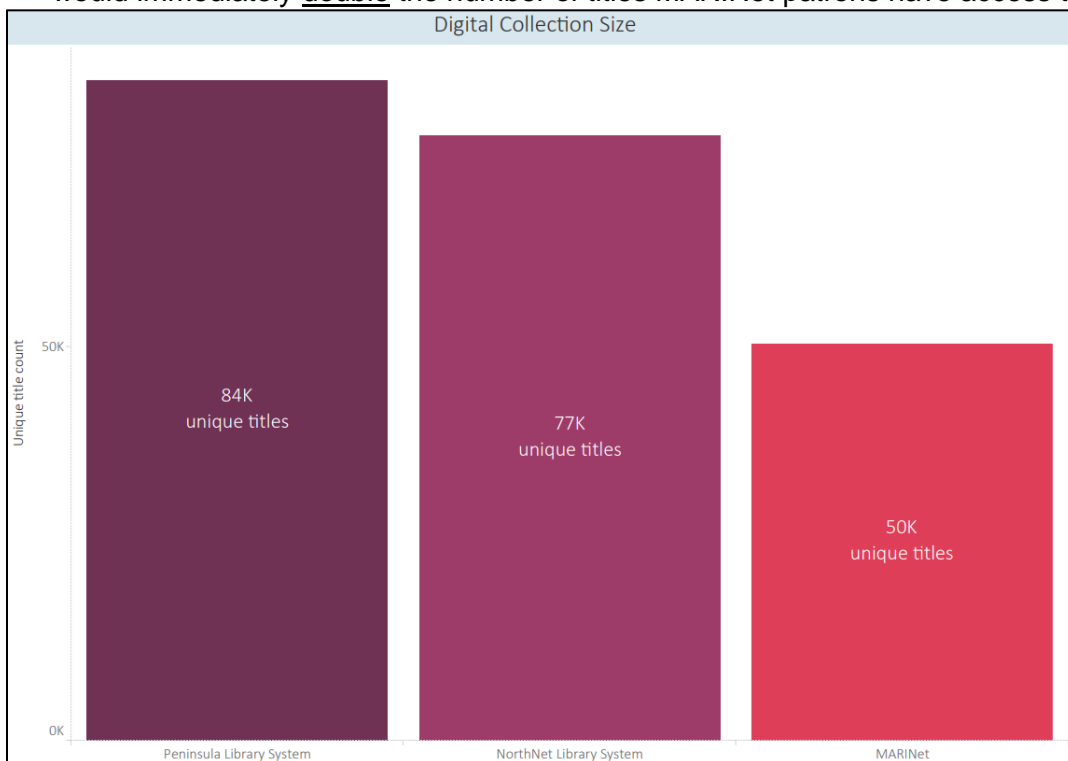
Why link collections?

- 1) To respond to the increasing demand from patrons for eBooks and eAudiobooks, by adding access to about 100,000+ unique titles for free.

MARINet's yearly Overdrive circulation has grown by 73% from 2019 to 2021. It continues to trend upwards even as the libraries fully reopen.

By linking collections, MARINet patrons would have access to an additional 84,000 unique titles from PLS and 77,000 unique titles from NorthNet. There is most likely some overlap between those two collections, but a conservative estimate would be about 100,000+ unique titles.

MARINet's collection currently includes about 50,000 titles. By linking collections, we would immediately double the number of titles MARINet patrons have access to.



- 2) Linking would also double the number of Overdrive titles that patrons can have checked out. Checkout limits apply only to the library being used.

For example, titles borrowed from PLS would not count against the 25-checkout limit imposed by MARINet, and titles borrowed within MARINet do not count against other networks' checkout limits.

- NorthNet: 10 checkouts per patron
- PLS: 15 checkouts per patron

- 3) MARINet would benefit from an increase in circulation. The titles borrowed by linked library patrons are already purchased, but are gathering "electronic dust." Metered access titles expire without full utilization.

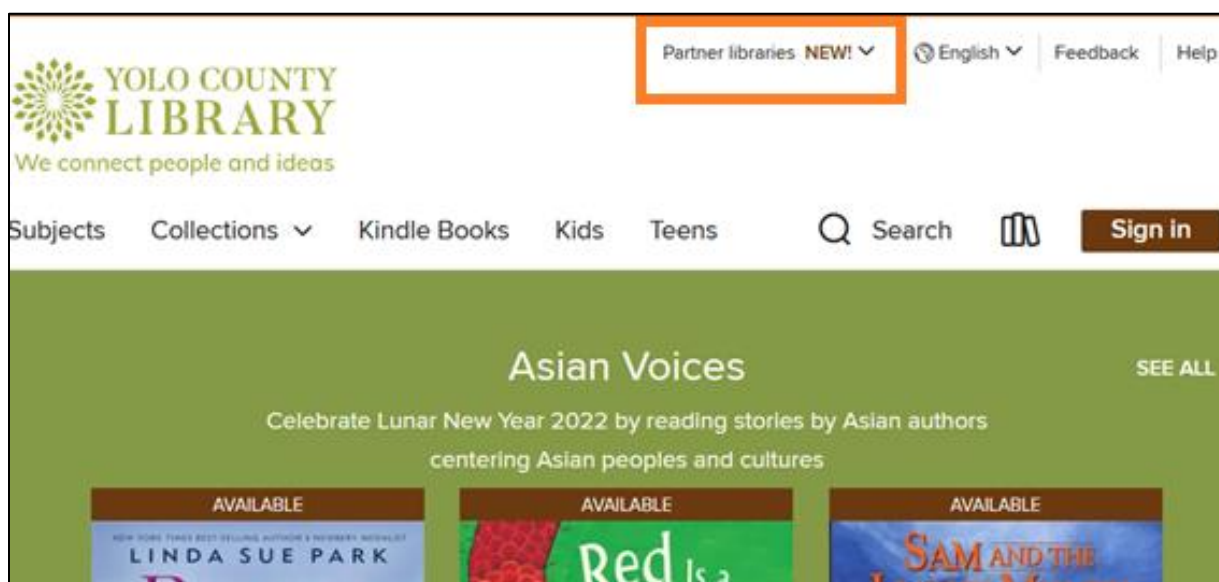
- 4) By linking our Overdrive, we would add diversity to our collection.

Below are a few examples of the number of titles we could have access to:

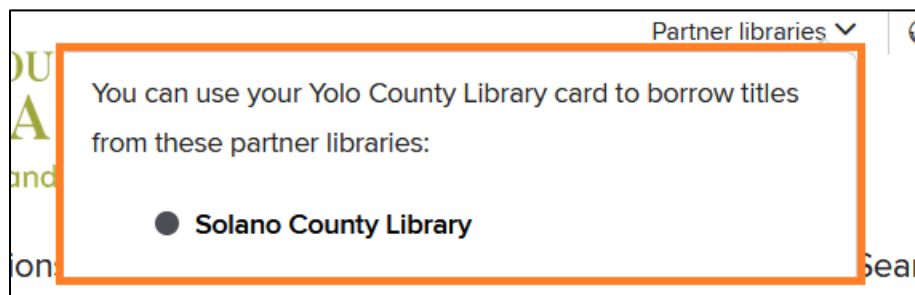
	MARINet	PLS	NorthNet
eBooks in Chinese	8	3,202	420
eBooks in Spanish	1,901	2,871	1,248
African American Fiction	513	553	294
Comics & Manga	1,190	5,214	1,007
LGBTQIA+	654	921	453

How does it work?

"Partner libraries NEW!" will show up at the top of our Overdrive:

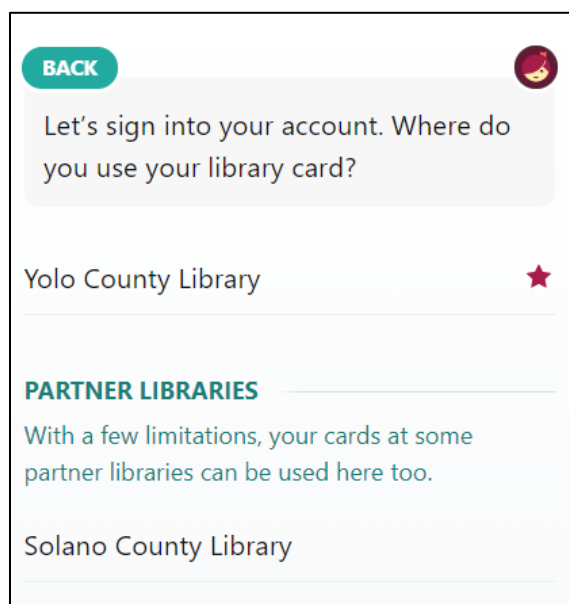


A pop-up box will list libraries that patrons can borrow from:



Once on the PLS/NorthNet site, MARINet patrons would sign in like they do to the MARINet Overdrive. They will only be able to borrow materials that are available.

In Libby, it will look like this:



Note: Unlike Link+, Overdrive doesn't check local holdings. Meaning a patron could log into Overdrive, go directly to PLS and check their collection before seeing if it's available in MARINet.

More details:

- MARINet has about 20,000 unique patrons while NorthNet has 45,813 and PLS has 46,077. But like Link+, we would allow a large number of patrons access, but only a small percentage (of very appreciative) patrons would use the program.
- We can leave the program whenever we want with thirty days written notice.

- Magazines, because they are always available, are not included. Skip The Line is also not included.
- “In order to maintain eligibility in the RLA program, each RLA Library agrees to spend an annual amount equal to at least ninety-five percent (95%) of their previous fiscal year’s total content expenditure with OverDrive.”
 - This clause may be tough for NorthNet if their funding varies from year to year. Maybe there is room for negotiation with Overdrive here?
 - Yolo and Solano’s language: “The RLA library agrees to spend an annual amount that is no less than 100% of its tax-payer funded expenditures with Overdrive for fiscal year 2018-19, which is the last full fiscal year before the COVID-19 pandemic upended usual library expenditures. Any amount spent from other funding sources, including library foundations, friends, and grants is excluded. If the RLA library fails to meet this spending minimum and does not spend the required amount within ninety (90) days of written notification from OverDrive, OverDrive reserves the right to temporarily suspend access to the RLA group until the spending threshold is met. If the spending threshold is not met a second time within two fiscal years, OverDrive may terminate the RLA library’s access to the RLA group at its sole discretion.”

Drawbacks:

- Titles may be checked out when a MARINet patron wants them. PLS and NorthNet patrons could not place holds, so MARINet patrons would wait a maximum of one check-out period for the title checked out by a linked patron.
- PLS/NorthNet patrons would “use” metered access titles – some expire after a certain number of checkouts, others expire after a certain period of time
 - Not recommended, but an option: We could limit it only to OC/OU or to certain types of metered access
- Staff time, patron time: Explaining and promoting the new program. Each “linked” library added needs to be searched individually. Unlike Link+ there is not a federated search. Overdrive said depending on demand, this may be developed in the future.

Financial Impacts:

More metered access titles would get checked out. MARINet may want to spend more funds on expired content because of the increased circulation.



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To: NLS Executive Committee
From: Ad Hoc Nominating Committee (Christopher Cooper, Christopher Platt, Jennifer Baker)
Subject: Approval of Slate of Nominees for FY 2022/23 NLS Executive Committee Members
Date: May 25, 2022

We nominate the following Executive Committee members for a 2-year term ending 6/30/2024:

Mark Fink, Yolo County Library (MVLS) (currently Vice Chair) to move to NLS Chair
 VACANT, NLS Vice-Chair

Also,

Jennifer Baker, Benicia Public Library (NBCLS)

Nick Wilczek, Nevada County Library (MVLS) (to be serving their 2nd term)

VACANT

Continuing to serve on the Executive Committee with terms ending 6/30/2023 are:

Christopher Cooper, Humboldt County Library (NSCLS)

Christopher Platt, Mono County Free Library (MVLS)

Deb Fader Samson, Mendocino County Library (NBCLS)

Also continuing to serve as on the Executive Committee is:

Suzanne Olawski, Solano County, Past Chair (2-year term through 6/30/2024)

Terming out 6/30/2022 of their Executive Committee Positions are:

Todd Deck, Tehama County, (NSCLS) - Past Chair

Carolyn Brooks, El Dorado County Library (MVLS)

Anthony Halstead, Napa County Library (NBCLS)



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To: NorthNet Library System (NLS) Executive Committee
From: Mark Fink
Subject: Review of Recommendations by Ad Hoc Strategic Priorities Committee
Date: May 25, 2022

At the January 2022 NorthNet Library System (NLS) Administrative Council meeting, the NLS Strategic Priorities activities were reviewed, and an Ad Hoc Committee was formed to develop a new set of NLS Strategic Priorities. The members include Mark Fink, Chris Cooper, Christopher Platt, Lana Adlawan and Rita Lovell.

Ad Hoc Committee Purpose:

The Ad Hoc Committee will review the current NLS Strategic Priorities and make recommendations to the NLS Executive Committee regarding new Strategic Priorities. Here is some context:

“The initial NLS strategies and goals were adopted in May 2010. In light of continually changing economic support, new service trends and new NLS leadership, a fresh look at system activities focused on clarifying and identifying strategic priorities was undertaken in FY 2015/16. These priorities are extremely useful in identifying impactful services for member libraries and are informing recommendations to the California Library Services Board, the board that determines the services provided by NLS and other California Library Services Act (CLSA) systems.”

Existing NLS Strategic Priorities:

The NLS Administrative Council, at its January 25, 2016, adopted five key strategic directions for NLS:

- Member Asset Mapping
- Sharing People and Knowledge Platform
- Training and Development/ Facilitation and Capacity.
- Budget Cycle Alignment for Increased Collaboration/Purchasing

Since this list was developed the NLS libraries, through discussion at the Administrative Council meetings, have developed additional priorities, including:

- CalPERS Obligations of Legacy Systems
- Disaster Recovery and Response Training
- Shared Link+ Contract
- Shared eResources
- CLSA Study

Ad Hoc Committee Recommendations:

The Committee is proposing that NLS adopt values that inform its strategic priorities. In addition, the Committee has identified Tier One and Tier Two priorities.

Adopt NorthNet Values:

In the work that NLS undertakes, member libraries are committed to:

1. Making decisions that are sustainable over time
2. Practicing environmental stewardship
3. Integrating diversity, equity and inclusion principles in our decisions and work
4. Collaborating with one another
5. Being transparent and effective communicators
6. Staff capacity building, training and professional development

Tier One Priorities:

The Ad Hoc Committee is recommending that NLS adopt the following Tier One priorities:

1. Disaster Preparedness and Response
 - a. Expand the role of libraries as disseminators of emergency information and emergency preparedness workshops/training/education to our local communities.
 - b. Identify and invest in the next phase of the work NLS has already done, including maintaining the *Recovering Together* website, and offering focus groups and training on this resource.
2. Future of Shared eResources
Assess eResources and platforms offered by the State Library and how this impacts NorthNet Libraries in the short and long term.
3. Capacity Building for Staff – Our Most Valuable Asset
 - a. Organizational culture
 - b. Diversity, Equity and Inclusion
 - c. Staff engagement
 - d. Staff collaboration
 - e. New Employee training
 - f. Soft skills training
 - g. Staff recruitment
4. Investigate NorthNet joining the Government Alliance on Race and Equity (GARE)

5. Shared Collection Management and Resource Sharing
 - a. Discuss member libraries' ongoing commitment to share resources
 - b. Investigate the question: should NLS subsidize shared collections?

Tier Two Priorities:

The Ad Hoc Committee is recommending that NLS adopt the following Tier Two priorities:

1. Monitoring CalPERS liability for the legacy systems
2. Advocacy
 - a. Member libraries receive advocacy training from American Library Association (ALA).
 - b. Define the role that NLS can play as an advocate for federal and state funding for libraries.



32 West 25th Avenue, Suite 201, San Mateo, CA 94403-2265
(650) 349-5538 Fax: (650) 349-5089

www.northnetlibs.org

To: NLS Executive Committee
From: Andrew Yon, Controller
Subject: Review and Approval of Proposed FY2022-23 NLS Budget
Date: May 25, 2022

BACKGROUND

The purpose of this memo is to provide the NLS Executive Committee with highlights of the NLS FY 2022-23 proposed budget. The proposed budget is \$1,575,532, which represents an 8.1% increase from the previous fiscal year's \$1,456,298.

ADMINISTRATION BUDGET

Revenues:

In 2017, the NLS Administrative Council approved an annual CPI increase to the membership fees, using the December Consumer Price Index (CPI). In FY 2019-20 NLS also approved that any contract over \$100,000 include a 5% administrative fee, and contracts below \$100,000 should include a 10% administrative fee. This modified fee structure has been applied to this schedule. Membership base allocations are based in part on population. The proposed budget includes the most current certified population figures, which are for FY 2020-21, provided by the California State Library (CSL). The CSL generally releases the latest numbers in mid-June. When the population figures are released, the schedule will be updated to reflect that information.

- The CPI in December 2021 was 4.2%, which is reflected in the attached FY 2022-23 membership fees of \$106,330 and is higher than last year's 2% CIP increase.
- We are very pleased that the Governor's current budget includes the full restoration of CLSA funds. As such, NLS's CLSA allocation is \$832,503, including \$166,501 for System Administration and \$666,002 for Baseline CLSA funds.
- The Administration revenue budget shows a credit towards Fund Balance of \$117,969.
- Revenue from grants is derived from the PLSEP grants, as NLS did not apply for any LSTA regional grants.

Expenditures:

- Contractual Services reflects \$173,546 for the FY 2022-23 NLS/PLP baseline contract.
- Contractual Services includes \$2,000 for the ongoing support of the Recovering Together website, and \$90 for the Collection Development Policy email fee for Library-to-Go.
- The Califa membership fee for all libraries is \$11,790.

COMMUNICATIONS AND DELIVERY AND LOCAL

The budget includes the following elements:

- The FY 2022-23 CLSA Baseline allocation is \$666,002 for Communications and Delivery.
- The budget reflects local library contributions of \$187,328 for delivery within NBCLS and MVLS.
- Roll-over funds include:
 - \$50,000 set aside for future purchases;
 - \$40,000 estimated of FY 2021-22 OverDrive funds.
- \$70,000 for the shared OverDrive collection, and \$44,000 for the shared eMagazine collection.
- \$498,452 to be distributed to libraries for local C&D costs, including Link+, other local eResources, local delivery, telecommunications, etc.
- Please note that at the April 2022 Executive Committee meeting, \$170,000 was approved for the OverDrive budget. The budget included in that packet noted \$60,000 of roll-over FY 2022-23 CLSA funds. Since that is a roll-over estimate, the \$60,000 was not included in this budget.

FUND BALANCE AND OPERATING RESERVE

The June 30, 2022, NLS Fund Balance is estimated to be \$1,228.151. The Operating Reserve Fund is equal to three months of the administrative costs. The NLS Operating Reserve is \$71,730. The Fund Balance includes \$24,000 reserved for attorney fees related to CalPERS work. This was approved by the NLS Executive Committee at the August 13, 2019 meeting, with \$8,000 for each legacy system. Should any system like to use these funds, it will be approved by the legacy system's council and reported back to the NLS Executive Committee. To date, no system has requested use of the funds.

CONSIDERATIONS FOR BUDGET

The NLS Executive Committee may consider the following regarding the budget:

1. The Operating Budget includes a credit of \$117,969 to the Fund Balance. Last year, the Committee chose to use some of the funds for a consultant for the CLSA study. Considerations for use of the credit include:
 - a. Restoration of the \$42,000 for Staff Development, where each library may claim up to \$1,000 for those local activities.
 - b. Allocate funds to supplement the CLSA funds for local costs related to courier or Link+ costs or other local or pandemic-related costs.
 - c. Use of some of the funds to supplement the shared OverDrive collection.
 - d. Identifying a future use of those funds to continue with the NLS CLSA study.
2. The FY 2021-22 CLSA budget included \$50,000 reserved for future purchases. NLS has three years to expend those funds. A decision should be made about the use of these funds.
 - a. The \$162,500 allocated for courier costs has not increased for many years. The NLS Executive Committee may consider increasing that base amount due to fuel surcharges. For FY 2022-23, the courier costs have increased approximately 7% due to fuel surcharges, and CPI is currently at 5%.

RECOMMENDATION

It is recommended that the NLS Executive Committee approve the FY 2022-23 budget and recommend approval to the NLS Administrative Council.

FY 2022-23 NorthNet Libraries Dues and Fees

Date:5/18/2022

Library & Academic	CSL Certified 2020-21 Population Figures	CSL FY20-21 Total Operating Expenditures	Base Dues	Delivery Admin Fee (5%>\$100K, 10%<\$100K)	OverDrive Admin Fee (10%<\$100K)	eMagazine Admin Fee (10%<\$100K)	GALE Database Admin Fee (10%<\$100K)	ProQuest Admin Fee (10%<100K)	Link+ Admin Fee (5%>\$100K)	Total Member Dues	NBCLS and MVLS Deliveries (Incl. CPI Adj)	OverDrive	eMagazine	GALE Chilton Library	ProQuest Heritage Quest**	Link+	NBCLS CalPERS Cost Share
Alpine County Library	1,142	\$ 361,839	\$ 578		\$ 8	\$ 3				\$ 589		\$ 83	\$ 33	\$ 141			
Bel-Tiburon Public Library	11,664	\$ 2,521,000	\$ 2,312							\$ 2,312						MARINet	\$ 1,691
Benicia Public Library	27,175	\$ 2,345,666	\$ 2,312	\$ 1,130	\$ 224				\$ -	\$ 3,665	\$ 22,594	\$ 2,239	\$ 1,941			SPLASH	\$ 2,119
Butte County Library	210,291	\$ 3,502,537	\$ 3,467		\$ 457	\$ 202				\$ 4,126		\$ 4,574	\$ 2,018				
CSU Chico			\$ 578							\$ 578							
Colusa County Library	21,902	\$ 1,205,156	\$ 1,156	\$ 554	\$ 10	\$ 6				\$ 1,726	\$ 5,538	\$ 102	\$ 62				
Del Norte County Library Dist.	27,298	\$ 330,849	\$ 578		\$ 43	\$ 44				\$ 664		\$ 427	\$ 438				
El Dorado County Library	193,227	\$ 3,622,455	\$ 3,467	\$ 277	\$ 833	\$ 432			\$ 951	\$ 5,961	\$ 2,770	\$ 8,333	\$ 4,322			\$ 19,018	
Folsom Public Library	81,610	\$ 1,838,674	\$ 1,156	\$ 1,108	\$ 383	\$ 192				\$ 2,838	\$ 11,077	\$ 3,828	\$ 1,916				
Humboldt County Library	133,302	\$ 3,086,915	\$ 3,467		\$ 605	\$ 382				\$ 4,454		\$ 6,049	\$ 3,823				
Lake County Library	64,040	\$ 1,169,676	\$ 1,156	\$ 2,428		\$ -				\$ 3,584	\$ 48,568						\$ 2,745
Larkspur Public Library	12,253	\$ 620,889	\$ 578							\$ 578						MARINet	\$ 730
Lassen Library District	13,717	\$ 249,639	\$ 578		\$ 22	\$ 23				\$ 623		\$ 219	\$ 231				
Lincoln Public Library	49,317	\$ 781,638	\$ 578	\$ 277	\$ 263		\$ -			\$ 1,118	\$ 2,770	\$ 2,631	\$ 1,188				
Marin County Free Library	142,424	\$ 18,251,894	\$ 4,623						\$ -	\$ 4,623						MARINet	\$ 14,179
Mendocino County Library	87,946	\$ 3,485,879	\$ 3,467	\$ 4,133						\$ 7,600	\$ 82,663						\$ 4,739
Mill Valley Public Library	14,674	\$ 2,318,637	\$ 2,312						\$ -	\$ 2,312						MARINet	\$ 1,687
Modoc County Library	9,570	\$ 271,008	\$ 578		\$ 16	\$ 10				\$ 604		\$ 161	\$ 96				
Mono County Free Library	13,464	\$ 1,196,804	\$ 1,156		\$ 76	\$ 45				\$ 1,277		\$ 762	\$ 447				
Napa County Library	133,015	\$ 8,361,809	\$ 4,623		\$ 604	\$ 444			\$ 768	\$ 6,439		\$ 6,044	\$ 4,441			\$ 15,350	\$ 8,762
Nevada County Library	98,114	\$ 4,367,958	\$ 3,467		\$ 640	\$ 375			\$ 390	\$ 4,873		\$ 6,403	\$ 3,752			\$ 7,802	
Orland Free Library	15,757	\$ 439,790	\$ 578		\$ 29	\$ 14				\$ 621		\$ 291	\$ 136				
Placer County Library	202,343	\$ 7,704,102	\$ 4,623	\$ 277	\$ 927	\$ 634				\$ 6,461	\$ 2,770	\$ 9,266	\$ 6,341				
Plumas County Library	21,461	\$ 595,172	\$ 578		\$ 46	\$ 31				\$ 655		\$ 455	\$ 312				
Roseville Public Library	145,163	\$ 4,736,857	\$ 3,467	\$ 277	\$ 609	\$ 393	\$ 59			\$ 4,805	\$ 2,770	\$ 6,085	\$ 3,934	\$ 593			
Sacramento Public Library	1,473,755	\$ 45,135,947	\$ 12,135	\$ 1,385					\$ 1,290	\$ 14,810	\$ 13,846					\$ 25,799	
Sacramento Law			\$ 578							\$ 578							
St. Helena Public Library	6,073	\$ 1,071,237	\$ 1,156	\$ 825	\$ 78				\$ -	\$ 2,059	\$ 16,493	\$ 784	\$ 511			SPLASH	\$ 756
San Anselmo Public Library	12,757	\$ 750,467	\$ 578						\$ -	\$ 578						MARINet	\$ 814
San Rafael Public Library	59,807	\$ 3,743,167	\$ 3,467						\$ -	\$ 3,467						MARINet	\$ 3,931
Sausalito Public Library	7,252	\$ 683,724	\$ 578						\$ -	\$ 578						MARINet	\$ 595
Shasta Public Libraries	178,045	\$ 2,543,502	\$ 2,312		\$ 545	\$ 415				\$ 3,272		\$ 5,454	\$ 4,152				
Siskiyou County Library	44,461	\$ 600,687	\$ 578		\$ 120	\$ 126				\$ 824		\$ 1,200	\$ 1,258				
Solano County Library	389,856	\$ 20,342,152	\$ 12,135	\$ 3,333	\$ -			\$ 799	\$ -	\$ 16,267	\$ 66,656				\$ 7,989	SPLASH	\$ 23,530
Sonoma County Library	492,980	\$ 29,061,497	\$ 12,135	\$ 2,401				\$ 870	\$ 1,430	\$ 16,836	\$ 48,012				\$ 8,701	\$ 28,596	\$ 31,477
Sutter County Library	100,750	\$ 1,525,140	\$ 1,156	\$ 1,108	\$ 136	\$ 86	\$ -			\$ 2,486	\$ 11,077	\$ 1,362	\$ 860				
Tehama County Library	65,129	\$ 553,667	\$ 578		\$ 84	\$ 44				\$ 706		\$ 840	\$ 442				
Trinity County Library	13,548	\$ 342,950	\$ 578		\$ 17	\$ 7				\$ 602		\$ 168	\$ 70				
Willows Public Library	13,643	\$ 275,343	\$ 578		\$ 21	\$ 10				\$ 609		\$ 211	\$ 103				
Woodland Public Library	60,742	\$ 2,025,472	\$ 1,156	\$ 1,108	\$ 171	\$ 98			\$ 286	\$ 2,818	\$ 11,077	\$ 1,709	\$ 977			\$ 5,720	
Yolo County Library	160,963	\$ 6,977,766	\$ 4,623	\$ 115					\$ 822	\$ 5,560	\$ 1,147					\$ 16,445	
Yuba County Library	78,887	\$ 649,411	\$ 578		\$ 32	\$ 20				\$ 629		\$ 321	\$ 195				
Total	4,889,517	\$ 189,648,972	\$ 106,330	\$ 20,734	\$ 7,000	\$ 4,036	\$ 59	\$ 1,669	\$ 5,937	\$ 145,764	\$ 349,828	\$ 70,000	\$ 44,000	\$ 734	\$ 16,690	\$ 118,730	\$ 97,754

**SPLASH Cost Shown Under Solano County Library (incl. Benicia Public Library and St. Helena Public Library)

Source: California State Library Statistics

- 2020-2021 budget (total expenditures from California State Library website)
- 2020-2021 CSL Certification of Population Figures

\$ 76,465	Link+ Invoice (incl. 5% Admin.Fee) will be sent to MARINet	
\$ 71,608	Link+ Invoice (incl. 5% Admin.Fee) will be sent to SPLASH	

Base Dues	FY22/23 (4.2% CPI*)	FY21/22 (2 % CPI)
Under 100,000 Pop. And Under \$1,000,000 Budget	\$578	\$555
Under 300,000 Pop. And Under \$2,000,000 Budget	\$1,156	\$1,109
Under 300,000 Pop. And Under \$3,000,000 Budget	\$2,312	\$2,218
Under 200,000 Pop. And Over \$3,000,000 Budget	\$3,467	\$3,328
Under 300,000 Pop. And Over \$5,000,000 Budget	\$4,623	\$4,437
Over 300,000 Pop. Or \$5,000,000 Budget	\$12,135	\$11,646

*BLS Dec 2021 CPI Index All Urban Consumers

	Total
NBCLS Delivery	\$ 284,986
MVLS Delivery	\$ 64,842

New Admin Fee for Services (Adopted NLS Exec. Comm. Mtg 8/13/19)
5% Fee for Contracts ≥ \$100K - NBCLS Delivery and Link+
10% Fee for Contracts < \$100K - MVLS Delivery, OverDrive, and Databases

NorthNet Library System

FY 2022-23 Proposed Budget Summary

Acct		ADMINISTRATION	COMMUNICATION & DELIVERY	LOCAL	TOTAL
<u>Revenue</u>					
3510	Interest Earned	\$2,000			\$2,000
3661	Membership Fees	145,764			145,764
3667	State Library CLSA	166,501	666,002		832,503
3668	LSTA-Indirect	4,730			4,730
3674	Reimbursable from Members		187,328	391,176	578,504
3000	Fund Balance	(117,969)	90,000	40,000	12,031
Total Revenue		\$201,026	943,330	431,176	\$1,575,532

<u>Expenditure</u>					
4212	Communication		4,000		4,000
4219	Professional Services				-
4220	Contractual Services	185,636	349,828	259,752	795,216
4230	Office Expense		600		600
4233	Postage		450		450
4234	Special Departmental		588,452	-	588,452
4301	Insurance	2,500			2,500
4302	Membership Fees/Dues	11,790			11,790
4303	Travel & Meeting	1,000			1,000
4373	Service Fees	100			100
4445	Reimbursable from Members			171,424	171,424
TOTAL EXPENDITURE		\$201,026	\$943,330	\$431,176	\$1,575,532

Fund Balance and Reserve	Ending 6/30/2021	Ending 6/30/2022 (EST)	Percent Change
Fund Balance	\$ 1,050,151	\$ 1,228,151	16.95%
Operating Reserves	71,730	71,730	0.00%
Legacy Systems Legal Fund (\$8K Per Sys.)	24,000	24,000	0.00%
Total	\$ 1,145,881	\$ 1,323,881	15.53%

NORTHNET LIBRARY SYSTEM
FY 2022-23 PROPOSED BUDGET

ADMINISTRATION (918)

		Adopted	Proposed	
		FY 21/22	FY 22/23	Note
<u>GL Acct</u>	<u>Revenue</u>			
3510	Interest Earned	\$10,000	\$2,000	State Treasurer's LAIF Investment
3661	Membership Fees	122,238	145,764	NorthNet Members Dues
3667	CLSA-State Library	161,474	166,501	CLSA System Admin Funds
3667	State Library Grants-Indirect			
3668	Federal Grants-LSTA Indirect	3,637	4,730	Indirect Costs-PLSEP Grant
3000	Budgeted Fund Balance	(111,396)	(117,969)	Fund Balance (Credit)
	TOTAL REVENUE	\$185,953	\$201,026	8.11%
	<u>Expenditure</u>			
4220	Contractual Services	\$130,563	\$173,546	NLS/PLP Baseline Contract
4220	Contractual Services	10,000	10,000	Annual Single Audit Services
4220	Contractual Services	30,000	2,090	Recovering Together Website Services \$2,000; Collection Development Email Fee \$90
4301	Insurance	2,500	2,500	Professional Liability Insurance
4302	Membership Fees & Dues	11,790	11,790	Califa Membership Fees for Members
4303	Travel & Meeting	1,000	1,000	Annual Meeting
4373	Service Fees	100	100	Bank Fees
	TOTAL EXPENDITURE	\$185,953	\$201,026	8.11%

NORTHNET LIBRARY SYSTEM
FY 2022-23 PROPOSED BUDGET

COMMUNICATION & DELIVERY (916)

		Adopted FY 21/22	Proposed FY 22/23	Note
<u>GL Acct</u>	<u>Revenue</u>			
3667	CLSA State Library	\$653,660	\$666,002	CLSA C & D Funds
3674	Reimbursable Costs	162,694	187,328	NBCLS & MVLS Deliveries (\$349,828 - \$162,500 CLSA Funds)
3000	Fund Balance - CSLA	36,781	90,000	FY21/22 Roll-Over Unused CLSA Funds- (\$40K OverDrive, \$50K future purchases)
	TOTAL REVENUE	\$853,135	\$943,330	10.57%
	<u>Expenditure</u>			
4212	Communication	\$4,000	\$4,000	Conferencing Services; Website Hosting \$2,500
4220	Contractual Services	325,194	349,828	MVLS (\$64,842) and NBCLS (\$284,986) Delivery Services
4230	Office Supplies	600	600	NLS Checks and Envelopes
4233	Postage	450	450	USPS, UPS, FedEx
4234	Special Departmental	\$436,110	\$498,452	CLSA allocation for members (including the \$70,000 for OverDrive & \$44,000 for eMagazine)
4234	Special Departmental	36,817	40,000	Roll-over CLSA allocation for OverDrive
4234	Special Departmental	50,000	50,000	Future Purchases
	TOTAL EXPENDITURE	\$853,171	\$943,330	10.57%

NORTHNET LIBRARY SYSTEM
FY 2022-23 PROPOSED BUDGET

LOCAL (915)

		Adopted FY 21/22	Proposed FY 22/23	Note
<u>GL Acct</u>	<u>Revenue</u>			
3674	Reimbursable Costs	\$146,817	\$114,000	OverDrive Collection (\$70,000)+ eMagazine (\$44,000)
3674	Reimbursable Costs	18,170	17,424	Gale Databases-Chilton Library \$734; ProQuest \$16,690
3674	Reimbursable Costs	252,187	259,752	Member Libraries Link+ Cost Reimbursements
3000	Fund Balance		40,000	Roll-over FY21/22 OverDrive Funds
TOTAL REVENUE		<u>\$417,174</u>	<u>\$431,176</u>	3.36%
	<u>Expenditure</u>			
4220	Contractual Services	\$ -	\$ 259,752	Link+ Year 4 Cost
4234	Special Departmental	252,187		<i>Moved to New Contractual Services Account</i>
4445	Reimbursable-Library Expenses	\$146,817	\$154,000	OverDrive Collection (\$70,000)+ eMagazine (\$44,000)+Roll Over OverDrive Funds \$40,000
4445	Reimbursable-Library Expenses	18,170	17,424	Gale Databases-Chilton Library \$734; ProQuest \$16,690
TOTAL EXPENDITURE		<u>\$417,174</u>	<u>\$ 431,176</u>	3.36%

System Information

FY 2022/2023

System Name: NorthNet Library System			
Director: Carol Frost		Email: frost@plpinfo.org	
Address: 32 West 25 th Ave., Suite 201		City: San Mateo	State: Zip: CA 94403
Phone: 650-349-5538		Fax: 650-349-5089	

System Chair for FY 2022/2023 (if known): Mark Fink	Fiscal Agent: Pacific Library Partnership
--	--

Date approved by Administrative Council:
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X	
Signature of System Administrative Chair for FY 2022/2023	Date
Print Name: Mark Fink	

Demographics of System Service Area

System Population Profile, FY 2022/23

Total Population of System Service Area: 4,877,656 ^a

Total Population of the System Service Area should come from the State Library certified population numbers

Underserved Population	Number	Percentage of Total Population
Economically Disadvantaged ^b (Below poverty level)	595,409	12.21%
Institutionalized ^c	64,436	1.32%
Aged (65+) ^d	854,619	17.52%
Children & Youth: ^d		
• Under 5	280,813	5.76%
• 5 to 9	296,742	6.08%
• 10 to 14	312,703	6.41%
• 15 to 19	307,820	6.31%
Handicapped ^e	559,605	11.47%
Speakers of limited English or English as a Second Language ^f	454,952	9.33%
Non-English Speaking ^g	1,161,590	23.81%
Ethnicity ^f		
• Black	260,527	5.34%
• Hispanic	1,089,132	22.33%
• Asian	496,279	10.17%
• Native American	53,483	1.10%
• Other (specify)	29,192	0.60%
Geographically Isolated (RURAL) * see note ^h	690,996	14.17%
Functionally Illiterate ⁱ	1,065,144	21.84%
Shut-In ^j	218,056	4.47%

List source(s) of this data: (example US Census Bureau, California Library Statistics, Population Projections from Department of Finance)

^a Use the CA State Certified Population Figures 2021

^b U.S. Census Bureau, 2016-2020 American Community Survey 5-Year Estimates (S1701)

^c U.S. Census Bureau, 2010 Census, Housing Characteristics, Institutionalized (P29)

^d U.S. Census Bureau, 2016-2020 American Community Survey 5-Year Estimates, Demographic and Housing Estimates (DP05)

^e U.S. Census Bureau, 2016-2020 American Community Survey 5-Year Estimates, Disability Characteristics (S1810)

^f U.S. Census Bureau, 2016-2020 American Community Survey 5-Year Estimates, Selected Social Characteristics in the US (based on population 5 years and over who "Speak English less than 'very well'") (DP02)

^g U.S. Census Bureau, 2016-2020 American Community Survey 5-Year Estimates (S1601)

^h "For the 2010 Census, the Census Bureau classified as urban all territory, population, and housing units located within urbanized areas (UAs) and urban clusters (UCs), both defined using the same criteria. The Census Bureau delineates UA and UC boundaries that represent densely developed territory, encompassing residential, commercial, and other nonresidential urban land uses. In general, this territory consists of areas of high population density and urban land use resulting in a representation of the "urban footprint." Rural consists of all territory, population, and housing units located outside UAs and UCs. * Typically, Rural Areas are cities with populations of less than 10,000 "

ⁱ U.S. Dept. of Ed. Institute of Educational Sciences National Assessment of Adult Literacy

^j United States Census Bureau, American Fact Finder/ 2012-2016 American Community Survey, Disability Characteristics (Shut-in was based on noninstitutionalized population 18+ "with an independent living difficulty") (S1810)

Describe briefly how this data will be used to plan CLSA-funded services:

This data is use for planning activities of our various committees and to serve all segments of the underserved.

Comments/ Additional Information:

*** Geographically Isolated/ Rural**

For the 2010 Census, the Census Bureau classified as urban all territory, population, and housing units located within urbanized areas (UAs) and urban clusters (UCs), both defined using the same criteria. The Census Bureau delineates UA and UC boundaries that represent densely developed territory, encompassing residential, commercial, and other nonresidential urban land uses. In general, this territory consists of areas of high population density and urban land use resulting in a representation of the "urban footprint." Rural consists of all territory, population, and housing units located outside UAs and UCs.

* Typically, Rural Areas are cities with populations of less than 10,000

Funding for Communications and Delivery – FY 2022/2023

There are two sections to this portion of the plan. The first section requires your best estimate for workload for the physical delivery of items, and estimated totals for e-resources, training, and broadband usage. The second section contains several questions that help us understand your plans for communication and delivery.

Section 1

Estimated Workload of Physical Delivery

Physical Items Sent by:	Physical Items Delivered to:			
	System Member Public Libraries	Non-public Libraries in System Area	TOTAL	
a. System member public library	900,000	0	900,000	
b. Non-public libraries in System area	0	0	0	
TOTAL	900,000		900,000	
		System Owned	Contracted Vendor	
c. Number of delivery vehicles that physically move items			4	
d. Frequency/schedule of physical delivery service			1-5 days	
e. Percentage of items to be physically delivered by:				
U.S. Mail	UPS	System Van	Contracted Van	Other
18%	.5%	%	81.5%	%

Estimated Totals for e-Resources, Training, and Broadband Usage

f. Estimated total number of e-resources to be purchased (circulated/downloaded/streamed, etc.) for residents of System member libraries	991,663 circulations
g. Percentage of CLSA funds to be spent on e-resources?	59%
h. Percentage of CLSA funds to be used for Broadband technology improvements	.001%

“It is the intent of the California Library Services Act is to provide all residents with the opportunity to obtain from their public libraries needed materials and informational services by facilitating access to the resources of all libraries in this state. This policy shall be accomplished by assisting public libraries to improve service to the underserved of all ages, and by enabling public libraries to provide their users with the services and resources of all libraries in this state.” (Education Code 18702)

When submitting your Library Systems’ proposals, they shall be based upon the most cost-effective methods of exchanging print and digital materials and information among the member libraries.

Unless otherwise prohibited by Education Codes 18745-18746, intra-system communication, delivery, and resource sharing include the acquisition or maintenance of technology or digital transmission products required to locate, create, or make accessible digital, virtual, or electronic material, which may also include telecommunication equipment and its installation along with service fees. The System must describe the communication, delivery method, or shared resource and the outcome of providing it.

Section 2 Funding Goal (What have you done, for whom, and for what benefit?)

1. How will the Library System determine the needs of their community. Please describe the goals for the Communication and Delivery funding for your Library System and how it addresses that need.

The primary goals for NLS are to share materials and resources (both physical and electronic) , and these goals are being met through using CLSA funds to support shared courier/delivery services and shared eMaterials including eBooks, eAudiobooks and eMagazines.

NLS leadership has conducted numerous member surveys over the past several years to understand how they can better serve all NLS libraries and their communities, and to determine how to most equitably distribute and allocate CLSA funding throughout the region. From the survey results and member recommendations, NLS decided to perform a study, and in September 2021, the NLS Executive Committee issued a Request for Proposal and subsequently hired a qualified consultant to study the existing cost share formula for public libraries for California Library Services Act (CLSA) funds, as well as examine the priorities of services paid for using CLSA funds. The study included an analysis of the current CLSA member cost share formula, the current CLSA shared services cost allocation plan, and the current CLSA menu of services. The analysis also included a review of recent member surveys and results, surveys and interviews with NLS directors, analysis of formulas from other CLSA cooperatives, and other data points. A draft report with an analysis and recommendations for modifications to the existing program has been presented to the NLS Executive Committee, and a final report and presentation will be provided to the NLS Administrative Council at their June 2022 Annual Meeting.

2. Please specify how the Library System will spend its 2022-2023 CLSA allocation of funding and provide specifics amounts allocated for each service or program based on your C&D Service Program Budget Request. Provide details of the services and how many libraries will benefit from the funding.

Delivery – In FY 2022/23, CLSA funds will continue to support the physical movement of resources from one library to another. This delivery system enables resource sharing among System members which is a high priority for most NLS libraries. For FY 2022/23, the total cost of delivery for NLS member libraries includes two contract courier services totals \$349,828. Twenty-four percent of the NLS FY 2022/23 CLSA budget (or \$162,500) is allocated support the contracted services of two couriers serving the Mountain Valley Library System (10 libraries) and the North Bay Cooperative Library System (6 libraries), with additional local and inter-library delivery services paid with local funding.

Shared e-resources remain a priority for all NLS members, especially those in smaller, more geographically remote areas. NLS surveyed member libraries to determine funding priorities for their CLSA shared e-resources. The NLS Executive Committee approved a portion of the FY 2022/23 allocation of CLSA funds to the e-resources consortia of OverDrive eBooks/eAudiobooks and eMagazines. For **OverDrive eBooks/eAudiobooks**, the investment in the shared collection among 27-member library systems has proven to be very successful, and usage continues to increase. For **OverDrive eMagazines**, the shared consortium purchase allows members to receive significant discounted subscription rates on electronic periodicals. Using the menu of choices for libraries (described in #6 below), libraries may allocate CLSA funds to support the NLS shared OverDrive collection, or to allocate funds to other shared eCollections. Shared e-resources (including eBook, eAudioBooks and eMagazines) will account for an estimated \$350,000 of the FY 2022/23 C&D budget or 59%.

Resource Sharing - In FY 2022/23, NLS will allocate \$63,502 of CLSA funds to support **Link+**. In FY 2019/2020, NLS completed two years of negotiations to establish a Link+ master contract with Innovative Interfaces Inc, absorbing the contracts of the 14 existing NLS Link+ libraries and adding four new NLS libraries (El Dorado County, Sonoma County, Woodland Public and Nevada County libraries). The shared contract is saving NLS participating libraries nearly \$17,000 annually.

Broadband – Using the menu of choices for libraries (described in #6 below), it is estimated that five libraries may allocate an estimated \$950 for broadband hardware, and \$40,000 for CENIC or other service provider costs.

Knowledge Sharing/Document Repository - NLS, in cooperation with the other eight CA cooperative library systems, continues to support the on-going development of CLSA-INFO (website is clsainfo.org), a knowledge-sharing database for systems and libraries statewide. This document sharing tool was created as a direct result of one strategic priority (knowledge-sharing) identified by five of 9 of the eight systems. Documents created in response to COVID-19 regarding protocols of library closures and reopening practices continue to be posted to CLSA-INFO. Participation in the Knowledge Sharing requires no monetary fee.

3. How did you determine the funding amounts per your C&D Service Program Budget Request?

The funding amounts are based off the NLS priorities that are reviewed and approved annually by the NLS Executive Committee, and also the CLSA funding formula which divides the Baseline amount among libraries using a formula of population and operating budget expenditures.

4. If it will take you longer than 1 year to spend 2022-2023 funding specify why?

It is not expected that the funds will take longer than one year to expend. However, should there be funds unexpended, it may be in relation to the shared OverDrive eMaterials budget. This is due to the CLSA funds not being received until halfway through the fiscal year, resulting in a limited time frame to expend the funds.

5. If you plan on using roll-over funds from a previous year to supplement 2022-2023 funding goals; what are the amounts, for which program or service will it be used, and what was the original intent on that funding when approved by the Board?

In FY 2021-22, NLS allocated \$50,000 for possible future eResource sharing opportunities. The NLS Executive Committee will discuss these funds in more detail at a meeting during the coming year.

It is also expected that there will be approximately \$40,000 of FY 2021-22 funds remaining from the shared OverDrive eMaterials budget (please see #4 above for explanation). Those funds are expected to be expended in FY 2022-23.

6. How will the System's Communication and Delivery funds be disbursed (i.e., system wide, allocated to individual libraries, mix)? If not, all libraries are participating in programs/services indicate which ones are and why others are not served (i.e., choice, funds, etc.).

The Communication and Delivery baseline funds are allocated into two categories. The first category includes Baseline services for NLS, including office supplies, postage, and basic

communications. Over the past 2 years, because of the pandemic, the use of Zoom for communication has increased significantly, and the Baseline costs include Zoom, a toll-free 800 number phone line, as well as costs for the website support. The budget includes \$5,050 for these Baseline services.

The second category is allocating a portion of Baseline CLSA funds back to the libraries for them to choose their own priority for expending CLSA funds, based on an approved menu for the libraries to choose from, with the expectation that all members will benefit equally from CLSA funding. The NLS CLSA distribution formula is based on 50% service population and 50% library budget. Member libraries contribute additional local resources to support Communications and Delivery on local level. All NLS member libraries participate in some level of shared resources. The approved menu includes Link+; purchasing OverDrive or CloudLibrary eMaterials in a shared environment; funds to support SimplyE; software which supports curbside pick-up for either their primary or one of their primary methods of delivery of material to patrons for the upcoming year; and for three or more libraries to join together and purchase software that supports remote reference, such as ZenDesk. The budget allocates \$498,492 for member libraries to choose from the menu of services.

NLS libraries have determined that delivery remains a priority expenditure of their CLSA C&D allocation. CLSA and local funds support delivery services within two of the NLS regions. The delivery is handled through couriers and the contracts and funds are managed centrally. In FY 2022/23, \$162,500 of CLSA funds are budgeted to support the contracted services of two couriers serving the Mountain Valley Library System (10 libraries) and the North Bay Cooperative Library System (6 libraries), with additional local and inter-library delivery services paid with individual CLSA allocations and/or local funding. Libraries who do not use delivery contracts (non-available or cost prohibitive in most remote areas) utilize UPS or US Postal Service to move materials and share resources among other library jurisdictions.

7. How will the System determine and evaluate that the funding goals for their community where met?

ILL statistics will continue to be tracked and reported to evaluate if C&D expenditures are meeting the goals of NLS and the communities they serve. Use of shared e-resources will be measured and compared to the most recent fiscal year to demonstrate that aspect of the C&D program for FY 2022/23. We continually monitor the effectiveness of services through feedback from member libraries.

8. Are the programs funded by CLSA (those proposed in your C&D Service Program Budget Request) being supplemented with local funds and if so, how much, and what percentage of the funding? Please briefly describe how any non-CLSA funds will be used to support communication and delivery. This information will help to document the significant contributions of non-CLSA funds toward library cooperation in California.

NLS member libraries will contribute approximately \$187,328 in local funds to support 5-day delivery. In addition, local funding is dedicated to supplement CLSA to enable effective resource sharing. NLS libraries are committed to continue supporting e-resources with local funding, as well as the physical delivery of items within the system, even as delivery costs have increased significantly over the past few years.

9. If the System is providing e-resources, what exactly are those e-resources? (How many libraries are you providing this service to)

Shared e-resources include OverDrive (eBooks and eAudiobooks) with FY 2021/22 circulation among 27 member library systems at 884,358 (thru April 30, 2022). Also used among NLS members is an eMagazine resource with circulation among member libraries at 66,482 (through April 30, 2022).

Formats	% of Circulation
eBooks	51.5%
eAudiobooks	41.5%
eMagazines	7%
eVideo	<1%

The audience breakdown is based on eBooks/eAudiobook circulation:

Audience	% of Circulation
Adults	79%
Young Adult	9%
Juvenile	12%

10. Describe the System's current delivery model. Specify if it changed from last year or if the System will be making any changes in the upcoming year.

Due to the geographic size of our region, NLS libraries use a combination of several delivery models including US Postal Service and private delivery services for remote locations with low volume as well as contracted services by delivery companies for moving high volume loads between member libraries using a shared ILS in more populated areas. Contracted couriers service the Mountain Valley and the North Bay library systems. There is no change from prior year to the NLS delivery model.

11. What is the estimated average cost (including library and system staff time) to move one item in the region? Please provide a description of how the System utilized C&D administrative funding? (i.e., staff, what type of staff, do which program did you allocate staff, how much time was allocated)

Because of the variations in delivery demand and method, the costs differ from one region to another. For contracted services, costs are based on volume, number of stops and distance. Cost of shipping items through package delivery is determined based on weight and other variables. Approximately 16 of the 40 NLS member libraries utilize a contract courier service to move items, in addition to their local branch-to-branch delivery.

Administrative funding is allocated to .33 FTE of the Coordinator's salary, .10 FTE of the CEO salary, .11 FTE of the Controller's salary, .2 of the Operations Manager's salary, .08 of the Accounting Clerk's salary, .04 of the Administrative Assistant II's salary, .1 of the Administrative Assistant's salary, and .09 of the Discal and Administrative services Specialist's salary. The allocated time supports coordination of and attendance at 10-12 Council and Committee meetings annually to support the three legacy systems of NLS as well as the NLS Executive Committee and Administrative Council; work with members and the Executive Committee to allocate CLSA funds; oversee contract negotiations for work related to expenditures of funds; work with accounting staff to ensure all CLSA budgets and reports are submitted and ensure compliance; payment of invoices; liaison with California Library Staff, attend California Library Service Board meetings.

12. Will the System be using any of the communications funding to address broadband connectivity issues? If so, what were the funds used for and what were the connectivity issues? If this includes installation along or service fees, please specify the cost and which member libraries will benefit (please list libraries)?

Broadband is of great interest, and several NLS libraries continue to benefit from the original California Public Library's Broadband Project. That grant funding allowed several NLS member libraries to leverage local funding in order to apply for State funds and to significantly increase their broadband capabilities.

The geographic span of NLS and the large number of members (40), however, means that broadband connectivity will not come to all members at the same time or in the same way. NLS staff will encourage member libraries to apply for any new Broadband funding offered through the California State Library as many NLS libraries would qualify under the targeted "hard to connect library locations."

The expansion of eligible C&D costs regarding Broadband expenditures approved by the CLSB in 2020 assisted NLS libraries to enhance hardware and security on their networked systems. In FY 2022/23, it is estimated that five libraries may allocate an estimated \$950 for broadband hardware, and \$40,000 for CENIC or other service provider costs.

Future Plans for Cooperative System

Given the uncertainty of State funding, how is your cooperative system preparing and planning for the future? How will the System be funded? What services are priorities? And lastly, how will your system evolve?

The FY 2022/23 CLSA budget for NLS has been developed with guidance from the NLS Executive Committee and NLS membership. Although CLSA funding was restored, NorthNet remains cautious regarding its budget, as it does not know when another CLSA reduction may occur. Delivery remains an NLS priority expenditure for CLSA.

Disaster Recover Support: At the request of the NLS Executive Committee, NLS will use some of its membership fees to support the website, <https://www.libraryrecovery.org/>. NLS will continue to support its 'buddy system' for disasters, such as the recent wildfires. Other grant opportunities will be considered as they become available.

NLS Website: The NLS website will continue to maintain the website that allows for sharing of initiatives and communication with members regarding current meeting notifications, as well as historical documentation.

Evaluation of the NLS CLSA Allocation Formulas:

Through membership discussion and at the direction of the NLS Executive Committee, NLS hired a consultant to review its current formula for CLSA funds, with the acknowledgement that this formula has not been reviewed in more than ten years. Recommendations from the completed Study will be reviewed and approved by the Administrative Council at their Annual Meeting in June 2022.

California State Library
C&D Service Program Budget Request Fy 2022/2023
(Section 18745)

System Administration

A) Personnel (Salaries & Personnel)

Classification	FTE/NO of positions	Salary	Benefits	Total
Coordinator	0.33	\$ 50,700		\$50,700
CEO	0.1	\$ 21,640	\$ 4,784	\$26,424
Controller	0.11	\$ 20,026	\$ 4,912	\$24,937
Operations Manager	0.2	\$ 20,609	\$ 7,201	\$27,810
Accounting Clerk	0.08	\$ 4,886	\$ 1,819	\$6,705
Administrative Assistant II	0.04	\$ 2,934	\$ 1,257	\$4,192
Administrative Assistant	0.1	\$ 4,287	\$ 123	\$4,410
Fiscal&Admin Services Specialist	0.09	\$ 9,016	\$ 3,150	\$12,167
Total of A	1.05			\$157,345
AMOUNT BUDGETED				

B) Planning, Coordination, & Evaluation (PC&E)

Total of B	AMOUNT BUDGETED	\$ -
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C) Indirect Cost (Do not include PC&E and provide description of services)

Contracted services to PLP for fiscal and administrative support and services (preparation of system for audit, budgeting, accounts receivable and payable, contract preparation and submission of reports, fiscal accountability). Includes overhead costs.

Total of C	AMOUNT BUDGETED	\$ 9,156
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TOTAL OF A-C	\$ 166,501
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C&D Service Program Budget Request FY 2022/2023 (Section 18745)

Baseline Budget

D) Operations

1.Office Supplies		
duplication/photocopy		
postage		
general office supplies		\$ 600
other		
		AMOUNT BUDGETED \$ 600
2.Training (C&D program related)		
		AMOUNT BUDGETED
3. E-Resouces:		
ENKI		
Zinio		
OverDrive		\$ 350,000
Flipster		
Hoopla		
Bibliotheca Cloud Library		
E-books (please specify)		
E-Magazines (please specify)	Shared OverDrive eMagazine collection	\$ 44,000
E-Audiobooks (please specify)		
PressReader		
Simply E		
Other not specified (name service):		
Other not specified (name service):		
Other not specified (name service):		
Total of 3		AMOUNT BUDGETED \$ 394,000
4. Contracted Services for Delivery		
UPS		
US Postal Service		\$ 450
Contracted Van/ Courier		\$ 162,500
Software that supports Remote Reference		
Software that supports Curbside Pickup		
Other		
Total of 4		AMOUNT BUDGETED \$ 162,950
5.System Van/Vehicle		
Fuel		
Insurance		
Maintenance		
Other (specify)		
Total of 5		AMOUNT BUDGETED \$ -

C&D Service Program Budget Request FY 2022/2023 (Section 18745)

6. Telecommunications		
Conferencing Services		\$ 1,500
Support		
ZOOM		
Internet		
Website updates/hosting		\$ 2,500
Phone/Fax		
Telecommunications equipment		
Other (specify)		
Total of 6	AMOUNT BUDGETED	\$ 4,000
7. Broadband		
Service Provider Fees (CENIC or other)		\$ 40,000
Connection Fees		
Disconnection Fees		
Hardware Cost (Specify)	Routers, Switches	\$ 950
Warranty Cost For Data Centers/Firewalls/Routers/Switches		
Total of 7	AMOUNT BUDGETED	\$ 40,950
8. Resource Sharing		
Link+		\$ 63,502
Document Depository		
Knowledge Sharing Database		
Other (Specify)		
Other (Specify)		
Total of 8	AMOUNT BUDGETED	\$ 63,502
9. Other (with prior approval) and Planning, Coordination, & Evaluation (PC&E) not used in System Administration		
Audit		
Other (Specify)		
Total of 9	AMOUNT BUDGETED	\$ -
Total of Items 1-9 Section D		\$ 666,002
Total from A-C from SysAdmin		\$166,501
TOTAL OF A-D		\$ 832,503

**FY 2022-23 Proposed CLSA Budget
BUDGET SUMMARY**

Expense Category	Communication and Delivery Program
System Administration (PC&E)	\$ 166,501
Salaries and Benefits	\$ 157,345
PC&E	\$ -
Indirect	\$ 9,156
SUBTOTAL	\$ 166,501
Baseline	\$ 666,002
Operations	\$ 666,002
Equipment	
SUBTOTAL	\$ 666,002
TOTAL	\$ 832,503

C&D FUNDING: System Administration 20%
System Baseline 80%

NORTHNET LIBRARY SYSTEM

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

JUNE 30, 2021



May 17, 2022

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

We have audited the basic financial statements of the NorthNet Library System as of and for the year ended June 30, 2021, and have issued our report thereon dated May 17, 2022. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated March 17, 2022 our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

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

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

Planned Scope and Timing of the Audit

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

Compliance with All Ethics Requirements Regarding Independence

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

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

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

Significant Accounting Estimates

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

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

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

Financial Statement Disclosures

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

Significant Difficulties Encountered during the Audit

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

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements.

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

Disagreements with Management

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

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated May 17, 2022.

Management's Consultations with Other Accountants

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

Other Significant Matters, Findings, or Issues

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

Communication of Internal Control Related Matters

In planning and performing our audit of the financial statements, we considered the NorthNet Library System's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of NorthNet Library System's internal control. Accordingly, we do not express an opinion on the effectiveness of NorthNet Library System's internal control.

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

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

This communication is intended solely for the information and use of the Administrative Council and management of NorthNet Library System, others within the organization and Federal and State agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Joseph J. Arch

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

NORTHNET LIBRARY SYSTEM
BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

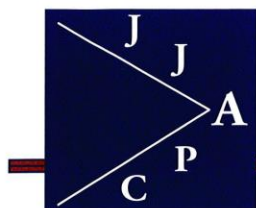
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NorthNet Library System
Basic Financial Statements
For the year ended June 30, 2021

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JJACPA, Inc.

A Professional Accounting Services Corp.

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying basic financial statements of the NorthNet Library System (NLS) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise NLS's basic financial statements as listed in the table of contents. The prior-year comparative total information presented has been derived from the NLS's 2020 basic financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

Other Matters

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2022 on our consideration of NLS's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the NLS's internal control over financial reporting and compliance.

May 12, 2022

JJACPA, Inc.
JJACPA, Inc.
Dublin, CA

NorthNet Library System

Management's Discussion and Analysis

For the year ended June 30, 2021

Management's Discussion and Analysis

This section of the NorthNet Library System's (NLS) basic financial statements presents management's discussion and analysis of NLS's financial performance during the fiscal year ended June 30, 2021. Since this management's discussion and analysis is designed to focus on current activities, resulting change, and current known facts, please read it in conjunction with NLS's basic financial statements (pages 12 and 13) as well as the footnotes to the financial statements (pages 15 - 22).

Financial Highlights

At June 30, 2021, NLS ended the year with a net position balance of \$1,094,794 which is a decrease of \$186,456 over the net position balance of \$1,281,250 at June 30, 2020. This decrease was primarily due to expenditures of unused carryover grant funds from the State Library.

Using This Report

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

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

NorthNet Library System
Management's Discussion and Analysis, *continued*
For the year ended June 30, 2021

Financial Analysis of NLS as a Whole

Statement of Net Position
As of June 30, 2021 and 2020

	2021	2020	Increase (Decrease)	Percent Change
Assets:				
Current Assets	\$ 1,536,131	\$ 1,921,579	\$ (385,448)	-20.1%
Total Assets	<u>1,536,131</u>	<u>1,921,579</u>	<u>(385,448)</u>	-20.1%
Liabilities:				
Current Liabilities	441,337	527,385	(86,048)	-16.3%
Total liabilities	<u>409,210</u>	<u>527,385</u>	<u>(86,048)</u>	-16.3%
Deferred inflows - Unavailable revenue	<u>32,127</u>	<u>112,944</u>	<u>(80,817)</u>	-71.6%
Net position:				
Restricted	71,730	71,730	-	0.0%
Unrestricted	<u>1,023,064</u>	<u>1,209,520</u>	<u>(186,456)</u>	-15.4%
Total net position	<u>1,094,794</u>	<u>1,281,250</u>	<u>(186,456)</u>	-15.4%
Total liabilities, deferred inflows and net position	<u>\$ 1,536,131</u>	<u>\$ 1,921,579</u>	<u>(385,448)</u>	-20.1%

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

Net position of \$1,536,131 at June 30, 2021, consisted of \$1,023,064 unrestricted amount available for operations.

NorthNet Library System
Management's Discussion and Analysis, *continued*
For the year ended June 30, 2021

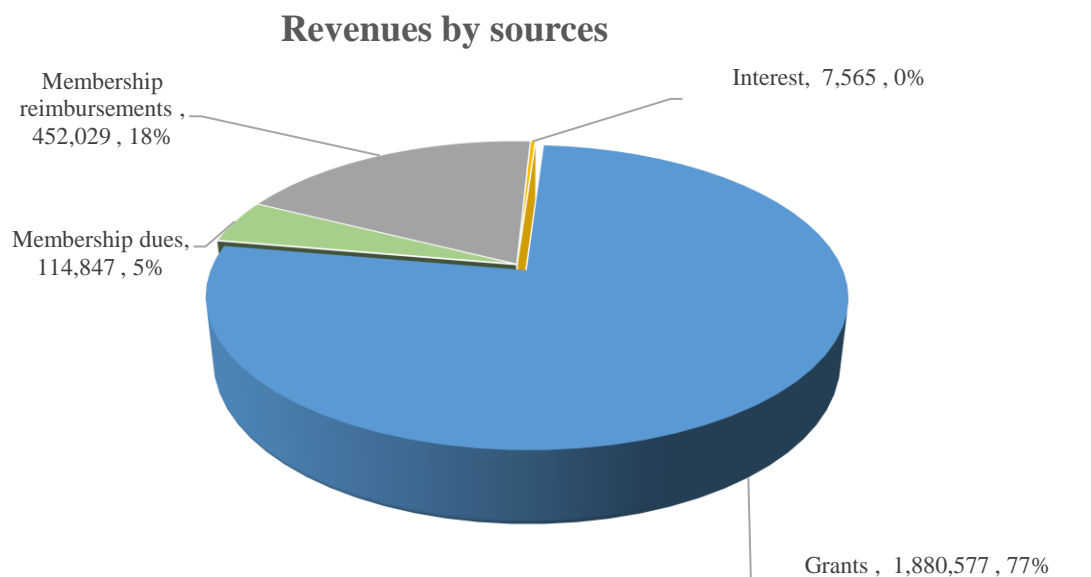
Financial Analysis of NLS as a Whole, *continued*

Operating Results
For the years ended June 30, 2021 and 2020

	2021	2020	Increase (Decrease)	Percent Change
Operating expenses	<u>\$ 2,641,474</u>	<u>\$ 2,957,609</u>	<u>\$ (316,135)</u>	-10.7%
Program revenues:				
Grants	1,880,577	2,059,970	(179,393)	-8.7%
Membership dues	114,847	124,116	(9,269)	-7.5%
Membership reimbursements	<u>452,029</u>	<u>541,150</u>	<u>(89,121)</u>	-16.5%
Total program revenue	<u>2,447,453</u>	<u>2,725,236</u>	<u>(268,514)</u>	-9.9%
Net operating expenses	<u>194,021</u>	<u>232,373</u>	<u>(38,352)</u>	-16.5%
General revenue:				
Interest	<u>7,565</u>	<u>36,493</u>	<u>(28,928)</u>	-79.3%
Total general revenue	<u>7,565</u>	<u>36,493</u>	<u>(28,928)</u>	-79.3%
Increase (decrease) in net position	(186,456)	(195,880)	9,424	-4.8%
Net position:				
Beginning of year	<u>1,281,250</u>	<u>1,477,130</u>	<u>(195,880)</u>	-13.3%
End of year	<u>\$ 1,094,794</u>	<u>\$ 1,281,250</u>	<u>\$ (186,456)</u>	-14.6%

In fiscal year 2020-21, program revenues were primarily from grants and memberships, which amounted to \$2,447,453. General revenues consisted of interest revenue.

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



NorthNet Library System
Management's Discussion and Analysis, *continued*
For the year ended June 30, 2021

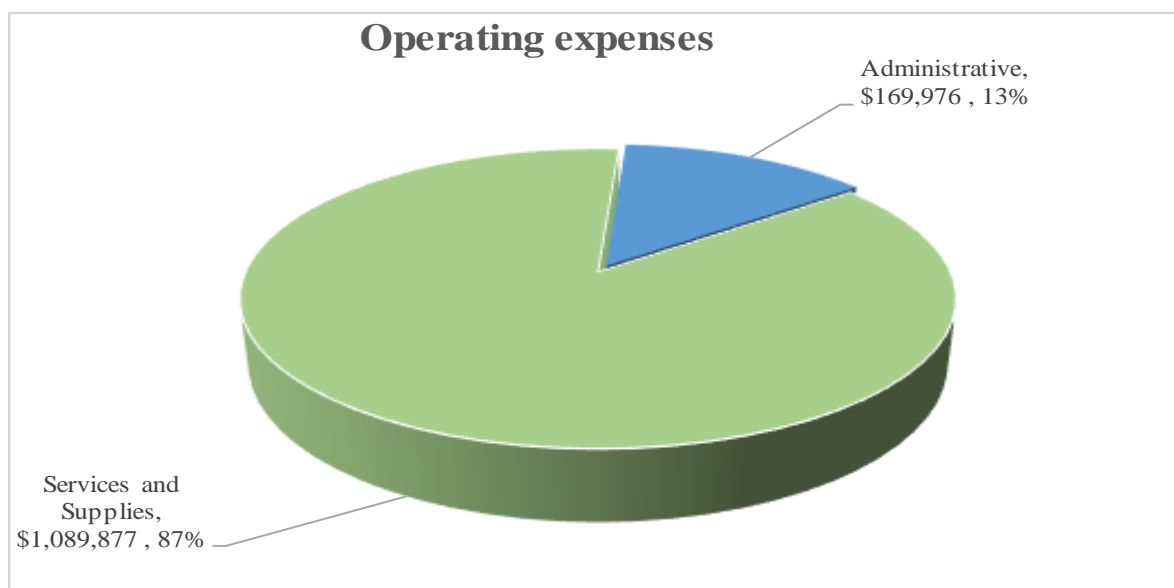
Financial Analysis of NLS as a Whole, *continued*

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

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Operating expense:				
Administrative	\$ 169,976	\$ 94,402	\$ 75,574	80.1%
Services and Supplies	<u>1,089,877</u>	<u>1,718,690</u>	<u>(628,813)</u>	-36.6%
Total	<u>\$ 1,259,853</u>	<u>\$ 1,813,092</u>	<u>\$ (553,239)</u>	-30.5%

Operating expenses in the amount of \$1,259,853 were split amongst two major categories; administrative and services and supplies.

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



Analysis of Net Position
As of June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Net Position:				
Restricted	\$ 71,730	\$ 71,730	\$ -	0.0%
Unrestricted	<u>1,023,064</u>	<u>1,209,520</u>	<u>(186,456)</u>	-15.4%
Total	<u>\$ 1,094,794</u>	<u>\$ 1,281,250</u>	<u>\$ (186,456)</u>	-15.4%

The decrease in net position of \$186,456 is primarily due to expenditures of unused carryover CLSA funds from the State Library.

NorthNet Library System
Management's Discussion and Analysis, *continued*
For the year ended June 30, 2021

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In considering NLS's Budget for fiscal year 2021-22 the Administrative Council and management used the following criteria:

The key assumptions in our revenue forecast were:

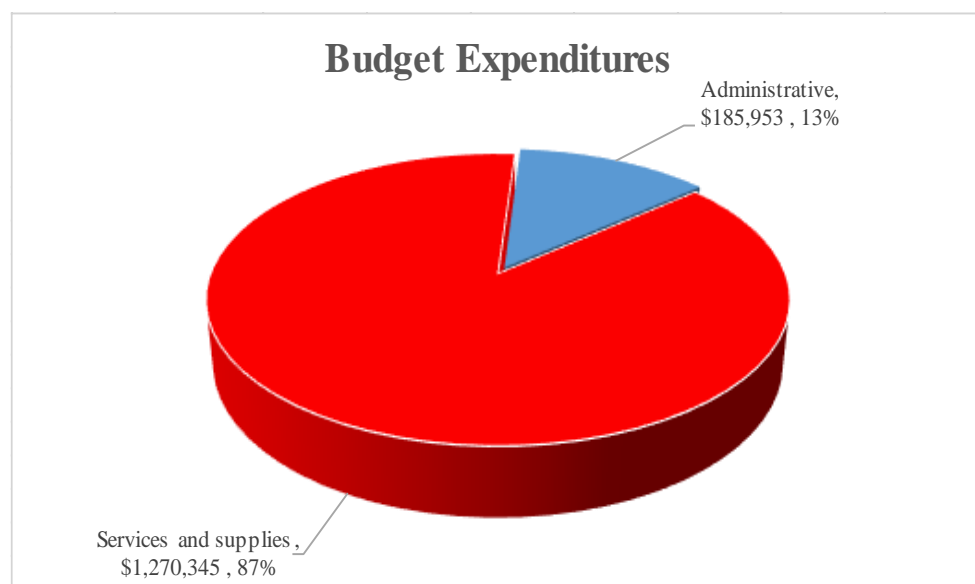
1. Interest earnings are to remain low or flat.
2. State Library and membership fees are expected to be approximately the same.

The adopted budget for the new fiscal year of 2021-22 was \$1,456,298 and is summarized as follows:

	<u>FY 2021-22</u>	<u>FY 2020-21</u>	<u>Percentage change</u>
Expenditures:			
Administrative	\$ 185,953	\$ 310,366	-40.1%
Services and supplies	<u>1,270,345</u>	<u>926,145</u>	37.2%
Total Expenditures	<u>1,456,298</u>	<u>1,236,511</u>	17.8%
Total budget	<u>\$ 1,456,298</u>	<u>\$ 1,236,511</u>	17.8%

1. Administrative – Shows a decrease of approximately 40.1%, which is mainly due to decrease in administrative support contract expenses.
2. Services and Supplies – Shows an increase of approximately 37.2% due to the restoration of CLSA funds.

The following is a graphic illustration of appropriations for fiscal year 2021-22:



NorthNet Library System
Management's Discussion and Analysis, *continued*
For the year ended June 30, 2021

Contacting NLS

This financial report is designed to provide our customers and creditors a general overview of NLS's finances and to demonstrate NLS's accountability for the money it receives and is allocated to it. If you have questions about this report, contact the NorthNet Library System, 32 West 25th Avenue, Suite 201, San Mateo, CA 94403, telephone number (650) 349-5538.

BASIC FINANCIAL STATEMENTS

NorthNet Library System
General Fund Balance Sheet/Statement of Net Position
June 30, 2021

	General Fund	Adjustments (Note 8)	Statement of Net Position	2020
ASSETS				
<u>Current</u>				
Cash and investments:				
Available for operations	\$ 1,534,522	\$ -	\$ 1,534,522	\$ 1,802,362
Accounts receivable	593	-	593	112,470
Interest receivable	1,016	-	1,016	6,747
Total assets	\$ 1,536,131	\$ -	\$ 1,536,131	\$ 1,921,579
LIABILITIES AND FUND BALANCES				
Liabilities:				
<u>Current</u>				
Accounts payable and accrued liabilities	\$ 313,019	\$ -	\$ 313,019	\$ 278,062
Deposits payable	96,191	-	96,191	249,323
Total current liabilities	409,210	-	409,210	527,385
Total liabilities	409,210	-	409,210	527,385
Deferred Inflows:				
Unavailable revenue	32,127	-	32,127	112,944
Total Deferred Inflows	32,127	-	32,127	112,944
Fund balances/Net position:				
Committed	71,730	(71,730)	-	-
Unassigned, reported in:				
General fund	1,023,064	(1,023,064)	-	-
Total fund balances	1,094,794	(1,094,794)	-	-
Total liabilities, deferred inflows and fund balances	\$ 1,536,131			
NET POSITION				
Restricted		71,730	71,730	71,730
Unrestricted		1,023,064	1,023,064	1,209,520
Total net position	\$ 1,094,794	1,094,794	1,094,794	1,281,250
Total liabilities, deferred inflows and net position		\$ 1,536,131	\$ 1,536,131	\$ 1,921,579

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

NorthNet Library System
Statement of General Fund Revenues, Expenditures, and
Changes in Fund Balance/Statement of Activities
For the year ended June 30, 2021

	General Fund	Adjustments (Note 9)	Statement of Activities	2020
EXPENDITURES/EXPENSES:				
Administrative	\$ 169,976	\$ -	\$ 169,976	\$ 94,402
Services and supplies	1,089,877		1,089,877	1,718,690
Total operating expenses	1,259,853	-	1,259,853	1,813,092
Special programs:				
Federal	24,596	-	24,596	78,787
State	1,357,025	-	1,357,025	1,065,730
Total expenditures/expenses	2,641,474	-	2,641,474	2,957,609
REVENUES:				
Program revenues:				
Grants	1,880,577	-	1,880,577	2,059,970
Membership dues	114,847	-	114,847	124,116
Member reimbursements	452,029	-	452,029	541,150
Total program revenues	2,447,453	-	2,447,453	2,725,236
Net program expense	194,021	-	194,021	232,373
General revenues:				
Interest	7,565	-	7,565	36,493
Total general revenues	7,565	-	7,565	36,493
REVENUES OVER (UNDER)				
EXPENDITURES	(186,456)			
CHANGE IN NET POSITION		-	(186,456)	(195,880)
FUND BALANCES/NET POSITION:				
Beginning of the year	1,281,250	-	1,281,250	1,477,130
End of the year	<u>\$ 1,094,794</u>	<u>\$ -</u>	<u>\$ 1,094,794</u>	<u>\$ 1,281,250</u>

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

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NorthNet Library System
Notes to Basic Financial Statements
For the year ended June 30, 2021

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The Peninsula Library System (PLS) acts as fiscal agent and Treasurer/Controller for NLS and acts as the depository and has custody of the money of NLS and performs those duties required by Government Code sections 6505 and 6505.5. PLS took over these duties on July 1, 2013. More information regarding the contract with PLS is located in Note 5.

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

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

A. Reporting Entity

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

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

NorthNet Library System
Notes to Basic Financial Statements, *continued*
For the year ended June 30, 2021

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,
continued

B. Basis of Accounting

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

C. Use of Estimates

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

D. Budgets

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

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

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

NorthNet Library System
Notes to Basic Financial Statements, *continued*
For the year ended June 30, 2021

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,
continued

D. Budgets, *continued*

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

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

E. Cash and Investments

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

2. CASH AND INVESTMENTS

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

	FDIC/ SIPC insured	Not rated	Fair Value
Cash deposits - Boston Private Bank & Trust Company	\$ 192,020	\$ -	\$ 192,020
Local Agency Investment Fund (LAIF)	-	1,342,502	1,342,502
Total	<u>\$ 192,020</u>	<u>\$ 1,342,502</u>	<u>\$ 1,534,522</u>

A. Cash Deposits

The System pools cash from all sources. The System invests excess cash in LAIF.

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

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

NorthNet Library System
Notes to Basic Financial Statements, *continued*
For the year ended June 30, 2021

2. CASH AND INVESTMENTS, *continued*

A. Investments

NLS is authorized by State statutes and Administrative Council action to invest in the following:

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

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

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

C. Investments in External Investment Pools

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

As of June 30, 2021, the NLS had \$1,342,502 invested directly in LAIF. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2021 has a portfolio with market valuation of \$193,321,015,759. The current average life of the LAIF portfolio as of June 30, 2021 was 291 days.

NorthNet Library System
Notes to Basic Financial Statements, *continued*
For the year ended June 30, 2021

3. DEPOSITS PAYABLE

NLS records payments for services not yet rendered as deposits payable. The deposits payable balance consists of payments made by member systems. The balance at June 30, 2021 consists of the following contributions:

North Bay Cooperative Library System	\$	7,627
Mountain Valley Library System		80,870
North State Library System		7,694
Total Deposits Payable	\$	<u>96,191</u>

4. DEFERRED INFLOWS – UNAVAILABLE REVENUE

NLS records payments for services not yet rendered as deferred/unearned revenue. Northnet expects to recognize \$32,127 of deferred/unearned revenue as earned during the fiscal year 2020-21.

5. RELATED PARTY TRANSACTIONS

NLS contracts with the Pacific Library Partnership (PLP), as its fiscal agent, for administrative services and/or materials. In compensation for services provided, NLS paid \$314,063 to PLP for the year ended June 30, 2021. These amounts were reported as administration expenses in the Statement of Activities.

6. FUND BALANCES/NET POSITION

Fund Balances consist of the following: Nonspendable, restricted, committed, assigned and unassigned. Nonspendable fund balance consists of investments that will not convert to cash soon enough to affect the current period. Restricted fund balance consists of resources that are subject to externally enforceable legal restrictions imposed by parties altogether outside the government. Committed fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by a formal action of NLS's highest level of decision-making authority. At the NLS Executive Committee meeting on August 17, 2017, the committee members approved the establishment of a three (3) Month Operating Reserve Policy based on the operating budgets. The committed fund is intended to provide an internal source of funds for situations such as sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses.

Assigned fund balance consists of amounts where intent is expressed by the governing body itself or a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. Unassigned amounts represent fund balance in the general fund in excess of nonspendable, restricted, committed and assigned fund balance. Currently, the NLS uses only the unassigned category.

	<u>Fund Balance</u>
Committed	\$ 71,730
Unassigned	1,023,064
Total	<u><u>\$ 1,094,794</u></u>

NorthNet Library System
Notes to Basic Financial Statements, *continued*
For the year ended June 30, 2021

6. FUND BALANCES/NET POSITION, *continued*

Net position consists of unrestricted amount. Unrestricted amounts reflect balances available for current operations. At June 30, 2021, NLS had only unrestricted balance:

	Net Position
Restricted	\$ 71,730
Unrestricted	1,023,064
Total	\$ 1,094,794

7. INSURANCE

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

8. PANDEMIC EFFECTS

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

NorthNet Library System
Notes to Basic Financial Statements, *continued*
For the year ended June 30, 2021

9. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND BALANCE SHEETS AND THE STATEMENTS OF NET POSITION

“Total fund balances” of NLS’s General fund of \$1,094,794 does not differ from “net position” of governmental activities of \$1,094,794, reported in the Statement of Net Position. A difference may occur from the long-term economic focus of the statement of net position versus the current financial resources focus of the General fund balance sheet. As of June 30, 2021, there was no difference between the long-term economic focus of the statement of net position and the current financial resources focus of the General fund balance sheet. Any effects of this difference would be illustrated below:

Balance Sheet/Statement of Net Position

	General Fund	Reclassifications and Eliminations	Statement of Net Position
Assets:			
Cash and investments	\$ 1,534,522	\$ -	\$ 1,534,522
Accounts receivable	593	-	593
Interest receivable	1,016	-	1,016
Total assets	\$ 1,536,131	\$ -	\$ 1,536,131
Liabilities:			
Accounts payable and accrued liabilities	313,019	-	313,019
Deposits payable	96,191	-	96,191
Total liabilities	409,210	-	409,210
Deferred Inflows:			
Unavailable revenue	32,127	-	32,127
Total Deferred Inflows	32,127	-	32,127
Fund Balances/Net Position			
Total fund balances/net position	1,094,794		1,094,794
Total liabilities, deferred inflows, and fund balances/net position	\$ 1,536,131	\$ -	\$ 1,536,131

NorthNet Library System
Notes to Basic Financial Statements, *continued*
For the year ended June 30, 2021

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

The “net change in fund balances” for the General fund, (\$186,456), does not differ from the “change in net position” for governmental activities of (\$186,456) reported in the Statement of Activities. A difference may occur from NLS incurring any long-term liabilities or depreciation expense. As of June 30, 2021, there was no difference between the long-term economic focus of the statement of activities versus the current financial resources of the general fund. Any effects of the difference would be illustrated below:

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

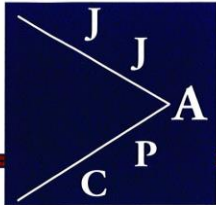
	General Fund	Reclassifications and Eliminations	Statement of Activities
EXPENDITURE/EXPENSES:			
Administrative	\$ 169,976	\$ -	\$ 169,976
Services and supplies	1,089,877	-	1,089,877
Special programs			
Federal	24,596	-	24,596
State	1,357,025	-	1,357,025
Total expenditures/expenses	2,641,474	-	2,641,474
REVENUES:			
Program revenues:			
Grants	1,880,577	-	1,880,577
Membership dues	114,847	-	114,847
Member reimbursements	452,029	-	452,029
Total program revenues	2,447,453	-	2,447,453
Net program expense	194,021	-	194,021
General revenues:			
Interest	7,565	-	7,565
Total general revenues	7,565	-	7,565
REVENUES OVER (UNDER)			
EXPENDITURES	(186,456)		
CHANGE IN NET POSITION		-	(186,456)
FUND BALANCES/NET POSITION			
Beginning of the year	1,281,250	-	1,281,250
End of the year	\$ 1,094,794	\$ -	\$ 1,094,794

REQUIRED SUPPLEMENTARY INFORMATION

NorthNet Library System
Required Supplementary Information
For the year ended June 30, 2021

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

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget Positive (Negative)
Budgetary Fund Balance, July 1, 2020	\$ 1,281,250	\$ 1,281,250	\$ 1,281,250	\$ -
Resources (inflows):				
Grants:				
Federal	3,680	3,680	24,596	20,916
State	1,644,379	1,644,379	1,855,981	211,602
Membership dues	117,426	117,426	114,847	(2,579)
Membership reimbursements	569,082	569,082	452,029	(117,053)
Interest	37,000	35,000	7,565	(27,435)
Amounts available for appropriation	<u>2,371,567</u>	<u>2,369,567</u>	<u>2,455,018</u>	<u>(85,451)</u>
Changes to appropriations (outflows):				
Administrative	245,500	245,500	169,976	75,524
Services and supplies	1,336,089	1,336,089	1,089,877	246,212
Special programs:				
Federal	3,680	3,680	24,596	(20,916)
State	1,778,735	1,644,379	1,357,025	287,354
Total charges to appropriations	<u>3,364,004</u>	<u>3,229,648</u>	<u>2,641,474</u>	<u>321,736</u>
Budgetary fund balance, June 30, 2021	<u>\$ 288,813</u>	<u>\$ 421,169</u>	<u>\$ 1,094,794</u>	<u>\$ 673,625</u>



JJACPA, Inc.

A Professional Accounting Services Corp.

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

Administrative Council
NorthNet Library System
San Mateo, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the NorthNet Library System (NLS), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively NLS's basic financial statements, and have issued our report thereon dated May 17, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered NLS's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of NLS's internal control. Accordingly, we do not express an opinion on the effectiveness of NLS's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

May 17, 2022

JJACPA, Inc.

**JJACPA, Inc.
Dublin, CA**