



## **NORTH COUNTY LIBRARY AUTHORITY AGENDA**

**5:00 PM - Monday, June 26, 2023**

***Hybrid format: In person at the Los Altos Community Center; Manzanita Room and Online via Zoom (sign on details below)***

Please Note: This meeting will be held in a hybrid format in compliance with AB 2449.

**TO PARTICIPATE IN-PERSON:** Members of the public may participate in person by being present at the Los Altos Community Center inside the Manzanita Conference Room located at 97 Hillview Ave, Los Altos, CA 94022

**TO PARTICIPATE REMOTELY:** The public may participate through the link below. This meeting will be recorded and any public comment and image during public comment will be captured. Please observe Videoconference etiquette by muting your device and making public comments only during appropriate times.

Time: June 26, 2023 5:00 PM

Link: <https://us06web.zoom.us/j/85250469608?pwd=SnhTdXJNOXRORFdwGjNVMZ6c1cwZz09>

Meeting ID: 852 5046 9608 Passcode: 996324

Call in by phone +1 669 900 6833 US (San Jose)

The Waiting Room will be enabled, please hold until you are authorized to enter the meeting.

**TO SUBMIT WRITTEN COMMENTS:** Prior to the meeting, comments on matters listed on the agenda may be emailed to [cmansel@solutions-mrg.com](mailto:cmansel@solutions-mrg.com). Emails sent to this email address are sent to/received immediately by the Authority. Please include a subject line in the following format:

**PUBLIC COMMENT AGENDA ITEM ## - MEETING DATE**

Correspondence submitted in hard copy/paper must be received by 2:00 PM on the day of the meeting to ensure distribution prior to the meeting. Correspondence received prior to the meeting will be included in the public record. Please follow this link for more information on submitting written comments: <https://www.losaltosca.gov/cityclerk/page/public-comments>.

**Public testimony will be taken at the direction of the President, and members of the public may only comment during times allotted for public comments.**

**ESTABLISH QUORUM**

**PLEDGE OF ALLEGIANCE**

**PUBLIC COMMENTS**

Members of the audience may bring to the Authority's attention any item that is not on the agenda. Please complete a "Request to Speak" form and submit it to the Administrative Officer. Speakers are generally given two or three minutes, at the discretion of the President. Please be advised that, by law, the Authority is unable to discuss or take action on issues presented during the Public Comment Period. According to State Law (also known as "the Brown Act") items must first be noticed on the agenda before any discussion or action.

**INFORMATIONAL ITEMS**

1. **Update on the status of outstanding invoices** – LAH 22/23 share of Administrative Costs
2. **Report from Julie Crane and Pierre Bedard** on other library organizations' initiatives
3. **Presentation by Meyers Nave on implications of the Library Commission Report**
4. **Latest Account Statement from the SCC Investment Fund**

**ITEMS FOR CONSIDERATION/ACTION****1. NCLA Annual Budget FY 23-24: Consideration and Adoption****2. Approval of FY 21-22 Audit Report****3. Approval of Minutes**

- a. Regular Meeting of 5/22/23

**4. Approval of Outstanding Invoices for Payment**

- a. Meyers Nave Corrected Invoice for March & April

**5. Approval of Current Invoices for Payment**

- a. Meyers Nave May Invoice
- b. MRG May Invoice

**6. Approval of Future Meeting Calendar** – first Mondays as needed**COMMISSIONERS' REPORTS AND COMMENTS****POTENTIAL FUTURE AGENDA ITEMS**

1. **Ad Hoc Committee for NCLA Fund usage**

**ADJOURNMENT**

### SPECIAL NOTICES TO PUBLIC

In compliance with the Americans with Disabilities Act and California Law, it is the policy of the City of Los Altos to offer its programs, services and meetings in a manner that is readily accessible to everyone, including individuals with disabilities. If you are a person with a disability and require information or materials in an appropriate alternative format; or if you require any other accommodation, please contact department staff. Advance notification within this guideline will enable the City to make reasonable arrangements to ensure accessibility. The City ADA Coordinator can be reached at (650) 947-2607 or by email: [ada@losaltosca.gov](mailto:ada@losaltosca.gov).

Agendas, Staff Reports and some associated documents for the North County Library Authority items may be viewed on the Internet at <https://www.losaltosca.gov/nclibraryauthority>.

If you wish to provide written materials, please provide the Staff Liaison with **10 copies** of any document that you would like to submit to the Authority in order for it to become part of the public record. For other questions regarding the meeting proceedings, please contact the City Clerk at (650) 947-2720.



**TO:** North County Library Authority (NCLA) Commission

**FROM:** Claire Lai, Commission Attorney

**DATE:** June 20, 2023

**SUBJECT:** Discussions regarding expenditures for general and specific purposes under Measure L

### **Summary**

The Futures Library Commission Subcommittee has submitted a correspondence to NCLA requesting clarification on certain questions relating to use of Measure L tax revenue towards “general purpose” items. This correspondence, included with this report as [Attachment 1](#), asks several questions regarding whether the tax revenues collected may be used towards maintaining services, renovations, structural expansions, or new building construction. The Commission expressed desire for legal counsel to respond to these inquiries. This report provides an overview of the issue and responds to specific questions.

### **Background**

In 2010, voters in the City of Los Altos and the Town of Los Altos Hills approved Measure L to levy a \$76 special parcel tax for 20 consecutive fiscal years. NCLA was formed through a joint powers agreement between the City of Los Altos and the Town of Los Altos Hills. As described in the joint power agreement, the purpose of the NCLA is to create an agency which will plan, support, acquire, maintain and operate programs and facilities for the extension of public library services for the benefit of the inhabitants within the collective boundaries of the City of Los Altos and Town of Los Altos Hills.

Under California law, the revenue collected from Measure L parcel tax is a “special tax” and thus may only be spent for specific purposes. Thus, NCLA’s expenditure of Measure L funds is subject to the parameters set forth by the ballot measure. The Statement of Purposes under Measure L (included as [Attachment 2](#)) summarizes the services provided by the Los Altos and Woodland library branches (collectively referred to hereinafter as “library” for ease of reference). In addition, the document also outlines the specific purposes for which tax proceeds may be used, as follows:

- (1) **Maintain library hours.** Funds may be spent on maintaining specified number of hours at Los Altos and Woodland library locations.
- (2) **Purchase books and materials.** Funds may be used to supplement the Santa County Library system to purchase books and materials tailored to specific community needs and interests.

- (3) **Support library programs.** Funds may also be used to support and maintain the level of programs that is currently provided for all age groups.
- (4) **General purposes.** Funds may be used for any other expenditure necessary to uphold the level of service, including expenses related to a future election when the parcel tax expires.

### **Responses to Specific Questions Relating to “General Purposes” Expenditures**

The Futures Library Commission Subcommittee requested NCLA to clarify the following questions. The questions are provided in summary here with further details shown in Attachment 1. Per the Commission’s request, our review and responses are shown below.

1. ***Does the term “uphold the level of service” enable NCLA to spend funds to maintain or enhance services in 2023 to maintain services in place at the time the measure was passed? This question also asks how “level of service” is defined and whether that term includes meeting new governmental requirements that are mandatory to continue operations.***

Measure L allows NCLA to spend tax revenue funds to maintain services that were in place in 2010. In reviewing the purposes of the measure, we think this expenditure does include responding to changes in 2023 and subsequent years in order to maintain service levels. Although the term “level of service” is not defined under the ballot measure, it is reasonable to interpret this term to encompass the types of services that were in place in 2010 which the tax measure sought to fund. To illustrate on the contrary, if funds were to be spent to expand the scope of activities and programs significantly, or beyond the library’s existing purposes and functions, then such expenditure likely would not be “upholding level of services” and would not serve the general and specific purposes under Measure L.

Based on the description outlined in Measure L’s Statement of Purpose, it is reasonable to conclude that service items to be maintained would include: operating hours, books and materials for circulation, library programs, and associated operational needs to maintain these library functions for the general public. In order to continue providing these services, therefore, it also reasonably follows that the library and NCLA will have to respond to certain changes in circumstances so that the level of service provided to the general public does not decline or disappear. This interpretation is further supported by the fact that the ballot measure contemplates the need to hold a future election when this parcel tax expires as the need for funding will likely increase or change. It is worth noting that, although not required by the ballot measure, as mentioned in a part of this question NCLA may consider evaluating service levels based on “per capita” assessment as one method to calculate the efforts needed to maintain service to the community.

In response to the specific questions raised here, we think that compliance with mandatory governmental regulations is an appropriate use of funds because it is responding to changes in circumstances that are necessary to operate the library and maintain services. Similarly, the change in population would also result in increased service needs, to which the NCLA may spend funds to meet in order to keep the same level of service it has been providing. Finally,



another example where NCLA may spend funds to maintain services is to respond to changes in technology and accessibility. In our view, these examples are appropriate responses to changes in circumstances and operational needs for the purposes of continuing to provide the level of services that the public has received.

- 2. *May the NCLA spend funds on interior renovation aligned with the County's Strategic Initiatives?*** *The question also specifically asks about Open+ Access, a comprehensive system designed to improve library services and efficiency, as well as alterations to the library building to provide visibility and access.*

Probably yes. Based on the foregoing analysis, we think NCLA may also spend funds towards aligning with the County's strategic plan as long as the action being taken under the plan is consistent with preventing services from being reduced or eliminated, or responding to a change in circumstances and/or operational need that is necessary to continue the same level of services.

For instance, improving the library building in order to ensure ADA compliance is necessary to continue library operations. Implementing accessibility/technology systems to streamline library services also appears to be within the scope of maintaining the public's ability to receive the same level of services. As another example, providing additional space for library patrons based on the increase in service population likewise would make library services adequate and consistent for the public, and thus also appear to meet the purposes of the tax measure. On the other hand, if the proposed action under the strategic plan is to fundamentally alter or expand the types of services provided by the library system, then it is less likely that such action can be supported by spending Measure L funds.

- 3. *May the NCLA spend funds on an expansion of the building to address additional space and service needs?***

Likely yes but consistent with above, any proposed expansion must be for the purpose of restoring the reduction in space and services that were previously available to library patrons and staff. Otherwise, constructing new spaces unrelated to such purposes would probably be difficult to justify as "upholding" the level of services as their purpose is not to maintain the status quo as intended by the measure based on our reading of that language. If NCLA desires to proceed with the project through utilization of Measure L funds, such limitations should be clearly described in the project's scope of work.

- 4. *May the NCLA spend funds to replace the current structure and build a new library?***

Probably not, unless the current library building is determined to be non-compliant with state building code requirements as described in the question. As discussed above, expanding

library infrastructure, facilities and services likely would not be considered consistent with the stated purposes under Measure L as they do not “uphold services” and do not meet any of the specified purposes. However, meeting building code standards is most likely considered as meeting operational needs to continue library services at existing levels and would thus be appropriate. As noted above, such limitations should also be clearly described in the project’s scope of work if NCLA desires to proceed with such construction through utilization of Measure L funds.

**Recommendation**

It is recommended the Commission review the information presented in this report and provide direction to staff regarding next steps.

**Attachments:**

- 1- Use of Funds Correspondence
- 2- Parcel Tax Measure Language

5391063.1



**TO:** North County Library Authority (NCLA), Angelo Rodriguez  
**FROM:** Futures Library Commission Subcommittee  
**CC:** Los Altos / Town of Lost Altos Library Commission  
**SUBJECT:** Questions for NCLA Counsel

## **Introduction**

In 2010, voters in the City of Los Altos and the Town of Los Altos Hills approved Measure L to levy a \$76 special parcel tax for twenty (20) consecutive fiscal years (“Parcel Tax”). The Parcel Tax passed by the City of Los Altos and Town of Los Altos Hills voters in 2010 is a special tax because the ballot measure language sets forth specific purposes for which the funds are to be spent.

The North County Library Authority (NCLA) has the fiduciary responsibility for overseeing the Parcel Tax through 2030. The NCLA mission is “To plan, support, acquire, maintain and operate programs and facilities for the extension of public library services for the benefit of the inhabitants within the collective boundaries of the Member Entities (defined as City of Los Altos and City of Los Altos Hills).”

The NCLA has the authority to levy the Parcel Tax pursuant to Government Code Section 61121. Sections 50075 et seq. of the Government Code sets forth the requirements for how the Parcel Tax may be spent by NCLA.

The specific purposes for which the funds are to be spent are outlined in Measure L as follows:

1. **Maintain library hours.** Funds may be spent on maintaining specified number of hours at Los Altos and Woodland library locations.
2. **Purchase books and materials.** Funds may be used to supplement the Santa Clara County Library system to purchase books and materials tailored to specific community needs and interests.



3. **Support library programs.** Money may also be used to support and maintain the level of programs that is currently provided for all age groups.
4. **General purposes.** Funds may be used for any other expenditure necessary to uphold the level of service, including expenses related to a future election when the parcel tax expires.

## **Questions for Consideration on General Purposes**

We ask that the NCLA request clarification of on the meaning of Item 4, the General purposes. What is the definition of “General Purposes” and the phrase “any other expenditure necessary to uphold the level of service.” Specifically:

1. **Does the term “uphold the level of service” enable NCLA to spend funds to maintain or enhance services in 2023 to maintain services in place at the time the measure was passed?**

The ballot initiative for Measure L explained that in the twenty (20) years since the parcel tax of 1990, library circulation more than doubled, the library offered more than 500 programs for children, teens, and families, along with a significant collection, technology, books, computers, and Wi-Fi access. “The annual \$76 parcel tax - fixed for the next 20 years - will make certain that these services continue by covering current and future costs for library operating hours, staffing, programs, and book collections tailored to community needs.” Today, the library population has ballooned to 54,000 (from 42,000 in 2010), hours have expanded <sup>1</sup>, the collection has grown by 15,000 volumes, and virtual access to online resources has scaled. How is level of service defined (e.g., per capita), and how does this term encompass new government requirements which must be met to continue operations?

2. **May the NCLA spend funds on interior renovation aligned with the County’s Strategic Initiatives?**

In early 2023, the Santa Clara Library District rolled a five-year strategic plan. Our libraries have always supported these initiatives, especially in the area of Innovation. Woodland Library has successfully rolled out Open Access and we

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<sup>1</sup> Woodland Library is now open 7 days a week.

need to continue to innovate, this time at the Main Library. We also owe our clients, especially families with a safe environment. Today, the doors to the children's section of the Los Altos Library are propped open to ensure ADA compliance. We need to revise our existing lobby and children's area to maximize visibility; minimize or eliminate spaces where children and youth cannot be seen; establish policies and procedures for access to and use of the space and make any required adjustments to the facility to provide for Open Access.

To improve services and ensure safety, the Community Librarian proposes to renovate the lobby area, install a family restroom adjacent to the children's area, enhance the community room to provide more program space, and introduce Open Access<sup>2</sup>. The population of Los Altos and Los Altos Hills has increased by over 2,600 people from 2010 to 2020 with a corresponding increase in the number of children. The growth in our teen population also provides us with the need to provide adequate space for studying and tutoring. The increase in population, especially that of children, means that we are no longer providing the same level of service to children that we did in 2010.

**3. May the NCLA spend funds on an expansion of the building to address additional space and service needs?**

COVID has changed how we view and use library space and services. The Community's needs are evolving. The demand for certain services, such as rooms for private and small-group meetings, and roomy program areas to ensure air circulation and attendee spacing, is growing to pre-pandemic levels. Suggested sizing for adult program space is 14-15 net square feet per occupant, exclusive of support spaces (such as A/V closets and kitchen facilities) and storage for all furniture<sup>3</sup>. The current meeting room nominally accommodates about 100

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<sup>2</sup> Open+ access is a comprehensive system designed to complement staffed library hours that allows libraries to provide more flexible hours, making them more accessible to the community. To ensure success, shelving needs to be reduced to ensure line of sight within the building. The reduction of shelving displaces parts of the current collection.

<sup>3</sup> From April 10, 2018 letter from Group 4 to the Library Redevelopment Task Force titled, "Los Altos Main Library Needs Assessment Update."

occupants sitting auditorium-style unless the programs involve special equipment (such as a piano) or movement (such as cultural performances). Staff areas also need upgrading. They lack the space to accommodate all the bins and carts needed for the volume of returns our library experiences.

**4. May the NCLA spend funds to replace the current structure and build a new library?**

Further study is required to determine if the current library building complies with the building code. Remodeling could trigger the need to upgrade the facility just to meet current codes. If rebuilding the library is deemed to be the only way to restore services to the level expected by the citizens of the Member Entities, may NCLA funds be used for these purposes? Funds are carved out for funding of a bond measure, but could NCLA funds be used replace either of our two libraries?

Julie Crane, Nelvin Gee, Pierre Bedard

Library Commission Futures Subcommittee

## EXHIBIT A

### BALLOT MEASURE FULL TEXT OF MEASURE

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To maintain Los Altos and Woodland library hours, purchase books and materials, support library programs, and for general purposes, shall the North County Library Authority, a joint powers authority between Los Altos and Los Altos Hills, continue a tax for 20 years, with annual oversight, at the fixed rate of \$76 per year on each developed parcel of land within Los Altos and Los Altos Hills and allowing an exemption for low-income senior households, and establish an appropriations limit?

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#### PARCEL TAX AUTHORIZATION

By approval of this proposition by at least two-thirds of the registered voters voting on the proposition, the Authority will be authorized to levy a qualified special tax of \$76 per parcel per year, subject to all the accountability requirements specified below. If approved, the special tax will be levied for 20 consecutive fiscal years, starting in the fiscal year that begins on July 1, 2010, and ending in the fiscal year that begins on July 1, 2029.

#### EXEMPTIONS FROM PARCEL TAX

The Authority has provided an exemption from the special tax will be available to households made up of low-income persons who are 65 years or older and own and occupy a parcel as their principal residence, and who apply to the Authority for such exemption pursuant to guidelines established by the Authority.

#### ACCOUNTABILITY REQUIREMENTS

The provisions in this section are specifically included in this proposition in order that the voters and taxpayers in the Authority may be assured that their money will be spent wisely. As required by the laws of the State of California, the proceeds of the qualified special tax will be deposited into a special account established by the Authority and will be applied only to the specific purposes identified below. The Authority has covenanted to have on file with its governing board no later than January 1 of each year a report stating the amount of the funds collected and expended and the status of any project authorized to be funded.

#### APPROPRIATIONS LIMIT

The California Constitution restricts governmental spending by setting an annual appropriations limit, which is the maximum amount a public entity may spend in a given fiscal year. The Constitution authorizes a public entity to establish or change its appropriations limit upon approval of a majority of voters voting on the measure. This ballot measure establishes

the appropriations limit for the Authority at \$2 million for the fiscal year that begins on July 1, 2010, as it may be adjusted annually thereafter in accordance with California law.

### STATEMENT OF PURPOSES

The statement shown below is a part of the ballot proposition and must be reproduced in any official document required to contain the full statement of the proposition.

The current parcel tax of \$52 was established in 1990 to finance an expansion of the library and supplement the operating hours and book budget. In time, and with inflation taking its toll, the parcel tax has come to pay for a significant portion of the operating hours. Since the current parcel tax is scheduled to expire in tax year 2011-2012, a new parcel tax is necessary if the Los Altos Library is to continue the current level of service. Successful passage of the new parcel tax will require the Authority to terminate the current existing tax.

Maintain Library hours. The Main Library in Los Altos is currently open **7 days a week** for a total of 66 hours. Funding from the Santa Clara County Library system pays for 53 hours. The NCLA parcel tax pays for the additional 13 hours which currently cover all day Monday and Tuesday morning.

The Woodland Branch is currently open 6 days a week. Funding from the Santa Clara Library system pays for 20 hours of the 39 hours that the Branch is open. Absent the renewal of this parcel tax, Woodland Branch hours will be reduced by approximately 49%.

Purchase Books and Materials. The proceeds of the parcel tax will also be used to supplement the ability of the Santa Clara County Library system to purchase books and materials tailored to our Community's specific interests, such as its Science and Technology Collection.

Support Library Programs. Last fiscal year, our Library presented a total of 501 programs for all age groups: Toddler and Pre-School, Elementary and Middle School, Teens, Adults and Family. Programs were well attended and the number of participants increased by 9% over the prior fiscal year. While NCLA does not currently pay for programs directly, a reduction of service hours would negatively impact the Library's capability to deliver the current level of programs.

General Purposes. Any other expenditure necessary to uphold the level of service, including expenses related to a future election when the new parcel tax expires.

FUND 8210 N County Library Authority Pool Deposit

F U L L A C C R U A L

GL Acct	Document No.	Post DT	Cost Date	Internal Cntr	Order	WBS Element	Doc Header Text	Reference	Line Text	Debit Amount	Credit Amount
<b>A S S E T S</b>											
1100000	Cash-Clearing								Beginning Balance	8,004,270.87	
	104709080	SA	05/01/23				Int Alloc-FY23 Qtr 3 Adva			29,076.97	
									Doc Type Subtotal	29,076.97	0.00
	2004300843	ZQ	05/30/23				20230526-BTA01				9,568.66-
	2004300883	ZQ	05/30/23				20230526-BTA01				7,177.70-
	2004300931	ZQ	05/30/23				20230526-BTA01				8,500.00-
	2004300943	ZQ	05/30/23				20230526-BTA01				11,793.75-
									Doc Type Subtotal	0.00	37,040.11-
									Total Period Activity	29,076.97	37,040.11-
1100000	Cash-Clearing								Ending Balance	7,996,307.73	
<b>L I A B I L I T I E S</b>											
2100000	AP Vendor Reconciliation Account								Beginning Balance	0.00	
	1906835847	KR	05/30/23					INV# 202209-2082	*NCLA-NBS, INV# 202209-2082, ACH#563		7,177.70-
	1906835849	KR	05/30/23					INV# 20336	*NCLA-Meyers Nave, Inv# 20336, ACH#564		9,568.66-
	1906835850	KR	05/30/23					INV#3-22-142	*NCLA-MRG, Inv#3-22-142 & 3-23-377, ACH#5		11,793.75-
	1906835953	KR	05/30/23					C&A-17795	*NCLA-Chavan & Associates, C&A-17795, ACH		8,500.00-
									Doc Type Subtotal	0.00	37,040.11-
	2004300843	ZQ	05/30/23				20230526-BTA01			9,568.66	
	2004300883	ZQ	05/30/23				20230526-BTA01			7,177.70	
	2004300931	ZQ	05/30/23				20230526-BTA01			8,500.00	
	2004300943	ZQ	05/30/23				20230526-BTA01			11,793.75	
									Doc Type Subtotal	37,040.11	0.00
									Total Period Activity	37,040.11	37,040.11-
2100000	AP Vendor Reconciliation Account								Ending Balance	0.00	
<b>E Q U I T Y</b>											
3400000	Fund Balance / Retained Earnings								Beginning Balance		7,300,159.22-
									Total Period Activity	0.00	0.00
3400000	Fund Balance / Retained Earnings								Ending Balance		7,300,159.22-
<b>R E V E N U E S</b>											

FUND 8210 N County Library Authority Pool Deposit

F U L L A C C R U A L

GL Acct	Document No.	Post DT	Cost Date	Internal Order	WBS Element	Doc Header Text	Reference	Line Text	Debit Amount	Credit Amount
4301100	Interest - Deposits and Investments							Beginning Balance		68,262.87-
	104709080	SA	05/01/23	T8210		Int Alloc-FY23 Qtr 3 Adva		8210 Int Alloc - FY 2023 QTR 3 Advance		29,076.97-
								Doc Type Subtotal	0.00	29,076.97-
								Total Period Activity	0.00	29,076.97-
4301100	Interest - Deposits and Investments							Ending Balance		97,339.84-
4980350	Trust Funds-Direct Assessments							Beginning Balance		635,848.78-
								Total Period Activity	0.00	0.00
4980350	Trust Funds-Direct Assessments							Ending Balance		635,848.78-
E X P E N D I T U R E S										
5800010	Trust Funds-Disbursements							Beginning Balance	0.00	
	1906835847	KR	05/30/23	T8210	00999999		INV# 202209-2082	NCLA-NBS, INV# 202209-2082, ACH#563	7,177.70	
	1906835849	KR	05/30/23	T8210	00999999		INV# 20336	NCLA-Meyers Nave, Inv# 20336, ACH#564	9,568.66	
	1906835850	KR	05/30/23	T8210	00999999		INV#3-22-142	NCLA-MRG, Inv#3-22-142 & 3-23-377, ACH#56	11,793.75	
	1906835953	KR	05/30/23	T8210	00999999		C&A-17795	NCLA-Chavan & Associates, C&A-17795, ACH#	8,500.00	
								Doc Type Subtotal	37,040.11	0.00
								Total Period Activity	37,040.11	0.00
5800010	Trust Funds-Disbursements							Ending Balance	37,040.11	
*TOTAL FUND	N County Library Authority Pool Deposit							Ending Balance	0.00	0.00



GL Acct	Document No.	DT	Post Date	Cost Cntr	Internal Order	WBS Element	Doc Header Text	Reference	Line Text	Debit Amount	Credit Amount
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Objects for selection screen 1000

Fiscal Year					2023						
From Fiscal Period					011						
To Fiscal Period					011						
Fund Group.											
Fund											
Single Value					8210						
Modified Accrual											
Full Accrual											
Print Rev/Exp Transaction Dtl						X					
Summarize Rev/Exp Transactions						X					
Filename											
Document Types to Summarize											
No selections											
Logical File Path											
Source System					ZOUTBOUND_NFS						
					OTH						

Invisible selection criteria



The County Of Santa Clara  
 Trial Balance: Full Accrual By Fund Within Fund Group

Account	Beg Balanc	Debit	Credit	End Balanc	YTD Debit	YTD Credit
1100000 Cash-Clearing	7,282,849.18	750,498.66	37,040.11-	7,996,307.73	750,498.66	37,040.11-
* Unrestricted	7,282,849.18	750,498.66	37,040.11-	7,996,307.73	750,498.66	37,040.11-
** Cash & Investments	7,282,849.18	750,498.66	37,040.11-	7,996,307.73	750,498.66	37,040.11-
1121500 Interest Rec-Accrual	17,310.04	17,310.04-			17,310.04-	
** Receivables	17,310.04	17,310.04-			17,310.04-	
*** Current Assets	7,300,159.22	733,188.62	37,040.11-	7,996,307.73	733,188.62	37,040.11-
**** Total Assets-Full	7,300,159.22	733,188.62	37,040.11-	7,996,307.73	733,188.62	37,040.11-
2100000 A/P Reconciliation		37,040.11	37,040.11-		37,040.11	37,040.11-
** Accounts Payable		37,040.11	37,040.11-		37,040.11	37,040.11-
*** Current Liabilities		37,040.11	37,040.11-		37,040.11	37,040.11-
**** Total Liabilities-Full		37,040.11	37,040.11-		37,040.11	37,040.11-
3400000 Fund Bal/Retain Earn	7,300,159.22-			7,300,159.22-		
*** Fund Balance-Full	7,300,159.22-			7,300,159.22-		
**** Total Equities-Full	7,300,159.22-			7,300,159.22-		
4301100 Interest-Deposits			97,339.84-	97,339.84-		97,339.84-
** Investment Income			97,339.84-	97,339.84-		97,339.84-
*** Revenue From The Use of Money & P			97,339.84-	97,339.84-		97,339.84-
4980350 Trust-Direct Assess			635,848.78-	635,848.78-		635,848.78-
** Non-Budgeted Accounts			635,848.78-	635,848.78-		635,848.78-
*** Other Financing Sources - Full			635,848.78-	635,848.78-		635,848.78-
**** Total Revenues-Full			733,188.62-	733,188.62-		733,188.62-
5800010 Trust Fds-Disburseme		37,040.11		37,040.11	37,040.11	
*** Non-Budgetary Expenditures		37,040.11		37,040.11	37,040.11	
**** Total Expenditures-Full		37,040.11		37,040.11	37,040.11	
***** 8210 N Cty Library Author		807,268.84	807,268.84-		807,268.84	807,268.84-
***** FUND TOTAL		807,268.84	807,268.84-		807,268.84	807,268.84-
* Net Revenue & Expens		37,040.11	733,188.62-	696,148.51-	37,040.11	733,188.62-
Total Liabilities		37,040.11	37,040.11-		37,040.11	37,040.11-
* Total Equities	7,300,159.22-			7,300,159.22-		
* Total Assets	7,300,159.22	733,188.62	37,040.11-	7,996,307.73	733,188.62	37,040.11-

**NCLA  
Operating Budget  
Fiscal Year 2023/24**

	2017/18	2018/19	2019/20	2020/21	2021/2022	2022/2023	2023/2024
	Actual	Actual	Budget	Budget	Budget	Budget	Budget
<b>Rate per Parcel</b>	\$76	\$76	\$76	\$76	\$76	\$76	\$76
<b>OPERATING EXPENDITURES</b>							
<b>Service Costs</b>							
County Staffing	665,653	723,670	738,523	779,880	360,048	829,383	861,942
(minus ERAF/other credits)			(448,689)	(448,689)	(550,764)	(814,136)	(861,942)
Administrative Costs*	12,369	29,445	32,450	17,400	31,300	26,000	97,750
Emergency Resource Fund	0	0	0	50,000	0	0	0
<b>Total Operating Expenditures</b>		<b>753,115</b>	<b>322,284</b>	<b>398,591</b>	<b>-159,416</b>	<b>41,247</b>	<b>97,750</b>
<b>REVENUES</b>							
Tax Revenue (actual)	1,049,447	1,048,695	1,051,404	1,051,404	1,051,554	1,051,554	1,051,554
Interest Income	10,461						68,263
Interest Received-LAIF		7,609	6,500				
<b>Total Revenues</b>	<b>1,059,908</b>	<b>1,056,304</b>	<b>1,057,904</b>	<b>1,051,404</b>	<b>1,051,554</b>	<b>1,051,554</b>	<b>1,119,817</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>303,189</b>	<b>735,620</b>	<b>652,813</b>	<b>1,210,970</b>	<b>1,010,307</b>	<b>1,022,067</b>
<b>LIBRARY REDEVELOPMENT PROJECT</b>							
Vendors, Consultants, other	17,000	29,750	82,000	0	0		0
Election Filing Fee			0	0	0		0
<b>Total Library Project</b>	<b>17,000</b>	<b>29,750</b>	<b>82,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FUND BALANCE as of 6/30</b>	<b>\$3,938,712</b>	<b>\$4,290,117</b>	<b>\$4,943,737</b>	<b>\$5,596,550</b>	<b>\$6,807,520</b>	<b>\$7,817,827</b>	<b>\$8,839,894</b>

*Legal and Audit costs will be reimbursed by Member Entities per JPA contract.*

[Revised 5/30/23]

Administrative Cost Projections  
North County Library Authority  
FY 2023-2024

	Actual Invoice	Contracted Amount	Add'l Services	Budgeted
NBS	7131.83	7500	2500	10000
MRG		62500		69250
Meyers Nave		not set		10000
Chavan		8500		8500
			Total	97750

**North County Library Authority**  
Los Altos, California

Annual Financial Report

For the Year Ended June 30, 2022



**Chavan & Associates, LLP**

Certified Public Accountants  
15105 Concord Circle, Suite 130  
Morgan Hill, CA 95037

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**North County Library Authority**  
Annual Financial Report  
For the Fiscal Year Ended June 30, 2022

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**FINANCIAL  
SECTION**





## INDEPENDENT AUDITOR'S REPORT

To the Commissioners  
of the North County Library Authority  
Los Altos, California

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the North County Library Authority (NCLA), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise NCLA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental-type activities and the General Fund of the North County Library Authority, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

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

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

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

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



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

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

In performing an audit in accordance with GAAS and GAGAS, we:

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

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information as listed in the table of contents, 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 April 12, 2023 on our consideration of NCLA'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 NCLA's internal control over financial reporting and compliance.

C & A LLP

April 12, 2023  
Morgan Hill, California

*Management's Discussion and Analysis*

# NORTH COUNTY LIBRARY AUTHORITY

## Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2022

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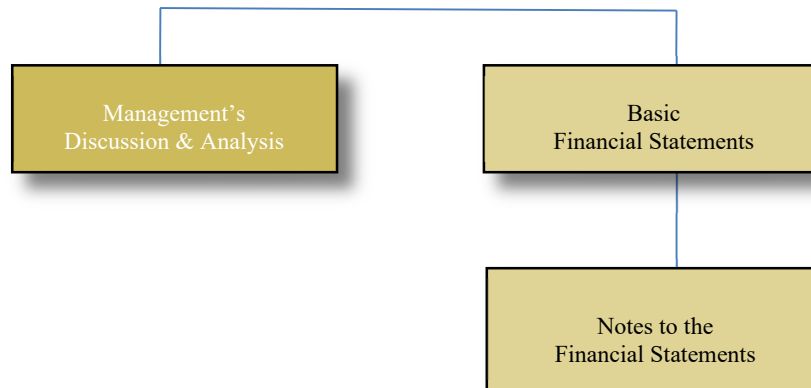
### INTRODUCTION

The Management's Discussion and Analysis (MD&A) is a required section of the Authority's annual financial report, as shown in the overview below. The purpose of the MD&A is to present a discussion and analysis of the Authority's financial performance during the fiscal year that ended on June 30, 2022. This report will (1) focus on significant financial issues, (2) provide an overview of the Authority's financial activity, (3) identify changes in the Authority's financial position, (4) identify any individual fund issues or concerns, and (5) provide descriptions of significant asset and debt activity.

This information, presented in conjunction with the annual Basic Financial Statements, is intended to provide a comprehensive understanding of the Authority's operations and financial standing. The annual report consists of a series of basic financial statements and notes to those statements. These statements are organized so the reader can understand the Authority as an entire operating entity. The statements provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position provide information about the activities of the Authority, presenting both an aggregate view of the Authority's finances and a longer-term view of those finances. The basic financial statements also include notes explaining pertinent information in the financial statements and provide more detailed data.

### Required Components of the Annual Financial Report



# NORTH COUNTY LIBRARY AUTHORITY

## Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2022

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### FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year were as follows:

- Total assets were \$7,300,159 as of June 30, 2022, an increase of \$1,098,956 over the prior fiscal year.
- Net position increased by \$1,105,126 during the fiscal year,
- Interest revenue decreased by \$8,686 as compared to the prior fiscal year.
- Expenses totaled \$18,397 for the fiscal year as compared to \$17,058 in the prior fiscal year.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This financial report includes the Management's Discussion and Analysis report, the Independent Auditor's report and the Basic Financial Statements of the Authority. The financial statements also include notes that explain the information in the financial statements in more detail.

### BASIC FINANCIAL STATEMENTS

The Financial Statements of the Authority report information about the Authority's accounting methods similar to those used by private sector companies. These statements have been prepared and audited using generally acceptable accounting standards. These required statements offer short-term and long-term financial information about the Authority's activities and are often used to assess the financial position and health of the Authority.

#### *Statement of Net Position*

This statement includes all of the Authority's assets, deferred outflow of resources, liabilities, and deferred inflow of resources, and provides information about the nature and amounts of investments in resources and obligations to creditors. It also provides the basis for evaluating the capital structure of the Authority.

#### *Statement of Activities*

This statement accounts for all revenues and expenses during the reporting period. This statement reflects the result of Authority operations over the past year as well as non-operating revenues, expenses, and contributed capital.

### FINANCIAL ANALYSIS OF THE AUTHORITY

One of the most important questions asked about the Authority's finances is whether or not the Authority's overall financial position has improved or deteriorated. The Statement of Net Position and the Statement of Activities report information about the Authority's activities in a way that will help answer this question. These two statements report the net position of the Authority as well as related changes. The difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources (net position) is one way to measure financial health or financial

# NORTH COUNTY LIBRARY AUTHORITY

## Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2022

position. Over time, increases or decreases in the Authority's net position is one of many indicators to ascertain if its financial health is improving or deteriorating.

**Table 1 - Summary of Net Position**

	<b>Fiscal Year June 30, 2022</b>	<b>Fiscal Year June 30, 2021</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<b>Assets</b>				
Cash and Investments	\$ 7,282,849	\$ 6,200,973	\$ 1,081,876	17%
Interest Receivable	17,310	230	17,080	7426%
<b>Total Assets</b>	<b>7,300,159</b>	<b>6,201,203</b>	<b>1,098,956</b>	<b>18%</b>
<b>Liabilities</b>				
Accounts payable	-	6,170	(6,170)	-100%
<b>Total Liabilities</b>	<b>-</b>	<b>6,170</b>	<b>(6,170)</b>	<b>-100%</b>
<b>Net Position</b>				
Restricted	7,300,159	6,195,033	1,105,126	18%
<b>Total Net Position</b>	<b>\$ 7,300,159</b>	<b>\$ 6,195,033</b>	<b>\$ 1,105,126</b>	<b>18%</b>

Net position increased by \$1,105,126 to \$7,300,159 from fiscal year 2020-21 to fiscal year 2021-22 as special assessments reported as charges for services exceeded expenses by this amount. The operations of the Authority were limited by the COVID-19 pandemic, leading to lower-than-expected operating costs. NCLA has the authority to continue to levy the special parcel tax annually in accordance with its mission to support library services in Los Altos and Los Altos Hills.

**Table 2 - Change in Net Position**

	<b>Fiscal Year June 30, 2022</b>	<b>Fiscal Year June 30, 2021</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<b>Revenues:</b>				
Program Revenues:				
Charges for Services	\$ 1,072,157	\$ 1,091,433	\$ (19,276)	-2%
General Revenues:				
Interest Income	51,366	60,052	(8,686)	-14%
<b>Total Revenues</b>	<b>1,123,523</b>	<b>1,151,485</b>	<b>(27,962)</b>	<b>-2%</b>
<b>Expenses:</b>				
Administration and Community Services	18,397	17,058	1,339	8%
<b>Total Expenses</b>	<b>18,397</b>	<b>17,058</b>	<b>1,339</b>	<b>8%</b>
<b>Change in net position</b>	<b>1,105,126</b>	<b>1,134,427</b>	<b>(29,301)</b>	<b>-3%</b>
<b>Net position - beginning</b>	<b>6,195,033</b>	<b>5,060,606</b>	<b>1,134,427</b>	<b>22%</b>
<b>Net position - ending</b>	<b>\$ 7,300,159</b>	<b>\$ 6,195,033</b>	<b>\$ 1,105,126</b>	<b>18%</b>

## **NORTH COUNTY LIBRARY AUTHORITY**

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2022

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Program Revenues reflect the parcel tax base while the total planned expenses have remained stable and in compliance with budgetary limits.

### **FACTORS BEARING ON THE AUTHORITY'S FUTURE**

NCLA'S revenue is projected to sustain eight more years of continued expanded levels of service until 2030. Since NCLA funds labor costs that are controlled by the County, the implementation of cost control measures at the County level remains a key assumption.

NCLA will continue to allocate funding as needed to provide an additional 17 operational hours per week at the Los Altos Library and an additional 25 hours per week at the Woodland Branch Library.

### **CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide citizens, customers, taxpayers, investors and creditors with a general overview of NCLA's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the North County Library Authority, One North San Antonio Road, Los Altos, CA 94022



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*Basic Financial Statements*

**North County Library Authority**

Statement of Net Position

June 30, 2022

---

	<u>Governmental Activities</u>
<b>Assets</b>	
Current assets:	
Cash and investments	\$ 7,282,849
Interest receivable	17,310
Total Assets	<u>\$ 7,300,159</u>
<b>Net Position</b>	
Restricted	<u>\$ 7,300,159</u>
Total Net Position	<u>\$ 7,300,159</u>

*The notes to basic financial statements are an integral part of this statement*

**North County Library Authority**  
Statement of Activities  
For the Fiscal Year Ended June 30, 2022

Function/Program	Expenses	Program Revenues  Charges for Services	Net (Expense) Revenue and Changes in Net Position
Governmental activities:			
Administration and community services	\$ 18,397	\$ 1,072,157	\$ 1,053,760
Total governmental activities	<u>\$ 18,397</u>	<u>\$ 1,072,157</u>	1,053,760
General revenues:			
Interest income			<u>51,366</u>
Change in net position			<u>1,105,126</u>
Beginning Net Position			<u>6,195,033</u>
Ending Net Position			<u>\$ 7,300,159</u>

*The notes to basic financial statements are an integral part of this statement*

**North County Library Authority**

Balance Sheet

Governmental Funds

June 30, 2022

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	<u>General Fund</u>
<b>ASSETS</b>	
Cash and investments	\$ 7,282,849
Interest receivable	17,310
Total Assets	<u>\$ 7,300,159</u>
<b>FUND BALANCE</b>	
Restricted	\$ 7,300,159
Total Fund Balance	<u>\$ 7,300,159</u>

*The notes to basic financial statements are an integral part of this statement*

**North County Library Authority**  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Governmental Funds  
For the Fiscal Year Ended June 30, 2022

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	<u>General Fund</u>
Revenues:	
Taxes and special assessments	\$ 1,051,554
Member assessments and reimbursements	20,603
Interest Income	<u>51,366</u>
Total revenues	<u>1,123,523</u>
Expenditures:	
Contractual Services	<u>18,397</u>
Total expenditures	<u>18,397</u>
Net change in fund balance	1,105,126
Beginning Fund Balance	<u>6,195,033</u>
Ending Fund Balance	<u><u>\$ 7,300,159</u></u>

*The notes to basic financial statements are an integral part of this statement*

# North County Library Authority

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2022

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## NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

### A. General

The North County Library Authority of Santa Clara County (the Authority or NCLA), formed in 1985 by a joint exercise of powers agreement between the City of Los Altos (City) and the Town of Los Altos Hills, provides library services for member residents. The Authority was created as a means to provide financing for capital improvements and additional services by the public libraries serving the area. Although the City owns the libraries and their sites, the County of Santa Clara (County) is responsible for all library operations. However, since 1985, the Authority has levied a voter approved special parcel tax to compensate for service reductions due to cutbacks by the County. The special tax has been collected by the County on behalf of the Authority. The Authority provides funding to the County for additional County staff hours at the two libraries in Los Altos, based on county costing of labor costs. The County and the City of Los Altos perform administrative and accounting services for the Authority. The Authority has no employees.

### B. Reporting Entity

NCLA's combined financial statements include the accounts of all its operations. NCLA evaluated whether any other entity should be included in these financial statements. The basic, but not the only, criterion for including a governmental department, agency, institution, commission, public authority, or other governmental organization in a governmental unit's reporting entity for general purpose financial reports is the ability of the governmental unit's elected officials to exercise oversight responsibility over such agencies. Oversight responsibility implies that one governmental unit is dependent on another and that the dependent unit should be reported as part of the other. Oversight responsibility is derived from the governmental unit's power and includes, but is not limited to:

- Financial interdependency
- Selection of governing authority
- Designation of management
- Ability to significantly influence operations
- Accountability for fiscal matters

Accordingly, for the year ended June 30, 2022, NCLA does not have any component units.

### C. Accounting Principles

The accounting policies of NCLA conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

### D. Basis of Presentation

#### **Government-wide Financial Statements:**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of NCLA. The Statement of Net Position reports all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.

## North County Library Authority

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2022

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The government-wide statements are prepared using the economic resources measurement focus. This approach differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government wide statements and the statements for the governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of NCLA's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. NCLA does not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipients of goods or services offered by a program, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of NCLA, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of NCLA.

### **Fund Financial Statements:**

Fund financial statements report detailed information about NCLA. The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows, current liabilities and deferred inflows are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

#### E. Basis of Accounting

##### **Government-Wide Financial Statements:**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Assessments and service charges are recognized as revenues in the year for which they are levied. Expenses are recorded when liabilities are incurred.

##### **Governmental Fund Financial Statements:**

Governmental fund financial statements (i.e., balance sheet and statement of revenues, expenditures and changes in fund balances) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the NCLA, "available" means collectible within the current period or within 60 days after year-end.



## North County Library Authority

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2022

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Non-exchange transactions, in which the NCLA receives value without directly giving equal value in return, include assessments and interest income. Under the accrual basis, revenue from assessments is recognized in the fiscal year for which the assessments are levied. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Expenses/Expenditures:

On the accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

### F. Fund Accounting

The accounts of NCLA are organized into one governmental fund, the General Fund, which has a separate set of self-balancing accounts. The purpose of this fund is to account for all financial resources except those required to be accounted for in another fund. The general fund is required to be presented as a major fund.

### G. Budgets and Budgetary Accounting

The Authority annually adopts a budget on or before June 30 for the ensuing fiscal year. From the effective date of the budget, the amounts become the “annual appropriated budget”. Appropriations lapse at the end of the fiscal year. Supplemental appropriations, which increase appropriations, may be made during the fiscal year. Budget information is presented for government fund types on a consistent basis with accounting principles generally accepted in the United States of America. Budgeted revenue and expenditure amounts represent the original budget modified for adjustments during the year.

### H. Cash and Investments

As described in Note 2, NCLA’s cash and investments are held with the Santa Clara County Treasury, as part of the cash and investment pool with other County Funds. In accordance with GASB Statement No. 31, investments are stated at fair value. However, the value of the pool shares in the County Treasurer's investment pool that may be withdrawn is determined on an amortized cost basis, which is different from the fair value of NCLA’s position in the pool. The County Treasurer's investment pool is subject to regulatory oversight by the Treasury Oversight Committee, as required by Section 27134 of the California Government Code. Statutes authorize the County to invest in the following:

1. Obligations of the County or any local agency and instrumentality in or of the State of California.
2. Obligations of the U.S. Treasury, agencies and instrumentalities

## North County Library Authority

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2022

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3. Bankers' acceptances eligible for purchase by Federal Reserve System.
4. Commercial paper.
5. Repurchase agreements or reverse repurchase agreement.
6. Medium-term notes with a five-year maximum maturity of corporations operating within the United States and rated in the top three rating categories.
7. Guaranteed investment contracts.

Investments are recorded at fair value in accordance with GASB Statement No. 72, Fair Value Measurement and Application. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. In determining this amount, three valuation techniques are available:

- Market approach - This approach uses prices generated for identical or similar assets or liabilities. The most common example is an investment in a public security traded in an active exchange such as the NYSE.
- Cost approach - This technique determines the amount required to replace the current asset. This approach may be ideal for valuing donations of capital assets or historical treasures.
- Income approach - This approach converts future amounts (such as cash flows) into a current discounted amount.

Each of these valuation techniques requires inputs to calculate a fair value. Observable inputs have been maximized in fair value measures, and unobservable inputs have been minimized.

### I. Accounting Estimates

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

### J. Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. In addition, deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also are included in the net investment in capital assets component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by NCLA or through external restrictions imposed by creditors, grantors, laws or regulations of other governments. NCLA applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Unrestricted net position reflects amounts that are not subject to any donor-imposed restrictions. This class also includes restricted contributions whose donor-imposed restrictions were met during the fiscal year.

## North County Library Authority

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2022

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### K. Fund Balance

As applicable, the Authority classifies fund balances into the following five categories to comply with the GASB No. 54, Fund Balance and Governmental Fund Types.

**Nonspendable** fund balances include amounts that cannot be spent because these are either in nonspendable form or they are legally required to be maintained intact. Examples of nonspendable fund balances include inventory and prepaid items.

**Restricted** fund balances exist when constraints are placed on the use of those resources that are either externally imposed or imposed by law. In general, most reserve funds will fall into this category. The Authorities special assessments are restricted to specific uses as listed in the voter approved parcel tax.

**Committed** fund balances are amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (Governing Board).

**Assigned** fund balances are those amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted, nor committed. The intent can be made by either the governing body itself or a body or official to which the governing body has delegated the authority to (purchasing agent and business official). Appropriated fund balance and the majority of encumbrances will be reclassified into the assigned category. The Authority reported no fund balances as assigned on the balance sheet of the governmental funds.

**Unassigned** fund balances will represent those funds that have not been assigned, committed, restricted or considered nonspendable. The general fund is the only fund that will report an unassigned fund balance, unless a deficit fund balance resulting from overspending in other funds exists. Fund balance in other funds will either be assigned, committed, restricted or nonspendable unless the fund reports a deficit.

### NOTE 2 - CASH AND INVESTMENTS

#### Summary of Cash and Investments

NCLA maintained cash with the Santa Clara County Treasurer's commingled pool totaling \$7,282,849 as of June 30, 2022.

#### Fair Value Measurements

GASB 72 established a hierarchy of inputs to the valuation techniques above. This hierarchy has three levels:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable
- Level 3 inputs are unobservable inputs, such as a property valuation or an appraisal.

## North County Library Authority

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2022

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Investments in the County Treasury Investment Pool are not measured using the input levels above because NCLA's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share.

### **Cash in Santa Clara County Treasury**

The fair value of NCLA's investment in the county pool is reported at amounts based on NCLA's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of the portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis. Santa Clara County investment pool funds were available for withdrawal on demand and had an average weighted maturity of 738 days. All cash and investments are stated at fair value. Pooled investment earnings are allocated monthly based on the average cash and investment balances of the various funds of the County.

### **Risk Disclosures**

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are described below:

#### **a) Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to the changes in market interest rates. NCLA manages its exposure to interest rate risk by investing in the Santa Clara County investment pool, which had a fair value of approximately \$5.9 billion as of June 30, 2022.

#### **b) Credit Risk**

Credit risk is the risk of loss due to the failure of the security issuer. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The investment with the County's investment pool is governed by the County's general investment policy. The County's investments included U.S. government securities, medium-term corporate notes, commercial paper, certificates of deposit or obligations explicitly guaranteed by the U.S. government that are not considered to have credit risk exposure. The County's two other investment types, LAIF and money market mutual funds, are not rated. The money pooled with the County of Santa Clara Investment Pool is not subject to a credit rating.

#### **c) Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, NCLA's deposits may not be returned to it. NCLA does not have a policy for custodial credit risk for deposits. However, the California Government code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. With respect to investments, custodial credit risk generally applies

## North County Library Authority

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2022

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only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as the money invested by NCLA in the County of Santa Clara Investment Pool).

### **d) Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of an investor's holdings in a single issuer. NCLA's investment in the County's commingled pool is diversified by the County Treasurer by limiting the percentage of the portfolio that can be invested in any one issuer's name. Investments in U.S. Treasuries, U.S. Agency securities explicitly backed by the U.S., and mutual and pooled funds are not subject to this limitation. More than 5% of the County's commingled pooled investments are invested with the Federal National Mortgage Association, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, and Federal Farm Credit Bank.

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

**North County Library Authority**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual (GAAP)  
General Fund  
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual (GAAP Basis)	Variance with Final Budget Positive - (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes and special assessments	\$ 1,051,554	\$ 1,051,554	1,051,554	\$ -
Member assessments and reimbursements	-	-	20,603	20,603
Interest Income	-	-	51,366	51,366
<b>Total revenues</b>	<b>1,051,554</b>	<b>1,051,554</b>	<b>1,123,523</b>	<b>71,969</b>
<b>Expenditures:</b>				
Contractual Services	31,300	31,300	18,397	12,903
<b>Total expenditures</b>	<b>31,300</b>	<b>31,300</b>	<b>18,397</b>	<b>12,903</b>
Excess (deficiency) of revenues over (under) expenditures	1,020,254	1,020,254	1,105,126	84,872
Fund balance beginning	6,195,033	6,195,033	6,195,033	-
Fund balance ending	<u>\$ 7,215,287</u>	<u>\$ 7,215,287</u>	<u>\$ 7,300,159</u>	<u>\$ 84,872</u>

The Authority annually adopts a budget on or before June 30 for the ensuing fiscal year. From the effective date of the budget, the amounts become the "annual appropriated budget". Appropriations lapse at the end of the fiscal year. Supplemental appropriations, which increase appropriations, may be made during the fiscal year. Budget information is presented for government fund types on a consistent basis with accounting principles generally accepted in the United States of America. Budgeted revenue and expenditure amounts represent the original budget modified for adjustments during the year.

**OTHER INDEPENDENT  
AUDITOR'S REPORTS**





**INDEPENDENT AUDITOR'S 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***

To the Commissioners  
of the North County Library Authority  
Los Altos, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the North County Library Authority (NCLA) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise NCLA's basic financial statements, and have issued our report thereon dated April 12, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered NCLA's internal control over financial reporting (internal control) as a basis for designing 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 NCLA's internal control. Accordingly, we do not express an opinion on the effectiveness of NCLA'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether NCLA'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 statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not



express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

**Purpose of this Report**

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

*C & A LLP*

April 12, 2023  
Morgan Hill, California



**NORTH COUNTY LIBRARY AUTHORITY**  
**MINUTES**  
**5:30 PM – Monday, May 22, 2023**



*Hybrid format: In person at the Los Altos Community Center; Manzanita Room, Hillview Avenue, Los Altos, CA and Online via Zoom*

**CALL MEETING TO ORDER**

At 5:35 p.m., President Schmidt called the meeting to order.

**ESTABLISH QUORUM**

**PRESENT:** President Schmidt, Vice President Meadows, Secretary Hill, Commissioner Dailey  
Commissioner Johri was present remotely via zoom, however, Counsel noted that her remote attendance was not properly noticed on the agenda, so her participation in the meeting was limited and non-voting.

**ABSENT:** None

**PLEDGE OF ALLEGIANCE**

President Schmidt led the pledge of allegiance.

**PUBLIC COMMENTS**

There were no public comments at this time.

**INFORMATIONAL ITEMS**

**1. Introduction of new Board Member and appreciation for outgoing member**

President Schmidt thanked outgoing Commissioner Suzanne Epstein for her many years of service to the NCLA. Commissioners Meadows and Hill added tributes to Ms. Epstein and her dedication to knowing every detail of NCLA matters.

President Schmidt introduced Aarti Johri as the new commissioner from Los Altos Hills.

**2. Update on the status of outstanding invoices**

The Administrative Officer informed the Board that all previously authorized invoices from 2022 were never sent to the County for payment. They would be included with payments authorized later in the agenda so that NCLA would be fully current with payments.

**3. Legal discussion of allowable uses of NCLA funds, by Ali Wolf, Meyers Nave**

Counsel Wolf gave a brief general description of the allowable uses of the NCLA funds which contained specific expenditures but concluded with a clause allowing for “expenses necessary to uphold existing services”. There was discussion with Counsel as to what this might allow for.

The following members of the public spoke: Pierre Bedard and Julie Crane

The Authority determined that there was still a need for specific details to be clarified by Counsel. Then, the community should be asked to weigh in as to what its priorities are. Finally, it was suggested that some long-range budget figures were needed to ensure that monies spent would not limit the Authority’s ability to fund existing services if there were changes in other current sources of funding.

#### **4. Report from Cindy Hill, Elayne Dauber, Julie Crane and Lisa Schmidt on 4/20 Strategy Meeting**

Julie Crane reported on the presentations from the various County libraries. The Authority engaged in discussion about the history and process for prior Los Altos Library projects and what steps were needed to move forward with new projects.

### **ITEMS FOR CONSIDERATION/ACTION**

#### **1. NCLA Annual Budget FY 23-24: Consideration and Adoption**

##### **a. NBS Annual Report of expected income from Parcel Tax 889**

It was noted that on page 2 of the report that the organization’s name was listed as “Association” and not “Authority”. Commissioner Dailey made a motion to accept the report pending this change. The motion was seconded by Commissioner Hill. The report as amended was accepted in a unanimous vote.

##### **b. County Investment Fund Statements**

Vice President Meadows made a motion to accept the Investment Report as presented. The motion was seconded by Commissioner Hill. The report was accepted in a unanimous vote.

##### **c. Adopt annual budget for FY 23-24**

There was a question about the tax revenue figure used in the budget. Commissioner Dailey made a motion to table budget approval until clarification was made. The motion was seconded by Vice President Meadows. Budget adoption was tabled until the June meeting in a unanimous vote.

##### **d. Adopt Resolution 2023-01 Annual Levy Resolution**

There was no public comment on this item.

Vice President Meadows made a motion to adopt Resolution 2023-01 as presented. The motion was seconded by Commissioner Hill. The resolution was adopted in a unanimous vote.

##### **e. Adopt Resolution 2023-02 Annual Gann Limit Resolution**

There was no public comment on this item.

Vice President Meadows made a motion to adopt Resolution 2023-02 as presented. The motion was seconded by Commissioner Hill. The resolution was adopted in a unanimous vote.

## **2. Approval of Minutes**

### a. Regular Meeting of 1/30/23

Member of the Public Pierre Bedard noted that the comment attributed to Commissioner Dailey on page 3 of the minutes was made by him. He asked that the minutes be corrected to include proper attribution. Vice President Meadows made a motion to approve the January 30, 2023 Meeting minutes as corrected. The motion was seconded by Commissioner Hill. The corrected minutes were approved in a unanimous vote.

### b. Special Meeting of 3/27/23

Vice President Meadows noted that, on page 2 of the minutes, she was referred to as Vice Mayor. She asked that the minutes be corrected to refer to her as Vice President to reflect her role with the Authority. Vice President Meadows made a motion to approve the March 27, 2023 Meeting minutes as corrected. The motion was seconded by Commissioner Hill. The corrected minutes were approved in a unanimous vote.

## **3. Approval of Outstanding Invoices for Payment**

### a. MRG

There was a brief discussion to ensure that the responsibility for this invoice did lie with the Authority. Commissioner Dailey made a motion to approve the payment of the MRG invoice for services during FY 2021/22. The motion was seconded by Vice President Meadows. The invoice was approved for payment in a unanimous vote.

## **4. Approval of Current Invoices for Payment**

### a. Meyers Nave

It was noted that due to the issues raised by former Commissioner Epstein concerning some charges for March 2023, the Board was only being asked to approve payment of invoices through February 2023.

Vice President Meadows made a motion to approve the payment of the Meyers Nave invoice for services through February 2023. The motion was seconded by Commissioner Hill. The invoice was approved for payment in a unanimous vote.

### b. Chavan & Associates

Vice President Meadows made a motion to approve the payment of the current Chavan & Associates invoice. The motion was seconded by President Schmidt. The invoice was approved for payment in a unanimous vote.

### c. MRG

Vice President Meadows made a motion to approve the current MRG invoice for payment. The motion was seconded by President Schmidt. The invoice was approved for payment in a unanimous vote.

## COMMISSIONERS' REPORTS AND COMMENTS

There was no further discussion or comment.

## POTENTIAL FUTURE AGENDA ITEMS

### 1. Ad Hoc Committee for NCLA Fund usage

Commissioners felt this item has been sufficiently discussed under previous items.

## 2023 MEETING CALENDAR

President Schmidt asked to have set calendar meeting dates rather than polling for individual dates. Commissioners determined that the 1<sup>st</sup> Monday of the month was a workable time for the Authority meetings. However, Counsel pointed out that this item should be specifically agendized in a future meeting before being adopted. Due to the nearness of the June date and the holiday weekend for July's first Monday, the Board set its next meeting for Monday, June 26<sup>th</sup> at 5:00 pm. At that time, it will agendize adoption of a schedule of first Monday meetings.

## ADJOURNMENT

President Schmidt adjourned the meeting at 7:20 pm.

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Lisa Schmidt, President

ATTEST:



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Christi Mansel, Administrative Officer



A Professional Corporation

1999 HARRISON STREET, 9<sup>th</sup> FLOOR  
OAKLAND, CA 94612  
510-808-2000  
Tax ID 94-3050358

April 14, 2023

NCLA President  
North County Library Authority  
1 North San Antonio Road  
Los Altos, CA 94022

Invoice No. 205817  
Client No. 1579  
Matter No. 003

---

**REVISED INVOICE**

This invoice is to replace Invoice #203885

**INVOICE SUMMARY**

For Professional Services Rendered Through March 31, 2023

**CLIENT: North County Library Authority**  
**MATTER: General Counsel Services**

Total Professional Services	\$ 1,092.00
Total Costs	<u>\$ 54.60</u>
<b>TOTAL THIS INVOICE</b>	<b>\$ 1,146.60</b>
Outstanding Balance	<u>\$ 12,436.21</u>
<b>TOTAL BALANCE DUE</b>	<b><u>\$ 13,582.81</u></b>

Client No. 1579  
Matter No. 003

April 14, 2023  
Invoice No. 205817

**PROFESSIONAL SERVICES**

Date	Init	Description	Hours	Rate	Amount
3/06/23	STM	Conference with Lisa Schmidt regarding staffing issue at NCLA.	.30	455.00	136.50
3/27/23	STM	Conference with President Schmidt, review parcel tax measure and JPA and prepare for NCLA meeting.	.90	455.00	409.50
3/27/23	STM	Attend NCLA Meeting.	1.20	455.00	546.00
<b>TOTAL PROFESSIONAL SERVICES</b>					<b>\$ 1,092.00</b>

**SUMMARY OF PROFESSIONAL SERVICES**

Name	Init	Title	Hours	Rate	Total
Steven T. Mattas	STM	Sr. Principal	2.40	455.00	1,092.00
<b>Total</b>			<b>2.40</b>		<b>\$ 1,092.00</b>

**COSTS**

Date	Description	Amount
3/31/23	5% In-House Costs	54.60
<b>TOTAL COSTS</b>		<b>\$ 54.60</b>
<b>TOTAL THIS INVOICE</b>		<b>\$ 1,146.60</b>



Client No. 1579  
Matter No. 003

April 14, 2023  
Invoice No. 205817

**OUTSTANDING INVOICES**

Invoice Number	Date	Invoice Total	Payments Received	Ending Balance
184061	10/27/21	231.53	.00	231.53
185446	11/23/21	4,825.28	.00	4,825.28
190413	3/18/22	404.25	.00	404.25
191537	4/14/22	294.00	.00	294.00
192587	5/16/22	205.80	.00	205.80
194219	6/13/22	147.00	.00	147.00
196379	8/15/22	1,102.50	.00	1,102.50
197388	9/12/22	273.00	.00	273.00
198543	10/18/22	1,107.75	.00	1,107.75
199464	11/11/22	485.10	.00	485.10
200336	12/09/22	492.45	.00	492.45
204835	5/03/23	2,867.55	.00	2,867.55
OUTSTANDING BALANCE				\$ 12,436.21
Balance Due This Invoice				<u>\$ 1,146.60</u>
<b>TOTAL BALANCE DUE</b>				<b><u>\$ 13,582.81</u></b>

**AGED ACCOUNTS RECEIVABLE**

Current - 30	31 - 60	61 - 90	91 - 120	Over 120	Total
\$ 2,867.55	\$ .00	\$ .00	\$ .00	\$ 9,568.66	\$ 12,436.21

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1999 HARRISON STREET, 9<sup>th</sup> FLOOR  
OAKLAND, CA 94612  
510-808-2000  
Tax ID 94-3050358

April 14, 2023

NCLA President  
North County Library Authority  
1 North San Antonio Road  
Los Altos, CA 94022

Invoice No. 205817  
Client No. 1579  
Matter No. 003

## REMITTANCE

**CLIENT: North County Library Authority**  
**MATTER: General Counsel Services**

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<b>BALANCE DUE THIS INVOICE</b>	<b>\$ 1,146.60</b>
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Outstanding Balance	<u>\$ 12,436.21</u>
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<b>TOTAL BALANCE DUE</b>	<b><u>\$ 13,582.81</u></b>
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**All checks should be made payable to:**  
(Please return this page with payment.)

Meyers Nave  
ATTN: Billing Department  
1999 Harrison Street, 9th Floor  
Oakland, CA 94612

**For payment by wire or ACH in USD:**

Contact our Billing Department at  
[billingdept@meyersnave.com](mailto:billingdept@meyersnave.com)

Please call for information at  
510-808-2000

*Please reference: Invoice No. 205817, Client-Matter No. 1579 - 003*

**Invoices Are Payable Upon Receipt**

***Thank you! Your business is greatly appreciated.***



A Professional Corporation

1999 HARRISON STREET, 9<sup>th</sup> FLOOR  
OAKLAND, CA 94612  
510-808-2000  
Tax ID 94-3050358

June 15, 2023

NCLA President  
North County Library Authority  
1 North San Antonio Road  
Los Altos, CA 94022

Invoice No. 205907  
Client No. 1579  
Matter No. 003

---

## INVOICE SUMMARY

For Professional Services Rendered Through May 31, 2023

**CLIENT: North County Library Authority**  
**MATTER: General Counsel Services**

Total Professional Services	\$ 2,080.00
Total Costs	<u>\$ 117.94</u>
<b>TOTAL THIS INVOICE</b>	<b>\$ 2,197.94</b>
Outstanding Balance	<u>\$ 4,014.15</u>
<b>TOTAL BALANCE DUE</b>	<b><u>\$ 6,212.09</u></b>

Client No. 1579  
Matter No. 003

June 15, 2023  
Invoice No. 205907

**PROFESSIONAL SERVICES**

Date	Init	Description	Hours	Rate	Amount
5/03/23	AIW	Preparation for upcoming regular meeting.	.10	300.00	30.00
5/05/23	CSL	Correspond with Lisa Schmidt regarding tax fund use issue for May 22, 2023 Commission meeting.	.20	350.00	70.00
5/11/23	CSL	Conference with A. Wolf regarding May 22, 2023 meeting coverage and tax fund use issues.	.40	350.00	140.00
5/11/23	AIW	Preparation for May 22, 2023 regular NCLA meeting.	.30	300.00	90.00
5/22/23	AIW	Preparation for and attend May 22, 2023 NCLA meeting.	4.90	300.00	1,470.00
5/22/23	AIW	Research and draft guidance for Lisa Schmidt regarding Measure L Special Tax spending restrictions.	.70	300.00	210.00
5/30/23	CSL	Conference with A. Wolf regarding follow up issues from May 22, 2023 NCLA meeting.	.20	350.00	70.00
<b>TOTAL PROFESSIONAL SERVICES</b>					<b>\$ 2,080.00</b>

**SUMMARY OF PROFESSIONAL SERVICES**

Name	Init	Title	Hours	Rate	Total
Claire S. Lai	CSL	Of Counsel	.80	350.00	280.00
Alexandra I. Wolf	AIW	Mid Associate	6.00	300.00	1,800.00
<b>Total</b>			<b>6.80</b>		<b>\$ 2,080.00</b>

**COSTS**

Date	Description	Amount
5/04/23	Westlaw Services - Inv #848298754 Online Research For April 2023 Re User Mahallati, Kimia	13.94
5/31/23	5% In-House Costs	104.00
<b>TOTAL COSTS</b>		<b>\$ 117.94</b>
<b>TOTAL THIS INVOICE</b>		<b>\$ 2,197.94</b>

Client No. 1579  
 Matter No. 003

June 15, 2023  
 Invoice No. 205907

**OUTSTANDING INVOICES**

Invoice Number	Date	Invoice Total	Payments Received	Ending Balance
204835	5/03/23	2,867.55	.00	2,867.55
205817	4/14/23	1,146.60	.00	1,146.60
OUTSTANDING BALANCE				\$ 4,014.15
Balance Due This Invoice				<u>\$ 2,197.94</u>
<b>TOTAL BALANCE DUE</b>				<b><u><u>\$ 6,212.09</u></u></b>

**AGED ACCOUNTS RECEIVABLE**

Current - 30	31 - 60	61 - 90	91 - 120	Over 120	Total
\$ .00	\$ 2,867.55	\$ 1,146.60	\$ .00	\$ .00	\$ 4,014.15

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June 15, 2023

NCLA President  
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Invoice No. 205907  
Client No. 1579  
Matter No. 003

---

## REMITTANCE

**CLIENT: North County Library Authority**  
**MATTER: General Counsel Services**

---

<b>BALANCE DUE THIS INVOICE</b>	<b>\$ 2,197.94</b>
Outstanding Balance	<u>\$ 4,014.15</u>
<b>TOTAL BALANCE DUE</b>	<b><u>\$ 6,212.09</u></b>

---

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**For payment by wire or ACH in USD:**

Contact our Billing Department at  
[billingdept@meyersnave.com](mailto:billingdept@meyersnave.com)

Please call for information at  
510-808-2000

*Please reference: Invoice No. 205907, Client-Matter No. 1579 - 003*

**Invoices Are Payable Upon Receipt**

***Thank you! Your business is greatly appreciated.***

**Account Group:** MN All Accounts

**Date Range:** April 01, 2023 - April 30, 2023

**Report Format:** Summary-Account by Client by User by Day

**Products:** Westlaw, Westlaw Canada, Westlaw Retired, Westlaw UK

**Content Families:** All Content Families

Account by Client by User by Day	Trans	Standard Charge	Amount of Discount	Special Pricing Charge	Tax Amount	Total Charge
Client 1579.003						
User Name MAHALLATI,KIMIA (21795099)						
Day 04/19/2023						
Totals for Included	15	368.00 USD	354.06 USD	13.94 USD	0.00 USD	13.94 USD
Totals for Day 04/19/2023	15	368.00 USD	354.06 USD	13.94 USD	0.00 USD	13.94 USD
Totals for User Name MAHALLATI,KIMIA (21795099)	15	368.00 USD	354.06 USD	13.94 USD	0.00 USD	13.94 USD
Totals for Client 1579.003	15	368.00 USD	354.06 USD	13.94 USD	0.00 USD	13.94 USD



# Municipal Resource Group LLC

PO Box 561  
Wilton, CA 95693  
Tel: 916-687-7601  
cmatsumoto@solutions-mrg.com  
https://solutions-mrg.com

North County Library Authority  
1 North San Antonio Road  
Los Altos, CA 94022

## INVOICE

TAX ID: 26-4149793  
INVOICE DATE: 6/14/2023  
INVOICE NO: 03-23-470  
BILLING THROUGH: 5/31/2023

### NCLA - Library Consulting Services 23108-NCL

#### PROFESSIONAL SERVICES

DATE	DESCRIPTION	HOURS	RATE	AMOUNT
5/2/2023	Draft Payee Account sheet. Email communications with Board	0.50	\$225.000	\$112.50
5/3/2023	Confirm 5/22 attendance. Prepare preliminary agenda	0.50	\$225.000	\$112.50
5/8/2023	GCC report & submission	2.00	\$225.000	\$450.00
5/9/2023	Prepare Gann Resolution, Annual Levy Resolution. Emails with County to receive fund statements	2.50	\$225.000	\$562.50
5/15/2023	Request NBS Tax report. Prepare Budget Draft	2.00	\$225.000	\$450.00
5/17/2023	Email communications with SC Controllers office and Leadership. Compile, send meeting packet and agenda. Review Payment history. Finalize budget	5.50	\$225.000	\$1,237.50
5/19/2023	Email correspondence with President & former Board member, review meeting packet	0.50	\$225.000	\$112.50
5/22/2023	On-site meeting including preparation and travel	9.00	\$225.000	\$2,025.00
5/23/2023	Scan and send pay authorizations. Send meeting follow up emails. Emails to Counsel on billing revisions	1.00	\$225.000	\$225.00
5/24/2023	Prepare minutes. Emails with County Controller's office and members	2.50	\$225.000	\$562.50
5/25/2023	Edit budget. Resolve technical issues with IT. FTR notification, research	2.00	\$225.000	\$450.00
5/26/2023	Email communications with Auditor. Respond to former Board member	0.50	\$225.000	\$112.50
5/30/2023	SDFTR report. Send onboarding materials. Mail signature card. Update budget	3.00	\$225.000	\$675.00
<b>TOTAL SERVICES</b>		<b>31.50</b>		<b>\$7,087.50</b>

#### EXPENSES

DESCRIPTION	AMOUNT	
Mileage	\$95.63	
Postage	\$22.55	
<b>TOTAL EXPENSES</b>		<b>\$118.18</b>

**SUBTOTAL** \$7,205.68

**AMOUNT DUE THIS INVOICE** \$7,205.68

This invoice is due on 7/14/2023





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**Confidential Invoice** - Questions on this invoice, call 916-687-7601. MRG accepts ACH payments.