



# **NORTH COUNTY LIBRARY AUTHORITY SPECIAL MEETING AGENDA**

**5:00 PM - Monday, July 18, 2022**

*Videoconference*

**Please Note: Per California Executive Order N-29-20, the North County Library Authority will meet via Telephone/Video Conference only.**

**Telephone: 1-669-444-9171 // Webinar ID: 862 1906 9637 // Passcode: 476547**

**<https://losaltosca.gov.zoom.us/j/86219069637?pwd=cG5wKzBuOVpCSWRxMHhJaC9SYIZvUT09>**

**TO PARTICIPATE VIA VIDEO:** Follow the link above. Members of the public will need to have a working microphone on their device and must have the latest version of Zoom installed (available at <https://zoom.us/download>). To request to speak, please use the "Raise hand" feature located at the bottom of the screen.

**TO PARTICPATE VIA TELEPHONE:** Members of the public may also participate via telephone by calling the number listed above. To request to speak, press \*9 on your telephone.

**TO SUBMIT WRITTEN COMMENTS:** Prior to the meeting, comments on matters listed on the agenda may be emailed to [arodriguez@losaltosca.gov](mailto:arodriguez@losaltosca.gov). 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. 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 noted on the agenda before any discussion or action.

**CONSENT CALENDAR**

- [1.](#) **Minutes:** Approve Minutes of the NCLA Special Meeting of January 31, 2022
- [2.](#) **Minutes:** Approve Minutes of the NCLA Special Meeting of March 2, 2022
- [3.](#) **Minutes:** Approve Minutes of the NCLA Special Meeting of April 6, 2022
- [4.](#) **Minutes:** Approve Minutes of the NCLA Special Meeting of May 9, 2022
- [5.](#) **Minutes:** Approve Minutes of the NCLA Special Meeting of July 7, 2022

**ITEMS FOR CONSIDERATION/ACTION**

- [6.](#) **Audit Contract Award:** Consider and Approve Audit Contract from Chavan & Associates for FY 21/22, FY 22/23, & FY 23/24
- [7.](#) **Consider and Adopt:** NCLA FY 19/20 Audit
- [8.](#) **Consider and Adopt:** NCLA Annual Budget FY 2022-23
- [9.](#) **Adopt Resolution 2023-01:** Annual Gann Limit Resolution
- [10.](#) **Adopt Resolution 2023-02:** Annual Levy Resolution
- [11.](#) **Consider and Approve:** Capital investment in Library to uphold the level of service
- [12.](#) **NCLA Billing:** Review and approve invoices for payments
- [13.](#) **Approve Annual Billing:** Authorize annual billing to member entities per JPA contract

**INFORMATIONAL ITEMS**

- [14.](#) **Library Redevelopment Task Force:** Presentation from the Library Commission Subcommittee
15. **County Update:** County Staff to provide updates
- [16.](#) **NBS Annual Report:** Expected income from Parcel Tax 889
- [17.](#) **Santa Clara County Investment Fund:** NCLA Account Statement and Required Signature Card
18. **Staff Updates:** Review information from Staff

**MEMBER/STAFF REPORTS AND COMMENTS****FUTURE AGENDA ITEMS****ADJOURNMENT****SPECIAL NOTICES TO PUBLIC**

In compliance with the Americans with Disabilities Act, the City of Los Altos will make reasonable arrangements to ensure accessibility to this meeting. If you need special assistance to participate in this meeting, please contact the City Clerk 72 hours prior to the meeting at (650) 947-2610.

Agendas Staff Reports and some associated documents for NCLA items may be viewed on the Internet at [https://www.losaltosca.gov/meetings?field\\_microsite\\_tid\\_1=2311](https://www.losaltosca.gov/meetings?field_microsite_tid_1=2311).

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, and that are distributed to a majority of the legislative body, will be available for public inspection at the Office of the City Clerk's Office, City of Los Altos, located at One North San Antonio Road, Los Altos, California at the same time that the public records are distributed or made available to the legislative body.

If you wish to provide written materials, please provide the City Clerk with 10 copies of any document that you would like to submit to the City Council for the public record.



**NORTH COUNTY LIBRARY AUTHORITY**  
**MINUTES**  
**5:30 PM - Monday, January 31, 2022**  
*via Videoconference*



**CALL MEETING TO ORDER**

At 5:33 p.m. President Fligor called the meeting to order.

**ESTABLISH QUORUM**

**PRESENT:** Commissioner Meadows, Commissioner Schmidt, Secretary Epstein, Vice President Hill, President Fligor  
**ABSENT:** None

**PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA**

MJ provided comments.

**ITEMS FOR CONSIDERATION/ACTION**

1. Election of North County Library Authority (NCLA) Commission Officers and Appointed Roles
  - a. Nominate and elect a member for the position of President

Upon motion by Secretary Epstein, seconded by President Fligor, Cindy Hill as unanimously elected was President with the following roll call vote:

**AYES:** Commissioner Meadows, Commissioner Schmidt, Secretary Epstein, Vice President Hill, President Fligor  
**NOES:** None  
**ABSENT:** None  
**ABSTAIN:** None

Vice President Hill led and continued the meeting as President Hill.

- b. Nominate and elect a member for the position of Vice President

Upon motion by Commissioner Schmit, seconded by President Hill, Commissioner Schmit was unanimously elected as Vice President with the following roll call vote:

**AYES:** Commissioner Meadows, Commissioner Schmidt, Commissioner Fligor, Secretary Epstein, President Hill  
**NOES:** None  
**ABSENT:** None  
**ABSTAIN:** None

Commissioner Schmit continued the meeting as Vice President.



- c. Nominate and elect a member for the position of Secretary

Upon motion by President Hill, seconded by Vice President Schmit, Secretary Epstein was unanimously re-elected as Secretary with the following roll call vote:

AYES: Commissioner Meadows, Commissioner Fligor, Secretary Epstein, Vice President Schmidt, President Hill  
 NOES: None  
 ABSENT: None  
 ABSTAIN: None

- d. Discuss appointed roles of Treasurer and Auditor-Controller and provide direction

Appointment of Treasurer was postponed to their next meeting.

2. Approval of Minutes  
 a. Special Meeting of 10/18/21

Upon motion by Commissioner Meadows, seconded by Vice President Schmit, the minutes for the Special Meeting on 10/18/21 as amended was unanimously adopted with the following roll call vote:

AYES: Commissioner Meadows, Commissioner Fligor, Secretary Epstein, Vice President Schmidt, President Hill  
 NOES: None  
 ABSENT: None  
 ABSTAIN: None

- b. Special Meeting of 11/15/21  
 c. Special Meeting of 12/13/21

Upon motion by Commissioner Fligor, seconded by Commissioner Meadows, the minutes for 11/15/21 and 12/13/21 were unanimously adopted with the following roll call vote:

AYES: Commissioner Meadows, Commissioner Fligor, Secretary Epstein, Vice President Schmidt, President Hill  
 NOES: None  
 ABSENT: None  
 ABSTAIN: None

3. Receive Annual Audit for Fiscal Year 2019-2020; Discuss process for future audits and provide direction as appropriate

Grace Zhang from Maze and Associates presented the audit report of Fiscal Year 2019-2020. Discussion commenced. Ms. Zhang will address corrections and bring back to be included on the next agenda for adoption.

The Authority provided direction on the FY20-21 audit to be done by the City of Los Altos and Maze and Associates. The Authority will determine at a later date how they will move forward with FY 21-22.

Upon motion by Commissioner Fligor, seconded by Commissioner Meadows, a subcommittee was unanimously formed consisting of Secretary Epstein and President Hill to work with Maze, the City, and Santa Clara County and any other necessary parties to resolve how they will perform the FY20-21 audit with the following roll-call vote:

AYES: Commissioner Meadows, Commissioner Fligor, Secretary Epstein, Vice President Schmidt, President Hill  
 NOES: None  
 ABSENT: None  
 ABSTAIN: None

Upon motion by Commissioner Fligor, seconded by Vice President Schmidt, the Authority expanded the scope of the newly formed subcommittee to have auditor options presented to this body in order to have the FY21-22 delivered to the Authority by January 2023. The motion passed with the following roll-call vote:

AYES: Commissioner Meadows, Commissioner Fligor, Secretary Epstein, Vice President Schmidt, President Hill  
 NOES: None  
 ABSENT: None  
 ABSTAIN: None

#### 4. County Library System Update

Rose Baisa and Chuck Griffen from the Santa Clara County Library District presented their update.

5. Review of Los Altos Library Endowment (LALE) Funding (Cindy Hill)
  - a. Requested by Commission at 10/18/21 meeting

President Hill gave a presentation to the Authority.

6. NCLA Financial Status Update; Commission will provide direction as appropriate

The County Report was not in the desired format, the Authority requested it be brought back.

Discussion commenced.

MJ provided public comment.

Commissioner Fligor requested a summary of how the Authorities funds have been spent historically. President Hill will bring that back for the next meeting.

7. Discussion of Adding Unincorporated Territories to Next Tax Measure (Secretary Epstein)

Secretary Epstein gave a presentation to the Authority. The Authority will keep this in mind as the election cycles approach.

8. Declaration of Local Health Emergency – Necessitating Hosting Virtual Commission Meetings

a. Adoption of Resolution 22-01

MJ provided public comments.

Upon motion by Commissioner Meadows, seconded by Vice President Schmidt, the Declaration of Local Health Emergency was unanimously passed with the following roll call vote:

- AYES: Commissioner Meadows, Commissioner Fligor, Secretary Epstein, Vice President Schmidt, President Hill
- NOES: None
- ABSENT: None
- ABSTAIN: None

**INFORMATIONAL ITEMS**

Authority Liaison Rodriguez gave some logistical updates.

**COMMISSIONERS' REPORTS AND COMMENTS**

No reports or comments by Commissioners.

**POTENTIAL FUTURE AGENDA ITEMS**

The Authority would like the following scheduled at an upcoming meeting:

- Updated FY19-20 Maze Audit Report
- FY 20-21 Audit
- FY 21-22 Auditor Recommendations
- Financial Status Reports on appropriate templates
- Historical Spending to date of the Authority
- Treasurer Role
- Authority Goal Discussion
- Unincorporated Parcel Discussion

**ADJOURNMENT**

President Hill adjourned the meeting at 7:41 pm.

\_\_\_\_\_  
Cindy Hill, President

ATTEST:

\_\_\_\_\_  
Angel Rodriguez, Deputy City Clerk



**NORTH COUNTY LIBRARY AUTHORITY**  
**MINUTES**  
**5:00 PM – Wednesday, March 2, 2022**  
*via Videoconference*



**CALL MEETING TO ORDER**

At 5:15 p.m. Secretary Epstein called the meeting to order.

**ESTABLISH QUORUM**

**PRESENT:** Commissioner Meadows, Commissioner Fligor, Secretary Epstein  
**ABSENT:** President Hill, Vice President Schmidt

**PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA**

Pierre Bedard provided comments.

**ITEMS FOR CONSIDERATION/ACTION**

1. Declaration of Local Health Emergency – Necessitating Hosting Virtual Commission Meeting; Adoption of Resolution 2022-02

Meyers Naver Attorney Clair Lai introduced the resolution.

MJ provided public comments. Meyers Naver Attorney Clair Lai responded.

After Authority discussion, and upon motion by Commissioner Fligor, seconded by Meadowst, the Declaration of Local Health Emergency, Resolution 2022-02, was unanimously passed with the following roll call vote:

**AYES:** Commissioner Meadows, Commissioner Fligor, Secretary Epstein  
**NOES:** None  
**ABSENT:** President Hill, Vice President Schmidt  
**ABSTAIN:** None

**ADJOURNMENT**

Secretary Epstein adjourned the meeting at 5:28 pm.

\_\_\_\_\_  
Cindy Hill, President

**ATTEST:**

\_\_\_\_\_  
Angel Rodriguez, Deputy City Clerk



**NORTH COUNTY LIBRARY AUTHORITY**  
**MINUTES**  
**5:00 PM – Tuesday, April 6, 2022**  
*via Videoconference*



**CALL MEETING TO ORDER**

President Hill called the meeting to order. 6:01pm

**ESTABLISH QUORUM**

**PRESENT:** President Hill, Vice President Schmidt, Commissioner Fligor, Commissioner Meadows  
**ABSENT:** Secretary Epstein

**PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA**

None provided comments.

**ITEMS FOR CONSIDERATION/ACTION**

1. Declaration of Local Health Emergency – Necessitating Hosting Virtual Commission Meeting; Adoption of Resolution 2022-03

Attorney Clair Lai introduced the resolution.

After Authority discussion, and upon motion by Commissioner Meadows, seconded by Vice President Schmidt, the Declaration of Local Health Emergency, Resolution 2022-03, was passed with the following roll call vote:

**AYES:** President Hill, Vice President Schmidt, Commissioner Fligor, Commissioner Meadows  
**NOES:** None  
**ABSENT:** Secretary Epstein  
**ABSTAIN:** None

**ADJOURNMENT**

President Hill adjourned the meeting at 5:28 pm.

\_\_\_\_\_  
Cindy Hill, President

ATTEST:

\_\_\_\_\_  
Angel Rodriguez, Deputy City Clerk



**NORTH COUNTY LIBRARY AUTHORITY**  
**MINUTES**  
**5:00 PM – Tuesday, May 9, 2022**  
*via Videoconference*



**CALL MEETING TO ORDER**

At 4:34 p.m. President Hill called the meeting to order.

**ESTABLISH QUORUM**

**PRESENT:** President Hill, Vice President Schmidt, , Commissioner Meadows  
**ABSENT:** Secretary Epstein, Commissioner Fligor

**PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA**

None provided comments.

**ITEMS FOR CONSIDERATION/ACTION**

1. Declaration of Local Health Emergency – Necessitating Hosting Virtual Commission Meeting;  
Adoption of Resolution 2022-04

After Authority discussion, and upon motion by Meadows, seconded by Smith, the Declaration of Local Health Emergency, Resolution 2022-03, was passed with the following roll call vote:

**AYES:** President Hill, Vice President Schmidt, Commissioner Fligor, Commissioner Meadows  
**NOES:** None  
**ABSENT:** Commissioner Meadows, Secretary Epstein  
**ABSTAIN:** None

**ADJOURNMENT**

President Hill adjourned the meeting at 4:40 pm.

\_\_\_\_\_  
Cindy Hill, President

**ATTEST:**

\_\_\_\_\_  
Angel Rodriguez, Interim City Clerk



**NORTH COUNTY LIBRARY AUTHORITY**  
**MINUTES**  
**5:00 PM – Thursday, July 7, 2022**  
*via Videoconference*



**CALL MEETING TO ORDER**

At 4:01 p.m. Secretary Epstein called the meeting to order.

**ESTABLISH QUORUM**

**PRESENT:** Vice President Schmidt, Secretary Epstein, Commissioner Meadows  
**ABSENT:** Commissioner Fligor, President Hill

**PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA**

None provided comments.

**PLEDGE OF ALLEGIANCE**

The Pledge was skipped per Secretary Epstein.

**PUBLIC COMMENTS**

There were none.

**ITEMS FOR CONSIDERATION/ACTION**

- 1. Declaration of Local Health Emergency – Necessitating Hosting Virtual Commission Meeting;** Adoption of Resolution 2022-05

After Authority discussion, and upon motion by Commissioner Meadows, seconded by Vice President Schmidt, the Declaration of Local Health Emergency, Resolution 2022-03, was passed with the following roll call vote:

**AYES:** Vice President Schmidt, Secretary Epstein, Commissioner Meadows  
**NOES:** None  
**ABSENT:** President Hill, Commissioner Fligor  
**ABSTAIN:** None

**INFORMATIONAL ITEMS**

None

**MEMBER/STAFF REPORTS AND COMMENTS AND POTENTIAL FUTURE AGENDA ITEMS**

Secretary Epstein provided an update to the Authority regarding the NCLA budget and a potential auditor for the Authority.

Secretary Epstein further shared that the Authority needed to pass the Annual Levy as well as the Annual Gann Limit.

Commissioner Fligor joined to meeting at 4:10 p.m.

Vice President Schmidt requested to have Council present at the next NCLA meeting. Commissioners expressed the need to meet as soon as possible to address pending items.

**ADJOURNMENT**

Secretary Epstein adjourned the meeting at 4:19 pm.

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Suzanne Epstein, Secretary

ATTEST:

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Angel Rodriguez, Interim City Clerk

DRAFT



**PROPOSAL FOR CONDUCTING  
THE ANNUAL INDEPENDENT AUDIT  
OF THE  
NORTH COUNTY LIBRARY AUTHORITY**

***Submitted June 8, 2022***



**Chavan & Associates, LLP**  
Certified Public Accountants  
15105 Concord Circle, Suite 130  
Morgan Hill, CA 95037  
Phone: (650) 346-1329  
Fax: (408) 872-4159  
E-mail: sheldon@cnllp.com  
Contact: Sheldon Chavan, Partner

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**Chavan and Associates, LLP**  
Certified Public Accountants

June 8, 2022

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

We are pleased to have this opportunity to submit our proposal to provide auditing services for the North County Library Authority (the "Authority"). Our understanding of the work outlined in the request for proposal is that we will audit the financial statements of the Authority for fiscal years ending June 30, 2022, 2023 and 2024, with two option years.

Our audits will be performed in accordance with auditing standards generally accepted in the United States of America and the standards set forth for financial audits in the United States General Accounting Office's (GAO) *Government Auditing Standards*. We will also apply the necessary procedures to prepare the reports as requested in the RFP and noted in our cost proposal. As a result of our audit, we will express an opinion on the fair presentation of the basic financial statements, as listed in the RFP, in accordance with GAAP. We will also issue a report on internal controls over financial reporting and on compliance with applicable laws and regulations in accordance with *Government Auditing Standards*.

Throughout the contract period, we will provide consultation on accounting and compliance issues and attend meetings to discuss the audit and management comments. It is our commitment to the Authority that we will complete the work within the agreed time frame and that we have the resources, time and personnel to dedicate to this engagement for the entirety of the contact. We are confident Chavan & Associates LLP ("C&A") is the best-qualified firm to serve as your independent auditors. A brief list of reasons includes:

- We specialize in the audits of local governments and not for profit entities.
- Our partners have 87 years of combined experience auditing local governments.
- Our firm and key professionals are properly licensed to practice in the state of California.
- Our service will be dependable, reliable and timely.
- We will be sensitive to your workload. We understand you and your staff must keep up with your current work as well as deal with the audit.
- Our staff and partners are available twelve months of the year to serve our audit clients. You are important to our firm and we promise a high level of involvement and enthusiasm at all levels.
- The engagement partner will be the lead for your audit. He will attend all conferences and meetings and will supervise the audit directly during each year and phase of the engagement.



## Chavan and Associates, LLP

Certified Public Accountants

- We offer flexible staffing and scheduling, especially during COVID-19. We can send a full team onsite, work 100% remotely, or send a small team on site to minimize exposure. All of our team members are vaccinated and will follow your policies in regard to COVID-19.
- To improve the efficiency of the audit process, we use an online software, Engagement Organizer (EO), to provide a list of information and monitor the workflow during the audit. The link to EO is provided early during the planning process and includes items for both interim and year-end work, such that we can edit the list as needed moving forward. All documents can be uploaded here and notes, status updates and comments are done through EO. We also have a secure portal as an additional way to share information.

We are secure in our belief that our firm is the best qualified to meet your needs and we commit to perform the services required in the time period specified. Once you have examined our proposal and contacted our references, we feel you will agree.

Staffing for the audit will include one Engagement Partner, one Associate Partner, one Supervisor, one Senior Auditor, one Professional Staff and one Administrative Staff. The Engagement Partner, one Senior and one Staff will be assigned to visit your offices, as feasible with regard to COVID-19 circumstances. The Engagement Partner, Associate Partner, Supervisor and Senior Auditor will be available throughout the entire contract period. The firm and all assigned key personnel are licensed to practice in California.

Sheldon Chavan (15105 Concord Circle, Suite 130, Morgan Hill, CA, 95037, 650-346-1329, Sheldon@cnallp.com) is the partner authorized to sign and obligate the firm contractually and represent the firm. He is empowered to submit the bid and authorized to sign a contract. This proposal is a firm and irrevocable offer for 60 days.

We look forward to being of service to you.

Very truly yours,

Sheldon Chavan, C.P.A., Partner  
Chavan & Associates, LLP

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***Section A***

*Background & Experience*

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## Section A Background & Experience

*North County Library Authority Proposal for Auditing Services*

### Independence

C&A is independent of the Authority and all of its component units as defined by generally accepted auditing standards and the **U.S. General Accountability Office’s Government Auditing Standards**. *In all matters relating to the audit work, the audit organization and individual auditors, whether government or public, should be free from personal and external impairments to independence, should be fiscally independent, and should maintain an independent attitude and appearance.*

C&A did not have any professional relationships involving the North County Library Authority, or any of its agencies and component units, for the past five (5) years that would cause a conflict of interest relative to the scope of services identified in the request for proposal.

### License to Practice in the State of California

C&A and all key professionals are properly licensed to practice as certified public accountants in the State of California and do not have any record of substandard work or unsatisfactory performance pending with the State Board of Accountancy. C&A is registered with the California State Board of Accountancy and our state number is PAR 7294.

### Contractor Identification and Introduction

Company Name: Chavan & Associates, LLP (C&A)  
 Address: 15105 Concord Circle, Suite 130, Morgan Hill, CA 95037  
 Office: 408-217-8749  
 Fax: 408-872-4159  
 E-mail: Sheldon@cnallp.com  
 CA File Number: 202009218003  
 FEIN: 27-0630496  
 Authorized to Sign: Sheldon Chavan, Partner; Paul Pham, Partner

Our partners have performed audits under Governmental Auditing Standards, the Single Audit Act and the State Controller’s Office Minimum Audit Requirements for a combined 87 years; Sheldon for 23 years, Jeff for 40 years and Paul Pham for 14 years. In August of 2009, we established C&A as a limited liability partnership. C&A is a local audit firm in San Jose, CA specializing in local government auditing and consulting. We have audited and prepared Annual Comprehensive Financial Reports (**ACFRs**) and basic financial statements as required by the Government Finance Officers Association (**GFOA**) and the Governmental Accounting Standards Board (**GASB**) for cities, fire districts, water districts, sanitation districts, JPAs and other types of special districts. Our partners have been reviewers of ACFRs for the **GFOA and CSMFO**. Most recently, C&A prepared ACFRs of City of Saratoga, the City of Oroville, City of Suisun, City of Pacific Grove, and City of Carmel-by-the Sea for the year ending June 30, 2021. Our goal at C&A is to provide premium audit services at a reasonable fee. We believe that continuous partner involvement helps us achieve our goal, which is why our partners are constantly involved in every audit. Ultimately, minimizing on-the-job training allows us to focus exclusively on servicing our clients.



## Section A Background & Experience

*North County Library Authority Proposal for Auditing Services*

### Firm Size, Staff Size, Location and Staffing

We also have **twelve** professional, full-time staff in addition to our three partners and one administrative person that will be available to assist as needed throughout the engagement. Our engagement partners are directly involved with the audits. Our central office is located in Morgan Hill, CA. Staffing for the Authority’s audit will include the following professionals (audit experience):

- Sheldon Chavan, CPA, Managing Partner (23 years)
- Paul Pham, CPA, Associate Partner (14 years)
- Niru Machiraju, Supervisor (6 years)
- Andrew Quintero, Senior Auditor (4 years)
- Matthew Ojeda, Senior Auditor (6 years)

One of the professional staff could change from year to year. The Authority will be notified of any staff changes prior to field work. The Engagement Partner, manager, and supervisor will be the same during each year of the engagement.

### Range of Services

The following summarizes the range of services we provide:

Entity Type	Number of Clients	Percent by Entity	Auditing	Management, Accounting & Other	Contractor Prequalification Services	Nonprofit Tax
Local Education Agencies	37	37%	89%	0%	14%	0%
Charter Schools	11	11%	100%	0%	0%	100%
Non-profit Organizations	17	17%	94%	0%	0%	82%
Cities and Towns	10	10%	90%	0%	0%	0%
Special Districts	17	17%	88%	12%	0%	0%
Privately Held	7	7%	71%	29%	0%	0%

	GAS Audit	GAGAS Audit	Single Audit	Bond Audit	EAAP Audit	Other
Percent by Service Type	91%	73%	40%	22%	41%	39%

### Contract Terminations and Affirmation Concerning Substandard Audit Work

C&A and all assigned personnel do not have any record of substandard work, contract failures, outstanding claims, litigation, investigations, or other unsatisfactory performance issues against us or pending with the State Board of Accountancy or any other entity. In addition, we have not had any federal or state desk review or field reviews of our audits. C&A has no record of lost clients or contract failures.

## Section A Background & Experience

*North County Library Authority Proposal for Auditing Services*

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### **Equal Opportunity Employer**

C&A is an equal opportunity employer and is in compliance with the Civil Rights Act of 1964, the State Fair Employment Practice Act, and all applicable federal and state laws and regulations relating to equality.

### **Subcontractor**

C&A will not be engaged with any subcontractors during this engagement.

### **Business Licenses**

C&A will obtain and maintain a valid business license with throughout the duration of the contract, as applicable.

### **Quality Control Review**

We are enrolled in the AICPA quality control peer review program. Our peer review was performed in compliance with AICPA and GAO requirements and included a selection of government audit engagements. Our audits complied with auditing standards generally accepted in the United States of America and Generally Accepted Governmental Auditing Standards.

### **Insurance**

C&A maintains the following insurance:

- Commercial General Liability Insurance (bodily injury and property damage) is \$4,000,000 per occurrence. The carrier is Hartford Insurance Company.
- Automobile Bodily Injury and Property damage liability insurance is \$2,000,000 per occurrence. The carrier is Hartford Insurance Company.
- Professional Liability Insurance carrier is Philadelphia Insurance Company. The per claim/aggregate limit of the liability is \$3,000,000.
- Workers Compensation Insurance carrier is Twin City Insurance Company. The per claim/aggregate limit of the liability is \$1,000,000.



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***Section B***

*Audit Methodology and Approach*

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## Section B - Audit Methodology and Approach

### North County Library Authority Proposal for Auditing Services

The C&A audit approach begins with an entrance conference between Sheldon Chavan and management to gather information for risk assessment and audit planning. Upon the conclusion of the entrance conference, Sheldon will plan and schedule C&A's **three phase audit** approach and prepare a list of items to be provided for Phase I of the audit. Significant aspects of each phase are outlined below as augmented based on our review of the Authority's financial reports, RFP, Budget documents, and Council and Finance Commission agendas and minutes:

#### *Three Phase Audit Approach*

#### **Phase I - Planning and Risk Assessment**

This phase is designed to evaluate your operating and accounting procedures and will provide the basis for a significant portion of our letter to management. The results of our work during this phase will determine our audit approach for significant accounts and compliance. We plan to begin this phase by meeting with management and relevant committees to plan the audit and discuss any significant issues with the proposed audit plan and timeline.

At least four weeks prior to the beginning of this phase, we intend to provide the Authority with a link to Engagement Organize ("EO")r detailing the information and timing that will be needed in order to facilitate the completion of the audit in a timely manner. Having all items in EO uploaded prior to the beginning of the audit field work will allow us to complete the audit within the allotted time frame or earlier. We will also begin the testing of federal compliance for major programs during this phase, if applicable. The EO will include Phase I, II, and III items once uploaded and will updated during the year. The Authority will be able to leave notes on each item, upload attachments and message our team through EO.

We plan the audit and obtain our **understanding of the internal control structure**, control environment, and accounting system through:

#### *Internal Controls Documentation*

- Inquiries of appropriate management and staff personnel.
- Inspection of the Authority's documents, records, budget and related materials, organizational charts, manuals and programs.
- Observation of the Authority's activities and operations to corroborate the results of inquiries.
- Testing of the controls to determine they are operating as planned.
- Performance of preliminary analytical review on interim financials. The analytical review entails comparing similar information for the same time frame from the prior year and also comparing current year-to-date information to the budget to determine areas that may need additional attention during Phase II.
- Review and evaluation of the Authority's financial and other management **information system controls** and procedures. Our staff has gained invaluable experience with systems such as HTE, Multiple Operation Management (MOM), Springbrook, Pentamation, QuickBooks, Digital Schools, SunGuard, Escape, FUNDS\$, CECC, SACS, Financial 2000, SASi and many others. It is our goal to maximize the usage of your computer system during the audit.

This phase constitutes approximately 40% of all non-clerical hours of the engagement and may be combined with Phase II if desired. At the completion of Phase I, an exit conference will be held to discuss findings and recommendations and prepare for Phase II.

## Section B - Audit Methodology and Approach

North County Library Authority Proposal for Auditing Services

### Phase II - Substantive Audit Procedures and Compliance

This phase is designed to complete our substantive and compliance audit procedures on the accounts of the Authority. The approach for Phase II will be based on the results of Phase I. Audit programs will be tailored for your Authority's needs. This work will begin after the closing of your books.

Sample size and selection is based on our assessment of risk and planned or actual deviations. A typical **sample size will be 25 to 60** items and be randomly selected. Our sampling methods vary depending

*Sampling  
Methods*

on the type of tests we perform. Sample selection for compliance work will be based on the respective compliance and audit guides, KC, our experience and judgment, and other various sources. We use Knowledge Coach (KC) audit programs by Commerce Clearing House (CCH) to assist in our risk determination and sampling selection. We also use **ProSystems fx Engagement** paperless audit, Microsoft Excel, and Microsoft Word on laptops to perform the audit. Generally, we prefer

information provided in electronic format, however we use production scanners in the office and portable scanners in the field for information that is unavailable in electronic format.

Analytical procedures during Phase II involve comparing current data to prior year and budget data, calculating dollar and percentage variances and investigating differences. We also analyze trends and relationships of the various financial statement components and ratios.

*Analytical  
Procedures & Laws  
and Regulations*

Laws and regulations subject to audit will be determined based on inquiry and familiarity we gain with the Authority and with state and federal compliance requirements. We also attend seminars and webinars related to state and federal regulations to keep abreast of new requirements.

Phase II will take approximately 40% of the engagement hours. At this time, an exit conference will be held to discuss findings and recommendations, the status of new accounting principles and reporting requirements, and prepare for Phase III.

### Phase III - Financial Statement Preparation and Review

This phase consists of preparing or assisting with the preparation of your financial statements, **as required in the RFP**, in conformity with accounting principles generally accepted in the United States of America. We will also prepare all other financial and compliance reports required of us as listed on the RFP. The required reports and management letter will be submitted to management as noted in the timeline in the RFP, unless otherwise agreed. We will also ensure that new GASB pronouncements identified in phase I and II have been appropriately accounted for and disclosed in the financial statements and that the impact of these statements is sufficiently presented in our audit reports. The most efficient way to ensure we meet the reporting deadlines is to have the audited trial balance and final adjustment completed by the last day of field work. This, in combination of the automation provided by **Prosystems Engagement** will reduce the lag time from the completion of field work and report issuance.

Our reporting process is automated through our audit software. Once we obtain the Authority's trial balance in electronic format, we can import that into our system, which will automatically code and update all financial statements and most note disclosures in the financial statements and notes. We can

## Section B - Audit Methodology and Approach

### *North County Library Authority Proposal for Auditing Services*

also auto link tables, charts and other documents the Authority would like to generate. **All of this information can be shared through our online secure lockbox/fileshare website at [www.cnallp.com](http://www.cnallp.com)** and through our **online engagement portal** which is linked to our list of items. All agreed upon adjustments will be linked in our audit software. This greatly reduces the report preparation time and involvement of Authority staff and creates more opportunity for review of information systems, internal controls and management recommendations. At the end of this phase we will provide a summary of audit adjustments and uncorrected misstatements (passed adjustments).

We anticipate that Phase III will comprise approximately 20% of the engagement hours, including the majority of the clerical hours. The timing of each phase of the audit is estimated based on the assumption that the Authority will meet their close schedule and responsibilities as noted in the request for proposal.

Please note that we generally hold entrance conferences at the beginning of Phase I and II and exit conferences at the end of Phase I, II and III. However, we are available to meet with the Authority at any time.

#### **Compliance and Program Specific Auditing**

Included in all phases are specific procedures required to complete individual compliance items. Analytic and sampling procedures generally follow those described in the preceding phase, but are modified, when needed, to meet specific guidelines of the programs audited.

#### **Recommendations for Improved Operations**

We feel we have accumulated valuable knowledge in accounting and auditing which has allowed us to offer a wide range of specific recommendations to increase the efficiency and effectiveness of our audit clients. With our background, we can provide services that may be very beneficial to you presently and in the future. As our client, you can look to us for informed support **year-round in all areas of interest or concern**. In the course of our engagement with the Authority, we will provide prompt, knowledgeable answers to your questions regarding all aspects of accounting, finance, management, and operations. It is our policy to discuss discrepancies and recommendations with Authority staff directly involved and then with management, as necessary. If an item warrants inclusion in the report as a finding, we will obtain management's responses to each finding. All responses will be reviewed with management and relevant committees before they are presented to the Authority Board

#### **Irregularities and Illegal Acts**

We will make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which we become aware to the Audit Committee (or similar) and Attorney.

#### **Control Risk Assessment**

As part of our audit approach, we use KC forms, narratives, questionnaires and summary schedules to gain an understanding of the control environment and assess its overall effectiveness. This helps us identify the types of potential misstatements and factors that affect the risk of material misstatement and their impact on the audit plan.

#### **Analytical Procedures**

Analytical procedures are used at three points of time during our audit; planning, substantive testing, and final review of the completed financial statements. Analytical procedures are used to obtain

## Section B - Audit Methodology and Approach

### North County Library Authority Proposal for Auditing Services

knowledge of conditions and events, to indicate the presence of possible misstatements, to provide substantive evidence of balances and to assess the financial condition of the Authority.

As we obtain knowledge about the Authority, we will be able to direct our attention to areas requiring greater audit emphasis as well as provide substantive evidence in support of recorded account balances.

#### Identification of Potential Audit Problems

Each year we approach the audit objectively and use a risk-based approach to anticipate any potential audit problems. If anything were to come to our attention during the course of the audit, it would be reported to the proper management level depending on the nature of the problem and as noted in the RFP.

#### Resources Available for Standards Interpretations

In addition to the items published by GFOA, AICPA, FASB, and GASB, we use RIA checkpoint and Thompsons as our main online reference material. As our client, the Authority will have access to all our resources.

#### Summary of Staff Hours by Phase

Level of Staff	Phases		Total Hours
	I & II	III	
Engagement Partner	4	4	8
Associate Partner	2	2	4
Manager	0	0	0
Supervisor	8	8	16
Senior Staff	16	8	24
Professional Staff	16	8	24
Administrative Staff	2	2	4
<b>Totals</b>	<b>48</b>	<b>32</b>	<b>80</b>

#### Summary Timeline

Segment	Estimated	Phase
Entrance Conference	June 30, 2022	I
Audit Planning C&A's Office	June 30, 2022	I
List of Items Required by Client and Audit Plan	July 15, 2022	I
Preparation and Mailing of Confirmation Letters to 3rd Parties	July 15, 2022	I/II
Year-end Field Work	November 21, 2022	I/II
Exit Conference	November 22, 2022	I/II
Progress List of Management Point and Recommendations	November 22, 2022	I/II
Final List of Management Point and Recommendations	November 30, 2022	I/II
Audit Adjustments	December 15, 2022	I/II
Draft Reports, Financials, Management Letters	December 15, 2022	III
Final Reports, Financials, Management Letters	December 31, 2022	III
Board, Committee & Public Presentations	As Needed	III

<sup>(1)</sup> The estimated dates are flexible based your needs and staff availability

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***Section C***

*Scope of Services*

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## Section C - Scope of Services

*North County Library Authority Proposal for Auditing Services*

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### Audit Scope

We understand, accept and have included in our work plan the following scope of services:

- A. Prepare and provide an engagement letter prior to each audit, detailing the scope of the audit;
- B. Perform an audit in accordance with Generally Accepted Auditing Standards as set for by the American Institute of Certified Public Accountants, and in accordance with the "Minimum Audit Requirements and Reporting Guidelines for California Special Districts" as required by the State Controller's Office;
- C. Prepare and deliver a letter to management and a completed audit report each contract year;
- D. Communicate in a letter to management any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statement;
- E. Conduct an exit conference with Authority Staff;
- F. Present at an Authority Board meeting each year;

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***Section D***

*Partner, Supervisory and Staff Resumes*

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## Section D - Partner, Supervisory and Staff Resumes

### North County Library Authority Proposal for Auditing Services

We are aware of the need for continuity of personnel on the engagement and promise that the Engagement Partner will be directly involved in the audit **during each year** of the contract. We believe that extensive partner involvement provides continuity that could not be achieved in any other way. All staff committed in this proposal will be available for the entire June 30, 2022 audit and are available 12 months a year for questions, comments and implementation support. We understand that the Engagement Partners, managers and other supervisory staff and specialists may be changed only with the express prior written permission of the Authority. Other audit personnel may be changed at our discretion as long as the replacements have substantially the same or better qualifications or experience. The Authority retains the right to approve or reject replacements.

### Sheldon Chavan, CPA

Managing Partner (Member CalCPA, AICPA, GFOA, CSMFO, GAQC)



Sheldon holds a B.S. in Accounting from San Jose State University. He began his career in public accounting in **1998** and has been auditing local governments and nonprofit organizations ever since. Sheldon is a CPA licensed in California and a member of AICPA, CalCPA, CSMFO, GAQC and GFOA. **He has also been a member of the GFOA Special Review Committee, with responsibility for reviewing ACFR's for award of the Certificate of Excellence in Financial Reporting.** Sheldon has prepared/reviewed ACFR's for the City of Berkeley, City of Sunnyvale, City of Pittsburg and many others over his career. Most recently, Sheldon prepared the ACFR of the City of Oroville, City of Saratoga and the City of Pacific Grove for the fiscal years ended June 30, 2021 (partial listing).



Sheldon has managed governmental audits his entire career, which includes the technical review of all work papers, staffing, scheduling, reporting, state compliance, federal compliance, state controllers reports and much more. He is responsible for running the audit in the field and providing accounting and auditing technical support to other partners and staff, primarily in the areas of compliance with auditing standards generally accepted in the United States of America, the standards set forth for financial audits in the United States General Accounting Office's (GAO) *Government Auditing Standards*, and the provisions of the Federal Single Audit Act and the United States Office of Management and Title 2 CFR Part 200 (Uniform Guidance). Sheldon also ensures that each staff has met the continuing professional education requirements under these standards and teaches several in-house seminars a year. He also administers our firm's quality control system as required by GAAS and Yellow Book standards. Sheldon has been performing audits under the Single Audit Act his entire career. Understanding the complexities of the various federal programs is one of his specialties. Over the years, Sheldon has audited major programs such as National School Lunch, Title II Education Technology, IDEA Special Education Local Assistance, Title I, Education Jobs Fund, Title IV Drug Free Schools, NCLB Title III, Title II Improving Teacher Quality, CDBG, Shelter Plus Care, Home Investment in Affordable Housing, HUD Section 8, Highway Planning and Construction, Medi-Cal, Low-income Low Energy Assistance, and many more.

Sheldon has extensive experience auditing government bond programs and can assist the Authority with bond covenant calculations, bond compliance, tax filings, bond arbitrage issues and any other general

## Section D - Partner, Supervisory and Staff Resumes

*North County Library Authority Proposal for Auditing Services*

reporting requirements. In addition, we currently have multiple clients for which we complete special bond performance audits each year. We also provide contractor prequalification services for some clients who use restricted bond funds for modernization and infrastructure improvements.

Sheldon’s recent continuing professional education:

Description of Program/Training
Yellow Book: Revised Government Auditing Standards
Government Auditing Standards - Yellow Book
Frequent Government and NPO Frauds: Misuse of Assets
Governmental and Nonprofit Annual Update: Federal Government Activities
Single Audit Lighting Round
Governmental Audit Quality Center Annual Update Webcast
Program-Specific Audits' plus 'Audit Tools and Guidance'
Applying Risk Assessment Standards: Understanding the Entity and Its Environment
GASB Updates
Governmental Accounting and Auditing Conference Webcast - 5121266C
Not-for-Profit Organizations Conference Webcast - 5121343C
Cases in NFP Acct. & Auditing: 'Financial Statement Requirements' plus 'Net Asset Classifications'
Governmental Auditing: Course Two Performance Audits
Governmental Auditing: Course Three Financial Audits, Attestation Engagements, and..
Governmental Accounting and Reporting
Ethics: AA&C LLP - Accounting Firm Practice Development Committee
State and Local Govt Planning Considerations
Cases in NFP Acct. & Auditing: Contributions
Field Work Documentation: Preparation, Maintenance, Types of Workpapers
School District Update Including LCFF and LCAP Compliance
School Districts Conference
Understanding the Changes to Yellow Book Independence
California Regulatory Review Course
Fraud Audit Techniques Using Excel
Applying the Uniform Guidance in Your Single Audits
Testing Compliance' plus 'Reporting Requirements
Fid Act Understanding impacts of GASB 84
Its Here! Fid Act Implementation Considerations
Accounting and Auditing Conference
Bernard Madoff Investment Securities' Auditor'
The Detection and Prevention of Fraud in Financial Statements
Governmental Auditing: Course One Fundamental Principles for Government Auditing

## Section D - Partner, Supervisory and Staff Resumes

### North County Library Authority Proposal for Auditing Services

The following is a **partial list** of Sheldon’s clients over the years:

Cities and Towns	Special Districts/JPA's	School Districts/COE's	Nonprofits and Other
City of Albany	Bay Area Water Services & Cons	Antelope Elementary	2006 Washington St.
City of Berkeley	Central Marin Sanitation Agency	Belmont Redwood Shores	Bay Area Special Education JPA
City of Carmel-by-the-Sea	East Bay Dischargers Authority	Burlingame	Bay Area Water Users Association
City of Del Rey Oaks	Fairfield-Suisan Sanitation	Cabrillo Unified	Black Adoption Placement
City of Marina	Half Moon Bay Fire Protection	Campbell Union	Boys and Girls Clubs of Sonoma
City of Novato	Hayward Area Parks and Rec	Cloverdale Unified	Center for Empowering Refugees
City of Oroville	Highland Recreation District	Cotati Rohnert Park	Children of Grace
City of Pacific Grove	Los Trancos Water District	Hillsborough City	Collective Roots
City of Pittsburg	Mckinney Water District	La Honda Pescadero	Credo High School
City of Point Arena	Menlo Park Fire Protection	Lakeside	Diagnostics for the Real World
City of Salinas	Midpen Regional Open Space	Las Lomas Elementary	Hidaya Foundation
City of San Rafael	Pleasant Hill Parks and Rec	Lassen View Elementary	Livebooks
City of Saratoga	Point Montara Fire District	Los Altos Elementary	Mashery
City of Scotts Valley	Santa Clara Regional Open Space	Luther Burbank	Mission Charter
City of Sonoma	Saratoga Cemetery District	Manton Joint Union	Mission Language and Vocational
City of South San Francisco	South Bayside System Authority	Menlo Park City	Morgan Hill Charter Foundation
City of Suisun City	South San Francisco Conf. Ctr.	Millbrae Elementary	Morgan Hill Charter School
City of Sunnyvale	Sausalito-Marín City Sanitation	Mineral	Nob Hill Home Owners Assoc.
City of Tracy	Tahoe Regional Planning Agency	Mountain View Whisman	O'Conner Water
Town of Los Gatos	The Cities Group	Orchard	One Million Lights
Town of Windsor	Valley of the Moon Fire	Pacifica	Orange County Charter School
	West Bay Sanitary District	Plum Valley	Pathway to Choices
	West County Wastewater District	Portola Valley Elementary	Pyramid Alternatives
	Westborough Water District	Red Bluff	Redwood City Education Foundation
	Woodside Fire Protection District	Salinas Union High	San Jose Conservation Charter
		San Bruno Park	San Jose Conservation Corps
		San Carlos Elementary	Singularity University
		San Mateo County Office	Sociometrics
		San Mateo Union High	South Tahoe Area Transit Authority
		Scotts Valley Unified	Stone Bridge Charter School
		Sequoia Union High	Woodside Atherton Authority
		Sonoma Valley Unified	Work2future Foundation
		Union School District	
		West County Agency (LEA)	
		Windsor Unified	
		Woodside Elementary	

### Jeffrey J. Ira, CPA

Reviewing Partner, (Member CalCPA, AICPA, GFOA, CSMFO, GAQC)



Jeffrey is a graduate of Humboldt State University with a B.S. in Business with a concentration in Accounting. He is a CPA licensed in California, a member of the AICPA, the California Society of CPAs, the GFOA and the CSMFO. Jeff joined our firm in 2017 and has been auditing local governments since 1981. Jeff is a member of the GFOA Special Review Committee, with responsibility for reviewing CAFR’s for award of the Certificate of Excellence in Financial Reporting. **Jeff served as a Councilmember and the Mayor for Redwood City.** He has also served on various local governing boards and committees, which makes him acutely aware of both your financial and management needs. Jeff will be responsible for concurrent review of your audit, which is a quality control measure designed to ensure the audit is completed effectively and in compliance with governmental auditing standards, compliance requirements and uniform guidance requirements.

## Section D - Partner, Supervisory and Staff Resumes

*North County Library Authority Proposal for Auditing Services*

Jeff has forty years of professional experience and has participated in a variety of auditing and consulting engagements with cities, school districts, and special districts including the following (partial listing):

Cities and Towns	Special Districts	School Districts/COE's
City of Berkeley	Bay Area Water Supply Conserv. Agency	Antelope Elementary
City of Cloverdale	Central Marin Sanitation Agency	Cabrillo Unified
City of Oroville	East Bay Dischargers Authority	Cotati Rohnert Park
City of Point Arena	Half Moon Bay Fire Protection	La Honda Pescadero
City of Saratoga	Los Trancos Water District	Lassen View Elementary
City of Sonoma	Menlo Park Fire Protection	Las Lomas Elementary
City of Tracy	Pleasant Hill Parks and Rec	Los Altos Elementary
Town of Los Gatos	Point Montara Fire Protection District	Luther Burbank
City of Pittsburg	Santa Clara Regional Open Space Auth	Redwood City Elementary
City of San Rafael	Saratoga Cemetery District	Menlo Park City
City of Concord	South Bayside Systems Authority	Millbrae Elementary
City of Salinas	South San Francisco Conf. Ctr.	Santa Cruz City
City of Sunnyvale	Tahoe Regional Planning Agency	Mountain View Whisman
City of San Carlos	The Cities Group	Orchard School District
City of South San Francisco	West Bay Sanitary District	Burlingame
City of Marina	West County Wastewater District	Jefferson Union High
City of San Bruno	Westborough Water District	Portola Valley Elementary
City of Campbell	Woodside Fire Protection District	Red Bluff
City of Novato	Highland Recreation	San Bruno Park
Town of Atherton	Coast side Water District	San Mateo County Office
City of Cupertino		Sequoia Union High
		Sonoma Valley Unified
		San Mateo Unified
		Ravenswood Elementary
		Windsor Unified
		Woodside Elementary

A summary of Jeff's recent professional education includes:

Description of Program/Training	
GAGAS - Ethical Principles In Government Auditing	Government Auditing
GAGAS - Field Work and Reporting Standards	Major Changes to Auditing Standards
GAGAS - Field Work Standards For Financial Audits	Limiting Auditor Liability
GAGAS - General Field Work And Reporting Standards	Auditor Communications: Critical New Requirements
GAGAS - General Standards	School Districts Conference
GAGAS - Reporting Standards For Financial Audits	Governmental Accounting, Reporting, and Auditing Update
GAGAS - Use and Application of GAGAS	GASB Basic Financial Statements for State and Local Governments

## Section D - Partner, Supervisory and Staff Resumes

*North County Library Authority Proposal for Auditing Services*

### Paul Pham, CPA

Associate Partner (AICPA, CalCPA)



Paul received his Bachelor of Science from Pacific University and hopes to pursue a Master of Accountancy in the near future. Paul has been working in public and private accounting since 2007 and has completed Fourteen governmental audit seasons. He has completed financial and compliance audits for the entities listed below since 2007. Besides the standard control documentation and substantive testing required for GAAS audits, Paul has performed audits and prepared reports under OMB Subpart F and the Single Audit Act for most of the entities listed below. He has audited Federal grants from various agencies, including FEMA, HUD, FTA, the Department of Education (Title I, Special Education, Title II, Adult Ed) and much more.

Paul’s recent continuing professional education:

Description of Program/Training	
GAGAS - Ethical Principles In Government Auditing	Government Auditing
GAGAS - Field Work and Reporting Standards	Major Changes to Auditing Standards
GAGAS - Field Work Standards For Financial Audits	Limiting Auditor Liability
GAGAS - General Field Work And Reporting Standards	Auditor Communications: Critical New Requirements
GAGAS - General Standards	School Districts Conference
GAGAS - Reporting Standards For Financial Audits	Governmental Accounting, Reporting, and Auditing Update
GAGAS - Use and Application of GAGAS	GASB Basic Financial Statements for State and Local Governments

The following is a partial list of Paul’s clients over the years:

Cities and Towns	Special Districts	School Districts/COE's	Nonprofits and Charter Schools
City of Albany	Bay Area Water Services & Cons	Antelope Elementary	Bay Area Water Users Association
City of Berkeley	Central Marin Sanitation Agency	Burlingame	Black Adoption Placement
City of Carmel-by-the-Sea	Fairfield-Suisan Sanitation District	Cabrillo Unified	Boys and Girls Clubs of Sonoma
City of Del Rey Oaks	Menlo Park Fire Protection	Cotati Rohnert Park	Center for Empowering Refugees
City of Oroville	Midpen Regional Open Space	Hillsborough City	Children of Grace
City of Pacific Grove	Santa Clara Regional Open Space	La Honda Pescadero	Collective Roots
City of Point Arena	Saratoga Cemetery District	Las Lomitas Elementary	Crede High School
City of Rocklin	South Bayside System Authority	Lassen View Elementary	Hidaya Foundation
City of Saratoga	South San Francisco Conf. Ctr.	Los Altos Elementary	Livebooks
City of Sonoma	Suasalito-Marin City Sanitation District	Luther Burbank	Mashery
City of Suisun City	Tahoe Regional Planning Agency	Manton Joint Union	Mission Charter
City of Tracy	The Cities Group	Millbrae Elementary	Mission Language and Vocational School
Town of Los Gatos	Valley of the Moon Fire	Mineral	NASA AMES Exchange
	West Bay Sanitary District	Mountain View Whisman	Orange County Charter School
	Westborough Water District	Orchard	Pathway to Choices
		Pacifica	Pyramid Alternatives
		Plum Valley	Redwood City Education Foundation
		Portola Valley Elementary	San Jose Conservation Charter
		Red Bluff	San Jose Conservation Corps
		San Bruno Park	Sociometrics
		San Carlos Elementary	South Tahoe Area Transit Authority
		San Lorenzo Valley Unified	Stone Bridge Charter School
		San Mateo County Office	Work2future Foundation
		Scotts Valley Unfied	
		Sequoia Union High	
		Sonoma Valley Unified	
		Soquel Elementary	
		Union School District	
		West County Agency (LEA)	
		Windsor Unified	
		Woodside Elementary	

## Section D - Partner, Supervisory and Staff Resumes

*North County Library Authority Proposal for Auditing Services*

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### **Niru Machiraju**

Audit Supervisor

Niru received her Bachelor and Master of Science in Accounting from the University of Saint Thomas. Niru has been working in public accounting since 2015 and has completed six audit seasons. During the 2021 audit season, she completed the financial and compliance audits for the entities listed below and has additional experience in the manufacturing, distribution, and non-profit industries. Niru has audited over sixty local governments and nonprofits since 2015. Besides the standard control documentation and substantive testing required for GAAS audits, Niru has performed audits and prepared reports under GAGAS and Uniform Guidance. She has also audited Federal grants from various agencies, including HUD and the Department of Education (Title I, Special Education) and much more.

### **Andrew Quintero**

Senior Auditor

Andrew has successfully completed three seasons of governmental auditing. Andrew has performed tests of controls, substantive tests, state compliance testing and Federal compliance testing for various special districts and cities. He has been the Senior Auditor in-charge of clients such as the Town of Yountville, City of Suisun City, Fairfield-Suisun Sanitary District and many more. Besides the standard control documentation and substantive testing required for GAAS audits, Andrew has performed audits and prepared reports under OMB Subpart F and the Single Audit Act. He has audited Federal grants from various agencies, including Special Education, National School Lunch, Title I, Department of Education grants and others.

### **Matthew Ojeda**

Senior Auditor

Matthew graduated from the San Jose State University, with a B.S. in Accounting. Starting in public accounting in 2014, he has successfully completed six seasons of governmental auditing. Matthew has performed tests of controls, substantive tests, state compliance testing and Federal compliance testing for various special districts and school districts. Besides the standard control documentation and substantive testing required for GAAS audits, Matthew has performed audits and prepared reports under OMB Subpart F and the Single Audit Act. He has audited Federal grants from various agencies, including Special Education, National School Lunch, Title I, Department of Education grants and others.

### **Professional Education and Training**

Our professionals complete 80 hours of continuing professional education every two years in auditing and accounting which includes at least 80 hours of governmental auditing and accounting training specific to local governments. We use a combination of in-house seminars, self-study and outside seminars sponsored by AICPA, GFOA, the California Education Foundation and other recognized groups.

All assigned staff meet the educational requirements for Governmental engagements as specified by the California Board of Accountancy, Federal General Accounting Office, Governmental Accounting Standards Board, and the AICPA as appropriate.

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***Section E***

*Similar Engagements*

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## Section E - Similar Engagements

### North County Library Authority Proposal for Auditing Services

#### Client References and Similar Engagements

The following projects were completed by C&A:

Entity Name	Bay Area Water Supply & Cons Agency	City of Carmel	Midpeninsula Regional Open Space
Contact Person	Deborah Grimes	Robin Scattini	Andrew Taylor
Title	Finance Manager	Finance Director	Finance Director
Address	155 Bovet Rd., Ste 650, San Mateo, CA 94402	PO Box CC, Carmel-by-the Sea, CA 93921	330 Distel Circle, Los Altos, CA 94022
Phone	650-349-3000	831-620-2019	650-691-1200
E-mail	DGrimes@bawsca.org	rscattini@ci.carmel.ca.us	ataylor@openspace.org
Audit Period	6/30/2021	6/30/2021	6/30/2021
Hours	160	300	250
Contract Amount	15,000	27,000	23,500
Fiscal Years Audited	7	3	6
Partner	Sheldon Chavan	Sheldon Chavan	Sheldon Chavan
GFOA Award	No	Yes	Yes
Entity Type	Special District	City	Special District
Finance Dept Staff	2	4	4
Scope of Work	Revenue Bond Audit GAGAS Audit SCO Min Audit Req Review SCO Report SAS 114 Report Management Letter Year Round Consultation	ACFR Single Audit/OMB SAS 114 Report Management Letter GANN Limit AUP Measure S Audit SCO AFTR/Streets Year Round Consultation	ACFR GO Bond Audit GAGAS Audit SCO Min Audit Req GASB 34 Reconciliation SAS 114 Report Management Letter Year Round Consultation

Entity Name	City of Del Rey Oaks	City of Saratoga	City of Suisun City
Contact Person	Roberto Moreno	Dennis Jaw	Elizabeth Luna
Title	Chief Business Officer	Finance Manager	Accounting Services Manager
Address	650 Canyon Del Rey Road, Del Rey Oaks, CA 93940	13777 Fruitvale Ave, Saratoga, CA 95070	701 Civic Center Blvd., Suisun City, CA 94533
Phone	831-394-8511	408-868-1227	707-421-3215
E-mail	RobertoM@GovernmentFinancialSolutionsInc.com	djaw@saratoga.ca.us	eluna@suisun.com
Audit Period	6/30/2021	6/30/2021	6/30/2021
Hours	260	360	400
Contract Amount	26,750	39,000	38,000
Fiscal Years Audited	3	5	5
Partner	Sheldon Chavan	Sheldon Chavan	Sheldon Chavan
GFOA Award	No	Yes	Yes
Entity Type	City	City	City
General Fund Budget	\$10,000,000	\$17,200,000	\$36,800,000
Finance Dept Staff	3	6	10
Scope of Work	Report Prep GAGAS Audit SAS 114 Report Management Letter GANN Limit AUP Measure S Audit Year Round Consultation	CAFR Review GAGAS Audit Single Audit/OMB SAS 114 Report Management Letter TDA Audit GANN Limit AUP Year Round Consultation	ACFR GAGAS Audit Single Audit/OMB SAS 114 Report Management Letter GANN Limit AUP TDA Audit Successor Agency Audit Year Round Consultation



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***Section F***

*Additional Information*

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## Section F - Additional Information

### North County Library Authority Proposal for Auditing Services

#### Current Client List

Cities/Towns	CAFR	GAS	GAGAS	Single Audit	EAAP	Other	Bond (P39)
City of Albany	✓	✓	✓			✓	
City of Del Rey Oaks		✓	✓				
City of Lincoln	✓					✓	
City of Marina	✓	✓	✓	✓		✓	
City of Oroville	✓	✓	✓	✓			
City of Pacific Grove	✓	✓	✓	✓			
City of Point Arena		✓	✓				
City of Rocklin	✓	✓	✓	✓			
City of Saratoga	✓	✓	✓	✓			
City of Suisun City	✓	✓	✓	✓		✓	
Town of Yountville	✓	✓	✓			✓	

Local Education Agencies	CAFR	GAS	GAGAS	Single Audit	EAAP	Other	Bond (P39)
Antelope School District		✓	✓		✓		
Berkeley Unified School District						✓	
Burlingame School District		✓	✓	✓	✓		✓
Cabrillo Unified School District		✓	✓	✓	✓		✓
Corning Union High School District		✓	✓	✓			
Cotati-Rohnert Park Unified School District		✓	✓	✓	✓		✓
Cottonwood Union School District		✓	✓		✓		
Golden Valley Unified School District		✓	✓	✓	✓		
Hillsborough City School District		✓	✓	✓	✓		
Jefferson Union High School District		✓	✓	✓	✓		✓
John Swett Unified School District			✓			✓	
Las Lomas School District		✓	✓		✓		✓
Lassen View Union Elementary School District		✓	✓		✓		
Los Altos School District	✓	✓		✓			✓
Luther Burbank School District		✓	✓	✓	✓		
Menlo Park City School District		✓	✓	✓	✓		
Millbrae School District		✓	✓		✓		✓
Mountain View Whisman School District		✓	✓	✓	✓		✓
Napa Valley Unified School District		✓	✓	✓	✓		✓
Orchard School District		✓	✓		✓		✓
Pacifica School District		✓	✓	✓			
Red Bluff Joint Union High School District		✓	✓	✓	✓		✓
Red Bluff Union Elementary School District		✓	✓	✓	✓		
Roseland Elementary School District		✓	✓	✓	✓		✓
San Bruno Park School District		✓	✓	✓	✓		
San Carlos School District		✓	✓	✓	✓		✓
San Lorenzo Valley Unified School District		✓	✓	✓	✓		✓
San Mateo Foster City School District		✓	✓	✓	✓		✓
San Rafael City Schools						✓	
Santa Rosa City Schools		✓	✓	✓	✓		✓
Sequoia Union High School District		✓	✓	✓	✓	✓	✓
Sonoma Valley Unified School District		✓	✓	✓	✓		✓
Soquel Union Elementary School District		✓	✓	✓	✓		✓
South San Francisco Unified School District						✓	✓
Union School District		✓	✓	✓	✓		✓
West County Transportation Agency		✓	✓		✓		
Woodside Elementary School District		✓	✓		✓		✓

## Section F - Additional Information

### North County Library Authority Proposal for Auditing Services

Charter Schools	CAFR	GAS	GAGAS	Single Audit	EAAP	Other	Bond (P39)
Charter School of Morgan Hill		✓	✓		✓	✓	
Cottonwood Creek Charter School		✓	✓		✓	✓	
Credo High School		✓	✓		✓	✓	
Kid Street Charter School		✓	✓			✓	
The Reach Charter School		✓	✓			✓	
Mission Preparatory School		✓	✓		✓	✓	
Pathways Charter School		✓	✓		✓	✓	
Roseland Charter School		✓	✓	✓	✓	✓	
RSTEM Academy Charter School		✓	✓		✓	✓	
Stone Bridge Charter School		✓	✓		✓	✓	
Woodland Star Charter School		✓	✓		✓	✓	

Special Districts	CAFR	GAS	GAGAS	Single Audit	EAAP	Other	Bond (P39)
Bay Area Water Supply Conservation Agency		✓	✓	✓			
Castro Valley Sanitary District		✓	✓				
El Dorado Hills Community Services District	✓	✓	✓				
Lake Canyon Community Services District		✓	✓				
Mid-Peninsula Water District						✓	
Midpeninsula Regional Open Space District		✓	✓	✓			
Purissima Hills Water District						✓	
Ross Valley Sanitary District	✓	✓	✓				
Sausalito-Marín City Sanitation District		✓	✓	✓			
Stege Sanitary District		✓	✓				
Silicon Valley Clean Water		✓	✓				
South San Francisco Conference Center		✓	✓				
The Cities' Group		✓	✓				
Valley of the Moon Fire District		✓	✓				
West Bay Sanitary District		✓	✓				
West Valley Sanitation District		✓	✓				
Westborough Water District						✓	

NonProfit Organizations	CAFR	GAS	GAGAS	Single Audit	EAAP	Other	Bond (P39)
Boys and Girls Clubs of Sonoma Valley		✓				✓	
Center for Empowering Refugees & Immigrants		✓				✓	
Children of Grace						✓	
Far West Wheel Chair Association		✓					
Hidaya Foundation		✓				✓	
Mission Language and Vocational School		✓				✓	
Morgan Hill Charter School Foundation		✓				✓	
NASA AMES Exchange		✓				✓	
O'Connor Tract Co-Operative Water Co.		✓				✓	
Peninsula Conflict Resolution Center		✓				✓	
Redwood City Education Foundation		✓				✓	
San Mateo County Exposition and Fair Association		✓				✓	
Sonoma Valley Hospital Foundation		✓				✓	
The Moca Foundation		✓				✓	
The San Jose Library Foundation		✓				✓	
Tru		✓				✓	
Work2future Foundation		✓	✓	✓		✓	

Privately Held Corporations	CAFR	GAS	GAGAS	Single Audit	EAAP	Other	Bond (P39)
Air Filter/Control						✓	
Dfusion, Inc.		✓	✓	✓			
Diagnostics for the Real World		✓	✓	✓			
FRTek US, LLC		✓					
Pathway to Choices		✓					
Roberts of Woodside						✓	
Sociometrics		✓	✓	✓			

## Section F - Additional Information

### *North County Library Authority Proposal for Auditing Services*

#### Technology in the Audit

C&A is a paperless firm and we use secure cloud servers for file sharing. We have Lenovo laptops and Fujitsu scanners that we use in the field. Our secured laptops are synchronized to our cloud server every day to avoid loss of data. The scanners allow for flexibility during the audit since it is not feasible to expect every document in electronic format.

Our secure online file share and engagement organizer provide for a better option over e-mailing electronic files. Each of our clients has an account login username and password through our website or an emailed link that allows them to upload files. This is especially helpful with sensitive information such as payroll data as it is much more secure than e-mail.

Our audit software is **ProSystems fx Engagement** which we compliment with Knowledge Coach (KC) audit programs and workpapers. These programs allow us to roll-forward audit information without having to replace the audit programs in the binder because they automatically update with changes in auditing and accounting standards every month. Finally, we have purchased data extraction software for each of our laptops that convert Adobe and other file types to Word and Excel.

All of the above-mentioned technological innovations make the audit more efficient and provides us the opportunity to spend time in areas that are more meaningful to the Authority. It also reduces the time and effort required by Authority staff to provide information and minimizes redundancy from year to year in the audit.

#### Proposal Exceptions

C&A did **not** have any exceptions or requested changes to the Authority's RFP conditions or requirements.

#### C&A's Responsibility for Detecting Fraud

While audits are not designed to root out every instance of fraud, we have a responsibility to detect material misstatements in the financial statements caused by either fraud or error. Accordingly, generally accepted auditing principles prescribe specific audit procedures to detect fraud that must be carried out during each audit. C&A must hold a fraud brainstorming session at the beginning of the audit. This session is designed to provide a time for the audit team to consider how the client could commit fraud. The brainstorming meeting is used to set a tone of professional skepticism in the audit. Because committing material financial statement fraud often requires adjustments to financial records, C&A will test journal entries for any signs of manipulation. Another likely place for fraud is in accounting estimates since management may be able to influence accounting estimates to manipulate the financial statements. Generally, we perform procedures to determine if the methodology for completing accounting estimates has changed from the prior year and examine the directionality of estimates as a whole. We also closely examine significant unusual transactions outside of normal operations. This examination requires organizations to explain the purpose and rationale for the transaction and we corroborate management's response with other information received during the audit.

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*Attachments*

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## REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

June 18, 2021

To the Partners of Chavan & Associates, LLP  
and the Peer Review Committee  
of the California Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Chavan & Associates, LLP in effect for the year ended December 31, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements are identified as not having been performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### **Firm's Responsibility**

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### **Peer Reviewer's Responsibility**

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

### **Required Selections and Considerations**

Engagements selected for review included engagements performed under *Government Auditing Standards* including compliance audits under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

To the Partners of Chavan & Associates, LLP  
and the Peer Review Committee  
of the California Society of Certified Public Accountants  
Page 2

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Chavan & Associates, LLP in effect for the year ended December 31, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Chavan & Associates, LLP has received a peer review rating of *pass*.

*The Peer Group, LLP*

Santa Ana, California

March 04, 2022

Sheldon Chavan  
Chavan & Associates LLP  
11135 Sunrise Ridge Cir  
Auburn, CA 95603-6012

Dear Sheldon Chavan:

It is my pleasure to notify you that on February 22, 2022, the California Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is June 30, 2023. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation.

Sincerely,

*Peer Review Committee*

Peer Review Program  
The Peer Review Program Team  
peerreview@calcpa.org  
650-522-3094

cc: John Georger

Firm Number: 900005340457

Review Number: 577158




**COST PROPOSAL**

**FOR THE ANNUAL INDEPENDENT AUDIT**

**OF THE**

**NORTH COUNTY LIBRARY AUTHORITY**

***Submitted June 8, 2022***



**Chavan & Associates, LLP**  
Certified Public Accountants  
15105 Concord Circle, Suite 130  
Morgan Hill, CA 95037  
Phone: (650) 346-1329  
Fax: (408) 872-4159  
E-mail: sheldon@cnallp.com  
Contact: Sheldon Chavan, Partner

## Cost Proposal

*North County Library Authority Proposal for Auditing Services*

**Date:** June 8, 2022

**Firm:** Chavan & Associates, LLP (C&A)  
 15105 Concord Circle, Suite 130  
 Morgan Hill, CA 95037  
 Phone: (650) 346-1329

**Contact Person:** Sheldon Chavan, Managing Partner  
 Sheldon@cnallp.com  
 650-346-1329

**Price per Year by Service Level:**

Services	2022	2023	2024
NCLA Audit, Reports and Letters	\$ 8,500	\$ 8,500	\$ 8,500
Printing and binding reports	Included	Included	Included
GASB implementation and guidance	Included	Included	Included
Present Reports to Board and Committees	Included	Included	Included
Meals, Lodging and Transportation	Included	Included	Included
<b>Total All-Inclusive Maximum Price</b>	<b>\$ 8,500</b>	<b>\$ 8,500</b>	<b>\$ 8,500</b>

**Certification:** I, the undersigned, certify I am duly authorized to represent C&A and I am empowered to submit this bid. In addition, I certify I am authorized to contract with the North County Library Authority on behalf of C&A.

 _____ Signature	<b>Managing Partner</b> _____ Title	<b>June 8, 2022</b> _____ Date
---	---	--------------------------------------

Sheldon Chavan  
 \_\_\_\_\_  
 Name

## Cost Proposal

### North County Library Authority Proposal for Auditing Services

#### Schedule of Professional Fees

Our professional fees are based on actual time devoted to an engagement, at hourly rates related to the experience levels of the individuals performing the work. The following is our standard fee schedule for our audit personnel:

	Standard & Quoted Hourly Rates		Hours	Fiscal Year Ending		
				2022	2023	2024
Engagement Partner	\$ 200	8	\$ 1,600	\$ 1,600	\$ 1,600	
Associate Partner	200	4	800	800	800	
Supervisor	125	16	2,000	2,000	2,000	
Senior Auditor	100	24	2,400	2,400	2,400	
Professional Staff	75	24	1,800	1,800	1,800	
Administrative Staff	65	4	260	260	260	
Professional Discount	N/A	N/A	(360)	(360)	(360)	
<b>Total All-Inclusive Maximum Price</b>		<b>80</b>	<b>\$ 8,500</b>	<b>\$ 8,500</b>	<b>\$ 8,500</b>	

#### Manner of Payment

Progress payments will be made on the basis of actual audit work completed during the course of the audit and out-of-pocket expenses incurred in accordance with the firm's proposal. Interim billing shall cover a period of not less than a calendar month. Details of staff hours with billing rates will be required to be included on each invoice. Payment will be made based upon actual costs not to exceed the maximum outlined in the proposal.

#### Rates for Additional Professional Services

In the event that extraordinary circumstances require additional services beyond the agreed upon scope, C&A will provide, in writing and in advance, the reasons for the additional services along with our estimated costs and a statement that no work will be performed prior to District approval. **Rates for additional services would be the same as those identified under the quoted hourly rates above.**

**NORTH COUNTY LIBRARY AUTHORITY  
LOS ALTOS, CALIFORNIA  
BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020**

**Prepared by  
FINANCE DEPARTMENT**

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**NORTH COUNTY LIBRARY AUTHORITY  
BASIC FINANCIAL STATEMENTS  
For the Ended June 30, 2020**

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the Board of Directors  
of the North County Library Authority  
City of Los Altos, California

We have audited the accompanying financial statements of the governmental activities and the General Fund of the North County Library Authority (Authority), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the Table of Contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the Authority as of and for year then ended June 30, 2020, 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.



***Other Matters******Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that 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.

*Maze & Associates*

Pleasant Hill, California  
March 3, 2021

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**North County Library Authority  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2020**

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The North County Library Authority (NCLA) prepares its financial statements using the financial reporting requirements prescribed by the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. The purpose of the Management's Discussion and Analysis (MD&A) is to provide users with a narrative introduction, overview, and analysis of the financial statements.

### **Overview of the Financial Statements**

This discussion and analysis are intended to introduce the NCLA's basic financial statements that include the Government-Wide Financial Statements and the Fund Financial Statements.

The ***Government-Wide Financial Statements*** are designed to provide readers with a broad overview of NCLA's finances, in a manner similar to a private-sector business. They are comprised of the *Statement of Net Position* and the *Statement of Activities*.

The *Statement of Net Position* provides information about NCLA's assets and liabilities, including all long-term obligations. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of NCLA is improving or deteriorating.

The *Statement of Activities* provides information showing how NCLA's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The ***Fund Financial Statements*** is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. NCLA's Fund Financial Statements contain only *Governmental Funds*.

Unlike the Government-Wide Financial Statements, the *Governmental Funds* focus on how money flows into and out of those funds and the balances remaining at year-end. These funds are reported using the modified accrual accounting, which measures cash and all other financial assets that are readily converted cash. The fund statements provide a detailed short-term view of NCLA's general operations and the basic services it provides. These statements do not include long-term assets or liabilities.

**GASB 54 Compliance:** The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

**OVERVIEW:**

The North County Library Authority (NCLA) has fiduciary responsibility for overseeing a parcel tax of \$76 per year per parcel authorized by voters from 2010 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).” There are 13,938 developed parcels identified by the County of Santa Clara participating in the parcel tax.

In FY 2019-20, NCLA funds 17 additional weekly hours at the Los Altos Library and 25 additional weekly hours at the Woodland Branch Library. The closure of the libraries in March 2020 due to the COVID-19 pandemic resulted in reduced hours billed and therefore lower NCLA expenditures than expected.

NCLA began a community process to explore potential expansion or rebuild of the Los Altos Library in FY 2017-18. As a result, some costs were incurred for studies and analysis during this Fiscal Year.

**FINANCIAL HIGHLIGHTS:**

- Net position is 5,060,606 and has increased by \$770,489 at year end, above the 2019-20 budget projections.
- The total liabilities decreased by \$302,359 at year-end as a result of lower accrued accounts payable invoices.
- Interest revenue remained flat due to the large drop in the Discount Rate and is expected to be lower moving forward in the short run.
- Total expenses were 15.4% below budget due to the Covid-19 Closures that prevented several planned activities.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

<b>NCLA Net Position</b>			
	<b>Government-Wide Activities</b>		
	<b>6/30/2020</b>	<b>6/30/2019</b>	
Current Assets:			
Cash and investments	\$ 5,057,077	\$ 4,603,045	
Accounts and Interest Receivable	16,948	2,917	
<b>Total Assets</b>	<b>5,074,025</b>	<b>4,605,962</b>	
Current Liabilities:			
Accounts and salaries payable	13,419	315,845	
<b>Total Liabilities</b>	<b>13,419</b>	<b>315,845</b>	
Unrestricted Net Position	5,060,606	4,290,117	
<b>Total Net Position</b>	<b>\$ 5,060,606</b>	<b>\$ 4,290,117</b>	

Total Net Position was \$5,060,606 at the end of this fiscal year, an increase of \$770,489 over the prior year. This improvement in fiscal metrics is in line with long term projections constructed in the budgetary planning process as well as the inability to execute planned budgeted expenses due to the COVID-19 Pandemic. 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.

<b>NCLA Net Position</b>			
<b>Government-Wide Activities</b>			
		<b>6/30/2020</b>	<b>6/30/2019</b>
<b>Revenues</b>			
<b>Program Revenues</b>			
Charges for Services	\$	1,051,404	\$ 1,049,448
<b>General Revenues</b>			
Interest Income & Unrealized Gain/(Loss)		118,779	118,213
Miscellaneous		-	30,000
<b>Total Revenues</b>		<b>1,170,183</b>	<b>1,196,908</b>
<b>Expenses</b>			
Administration and Community Services		399,694	782,866
<b>Total Expenses</b>		<b>399,694</b>	<b>782,866</b>
<b>Change in Net Position</b>		<b>770,489</b>	<b>414,042</b>
<b>Net Position, Beginning of Year</b>		<b>4,290,117</b>	<b>3,876,075</b>
<b>Net Position, End of Year</b>	\$	<b>5,060,606</b>	\$ <b>4,290,117</b>

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

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

- NCLA's revenue is projected to sustain twenty years of continued expanded levels of service. 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. The County assumes a 5.6% increase in labor costs each year.
- NCLA will continue to allocate funding 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.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of NCLA's finances for all those who are interested. 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**

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**



**NORTH COUNTY LIBRARY AUTHORITY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Current assets:	
Cash and investments (Note 2)	\$5,057,077
Interest receivable	16,948
Total assets	5,074,025
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	13,419
Total liabilities	13,419
<b>NET POSITION</b>	
Unrestricted	5,060,606
Total net position	\$5,060,606

See accompanying notes to financial statements

**NORTH COUNTY LIBRARY AUTHORITY  
STATEMENT OF ACTIVITIES  
FISCAL YEAR ENDED JUNE 30, 2020**

Item 7.

Functions/Programs	Expenses	Program Revenues	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Governmental Activities
Primary government:			
Administration and community services	\$399,694	\$1,051,404	\$651,710
Total governmental activities	399,694	1,051,404	651,710
General revenues:			
Interest income			118,779
Total general revenues			118,779
Change in net position			770,489
Net position, beginning of year			4,290,117
Net position, end of year			\$5,060,606

See accompanying notes to financial statements

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**FUND FINANCIAL STATEMENTS**

**NORTH COUNTY LIBRARY AUTHORITY  
GOVERNMENTAL FUND  
BALANCE SHEET  
JUNE 30, 2020**

Item 7.

	<b>General Fund</b>
<b>ASSETS</b>	
Cash and investments (Note 2)	\$5,057,077
Interest receivable	16,948
Total Assets	<b>\$5,074,025</b>
<b>LIABILITIES</b>	
Accounts payable	\$13,419
Total Liabilities	13,419
<b>FUND BALANCES</b>	
Unassigned	5,060,606
Total Liabilities and Fund Balance	<b>\$5,074,025</b>

See accompanying notes to financial statements

**NORTH COUNTY LIBRARY AUTHORITY  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND  
FISCAL YEAR ENDED JUNE 30, 2020**

	<u>General Fund</u>
<b>REVENUES:</b>	
Taxes and special assessments	\$1,051,404
Interest income	<u>118,779</u>
Total revenues	<u>1,170,183</u>
<b>EXPENDITURES:</b>	
Contractual services	289,834
Miscellaneous	<u>109,860</u>
Total expenditures	<u>399,694</u>
Net change	770,489
Fund balance, beginning of year	<u>4,290,117</u>
Fund balance, end of year	<u><u>\$5,060,606</u></u>

See accompanying notes to financial statements

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**NORTH COUNTY LIBRARY AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
Fiscal Year Ended June 30, 2020**

Item 7.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The North County Library Authority (Authority), 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 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 1991, 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, transferred to the City, 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 City performs administrative and accounting services for the Authority.

The Authority has no regular employees.

**B. Measurement Focus, Basis of Accounting and Basis of Presentation**

The Authority's government-wide financial statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of governmental activities for the Authority.

These basic financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Authority's assets and liabilities, including long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities and Changes in Net Position presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain types of transactions are reported as program revenues for the Authority in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

**Governmental Fund Financial Statements**

**Description of Funds:** The accounts of the Authority are organized and operated on the basis of funds, each of which is defined as separate fiscal and accounting entity with a self-balancing set of accounts. These funds are established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

In accordance with Authority's adopted policies and budget, different types of funds are used to record the Authority's financial transactions. For financial reporting purposes, the Authority's funds are presented as follows:



**NORTH COUNTY LIBRARY AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
Fiscal Year Ended June 30, 2020**

Item 7.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Governmental Fund Type:***

***General Fund*** – 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.

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for on a "current financial resource" measurement focus. Accordingly, only current assets and current liabilities are generally included on the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

All governmental fund types are accounted for using the modified accrual basis of accounting, wherein revenues are recognized in the accounting period in which they become measurable and available to pay liabilities of the current period. Measurable means the amount of the transaction can be determined and available means collectable within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Revenues considered susceptible to accrual include property taxes (generally due within 60 days), charges for services, federal and state grants, and interest. Expenditures, are recognized in the accounting period in which the fund liability is incurred, if measurable, except for principal and interest on general long-term debt which is recognized when due.

**C. *Assets, Liabilities and Equity***

***Cash and Investments***

The balance of the Authority's cash account is available to meet current operating requirements. Cash in excess of current requirements may be invested in various interest-bearing accounts and other investments for varying terms. The cash balance at June 30, 2020 is maintained in the City Treasury, the Local Agency Investment Fund (LAIF) of the State of California, a pooled investment fund with the City of Los Altos, and the Santa Clara County pool investments.

The Authority participates in an investment pool managed by the State of California, titled LAIF, which has invested a portion of the pool funds in structured notes and assets-backed securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these structured notes and assets-backed securities are subject to market risk as to change in interest risk.

In September 2016 the Authority authorized moving some funds out of LAIF into a fund pooled with the City of Los Altos managed by an investment firm. The commission has subsequently moved these funds from the City to the Santa Clara County investment pool in October 2019.

***Investment Valuation***

Highly liquid money market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Fair Value Measurements***

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 between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is based on the lowest priority level input that is significant to the entire measurement.

**D. *Net Position and Fund Balances***

***Government-Wide Financial Statements***

In the government-wide financial statements, net position is classified in the following categories:

***Restricted Net Position*** – This amount is restricted by external creditors, grantors, contributions, or laws or regulations of other governments.

***Unrestricted Net Position*** – This amount is all net position that does not meet the definition of “net investment in capital assets” or “restricted net position.”

***Fund Financial Statements***

The Authority reclassifies fund balances into the following five categories to comply with the GASB No. 54, *Fund Balance and Governmental Fund Types*. Fund balance is defined as the difference between assets and liabilities.

***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 Authority reported no fund balances as restricted on the balance sheet of the governmental funds.

**NORTH COUNTY LIBRARY AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
Fiscal Year Ended June 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*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 or Council).

*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 exist. Fund balance in other funds will either be assigned, committed, restricted or nonspendable unless the fund reports a deficit.

**E. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires Authority management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 2 – CASH AND INVESTMENTS**

**A. Summary of Cash and Investments**

The City and the County of Santa Clara are responsible as the fiduciary of the Authority and manages investments on behalf of the Authority, which is pooled with those of the City. The investments made by the City Treasurer are limited to those allowable under State statues as incorporated into the City's Investments Policy that are even more conservative than those allowed by State statutes. The City's Investment Policy and the California Government Code allow for a variety of investments, which can be purchased and held.

Cash and investments as of June 30, 2020, consist of the following:

Cash pooled with City of Los Altos	\$450,413
Investments - LAIF	327,049
Santa Clara County investments pool	4,279,615
Total cash and investments	\$5,057,077

**NORTH COUNTY LIBRARY AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
Fiscal Year Ended June 30, 2020**

**NOTE 2 – CASH AND INVESTMENTS (Continued)**

They Authority’s cash is pooled with the Los Altos’ Treasurer and the Country of Santa Clara’s investment pool, who act as the disbursing agents for the Agency. The fair value of the Authority’s investment in these pools are reported in the accompanying financial statements at amounts based upon the Authority’s pro-rata share of the fair value provided by the Treasury Pool for the entire Treasury Pool portfolios (in relation to the amortized cost of those portfolios). The balance available for withdrawal is based on accounting records maintained by the Treasury Pool, which are recorded on an amortized cost basis. Interest earned on investments pooled with the Treasurers are allocated quarterly to the appropriate fund based on its respective average daily balance for that quarter.

**B. Authorized Investments**

The table below identifies the investment types that are authorized for the Authority by the California Government Code and the Authority's Investment Policy are more restrictive. The table also identifies certain provisions that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Remaining Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
U.S. Treasury Obligations	5 years	None	100%	None
U.S. Agency Securities	5 years	None	100%	20%
Supra-National Agency Notes and Bonds	5 years	AA	20%	None
Bankers' Acceptances	180 days	None	20%	10%
Commercial Paper	270 days	A-1	25%	5%
Negotiable Certificates of Deposit	5 years	A	30%	3%
Corporate Medium Term Notes	5 years	A	30%	3%
Repurchase Agreements	180 days	None	20%	10%
Money Market Mutual Funds	None	None	20%	10%
Local Agency Investment Fund	None	None	100%	\$65 million
Asset-backed Securities	5 years	AAA	20%	3%

**NOTE 2 – CASH AND INVESTMENTS (Continued)**

**C. Risk Disclosures**

***Fair Value Hierarchy***

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Santa Clara County investment pool is classified in Level 2 of the fair value hierarchy and is valued using a quoted price in a non-active market for an identical asset. The LAIF is valued at amortized cost and therefore, exempt from being classified under GASB 72.

***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 changes in market rates. Typically, the Authority manages its exposure to interest rate risk by investing in LAIF, the Santa Clara County investment pool and by purchasing a combination of shorter-term and longer-term investments. The Authority monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. The Authority has no specific limitations with respect to this metric. The California Local Agency Investment Fund (LAIF) held by the Authority at June 30, 2020, had a maturity date of less than one year. The Santa Clara County investment pool had a weighted average life of 517 days as of June 30, 2020.

***Credit Risk***

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. LAIF was unrated at June 30, 2020.

***Concentration of Credit Risk***

The investment policy of the Authority contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represent 5% or more of total Authority investments that are required to be disclosed.

**NORTH COUNTY LIBRARY AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
Fiscal Year Ended June 30, 2020**

**NOTE 2 – CASH AND INVESTMENTS (Continued)**

***Custodial Credit Risk – Deposits***

This is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority 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% 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% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2020, the Authority's bank balance was either insured or collateralized, but the collateral was not held specifically in the Authority's name.

***Custodial Credit Risk – Investments***

The Authority is a voluntary participant in the LAIF, which is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the Authority's investment in this pool is reported in the accompanying financial statements and amounts are based upon the Authority's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio).

The Authority maintains a portion of its cash in Santa Clara County Treasury, an external investment pool. The County pools these funds with those of other governmental entities in the county and invests the cash. These pooled funds are carried at fair value. Interest is earned based on average daily balance and is deposited quarterly into participating funds. Any investment gains and losses are proportionately shared by all funds in the pool. The County is restricted by the California Government Code to invest in obligations issued by the United States Treasury; obligations, participations, or other instruments of or issued by a federal agency or a United States government sponsored enterprise; obligations of State and local agencies of this State; bankers' acceptances; commercial paper; negotiable certificates of deposit; repurchase agreements; medium-term corporate notes; as well as other investments established by the California Government Code.

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**REQUIRED SUPPLEMENTARY INFORMATION**



**NORTH COUNTY LIBRARY AUTHORITY  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES -  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and special assessments	\$1,048,695	\$1,048,695	\$1,051,404	\$2,709
Interest income	6,800	6,800	118,779	111,979
Total revenues	1,055,495	1,055,495	1,170,183	114,688
Expenditures:				
Operations:				
Contractual services	289,834	289,834	289,834	
Miscellaneous	182,000	182,000	109,860	72,140
Total expenditures	471,834	471,834	399,694	72,140
Excess of revenues over expenditures	583,661	583,661	770,489	\$186,828
Fund balance, beginning of year			4,290,117	
Fund balance, end of year			\$5,060,606	

**NORTH COUNTY LIBRARY AUTHORITY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
Fiscal year Ended June 30, 2020**

**NOTE 1 – 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.

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**NCLA  
Operating Budget  
Fiscal Year 2022/23**

Item 8.

	2017/18	2018/19	2019/20	2020/21	2021/2022	2022/2023
	Actual	nofficial Ac	Budget	Budget	nofficial Actu	Budget
<b>Rate per Parcel</b>	\$76	\$76	\$76	\$76	\$76	\$76
<b>OPERATING EXPENDITURES</b>						
Service Costs						
County Staffing	665,653	723,670	738,523	779,880	360,048	829,383
(minus ERAF/other credits)			(448,689)	(448,689)	(550,764)	(814,136)
Administrative Costs*	12,369	29,445	32,450	17,400	31,300	26,000
Emergency Resource Fund	0	0	0	50,000	0	0
<b>Total Operating Expenditu</b>	<b>678,022</b>	<b>753,115</b>	<b>322,284</b>	<b>398,591</b>	<b>-159,416</b>	<b>41,247</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
Interest Income	10,461					
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>OPERATING SURPLUS/(DEF</b>	<b>381,886</b>	<b>303,189</b>	<b>735,620</b>	<b>652,813</b>	<b>1,210,970</b>	<b>1,010,307</b>
<b>REDEVELOPMENT PROJECT</b>						
Vendors, Consultants, other c	17,000	29,750	82,000	0	0	
Election Filing Fee			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>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>

\*Administrative FY22/23 costs include: NBS parcel audit (7,500); Legal support (10,000), financial audit (8,500) *Legal and Audit costs will be reimbursed by Member Entities per JPA contract.*

[Prepared 7/15/22]

## North County Library Authority Personnel Budget Requests for FY 2021-22

ESTIMATED 2021/22 COSTS NCLA Extra Hours	Times	Salary & Benefit Cost/Hr	Hours per week	# of Staff	Cost per week	Weeks per year	Annual Cost
Librarian II	M-W 10-1	\$ 73.19	9	4.5	\$ 2,964.13	23	\$68,175
Senior Clerk	M-W 10-1	\$ 60.76	9	1	\$ 546.88	23	\$12,578
Library Clerk II	M-W 10-1	\$ 51.35	9	3	\$ 1,386.37	23	\$31,887
Library Page	M-W 10-1	\$ 42.48	9	3	\$ 1,146.83	23	\$26,377
Janitor (Prorated)	M-W 10-1	\$ 31.84	9	1	\$ 286.52	23	\$6,590
Librarian II	Th 6-9	\$ 73.19	3	2	\$ 439.13	23	\$10,100
Senior Clerk	Th 6-9	\$ 60.76	3	1	\$ 182.29	23	\$4,193
Library Clerk II	Th 6-9	\$ 51.35	3	1	\$ 154.04	23	\$3,543
Library Page	Th 6-9	\$ 42.48	3	2	\$ 254.85	23	\$5,862
Janitor (Prorated)	Th 6-9	\$ 31.84	3	1	\$ 95.51	23	\$2,197
Librarian II	Fri-Sun 6-7	\$ 73.19	3	2	\$ 439.13	23	\$10,100
Senior Clerk	Fri-Sun 6-7	\$ 60.76	3	1	\$ 182.29	23	\$4,193
Library Clerk II	Fri-Sun 6-7	\$ 51.35	3	1	\$ 154.04	23	\$3,543
Library Page	Fri-Sun 6-7	\$ 42.48	3	2	\$ 254.85	23	\$5,862
Janitor (Prorated)	Fri-Sun 6-7	\$ 31.84	3	1	\$ 95.51	23	\$2,197
Librarian II	Sun 10-12	\$ 73.19	2	2	\$ 292.75	23	\$6,733
Senior Clerk	Sun 10-12	\$ 60.76	2	1	\$ 121.53	23	\$2,795
Library Clerk II	Sun 10-12	\$ 51.35	2	1	\$ 102.69	23	\$2,362
Library Page	Sun 10-12	\$ 42.48	2	1	\$ 84.95	23	\$1,954
Janitor (Prorated)	Sun 10-12	\$ 31.84	2	1	\$ 63.67	23	\$1,464
<b>Los Altos Subtotal</b>							<b>\$212,703</b>
Librarian II		\$ 73.19	25	1	\$ 1,829.71	23	\$42,083
Senior Clerk		\$ 60.76	19	1	\$ 1,154.53	23	\$26,554
Library Clerk II		\$ 51.35	25	1	\$ 1,283.68	23	\$29,525
Library Clerk II		\$ 51.35	5	1	\$ 256.74	23	\$5,905
Library Page		\$ 42.48	25	1.5	\$ 1,592.81	23	\$36,635
Janitor (Prorated)		\$ 12.56	23	1	\$ 288.82	23	\$6,643
<b>Woodland Subtotal</b>							<b>\$147,345</b>
<b>GRAND TOTAL</b>							<b>\$360,048</b>
<b>2021-22 ADDITIONAL AVAILABLE FUNDING</b>							<b>(\$335,361)</b>
<b>REVISED TOTAL</b>							<b>\$24,687</b>
<b>REVISED CREDIT FOR LAST QUARTER OF 2019-2020</b>							<b>(\$215,403)</b>
<b>AMOUNT TO CARRYOVER TO FISCAL YEAR 2022-2023</b>							<b>(\$190,716)</b>

## North County Library Authority Personnel Budget Requests for FY 2022-23

ESTIMATED 2022/23 COSTS NCLA Extra Hours	Times	Salary & Benefit Cost/Hr	Hours per week	# of Staff	Cost per week	Weeks per year	Annual Cost
Librarian II	M-W 10-1	\$ 74.48	9	4.5	\$ 3,016.37	52	\$156,851
Senior Clerk	M-W 10-1	\$ 61.80	9	1	\$ 556.22	52	\$28,923
Library Clerk II	M-W 10-1	\$ 53.76	9	3	\$ 1,451.44	52	\$75,475
Library Page	M-W 10-1	\$ 42.19	9	3	\$ 1,139.22	52	\$59,239
Janitor (Prorated)	M-W 10-1	\$ 32.54	9	1	\$ 292.87	52	\$15,229
Librarian II	Th 6-9	\$ 74.48	3	2	\$ 446.87	52	\$23,237
Senior Clerk	Th 6-9	\$ 61.80	3	1	\$ 185.41	52	\$9,641
Library Clerk II	Th 6-9	\$ 53.76	3	1	\$ 161.27	52	\$8,386
Library Page	Th 6-9	\$ 42.19	3	2	\$ 253.16	52	\$13,164
Janitor (Prorated)	Th 6-9	\$ 32.54	3	1	\$ 97.62	52	\$5,076
Librarian II	Fri-Sun 6-7	\$ 74.48	3	2	\$ 446.87	52	\$23,237
Senior Clerk	Fri-Sun 6-7	\$ 61.80	3	1	\$ 185.41	52	\$9,641
Library Clerk II	Fri-Sun 6-7	\$ 53.76	3	1	\$ 161.27	52	\$8,386
Library Page	Fri-Sun 6-7	\$ 42.19	3	2	\$ 253.16	52	\$13,164
Janitor (Prorated)	Fri-Sun 6-7	\$ 32.54	3	1	\$ 97.62	52	\$5,076
Librarian II	Sun 10-12	\$ 74.48	2	2	\$ 297.91	52	\$15,492
Senior Clerk	Sun 10-12	\$ 61.80	2	1	\$ 123.60	52	\$6,427
Library Clerk	Sun 10-12	\$ 53.76	2	1	\$ 107.51	52	\$5,591
Library Page	Sun 10-12	\$ 42.19	2	1	\$ 84.39	52	\$4,388
Janitor (Prorated)	Sun 10-12	\$ 32.54	2	1	\$ 65.08	52	\$3,384
<b>Los Altos Subtotal</b>							<b>\$490,011</b>
Librarian II		\$ 74.48	25	1	\$ 1,861.96	52	\$96,822
Senior Clerk		\$ 61.80	19	1	\$ 1,174.24	52	\$61,060
Library Clerk		\$ 53.76	25	1	\$ 1,343.93	52	\$69,884
Library Clerk		\$ 53.76	5	1	\$ 268.79	52	\$13,977
Library Page		\$ 42.19	25	1.5	\$ 1,582.25	52	\$82,277
Janitor (Prorated)		\$ 12.84	23	1	\$ 295.22	52	\$15,352
<b>Woodland Subtotal</b>							<b>\$339,372</b>
<b>GRAND TOTAL</b>							<b>\$829,383</b>
<b>2022-23 ADDITIONAL AVAILABLE FUNDING</b>							<b>(\$623,420)</b>
<b>REVISED TOTAL</b>							<b>\$205,963</b>
<b>CREDIT FOR PRIOR YEARS</b>							<b>(\$190,716)</b>
<b>FINAL REQUEST FOR FISCAL YEAR 2022-2023</b>							<b>\$15,247</b>





**RESOLUTION NO. 2023-01**  
**A RESOLUTION OF THE NORTH COUNTY LIBRARY AUTHORITY**  
**SETTING THE FY 2022/23 APPROPRIATIONS LIMIT**

**WHEREAS**, California Constitutional Article 13B limits the total annual appropriations of cities; and

**WHEREAS**, it is the desire of the North County Library Authority to establish its appropriations limit pursuant to Article 13B;

**NOW, THEREFORE, BE IT HEREBY RESOLVED** by the Commission of the North County Library Authority that said body hereby determines that said Authority’s appropriations limit (as presented in calculation format in **Exhibit A**), pursuant to Article 13B of the California Constitution using the annual percent change in population for Los Altos and Los Altos Hills and the percent change in California for per capita personal income, is as follows:

**FY 2022/23    \$3,903,356**

I HEREBY CERTIFY that the foregoing resolution was adopted by the Board of the North County Library Authority at a meeting of said Body held on the \_\_\_\_ day of July 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Cindy Hill, AUTHORITY PRESIDENT

\_\_\_\_\_  
Suzanne Epstein, AUTHORITY SECRETARY

## North County Library Authority Appropriation Limit Analysis

EXHIBIT A

2022-23

Fiscal Year	Original Maximum Tax Collection	Proposed Appropriation Limit	Appropriation Limit Growth Factors		Change in Per Capita Income Or CPI
			Annual Combined Escalator	County Change	
2007-08	\$ 642,000	\$ 1,856,179			
			1.108523	1.0616	1.0442
2008-09	\$ 642,000	\$ 2,057,616			
			1.060838	1.0172	1.0429
2009-10	\$ 642,000	\$ 2,182,797			
			1.021897	1.0156	1.0062
2010-11	\$ 1,026,000	\$ 2,230,593			
			1.034222	1.0251	1.0089
2011-12	\$ 1,026,000	\$ 2,308,932			
			1.044756	1.0377	1.0063
2012-13	\$ 1,026,000	\$ 2,410,182			
			1.067704	1.0157	1.0512
2013-14	\$ 1,026,000	\$ 2,587,374			
			1.007780	1.0150	0.9977
2014-15	\$ 1,026,000	\$ 2,620,448			
			1.004270	1.0113	1.0382
2015-16	\$ 1,026,000	\$ 2,751,209			
			1.010670	1.0126	1.0537
2016-17	\$ 1,026,000	\$ 2,935,475			
			1.045299	1.0081	1.0369
2017-18	\$ 1,026,000	\$ 3,068,449			
			1.046963	1.0099	1.0367
2018-19	\$ 1,026,000	\$ 3,212,554			
			1.045146	1.0064	1.0385
2019-20	\$ 1,026,000	\$ 3,357,589			
			1.047139	1.0037	1.0373
2020-21	\$ 1,026,000	\$ 3,495,713			
2021-22	\$ 1,026,000	\$ 3,641,976			
			1.041841	1.0037	1.038
2022-23	\$ 1,026,000	\$ 3,903,356			
			1.071769	0.9965	1.0755

	1/1/22	1/1/21	% Change
Los Altos	31,526	31,651	-0.39
Los Altos Hills	8,400	8,414	-0.17
Total	39,926	40,065	-0.35
Population Change both communities			1.07177





**RESOLUTION NO. 2023-02**

**A RESOLUTION OF THE NORTH COUNTY LIBRARY AUTHORITY  
SETTING A SPECIAL TAX RATE FOR LIBRARY SERVICES**

The Board members of the North County Library Authority hereby ordain as follow:

**Section 1: Special Tax Levy**

A Special Tax, of exactly \$76 (Seventy Six Dollars) is hereby levied and imposed on each improved parcel situated within the North County Library Authority, for the Fiscal Year 2022/23.

\* \* \* \* \*

The above and foregoing resolution was duly and regularly introduced and adopted at a meeting of the Board of the North County Library Authority held on the \_\_\_\_ day of July 2022, by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

\_\_\_\_\_  
Cindy Hill, AUTHORITY PRESIDENT

\_\_\_\_\_  
Suzanne Epstein, AUTHORITY SECRETARY

Proposed by Commissioner Suzanne Epstein

### **Proposal to use \$6-7 million of NCLA funds to uphold services at the Los Altos Library.**

The NCLA Board, consisting of five appointed Commissioners, is the citizen's oversight board established to provide oversight and accountability on the services funded by the Measure L Library parcel tax to ensure that said funds are spent for the specific purposes set forth in the parcel tax language approved by the voters. The amount of a parcel tax was established so as to cover the defined purposes for the stipulated duration. At the end of the period, the remaining funds should be close to zero. Our current parcel tax is for the twenty year period from 2010-2030. It is a set rate of \$78/year. Though the NCLA Board in 2009 engaged a financial consultant to calculate the annual amount necessary to be collected for twenty years in order to maintain the Library's extra hours until 2030, it now appears the annual \$76 fee was higher than necessary. In NCLA's latest Fund Balance Projection, dated March 7, 2018, the projected 2030 Ending Fund Balance was \$4,546,582. Since that date, NCLA has experienced further savings, yet has continued to collect approximately \$1,051,500/yr. The COVID shut down was the principal cause for lack of spending. That and the windfall ERAF funds, and other government credits, have resulted in virtually no NCLA library staffing expenditures for two years and again for an anticipated third year in FY23.

NCLA has previously looked at how excess funds could be used for library purposes. We are restricted by the parcel tax language, which does not allow for our supporting the goal of building a brand new library.

Measure L Parcel Tax money can be used for limited and specific purposes, namely to maintain library hours, to purchase books and materials, to support library programs, and for "**general purposes necessary to uphold the level of service**". We suddenly have been presented with a golden opportunity to utilize the excess NCLA funds. This month the Friends of the Los Altos Library moved into the existing Los Altos Library. To make possible the Library's accommodation of having the entire Friends of the Los Altos Library operation move inside the Library, valuable patron space was lost, 14,000 books were discarded, a quiet reading/study area will disappear, and spacious patron browsing opportunity was diminished. In addition, due to the lifestyle and work-life changes wrought from the COVID pandemic, the demand for certain services has increased (including more requests for private and small-group meeting areas) and the need for more 'roomy' program areas so attendees are not forced to sit close together. This presents a unique and immediate opportunity to use NCLA funds to expand the existing library to restore services, **if we can move fast enough for the expansion to qualify as "upholding services"** as specified in the ballot measure language.

Recommended conditions for authorization of this expenditure could include:

1. LALE contributes \$3-3.5 million, and the Friends of the Library contribute \$1 million in addition to the NCLA funds.
2. The City of Los Altos contributes by covering their own charges for permits, inspections and personnel. The City is the beneficiary of the newly expanded City building.
3. The County provides some funding toward initial architectural design.

4. A Committee is formed for oversight and planning. Suggested: The Committee consists of one member appointed by NCLA, one member appointed by Friends of the Library, one member appointed by LALE, one member appointed by the Library Commission, the Los Altos Librarian, \_\_\_ members appointed by the County, and \_\_\_ from the City of Los Altos.
5. The City of Los Altos has final approval over the architectural plan and oversight of construction.
6. Construction begins within two years to qualify for NCLA funds.

If NCLA wishes to proceed with this, time is of the essence.

## EXHIBIT A

**BALLOT MEASURE  
FULL TEXT OF MEASURE**

---

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?

---

**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.

# Bill and Payment Report

Last Payment (12/21/2021) Item 12. 3

North County Library Authority / General Counsel Services (1579-003)

07/15/2022

Invoice Matter	Matter Description	Type	Date	Time	Cost	Total	Balance	Status	Check No.	Check Date	Payor	Email
178115 003	General Counsel Services	Invoice	06/14/2021	542.50	27.13	569.63	569.63	Paid				
178115 003	General Counsel Services	Payment	12/21/2021	-542.50	-27.13	-569.63	0.00		EFT	12/21/2021	Santa Clara County	
180412 003	General Counsel Services	Invoice	09/15/2021	2,100.00	105.00	2,205.00	2,205.00	Paid				
180412 003	General Counsel Services	Payment	12/21/2021	-2,100.00	-105.00	-2,205.00	0.00		EFT	12/21/2021	Santa Clara County	
184061 003	General Counsel Services	Invoice	10/27/2021	220.50	11.03	231.53	231.53	Open				
185446 003	General Counsel Services	Invoice	11/23/2021	4,595.50	229.78	4,825.28	5,056.81	Open				
190413 003	General Counsel Services	Invoice	03/18/2022	385.00	19.25	404.25	5,461.06	Open				
191537 003	General Counsel Services	Invoice	04/14/2022	280.00	14.00	294.00	5,755.06	Open				
192587 003	General Counsel Services	Invoice	05/16/2022	196.00	9.80	205.80	5,960.86	Open				
194219 003	General Counsel Services	Invoice	06/13/2022	140.00	7.00	147.00	6,107.86	Open				
<b>Report Totals:</b>				<b>5,817.00</b>	<b>290.86</b>	<b>6,107.86</b>						



July 15, 2022

Mr. Peter Pirnejad  
City Manager  
Town of Los Altos Hills

Via Email: [ppirnejad@losaltoshills.ca.gov](mailto:ppirnejad@losaltoshills.ca.gov)

RE: Invoice for Reimbursement of Costs to North County Library Authority

Dear Mr. Pirnejad ,

The North County Library Authority (NCLA) Joint Exercise of Powers Agreement describes in Section 12 the manner in which specific costs shall be allocated between the two Member Entities. Section 12 of the Agreement states:

“The City of Los Altos shall provide staff and basic services at no cost to the Agency. All costs and expenses of an outside nature such as auditing, legal, consultants or the like, shall be apportioned equally among the Member Entities.”

The North County Library Authority (NCLA) has identified costs for FY 2021-2022 that fall within the description above. At their July 18, 2022 special meeting, the NCLA Commission directed me to submit the following costs for reimbursement from each Member Entity for the period of July 1, 2021 through June 30, 2022.

Thank you for the prompt payment last year. We anticipate this process will occur following each fiscal year, consistent with the JPA language.

The share of costs attributed to the Town of Los Altos Hills is as follows:

**Fiscal Year 2021-2022**

Legal: \$4,441.25

Audit: (not received)

Total: \$4,441.25

**Owed by Los Altos Hills: \$4,441.25**

**Total [July 1, 2021 – June 30, 2022]:**  
**Owed by Los Altos Hills: \$4,441.25**



The amount currently due for reimbursement to NCLA for the Fiscal Year 21/22 is \$4,441.25. If you have any questions about these costs please direct them to me via the contact information below.

For payment by check, address to payee: **County of Santa Clara**

And mail to: [Controller-Treasurer Department](#)  
Attn: GAU-Bank Desk  
70 W. Hedding St, 2 Floor East Wing  
San Jose, CA 95110

Please note on check the payment is for NCLA Fund 8210.

For ACH deposit, use the following routing information:

[ACH/Wire Routing Number: 121000248](#)

[Account Number: 4566868238](#)

Please note payment is for NCLA Fund 8210.

Thank you for your attention to this request.

Best Regards,

Suzanne Epstein  
Secretary, North County Library Authority  
[suzanneeps@gmail.com](mailto:suzanneeps@gmail.com)

cc: NCLA Commissioners

Attachment: Meyers Nave Billing Summary





July 15, 2022

Mr. Gabe Engeland  
City Manager  
City of Los Altos

Via Email: [gengeland@losaltosca.gov](mailto:gengeland@losaltosca.gov)

RE: Invoice for Reimbursement of Costs to North County Library Authority

Dear Mr. Engeland,

The North County Library Authority (NCLA) Joint Exercise of Powers Agreement describes in Section 12 the manner in which specific costs shall be allocated between the two Member Entities. Section 12 of the Agreement states:

“The City of Los Altos shall provide staff and basic services at no cost to the Agency. All costs and expenses of an outside nature such as auditing, legal, consultants or the like, shall be apportioned equally among the Member Entities.”

Based on financial reports provided by City staff, the NCLA has identified costs for the period of FY 2021-22 that fall within the description above. At their July 18, 2022 Special Meeting, the NCLA Commission directed me to submit the following costs for reimbursement from each Member Entity for the period of July 1, 2021 through June 30, 2022.

NCLA previously invoiced the Member Entities in October for the prior fiscal year and appreciates the payment made at that time. It is expected bills for shared costs between the Member Entities will be sent after the close of each future fiscal year. .

The share of costs attributed to the City of Los Altos is as follows:

**Fiscal Year 2021-2022**

Legal: \$4,441.25

Audit: (not received)

Total: \$4,441.25

**Owed by Los Altos: \$4,441.25**

**Cumulative Total [July 1, 2021 – June 30, 2022]:**

**Owed by Los Altos: \$4,441.25**

The amount currently due for reimbursement to NCLA for the Fiscal Year 21/22 is \$4,441.25. If you have any questions about these costs please direct them to me via the contact information below.

For payment by check, address to payee: **County of Santa Clara**

And mail to: [Controller-Treasurer Department](#)  
[Attn: GAU-Bank Desk](#)  
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[Account Number: 4566868238](#)

Please note payment is for NCLA Fund 8210.

Thank you for your attention to this request.

Best Regards,

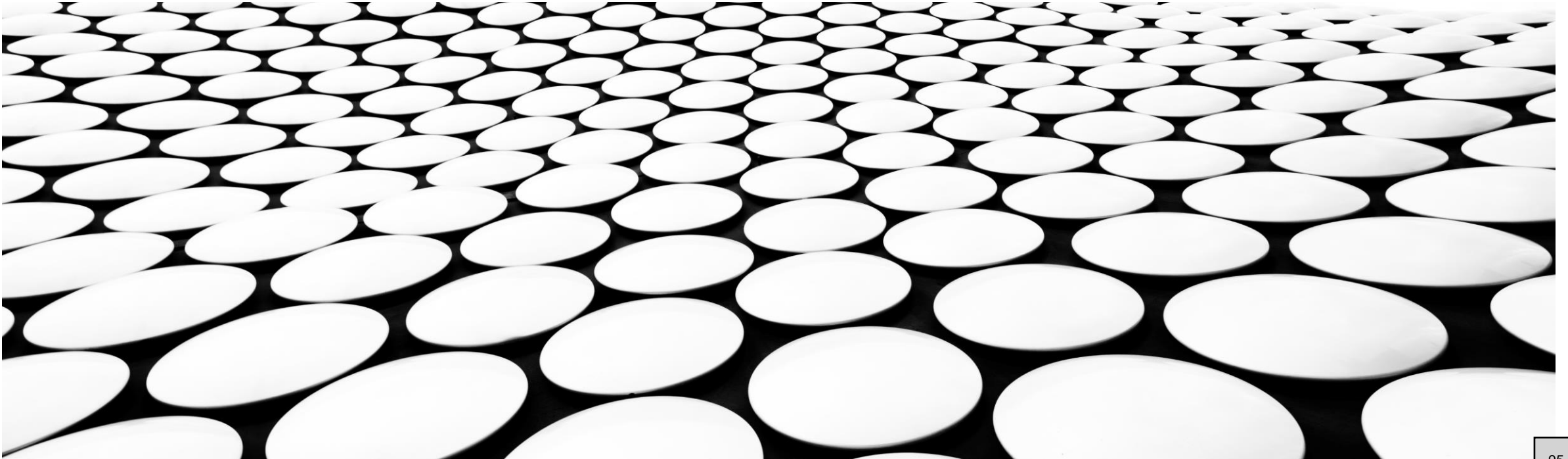
Suzanne Epstein  
Secretary, North County Library Authority  
[suzanneeps@gmail.com](mailto:suzanneeps@gmail.com)

cc: NCLA Commissioners  
John Furtado, Director of Administrative Services

Attachment: Meyers Nave Billing Summary

# FUTURES SUBCOMMITTEE REPORT

PATH FORWARD FOR LOS ALTOS LIBRARY  
SEPTEMBER 2, 2021



## **SANTA CLARA COUNTY LIBRARY DISTRICT MISSION STATEMENT**

The Santa Clara County Library District is an open forum promoting knowledge, ideas, and cultural enrichment. The library provides free access to informational, educational, and recreational materials and services. In response to community needs, the library provides diverse resources on a wide variety of subjects and viewpoints and helps people use these resources.

# LOS ALTOS LIBRARIES

## Main Branch

- Current site within Los Altos Civic Center built in 1964
- 28,050 sq. ft.
- 1975—bond measure passed to expand
- 1985—voters passed 5-year tax to restore library services after previous reductions
- 1990—voters renew tax and vote to expand Main Library

## Woodland Branch

- Built in 1975, funded by bond measure that also expanded Main Library
- 4,600 sq. ft.
- Large single room format

Unique within the Santa Clara Library District, Los Altos is the only city with two library branches

# LOS ALTOS HAS THE OLDEST LIBRARY FACILITIES DESPITE HAVING THE 3<sup>RD</sup> HIGHEST CIRCULATION AND ANNUAL GATE COUNT

	Campbell	Cupertino	Gilroy	Los Altos Main & Woodland	Milpitas	Morgan Hill	Saratoga
<b>Year Built</b>	New—to be remodeled	2004 (2021 expansion)	2012	1990 (expansion)	2009	2007 (2021 expansion)	2003
<b>Sq. Ft.</b>	26,420 (remodel)	56,250 with expansion	53,000	28,050 Main 4,600 Woodland	60,000	30,500	48,500
<b>Sq. Ft./1K population</b>	630	890	880	830	790	660	1,650
<b>Annual Circulation</b> (2019-20)	687,995	2,023,994	427,363	984,871 (Main) 198,976 (W)	1,596,182	505,525	940,172
<b>Annual Gate Count</b> (2019-20)	207,500	620,077	194,212	323,110 (Main) 66,431 (W)	450,832	190,864	293,906
<b>Notes</b>	Measure O approved in 2018. \$50M bond to fund new police emergency ops & improved library	City Council approved \$8M to build 5,600 sq. ft. 2-story addition with large multi-purpose and study rooms				\$2.2M addition for Children's and Teens' multi-purpose and study area	

**Key:**  Newest / Largest  
 Oldest / Smallest

## RECENT EFFORTS TOWARD A REDEVELOPED MAIN LOS ALTOS LIBRARY HAVE BEEN PLACED ON HOLD

- 2018 Needs Assessment identified the need for a minimum of 12,000 additional sq. ft. for:
  - Meeting rooms
  - Team and study rooms
  - Children's space
  - Backroom operations
- \$40-60M estimated to redevelop the main library
- NCLA created a task force of 11 members from NCLA, LALE, FOL and other volunteers with a proposed budget of \$250K for community outreach, private donor capital campaign, and bond measure design
  - Over 100 key community influencers interviewed
- Ultimately, plans for a bond measure for 2020 were shelved, given events at that time (COVID, Foothill College bond plans)

**HOWEVER, THE NEED FOR LIBRARY SITE IMPROVEMENT REMAINS...**

# THE NCLA POLLING IDENTIFIED KEY NEEDS AND CHANGES:

TUTORING SPACE

- ✓ *changing demographics – multi-generational; more families; new residents*

CHILDREN'S PROGRAMS  
DRAW 100+

CHILDREN'S STORYTIME  
SPACE - DEDICATED

- ✓ *more people bring their own technology*
- ✓ *decreased demand for library-provided computers*
- ✓ *increased need for power and wifi*

QUIET SPACE

## Collaboration + social spaces

- *quantity, capacity, flexibility*
- *acoustic separation*
- *finish profiles; furniture + technology*
- *...enclosed spaces for quiet retreat*

## Seating + technology

- *variety of seating for diverse people and uses*
- *appropriate groupings*
- *fixed and flexible*
- *power at every seat*

MORE MEETING SPACE  
+ MORE SIZES/  
CHOICES



## ...FOR EXAMPLE, MEETING SPACES AT OTHER SCCLD LIBRARIES:

Milpitas (60k ft<sup>2</sup>)



- 2 medium sized study rooms for 4-12 people each



- 2 small meeting rooms for up to 4 people

- In addition, a community meeting room with 120 person capacity

Saratoga (48.5k ft<sup>2</sup>)



- 1 medium sized meeting rooms for 4-12 people



- 1 small meeting rooms for up to 6 people

- In addition, a community meeting room with 135 person capacity

## SCCLD MEETING SPACES (CONT'D):

### Morgan Hill (30.5k ft<sup>2</sup>)



- Community room with 92 person capacity
- Can be split into a large/small rooms for 58 and 34 persons, respectively



- New children's activity area with adjoining multi-purpose room

### Gilroy (53k ft<sup>2</sup>)



- Community room with 100 person capacity



- Meeting room for 4-31 people

# DEFINING A COHESIVE VISION & STRATEGY FOR LOS ALTOS LIBRARY IS CRITICAL

## Key Questions (sample)

What are the needs of Los Altos in the future?

What about the new higher-density affordable housing projects?

What is the right footprint? Two branches? Fewer or more?

Why not expand Woodland for additional meeting and study spaces?  
Wouldn't that be more economical and faster-to-market than a redeveloped main library?  
Couldn't an expanded Woodland provide some benefits in the transition period of rebuilding the main library?

Would combining the funding request for library with the police department improve the likelihood of success (e.g., Campbell example)?

Other questions...?

## Factors to be Tested

- Advocacy of key stakeholders
- Cost
- Ability to fund
- Ability to effectively manage
- Time required to complete
- Operational challenges, e.g., phasing if multi-stage or transitioning from current to future state

**THEREFORE, THE FUTURES SUBCOMMITTEE RECOMMENDS THAT LIBRARY COMMISSION REQUESTS THAT NCLA RECONSTITUTE THE REDEVELOPMENT TASK FORCE TO:**

- Develop the vision and strategy for a future Los Altos Library System
- Test that vision and best alternative options through outreach and canvassing efforts
- Define a plan for achieving the necessary funding
  
- In turn, the Los Altos Library Commission should work with NCLA task force to see how we can best assist, given our responsibility to the City

# Backup Slides

Milpitas pop. 79,517	Cupertino pop. 60,257	Gilroy pop. 56,766	Saratoga pop. 30, 697	Morgan Hill pop. 44,686	Los Altos/Los Altos Hills pop. 30, 504//8,505	Campbell pop. 42,221
60,000 sq. ft building with two floors and a side wing	54,000 sq. ft building (Cupertino is adding a 5600 sq. ft. 2-story expansion.	53,000 sq. ft building	48,500 sq. ft. building	30,500 sq. ft. building	28,050 sq. ft. building in downtown and a 4,600 sq. ft. building in South Los Altos	Currently under renovation: 26,420 sq. ft. building
	More than 330,000 volumes in its collection, circulates more than 2.5 million items annually, and receives 900,000 visitors each year.					
A Community Meeting Room with a capacity of 120 people	A <b>community meeting room</b> is located on the first floor of the library, for small groups of 1 to 8 people to use for purposes of group study, discussions or projects.	A <b>Community Meeting Room</b> with a max capacity of 100 people	A <b>Community Meeting Room</b> with a max capacity of 135 people	A <b>Community Meeting Room</b> with a max capacity of 92 people	A <b>Community Meeting Room</b> with maximum capacity of 100 people	COMMUNITY / CHILDRENS PROGRAM ROOM ON MAIN FLOOR
Two medium-sized meeting rooms called <b>Group Study Rooms</b> , located in the Reading Court of the Library, for small groups of 4 to 12 people, to use for purposes of group study, discussions, or projects.		One medium-sized <b>Meeting Room</b> for groups of 4 to 31 people, to use for purposes of group study, discussions, or projects.	The <b>Oak Room</b> , located adjacent to the Learning Lab, for small groups of 4 to 12 people, to use for purposes of group study, discussions, or projects.	Children's area and Teen Space ( <b>the children's area was recently expanded an additional 5000 sq. ft.</b> )	A Children's area and Teen space	City Hall side redesigned Library exit and porch provides Campbell with additional seating and viewing areas for events on the green
Two small meetings rooms called <b>Reading Rooms</b> , located in the South Wing of the Library, for individuals or small groups of up to 4 people, to use for purposes of group study, discussions, or projects.			The <b>Redwood Room</b> , located near the adult information desk, for small groups of 1 to 6 people to use for group study, discussions, or projects.			





Santa Clara County Library District - SCCLD

April 27 · 🌐



The full renovation of the Campbell Library is beginning soon.

The Campbell Library staff is preparing to move library services to a temporary facility, conveniently located in the Campbell Community Center, at 1 W. Campbell Avenue, Building E, Room 46. It is next to the Orchard City Banquet Hall. The last day of service at the Campbell Library to pick up holds using walkup or curbside service, will be Saturday, May 8. The book drops at the Campbell Library will remain open until the temporary facility is available.

We will welcome patrons to the new, temporary facility on Monday, May 24 to pick up holds, browse a limited collection, and use the public computer and printer. Items can be returned through a book drop at the new temporary facility starting May 24. Contactless curbside service is not available at the temporary location but is available at the other SCCLD libraries. Patrons are invited to visit the Cupertino, Saratoga or any other SCCLD library for additional services.

If you have been notified that your holds are available at Campbell Library, we ask you pick them up by May 8. Holds not picked up by then will be held until the new facility opens on May 24. If you would like to have your holds relocated to another library, please call us at (408) 540-3945. If you would like to change your preferred library for holds pickup in the future, you can do so from your online account settings.

Learn more: <https://bit.ly/3xm4nug>



## Timeline

**1894**

*February:* Judge & Mrs. Milton Myrick donate \$50 for a new public library. Public raises a matching \$50. Books from the local YMCA are donated to start a collection.

**1923**

Campbell County Women's Club donates part of their newly constructed building for library use. This library opens with 4,500 volumes.

**1961**

The library moves to larger facilities at Campbell & Central Avenues.

**1967**

Grand opening of the new Campbell Library at 77 Harrison Avenue with 89,000 volumes.

**1989**

The Campbell Museum and Senior Center move to their own sites. The Campbell Library doubles in square footage, adding a second level.

The Library is repainted, and new carpet and furniture added.

**2011**

The library receives an interior face-lift with new carpet, paint, and furniture.

**2020**

Campbell Library houses 201,300 volumes and circulates over 900,000 items each year.

**2021**

Campbell Library moves to temporary location (1 W Campbell Avenue, Room E46, Campbell, CA 95008) as major renovations happen on the original location

**Anticipated Milestones:**

- Hire Design Consultants - May 2020
- Confirm Program and Space Needs - Fall 2020
- Hire an Environmental Consultant for the CEQA Process - Winter 2020
- Complete Concept Designs and Obtain Necessary Approvals - Early 2021
- Complete Schematic and Design Development Documents - Summer 2021
- Complete Construction Documents - Late 2021
- Bid and Award Construction Projects - Spring 2022
- Construction Start - Summer 2022

**Measure O - Civic Center Improvements**

(Updated August 20, 2021)

**Location**

- Campbell Civic Center, Campbell, CA 95008
- 70 North First Street, Campbell, CA 95008
- 77 Harrison Avenue, Campbell, CA 95008

**Description**

Since 2013, City staff, consultants and a Project Core Team have identified desired facilities and program scenarios in the Civic Center Complex and conducted building structural assessments. The program and space needs for the Police Department and Campbell Library were identified as the highest priorities for the City through the Civic Center Master Plan efforts. A \$50,000,000 general obligation bond measure (Measure O) was placed on the November 6, 2018 general elections ballot to fund a new police emergency operations center and improve the library. Measure O was approved by the voters by 69.5%

**Description:**

RFP FOR MEASURE O – CIVIC CENTER IMPROVEMENTS ENVIRONMENTAL SERVICES

Proposals Due: 4:00 p.m., Thursday, September 17, 2020

Mandatory Pre-proposal (Zoom) Meeting:

Mandatory Pre-proposal Meeting is scheduled for 11:00 a.m. on August 27, 2020. The meeting shall be hosted via Zoom (web conference). At the Pre-proposal Meeting, the City will go over the RFP and host a Q&A session. Consultants planning to participate should email [woojaek@campbellca.gov](mailto:woojaek@campbellca.gov) to obtain the web link and a password for the meeting.

**A. Overview**

The City of Campbell (City) is seeking proposals from qualified firms (Proposers) to provide professional environmental consulting services for the Measure O - Civic Center Improvements (Project). The Civic Center Complex (CCC) is a 6-acre city center block bound by Civic Center Drive, North First Street, Grant Street, and Harrison Avenue located within the Campbell's Historic Downtown District. The Project primarily involves the design and construction of a new 20,000 to 30,000 square-foot Police Operations Building (POB) and the renovation of the existing 25,000 square-foot Campbell Library (Library) both within the CCC. The address of the Library is 77 Harrison Avenue. The existing Police facility is located on the first level of City Hall located at 70 North First Street, also within the CCC. Other elements of the Project include improvements to the existing Police facility and a temporary library facility (location to be determined) during the Library renovation. The CCC is zoned the Planned Development with Historical Preservation overlay/combining district.

On May 19, 2020, the City Council approved the award of design contracts to LPA, Inc. for the New Police Operations Building and to Jayson Architecture for the Campbell Library Improvements. The feasibility studies and design process started in June. The concept designs for Police and Library buildings are anticipated by Fall 2020.



# IDENTIFY AND ADDRESS KEY OPERATIONAL DEFICIENCIES

- LACK OF SINGLE, DEFINED POINT OF ENTRY
  - INSUFFICIENT ADA ACCESS
  - LACK OF GENERAL CODE COMPLIANCE
- COMPROMISED SAFETY OF STAFF AND USERS
  - INSUFFICIENT DAYLIGHT TO LOWER LEVELS
- LACK OF COMMUNITY ROOM DEDICATED SPACE
- LACK OF CHILDREN'S PROGRAM AREA WITH ACCESS TO NATURAL LIGHT
  - NO LINE OF SIGHT FOR SUPERVISION
  - LIMITED AREAS FOR READING
    - POOR ACOUSTICS
- RESTROOM NUMBER AND CLEARANCES DO NOT MEET CODE
  - NO AREA FOR GROWTH
  - NO MEETING SPACES
- NEED DEDICATED DELIVERY ENTRANCE FOR DAILY SHIPMENTS OF PATRON BOOKS
  - NEED TO REPLACE EXISTING ELEVATOR
- NEED SPACE FOR ONE UNIFIED AUTOMATED MATERIALS HANDLING SYSTEM INTEGRATED WITH RETURN LOCATIONS AND DELIVERY

## RENOVATION TO EXISTING BUILDING

EXISTING FLOOR AREA, LEVEL 1: 12,900 SF

EXISTING FLOOR AREA, LEVEL B1: 12,145 SF

**TOTAL EXISTING AREA: 25,045 SF**

RENOVATED FLOOR AREA, LEVEL 1: 13,988 SF

RENOVATED FLOOR AREA, LEVEL B1: 12,432 SF

**TOTAL RENOVATED AREA: 26,420 SF**

BY POSITIONING THE NEW BUILDING ENVELOPE TO THE OUTERMOST EXTENT OF THE BUILDING FOOTPRINT THE TOTAL AVAILABLE AREA INCREASES BY ALMOST 1,400 SF TO ALLOW FOR LIBRARY SERVICES

## 1960

The new 2500-square-foot Cupertino Library opens in the Allario Shopping Center. More than 300 library cards are issued on opening day.

## 1962-1965

Cupertino outgrows its physical space with a collection of 50,000 volumes and annual circulation of over 300,000 items.

## 1967

Voters approve a library bond for the construction of a new facility in Cupertino.

## 1971

*April 10th:* The new 24,000-square-foot Cupertino Library opens at 10400 Torre Avenue.

## 1988

Due to growing demand, the library is renovated and expanded to 37,000 square feet.

## 1992

Cupertino Library has more than 200,000 volumes in its collection and more than 1 million items are circulated.

## 2004

The completely redesigned and rebuilt, 54,000-square-foot library facility opens in Cupertino.

A defining feature of the new facility is a sixteen-foot-high 3,240-gallon saltwater aquarium, donated by Fred and Annie Chan in memory of Fred's father, Mr. Pak Chung Chan.

## Facilities and Collections

The Gilroy Library resides in a **53,000 sq. ft building**, which includes:

- A [Community Meeting Room](#) with a max capacity of 100 people
- Quiet Study rooms
- Access to an extensive County Library collection of over two million books, movies, and more

**1966**

Gilroy residents pass a \$600,000 bond measure for construction of a new library. Mary Groshert appointed Community Librarian (1966-1969).

Item 14.

**1968**

*July 1st:* Gilroy Library joins Santa Clara County Free Library.

**1969**

Alice Dawson appointed Community Librarian (1969-1970).

**1970**

June Hopper appointed Community Librarian (1970-1983).

**1975**

*February 1st:* The new Gilroy Library opens at 7387 Rosanna Street with 57,000 volumes.

**1984**

Lani Yoshimura appointed Community Librarian (1984-2020).

**2008**

Citizens of Gilroy pass a \$37 million bond for construction of a new library.

**2009**

Gilroy Library moves to a temporary location at 7652 Monterey Street until new library construction is completed.

**2012**

The new Gilroy Library opens as the LEED (Leadership in Energy and Environmental Design) certified building in Santa Clara County Library. Gilroy has grown to 150,000 volumes including over 400 periodicals and the largest Spanish

## Facility and Collections

The Milpitas Library is housed in a **60,000 sq. ft building** with two floors and a side wing. Facilities include:

- A Community Meeting Room with a capacity of 120 people
- 4 Study Rooms
- Access to an extensive, shared County Library collection of over two million books, movies, and more
- Non-English Language Collections
- Adult New Readers collection
- Job and Career collection
- Test Prep collection

### 1958

First county library in Milpitas (other than the bookmobile) established in one classroom of the historic grammar school at 160 N. Main Street and becomes known as Community Center.

### 1962

Calaveras Branch opens in the Fiesta Shopping Center on Dempsey Road.

### 1966

Sunnyhills Branch opens on Dixon Landing Road.

### 1981

*January:* Two branches (Calaveras and Community Center) are consolidated and moved into the library of the closed Ayer High School campus.

### 1983

*March:* The new 19,500 square foot Milpitas Community Library opens at 40 N. Milpitas Blvd. Cost: \$2,000,000. All three of the small branches are now under one roof.

### 2009

With redevelopment funds of \$39,000,000, a new 60,000 square foot library is built at 160 N. Main Street. Opening in January, it becomes known as the Milpitas Public Library.

## Facility and Collections

The Morgan Hill Library is housed in a **30,500 sq. ft. building**, which includes:

- A [Community Meeting Room](#) with a max capacity of 92 people
- Children's area and Teen Space
- Access to an extensive, shared County Library collection of over two million books, movies, and more
- Non-English Language Collections
- Special Collection: Local History

### 1973

With bonds passed by voters, the Civic Center becomes the home of a new library housing over 48,000 volumes.

### 2007

*July:* The current Morgan Hill Library opens with over 160,000 volumes and works of art inside and outside the library.

### 2021

*February:* The library expands its current facility with the addition of a new Children's Activity Room and larger children's area.

The Saratoga Library is housed in a **48,500 sq. ft.** building, and includes:

- A [Community Meeting Room](#) with a max capacity of 135 people
- 1 group study room, 1 quiet study room (with 20 individual tables & armchairs)
- Children's area and Teen Space
- Access to an extensive, shared County Library collection of over two million books, movies, and more
- Non-English Language Collections
- Special Collections:
  - **Muko-Shi Collection:** This collection houses books and pamphlets given to the Saratoga Library by visitors from the city of Muko-Shi, Saratoga's sister city in Japan. These items can circulate, but rarely go out.
  - **Cunningham Collection:** This local history collection focuses on Saratoga and the surrounding area. Florence Cunningham was a Saratoga historian and member of a Saratoga pioneer family. These items are library-use only.

### 1978

The present Saratoga Library opened on Saratoga Avenue and Fruitvale. It was also designed by Mr. Spencer.

### 1983

The Friends of the Saratoga Library took over the former library building that was located on the corner of Oak Street and Los Gatos Road to run the Book-Go-Round.

### 2003

Celebrations were held for the newly remodeled and expanded 48,000 square foot library.



The Los Altos Library is housed in a **28,050 sq. ft. building**. The facility includes:

- A [Community Meeting Room](#) with maximum capacity of 100 people
- Access to an extensive, shared County Library collection of over two million books, movies, and more
- Non-English Language Collections
- Special Collection: The Virginia Whipple Collection

## 1964

Los Altos Library is built on the current site in the Civic Center.

## 1975

Voters pass bonds to expand the Main Library and construct Woodland Library.

## 1985

Voters pass a 5-year tax to restore library services after previous reductions.

## 1990

Voters renew the 1985 tax and vote to expand the Main Library.

## Facility and Collections

The Woodland Branch Library is housed in a **4,600 sq. ft. building**, and includes:

- A Children's area and Teen space
- Access to an extensive, shared County Library collection of over two million books, movies, and more.
- Non-English Language Collections



# NORTH COUNTY LIBRARY AUTHORITY

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*Fiscal Year 2021/22 Annual Report for:*

**Measure L (Library Parcel Tax)**

**January 2022**

Prepared by:



Corporate Headquarters  
32605 Temecula Parkway, Suite 100  
Temecula, CA  
Toll free: 800.67

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# 1. DISTRICT SUMMARY

## 1.1 District

The North County Library Authority (“NCLA”) was formed through a joint powers agreement between the City of Los Altos and the Town of Los Altos Hills. 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.

Voters within the City of Los Altos and the Town of Los Altos Hills approved Measure L by 78% in June of 2010. Measure L authorizes NCLA to levy a \$76 special parcel tax upon parcels within the NCLA. The special parcel tax may be levied for 20 years beginning with Fiscal Year 2010/11 and ending after Fiscal Year 2029/30.

Measure L replaced a \$52 special parcel tax that was established in 1990 to finance the Los Altos Library expansion, supplement the book budget, and fund library hours. The purpose of the Measure L special parcel tax is to maintain Los Altos and Woodland library hours, purchase books and materials, support library programs, and for general purposes of the NCLA.

## 1.2 Levy

The special parcel tax is levied at \$76 per parcel on all developed parcels. For Fiscal Year 2021/22, 13,976 parcels were levied a total of \$1,062,176.00. Of the 13,976 levied parcels, 11,005 are in the City of Los Altos and 2,971 are in the Town of Los Altos Hills.

## 1.3 Exemptions

Measure L allows for a low income senior exemption from the parcel tax. For Fiscal Year 2021/22, there are 12 senior exempt parcels. Parking lots and parcels containing railroad tracks or energy transformers are not considered developed for purposes of the parcel tax.

## 1.4 Special Parcel Tax Summary

The following table provides a summary of the Fiscal Year 2021/22 special parcel tax levy.

Parcel Type	Number of Parcels	Fiscal Year 2021/22 Levy
Developed	13,976	\$1,062,176.00
Exempt – Undeveloped	210	0
Exempt – Senior	12	0
Exempt – Public Property <sup>(1)</sup>	233	0
<b>Totals</b>	<b>14,431</b>	<b>\$1,062,176.00</b>

(1) Includes 17 properties listed as Parking Lots

## 1.5 Historical Summary of Levied Parcels

The following table provides a historical summary of levied parcels.

Fiscal Year	City of Los Altos	Town of Los Altos Hills	Total Levied Parcels	Net Change in Parcels Levied	Total Levy Amount
2010/11	N/A	N/A	13,626	-	\$1,035,576.00
2011/12	10,836	2,852	13,688	62	\$1,040,288.00
2012/13	10,805	2,889	13,694	6	\$1,040,744.00
2013/14	10,894	2,921	13,815	121	\$1,049,940.00
2014/15	10,932	2,922	13,854	39	\$1,052,904.00
2015/16	10,961	2,946	13,907	53	\$1,056,932.00
2016/17	10,990	2,948	13,938	31	\$1,059,288.00
2017/18	10,993	2,955	13,948	10	\$1,060,048.00
2018/19	10,986	2,952	13,938	(10)	\$1,059,288.00
2019/20	11,013	2,961	13,974	36	\$1,062,024.00
2020/21	11,005	2,971	13,976	2	\$1,062,176.00
2021/22	11,005	2,971	13,976	0	\$1,062,176.00

## 1.6 Delinquencies

NBS does not perform delinquency management functions for the District. NBS recommends that the NCLA closely monitor the Special Tax revenue apportionments from Santa Clara County.

### NBS

Amanda Welker, Project Analyst

Adina McCargo, Project Manager

Tim Seufert, Client Services Director

## 2. LOCAL AGENCY SPECIAL TAX AND BOND ACCOUNTABILITY ACT

Senate Bill 165, filed with the Secretary of State on September 19, 2000, enacted the Local Agency Special Tax and Bond Accountability Act (the “Act”). This Act requires that any local special tax or local bond measure subject to voter approval contain a statement indicating the specific purposes of the special tax, require that the proceeds of the special tax be applied to those purposes, require the creation of an account into which the proceeds shall be deposited, and require an annual report containing specified information concerning the use of the proceeds. The Act only applies to any local special tax measure or local bond measure adopted on or after January 1, 2001 in accordance with Section 50075.1 or Section 53410 of the California Government Code.

Some of the requirements of the Act are handled at the formation of the Special Tax District and others are handled through annual reports. This Section of this report intends to comply with Section 50075.3 of the California Government Code that states:

“The chief fiscal officer of the issuing local agency shall file a report with its governing body no later than January 1, 2002, and at least once a year thereafter. The annual report shall contain all of the following:

1. The amount of funds collected and expended.
2. The status of any project required or authorized to be funded as identified in subdivision (a) of Section 50075.1.”

The requirements of the Act apply to the Funds for the following:

North County Library Association  
Measure L Library Parcel Tax  
June 8, 2010

### 2.1 Purpose of Special Tax

The purpose of Measure L special parcel tax is to maintain Los Altos and Woodland library hours, purchase books and materials, support library programs, and for general purposes of the NCLA.

### 2.2 Collections and Expenditures

Fund Name	Initial Deposit	Total Amount Collected <sup>(1)</sup>	6/30/2021 Balance	Amount Expended <sup>(2)</sup>
NCLA Measure L Library Parcel Tax	\$0.00	\$1,062,176.00	\$0.00	\$1,062,176.00

<sup>(1)</sup> Amount levied during Fiscal Year 2020/21, excluding delinquencies, if any.

<sup>(2)</sup> Amount Expended is difference between Total Amount Collected and 6/30/2021 Balance.

## APPENDIX A: RESOLUTION

---

The following page contains a Resolution of the North County Library Authority setting a Special Tax Rate for Library Services for Fiscal Year 2021/22.



**RESOLUTION NO. 2021-01**

**A RESOLUTION OF THE NORTH COUNTY LIBRARY AUTHORITY  
SETTING A SPECIAL TAX RATE FOR LIBRARY SERVICES**

The Commission members of the North County Library Authority hereby ordain as follow:

**Section 1: Special Tax Levy**

A Special Tax, of exactly \$76 (Seventy Six Dollars) in hereby levied and imposed on each improved parcel situated within the North County Library Authority, for the Fiscal Year 2021/22.

\* \* \* \* \*

The above and foregoing resolution was duly and regularly introduced and adopted at a meeting of Commission of the North County Library Authority held on the 10th day of May 2021, by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

\_\_\_\_\_  
Neysa Fligor, PRESIDENT

ATTEST:

\_\_\_\_\_  
Jon Maginot, AUTHORITY CLERK

**Amanda Welker**

Jul 13, 2022,  
10:01 AM

Good morning, Suzanne,

Hope you are doing well. I've attached the most recent Annual Report that was sent out in late January. I omitted the final 334 pages containing the Final Billing Detail Report.

The Excel file listing the parcel changes for 2021/22 is also attached. There were 12 parcels that changed into 10 new parcels. One of the prior parcels was undeveloped and was not levied. Additionally, 2 previously undeveloped parcels in the district became developed and eligible for the special tax in 2021/22. Lastly, the senior exemption listing increased from 11 parcels in FY 2020/21 to 12 parcels in 2021/22. Overall, these changes resulted in the same number of levied parcels year to year. Of the parcels with changes, I've summarized below:

FY 2020/21: 12 original parcels – 1 undeveloped parcel = 11 levied parcels

FY 2021/22: 10 new parcels + 2 newly levied developed parcels – 1 new Senior Exemption= 11 levied parcels

In regards to the FY 2022/23 special tax, the levied parcel counts have not yet been determined. We are awaiting the County's secured roll data and plan to have the final numbers prepared in early August. I'll be glad to share those with you once available.

Please feel free to reach out if you have any questions.

Thank you!

**AMANDA WELKER** | manager  
800.676.7516 | [awelker@nbsgov.com](mailto:awelker@nbsgov.com) | [nbsgov.com](http://nbsgov.com)  
NBS is a registered municipal advisor



## NCLA Parcel Changes FY22

Old Parcels	New Parcel
167-39-038	167-39-155
167-39-039	170-02-055
170-02-027	170-27-047
170-02-029	182-23-044
170-27-006	182-23-045
182-23-040	182-42-051
182-42-039	189-15-123
182-23-043	189-15-124
182-42-040	193-37-042
189-15-121	193-37-043
189-15-122	
193-37-040	

FUND 8210 N County Library Authority Pool Deposit MODIFIED ACCRUAL

GL Acct	Document No.	DT	Post Date	Cost Cntr	Internal Order	WBS Element	Doc Header Text	Reference	Line Text	Debit Amount	Credit Amount
1100000	Cash-Clearing								Beginning Balance	5,364,228.74	
103713870	SA	08/01/21					Int Alloc-FY21 Qtr 4 Adva			8,243.42	
103721719	SA	08/03/21					Int Alloc-FY21 Qtr 4 Fina			698.34	
103747259	SA	08/20/21					*Reclass 08/20/21 Deposit 1200528827-0820			818,816.00	
103851002	SA	11/01/21					Int Alloc-FY22 Qtr 1 Adva			11,482.84	
103851890	SA	11/01/21					Int Alloc-FY22 Qtr 1 Adva			10,502.60	11,482.84-
103851901	SA	11/01/21					Int Alloc-FY22 Qtr 1 Adva			757.35	
103884816	SA	11/03/21					Int Alloc-FY22 Qtr 1 Adva			4,501.40	
103876608	SA	11/15/21					*Reclass 11/15/21 Deposit 1200536417-11/15			16,101.40	
103982399	SA	01/18/22					*Reclass 01/18/22 Deposit 1200541925-01/18			638,148.01	
103961287	SA	01/21/22					JBCGLX220090000001 12/10/21 SEC FIN			10,865.36	
103980503	SA	02/01/22					Int Alloc-FY22 Qtr 2 Adva			131.65	
104002795	SA	02/01/22					Int Alloc-FY22 Qtr 2 Fina			11,935.31	11,935.31-
10411137	SA	05/01/22					Int Alloc-FY22 Qtr 3 Adva			11,799.26	
104115072	SA	05/01/22					Int Alloc-FY22 Qtr 3 Adva			413,406.23	
104115129	SA	05/01/22					Int Alloc-FY22 Qtr 3 Fina			1,957,389.17	23,418.15-
104198766	SA	06/23/22					JBCGLX220067000001 4/10/22 SEC FINA		Doc Type Subtotal		
2003964507	ZQ	12/21/21								2,774.63-	
2003964547	ZQ	12/21/21								6,975.95-	
2003964583	ZQ	12/21/21								5,600.00-	
1100000	Cash-Clearing								Doc Type Subtotal	0.00	15,350.58-
1121500	Interest Receivable-Accrual								Total Period Activity	1,957,389.17	38,768.73-
103696042	SA	07/01/21							Ending Balance	7,282,849.18	
1100000	Interest Receivable-Accrual								Beginning Balance	8,941.77	
103696042	SA	07/01/21							Int Alloc - FY 2021 QTR 4 Accrual	8,941.77-	0.00
1100000	Interest Receivable-Accrual								Doc Type Subtotal	8,941.77-	0.00
1121500	Interest Receivable-Accrual								Total Period Activity	8,941.77-	0.00
1100000	Interest Receivable-Accrual								Ending Balance	0.00	
L I A B I L I T I E S											
2100000	AP Vendor Reconciliation Account								Beginning Balance	0.00	
1906196842	KR	12/21/21							INV 6/14 & 9/15 *NCLA-Meyers Nave, Invoices 6/14 & 9/15,	2,774.63-	
1906196854	KR	12/21/21							ANNUAL PAYMENT *NCLA-NBS, Annual Payment, ACH#346	6,975.95-	
1906198003	KR	12/21/21							INV 03-21-318 *NCLA-Municipal Resource, Inv 03-21-318,	5,600.00-	
1906198003	KR	12/21/21							Doc Type Subtotal	15,350.58-	
1906198003	KR	12/21/21							Doc Type Subtotal	0.00	
1906198003	KR	12/21/21							Doc Type Subtotal	2,774.63	

Item 17.

FUND 8210 N County Library Authority Pool Deposit M O D I F I E D A C C R U A L

GL Acct	Document No.	DT	Post Date	Cost Cntr	Internal Order	WBS Element	Doc Header Text	Reference	Line Text	Debit Amount	Credit Amount
	2003964547	ZQ	12/21/21				20211220-BTA01			6,975.95	
	2003964583	ZQ	12/21/21				20211220-BTA01			5,600.00	
									Doc Type Subtotal	15,350.58	0.00
									Total Period Activity	15,350.58	15,350.58
2100000	AP Vendor Reconciliation Account								Ending Balance	0.00	
E Q U I T Y											
3400000	Fund Balance / Retained Earnings								Beginning Balance	5,373,170.51	
									Total Period Activity	0.00	0.00
3400000	Fund Balance / Retained Earnings								Ending Balance	5,373,170.51	
R E V E N U E S											
4301100	Interest - Deposits and Investments								Beginning Balance	0.00	
									Total Period Activity	0.00	8,941.77
	103696042	SA	07/01/21	T8210			Int Alloc-FY21 Qtr 4 Accr		Int Alloc - FY 2021 QTR 4 Accrual		8,243.42
	103713870	SA	08/01/21	T8210			Int Alloc-FY21 Qtr 4 Adva		8210 Int Alloc - FY 2021 QTR 4 Advance		698.34
	103721719	SA	08/03/21	T8210			Int Alloc-FY21 Qtr 4 Fina		8210 Int Alloc - FY 2021 QTR 4 Final		11,482.84
	103851002	SA	11/01/21	T8210			Int Alloc-FY22 Qtr 1 Adva		8210 Int Alloc - FY 2022 QTR 1 Advance		10,502.60
	103851890	SA	11/01/21	T8210			Int Alloc-FY22 Qtr 1 Adva		8210 Int Alloc - FY 2022 QTR 1 Advance		757.35
	103851901	SA	11/01/21	T8210			Int Alloc-FY22 Qtr 1 Adva		8210 Int Alloc - FY 2022 QTR 1 Advance		131.65
	103884816	SA	11/03/21	T8210			Int Alloc-FY22 Qtr 1 Fina		8210 Int Alloc - FY 2022 QTR 1 Final		11,935.31
	103980503	SA	02/01/22	T8210			Int Alloc-FY22 Qtr 2 Adva		8210 Int Alloc - FY 2022 QTR 2 Advance		23,418.15
	104002795	SA	02/01/22	T8210			Int Alloc-FY22 Qtr 2 Fina		8210 Int Alloc - FY 2022 QTR 2 Final		57,474.36
	10411137	SA	05/01/22	T8210			Int Alloc-FY22 Qtr 3 Adva		8210 Int Alloc - FY 2022 QTR 3 Advance		34,056.21
	104115072	SA	05/01/22	T8210			Int Alloc-FY22 Qtr 3 Adva		8210 Int Alloc - FY 2022 QTR 3 Advance		818,816.00
	104115129	SA	05/01/22	T8210			Int Alloc-FY22 Qtr 3 Fina		8210 Int Alloc - FY 2022 QTR 3 Final		4,501.40
									Doc Type Subtotal	0.00	16,101.40
									Total Period Activity	0.00	839,418.80
4301100	Interest - Deposits and Investments								Ending Balance	0.00	
4980010	Trust Funds-Receipts								Beginning Balance	0.00	
	103747259	SA	08/20/21	T8210	00999999		*Reclass 08/20/21 Deposit 1200528827-0820		City of Los Altos- Ck 166283		818,816.00
	103876608	SA	11/15/21	T8210	00999999		*Reclass 11/15/21 Deposit 1200536417-11/15		Town Los Altos Hills, Ck 19586,NCLA Reimb		4,501.40
	103982399	SA	01/18/22	T8210	00999999		*Reclass 01/18/22 Deposit 1200541925-01/18		City of Los Altos, Ck 167328, NCLA Fund 8		16,101.40
									Doc Type Subtotal	0.00	839,418.80
									Total Period Activity	0.00	839,418.80
4980010	Trust Funds-Receipts								Ending Balance	0.00	
									Beginning Balance	0.00	
4980010	Trust Funds-Direct Assessments								Ending Balance	0.00	

Item 17.

FUND 8210 N County Library Authority Pool Deposit MODIFIED ACCRUAL

GL Acct	Document No.	DT	Post Date	Cost Cntr	Internal Order	WBS Element	Doc Header Text	Reference	Line Text	Debit Amount	Credit Amount
	103961287	SA	01/21/22	T8210			JBCGLX22000900000001	12/10/21 SEC FIN 0889 Los Altos City (NCLA Library Tax)			638,148.01-
	104198766	SA	06/23/22	T8210			JBCGLX22006700000001	4/10/22 SEC FINA 0889 Los Altos City (NCLA Library Tax)		0.00	413,406.23-
								Doc Type Subtotal			1,051,554.24-
								Total Period Activity		0.00	1,051,554.24-
4980350	Trust Funds-Direct Assessments							Ending Balance			1,051,554.24-
E X P E N D I T U R E S											
5800010	Trust Funds-Disbursements							Beginning Balance		0.00	
	1906196842	KR	12/21/21	T8210	00999999			INV 6/14 & 9/15 NCLA-Meyers Nave, Invoices 6/14 & 9/15, A		2,774.63	
	1906196854	KR	12/21/21	T8210	00999999			ANNUAL PAYMENT NCLA-NBS, Annual Payment, ACH#346		6,975.95	
	1906198003	KR	12/21/21	T8210	00999999			INV 03-21-318 NCLA-Municipal Resource, Inv 03-21-318, A		5,600.00	
								Doc Type Subtotal		15,350.58	0.00
								Total Period Activity		15,350.58	0.00
5800010	Trust Funds-Disbursements							Ending Balance		15,350.58	

\*TOTAL FUND N County Library Authority Pool Deposit

Ending Balance 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						2022					
From Fiscal Period						001					
To Fiscal Period						012					
Fund Group.											
Fund						8210					
Modified Accrual							X				
Full Accrual											
Print Rev/Exp Transaction Dtl								X			
Summarize Rev/Exp Transactions											
Filename											
Document Types to Summarize											
No selections											
Logical File Path									ZOUTBOUND_NFS		
Source System									OTH		

Invisible selection criteria

\*\*\* END OF REPORT \*\*\*

Page : 1 / 1 Date: 07/15/2022 Time : 09:30:43  
 1SCC Special Ledger Report Group :ZSL2—Report ZSLP002  
 Fiscal Year :2022 Period From: 1 To : 12  
 Fund/Group : 8210 N Cty Library Author

Client Name:Production  
 Client # :777  
 Created By :BATCH\_ADM

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	5,364,228.74	1,957,389.17	38,768.73-	7,282,849.18	1,957,389.17	38,768.73-
* Unrestricted	5,364,228.74	1,957,389.17	38,768.73-	7,282,849.18	1,957,389.17	38,768.73-
** Cash & Investments	5,364,228.74	1,957,389.17	38,768.73-	7,282,849.18	1,957,389.17	38,768.73-
1121500 Interest Rec-Accrual	8,941.77	8,941.77-			8,941.77-	
** Receivables	8,941.77	8,941.77-			8,941.77-	
*** Current Assets	5,373,170.51	1,948,447.40	38,768.73-	7,282,849.18	1,948,447.40	38,768.73-
**** Total Assets-Full	5,373,170.51	1,948,447.40	38,768.73-	7,282,849.18	1,948,447.40	38,768.73-
2100000 A/P Reconciliation		15,350.58	15,350.58-		15,350.58	15,350.58-
** Accounts Payable		15,350.58	15,350.58-		15,350.58	15,350.58-
*** Current Liabilities		15,350.58	15,350.58-		15,350.58	15,350.58-
**** Total Liabilities-Full		15,350.58	15,350.58-		15,350.58	15,350.58-
3400000 Fund Bal/Retain Earn	5,373,170.51-			5,373,170.51-		
*** Fund Balance-Full	5,373,170.51-			5,373,170.51-		
**** Total Equities-Full	5,373,170.51-			5,373,170.51-		
4301100 Interest-Deposits		23,418.15	57,474.36-	34,056.21-	23,418.15	57,474.36-
** Investment Income		23,418.15	57,474.36-	34,056.21-	23,418.15	57,474.36-
*** Revenue From The Use of Money & P		23,418.15	57,474.36-	34,056.21-	23,418.15	57,474.36-
4980010 Trust Funds-Receipts			839,418.80-	839,418.80-		839,418.80-
4980350 Trust-Direct Assess			1,051,554.24-	1,051,554.24-		1,051,554.24-
** Non-Budgeted Accounts			1,890,973.04-	1,890,973.04-		1,890,973.04-
*** Other Financing Sources - Full			1,890,973.04-	1,890,973.04-		1,890,973.04-
**** Total Revenues-Full		23,418.15	1,948,447.40-	1,925,029.25-	23,418.15	1,948,447.40-
5800010 Trust Fds-Disburseme		15,350.58		15,350.58	15,350.58	
*** Non-Budgetary Expenditures		15,350.58		15,350.58	15,350.58	
**** Total Expenditures-Full		15,350.58		15,350.58	15,350.58	
***** 8210 N Cty Library Author		2,002,566.71	2,002,566.71-		2,002,566.71	2,002,566.71-
***** FUND TOTAL		2,002,566.71	2,002,566.71-		2,002,566.71	2,002,566.71-
* Net Revenue & Expens		38,768.73	1,948,447.40-	1,909,678.67-	38,768.73	1,948,447.40-
Total Liabilities		15,350.58	15,350.58-		15,350.58	15,350.58-
* Total Equities	5,373,170.51-			5,373,170.51-		
* Total Assets	5,373,170.51	1,948,447.40	38,768.73-	7,282,849.18	1,948,447.40	38,768.73-



NCLA FY'22

NORTH COUNTY LIBRARY AUTHORITY  
STATEMENT OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FISCAL YEAR ENDED JUNE 30, 2022

PRELIMINARY

	<u>General Fund</u>	
REVENUE		
Taxes and special assessments	1,051,554.24	
Miscellaneous income	20,602.80	
Interest income	<u>46,056.21</u>	*Incl. 4th qtr. est.
Total revenue	<u>1,118,213.25</u>	
EXPENDITURES:		
Santa Clara County Library District	0.00	
Miscellaneous services	<u>21,458.44</u>	
Total Expenditures	<u>21,458.44</u>	
Net change	1,096,754.81	
Transfer of NCLA funds from Los Altos	818,816.00	
Fund Balance, Beginning of year	<u>5,373,170.51</u>	
Fund Balance, End of year	<u><u>7,288,741.32</u></u>	
<u>Miscellaneous income</u>		
LA reimbursement	4,501.40	
LAH reimbursement	<u>16,101.40</u>	
	20,602.80	
<u>Expense Detail</u>		
MRG	5,600.00	
NBS	6,975.95	
Meyer Naves	569.63	
Meyer Naves	2,205.00	
Meyer Naves	<u>6,107.86</u>	Payable
	21,458.44	

\*Interest estimate 4th quarter \$12,000