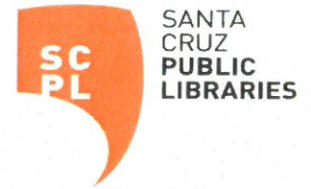


Chair Martin Bernal  
Vice Chair Jenny Haruyama  
Board Member Carlos Palacios  
Board Member Jamie Goldstein



**SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY  
(LFFA)  
REGULAR BOARD MEETING  
THURSDAY, OCTOBER 5, 2017**

**9:00 A.M.  
DOWNTOWN BRANCH LIBRARY  
224 CHURCH STREET, SANTA CRUZ, CA 95060**

**1. CALL TO ORDER / ROLL CALL**

Board Members Jamie Goldstein, Jenny Haruyama, Carlos Palacios, and Chair Martin Bernal

**2. ADDITIONAL MATERIALS**

*Additional information submitted after distribution of the agenda packet.*

**3. ADDITIONS AND DELETIONS TO AGENDA**

**4. ORAL COMMUNICATION**

*Any member of the audience may address the Board on any matter either on or off the agenda that is within the Board's jurisdiction. Note, however, that the Board is not able to undertake extended discussion or act on non-agendized items. Such items can be referred to staff for appropriate action which may include placement on a future agenda. If you intend to address a subject that is on the Agenda, please hold your comments regarding that item until it is before the Board, so that we may properly respond to all comments on that subject at the same time. In general 3 minutes will be permitted per speaker during Oral Communication; A MAXIMUM of 30 MINUTES is set aside for Oral Communications at this time.*

**5. EXECUTIVE DIRECTOR REPORT**

A. Report of Executive Director

**6. PROJECT UPDATES AND COMMENTS BY BOARD MEMBERS**

**7. CONSENT CALENDAR**

A. Approve Minutes of the August 3, 2017 Board Meeting  
RECOMMENDED ACTION: Approve Minutes (PG.3-4)

B. Receive Upcoming Audit Notice  
RECOMMENDED ACTION: Receive Letter from Brown Armstrong CPA (PG.5-6)

*All items listed in the "Consent Calendar" will be enacted by one motion in the form listed below. There will be no separate discussion on these items prior to the time the Board votes on the action unless members of the public or the Board request specific items to be discussed for separate review. Items pulled for separate discussion will be considered following General Business.*

**8. GENERAL BUSINESS**

*Other Business items are intended to provide an opportunity for public discussion of each item listed. The following procedure is followed for each Business item: 1) Staff explanation; 2) Board questions; 3) Public comment; 4) Board deliberation; 5) Decision.*

**9. SCHEDULED UPCOMING MEETINGS**

<b>November 2, 2017</b>	<b>Downtown Branch Library</b>	<b>Agenda Items:</b>
	<b>224 Church Street</b>	
	<b>Santa Cruz, CA 95060</b>	

**10. ADJOURNMENT**

Adjourned to a Regular Meeting of the Libraries Facilities Financing Authority (LFFA) to be held on Thursday November 2, 2017 at 9:00 a.m. at the Downtown Branch Library, Upstairs Meeting Room, located at 224 Church Street, Santa Cruz, CA 95060.

The Santa Cruz City-County Library System does not discriminate against persons with disabilities. Out of consideration for people with chemical sensitivities, we ask that you attend fragrance free. Upon request, the agenda can be provided in a format to accommodate special needs. Additionally, if you wish to attend this public meeting and will require assistance such as an interpreter for American Sign Language, Spanish, or other special equipment please call the Library Administration Office at (831)427-7706 at least five days in advance so that we can arrange for such special assistance, or email [library\\_admin@santacruzpl.org](mailto:library_admin@santacruzpl.org).

**SANTA CRUZ PUBLIC LIBRARIES  
A CITY-COUNTY SYSTEM**

**SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY  
(LFFA)**

**REGULAR MEETING MINUTES  
THURSDAY, AUGUST 3, 2017  
9:00 A.M.**

**1. ROLL CALL**

**PRESENT:** Tina Shull (Alternate Chair), Jenny Haruyama (Vice Chair), Jamie Goldstein (Board Member), Christina Mowrey (Alternate Board Member)

**STAFF:** Library Director Susan Nemitz

**2. ADDITIONAL MATERIALS**

None

**3. ADDITIONS AND DELETIONS TO AGENDA**

The Agenda of August 3, 2017 was approved by consensus.

**4. ORAL COMMUNICATIONS**

None

**5. EXECUTIVE DIRECTOR REPORT**

None

**6. PROJECT UPDATES AND COMMENTS BY BOARD MEMBERS**

Jamie Goldstein reported that Capitola is going forward with the plans for the new Branch library.

**7. CONSENT CALENDAR**

A. Approve Minutes of the June 1, 2017 Board Meeting

ACTION: Approved Minutes of June 1, 2017

B. Approve Contract with Brown Armstrong for 2016-17 Audit Service

ACTION: Approved Contract with Brown Armstrong

**RESULT:** APPROVED CONSENT ITEMS 7.A and 7.B. Pulled Item 7.C for further discussion:  
A. Approved Minutes of June 1, 2017.  
B. Approved Contract with Brown Armstrong for 2016-17 Audit Service  
[UNANIMOUS]  
**MOVER:** Jenny Haruyama (Vice Chair)  
**SECONDER:** Christina Mowrey (Alternate Board Member)  
**AYES:** Shull, Haruyama, Goldstein, Mowrey

C. Approve Proposed FY 2017/18 LFFA Budget  
ACTION: Approved Proposed FY 2017/18 LFFA Budget

**RESULT:** APPROVED CONSENT ITEM 7.C Proposed FY 2017/18 LFFA Budget.  
[UNANIMOUS]  
**MOVER:** Jamie Goldstein (Board Member)  
**SECONDER:** Christina Mowrey (Alternate Board Member)  
**AYES:** Shull, Haruyama, Goldstein, Mowrey

## 8. GENERAL BUSINESS

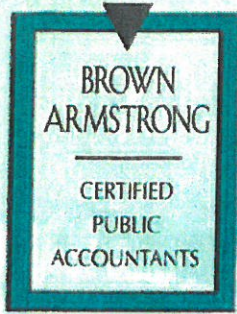
None

## 9. ADJOURNMENT

The Libraries Facilities Financing Authority (LFFA) adjourned at 9:08 a.m. to the Regular Meeting on Thursday, September 7, 2017 at 6:00 p.m. at the Scotts Valley Branch Meeting Room located at 251 Kings Village Road, Scotts Valley, CA 95066.

ATTEST: \_\_\_\_\_  
Helga Smith, Clerk of the Board

All documents referred to in these minutes are available in the Santa Cruz Public Libraries – Library Headquarters Office, 117 Union Street, Santa Cruz.



# BROWN ARMSTRONG

*Certified Public Accountants*

Board of Directors of  
Santa Cruz County Library Facilities Finance Authority

We are engaged to audit the financial statements of the governmental activities and the general fund information of Santa Cruz County Library Facilities Finance Authority (the Authority) for the year ended June 30, 2017. Professional standards require that we provide you with the following information related to our audit. We would also appreciate the opportunity to meet with you to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

## **Our Responsibilities under Auditing Standards Generally Accepted in the United States of America and Government Auditing Standards**

As stated in our engagement letter dated July 10, 2017, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we will consider the internal control of the Authority. Such considerations are solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of the Authority's compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit.

Accounting principles generally accepted in the United States of America provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to the Budgetary Comparison Schedule – General Fund, which supplements the basic financial statements, is to apply certain limited procedures in accordance with auditing standards generally accepted in the United States of America. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

## **Planned Scope, Timing of the Audit, and Other**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the Authority and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Authority or to acts by management or

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TEL 209.451.4833

REGISTERED with the Public Company  
Accounting Oversight Board and  
MEMBER of the American Institute of  
Certified Public Accountants

employees acting on behalf of the Authority. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

We expect to begin our audit on approximately October 2, 2017, and issue our report on approximately November 13, 2017. Jian Ou-Yang is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

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

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

Bakersfield, California  
July 10, 2017