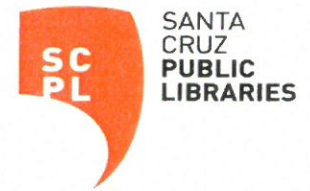


Chair Jenny Haruyama
Vice Chair Carlos Palacios
Board Member Jamie Goldstein
Board Member Martin Bernal



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

REGULAR BOARD MEETING

THURSDAY, MARCH 1, 2018

6:00 P.M.

**APTOS BRANCH LIBRARY
7695 SOQUEL DRIVE, APTOS, CA 95003**

1. CALL TO ORDER / ROLL CALL

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

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. Director's Report for March (PG.3-5)

6. PROJECT UPDATES AND COMMENTS BY BOARD MEMBERS

7. CONSENT CALENDAR

A. Approve Minutes of the January 18, 2018 Board Meeting
RECOMMENDED ACTION: Approve Minutes (PG.6-7)

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

A. Basic Financial Statements and Independent Auditor's Report FY 16/17 (PG.8-39)

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

May 3, 2018	Downtown Branch Library	Agenda Items:
	224 Church Street, Santa Cruz, CA 95060	

10. ADJOURNMENT

Adjourned to a Regular Meeting of the Libraries Facilities Financing Authority (LFFA) to be held on Thursday May 3, 2018 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.

March 2018

Library Director's Report to the LFFA

Aptos

The Friends of the Aptos Library continue to raise funds and visibility for the Aptos project. They are currently sponsoring a Community Reads series of events centered on Trevor Noah's book, ***Born a Crime***. The County is exploring the use of a Design/Build process.

Boulder Creek

Jayson Architecture has been selected to work on this project.

Branciforte

David Tanza, from Bogard Construction, is developing a needs assessment for the Branch.

Capitola

The Capitola Design Team has completed 60% of the construction documents. Major systems are being reviewed. Interiors have been set. Most finishes and fixtures have been selected. Furniture has not yet been determined. Donor signage is being developed.

The Friends of the Capitola Library has begun recruiting volunteers for the public phase of the fundraising campaign. They have had significant success raising funds thus far.



Downtown

On Wednesday, December 13, 2017, the Downtown Library Advisory Committee (DLAC) unanimously voted to recommend Option B, relocating the Downtown Branch Library to a mixed-use project on Cedar, Lincoln, and Cathcart Streets. The projected cost of this facility is \$26.7 million. DLAC's recommendation will now go to the Santa Cruz City Council for consideration.

In its final report, DLAC wrote: "Committee members agree that Option B gives the Downtown Branch Library the desired square footage balanced with a fiscally responsible price. The mixed-use building has the potential to be a beautiful and vibrant asset to the community, allowing for new programs and spaces that could increase library usage across all age groups and demographics."

The recommendation came after six months of a public process which included research, interviews, library visits, and public meetings conducted by the ten-member citizen panel representing a variety of experience and roles in the Santa Cruz Public Libraries' (SCPL) service area. The Committee was supported by Noll & Tam, an architect firm which acted as technical advisor to the group.

The City of Santa Cruz was allocated \$25 million of the Measure S funds raised for the renovations of the Branciforte, Downtown, and Garfield Park branches. The City has set aside \$500,000 for Garfield Park, \$1.5 million for Branciforte, and \$23 million for the Downtown Branch.

The high cost of construction in Santa Cruz means that none of the options can be built for \$23 million dollars. The four options ranged from partial renovation to new construction on the current site and the costs ranged from \$24.6 million to \$49.3 million.

DLAC had to balance the needs of a 21st century library with the costs of an appropriate facility.

The Library's Measure S website has all the agendas, minutes, and reports generated from the Committee's work.

https://www.santacruzpl.org/measure_s/branch/7/

[The Final DLAC Report with Appendices can be found here.](#)

https://www.santacruzpl.org/measure_s/updates/88/

The committee report will go to the City Council for their review in early April.

Felton

The Felton Design Team is also working on construction documents. A meeting with the Friends in February reviewed the landscape design. The Friends held their fundraising kick-off meeting on January 31, 2018.

Garfield

David Tanza, from Bogard Construction, is developing a needs assessment for the Branch.

La Selva Beach

Staff from Jayson Architecture met with Library Staff and Friends on February 12 to develop the program for the Branch. The Friends are working on fundraising and discussions with the Recreation District. The County is working on updating the lease.

Live Oak Annex

Last week, a design team consisting of staff from the County, SPCL and County Parks and Recreation staff interviewed four architectural firms to develop the program and pre-design for the Annex. A recommendation is being forwarded to the County Board of Supervisors.

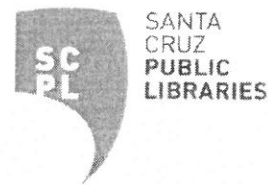
Live Oak

Jayson Architecture has been selected to work on this project.

Scotts Valley

The City Council has requested that the Library work with the Theatre Guild to see if there are any opportunities to work together on joint space and programming opportunities.

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



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

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

**REGULAR MEETING MINUTES
THURSDAY, JANUARY 18, 2018
9:00 A.M.**

1. ROLL CALL

PRESENT: Martin Bernal, Jenny Haruyama, Jamie Goldstein, Carlos Palacios
STAFF: Library Director Susan Nemitz

2. ADDITIONAL MATERIALS

None

3. ADDITIONS AND DELETIONS TO AGENDA

The Agenda of January 18, 2018 was approved by consensus.

4. ORAL COMMUNICATIONS

None

5. EXECUTIVE DIRECTOR REPORT

None (See JPA Director Report)

6. PROJECT UPDATES AND COMMENTS BY BOARD MEMBERS

None

7. CONSENT CALENDAR

RESULT: APPROVED CONSENT CALENDAR
A. Approved Minutes of December 7, 2017
B. Accepted Library Sales Tax Revenue Update
C. Accepted Letter from Brown Armstrong CPAs
D. Accepted Annual Board Meeting Schedule 2018
[UNANIMOUS]

MOVER: Jamie Goldstein (Board Member)
SECONDER: Carlos Palacios (Board Member)
AYES: Bernal, Haruyama, Goldstein, Palacios

8. GENERAL BUSINESS

A. Annual Election of Board Chair and Vice Chair

RESULT: Elected the Calendar year 2018 Board Chair and Vice Chair as the City of Scotts Valley and County of Santa Cruz respectively.
[UNANIMOUS]

MOVER: Jamie Goldstein (Board Member)
SECONDER: Martin Bernal (Board Member)
AYES: Bernal, Haruyama, Goldstein, Palacios

9. ADJOURNMENT

The Libraries Facilities Financing Authority (LFFA) adjourned at 9:12 a.m. to the Regular Meeting on Thursday, March 1, 2018 at 6:00 p.m. at the Aptos Branch Library, located at 7695 Soquel Drive, Aptos, CA 95003.

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.



STAFF REPORT

AGENDA: March 1, 2018
DATE: February 22, 2018
TO: Board of Directors
FROM: LFFA Treasurer-Controller
SUBJECT: LFFA Basic Financial Statements and Independent Auditor's Report fiscal year ended June 30, 2017 and related correspondence

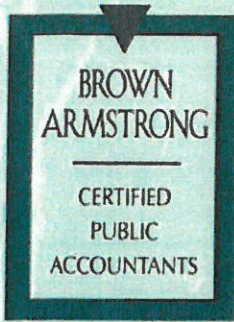
RECOMMENDATION

Accept and file the Basic Financial Statements and Independent Auditor's Report for fiscal year ended June 30, 2017 and related correspondence.

DISCUSSION

Pursuant to Section 4 (d) (i) of the Amended and Restated Joint Exercise of Powers Agreement, the LFFA Treasurer-Controller is required to "prepare or cause to be prepared an independent audit to be made by a certified public accountant, or a public accountant, as required under Sections 6505, 6505.5 and 6505.6 of the Joint Powers Act." At your Board's July 26, 2017 meeting you approved a contract with the CPA firm of Brown Armstrong to conduct the audit.

The audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. The audit opinion is provided on page 2 of the Independent Auditor's Report. An Unqualified Opinion, often referred to as a "clean opinion" was issued reflecting that the report was presented fairly, in all material respects and is free of any misrepresentations.



BROWN ARMSTRONG

Certified Public Accountants

To the Board of Directors of
Santa Cruz County Library Facilities Financing Authority
Santa Cruz, California

We have audited the financial statements of the governmental activities and general fund of Santa Cruz County Library Facilities Financing Authority (the Authority) for the year ended June 30, 2017. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and, *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 10, 2017. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, the Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 77, *Tax Abatement Disclosures*, GASB Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*, GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, GASB Statement No. 80, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14*, and GASB Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73* during the year ended 2017. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no such misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 16, 2018.

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STOCKTON, CA 95207
TEL 209.451.4833

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to Budgetary Comparison Schedule, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and 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
February 16, 2018

**SANTA CRUZ LIBRARIES
FACILITIES FINANCING AUTHORITY**

**BASIC FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

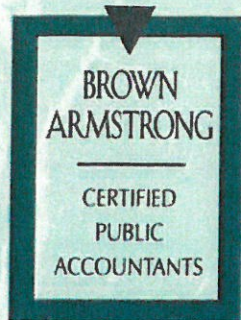
YEAR ENDED JUNE 30, 2017

**SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY
JUNE 30, 2017**

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FINANCIAL SECTION



BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Santa Cruz Libraries Facilities Financing Authority
Santa Cruz, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and general fund information of the Santa Cruz Libraries Facilities Financing Authority (the Authority), as of and for the year ended June 30, 2017, 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that 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 opinion.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and general fund information of the Authority as of June 30, 2017, and the respective changes in its financial position thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 17 through 18 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.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2018, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
February 16, 2018

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2017**

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and investments	\$ 239,711
Restricted cash and investments	<u>21,645,781</u>
Total Current Assets	<u>21,885,492</u>
LIABILITIES	
Current Liabilities	
Accounts payable	19,334
Interest payable	63,316
Bonds payable, current portion	<u>38,214</u>
Total Current Liabilities	<u>120,864</u>
Long-Term Liabilities:	
Bonds Payable, Net of Premiums	<u>22,208,159</u>
Total Liabilities	<u>22,329,023</u>
NET POSITION	
Unrestricted	<u>(443,531)</u>
Total Net Position	<u>\$ (443,531)</u>

See accompanying notes to the basic financial statements.

**SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u> Operating Grants and Contributions	<u>Net (Expense) Revenue and Changes in Net Position</u>
Governmental activities:			
General government	\$ 4,808,928	\$ -	\$ (4,808,928)
Total governmental activities	<u>\$ 4,808,928</u>	<u>\$ -</u>	<u>(4,808,928)</u>
General Revenues:			
			4,360,832
			4,565
			<u>4,365,397</u>
			(443,531)
Net position:			
			-
			<u>\$ (443,531)</u>

See accompanying notes to the basic financial statements.

FUND FINANCIAL STATEMENTS

**SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY
BALANCE SHEET
JUNE 30, 2017**

	General Fund
ASSETS	
Cash and investments	\$ 239,711
Restricted cash and investments	21,645,781
Total Assets	\$ 21,885,492
 LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 19,334
Total Current Liabilities	19,334
 Fund Balance:	
Restricted	21,645,781
Unrestricted	220,377
Total Fund Balance	21,866,158
Total Liabilities and Fund Balance	\$ 21,885,492

See accompanying notes to the basic financial statements.

**SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2017**

Fund Balance - Total Governmental Fund (Page 5) \$ 21,866,158

Amounts reported for governmental activities in the statement of net position are different because:

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental fund. Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in the governmental funds. All liabilities are reported in the statement of net position.

Balances as of the end of the year are:

Bonds payable	(22,246,373)
Interest payable	<u>(63,316)</u>

Net Position of Governmental Activities (Page 3)	<u><u>\$ (443,531)</u></u>
--	----------------------------

See accompanying notes to the basic financial statements.

**SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>General Fund</u>
REVENUES:	
Tax assessments	\$ 4,360,832
Interest income	4,565
	<u>4,365,397</u>
Total Revenues	
EXPENDITURES:	
Contributions to other agencies	4,125,686
Cost of issuance	619,926
	<u>4,745,612</u>
Total Expenditures	
REVENUES OVER (UNDER) EXPENDITURES	<u>(380,215)</u>
OTHER FINANCING SOURCES:	
Issuance of debt	21,170,000
Premium on long-term debt	1,076,373
	<u>22,246,373</u>
Total other financing sources	
NET CHANGE IN FUND BALANCE	21,866,158
FUND BALANCE:	
Beginning of year	-
End of year	\$ 21,866,158

See accompanying notes to the basic financial statements.

**SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

Net Change in Fund Balance - Total Governmental Fund (Page 7) \$ 21,866,158

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

Issuance of debt principal is an other financing source in the governmental fund, but the issuance increases long-term liabilities in the statement of net position.

Bond issuance:

Bond principal	(21,170,000)
Bond premium	(1,076,373)

Some expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources. Therefore, they are not reported as expenditures in the governmental funds.

Change in accrued interest payable:	(63,316)
-------------------------------------	----------

Change in Net Position of Governmental Activities (Page 4)	\$ (443,531)
--	--------------

See accompanying notes to the basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

**SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Santa Cruz Libraries Facilities Financing Authority (the Authority) was organized on December 9, 2014, under a Joint Exercise of Powers Agreement and was amended and restated on February 28, 2017, as a result of a joint community facilities agreement. The members of the Authority include the County of Santa Cruz (the County), the City of Santa Cruz, the City of Scotts Valley, and the City of Capitola (collectively, the Members). The Authority was created under the Mello-Roos Community Facilities Act of 1982, in conformity with California Government Code Section 53311 et seq. for the purpose of financing the acquisition, construction, and/or improvement of public library facilities. Certain authorized facilities will be owned or operated by one or more of the Members, or owned by another local agency but controlled, in whole or in part, by a Member.

B. Basis of Presentation

The Authority's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States.

Government-Wide Financial Statements

The Authority's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities.

The Government-Wide 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 capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities 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.

Transactions reported as program revenues for the Authority are operating grants and contributions.

Governmental Fund Financial Statements

The Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balance for the major governmental fund. Accompanying schedules are presented to reconcile and explain the differences in fund balance as presented in these statements to the net position presented in the Government-Wide Financial Statements. Governmental funds are accounted for on a spending or "*current financial resources*" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balance presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

Governmental Fund Financial Statements (Continued)

Revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the Authority, are sales taxes, interest income, and member contributions. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The Reconciliations of the Governmental Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences created by the integrated approach of GASB Statement No. 34.

Major Fund

The Authority reported the following major governmental fund in the accompanying financial statements:

- The General Fund - The General Fund is used for all general revenues of the Authority not specifically levied or collected for other Authority funds and the related expenditures. This is the only fund of the Authority.

C. Cash and Investments

The Authority's cash is pooled with the County's cash and investments to maximize the yield. The County pools its available cash for investment purposes.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid 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.

In accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures* (Amendment of GASB Statement No. 3), certain disclosure requirements, if applicable, for Deposits and Investment Risks are specified in the following areas:

- Interest Rate Risk
- Credit Risk
 - Overall
 - Custodial Credit Risk
 - Concentrations of Credit Risk
- Foreign Currency Risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end, and other disclosures.

D. Restricted Cash and Investments

Certain restricted cash and investments are held by fiscal agents for the redemption of bonded debt.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Long-Term Liabilities

Long-term debt and other financed obligations are reported as liabilities in the Government-Wide Financial Statements. Bond premiums are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable premium or discount. Issuance costs are expensed as incurred.

F. Use of Restricted and Unrestricted Net Position

When an expense is incurred for purposes for which both restricted and unrestricted net positions are available, the Authority's policy is to apply restricted net position first.

G. Net Position

Government-Wide Financial Statements

In the Government-Wide Financial Statements, net position is classified in the following categories.

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets. For the year ended June 30, 2017, the Authority did not have any assets invested in capital assets.

Restricted Net Position – This amount is restricted by external creditors, grantors, contributions, or laws or regulations of other governments. For the year ended June 30, 2017, the Authority did not have any restricted net position.

Unrestricted Net Position – This amount is all net position that is not restricted or invested in capital assets.

H. Fund Balance

Fund Financial Statements – The Authority has adopted the provisions of GASB Statement No. 54, *Fund Balance and Governmental Fund Type Definitions*. GASB Statement No. 54 establishes Fund Balance classifications based largely upon the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The Governmental Fund statements conform to this new classification. Fund balance consists of Nonspendable, Restricted, Committed, Assigned, and Unassigned amounts as described below:

Nonspendable fund balance – amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact. The Authority did not have any nonspendable fund balance as of June 30, 2017.

Restricted fund balance – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. The Authority had a restricted fund balance of \$21,866,158 as of June 30, 2017.

Committed fund balance – amounts that can only be used for specific purposes determined by formal action of the Authority's highest level of decision-making authority (the Board of Directors) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period. The Authority did not have any committed fund balance as of June 30, 2017.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Fund Balance (Continued)

Assigned fund balance – amounts that are constrained by the Authority's intent to be used for specific purposes. The intent can be established at either the highest level of decision-making authority, or by a body or an official designated for that purpose. The Authority did not have any assigned fund balance as of June 30, 2017.

Unassigned fund balance – the residual classification for the Authority's General Fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes. The Authority had an unassigned fund balance of \$220,337 as of June 30, 2017.

The Board of Directors establishes, modifies, or rescinds fund balance commitments and assignments by passage of an ordinance or resolution.

The Authority considers restricted fund balance to be spent first when both restricted and unrestricted resources are available for use. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the Authority considers Committed amounts to be reduced first, followed by Assigned amounts, and then Unassigned amounts.

I. Use of Estimates

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

J. Effect of New Governmental Accounting Standards Board Pronouncements

During the fiscal year ending June 30, 2017, the Authority implemented the following standards:

GASB Statement No. 77 – Tax Abatement Disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2015. The Authority has implemented the provisions of GASB Statement No. 77 in the current year with no impact to the financial statements.

GASB Statement No. 78 – Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans. The requirements of this statement are effective for reporting periods beginning after December 15, 2015. The Authority has implemented the provisions of GASB Statement No. 78 in the current year with no impact to the financial statements.

GASB Statement No. 79 – Certain External Investment Pools and Pool Participants. The requirements of this statement are effective for reporting periods beginning after June 15, 2016. The Authority has implemented the provisions of GASB Statement No. 79 in the current year with no impact to the financial statements.

GASB Statement No. 80 – Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14. The requirements of this statement are effective for reporting periods beginning after June 15, 2016. The Authority has implemented the provisions of GASB Statement No. 80 in the current year with no impact to the financial statements.

GASB Statement No. 82 – Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73. The requirements of this statement are effective for reporting periods beginning after December 15, 2016. The Authority has implemented the provisions of GASB Statement No. 82 in the current year with no impact to the financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Future Governmental Accounting Standards Board Pronouncements

Recently released standards by GASB affecting future fiscal years are as follows:

GASB Statement No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other than Pension Plans. The provisions of this statement are effective for fiscal years beginning after June 15, 2017. The Authority has not fully judged the effect of the implementation of GASB Statement No. 75 as of the date of the basic financial statements.

GASB Statement No. 81 – Irrevocable Split-Interest Agreements. The requirements of this statement are effective for reporting periods beginning after December 15, 2016. The Authority has not fully judged the effect of the implementation of GASB Statement No. 81 as of the date of the basic financial statements.

GASB Statement No. 83 – Certain Asset Retirement Obligations. The requirements of this statement are effective for reporting periods beginning after June 15, 2018. The Authority has not fully judged the effect of the implementation of GASB Statement No. 83 as of the date of the basic financial statements.

GASB Statement No. 84 – Fiduciary Activities. The requirements of this statement are effective for reporting periods beginning after December 15, 2018. The Authority has not fully judged the effect of the implementation of GASB Statement No. 84 as of the date of the basic financial statements.

GASB Statement No. 85 – Omnibus 2017. The requirements of this statement are effective for reporting periods beginning after June 15, 2017. The Authority has not fully judged the effect of the implementation of GASB Statement No. 85 as of the date of the basic financial statements.

GASB Statement No. 86 – Certain Debt Extinguishment Issues. The requirements of this statement are effective for reporting periods beginning after June 15, 2017. The Authority has not fully judged the effect of the implementation of GASB Statement No. 86 as of the date of the basic financial statements.

GASB Statement No. 87 – Leases. The requirements of this statement are effective for reporting periods beginning after December 15, 2019. The Authority has not fully judged the effect of the implementation of GASB Statement No. 87 as of the date of the basic financial statements.

NOTE 2 – CASH AND INVESTMENTS

Cash and investments and restricted cash and investments consisted of the following at June 30, 2017:

	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total</u>
Pooled cash and investments held by the County of Santa Cruz	\$ -	\$ 239,711	\$ 239,711
Cash with fiscal agent	<u>21,645,781</u>	<u>-</u>	<u>21,645,781</u>
Total	<u>\$ 21,645,781</u>	<u>\$ 239,711</u>	<u>\$ 21,885,492</u>

NOTE 2 – CASH AND INVESTMENTS (Continued)

A. Cash Held with the County Treasurer

The Authority pools cash from all sources and all funds with the County Treasurer so that it can be invested at the maximum yield, consistent with safety and liquidity. The County Treasury Oversight Committee oversees the Treasurer's investments and policies.

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

The market value of pledged securities must equal at least 110% of the County's cash deposits. California law also allows institutions to secure County deposits by pledging first trust deed mortgage notes having a value of 150% of the County's total cash deposits. The County may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The County, however, has not waived the collateralization requirements.

B. Investments

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

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local agency bonds	5 years	10%	None
U.S. Treasury obligations	5 years	100%	None
U.S. Governmental Agency obligations	5 years	100%	25%
Bankers' acceptances	180 days	40%	10%
Commercial paper	270 days	25%	10%
Negotiable certificates of deposit	5 years	30%	10%
Bank deposits	5 years	10%	10%
Repurchase agreements	1 year	100%	10%
Medium-term notes	5 years	30%	10%
Mutual funds/money market mutual funds	N/A	20%	10%
Local Agency Investment Fund (LAIF)	N/A	\$50 million	None
Joint Powers Authority investment funds	N/A	25%	None
Supranationals	5 years	30%	None

C. Interest Rate Risk

The County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to five years or less in accordance with its investment policy.

D. Concentration of Credit Risk

At June 30, 2017, in accordance with State law and the County's Investment Policy, the County did not have 5% or more of its net investment in commercial paper, corporate bonds, or medium-term notes of a single organization, nor did it have 10% or more of its net investment in any one money market mutual fund. Investments in obligations of the U.S. government, U.S. government agencies, or government sponsored enterprises are exempt from these limitations.

NOTE 2 – CASH AND INVESTMENTS (Continued)

E. Custodial Credit Risk

For investments and deposits held with fiscal agents, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or deposits that are in the possession of an outside party. At year-end, the County's investment pool and cash with fiscal agents had no securities exposed to custodial credit risk.

F. Local Agency Investment Fund

The County is a participant in the LAIF, which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The County's investments with LAIF at June 30, 2017, included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities:

- **Structured Notes:** debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or have embedded forwards or options.
- **Asset-Backed Securities:** generally mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2017, as included within the County's basic financial statements, the County invested in LAIF, of which was invested 0.08% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 0.08% in the previous year. LAIF provided a fair value factor of 0.998946071 to calculate the fair value of the investments in LAIF. However, an adjustment was not made to reflect the fair value of LAIF, as the fair value adjustment was considered immaterial.

LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute.

G. Restricted Cash Held with Fiscal Agent

Restricted cash with fiscal agents in the amount of \$21,645,781 included certain amounts which are held by fiscal agents to be used for payment of long-term debt. These funds have been invested as permitted by applicable County ordinances and resolutions.

NOTE 3 – LONG-TERM DEBT

Activity for long-term debt for the year ended June 30, 2017, was as follows:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Amounts Due Within a Year
Governmental Activities:					
2017 Special Tax Bonds	\$ -	\$ 21,170,000	\$ -	\$ 21,170,000	\$ -
Plus Deferred Amounts:					
For Issuance Premiums	-	1,076,373	-	1,076,373	38,214
Total Governmental Activities					
Long-Term Liabilities	<u>\$ -</u>	<u>\$ 22,246,373</u>	<u>\$ -</u>	<u>\$ 22,246,373</u>	<u>\$ 38,214</u>

NOTE 3 – LONG-TERM DEBT (Continued)

2017 Special Tax Bonds

On June 1, 2017, the Authority issued Santa Cruz Libraries Facilities Financing Authority Community Facilities District 2016-1 2017 Special Tax Bonds (2017 Special Tax Bonds) in the original amount of \$21,170,000. Interest from 3.00% to 5.00% is paid semi-annually and principal payments are made at September 1st. As of June 30, 2017, the total principal balance was \$21,170,000 and the unamortized bond premium was \$1,076,373. Principal and interest paid for the current period was \$0.

The debt service requirement to maturity for the 2017 Special Tax Bonds, including interest, is as follows:

Year Ending June 30	Governmental Activities	
	Bonds Payable	
	Principal	Interest
2018	\$ -	\$ 569,836
2019	250,000	795,081
2020	430,000	778,081
2021	450,000	756,081
2022	475,000	732,956
2023-2027	2,740,000	3,276,656
2028-2032	3,460,000	2,560,981
2033-2037	4,095,000	1,929,313
2038-2042	4,800,000	1,203,816
2043-2046	4,470,000	319,550
Subtotal	21,170,000	\$ 12,922,351
Premium	1,073,373	
	<u>\$ 22,243,373</u>	

NOTE 4 – CONTINGENCIES AND COMMITMENTS

Lawsuits

In the ordinary course of business, the Authority is subject to various claims, investigations, proceedings, tax assessments, and legal actions from time to time arising out of the conduct of the Authority's business. Management believes that, based on current knowledge, the outcome of any such pending matters will not have a material adverse effect on the Authority's financial position.

Commitments

The Authority does not have any major contractual commitments or contingencies as of the year ended June 30, 2017.

NOTE 5 – SUBSEQUENT EVENTS

The Authority's management has evaluated all events and transactions that occurred after June 30, 2017, and through February 16, 2018, the date the financial statements and accompanying notes to the financial statements were available to be issued. During this period, no events or transactions occurred that would require adjustment of the financial statements or disclosure in the accompanying notes.

REQUIRED SUPPLEMENTARY INFORMATION

**SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017**

Budgetary Comparison Schedule, General Fund

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Tax assessments	\$ 4,150,000	\$ 4,150,000	\$ 4,360,832	\$ 210,832
Interest income	10,000	10,000	4,565	(5,435)
Total Revenues	<u>4,160,000</u>	<u>4,160,000</u>	<u>4,365,397</u>	<u>205,397</u>
EXPENDITURES:				
Cost of issuance	-	-	619,926	(619,926)
Contributions to other agencies	4,160,000	4,160,000	4,125,686	34,314
Total Expenditures	<u>4,160,000</u>	<u>4,160,000</u>	<u>4,745,612</u>	<u>(585,612)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(380,215)</u>	<u>(380,215)</u>
OTHER FINANCING SOURCES				
Issuance of debt	-	-	21,170,000	21,170,000
Premium on long-term debt	-	-	1,076,373	1,076,373
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>22,246,373</u>	<u>22,246,373</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>21,866,158</u>	<u>\$ 21,866,158</u>
FUND BALANCE:				
Beginning of year			<u>-</u>	
End of year			<u>\$ 21,866,158</u>	

**SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING

General Budget Policies

The Santa Cruz Libraries Facilities Financing Authority (the Authority) shall adopt an annual budget which provides for allocating the funds it receives to qualifying public libraries. The budget allocations shall be based on a per capita amount and service area population as defined herein. The Authority shall allocate and disburse all of the funds it receives each year.

On or before January 15th of each year, the County Administrative Office, after consulting with the Authority's Controller, shall provide the Authority's Board of Directors with a report including an estimate of the funds available to the Authority for the upcoming fiscal year and the population of the cities and Santa Cruz County (the County) for the preceding January as contained in the Official State Estimates of the Population for California Cities and Counties. As used herein, the fiscal year begins on July 1 and ends on June 30.

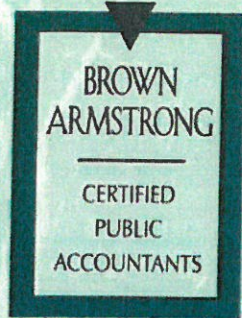
Based on the report on funds available, the Board of Directors shall make a determination for the upcoming fiscal year of the proposed amount to be distributed to qualified public libraries and the per capita amount to be distributed for the upcoming fiscal year. A qualified public library's proposed distribution amount for the upcoming fiscal year shall be equal to the per capita amount to be distributed multiplied by the service area population of the library. The per capita amount shall be determined by dividing the amount to be distributed by the County's total population for the previous January as estimated by the State of California in its Official State Estimates. The final distribution amount for the upcoming fiscal year shall be determined in June following the issuance of updated population numbers by the State.

NOTE 2 – EXCESS EXPENDITURES OVER APPROPRIATIONS

For the fiscal year ended June 30, 2017, General Fund expenditures exceeded appropriations due to the bond issuance costs.

General Fund	\$ 585,612
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OTHER REPORT



BROWN ARMSTRONG

Certified Public Accountants

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

Board of Directors
Santa Cruz Libraries Facilities Financing Authority
Santa Cruz, California

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STOCKTON, CA 95207
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We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and general fund information of the Santa Cruz Libraries Facilities Financing Authority (the Authority) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated February 16, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
February 16, 2018