



# City of Santa Clara

## Meeting Agenda

### Audit Committee

Wednesday, March 18, 2026

10:00 AM

Hybrid Meeting  
Council Conference Room/Virtual  
City Hall - East Wing  
1500 Warburton Avenue  
Santa Clara, CA 95050

The City of Santa Clara is conducting the Audit Committee meetings in a hybrid manner (in-person and continues to have methods for the public to participate remotely).

Join from a PC, Mac, iPad, iPhone or Android device:

Please click this URL to join: <https://santaclaraca.zoom.us/j/99199624617>

Webinar ID: 991 9962 4617

Or join by phone:

US: +1 669 900 6833

#### **CALL TO ORDER AND ROLL CALL**

#### **CONSENT CALENDAR**

**26-296** [Action on Audit Committee Minutes of September 22, 2025 and November 24, 2025](#)

**Recommendation:** Approve the Audit Committee minutes of September 22, 2025 and November 24, 2025.

#### **PUBLIC PRESENTATIONS**

*[This item is reserved for persons to address the body on any matter not on the agenda that is within the subject matter jurisdiction of the body. The law does not permit action on, or extended discussion of, any item not on the agenda except under special circumstances. The governing body, or staff, may briefly respond to statements made or questions posed, and appropriate body may request staff to report back at a subsequent meeting.]*

#### **GENERAL BUSINESS**

**26-297** [Overview of the Single Audit Report for Fiscal Year Ended June 30, 2025](#)

**Recommendation:** Accept the Single Audit Report for Fiscal Year Ended June 30, 2025 and recommend that the reports are forwarded to note and file to the full Council at the March 24, 2026 Council and Authorities Concurrent meeting.

**ADJOURNMENT**

Future Audit Committee meetings will be scheduled at a later date.

**MEETING DISCLOSURES**

The time limit within which to commence any lawsuit or legal challenge to any quasi-adjudicative decision made by the City is governed by Section 1094.6 of the Code of Civil Procedure, unless a shorter limitation period is specified by any other provision. Under Section 1094.6, any lawsuit or legal challenge to any quasi-adjudicative decision made by the City must be filed no later than the 90th day following the date on which such decision becomes final. Any lawsuit or legal challenge, which is not filed within that 90-day period, will be barred. If a person wishes to challenge the nature of the above section in court, they may be limited to raising only those issues they or someone else raised at the meeting described in this notice, or in written correspondence delivered to the City of Santa Clara, at or prior to the meeting. In addition, judicial challenge may be limited or barred where the interested party has not sought and exhausted all available administrative remedies.

If a member of the public submits a speaker card for any agenda items, their name will appear in the Minutes. If no speaker card is submitted, the Minutes will reflect "Public Speaker."

In accordance with the requirements of Title II of the Americans with Disabilities Act of 1990 ("ADA"), the City of Santa Clara will not discriminate against qualified individuals with disabilities on the basis of disability in its services, programs, or activities, and will ensure that all existing facilities will be made accessible to the maximum extent feasible. The City of Santa Clara will generally, upon request, provide appropriate aids and services leading to effective communication for qualified persons with disabilities including those with speech, hearing, or vision impairments so they can participate equally in the City's programs, services, and activities. The City of Santa Clara will make all reasonable modifications to policies and programs to ensure that people with disabilities have an equal opportunity to enjoy all of its programs, services, and activities.

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# City of Santa Clara

1500 Warburton Avenue  
Santa Clara, CA 95050  
santaclaraca.gov  
@SantaClaraCity

## Agenda Report

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**26-296**

**Agenda Date: 3/18/2026**

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### **REPORT TO AUDIT COMMITTEE**

#### **SUBJECT**

Action on Audit Committee Minutes of September 22, 2025 and November 24, 2025

#### **RECOMMENDATION**

Approve the Audit Committee minutes of September 22, 2025 and November 24, 2025.



# City of Santa Clara

## Meeting Minutes

### Audit Committee

09/22/2025

11:00 AM

Hybrid Meeting  
CMO Sparacino Conference Room/Virtual  
City Hall - East Wing  
1500 Warburton Avenue  
Santa Clara, CA 95050

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#### **CALL TO ORDER AND ROLL CALL**

**Chair Hardy** called the meeting to order at 11:03 AM.

**Present** 3 - Chair Karen Hardy, Member Raj Chahal, and Member Albert Gonzalez

#### **CONSENT CALENDAR**

1. [25-830](#) Action on Audit Committee Minutes of June 12, 2025

**Recommendation:** Approve the Audit Committee minutes of June 12, 2025.

**A motion was made by Member Gonzalez, seconded by Member Chahal, to approve the Audit Committee Minutes of June 12, 2025.**

**The motion carried with the following vote:**

**Aye:** 3 - Chair Hardy, Member Chahal, and Member Gonzalez

#### **PUBLIC PRESENTATIONS**

None

#### **GENERAL BUSINESS**

2. [25-831](#) Overview of Santa Clara Stadium Authority Fiscal Year 2024/25 Annual Financial Statements and Audit Results Presentation by KPMG, LLP

**Recommendation:** Accept the Santa Clara Stadium Authority Fiscal Year 2024/25 Annual Financial Statements and recommend that the Stadium Authority Board note and file the report at the October 7, 2025, Joint Council and Authorities Concurrent and Stadium Authority meeting.

**Treasurer, Kenn Lee** gave a PowerPoint presentation.

**Auditors, Jaime Cavin and Ryan Ficker, KPMG**, gave a PowerPoint presentation.

**Committee Members'** questions and comments were raised throughout the presentation.

**Treasurer Lee, Auditor Cavin, Auditor Ficker, and Assistant Finance Director, Linh Lam** addressed the questions and comments.

**A motion was made by Member Chahal, seconded by Member Gonzalez, to accept the Santa Clara Stadium Authority 2024/25 Annual Financial Statements and recommend that the Stadium Authority Board note and file the report as soon as possible at a Joint Council and Authorities Concurrent and Stadium Authority meeting. The motion carried with the following vote:**

**Aye:** 3 - Chair Hardy, Member Chahal, and Member Gonzalez

### **ADJOURNMENT**

**Chair Hardy** adjourned the meeting at 12:16 PM.

Future Audit Committee Meetings will be scheduled at a later date.

### **MEETING DISCLOSURES**

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# City of Santa Clara

## Meeting Minutes

### Audit Committee

11/24/2025

1:00 PM

Hybrid Meeting  
Sparacino Conference Room/Virtual  
City Hall - East Wing  
1500 Warburton Avenue  
Santa Clara, CA 95050

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#### **CALL TO ORDER AND ROLL CALL**

**Chair Hardy** called the meeting to order at 1:03 PM.

**Committee Member Gonzalez** joined the meeting at 1:07 PM.

**Present** 3 - Chair Karen Hardy, Member Raj Chahal, and Member Albert Gonzalez

#### **CONSENT CALENDAR**

1. [25-1643](#) Action on Audit Committee Minutes of September 22, 2025

**Recommendation:** Approve the Audit Committee minutes of September 22, 2025.

**A motion was made by Member Gonzalez, seconded by Chair Hardy, to approve the minutes. The motion carried by the following vote:**

**Aye:** 2 - Chair Hardy, and Member Chahal

**Absent:** 1 - Member Gonzalez

#### **PUBLIC PRESENTATIONS**

None

**GENERAL BUSINESS**

2. [25-1644](#) Overview of the Draft City of Santa Clara Audited Annual Comprehensive Financial Report (ACFR) and Audited Silicon Valley Power (SVP) Financial Statements for Fiscal Year Ended June 30, 2025

**Recommendation:** Accept the City of Santa Clara Audited Annual Comprehensive Financial Report and Silicon Valley Power Financial Statements for Fiscal Year Ended June 30, 2025 and recommend that the reports be forwarded to the full Council at the December 9, 2025 Council and Authorities Concurrent meeting for Council action to note and file.

**Director Kenn Lee** made some opening remarks and provided an overview.

**Auditor Amy Meyer, Maze & Associates**, gave a PowerPoint Presentation.

**Committee Members'** questions and comments were raised throughout the presentation.

**Assistant Finance Director Linh Lam, Director Lee, Principal Accountant Lin Feng, City Manager Jovan Grogan, and Auditor Meyer** addressed the questions and comments.

**A motion was made by Member Gonzalez, seconded by Member Chahal with some comments, to accept the City of Santa Clara Audited Annual Comprehensive Financial Report and Silicon Valley Power Financial Statements for Fiscal Year Ended June 30, 2025 and recommend that the reports be forwarded to the full Council at the December 9, 2025 Council and Authorities Concurrent meeting for Council action to note and file. The motion carried by the following vote:**

**Aye:** 3 - Chair Hardy, Member Chahal, and Member Gonzalez

**ADJOURNMENT**

**Chair Hardy** adjourned the meeting at 1:45 PM.

Future Audit Committee meetings will be scheduled at a later date.

## MEETING DISCLOSURES

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## Agenda Report

26-297

Agenda Date: 3/18/2026

### REPORT TO AUDIT COMMITTEE

#### SUBJECT

Overview of the Single Audit Report for Fiscal Year Ended June 30, 2025

#### BACKGROUND

City Charter Section 1319 requires that an independent certified public accountant (CPA) audit the City's records and accounts on an annual basis. In compliance with the Charter, the City engaged the audit firm of Maze & Associates to perform an independent audit of the City's financial statements.

The City's annual financial statement audit also includes the federally mandated "Single Audit" which is designed to meet the special reporting requirements of federal granting agencies, specifically Office of Management and Budget (OMB) Uniform Guidance 2.CFR.200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (formerly OMB A-133). The standards governing Single Audit engagements require that agencies expending more than \$750,000 in federal monies in a fiscal year have an independent audit not only on the fair presentation of the financial statements, but also on internal controls for compliance with the administrative requirements of federal awards.

#### DISCUSSION

The role of the Audit Committee (Committee) is to provide oversight of the City's financial reporting processes, internal controls, and independent auditors. Amy Meyer, Audit Partner, from Maze & Associates will present the audit process and scope of work, as well as the audit results to the Committee (attachment 1). In addition, City staff will be present to address questions and the results of the audit.

Attached is the Single Audit report for FY 2024-25 (attachment 2). Maze & Associates identified the Homeland Security - Staffing for Adequate Fire and Emergency Response Grant and the Justice - Public Safety Partnership and Community Policing Grant as the major programs to audit. The single audit yielded an unmodified or clean opinion. The financial statement audit also yielded an unmodified or clean opinion, however there was a financial statement finding regarding internal control over financial reporting. This was corrected through the year-end financial statement process in September 2025 as noted in the Corrective Action Plan (attachment 3).

Additionally, part of the annual requirements for the Single Audit is to report on the status of any audit findings that were identified during the previous year. The Single Audit for FY 2022-23 resulted in a finding related to noncompliance with timely expenditure requirements under the Community Development Block (CDBG) program. The City's line of credit for the CDBG program was more than 1.5 times the then most recent entitlement grant. The actions staff have taken, and the status of the prior year finding are outlined in the attached Summary Schedule of Prior Audit Findings (attachment 4).

**ENVIRONMENTAL REVIEW**

The action being considered does not constitute a “project” within the meaning of the California Environment Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(a)(4) in that it is a fiscal activity that does not involve any commitment to any specific project which may result in a potential significant impact on the environment.

**FISCAL IMPACT**

Costs associated with the preparation of this report are included in the City’s FY 2025-26 Adopted Operating Budget.

**PUBLIC CONTACT**

Public contact was made by posting the Audit Committee agenda on the City’s official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City’s website and in the City Clerk’s Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk’s Office at (408) 615-2220, email [clerk@santaclaraca.gov](mailto:clerk@santaclaraca.gov) or at the public information desk at any City of Santa Clara public library.

**RECOMMENDATION**

Accept the Single Audit Report for Fiscal Year Ended June 30, 2025 and recommend that the reports are forwarded to note and file to the full Council at the March 24, 2026 Council and Authorities Concurrent meeting.

Reviewed by: Kenn Lee, Director of Finance

Approved by: Jovan D. Grogan, City Manager

**ATTACHMENTS**

1. Single Audit Presentation from Maze
2. Single Audit Report June 30, 2025
3. Single Audit Current Year Finding - Corrective Action Plan
4. Summary Schedule of Prior Audit Finding



Independent Auditor Presentation  
**Single Audit**  
For the Fiscal Year Ended June 30, 2025

Audit Committee

March 11, 2026

Amy L. Meyer, CPA  
Partner

# What is a Single Audit?

- ▶ Ensures a recipient of *federal funds* is in compliance with the federal program's requirements for how the money can be used.
- ▶ Each federal granting agency outlines specific items it feels are important for recipients to meet to ensure the successful management of the program and alignment with the legislative intent of the program.
- ▶ *One* overall audit, rather than individual audits by each granting agency (source of federal funding)
- ▶ Required when federal grant expenditures exceed \$750k in one year across *all* programs

# Uniform Guidance - The overall rules

## Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

### ▼ Subpart A Acronyms and Definitions

#### ▼ Acronyms

§ 200.0 Acronyms.

§ 200.1 Definitions.

### ▶ Subpart B General Provisions

### ▶ Subpart C Pre-Federal Award Requirements and Contents of Federal Awards

### ▶ Subpart D Post Federal Award Requirements

### ▶ Subpart E Cost Principles

### ▶ Subpart F Audit Requirements

# Uniform Guidance - The overall rules

- **Auditee's responsibility (UG 200.508)**
  - Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with §200.510
    - ✓ Does it conform to 2 CFR Section 200.510?
    - ✓ Are all programs identified by the Assistance Listing (AL) #?
    - ✓ Identify Direct or Indirect Programs
      - If it's an indirect award, has the pass-through entity and the pass-through number been identified and included?
    - ✓ Identify Cluster Programs



Were expenditures in accordance with grant limitations and for allowable activities?



Was reporting accurate and timely?



Were procurement standards followed?



Were subrecipients monitored for the same?

# Single Audit - Overall Objectives

- ▶ The City expended \$11.487 million across 15 programs
  - Schedule of Expenditures of Federal Awards (SEFA)  
page 4 (9 of PDF)

# Single Audit

# Single Audit - Major Programs

- ▶ Two Tested Programs (Major Programs)
  - 16.710 - Public Safety Partnership and Community Policing Grants (COPS)
  - 97.083 - Staffing for Adequate Fire and Emergency Response Grant (SAFER)

# Results of Single Audit

- ▶ Current Year -
  - ▶ no federal award compliance findings
  
- ▶ Prior Year -
  - ▶ CDBG Program - Compliance with Timely Spending Requirements
    - ▶ Current Status included in the Separate Summary Status of Prior Year Audit Findings (SSPAF)

# Single Audit Report

- ▶ Audit was conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States of America.
  - ▶ Includes Two Audit Opinions
    - ▶ Internal Control Over Financial Reporting and on Compliance and Other Matters  
Page 9 (13 of PDF)
    - ▶ Compliance for Each Major Program and on Internal Control Over Compliance  
Page 11 (15 of PDF)

# QUESTIONS?



*“We are in the business to help our clients succeed”*

**CITY OF SANTA CLARA**  
**SINGLE AUDIT REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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**CITY OF SANTA CLARA**  
**SINGLE AUDIT REPORT**  
**For the Year Ended June 30, 2025**

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**CITY OF SANTA CLARA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2025**

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  X  Yes   No
- Significant deficiency(ies) identified?   Yes  X  None Reported

Noncompliance material to financial statements noted?   Yes  X  No

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified?   Yes  X  No
- Significant deficiency(ies) identified?   Yes  X  None Reported

Type of auditor’s report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?   Yes  X  No

Identification of major program(s):

<b>Assistance Listing Number(s)</b>	<b>Name of Federal Program or Cluster</b>
<u>16.710</u>	<u>Public Safety Partnership and Community Policing Grants (COPS)</u>
<u>97.083</u>	<u>Staffing for Adequate Fire and Emergency Response Grant (SAFER)</u>

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?  X  Yes   No

## **SECTION II – FINANCIAL STATEMENT FINDINGS**

Our audit disclosed a material weakness, but no significant deficiencies or instances of noncompliance material to the basic financial statements. We have also issued a separate Memorandum on Internal Control dated December 2, 2025 which is an integral part of our audits and should be read in conjunction with this report.

## **SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

Our audit did not disclose any findings or questioned costs required to be reported in accordance with Uniform Guidance.

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CITY OF SANTA CLARA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Fiscal Year Ended June 30, 2025

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Identifying Number	Pass-Through To Subrecipients	Federal Expenditures
<b>U.S. Department of Housing and Urban Development Direct Programs:</b>				
CDBG – Entitlement Grants Cluster Entitlements				
Community Development Block Grants/Entitlement Grants Program Expenditures	14.218		\$1,529,530	\$2,796,349
Home Investment Partnerships Program	14.239		520,548	538,735
<b>Total U.S. Department of Housing and Urban Development</b>			<u>2,050,078</u>	<u>3,335,084</u>
<b>U.S. Department of Justice Direct Programs:</b>				
Public Safety Partnership and Community Policing Grants	16.710			963,000
Equitable Sharing Program	16.922			211,696
<b>Total U.S. Department of Justice</b>				<u>1,174,696</u>
<b>U.S. Department of Transportation:</b>				
<b>Direct Program:</b>				
Safe Streets and Roads for All	20.939			314,384
<b>Pass-Through Program From:</b>				
California Department of Transportation				
Highway Planning and Construction (Federal-Aid Highway Program)				
Bridge Preventative Maintenance Program	20.205	BPMP-5019(039)		765
Community Project Funding	20.205	CPFL-5019(037)		330,557
Highway Infrastructure Program	20.205	CPFL-5019(038)		386,921
Program Subtotal				<u>718,243</u>
State of California Office of Traffic Safety				
Highway Safety Cluster				
State and Community Highway Safety				
Pedestrian and Bicycle Safety Program	20.600	PS24040		9,628
Pedestrian and Bicycle Safety Program	20.600	PS25020		56,628
Pedestrian and Bicycle Safety Program	20.600	PS25021		50,912
Selective Traffic Enforcement Program (STEP)	20.600	PS25069 402PS-25		17,899
Cluster Subtotal				<u>135,067</u>
Minimum Penalties for Repeat Offenders for Driving While Intoxicated				
Selective Traffic Enforcement Program (STEP)	20.608	PS25069 164AL-25		12,496
<b>Total U.S. Department of Transportation</b>				<u>1,180,190</u>
<b>U.S. Environmental Protection Agency Pass-Through Programs From:</b>				
City of Palo Alto				
Geographic Programs - San Francisco Bay Water Quality Improvement Fund	66.126	98T20101		167,751

(Continued)

CITY OF SANTA CLARA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Fiscal Year Ended June 30, 2025

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Identifying Number	Pass-Through To Subrecipients	Federal Expenditures
<b>U.S. Department of Homeland Security:</b>				
<b>Direct Program:</b>				
Federal Emergency Management Agency Assistance to Firefighters Grant	97.044			81,221
<b>Pass-Through Program From:</b>				
International Association of Fire Chiefs Assistant to Firefighters Grant	97.044	EMW-2019-FF-00450		2,398
Program Subtotal				<u>83,619</u>
<b>Direct Program:</b>				
Staffing for Adequate Fire and Emergency Response Grant (SAFER)	97.083			<u>4,721,166</u>
<b>Pass-Through Programs From:</b>				
California Task Force 3 Urban Search and Rescue National Urban Search and Rescue (US&R) Response System	97.025	CA-TF3		<u>219,743</u>
California Governor's Office of Emergency Services Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4482-DR-CA		<u>477,061</u>
County of Santa Clara Office of Emergency Services Emergency Management Performance Grants	97.042	EMF-2023-EP00006		<u>47,079</u>
City and County of San Francisco Homeland Security Grant Program (HSGP) Bay Area Urban Areas Security Initiative Grant	97.067	NPP		31,500
County of Santa Clara Office of Emergency Services Homeland Security Grant Program (HSGP)	97.067	SHSGP		<u>50,000</u>
Program Subtotal				<u>81,500</u>
<b>Total U.S. Department of Homeland Security</b>				<u>5,630,168</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$2,050,078</u>	<u>\$11,487,889</u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards

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**CITY OF SANTA CLARA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2025**

**NOTE 1 – REPORTING ENTITY**

The Schedule of Expenditure of Federal Awards (the Schedule) includes expenditures of federal awards for the City of Santa Clara, California, and its component units as disclosed in the notes to the Basic Financial Statements, except for federal awards of the Santa Clara Stadium Authority (Stadium Authority). Federal awards expended by the Stadium Authority, if any, are excluded from the Schedule and are subject to a separate Single Audit performed by other auditors.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of accounting refers to *when* revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. The proprietary and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Expenditures of Federal Awards reported on the Schedule are recognized when incurred.

**NOTE 3 – INDIRECT COST ELECTION**

The City has elected not to use the 10% (October 2023 Revision) or the 15% (April 2024 Revision) de minimis indirect cost rates allowed under the Uniform Guidance.

**NOTE 4 – PRIOR YEAR EXPENDITURES**

The Department of Homeland Security - Disaster Grants – Public Assistance (Presidentially Declared Disasters) (AL# 97.036) Program requires that expenditures under the program be reported on the Schedule when (1) the Federal Emergency Management Agency’s (FEMA) has approved the City’s project, and (2) the City has incurred the eligible expenditures. FEMA’s approval of a subaward is indicated when FEMA obligates the federal share of the eligible project cost. The City incurred expenditures related to the COVID-19 pandemic in fiscal years 2020 and 2021 that were not obligated by FEMA until fiscal year 2025. The current year Schedule includes expenditures from the prior fiscal years in the amount of \$477,061.

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

To the Honorable Members of the City Council  
City of Santa Clara, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Santa Clara as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated December 2, 2025.

Our report includes a reference to other auditors who audited the financial statements of City of Santa Clara Stadium Authority for the year ended March 31, 2025 and a reference to other auditors who audited the financial statements the Northern California Power Agency, Transmission Agency of Northern California, M-S-R Energy Authority (MSR EA), M-S-R Public Power Agency (MSR PPA), and San Jose-Santa Clara Regional Wastewater Facility and Clean Water Financing Authority as of and for the year ended June 30, 2024, related to the calculation of the Investments in Joint Ventures, as described in our report on the City’s financial statements. This report includes our consideration of the results of the other auditors’ testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors. Our report also included emphasis of a matter paragraphs disclosing the City’s implementation of a new accounting principle and a change in accounting policy, and a restatement related to unearned revenue in the Santa Clara Stadium Authority Enterprise Fund.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting (internal control) as a basis for designing 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 City’s internal control. Accordingly, we do not express an opinion on the effectiveness of City’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 City’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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. The other auditors identified certain deficiencies in internal control that we consider to be material weaknesses as listed on the Schedule of Material Weaknesses included as part of our separately issued Memorandum on Internal Control dated December 2, 2025, which is an integral part of our audit and should be read in conjunction with this report.

### ***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### **City's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in our separately issued Memorandum on Internal Control dated December 2, 2025, which is an integral part of our audit and should be read in conjunction with this report. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### ***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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Pleasant Hill, California  
December 2, 2025

**INDEPENDENT AUDITOR'S REPORT  
ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE;  
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY THE UNIFORM GUIDANCE**

To the Honorable Members of the City Council  
City of Santa Clara, California

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited City of Santa Clara's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2025. The City's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

The City of Santa Clara's basic financial statements include the operations of the Santa Clara Stadium Authority (Stadium Authority), which is not included in the Schedule during the year ended June 30, 2025. Our audit, described below, did not include the operations of the Stadium Authority, because the Stadium Authority engaged other auditors.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining funds information of the City as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 2, 2025, which contained an unmodified opinion on those financial statements. Our report includes a reference to other auditors who audited the financial statements of the City of Santa Clara Stadium Authority for the year ended March 31, 2025 and a reference to other auditors who audited the financial statements the Northern California Power Agency, Transmission Agency of Northern California, M-S-R Energy Authority (MSR EA), M-S-R Public Power Agency (MSR PPA) and San Jose-Santa Clara Regional Wastewater Facility and Clean Water Financing Authority as of and for the year ended June 30, 2024, related to the calculation of the Investments in Joint Ventures, as described in our report on the City's financial statements. Our report, in so far as it relates to the results of the other auditors, is based solely on the report of the other auditors. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects in relation to the basic financial statements as a whole.



Pleasant Hill, California  
March 5, 2026

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**SINGLE AUDIT  
FOR THE YEAR ENDED JUNE 30, 2025**

**CORRECTIVE ACTION PLAN**

**FINANCIAL STATEMENT FINDINGS – CURRENT YEAR**

**SCSA 2025-01      Accounting Treatment for Stadium Builder Licenses (SBL) Defaults**

**Fiscal Year of Initial Finding:** 2025

**Name(s) of the contact person:** Linh Lam, Assistant Director of Finance

**Corrective Action Plan:**

This was completed in September 2025 when the Santa Clara Stadium Authority Financial Statements dated March 31, 2025, were issued. Management has since implemented a process to perform an annual review of SBL defaults and recognize the related revenue upon the default date.

**Completion Date:** September 25, 2025

**FEDERAL AWARD FINDINGS – CURRENT YEAR**

There are no current year federal award findings.



**SINGLE AUDIT  
FOR THE YEAR ENDED JUNE 30, 2025**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**FINANCIAL STATEMENT FINDINGS – PRIOR AUDIT**

**SCSA 2024-01      Adoption of New Accounting Pronouncements**

**Fiscal Year of Initial Finding:** 2024

**Name(s) of the contact person:** Tyler Cook, Principal Financial Analyst

**Current Status:** Implemented

**FEDERAL AWARD FINDINGS – PRIOR AUDIT**

**Finding Reference Number:** SA2023-001

**Assistance Listing Number:** 14.218

**Assistance Listing Title:** Community Development Block Grant – Entitlement Grants (CDBG)

**Name of Federal Agency:** U.S. Department of Housing and Urban Development (HUD)

**Name(s) of the contact person:** Adam Marcus, Housing & Community Services Division Manager

***Fiscal Year of Initial Finding:*** 2022-2023

**Current Status:**

Since the December 19, 2024 approval of the Timeliness Workplan, the City has made substantial progress toward compliance. Draws have been processed every 4–8 weeks based on expenditures, totaling \$2.8 million since January. Four capital projects are currently underway, and required quarterly reports were submitted to HUD on April 15 and June 30, 2025. Housing staff continue to conduct quarterly check-in meetings with the regional HUD representative.

HUD has not issued any additional correspondence since the approval letter. The City does not anticipate further action from HUD until compliance is achieved and timeliness is met by the target date of May 2026

**Anticipated Completion Date:** May 2026