



# City of Santa Clara

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## Agenda Report

18-1202

Agenda Date: 8/27/2018

### REPORT TO AUDIT COMMITTEE

#### SUBJECT

Information Only - Audit Committee's Review Process regarding Stadium Authority's FY 2018/19 Draft Audit

#### BACKGROUND

As agreed at Section 5.1(a) of the Credit Agreement between the Santa Clara Stadium Authority (Stadium Authority), the Stadium Funding Trust, and Goldman Sachs Bank USA, the Stadium Authority is required to be audited by an independent certified public accountant firm within 180 days after the end of each fiscal year, which runs from April 1<sup>st</sup> to March 31<sup>st</sup>. The Stadium Authority staff prepared the FY 2017/18 Annual Financial Statements for review by the Audit Committee. The financial statements in the report have been audited by KPMG, LLP.

#### DISCUSSION

The role of the Audit Committee is to provide oversight of the Stadium Authority's financial reporting processes, internal controls and independent auditors. At the end of each fiscal year, a draft of the audited financial statements is presented to the Audit Committee for review prior to submitting the final audit report for Council acceptance. At the Committee meeting, the Committee is provided with a draft report of the results of the annual audit with management and external auditors, including matters required to be communicated to the committee under generally accepted auditing standards. Both management and external auditors will present the annual results and address any questions or inputs the Committee may have. Once the Committee accepts the draft audit report, staff and the auditor will collect the draft report and begin to finalize the audit report with a formal audit opinion from the audit firm. The final report will then be published as part of the September 11, 2018 City Council meeting. If there are any substantive changes, they will be highlighted with the final report provided to the City Council at the September 11, 2018 City Council meeting.

City staff is in the process of reviewing the current Audit Report Review Process with the external auditor to determine if a final report can be presented at future Committee meetings. This will allow the City to provide a final audited report, rather than in draft form, to the Committee.

#### PUBLIC CONTACT

This report is information only. Upon discussion at the August 27, 2018 Audit Committee, a copy of this report will be included in the meeting packet and posted online. 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) <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

Reviewed by: Linh Lam, Assistant Director of Finance/City Auditor

Approved by: Deanna J. Santana, City Manager

