



Santa Clara Stadium Authority (the Authority) Discussion with Those Charged with Governance

Audit results for the year ending March 31, 2022

September 30, 2022

Summary: Audit results required communications and other matters

Audit results		Response
	Outstanding matters	Team is in the process of wrapping up our final testwork.
	Significant unusual transactions	No significant unusual transactions identified during the audit.
	Uncorrected audit misstatements	No uncorrected misstatements identified during the audit.
	Corrected audit misstatements	No corrected misstatements identified during the audit.
	Financial presentation and disclosure omissions	No matters to communicate.
	Auditors' report	We expect to issue an unmodified opinion on the financial statements to the Authority.
	Changes to our risk assessment and planned audit strategy	No matters to report.
	Significant accounting policies and practices	No matters to report.
	Related parties	Certain costs, primarily staff salaries and related costs, are charged to the Authority from the City of Santa Clara. Not considered a significant related party transaction.
	Going concern	No matters to report.

Summary: Audit results required communications and other matters

		Response
Audit results	Subsequent events	Settlement agreement.
	Illegal acts or fraud	No actual or suspected fraud involving management, employees with significant roles in internal control, or where fraud results in a material misstatement in the financial statements were identified during the audit.
	Significant difficulties encountered during the audit	No matters to report.
	Significant findings or issues discussed, or the subject of correspondence, with management	No matters to report.
	Management's consultation with other accountants	No matters to report.
	Difficult or contentious matters for which the auditor consulted	No matters to report.
	Disagreements with management	No matters to report.
	Other significant matters	No matters to report.
	Written communications	Engagement letter, management representation letter
Independence		In our professional judgement, we are independent with respect to the Authority, as to the term as defined by the professional standards.
Inquiries		See slide 5

Significant accounting policies and practices

Description of significant accounting policies and practices	Audit findings
• Cash and cash equivalents and restricted cash • Accounts Receivable • Unearned revenue and revenue recognition	Qualitative aspects Refer to Note 2 of the financial statements for the detailed description of the significant accounting policies. Management has appropriately applied such policies to the Authority's books and records as of and for the year ended March 31, 2022. No issues identified by the engagement team during the period under audit.

Inquiries

The following inquiries are in accordance with AU-C 260

Are those charged with governance aware of:

- Matters relevant to the audit, including, but not limited to, violations or possible violations of laws or regulations?
- Any significant communications with regulators?
- Any developments in financial reporting, laws, accounting standards, corporate governance, and other related matters, and the effect of such developments on, for example, the overall presentation, structure, and content of the financial statements, including the following:
 - The relevance, reliability, comparability, and understandability of the information presented in the financial statements
 - Whether all required information has been included in the financial statements, and whether such information has been appropriately classified, aggregated or disaggregated, and presented?

Do those charged with governance have knowledge of:

- Fraud, alleged fraud, or suspected fraud affecting the Authority?
 - If so, have the instances been appropriately addressed and how have they been addressed?

Additional inquiries:

- What are those charged with governance's views about fraud risks in the Authority?
- Who is the appropriate person in the governance structure for communication of audit matters during the audit?
- How are responsibilities allocated between management and those charged with governance?
- What are the Authority's objectives and strategies and related business risks that may result in material misstatements?
- Are there any areas that warrant particular attention during the audit and additional procedures to be undertaken?
- What are those charged with governance's attitudes, awareness, and actions concerning (a) the Authority's internal controls and their importance in the entity, including oversight of effectiveness of internal controls, and (b) detection of or possibility of fraud?
- Have there been any actions taken based on previous communications with the auditor?
- Has the Authority entered into any significant unusual transactions?
- Whether the entity is in compliance with other laws and regulations that have a material effect on the financial statements?
- What are the other document(s) that comprise the annual report, and what is the planned manner and timing of issuance of such documents?
- Have any subsequent events occurred that might affect the financial statements?



Questions?

For additional information and audit committee resources, including National Audit Committee Peer Exchange series, a Quarterly webcast, and suggested publications, visit the KPMG Audit Committee Institute (ACI) at www.kpmg.com/ACI

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