



Independent Auditor Presentation –
Audit of the Basic Financial Statements
For the fiscal year ended June 30, 2025

Audit Committee

November 24, 2025

Amy Meyer, CPA
Audit Partner



Agenda

- Background
- Audit Reports and Other Reports
- Results of Audit
- Key Financial Highlights
- Report on Memorandum on Internal Control (MOIC)
- Required Communications
- Results of Agreed Upon Procedures

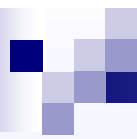
Background

- Maze & Associates – we are an independent CPA firm, independent from the City of Santa Clara and its Component Units.
- 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.



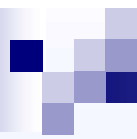
Draft **Audit Reports**

- City (Annual Comprehensive Financial Report)
- Silicon Valley Power (Electric Enterprise Fund)
(Basic Financial Statements)
- Transportation Development Act Financial Statements
- Single Audit (federal award programs – later
– due by 3/31/26)



Draft Other Reports

- San Jose-Santa Clara Clean Water Financing Authority – Bond Compliance Letter
- Agreed Upon Procedures Reports:
 - ☐ Investment Policy Compliance
 - ☐ Gann Limit Calculation



Draft

Results of Audit – ACFR and SVP

■ Independent Auditor's Reports

□ *Propose to issue*

Unmodified/clean opinions...fairly stated, in all material respects...in conformity with accounting principles generally accepted (GAAP) in the USA.

□ Includes Emphasis of a Matter –

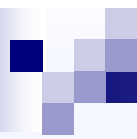
- Adjustment for implementation of GASB 101, *Compensated Absences*
- Adjustment for change in accounting policy - loans
- Restatement of SCSA balances

Results of Audit – ACFR and SVP (continued)

- Management's Discussion and Analysis
(MD&A)

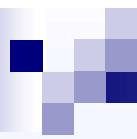
(page 5 of ACFR; page 5 of SVP)

- ☐ Prepared by Finance Staff
- ☐ Discusses significant activity for the fiscal year



Key Financial Highlights of ACFR

- Management's Discussion and Analysis (page 5):
 - Introduces the basic financial statements and provides an analytical overview of the City's financial activities
- Basic Financial Statements (page 28)
 - Includes the financial activities of the City, the Santa Clara Housing Authority, the Santa Clara Stadium Authority, the City of Santa Clara Sports and Open Space Authority, and the City of Santa Clara Public Facilities Financing Corporation
(legally separate but are component units of the City)
- Notes to the Basic Financial Statements (page 59)
 - An integral part of the ACFR that provides information on significant financial transactions of the City
(i.e. Note 13-PERS/Pension, Note 16-Other Post Employment Benefits, Note 10-Long-term Debt)



Key Financial Highlights of ACFR

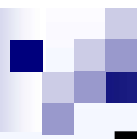
(continued)

- City Assets exceeded Liabilities by \$3.1 billion in FY25
- The City's net position increased by \$404 million (after adjustments discussed in Note 18), or \$443 million before
- Pension liabilities decreased \$17 million (after significant fluctuations in the last few years)
- Outstanding long-term debt increased by \$101 million (\$1 million repayment in governmental funds, \$27 million repayment in enterprise funds, \$112 million issuance of Electric Revenue Bonds)
- General Fund's fund balance increased \$60 million to \$241 million

Key Financial Highlights of ACFR (continued)

- General Fund – Fund Balance (Note 18 page 140)

Category	Amount	Description
Nonspendable	\$8.3 million	Supplies, Inventory, Prepays, Leases
Restricted	39.8 million	Grants, Donations, Pension Rate Stabilization
Committed	12.8 million	Land Sale Reserve, Historical Preservation
Assigned	17.0 million	Encumbrances
Unassigned	163.2 million	Budget Stabilization Reserve, Capital Projects Reserve
Total	\$241.1 million	



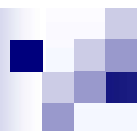
Report on Memorandum on Internal Control and Required Communications (MOIC)

- Three possible categories for comments:
 - ☐ Material Weakness
 - ☐ Significant Deficiency
 - ☐ Other Matters

NOTE – Although we do not audit the SCSA, MW or SD from SCSA audit are required to be included in the City's MOIC

Required Communications

- No Changes in Accounting Policies, other than:
 - Implementation of
 - GASB 101, *Compensated Absences* (Note 2L)
 - GASB 102, *Certain Risk Disclosures*
(related to disclosing vulnerabilities due to concentrations or constraints)
(No Impact)
 - Accounting for Unavailable Revenue Related to Loans in the Statement of Net Position and Statement of Activities



Required Communications (continued)

- Unusual Transactions, Controversial or Emerging Areas
- Accounting Estimates
- Disclosures
- Difficulties Encountered in Performing the Audit – *none*
- Corrected and Uncorrected Misstatements
- Disagreements with Management – *none*



Results of Agreed Upon Procedures

- Investment Policy Compliance
 - ☐ No exceptions
- Gann Limit Calculation
 - ☐ No exceptions

QUESTIONS?



"We are in the business to help our clients succeed"