



Agenda Report

19-1285

Agenda Date: 12/9/2019

REPORT TO AUDIT COMMITTEE

SUBJECT

Overview of the draft City of Santa Clara Audited Comprehensive Annual Financial Report (CAFR), Audited Silicon Valley Power (SVP) Financial Statements, and Audited Transportation Development Act (TDA) Financial Statements for Fiscal Year Ended June 30, 2019

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 and Associates to perform an independent audit of the City's financial statements.

The CAFR, SVP, and TDA financial statements present the audited financial information of the City in accordance with Generally Accepted Accounting Principles (GAAP) applicable to government entities. The statements provide the Audit Committee and City Council valuable information for financial oversight as well as providing information to the citizens of Santa Clara.

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, Shareholder, from Maze and Associates will present the audit results to the Committee and provide an overview of the audit. This includes the audit report, financial statement disclosures, internal control related matters and other items.

In addition, City staff will provide an overview of the various Fiscal Year 2018/19 Annual Financial Statements.

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 2018/19 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 or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Accept the City of Santa Clara Audited Comprehensive Annual Financial Report, Silicon Valley Power Financial Statements, and Transportation Development Act Financial Statements for Fiscal Year Ended June 30, 2019 and recommend that the reports are forwarded for note and file to the full Council at the December 17, 2019 Council and Authorities Concurrent meeting.

Reviewed by: Kenn Lee, Director of Finance

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Draft Comprehensive Annual Financial Report (CAFR)
2. Draft Silicon Valley Power (SVP) Financial Statements
3. Draft Transportation Development Act (TDA) Financial Statements
4. Draft Memorandum on Internal Control