Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2024

City of Santa Clara

The Center of What's Possible

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2024

THE
MISSION CITY

CITY OF SANTA CLARA, CALIFORNIA
1500 WARBURTON AVENUE
SANTA CLARA, CA 95050-3796

PREPARED BY DEPARTMENT OF FINANCE

Introductory Section

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City of Santa Clara
The Center of What's Possible

Finance Department

November 21, 2024

The Honorable Mayor and City Council and Residents of the City of Santa Clara
City of Santa Clara
Santa Clara, CA 95050

Dear Mayor and Members of the City Council and Residents of the City of Santa Clara:

It is our pleasure to submit for your information the Annual Comprehensive Financial Report (ACFR) of the City of Santa Clara (City) for the fiscal year ended June 30, 2023. The City compiles and prepares the annual financial report to provide interested parties with reliable information concerning the financial condition and results of operations for the City.

Responsibility for the accuracy of the data and the fairness of presentation, including all footnotes and disclosures, rests with the City. Management of the City has established a comprehensive internal control framework that is designed to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal control has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Per the City Charter (Section 1319, Independent Audit) the City's financial statements have been audited by Maze & Associates, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2023 are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2023 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require that agencies expending more than $750,000 in federal monies, are required to have the independent auditor report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report, scheduled for release in March 2025.

Management has provided a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

This report is divided into three sections:

- The Introductory Section includes this letter of transmittal, an organizational overview of the City government, and prior awards received.

- The Financial Section consists of the independent auditor's report, Management's Discussion and Analysis, Basic Financial Statements (which include the Government-Wide Financial Statements, Fund Financial Statements, and Notes to Basic Financial Statements), Required Supplementary Information, and a Supplementary Section containing the Combined and Individual Fund Financial Statements and Schedules.

- The Statistical Section includes a number of tables of unaudited data depicting the financial history of the City, demographics, and other selected information about the City.

PROFILE OF THE CITY OF SANTA CLARA

The City is located in the County of Santa Clara, California, and is approximately 45 miles southeast of San Francisco and three miles west of downtown San Jose. It is situated in the northern part of the County and occupies approximately 19.3 square miles.

The City enjoys a diversified industrial and commercial base. Santa Clara is headquarters to some of the nation's leading electronics, telecommunications, computer, and semiconductor firms. The City is also home to a university, a community college, an adult learning center, a general hospital, a theme park, and a stadium.

The City's population is estimated at 132,048 indicating the City remains an attractive place both to live and work. The City is one of the most highly desirable areas to live because of the high- quality services it provides to residents and its business friendly environment.

The City of Santa Clara, also known as the Mission City, is a charter city incorporated in 1852 under the laws of the State of California. The City's powers are exercised through a Council/Manager form of government. The City Council is made up of the Mayor, elected at large, and six councilmembers elected by district serving as the legislative authority. The City Council appoints a City Manager who is responsible for the overall management and administration of the City, a City Attorney to represent and advise the City Council and all City officers in all matters of law pertaining to their offices, and a City Auditor to audit and approve all bills, invoices, payrolls, demands or charges against the City government before payment and, with the advice of the City Attorney, advise the City Council as to the regularity, legality and correctness of such claims, demands or charges. The Police Chief and the City Clerk are also publicly elected officials.

The City provides a full range of services. These services include police, fire protection and emergency dispatch; electric, water, and sanitary sewer services; the construction and maintenance of streets and infrastructure; parks and recreational activities and cultural events; planning and zoning; library; cemetery; and general administrative and support services.

LOCAL ECONOMY

The local economy continued to improve during fiscal year 2023-24 as the nation, State, and local economies continued to recover from COVID-19. On a national level, unemployment rates in June 2024 totaled 4.1%, an increase of 0.5% compared to the prior year. This rate is still below the record setting high of 14.8% in April 2020, and slightly above the pre-pandemic unemployment rate of 3.5%. The unadjusted unemployment rate in the San José-Sunnyvale-Santa Clara Metropolitan Statistical Area (MSA) increased slightly from 3.7% in June 2023 to 4.2% in June 2024.

The City's financial position has improved since the adoption of the fiscal year 2022-23 budget. Fiscal year 2023-24 saw the continued recovery of the impact of COVID-19 on the local economy. Strong Property Tax collections continued to reflect high assessed valuation growth due to property sales and new construction projects. Despite slowing growth due to higher interest and inflation rates, Property Tax remains the largest revenue category for the City's General Fund. Sales Tax exceeded pre-pandemic levels, reflecting both a local recovery and the impact of inflation on the prices of goods for which this tax is applied. The City continued budget balancing efforts during the fiscal year in part through the use of one-time reserves, expenditure reductions, and new revenues. As the City looks ahead, the City Council amended a balanced fiscal year 2024-25 Operating Budget and approved a two-year fiscal year 2024-25 and 2025-26 Capital Budget. Forecasts currently show a small deficit beyond the two-year budget.

Significant funding gaps for certain capital infrastructure needs have been identified. A total of $626 million of unfunded projects which include the City's parks, fire stations, transportation, storm and other city infrastructure over the next five-years. A workplan considering several options of new revenues is underway including a $400 million General Obligation Bond Measure that voters passed in November 2024.

FINANCIAL INFORMATION

Long-term Financial Planning

The City Council has adopted key Council Strategic Pillars to guide long-term policy decisions and address the economic challenges that the City faces. The Council Strategic Pillars are:

- Promote and Enhance Economic, Housing and Transportation Development
- Deliver and Enhance High Quality Efficient Services and Infrastructure
- Enhance Community Sports, Recreational and Arts Assets
- Enhance Community Engagement and Transparency
- Ensure Compliance with Measure J and Manage Levi's Stadium
- Manage Strategically Our Workforce Capacity and Resources

- Promote Sustainability and Environmental Protection

In addition, the City produces an annual Ten-Year Financial Forecast. The purpose of the Forecast is to provide policy-makers and the public an updated assessment of the City's fiscal health that takes into account the latest economic developments. The report includes historical perspective on revenues and expenditures and a ten-year financial outlook beyond the adopted budget year. The value of this type of analysis is to give the City Council, staff, and the public a tool to assist with strategic decision-making as they work to adopt the budget for the coming year. The Forecast is a collaborative effort between the City Manager's Office, Finance Department, and City departments. Individual projections of revenues and expenditures are developed based on trend analyses, input from available economic reports, consultant recommendations, and input from other subject matter experts. The most current information available is incorporated into the Plan and refined on a moving forward basis as part of the City's commitment to fiscal responsibility.

The Forecast does not include the following:

- One-time funding sources and one-time expenditure needs;
- The cost to address unmet/deferred capital infrastructure needs;
- Potential additional revenue from the Stadium (performance rent/excess revenue) and the Related project (future project phases);
- Revenue and staffing impacts of development projects; and
- Additional contributions to Reserves (Budget Stabilization Reserve, Capital Projects Reserve, Pension Reserve).

Historically, the City has funded many of capital infrastructure and equipment needs with one-time funds on a pay-as-you-go basis. The use of one-time funds as the funding mechanism for capital improvements and various equipment that rely on the General Fund creates challenges. The lack of sufficient one-time funding has resulted in a backlog of unmet/deferred infrastructure needs. As part of the budget process, in May 2024, staff presented an updated unmet/deferred infrastructure need of over $626 million over the next five-years. Staff will continue to evaluate potential options to create capacity to address those funding.

In addition to the elements described above that are not factored into the Forecast, the City has identified various factors that could have potential positive or negative impacts on the Forecast. These include:

- Future economic slowdown/recession;
- Re-assessment of properties for property tax purposes;
- State/federal legislative changes and legal challenges;
- Labor costs outside the budget assumptions;
- CalPERS actuarial changes or reform actions;
- Unanticipated critical capital/infrastructure needs; and
- Maintenance impacts and timing of development projects.

The City's financial position has significantly improved since the adoption of the fiscal year 2024-25 budget. The latest Ten-Year General Fund Forecast, updated in April 2024, shows smaller deficits of $6.0 million and $11.9 million in fiscal year 2025-26 and fiscal year 2026-27. The out-years of the forecast shows shortfalls ranging from $6.0 million to $19.3 million which equates to 1.9% to 5.0% of expenditures annually.

While we continue to face a structural budget imbalance, impacts from the pandemic, and significant recovery has been achieved. As we look ahead, additional work efforts will be needed to generate new revenues, reduce costs, or use reserves to balance the forthcoming budget.

Internal Controls

The management of the City is responsible for establishing and maintaining internal controls designed to ensure that the assets of the City are protected from loss, theft or misuse, and that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the stated framework. City management believes the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Controls

As part of the City's internal controls, it maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annually appropriated budget approved by the City Council. In addition, a two-year Capital Improvement Project Budget or a two-year Operating Budget is adopted annually and a Ten-Year Financial Forecast is updated and presented as part of the budget each year. The City Council is responsible for approving the appropriation of fiscal resources to cover estimated expenditures for each fiscal year. Expenditures are appropriated in each fund to departments, offices, and agencies for various goods, services, and capital projects described in the budget. The legal appropriation control is established at the department level in each fund. For select funds where expenditures are not allocated to a specific department, the appropriation control is established at the fund level. For capital funds, the appropriation control is at the project level. Transfers of funding between budgetary funds require City Council appropriation and approval. City Council approval is required for a budget amendment during the fiscal year which may include the use of reserves or fund balances, and approval of appropriations of grant monies. The City also maintains an encumbrance accounting system as one technique for accomplishing budgetary control. Encumbrances outstanding at year-end are included within the specific fund balance category of the underlying resource. Per Article XIII, Section 1305 of the City Charter, appropriations lapse at the end of each fiscal year; therefore, unencumbered funds allocated for specific projects, donations, and grants require City Council appropriation for use in the following fiscal year.

Budgetary transfers between accounts or expenditure category may be done through Finance Department as long as they are conducted within the legal appropriation control limit set by the City Council.

Independent Audit

The City Charter and State of California statutes require the City to have an annual audit by an independent certified public accountant. The City goes to the market with a formal Request for Proposal for audit services every five years. The accounting firm of Maze & Associates, Certified Public Accountants, was selected by the City Council again in 2021 after the City conducted a competitive procurement process.

This is the third year of audit in the new contract with Maze & Associates. In addition to meeting the requirements set forth in the City Charter and State statutes, the audit is designed to meet the requirements of the federal Single Audit Act of 1984, as amended in 1996 and by the recent Uniform Guidance. The auditors' report on the basic financial statements and the supplementary combining statements and schedules are included in the financial section of this report. The auditors' reports related specifically to the single audit are included in a separately issued single audit document on file with the City Clerk's Office.

MAJOR INITIATIVES

Addressing our Capital Infrastructure

Looking ahead, the City Council took action to adopt a two-year capital investment plan that focuses on our capital infrastructure, supporting the facilities that serve our residents and community. The Biennial fiscal year 2024-25 and 2025-26 Capital Budget totals $928 million and the Five-Year CIP totals $1.33 billion, supporting infrastructure improvements throughout the City. Of this CIP amount, $1.1 billion (83%) funds capital projects for the City's utilities and there is sufficient funding in the associated utility funds to support these projects. The other projects total $225 million and fund improvements to the parks, trails, libraries, transportation system, storm system, convention center and other City facilities. There are significant funding gaps in these areas and unfunded projects identified in this budget total $626 million over the next five years. This funding gap does not fully represent all the unmet/deferred infrastructure needs throughout the City beyond the five-year CIP period. Long term funding strategies are needed to meet these infrastructure needs as the General Fund does not have sufficient funding to cover the significant unfunded capital costs. New funding strategies are needed to meet these infrastructure needs. After an analysis of potential options, the City Council approved the inclusion of a $400 million General Obligation Bond measure on the November 2024 ballot and voters passed the measure with a two-thirds majority.

Fiscal Sustainability

The fiscal year 2023-24 General Fund balancing strategy adopted as part of the fiscal year 2024-25 and 2025-26 biennial budget remains in place. The use of one-time reserves and federal stimulus funds, new revenues, and expenditure reductions has balanced the competing goals of aligning ongoing revenues and expenditures and minimizing the service delivery impacts to the community. It has also allowed time for General Fund revenues to recover. This strategy has positioned the City well with the balanced fiscal year 2024-25 budget. While the financial picture is much better, it is important to note that significant economic uncertainty persists.

Development Projects

More than $3 billion in new development projects are on the horizon for Santa Clara in the next few years, with the likelihood of more to come. There are many residential and commercial projects in various stages of planning. While some of these projects are underway, it is important to note that changes in the office environment due to new remote-work trends has caused some pause to activity as developers reassess demand for commercial projects. Furthermore, the recent continuation of elevated inflation impacts to construction costs and high interest rates resulting in higher borrowing costs creates a potential for a slowdown in development activity. As these projects are both sensitive to new community requirements and an economic downturn: therefore, flexibility will be required. Below are highlights of a few of the larger planned projects:

Related Santa Clara Project

Related Santa Clara is a unique partnership between the City of Santa Clara and Related Companies to create a LEED-certified, multi-phased, mixed-use destination adjacent to Levi's Stadium. This urban center will incorporate residential units, restaurants, entertainment venues, hotels, retail, and office space to establish a new neighborhood in a pedestrian oriented "live, work, play" environment.

Related Santa Clara consists of 9.2 million square feet of mixed-use development with a city center of commercial office, retail/entertainment including a globally inspired food market, 1,680 residential units, 700 hotel rooms and approximately 5 million square feet of corporate office space. The development will also feature new roadways and the creation of a 30-acre city park. The project site consists of 240 acres located at 5155 Stars & Stripes Drive in Santa Clara, CA.

Downtown Master Plan

The City of Santa Clara is in the process of planning for the revitalization of our Downtown by developing a Precise Plan that will provide guidance for new development within a portion of the Downtown Focus Area. Following an initial community engagement effort, three land use scenarios/conceptual plans have been developed. Additional review and testing of the land use/design options, a larger context study to understand compatibility and competition from other large development projects, and an El Camino Real intersection study to understand multi modal connectivity from regional transit to downtown will be performed. This work will focus on market feasibility, retail strategy and connectivity.

Freedom Circle Mixed Use Project

This project proposes a General Plan Amendment and Re-zoning to Planned Development to construct a mixed-use development project on a 13.3 acre site within the Freedom Circle focus plan area, that consists of up to 1,100 residential units With 1,540 parking spaces, up to 2,000 square feet of commercial space with 10 parking spaces and a two-acre public park.

Gateway Crossing Mixed Use Project

Developed by Hunter/Storm, this project currently under construction consists of up to 1,565 residential units, a 152,000 square foot, 225 room, full-service hotel, 45,000 square feet of supporting retail, a 2.1 acre park, structured parking facilities, private and public streets, and on and off-site public and private improvements. This project is currently under construction.

Mission Point by Kylii Mixed Use Development Project

This project is in review for a General Plan amendment for a nine-parcel property to amend the designation from High-Intensity Office/Research to a newly-established mixed-use designation allowing a high-intensity mix of office, commercial, and residential uses. The Project proposes a rezone for the development of 3,000,000 +/- square feet of commercial office/lab space, 100,000 +/- square feet of neighborhood retail, 1,800 +/- new multi-family residential, a childcare facility, and indoor and outdoor community spaces, as well as a large network of diverse, accessible and interconnected park, trail, and open spaces, and related infrastructure improvements.

Patrick Henry Drive Specific Plan

The City has developed a Specific Plan to implement the City's General Plan goals and policies for the Patrick Henry Drive plan area by providing more detailed guidance for future land uses and urban design

elements. The vision is to transform a series of 1970s office parks several existing office parks into a cohesive, high-density mixed-use community that fosters economic vitality, helps ameliorate the State's housing shortage, and enhances quality of life for those who live, work, and recreate in the area. The Patrick Henry Drive Specific Plan planning area encompasses approximately 74-acres of land bounded by Calabazas Creek, Mission Community College, Great America parkway, and the SFPUC right of way, as shown below.

Lawrence Station Area Plan

The Lawrence Station Area Plan provides a mixed-use development on an approximately 72 acres site (65 acres of developable land area excluding existing public right-of-way) located in close proximity to the Caltrain Lawrence Station serving the communities of Santa Clara and Sunnyvale. The Plan creates a lively neighborhood that accommodates up to 3,500 residential dwelling units, roughly 100,000 square feet of neighborhood oriented and convenience retail, and approximately 6.3 acres of public open space in conjunction with various outdoor recreational facilities and landscape features, such as a community garden, a public plaza, pocket parks and paseos. The targeted residential density is 45 - 56 dwelling units per acre. While substantial completion of this development was achieved the continuation of the full build-out of this plan is underway. Associated infrastructure improvements were completed, including an internal road network comprised of public and private streets, and upgrades to sewer, water, and storm drain systems.

Tasman East Specific Plan

The project area is an existing industrial neighborhood 45 acres in size, and is bounded by Tasman Drive to the south, the Guadalupe River to the East, the Santa Clara golf course to the north, and Lafayette Street to the west. The Plan creates a framework for the development of a high-density and transit-oriented neighborhood (currently proposed to be up to 100 Dwelling units per acre), along with supportive retail services. The specific plan will lay out allowed uses, densities, height limits and design criteria in the Tasman East area. Connections to the existing Guadalupe River trail, potential locations for parkland, and strategies for better access to transit will also be incorporated into the plan. The City is currently developing an amendment to the Tasman East Specific Plan that would allow an additional 1,500 units within the existing Specific Plan boundaries. City staff are currently exploring ways to provide additional dedicated parkland as a part of the Amendment.

FINANCIAL POLICIES

The City has adopted a comprehensive set of financial policies. These policies address items such as budget, cash management, interfund loans, investments, reserves, and debt management. The City Council reviews and approves budgetary policies as part of the annual budget process. Investment and debt policy statements are reviewed and approved by the City Council under separate cover.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement in Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports and is valid for a period of one year only. The City has received this prestigious award for the past thirty two consecutive years.

To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Programs' requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We wish to thank all City departments for their assistance in providing the data necessary to prepare this report. Credit and thanks are also due to the Mayor and City Councilmembers for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

Jovan D. Grogan
City Manager

Kenn Lee
Director of Finance

ROSTER OF COUNCIL AND COMMISSION MEMBERS

CITY COUNCIL

Mayor	Lisa M. Gillmor
Councilmember District 1	Kathy Watanabe
Councilmember District 2	Raj Chahal
Councilmember District 3	Karen Hardy
Councilmember District 4	Kevin Park
Councilmember District 5	Sudhanshu "Suds" Jain
Councilmember District 6	Anthony J. Becker

BOARD OF LIBRARY TRUSTEES

Jonathan Evans, Daniel Huynh, Ghouse Salim Monammed, Stephen Ricossa, Debbie Tryforos,

CIVIL SERVICE COMMISSION

Ron Billingsley, Wesley Dudzinski, Franklin J. Felizardo, Samuel Pumarejo, Arti Purohit

CULTURAL COMMISSION

Candida A. Diaz, Neetu Garg, Jonathan Marinaro, Paul McNamara, Abinas Roy, Louis Samara, Debra von Huene,

HISTORICAL AND LANDMARKS COMMISSION

Michael Celso, , Ivonne Inciarte, Amy Kirby, Patricia Leung, Kathleen Romano, Ed Stocks, Ana Vargas-Smith

PLANNING COMMISSION

Yashraj Bhatnagar, Mario Bouza, Nancy A. Biagini, Priya Cherukuru, Eric Cruthchlow, Qian Huang, Lance Saleme

PARKS AND RECREATION COMMISSION

Dana Caldwell, Maureen Reilly Chu, Derek DeMarco, Eversley Forte, Vikas Gupta, Sajid Hai, Brittany Ricketts

SENIOR ADVISORY COMMISSION

Rick Andrews, Edmund Drozek, Tom Freitas, Judy Hubbard, Srinivasan Manivannan, Veena Sterling, Maria Vaz

SALARY SETTING COMMISSION

Natasha Humphries, MV Kumar, Donald Lawson, John Sontag, Vacant

YOUTH COMMISSION

Julianna Arias Hernandez, Allysa Domensino, Mateo Espinal (Alternate), Namita Gaidhani, Simren Garg, Srikha Gopisetti, Maryam Ismail, Neha Israni, Ryan Kim, Rebecca Kunze, Kira Liang, Malia Martin, Samaira Mehta, Hiranya Parekh, Brian Rong, Samarth Suresh, Niharika Uppalapati (Alternate), Aneesha Vemu (Alternate)

DOWNTOWN COMMUNITY TASK FORCE

Butch Coyne, Rob Mayer, Dan Ondrasek, Mathew Reed, Chan Thai, Adam Thompson, Ana Vargas-Smith, Atisha Varshney, Debra Von Huene

EXECUTIVE MANAGEMENT TEAM

CITY MANAGER
Jōvan D. Grogan

CITY ATTORNEY
Glen Googins

CITY CLERK
Hosam Haggag

ASSISTANT CITY MANAGER
Clarence Baker

CHIEF OF POLICE
Pat Nikolai

DIRECTOR OF HUMAN RESOURCES
Aracely Azevedo

INTERIM DIRECTOR OF PARKS & RECREATION
Cynthia Bojorquez

CITY LIBRARIAN
Patty Wong

DIRECTOR OF WATER AND SEWER UTILITIES
Gary Welling

INTERIM DIRECTOR OF COMMUNITY DEVELOPMENT
Reena Brilliot

CITY AUDITOR
Vacant

CHIEF OPERATING OFFICER
Nadine Nader

ASSISTANT CITY MANAGER
Cynthia Bojorquez

FIRE CHIEF
Ruben Torres

DIRECTOR OF FINANCE
Kenn Lee

DIRECTOR OF INFORMATION TECHNOLOGY
Gaurav Garg

CHIEF ELECTRIC UTILITY OFFICER
Manuel Pineda

DIRECTOR OF PUBLIC WORKS
Craig Mobeck

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Santa Clara
California

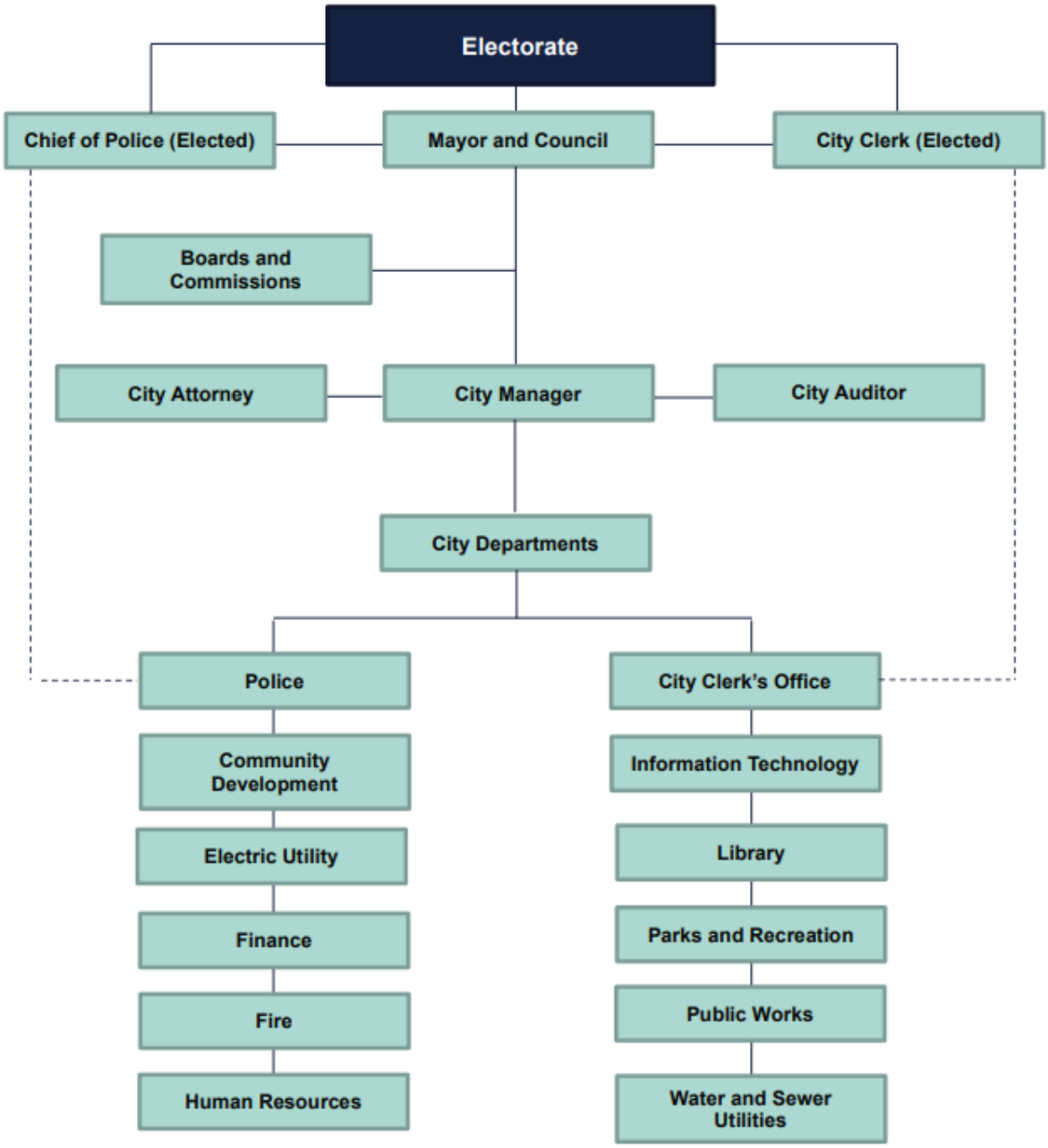
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

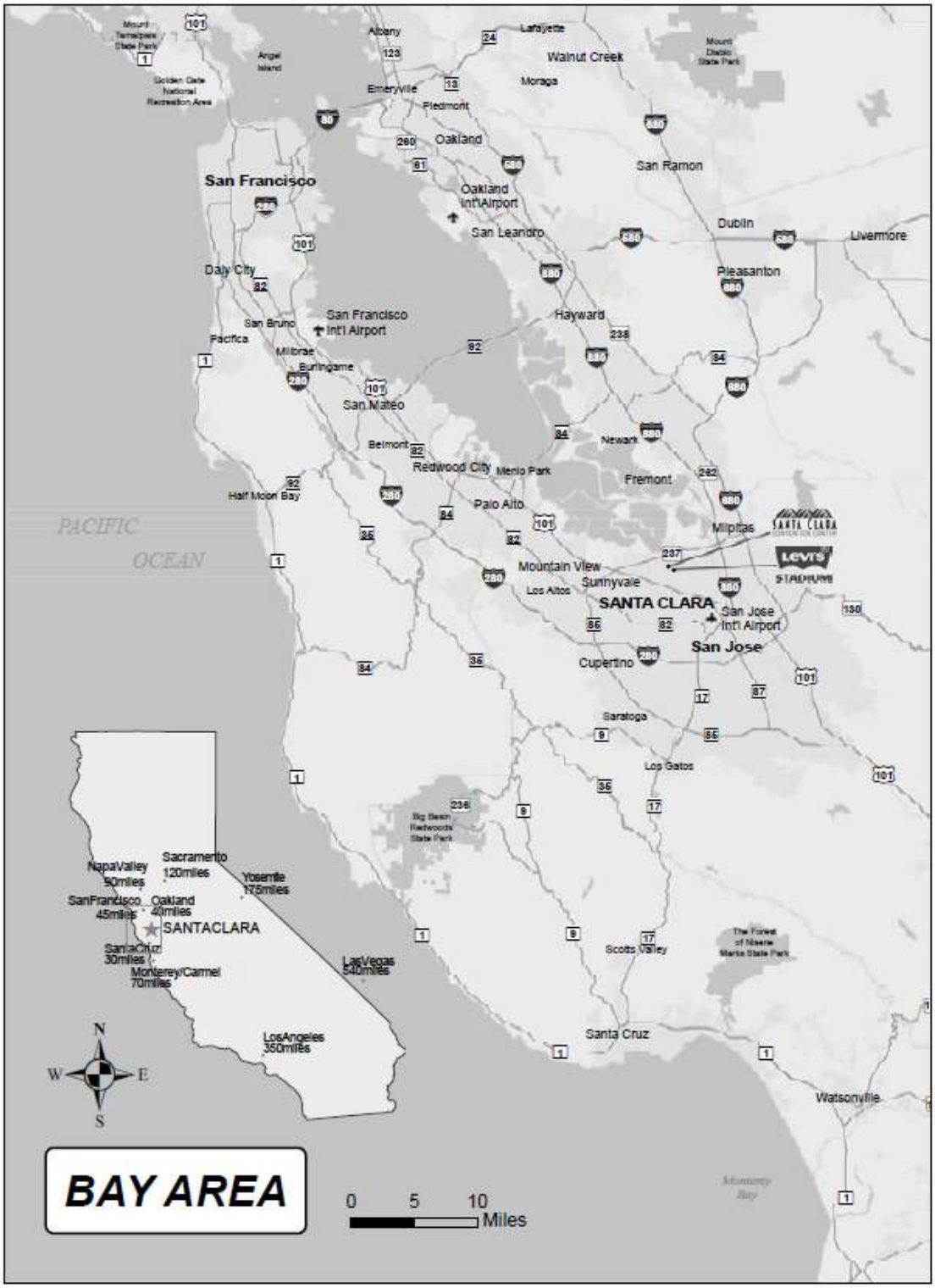
June 30, 2023

Christopher P. Morrill

Executive Director/CEO

CITY ORGANIZATION CHART




BAY AREA
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N
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San Francisco
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Hayward
San Mateo
Redwood City
Palo Alto
Mountain View
Sunnyvale
SANTA CLARA
San Jose
Cupertino
Santa Cruz
Watsonville
Walnut Creek
San Ramon
Dublin
Livermore
Pleasanton
Fremont
Milpitas
Newark
Menlo Park
Belmont
Half Moon Bay
Los Altos
Saratoga
Los Gatos
Scotts Valley
Daly City
San Bruno
Pacifica
Millbrae
Burlingame
Emeryville
Piedmont
Albany
Lafayette
Moraga
Oakland Int'l Airport
San Francisco Int'l Airport
San Jose Int'l Airport
PACIFIC OCEAN
Sacramento 120miles
NapaValley 90miles
Yosemite 175miles
SanFrancisco 45miles
Oakland 40miles
SANTACLARA
SantaCruz 30miles
Monterey/Carmel 70miles
LasVegas 540miles
LosAngeles 350miles

Financial Section

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MAZE & ASSOCIATES

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying 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, California, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents. We did not audit the component unit financial statements of the Santa Clara Stadium Authority (Stadium Authority), as of and for the year ended March 31, 2024, which is both a major fund and 39.6%, 6.9%, and 9.3% of the assets, net position and revenues, respectively, of the business-type activities. The financial statements of the Stadium Authority were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Stadium Authority, is based solely on the report of other auditors.

We also did not audit the financial statements of Northern California Power Agency (NCPA), Transmission Agency of Northern California (TANC), 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 (SJSC) as of and for the year ended June 30, 2024, related to the calculation of the Investments in Joint Ventures. The Investment in these Joint Ventures collectively represents 9.4%, 17.6%, and 1.7%, respectively, of total assets, net position and revenues of the business-type activities. The financial statements of the NCPA, TANC, MSR EA, MSR PPA and SJSC were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the calculation of the Investments in Joint Ventures, is based solely on the reports of the other auditors.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, 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 amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Emphasis of Matters

As discussed in Note 6, the Stadium Authority restated balances related to the accounting and reporting of leases in the Santa Clara Stadium Authority Enterprise Fund as of March 31, 2023. In addition, the City determined that the Stadium Authority's ground lease with the City is not subject to GASB 87, *Leases,* in the City's Annual Comprehensive Financial Report and as a result, the Santa Clara Stadium Authority Enterprise Fund net position has been restated to reflect the elimination and reclassification of that transaction for reporting in the City's financial statements. The emphasis of these matters does not constitute a modification to our opinions.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other required supplementary information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Supplementary Information, as listed in the Table of Contents, is presented for purposes of additional analysis 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 Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section listed in the Table of Contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exits, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Maze & Associates

Pleasant Hill, California
November 21, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (MD&A) of the City of Santa Clara's (City) Annual Comprehensive Financial Report provides an overview of the City's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the City's financial performance. Readers should review the discussion and analysis in conjunction with the basic financial statements, as well as the notes to the financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Financial highlights for fiscal year June 30, 2024 are as follows:

- In the fiscal year 2023-24, the City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $2.6 billion. Out of this amount, $107 million represents unrestricted net position, which is $176 million higher than in the fiscal year 2022-23. This is made up of a negative balance of $282 million for governmental activities and a positive balance of $389 million for business-type activities. The negative net position in governmental activities primarily stems from a net pension liability of $538 million and a net Other Post Employment Benefits (OPEB) liability of $26 million as of June 30, 2024.
- The City's total net position increased by $313 million, with $33 million increase in governmental activities, primarily driven by the steady economic growth since the pandemic. The remaining $280 million increase came from business-type activities, including a $222 million rise in the Electric Utility Fund, mainly due to higher rates and reduced resource purchase expenditures, and a $36 million increase in the Sewer Utility Fund, largely due to the higher equity income in the joint project with City of San Jose.
- The total net pension liability, encompassing both governmental activities and business-type activities, experienced an increase of $24 million or 3.6% during fiscal year 2023-24, reaching $686 million from $662 million. This increase was primarily driven by the change in the differences between expected and actual experience liability calculation. As of June 30, 2024, there were deferred outflows of resources related to pensions amounting to $169 million, reflecting a decrease of $7 million compared to the previous year. In contrast, there were deferred inflows of resources related to pensions totaling $4 million at June 30, 2024, which marked a decrease of $1 million from the prior fiscal year. For more detailed information regarding the net pension liability, please refer to Note 13.
- The net OPEB liability decreased by $2 million or 5.4% during fiscal year 2023-24, reducing it to $36 million at June 30, 2024, compared to $38 million in fiscal year 2022-23. More details on the net OPEB liability are included in Note 16.
- The City's total liabilities, excluding net pension liability and net OPEB liability, increased by $12 million, reaching to $1,050 million as of June 30, 2024. The increase of the liabilities is mainly attributed to $32 million in accrued liabilities, partially offset by the net reduction/repayment of $18 million of long term obligations when compared to the fiscal year 2022-23.
- As of June 30, 2024, the City's governmental funds reported combined fund balances of $401 million, an increase of $32 million from the prior year. At June 30, 2024, $109 million is in the unassigned fund balance and available for spending at the City's discretion.
- At the close of fiscal year 2023-24, the General Fund had assets of $457 million and a fund balance of $181 million. This represents an increase in fund balance of $28 million, or 18.3% from prior fiscal year. The increase reflects the modest growth of the local economy since the pandemic. Of

the total fund balance, $144 million was unrestricted (the total of committed, assigned, and unassigned components of fund balance).

- In November 2012, the Santa Clara Stadium Authority (Stadium Authority) elected to adjust its fiscal year to April 1 through March 31 to conform with the fiscal year of Stadium Funding Trust (FinanceCo). This report covers the twelve month period from April 1, 2023 through March 31, 2024. As of March 31, 2024, the carrying value of Levi's Stadium, net of depreciation, is $679 million, and the assets of the Stadium Authority exceeded its liabilities and deferred inflow of the lease revenues by $133 million.
- The City's total outstanding long-term debt decreased by $18 million, primarily due to the repayment of $54 million for Stadium Authority debt, Electric revenue bonds, and Sewer loans partially offset by the issuance of $36 million in Sewer Certificates of Participation.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the City as a whole. This report consists of six parts – introductory section, financial/MD&A section, basic financial statements, required supplementary information, supplementary information, and statistical section.

The basic financial statements include two types of statements that present different views of the City:

- The *Government-wide Financial Statements* provide both long-term and short-term information about the City's overall financial status.
- The *Fund Financial Statements* focus on individual parts of the government, reporting the City's operations in more detail than the government-wide statements.

Government-wide Financial Statements

Government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. They include the Statement of Net Position and the Statement of Activities.

The Statement of Net Position presents information on all of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources. Over time, increases or decreases in the City's net position may serve as an indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities provides information about the City's revenues and expenses, regardless of the timing of related cash flows. The Statement of Activities explains in detail the change in net position for the fiscal year.

The Government-wide Financial Statements are divided into two categories:

- *Governmental Activities*—all of the City's basic services are governmental activities. Included in basic services are the City Council, City Manager, City Clerk, City Attorney, Information Technology, Human Resources, Finance, Parks and Recreation, Library, Planning and Inspection, Public Works, Police, and Fire. These services are principally supported by taxes and intergovernmental revenues.

- *Business-Type Activities*—unlike governmental services, these services are intended to recover all or a significant portion of their costs through user fees and charges. All the City's enterprise activities are reported as business-type activities, including the Major funds (Electric, Water, Sewer, Water Recycling utilities, and Stadium Authority) and Non-Major funds (Solid Waste, Cemetery, Santa Clara Convention Center, and Sports and Open Space Authority).

The City is the primary government in this report. These financial statements include four entities that, although legally separate, are important because they are blended component units of the City. These component units are the Santa Clara Stadium Authority, City of Santa Clara Sports and Open Space Authority, the Santa Clara Housing Authority, and the City of Santa Clara Public Facilities Financing Corporation. These component units have been included as an integral part of the City (that is, they have been "blended" with those of the City) and they are not reported as separate discrete component units in these financial statements.

Fund Financial Statements

The Fund Financial Statements provide detailed information about each of the City's most significant funds, called major funds. Each major fund is presented individually, with all non-major funds combined in a single column on each fund statement. The non-major fund statements are presented in the Supplementary Information section of this report. Major funds present the primary activities of the City for the year and may change from year to year as a result of changes in the pattern of the City's activities. All the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds: Most of the City's basic services are included in Governmental Funds which focus on how money flows into and out of these funds and the balance left at fiscal year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statements provide a detailed short-term view of the City's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because the focus of governmental funds is narrower than that of the Government-wide Financial Statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Government-wide Financial Statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Proprietary Funds: Enterprise and Internal Service Fund Financial Statements are prepared on the full accrual basis of accounting, similar to that used by private sector companies. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position. The City's Proprietary Funds are the same as the business-type activities reported in the Government-wide Statements but provide more detail and additional information, such as cash flows.

Since the City's Internal Service Funds provide goods and services only to the City's governmental and business-type activities, their activities are only reported at the fund level. Internal Service Funds cannot be considered major funds because their revenues are derived from other City funds. Revenues between funds are eliminated in the Government-wide Financial Statements and any related profits or losses are

returned to the activities in which they were created, along with any residual net position of the Internal Service Funds.

Fiduciary Funds: Fiduciary Funds are prepared on the full accrual basis, similar to the Proprietary Funds. The City has three types of Fiduciary Funds: the Custodial Funds (which includes Employee Supplemental Funds, Special Assessments, and Custodial Deposits), and the Private Purpose Trust Funds (which includes the Charitable Trust and Successor Agency). The City's fiduciary activities are reported separately in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position. These activities are excluded from the City's Financial Statements because the City cannot use these assets to finance its own operations.

Notes to the Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the Government-wide and Fund Financial Statements. The Notes to the Financial Statements follow the basic financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information. This information includes budgetary comparison schedules and the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees. Required supplementary information can be found immediately following the Notes to the Financial Statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS ANALYSIS

Citywide Financial Statements

This section focuses on the City's net position and changes in net position of its governmental and business-type activities for the fiscal year ending June 30, 2024. As noted earlier, the City's total assets and deferred outflows of resources exceed total liabilities and deferred inflows of resources by $2.6 billion at the end of the fiscal year, an increase in net position of $313 million.

Table 1
Governmental And Business-Type Net Position
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023[1]	2024	2023[1]
Cash and investments	$ 442	$ 407	$ 936	$ 746	$ 1,378	$ 1,153
Lease receivable	252	255	598	610	850	865
Other assets	140	134	549	490	689	624
Capital assets	669	652	1,498	1,470	2,167	2,122
Total Assets	**1,503**	**1,448**	**3,581**	**3,316**	**5,084**	**4,764**
Deferred outflows on derivative	-	-	-	1	-	1
Deferred outflows from refunding	-	-	5	5	5	5
Deferred outflows OPEB related	1	2	-	1	1	3
Deferred outflows pension related	136	141	33	35	169	176
Total Deferred Outflows of Resources	**137**	**143**	**38**	**42**	**175**	**185**
Long-term debt outstanding	9	11	384	400	393	411
Right-to-use assets liability	9	9	4	5	13	14
Net OPEB liability	26	28	10	10	36	38
Net pension liability	538	517	148	145	686	662
Other liabilities	87	80	557	533	644	613
Total Liabilities	**669**	**645**	**1,103**	**1,093**	**1,772**	**1,738**
Deferred inflows on derivative instruments	-	-	12	23	12	23
Deferred inflows from refunding	-	-	1	1	1	1
Deferred inflows Lease related	246	251	582	600	828	851
Deferred inflows OPEB related	1	3	1	1	2	4
Deferred inflows pension related	3	4	1	1	4	5
Total Deferred Inflows of Resources	**250**	**258**	**597**	**626**	**847**	**884**
Net investment in capital assets	650	632	1,145	1,089	1,795	1,721
Restricted	353	343	385	332	738	675
Unrestricted	(282)	(287)	389	218	107	(69)
Total Net Position	**$ 721**	**$ 688**	**$ 1,919**	**$ 1,639**	**$ 2,640**	**$ 2,327**

(1) Not restated for the changes dicussed in Note 6E.

The largest portion of the City's net position, $1.8 billion (68%), is its investment in capital assets (e.g., land, infrastructure, buildings, machinery and equipment, right-to-use leased assets, and right-to-use SBITA), less any related outstanding debt that was used to acquire those assets and right-to-use liabilities. The City uses these capital assets to provide services to its residents and other stakeholders. Accordingly, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources because the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of the City's net position of $738 million (28%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of $107 million (4%) is unrestricted.

At the end of the current fiscal year, the City is able to report positive balances in all reported categories of net position except for the Information Technology Services Internal Service Fund and Workers' Compensation Insurance Claims Internal Service Fund.

Table 2
Governmental and Business-Type Changes in Net Position
(in millions)

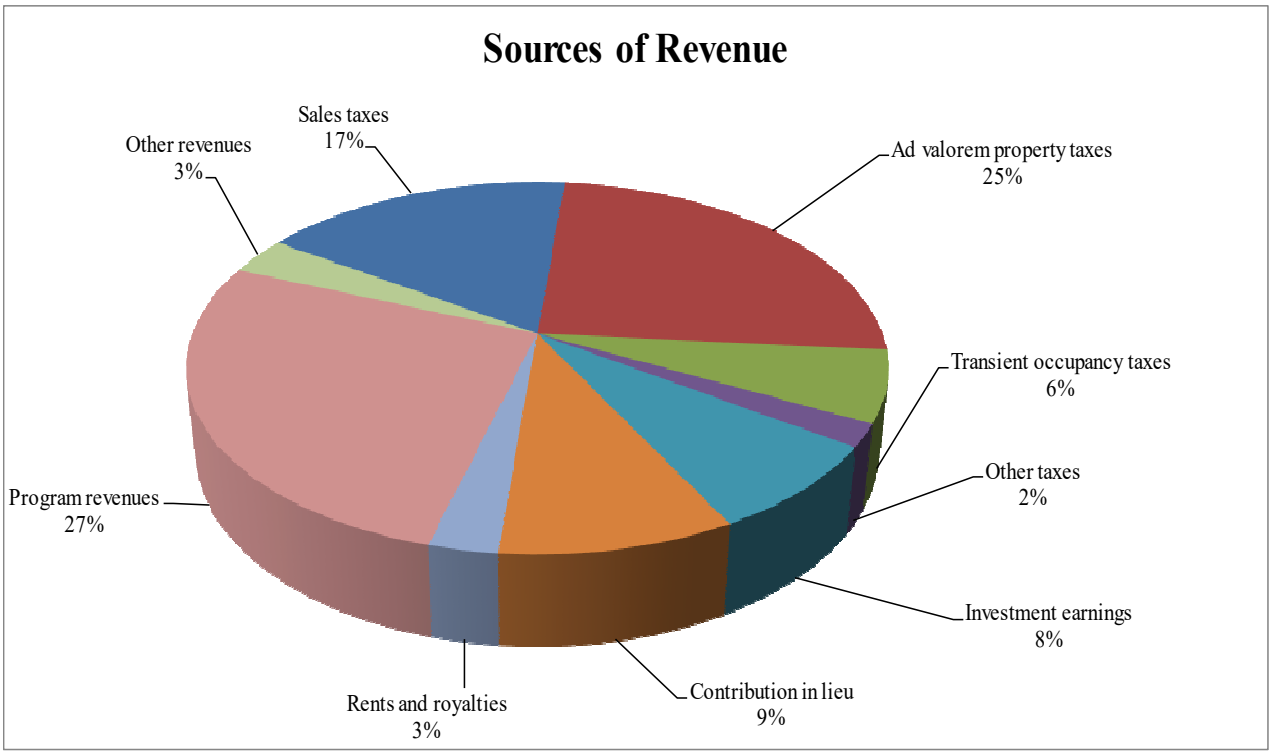
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	$ 63	$ 57	$ 1,040	$ 992	$ 1,103	$ 1,049
Operating grants and contributions	23	6	-	-	23	6
Capital grants and contributions	11	9	3	2	14	11
General revenues:						
Taxes:						
Sales	62	64	-	-	62	64
Ad valorem property	90	84	-	-	90	84
Transient occupancy	22	19	-	-	22	19
Other	7	7	-	-	7	7
Contribution in lieu of taxes	33	30	-	-	33	30
Investment earnings	18	13	36	29	54	42
Net increase (decrease) in fair value of investments	10	(6)	12	(4)	22	(10)
Equity in income of joint ventures	-	-	19	9	19	9
Rents and royalties	10	10	-	-	10	10
Other	12	43	-	-	12	43
Total revenues	361	336	1,110	1,028	1,471	1,364
Expenses:						
General Administration	33	33	-	-	33	33
City Clerk	1	1	-	-	1	1
City Attorney	2	3	-	-	2	3
Human Resources	2	2	-	-	2	2
Finance	9	10	-	-	9	10
Public Works	46	45	-	-	46	45
Parks and Recreation	28	26	-	-	28	26
Public Safety:						
Police	98	88	-	-	98	88
Fire	80	73	-	-	80	73
Planning and Inspection	19	19	-	-	19	19
Library	13	13	-	-	13	13
Utilities:						
Electric	-	-	584	659	584	659
Water	-	-	58	49	58	49
Sewer	-	-	36	86	36	86
Water Recycling	-	-	9	7	9	7
Solid Waste	-	-	38	34	38	34
Cemetery	-	-	1	1	1	1
Santa Clara Convention Center	-	-	19	17	19	17
Santa Clara Stadium Authority	-	-	91	62	91	62
Total expenses	331	313	836	915	1,167	1,228
Increase in net position before transfers	30	23	274	113	304	136
Transfers in (out)	3	5	(3)	(5)	-	-
Increase in net position	33	28	271	108	304	136
Restatement/Change in accounting principal	-	-	9	5	9	5
Net position - July 1	688	660	1,639	1,526	2,327	2,186
Net position - June 30	$ 721	$ 688	$ 1,919	$ 1,639	$ 2,640	$ 2,327

Governmental Activities – the City's governmental activities boosted its net position by $33 million, mainly attributed to the higher revenue from charge for services and operational grants received from other agencies during the fiscal year 2023-24.

Business-type Activities – the City's business-type activities contributed to an increase of $280 million in the City's net position. This substantial growth is primarily due to a $220 million increase in the Electric Utility Fund, resulting from a higher charge for services resulting from an 5% rate increase effective July 1, 2023, and a 10% rate increase effective January 1, 2024, along with an $80 million reduction in resource purchase expenditures.

Governmental Activities

The chart below presents revenues by source for Governmental Activities. General revenues are composed of taxes and other revenues not specifically generated by, or restricted to, individual activities. All tax revenues and investment earnings are included in general revenues.



The following analysis presents a comparison of fiscal year 2023-24 and fiscal year 2022-23 by the total cost and net cost of each of the City's largest programs. Net cost is defined as total program cost less the revenues generated by those specific activities. It is common to see Governmental Activities as net cost generators, wherein costs of governmental activities are greater than the revenues they generate.

Table 3
Governmental Activities
(in millions)

	Total Cost of Services		Net Cost of Services	
	2024	2023	2024	2023
General Administration	$ 33	$ 33	$ 8	$ 17
City Clerk	1	1	1	1
City Attorney	2	3	2	3
Human Resources	2	2	2	2
Finance	9	10	6	9
Public Works	46	45	15	26
Parks and Recreation	28	26	24	23
Public Safety:				
Police	98	88	96	86
Fire	80	73	67	64
Planning and Inspection	19	19	(1)	(3)
Library	13	13	13	13
Totals	$ 331	$ 313	$ 233	$ 241

In fiscal year 2023-24, the total cost of services increased by $18 million, while the net cost of services decreased $8 million compared to the previous year.

The increase in the total cost of services is largely driven by a $17 million rise in the Public Safety costs during fiscal year 2023-24. This growth is primarily attributed to a $11 million rise in CalPERS Safety pension expenditures and a $7 million increase in the personnel costs in the Fire Department compared to the prior year.

The net cost of services in the General Administration decreased $9 million from the prior year, reaching $8 million in fiscal year 2023-24. This decrease is primarily attributed to a $7 million increase in revenue from charges for services, resulting from the voter-approved change to the Business License Tax effective July 1, 2023. In Public Works, the net cost of services decreased by $11 million from the previous year, dropping to $15 million in fiscal year 2023-24, mainly due to a $10 million increase in grants received from other agencies.

Business-type Activities

The following analysis provides the total costs and net costs of each of the City's enterprise funds. Net cost is defined as total program cost less the revenues generated by each enterprise fund.

Table 4
Business-Type Activities
(in millions)

	Total Cost of Services		Net Cost of Services	
	2024	2023	2024	2023
Utilities:				
Electric	$ 584	$ 659	$ (200)	$ (93)
Water	58	49	2	(1)
Sewer	36	86	(32)	28
Water Recycling	9	7	-	-
Solid Waste	38	34	(1)	(2)
Cemetery	1	1	-	1
Santa Clara Convention Center	19	17	(1)	(1)
Santa Clara Stadium Authority	91	62	6	(13)
Totals	$ 836	$ 915	$ (226)	$ (81)

In fiscal year 2023-24, the City's business-type total cost of services decreased by $79 million, leading to a $145 million reduction in the net cost of services.

The cost of services in the Electric Utility Fund decreased by $75 million to $584 million in fiscal year 2023-24. The decrease was driven by lower expenses for resource purchases. The net cost of services in the Electric Utility Fund is at negative $200 million, reflecting a $107 million reduction from fiscal year 2022-23. This decrease in net cost is primarily due to a $97 million increase in revenue on charges for services as a result of two phases of rate increases during the fiscal year.

The cost of services in the Sewer Utility Fund decreased by $50 million to $36 million. This reduction is primarily attributed to the prior year's recognition of a $52 million equity loss in the sewer joint project with the City of San Jose. The net cost of services for the Sewer Utility fell to negative $32 million, marking a $60 million decrease from the previous year. This significant net cost change is primarily due to the $20 million equity gain in the sewer joint project with the City of San Jose, a stark contrast to the $52 million equity loss recognized in the prior year.

FUND FINANCIAL STATEMENTS

Financial Analysis of Governmental Funds

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on near-term inflows,

outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose.

At June 30, 2024, the City's governmental funds reported a combined fund balance of $401 million, an increase of $32 million or 8.6% in comparison with the prior fiscal year. Approximately 27.3% or $109 million constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is 1) not in spendable form, $6 million, 2) restricted for particular purposes, $168 million, 3) committed for particular purposes, $102 million, or 4) assigned for particular purposes, $16 million.

Governmental fund revenues were $375 million, reflecting an increase of $10 million, or 2.7%, from $365 million in the prior year. However, the other revenues decreased from $56 million in fiscal year 2022-23 to $9 million in fiscal year 2023-24, primarily due to reduced developer contribution in the park and recreation capital improvement fund and the City affordable housing fund. The overall revenue increase is mainly attributed to following factors:

- a $17 million or 131.1% increase in intergovernmental revenue largely due to a $11 million rise for Street and Highway development projects and a $7 million increase in Fire department grants.
- a $16 million or 272.2% increase in unrealized gain from investment activities.
- a $7 million or 12.5% increase in charges for services.
- a $6 million or 7.2% increase in property tax revenues.
- a $4 million increase in interest and rent driven by new ground leases effective from January 2023 and higher interest revenue compared to the previous fiscal year.
- a $4 million increase in the contribution in-lieu tax from the Electric Utility Fund, resulting from higher charges for services due to rate increases.

Governmental fund expenditures were $343 million, reflecting an increase of $11 million or 3.3% compared to the prior year. The increase is primarily due to a $7 million increase in the personnel expenditure within the Public Safety program, and a $10 million increase in capital outlays for subscription-based IT arrangements for the City's library and the transfer of land held for development in the Housing Successor fund to capital assets.

General Fund

Revenues

The City's General Fund revenues totaled $311 million in fiscal year 2023-24, an increase of $36 million or 13.2% from the prior fiscal year.

Sales tax accounts for approximately 19.9% of the General Fund's direct revenues. Sales tax revenue fell by $2.7 million, or 4.2% compared to the previous year, totaling $61.8 million. The decline was primarily due to an economic contraction resulting from a mild recession during the current fiscal year.

Property tax (ad valorem) stands as the largest revenue source among General Fund revenues. In the fiscal year 2023-24, property tax revenues amounted to $91 million, reflecting an increase of $6.1 million, or a 7.2% growth from the previous year. This increase can be attributed to several factors, including reassessments following the sale of properties and the addition of new construction projects to the tax rolls. These factors have collectively contributed to the continued rise in property tax revenue for the fiscal year.

Transient occupancy taxes (TOT) are calculated as a percentage of the charges for hotel and motel rooms within the city. In November 2020, Santa Clara voters approved to increase the Transient Occupancy Tax rate by up to 4%, and the first two percentage point increase went into effect on January 1, 2022. The City raised the rate from 11.5% to 12.5% in January 2024 from with the final one percentage point increase expected in January 2025, bringing the rate to 13.5%. The COVID-19 pandemic, along with related safety restrictions, significantly impacted TOT revenues towards the end of the fiscal year 2019-20 and throughout fiscal year 2020-21. However, fiscal year 2022-23 saw a notable recovery, which continued into 2023-24, with revenues increasing by $3.4 million, or 17.7%, compared to 2022-23, totaling $22.3 million. This growth is largely attributed to both the tax rate increase and the ongoing recovery from the pandemic.

Licenses, permits, fines and penalties revenues were $11.6 million in business licenses, parking permit, and miscellaneous permit in fiscal year 2023-24, compared to $6.6 million in the previous year. The 76.1% increase is attributed to the voter-approved change to the Business License Tax effective July 1, 2023, which updated the structure of the business tax and increased the amount of license and permit revenue.

Intergovernmental revenues were $0.9 million in fiscal year 2023-24 compared to $1.7 million in the previous year. The decrease is due to $0.8 million reduction in mutual aid reimbursement revenues for the fire departments and mandated reimbursement revenue for the police department when comparing to the prior year.

Charges for services, which excludes building development related activities, totaled $45.7 million in fiscal year 2023-24 compared to $42.1 million in the prior fiscal year, an increase of 8.6%. This increase is largely attributed to the ambulance transportation services and from service reimbursements related to the stadium events.

Contributions in-lieu of taxes were approximately $33.1 million in fiscal year 2023-24, a $3.6 million increase from the prior fiscal year. The increase is the result of higher consumption and retail rates.

Interest and rent revenues were $27.2 million in fiscal year 2023-24, reflecting a $3.9 million increase from the prior fiscal year. This increase was drive by higher interest rates and the addition of three new long-term ground leases with Related Santa Clara, LLC. effective January 1, 2023.

Expenditures

General Fund expenditures totaled $267 million for fiscal year 2023-24, 3.5% increase from the prior fiscal year total of $258 million. This amount excludes encumbrances, re-appropriations, and building related activities.

Salaries and benefits expenditures were $205 million in fiscal year 2023-24, a $7 million or 3.2% increase from the $198 million spent in the previous fiscal year 2022-23. The increase is primarily attribute to a $3.1 million increase in the police department, and $3.2 million increase in the general administration and public work departments.

Other operating expenditures, encompassing various categories such as materials, services, supplies, internal service fund charges, debt service, and minor capital outlays were $62 million in fiscal year 2023-24, an increase of $2 million from the prior fiscal year. The increase can be primarily attributed to a $2 million increase in the internal service fund cost allocation.

The uses of the other financing sources for fiscal year 2023-24 were $16 million, reflecting a increase of $12 million when compared to the prior fiscal year. This increase can be primarily attributed to an increase of $6.3 million for the various governmental capital improvement projects and a one-time transfer of $3.5 million for radio replacement project.

Fund Balance

As of June 30, 2024, total fund balance in the General Fund was $181 million, up $28 million from the fiscal year 2022-23. Table 5A shows the breakdown of various components compared with the prior fiscal year.

Table 5A
General Fund Balance for the Fiscal Year Ended June 30, 2024
(in millions)

	2024	2023	Net Change
Nonspendable	$ 6	$ 3	$ 3
Restricted	32	25	7
Committed	18	18	-
Assigned	16	14	2
Unassigned	109	93	16
Total General Fund Balance	$ 181	$ 153	$ 28

General Fund Budgetary Highlights

The City's budget is a flexible-spending plan, which commits resources to the accomplishment of City Council goals and objectives. During the fiscal year, the City Council took action to amend the adopted General Fund budget. A summary of the budgetary comparison schedule for the General Fund, located in the required supplementary information following the notes to the financial statements, is shown in the following table:

Original Budget Compared to Final Budget

Table 5B
General Fund Budget for the Fiscal Year Ended June 30, 2024
(in millions)

	Original Budgeted Amount	Final Budgeted Amount	Net Change
Revenues	$ 272	$ 281	$ 9
Expenditures	$ 270	$ 276	$ 6
Other financing sources (uses)	$ (9)	$ (18)	$ (9)

Adjustments to the original budget were based on the following:

- The $9 million increase in budgeted revenues is attributed to several factors: a $1 million mid-year budgetary adjustment in the property tax due to the solid growth of the projected receipts, a $4 million increase in charge for services driven by higher than anticipated revenues from events at Levi's stadium and ambulance transportation, a $1 million rise in the penalties due to a higher actual collection, a $1 million increase in rental revenue from Commerce and Peddlers lease payments, and a $1 million increase in contribution in-lieu tax based on the higher than anticipated electric revenues in fiscal year 2023-24.
- The increase in budgeted expenditures is primarily due to a $3 million mid-year budget increase in the stadium operations to account for the cost associated with additional events, a $2 million increase in appropriations in the general administration for HVAC repairs and replacements, and a $1 million increase in the salary and benefits in the Fire department due to overtime.
- The increase in budgeted Other Financing Uses is primarily due to a $3.5 million transfer to communication acquisition fund for radio replacements, a $3.7 million transfer to support the storm drain and city hall capital improvement projects, and a $1.3 million transfer to fire new development service fund to true up the fund balance.

Final Budget Versus Actual

Table 5C
General Fund Final Budget Versus Actual for the Fiscal Year Ended June 30, 2024
(in millions)

	Final Budgeted Amount	Actual Amount	Variance
Revenues	$ 281	$ 294	$ 13
Expenditures	$ 276	$ 266	$ (10)
Other financing sources (uses)	$ (18)	$ (18)	$ -

The most significant differences between actual and final budgeted amounts are explained as follows:

- The final budgeted revenues resulted in a $13 million positive variance mainly due to a $6 million increase in the property taxes, sales taxes, and transient occupancy taxes, a $4 million increase in the interest and rents, a $3 million increase in the charges for services.
- Actual expenditures were $10 million lower than the final budget as a result of lower departmental costs. See the General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget Actual (Non-GAAP Basis) for additional details.

Santa Clara Housing Successor

The Santa Clara Housing Successor (SCHS) Fund accounts for the activities related to the housing assets assumed by the City as Housing Successor to the Redevelopment Agency. The activities are governed by Community Redevelopment Law and must be used to provide housing for people with low and moderate incomes.

The SCHS's revenues were approximately $956 thousand in fiscal year 2023-24, a decrease of $248 thousand from the previous year. The decrease is primarily due to lower principal and interest payments received from the multi-family developer loans.

The SCHS's expenditures totaled $5.9 million, an increase of $358 thousand or 6.4% compared to $5.6 million in fiscal year 2022-23. Of this amount, $5.4 million was attributed to the cost of transferring land held for development to capital assets. The general expenditures account for case management services offered to persons experiencing or at risk of homelessness, on-going administration, and labor cost related to developing land held for development of affordable housing and managing assets. In fiscal year 2023-24, the general expenditures were $585 thousand, a decrease of $43 thousand or 6.8% from the previous year. The reduction was mainly due to lower spending on contractual services.

Non-Major Governmental Funds

These funds are not presented separately in the Basic Financial statements but are individually presented in the Supplemental Information section of this report.

Financial Analysis of Enterprise Funds

At the end of fiscal year 2023-24, the Enterprise Fund net position totaled $1.9 billion, reflecting an increase of $280 million or 17.1% compared to the prior fiscal year. The major contributor to this increase was the Electric Utility Fund, which shown a $222 million increase. The increase in the Electric Utility Fund can be attributed to a $97 million increase in the charges for services and a $80 million decrease in the resource purchase expenses.

In fiscal year 2023-24, the equity of the joint venture recognized a gain of $19 million, a significant increase from the $43 million loss recorded in the previous fiscal year. This increase of $62 million is mostly due to a $71 million increase in the equity associated with the San Jose Santa Clara Joint Wastewater Treatment Facility project in the Sewer Utility fund, offset by a $9 million decrease in the Electric Utility joint venture equity.

Excluding joint venture activity and net change in the fair value of investments, non-operating expenses in fiscal year 2023-24 were $16 million, a decrease of $1 million from the previous fiscal year.

Electric Utility

This fund accounts for the operation of the City's electric utility services. Charges for Services revenues were $656 million in fiscal year 2023-24, an increase of $97 million, or 17.3% from fiscal year 22-23. The primary driver for this increase was a 5% rate increase effective July 1, 2023, a 10% rate increase effective January 1, 2024, and increased consumption.

Retail operating expenses reached $580 million in fiscal year 2023-244, a reduction from the $665 million in fiscal year 2022-23. The decrease of $75 million or 11% in the operating expenses were primarily attributed to the lower costs in the purchased resources due to decreased gas prices.

Revenues from wholesale resource operations was $11.5 million in the current fiscal year, a significant decrease from the $85 million recorded in fiscal year 2022-23. The decrease is mainly attribute to a $60 million gain recognized in the wholesale resources trading activities in fiscal year 2022-23 and lower future gas price. The costs related to wholesale resources purchases decreased to $10 million from $19 million in the prior fiscal year. The decrease in wholesale power in fiscal year 2032-24 was influenced by the lower gas price in resource market.

Interest revenues was $14 million in fiscal year 2023-24, up from $8 million recorded in fiscal year 2022-23. This increase is primarily due to a higher interest rate environment. Interest expense was $2 million in the current year.

The Electric Utility Fund had a net position of $1,293 million at June 30, 2024, an increase of $222 million or 20.7% from the prior fiscal year. Of this amount, $576 million was net investment in capital assets, $10 million was restricted for contractual obligations, and $707 million was unrestricted. The Electric Utility Fund is a participant in a number of joint ventures including Northern California Power Agency (NCPA), the Transmission Agency of Northern California (TANC), M-S-R Public Power Agency (MSR PPA), and M-S-R Energy Authority (MSR EA).

Water Utility

This fund accounts for the operation of the City's water utility services. Operating revenues were $57 million for fiscal year 2023-24 compared to $50 million for the prior fiscal year. Increased water usage and water utility rates increase are the main factors for the revenue variance of $7 million.

Operating expenses were $58 million in fiscal year 2023-24, compared to $49 million in fiscal year 2022-23. The increase is primarily due to increased resource costs, higher maintenance cost and increased interfund allocation per the most recent rate study. The Water Utility Fund's net position was $76 million at June 30, 2024.

Sewer Utility

This fund accounts for the maintenance of the City's sewer lines and related facilities. Operating revenues of the Sewer Utility were $45 million for fiscal year 2023-24 compared to $51 million in fiscal year 2023-24. The additional revenue earned from the increase in sewer utility rates was offset by lower sewer conveyance fees for upsizing existing structures. Non-operating revenue was $4 million in the current year.

Operating expenses were $34 million in fiscal year 2023-24, compared to $33 million in the prior year. This increase is primarily due to higher salaries and benefits cost.

The Sewer Utility Fund had a net position of $375 million at June 30, 2024. Of this amount, $33 million was net investment in capital assets, $273 million was restricted for joint venture capital projects and $69 million was unrestricted and other. The Sewer Utility, together with the City of San Jose, owns the San Jose/Santa Clara Regional Wastewater Facility which is administered by the City of San Jose. The Sewer Utility's ownership share is approximately 19.71% of the assets, capital, and operating costs. In fiscal year 2022-23, the City of San Jose reported that a gain of the Utility's equity in the Regional Wastewater Facility was $19 million (fiscal year 2023-24 amounts were not available at the time of this report).

Water Recycling

This fund accounts for the ongoing maintenance and operations of the City's wastewater reclamation system. Operating revenues is $8 million, an increase of $2 million from the prior year. Revenue increase is due to a combination of recycled water utility rates increase, increased usage and higher other agencies revenue due to reimbursement for an emergency leak repair. Operating expenses is $9 million, an increase of $2 million from fiscal year 2022-23 due to higher resource cost, and higher maintenance cost for an emergency leak repair. The net position at June 30, 2024 remains at $6 million.

Santa Clara Stadium Authority (Stadium Authority)

These funds account for the development and operation of Levi's Stadium. As of March 31, 2024, the Stadium Authority recorded approximately $81 million in operating revenue, $9 million more than prior year. This was mainly due to increases in revenue from ticketed Non-NFL events, rents and licenses and NFL ticket surcharge. Operating expenses were $79 million, increasing $31 million from the prior fiscal year. This increase is primarily due to the 2024 Settlement Agreement, which resulted in an increase in buffet costs, performance-based rent and public safety costs over the threshold. Non-NFL event expenses also increased due to larger ticketed Non-NFL events. Net position at March 31, 2024 was $133 million, an increase of $21 million from the previous fiscal year. Refer to Note 6 for additional information.

Solid Waste

This fund accounts for the administration of the City's garbage and rubbish collection service. Operating revenues were $39.3 million in fiscal year 2023-24, an increase of $3.3 million from the prior fiscal year. Operating expenses were $37.8 million compared to $34 million in the prior fiscal year, mainly due to the increases in materials, services, and supplies cost. The Solid Waste Fund's net position was $2.6 million at June 30, 2024.

Cemetery

This fund accounts for the Mission City Memorial Park's operations. Operating revenues were $775 thousand, down 17% over the prior fiscal year. Operating expenses were down by 13% due to a decrease of $233 thousand in salary and benefits. Net position at June 30, 2024, was $3.4 million.

Santa Clara Convention Center

This fund accounts for the operations of the Santa Clara Convention Center. Operating revenues were $20 million in fiscal year 2023-24 compared to $17 million in fiscal year 2022-23. Expenses were $19 million in the fiscal year 2023-24 compared to $17 million in prior fiscal year. The increased costs are directly related to the increased events at the Convention Center. Net position at June 30, 2024, was $27 million. On November 1, 2019, the City entered into an agreement with Levy Premium Foodservice Limited

Partnership (Levy) to manage the foodservice operations at the Convention Center and Levy agreed to pay an operating investment of $5.75 million to promote the economic development of the City. The investment is amortized on a straight-line basis over 15 years.

Sports and Open Space Authority (SOSA)

This fund accounts for the acquisition and preservation of open space within the City and the development of local sports activities. There were no operating revenues in fiscal year 2023-24 due to the expiration of the operating lease. Operating expenses were $10 thousand, with a net position at June 30, 2024 of $2 million.

CAPITAL ASSETS

At June 30, 2024, the City's capital assets totaled $669 million in Governmental Activities, and $1.498 billion in Business-Type Activities, net of depreciation. Capital Assets are invested in a broad range of categories, as shown in Table 6.

Table 6
Capital Assets at June 30, 2024
(in millions)

	2024	2023	Net Change
Governmental Activities:			
Land	$ 130	$ 125	$ 5
Construction in progress	59	39	20
Land improvements	60	60	-
Buildings	217	217	-
Infrastructure	646	633	13
Machinery and equipment	89	87	2
Right-to-use leased Equipment	1	1	-
Right-to-use SBITA	13	11	2
Less accumulated depreciation	(546)	(521)	(25)
Totals	$ 669	$ 652	$ 17
Business-Type Activities:			
Land	$ 19	$ 19	$ -
Construction in progress	93	74	19
Buildings	922	919	3
Infrastructure	1,316	1,262	54
Machinery and equipment	30	28	2
Right-to-use leased building	3	3	-
Right-to-use SBITA	4	3	1
Less accumulated depreciation	(889)	(838)	(51)
Totals	$ 1,498	$ 1,470	$ 28

The increase of $13 million in the Governmental Funds infrastructure was primarily due to $8 million in the improvement in street and sidewalk infrastructure and $4 million of Contributed Infrastructure from various developers. The $54 million increase in Enterprise Funds infrastructure was mainly due to $39 million in Electric infrastructure improvements related to substation and transformer projects, $5 million in sanitary sewer system improvement, and $3 million in replacement of the water distribution system.

The Capital Improvement Project Budget for fiscal year 2023-24 and the Five-Year Financial Plan for fiscal year 2023-24 through fiscal year 2027-28 contain more detailed discussions of Capital Projects planned for the City of Santa Clara. See Note 9 to the financial statements for additional details on fiscal year 2023-24 capital assets.

DEBT ADMINISTRATION

Each of the City's debt issues is discussed in detail in Note 10 to the financial statements. At June 30, 2024 the City's debt was comprised of the following:

Table 7
Outstanding Debt at June 30, 2024
(in millions)

	Balance June 30, 2024	Balance June 30, 2023	Net Change
Governmental Activity Debt:			
Refunding Certificates of Participation, Series 2013	$ 9	$ 11	$ (2)
Business-Type Debt:			
Electric Utility Revenue Bonds, net of unamortized discount	27	33	(6)
Electric Loan Agreements	86	95	(9)
Sewer Utility Loan Agreements	6	27	(21)
Sewer Utility Certificates of Participation 2023	36	-	36
StadCo CFD Advance (1)	29	30	(1)
Stadium Funding Trust Loan(1)	200	215	(15)
Total Debt	$ 393	$ 411	$ (18)

(1) Stadium Authority's long-term obligations are based on a March 31 fiscal year end.

SUCCESSOR AGENCY

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (AB 26) that provided for the dissolution of all redevelopment agencies in the State of California. On February 1, 2012 all redevelopment agencies in California were effectively dissolved. The Successor Agency for the Santa Clara Redevelopment Agency is currently in the process of winding down the affairs of the former Redevelopment Agency.

See Notes 21 and 22 for further information on the Redevelopment Agency dissolution and Successor Agency activities.

ECONOMIC OUTLOOK

The economy of the City is discussed in the accompanying Transmittal Letter.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This Annual Comprehensive Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances. A separate Annual Financial Report for Silicon Valley Power is available upon request. Questions about this Report should be directed to the City of Santa Clara Finance Department, 1500 Warburton Avenue, Santa Clara, California, 95050, telephone (408) 615-2340.

Basic Financial Statements

CITY OF SANTA CLARA
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES

The Statement of Net Position and the Statement of Activities summarize the entire City's financial activities and financial position. They are prepared on the same basis as is used by most businesses, which means they include all the City's assets and deferred outflows of resources and all its liabilities and deferred inflows of resources, as well as all its revenues and expenses. This is known as the full accrual basis—the effect of all the City's transactions is taken into account, regardless of whether or when cash changes hands, but all material internal transactions between City funds have been eliminated.

The Statement of Net Position reports the excess of the City's total assets and deferred outflows of resources over the City's total liabilities and deferred inflows of resources, including all the City's capital assets and all its long-term debt. The Statement of Net Position presents similar information to the balance sheet format, but presents it in a way that focuses the reader on the composition of the City's net position, by subtracting total liabilities and deferred inflows from total assets and deferred outflows.

The Statement of Net Position summarizes the financial position of all the City's Governmental Activities in a single column, and the financial position of all the City's Business-Type Activities in a single column; these columns are followed by a total column that presents the financial position of the entire City.

The City's Governmental Activities include the activities of its General Fund, along with all its Special Revenue, Debt Service, and Capital Projects funds. Since the City's Internal Service Funds service these Funds, their activities are consolidated with Governmental Activities, after eliminating interfund transactions and balances. The City's Business-Type Activities include all its Enterprise Fund activities.

The Statement of Activities reports increases and decreases in the City's net position. It is also prepared on the full accrual basis, which means it includes all the City's revenues and all its expenses, regardless of when cash changes hands. This differs from the "modified accrual" basis used in the Fund financial statements, which reflect only current assets, current liabilities, available revenues and measurable expenditures.

The format of the Statement of Activities presents the City's expenses first, listed by program, and follows these with the expenses of its business-type activities. Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net (expense) revenue of each governmental and business-type program. The City's general revenues are then listed in the Governmental Activities or Business-Type Activities column, as appropriate, and the Change in Net Position is computed and reconciled with the Statement of Net Position.

Both these Statements include 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, which are legally separate but are component units of the City.

CITY OF SANTA CLARA
STATEMENT OF NET POSITION
June 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash and investments (Note 7):			
Pooled cash and investments	409,840,935	$ 787,747,851	$ 1,197,588,786
Investments with fiscal agent	48,901	32,506,728	32,555,629
Receivables (net of allowance for uncollectible):			
Accounts	8,056,985	167,107,083	175,164,068
Interest	7,582,817	4,487,443	12,070,260
Intergovernmental	19,465,431	-	19,465,431
Leases receivable (Note 4)	1,635,317	12,252,358	13,887,675
Derivative financial instruments (Note 10D)	-	7,119,963	7,119,963
Materials, supplies and prepaids	2,505,265	21,062,541	23,567,806
Land held for development (Note 2H)	1,703,500	-	1,703,500
Total Current Assets	450,839,151	1,032,283,967	1,483,123,118
Noncurrent Assets			
Restricted Cash (Note 7)	31,763,107	94,295,087	126,058,194
Investment with fiscal agent (Note 7)	719,134	11,562,642	12,281,776
Derivative financial instruments (Note 10D)	-	4,867,018	4,867,018
Deposits (Note 7)	-	9,449,807	9,449,807
Leases receivable, noncurrent (Note 4)	249,956,383	585,893,904	835,850,287
Internal balances (Note 8C)	(6,808,252)	6,558,214	(250,038)
Long term loans, net	102,259,111	-	102,259,111
Capital assets (Note 9):			
Land and construction in progress	188,556,761	111,492,874	300,049,635
Capital assets being depreciated, net	480,381,920	1,386,646,274	1,867,028,194
Investment in joint ventures (Note 12)	5,501,554	337,582,904	343,084,458
Other	22,680	534,892	557,572
Total Noncurrent Assets	1,052,352,398	2,548,883,616	3,601,236,014
Total Assets	1,503,191,549	3,581,167,583	5,084,359,132
DEFERRED OUTFLOWS OF RESOURCES			
Derivative instruments (Note 10D)	-	7,708	7,708
Refunding of debt	-	4,474,983	4,474,983
OPEB related items (Note 16)	1,175,912	433,841	1,609,753
Pension related items (Note 13)	136,293,702	33,154,106	169,447,808
Total Deferred Outflows of Resources	137,469,614	38,070,638	175,540,252

See accompanying notes to basic financial statements

CITY OF SANTA CLARA
STATEMENT OF NET POSITION
June 30, 2024

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current Liabilities			
Accrued liabilities	35,071,427	82,810,384	117,881,811
Deposits	5,631,370	-	5,631,370
Interest payable	280,863	6,921,257	7,202,120
Accrued compensated absences (Note 2L)	1,517,925	578,025	2,095,950
Unearned revenue, current portion	328,031	22,439,187	22,767,218
Landfill closure liability (Note 11)	-	788,000	788,000
Derivative financial instruments (Note 10D)	-	7,708	7,708
Current portion of lease obligation (Note 10H)	39,413	710,181	749,594
Current portion of SBITA (Note 10I)	2,011,963	481,034	2,492,997
Long-term debt due within one year (Note 10)	1,085,000	24,306,891	25,391,891
Total Current Liabilities	45,965,992	139,042,667	185,008,659
Noncurrent Liabilities			
Long-term portion estimated claims (Note 19)	22,756,000	-	22,756,000
Accrued compensated absences (Note 2L)	20,689,883	7,878,680	28,568,563
Landfill closure liabilities (Note 11)	-	5,925,426	5,925,426
Unearned revenue	-	431,418,058	431,418,058
Long-term lease obligation (Note 10H)	-	240,824	240,824
Long-term SBITA obligation (Note 10I)	7,191,980	2,495,434	9,687,414
Long-term debt due after one year (Note 10)	8,390,800	358,927,512	367,318,312
Net OPEB liability due after one year (Note 16)	26,077,531	9,620,901	35,698,432
Net pension liability due after one year (Note 13)	537,991,162	148,179,823	686,170,985
Total Noncurrent Liabilities	623,097,356	964,686,658	1,587,784,014
Total Liabilities	669,063,348	1,103,729,325	1,772,792,673
DEFERRED INFLOWS OF RESOURCES			
Derivative instruments (Note 10D)	-	11,986,981	11,986,981
Refunding of debt	-	1,024,530	1,024,530
Leases related (Note 4)	245,748,566	582,229,348	827,977,914
OPEB related items (Note 16)	1,446,368	533,618	1,979,986
Pension related items (Note 13)	2,578,910	655,703	3,234,613
Total Deferred Inflows of Resources	249,773,844	596,430,180	846,204,024
NET POSITION (Note 18)			
Net investment in capital assets	650,219,524	1,145,343,708	1,795,563,232
Restricted for:			
Capital projects and other agreements	142,129,746	384,617,264	526,747,010
Debt service	597,880	-	597,880
Housing activities	128,513,549	-	128,513,549
Community development	37,791,655	-	37,791,655
Transportation	4,889,228	-	4,889,228
Pension rate stabilization program	29,226,846	-	29,226,846
Maintenance	2,474,601	-	2,474,601
Other purposes	7,638,904	-	7,638,904
Total Restricted Net Position	353,262,409	384,617,264	737,879,673
Unrestricted Net Position	(281,657,962)	389,117,744	107,459,782
Total Net Position	721,823,971	$ 1,919,078,716	$ 2,640,902,687

See accompanying notes to basic financial statements

CITY OF SANTA CLARA
STATEMENT OF ACTIVITIES
For the year ended June 30, 2024

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental Activities:					
General Administration	$ 38,816,294	$ (5,672,334)	$ 21,733,373	$ 2,971,195	$ 203,494
City Clerk	1,669,643	(461,058)	21,252	-	-
City Attorney	2,748,865	(430,321)	-	-	-
Human Resources	3,611,651	(1,721,282)	-	-	-
Finance	16,247,051	(7,423,030)	3,185,275	-	-
Public Works	48,511,286	(2,346,978)	6,061,820	13,950,965	11,063,241
Parks and Recreation	27,658,938	-	3,589,000	161,915	-
Public Safety:					
Police	97,507,011	-	1,059,513	830,610	-
Fire	79,840,376	-	8,866,965	3,998,213	-
Planning and Inspection	18,723,508	-	18,953,027	1,024,894	-
Library	13,056,165	-	9,958	179,325	-
Interest on long term debt	546,405	-	-	-	-
Total Governmental Activities	348,937,193	(18,055,003)	63,480,183	23,117,117	11,266,735
Business-type Activities:					
Utilities:					
Electric	575,096,910	8,975,561	784,316,159	-	-
Water	55,075,142	2,963,626	57,514,540	-	-
Sewer	34,661,494	1,500,450	48,790,966	-	-
Water Recycling	8,908,204	86,874	8,796,611	-	-
Solid Waste	35,862,680	1,946,726	39,286,895	-	-
Cemetery	1,094,830	132,888	774,643	-	-
Sports and Open Space Authority	10,498	-	-	-	-
Santa Clara Convention Center	18,645,254	280,583	19,670,945	-	-
Santa Clara Stadium Authority	88,878,746	2,168,295	81,107,805	-	3,467,625
Total Business-type Activities	818,233,758	18,055,003	1,040,258,564	-	3,467,625
Total	$ 1,167,170,951	$ -	$ 1,103,738,747	$ 23,117,117	$ 14,734,360
General Revenues:					
Taxes:					
Sales					
Ad valorem property					
Transient occupancy					
Other					
Contribution in lieu of taxes					
Investment earnings					
Net increase in the fair value of investments					
Equity in gains of joint ventures					
Rents and royalties					
Gain on retirement of capital asset					
Other					
Transfers (Note 8A)					
Total General Revenues and Transfers					
Change in Net Position					
Net Position - beginning					
GASB 87 implementation (Note 6F)					
Net Position - beginning, as restated					
Net Position - ending					

See accompanying notes to basic financial statements

CITY OF SANTA CLARA
STATEMENT OF ACTIVITIES
For the year ended June 30, 2024
Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
$ (8,235,898)	$ -	$ (8,235,898)
(1,187,333)	-	(1,187,333)
(2,318,544)	-	(2,318,544)
(1,890,369)	-	(1,890,369)
(5,638,746)	-	(5,638,746)
(15,088,282)	-	(15,088,282)
(23,908,023)	-	(23,908,023)
(95,616,888)	-	(95,616,888)
(66,975,198)	-	(66,975,198)
1,254,413	-	1,254,413
(12,866,882)	-	(12,866,882)
(546,405)	-	(546,405)
(233,018,155)	-	(233,018,155)
-	200,243,688	200,243,688
-	(524,228)	(524,228)
-	12,629,022	12,629,022
-	(198,467)	(198,467)
-	1,477,489	1,477,489
-	(453,075)	(453,075)
-	(10,498)	(10,498)
-	745,108	745,108
-	(6,471,611)	(6,471,611)
-	207,437,428	207,437,428
(233,018,155)	207,437,428	(25,580,727)
61,776,044	-	61,776,044
90,176,113	-	90,176,113
22,347,394	-	22,347,394
7,115,826	-	7,115,826
33,143,505	-	33,143,505
17,939,203	35,798,886	53,738,089
9,968,998	11,712,312	21,681,310
-	18,555,751	18,555,751
9,753,446	-	9,753,446
-	1,071	1,071
12,124,140	-	12,124,140
2,525,925	(2,525,925)	-
266,870,594	63,542,095	330,412,689
33,852,439	270,979,523	304,831,962
687,971,532	1,639,353,776	2,327,325,308
-	8,745,417	8,745,417
687,971,532	1,648,099,193	2,336,070,725
$ 721,823,971	$ 1,919,078,716	$ 2,640,902,687

See accompanying notes to basic financial statements

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CITY OF SANTA CLARA
FUND FINANCIAL STATEMENTS
GOVERNMENTAL FUNDS

The funds described below were determined to be Major Funds by the City in fiscal year 2023-24. Individual non-major funds may be found in the Supplementary section.

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

The General Fund accounts for resources and services traditionally associated with government. The General Fund provides administrative, financial, police protection, fire protection, community development, recreation, and maintenance services to the community and other funds. The General Fund accounts for revenues that have unrestricted uses and are not required legally or by contractual agreement to be accounted for in another fund.

SANTA CLARA HOUSING SUCCESSOR FUND

The Santa Clara Housing Successor Fund accounts for the activities related to the housing assets assumed by the City as Housing Successor to the former Redevelopment Agency. The activities are governed by Community Redevelopment Law and must be used to provide housing for people with low and moderate incomes.

CITY OF SANTA CLARA
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2024

	General Fund	Santa Clara Housing Successor
ASSETS		
Cash and investments (Note 7):		
Pooled cash and investments	$ 143,861,990	$ 4,305,770
Investments with fiscal agent - current	-	-
Restricted cash	29,226,846	-
Receivables (net of allowance for uncollectibles):		
Accounts	7,193,374	-
Interest	7,582,817	-
Loans	4,339,823	103,509,057
Intergovernmental	12,599,452	-
Due from other funds (Note 8B)	223,091	-
Materials, supplies and prepaids	23,593	-
Land held for development (Note 2H)	-	1,703,500
Investments with fiscal agent - noncurrent (Note 7)	-	-
Leases Receivable (Note 4)	251,591,700	-
Other	22,680	-
Total Assets	$ 456,665,366	$ 109,518,327
LIABILITIES		
Accrued liabilities	$ 19,298,124	$ 140,463
Deposits	5,631,370	-
Unearned revenue	328,031	-
Total Liabilities	25,257,525	140,463
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - Lease revenues (Note 4)	245,748,566	-
Unavailable revenue - Loans	4,339,823	103,509,057
Total Deferred Inflows of Resources	250,088,389	103,509,057
FUND BALANCES (Note 18)		
Nonspendable	5,880,051	-
Restricted	31,841,260	5,868,807
Committed	18,577,142	-
Assigned	15,756,256	-
Unassigned	109,264,743	-
Total Fund Balances	181,319,452	5,868,807
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 456,665,366	$ 109,518,327

See accompanying notes to basic financial statements

CITY OF SANTA CLARA
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2024

Non-Major Governmental Funds	Total Governmental Funds
$ 210,327,750	$ 358,495,510
48,901	48,901
2,536,261	31,763,107
389,518	7,582,892
-	7,582,817
78,767,881	186,616,761
6,865,979	19,465,431
-	223,091
-	23,593
-	1,703,500
719,134	719,134
-	251,591,700
-	22,680
$ 299,655,424	$ 865,839,117
$ 7,502,881	$ 26,941,468
-	5,631,370
-	328,031
7,502,881	32,900,869
-	245,748,566
78,767,881	186,616,761
78,767,881	432,365,327
-	5,880,051
129,755,688	167,465,755
83,628,974	102,206,116
-	15,756,256
-	109,264,743
213,384,662	400,572,921
$ 299,655,424	$ 865,839,117

See accompanying notes to basic financial statements

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CITY OF SANTA CLARA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2024

TOTAL GOVERNMENTAL FUND BALANCE	$	400,572,921
Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following:		
CURRENT LIABILITIES		
The assets and liabilities below are due and payable in less than one year and more than 90 days and therefore are not reported in the Funds:		
Current portion of accrued compensated absences (excluding Internal Service Funds)		(1,466,067)
Interest payable		(187,537)
CAPITAL ASSETS		
Capital assets used in Governmental Activities are not current assets or financial resources and, therefore, are not reported in the Governmental Funds.		659,663,679
Right to use leases assets and SBITA assets used in governmental activities are not financial resources and therefore are not reported in the funds.		9,275,002
INVESTMENT IN NON-BUSINESS-TYPE JOINT VENTURE		5,501,554
DEFERRED OUTFLOWS OF RESOURCES		
OPEB related (excluding Internal Service Funds)		1,145,821
Pension related (excluding Internal Service Funds)		134,144,284
ALLOCATION OF INTERNAL SERVICE FUND NET POSITION		
Internal Service Funds are not governmental funds. However, they are used by management to charge the costs of certain activities, such as insurance and central services and maintenance, to individual governmental funds. The net current assets of the Internal Service Funds are therefore included in Governmental Activities in the following line items in the Statement of Net Position:		
Cash and investments		51,345,425
Accounts receivable		474,093
Materials, supplies and prepaid		2,481,672
Deferred outflows OPEB related items		30,091
Deferred outflows pension related items		2,149,418
Accrued liabilities, including short-term portion of estimated claims		(8,129,959)
Long-term portion of estimated claims		(22,756,000)
Compensated absences - current		(51,858)
Compensated absences - long-term		(706,850)
Internal balances		(7,031,343)
Lease obligations, including interest payable		(34,722)
SBITA obligations, including interest payable		(1,227,314)
Net OPEB liability		(667,331)
Net pension liability		(9,181,654)
Deferred inflows OPEB related items		(37,012)
Deferred inflows pension related items		(40,629)
LONG TERM LIABILITIES		
The assets and liabilities below are not due and payable in the current period and, therefore, are not reported in the Funds:		
Reserve against conditional grant balances		(10,035,548)
Long-term debt		(9,475,800)
Long-term liability associated with lease agreements (excluding Internal Service Funds)		(4,731)
Long-term liability associated with SBITA agreements (excluding Internal Service Funds)		(8,069,916)
Non-current portion of accrued compensated absences (excluding Internal Service Funds)		(19,983,033)
Net OPEB liability (excluding Internal Service Funds)		(25,410,200)
Net pension liability (excluding Internal Service Funds)		(528,809,507)
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenues recorded in governmental funds financial statements resulting from activities in which revenues were earned but funds were not available are reclassified as revenues in Government-Wide Financial Statements.		112,294,659
OPEB related (excluding Internal Service Funds)		(1,409,356)
Pension related (excluding Internal Service Funds)		(2,538,281)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$	721,823,971

See accompanying notes to basic financial statements

CITY OF SANTA CLARA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended June 30, 2024

	General Fund	Santa Clara Housing Successor
REVENUES		
Taxes:		
Sales	$ 61,776,044	$ -
Ad valorem	90,710,410	-
Transient occupancy	22,347,394	-
Other	6,741,057	-
Licenses, permits, fines, and penalties	11,610,060	-
Intergovernmental	889,326	-
Charges for services	45,715,376	15,648
Contributions in-lieu of taxes	33,143,505	-
Interest and rents	27,193,406	77,056
Net increase (decrease) in the fair value of investments	9,968,998	-
Other	1,196,420	862,868
Total Revenues	311,291,996	955,572
EXPENDITURES		
Current:		
General Administration	28,020,144	5,985,386
City Clerk	1,746,564	-
City Attorney	2,834,635	-
Human Resources	3,520,797	-
Finance	18,081,016	-
Public Works	24,514,543	-
Parks and Recreation	20,518,817	-
Public Safety:		
Police	84,399,853	-
Fire	65,032,429	-
Planning and Inspection	4,408,690	-
Library	10,571,512	-
Capital outlay	2,109,475	-
Debt service (Note 10):		
Principal payments	1,092,217	-
Interest and fiscal fees	195,159	-
Total Expenditures	267,045,851	5,985,386
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	44,246,145	(5,029,814)
OTHER FINANCING SOURCES (USES)		
Subscription Based IT Arragement Liabilities (Note 10)	2,078,197	-
Transfers in (Note 8A)	2,861,559	-
Transfers (out) (Note 8A)	(21,182,424)	-
Total Other Financing Sources (Uses)	(16,242,668)	-
NET CHANGE IN FUND BALANCE	28,003,477	(5,029,814)
Fund balances - beginning	153,315,975	10,898,621
Fund balances - ending	$ 181,319,452	$ 5,868,807

See accompanying notes to basic financial statements

CITY OF SANTA CLARA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended June 30, 2024

Non-Major Governmental Funds	Total Governmental Funds
$ -	$ 61,776,044
-	90,710,410
-	22,347,394
374,769	7,115,826
8,540,817	20,150,877
29,840,188	30,729,514
13,580,919	59,311,943
-	33,143,505
3,159,380	30,429,842
-	9,968,998
6,800,489	8,859,777
62,296,562	374,544,130
7,316,005	41,321,535
-	1,746,564
-	2,834,635
-	3,520,797
-	18,081,016
7,185,694	31,700,237
2,699,325	23,218,142
581,290	84,981,143
7,045,055	72,077,484
14,470,224	18,878,914
187,843	10,759,355
28,990,995	31,100,470
1,146,047	2,238,264
427,037	622,196
70,049,515	343,080,752
(7,752,953)	31,463,378
-	2,078,197
30,885,841	33,747,400
(14,438,252)	(35,620,676)
16,447,589	204,921
8,694,636	31,668,299
204,690,026	368,904,622
$ 213,384,662	$ 400,572,921

See accompanying notes to basic financial statements

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CITY OF SANTA CLARA

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

For the year ended June 30, 2024

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$ 31,668,299
Amounts reported for governmental activities in the Statement of Activities are different because of the following:	
ACCRUAL OF CURRENT ITEMS	
The amounts below included in the Statement of Activities do not provide or (require) the use of financial resources over 90 days and therefore are not reported as revenue or expenditures in governmental funds (net change):	
Current portion of accrued compensated absences	286,299
CAPITAL ASSET TRANSACTIONS	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.	
The capital outlay expenditures are therefore added back to fund balance	34,422,541
Depreciation expense is deducted from the fund balance (Depreciation expense is net of Internal Service Fund depreciation of $2,473,907 which has already been allocated to service funds.)	(22,909,250)
Retirements of capital assets (net of Internal Service Fund retirement of $30,107)	(2,791)
Contributions of infrastructure improvements by developers and equipment are capitalized in the Statement of Activities, but are not recorded in the Governmental Fund Statements because no cash changed hands.	4,060,168
JOINT VENTURES - PROFIT FROM EQUITY	(334,939)
LONG TERM DEBT PROCEEDS AND PAYMENTS	
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position.	
Issuance of SBITA liability is deducted from fund blance	(2,078,197)
Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities.	
Repayment of debt principal is added back to fund balance	1,030,000
Amortization of bond premium	54,297
ACCRUAL OF NON-CURRENT ITEMS	
The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):	
Provision for reserve of conditional grants	(355,798)
Non-current portion of accrued compensated absences	(1,752,208)
Interest payable	21,458
Unavailable revenue	311,775
Lease related expense	73
SBITA related expense	2,042,054
OPEB related expense	1,488,654
Pension related expense	(23,995,622)
ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY	
Internal Service Funds are used by management to charge the costs of certain activities, such as equipment acquisition, maintenance, and insurance to individual funds. The portion of the net revenue (expense) of these Internal Service Funds, arising out of their transactions with Governmental Funds, is reported with governmental activities, because they service those activities.	
Change in Net Position - All Internal Service Funds, net	7,827,416
Change in Net Position of Internal Service Funds reported with Business-Type Activities	2,068,210
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 33,852,439

See accompanying notes to basic financial statements

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CITY OF SANTA CLARA
MAJOR PROPRIETARY FUNDS

Proprietary funds account for City operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges. Individual non-major Proprietary funds may be found in the Supplementary section.

The City has identified the funds below as major proprietary funds in fiscal year 2023-24.

GAAP does not require the disclosure of budget versus actual comparisons regarding proprietary funds that are major funds.

ELECTRIC UTILITY FUND

This fund accounts for the operation of the City's electric utility, a self-supporting activity that provides services on a user charge basis to residences and businesses.

WATER UTILITY FUND

This fund accounts for the operation of the City's water utility, a self-supporting activity that provides services on a user charge basis to residences and businesses.

SEWER UTILITY FUND

The sewer utility fund accounts for the maintenance of the City's sewer lines and related facilities. It is a self-supporting activity that provides services on a user charge basis to residences and businesses.

WATER RECYCLING UTILITY FUND

This fund accounts for the ongoing maintenance and operations of the City's waste water reclamation system. It is a self-supporting activity that provides services on a user charge basis from the sale of non-potable water for irrigation and landscaping.

SANTA CLARA STADIUM AUTHORITY FUND

The Santa Clara Stadium Authority Fund was established in 2011 to provide for development and operation of Levi's Stadium (home of the NFL's San Francisco 49ers). In November 2012, the Santa Clara Stadium Authority changed its fiscal year ending date from June 30th to March 31st to conform with the fiscal year of Stadium Funding Trust.

CITY OF SANTA CLARA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
June 30, 2024

	Business-type Activities-Enterprise Funds		
	Electric Utility	**Water Utility**	**Sewer Utility**
ASSETS			
Current assets:			
Cash and investments (Note 7):			
Pooled cash and investments	$ 609,040,674	$ 25,420,688	$ 102,158,565
Investments with fiscal agent	16,596,885	-	-
Receivables (net of allowance for uncollectible):			
Accounts	122,946,617	9,678,377	5,996,715
Interest	3,761,308	139,299	570,526
Leases receivable (Note 4)	259,985	32,805	32,805
Derivative financial instrument (Note 10D)	7,119,963	-	-
Due from other funds (Note 8B)	4,017,195	1,621,839	1,126,387
Materials, supplies and prepaids	19,366,588	1,695,953	-
Total current assets	783,109,215	38,588,961	109,884,998
Noncurrent assets:			
Restricted cash (Note 7)	10,065,874	2,230,727	958,752
Investment with fiscal agent (Note 7)	-	-	26,407
Derivative financial instrument (Note 10D)	4,867,018	-	-
Deposits (Note 7)	9,449,807	-	-
Leases receivable, noncurrent (Note 4)	1,852,925	875,240	875,240
Capital assets (Note 9):			
Land	14,371,743	661,268	725,328
Construction in progress	86,463,324	167,655	364,713
Buildings, infrastructure and land improvements	1,147,187,859	111,885,017	68,370,301
Equipment	10,212,515	4,172,275	5,462,089
Right-to-use leased assets	2,916,623	-	-
Right-to-use SBITA	3,837,038	-	-
	1,264,989,102	116,886,215	74,922,431
Less accumulated depreciation	576,144,800	54,697,373	30,560,821
Net capital assets	688,844,302	62,188,842	44,361,610
Investment in joint ventures (Note 12)	65,209,772	-	272,373,132
Other assets	-	-	-
Total noncurrent assets	780,289,698	65,294,809	318,595,141
Total assets	1,563,398,913	103,883,770	428,480,139
DEFERRED OUTFLOWS OF RESOURCES			
Derivative instruments (Note 10D)	7,708	-	-
Refunding of debt	4,474,983	-	-
OPEB related items (Note 16)	311,077	68,522	32,559
Pension related items (Note 13)	25,096,908	4,241,869	2,137,766
Total deferred outflows of resources	29,890,676	4,310,391	2,170,325

See accompanying notes to basic financial statements

CITY OF SANTA CLARA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
June 30, 2024

Business-type Activities-Enterprise Funds				
Water Recycling Utility	Santa Clara Stadium Authority (as of March 31, 2024) restated (Note 6)	Non-Major Enterprise Funds	TOTAL	Internal Service Funds (Note 2B)
$ 6,459,997	$ 18,485,558	$ 25,733,041	$ 787,298,523	$ 51,794,753
-	15,909,843	-	32,506,728	-
1,597,714	19,453,027	7,434,633	167,107,083	474,093
16,310	-	-	4,487,443	-
-	11,926,763	-	12,252,358	-
-	-	-	7,119,963	-
-	-	265,923	7,031,344	41,213
-	-	-	21,062,541	2,481,672
8,074,021	65,775,191	33,433,597	1,038,865,983	54,791,731
168,123	78,573,023	2,298,588	94,295,087	-
-	11,536,235	-	11,562,642	-
-	-	-	4,867,018	-
-	-	-	9,449,807	-
-	582,290,499	-	585,893,904	-
-	-	3,092,872	18,851,211	-
-	4,202,330	1,443,641	92,641,663	-
1,257,070	830,191,432	80,211,731	2,239,103,410	-
-	7,002,901	3,006,588	29,856,368	45,087,709
-	-	-	2,916,623	34,655
-	-	-	3,837,038	1,386,483
1,257,070	841,396,663	87,754,832	2,387,206,313	46,508,847
209,637	162,827,215	64,627,319	889,067,165	32,683,436
1,047,433	678,569,448	23,127,513	1,498,139,148	13,825,411
-	-	-	337,582,904	-
-	534,892	-	534,892	-
1,215,556	1,351,504,097	25,426,101	2,542,325,402	13,825,411
9,289,577	1,417,279,288	58,859,698	3,581,191,385	68,617,142
-	-	-	7,708	-
-	-	-	4,474,983	-
4,787	-	16,896	433,841	30,091
398,746	-	1,278,817	33,154,106	2,149,418
403,533	-	1,295,713	38,070,638	2,179,509

(continued)

See accompanying notes to basic financial statements

CITY OF SANTA CLARA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
June 30, 2024

	Business-type Activities-Enterprise Funds		
	Electric Utility	**Water Utility**	**Sewer Utility**
LIABILITIES			
Current liabilities:			
Accrued liabilities	44,808,600	7,353,649	476,633
Interest payable	1,190,752	-	731,599
Unearned revenue	-	-	-
Due to other funds (Note 8B)	-	-	-
Accrued compensated absences (Note 2L)	472,381	61,405	24,070
Current portion of landfill closure liability (Note 11)	-	-	-
Current portion of long-term debt (Note 10)	15,460,000	-	1,546,995
Current portion derivative financial instruments (Note 10D)	7,708	-	-
Current portion of leases obligation (Note 10H)	710,181	-	-
Current portion of SBITA (Note 10I)	481,034	-	-
Total current liabilities	63,130,656	7,415,054	2,779,297
Noncurrent liabilities:			
Unearned revenue	-	-	-
Long-term portion estimated claims	-	-	-
Long-term compensated absences (Note 2L)	6,438,722	836,972	328,076
Landfill closure liability (Note 11)	-	-	-
Long-term debt (Note 10)	97,089,699	-	40,469,883
Long-term leases obligation (Note 10H)	240,824	-	-
Long-term SBITA (Nte 10I)	2,495,434	-	-
Net OPEB liability (Note 16)	6,898,479	1,519,553	722,033
Net pension liability (Note 13)	108,269,790	20,708,985	10,320,983
Total noncurrent liabilities	221,432,948	23,065,510	51,840,975
Total liabilities	284,563,604	30,480,564	54,620,272
DEFERRED INFLOWS OF RESOURCES			
Derivative instruments (Note 10D)	11,986,981	-	-
Refunding of debt	1,024,530	-	-
Leases related (Note 4)	1,997,165	831,430	831,430
OPEB related items (Note 16)	382,621	84,281	40,047
Pension related items (Note 13)	479,098	91,638	45,671
Total deferred inflows of resources	15,870,395	1,007,349	917,148
NET POSITION (Note 18)			
Net investment in capital assets	575,817,583	62,188,842	33,260,715
Restricted for capital projects and other agreements	10,065,874	1,927,637	273,331,884
Unrestricted	706,972,133	12,589,769	68,520,445
Total net position	$ 1,292,855,590	$ 76,706,248	$ 375,113,044

Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time.

Net position of business-type activities

See accompanying notes to basic financial statements

CITY OF SANTA CLARA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
June 30, 2024

Business-type Activities-Enterprise Funds				
Water Recycling Utility	Santa Clara Stadium Authority (as of March 31, 2024) restated (Note 6)	Non-Major Enterprise Funds	TOTAL	Internal Service Funds (Note 2B)
1,601,637	23,637,965	4,931,900	82,810,384	8,129,958
-	4,998,906	-	6,921,257	7,304
-	16,900,628	5,538,559	22,439,187	-
-	473,130	-	473,130	7,072,557
61	-	20,108	578,025	51,858
-	-	788,000	788,000	-
-	7,299,896	-	24,306,891	-
-	-	-	7,708	-
-	-	-	710,181	34,720
-	-	-	481,034	602,683
1,601,698	53,310,525	11,278,567	139,515,797	15,899,080
-	431,418,058	-	431,418,058	-
-	-	-	-	22,756,000
829	-	274,081	7,878,680	706,850
-	-	5,925,426	5,925,426	-
-	221,367,930	-	358,927,512	-
-	-	-	240,824	-
-	-	-	2,495,434	617,329
106,147	-	374,689	9,620,901	667,331
1,809,522	-	7,070,543	148,179,823	9,181,654
1,916,498	652,785,988	13,644,739	964,686,658	33,929,164
3,518,196	706,096,513	24,923,306	1,104,202,455	49,828,244
-	-	-	11,986,981	-
-	-	-	1,024,530	-
-	578,569,323	-	582,229,348	-
5,887	-	20,782	533,618	37,012
8,008	-	31,288	655,703	40,629
13,895	578,569,323	52,070	596,430,180	77,641
1,047,433	449,901,622	23,127,513	1,145,343,708	12,570,679
168,123	94,236,867	4,886,879	384,617,264	-
4,945,463	(411,525,037)	7,165,643	388,668,416	8,320,087
$ 6,161,019	$ 132,613,452	$ 35,180,035	1,918,629,388	$ 20,890,766
			449,328	
			$ 1,919,078,716	

See accompanying notes to basic financial statements

CITY OF SANTA CLARA
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
For the year ended June 30, 2024

	Business-type Activities-Enterprise Funds		
	Electric Utility	**Water Utility**	**Sewer Utility**
Operating revenues:			
Charges for services	$ 656,147,118	$ 57,051,908	$ 44,530,605
Rents, royalties and licensing	-	-	-
Insurance refunds and other	-	-	-
Mandated program receipts	20,120,470	-	-
Renewable energy credits	10,502,295	-	-
Wholesale resource sales	11,470,683	-	-
Other	43,225,175	-	-
Total operating revenues	741,465,741	57,051,908	44,530,605
Operating expenses:			
Salaries and benefits	60,073,452	7,489,714	3,923,106
Materials, services and supplies	475,459,245	48,560,558	28,688,090
General and administrative	-	-	-
Mandated program disbursements	6,179,170	-	-
Wholesale resources purchases	9,785,427	-	-
Amortization- Right to use assets	1,158,632	-	-
Depreciation	27,322,314	1,927,329	1,382,392
Total operating expenses	579,978,240	57,977,601	33,993,588
Operating income (loss)	161,487,501	(925,693)	10,537,017
Nonoperating revenues (expenses):			
Interest revenue	13,871,450	621,481	2,194,821
Net change in the fair value of investments	8,702,128	733,792	2,100,610
Rents and royalties	3,484,588	56,610	56,610
Other revenue	39,365,830	406,022	4,203,751
Interest expense	(2,206,422)	-	(1,557,125)
Other expense	-	-	(550,331)
Equity in income (losses) of joint ventures	(635,169)	-	19,190,920
Gain (loss) on retirement of assets	-	1,071	-
Total nonoperating revenues (expenses)	62,582,405	1,818,976	25,639,256
Income (loss) before contributions and transfers	224,069,906	893,283	36,176,273
Contributions	-	-	-
Transfers in (Note 8A)	376,500	218,118	113,266
Transfers (out) (Note 8A)	(2,885,902)	(832,275)	(158,795)
Change in net position	221,560,504	279,126	36,130,744
Total net position - beginning	1,071,295,086	76,427,122	338,982,300
GASB 87 implementation (Note 6E)	-	-	-
Total net position - beginning as adjusted (Note 6E)	1,071,295,086	76,427,122	338,982,300
Total net position - ending	$ 1,292,855,590	$ 76,706,248	$ 375,113,044

Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.
Change in net position of business-type activities

See accompanying notes to basic financial statements

CITY OF SANTA CLARA
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
For the year ended June 30, 2024

Business-type Activities-Enterprise Funds				
Water Recycling Utility	Santa Clara Stadium Authority (as of March 31, 2024) restated (Note 6)	Non-Major Enterprise Funds	Total	Internal Service Funds
$ 8,668,005	$ 40,611,283	$ 59,159,905	$ 866,168,824	$ 39,278,769
-	40,496,522	-	40,496,522	-
-	-	-	-	193,973
-	-	-	20,120,470	-
-	-	-	10,502,295	-
-	-	-	11,470,683	-
-	-	561,112	43,786,287	-
8,668,005	81,107,805	59,721,017	992,545,081	39,472,742
867,765	-	2,675,931	75,029,968	8,396,743
8,090,909	59,885,259	53,683,823	674,367,884	13,636,273
-	2,033,263	-	2,033,263	12,789,818
-	-	-	6,179,170	-
-	-	-	9,785,427	-
-	-	-	1,158,632	713,293
25,141	17,438,287	1,566,634	49,662,097	2,473,907
8,983,815	79,356,809	57,926,388	818,216,441	38,010,034
(315,810)	1,750,996	1,794,629	174,328,640	1,462,708
58,652	18,819,490	232,992	35,798,886	-
175,782	-	-	11,712,312	-
-	-	11,466	3,609,274	-
128,606	-	-	44,104,209	2,036,276
-	(11,690,232)	-	(15,453,779)	(40,662)
-	-	-	(550,331)	-
-	-	-	18,555,751	-
-	-	-	1,071	(30,107)
363,040	7,129,258	244,458	97,777,393	1,965,507
47,230	8,880,254	2,039,087	272,106,033	3,428,215
-	3,467,625	-	3,467,625	-
-	-	847,864	1,555,748	4,955,105
(177,258)	-	(27,443)	(4,081,673)	(555,904)
(130,028)	12,347,879	2,859,508	273,047,733	7,827,416
6,291,047	111,520,156	32,320,527		13,063,350
-	8,745,417	-		-
6,291,047	120,265,573	32,320,527		13,063,350
$ 6,161,019	$ 132,613,452	$ 35,180,035		$ 20,890,766
			(2,068,210)	
			$ 270,979,523	

See accompanying notes to basic financial statements

CITY OF SANTA CLARA

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

For the year ended June 30, 2024

	Business-type Activities-Enterprise Funds		
	Electric Utility	**Water Utility**	**Sewer Utility**
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 668,767,150	$ 56,268,434	$ 44,310,904
Payments to suppliers	(465,537,231)	(46,305,916)	(29,405,529)
Payments to employees for salaries and benefits	(56,790,537)	(6,838,553)	(3,667,375)
Internal activity - payments to other funds	-	-	-
Claims paid	-	-	-
Rents, royalties and licenses received	4,543,348	53,879	53,879
Other receipts (payments)	48,902,208	(261,498)	3,830,543
Renewable energy credits	10,502,295	-	-
Wholesale resource sales	11,470,683	-	-
Wholesale resources purchases	(9,785,427)	-	-
Resource trading escrow deposit	1,677,372	-	-
Charges for joint project contributions	-	-	(13,099,087)
Net cash provided (used) by operating activities	213,749,861	2,916,346	2,023,335
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
(Increase) in due from other funds	(807,346)	(342,982)	(161,693)
Decrease in due from other funds	-	-	-
Increase in due to other funds	-	-	-
Deposits to (withdraws from) pension rate stabilization fund	3,741,829	667,520	373,208
Transfers in	376,500	218,118	113,266
Transfers (out)	(2,885,902)	(832,275)	(158,795)
Cash Flows from Noncapital Financing Activities	425,081	(289,619)	165,986
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Contribution from Community Facilities District	-	-	-
Acquisition and construction of capital assets, net	(63,780,946)	(3,495,175)	(6,250,530)
Proceeds from sale of assets	-	1,071	-
Proceeds from debt	-	-	34,585,000
Premium on issuance of debt	-	-	1,367,609
Cost of issuance	-	-	(550,331)
Principal payments on capital debt	(16,292,173)	-	(20,798,120)
Interest paid on capital debt	(2,555,621)	-	(909,865)
Cash Flows from Capital and Related Financing Activities	(82,628,740)	(3,494,104)	7,443,763
CASH FLOWS FROM INVESTING ACTIVITIES			
Net decrease in the fair value of investments	8,702,128	733,792	2,100,610
Interest and dividends	11,877,286	568,570	1,948,611
Fiscal agent investment sales	17,593,392	-	-
Fiscal agent investment purchases	(17,992,362)	-	-
Cash Flows from Investing Activities	20,180,444	1,302,362	4,049,221

See accompanying notes to basic financial statements

CITY OF SANTA CLARA

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

For the year ended June 30, 2024

Business-type Activities-Enterprise Funds				
Water Recycling Utility	**Santa Clara Stadium Authority (as of March 31, 2024)**	**Non-Major Enterprise Funds**	**Totals**	**Internal Service Funds**
$ 8,109,065	$ 41,368,043	$ 57,866,548	$ 876,690,144	$ 39,322,277
(7,894,410)	(38,995,500)	(52,234,959)	(640,373,545)	(14,829,607)
(873,547)	-	(2,200,682)	(70,370,694)	(8,095,531)
-	-	-	-	(405,304)
-	-	-	-	(11,139,607)
-	47,106,805	11,466	51,769,377	-
63,806	-	560,272	53,095,331	2,036,276
-	-	-	10,502,295	-
-	-	-	11,470,683	-
-	-	-	(9,785,427)	-
-	-	-	1,677,372	-
-	-	-	(13,099,087)	-
(595,086)	49,479,348	4,002,645	271,576,449	6,888,504
-	-	-	(1,312,021)	(3,644)
-	-	39,778	39,778	-
-	330,234	-	330,234	1,275,886
64,800	-	-	4,847,357	-
-	-	847,864	1,555,748	4,955,105
(177,258)	-	(27,443)	(4,081,673)	(555,904)
(112,458)	330,234	860,199	1,379,423	5,671,443
-	2,840,331	-	2,840,331	-
-	(7,079,493)	(735,235)	(81,341,379)	(3,681,678)
-	-	-	1,071	-
-	-	-	34,585,000	-
-	-	-	1,367,609	-
-	-	-	(550,331)	-
-	(16,606,911)	-	(53,697,204)	(800,003)
-	(12,076,707)	-	(15,542,193)	(40,662)
-	(32,922,780)	(735,235)	(112,337,096)	(4,522,343)
175,782	-	-	11,712,312	-
63,804	5,803,963	232,992	20,495,226	-
-	(28,306,155)	-	(10,712,763)	-
-	36,661,687	-	18,669,325	-
239,586	14,159,495	232,992	40,164,100	-

(continued)

See accompanying notes to basic financial statements

CITY OF SANTA CLARA

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

For the year ended June 30, 2024

	Business-type Activities-Enterprise Funds		
	Electric Utility	**Water Utility**	**Sewer Utility**
Net increase (decrease) in cash and cash equivalents	151,726,646	434,985	13,682,305
Cash and cash equivalents at beginning of period	467,379,902	27,216,430	89,435,012
Cash and cash equivalents at end of period	$ 619,106,548	$ 27,651,415	$ 103,117,317
Cash and cash equivalents:			
Pooled cash and investments	$ 609,040,674	$ 25,420,688	$ 102,158,565
Restricted cash	10,065,874	2,230,727	958,752
Total cash and cash equivalents	$ 619,106,548	$ 27,651,415	$ 103,117,317
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$ 161,487,501	$ (925,693)	$ 10,537,017
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
(Decrease) Increase in lease and SBITA obligation	(34,360)	-	-
(Decrease) Increase in due to OPEB system	(404,151)	(89,024)	(42,300)
(Decrease) Increase in due to retirement system	3,230,418	702,886	197,534
Depreciation	28,480,946	1,927,329	1,382,392
Change in assets and liabilities:			
Receivables, net	(30,948,216)	(769,353)	(219,337)
Inventory	(3,539,456)	132,015	-
Restricted Cash	(3,741,829)	(667,520)	(373,208)
Accrued liabilities	14,234,570	2,108,870	(717,439)
Long-term portion estimated claims	-	-	-
Compensated absences	456,648	37,299	100,497
Unearned revenue	-	-	-
Other receipts	42,850,418	459,537	4,257,266
Wholesale trading escrow deposit	1,677,372	-	-
Charges for joint project contributions	-	-	(13,099,087)
Net cash provided (used) by operating activities	$ 213,749,861	$ 2,916,346	$ 2,023,335
NONCASH TRANSACTIONS:			
Joint Ventures			
Nonoperating income (loss)	$ (635,169)	$ -	$ 19,190,920
Capital Contribution	$ -	$ -	$ -
Addition of SBITA Asset	$ 729,014	$ -	$ -
Issuance of SBITA Liability	$ (729,014)	$ -	$ -

See accompanying notes to basic financial statements

CITY OF SANTA CLARA

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

For the year ended June 30, 2024

Business-type Activities-Enterprise Funds				
Water Recycling Utility	**Santa Clara Stadium Authority (as of March 31, 2024)**	**Non-Major Enterprise Funds**	**Totals**	**Internal Service Funds**
(467,958)	31,046,297	4,360,601	200,782,876	8,037,604
7,096,078	66,012,284	23,671,028	680,810,734	43,757,149
$ 6,628,120	$ 97,058,581	$ 28,031,629	$ 881,593,610	$ 51,794,753
$ 6,459,997	$ 18,485,558	$ 25,733,041	$ 787,298,523	$ 51,794,753
168,123	78,573,023	2,298,588	94,295,087	-
$ 6,628,120	$ 97,058,581	$ 28,031,629	$ 881,593,610	$ 51,794,753
$ (315,810)	$ 1,750,996	$ 1,794,629	$ 174,328,640	$ 1,462,708
-	7,745,256	-	7,710,896	713,294
(6,218)	-	(21,950)	(563,643)	(39,095)
(454)	-	327,148	4,457,532	262,976
25,141	17,438,287	1,566,634	50,820,729	2,473,907
(558,942)	657,660	(364,392)	(32,202,580)	39,529
-	-	-	(3,407,441)	(1,501,939)
(64,800)	-	-	(4,847,357)	-
196,501	22,428,022	1,448,864	39,699,388	322,517
-	-	-	-	1,041,000
890	-	170,051	765,385	77,331
-	(540,873)	(929,805)	(1,470,678)	-
128,606	-	11,466	47,707,293	2,036,276
-	-	-	1,677,372	-
-	-	-	(13,099,087)	-
$ (595,086)	$ 49,479,348	$ 4,002,645	$ 271,576,449	$ 6,888,504
$ -	$ -	$ -	$ 18,555,751	$ -
$ -	$ 3,467,625	$ -	$ 3,467,625	$ -
$ -	$ -	$ -	$ 729,014	$ -
$ -	$ -	$ -	$ (729,014)	$ -

See accompanying notes to basic financial statements

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CITY OF SANTA CLARA
FIDUCIARY FUNDS

These funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the City-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

PRIVATE PURPOSE TRUST FUNDS

These funds are used to report resources of all other trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

CUSTODIAL FUNDS

Custodial funds are used to account for assets held by the City for community or private organizations, or as an agent for its employees or for assessment districts. The financial activities of these funds are excluded from the City-wide financial statements, but are presented in separate Fiduciary Fund financial statements. Individual non-major Custodial funds may be found in the Supplementary section.

CITY OF SANTA CLARA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2024

	Private Purpose Trust Funds	Custodial Funds
ASSETS		
Current assets		
Cash and investments:		
Pooled cash and investments (Note 7)	$ 1,556,057	$ 945,303
Receivables (net of allowance for uncollectibles):		
Interest and rent	195,975	-
Leases receivable (Note 22)	896,947	-
Total current assets	2,648,979	945,303
Noncurrent assets		
Leases receivable-noncurrent (Note 22)	41,927,423	-
Investment with fiscal agent-noncurrent-noncurrent (Note 7)	2,902,022	-
Land held for resale	532,542	-
Total noncurrent assets	45,361,987	-
Total Assets	48,010,966	945,303
LIABILITIES		
Accrued liabilities	-	1,100
Unearned revenues	122,008	-
Due to other agencies	740,000	-
Total Liabilities	862,008	1,100
DEFERRED INFLOWS OF RESOURCES		
Leases related (Note 22)	40,393,601	-
Total deferred inflows of resources	40,393,601	-
NET POSITION		
Held in trust for private purpose	3,721,814	-
Restricted for individuals, organization and other governments	3,033,543	944,203
Total Net Position	$ 6,755,357	$ 944,203

See accompanying notes to basic financial statements

CITY OF SANTA CLARA
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2024

	Private Purpose Trust Funds	Custodial Funds
ADDITIONS		
Contributions:		
Employee contributions	$ -	$ 63,557
Other plans	-	3,281,253
Gifts and bequest	-	1,740
Total contributions	-	3,346,550
Investment income:		
Net change in fair value of investments	129,146	-
Interest and rents	3,725,137	8,012
Net investment income	3,854,283	8,012
Total additions	3,854,283	3,354,562
DEDUCTIONS		
General and administrative	109,464	83,063
Benefits paid	-	56,059
Pass through to the Stadium Authority	-	3,105,273
Pass through to the County of Santa Clara	2,920,000	-
Total deductions	3,029,464	3,244,395
Net increase (decrease) in fiduciary net position	824,819	110,167
Net position - beginning	5,930,538	834,036
Net position - ending	$ 6,755,357	$ 944,203

See accompanying notes to basic financial statements

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NOTE 1 – DEFINITION OF THE REPORTING ENTITY

The City of Santa Clara (City), also known as the Mission City, is a charter city incorporated in 1852 under the laws of the State of California. The City Charter establishes the Council/Manager form of government. The City's citizens elect a City Council of seven citizens, six councilpersons and a Mayor elected at-large, who serve a term of four years each, and who, in turn, appoint a City Manager.

The City is located in the County of Santa Clara, California, approximately 45 miles southeast of San Francisco. It is situated in the northern part of the County and occupies approximately 18.41 square miles. The City's population of 132,048 accounts for 6.95% of the total Santa Clara County estimated population of 1.9 million.

The City provides a full range of municipal services, including police and fire, library, recreation, community services, public works, parks, sanitation, planning and community development, public improvements, electric, water and sewer services.

The accompanying basic financial statements present the financial activity of the City, which is the primary government presented, along with the financial activities of its component units. Although they are separate legal entities, blended component units are in substance part of the City's operations and are reported as an integral part of the City's financial statements. The City's component units which are described below are all blended.

A. City of Santa Clara Sports and Open Space Authority

The City of Santa Clara Sports and Open Space Authority (SOSA) was created by the City Council in 1974 for the acquisition and development of open space within the City. The members of the City Council are also members of SOSA's Board of Directors and, as such, are authorized to transact business and exercise power to purchase, lease or otherwise obtain and dispose of real and personal property, to acquire, construct, maintain, repair, manage and operate real and personal property, including leasing to private operators for commercial purposes, surplus space which is not economical to use for open space planning. The City performs all accounting and administrative functions of SOSA. The operations of SOSA have been included in the Supplementary Information section in the Non-Major Enterprise Funds.

B. City of Santa Clara Public Facilities Financing Corporation

The City of Santa Clara Public Facilities Financing Corporation (PFFC) was formed in 1997 for the purpose of issuing Certificates of Participation (COPs) to provide financing for the construction of the major City facilities. Members of the City Council are also members of the PFFC Board. Debt service on the COPs is secured by lease payments made by the City's General Fund to the PFFC for the use of the constructed facilities for public purposes. In accordance with lease agreements, the PFFC assigns lease payments received from the City to the trustee for payment to the certificate holders. The operations of PFFC have been included in the Supplementary Information section in the Non-Major Governmental Fund. The individual COPs and the related facilities are described in Note 10B.

C. Santa Clara Housing Authority

The Santa Clara Housing Authority (SCHA) was established by the City Council in 2011 to assume the responsibility of housing projects for the former Redevelopment Agency (former RDA). SCHA also assumes the responsibility for housing loans, which are long-term and were made under various programs, for

NOTE 1 – DEFINITION OF THE REPORTING ENTITY (continued)

qualifying individuals and groups. The members of the City Council are also members of SCHA's Board of Directors and, as such, are authorized to transact business and exercise power to plan, engineer, and implement development projects. The City performs all accounting and administrative functions of SCHA. The financial activities of SCHA have been reported in the accompanying Non-Major Governmental Fund financial statements.

D. Santa Clara Stadium Authority

The Santa Clara Stadium Authority (SCSA) was established by the City Council in 2011 to provide for development and operation of Levi's Stadium. The members of the City Council are also members of SCSA's Board of Directors and, as such, are authorized to manage the stadium, transact business and exercise power to plan, engineer, and construct the stadium. The City performs all accounting and administrative functions of SCSA. The financial activities of SCSA have been reported in the accompanying Enterprise Fund financial statements.

On November 13, 2012, an amendment was made to the JPA Agreement to change SCSA's fiscal year end date from June 30th to March 31st. As such, the financial activities reported for SCSA are as of fiscal year ended March 31, 2024. In addition, the annual financial report was audited by KPMG, an independent auditing firm, and a copy of the report can be found on the City's website.

NOTE 2 - FINANCIAL STATEMENT PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

A. Basic Financial Statements

The City's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

The significant accounting policies are described below:

Government-wide Financial Statements: The Statement of Net Position and the Statement of Activities display information about the primary government (the City) and its component units. These statements include the financial activities of the overall City government, except for fiduciary activities. Interfund Services provided and used are allocated to governmental and business-type activities, as appropriate. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the

NOTE 2 – FINANCIAL STATEMENT PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Separate statements for each fund category-*governmental, proprietary, and fiduciary*-are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds, except for fiduciary funds.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for services. Operating expenses for the City's enterprise funds include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

B. Major Funds

Major funds are defined as funds that have either assets combined with deferred outflows of resources, liabilities combined with deferred inflows of resources, revenues or expenditures/expenses equal to 10% of corresponding totals for all governmental or enterprise funds and at least 5% of the aggregate amount to all governmental and enterprise fund for the same item. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds. All other funds, called non-major funds, are combined, and reported in a single column, regardless of their fund-type.

The City reported the following major governmental funds in the accompanying financial statements:

General Fund - This is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Santa Clara Housing Successor Fund - This fund accounts for the activities related to the housing assets assumed by the City as Housing Successor to the former Redevelopment Agency. The activities are governed by Community Redevelopment Law and must be used to provide housing for people with low and moderate incomes. Revenues received are primarily loan repayments on low income loans and investment earnings that are restricted for use on other low and moderate income housing loans and projects.

The City reported the following enterprise funds as major funds in the accompanying financial statements:

Electric Utility Fund - This fund accounts for the operation of the City's electric utility, a self-supporting activity that provides services on a user charge basis to residences and businesses.

Water Utility Fund - This fund accounts for the operation of the City's water utility, a self-supporting activity that provides services on a user charge basis to residences and businesses.

Sewer Utility Fund - This fund accounts for the maintenance of the City's sewer lines and related facilities. It is a self-supporting activity that provides services on a user charge basis to residences and businesses.

NOTE 2 – FINANCIAL STATEMENT PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Water Recycling Utility Fund - This fund accounts for the ongoing maintenance and operations of the City's wastewater reclamation system. It is a self-supporting activity that provides services on a user charge basis from the sale of non-potable water for irrigation and landscaping.

Santa Clara Stadium Authority Fund - The Stadium Authority was established to provide for development and operation of Levi's Stadium.

The City also reports the following fund types:

Internal Service Funds - These funds account for maintenance of vehicles and communication equipment, information technology, public works capital project management, general liability, and workers' compensation claims, all of which are provided to other departments on a cost-reimbursement basis.

Fiduciary Funds - These funds account for assets held by the City in trust for community or private organizations, or as an agent for its employees or for assessment districts without city commitment. The financial activities of these funds are excluded from the City-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

The Successor Agency to the Redevelopment Agency of the City of Santa Clara (Successor Agency) was created to serve as a custodian for the assets and to wind down the affairs of the former RDA. The Successor Agency is a separate public entity from the City, subject to the direction of an Oversight Board. The Oversight Board is comprised of seven-member representatives from local government bodies: two County of Santa Clara (County) representatives; the Mayor of the City of Santa Clara; the County Superintendent of Education; the Chancellor of California Community Colleges; one Santa Clara Valley Water District representative; and one former RDA employee appointed by the Mayor. The City performs all accounting and administrative functions of the Successor Agency. The financial activities of the Successor Agency have been reported in the accompanying basic financial statements in the Private Purpose Trust Fund. See Notes 21 and 22 for information regarding the Successor Agency.

C. Basis of Accounting

The government-wide financial statements and the fund category, proprietary, and fiduciary fund category financial statements are reported using the *economic resources measurement* focus and the *full accrual* basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable and available*. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, including lease liabilities and subscription-based IT arrangement (SBITA) liabilities as well as claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions, including entering into contracts giving the City right to use leased assets and SBITA assets, are reported as expenditures in governmental funds. Proceeds of general long-term debt, financing through leases, and issuance of subscription liabilites are reported as *other financing sources*.

NOTE 2 – FINANCIAL STATEMENT PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

The City allocates certain indirect expenses incurred by the General Government activity to those activities that benefit from services received.

During the year ended June 30, 2024, the City implemented the following GASB Statements:

The GASB issued Statement No. 100, *Accounting Changes and Errors Corrections*. The objective of this statement is to establish accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements. The provisions of this Statement were implemented during fiscal year 2024. The implementation required a change to the disclosure in Note 6.

The City is analyzing the effects of the following pronouncements and plans to adopt them by the effective dates:

The GASB issued Statement No. 101, *Compensated Absences*. The objective of this statement is to amend the existing requirements for the recognition of compensated absences liability. This statement becomes effective for periods beginning after December 15, 2023. The City is currently evaluating the impact on the financial statements.

The GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This statement is effective for fiscal years beginning after June 15, 2024. The City is currently evaluating the impact on the financial statements.

The GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement is effective for fiscal years beginning after June 15, 2025. The City is currently evaluating the impact on the financial statements.

The GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This statement is effective for fiscal years beginning after June 15, 2025. The City is currently evaluating the impact on the financial statements.

D. Cash and Investments

While maintaining safety and liquidity, the City maximizes investment return by pooling its available cash for investment purposes. Unless there are specific legal or contractual requirements to do otherwise, interest earnings are apportioned among funds according to average monthly cash and investment balances. It is generally the City's intention to hold investments until maturity. City investments are stated at fair value (see Note 7).

Cash and cash equivalents for purposes of the statement of cash flows include pooled cash and investments and cash designated for construction. Transactions with City-wide cash management pools are similar to those with external investment pools; therefore, since pooled cash and investments have the same characteristics as demand deposits in that the City's individual funds and component units may withdraw additional monies at

NOTE 2 – FINANCIAL STATEMENT PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

any time without prior notice or penalty, pooled cash and investments are considered essentially demand deposit accounts.

Cash and investments with fiscal agent, a bond reserve investment pool, and amounts classified as deposits are not considered cash and cash equivalents.

E. Interfund Transactions and Balances

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. The related receivables and payables are classified as "due from other funds," and "due to other funds" in the fund financial statements. Long-term interfund receivables and payables are recorded as advances to/from other funds in the fund financial statements.

Transactions constituting reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are generally recorded as expenditures/expenses in the reimbursing fund and as revenue in the fund that is reimbursed.

Internal balances represent the net interfund receivables and payables remaining after the elimination of all such balances within governmental and business-type activities, and are reported only in the government-wide financial statements.

F. Inventory of Materials and Supplies

Inventory of materials and supplies is accounted for using the consumption method and is stated at average cost. Inventory consists of expendable supplies held for consumption by all departments of the City. The cost is recorded as an expenditure or expense in the appropriate fund at the time individual inventory items are withdrawn for use. The General Fund inventory amount is equally offset by a non-spendable fund balance, which indicates that it does not constitute available expendable resources.

G. Restricted Assets

Restricted assets are monies or other resources, the use of which is restricted by legal or contractual requirements.

H. Land Held for Development

The Santa Clara Housing Successor, through execution of an assignment and assumption agreement with the City and the former RDA has assumed responsibility for housing projects and parcels of land purchased to develop or redevelop blighted properties within the Redevelopment areas. Such land parcels are accounted for as investments on the balance sheet at the lower of cost or net realizable value or agreed-upon sales price if a disposition agreement has been made with a developer.

Individual parcels which have experienced other than temporary fair value decline are written down to estimated current market value. No appreciation is recorded if the current estimated net realizable value of an individual parcel exceeds cost.

NOTE 2 – FINANCIAL STATEMENT PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Capital Assets

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for intangible right-to-use lease assets, the measurement of which is discussed in Note 2X below, and right-to-use subscription assets, the measurement of which is described in Note 2J below. Contributed capital assets are valued at their estimated acquisition value on the date contributed. The City's policy is to capitalize equipment and right-to-use leased equipment with costs exceeding $5,000, buildings, improvements and infrastructure with costs exceeding $20,000, and the right-to-use Subscription based IT Arrangement (SBITA) with costs exceeding $400,000.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Public domain (infrastructure) assets, which include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and traffic signals, have been capitalized and reported in the government-wide financial statements. Depreciation has been calculated on all capital assets, including infrastructure, the right-to-use leased buildings and equipment, and the right-to-use SBITA assets on a straight-line basis over the estimated useful lives of the assets.

	Useful Lives Years	Capitalization Threshold
Buildings and improvements	20-50	$ 20,000
Right-to-use leased buildings	20-50	20,000
Land improvements	20-50	20,000
Machinery and equipment	3-25	5,000
Right-to-use leased equipment	3-25	5,000
Right-to-use SBITA assets	3-25	400,000
Infrastructure	10-50	20,000

Some capital assets may be acquired using Federal and State grant funds, or they may be contributed by developers or other governments. These contributions are accounted for as revenues at the time the capital assets are contributed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Capital assets and the related obligations acquired under lease/purchase agreements are capitalized and accounted for in accordance with current accounting standards.

J. Subscription-Based Information Technology Arrangements (SBITAs) Accounting

A Subscription-Based Information Technology Arrangement (SBITA) is a contract that conveys control of the right to use another party's (a SBITA vendor's) IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

NOTE 2 – FINANCIAL STATEMENT PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

At the commencement of a SBITA, the City initially measures the subscription liability at the present value of payments expected to be made during the contract term. Subsequently, the subscription liability is reduced by the principal portion of payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over shorter of the subscription term or the useful life of the underlying IT assets. The City recognizes SBITA liabilities with an initial, individual value of $400,000 or more for all funds.

Key estimates and judgments related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments as follows:

- The City uses the interest rate charged by the IT vendor as the discount rate. When the interest rate charged by the IT vendor is not provided, the City uses its estimated incremental borrowing rate as the discount rate for subscription liabilities.

- The subscription term includes the noncancellable period of the subscription.

- Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its subscription and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets and subscription liabilities are reported with liabilities on the statement of net position.

K. Joint Ventures

The City participates in several joint ventures. In accordance with GAAP investments in these joint ventures are accounted for on the equity method (see Note 12). If the City's equity in net losses of joint ventures exceeds its investment, use of the equity method is suspended except to the extent that the City is obligated to provide further financial support or has guaranteed obligations of the joint ventures.

The City advances funds to certain of its joint ventures in the form of refundable advances, project advances and operating and maintenance advances. Refundable advances accrue interest at rates stated in the related agreements. Operating, maintenance and project advances are charged to operations when incurred.

Capitalized project costs are charged to operations in the event that a project is determined to be not economically feasible.

L. Compensated Absences

Amounts of vested or accumulated vacation leave and certain benefits that are not expected to be liquidated with expendable available financial resources are reported in the Governmental Activities portion of the

NOTE 2 – FINANCIAL STATEMENT PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

government-wide financial statements only. Vested or accumulated vacation leave and benefits of proprietary funds are recorded as an expense and liability of those funds as the benefits accrue to employees. Vacation time is earned based on length of service in amounts ranging between 10 and 24 days per year. City employees are allowed to carry over unused vacation earned. The maximum amount of time that can be carried over varies, depending on the employee's rate of accrual, with an upper limit of 400 hours for most employees. Employees are paid for unused vacation and certain benefits upon separation from employment.

In accordance with GAAP a liability for sick leave and benefits is accrued using the vesting method. The vesting method provides that a governmental entity estimates its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments. Amounts of sick leave payments that are not expected to be liquidated with expendable available financial resources are reported in the Governmental Activities portion of the government-wide financial statements only. No expenditure is reported for these amounts in the governmental fund financial statements.

That portion of compensated absences that is unused reimbursable leave still outstanding following an employee's resignation or retirement at year end, is an expense and current liability to the respective fund(s) that an employee charges their time to.

The accrual for compensated absences comprised the following at June 30, 2024. The long-term portion of governmental activities compensated absences is liquidated primarily by the General Fund.

	Governmental Activities	Business-Type Activities	Total
Beginning Balance	$ 20,664,568	$ 7,691,320	$ 28,355,888
Additions	2,686,089	1,270,655	3,956,744
Payments	(1,142,849)	(505,270)	(1,648,119)
Ending Balance	$ 22,207,808	$ 8,456,705	$ 30,664,513
Current Portions	$ 1,517,925	$ 578,025	$ 2,095,950

M. Risk Management

The City is self-insured up to $3 million to provide general liability protection. In addition to the City's self-insurance, the City also maintains excess general liability with coverage up to $50 million.

The City is also self-insured up to $750,000 per claim for Workers' Compensation Claims. These self-insurance programs are administered by outside agencies. The City also maintains excess workers' compensation insurance for workers' compensation claims over $750,000 per claim with coverage up to statutory limits with PRISM (formerly CSAC Excess Insurance Authority).

The City maintains property damage coverage through the Public Entity Property Insurance Program (APIP), which has a plan limit of $1 billion. The City maintains boiler and machinery property coverage of $100

NOTE 2 – FINANCIAL STATEMENT PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

million per occurrence in excess of self-insured amounts varying from $25,000 to $100,000 per occurrence. No claims settlement amount exceeded the City's insurance coverage in the past fiscal years.

The City also maintains a Faithful Performance, Crime Coverage Bond with a plan limit of $20 million through PRISM.

The City also had property coverage specific to the electric power plants which has a plan limit of $250 million.

N. Long-Term Obligations

Long-term obligations are reported in the Governmental Activities portion of the government-wide financial statements. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

O. Pensions

For purposes of measuring the net pension liability and deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Santa Clara, California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to and deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

P. Accounting for Encumbrances

The City utilizes an encumbrance system of accounting wherein encumbrances outstanding at year end, for which the goods or services have not been received, are not reported as expenditures, but are reported as a component of the fund balance category available for subsequent year expenditures based on the encumbered appropriation authority carried over to the next fiscal year. The City Charter requires recording encumbrances as a charge against appropriations in the accounting period in which a purchase order is issued, rather than in the accounting period when goods or services are received.

Under the modified accrual basis of accounting, in accordance with GAAP, expenditures are recorded when the goods or services are received. Adjustments to convert expenditures from the modified accrual basis to the budgetary basis are reflected in the schedule of revenues, expenditures, and changes in fund balances - budget and actual (non-GAAP legal basis) (see Note 3 and Required Supplementary Information).

Q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has four items that qualify for reporting in this category: deferred outflows related to the derivative instruments, refunding of debt, pension, and OPEB.

NOTE 2 – FINANCIAL STATEMENT PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. In the government-wide financial statements the City reports deferred amounts related to derivative instruments, refunding of debt, leases and deferred amounts related to pension and OPEB.

R. Net Position and Fund Balance Equity

Fund balances and net position are reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. For governmental fund reporting, the City considers restricted fund balance to have been spent first when an expenditure is incurred, followed by committed, assigned and unassigned fund balances (in order of spending). For government-wide reporting, the City considers restricted net position to have been spent first when an expenditure is incurred, followed by unrestricted net position.

S. Bond Discounts/Premiums

In governmental funds, bond discounts and premiums are recognized in the current period. Bond discounts and premium for proprietary funds and entity-wide financial statements are deferred and amortized over the term of the bonds using the straight-line method of accounting.

T. Property Taxes

The State of California Constitution Article XIII A provides that the combined maximum tax rate on any given property may not exceed 1% of its assessed value except for voter approved incremental property taxes adopted prior to the passage of Article XIII A and any additional amount for general obligation debt approved by voters subsequent to the passage of Article XIII A.

Assessed value is calculated at 100% of market value as defined by Article XIII A and may be increased by no more than 2% per year unless there is a new construction on the property or the property is sold or transferred. The State Legislature has determined the method of distribution of receipts from the 1% tax levy among the counties, cities, school districts and other districts.

Santa Clara County (County) assesses properties and bills and collects property taxes on behalf of the City as follows:

	Secured	Unsecured
Valuation dates	January 1	January 1
Lien/levy dates	January 1	January 1
Due dates	50% on November 1, 50% on February 1	Upon receipt of billing
Delinquent as of	December 10 (for November), April 10 (for February)	August 31

The term "unsecured" refers to taxes on property not secured by liens on real property and generally includes business use personal property.

NOTE 2 – FINANCIAL STATEMENT PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

The City participates in the Teeter Plan offered by the County whereby cities receive 100% of secured property tax levied in exchange for foregoing any interest and penalties collected on delinquent taxes.

Property taxes levied are recorded as revenue when received from the County. Property taxes expected to be collected within 60 days of the end of the fiscal year are recorded as revenue.

The City's net assessed valuation for the year ended June 30, 2024, was $61 billion, an increase of 7.0% compared to the previous year. The average tax rate was 1.17% per $100 of assessed valuation.

U. Contribution In-Lieu of Taxes

Contribution in lieu of taxes is a general revenue of the governmental funds. It is levied on receipts of the City-owned and operated Electric Utility (Silicon Valley Power) in accordance with the City Charter. Non-City owned and operated electric utilities pay a franchise fee, which is also a governmental activities general revenue source.

V. Special Assessment Districts with City Commitment

Recognition of revenue related to noncurrent receivables of special assessment district funds is deferred until such receivables become current. There is no reserve for delinquent receivables since liens exist against the related properties and hence the City's management believes the City will ultimately receive value equal to the delinquent receivables. Surplus fund balances remaining at the completion of a special assessment district project are disposed of in accordance with City Council resolutions and with the applicable assessment bond laws of the State of California.

W. Income Taxes

The City falls under the purview of Internal Revenue Code, Section 115 and corresponding California Revenue and Taxation Code provisions. As such, it is not subject to federal or state income taxes.

X. Lease Agreements

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment.

Lessee - The City is a lessee for noncancellable lease of equipment and buildings. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

NOTE 2 – FINANCIAL STATEMENT PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments as follows:

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease.

- Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor - The City is a lessor for noncancellable leases of land, building, and fiber optics. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts as follows:

- The City uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease.

- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable. During the current fiscal year, the City has not engaged in any sublease transactions, sale-leaseback arrangements, or lease-leaseback agreements.

NOTE 2 – FINANCIAL STATEMENT PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Y. Arbitrage Rebate Liability

Arbitrage rebate liabilities, if any, are included in accrued liabilities.

Z. Revenue Recognition

Electric, Water, Sewer and Solid Waste Fund revenues are recognized based on cycle billings periodically rendered to customers. Revenues for services provided, but not billed at the end of a fiscal year, are recognized and accrued based on estimated consumption.

Governmental Activities revenues subject to accrual include taxes, intergovernmental revenues, interest and charges for services.

AA. Non-exchange Transactions

The City gives or receives value without directly receiving or giving equal value in exchange, including grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

BB. Financial Instruments

Financial instruments included in the City's basic financial statements, excluding cash and investments, consisted of accounts receivable, accrued liabilities and bonds payable. The carrying amounts are a reasonable estimate of fair value.

CC. Conditional Grants

The City has several programs under which it extends loans to qualifying individuals or groups for the purpose of improving the City's housing stock and/or its supply of low-and moderate-income housing. Certain of these loans provide for the eventual forgiveness of the loan balance if the borrower complies with all the terms of the loan over its full term. The City accounts for these loans as conditional grants in the City-wide financial statements, and provides a reserve against their eventual forgiveness using the straight-line method over the life of the respective loan. As of June 30, 2024, conditional grants of $24,257,245 were offset by reserves of $10,035,548.

DD. Use of Estimates

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – FINANCIAL STATEMENT PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

EE. Vehicle Registration Fee

On November 2, 2010, Santa Clara County voters approved Measure B, which levies a $10 annual vehicle registration fee (VRF). The statue requires that fees collected be used only to pay for programs and projects that have a relationship or benefit to the owners of motor vehicles paying the fee and are consistent with the regional transportation plan. All revenue collected by Santa Clara Valley Transportation Authority, administrator of VRF are allocated on a population basis to cities in Santa Clara County. The City has committed and used the revenue from Measure B towards various street maintenance and traffic signal timing upgrade projects. The Vehicle Registration Fees are reported in the Streets and Highways Improvement Capital Projects Fund.

As of June 30, 2024, the balance of the Vehicle Registration Fees are as follows:

	Vehicle Registration Fee
Beginning Balance July 1, 2023	$ 3,498,667
Intergovernmental revenue	981,645
Interest	67,593
Expenditures	(1,011,440)
Ending Balance June 30, 2024	$ 3,536,465

NOTE 3 – BUDGETS AND BUDGETARY ACCOUNTING

The budget of the City is a detailed operating plan that identifies estimated costs and activities in relation to estimated revenues. The budget includes: (1) the projects, services and activities to be provided during the fiscal year, (2) the estimated revenue available to finance the operating plan, and (3) the estimated spending requirements of the operating plan.

The budget process is the mechanism through which policy decisions are made, implemented and controlled. The City Charter requires that the City establish a budgetary system for general operations and prohibits expending funds for which there is no legal appropriation. The City is required to adopt a budget on or before June 30 for the ensuing fiscal year that begins July 1. Activities of the General Fund, the Santa Clara Housing Successor, and the Maintenance Special Revenue Funds are included in the annual appropriated operating budget. The procedures followed to establish the budgetary data reflected in the accompanying required supplementary information to the basic financial statements are as follows:

1. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. This includes a Five-Year Financial Plan to aid in the planning and funding of operations and capital projects over the next five years.

2. Public hearings are conducted to obtain public comments.

NOTE 3 – BUDGETS AND BUDGETARY ACCOUNTING (continued)

3. The operating and capital budgets are legally enacted through the passage of a minute order.

From the effective date of the budget, the amounts stated therein as proposed expenditures become appropriations to the applicable governmental funds. The City Council may amend the budget by motion during the fiscal year. The legal appropriation control is established at the department level in each fund. For select funds where expenditures are not allocated to a specific department, the appropriation control is established at the fund level. Transfers of funding between budgetary funds require City Council appropriation and approval. City Council approval is required for a budget amendment during the fiscal year which may include the use of reserves or fund balances, and approval of appropriations of grant monies. Per Article XIII, Section 1305 of the City Charter, appropriations lapse at the end of each fiscal year; therefore, unencumbered funds allocated for specific projects, donations, and grants require City Council appropriation for use in the following fiscal year.

Budgetary transfers between accounts or expenditure category may be done through Finance Department or City Manager's Office approval as long as they are conducted within the legal appropriation control limit set by the City Council.

Budget information is presented on a non-GAAP budgetary basis. Budgeted revenue amounts represent the original budget modified by adjustments authorized during the year. Budgeted expenditure amounts represent original appropriations adjusted for supplemental appropriations and transfers during the year. Budget amounts in the schedules of revenues, expenditures and changes in fund balances-budget and actual, include supplemental appropriations approved by the City Council during the year.

For the actual GAAP basis financial statements, encumbered appropriations are not reported as expenditures, but are reported as a reservation of fund balance available for subsequent year expenditures, based on the encumbered appropriation authority carried over to the next fiscal year.

In addition to the annual Operating Budget, each year the City Council adopts a project length Capital Improvement Project budget biennially.

NOTE 4 – LEASE AGREEMENTS

In June 2017, the Government Accounting Standards Board (GASB) issued Statement No. 87, Leases. GASB Statement No. 87 (GASB 87) increases the usefulness of governmental financial statements by requiring recognition of certain lease assets and liabilities for all leases, including those that previously were classified as operating leases and recognized as income by lessors and expenditures by lessees. GASB 87 replaces the previous lease accounting methodology and establishes a single model for lease accounting based on the foundational principle that leases are a financing of the right to use an underlying asset.

This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The provisions of this Statement were implemented during fiscal year 2021-22.

NOTE 4 – LEASE AGREEMENTS (continued)

The balances related to leases receivable and deferred inflows of resources as of June 30, 2024 are:

	Leases Receivable	Deferred Inflow of Resources
Governmental activities		
General Fund	$ 251,591,700	$ 245,748,566
Business-type activities		
Electric Utility	$ 2,112,910	$ 1,997,165
Water Utility	908,045	831,430
Sewer Utility	908,045	831,430
Stadium Authority (as of March 31, 2024)	594,217,262	578,569,323
	$ 598,146,262	$ 582,229,348
Total leases receivable	$ 849,737,962	$ 827,977,914

A discussion of the most significant leases follows:

A. Peddler's Plaza and Commerce Plaza Leases

During the current fiscal year, the City began leasing the two properties located at 1000 Lafayette Street, known as Peddler's Plaza, and 900 Lafayette Street, known as Commerce Plaza. In 1971, the City entered long-term ground leases which expired in September 2021 and April 2022 respectively. These two properties have been long discussed as integral components of a long-term vision for rebuilding downtown. The planning process on a specific plan for downtown is not complete and it will be several more years before any redevelopment of the properties could begin to occur. The two buildings are occupied, and it would be beneficial to the City if there is ongoing occupancy of the structures.

The City extended their respective current leases under generally the same terms for a limited period (up to two years) to allow time for the City and its new management company to transition into their new roles. The City recognized $27,768 in lease revenue and $16 in interest revenue for Peddler's Plaza, $1,397,335 in lease revenue and $2,198 in interest revenue for Commerce Plaza, during the current fiscal year related to these two leases.

Both leases expired in May 2024 and were not extended beyond twelve months. As of June 30, 2024, the City's receivable for lease payments and the deferred inflow of resources associated with leases are zero.

B. Irvine Company Ground Leases

Irvine Company Disposition and Development Agreement With Ground Lease (DDA) for Office Park Development

In April 2000, the former RDA entered into a Disposition and Development Agreement (DDA) with Ground Lease with The Irvine Company (Developer) for development of the site as an office/R&D complex. The DDA contemplated the former RDA obtaining title to the entire property from the City prior to entering into ground leases with the Developer. The site is subdivided into three parcels to accommodate the phased

NOTE 4 – LEASE AGREEMENTS (continued)

development of the project. Only Parcel 2 was conveyed to the former RDA. Parcels 1 & 3 were always held by the City and not subject to terms of the subsequent RDA dissolution.

In March 2006, the DDA and the Ground Lease were amended to update the status of conditions precedent; amend the schedule of performance; and clarify terms and conditions relating to Parcel 1 and Parcel 3. In October 2012, the City entered into two ground leases with the Irvine Company for Parcels 1 and 3. The term of both leases is 80 years after the effective date of October 31, 2012, and therefore both leases shall expire on October 31, 2092. The rent commencement date is November 1, 2012. Under the terms of the leases the City will receive specified amounts for minimum rent subject to certain events or time periods and then inflationary adjustments at times specified in the leases. For the fiscal year ended June 30, 2024, the City recognized $1,313,233 in lease revenue and $2,106,631 in interest revenue for Parcel 1 and $633,168 in lease revenue and $1,015,700 in interest revenue for Parcel 3. As of June 30, 2024, the City's receivable for lease payments for Parcel 1 was $91,882,951 and the balance of the deferred inflows of resources was $89,737,617. The City's receivable for lease payments for Parcel 3 was $44,300,828 and the balance of the deferred inflows of resources was $43,266,468.

C. City Leases Pursuant to the Terms of the January 8, 2016 Settlement Agreement

On March 8, 2011, the City and the former RDA adopted resolutions authorizing the execution of property conveyance agreements for the conveyance of certain real property owned by the former RDA. The agreements conveyed the properties subject to existing leases to the City. Properties included California's Great America Theme Park, Techmart, Hyatt Regency, and Hilton Hotel.

The actions taken by the former RDA related to the asset transfers were validly authorized and conformed with the requirements of the Community Redevelopment Law as it existed at the time of the actions. Pursuant to ABx1 26, the Redevelopment Dissolution Law, the State Controller's Office is to review any asset transfers that occurred between a redevelopment agency and any other public agency after January 1, 2011 and if the assets have not been contractually committed to a third party and to the extent allowed by state and federal law, the Controller, after completing its review is to order the return of the assets to the Successor Agency. The Successor Agency received a Controller's order on September 10, 2013 ordering the City to transfer the assets back to the Successor Agency. The validity of that order was the subject of litigation in Sacramento Superior Court (Sharma vs. City of Santa Clara). Additionally, on July 26, 2013, the Court granted the County of Santa Clara, the Santa Clara Unified School District, and the Santa Clara County Office of Education (Petitioners) motion for a preliminary injunction (temporary restraining order), restricting the City from selling, transferring, encumbering, spending, or otherwise depleting or wasting any real property interests received from the former RDA.

On January 8, 2016 the City executed a Settlement Agreement in Sharma vs the City of Santa Clara. This Settlement Agreement calls for the City to return to the Successor Agency certain properties that the former Redevelopment Agency transferred to the City prior to dissolution. The properties returned are as follows: The Great America Theme Park Property, the Hilton Hotel Property, the North/South Parking Lots, the Gateway Parcel 2 Property, the Hyatt Hotel Property, The Techmart Property, and the Martinson Childcare Center Property. The Settlement Agreement requires the City to forego the long-term lease revenues generated by the properties. Lease revenues collected from July 1, 2012 to June 30, 2016 have been passed on to the Successor Agency. Additional information concerning the Settlement Agreement can be found in Note 22.

NOTE 4 – LEASE AGREEMENTS (continued)

The Settlement Agreement provides clarity that the City retains title to the main parking lot property for the Great America Theme Park and the Hyatt Hotel Ballroom Space. The agreement provides that rental income from these properties beginning July 1, 2015 is the property of the City.

California's Great America Theme Park Parking Lot Lease

The City and Cedar Fair entered into various agreements to operate and manage the theme park. As agreed in the Settlement Agreement, the Great America Theme Park Main Parking Lot is and always has been owned by the City and the City is entitled to any lease revenues generated from the Main Parking Lot after June 30, 2015. Pursuant to the Fourth Amendment of the ground lease, the City allows Cedar Fair to use certain City property adjacent to the Theme Park property for parking. Under the terms of the amended Ground Lease, Cedar Fair pays the City annually for use of such property for parking. For the fiscal year ended June 30, 2024, the City recognized $107,932 in lease revenue and $6,001 in interest revenue. As of June 30, 2024, the City's receivable for lease payments was $473,257 and the balance of the deferred inflows of resources was $494,691.

Hyatt Ballroom Lease Agreement

In April 1985, the former RDA entered into various agreements for the development of a certain piece of land for the eventual operation of a high quality hotel and related facilities, including a ballroom. The resulting lease agreement pertaining to the City owned ballrooms for an initial term of 50 years. The Lessee has options to renew the lease for four additional periods of ten years each and one additional period of nine years. In 2013, Hyatt Equities, LLC. sold its interest to Inland American Lodging Acquisitions, Inc., the terms and conditions of the lease agreements remain in effect.

The minimum rent of the Ballroom lease is adjusted every three years according to the April 1985 agreement. Due to the COVID-19 impacts, the City agreed to waive and abate the ballroom lease from March 1, 2020 to October 1, 2021. For the fiscal year ended June 30, 2024, the City recognized $327,695 in lease revenue and $88,691 in interest revenue. As of June 30, 2024, the City's receivable for lease payments was $3,739,402 and the balance of the deferred inflows of resources was $3,550,031.

D. North South Parking Lot Lease

On May 22, 2018, the City Council authorized the City Manager to make an offer to purchase the Successor Agency owned North South Parcel and further authorized the execution of a Purchase and Sale Agreement for the property. The transfer of the property was settled on July 24, 2018. As part of the acquisition, the City accepted and assumed all of the duties, obligations, liabilities, commitments and covenants of Successor Agency accruing from and after the settlement date with respect to or arising under the lease with Cedar Fair.

For the fiscal year ended June 30, 2024, the City recognized $26,174 in lease revenue and $5,003 in interest revenue. As of June 30, 2024, the City's receivable for lease payments was $436,607 and the balance of the deferred inflows of resources was $434,054.

E. Related Santa Clara Ground Lease

The City and Related Santa Clara, LLC, a Delaware limited liability company, entered into the certain Disposition and Development Agreement (City Place Santa Clara) on August 12, 2016. The duly adopted Development Agreement requires the City to convey the Property by lease in accordance with the DDA. In December 2022, the City entered into three ground leases with the Related Santa Clara for Phase 1-A, Phase

NOTE 4 – LEASE AGREEMENTS (continued)

1-B, and Phase 1-C. The term of the three leases is 99 years after the effective date of January I, 2023. The rent commencement date was on December 20, 2022. Under the terms of the lease, the City will receive specified amounts for minimum rent subject to certain events or time periods and then inflationary adjustments at times specified in the leases. For the fiscal year ended June 30, 2024, the City recognized $432,590 in lease revenue and $1,871,363 in interest revenue for Phase 1-A, recognized $380,247 in lease revenue and $1,644,931 in interest revenue for Phase 1-B, recognized $173,693 in lease revenue and $751,388 in interest revenue for Phase 1-C. As of June 30, 2024, the City's receivable for lease payments was $42,785,031 and the balance of the deferred inflows of resources was $42,163,552 for Phase 1-A, the lease receivable $37,608,110 and the balance of the deferred inflows of resources was $37,061,830 for Phase 1-B, the lease receivable $17,179,016 and the balance of the deferred inflows of resources was $16,929,480 for Phase 1-C.

F. Future Lease Payments

As of June 30, 2024, the City's receivable for future lease payments to maturity for the leasing assets to other entities with the funds in which payments will be received are as follows:

NOTE 4 – LEASE AGREEMENTS (continued)

For the Year Ending June 30	Governmental Activities		Business-Type Activities (excluding Santa Clara Stadium Authority)	
	Principal	Interest	Principal [1]	Interest
2025	$ 1,635,317	$ 4,270,218	$ 325,595	$ 94,605
2026	1,693,898	4,257,475	342,725	86,924
2027	1,754,666	4,427,307	343,940	79,061
2028	1,808,507	4,428,058	356,180	71,459
2029	1,761,411	4,410,016	374,801	63,300
2030-2034	9,866,117	23,513,808	1,000,952	217,567
2035-2039	10,144,323	23,984,081	1,122,709	89,445
2040-2044	9,823,424	26,452,489	62,098	296
2045-2049	7,258,765	30,533,165	-	-
2050-2054	7,757,603	33,158,032	-	-
2055-2059	8,693,749	36,472,461	-	-
2060-2064	9,737,690	40,419,958	-	-
2065-2069	10,919,096	45,261,627	-	-
2070-2074	12,236,867	50,225,267	-	-
2075-2079	13,713,698	57,578,988	-	-
2080-2084	15,366,846	64,433,349	-	-
2085-2089	17,224,481	73,814,801	-	-
2090-2094	12,623,086	84,281,008	-	-
2095-2099	-	98,027,203	-	-
2100-2104	-	115,096,629	-	-
2105-2109	-	134,664,798	-	-
2110-2114	-	158,113,909	-	-
2115-2119	1,659,699	183,335,968	-	-
2120-2124	95,912,457	5,382,069	-	-
	$ 251,591,700	$ 1,306,542,684	$ 3,929,000	$ 702,657

(1) Please refer to Santa Clara Stadium Authority 's separately issued Financial Statement Note 2k for the principal outstanding for Stadium Authority.

NOTE 5 - ENTERPRISE FUND MANAGEMENT AGREEMENTS

A. Santa Clara Convention Center

During fiscal year 2018-19, the City performed a competitive bidding process to select a new management company for the Convention Center. On March 12, 2019, the City Council approved a resolution to enter into

NOTE 5 – ENTERPRISE FUND MANAGEMENT AGREEMENTS (continued)

a new agreement with Global Spectrum, LP, doing business as Spectra Venue Management (Spectra), to manage and operate the Convention Center effective March 18, 2019. The initial term of this agreement began on March 18, 2019 and runs through June 30, 2024 with the option to extend the agreement for two subsequent terms of five (5) years by serving notice to Spectra no later than 180 days from the expiration of the term period. Under the terms of this agreement, Spectra will receive an annual base management fee for its' operation of the Convention Center and an additional management fee if certain performance measures are met. For fiscal year ended June 30, 2024, the City paid Spectra $171,494 in management fees.

In May 2019, the City issued a request for proposal (RFP) to select a qualified company to provide Food and Beverage Operations for the Convention Center. The City entered into an agreement with Levy Premium Foodservice Limited Partnership (Levy) on November 1, 2019 to manage the foodservice operations at the Convention Center. The initial term of this agreement began on November 1, 2019 and expires on June 30, 2025. Upon expiration of the initial term, the City has the option to extend this agreement for two subsequent terms of five (5) years each by serving notice to Levy no later than 180 calendar days from expiration of term period. Under the terms of this agreement, Levy will receive management fees equal to 4.5% of gross receipts plus an additional fee of 8% of net receipts. For the fiscal year ended June 30. 2024, the City paid Levy $341,586 in fees.

In accordance with the November 1, 2019 executed agreement, Levy agreed to pay the City $5,750,000 consisting of $5,000,000 for an Operations Investment to be used for pre-opening expenses and other improvements to the foodservice facilities at the Convention Center, and a $750,000 Community Enrichment Investment to be spent on programs that drive community enrichment, develop local partnerships and promote economic development of the City. Both of these are amortized on a straight-line basis over 15 years. In the event that this agreement terminates for any reason prior to full amortization of the investment funds, the City is obligated to reimburse Levy for the unamortized amount.

NOTE 6 – SANTA CLARA STADIUM AUTHORITY

A. Credit Agreements

The Restated Credit Agreement dated as of June 19, 2013 was entered into by and among Stadium Funding Trust (FinanceCo), SCSA, and Goldman Sachs Bank. Under the Restated Credit Agreement, FinanceCo issued private placement notes and obtained a loan from a consortium of lenders and will loan SCSA up to $450 million and StadCo up to $400 million. Additionally, SCSA and Forty Niners SC Stadium Company LLC (StadCo) entered into the Restated StadCo Obligations Agreement on June 19, 2013 under which StadCo will loan up to $500 Million to SCSA to pay costs associated with the development of Levi's Stadium.

B. Management Agreement

The Stadium Management Agreement dated as of March 28, 2012 was entered into by and among the SCSA, Forty Niners Stadium Management Company LLC (ManagementCo), and StadCo. The SCSA and StadCo selected ManagementCo to provide management services for the Stadium on each entity's behalf on a continual, year-round basis, including overseeing the day-to-day operations and maintenance of the Stadium. The Stadium Management Agreement has an initial term of 25 years, plus a 15-year renewal option.

NOTE 6 – SANTA CLARA STADIUM AUTHORITY (continued)

The Stadium Management Agreement also authorizes ManagementCo to pay for services related to the Stadium operations on behalf of the SCSA. For the year ended March 31, 2024, ManagementCo charged the SCSA $8.6 million in Shared Expenses, and $8.5 million in Other Operating and Management Expenses.

C. Ground Lease

On February 28, 2012, the SCSA entered into a lease (the Ground Lease) with the City whereby the City leases the Stadium site to the SCSA. The Ground Lease was amended on June 19, 2013.

The Ground Lease has an initial term of 40 years. The first lease year commenced on the first day following the substantial completion of construction (August 1, 2014) and ended on the next following March 31st. The subsequent lease years will start on April 1st and end on the following March 31st. The SCSA will have five successive extension options, each four years in duration, which would commence following the initial term expiration date.

The Ground Lease provides that the City will receive a fixed ground rent (Fixed Ground Rent) of $180 thousand for the first year of Stadium operations payable by the SCSA. Beginning in the second year of Stadium operations and annually thereafter through the tenth year of Stadium operations, the Fixed Ground Rent will increase annually by $35 thousand. Beginning in the 11th year of Stadium operations, Fixed Ground Rent will be increased to equal $1 million, and thereafter will be increased by $100 thousand every five years through the end of the initial term of the Ground Lease. If the term of the Ground Lease is extended, then, during the first extension term, the Fixed Ground Rent will equal $1.58 million; and if and to the extent the Ground Lease is further extended, the Fixed Ground Rent will be increased by $80 thousand every four years thereafter through the expiration of the term of the Ground Lease. The SCSA paid the City $495 thousand in ground rent in fiscal year ended March 31, 2024.

The Ground Lease also provides that the City will receive a performance-based rent equal to 50% of the net income from non-NFL events, less certain credits including 50% of the Fixed Ground Rent, payable by the SCSA. If certain of the credits are not used within the year incurred or the next five succeeding years, the credits will expire. The SCSA reported a net Non-NFL event profit of $8.8 million and $8.3 million for fiscal year ended March 31, 2023 and 2024, which triggers the performance-based rent. However, in the prior fiscal year the Stadium Authority did not pay the City any performance-based rent because there remained disputes and pending arbitration with StadCo as to potential credits that needed to be deducted from a performance-based rent amount due public safety costs in excess of a disputed threshold. The 2024 Settlement Agreement will resolve those disputes. The $7.3 million in performance-based rent due to the City for both fiscal years were accrued in fiscal year ended March 31, 2024. However, the payment to the City will not occur until the Final Effective Date of the 2024 Settlement Agreement. More details on the litigation are included in Note 20E.

The following schedule summarizes the minimum future payments due under this lease:

NOTE 6 – SANTA CLARA STADIUM AUTHORITY (continued)

Fiscal Year Ending March 31	Ground Lease Amount
2024	$ 1,000,000
2025	1,000,000
2026	1,000,000
2027	1,000,000
2028	1,000,000
Thereafter	32,500,000
Total	$ 37,500,000

D. Stadium Lease

On March 28, 2012, the SCSA entered into a lease with StadCo whereby the SCSA leases the Stadium to StadCo. On June 19, 2013, the same parties entered into an Amended and Restated Stadium Lease Agreement (the Stadium Lease).

The Stadium Lease has an initial term of 40 years commencing on the first day following the substantial completion of construction (August 1, 2014) and includes five successive options to extend the term by four years each. The Stadium Lease is divided into two seasons:

- the Tenant Season, which includes the NFL season (including preseason, regular season and postseason NFL games) and runs from August 1 through January 31; and
- the SCSA Season, which runs from February 1 through July 31.

Pursuant to the Stadium Lease, the SCSA and StadCo will be entitled to receive and collect separate revenues. Initially, rent payable by StadCo to the SCSA was $24.5 million per year. This amount was established pursuant to the Stadium Lease in connection with the take-out financing, which occurred on June 19, 2013. The Stadium Lease allowed for one opportunity to adjust the rent if operating or debt service expenses are either more or less than projected in determining the initial rent. Based on the changes to the projected operating and debt service expenses, the provisions for a one-time rent adjustment were triggered. At the SCSA Board (Board) meeting held on March 22, 2016, the Board decided not to adjust the rent, and instead passed a motion to pursue the informal dispute resolution procedures and to proceed to the arbitration process if necessary. Thereafter, on May 3, 2016 StadCo filed for arbitration with the SCSA.

On June 18, 2018, the arbitrator entered an Arbitration Award in favor of the SCSA and against StadCo. This award adjusted the facility rent from $24.5 million to $24.76 million, an increase of $262 thousand. This increase is retroactive to the first lease year resulting in a total amount owed to the SCSA of $1.31 million for the first five lease years, through March 31, 2020. In addition to the adjustment to the facility rent, the SCSA was entitled to reimbursement of its legal fees, determined by the arbitrator to be $2.28 million. The lease also provides for a fair market rent adjustment in year 33.

The SCSA received $24.8 million in stadium rent from StadCo for the fiscal years ended March 31, 2024.

NOTE 6 – SANTA CLARA STADIUM AUTHORITY (continued)

The SCSA may elect to expand the Tenant Season to consist of the entire lease year, from April 1 through the next succeeding March 31 (Stadium Authority Put Right), by delivering written notice to StadCo. The SCSA Put Right may be exercised at any time during lease year 13, or at any time that the Management Company Revolving Loan balance exceeds $20 million. The expansion of the Tenant Season will be effective as of the applicable Tenant Season Expansion Date as set forth in the Stadium Lease. Effective from and after the Tenant Season Expansion Date, and continuing through the remainder of the Stadium Lease term, the Tenant Season will consist of the entire lease year. Refer to the Stadium Authority Financial Statements, Note 10.

E. Prior Year Correction

During the financial reporting process for March 31, 2024, the Stadium Authority reviewed the accounting and reporting for the GASB 87, Leases, implementation for the ground lease and the stadium lease as of April 1, 2022 and identified errors related to the accumulated deferred rent liability and interest expense and interest revenue calculations as of March 31, 2023. The Stadium Authority determined these to be immaterial corrections of prior year errors and has revised the March 31, 2023 applicable accounts. The beginning net position for fiscal year 2023-24 was increased by $8.7 million from $111.5 million to $120.3 million.

The statement of net position for fiscal year 2022-23 was adjusted as follows:

	FY 2023 previously reported	GASB 87 restatement	FY 2023 restated
Current assets:			
Accounts receivable	$ 18,994,260	$ 1,100,694	$ 20,094,954
Total change in assets		$ 1,100,694	
Current liabilities:			
Accrued liabilities	$ 1,852,581	$ (495,000)	1,357,581
Noncurrent liabilities:			
Long-term accrued liabilities	7,149,723	(7,149,723)	-
Total change in liabilities		$ (7,644,723)	
Net position:			
Unrestricted deficit	(412,098,738)	8,745,417	(403,353,321)
Total changes in liabilities and net position		1,100,694	

The statement of revenues, expenses and changes in net position for fiscal year 2022-23 was adjusted as follows:

NOTE 6 – SANTA CLARA STADIUM AUTHORITY (continued)

	FY 2023 previously reported	GASB 87 restatement	FY 2023 restated
Operating revenues:			
Rents, royalties and licesing	$ 38,532,268	$ (460,000)	$ 38,072,268
Operating expenses:			
Materials, services, and supplies	2,751,739	(979,044)	1,772,695
Total change in operating income		519,044	
Nonoperating revenues (expenses):			
Interest revenue	18,178,056	581,650	18,759,706
Total change in net position		1,100,694	
Net position - beginning of period	80,721,961	7,644,723	88,366,684
Net position - end of period	$ 111,520,156	8,745,417	120,265,573

F. Ground Lease Restatement

The SCSA implemented GASB 87, *Leases*, during the year ended March 31, 2023. The SCSA is a lessee for the Ground Lease with the City and is required to recognize the lease liability and intangible right-to-use lease asset in the statement of net position in its financial statements. For the year ended March 31, 2024, the SCSA recognized $29.3 million in lease liability, $27.1 million in intangible right-to-use lease asset and $774 thousand in interest payable in the statement of net position, and $495 thousand in leases expenses, $798 thousand in depreciation expense and $652 thousand in interest expense in the statements of revenues, expenses, and change in net position for the Ground Lease. The GASB 87 reporting requirement for the Ground Lease does not apply at the Citywide financial statements level. As a result, SCSA Enterprise Fund has been restated in the proprietary major fund statements. The right-to-use lease asset, lease liability and interest payable related to the Ground Lease were eliminated in statement of net position and the net impact in the unrestricted net position is $3.0 million. The related lease revenue, depreciation expense and interest expense were also eliminated in the statements of revenues, expenses, and change in net position and the net impact in net position is $955 thousand.

G. Subsequent Event

On May 23, 2024, the Stadium Authority, the City, StadCo, and ManagementCo entered into the 2024 Settlement Agreement that resolved pending arbitration and disputes regarding the complementary SBL buffet costs and NFL public safety cost arbitration, as well as other miscellaneous terms and matters. The 2024 Settlement Agreement includes amendments to the Ground Lease and Stadium Lease. Those lease amendments, which have already been signed and approved by Stadium Authority Board, City Council, StadCo, and ManagementCo, need to be approved by the NFL and the Lenders. Once the NFL and Lenders approve the lease amendments, the 2024 Settlement Agreement will have a Final Effective Date, and the settlement terms can be implemented. To date, the NFL has approved the lease amendments. As part of the settlement, the Stadium Authority agreed to recognize the $902 thousand complimentary SBL buffet expense for fiscal year 2021-22 and $14.7 million of NFL public safety costs over the threshold for fiscal years 2017-18 through 2023-24. The settlement of the NFL public safety cost disputes will also allow for the payment of

NOTE 6 – SANTA CLARA STADIUM AUTHORITY (continued)

the performance-based rent from the Stadium Authority to the City in the amount of $7.3 million for fiscal years 2022-23 and 2023-24 after the Final Effective Date of the 2024 Settlement Agreements.

NOTE 7 – CASH AND INVESTMENTS

A. Pooled Cash and Investments

The City pools cash from all sources and all funds except restricted cash and investments with fiscal agent. Allocable portions of the pooled portfolio for each fund type are reported under the captions "Pooled cash and investments" and "Restricted Cash". Interest income earned on pooled cash and investments is allocated to various funds based on average cash balances of each fund unless there are specific legal or contractual requirements to do otherwise.

Total cash and investments of the City was $1,383.3 million as of June 30, 2024. This amount includes the City's pooled cash and cash investments of $1,335.6 million, and cash and investments with fiscal agents of $47.7 million.

Of the City's total cash and investments, the following shows the allocation as presented on the accompanying statements of net position:

Statement of Net Position	
Pooled cash and investments	$ 1,197,588,786
Investments with fiscal agent - current	32,555,629
Restricted cash	126,058,194
Deposits	9,449,807
Investments with fiscal agent - noncurrent	12,281,776
Fiduciary Funds	
Pooled cash and investments	2,501,360
Investments with fiscal agent - current	2,902,022
Total Cash and Investments	$ 1,383,337,574

NOTE 7 – CASH AND INVESTMENTS (continued)

The City's cash and investments balances in Governmental Funds, Enterprise Funds, Internal Service Funds, Private Purpose Trust, and Fiduciary Funds were as follows:

	Governmental Funds	Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total
Pooled cash and investments	$ 358,495,510	$ 787,298,523	$ 51,794,753	$ 2,501,360	$ 1,200,090,146
Investments with fiscal agent - current	48,901	32,506,728	-	-	32,555,629
Restricted cash	31,763,107	94,295,087	-	-	126,058,194
Investments with fiscal agent - noncurrent	719,134	11,562,642	-	2,902,022	15,183,798
Deposits	-	9,449,807	-	-	9,449,807
Total cash and investments	$ 391,026,652	$ 935,112,787	$ 51,794,753	$ 5,403,382	$ 1,383,337,574

B. Investments Authorized by the California Government Code and the City's Investment Policy

The City's investment strategy is to invest cash not required for current obligations in U.S. government securities, federal government agency securities, highly rated money market instruments and other investments in accordance with the City's investment policy for a maximum term of five years for the General Fund portfolio. The City Council has authorized the purchase of securities with maturities greater than five years, specifically for the Electric Cost Reduction Account. This strategy allows the City to minimize its exposure to credit, market, and liquidity risk while maintaining a reasonable return on its portfolio.

The City's investment policy, in compliance with the City of Santa Clara Charter, Article IX, Section 904 (d) and (h), and the California Government Code authorizes the City to invest in securities that are consistent with the City's cash management strategy and long-term goals and objectives. The City is authorized to invest in the following types of instruments, and the table also identifies certain provisions of the California Government Code, or the City's investment policy where it is more restrictive:

NOTE 7 – CASH AND INVESTMENTS (continued)

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
U.S. Treasury Obligations	7 years	N/A	100%	100%
U.S. Agency Securities [(A)]	7 years	Top three ratings categories	80%[(B)]	40%
Negotiable Certificates of Deposit	5 years	A / A-1	30%	5%
Bankers Acceptances	180 days	N/A	25%	5%
Commercial Paper	270 days	A / A-1	25%	5% [(C)]
California Local Agency Investment Fund	N/A	N/A	None	$75M Per A/C
Repurchase Agreements	60 days	N/A	50%	20%
Reverse Repurchase Agreements (requires City Council approval)	92 days	N/A	20%	10%
Municipal Obligations	7 years	A	20%	5%
Medium Term Corporate Notes	5 years	A/A-	25%	5%[(C)]
Mutual Funds / Money Market Funds	N/A	Top rating category	20%	10%
Joint Powers Authority Investment Pools	N/A	N/A	100%	100%
Supranational Obligations	5 years	AA	20%	10%
Asset-Backed Securities	5 years	AA	10%	5%
Non-Negotiable Certificates of Deposit	5 years	N/A	10%	5%
Mortgage-Backed Securities and Collateralized Mortgage Obligations	6-12 years [(D)]	AA	15%	5%

(A) Securities issued by the Federal Farm Credit Bank (FFCB), the Federal Home Loan Bank (FHLB), the Federal National Mortgage Association (FNMA), and the Federal Home Loan Mortgage Corporation (FHLMC), local agencies and other U.S. government -sponsored enterprises.

(B) Callable securities are limited to 30% of the portfolio.

(C) No more than 10% of the outstanding commercial paper and medium term coporate notes of any single issuer.

(D) Maximum Weighted Average Life with Current Public Securities Association Assumptions =12 years at time of purchase for Mortgage-Backed Securities (MBS) and 6 years at time of purchase for collateralized mortgage obligations (CMO). Maximum Final Maturity for MBS's and CMOs = 30 years with balloon payments.

C. Investments with Fiscal Agents

The City invests bond proceeds restricted for construction in instruments that are stated in the Investment Policy and in various return-guaranteed investment agreements. These investments are invested in accordance

NOTE 7 – CASH AND INVESTMENTS (continued)

with bond indentures and the maturities of each investment should not exceed the final maturity of each bond. Bond proceeds investments are reported monthly to the City Council.

The City also maintains required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if the City fails to meet its obligations under these debt issues. The California Government Code 53601 (L) allows these funds to be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, other agreements, or certificates of participation in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.

Electric Reserve Fund bond proceeds restricted for construction projects are invested and held by the trustee as fiscal agent investments. All funds have been invested as permitted under the Code. These investments are usually scheduled to mature when cash is needed to fulfill the requirements of the underlying bond and trust agreements.

The City also invests funds in the Bentzien Trust in accordance with the investment policy of the Trust that allows investment in cash and short-term investments (up to 20%), fixed income investments including U.S. Government, U.S. Government Agency, Asset and Mortgage Backed securities, debt issued by U.S. Corporations and fixed income mutual funds (30% to 60% of portfolio's aggregate fair value), and equity securities or mutual funds (40% to 70% of portfolio's aggregate fair value). Investments in U.S. Corporate debt shall be limited to an amount per issuer not to exceed 10% of the aggregate fair value of the portfolio, and upon initial purchase by the Adviser, must be of investment grade as rated by Moody's and/or Standard and Poor's rating services. The maximum maturity of an individual bond shall not exceed fifteen years and the average maturity shall not exceed ten years. Individual equity purchases shall have an equivalent securities rating of B- or better. Individual equity purchases shall not exceed five percent of the portfolio's aggregate fair value.

D. Pension Rate Stabilization Program

In February 2017, the City Council approved a Pension Rate Stabilization Program, (PRSP) Trust administered by Public Agency Retirement Services (PARS). The PRSP is an irrevocable trust and qualifies as an Internal Revenue Section 115 trust. This trust will assist the City in mitigating the CalPERS contribution rate volatility. Investments of funds held in Pension Rate Stabilization Program (PRSP) are governed by the Investment Guideline Document for the investment account and by the agreement for administrative services with the Public Agency Retirement Services (PARS), rather than the general provisions of the California Government code or the City's investment policy. The City elected a discretionary investment approach which allows the City to maintain oversight of the investment management, control on target yield and the portfolio' risk tolerance. The assets in this program will eventually be used to fund Pension Plan obligations.

E. Interest Rate, Credit Risks and Fair Value Measurement

Interest rate risk is the risk that an investment's value will be adversely affected by a change in interest rates. In general, the longer the time to maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. To reduce interest rate risk, the City diversifies the portfolio into a wide range of investments with different maturities, and maintains a reasonable average maturity of less than three years. This approach significantly mitigates adverse market volatility and maximizes returns.

NOTE 7 – CASH AND INVESTMENTS (continued)

The average maturity of the City's pooled investment portfolio at June 30, 2024 was approximately 2.13 years and the City has the ability to and generally intends to hold all investments to maturity. Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided in the investment table that shows the distribution of the City's investments by maturity.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Credit risk is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Presented below is the actual rating as of June 30, 2024 for each investment type:

		Maturity					
Type of Investment	Credit Rating	Under 180 Days	181 - 365 Days	1 - 3 Years	3 - 5 Years	Over 5 Years	Fair Value
Cash and Investments - City Treasury:							
Cash	N/A	$ 124,819,760	$ -	$ -	$ -	$ -	$ 124,819,760
US Treasury Notes	Aaa	17,541,803	14,942,542	161,806,789	293,388,379	-	487,679,513
Federal Farm Credit Bank	Aaa	4,935,600	26,352,674	9,534,000	-	-	40,822,274
Federal Home Loan Bank	Aaa	4,940,800	-	-	-	-	4,940,800
Federal National Mortgage Association	Aaa	-	17,002,650	1,752,585	-	-	18,755,235
Federal Home Loan Mortgage Corporation	Aaa	-	4,884,950	13,820,277	4,223,733	-	22,928,960
Federal Home Loan Mortgage Corporation Mortagage-Backed Securities	Aaa	-	-	23,290,112	35,235,371	-	58,525,483
Corporate Notes	Aaa	-	4,917,900	9,720,871	-	-	14,638,771
Corporate Notes	Aa	-	15,467,849	29,524,919	3,259,824	-	48,252,592
Corporate Notes	A	-	31,768,585	49,614,792	48,872,169	-	130,255,546
Corporate Notes	BBB+ (A)	-	2,502,118	-	-	-	2,502,118
Asset-Backed Securities	Aaa	-	-	11,958,835	51,598,372	-	63,557,207
Certificates of Deposit	A & A+	7,269,709	-	7,574,175	-	-	14,843,884
Money Market Funds (CAMP Pool)	AAAm	201,720,060	-	-	-	-	201,720,060
Money Market Funds (CAMP Term)	AAAf	40,000,000	-	-	-	-	40,000,000
Principal Public Deposit Sweep Program	Not Rated	211,384	-	-	-	-	211,384
State Investment Pool (LAIF)	Not Rated	5,934,524	-	-	-	-	5,934,524
Total Cash and Investments - City Treasury		407,373,640	117,839,268	318,597,355	436,577,848	-	1,280,388,111
Cash and Investments - Other:							
Cash (Debt Fund)	N/A	6,414,375	-	-	-	-	6,414,375
Cash (Pension Rate Stabilization Investment)	N/A	12,006	-	-	-	-	12,006
U.S. Treasury Notes (Bentzien Trust)	Aaa	34,867	-	-	49,434	147,467	231,768
Federal Home Loan Bank (Bentzien Trust)	Aaa	-	49,030	69,597	98,140	137,907	354,674
Municipal Notes (Bentzien Trust)	Aaa	-	-	73,207	-	74,436	147,643
Municipal Notes (Bentzien Trust)	Aa	49,925	-	36,252	31,893	69,497	187,567
Municipal Notes (Bentzien Trust)	A	-	-	46,944	-	-	46,944
Municipal Notes (Bentzien Trust)	BBB	-	-	9,009	-	-	9,009
Corporate Notes (Bentzien Trust)	A	-	-	-	58,726	-	58,726
Corporate Notes (Bentzien Trust)	BBB	34,971	-	34,367	35,309	-	104,647
Corporate Stock (Bentzien Trust)	A & B	991,804	-	-	-	-	991,804
Corporate Stock (Bentzien Trust)	C	7,360	-	-	-	-	7,360

(continued)

NOTE 7 – CASH AND INVESTMENTS (continued)

Type of Investment	Credit Rating	Maturity: Under 180 Days	181 - 365 Days	1 - 3 Years	3 - 5 Years	Over 5 Years	Fair Value
Cash and Investments - Other: (continued)							
Mutual Fund - Dreyfus Money Market (Bond Proceeds)	Aaam	2,349,205	-	-	-	-	2,349,205
Mutual Fund - Blackrock Money Market (Debt Fund)	Aaam	768,035	-	-	-	-	768,035
Mutual Fund - JP Morgan Mutual Fund (Debt Fund)	Aaam	10,182,510	-	-	-	-	10,182,510
Mutual Fund - Money Market Funds (Debt Fund)	Aaam	26,407	-	-	-	-	26,407
Mutual Fund - International Equities (Bentzien Trust)	Not Rated	175,252	-	-	-	-	175,252
Mutual Fund - Fixed Income (Bentzien Trust)	Not Rated	637,559	-	-	-	-	637,559
Mutual Fund - Equities (Bentzien Trust)	Not Rated	158,612	-	-	-	-	158,612
Exchange Traded Funds (Bentzien Trust)	Not Rated	27,345	-	-	-	-	27,345
Mutual Fund- Money Market (Bentzien Trust)	Not Rated	337,527	-	-	-	-	337,527
Mutual Fund - Fidelity Treasury (SCSA Debt Fund)	Not Rated	11,536,236	-	-	-	-	11,536,236
Morgan Stanley Institutional Liquidity Treasury Securities (SCSA Debt Fund)	Not Rated	15,909,843	-	-	-	-	15,909,843
Pension Rate Stabilization Investment (Cash Equivalents))	Not Rated	1,764,531	-	-	-	-	1,764,531
Pension Rate Stabilization Investment (Mutual Funds-Equity)	Not Rated	12,902,121	-	-	-	-	12,902,121
Pension Rate Stabilization Investment (Mutual Funds-Fixed Income)	Not Rated	28,138,512	-	-	-	-	28,138,512
Real Estate Investment Trust (Bentzien Trust)	B++	19,438	-	-	-	-	19,438
Collateral Obligations (ADM & CAISO)	Not Rated (B)	9,449,807	-	-	-	-	9,449,807
Total Cash and Investments - Other		101,928,248	49,030	269,376	273,502	429,307	102,949,463
Total Cash and Investments		$ 509,301,888	$ 117,888,298	$ 318,866,731	$ 436,851,350	$ 429,307	$ 1,383,337,574

Note:
(A) The investment in the corporate notes were rated A+ and in compliance with the City's investment policy when purchased.
(B) Investments are not rated by S&P, but are rated by Moody's and Fitch, and have ratings in compliance with the City's investment policy.

The City accounts for investments in accordance with GAAP, which requires governmental entities to report certain investments at fair value based on quoted market information obtained from recognized sources. The City has reported its investments at fair value with the exception of its share of external investment pools and mutual funds, the carrying value of which approximates fair value. In determining the change in fair value of its investments, the City used an aggregate method of calculation.

The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation input used to measure the fair value of asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

NOTE 7 – CASH AND INVESTMENTS (continued)

		Fair Value Measurements Using		
	Investments and Derivative Instruments Measured at Fair Value	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	
	6/30/2024	Level 1	Level 2	Exempt [1]
Investments by Fair Value Level				
Short Term Investments				
U.S. Treasury Notes	$ 487,679,513	$ 487,679,513	$ -	$ -
Federal Farm Credit Bank	40,822,274	-	40,822,274	-
Federal Home Loan Bank	4,940,800	-	4,940,800	-
Federal National Mortgage Association	18,755,235	-	18,755,235	-
Federal Home Loan Mortgage Corporation	22,928,960	-	22,928,960	-
Federal Home Loan Mortgage Corporation Mortagage-Backed Securities	58,525,483	-	58,525,483	-
Corporate notes	195,649,027	-	195,649,027	-
Asset-Backed Securities	63,557,207	-	63,557,207	-
Certificates of Deposit	14,843,884	-	14,843,884	-
Money Market Funds (CAMP Pool)	201,720,060	-	-	201,720,060
Money Market Funds (CAMP Term)	40,000,000	-	-	40,000,000
Principal Public Deposit Sweep Program	211,384	-	-	211,384
Total Short Term Investments	1,149,633,827	487,679,513	420,022,870	241,931,444
Debt Securities and Other				
U.S. Treasury Notes (Bentzien Trust)	231,768	231,768	-	-
Federal Home Loan Bank (Bentzien Trust)	354,674	-	354,674	-
Municipal Notes (Bentzien Trust)	147,643	-	147,643	-
Municipal Notes (Bentzien Trust)	187,567	-	187,567	-
Municipal Notes (Bentzien Trust)	46,944	-	46,944	-
Municipal Notes (Bentzien Trust)	9,009	-	9,009	-
Corporate Notes (Bentzien Trust)	58,726	-	58,726	-
Corporate Notes (Bentzien Trust)	104,647	-	104,647	-
Mutual Fund - Dreyfus Money Market (Bond Proceeds)	2,349,205	-	-	2,349,205
Mutual Fund - Blackrock Money Market (Debt Fund)	768,035	-	-	768,035
Mutual Fund - JP Morgan Money Market Funds (Debt Fund)	10,182,510	-	-	10,182,510
Mutual Fund - Money Market Funds (Debt Fund)	26,407	-	-	26,407

(continued)

NOTE 7 – CASH AND INVESTMENTS (continued)

		Fair Value Measurements Using		
	Investments and Derivative Instruments Measured at Fair Value 6/30/2024	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Exempt [1]
Debt Securities and Other (continued)				
Mutual Fund - International Equities (Bentzien Trust)	175,252	175,252	-	-
Mutual Fund - Fixed Income (Bentzien Trust)	637,559	-	637,559	-
Mutual Fund - Equities (Bentzien Trust)	158,612	-	158,612	-
Mutual Fund- Money Market (Bentzien Trust)	337,527	-	-	337,527
Mutual Fund - Fidelity Treasury (SCSA Debt Fund)	11,536,236	-	-	11,536,236
Morgan Stanley Institutional Liquidity Treasury Securities (SCSA Debt Fund)	15,909,843	-	-	15,909,843
Pension Rate Stabilization Investment (Cash and Equivalents)	1,764,531	1,764,531	-	-
Pension Rate Stabilization Investment (Mutual Funds-Equity)	12,902,121	12,902,121	-	-
Pension Rate Stabilization Investment (Mutual Funds-Fixed Income)	28,138,512	28,138,512	-	-
Collateral Obligations (ADM & CAISO)	9,449,807	-	-	9,449,807
Total Debt Securities and Other	95,477,135	43,212,184	1,705,381	50,559,570
Equity Securities				
Corporate Stock (Bentzien Trust)	991,804	991,804	-	-
Corporate Stock (Bentzien Trust)	7,360	7,360	-	-
Exchange Traded Funds (Bentzien Trust)	27,345	27,345	-	-
Real Estate Investment Trust (Bentzien Trust)	19,438	19,438	-	-
Total Equity Securities	1,045,947	1,045,947	-	-
Total Investment by Fair Value Level	1,246,156,909	531,937,644	421,728,251	292,491,014
Investments Measured at fair value but not subject to fair value hierachy:				
State Investment Pool (LAIF)	5,934,524	-	-	5,934,524
Total Investments	1,252,091,433	$ 531,937,644	$ 421,728,251	$ 298,425,538
Cash in Banks	131,246,141			
Total Cash and Investments	$ 1,383,337,574			
Investments Derivative Instruments				
Open contract power trading - Current Assets	$ 673,783		673,783	
Open contract power trading - Current Liabilities	(7,708)		(7,708)	
Open contract gas trading - Current Assets	6,446,180		6,446,180	
Open contract gas trading - Non-current Assets	4,867,018		4,867,018	
Total Investment Derivative Instruments	$ 11,979,273		$ 11,979,273	

(1) Accounts in exempt column are Mutual Fund-Money Market, Collateral Obligations, CAMP investments and Deposit Sweep Program which are exempt from the fair value hierarchy, or reported at amortized cost.

The City utilizes a third party pricing service to determine fair market prices for its individually held investments. Evaluations are based on market information available at the time and generated using proprietary evaluated pricing models and methodologies.

NOTE 7 – CASH AND INVESTMENTS (continued)

Bentzien Trust investment in stocks and U.S. Treasuries are valued using prices quoted in active markets for those securities. All other Bentzien Trust debt securities are valued using a Market Approach methodology by Standard & Poor's Securities Evaluation Inc. The Market Approach uses prices and other relevant information generated by market transactions involving identical or similar assets, liabilities or a group of assets and liabilities.

Level 1 investments are valued using a marketable actively traded assets closing price for identical assets. Level 2 investments are determined by using quoted prices for similar assets.

F. Concentration of Credit Risk

None of the investments in the securities of any individual issuers is greater than 5% of total Citywide investments.

G. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Under California Government Code Section 53651, depending on specific types of eligible securities, a bank must deposit eligible securities posted as collateral with its Agent having a fair value of 105% to 150% of the City's cash on deposit. All of the City's deposits are either insured by the Federal Depository Insurance Corporation (FDIC) or collateralized with pledged securities held in the trust department of the financial institutions.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City's Investment Policy limits its exposure to custodial credit risk by requiring that all security transactions entered into by the City, including collateral for repurchase agreements, be conducted on a delivery-versus-payment basis. Securities are to be held by a third-party custodian.

H. Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City has no investments that are highly sensitive to interest rate fluctuations to a greater degree than already disclosed in the Interest Rate Risk Section above.

I. Local Agency Investment Fund

The City is a voluntary participant in the Local Agency Investment Fund (LAIF). LAIF is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF's investment portfolio mainly consists of Treasuries, loans, Federal Agency securities, and collateralized mortgage obligations. Each regular LAIF account is permitted to have up to 15 transactions per month, with a minimum transaction amount of $5,000, a maximum transaction amount of $75 million and at least 24 hours advance notice for withdrawals of $10 million or more. Bond proceeds accounts are subject to one time deposit with no cap and are set up with a monthly draw down schedule. The carrying value of LAIF approximates fair value.

NOTE 7 – CASH AND INVESTMENTS (continued)

J. California Asset Management Program

The City, as a CAMP shareholder, participates in both the CAMP Pool Portfolio and the CAMP Term Portfolio. The CAMP Pool is fully liquid, stable net asset value (NAV) investment option with a competitive yield, while the CAMP Term is a fixed-rate, fixed term investment option that offers securities with maturities ranging from 60 days to one year. Investment principal and interest in the CAMP Term account are paid at maturity, with an automatic sweep into the CAMP Pool account. The CAMP Pool is managed to maintain a dollar-weighted average portfolio maturity of 60 days or less and seeks to maintain a constant NAV per share of $1.00. The CAMP Pool invests in obligations of the United States Government and its agencies, high-quality, short-term debt obligations of U.S. companies and financial institutions. The CAMP Term investments are based on a pool of open-market securities similar to those in the CAMP Pool. The investments are matched to the amount invested and maturities selected by the Shareholder.

The City may withdraw all or any portion of the funds in the CAMP Pool account at any time by redeeming shares. The City may withdraw all or a portion of the funds in the CAMP Term account in $10,000 increments prior to maturity, but there is a premature redemption penalty.

The CAMP Declaration of Trust permits the CAMP trustee to suspend the right of withdrawal from CAMP or to postpone the date of payment of redemption proceeds if the New York Stock Exchange is closed other than for customary weekend and holiday closings, if trading on the New York Stock Exchange is restricted, or if, in the opinion of the CAMP trustees, an emergency exists such that disposal of the CAMP pool securities or determination of its net asset value is not reasonably practicable. If the right of withdrawal is suspended, the City may either withdraw its request for that withdrawal or receive payment based on the net asset value of the CAMP pool next determined after termination of the suspension of the right of withdrawal. At June 30, 2024, the fair value approximated the City's cost. At June 30, 2024, the CAMP Pool investments had an average maturity of 38 days.

NOTE 8 – INTERFUND TRANSACTIONS AND BALANCES

A. Interfund Transfers

With Council approval, resources may be transferred from one City fund to another.

Transfers between funds during the fiscal year ended June 30, 2024 were as follows:

NOTE 8 – INTERFUND TRANSACTIONS AND BALANCES (continued)

Fund Receiving Transfers	Fund Making Transfers	Amount	
General Fund	Non-Major Governmental	$ 2,069,172	A
	Internal Service Funds	442,638	B
	Electric Utility	349,749	C
Non-Major Governmental	General Fund	16,597,660	D
	Cemetery	822	E
	Sewer Utility	108,795	E
	Solid Waste	26,621	E
	Water Utility	484,215	E
	Electric Utility	1,363,648	E
	Non-Major Governmental	12,304,080	F
Internal Service Funds	General Fund	3,736,900	G
	Electric Utility	1,172,505	H
	Water Recycling Utility	9,140	I
	Water Utility	36,560	I
Cemetery	General Fund	796,000	J
Electric Utility	Water Utility	311,500	K
	Non-Major Governmental	65,000	K
Sewer Utility	Internal Service Funds	113,266	L
Solid Waste	General Fund	35,364	M
Water Utility	Sewer Utility	50,000	N
	Water Recycling Utility	168,118	N
Santa Clara Open Space Authority	General Fund	16,500	O
Total Interfund Transfers		$ 40,258,253	

NOTE 8 – INTERFUND TRANSACTIONS AND BALANCES (continued)

The reasons for material transfers are set forth below:

(A) Transfer Storm Drain Customer service Fee from Storm Drain Capital Improvement Fund to cover the storm drain maintenance and return of the savings from capital project and special revenue funds.
(B) Return the savings from electric vehicle purchase in the Automotive Service fund and CIP Management Service Fee fund.
(C) Transfer to general fund for the positions to support Electric Utility operation.
(D) Transfer to fund various capital projects, maintenance district and to pay the debt.
(E) Transfer to fund their respective share of financial, human resources software, utility billing, and other projects.
(F) Transfer from Special Revenue fund to fund various street related and affordable housing related projects.
(G) Transfer to acquire Citywide communication equipments and the replacement of ambulances for Fire department.
(H) Transfer from electric Greenhouse Gas program to fund the vehicle revolving fund on the electric vehicle purchases.
(I) Transfer to Automotive Services for replacement of utility crew trucks.
(J) Transfer to Cemetery fund to subsidize the cemetery operation.
(K) Transfer fund to the Electric Utility fiber project for the utility yard building and water ground improvement project.
(L) Returning the savings from CIP Management Service Fee fund to the original funding source.
(M) Transfer to Solid Waste to subsidize the rate assistance program.
(N) Transfer to update the City's Water Supply Master Plan.
(O) Transfer to Santa Clara Open Space Authority for the annual audit expenditures.

NOTE 8 – INTERFUND TRANSACTIONS AND BALANCES (continued)

B. Current Interfund Balances

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. The following is a summary of interfund balances as of June 30, 2024.

Receivable Fund	Payable Fund	Amount
General Fund	Santa Clara Stadium Authority	$ 223,091
	Receivable by Governmental Funds	223,091
Electric Utility	Internal Service Funds	4,017,195
Water Utility	Internal Service Funds	1,621,839
Sewer Utility	Internal Service Funds	1,126,387
Cemetery	Internal Service Funds	265,923
	Receivable by Enterprise Funds	7,031,344
Internal Service Funds	Internal Service Funds	41,213
	Receivable by Internal Service Funds	41,213
	Total	$ 7,295,648

Note: The City uses due to/due from as a balancing mechanism in funds with negative cash balances.

C. Internal Balances

Internal balances represent the net interfund receivables and payables remaining after the elimination of all such balances within governmental, successor agency and business-type activities. The negative $250,038 net internal balance in the Statement of Net Position is due to the different fiscal year end dates between the City and the Santa Clara Stadium Authority (refer to Note 1D for more information).

NOTE 9 – CAPITAL ASSETS

A. Capital Assets Summary

Capital Assets at June 30, 2024 are comprised of:

	Balance June 30, 2023	Additions	Retirements/ Adjustments	Transfers	Balance June 30, 2024
Governmental Activities					
Non Depreciable Assets:					
Land	$ 124,518,835	$ 5,400,270	$ -	$ -	$ 129,919,105
Construction in progress	39,004,798	28,612,245	-	(8,979,387)	58,637,656
Total Non Depreciable Assets	163,523,633	34,012,515	-	(8,979,387)	188,556,761
Capital assets being depreciated:					
Land improvements	60,216,892	-	-	222,929	60,439,821
Buildings	217,442,023	-	-	-	217,442,023
Infrastructure	633,178,793	4,060,170	-	8,577,639	645,816,602
Machinery & equipment	87,265,574	4,091,704	(1,868,353)	178,819	89,667,744
Right-to-use leased equipment	676,479	-	-	-	676,479
Right-to-use subscription based IT arrangement	10,598,994	2,078,197	-	-	12,677,191
Total Capital assets being depreciated	1,009,378,755	10,230,071	(1,868,353)	8,979,387	1,026,719,860
Less accumulated depreciation for:					
Land improvements	(21,162,146)	(2,694,466)	-	-	(23,856,612)
Buildings	(82,478,453)	(4,234,694)	-	-	(86,713,147)
Infrastructure	(345,369,268)	(14,982,507)	-	-	(360,351,775)
Machinery & equipment	(69,701,701)	(3,471,490)	1,835,455	-	(71,337,736)
Right-to-use leased equipment	(424,872)	(212,435)	-	-	(637,307)
Right-to-use subscription based IT arrangement	(1,652,970)	(1,788,393)	-	-	(3,441,363)
Total accumulated depreciation	(520,789,410)	(27,383,985)	1,835,455	-	(546,337,940)
Net Depreciable Assets	488,589,345	(17,153,914)	(32,898)	8,979,387	480,381,920
Governmental Activity Net Capital Assets	$ 652,112,978	$ 16,858,601	$ (32,898)	$ -	$ 668,938,681

NOTE 9 – CAPITAL ASSETS (continued)

	Balance June 30, 2023	Additions	Retirements/ Adjustments	Transfers	Balance June 30, 2024
Business-Type Activities					
Non Depreciable Assets:					
Land	$ 18,851,211	$ -	$ -	$ -	$ 18,851,211
Construction in progress	74,309,714	77,772,913	(4,922,358)	(54,518,606)	92,641,663
Total Non Depreciable Assets	93,160,925	77,772,913	(4,922,358)	(54,518,606)	111,492,874
Capital Assets being depreciated:					
Land Improvements	102,407	-	-	-	102,407
Buildings	918,503,578	3,963,548	-	-	922,467,126
Infrastructure	1,262,015,271	-	-	54,518,606	1,316,533,877
Machinery & equipment	28,405,915	1,643,239	(192,786)	-	29,856,368
Right-to-use leased equipment	2,916,623	-	-	-	2,916,623
Right-to-use Subscription based IT arrangement	3,108,024	729,014	-	-	3,837,038
Total Capital Assets being depreciated	2,215,051,818	6,335,801	(192,786)	54,518,606	2,275,713,439
Less accumulated depreciation for:					
Land Improvements	(82,267)	(2,571)	-	-	(84,838)
Buildings & improvements	(212,257,184)	(18,203,742)	-	-	(230,460,926)
Infrastructure	(603,912,806)	(29,686,319)	-	-	(633,599,125)
Machinery & equipment	(20,462,344)	(1,769,467)	192,786	-	(22,039,025)
Right-to-use leased equipment	(1,346,134)	(673,066)	-	-	(2,019,200)
Right-to-use Subscription based IT arrangement	(378,485)	(485,566)	-	-	(864,051)
Total accumulated depreciation	(838,439,220)	(50,820,731)	192,786	-	(889,067,165)
Net Depreciable Assets	1,376,612,598	(44,484,930)	-	54,518,606	1,386,646,274
Enterprise Activity Net Capital Assets	$ 1,469,773,523	$ 33,287,983	$ (4,922,358)	$ -	$ 1,498,139,148

NOTE 9 – CAPITAL ASSETS (continued)

B. Construction in Progress Summary

Construction in Progress for governmental activities as of June 30, 2024 consisted of the following projects:

Governmental Projects	Authorized	Expended	Future Commitments
Transportation Improvements	$ 59,082,010	$ 25,447,373	$ 33,634,637
Parks and Recreation Improvements	27,863,854	19,797,751	8,066,103
City Building Improvements	23,996,321	13,392,532	10,603,789
Total	$ 110,942,185	$ 58,637,656	$ 52,304,529

Construction in Progress for business-type activities as of June 30, 2024 consisted of the following:

Enterprise Fund Projects	Authorized	Expended	Future Commitments
Electric Projects	$ 258,682,442	$ 86,463,324	$ 172,219,118
Water and Sewer Projects	6,972,068	532,368	6,439,700
Stadium Authority Projects	18,963,984	4,202,330	14,761,654
Santa Clara Convention Center Projects	3,166,791	1,443,641	1,723,150
Total	$ 287,785,285	$ 92,641,663	$ 195,143,622

Details of these projects are available from the City on request.

C. Depreciation Allocation

Depreciation expense is charged to functions and programs based on their usage of the related assets including the right-to-use leased assets. The amounts allocated to each function or program are as follows:

NOTE 9- CAPITAL ASSETS (continued)

Governmental Activities:		
General Administration	$	2,315,688
Finance		4,587
Public Works		15,531,219
Parks and Recreation		3,385,410
Public Safety		
Police		997,425
Fire		516,172
Planning and Inspection		4,316
Library		1,441,968
		24,196,785
Capital assets held by the City's Internal Service Funds are charged to the various functions based on their usage of the assets		3,187,200
Total Governmental Activities	$	27,383,985
Business-Type Activities:		
Utility Funds:		
Electric Utility	$	28,480,948
Water Utility		1,927,329
Sewer Utility		1,382,392
Water Recycling Utility		25,141
Solid Waste		4,308
Cemetery		6,287
Santa Clara Convention Center		1,556,039
Santa Clara Stadium Authority		17,438,287
Total Business-Type Activities	$	50,820,731

NOTE 10 – LONG-TERM DEBT AND DERIVATIVE INSTRUMENTS

A. Summary of Long-Term Obligations

Type of Indebtedness	Issue Date	Final Maturity	Interest rate
Governmental Activity Debt:			
General Long-Term Debt:			
General obligation bonds			
2013 Refunding Certificates of Participation	3/28/2013	2/1/2032	2%-3.75%
Unamortized Premium/Discount			
Subtotal Government Activity Debt			
Business-Type Activity Debt:			
Electric Utility:			
2018 Series A Revenue Bonds	12/18/2018	7/1/2027	5.00%
Unamortized Premium/Discount			
Santa Clara Stadium Authority [(2)]:			
Term A loan	6/19/2013	4/1/2039	5.00%
Subtotal Business Activity Debt-Bonds and Loan			
Direct borrowing:			
Electric Utility:			
2020-1 Series Revenue Bonds	4/10/2020	7/1/2032	1.36%
2020-2 Series Revenue Bonds	4/10/2020	7/1/2028	1.02%
2020-3 Series Revenue Bonds	4/10/2020	7/1/2024	0.58%
Sewer Utility:			
2016 Trimble Road Loan	3/8/2016	2/1/2031	2.14%
2020 Sewer Installment Sale Agreement	6/11/2020	7/1/2024	Variable
2023 Wastewater Revenue Certificates of Participation	10/3/2023	2/1/2049	4.25%-5%
Unamortized Premium/Discount			
Santa Clara Stadium Authority[(2)]:			
StadCo CFD Advance[(1)]	4/1/2013	12/31/2054	5.73%
Subtotal Business Activity Debt from Direct Borrowing			
Subtotal Enterprise Activity Debt			
Total Long-Term Debt Obligations			

(1) Payments are made as the Mello-Roos tax is collected and transmitted to the Community Facilities District (CFD) by the hotels in the District.

(2) Stadium Authority's long-term obligations are based on a March 31 fiscal year end. (see Note 1D)

NOTE 10 – LONG-TERM DEBT AND DERIVATIVE INSTRUMENTS (continued)

Authorized	Outstanding as of June 30, 2023	Additions, Transfers, and Amort. of Discounts	Debt Retired / Defeased	Outstanding as of June 30, 2024	Current Portion
$ 18,540,000	$ 10,085,000	$ -	$ 1,030,000	$ 9,055,000	$ 1,085,000
	475,097	(54,297)	-	420,800	-
18,540,000	10,560,097	(54,297)	1,030,000	9,475,800	1,085,000
48,800,000	30,215,000	-	5,440,000	24,775,000	5,795,000
	3,012,932	(753,233)	-	2,259,699	-
282,794,108	215,415,240	-	15,459,000	199,956,240	7,299,896
331,594,108	248,643,172	(753,233)	20,899,000	226,990,939	13,094,896
52,985,000	52,985,000	-	-	52,985,000	-
34,315,000	34,315,000	-	5,755,000	28,560,000	5,695,000
16,720,000	7,915,000	-	3,945,000	3,970,000	3,970,000
12,000,000	6,859,162	-	794,893	6,064,269	811,995
50,000,000	20,000,000	-	20,000,000	-	-
34,585,000	-	34,585,000	-	34,585,000	735,000
1,390,789	-	1,367,609	-	1,367,609	-
38,000,000	29,859,497		1,147,911	28,711,586	-
239,995,789	151,933,659	35,952,609	31,642,804	156,243,464	11,211,995
571,589,897	400,576,831	35,199,376	52,541,804	383,234,403	24,306,891
$ 590,129,897	$ 411,136,928	$ 35,145,079	$ 53,571,804	$ 392,710,203	$ 25,391,891

NOTE 10 – LONG-TERM DEBT AND DERIVATIVE INSTRUMENTS (continued)

B. City's Long-term Obligations

2013 Central Park Library Refunding Certificates of Participation (2013 COPs)

On March 28, 2013, the PFFC issued $18.54 million to provide funds to refund outstanding 2002A COPs. The 2013 COPs mature annually beginning February 1, 2014 through February 1, 2032 and bear coupon rates ranging from 2% to 3.75%. Debt Service is secured by lease payments to be made by the City to the PFFC for use of the library. The PFFC assigns the lease payments to the certificate owners.

In the event of default there is no remedy of acceleration of the total lease payments nor the maturities of the Certificates. The City will be liable only for the lease payments on an annual basis, and in the event of default, the trustee would be required to seek a separate judgement each year for that year's defaulted lease payments.

Compliance

Various debt agreements governing the City's bonds contain a number of covenants, including continuing disclosure requirements. The City is in compliance with these specific covenants and all other material covenants governing the particular bond issues. No event of default, as defined in the bond indentures, has occurred or is occurring.

Various debt agreements governing the Enterprise Funds' revenue bonds contain a number of covenants, including those that require the City to maintain and preserve the respective enterprise in good repair and working order, to maintain certain levels of insurance and to fix and collect rates, fees and charges so as to maintain certain debt coverage ratios. The City is in compliance with these specific covenants and all other material covenants governing the particular revenue bond issues. No event of default as defined in the bond indentures has occurred or is occurring.

C. Enterprise Funds

Electric Utility

Electric Revenue Refunding Bonds, Series 2018A

On December 18, 2018, SVP issued $48.8 million of Electric Revenue Refunding Bonds, Series 2018A (Electric 2018A Bonds) to refinance $54.58 million outstanding principal amount of Variable Rate Demand Electric Revenue Refunding Bonds, Series 2008B and terminate a related swap agreement. The Electric 2018A Bonds bear 5% coupon rate, mature annually beginning on July 1, 2019 through July 1, 2027, and were sold at an All-In True Interest Cost of 2.32%. Debt service on the Electric 2018A Bonds is secured by a pledge of net revenues of SVP.

In the event of default, the City will transfer to the trustee all adjusted net revenues held by it and received thereafter and the Trustee will disburse all adjusted net revenues and any other funds then held or thereafter received by the trustee under the provisions of indenture. In the case of default, the trustee will be entitled to declare the bond obligation of all bonds then outstanding to be due and payable immediately.

NOTE 10 – LONG-TERM DEBT AND DERIVATIVE INSTRUMENTS (continued)

Subordinate Electric Revenue Refunding Bonds, Series 2020-1

The City Council determined that it was in the best interests of the City to enter into a credit facility with a bank for the purpose of refunding all of the outstanding Electric 2011A Bonds; and for the indebtedness created under such credit facility to be evidenced by a subordinate electric revenue bond to be issued by the City and delivered to the Bank as authorized by Resolution No. 20-8834 adopted by the City Council on April 7, 2020.

On April 10, 2020, the City entered into a loan agreement with Bank of America, N.A., (the "Loan Agreement") and issued $52.985 million of Subordinate Electric Revenue Refunding Bonds, Series 2020-1 (Electric 2020-1 Bonds) to refinance $54.830 million outstanding principal amount of Electric Series 2011A Bonds under a Taxable to Tax-Exempt Conversion structure. The Electric 2020-1 Bonds were originally issued as taxable bonds with coupon rates of 1.74% and were converted to a tax-exempt rate of 1.36% per annum effective April 2, 2021. The Electric 2020-1 Bonds mature annually beginning on July 1, 2028 through July 1, 2032 and were sold at a true interest cost of 1.43% with an average coupon rate of 1.40%. Debt service on the Electric 2020-1 Bonds is secured by a pledge of Available Electric Revenues of SVP on a basis subordinate to outstanding Senior Electric Revenue Bonds, if any.

Subordinate Electric Revenue Refunding Bonds, Series 2020-2

The City Council determined that it was in the best interests of the City to enter into a credit facility with a bank for the purpose of refunding a portion of the outstanding Electric 2013A Bonds; and for the indebtedness created under such credit facility to be evidenced by a subordinate electric revenue bond to be issued by the City and delivered to the Bank as authorized by Resolution No. 20-8834 adopted by the City Council on April 7, 2020.

On April 10, 2020, the City entered into a loan agreement with Bank of America, N.A. and issued $34.315 million of Subordinate Electric Revenue Refunding Bonds, Series 2020-2 (Electric 2020-2 Bonds) to refinance $30.725 million of the callable portion of the outstanding Electric Revenue Refunding Bonds, Series 2013 A. The Electric 2020-2 Bonds bear 1.31% coupon rates, mature annually beginning on July 1, 2023 through July 1, 2028, and were sold at a true interest cost of 1.21% with an average coupon rate of 1.15%. Electric 2020-2 Bonds were priced at taxable rates and were converted to tax-exempt basis on December 28, 2022, which now bear 1.02% coupon rates. Debt service on the Electric 2020-2 Bonds is secured by a pledge of Available Electric Revenues of SVP on a basis subordinate to outstanding Senior Electric Revenue Bonds, if any.

Subordinate Electric Revenue Refunding Bonds, Series 2020-3

The City Council determined that it was in the best interests of the City to enter into a credit facility with a bank for the purpose of refunding of the outstanding Electric Series 2014; and for the indebtedness created under such credit facility to be evidenced by a subordinate electric revenue bond to be issued by the City and delivered to the Bank as authorized by Resolution No. 20-8834 adopted by the City Council on April 7, 2020.

On April 10, 2020, the City issued $16.720 million of Subordinate Electric Revenue Refunding Bonds, Series 2020-3 (Electric 2020-3 Bonds) to refinance $19.413 million outstanding principal amount of Subordinated Electric Revenue Bonds, Series 2014. The Electric 2020-3 Bonds bear 0.58% coupon rates, mature annually beginning on July 1, 2020 through July 1, 2024, and were sold at a true interest cost of 0.70%. Debt service on the Electric 2020-3 Bonds is secured by a pledge of Available Electric Revenues of SVP on a basis subordinate to outstanding Senior Electric Revenue Bonds, if any.

NOTE 10 – LONG-TERM DEBT AND DERIVATIVE INSTRUMENTS (continued)

In the event of default under the loan agreement for the 2020-1 bonds, 2020-2 bonds or 2020-3 bonds (including a failure by the City to pay principal or interest on the related bonds, a failure by the City to perform or observe its covenants, a default in other specified indebtedness or obligations of the City, certain acts of bankruptcy or insolvency, or other specified events of default), the Bank has the right, upon written notice to the City, to accelerate and declare the City's obligation to repay the related bonds and all other obligations of the City to the Bank under such loan agreement to be immediately due and payable.

Pledges of Future Electric Revenues

The pledge of future Electric Fund revenues ends upon repayment of all outstanding principal on bonds and loans, which is scheduled to occur in fiscal year 2032-33. For fiscal year 2023-24, Electric Fund revenues, including operating revenues and non-operating interest earnings, amounted to $635.0 million and operating costs including operating expenses, but not interest, depreciation or amortization whole amounted to $518.5 million. Net revenues available for debt service amounted to $116.5 million which represented a coverage ratio of 6.69 on the $17.4 million of debt service.

Subsequent Event

On October 23, 2024, City issued $112,175,000 of Electric Revenue Bonds, Series 2024 A (Electric 2024A Bonds) to provide funding for several of its capital projects in the System Expansion Plan. These projects include Kifer Receiving Station (KRS) rebuild, Scott Receiving Station (SRS) rebuild, and Northern Receiving Station (NRS) upgrades and expansion. The Electric 2024A Bonds mature annually beginning on July 1, 2025 through July 1, 2044 and bear a coupon rate of 5%, with optional redemption for bonds with maturities after July 1, 2035. Debt service on the Electric 2024A Bonds is secured by a pledge of net revenues of SVP.

Sewer Utility

Installment Sale Agreement, Series 2016

On March 8, 2016, the City entered into an Installment Sale Agreement with the PFFC in order to provide funds for the Trimble Road Trunk Sanitary Sewer Improvement Project (the "Project"). The PFFC entered into a separate Assignment Agreement with the DNT Asset Trust, a wholly owned subsidiary of JP Morgan Chase National Association (the "Agreement"), to assign its rights under the Installment Sale Agreement to DNT Asset Trust. The Agreement, in the amount of $12,000,000, carries an interest rate of 2.14% and the final payment is due February 1, 2031. Installment payments on the Agreement are secured by a pledge of net revenues of the Wastewater System.

In the event of default there is no remedy of acceleration of the total installment payments. The City will be liable only for the installment payments as they become due during the terms of the agreement. There are no significant finance-related consequences for termination.

Installment Sale Agreement, Series 2020

On June 11, 2020, the City entered into an Installment Sale Agreement (the "ISA") with the PFFC to provide funds for the San Jose/Santa Clara Regional Wastewater Facility Project (the "Project"). The PFFC entered into a separate Assignment Agreement with JPMorgan Chase Bank, N.A. (the "Assignment Agreement"), to assign its rights under the ISA to JPMorgan Chase Bank, N.A. The ISA in the amount of $50,000,000 carries a variable rate of interest equal to 80% of 1-month LIBOR (reset daily), plus .95% per annum. The City may

NOTE 10 – LONG-TERM DEBT AND DERIVATIVE INSTRUMENTS (continued)

draw on the Installment Sale Agreement as necessary with an initial $20,000,000 drawn on the date of closing. Interest is due each January 1 and July 1, commencing January 1, 2021. Principal on outstanding advances was due on or before July 1, 2024. In addition, the PFFC shall pay an undrawn fee on any amount not yet drawn at a rate of .325% per annum on each interest payment date. Installment payments on the Agreement are secured by a pledge of net revenues of the Wastewater System on a subordinate basis to the Trimble Road Installment Payments.

In the event of default there is no remedy of acceleration of the total installment payments. The City will be liable only for the installment payments as they become due during the terms of the agreement. There are no significant finance-related consequences for termination.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 93, Replacement of Interbank Offered Rates. The objective of this statement is to address accounting and financial reporting implication that results from the replacement of an IBOR. The City amended the ISA with JPMorgan Chase Bank, N.A. which replaced LIBOR with SOFR (Secured Overnight Financing Rate administered by the New York Federal Reserve Bank) as the benchmark. Effective April 2023, interest expense for the drawn amount is calculated using a variable rate of interest equal to 80% of 1-month adjusted SOFR (SOFR plus adjustment of .10% per annum) plus .95% per annum. The City fully refunded this loan in October 2023 with proceeds from the Wastewater Revenue Certificates of Participation, Series 2023.

Wastewater Revenue Certificates of Participation, Series 2023

On October 24, 2023, the PFFC issued $34.59 million of Wastewater Revenue Certificates of Participation (2023 Wastewater COPs) to refund $20.0 million outstanding Series 2020 ISA and fund an additional $15.0 million of improvements for the San Jose/Santa Clara Regional Wastewater Facility Project (Project). The 2023 Wastewater COPs mature annually beginning February 1, 2025, through February 1, 2049 and bear coupon rates ranging from 4.25% to 5.00%. Debt Service is secured by a pledge of net revenues of the Wastewater System in installment payments to be made by the City to the PFFC for use of the Project. The PFFC assigns the lease payments to the certificate owners. This new issuance is on a parity with the obligations of the Series 2016 Trimble Road ISA.

Pledges of Future Sewer Revenues

The pledge of future Sewer Fund revenues ends upon repayment of all outstanding principal on bonds and loans, which is scheduled to occur in fiscal year 2048-49. For fiscal year 2023-24, Sewer Fund revenues, including operating revenues and non-operating interest earnings, amounted to $50.0 million and operating costs including operating expenses, but not interest, depreciation or amortization whole amounted to $32.1 million. Net revenues available for debt service amounted to $17.9 million which represented a coverage ratio of 9.9 on the $1.8 million of debt service.

Santa Clara Stadium Authority

Stadium Funding Trust Loan

The Restated Credit Agreement by and among FinanceCo, the SCSA and Goldman Sachs Bank was entered into on June 19, 2013. FinanceCo agreed to loan the SCSA up to $450 million. Under the Restated Credit Agreement, the loan from FinanceCo consists of the Term A Loan and the Term B Loan. On March 31, 2016, the SCSA paid the remaining amount due on the Term B Loan.

NOTE 10 – LONG-TERM DEBT AND DERIVATIVE INSTRUMENTS (continued)

Term A Loan

The Term A Loan was made in the amount of $282.79 million. This loan bears interest at a fixed rate of 5.00%, payable semi-annually, with annual principal payments due beginning in April 2018. The Term A Loan has a maturity date of April 1, 2039 and is subject to certain prepayment premiums. The loan was fully drawn at closing. As of March 31, 2024, $200.0 million was outstanding. Debt service on this loan is secured by a pledge of available SBL revenues of SCSA.

In the event of default under the loan agreement, FinanceCo has the right, upon written notice to the SCSA, to accelerate and declare the SCSA's obligation to repay the related loan to FinanceCo to be immediately due and payable.

StadCo CFD Advance

In May of 2010, the City of Santa Clara completed the proceedings to establish a Community Facilities District (CFD) for the purpose of financing certain publicly owned facilities and public services associated with Levi's Stadium.

On June 11, 2013, the CFD, the SCSA, and StadCo entered into a Reimbursement Agreement under which the CFD would agree to reimburse the SCSA for costs of certain publicly owned facilities and public services constructed for Levi's Stadium. The reimbursement can only be made from a special tax generated by the CFD, as and when received by the CFD.

StadCo has agreed to advance to the SCSA funds to pay for the CFD Infrastructure (StadCo CFD Advance). To evidence the SCSA's obligation to repay the StadCo CFD Advance, the SCSA and StadCo also executed a note on June 11, 2013. The StadCo CFD Advance has a maximum principal of $38 million and an interest rate of 5.73%.

During the year ended March 31, 2024, as the special CFD tax was submitted to the SCSA, a number of payments were made on the StadCo CFD Advance. These payments were made mid-way through each quarter. The interest that accrued between the last StadCo CFD Advance payment and the end of the year is added to principal. These payments totaled $1.7 million in interest and $1.2 million in principal. As of March 31, 2024, $28.7 million was outstanding.

StadCo Subordinated Loan

The Restated StadCo Obligations Agreement dated as of June 19, 2013 was entered into by and between StadCo and the Stadium Authority as part of the take out financing process. Under the Restated StadCo Obligations Agreement, StadCo will loan the Stadium Authority an amount not to exceed $500 million with a fixed 5.50% interest rate. Required principal repayments started in March 2016 and the Stadium Authority may prepay the loan at any time. Debt service on this loan is secured by a pledge of available Stadium Authority revenues on a basis subordinate to outstanding senior loans, if any. As of March 31, 2024, there was no balance outstanding.

In the event of default under the loan agreement, StadCo has the right, upon written notice to the Stadium Authority, to accelerate and declare the Stadium Authority's obligation to repay the related loan to StadCo to be immediately due and payable.

NOTE 10 – LONG-TERM DEBT AND DERIVATIVE INSTRUMENTS (continued)

Management Company Revolving Loan

The Management Company Revolving Loan dated as of March 28, 2012 was entered into by and between the Stadium Authority and ManagementCo. The Management Company Revolving Loan provides borrowing to the Stadium Authority in an amount not to exceed $25 million through the earlier of the end of the term of the Stadium Lease or the expiration of the Stadium Management Agreement, with interest at the prime rate payable quarterly. The Management Company Revolving Loan may be used solely for the purpose of enabling the Stadium Authority to pay Covered Stadium Authority Operating Expenses (as defined in the agreement) to the extent, and only to the extent, that funds are not otherwise available. As of March 31, 2024, there was no balance outstanding.

Pledges of Future Stadium Revenues

The pledges of future revenues ends upon repayment of the $200.0 million in outstanding principal on the Term A which is scheduled to occur in fiscal year 2039-40. For fiscal year 2023-24, revenues including operating revenues and nonoperating interest earnings amounted to $99.9 million and operating costs including operating expenses, but not interest, depreciation, or amortization amounted to $61.4 million. Net revenues available for debt service amounted to $38.5 million, which represented a coverage ratio of 5.27 on the $7.3 million of debt service.

D. Derivative Instruments

Under hedge accounting, the increase (decrease) in the fair value of a hedge is reported as a deferred cash flow hedge on the statement of net position. For the reporting period, all of SVP's derivatives meet the hedge effectiveness tests defined by GAAP.

Notional Amounts and Fair Values- SVP Future Derivative Instruments

SVP maintains a Market Risk Management Policy, which among other things, sets forth the guidelines for the purchase and sale of certain financial instruments defined as hedge instruments in support of market power purchase and sales transactions. The primary goal of these guidelines is to provide a framework for the operation of an energy price hedging program to better manage SVP's risk exposure in order to stabilize pricing and hedges costs for the benefit of SVP and its customers.

Consistent with hedge accounting treatment meeting effectiveness tests, changes in fair value are reported as deferred flows of resources on the statement of net position until the contract expiration that occurs in conjunction with the hedged expected energy purchase/sales transaction. When hedging contracts expire, at the time the purchase/sales transactions occur, the deferred balance is recorded as a component of Purchased Power. For energy derivatives, fair values are estimated by comparing contract prices to forward market prices quoted by third party market participants.

SVP had the following future derivative instruments outstanding at June 30, 2024 with Archer Daniels Midland Company to hedge cash flows on sales of excess resources in CAISO market in June and purchase of power from CAISO in the future months.

NOTE 10 – LONG-TERM DEBT AND DERIVATIVE INSTRUMENTS (continued)

Notional Amount (MWh)					Fair Value		Change in Fair Value	
Long	Short	Effective Date	Maturity Date	Average Price	Classification	Amount	Classification	Amount
24,960		7/1/2023	7/31/2024	$62.02	Derivative Instrument	$ 144,019	Deferred inflow	$ 144,019
25,920		8/1/2023	8/31/2024	67.70	Derivative Instrument	296,784	Deferred inflow	296,784
23,040		9/1/2023	9/30/2024	60.75	Derivative Instrument	103,680	Deferred inflow	103,680
16,400		6/1/2023	7/31/2024	47.28	Derivative Instrument	(7,708)	Deferred outflow	(7,708)
15,600		7/1/2023	8/31/2024	49.90	Derivative Instrument	33,540	Deferred inflow	33,540
16,800		8/1/2023	9/30/2024	53.45	Derivative Instrument	95,760	Deferred inflow	95,760
						$ 666,075		$ 666,075

Notional Amount (MMBtu)					Fair Value		Change in Fair Value	
Long	Short	Effective Date	Maturity Date	Average Price	Classification	Amount	Classification	Amount
2,590,000		7/1/2020	12/31/2025	$2.42	Derivative Instrument	$ 2,314,545	Deferred inflow	$ 2,314,545
5,180,000		1/1/2022	12/31/2025	2.64	Derivative Instrument	3,489,490	Deferred inflow	3,489,490
2,745,000		1/1/2021	12/31/2025	0.56	Derivative Instrument	2,687,338	Deferred inflow	2,687,338
5,490,000		1/1/2022	12/31/2025	1.03	Derivative Instrument	2,821,825	Deferred inflow	2,821,825
						$ 11,313,198		$ 11,313,198
					Grand Total	$ 11,979,273		$ 11,979,273

Credit risk

Credit risk is the risk of loss due to a counterparty defaulting on its obligations. SVP is exposed to credit risk if hedging instruments are in asset positions. In order to eliminate counterparty credit risk, SVP has transacted both long term power and gas contracts on the Futures market on Intercontinental Exchange (ICE). As of June 30, 2024, $12.0 million of SVP's open derivative power and gas contracts were in an asset position, and the fair values of those open contracts were positive. $8 thousand of SVP's open derivative power contracts were in a liability position, and the fair values of those open contracts were negative. The open contract was with ADM Investor Service, Inc., a clearing member of ICE and a company of Archer Daniels Midland Company who was rated A by Standard & Poor's as of June 30, 2024.

SVP's policy for requiring collateral on hedging instruments varies based on individual contracts and counterparty credit ratings. Under the brokerage agreements with Archer Daniels Midland Company, the accounts are prefunded by SVP. If the account value falls below zero, margin calls are invoked. At June 30,

NOTE 10 – LONG-TERM DEBT AND DERIVATIVE INSTRUMENTS (continued)

2024, SVP had posted collateral of $9,449,807 deposited with CAISO and Archer Daniels Midland Company for resource energy trading.

It is also SVP's policy to negotiate netting arrangements whenever it has entered into more than one bilateral transactions with counterparty. Under the terms of these arrangements, should one party become insolvent or otherwise default on its obligations, the non-defaulting party may accelerate and terminate all outstanding transactions and net their fair values so that a single amount will be owed by (or to) the non-defaulting party.

Termination Risk

SVP's futures contracts are traded over the counter and have no termination risk.

Price Risk

With respect to price risk under power Futures contracts, on purchase contracts (long positions), SVP receives the CAISO NP15 average daily rate at settlement and pays the fixed contracted rate entered into on the trade date; on sales contracts (short positions), SVP pays the CAISO NP15 average daily rate at settlement and receives the fixed contracted rate entered into on the trade date. With respect to price risk under gas Futures contracts, on purchase contracts (long positions), SVP receives PG&E Citygate average daily price at settlement and pays the fixed contracted rate entered into on the trade date; on sales contracts (short positions), SVP pays the PG&E Citygate average daily price at settlement and receives the fixed contracted rate entered into on the trade date. SVP is exposed to risk because the contract prices are different from the settlement prices.

E. Repayment Requirements

As of June 30, 2024, the debt service requirements to maturity for the City's long-term obligations, with determinable payment dates and the funds from which payment will be made are as follows:

	Government Activities		Business-Type Activities (excluding Santa Clara Stadium Authority)			
	Certificates of Participation		Bonds		Debt from direct borrowing	
For the Year Ending June 30	Principal	Interest	Principal	Interest	Principal	Interest
2025	$ 1,085,000	$ 319,775	$ 5,795,000	$ 1,093,875	$ 11,211,995	$ 2,745,894
2026	1,120,000	285,869	6,005,000	798,875	7,509,465	2,620,975
2027	1,150,000	249,469	6,320,000	490,750	7,632,310	2,504,015
2028	1,195,000	209,219	6,655,000	166,375	7,765,540	2,383,959
2029	1,235,000	167,394	-	-	13,264,161	2,222,265
2030-2034	3,270,000	222,187	-	-	53,440,798	7,830,788
2035-2049	-	-	-	-	25,340,000	10,068,233
	$ 9,055,000	$ 1,453,913	$ 24,775,000	$ 2,549,875	$ 126,164,269	$ 30,376,129

NOTE 10 – LONG-TERM DEBT AND DERIVATIVE INSTRUMENTS (continued)

Reconciliation of Long-term Obligations

Principal Outstanding as Reported in Government Activities	$	9,055,000
Principal Outstanding as Reported in Business Type Activities		150,939,269
Total Principal Outstanding as Reported		159,994,269
Principal Outstanding - Stadium Authority[1]		228,667,826
Unamortized Discount/Premium		4,048,108
Total Long-term Obligations	$	392,710,203

(1) The principal outstanding for Stadium Authority is as of March 31, 2024. Please refer to Santa Clara Stadium Authority's separately issued Financial Statements Note 5 for details.

F. Debt Limitations and Restrictions

The amounts of the City's legal debt limit and debt margin (as defined by Section 1309 of the City Charter) as of June 30, 2024, is $9.1 billion. There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations, covenants, and restrictions.

G. Arbitrage

According to the regulations set forth by the U. S. Treasury Department, for bond issues subject to arbitrage rebate, earnings in excess of the stated bond rate must be rebated to the federal government every five years. As of June 30, 2024, the City has nine outstanding bond issues that are subject to the arbitrage rebate regulations. The City monitors the earnings on each of these issues and records any accrued rebate liability at the end of each individual bond year.

H. Lease Liabilities

The City has recorded right to use leased assets as result of implementing GASB87. The assets are right to use assets for leased equipment in governmental activities and leased building in the business-type activities. The lease liabilities are amortized on a straight-line basis over the terms of the related leases.

A summary of governmental activities and business-type activities lease payable transactions for the fiscal year ended June 30, 2024, are as follows:

	Balance June 30, 2023	Addition	Retirment	Balance June 30, 2024	Current portion
Governmental activities					
Lease liabilities	$ 252,118	$ -	$ (212,705)	$ 39,413	$ 39,413
Business-type activities					
Lease liabilities	$ 1,632,622	$ -	$ (681,617)	$ 951,005	$ 710,181
Total Lease liabilities	$ 1,884,740	$ -	$ (894,322)	$ 990,418	$ 749,594

NOTE 10 – LONG-TERM DEBT AND DERIVATIVE INSTRUMENTS (continued)

The future principal and interest lease payments as of June 30, 2024, are as follows:

	Governmental activities		Busines-type activities	
For the Year Ending June 30	Principal	Interest	Principal	Interest
2025	39,413	102	710,181	6,920
2026	-	-	240,824	553
Total	$ 39,413	$ 102	$ 951,005	$ 7,473

I. Subscription Based IT Arrangements and Liabilities

In fiscal year 2023, the City implemented the provisions of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. As of June 30, 2024, the City has recorded net intangible right-to-use subscription assets amounting to $12,677,191 with accumulated amortization of $3,441,363 in governmental activities and net intangible right-to-use subscription assets amounting to $3,837,038 with accumulated amortization of $864,051 in business-type activities. The subscription assets are offset with subscription liabilities.

A summary of governmental activities and business-type activities SBITA payable transactions for the fiscal year ended June 30, 2024, are as follows:

	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024	Current Portion
Governmental activities					
SBITA liabilites	$ 8,917,804	$ 2,078,197	$ (1,792,058)	$ 9,203,943	$ 2,011,963
Business-type activities					
SBITA liabilites	$ 2,718,009	$ 729,014	$ (470,555)	$ 2,976,468	$ 481,034
Total SBITA liabilities	$ 11,635,813	$ 2,807,211	$ (2,262,613)	$ 12,180,411	$ 2,492,997

As of June 30, 2024, the value of the subscription liability was $9,203,943 in governmental activities and $2,976,468 in business-type activities. The City is required to make annual principal and interest payments throughout the life of each subscription. The interest rate of each subscription is based on the State of California incremental borrowing rate for GASB96 in the year contract is effective. As part of each subscription, the City has recorded an intangible right to use subscription asset and accumulated amortization as disclosed in Note 9A.

NOTE 10 – LONG-TERM DEBT AND DERIVATIVE INSTRUMENTS (continued)

The future principal and interest SBITA payments as of June 30, 2024, are as follows:

For the Year Ending June 30	Governmental activities		Business-type activities	
	Principal	Interest	Principal	Interest
2025	$ 2,011,963	$ 183,845	$ 481,034	$ 80,265
2026	2,013,008	187,444	503,819	67,315
2027	1,435,546	137,403	527,486	53,844
2028	907,479	101,338	552,141	39,762
2029	935,702	78,263	382,523	25,069
2030-2034	1,734,950	130,270	529,465	20,782
2035-2039	165,295	5,403	-	-
Total	$ 9,203,943	$ 823,966	$ 2,976,468	$ 287,037

NOTE 11 – SOLID WASTE LANDFILL CLOSURE

The City of Santa Clara All Purpose Landfill (Landfill) was closed in September 1993. Federal and state laws and regulations require closure activities such as removal of landfill structures, decommissioning of environmental control systems, site security, and final cover construction and postclosure care such as ongoing monitoring of environmental impact. The City's postclosure plan (Plan) accepted by the California Integrated Waste Management Board, which is now the California Department of Resources Recycling and Recovery (CalRecycle), addresses all the attendant issues. Based on the Plan and pertaining laws and regulations, an estimated Landfill Postclosure Care Cost Obligation is recorded and updated annually. The postclosure care liability is accrued in the Solid Waste Enterprise Fund in accordance with GAAP. This obligation is payable from solid waste user fees.

The City also has a Pledge of Revenue Agreement establishing financial assurance for postclosure maintenance of the Landfill with CalRecycle, which was adopted on October 12, 1999. Financial assurance in the amount of $600,000 will be maintained in a separate account. In addition, the agreement requires funds to be pledged annually for post-closure maintenance and corrective action costs.

The City has pledged $271,650 for postclosure maintenance expenses and $537,133 for corrective action in 2024-25. These amounts are subject to annual inflation factors, as stipulated by CalRecycle.

At June 30, 2024, a liability in the amount of $6,713,426 was reported based on the estimated remaining postclosure care costs to meet the regulatory requirements. During fiscal year 2024, the City incurred post-closure expenses of $1,274,027 and increased the liability by $1,855,417 based on revised estimates of future costs. The estimated liability is based on the amount that would be paid if all equipment, facilities, and services required to monitor and maintain the landfill were acquired as of June 30, 2024. However, the actual cost of postclosure care and corrective action may be higher or lower due to inflation, changes in technology, or changes in landfill laws and regulations.

NOTE 12 – PARTICIPATION IN JOINT VENTURES

A. Investments in Joint Venture

The City participates in significant joint ventures: Northern California Power Agency (NCPA), the Transmission Agency of Northern California (TANC), San Jose-Santa Clara Water Pollution Control Plant and Clean Water Financing Authority (SJSC), M-S-R Energy Authority (MSR EA), M-S-R Public Power Agency (MSR PPA) and Silicon Valley Animal Control Authority (SVACA).

The separately issued financial statements of these joint ventures (as noted below) are available on request.

	Date of latest audited financial statement	Joint Venture's address
NCPA	6/30/2023	651 Commerce Dr. Roseville, CA 95678
TANC	6/30/2023	P.O. Box 15129 Sacramento, CA 95851
SJSC	6/30/2023	200 E. Santa Clara St. San Jose, CA 95113
MSR EA	12/31/2023	P.O. Box 4060 Modesto, CA 95352
MSR PPA	12/31/2023	P.O. Box 4060 Modesto, CA 95352
SVACA	6/30/2023	3370 Thomas Road Santa Clara, CA 95051

The City's basic financial statements reflect the following investments in joint ventures as of June 30, 2023 (latest information available):

	Participating percentage	Investment	Method of accounting
NCPA			
Geothermal	44.39%		
Hydroelectric	37.02%	$41,747,424	Equity
Combustion Turbine	41.67%		
Lodi Energy Center	25.75%		
TANC	9.69%	9,136,635	Equity
SJSC (1)	19.74%	272,373,132	Equity
MSR EA	33.40%	-	Suspended
MSR PPA	35.00%	14,325,713	Equity
SVACA	56.50%	5,501,554	Equity
Total		$343,084,458	

(1) The investment in San Jose/Santa Clara Regional Wastewater Facility includes the current year capital contribution.

NOTE 12 – PARTICIPATION IN JOINT VENTURES (continued)

B. Contingent Liability

Under the terms of the various joint venture agreements, the City is contingently liable for a portion of the long-term debt of the entities under take-or-pay agreements, letters of credit, guarantees or other similar agreements. Sewer revenue bonds issued by the San Jose-Santa Clara Clean Water Financing Authority were no longer outstanding as they were fully redeemed on November 15, 2020. Based on the most recent audited financial statements of the individual joint ventures as of June 30, 2023, the City was contingently liable for long-term debt as follows (in thousands):

	Total Debt	Participating Share	Contingent Liability
NCPA	$ 500,597	35.19%	$ 176,168
TANC	165,500	9.65%	15,973
Total	$ 666,097		$ 192,141

In addition, the City would, under certain conditions, be liable to pay a portion of the costs associated with the operations of the entities. Under certain circumstances, such as default or bankruptcy of the other participants, the City may also be liable to pay a portion of the debt of these joint ventures on behalf of those participants and seek reimbursement from those participants.

Take-or-Pay commitments expire upon final maturity of outstanding debt for each project. Final fiscal year debt expirations as of June 30, 2023 are as follows:

Project	Debt Expiration	Entitlement Share %	Debt Service Share %
NCPA - Geothermal Project (NGP)	July-2024	44.3905%	44.3905%
NCPA - Hydroelectric Project (NHP)	July-2032	37.0200%	37.0200%
NCPA - Lodi Energy Center (NLEC) (1)	June-2040	25.7500%	34.5385%
TANC - CA-OR Transmission Project (COTP)	May-2039	9.6887%	9.6512%

(1) The SVP's debt service share in NLEC on issue one is 46.1588%, on issue two is 0%.

NOTE 12 – PARTICIPATION IN JOINT VENTURES (continued)

A summary of the City's "Take-or-Pay" contracts and related projects and its contingent liability for the debt service including principal and interest payments at June 30, 2023 is as follows (latest information available):

Fiscal Year	NGP	NHP	NLEC	COTP	Total
2024	$ 1,541,819	$ 13,733,507	$ 7,565,130	$ 1,348,027	$ 24,188,483
2025	1,545,765	13,367,196	7,565,513	1,465,120	23,943,594
2026		6,817,614	7,581,031	1,464,903	15,863,548
2027		6,822,128	7,721,815	1,464,831	16,008,774
2028		6,684,294	7,723,465	1,464,806	16,072,565
2029-2033		35,672,566	38,619,608	7,324,611	81,616,785
2034-2038	-	-	38,618,066	7,324,419	45,942,485
2039-2041	-	-	22,527,489	1,465,338	23,992,827
Total	$ 3,087,584	$ 83,297,305	$ 137,922,117	$ 23,322,055	$ 247,629,061

C. Northern California Power Agency (NCPA)

NCPA was formed in 1968 as a joint powers agency in the State of California. Its membership consists of sixteen public agencies. NCPA is generally empowered to sell, purchase, generate, transmit, manage electrical energy and provide regulatory and legislative advocacy. Members participate in the projects of NCPA on an elective basis. Therefore, the participation percentage varies for each project in which it participates.

A Commission comprised of one representative for each member governs NCPA. The Commission is responsible for the general management of the affairs, property, and business of NCPA. Under the direction of the General Manager, the staff of NCPA is responsible for providing various administrative, operating and planning services for NCPA and its associated power corporations.

Project Financing and Construction

NCPA's project construction and development programs have been individually financed by project revenue bonds collateralized by NCPA's assignment of all payments, revenues and proceeds associated with its interest in each project. Each project participant has agreed to pay its proportionate share of debt service and other costs of the related project, notwithstanding the suspension, interruption, interference, reduction or curtailment of output from the project for any reason. Certain of the revenue bonds are additionally supported by municipal bond insurance credit enhancements.

Hydroelectric Project

NCPA is contracted to finance, manage, construct, and operate Hydroelectric Project Number One for the licensed owner, Calaveras County Water District (CCWD). In exchange, NCPA has the right to the electric output of the project for 50 years from February 1982. NCPA also has an option to purchase power from the project in excess of the CCWD's requirements for the subsequent 50 years, subject to regulatory approval.

Geothermal Project

The NCPA Geothermal Plants have historically experienced greater than anticipated declines in steam production from the existing geothermal wells. Although initially operated as baseload generation projects at

NOTE 12 – PARTICIPATION IN JOINT VENTURES (continued)

full capability (238MW), NCPA changed its steam field production from baseload to load-following and reduced average annual steam production. Along with other steam field operators in the area, the Agency began implementing various operating strategies to further reduce the rate of decline in steam production. The Agency has modified both steam turbine units and the associated steam collection system to enable generation with lower pressure steam at higher mass-flow rates to optimize the utilization of the available steam resource. In fiscal year 2019-20, NCPA began a well-workover program to restore underperforming wells.

Based upon current operation protocols and forecasted operations, NCPA expects average annual generation and peak capacity to decrease further, reaching approximately 68 MW by the year 2040.

Combustion Turbine Project No. 1

NCPA originally owned five combustion turbine units, each of which is nominally rated at 25 MW, which are collectively known as the Combustion Turbine Project No. 1. These units were completed in 1986 and are designed to provide peak power and reserve requirements and emergency support. Effective September 1, 2010, two units located in the city of Roseville was sold to the City of Roseville. NCPA still owns and operates two units in the city of Alameda and one unit in the City of Lodi. Each purchaser is responsible under its power sales contract for paying an entitlement share in Combustion Turbine Project No. 1 of all NCPA's costs of such project.

Lodi Energy Center

On May 24, 2010, SVP entered into an agreement with NCPA for a 25.75% interest in the Lodi Energy Center, a 280 MW combined cycle natural gas fired power plant, located in Lodi, California. The project received approval from the California Energy Commission in April 2010 and was placed into operation in November 2012. In January 2020, the Lodi Energy Center suffered a catastrophic turbine failure. NCPA replaced the turbine with a newer state-of-the-art turbine which could use hydrogen as a cleaner fuel source. The majority of the replacement cost was covered by NCPA's insurance resulting in relatively minimal financial impact to project participants.

D. Transmission Agency of Northern California (TANC)

TANC was organized under the California Government Code pursuant to a joint powers agreement entered into by 15 Northern California utilities. The purpose of TANC is to provide electric transmission and other facilities for the use of its members through its authority to plan, acquire, construct, finance, operate and maintain facilities for electric power transmission. The joint powers agreement provides that the costs of TANC's activities can be financed or recovered through assessment of its members or from user charges through transmission contracts with its members. Each TANC member has agreed to pay a pro-rata share of the costs to operate TANC and for payment of debt service, and has the right to participate in future project agreements.

The joint powers agreement remains in effect until all debt obligations and interest thereon have been paid, unless otherwise extended by the members.

California-Oregon Transmission Project

TANC is a participant and also the Project Manager of the California-Oregon Transmission Project (Project), a 340-mile long, 500-kilovolt alternating current transmission project between Southern Oregon and Central

NOTE 12 – PARTICIPATION IN JOINT VENTURES (continued)

California. As Project Manager, TANC is responsible for the overall direction and coordination of all Project operations and maintenance, additions and betterments, and for general and administrative support.

The Project was declared commercially operable on March 24, 1993, with a rated transfer capability of 1,600 megawatts and provides a third transmission path between the electric systems of the Pacific Northwest and those in California. The Project has successfully met and completed the major environmental requirements. As of June 30, 2023, the most recent data available, TANC's investment in the Project was $545.2 million, less accumulated depreciation and amortization of $267.8 million.

In connection with its participation in the Project, TANC has an entitlement balance of the Project's transfer capability of approximately 1,362 megawatts and is obligated to pay an average of approximately 80% of the operating costs associated with the Project. TANC incurred and initially capitalized all costs for project construction since they were expected to be recovered through reimbursement from Project participants and from the successful operations of the Project's transmission lines. The Project agreement among the participating members provides that each member agrees to make payments, from its revenues, to TANC for project costs incurred and for payment of debt service.

Santa Clara has historically been obligated to pay 20.47% of TANC's COTP operating and maintenance expenses and 20.70% of TANC's COTP debt service and 22.16% of the Vernon acquisition debt. Santa Clara has also been entitled to 20.4745% of TANC's share of COTP transfer capability (approximately 278 MW net of third party layoffs of TANC) on an unconditional take-or-pay basis. Starting on July 1, 2014 Santa Clara laid-off 147 MWs of this entitlement to other TANC members under a 25 year agreement. During the term of this agreement the parties taking on the entitlement will pay all associated debt service, operations and maintenance costs, and all administrative and general costs. Santa Clara's portion of the operating and maintenance expenses and the COTP debt service is 10.004 %.

E. San Jose/Santa Clara Regional Wastewater Facility and Clean Water Financing Authority (SJSC)

The City and the City of San Jose jointly own the San Jose/Santa Clara Regional Wastewater Facility, (RWF). The RWF provides wastewater treatment services to Santa Clara, San Jose, and seven other tributary agencies. The City of San Jose is the administering agency for the RWF. The San Jose/Santa Clara Clean Water Financing Authority (Authority) was created in 1981 to provide financing for capital improvements at the RWF.

In 1959, the City and the City of San Jose entered into an agreement to construct and operate the RWF, (formerly referred to as the San Jose/Santa Clara Water Pollution Control Plant). Under the terms of the agreement, the cities own an undivided interest in the RWF and share in the capital and operating costs on a pro rata basis, determined by the ratio of each city's assessed valuation to the sum of both cities assessed valuations. Such percentages are determined annually and applied to the capital and operating costs of the RWF, determined on an accrual basis. For the fiscal year ended June 30, 2023, the City's portion of the plant capacity was approximately 19.741%, which is also its interest in the net position of the RWF.

<u>Zero Waste Energy Development Company Ground Lease</u>

On June 21, 2011, the San Jose City Council approved a ground lease with Zero Waste Energy Development Company (ZWED) to lease a portion of the former Nine Par landfill, which is a part of the San Jose/Santa

NOTE 12 – PARTICIPATION IN JOINT VENTURES (continued)

Clara Regional Wastewater Facility lands. ZWED would lease the property in three phases. Under the terms of the proposed lease, ZWED will lease 40.7 acres from the City of San Jose for an initial term of seven years from the date of execution for all three leaseholds. The base rent for the initial phase (Phase 1) of the property would be payable as a proportional credit against the expenditure of site development costs estimated at $11.8 million or as a payment of $850,000 per year. Rent for the subsequent phases will be based on the amount of organic waste processed at the facility. Over the 30-year life of the lease, the estimate payment is a minimum of $16.5 million. The incoming revenue will be distributed between the City of Santa Clara, City of San Jose, and the tributary agencies to the RWF based on the master agreements with each agency.

South Bay Water Recycling Program

The South Bay Water Recycling Program (SBWR), a regional water reclamation program, is part of an action plan adopted by the Regional Water Quality Control Board (RWQCB) which limits the RWF on the amount of effluent discharged into San Francisco Bay in order to prevent conversion of salt marsh and destruction of endangered species habitat. Flow limits are not included in the current five year permit from the RQWCB. SBWR has a master plan to guide the continued operation and potential expansion of the SBWR in the absence of the previous regulatory drivers. The master plan was completed in December of 2014 and accepted by the City of San Jose and the Santa Clara Valley Water District during fiscal year 2014-15.

Under the previously approved action plan, SBWR was required to reclaim 21.1 million gallons per day (MGD) of plant effluent for nonpotable use by November 1, 1997, (Phase 1) and an additional 24.30 MGD by December 31, 2000 (Phase 2). The action plan also requires assessment of alternatives for potable reuse, including a potable pilot plant to be coordinated with the Santa Clara Valley Water District. In addition to habitat preservation, the project reduces the mass trace contaminates discharged to the San Francisco Bay and provides a reliable source of water to offset potable water demands. The current master plan recognizes that primary drivers for the continued operation and expansion of the recycled water system are based in the need for water supply, rather than wastewater discharge reduction.

When first built, the SBWR distribution system included approximately 67 miles of pipe, a four million gallon reservoir, a transmission pump station, and two booster pump stations. These facilities were constructed between 1996 and 1998 at a capital cost of approximately $140 million funded by the tributary agencies, grants and bond proceeds. Santa Clara's share of Phase 1 costs was approximately $20.07 million. Within Santa Clara, seven miles of distribution mains were added to the system in 2010 and 2011 and the entire SBWR distribution system now consists of over 140 miles of pipeline.

Proceeds from the City of San Jose 1995 Series A and B Bonds and other funds were used to pay for the City of San Jose's share of Phase 1. The City contributed existing capital reserves, existing recycled water distribution system, and additional construction of system extensions. Other sources for funding of Phase 1 include U.S. Bureau of Reclamation grants, State of California Revolving Fund loans, $6.45 million transferred in fiscal year 1995 from the Clean Water Financing Authority to the City of San Jose Wastewater Treatment Plant Capital Fund, and cash contributions from other participating agencies. The 2010 and 2011 extensions of the distribution system were funded in part by a combination of grants from the American Recovery and Reinvestment Act of 2009 (ARRA) and the United State Bureau of Reclamation totaling $10.4 million.

In June 1997, the RWQCB approved the Proposed Revision to the South Bay Action Plan (the Plan), which describes the projects necessary to reduce average dry weather effluent flow from the RWF to below 120 MGD and protect salt marsh habitat for endangered species in the South Bay as required by RWQCB Order 94-117. These projects include expanding the Phase 1 nonpotable water distribution system by extending additional

NOTE 12 – PARTICIPATION IN JOINT VENTURES (continued)

piping, placing greater emphasis on water conservation programs, reducing infiltration inflow, augmenting stream flow, and creating wetlands. The estimated costs of $127.5 million has been funded through a combination of State Revolving Fund loans, Equipment Replacement Reserves, Sewage Treatment Plant Connection Fees, federal grants, in-kind services and cash contributions.

F. M-S-R Public Power Agency (MSR PPA)

MSR PPA is a joint power agency formed in 1980 by the Modesto Irrigation District, the City and the City of Redding, California, to develop or acquire and manage electric power resources for the benefit of the members. The personnel of its members and contract professional staff perform the administrative and management functions of MSR PPA. The member's income and expense sharing ratio is as follows: Modesto Irrigation District – 50%; City of Santa Clara – 35%; and City of Redding – 15%.

Prior to fiscal year ended December 31, 2020, SVP's equity in MSR PPA's net losses exceeds its investments and, therefore, the equity method of accounting for the investment was suspended. As of December 31, 2023, the date of the latest available audited financial statements, SVP was in a positive equity position of $14.3 million. The equity method of accounting of SVP's investment in MSR PPA was applied. Under the joint exercise of power agreement, which formed MSR PPA, the City is responsible for funding up to 35 percent of MSR PPA's operating cost, to the extent such funding is necessary. During the year ended June 30, 2024, the City funded its share of operating costs in the Electric Utility Enterprise Fund expenses.

MSR PPA's principal activity is a 28.8% ownership interest in a 507-megawatt unit of a coal-fired electricity generating plant located in New Mexico (San Juan Plant). The San Juan plant was jointly owned by the Public Service Company of New Mexico (PNM) (38.5%), MSR PPA (28.8%) and other municipal power entities (32.7%). On December 31, 2017, MSR PPA divested its ownership interest in the San Juan plant and no longer receives electric energy or capacity from the San Juan Generating Station.

In 2006, MSR PPA entered into a Wholesale Purchase and Sale Agreement and a Shaping and Firming Agreement with Avangrid Renewables, Inc. to provide renewable wind energy to the Members from the Big Horn I Wind Energy Project (Big Horn I Project) with a nominal installed capacity of approximately 199.5 MW. The City receives the power purchased by MSR PPA from the Big Horn I Project. The City's share equates to approximately a 105 MW share of the output. Power deliveries commenced on October 1, 2006 and will continue through September 30, 2026. Through an amendment of the original agreements MSR PPA has an obligation to continue to take the same output through September 30, 2031, or if the Big Horn Project is repowered MSR PPA will have a right of first offer to negotiate a long-term power purchase for such repowered project. The participation in this project is as follows: Modesto Irrigation District – 12.5%; City of Santa Clara – 52.5%; and City of Redding – 35%.

In 2009, MSR PPA entered into a Power Purchase Agreement and Redelivery Agreement with Avangrid Renewables Inc. to purchase additional wind power energy from the same site, called Big Horn II, with a nominal installed capacity of 50 MW for a twenty-year period. Deliveries of energy under this project began on November 1, 2010. The participation in this project is as follows: Modesto Irrigation District – 65%; City of Santa Clara – 35%.

<u>M-S-R PPA San Juan</u>

In 2015, the MSR PPA Commission approved a number of agreements (the "San Juan Restructuring Agreements") to provide for the interests of MSR PPA and certain other San Juan Participants (the "exiting

NOTE 12 – PARTICIPATION IN JOINT VENTURES (continued)

participants") in the San Juan Generation Station to be transferred to the remaining San Juan Participants effective December 31, 2017. In addition to the ownership divesture, the San Juan Restructuring Agreements provide for, among other things, the allocation of ongoing responsibility for decommissioning costs, mine reclamation costs and any environmental remediation obligations among the exiting participants and the remaining San Juan Participants, and the establishment and funding of mine reclamation and plant decommissioning trust funds. The San Juan Restructuring Agreements were subsequently executed by all nine San Juan Generation Station owners and PNM Resources Development Company (a non-utility affiliate of PNM) and, following receipt of regulatory approvals, became effective on January 31, 2016. Various other implementing agreements and amendments to existing San Juan project agreements to effect the restructuring have also been executed. Closing of the ownership restructuring of the San Juan Generation Station and the divestiture of MSR PPA's interests in San Juan Unit No. 4 was completed on schedule on December 31, 2017.

G. M-S-R Energy Authority (MSR EA)

MSR EA is a joint power agency formed in 2008 by the Modesto Irrigation District, the City of Santa Clara, and the City of Redding, California, to develop or acquire and manage natural gas resources for the benefit of the members. The personnel of its members and contract professional staff perform the administrative and management functions of MSR EA. The member's income and expense sharing ratio is as follows: Modesto Irrigation District – 33.3%; City of Santa Clara – 33.4%; and City of Redding – 33.3%.

The City's equity in MSR EA's net losses exceeds its investment and, therefore, the equity method of accounting for the investment has been suspended. As of December 31, 2023, the date of the latest available audited financial statements, the City's unrecognized share of member's deficit of MSR EA was $27.2 million. Under the joint exercise of power agreement, which formed MSR EA, the City is responsible for funding up to 33.4% of MSR EA's operating cost, to the extent such funding is necessary. During the year ended June 30, 2024, the City funded its share of operating in the Electric Utility Enterprise Fund expenses.

In 2009, the City of Santa Clara, along with the Cities of Modesto and Redding participated in the M-S-R Energy Authority Gas Prepay Project. The Gas Prepay Project provides the City of Santa Clara, through a Gas Supply Agreement with MSR EA dated September 10, 2009, a secure and long-term supply of natural gas of 7,500 MM Btu (Million British thermal unit) daily or 2,730,500 MM Btu annually through December 31, 2012, and 12,500 MM Btu daily, or 4,562,500 MM Btu annually thereafter until September 30, 2039. The agreement provides this supply at a discounted price below the spot market price (the Pacific Gas & Electric City gate index) over the next 30 years. As of December 31, 2023, bonds issued by MSR EA to finance the City's share of the Gas Prepay Project were outstanding in the principal amount of $482,400,000. These bonds were initially sold on August 27, 2009. Under the Gas Supply Agreement, MSR EA will bill the City for actual quantities of natural gas delivered each month on a "take-and-pay" basis. MSR EA has contracted with Citigroup Energy, Inc. ("CEI") to use the proceeds of the Gas Prepay bond issue to prepay CEI for natural gas. CEI has guaranteed repayment of the bonds, and responsibility for bond repayment is non-recourse to the City of Santa Clara. Moreover, any default by the other Gas Prepay Project participants is also non-recourse to the City.

H. Silicon Valley Animal Control Authority

The City is a member of the Silicon Valley Animal Control Authority, (SVACA), established in 2000 to deliver animal control and sheltering services to three communities: the cities of Santa Clara, Campbell, and Monte Sereno. SVACA provides field and shelter services and staffing to support adoption and spay/neuter programs. SVACA purchased and retrofitted an existing cold-shell office building in Santa Clara that became a fully

NOTE 12 – PARTICIPATION IN JOINT VENTURES (continued)

operating animal shelter. The shelter opened in the third quarter of 2006. SVACA is governed by a Board of Directors comprised of one appointed Councilmember from each of the four member cities.

During the fiscal year ended June 30, 2024, the City of Santa Clara contributed $1,143,543 to SVACA. The City's equity interest in SVACA was $5,501,554 at June 30, 2023 (the most recent audited information available). Audited financial statements are available from SVACA, located at 3370 Thomas Road, Santa Clara, CA 95051.

NOTE 13 – RETIREMENT PLAN – DEFINED BENEFIT PENSION PLAN

A. Plan Description

The City contributes to the California Public Employees Retirement System (CalPERS), an agent multiple-employer defined benefit plan, which is a public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. CalPERS offers a menu of benefit provisions and other requirements that are established by State statutes within the Public Employee Retirement law. The City selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues a separate Annual Comprehensive Financial Report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS website at www.calpers.ca.gov.

The City's defined benefit pension plans for Miscellaneous and Safety employees with CalPERS provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. All permanent (full-time and part-time) and eligible "as-needed" hourly City employees are required to participate in CalPERS. Employees fall under two categories, Classic and PEPRA. Employees hired on or before December 31, 2012, are considered Classic PERS members. Employees hired on or after January 1, 2013, fall into the PEPRA PERS members.

B. Pension Plan Benefits

On September 12, 2012, the State of California passed Assembly Bill (AB) 340, which created the Public Employees' Pension Reform Act (PEPRA). PEPRA implemented new benefit formulas and final compensation period, as well as new contribution requirements for new employees hired on or after January 1, 2013, who meet the definition of new member under PEPRA. Please refer to the Pension Reform section of the CalPERS website for more information regarding when an employee will be considered a new member under PEPRA.

Benefits for employees in the Miscellaneous Plan and Safety Plan vest after five years of CalPERS credited service. The retirement benefits are based on the retiree's age, years of CalPERS credited service, and benefit factor of 2.7% at 55 for the Classic Miscellaneous Plan members and 3% at 50 for the Classic Safety Plan members. For members under PEPRA, the benefit factor is reduced to 2% at 62 for the Miscellaneous Plan and 2.7% at 57 for the Safety Plan.

NOTE 13 – RETIREMENT PLAN – DEFINED BENEFIT PENSION PLAN (continued)

Miscellaneous Plan

Participants in this plan are eligible for service retirement and receive graduated benefits upon attaining the age of 50 and with at least five years of credited service with a CalPERS employer. The service retirement benefit is a monthly allowance equal to the product of the benefit factor (2.7% at 55 for Classic members or 2% at 62 for PEPRA members), years of service, and final compensation (monthly average of member's highest 12 or 36 (for new members) consecutive months full-time equivalent monthly pay). The service retirement benefit for this group is not capped. The compensation limit for Classic members for the 2024 calendar year is $345,000. Employees with membership dates prior to July 1, 1996, are not impacted by this limit. The compensation limit for PEPRA for calendar year 2024 is $151,446 for employees covered by Social Security and is adjusted annually with the CPI for all Urban Consumers.

Safety Plan

Participants in this plan are eligible for service retirement upon attaining the age of 50 and with at least five years of credited service with a CalPERS employer. The service retirement benefit is a monthly allowance equal to the product of the benefit factor (3% at 50 for Classic members or 2.7% at 57 for new members), years of service, and final compensation. For Classic Fire Safety employees, the final compensation is the monthly average of member's highest 36 consecutive months full-time equivalent monthly pay for both Classic and new members, and for Classic Police Safety employees, it is the monthly average of the member's highest 12 or 36 (for new members) consecutive months full-time equivalent monthly.

The service retirement benefit for the Safety Plan group is capped at 90% of final compensation for the Classic members. PEPRA members have an annual compensation limit on reportable earnings. The compensation limit for calendar year 2024 is $181,734 for employees not covered by Social Security and is adjusted annually with the CPI for all Urban Consumers.

NOTE 13 – RETIREMENT PLAN – DEFINED BENEFIT PENSION PLAN (continued)

The Plans provisions and benefits in effect at June 30, 2024 are summarized as follows:

	Miscellaneous		Safety	
Hire date	Prior to January 1, 2013	On or After January 1, 2013	Prior to January 1, 2013	On or After January 1, 2013
Benefit formula	2.7% @ 55	2.0% @ 62	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67	50	50 - 57
Monthly benefits, as a % of eligible compensation	2.00% - 2.70%	1.00% - 2.50%	3.00%	2.00% - 2.70%
Required employee contribution rates	8.00%	7.00%		
Public Safety - Fire			9.00%	11.75%
Public Safety - Police			9.00%	11.75%
Required employer contribution rates	11.83%	11.83%	23.05%	23.05%
Required unfunded liability contribution	$26,529,833		$23,198,740	

Beginning in fiscal year 2015-16, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis or the City can elect a discounted lump sum payment option, which the City elected to do in fiscal year 2023-24. The City's required contribution for the miscellaneous plan's unfunded liability was $26,529,833 in fiscal year 2023-24. The City's required contribution for the safety plan's unfunded liability was $23,198,740 in fiscal year 2023-24.

Employees Covered

At the valuation date, June 30, 2022, and measurement date June 30, 2023, the following employees were covered by the benefits terms for each Plan:

	Miscellaneous	Safety
Inactive employees or beneficiaries currently receiving benefits	1,075	513
Inactive employees entitled to but not yet receiving benefits	582	89
Active employees	717	272
Total	2,374	874

NOTE 13 – RETIREMENT PLAN – DEFINED BENEFIT PENSION PLAN (continued)

C. Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the year ended June 30, 2024, the City's contributions to the miscellaneous and safety plans were $37,993,602 and $37,050,903, respectively.

D. Net Pension Liability

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plans' fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2023, using an annual actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

	All Plans
Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	2.80%
Projected Salary Increase	Varies by Entry-Age and Service
Investment Rate of Return (1)	6.90%
Post Retirement Benefit Increase	The lesser of Contract COLA or 2.3% until Purchasing Power applies, 2.3% thereafter
Mortality (2)	Derived using CalPERS' membership data for all funds

(1) Net of pension plan investment and administrative expenses; including inflation

(2) The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS' November 2021 experience study report available on CalPERS' website.

NOTE 13 – RETIREMENT PLAN – DEFINED BENEFIT PENSION PLAN (continued)

Discount Rate

The discount rate used to measure the total pension liability for the Plan was 6.90%. The projection of cash flows used to determine the discount rate for the Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members for all plans in the PERF. Therefore, the long-term expected rate of return on plan investments was applied to all period of projected benefit payments to determine the total pension liability for the Plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all the funds' assets classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

The table below reflects the real rates of return by asset class.

Asset Class (1)	Assumed Asset Allocation	Real Return (1)&(2)
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
	100.00%	

(1) An expected inflation of 2.30% used for this period.
(2) Figures are based on the 2021 Asset Liability Management study.

NOTE 13 – RETIREMENT PLAN – DEFINED BENEFIT PENSION PLAN (continued)

E. Changes in the Net Pension Liability

The changes in the Net Pension Liability for each Plan follows:

Miscellaneous Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2022 measurement date	$ 872,811,236	$ 545,286,347	$ 327,524,889
Changes in the year:			
Service cost	16,468,193	-	16,468,193
Interest on the total pension liability	59,622,333	-	59,622,333
Changes of benefit terms	643,992	-	643,992
Differences between expected and actual experience	7,491,260	-	7,491,260
Contributions - employer	-	36,574,733	(36,574,733)
Contributions - employees	-	6,418,087	(6,418,087)
Net investment income	-	34,061,981	(34,061,981)
Benefit payments, including refunds of employee contributions	(50,177,599)	(50,177,599)	-
Administrative expense	-	(400,978)	400,978
Net changes	34,048,179	26,476,224	7,571,955
Balance at June 30, 2023 measurement date	$ 906,859,415	$ 571,762,571	$ 335,096,844

NOTE 13 – RETIREMENT PLAN – DEFINED BENEFIT PENSION PLAN (continued)

Safety Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2022 measurement date	$ 923,607,390	$ 589,494,676	$ 334,112,714
Changes in the year:			
Service cost	17,572,981	-	17,572,981
Interest on the total pension liability	63,455,937	-	63,455,937
Changes of benefit terms	261,381	-	261,381
Differences between expected and actual experience	12,903,735	-	12,903,735
Contributions - employer	-	34,987,003	(34,987,003)
Contributions - employees	-	6,145,378	(6,145,378)
Net investment income	-	36,533,713	(36,533,713)
Benefit payments, including refunds of employee contributions	(51,815,487)	(51,815,487)	-
Administrative expense	-	(433,487)	433,487
Net changes	42,378,547	25,417,120	16,961,427
Balance at June 30, 2023 measurement date	$ 965,985,937	$ 614,911,796	$ 351,074,141
Combined Total	$ 1,872,845,352	$ 1,186,674,367	$ 686,170,985

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City for each Plan, calculated using the discount rate for each Plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous	Safety
1% Decrease	5.90%	5.90%
Net Pension Liability	$ 448,628,717	$ 479,585,017
Current Discount Rate	6.90%	6.90%
Net Pension Liability	$ 335,096,844	$ 351,074,141
1% Increase	7.90%	7.90%
Net Pension Liability	$ 240,809,716	$ 245,627,700

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE 13 – RETIREMENT PLAN – DEFINED BENEFIT PENSION PLAN (continued)

F. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2024, the City recognized pension expense of $48,466,316 for the Miscellaneous Plan and $55,294,482 for the Safety Plan, for total pension expense of $103,760,798.

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Miscellaneous Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 37,993,602	$ -
Changes of assumptions	10,004,809	-
Differences between expected and actual experience	5,377,517	(1,482,816)
Net differences between projected and actual earnings on pension plan investments	25,549,781	-
Total	$ 78,925,709	$ (1,482,816)

Safety Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 37,050,903	$ -
Changes of assumptions	13,398,400	-
Differences between expected and actual experience	12,212,911	(1,751,797)
Net differences between projected and actual earnings on pension plan investments	27,859,885	-
Total	$ 90,522,099	$ (1,751,797)
Combined Total	$ 169,447,808	$ (3,234,613)

The reported $37,993,602 for the Miscellaneous Plan and $37,050,903 for the Safety Plan deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of

NOTE 13 – RETIREMENT PLAN – DEFINED BENEFIT PENSION PLAN (continued)

resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

Measurement Period Ended June 30	Miscellaneous Plan Annual Amortization	Safety Plan Annual Amortization
2024	$ 12,946,100	$ 16,953,916
2025	7,161,326	12,066,097
2026	18,686,917	21,958,301
2027	654,948	741,085

NOTE 14 – RETIREMENT PLAN - DEFINED CONTRIBUTION PLAN

The City's Public Agency Retirement System Plan (PARS Plan) is a compulsory retirement plan that qualifies under Section 401 of the Internal Revenue Code covering City employees who are not members of CalPERS. Under the provisions of the PARS Plan, the City makes no contributions; however, all administrative costs of the plan are funded by the City. The PARS Plan administrator is Phase II Systems. The total assets of the PARS Plan are held in trust for the employees and are not included in the City's assets or equity.

NOTE 15 – DEFERRED COMPENSATION PLAN

City employees may defer a portion of their compensation under a City sponsored deferred compensation plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency as defined by the Internal Revenue Service.

The Plan is part of the public agency agent multiple-employer defined contribution plan that is administered by Nationwide. Benefit provisions under the Plan are established by City Resolution.

The laws governing deferred compensation plan assets require plan assets to be held by a trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the City's property and are not subject to City control, they have been excluded from these financial statements.

The City has no liability for any losses incurred by the Plan and does not participate in any gains, but does have the duty of due care that would be required of an ordinary prudent investor. The City has a contract with Nationwide to manage and invest the assets of the Plan. The administrator pools the assets of the Plan with those of other participants and does not make separate investments for the City. The assets in the Plan are the sole property of the participants or their beneficiaries. Since the assets held under the Plan are not the City's property and are not subject to claims by general creditors of the City, they have been excluded from these financial statements. The Plan requires investments to be stated at fair market value and it requires all gains and losses on Plan investments to accrue directly to participant accounts.

Under the terms of the Memorandum of Understanding (MOU) with the Police Officers Association Unit 2, Police Officers Association Recruits Unit 2R, the Engineers of the City Unit 4, the Unclassified Police

NOTE 15 – DEFERRED COMPENSATION PLAN (continued)

Management Association Unit 9A, the Unclassified Fire Management Employees Unit 9B, and the Public Safety Non-Sworn Employees Association Unit 10, the City is required to make a monthly contribution to each employee who is enrolled in the City's Section 457 deferred compensation plan.

Under the terms of the MOU with the City's Employees Association Unit 578, the City has exercised its discretion to provide a one-time discretionary cash payment equivalent to approximately 1.0% of the employee's base pay for regular employees (pro-rated for part-time employees) in the bargaining unit. The one-time discretionary cash payment was paid on June 28, 2024. Employees were provided the option to receive the one-time discretionary payment as cash or as a contribution to the employee's deferred compensation account.

The City's required contributions for the year ended June 30, 2024 totaled $656,195.

NOTE 16 – OTHER POST EMPLOYMENT BENEFITS

A. Plan Description

The City's agent multiple-employer defined benefit Other Post Employment Benefit (OPEB) Plan, which was established by City Council in fiscal year 2007-08 in accordance with GAAP, provides reimbursements to retirees for qualified expenses. Employees who have retired from the City with at least ten years of service and meet certain criterion based upon retirement date, household income in the most recent calendar year and age are entitled to reimbursements for qualified expenses. Annual maximum reimbursement amounts differ depending on when an employee retired from City service. The majority of retirees may be eligible for a maximum of $4,932 in annual reimbursements. Amendments to benefit provisions are negotiated by the various bargaining units at the City and must be approved by Council. In fiscal year 2007-08, the City established an irrevocable exclusive agent multiple-employer defined benefit trust which is administered by Public Agency Retirement Services (PARS). The City is the Plan administrator, and PARS administers the investment trust for the City's Plan. The trust is used to accumulate and invest assets necessary to reimburse retirees. Separate financial reports are issued by PARS for the OPEB Plan Trust. The report can be obtained by writing to PARS at 4350 Von Karman Avenue, Suite 100, Newport Beach, CA 92660, or by calling 1-800-540-6369.

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan and additions to and deduction from the OPEB's fiduciary net position have been determined on the same bases. For this purpose OPEB benefit payments are recognized when currently due and payable in accordance with the benefits terms. Investments are report at fair value.

Generally accepted accounting principles require that the reporting results must pertain to liability and asset information within certain defined timeframes. For the fiscal year 2023-24, the following time frames were used.

NOTE 16 – OTHER POST EMPLOYMENT BENEFITS (continued)

Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024
Actuarial valuation date (1)	June 30, 2022

(1) Update procedures were used to roll forward the Total OPEB liability from the valuation date to the measurement date.

B. Plan Membership

As of June 30, 2024, membership in the plan consisted of the following:

	Number of Covered Employees
Inactive employees currently receiving benefits	641
Inactive employees entitled to but not yet receiving benefit payments	254
Active employees	1,011
Total	1,906

C. Contributions

The OPEB Plan trust annual contributions are based upon actuarial determine contributions. The contribution requirements are established and may be amended by the City Council. Plan members do not make contributions to the plan; the plan is funded entirely by employer contributions. For the fiscal year ending June 30, 2024 the City's cash contributions were $4,175,000 in payments to the trust, $19,208 in administrative expenses paid outside of the trust, and the estimated implied subsidy was $1,054,000, for total contributions of $5,248,208.

NOTE 16 – OTHER POST EMPLOYMENT BENEFITS (continued)

D. Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2024 and the total OPEB liability used to calculate the Net OPEB liability was determined by an actuarial valuation dated June 30, 2022, rolled forward to June 30, 2024 using standard actuarial methods, based on the following actuarial methods and assumptions:

Actuarial Assumptions

Significant Actuarial Assumptions Used in Total OPEB Liability

Actuarial Assumption	June 30, 2024 Measurement Date
Actuarial valuation date	June 30, 2022
Discount rate	4.50% at June 30, 2024
	Crossover analysis showed benefit payments always fully funded by plan assets
Inflation	2.50%
Salary increases	Aggregate 2.75%
Investment rate of return	4.50% at June 30, 2024
Funding policy	Full pre-funding to PARS trust
	PARS portfolio: Moderately Conservative
Mortality, Disability, Termination, and Retirement	CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021
Healthcare cost trend rates	Non-Medicare - 8.5% for 2024, scaling down to 3.45% in year 2076
	Medicare (Non-Kaiser) - 7.5% for 2024, scaling down to 3.45% in year 2076
	Medicare (Kaiser) - 6.25% for 2024, scaling down to 3.45% in year
Healthcare participation for future retirees - Cash subsidy	PEMHCA minimum only: Currently covered: 50%, Waived: 25%
	Other plans: : Currently covered: 80%, Waived: 40%
Healthcare participation for future retirees - PEMHCA implied subsidy	PEMHCA minimum only: Currently covered: 50%, Waived: 25%
	Other plans: : Currently covered: 80%, Waived: 25%

E. Discount Rate

The discount rates used to measure the total OPEB liability was 4.50% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rate equal to the actuarially determined contributions rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

NOTE 16 – OTHER POST EMPLOYMENT BENEFITS (continued)

Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	30%	4.56%
Mutual Funds - Fixed Income	65%	0.78%
Cash and equivalent	5%	-0.50%
	100%	
Expected Inflation		2.50%
Discount Rate		4.50%

F. Changes in the OPEB Liability

The changes in the Net OPEB liability and Fiduciary Net Position are as follows:

Net OPEB Liability
(In Thousands)

	2024	2023
Total OPEB Liability	$ 69,211	$ 67,386
Fiduciary Net Position	(33,513)	(29,668)
Net OPEB Liability	$ 35,698	$ 37,718
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	48.4%	44.0%

NOTE 16 – OTHER POST EMPLOYMENT BENEFITS (continued)

The changes in Net OPEB details as follow:

Changes in Net OPEB Liability
(In Thousands)

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2023 measurement date	$ 67,386	$ 29,668	$ 37,718
Changes in the year:			
Service cost	2,303	-	2,303
Interest	3,056	-	3,056
Contributions - employer (1)	-	5,248	(5,248)
Net investment income	-	2,249	(2,249)
Benefit payments	(3,535)	(3,535)	-
Administrative expense	-	(118)	118
Net changes	1,824	3,844	(2,020)
Balance at June 30, 2024 measurement date	$ 69,210	$ 33,512	$ 35,698

(1) Includes implied subsidy of $1,054 thousand

G. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following table presents the net OPEB liability of the Plan as of June 30, 2024, calculated using the discount rate of 4.50%, as well as what the plan's net OPEB liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current rate.

Sensitivity of Net OPEB Liability to Changes in Discount Rate
(In Thousands)

	1% Decrease (3.50%)	Current Rate (4.50%)	1% Increase (5.50%)
Net OPEB Liability	$ 44,519	$ 35,698	$ 28,394

H. Sensitivity of the Net OPEB Liability to Healthcare Cost Trend Rates

The following table presents the net OPEB liability of the City, as of June 30, 2024, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% point lower or 1% point higher than the current rate.

Sensitivity of Net OPEB Liability to Changes in Healthcare Care Trend Rates
(In Thousands)

	1% Decrease	Current Rate	1% Increase
Net OPEB Liability	$ 26,317	$ 35,698	$ 47,353

NOTE 16 – OTHER POST EMPLOYMENT BENEFITS (continued)

I. OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the City recognized OPEB expense as follows:

OPEB Expense
(In Thousands)

	2024
Fund level expense	$ 4,194
Actuarial Expense	(1,037)
OPEB Expense	$ 3,157

As of fiscal year ended June 30, 2024, the City reported deferred outflows as of resources related to OPEB from the following sources.

Deferred Outflows and Inflows Balance
(In Thousands)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 624	$ 697
Differences between expected and actual experience	-	1,283
Net differences between projected and actual earnings on OPEB plan investments	986	-
Total	$ 1,610	$ 1,980

Amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Recognition of Deferred Outflows and Inflows of Resources
in Future OPEB Expense (In Thousands)

For the Year ending June 30	Amount
2025	$ 66
2026	627
2027	(454)
2028	(569)
2029	(40)

NOTE 17 – ELECTRIC UTILITY - SILICON VALLEY POWER (SVP)

The City's Electric Utility Department provides electricity to City residents and businesses under the name Silicon Valley Power (SVP).

NOTE 17 – ELECTRIC UTILITY – SILICON VALLEY POWER (SVP) (continued)

A. Long-term Power Purchase Contracts

The City purchases wholesale electric power from various participants of the Western Systems Power Pool (WSPP), NCPA, MSR Public Power Agency (Note 12), Western Area Power Administration, and other sources to supply the power requirements of the City's electric utility customers under long-term power purchase agreements (PPAs). The City actively manages the financial risks inherent in these PPAs, including the risks arising from the changing spot market prices that move above and below the contract prices and from contract disputes that may arise from time to time. The proceeds and costs related to generation, either owned or under PPAs, except ancillary services are included in enterprise fund materials, services and supplies expense and excluded from wholesale resources purchase.

B. Restructuring of the California Electric Industry

Deregulation Legislation and Direct Access

The passage of AB1890 in 1998 triggered fundamental changes in the structure of the electric industry in California. Generally, AB1890 provided for creation of the California Power Exchange (Cal PX), which was to be a clearinghouse for energy transactions among investor-owned utilities, independent generators and power marketers, who in turn would serve so called direct-access customers. AB1890 also created the California Independent System Operator (CAISO), which was to manage the state's bulk transmission grid.

However, in 2000 and 2001, the price of electricity at the Cal PX became extremely high, and investor-owned utilities were unable to pay for the energy that they needed from the Cal PX. Eventually the Cal PX filed for bankruptcy and was dismantled. Investor-owned utility PG&E and several energy marketers would also file for bankruptcy and over a decade of litigation ensued.

The CAISO, however, continues to manage the state's bulk electric system and the day-ahead and day-of markets, and it has implemented various price controls and tariffs in an effort to avoid repeating the mistakes of 2000 and 2001. Along with balancing control area responsibility, the CAISO has also announced that it will take on the role of reliability coordinator for the region.

Energy Wholesale Trading and Risk Management

SVP participates in the wholesale gas and power market and the CAISO's centralized market. Since CAISO's Market Redesign and Technology Upgrade (MRTU), CAISO has become the ultimate buyer and seller in the California day ahead market. Therefore, SVP engages in the trading of commodity forward contracts (gas and electric energy contracts) to secure fuel supply and hedge daily power purchase/sales from/to CAISO. The primary type of forward contracts SVP currently engages in is the Futures contracts SVP transacts on Intercontinental Exchange (ICE). The Futures transactions for both natural gas and power are recorded on cash basis under Wholesale Trading activities starting fiscal year 2022-23. Activities during the fiscal year were substantially considered hedging transactions and, as such, have been accounted for using the settlement method of accounting. Accordingly, related gross sales and purchases totaling $11.5 million and $9.8 million, respectively, for fiscal year ended June 30, 2024, have been separately reported on the statement of revenues, expenses and changes in net position.

The restructured electric wholesale market exposes SVP to various risks including market, credit and operational risks. Active and effective management of these risks associated with the power trading activity

NOTE 17 – ELECTRIC UTILITY – SILICON VALLEY POWER (SVP) (continued)

is critical to its continued success and contribution to the entire utility. A Risk Management Committee, separate from the units that create the risk exposures, overseen by a Risk Oversight Committee that reports ultimately to the City Council, administers and monitors compliance with the risk policies and procedures on a regular basis. The City and SVP believe that it has the resource commitment, and effective policies and procedures, and is continuing to improve the control structure and oversight for evaluating and controlling the market and credit risks to which it is exposed.

Credit Arrangements

The City of Santa Clara electric utility maintains credit policies, procedures, and systems that help mitigate credit risk and minimize overall credit risk exposure. The policies include transacting only with investment grade counterparties, evaluating potential counterparties' financial condition and assigning credit limits as applicable. These credit limits are established based on risk and return considerations under terms customarily available in the industry. Additionally, SVP is a signatory to the WSPP netting agreement supplement and otherwise, enters into master netting arrangements whenever possible and, where appropriate, obtains collateral prior to trade execution. Master netting agreements incorporate rights of setoff that provide for the net settlement of subject contracts with the same counterparty in the event of default.

NOTE 18 – NET POSITION/FUND EQUITY

Net Position is measured on the full accrual basis and presented in the Government-wide Financial Statements, while Fund Balance is measured on the modified accrual basis and presented in the Governmental Funds Financial Statements.

A. Government-wide Financial Statements - Net Position

Net Position is the excess of all the City's assets and deferred outflow of resources over all its liabilities and deferred inflow of resources, regardless of fund. Net Position is divided into three captions. These captions apply only to Net Position, which is determined only at the government–wide level, and are described below:

Net investment in capital assets describes the portion of Net Position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, and redevelopment funds restricted to low and moderate-income purposes.

Unrestricted describes the portion of Net Position which is not restricted as to use.

B. Governmental Fund Financial Statements - Fund Balances

The City categorizes fund balance in accordance with GAAP. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

NOTE 18 – NET POSITION/FUND EQUITY (continued)

Nonspendable Fund Balance

Amounts that cannot be spent either because they are in a nonspendable form or are required to be maintained intact.

Restricted Fund Balance

Amounts that are constrained to specific purposes by federal, state, county, local laws, or externally imposed conditions by grantors or creditors.

Committed Fund Balance

Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council, the City's highest level of decision-making authority, through resolutions. These committed amounts cannot be used for any other purpose unless the Council removes or changes the specific uses through the same type of formal action taken to establish the commitment. These Council actions must occur prior to June 30th of the applicable fiscal year.

Assigned Fund Balance

Amounts that are constrained by the City's intent are to be used for specific purposes, but are neither restricted nor committed. The City Council delegated the authority to assign amounts to be used for specific purposes to the City Manager per Ordinance 1784, September 16, 2003.

Unassigned Fund Balance

These are either residual positive net resources of the General Fund in excess of what can properly be classified in one of the other four categories in the General Fund, or negative balances in all other funds. The Unassigned Fund Balance includes the Budget Stabilization (Emergency) and Capital Projects Reserves, and other undesignated fund balances. The balances in these accounts are $56.6 million, $24.8 million, and $27.8 million, respectively. Additional information is described in the Stabilization Arrangement section of this note.

Under the City's encumbrance system of accounting, a portion of fund balance that has been encumbered for a specific future use is classified in the appropriate fund balance component based on the nature of the encumbrance.

NOTE 18 – NET POSITION/FUND EQUITY (continued)

Fund Balance Classification

	Major Funds			
	General Fund	Santa Clara Housing Successor	Non-Major Governmental Funds	Fund Balance June 30, 2023
Nonspendable:				
Receivables, inventory & prepaid	$ 36,917	$ -	$ -	$ 36,917
Leases	5,843,134	-	-	5,843,134
Total Nonspendable	5,880,051	-	-	5,880,051
Restricted For:				
Gas tax programs	-	-	4,889,228	4,889,228
Housing & Community Development	-	5,868,807	19,167,638	25,036,445
Maintenance districts	-	-	2,474,601	2,474,601
Operating grants	-	-	4,928,385	4,928,385
Debt service	-	-	785,417	785,417
Environmental enforcements	580,761	-	-	580,761
Parks & recreation	-	-	47,280,005	47,280,005
Streets and highway	-	-	46,297,616	46,297,616
Public safety	831,708	-	-	831,708
Library	19,488	-	-	19,488
Public facilities	261,272	-	3,197,254	3,458,526
Donations	921,185	-	434,784	1,355,969
Pension rate stabilization program	29,226,846	-	-	29,226,846
Storm drain	-	-	300,760	300,760
Total Restricted	31,841,260	5,868,807	129,755,688	167,465,755
Committed to:				
Housing programs	-	-	1,217,992	1,217,992
Parks & recreation	-	-	1,115,843	1,115,843
Streets and highway	-	-	14,678,115	14,678,115
Storm drain	-	-	4,574,099	4,574,099
Public safety	-	-	1,264,005	1,264,005
Library	-	-	261,531	261,531
Public facilities	-	-	23,160,518	23,160,518
Building inspection	-	-	37,356,871	37,356,871
Land investment	18,481,037	-	-	18,481,037
Historical preservation	96,105	-	-	96,105
Total Committed	18,577,142	-	83,628,974	102,206,116
Assigned to:				
General Government	15,652,776	-	-	15,652,776
Other purposes	103,480	-	-	103,480
Total Assigned	15,756,256	-	-	15,756,256
Unassigned:	109,264,743	-	-	109,264,743
Total Fund Balances	$ 181,319,452	$ 5,868,807	$ 213,384,662	$ 400,572,921

NOTE 18 – NET POSITION/FUND EQUITY (continued)

C. Fund Balance Policy

When both restricted and unrestricted funds are available for expenditure, the City's Fund Balance Policy reduces all Governmental Funds Balances in the following order: Restricted, Committed, Assigned, and Unassigned fund balances unless disallowed by City Council or legal requirements.

Stabilization Arrangement

Maintaining financial stabilization is a necessity for sound financial management and fiscal accountability. Its purpose is to ensure funds are available to cover occasional budgetary shortfalls (i.e., when general unrestricted revenues decline) or other unexpected urgent events. The City's Budget Stabilization Reserves (Emergency) and Capital Projects Reserves are maintained for these purposes. As of June 30, 2024, the Budget Stabilization and Capital Projects Reserves were $56.6 million and $24.8 million, respectively, and are a component of the General Fund's Unassigned Fund Balance.

In 1985-86, the City Council established a policy regarding the City's General Contingency Reserve, under which two separate reserves were established.

- The Budget Stabilization Reserve is set aside primarily for weathering economic downturns, emergency financial crisis, or disaster situations. The reserve target is equal to the cost of the City's General Fund operations for three months (90-days or 25% General Fund operating budget). Given the significant impacts of COVID-19 on the City's budget, the City Council Adopted the FY2021-22 budget principles that allow this reserve to drop to 15% of budgeted expenditures.
- The Capital Projects Reserve, earmarks funds for a five-year capital improvement program. The minimum target for this reserve is $5 million.

One of the strategic objectives on the 2017-18 Council Goals and Strategic Objectives list is to continue to replenish City reserves and maintain strong, fiscally-sound management policies of City revenues with long term goals in mind.

Pension Rate Stabilization Program Trust

In fiscal year 2016-17, the City established an irrevocable trust account with PARS to pre-fund retirement plan obligations. The contributions placed in the trust will reduce the City's net pension liability for financial purposes as required by GAAP. As of June 30, 2024, the balances in the pension rate stabilization program trust for the General Fund and Enterprise Funds are listed as follows:

NOTE 18 – NET POSITION/FUND EQUITY (continued)

Fund Name	Pension Rate Stabilization Balances
General Fund:	$ 29,226,846
Enterprise Funds:	
Electric Utility	10,065,874
Water Utility	1,927,637
Sewer Utility	958,752
Water Recycling	168,123
Solid Waste	469,938
	$ 42,817,170

D. Net Position/Fund Balance Deficits

The funds listed below had an accumulated deficit as of June 30, 2024:

Fund Name	Accumulated Deficit
Internal Service Funds:	
Information Technology Services	$ 601,769
Workers' Compensation Insurance Claims	$ 10,518,154

The Information Technology Service and Workers Compensation Insurance Claims' Internal Service Fund accumulated deficits are expected to be offset by future charges to the General Fund and the enterprise funds.

NOTE 19 – RISK MANAGEMENT

The City is exposed to various risks of losses related to torts, errors and omissions, general liability, injuries to employees and unemployment claims. The City currently reports all of its risk management activities in its Internal Service Funds. Claims, expenditures and liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated using actuarial methods or other estimating techniques.

The City records a liability to reflect an actuarial estimate of ultimate uninsured losses for both general liability claims and workers' compensation claims. The estimated liabilities for general liability and workers' compensation claims are based on case reserves and include amounts for claims incurred but not reported (IBNR). At June 30, 2024, the estimated claims payable of $29,496,000, consisting of reserves for both reported and IBNR losses, as well as, allocated loss adjustment expenses, have been recorded in the Special

NOTE 19 – RISK MANAGEMENT (continued)

Liability and Workers' Compensation Internal Service Funds, respectively. The claims payable are reported at their present value using expected future investment yield assumptions of 2.5%, and the undiscounted claims at June 30, 2024, totaled $9,271,000 and $23,574,000 for general liability and workers' compensation claims, respectively.

The estimate of claims due in one year is the City's best estimate based upon available information which is included in accrued liabilities.

Changes in the reported liability since June 30, 2022 resulted from the following:

	Special Liability	Workers' Compensation	Total
Liability as of June 30, 2022	$ 10,057,000	$ 20,971,000	$ 31,028,000
Claims and changes in estimates during fiscal 2023	4,786,243	4,529,170	9,315,413
Claim payments	(7,026,243)	(5,197,170)	(12,223,413)
Liability as of June 30, 2023	$ 7,817,000	$ 20,303,000	$ 28,120,000
Claims and changes in estimates during fiscal 2024	6,284,583	6,231,024	12,515,607
Claim payments	(5,415,583)	(5,724,024)	(11,139,607)
Liability as of June 30, 2024	$ 8,686,000	$ 20,810,000	$ 29,496,000
Current Claims Payable	$ 2,630,000	$ 4,110,000	$ 6,740,000
Long Term Claims Payable	6,056,000	16,700,000	22,756,000
Liability as of June 30, 2024	$ 8,686,000	$ 20,810,000	$ 29,496,000

With respect to the Special Liability accrual of $8.6 million, the City has numerous unsettled lawsuits filed or claims asserted against it as of June 30, 2024. The City has reviewed these claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the City and to arrive at an estimate of the amount or ranges of potential loss to the City. As a result of such review, the City has categorized the various claims and lawsuits as "probable," "reasonably possible," and "remote" loss contingencies, as defined by current accounting standards.

The City has determined that the City's probable loss contingencies, which are accrued for as the estimated special liability for claims and lawsuits as of June 30, 2024, are approximately $9 million. The final outcome of claims and lawsuits, which have been categorized as reasonably possible loss contingencies, is not presently determinable and any associated potential loss cannot be estimated. Accordingly, no provision has been made in the accompanying basic financial statements relative to the potential outcome of such claims and lawsuits. However, the ultimate resolution of such claims and lawsuits is not expected to have a material effect on the accompanying basic financial statements.

NOTE 20 – COMMITMENTS AND CONTINGENCIES

A. Electricity Purchase Contracts

The City has future commitments under electricity purchase contracts as discussed in Note 17A, and is contingently liable under joint venture agreements discussed in Note 12B.

B. Grant Programs

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

C. Encumbrances

The City uses encumbrances to control expenditure commitments for the year and to enhance cash management. Encumbrances represent commitments related to contracts not yet performed and purchase orders not yet filled (executory contracts; and open purchase orders). Commitments for such expenditure of monies are encumbered to reserve a portion of applicable appropriations. Encumbrances still open at year end are not accounted for as expenditures and liabilities but, rather, as restricted or committed governmental fund balance. As of June 30, 2024, total governmental fund encumbrance balances for the City are as follows:

General Fund	$	6,162,368
Santa Clara Housing Successor		110,010
Nonmajor Governmental Funds		43,401,659
Total Governmental Funds	$	49,674,037

D. Bay Area Water Supply and Conservation Agency Revenue Bonds Surcharge

The City contracts with the City and County of San Francisco for the purchase of water from the Hetch Hetchy System operated by the San Francisco Public Utilities Commission (SFPUC). The City is also a member of the Bay Area Water Supply and Conservation Agency (BAWSCA) which represents the interests of all the 24 cities and water districts, as well as two private utilities, that purchase wholesale water from the SFPUC.

In 2009 the City entered into a new 25 year agreement with the SFPUC. One of the ways that the new agreement differs from the old is in how facilities constructed by the SFPUC that benefit the regional customers are treated from a rate and financial perspective. Under the old agreement, facilities were built, capitalized, and added to the rate base with a rate of return (interest), and then paid for over their useful lives through wholesale rates. Under the new agreement, the SFPUC issues revenue bonds and the debt service (which also includes an interest component) is paid for through rates over the life of the bonds.

During the transition from the old to the new contracts, one of the issues addressed was how to deal with the $370 million in assets that were still being paid for by the wholesale customers under the old agreement. The assets were transferred to the new agreement, assigned a life with an agreed upon rate of return of 5.13%. Also negotiated was a provision to allow the wholesale customers to prepay any remaining existing assets' unpaid principal balance without penalty or premium. This prepayment was executed through the issuance of bonds by BAWSCA which provide a better interest rate given the favorable rate environment.

NOTE 20 – COMMITMENTS AND CONTINGENCIES (continued)

BAWSCA issued Revenue Bonds in the principal amount of $335,780,000 in January 2013 to prepay the capital cost recovery payment obligation and fund a stabilization fund. The Bonds mature in October 2034 and are secured by surcharges to the monthly water purchase charges imposed upon the participating members. The Bonds are not a debt obligation of any member, and BAWSCA's failure to pay its Bonds would not constitute a default by any participating member.

Should any participating member fail to pay its share, BAWSCA will rely on the stabilization fund and will pursue all legal remedies to collect the shortfall from the delinquent member. In the interim, other participating members may have their portion adjusted to insure the continued payment of the debt service surcharge.

The risk of bearing the debt service expense of a defaulting member is not significantly different than the risk each member assumes currently for fluctuations in water purchase charges. Under the Bond indenture, BAWSCA maintains a stabilization fund. If surcharge revenues collected are less than needed (due to a member's failure to pay timely), BAWSCA uses the stabilization fund to fund the debt service deficiency, and increases the surcharge in the subsequent year to make up for the prior year shortfall and reimburse the stabilization fund account. Also, given that each participating agency's governing body adopted a Resolution to participate in the Bond issue, Management believes that default is generally very unlikely.

The annual debt service surcharges are a fixed amount for each participant and are calculated by taking the subsequent fiscal year's debt service, multiplied by each participant's actual water purchase as a percent of total wholesale customer water purchases from the prior fiscal year. One-twelfth of the annual surcharge is included in the monthly bill from SFPUC. Because each participant's share of the debt service surcharge is proportional to the amount of water purchased during the prior fiscal year, the City's share of the debt service will fluctuate from year to year.

The City paid its surcharge of $533,964 during fiscal year 2023-24, which is included as a component of purchased water expenses in the Water Enterprise Fund. The surcharge for fiscal year 2024-25 is estimated to be $531,588.

E. Santa Clara Stadium Authority and Litigation

Asset Retirement Obligation

Pursuant to the Ground Lease, the SCSA may be required to demolish the Stadium and other improvements at the end of the lease term, upon written notice from the City. Pursuant to the Stadium Lease, the SCSA will establish reserves to fund the cost of demolishing the stadium at the end of the lease term. While such reserves are projected to cover the entire demolition cost, StadCo will be responsible for funding any shortfall.

Historical SBL Buffet Costs

On April 30, 2020, the SCSA received an invoice in the amount of $4.4 million for previously un-billed "complimentary" buffet costs associated with certain SBL holders for the NFL seasons from 2014 through 2018. On May 13, 2020, the SCSA issued a response letter disputing the newly-billed costs citing that the costs were not presented in a reasonable manner relative to the financial planning and reporting requirements of the Lease Agreement and Stadium Management Agreement and there was no justification for delaying presentment and demand for payment. The invoices presented also lack sufficient supporting documentations in order to confirm the validity of the costs and charges under the Lease Agreement terms. StadCo and ManagementCo initiated arbitration proceedings to dispute the SCSA's position and SCSA filed cross-claims.

NOTE 20 – COMMITMENTS AND CONTINGENCIES (continued)

In fiscal year 2021-22, ManagementCo invoiced an additional $902 thousand in new buffet costs to the SCSA through the fiscal year 2021-22 Non-NFL events' net loss. ManagementCo also issued a certificate of loan to the SCSA under the Management Company Revolving Loan for the buffet amount and subsequently paid off the loan through the year-end excess cash distribution. SCSA objected to and disputed ManagementCo's unauthorized payment of these buffet costs through the Revolving Loan, and also the payment of that loan through year-end excess cash. Pursuant to the parties' August 31, 2022 settlement agreement and stipulation, ManagementCo's draw under the Revolving Loan will be treated as a timely SCSA payment, under protest, and with a full reservation of SCSA's rights and claims. The SCSA recorded a receivable from ManagementCo for the loan draw on the buffet costs as of March 31, 2023.

ManagementCo also reported $1.2 million and $1.3 million in buffet costs to be charged to the SCSA for the 2022-23 and 2023-24 respectively. The SCSA had not recorded a liability for this cost because the dispute was outstanding and in pending arbitration.

The parties' 2024 Settlement Agreement resolved the buffet arbitration (note 6G). Upon the Final Effective Date of the May 2024 Settlement Agreement, first, the parties agreed that the $902 thousand that was drawn from the Management Company Revolving Loan for fiscal year 2021-22 buffet costs would be treated as Stadium Authority's reimbursement of those costs. Therefore, the Stadium Authority reversed the corresponding receivable from Management Co and recorded a $902 thousand complementary buffet operating expense in fiscal year ended March 31, 2024. Second, StadCo waived all other buffet expenses from fiscal year 2014-15 through 2023-24, and the parties confirmed that those were no longer an obligation of the Stadium Authority and that the reimbursement of those expenses was deemed fully satisfied for said lease years.

Public Safety Costs

In June 2019, StadCo filed an Arbitration Demand regarding alleged amounts due from the SCSA under the public safety costs terms of the Stadium Lease, for fiscal year 2017-18. According to the Stadium Lease, StadCo is required to reimburse the City for the costs incurred for providing public safety services for NFL events that exceed the revenue from off-site parking permit fees. The Stadium Lease contains a provision that creates a "threshold" on the amount of public safety costs that StadCo must pay for each of the NFL seasons. If the total public safety costs exceed the threshold, then the Stadium Lease requires the SCSA to reimburse or credit to StadCo the costs above the threshold in the form of rent credits. The Stadium Lease includes an obligation for StadCo to negotiate a threshold increase in good faith if the total costs are over the threshold for three consecutive years. The SCSA invoked the good faith negotiation process after costs exceeded the threshold for three seasons, which was in advance of the incurred public safety costs for fiscal year 2017-18. StadCo filed several amended Arbitration Demands or formal demand letters for public safety costs damages for the subsequent NFL seasons and fiscal years 2019-20, 2021-22, 2022-23, and 2023-24 and SCSA filed related response cross-claims in that arbitration.

The Ground Lease contains provisions that provide, in the event that public safety costs exceed the threshold and those amounts are not paid by SCSA's Discretionary Fund, SCSA is entitled to deduct credits from SCSA's performance-based rent payments to the City. Both the performance-based rent credit from the City and rent credit from the SCSA expire in the next five succeeding years if not used within the year incurred. The public safety costs, threshold amount and calculations, and credits were part of the Public Safety Cost arbitration with StadCo.

NOTE 20 – COMMITMENTS AND CONTINGENCIES (continued)

The 2024 Settlement Agreement will resolve the public safety cost arbitration (Note 6G). Upon the Final Effective Date, the parties agreed that approximately $14.8 million of NFL public safety costs over the threshold are owed to StadCo by the Stadium Authority related to fiscal years 2017-18 through 2023-24. This number was approximate in the 2024 Settlement Agreement because, at the time that settlement was signed, the final FY 2023-24 actual NFL public safety costs had not been finalized. Per the 2024 Settlement Agreement, this specific past-due amount of public safety costs will be paid over time and it will not be considered or treated as "Credited Public Safety Costs" that affect performance-based rent and rent calculations going forward. This allows the Stadium Authority to pay the City the full performance-based rent owed for fiscal years 2022-23 and 2023-24. Now that the FY 2023-24 NFL public safety costs have been finalized, the Stadium Authority has recorded a $14.7 million "Public Safety Cost 2024 Outstanding Balance" payable and operating expense as of March 31, 2024.

NOTE 21 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES

A. Defeased Bonds

Bayshore North Project 2011 Tax Allocation Bonds

On May 11, 2011, the former RDA issued $31.41 million of Bayshore North Project 2011 Tax Allocation Bonds (RDA 2011 Bonds) with an interest rate ranging from 2% to 7.86%, and a final maturity of 2026, to finance various redevelopment activities associated with the former RDA's Bayshore North Project Area. The 2011 Bonds were defeased on June 1, 2017.

The following schedule summarizes the defeased 2011 Tax Allocation Bonds:

2011 Series	Ptincipal Issued	Date Issued	Principal Defeased	Maturities Defeased	Redemption Date
Current Interest Bonds	$ 11,440,000	May 18, 2011	$ 11,315,000	June 1, 2026	June 1, 2021
Capital Appreciation Bonds	19,971,295	May 18, 2011	10,643,264	From June 1, 2022 to June 1, 2026	June 1, 2021
	$ 31,411,295		$ 21,958,264		

NOTE 22 – SUCCESSOR AGENCY LEASE AGREEMENTS

On January 8, 2016 the City executed the Settlement Agreement for Sharma vs Successor Agency to Redevelopment Agency of the City of Santa Clara. This Settlement Agreement calls for the City to return to the Successor Agency certain properties that the former Redevelopment Agency transferred to the City prior to dissolution. The properties transferred are as follows: the Great America Theme Park Property (not

NOTE 22 – SUCCESSOR AGENCY LEASE AGREEMENTS (continued)

including the parking lot, see Note 4B), the Hilton Hotel Property, the North/South Parking Lots, the Gateway Parcel 2 Property, the Hyatt Hotel Property (not including the ballroom, see Note 4B), the Techmart Property, and the Martinson Childcare Center Property. All the properties, other than the Martinson Childcare Center Property will be sold by the Successor Agency. Until the properties are sold the rent revenues will be used to pay the Successor Agency's enforceable obligations. The Settlement Agreement requires the City to forego the long term lease revenues generated by the properties.

A. Techmart Office Building Ground Lease

In May 1998, the former RDA entered into a long-term ground lease of the Techmart parcel with CarrAmerica. The lease has a 55 year term with options for two additional ten-year terms. The former RDA received $1 million annual rent for each of the first ten years of the lease, which lease revenues were paid by the former RDA to the City pursuant to the First Amended Cooperation Agreement. Rent increases are scheduled as follows: 10% in the eleventh year and every five years thereafter during the initial term and 15% in the first and sixth year of each option term. Under the terms of the lease, CarrAmerica assumed responsibility for all taxes and assessments levied against the Techmart parcel and the Lessor's interest in the ground lease is unsubordinated to any other financing. On July 13, 2006, CarrAmerica merged with Nantucket Acquisition, Inc., a wholly owned subsidiary of The Blackstone Group; the terms and conditions of the lease agreement remain in effect.

Lease revenues collected from July 1, 2012 to June 30, 2024 in the amount of $5,421,450 were passed on to the Successor Agency. For the fiscal year ended June 30, 2024, the Successor Agency recognized $1,268,251 in lease revenue and $897,434 in interest revenue. As of June 30, 2024, the Successor Agency's receivable for lease payments was $38,988,260 and the balance of the deferred inflow of resources was $36,673,598.

B. Hyatt Regency Hotel Ground Lease and Ballroom Lease

In April 1985, the former RDA entered into a long-term ground lease with SCCC Associates (Lessee) for the development of a certain portion of that piece of land – the Bayshore North Redevelopment Project Area, and eventual operation of a high quality hotel and related facilities, amenities and improvements including one of the Ballrooms in the Convention Center. The lease is for an initial term of 50 years. The Lessee has options to renew the lease for four additional periods of ten years each and one additional period of nine years. In 2005, SHC New Santa Clara, LLC, the successor-in-interest to SCCC Associates at that time, sold the interest to Hyatt Equities, LLC. In 2013, Hyatt Equities, LLC. sold its interest to Inland American Lodging Acquisitions, Inc.; the terms and conditions of the lease agreements remain in effect. Under the terms of the lease, the former RDA is entitled to receive a specified amount of minimum rent subject to adjustment at times specified in the lease. Lessee may also have an obligation for additional rent calculated as a predetermined percentage of the hotel gross revenues which exceed the amount specified in the lease.

The Settlement Agreement states that a portion of the ground lease payments from the Hyatt Hotel are derived from the Convention Center Ballroom space rental and are not related to the Hyatt Hotel ground lease. The Settlement Agreement states the City shall retain all revenues generated from the Ballroom Agreement starting July 1, 2015. Lease revenues collected from July 1, 2012 to June 30, 2015 in the amount of $921,270 were passed on to the Successor Agency. Additional information concerning the Ballroom Lease can be found in Note 4B.

NOTE 22 – SUCCESSOR AGENCY LEASE AGREEMENTS (continued)

Lease revenues collected from Hyatt from July 1, 2012 to June 30, 2024 in the amount of $17,816,569 were passed on to the Successor Agency. For the fiscal year ended June 30, 2024, the Successor Agency recognized $343,385 in lease revenue and $90,985 in interest revenue. As of June 30, 2024, the Successor Agency's receivable for lease payments was $3,816,110 and the balance of the deferred inflow of resources was $3,720,003.

C. Schedule of the Future Lease Payments

As of June 30, 2024, the future lease payments to be received by the Successor Agency for the above leases are as follows:

For the Year Ending June 30	Lease Receivable	
	Principal	Interest
2025	$ 896,947	$ 967,153
2026	917,614	946,486
2027	938,757	925,343
2028	970,110	906,191
2029	1,130,686	879,824
2030-2034	6,230,614	3,996,408
2035-2039	6,105,653	3,277,404
2040-2044	7,428,380	2,526,317
2045-2049	9,379,036	1,571,131
2050-2054	8,826,573	408,723
	$ 42,824,370	$ 16,404,980

Required Supplementary Information

CITY OF SANTA CLARA
REQUIRED SUPPLEMENTARY INFORMATION

This part of the City of Santa Clara's Annual Comprehensive Report provides detailed information to better understand the data presented within the financial statements and note disclosures.

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

Discloses the changes and components of the net pension liability and related ratios, including the pension plan's fiduciary net position as a percentage of the total pension liability, and the net pension liability as a percentage of covered payroll.

SCHEDULE OF PLAN CONTRIBUTIONS - PENSION PLAN

Contains information of the employer's contractually required contribution rates, contributions to the pension plan and related ratios.

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

Discloses the changes and components of the net OPEB liability and related ratios, including OPEB's Plan Trust Fund net position as a percentage of the total OPEB liability, and the net OPEB liability as a percentage of covered employee payroll.

SCHEDULE OF PLAN CONTRIBUTIONS - OPEB PLAN

Contains information of the employer's contractually required contribution rates, contributions to the OPEB Plan and related ratios.

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

Presents the accompanying budget and actual comparison schedules in accordance with the budgetary process.

CITY OF SANTA CLARA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
MISCELLANEOUS PLAN, AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
Last Ten Fiscal Years for the Measurement Periods Ended June 30

Miscellaneous Plan	2023	2022	2021
Total Pension Liability			
Service cost	$ 16,468,193	$ 16,172,784	$ 15,428,984
Interest	59,622,333	57,377,858	56,183,036
Changes of benefit terms	643,992	-	-
Changes of assumptions	-	24,297,391	-
Differences between expected and actual experience	7,491,260	(3,601,124)	1,328,853
Benefit payments, including refunds of employee contributions	(50,177,599)	(48,432,370)	(45,355,148)
Net change in total pension liability	34,048,179	45,814,539	27,585,725
Total pension liability - beginning	872,811,236	826,996,697	799,410,972
Total pension liability - ending	$ 906,859,415	$ 872,811,236	$ 826,996,697
Plan Fiduciary Net Position			
Contributions - employer	$ 36,574,733	$ 34,036,195	$ 31,272,528
Contributions - employee	6,418,087	6,369,047	6,333,120
Net investment income	34,061,981	(45,722,450)	112,780,714
Benefit payments, including refunds of employee contributions	(50,177,599)	(48,432,370)	(45,355,148)
Plan to plan resource movement	-	-	-
Administrative expense	(400,978)	(373,396)	(494,347)
Other Misc Income/(Expense) [1]	-	-	-
Net change in plan fiduciary net position	26,476,224	(54,122,974)	104,536,867
Plan fiduciary net position - beginning [2]	545,286,347	599,409,321	494,872,454
Plan fiduciary net position - ending	$ 571,762,571	$ 545,286,347	$ 599,409,321
Net Pension Liability - ending	$ 335,096,844	$ 327,524,889	$ 227,587,376
Plan fiduciary net position as a percentage of the total pension liability	63.05%	62.47%	72.48%
Covered payroll	$ 100,304,469	$ 92,642,754	$ 89,321,766
Net pension liability as percentage of covered payroll	334.03%	353.54%	254.79%

Notes to schedule:

(1) During fiscal year 2017-18, as a result of GASB No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions, CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB No. 75.
Additionally, CalPERS employees participate in various State of California agent pension plans and during fiscal year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pension.
(2) Includes any beginning of year adjustment.

CITY OF SANTA CLARA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
MISCELLANEOUS PLAN, AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
Last Ten Fiscal Years for the Measurement Periods Ended June 30

2020	2019	2018	2017	2016	2015	2014
$ 15,079,332	$ 14,448,007	$ 13,159,021	$ 11,975,850	$ 10,415,730	$ 9,909,421	$ 10,345,749
54,277,035	51,858,572	49,394,806	47,384,580	46,283,869	44,755,550	42,969,016
-	-	-	-	-	-	-
-	-	(5,067,759)	37,018,109	-	(10,233,178)	-
9,229,485	10,888,358	10,229,369	(2,176,270)	(2,265,081)	108,957	-
(43,050,194)	(41,003,947)	(38,252,869)	(35,744,281)	(33,491,738)	(31,858,297)	(29,847,146)
35,535,658	36,190,990	29,462,568	58,457,988	20,942,780	12,682,453	23,467,619
763,875,314	727,684,324	698,221,756	639,763,768	618,820,988	606,138,535	582,670,916
$ 799,410,972	$ 763,875,314	$ 727,684,324	$ 698,221,756	$ 639,763,768	$ 618,820,988	$ 606,138,535
$ 28,827,466	$ 25,715,248	$ 22,508,822	$ 22,015,885	$ 18,464,042	$ 15,625,285	$ 14,887,751
6,650,350	6,182,683	5,957,917	5,247,078	5,151,548	4,755,791	5,439,513
24,008,623	30,342,401	36,908,188	44,308,442	2,186,435	9,037,882	61,358,126
(43,050,194)	(41,003,947)	(38,252,869)	(35,744,281)	(33,491,738)	(31,858,297)	(29,847,146)
-	-	(1,065)	-	(788)	(368)	-
(675,430)	(326,982)	(674,790)	(587,320)	(247,274)	(457,051)	-
-	1,065	(1,281,438)	-	-	-	-
15,760,815	20,910,468	25,164,765	35,239,804	(7,937,775)	(2,896,758)	51,838,244
479,111,639	458,201,171	433,036,406	397,796,602	405,734,377	408,631,135	356,792,891
$ 494,872,454	$ 479,111,639	$ 458,201,171	$ 433,036,406	$ 397,796,602	$ 405,734,377	$ 408,631,135
$ 304,538,518	$ 284,763,675	$ 269,483,153	$ 265,185,350	$ 241,967,166	$ 213,086,611	$ 197,507,400
61.90%	62.72%	62.97%	62.02%	62.18%	65.57%	67.42%
$ 89,410,939	$ 81,872,333	$ 75,515,390	$ 71,285,526	$ 61,942,363	$ 58,051,406	$ 58,020,890
340.61%	347.76%	356.81%	371.95%	390.63%	367.07%	340.41%

Changes in assumptions: The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. There were no assumption changes in 2023. Effective with June 30, 2021 valuation date (2022 measurement date), the discount rate was reduced from 7.15% to 6.90%. The accounting discount rate was 7.15% for measurement dates 2017 through 2021. In 2015 and 2016, the discount rate was 7.65% to reflect an adjustment of administrative expense. In 2014, amounts reported were based on the 7.5% discount rate.

CITY OF SANTA CLARA

SCHEDULE OF PLAN CONTRIBUTIONS

MISCELLANEOUS PLAN, AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN

Last Ten Fiscal Years Ended June 30

Miscellaneous Plan	2024	2023	2022	2021
Actuarially determined contribution	$ 37,993,602	$ 36,763,759	$ 34,126,897	$ 31,035,143
Contributions in relation to the actuarially determined contributions	(37,993,602)	(36,763,759)	(34,126,897)	(31,035,143)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 102,818,912	$ 100,304,469	$ 92,642,754	$ 89,321,766
Contributions as a percentage of covered payroll	36.95%	36.65%	36.84%	34.75%
Notes to schedule				
Valuation date	6/30/2021	6/30/2020	6/30/2019	6/30/2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	23 years as of valuation date
Asset valuation method	Fair value of assets
Inflation	2.75% for 2015 to 2019, 2.675% for 2020 and 2.50% for 2021 through 2022, 2.30% for 2023 and 2024
Salary increases	Varies by Entry Age and Service
Investment rate of return	7.50% for 2015 to 2018, 7.375%, for 2019, 7.25% for 2020, and 7.0% for 2021 through 2022, 6.8% for 2023 and 2024, net of pension plan investment expense, including inflation
Retirement age	The probabilities of Retirement are based on the CalPERS Experience Study
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale, MP-2016 published by the Society of Actuaries.

CITY OF SANTA CLARA

SCHEDULE OF PLAN CONTRIBUTIONS

MISCELLANEOUS PLAN, AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN

Last Ten Fiscal Years Ended June 30

2020	2019	2018	2017	2016	2015
$ 28,987,800	$ 23,615,964	$ 25,256,224	$ 21,613,984	$ 18,543,534	$ 15,257,771
(28,987,800)	(23,615,964)	(25,256,224)	(21,613,984)	(18,543,534)	(15,257,771)
$ -	$ -	$ -	$ -	$ -	$ -
$ 89,410,939	$ 81,872,333	$ 75,515,390	$ 71,285,526	$ 61,942,363	$ 58,051,406
32.42%	28.84%	33.45%	30.32%	29.94%	26.28%
6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012

CITY OF SANTA CLARA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
SAFETY PLAN, AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
Last Ten Fiscal Years for the Measurement Periods Ended June 30 (1)

Safety Plan	2023	2022	2021
Total Pension Liability			
Service cost	$ 17,572,981	$ 17,072,526	$ 15,750,690
Interest	63,455,937	60,648,121	59,165,587
Changes of benefit terms	261,381	-	-
Changes of assumptions	-	27,501,978	-
Differences between expected and actual experience	12,903,735	(3,595,795)	7,316,002
Benefit payments, including refunds of employee contributions	(51,815,487)	(49,070,549)	(46,961,121)
Net change in total pension liability	42,378,547	52,556,281	35,271,158
Total pension liability - beginning	923,607,390	871,051,109	835,779,951
Total pension liability - ending	$ 965,985,937	$ 923,607,390	$ 871,051,109
Plan Fiduciary Net Position			
Contributions - employer	$ 34,987,003	$ 31,703,230	$ 29,084,516
Contributions - employee	6,145,378	5,872,012	5,742,937
Net investment income	36,533,713	(49,438,525)	122,207,114
Benefit payments, including refunds of employee contributions	(51,815,487)	(49,070,549)	(46,961,121)
Plan to plan resource movement	-	-	-
Administrative expense	(433,487)	(405,431)	(540,727)
Other Misc Income/(Expense) (2)	-	-	-
Net change in plan fiduciary net position	25,417,120	(61,339,263)	109,532,719
Plan fiduciary net position - beginning	589,494,676	650,833,939	541,301,220
Plan fiduciary net position - ending	$ 614,911,796	$ 589,494,676	$ 650,833,939
Net Pension Liability - ending	$ 351,074,141	$ 334,112,714	$ 220,217,170
Plan fiduciary net position as a percentage of the total pension	63.66%	63.83%	74.72%
Covered payroll	$ 62,842,726	$ 57,190,646	$ 54,912,443
Net pension liability as percentage of covered payroll	558.66%	584.21%	401.03%

Notes to schedule:

(1) During fiscal year 2017-18, as a result of GASB No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions, CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB No. 75.
Additionally, CalPERS employees participate in various State of California agent pension plans and during fiscal year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pension.
(2) Includes any beginning of year adjustment.

CITY OF SANTA CLARA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
SAFETY PLAN, AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
Last Ten Fiscal Years for the Measurement Periods Ended June 30 [1]

2020	2019	2018	2017	2016	2015	2014
$ 15,518,467	$ 14,861,460	$ 13,999,625	$ 13,111,358	$ 10,985,005	$ 10,678,931	$ 10,748,085
56,740,930	54,154,256	51,713,042	49,741,737	48,410,844	46,944,730	45,454,864
-	-	-	-	-	-	-
-	-	(3,333,870)	40,842,398	-	(11,249,844)	-
10,124,845	8,480,853	5,782,119	(1,814,831)	(3,491,487)	(3,604,245)	-
(44,599,326)	(41,984,265)	(38,978,890)	(37,370,686)	(35,868,203)	(34,372,454)	(33,072,631)
37,784,916	35,512,304	29,182,026	64,509,976	20,036,159	8,397,118	23,130,318
797,995,035	762,482,731	733,300,705	668,790,729	648,754,570	640,357,452	617,227,134
$ 835,779,951	$ 797,995,035	$ 762,482,731	$ 733,300,705	$ 668,790,729	$ 648,754,570	$ 640,357,452
$ 26,654,865	$ 23,458,623	$ 20,510,633	$ 19,580,881	$ 16,679,012	$ 14,692,277	$ 12,839,821
5,589,396	5,781,715	5,395,755	4,913,868	4,376,079	4,079,023	4,866,079
26,348,251	33,408,137	40,902,179	49,621,113	2,362,110	10,236,992	70,347,760
(44,599,326)	(41,984,265)	(38,978,890)	(37,370,686)	(35,868,203)	(34,372,454)	(33,072,631)
-	-	(1,182)	-	788	-	-
(744,424)	(362,341)	(751,243)	(658,507)	(279,579)	(516,273)	-
-	1,182	(1,426,623)	-	-	-	-
13,248,762	20,303,051	25,650,629	36,086,669	(12,729,793)	(5,880,435)	54,981,029
528,052,458	507,749,407	482,098,778	446,012,109	458,741,902	464,622,337	409,641,308
$ 541,301,220	$ 528,052,458	$ 507,749,407	$ 482,098,778	$ 446,012,109	$ 458,741,902	$ 464,622,337
$ 294,478,731	$ 269,942,577	$ 254,733,324	$ 251,201,927	$ 222,778,620	$ 190,012,668	$ 175,735,115
64.77%	66.17%	66.59%	65.74%	66.69%	70.71%	72.56%
$ 53,564,578	$ 50,808,770	$ 47,569,993	$ 47,064,869	$ 41,116,053	$ 38,909,866	$ 38,845,554
549.76%	531.29%	535.49%	533.74%	541.83%	488.34%	452.39%

Changes in assumptions: The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. There were no assumption changes in 2023. Effective with June 30, 2021 valuation date (2022 measurement date), the discount rate was reduced from 7.15% to 6.90%. The accounting discount rate was 7.15% for measurement dates 2017 through 2021. In 2015 and 2016, the discount rate was 7.65% to reflect an adjustment of administrative expense. In 2014, amounts reported were based on the 7.5% discount rate.

CITY OF SANTA CLARA

SCHEDULE OF PLAN CONTRIBUTIONS

SAFETY PLAN, AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN

Last Ten Fiscal Years Ended June 30

Safety Plan

	2024	2023	2022	2021
Actuarially determined contribution	$ 37,050,903	$ 35,094,101	$ 32,084,531	$ 29,295,456
Contributions in relation to the actuarially determined contributions	(37,050,903)	(35,094,101)	(32,084,531)	(29,295,456)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 65,868,106	$ 62,842,726	$ 57,190,646	$ 54,912,443
Contributions as a percentage of covered payroll	56.25%	55.84%	56.10%	53.35%
Notes to schedule				
Valuation date	6/30/2021	6/30/2020	6/30/2019	6/30/2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	23 years as of valuation date
Asset valuation method	Fair value of asset
Inflation	2.75% for 2015 to 2019, 2.675% for 2020 and 2.50% for 2021 through 2022, 2.30% for 2023 and 2024
Salary increases	Varies by Entry Age and Service
Investment rate of return	7.50% for 2015 to 2018, 7.375%, for 2019, 7.25% for 2020, and 7.0% for 2021 through 2022, 6.8% for 2023 and 2024, net of pension plan investment expense, including inflation
Retirement age	The probabilities of Retirement are based on the CalPERS Experience Study
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale. MP-2016 published by the Society of Actuaries.

(1) Fiscal year 2014-15 was the first year of implementation.

CITY OF SANTA CLARA

SCHEDULE OF PLAN CONTRIBUTIONS

SAFETY PLAN, AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN

Last Ten Fiscal Years Ended June 30

2020	2019	2018	2017	2016	2015
$ 27,099,469	$ 23,484,760	$ 22,002,506	$ 19,735,867	$ 17,365,058	$ 14,776,850
(27,099,469)	(23,484,760)	(22,002,506)	(19,735,867)	(17,365,058)	(14,776,850)
$ -	$ -	$ -	$ -	$ -	$ -
$ 53,564,578	$ 50,808,770	$ 47,569,993	$ 47,064,869	$ 41,116,053	$ 38,909,866
50.59%	46.22%	46.25%	41.93%	42.23%	37.98%
6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012

CITY OF SANTA CLARA

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

OPEB PLAN, AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PLAN

Last Ten Fiscal Years for the Measurement Periods Ended June 30 (1)

(In Thousands)

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability								
Service cost	$ 2,303	$ 2,415	$ 2,344	$ 2,091	$ 2,030	$ 2,264	$ 2,198	$ 2,134
Interest	3,057	3,244	3,145	3,292	3,200	3,478	3,343	3,194
Differences between expected and actual experience		(1,652)	-	(326)	-	(1,644)	-	-
Changes of assumptions		(760)	-	1,709	-	(5,838)	-	-
Benefit payments including refunds	(3,535)	(3,499)	(3,437)	(3,592)	(3,498)	(3,096)	(3,036)	(2,034)
Net change in total OPEB liability	1,825	(252)	2,052	3,174	1,732	(4,836)	2,505	3,294
Total OPEB liability - beginning	67,386	67,638	65,586	62,412	60,680	65,516	63,011	59,717
Total OPEB liability - ending	$ 69,211	$ 67,386	$ 67,638	$ 65,586	$ 62,412	$ 60,680	$ 65,516	$ 63,011
Plan Fiduciary Net Position								
Contributions - employer	$ 5,248	$ 4,915	$ 5,068	$ 4,535	$ 4,696	$ 5,366	$ 6,300	$ 2,733
Net investment income	2,249	1,094	(3,222)	2,957	1,403	1,410	524	738
Benefit payments including refunds	(3,535)	(3,499)	(3,437)	(3,592)	(3,498)	(3,096)	(3,036)	(2,034)
Administrative expense	(118)	(65)	(62)	(59)	(100)	(91)	(71)	(73)
Net change in plan fiduciary net position	3,844	2,445	(1,653)	3,841	2,501	3,589	3,717	1,364
Plan fiduciary net position - beginning	29,669	27,223	28,876	25,035	22,534	18,945	15,228	13,864
Plan fiduciary net position - ending	$ 33,513	$ 29,668	$ 27,223	$ 28,876	$ 25,035	$ 22,534	$ 18,945	$ 15,228
Net OPEB Liability - ending	$ 35,698	$ 37,718	$ 40,415	$ 36,710	$ 37,377	$ 38,146	$ 46,571	$ 47,783
Plan fiduciary net position as a percentage of the total OPEB liability	48.4%	44.0%	40.2%	44.0%	40.1%	37.1%	28.9%	24.2%
Covered payroll	$ 193,597	$ 180,100	$ 169,613	$ 163,594	$ 164,431	$ 151,453	$ 135,297	$ 102,468
Net OPEB liability as percentage of covered payroll	18.4%	20.9%	23.8%	22.4%	22.7%	25.2%	34.4%	46.6%

Notes to schedule:

(1) Fiscal year 2016-17 was the first year of implementation.

CITY OF SANTA CLARA

SCHEDULE OF PLAN CONTRIBUTIONS

OPEB PLAN, AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PLAN

Last Ten Fiscal Years Ended June 30[1]

(In Thousands)

	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	$ 5,229	$ 4,896	$ 4,748	$ 4,826	$ 4,681	$ 5,306	$ 5,466	$ 2,981
Contributions in relation to the actuarially determined contributions	5,248	4,914	5,068	4,535	4,696	5,366	6,300	2,981
Contribution deficiency (excess)	$ (19)	$ (18)	$ (320)	$ 291	$ (15)	$ (60)	$ (834)	$ -
Covered payroll	193,597	180,100	169,613	163,594	164,431	151,453	$ 135,297	$ 102,468
Contributions as a percentage of covered payroll	2.70%	2.72%	2.99%	2.77%	2.86%	3.54%	4.66%	2.91%

Notes to schedule:

(1) Fiscal year 2016-17 was the first year of implementation.

CITY OF SANTA CLARA

Notes to Schedule of Employer Contribution (OPEB Plan)

Methods and Assumptions for 2023-24 Actuarially Determine Contributions	
Actuarial valuation date	June 30, 2022
Actuarial cost method	Entry Age Normal, Level Percentage of Payroll
Amortization method	Level percent of payroll
Unfunded liability amortization	30 years (closed period) for initial UAAL (16 Years remaining on June 30, 2023) 20 years (closed period) for implied subsidy on 06/30/2019 (16 years remaining on June 30, 2023) 15 years (open period) for method, assumption, plan changes, and gains and losses Maximum 30-year combined period
Asset valuation method	Investment gains and losses spread over a 5-year rolling period. Not less that 80% nor greater than 120% of fair value
Discount rate	4.50%
General inflation	2.50%
Healthcare trend	Non-Medicare -8.50% for 2024, decreasing to an ultimate rate of 3.45% in 2076 Medicare (Non-Kaiser)- 7.50% for 2024 decreasing to an ultimate rate of 3.45% in 2076 Medicare (Kaiser)- 6.25% for 2024 decreasing to an ultimate rate of 3.45% in 2076
Mortality	CalPERS 2000-2019 Experience Study
Mortality improvement	Post-retirement mortality projected fully generational with Scale MP-2021

CITY OF SANTA CLARA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP LEGAL BASIS)
For the year ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts Budgetary Basis	Positive (Negative)
REVENUES				
Taxes:				
Sales	$ 60,524,000	$ 60,524,000	$ 61,776,044	$ 1,252,044
Ad valorem	85,800,000	87,143,000	90,710,410	3,567,410
Transient occupancy	21,275,000	21,275,000	22,347,394	1,072,394
Other	6,750,000	6,750,000	6,741,057	(8,943)
Licenses, permits, fines and penalties	9,819,000	11,097,589	11,355,736	258,147
Intergovernmental	520,000	651,026	808,452	157,426
Charges for services	38,067,896	41,696,818	44,403,128	2,706,310
Contributions in-lieu of taxes	32,000,000	33,000,000	33,143,505	143,505
Interest and rents	17,127,660	18,161,960	21,754,989	3,593,029
Other	180,000	380,000	986,626	606,626
Total Revenues	272,063,556	280,679,393	294,027,341	13,347,948
EXPENDITURES				
General Government:				
General Administration	31,035,349	34,253,176	29,944,640	4,308,536
City Clerk	1,947,261	1,746,564	1,643,960	102,604
City Attorney	3,076,516	3,076,516	2,812,947	263,569
Human Resources	4,300,090	4,300,090	3,527,357	772,733
Finance	19,140,702	19,390,702	18,022,041	1,368,661
Total General Government	59,499,918	62,767,048	55,950,945	6,816,103
Public Works	24,857,521	24,952,681	24,825,311	127,370
Parks and Recreation	21,933,152	22,164,117	20,589,041	1,575,076
Public Safety:				
Police	85,598,562	85,598,562	84,449,337	1,149,225
Fire	62,616,032	64,879,059	65,070,114	(191,055)
Total Public Safety	148,214,594	150,477,621	149,519,451	958,170
Planning and Inspection	4,509,275	4,509,275	4,337,124	172,151
Library	11,135,937	11,135,937	10,824,942	310,995
Total Expenditures	270,150,397	276,006,679	266,046,814	9,959,865

CITY OF SANTA CLARA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP LEGAL BASIS)
For the year ended June 30, 2024
(continued)

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts Budgetary Basis	Positive (Negative)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,913,159	4,672,714	27,980,527	23,307,813
OTHER FINANCING SOURCES (USES)				
Transfers in	2,200,044	2,856,324	2,855,987	(337)
Transfers (out)	(11,645,161)	(21,141,424)	(21,141,424)	-
Total Other Financing Sources (Uses)	(9,445,117)	(18,285,100)	(18,285,437)	(337)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES - BUDGETARY BASIS	$ (7,531,958)	$ (13,612,386)	$ 9,695,090	$ 23,307,476
ADJUSTMENTS TO BUDGETARY BASIS:				
Prior year encumbrances recognized on the GAAP basis			(4,761,429)	
Current year encumbrances recognized on the budgetary basis			6,162,368	
Net change in receivables recognized on the GAAP basis			16,735,441	
Net change in accrued liabilities recognized on the GAAP basis			(129,226)	
Net change in funds for GAAP Basis not included in annual budget			301,233	
Beginning Fund balance			153,315,975	
Ending Fund balance			$ 181,319,452	

CITY OF SANTA CLARA
SANTA CLARA HOUSING SUCCESSOR
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP LEGAL BASIS)
For the year ended June 30, 2024

	Budgeted Amounts			Variance
	Original	Final	Actual Amount Budgetary Basis	Positive (Negative)
REVENUES				
Charges for services	$ -	$ -	$ 15,648	$ 15,648
Interest and rents	186,771	186,771	77,056	(109,715)
Other	1,119,555	1,119,555	862,868	(256,687)
Total Revenues	1,306,326	1,306,326	955,572	(350,754)
EXPENDITURES				
Total General Administration	873,227	873,227	395,926	477,301
Total Expenditures	873,227	873,227	395,926	477,301
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	433,099	433,099	559,646	126,547
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	$ 433,099	$ 433,099	559,646	$ 126,547
ADJUSTMENTS TO BUDGETARY BASIS:				
Expenditures of prior year encumbrances recognized on the GAAP basis			(343,660)	
Current year encumbrances recognized on the budgetary basis			110,010	
Net change in accrued liabilities recognized on the GAAP basis			44,460	
Net change in land held for development recognized on the GAAP basis			(5,400,270)	
Beginning Fund balance			10,898,621	
Ending Fund balance			$ 5,868,807	

NOTE 1 – REQUIRED SUPPLEMENTARY INFORMATION

A. BUDGETS AND BUDGETARY ACCOUNTING

The results of operations are presented in the budget and actual comparison statement in accordance with the budgetary process (budgetary basis) to provide a meaningful comparison with the budget.

The major differences between the budgetary basis actual and GAAP basis actual are as follows:

- Year-end encumbrances are recognized as the equivalent of expenditures in the budgetary basis financial statements, while encumbered amounts are not recognized as expenditures on the GAAP basis until the liability is incurred.
- Expenditures of prior year encumbrances are recognized on the GAAP basis in the current year, while on the budgetary basis prior year encumbrances were recognized in the prior year.
- Accrued liabilities and compensated absences are recognized on the GAAP basis, while the budgetary basis does not recognize accrued liabilities.
- Revenues considered susceptible to accrual on the GAAP basis are not recognized on the budgetary basis until received.
- Special item resulted from dissolution of the Agency are included in the City's GAAP basis financial statements. However, formal budgets are not prepared for non-cash transactions, and as such are excluded from the budgetary basis financial schedules.
- Increases to certain GAAP basis advances to other funds are treated as expenditures for budgetary basis financial statements.

Supplementary Information

SPECIAL REVENUE FUNDS

GAS TAX

The fund accounts for revenues and expenditures received from the State under Street and Highways Codes Sections 2105 (Gas Tax 2105), 2106 (Collier-Unruh) and 2107 (Special Gas Tax) and from the State under the Road Repair and Accountability Act of 2017 under the Streets and Highways Code Section 2030. The allocations must be spent for street maintenance or construction and a limited amount for engineering.

HUD PROGRAMS

This fund accounts for grant funds received from other governmental agencies for the purpose of developing viable urban communities.

CITY AFFORDABLE HOUSING

This fund accounts for the City's Below Market Housing Program for low and moderate income residents.

SANTA CLARA HOUSING AUTHORITY FUND

On February 22, 2011, the Santa Clara Housing Authority (SCHA), a special revenue fund, was established to account for housing loans to assist in providing affordable housing. On March 8, 2011, the City, former RDA, and the SCHA executed an assignment and assumption agreement whereby the SCHA assumed responsibility for housing loans for qualifying individuals and groups. Loans assigned were made under various programs; substantially all are long-term in nature.

MAINTENANCE

This fund accounts for the maintenance of the Lawrence Station Community Facility District and two Parking Districts located near the City's Convention Center and the downtown area. Funds are received by means of a Special Benefit Assessment levied against the property owners in the respective districts.

OPERATING GRANTS FUND

This fund accounts for grant funds received from other governmental agencies for various operating activities.

NEW DEVELOPMENT SERVICE FEE

This fund accounts for the revenues and expenditures from the new development-related fees that are imposed upon new development projects in the City.

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DEBT SERVICE FUNDS

PUBLIC FACILITIES FINANCING CORPORATION (PFFC)

This fund accumulates monies for the repayment of Certificates of Participation, which are financed by lease payments made by the City's General Fund to the PFFC for use of the Police Administration Building and Library sites.

CAPITAL PROJECTS FUNDS

PARKS AND RECREATION FACILITIES

This fund was established to account for revenues, contributions and reimbursements received and costs incurred in connection with the acquisition and construction of the City parks.

STREETS AND HIGHWAYS IMPROVEMENT

This fund is used to account for revenues and expenditures related to road construction and traffic improvements.

STORM DRAIN IMPROVEMENT

This fund is used to account for revenues and expenditures related to the construction or modification of the City's storm drainage system.

FIRE DEPARTMENT IMPROVEMENT

This fund is used to account for revenues and expenditures related to the construction or modification of City fire stations.

LIBRARY DEPARTMENT IMPROVEMENT

This fund is used to account for revenues and expenditures related to the construction or modification of the City's library facilities.

PUBLIC FACILITIES

This fund is used to account for revenues and expenditures related to the construction, acquisition or modification of public improvements not accounted for in another Capital Projects Fund.

CITY OF SANTA CLARA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2024

	SPECIAL REVENUE FUNDS		
	Gas Tax	**HUD Programs**	**City Affordable Housing**
ASSETS			
Cash and investments:			
Pooled cash and investments	$ 3,983,157	$ 1,078,830	$ 18,184,913
Investments with fiscal agent - current	-	-	-
Restricted cash	-	-	-
Receivables (net of allowance for uncollectibles):			
Accounts	-	-	-
Loans	-	10,785,814	61,760,818
Intergovernmental	906,071	310,704	-
Investments with fiscal agent - noncurrent	-	-	-
Total Assets	$ 4,889,228	$ 12,175,348	$ 79,945,731
LIABILITIES			
Accrued liabilities	$ -	$ 295,634	$ 111,175
Total Liabilities	-	295,634	111,175
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - Loans	-	10,785,814	61,760,818
Total Deferred Inflows of Resources	-	10,785,814	61,760,818
FUND BALANCES			
Restricted	4,889,228	1,093,900	18,073,738
Committed	-	-	-
Total Fund Balances	4,889,228	1,093,900	18,073,738
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 4,889,228	$ 12,175,348	$ 79,945,731

CITY OF SANTA CLARA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2024

SPECIAL REVENUE FUNDS				DEBT SERVICE FUND
Santa Clara Housing Authority	**Maintenance**	**Operating Grants Fund**	**New Development Service Fee**	**Public Facilities Financing Corp.**
$ 1,217,992	$ 2,306,655	$ 2,500,572	$ 38,351,954	$ 17,382
-	-	-	-	48,901
-	187,056	-	-	-
-	-	40,691	-	-
6,221,249	-	-	-	-
-	513	2,474,604	-	-
-	-	-	-	719,134
$ 7,439,241	$ 2,494,224	$ 5,015,867	$ 38,351,954	$ 785,417
$ -	$ 19,623	$ 87,482	$ 560,299	$ -
-	19,623	87,482	560,299	-
6,221,249	-	-	-	-
6,221,249	-	-	-	-
-	2,474,601	4,928,385	434,784	785,417
1,217,992	-	-	37,356,871	-
1,217,992	2,474,601	4,928,385	37,791,655	785,417
$ 7,439,241	$ 2,494,224	$ 5,015,867	$ 38,351,954	$ 785,417

CITY OF SANTA CLARA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2024 (continued)

	CAPITAL PROJECTS FUNDS		
	Parks and Recreation Facilities	**Streets and Highways Improvement**	**Storm Drain Improvement**
ASSETS			
Cash and investments:			
Pooled cash and investments	$ 49,867,749	$ 58,939,342	$ 5,229,240
Investments with fiscal agent - current	-	-	-
Restricted cash	-	2,349,205	-
Receivables (net of allowance for uncollectibles):			
Accounts	-	-	132,108
Loans	-	-	-
Intergovernmental	-	3,174,087	-
Investments with fiscal agent - noncurrent	-	-	-
Total Assets	$ 49,867,749	$ 64,462,634	$ 5,361,348
LIABILITIES			
Accrued liabilities	$ 1,471,901	$ 3,486,903	$ 486,489
Total Liabilities	1,471,901	3,486,903	486,489
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - Loans	-	-	-
Total Deferred Inflows of Resources	-	-	-
FUND BALANCES			
Restricted	47,280,005	46,297,616	300,760
Committed	1,115,843	14,678,115	4,574,099
Total Fund Balances	48,395,848	60,975,731	4,874,859
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 49,867,749	$ 64,462,634	$ 5,361,348

CITY OF SANTA CLARA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2024 (continued)

CAPITAL PROJECTS FUNDS			
Fire Department Improvement	**Library Department Improvement**	**Public Facilities**	**Total Non-Major Governmental Funds**
$ 1,403,868	$ 265,270	$ 26,980,826	$ 210,327,750
-	-	-	48,901
-	-	-	2,536,261
-	-	216,719	389,518
-	-	-	78,767,881
-	-	-	6,865,979
-	-	-	719,134
$ 1,403,868	$ 265,270	$ 27,197,545	$ 299,655,424
$ 139,863	$ 3,739	$ 839,773	$ 7,502,881
139,863	3,739	839,773	7,502,881
-	-	-	78,767,881
-	-	-	78,767,881
-	-	3,197,254	129,755,688
1,264,005	261,531	23,160,518	83,628,974
1,264,005	261,531	26,357,772	213,384,662
$ 1,403,868	$ 265,270	$ 27,197,545	$ 299,655,424

CITY OF SANTA CLARA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended June 30, 2024

	SPECIAL REVENUE FUNDS		
	Gas Tax	**HUD Programs**	**City Affordable Housing**
REVENUES			
Taxes:			
Other	$ -	$ -	$ -
Licenses, permits, fines, and penalties	-	-	-
Intergovernmental	7,003,071	987,910	3,130
Charges for services	-	-	57,539
Interest and rents	456,745	2,339	371,084
Other	-	376,846	539,302
Total Revenues	7,459,816	1,367,095	971,055
EXPENDITURES			
Current:			
General Administration	-	1,183,637	3,277,157
Public Works	-	-	-
Parks and Recreation	-	-	-
Public Safety:			
Police	-	-	-
Fire	-	-	-
Planning and Inspection	-	-	-
Library	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal payments	-	-	-
Interest and fiscal fees	-	-	-
Total Expenditures	-	1,183,637	3,277,157
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7,459,816	183,458	(2,306,102)
OTHER FINANCING SOURCES (USES)			
Transfers in	747,880	-	3,524,369
Transfers (out)	(7,150,000)	-	-
Total Other Financing Sources (Uses)	(6,402,120)	-	3,524,369
NET CHANGE IN FUND BALANCE	1,057,696	183,458	1,218,267
Fund balances - beginning	3,831,532	910,442	16,855,471
Fund balances - ending	$ 4,889,228	$ 1,093,900	$ 18,073,738

CITY OF SANTA CLARA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended June 30, 2024

SPECIAL REVENUE FUNDS				DEBT SERVICE FUND
Santa Clara Housing Authority	**Maintenance**	**Operating Grants Fund**	**New Development Service Fee**	**Public Facilities Financing Corp.**
$ -	$ 374,769	$ -	$ -	$ -
-	-	-	8,540,817	-
-	-	7,911,575	-	-
-	980,639	218,622	10,837,722	-
26,615	15,740	5,835	726,991	39,938
373,717	-	4,350	73,778	-
400,332	1,371,148	8,140,382	20,179,308	39,938
105,956	-	-	-	-
-	1,632,506	-	-	-
-	23,433	188,138	-	-
-	94,760	486,530	-	-
-	-	3,557,069	3,118,129	-
-	-	145,289	14,324,935	-
-	-	184,802	-	-
-	-	293,586	-	-
-	-	-	-	1,030,000
-	-	-	-	372,385
105,956	1,750,699	4,855,414	17,443,064	1,402,385
294,376	(379,551)	3,284,968	2,736,244	(1,362,447)
-	942,413	694,445	1,847,578	1,402,440
(3,524,369)	-	(308,967)	(1,064,556)	-
(3,524,369)	942,413	385,478	783,022	1,402,440
(3,229,993)	562,862	3,670,446	3,519,266	39,993
4,447,985	1,911,739	1,257,939	34,272,389	745,424
$ 1,217,992	$ 2,474,601	$ 4,928,385	$ 37,791,655	$ 785,417

CITY OF SANTA CLARA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended June 30, 2024 (continued)

	CAPITAL PROJECTS FUNDS		
	Parks and Recreation Facilities	**Streets and Highways Improvement**	**Storm Drain Improvement**
REVENUES			
Taxes:			
Other	$ -	$ -	$ -
Licenses, permits, fines, and penalties	-	-	-
Intergovernmental	-	13,934,502	-
Charges for services	-	26,203	1,460,194
Interest and rents	1,004,848	384,378	5,874
Other	2,654,076	1,363,451	-
Total Revenues	3,658,924	15,708,534	1,466,068
EXPENDITURES			
Current:			
General Administration	-	-	-
Public Works	-	4,802,568	720,094
Parks and Recreation	2,487,754	-	-
Public Safety:			
Police	-	-	-
Fire	-	-	-
Planning and Inspection	-	-	-
Library	-	-	-
Capital outlay	9,419,860	16,608,466	859,616
Debt service:			
Principal payments	-	-	-
Interest and fiscal fees	-	-	-
Total Expenditures	11,907,614	21,411,034	1,579,710
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(8,248,690)	(5,702,500)	(113,642)
OTHER FINANCING SOURCES (USES)			
Transfers in	1,058,941	12,025,347	1,617,838
Transfers (out)	(10,066)	(747,880)	(1,519,920)
Total Other Financing Sources (Uses)	1,048,875	11,277,467	97,918
NET CHANGE IN FUND BALANCE	(7,199,815)	5,574,967	(15,724)
Fund balances - beginning	55,595,663	55,400,764	4,890,583
Fund balances - ending	$ 48,395,848	$ 60,975,731	$ 4,874,859

CITY OF SANTA CLARA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended June 30, 2024 (continued)

CAPITAL PROJECTS FUNDS			
Fire Department Improvement	Library Department Improvement	Public Facilities	Total Non-Major Governmental Funds
$ -	$ -	$ -	$ 374,769
-	-	-	8,540,817
-	-	-	29,840,188
-	-	-	13,580,919
-	-	118,993	3,159,380
-	-	1,414,969	6,800,489
-	-	1,533,962	62,296,562
-	-	2,749,255	7,316,005
-	-	30,526	7,185,694
-	-	-	2,699,325
-	-	-	581,290
369,857	-	-	7,045,055
-	-	-	14,470,224
-	3,041	-	187,843
300,394	36,532	1,472,541	28,990,995
-	-	116,047	1,146,047
-	-	54,652	427,037
670,251	39,573	4,423,021	70,049,515
(670,251)	(39,573)	(2,889,059)	(7,752,953)
627,374	-	6,397,216	30,885,841
(42)	-	(112,452)	(14,438,252)
627,332	-	6,284,764	16,447,589
(42,919)	(39,573)	3,395,705	8,694,636
1,306,924	301,104	22,962,067	204,690,026
$ 1,264,005	$ 261,531	$ 26,357,772	$ 213,384,662

CITY OF SANTA CLARA
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP LEGAL BASIS)
For the year ended June 30, 2024

	Maintenance		
	Budget	**Actual Amount Budgetary Basis**	**Variance Positive (Negative)**
REVENUES			
Taxes-Other	$ 377,955	$ 374,769	$ (3,186)
Charges for services	1,373,759	1,373,643	(116)
Interest and rents	2,181	15,740	13,559
Total Revenues	1,753,895	1,764,152	10,257
EXPENDITURES			
Current:			
Total Public Works	2,188,431	1,650,588	537,843
Total Parks and Recreation	241,292	(98,582)	339,874
Total Police	94,760	94,760	-
Total Expenditures	2,524,483	1,646,766	877,717
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(770,588)	117,386	887,974
OTHER FINANCING SOURCES (USES)			
Transfers in	942,413	942,413	-
Total Other Financing Sources (Uses)	942,413	942,413	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	$ 171,825	1,059,799	$ 887,974
ADJUSTMENTS TO BUDGETARY BASIS:			
Expenditures of prior year encumbrances recognized on the GAAP basis		(308,276)	
Current year encumbrances recognized on the budgetary basis		223,880	
Net change in receivables recognized on the GAAP basis		(393,004)	
Beginning Fund balance		1,911,739	
Ending Fund balance		$ 2,474,601	

CITY OF SANTA CLARA
NON-MAJOR ENTERPRISE FUNDS

Non-Major Enterprise Funds are used to finance and account for operations and activities performed by designated departments in the City or through third party agreements.

SOLID WASTE FUND

This fund accounts for the administration of the City's garbage and rubbish collection service.

CEMETERY FUND

This fund accounts for the activities of the Mission City Memorial Park.

SANTA CLARA CONVENTION CENTER FUND

The Santa Clara Convention Center Fund was established in 1984 to account for the operations of the City's Convention Center or through third party agreements.

SPORTS AND OPEN SPACE AUTHORITY FUND (SOSA)

SOSA was created by the City Council in 1974 for the acquisition and development of open space within the City and the development of local sports activities.

CITY OF SANTA CLARA
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2024

	Solid Waste	Cemetery
ASSETS		
Current assets:		
Cash and investments:		
Pooled cash and investments	$ 9,086,672	$ 3,830,325
Receivables (net of allowance for uncollectible):		
Accounts	6,740,671	-
Due from other funds	-	265,923
Total current assets	15,827,343	4,096,248
Noncurrent assets:		
Restricted cash	1,607,071	-
Capital assets:		
Land	-	1,096,874
Construction in progress	-	-
Buildings, infrastructure and land improvements	127,362	1,280,641
Equipment	37,170	12,150
	164,532	2,389,665
Less accumulated depreciation	91,932	1,149,169
Net capital assets	72,600	1,240,496
Total noncurrent assets	1,679,671	1,240,496
Total assets	17,507,014	5,336,744
DEFERRED OUTFLOWS OF RESOURCES		
OPEB related items	9,645	7,251
Pension related items	945,359	333,458
Total deferred outflows of resources	955,004	340,709

CITY OF SANTA CLARA
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2024

Santa Clara Convention Center	Sports and Open Space Authority	TOTAL Non-Major Enterprise Funds
$ 12,809,383	$ 6,661	$ 25,733,041
693,962	-	7,434,633
-	-	265,923
13,503,345	6,661	33,433,597
691,517	-	2,298,588
-	1,995,998	3,092,872
1,443,641	-	1,443,641
78,803,728	-	80,211,731
2,957,268	-	3,006,588
83,204,637	1,995,998	87,754,832
63,386,218	-	64,627,319
19,818,419	1,995,998	23,127,513
20,509,936	1,995,998	25,426,101
34,013,281	2,002,659	58,859,698
-	-	16,896
-	-	1,278,817
-	-	1,295,713

(continued)

CITY OF SANTA CLARA
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2024

	Solid Waste	Cemetery
LIABILITIES		
Current liabilities:		
Accrued liabilities	3,658,754	40,579
Unearned revenue	-	-
Accrued compensated absences	15,139	4,969
Current portion of landfill closure liability	788,000	-
Total current liabilities	4,461,893	45,548
Noncurrent liabilities:		
Long-term compensated absences	206,348	67,733
Landfill closure liability	5,925,426	-
Net OPEB liability	213,886	160,803
Net pension liability	5,059,962	2,010,581
Total noncurrent liabilities	11,405,622	2,239,117
Total liabilities	15,867,515	2,284,665
DEFERRED INFLOWS OF RESOURCES		
OPEB related items	11,863	8,919
Pension related items	22,391	8,897
Total deferred inflows of resources	34,254	17,816
NET POSITION		
Net investment in capital assets	72,600	1,240,496
Restricted for capital projects and other agreements	1,607,071	2,588,291
Unrestricted	880,578	(453,815)
Total net position (deficit)	$ 2,560,249	$ 3,374,972

CITY OF SANTA CLARA
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2024

Santa Clara Convention Center	Sports and Open Space Authority	TOTAL Non-Major Enterprise Funds
1,232,567	-	4,931,900
5,538,559	-	5,538,559
-	-	20,108
-	-	788,000
6,771,126	-	11,278,567
-	-	274,081
-	-	5,925,426
-	-	374,689
-	-	7,070,543
-	-	13,644,739
6,771,126	-	24,923,306
-	-	20,782
-	-	31,288
-	-	52,070
19,818,419	1,995,998	23,127,513
691,517	-	4,886,879
6,732,219	6,661	7,165,643
$ 27,242,155	$ 2,002,659	$ 35,180,035

CITY OF SANTA CLARA
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
For the year ended June 30, 2024

	Solid Waste	Cemetery
Operating revenues:		
Charges for services	$ 38,715,157	$ 773,803
Other	560,272	840
Total operating revenues	39,275,429	774,643
Operating expenses:		
Salaries and benefits	1,891,373	596,740
Materials, services and supplies	35,941,919	613,860
Depreciation	4,308	6,287
Total operating expenses	37,837,600	1,216,887
Operating income (loss)	1,437,829	(442,244)
Nonoperating revenues (expenses):		
Interest revenue	25,955	49,619
Rents and royalties	11,466	-
Total nonoperating revenues (expenses)	37,421	49,619
Income (loss) before contributions and transfers	1,475,250	(392,625)
Transfers in	35,364	796,000
Transfers (out)	(26,621)	(822)
Change in net position	1,483,993	402,553
Total net position - beginning	1,076,256	2,972,419
Total net position - ending	$ 2,560,249	$ 3,374,972

CITY OF SANTA CLARA
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
For the year ended June 30, 2024

Santa Clara Convention Center	Sports and Open Space Authority	TOTAL Non-Major Enterprise Funds
$ 19,670,945	$ -	$ 59,159,905
-	-	561,112
19,670,945	-	59,721,017
181,391	6,427	2,675,931
17,123,973	4,071	53,683,823
1,556,039	-	1,566,634
18,861,403	10,498	57,926,388
809,542	(10,498)	1,794,629
157,260	158	232,992
-	-	11,466
157,260	158	244,458
966,802	(10,340)	2,039,087
-	16,500	847,864
-	-	(27,443)
966,802	6,160	2,859,508
26,275,353	1,996,499	32,320,527
$ 27,242,155	$ 2,002,659	$ 35,180,035

CITY OF SANTA CLARA
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended June 30, 2024

	Solid Waste	Cemetery
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$ 37,895,428	$ 774,643
Payments to suppliers	(34,547,196)	(574,840)
Payments to employees for salaries and benefits	(1,568,299)	(444,565)
Rents and royalties received	11,466	-
Net cash provided (used) by operating activities	2,351,671	(244,762)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Decrease in due from other funds	-	39,778
Transfers in	35,364	796,000
Transfers (out)	(26,621)	(822)
Cash Flows from Noncapital Financing Activities	8,743	834,956
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets, net	-	-
Cash Flows from Capital and Related Financing Activities	-	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends	25,955	49,619
Cash Flows from Investing Activities	25,955	49,619
Net increase (decrease) in cash and cash equivalents	2,386,369	639,813
Cash and cash equivalents at beginning of period	8,307,374	3,190,512
Cash and cash equivalents at end of period	$ 10,693,743	$ 3,830,325
Cash and cash equivalents:		
Pooled cash and investments	$ 9,086,672	$ 3,830,325
Restricted cash	1,607,071	-
Total cash and cash equivalents	$ 10,693,743	$ 3,830,325

CITY OF SANTA CLARA
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended June 30, 2024

Santa Clara Convention Center	Sports and Open Space Authority	TOTAL Non-Major Enterprise Funds
$ 19,196,477	$ -	$ 57,866,548
(17,108,852)	(4,071)	(52,234,959)
(181,391)	(6,427)	(2,200,682)
-	-	11,466
1,906,234	(10,498)	4,002,645
-	-	39,778
-	16,500	847,864
-	-	(27,443)
-	16,500	860,199
(735,235)	-	(735,235)
(735,235)	-	(735,235)
157,260	158	232,992
157,260	158	232,992
1,328,259	6,160	4,360,601
12,172,641	501	23,671,028
$ 13,500,900	$ 6,661	$ 28,031,629
$ 12,809,383	$ 6,661	$ 25,733,041
691,517	-	2,298,588
$ 13,500,900	$ 6,661	$ 28,031,629

(continued)

CITY OF SANTA CLARA
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended June 30, 2024

	Solid Waste	Cemetery
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ 1,437,829	$ (442,244)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
(Decrease) Increase in due to OPEB system	(12,530)	(9,420)
(Decrease) Increase in due to retirement system	144,320	182,828
Depreciation	4,308	6,287
Change in assets and liabilities:		
Receivables, net	(819,729)	-
Accrued liabilities	1,394,723	39,020
Compensated absences	191,284	(21,233)
Unearned revenue	-	-
Other receipts	11,466	-
Net cash provided (used) by operating activities	$ 2,351,671	$ (244,762)

CITY OF SANTA CLARA
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended June 30, 2024

Santa Clara Convention Center	Sports and Open Space Authority	TOTAL Non-Major Enterprise Funds
$ 809,542	$ (10,498)	$ 1,794,629
-	-	(21,950)
-	-	327,148
1,556,039	-	1,566,634
455,337	-	(364,392)
15,121	-	1,448,864
-	-	170,051
(929,805)	-	(929,805)
-	-	11,466
$ 1,906,234	$ (10,498)	$ 4,002,645

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CITY OF SANTA CLARA
INTERNAL SERVICE FUNDS

Internal Service Funds are used to finance and account for special activities and services performed by a designated department for other departments in the City on a cost reimbursement basis.

The concept of major funds does not extend to internal service funds because they do not do business with outside parties. For the Statement of Activities, the net revenues or expenses of each internal service fund are eliminated by netting them against the operations of the other City departments which generated them. The remaining balance sheet items are consolidated with these same funds in the Statement of Net Position.

However, internal service funds are still presented separately in the Fund financial statements, including the funds below.

AUTOMOTIVE SERVICES

This fund accounts for the maintenance and replacement of vehicles and equipment used by all City departments. The source of revenue for this fund is rental fees charged to the various departments.

TECHNICAL EQUIPMENT SERVICES

This fund accounts for the maintenance and replacement of communication and computer equipment used by City departments. The source of revenue for this fund is rental fees charged to the various departments.

PUBLIC WORKS CAPITAL PROJECTS MANAGEMENT

This fund accounts for the Public Works staff time and non-personnel costs utilized to manage and work on specific capital improvement programs of the City. The source of revenue for this fund is fees charged to the departments requiring Public Works capital project services.

INFORMATION TECHNOLOGY SERVICES

This fund accounts for citywide cost associated with computer and telephone equipment replacement as well as other services including new or upgraded software, additional licenses for new users, and general information technology services provided to all City departments. The source of revenue for this fund is fees charged to the departments that require information technology services.

SPECIAL LIABILITY INSURANCE CLAIMS

This fund was established to account for the cost of claims and administrative costs for the City's self-insured general liability program.

WORKERS' COMPENSATION INSURANCE CLAIMS

This fund is used to account for the cost of claims for service connected with injuries and illnesses sustained by members of the City's work force.

CITY OF SANTA CLARA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2024

	Automotive Services	Technical Equipment Services	PW Capital Projects Management
ASSETS			
Current assets:			
Cash and investments:			
Pooled cash and investments	$ 16,894,892	$ 8,220,635	$ 992,337
Receivables (net of allowance for uncollectible):			
Accounts	11,941	-	-
Due from other funds	41,213	-	-
Materials, supplies and prepaids	2,453,887	-	-
Total current assets	19,401,933	8,220,635	992,337
Noncurrent assets:			
Capital assets:			
Equipment	41,702,492	3,379,177	-
Right-to-use leased assets	-	-	-
Right-to-use SBITA	-	-	-
Total capital assets	41,702,492	3,379,177	-
Less accumulated depreciation	29,298,320	3,379,177	-
Net capital assets	12,404,172	-	-
Total noncurrent assets	12,404,172	-	-
Total assets	31,806,105	8,220,635	992,337
DEFERRED OUTFLOWS OF RESOURCES			
OPEB related items	21,390	-	-
Pension related items	1,350,468	-	-
Total deferred outflows of resources	1,371,858	-	-

CITY OF SANTA CLARA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2024

Information Technology Services	Special Liability Insurance Claims	Workers' Compensation Insurance Claims	TOTAL
$ 2,860,532	$ 12,796,323	$ 10,030,034	$ 51,794,753
26,663	3,977	431,512	474,093
-	-	-	41,213
-	-	27,785	2,481,672
2,887,195	12,800,300	10,489,331	54,791,731
6,040	-	-	45,087,709
34,655	-	-	34,655
1,386,483	-	-	1,386,483
1,427,178	-	-	46,508,847
5,939	-	-	32,683,436
1,421,239	-	-	13,825,411
1,421,239	-	-	13,825,411
4,308,434	12,800,300	10,489,331	68,617,142
8,701	-	-	30,091
798,950	-	-	2,149,418
807,651	-	-	2,179,509

(continued)

CITY OF SANTA CLARA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2024

	Automotive Services	Technical Equipment Services	PW Capital Projects Management
LIABILITIES			
Current liabilities:			
Accrued liabilities	201,457	-	23,382
Interest payable	-	-	-
Due to other funds	5,851,954	1,220,603	-
Accrued compensated absences	21,365	-	-
Current portion of lease obligation	-	-	-
Current portion of SBITA	-	-	-
Total current liabilities	6,074,776	1,220,603	23,382
Noncurrent liabilities:			
Long-term portion estimated claims	-	-	-
Long-term compensated absences	291,213	-	-
Long-term lease obligation	-	-	-
Long-term SBITA	-	-	-
OPEB pension liability	474,366	-	-
Net pension liability	6,299,821	-	-
Total noncurrent liabilities	7,065,400	-	-
Total liabilities	13,140,176	1,220,603	23,382
DEFERRED INFLOWS OF RESOURCES			
OPEB related items	26,310	-	-
Pension related items	27,877	-	-
Total deferred inflows of resources	54,187	-	-
NET POSITION			
Net investment in capital assets	12,404,172	-	-
Unrestricted	7,579,428	7,000,032	968,955
Total net position (deficit)	$ 19,983,600	$ 7,000,032	$ 968,955

CITY OF SANTA CLARA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2024

Information Technology Services	Special Liability Insurance Claims	Workers' Compensation Insurance Claims	TOTAL
911,436	2,686,198	4,307,485	8,129,958
7,304	-	-	7,304
-	-	-	7,072,557
30,493	-	-	51,858
34,720	-	-	34,720
602,683	-	-	602,683
1,586,636	2,686,198	4,307,485	15,899,080
-	6,056,000	16,700,000	22,756,000
415,637	-	-	706,850
-	-	-	-
617,329	-	-	617,329
192,965	-	-	667,331
2,881,833	-	-	9,181,654
4,107,764	6,056,000	16,700,000	33,929,164
5,694,400	8,742,198	21,007,485	49,828,244
10,702	-	-	37,012
12,752	-	-	40,629
23,454	-	-	77,641
166,507	-	-	12,570,679
(768,276)	4,058,102	(10,518,154)	8,320,087
$ (601,769)	$ 4,058,102	$ (10,518,154)	$ 20,890,766

CITY OF SANTA CLARA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
For the year ended June 30, 2024

	Automotive Services	Technical Equipment Services	PW Capital Projects Management
Operating revenues:			
Charges for services	$ 8,943,898	$ 805,515	$ 4,113,199
Insurance refunds and other	-	-	-
Total operating revenues	8,943,898	805,515	4,113,199
Operating expenses:			
Salaries and benefits	2,730,951	-	3,397,922
Materials, services and supplies	2,931,608	311,831	336,519
General and administrative	-	-	-
Amortization - Right to use assets	-	-	-
Depreciation	2,419,223	53,476	-
Total operating expenses	8,081,782	365,307	3,734,441
Operating income (loss)	862,116	440,208	378,758
Nonoperating revenues (expenses):			
Other revenue	286,276	1,750,000	-
Interest expense	-	-	-
Gain (loss) on retirement of assets	(30,107)	-	-
Total nonoperating revenues (expenses)	256,169	1,750,000	-
Income (loss) before contributions and transfers	1,118,285	2,190,208	378,758
Transfers in	1,455,105	3,500,000	-
Transfers (out)	(149,600)	-	(406,304)
Change in net position	2,423,790	5,690,208	(27,546)
Total net position - beginning	17,559,810	1,309,824	996,501
Total net position - ending	$ 19,983,600	$ 7,000,032	$ 968,955

CITY OF SANTA CLARA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
For the year ended June 30, 2024

Information Technology Services	Special Liability Insurance Claims	Workers' Compensation Insurance Claims	TOTAL
$ 13,108,551	$ 6,210,606	$ 6,097,000	$ 39,278,769
-	-	193,973	193,973
13,108,551	6,210,606	6,290,973	39,472,742
2,267,870	-	-	8,396,743
10,056,315	-	-	13,636,273
-	6,325,653	6,464,165	12,789,818
713,293	-	-	713,293
1,208	-	-	2,473,907
13,038,686	6,325,653	6,464,165	38,010,034
69,865	(115,047)	(173,192)	1,462,708
-	-	-	2,036,276
(40,662)	-	-	(40,662)
-	-	-	(30,107)
(40,662)	-	-	1,965,507
29,203	(115,047)	(173,192)	3,428,215
-	-	-	4,955,105
-	-	-	(555,904)
29,203	(115,047)	(173,192)	7,827,416
(630,972)	4,173,149	(10,344,962)	13,063,350
$ (601,769)	$ 4,058,102	$ (10,518,154)	$ 20,890,766

CITY OF SANTA CLARA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended June 30, 2024

	Automotive Services	Technical Equipment Services	PW Capital Projects Management
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 8,994,698	$ 805,515	$ 4,113,199
Payments to suppliers	(4,454,358)	(311,831)	(123,694)
Payments to employees for salaries and benefits	(2,576,924)	-	(3,397,922)
Internal activity - payments to other funds	(172,073)	-	(231,771)
Claims paid	-	-	-
Other receipts	286,276	1,750,000	-
Net cash provided (used) by operating activities	2,077,619	2,243,684	359,812
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
(Increase) in due from other funds	(3,644)	-	-
Increase in due to other funds	1,086,169	189,717	-
Transfers in	1,455,105	3,500,000	-
Transfers (out)	(149,600)	-	(406,304)
Cash Flows from Noncapital Financing Activities	2,388,030	3,689,717	(406,304)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets, net	(3,681,678)	-	-
Principal payment on capital debt	-	-	-
Interest paid on capital debt	-	-	-
Cash Flows from Capital and Related Financing Activities	(3,681,678)	-	-
Net increase (decrease) in cash and cash equivalents	783,971	5,933,401	(46,492)
Cash and investments at beginning of period	16,110,921	2,287,234	1,038,829
Cash and investments at end of period	$ 16,894,892	$ 8,220,635	$ 992,337
Cash and cash equivalents:			
Pooled cash and investments	$ 16,894,892	$ 8,220,635	$ 992,337
Total cash and cash equivalents	$ 16,894,892	$ 8,220,635	$ 992,337

CITY OF SANTA CLARA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended June 30, 2024

Information Technology Services	Special Liability Insurance Claims	Workers' Compensation Insurance Claims	TOTAL
$ 13,081,890	$ 6,210,606	$ 6,116,369	$ 39,322,277
(9,939,724)	-	-	(14,829,607)
(2,120,685)	-	-	(8,095,531)
(1,460)	-	-	(405,304)
-	(5,415,583)	(5,724,024)	(11,139,607)
-	-	-	2,036,276
1,020,021	795,023	392,345	6,888,504
-	-	-	(3,644)
-	-	-	1,275,886
-	-	-	4,955,105
-	-	-	(555,904)
-	-	-	5,671,443
-	-	-	(3,681,678)
(800,003)	-	-	(800,003)
(40,662)	-	-	(40,662)
(840,665)	-	-	(4,522,343)
179,356	795,023	392,345	8,037,604
2,681,176	12,001,300	9,637,689	43,757,149
$ 2,860,532	$ 12,796,323	$ 10,030,034	$ 51,794,753
$ 2,860,532	$ 12,796,323	$ 10,030,034	$ 51,794,753
$ 2,860,532	$ 12,796,323	$ 10,030,034	$ 51,794,753

(continued)

CITY OF SANTA CLARA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended June 30, 2024

	Automotive Services	Technical Equipment Services	PW Capital Projects Management
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$ 862,116	$ 440,208	$ 378,758
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
(Decrease) Increase in lease and SBITA obligation	-	-	-
(Decrease) Increase in due to OPEB system	(27,791)	-	-
(Decrease) Increase in due to retirement system	167,754	-	-
Depreciation	2,419,223	53,476	-
Change in assets and liabilities:			
Receivables, net	50,800	-	-
Inventory	(1,474,154)	-	-
Accrued liabilities	(220,669)	-	(18,946)
Long-term portion estimated claims	-	-	-
Compensated absences	14,064	-	-
Other receipts	286,276	1,750,000	-
Net cash provided (used) by operating activities	$ 2,077,619	$ 2,243,684	$ 359,812

CITY OF SANTA CLARA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended June 30, 2024

Information Technology Services	Special Liability Insurance Claims	Workers' Compensation Insurance Claims	TOTAL
$ 69,865	$ (115,047)	$ (173,192)	$ 1,462,708
713,294	-	-	713,294
(11,304)	-	-	(39,095)
95,222	-	-	262,976
1,208	-	-	2,473,907
(26,663)	(3,977)	19,369	39,529
-	-	(27,785)	(1,501,939)
115,132	273,047	173,953	322,517
-	641,000	400,000	1,041,000
63,267	-	-	77,331
-	-	-	2,036,276
$ 1,020,021	$ 795,023	$ 392,345	$ 6,888,504

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CITY OF SANTA CLARA
COMBINING FIDUCIARY FUNDS

PRIVATE PURPOSE TRUST FUNDS

Private Purpose Trust Funds are used to report trust arrangements, other than pension and investment trusts, under which principal and income benefit individuals, private organizations, or other governments. The Private Purpose Trust Funds are described below:

CHARITABLE TRUST

This fund accounts for the various gifts, donations and bequests received by the City for distribution to various nonprofit organizations as determined by the Mission City Community Fund.

SUCCESSOR AGENCY

California State laws ABx1 26 and AB 1484 provided for the dissolution of California Redevelopment Agencies effective January 31, 2012 and the transfer of all non-housing Agency assets to the Successor Agency Redevelopment Obligation Retirement Fund.

CUSTODIAL FUNDS

Custodial Funds are presented separately from the Government-wide and Fund financial statements.

Custodial Funds account for assets held by the City as an agent for individuals, governmental entities, and non-public organizations. These funds include the following:

EMPLOYEE CONTRIBUTED EMERGENCY PAID LEAVE POOL FUND

This fund is used to account for monies collected and disbursed for the employees paid leave program that is administered by respective bargaining units. The City does not make contribution to this fund.

SPECIAL ASSESSMENTS

This fund accounts for monies collected and disbursed from special assessment districts where the City is not obligated for the outstanding debt payments.

CUSTODIAL DEPOSITS

This fund accounts for various miscellaneous deposits for other entities.

CITY OF SANTA CLARA
PRIVATE PURPOSE TRUST FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2024

	Charitable Trust	Successor Agency	Total Private Purpose Trust
ASSETS			
Current assets			
Cash and investments:			
Pooled cash and investments	$ 809,186	$ 746,871	$ 1,556,057
Receivables (net of allowance for uncollectibles):			
Interest and rent	10,606	185,369	195,975
Leases receivable	-	896,947	896,947
Total current assets	819,792	1,829,187	2,648,979
Noncurrent assets			
Leases receivable- noncurrent	-	41,927,423	41,927,423
Investment with fiscal agent-noncurrent	2,902,022	-	2,902,022
Land held for resale	-	532,542	532,542
Total noncurrent assets	2,902,022	42,459,965	45,361,987
Total Assets	3,721,814	44,289,152	48,010,966
LIABILITIES			
Unearned revenues	-	122,008	122,008
Due to other agencies	-	740,000	740,000
Total Liabilities	-	862,008	862,008
DEFERRED INFLOWS OF RESOURCES			
Leases related	-	40,393,601	40,393,601
Total deferred inflows of resources	-	40,393,601	40,393,601
NET POSITION			
Held in trust for private purpose	3,721,814	-	3,721,814
Restricted for individuals, organization and other governments	-	3,033,543	3,033,543
Total Net Position	$ 3,721,814	$ 3,033,543	$ 6,755,357

CITY OF SANTA CLARA
PRIVATE PURPOSE TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
For the Year Ended June 30, 2024

	Charitable Trust	Successor Agency	Total Private Purpose Trust
ADDITIONS			
Investment income:			
Net change in fair value of investments	$ 129,146	$ -	$ 129,146
Interest and rents	112,432	3,612,705	3,725,137
Net investment income	241,578	3,612,705	3,854,283
Total additions	241,578	3,612,705	3,854,283
DEDUCTIONS			
General and administrative	108,492	972	109,464
Pass through to the County of Santa Clara	-	2,920,000	2,920,000
Total deductions	108,492	2,920,972	3,029,464
Net increase (decrease) in fiduciary net position	133,086	691,733	824,819
Net position - beginning	3,588,728	2,341,810	5,930,538
Net position - ending	$ 3,721,814	$ 3,033,543	$ 6,755,357

CITY OF SANTA CLARA
CUSTODIAL FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2024

	Employee Contributed Emergency Paid Leave Pool	Special Assessments	Custodial Deposits	Total Custodial Funds
ASSETS				
Cash and investments:				
Pooled cash and investments	$ 417,818	$ 505,773	$ 21,712	$ 945,303
Total cash	417,818	505,773	21,712	945,303
Total Assets	417,818	505,773	21,712	945,303
LIABILITIES				
Accrued liabilities	-	-	1,100	1,100
Total Liabilities	-	-	1,100	1,100
NET POSITION				
Restricted for individuals, organization and other governments	417,818	505,773	20,612	944,203
Total Net Position	$ 417,818	$ 505,773	$ 20,612	$ 944,203

CITY OF SANTA CLARA
CUSTODIAL FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
For the Year Ended June 30, 2024

	Employee Contributed Emergency Paid Leave Pool	Special Assessments	Custodial Deposits	Total Custodial Funds
ADDITIONS				
Contributions:				
Employee contributions	$ 63,557	$ -	$ -	$ 63,557
Other plans	-	3,281,253	-	3,281,253
Gifts and bequest	-	-	1,740	1,740
Total contributions	63,557	3,281,253	1,740	3,346,550
Investment income:				
Interest and rents	8,012	-	-	8,012
Net investment income	8,012	-	-	8,012
Total additions	71,569	3,281,253	1,740	3,354,562
DEDUCTIONS				
General and administrative	-	80,000	3,063	83,063
Benefits paid	56,059	-	-	56,059
Pass through to the Stadium Authority	-	3,105,273	-	3,105,273
Total deductions	56,059	3,185,273	3,063	3,244,395
Net increase (decrease) in fiduciary net position	15,510	95,980	(1,323)	110,167
Net position - beginning	402,308	409,793	21,935	834,036
Net position - ending	$ 417,818	$ 505,773	$ 20,612	$ 944,203

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Statistical Section (Unaudited)

CITY OF SANTA CLARA
STATISTICAL SECTION

This part of the City of Santa Clara's Annual Comprehensive Report provides detailed information to better understand the data presented within the financial statements, note disclosures, and required supplementary information.

	TABLES
FINANCIAL TRENDS Contains trend information to help the reader understand how the City's financial performance has changed over time.	1 - 4
REVENUE CAPACITY Contains information to help the reader assess the City's most significant local revenue sources, the property taxes and electric utility charges.	5 - 10
DEBT CAPACITY Presents information to assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	11 - 15
DEMOGRAPHIC AND ECONOMIC INFORMATION Offers information to help the reader understand the environment within which the City's financial activities take place.	16 - 17
OPERATING INFORMATION Contains service and infrastructure data to help the reader understand how the City's financial report relates to the services the City provides and the activities it performs.	18 - 21

CITY OF SANTA CLARA
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(In Thousands)

Table 1

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015 [1]
Governmental Activities:										
Net Investment in Capital Assets	$ 650,220	$ 632,383	$ 625,872	$ 626,115	$ 613,187	$ 585,201	$ 553,135	$ 532,255	$ 507,390	$ 524,645
Restricted	353,262	342,466	317,290	275,653	260,872	244,775	246,048	242,393	207,996	198,316
Unrestricted	(281,658)	(286,878)	(283,492)	(289,637)	(224,176)	(169,513)	(180,368)	(135,818)	(125,913)	(186,423)
Total Governmental Activities Net Assets:	$ 721,824	$ 687,971	$ 659,670	$ 612,131	$ 649,883	$ 660,463	$ 618,815	$ 638,830	$ 589,473	$ 536,538
Business - Type Activities:										
Net Investment in Capital Assets	$ 1,145,344	$ 1,088,899	$ 1,079,607	$ 1,042,058	$ 974,612	$ 953,098	$ 917,738	$ 882,187	$ 844,911	$ 760,150
Restricted	384,617	332,074	333,069	234,289	249,516	185,267	174,595	142,459	133,718	93,891
Unrestricted	389,118	218,381	112,922	100,116	80,997	31,258	(24,141)	(13,132)	(61,843)	(1,573)
Total Business - Type Activities Net Position	$ 1,919,079	$ 1,639,354	$ 1,525,598	$ 1,376,463	$ 1,305,125	$ 1,169,623	$ 1,068,192	$ 1,011,514	$ 916,786	$ 852,468
Primary Government										
Net Investment in Capital Assets	$ 1,795,564	$ 1,721,282	$ 1,705,479	$ 1,668,173	$ 1,587,799	$ 1,538,299	$ 1,470,873	$ 1,414,442	$ 1,352,301	$ 1,284,795
Restricted	737,879	674,540	650,359	509,942	510,388	430,042	420,643	384,852	341,714	292,207
Unrestricted	107,460	(68,497)	(170,570)	(189,521)	(143,179)	(138,255)	(204,509)	(148,950)	(187,756)	(187,996)
Total Primary Government Net Position	$ 2,640,903	$ 2,327,325	$ 2,185,268	$ 1,988,594	$ 1,955,008	$ 1,830,086	$ 1,687,007	$ 1,650,344	$ 1,506,259	$ 1,389,006

Note:

(1) Certain amounts cannot be compared to fiscal year 2015 due to the implementation of GASB Staetment No. 68.

Source: Finance Office, City of Santa Clara.

CITY OF SANTA CLARA
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(In Thousands)

Table 2

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses:										
Governmental Activities:										
General Administration	$ 33,144	$ 32,353	$ 37,676	$ 33,671	$ 26,436	$ 30,328	$ 25,467	$ 20,636	$ 22,692	$ 18,310
City Clerk	1,209	1,329	1,171	1,414	1,292	1,263	864	1,020	309	389
City Attorney	2,319	2,529	2,079	1,890	1,945	1,700	1,000	860	270	194
Human Resources	1,890	2,039	2,136	1,616	2,751	2,011	1,886	1,675	748	654
Finance	8,824	10,031	10,325	10,188	10,497	7,111	6,253	5,323	1,633	1,357
Public Works	46,164	44,839	38,837	41,951	46,176	45,725	38,276	34,314	30,365	29,713
Parks and Recreation	27,659	25,907	20,520	20,266	27,491	23,285	21,369	18,616	17,106	16,135
Public Safety:										
Police	97,507	88,389	71,575	87,563	89,477	72,449	76,742	63,612	58,599	54,252
Fire	79,840	73,154	58,117	71,025	67,767	58,120	55,372	43,384	37,120	35,341
Planning and Inspection	18,724	19,218	15,487	15,537	16,281	12,879	10,614	9,162	7,855	7,593
Library	13,056	12,766	10,925	10,864	13,773	12,687	12,302	10,553	10,718	8,851
Interest on long term debt	546	349	408	487	560	630	695	749	803	853
Total Governmental Activities Expenses (Net)	330,882	312,903	269,256	296,472	304,446	268,188	250,840	209,904	188,218	173,642
Business-Type Activities:										
Utilities:										
Electric	584,073	658,600	552,552	454,503	453,112	408,812	437,419	402,977	386,239	377,017
Water	58,039	49,010	45,578	45,353	43,196	46,067	41,777	35,649	32,254	29,482
Sewer	36,162	86,208	30,523	30,103	28,614	29,462	25,689	23,047	19,081	17,981
Water Recycling	8,995	6,605	5,700	5,844	6,344	5,909	4,972	4,858	2,672	2,902
Solid Waste	37,809	34,196	32,997	29,769	25,567	25,393	23,363	26,621	20,142	19,717
Cemetery	1,228	1,395	1,350	1,359	1,659	1,257	1,174	820	781	676
Sports and Open Space Authority	10	10	9	8	10	9	10	53	102	97
Santa Clara Golf and Tennis Club	-	-	-	-	1,675	2,837	2,951	2,772	2,777	2,754
Santa Clara Convention Center	18,926	16,530	11,829	4,667	16,738	12,967	8,423	8,478	9,075	9,006
Santa Clara Stadium Authority	91,047	61,818	65,308	41,181	79,539	103,899	111,210	105,593	147,435	98,363
Total Business-Type Activities Expenses	836,289	745,846	612,787	656,454	636,612	656,988	610,868	620,558	557,995	462,899
Total Primary Expenses	$ 1,167,171	$ 1,015,102	$ 909,259	$ 960,900	$ 904,800	$ 907,828	$ 820,772	$ 808,776	$ 731,637	$ 623,356

Source: Finance Office, City of Santa Clara

CITY OF SANTA CLARA
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(In Thousands)
(continued)

Table 2

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Program Revenues:										
Governmental Activities:										
Charges for Services:										
General Administration	$ 21,733	$ 14,252	$ 9,592	$ 3,475	$ 8,837	$ 7,904	$ 398	$ 1,651	$ 1,247	$ 416
Parks and Recreation	3,589	3,225	2,049	891	1,495	3,431	3,126	3,169	3,114	4,207
Planning and Inspection	18,953	21,755	21,274	16,470	15,564	19,048	12,837	13,658	15,065	13,944
Other Programs	19,205	17,368	15,282	12,604	15,057	17,476	21,303	19,658	23,022	16,281
Operating Grants and Contributions	23,117	6,651	34,060	17,053	9,455	8,457	7,172	4,723	5,809	8,240
Capital Gains and Contributions	11,267	8,534	6,072	11,598	29,619	23,634	20,273	14,280	12,100	5,848
Total Governmental Activities Program Revenues	97,864	71,785	88,329	62,091	80,027	79,950	65,109	57,139	60,357	48,936
Business-Type Activities:										
Utilities:										
Electric	784,316	751,409	611,549	526,710	507,494	460,263	475,434	459,849	412,441	381,858
Equity in income (losses) of joint ventures [1]	-	-	-	-	-	-	-	-	-	(4,719)
Water	57,514	50,519	51,606	52,530	51,373	47,017	46,685	39,953	31,955	31,462
Sewer	48,791	57,998	116,443	16,587	71,041	44,763	50,942	43,176	41,659	43,400
Equity in income (losses) of joint ventures [1]	19,191	-	-	-	-	-	-	-	-	(10,036)
Water Recycling	8,797	6,395	6,072	6,182	6,304	6,299	5,479	4,834	3,841	3,381
Solid Waste	39,287	35,944	34,851	26,603	26,645	25,983	23,544	22,585	21,854	20,404
Cemetery	775	932	1,024	844	585	634	666	799	693	649
Sports and Open Space Authority	-	-	-	-	-	-	-	58	72	66
Santa Clara Golf and Tennis Club	-	-	-	-	674	2,001	1,991	1,780	1,666	2,207
Santa Clara Convention Center	19,671	17,429	8,527	1,221	14,252	12,734	9,061	9,581	7,399	7,112
Santa Clara Stadium Authority	84,575	74,438	59,528	38,682	87,976	112,550	112,039	110,059	146,619	102,908
Total Business-Type Activities Program Revenues	1,062,917	995,064	889,600	669,359	766,344	712,244	725,841	692,674	668,199	578,692
Total Primary Government Program Revenues	1,160,781	1,066,849	977,929	731,450	846,371	792,194	790,950	749,813	728,556	627,628
Net (Expense) Revenues:										
Governmental Activities	(233,018)	(241,118)	(180,927)	(234,381)	(224,419)	(188,238)	(185,731)	(152,765)	(127,861)	(124,706)
Business-Type Activities	207,437	80,691	143,754	56,572	109,890	75,632	68,853	81,806	47,641	20,697
Total Primary Government Net (Expense) Revenues	$ (25,581)	$ (160,426)	$ (37,173)	$ (177,809)	$ (114,529)	$ (112,606)	$ (116,878)	$ (70,959)	$ (80,220)	$ (104,009)

Note:
(1) Equity in income (losses) of joint ventures were included in the Electric and Sewer Business-Type Activities beginning in fiscal year 2016
Source: Finance Office, City of Santa Clara

CITY OF SANTA CLARA
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(In Thousands)
(continued)

Table 2

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Revenue and other changes in Net Position										
Governmental Activities:										
Taxes:										
Sales	$ 61,776	$ 64,498	$ 56,902	$ 56,178	$ 55,270	$ 65,036	$ 56,320	$ 55,751	$ 57,797	$ 49,648
Ad Valorem Property	90,176	84,047	74,188	68,358	65,132	58,502	54,965	50,943	45,627	37,574
Transient occupancy	22,347	18,989	10,812	2,949	15,994	23,229	20,580	20,484	20,557	18,186
Other	7,116	6,738	7,317	6,019	5,967	5,955	6,392	5,671	5,510	5,173
Internal Governmental, unrestricted:										
Motor Vehicle in-lieu	-	-	-	-	-	-	-	55	49	50
Contribution in-lieu of taxes	33,144	29,584	27,259	24,548	22,710	21,304	21,986	21,117	19,057	17,493
Investment earnings	17,939	13,299	5,709	6,451	8,700	6,990	4,600	3,466	2,178	1,702
Net increase (decrease) in the fair value of investments	9,969	(5,788)	(13,688)	(5,207)	6,531	8,082	(2,452)	(3,217)	1,049	496
Equity in income (losses) of joint ventures	-	-	-	-	95	28	25	49	44	(40)
Rents and royalties	9,754	10,030	7,205	9,852	9,032	9,762	10,494	11,410	13,642	11,189
Other	12,125	43,058	58,511	24,590	22,513	30,257	16,243	39,956	8,551	12,154
Special item	-	-	-	-	-	-	-	-	(24,451)	(9,224)
Total Government General Revenue and Special Item	264,346	264,455	234,215	193,738	211,944	229,145	189,153	205,685	149,610	144,401
Business-Type Activities: [2]										
Investment earnings	35,799	28,656	11,587	13,569	16,709	16,618	15,755	13,031	16,894	15,602
Net increase (decrease) in the fair value of investments	11,712	(3,863)	(26,594)	(6,246)	10,798	9,921	(3,584)	(3,672)	1,218	544
Equity in gains of joint venture	18,556	8,533	14,639	-	-	-	-	-	-	-
Gain (loss) on retirement of assets	1	-	-	1,678	-	-	-	-	29,751	64
Total Business-Type General Revenue	66,068	33,326	(368)	9,001	27,507	26,539	12,171	9,359	47,863	16,210
Total Primary Government General Revenue	330,414	297,781	233,847	202,739	239,451	255,684	201,324	215,044	197,473	160,611
Change in Net Position - Total Primary Government	304,833	137,355	196,674	24,930	124,922	143,078	84,446	144,085	117,253	56,602
Net Position - Beginning of Year (2015 Adjusted)	2,327,325	2,185,268	1,988,594	1,955,007	1,830,085	1,687,007	1,650,344	1,506,259	1,389,006	1,738,140
GASB68 Implementation	-	-	-	-	-	-	-	-	-	(405,736)
GASB75 Implementation	-	-	-	-	-	-	(47,783)	-	-	-
GASB84 Implementation	-	-	-	8,657	-	-	-	-	-	-
GASB87 Implementation	8,745	4,702	-	-	-	-	-	-	-	-
Net Position - End of Year - Total Primary Government	$ 2,640,903	$ 2,327,325	$ 2,185,268	$ 1,988,594	$ 1,955,007	$ 1,830,085	$ 1,687,007	$ 1,650,344	$ 1,506,259	$ 1,389,006

CITY OF SANTA CLARA
FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(In Thousands)

Table 3

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Fund:										
Nonspendable	$ 5,880	$ 3,396	$ 7,244	$ 13,767	$ 24,260	$ 24,421	$ 25,002	$ 13,837	$ 13,517	$ 13,247
Restricted	31,841	24,689	23,291	25,943	28,507	17,652	13,585	7,083	11,865	9,546
Committed	18,577	18,575	23,985	40,280	36,978	30,902	41,914	58,580	64,111	55,121
Assigned	15,756	13,863	9,844	7,131	5,861	7,879	7,473	4,639	4,875	6,761
Unassigned	109,265	92,793	76,751	90,681	122,969	147,739	107,801	107,404	103,430	58,946
Total General Fund	181,319	153,316	141,115	177,802	218,575	228,593	195,775	191,543	197,798	143,621
All other Governmental Funds:										
Restricted	135,624	137,384	110,448	88,486	89,256	86,802	91,290	89,818	67,612	76,848
Committed	83,629	78,205	73,821	50,558	44,757	45,345	40,473	44,936	38,953	20,237
Total All Other Governmental Funds	219,253	215,589	184,269	139,044	134,013	132,147	131,763	134,754	106,565	97,085
Total Governmental Funds	$ 400,572	$ 368,905	$ 325,384	$ 316,846	$ 352,588	$ 360,740	$ 327,538	$ 326,297	$ 304,363	$ 240,706

CITY OF SANTA CLARA
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(In Thousands)

Table 4

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
REVENUES:										
Taxes:										
Sales	$ 61,776	$ 64,498	$ 56,902	$ 56,178	$ 55,270	$ 65,036	$ 56,321	$ 55,750	$ 57,796	$ 49,649
Ad valorem property	90,710	84,599	74,630	68,773	65,498	58,502	54,965	50,943	45,627	37,574
Transient occupancy	22,347	18,989	10,812	2,949	15,994	23,229	20,580	20,484	20,557	18,186
Other	7,116	6,738	7,317	5,824	5,967	5,955	6,392	5,671	5,510	5,173
Licenses, permits, fees and penalties	20,151	18,390	16,182	12,568	11,476	16,478	8,665	10,536	11,530	9,508
Intergovernmental	30,730	13,299	39,929	22,589	19,905	29,685	13,920	15,269	8,570	13,766
Charges for services	59,312	51,976	47,194	38,171	44,029	49,067	45,237	42,941	46,938	39,012
Contribution in-lieu of taxes	33,143	29,584	27,259	24,548	22,710	21,304	21,986	21,117	19,057	17,493
Interest and rents	30,430	26,065	13,220	16,161	17,673	16,927	15,223	14,636	15,617	10,692
Net increase (decrease) in the fair value of investments	9,969	(5,788)	(13,688)	(5,207)	6,531	8,082	(2,452)	(3,217)	1,049	496
Other	8,860	56,381	42,033	17,161	17,955	15,021	11,957	32,209	9,578	13,792
TOTAL REVENUES	$ 374,544	$ 364,731	$ 321,790	$ 259,715	$ 283,008	$ 309,286	$ 252,794	$ 266,339	$ 241,829	$ 215,341

Source: Finance Office, City of Santa Clara.

CITY OF SANTA CLARA
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(In Thousands)
(continued)

Table 4

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
EXPENDITURES										
Current:										
General Administration	$ 41,322	$ 36,303	$ 42,252	$ 37,273	$ 28,927	$ 36,093	$ 28,997	$ 24,265	$ 23,743	$ 18,684
City Clerk	1,747	1,793	1,618	1,697	1,429	1,440	1,361	1,594	1,007	1,060
City Attorney	2,835	3,062	2,681	2,330	2,154	2,006	1,690	1,658	1,500	1,329
Human Resources	3,521	3,698	3,837	3,201	3,876	3,151	3,175	2,993	2,616	2,322
Finance	18,081	18,111	16,576	15,852	14,924	11,697	10,484	9,725	9,319	8,455
Public Works	31,700	30,175	28,158	28,443	28,186	31,595	25,595	24,018	20,088	18,424
Parks and Recreation	23,218	22,511	19,890	17,822	22,551	20,026	18,882	17,364	16,162	14,506
Public Safety:										
Police	84,981	81,136	77,590	74,918	74,168	62,799	67,841	62,290	61,015	54,344
Fire	72,078	68,137	62,203	59,799	56,421	50,975	49,043	42,550	39,129	35,144
Planning and Inspection	18,879	19,106	16,174	14,712	13,534	11,521	9,896	9,156	8,231	7,620
Library	10,759	10,732	10,011	8,879	10,392	10,234	10,426	9,113	9,479	7,611
Capital Outlay	31,100	34,798	19,261	30,514	24,021	30,382	19,933	29,329	13,434	10,730
Debt Service:										
Principal payments	2,238	2,077	2,009	1,930	1,859	1,786	1,731	1,674	1,620	1,576
Interest and fiscal fees	622	504	498	572	644	712	767	825	879	925
Bond issuance cost	-	-	-	-	-	-	7	2	1	2
TOTAL EXPENDITURES	343,081	332,143	302,758	297,942	283,086	274,417	249,828	236,556	208,223	182,732
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	31,463	32,588	19,032	(38,227)	(78)	34,869	2,966	29,783	33,606	32,609
OTHER FINANCING SOURCES (USES):										
SBITA liabilities issued	2,078	8,202	-	-	-	-	-	-	-	-
Lease liabilities issued	-	-	18	-	-	-	-	-	-	-
Transfers in	33,747	27,001	56,105	49,402	29,003	43,334	21,381	44,983	58,473	14,152
Transfers out	(35,620)	(24,270)	(66,617)	(55,575)	(37,076)	(45,001)	(23,106)	(52,832)	(27,581)	(12,295)
TOTAL OTHER FINANCING SOURCES (USES)	205	10,933	(10,494)	(6,173)	(8,073)	(1,667)	(1,725)	(7,849)	30,892	1,857
NET CHANGE IN FUND BALANCES BEFORE SPECIAL ITEM	$ 31,668	$ 43,521	$ 8,538	$ (44,400)	$ (8,151)	$ 33,202	$ 1,241	$ 21,934	$ 64,498	$ 34,466
SPECIAL ITEM-ASSET TRANSFERRED TO LIABILITIES ASSUMED BY SUCCESSOR AGENCY	-	-	-	-	-	-	-	-	(842)	(9,224)
NET CHANGE IN FUND BALANCES AFTER SPECIAL ITEM	$ 31,668	$ 43,521	$ 8,538	$ (44,400)	$ (8,151)	$ 33,202	$ 1,241	$ 21,934	$ 63,656	$ 25,242
DEBT SERVICE AS A PERCENTAGE OF NON-CAPITAL EXPENDITURES	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%

Source: Finance Office, City of Santa Clara.

CITY OF SANTA CLARA
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(In Thousands)

Table 5

Fiscal Year Ending June 30	Net Local Secured Roll [1]	State Assessed Valuation	Net Unsecured Roll	Net Assessed Valuation	Total Assessed Valuation	Ratio of Net Assessed Valuation To Total Assessed Valuation	% Growth of Assessed Valuation	Total Direct Tax Rate
2014 / 15	$ 24,294,056	$ 4,183	$ 4,352,204	$28,650,443	$ 28,758,679	99.62%	6.50%	1.13%
2015 / 16	27,659,960	4,183	5,157,346	32,821,489	32,927,777	99.68%	14.56%	1.16%
2016 / 17	30,672,596	4,183	5,856,885	36,533,664	36,638,297	99.71%	11.31%	1.15%
2017 / 18	33,449,607	3,896	6,553,560	40,007,063	40,109,539	99.74%	9.51%	1.16%
2018 / 19	36,596,483	354	7,266,592	43,863,429	43,964,914	99.77%	9.64%	1.13%
2019 / 20	38,502,828	870	7,629,244	46,132,942	46,232,453	99.78%	5.17%	1.20%
2020 / 21	42,047,766	870	7,972,493	50,021,129	50,118,954	99.80%	8.43%	1.18%
2021 / 22	44,162,052	870	8,007,077	52,170,000	52,264,729	99.82%	4.30%	1.19%
2022 / 23	48,144,003	870	8,668,804	56,833,678	56,926,788	99.84%	8.94%	1.17%
2023 / 24	52,144,207	1,074	8,829,840	60,975,121	61,070,198	99.84%	7.29%	1.17%

Note:
(1) Net of Home Owner Property Tax Relief.
Source: County of Santa Clara, Department of Finance

CITY OF SANTA CLARA
PROPERTY TAX RATES
(Per $100 Assessed Valuation)
Direct and Overlapping Governments
Last Ten Fiscal Years

Table 6

Fiscal Year Ending June 30	Santa Clara County	School Districts	Special Districts	Total
2014 / 15	1.0388%	0.0824%	0.0065%	1.1277%
2015 / 16	1.0388%	0.1174%	0.0057%	1.1619%
2016 / 17	1.0388%	0.1014%	0.0086%	1.1488%
2017 / 18	1.0388%	0.1028%	0.0062%	1.1478%
2018 / 19	1.0388%	0.0905%	0.0042%	1.1335%
2019 / 20	1.0388%	0.1472%	0.0041%	1.1901%
2020 / 21	1.0388%	0.1356%	0.0037%	1.1781%
2021 / 22	1.0388%	0.1318%	0.0051%	1.1757%
2022 / 23	1.0388%	0.1150%	0.0044%	1.1582%
2023 / 24	1.0388%	0.1147%	0.0041%	1.1576%

Tax rate limit: A state constitutional amendment (Proposition 13) commencing with fiscal 1979 provided that the tax rate was limited to 1% of full cash value, levied only by the County and shared with all other jurisdictions. All jurisdictions may levy a tax rate for voter approved debt.

Due date for current taxes: First installment - November 1; second installment - February 1.

Penalties for delinquency: 10% and 1.5% of tax per month after date taxes become delinquent.

Collected by government unit: County of Santa Clara.

Basis upon which collections are distributed: Taxing jurisdictions assessed valuations and tax rates for voter approved debt to taxing jurisdictions, County rate (1% of full cash value) shared by all jurisdictions.

Compensation paid to collecting government unit for fiscal year 2023-24 is $534,134

Note: Tax rates stated are the rates applicable to the tax rate area 7-000 as typical tax rate area within the City. Rates are based on $100 assessed valuation.

Source: County of Santa Clara, Department of Finance

CITY OF SANTA CLARA
PRINCIPAL PROPERTY TAX PAYERS
2023-24 AND 2014-15 COMPARISON FOR GENERAL FUND
(In Thousands)

Table 7

Taxpayers	2023-24 Assessed Valuation	2023-24 Percentage of Total Assessed Valuation	2014-15 Assessed Valuation	2014-15 Percentage of Total Assessed Valuation
Intel Corporation	$ 2,342,413	3.84%	$ 1,291,429	4.49%
Santa Clara Square Office IIA LLC	1,779,263	2.91%	-	-
Nvidia Corporation (formerly Nvidia Land Development LLC)	1,768,796	2.90%	380,258	1.32%
Vantage Data Centers LLC	1,183,601	1.94%	-	-
SI LLC	1,136,588	1.86%	-	-
Microsoft Corporation	1,070,483	1.75%	266,324	0.93%
Forty Niners SC Stadium Company LLC	811,430	1.33%	-	-
Apple Inc	751,663	1.23%	-	-
Santa Clara Phase III EFH LLC	727,178	1.19%	-	-
Coresite Real Estate	575,460	0.94%	-	-
Sobrato Interest	-	-	686,692	2.39%
Oracle America Inc (formerly Sun Microsystems)	-	-	325,152	1.13%
Xeres Ventures LLC	-	-	262,736	0.91%
M West Propco LLC	-	-	254,714	0.89%
Agilent Technologies Inc	-	-	244,671	0.85%
Marvell Semiconductor Inc	-	-	208,024	0.72%
Texas Instruments Inc	-	-	188,723	0.66%
Top Ten Total	$ 12,146,875	19.89%	$ 4,108,723	14.29%
City Total	$ 61,070,198		$ 28,758,679	

Sources: Santa Clara County Assessor 2023-24 and 2014-15 Combined Tax Rolls through HdL Coren & Cone.

CITY OF SANTA CLARA
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years
(In Thousands)

Table 8

Fiscal Year Ending June 30	Gross Tax Levy	Current Tax Collections	Percentage of Current Levy Collected	Delinquent Tax Collected	Total Collections	Percentage of Total Levy Collected
2014 / 15	$ 25,550	$ 25,550	100.00%	-	$ 25,550	100.00%
2015 / 16	27,603	27,603	100.00%	-	27,603	100.00%
2016 / 17	30,605	30,605	100.00%	-	30,605	100.00%
2017 / 18	33,312	33,312	100.00%	-	33,312	100.00%
2018 / 19	37,374	37,374	100.00%	-	37,374	100.00%
2019 / 20	40,288	40,288	100.00%	-	40,288	100.00%
2020 / 21	43,680	43,680	100.00%	-	43,680	100.00%
2021 / 22	45,539	45,539	100.00%	-	45,539	100.00%
2022 / 23	57,619	57,619	100.00%	-	57,619	100.00%
2023 / 24	61,986	61,986	100.00%	-	61,986	100.00%

Sources: City of Santa Clara and County of Santa Clara, Department of Finance

CITY OF SANTA CLARA
PRINCIPAL SALE/USE TAX CONTRIBUTORS
June 30, 2024

Table 9

This list is in alphabetical order and represents sales from July 2023 to June 2024
The Top 25 Sales / Use Tax contributors generate 41.4% of Santa Clara's total sales and use tax revenue

AG Electronic Materials	One Workplace
Applied Materials	Pivot Interiors
Arista Networks	Porsche Stevens Creek
Bell Electrical Supply	Shockwave Medical
Costco Wholesale	Stevens Creek Auto Imports
Frontier Ford	Stevens Creek BMW
Home Depot	Stevens Creek Hyundai
Intel Corporation	Target Stores
Keysight Technologies	Vantage Data Centers Procurement
Levi's Stadium	Wiwynn International
Lexus of Stevens Creek	World Wide Technology
Norman S. Wright Mechanical Equipment Corp	ZT Systems
NVIDIA Corporation	

Sources: From Muni Services Sales Tax Digest Summary.

CITY OF SANTA CLARA
Electric Utility Charge For Services by Source
Last Ten Fiscal Years
(In Thousands)

Table 10

Fiscal Year Ending June 30	Residential	Commercial	Industrial	Other	Total
2014 / 15	$ 27,139	$ 13,783	$ 277,079	$ 14,936	$ 332,938
2015 / 16	27,789	15,409	321,491	7,112	371,801
2016 / 17	28,007	15,855	341,865	4,682	390,410
2017 / 18	29,082	15,774	355,279	3,562	403,698
2018 / 19	29,734	15,378	359,407	2,428	406,947
2019 / 20	31,867	15,472	383,704	2,815	433,858
2020 / 21	35,440	16,489	399,940	1,394	453,264
2021 / 22	33,275	16,395	448,257	4,447	502,373
2022 / 23	38,021	17,991	500,189	2,964	559,165
2023 / 24	41,676	22,584	584,360	7,527	656,147

Sources: City of Santa Clara

CITY OF SANTA CLARA
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(In Thousands)

Table 11

	Governmental Activities			Business Activities			Santa Clara Stadium Authority	Total Primary Government	Population	Debt per Capita	Total Personal Income ($000)	Debt/ Income Ratio
Fiscal Year Ending June 30	Certificates of Participation	Lease Liabilities	SBITA Liabilities	Revenue Bonds	Lease Liabilities	SBITA Liabilities	Revenue Bonds					
2014 / 15	$ 24,579	$ -	$ -	$ 226,828	$ -	$ -	$ 561,556	$ 812,963	120,973	$ 6,720	$ 4,952,711	16.41%
2015 / 16	22,905	-	-	229,719	-	-	464,720	717,344	123,752	5,797	5,194,006	13.81%
2016 / 17	21,177	-	-	220,800	-	-	429,773	671,750	123,983	5,418	5,454,137	12.32%
2017 / 18	19,392	-	-	208,117	-	-	394,827	622,336	129,604	4,802	6,064,143	10.26%
2018 / 19	17,551	-	-	189,158	-	-	340,217	546,926	128,717	4,249	6,121,909	8.93%
2019 / 20	15,638	-	-	196,012	-	-	325,265	536,915	129,104	4,159	6,180,008	8.69%
2020 / 21	13,654	676	-	184,933	2,917	-	296,796	498,976	130,746	3,816	6,596,037	7.56%
2021 / 22	11,594	464	2,397	170,413	2,287	1,437	280,314	468,906	130,127	3,603	7,540,481	6.12%
2022 / 23	10,560	252	8,918	155,302	1,633	2,718	245,275	424,658	132,476	3,206	8,953,977	4.74%
2023 / 24	9,476	39	9,204	154,567	951	2,976	228,668	405,881	132,048	3,074	9,985,016	4.06%

Sources: Finance Office, City of Santa Clara and MuniServices LLC.

CITY OF SANTA CLARA
POPULATION AND ASSESSED VALUATION
Last Ten Fiscal Years
(In Thousands)

Table 12

Fiscal Year Ending June 30	Population	Total Assessed Valuation
2014 / 15	121.0	$ 28,758,679
2015 / 16	123.8	32,927,777
2016 / 17	123.9	36,638,297
2017 / 18	129.6	40,109,539
2018 / 19	128.7	43,964,914
2019 / 20	129.1	46,232,453
2020 / 21	130.7	50,118,954
2021 / 22	130.1	52,264,729
2022 / 23	132.5	56,926,788
2023 / 24	132.0	61,070,198

Sources: State of California, Department of Finance
County of Santa Clara, Department of Finance

CITY OF SANTA CLARA
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
June 30, 2024

Table 13

Description		% Applicable	Debt
Direct Debt:			
2013 Refunding Certificates of Participation		100%	$ 9,055,000
Total Gross Direct Debt			**9,055,000**
Unamortized Premium/Discount		100%	420,800
Total Net Direct Debt			**9,475,800**
Overlapping Debt:			
Santa Clara County General Fund Obligations			97,859,277
Santa Clara County Pension Fund Obligations			29,951,831
Santa Clara Valley Water District Benefit Assessment District			2,704,822
Santa Clara County Board of Education Certificates of Participation			1,117,003
San Jose-Evergreen Community College District OPEB Obligations			23,957
West Valley-Mission Community College District General Fund Obligations			774,900
Foothill-DeAnza Community College District			7,778,180
San Jose-Evergreen Community College District			500,889
West Valley Community College District			203,884,800
Fremont Union High School District			19,983,597
Campbell Union High School District General Fund Obligations			297,810
Campbell Union School District			11,704,464
Campbell Union High School District			7,416,241
Campbell Union School District General Fund Obligations			57,515
El Camino Hospital District			1,886,371
San Jose Unified School District			623,979
Cupertino Union School District			11,824,830
Santa Clara Unified School District			657,939,886
San Jose Unified School District General Fund Obligations			4,648
Santa Clara County			88,520,360
Cupertino Union School District General Fund Obligations			2,016,898
Santa Clara Unified School District Certificates of Participation			7,343,695
Santa Clara County Vector Control District Certificates of Participation			87,431
Total Overlapping Debt			**1,154,303,384**
Total Gross Direct and Overlapping Bonded Debt (1)			**1,163,358,384**
Direct Unamortized Premium/Discount			-
TOTAL NET DIRECT AND OVERLAPPING BONDED DEBT			**$ 1,163,358,384**
2023 / 24 Assessed Value	$ 61,070,198,224		
Ratios to Assessed Valuation:			
Direct Debt	$ 9,475,800	0.010%	
Total Gross Debt		1.900%	
Total Net Debt		1.900%	

Note: (1) Excludes tax and revenue anticipation notes, revenue, mortgage revenue and tax allocation bonds.
Source: California Municipal Statistics, Inc.

CITY OF SANTA CLARA
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
(In Thousands)

Table 14

Fiscal Year Ending June 30	Net Assessed Valuation	Debt Limit- 15% of Assessed Valuation [1]	Debt Applicable to Limit	Legal Debt Margin
2014 / 15	$ 28,650,443	$ 4,297,566	-	$ 4,297,566
2015 / 16	32,821,489	4,923,223	-	4,923,223
2016 / 17	36,533,664	5,480,050	-	5,480,050
2017 / 18	40,007,063	6,001,059	-	6,001,059
2018 / 19	43,863,429	6,579,514	-	6,579,514
2019 / 20	46,132,942	6,919,941	-	6,919,941
2020 / 21	50,021,129	7,503,169	-	7,503,169
2021 / 22	52,170,000	7,825,500	-	7,825,500
2022 / 23	56,833,678	8,525,052	-	8,525,052
2023 / 24	60,975,121	9,146,268	-	9,146,268

Note:

(1) Section 1309 of the City Charter of the City states: "Bonded Debt Limit. The bonded indebtedness of the City may not in the aggregate exceed the sum of fifteen percent (15%) of the total assessed valuation of property within the City, exclusive of revenue bonds or any indebtedness that has been or may hereafter be incurred for the purposes of acquiring, constructing, extending, or maintaining municipally owned utilities for which purposes a further indebtedness may be incurred by the issuance of bonds, subject only to the provisions of the State Constitution and this Charter."
Sources: County of Santa Clara, Department of Finance and City of Santa Clara

CITY OF SANTA CLARA
PLEDGED REVENUE COVERAGE
ELECTRIC REVENUE BOND
Last Ten Fiscal Years
(In Thousands)

Table 15

Fiscal Year Ending June 30	Gross Revenue	Less Operating Expense	Net Revenue Available For Debt Service	Principal	Interest	Letter Of Credit Fees	Total	Coverage [1]
2014 / 15	$ 332,178	$ 297,846	$ 34,332	$ 6,485	$ 7,990	$ 459	$ 14,934	2.30
2015 / 16	359,084	316,578	42,506	8,958	8,348	358	17,664	2.41
2016 / 17	352,828	317,237	35,591	7,640	8,434	335	16,409	2.17
2017 / 18	383,662	346,825	36,837	11,416	6,594	302	18,312	2.01
2018 / 19	414,975	331,141	83,834	11,897	11,565	607	24,069	3.48
2019 / 20	445,142	368,162	76,980	11,700	6,787	316	18,803	4.09
2020 / 21	465,675	407,627	58,048	9,580	3,862	349	13,791	4.21
2021 / 22	550,445	493,302	57,143	13,005	3,232	8	16,245	3.52
2022 / 23	635,066	602,370	32,696	13,580	2,696	15	16,291	2.01
2023 / 24	635,038	518,547	116,491	15,140	2,254	6	17,400	6.69

Notes:

(1) The required coverage is 1.00.

Source: City of Santa Clara

CITY OF SANTA CLARA
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years

Table 16

Year	Population	Personal Income ($000)	Per Capita Buying Income	Median Age	Public School Enrollment	County Unemployment Rate	City Unemployment Rate
2014 / 15	120,973	$ 4,952,711	$ 40,941	34.4	15,169	3.9%	3.6%
2015 / 16	123,752	5,194,006	41,971	34.3	15,388	4.2%	3.7%
2016 / 17	123,983	5,454,137	43,991	34.3	15,409	3.8%	3.4%
2017 / 18	129,604	6,064,143	46,790	34.3	15,509	2.9%	2.7%
2018 / 19	128,717	6,121,909	47,561	33.9	15,387	2.1%	1.9%
2019 / 20	129,104	6,180,008	47,868	34.2	15,306	11.0%	9.0%
2020 / 21	130,746	6,596,037	50,449	33.9	14,808	7.0%	5.9%
2021 / 22	130,127	7,540,481	57,947	34.0	14,028	1.8%	1.6%
2022 / 23	132,476	8,953,977	67,589	34.5	13,919	3.2%	2.9%
2023 / 24	132,048	9,985,016	75,617	34.8	14,236	3.4%	3.2%

Sources: MuniServices, LLC \ Avenu Insights & Analytics
(1) Population data by the California Department of Finance Projections.
(2) The California Department of Finance demographics estimates now incorporate 2010 Census counts as a benchmark.
(3) Unemployment and Total Employment Data are provided by the EDD's Bureau of Labor Statistics Department.
(4) Student Enrollment reflects the total number of students enrolled in the Santa Clara Unified School District.
Other school districts within the City are not accounted for in this report.

CITY OF SANTA CLARA
PRINCIPAL EMPLOYERS
Current Year and Ten Years Ago

Table 17

	2024		2015	
Company	**Number of Employees**	**Percentage of Total City Employment**	**Number of Employees**	**Percentage of Total City Employment**
Applied Materials, Inc.	8,500	21.1%	8,500	18.1%
Intel Corporation	7,801	19.4%	10,801	23.1%
Advanced Micro Devices Inc.	3,000	7.4%		
Kaiser Foundation Health Plan	2,600	6.4%		
Nvidia	2,500	6.2%		
California's Great America	2,500	6.2%	2,500	5.3%
Dell	2,088	5.2%		
Santa Clara University	2,000	5.0%	1,200	2.6%
City of Santa Clara	1,704	4.2%	1,588	3.4%
Macy's	1,200	3.0%	1,200	2.6%
Avaya Inc.	-	-	2,000	4.3%
EMC Corporation	-	-	1,338	2.9%
ON Semiconductor Corporation	-	-	1,100	2.3%
Texas Instruments	-	-	3,500	7.5%
Total Top Ten	33,893	84.1%	33,727	72.1%
All Others	6,422	15.9%	13,124	27.9%
Total Employment	40,315	100%	46,851	100%

Sources**:** Fiscal year 2023: Reference Solutions database, Infogroup, Inc., Papillion, Nebraska
Sources: Fiscal year 2014: ReferenceUSA database, infogroup, Inc., Papillion, Nebraska

CITY OF SANTA CLARA
FULL-TIME EQUIVALENT BUDGETED CITY EMPLOYEES BY PROGRAM/FUNCTION
Last Ten Fiscal Years

Table 18

	Fiscal Year Ending June 30									
	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
City Council	10.00	9.00	9.00	9.00	10.00	10.00	11.00	10.00	9.00	8.50
City Clerk	7.00	7.00	6.00	7.00	5.00	6.00	7.00	7.00	5.00	5.00
City Attorney	7.00	8.00	8.00	8.00	7.00	7.00	6.00	6.00	6.00	6.00
City Auditor	2.00	3.00	3.00	3.00	3.00	-	-	-	-	-
City Manager	11.30	19.00	19.00	13.00	13.00	13.00	14.00	13.00	16.00	9.00
Information Technology	6.00	6.00	6.00	7.00	7.00	7.00	7.00	7.00	5.00	5.00
Human Resources	15.00	15.00	14.00	15.75	15.75	15.00	15.00	15.00	14.50	14.50
Finance	70.75	69.75	68.75	69.75	61.75	61.00	61.00	61.75	60.25	58.25
Parks & Recreation	77.75	77.75	77.75	82.75	82.75	80.75	80.75	79.00	82.75	82.75
Library	42.75	42.50	42.50	46.75	46.75	46.75	45.50	45.50	47.00	46.50
Community Development	75.00	73.00	72.00	68.75	66.00	65.00	64.00	56.00	42.00	44.00
Engineering	36.25	40.25	39.25	42.25	39.25	39.92	40.92	39.25	38.25	38.00
Building Maintenance	13.00	13.00	13.00	13.00	13.00	13.23	13.23	12.90	10.90	11.40
Street	55.60	55.60	55.50	60.60	60.60	58.60	58.60	59.60	65.35	63.10
Automotive Services	14.65	14.65	14.75	15.65	15.65	15.75	15.75	15.75	15.00	15.00
Police	231.00	231.00	221.00	239.00	239.00	239.00	239.00	231.00	222.00	219.00
Fire	173.50	155.50	154.50	168.25	167.25	167.25	167.50	166.50	179.50	179.50
Non-Departmental	5.70	-	-	11.00	9.00	4.00	-	-	-	-
Electric Utility	222.00	214.00	198.00	198.00	197.00	189.00	186.00	179.00	166.00	156.00
Water Utility	50.55	50.55	50.55	50.80	50.80	50.35	50.85	52.70	50.10	47.10
Sewer Utility	22.45	22.45	22.45	22.20	22.20	22.65	22.15	21.30	19.90	17.90
TOTAL	1,149.25	1,127.00	1,095.00	1,151.00	1,131.75	1,111.25	1,105.25	1,078.25	1,054.50	1,026.50

Source: City of Santa Clara Annual Budget

CITY OF SANTA CLARA
OPERATING INDICATORS BY FUNCTION/ACTIVITY
Last Ten Fiscal Years

Table 19

	Fiscal Year Ending June 30									
	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Culture and Recreation:										
Number of library items circulated	2,060,389	2,152,877	1,268,965	736,301	1,598,171	2,509,201	2,612,102	2,700,315	2,479,126	2,491,553
Fire Protection:										
Number of calls answered	10,949	10,688	10,391	8,853	9,339	9,456	8,849	8,850	8,933	8,403
Number of inspections conducted	8,801		10,143	4,004	4,303	6,404	8,470	9,696	8,260	8,067
Police Protection:										
Number of calls for service [(1)]	47,828	43,306	61,421	67,211	63,860	58,912	53,865	50,429	51,853	60,208
Electric System:										
Maximum annual demand (MW)	669.2	693.9	649.4	590.6	579.3	587.8	586.6	568.1	526.4	491.1
Total annual energy (Mwh)	4,657,586	4,568,293	4,361,658	3,956,474	3,773,864	3,693,251	3,733,800	3,628,200	3,488,004	3,238,372
Sewer System:										
Number of service connections	25,312	26,105	25,682	25,948	25,359	25,481	26,236	26,162	25,744	25,656
Peak flow (5-day average, WPCP) (MG)	110	110	110	110	110	110	110	110	110	121
Maximum daily capacity of treatment plant (WPCP) (MGD)	167	167	167	167	167	167	167	167	167	167
Peak flow (5-day average, City) (MGD)	16	16	16	16	16	16	16	16	16	16
Water System:										
Number of service accounts	24,903	25,894	25,371	25,592	24,904	25,293	25,670	25,714	25,716	25,656
Daily Average consumption (MG)	15	14	13	16	16	16	15	15	15	16.8
Maximum daily capacity of plant:										
Potable Water (MGD)	80	80	80	80	80	80	80	80	96	87
Recycled Water (MGD)	15	15	15	15	15	15	15	30	14	15

Note: (1) Data Based on Calendar Year
Source: City of Santa Clara

CITY OF SANTA CLARA
CAPITAL ASSETS STATISTICS BY FUNCTION
Last Ten Fiscal Years

Table 20

	Fiscal Year Ending June 30									
	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Culture and Recreation:										
Number of community centers	4	4	4	4	4	4	4	4	4	4
Number of parks	44	44	44	44	44	39	39	35	34	34
Park acreage	353	353	367	367	353	254	311	330	274	273
Number of golf courses	-	-	-	-	-	1	1	1	1	1
Number of swimming pools	11	11	11	11	11	11	11	11	5	5
Number of tennis courts	28	27	27	27	27	28	28	28	28	28
Number of lawn bowling greens	1	1	1	1	1	1	1	1	1	1
Number of lighted soccer fields	7	7	7	7	7	3	3	3	3	3
Number of lighted softball fields	4	4	4	4	4	7	7	7	7	7
Number of neighborhood park buildings	11	10	10	10	10	8	8	8	8	8
Number of gymnastic centers	1	1	1	1	1	1	1	1	1	1
Number of skate parks	1	1	1	1	1	1	1	1	1	1
Number of community theaters	1	1	1	1	1	1	1	1	1	1
Number of libraries	3	3	3	3	3	3	3	3	3	2
Cemetery	2	2	2	2	2	2	2	2	2	2
Fire Protection:										
Number of stations	9	10	10	9	10	10	10	10	10	10
Police Protection:										
Number of stations	1	1	1	1	2	2	2	2	2	2
Electric System:										
Number of meters	60,795	59,297	59,227	58,230	57,066	55,971	55,139	54,942	53,824	53,360
Miles of high voltage lines	631	631	622	618	616	613	612	608	605	591
Number of substations	29	31	29	29	29	28	27	27	27	27
Sewerage and Storm Drain System:										
Miles of sanitary sewers	288	288	288	288	288	288	288	288	288	288
Number of sanitary sewer pump stations	6	6	6	6	6	6	6	6	6	6
Miles of storm sewers	194	194	194	196	195	195	195	195	195	195
Number of treatment plants	1	1	1	1	1 Tertiary	1 Tertiary	1 Tertiary	1 Tertiary	1 Tertiary	1 Tertiary
Number of storm drain pump stations	22	22	22	22	22	22	22	22	22	22
Water System:										
Miles of water mains	306	306	306	306	306	335	335	335	310	335
Number of fire hydrants	3,648	3,437	3,437	3,248	3,429	3,404	3,382	3,501	3,383	3,315
Miles of recycled watermains	34	34	34	34	34	33	33	33	33	33
Streets:										
Miles of Streets	252	252	252	252	252	252	252	252	252	252
Number of Street Lights	8,431	8,431	8,429	8,404	8,235	8,187	8,118	8,112	8,103	8,097
Number of Traffic Signals	160	157	186	183	182	207	207	207	206	200

Source: City of Santa Clara

CITY OF SANTA CLARA
STATEMENT OF INSURANCE COVERAGE
June 30, 2024

Table 21

TYPE OF POLICY	INSURANCE COMPANY	LIMITS [1]	ANNUAL PREMIUM [3]	TERM YEARS	EXPIRATION DATE [2]
Liability					
Comprehensive General	Self-insured (Since 1987)	$3 million	n/a	-	Ongoing
Excess Liability	PRISM and various other carriers	$50 million	$2,244,248	1	7/1/2024
Workers' Compensation	Self-insured (since 1973)	$750 thousand	n/a	-	Ongoing
Excess Workers' Compensation	PRISM and various other carriers	$5 million	$999,843	1	7/1/2024
Property Coverage					
All Risks, including flood, excluding earthquake	Alliant Property Insurance Program (APIP) Various excess carriers	$1 billion	$1,955,842	1	7/1/2024
Boiler and Machinery	Alliant Property Insurance Program (APIP) Various excess carriers	$100 million	$14,403	1	7/1/2024
Financial Loss Bonds					
Crime Coverage Bond	PRISM	$10 million	$14,959	1	6/30/2024

Notes:
(1) Limits are per occurrence
(2) All policies have been renewed

Source: City of Santa Clara

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SUCCESSOR AGENCY CITY OF SANTA CLARA
STATISTICAL SECTION

This part of the City of Santa Clara's Annual Comprehensive Report provides detailed information to better understand the data presented within the financial statements, note disclosures, and required supplementary information.

	TABLES
REVENUE CAPACITY Contains information to help the reader assess the Successor Agency's most significant local revenue source, the property tax.	1 - 3
DEBT CAPACITY Presents information to assess the affordability of the Successor Agency's current levels of outstanding debts.	4

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SUCCESSOR AGENCY OF THE CITY OF SANTA CLARA
BAYSHORE NORTH PROJECT AREA
HISTORICAL TAX INCREMENT
Last Ten Fiscal Years
(In Thousands)

Table 1

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Real Property Value	$ 6,573,299	$ 5,996,569	$ 5,790,301	$ 5,708,617	$ 5,372,322	$ 6,024,538	$ 6,136,642	$ 5,710,559	$ 4,474,495	$ 2,504,578
Other Property Value	32,851	26,855	33,102	28,733	25,324	22,913	25,857	27,877	796,082	551,425
Total Project Value	6,606,150	6,023,424	5,823,403	5,737,350	5,397,646	6,047,451	6,162,499	5,738,436	5,270,577	3,056,003
Less Base Value	(8,838)	(8,838)	(8,838)	(8,838)	(8,838)	(8,838)	(8,838)	49,632	49,322	(8,829)
Increment Over Base Value	6,597,312	6,014,586	5,814,565	5,728,512	5,388,808	6,038,613	6,153,661	5,788,068	5,319,899	3,047,174
Redevelopment Property Tax Trust Fund (RPTFF) [1]	-	-	-	-	-	-	-	-	5,697	9,365
Total Tax Revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,697	$ 9,365

Notes:

(1) With the State dissolving all RDAs on 02/01/2012, the structure of Tax Increment Revenue has changed. Starting in fiscal year 2012-13, the County's property tax distribution to the Successor Agency was changed to the Redevelopment Property Tax Trust Fund (RPTTF). The RPTTF reported in this table is the amount calculated by the County Auditor-Controller. Under the provisions of the laws dissolving the Redevelopment Agency, the Successor Agency only receives the funds necessary to fulfill its approved obligations.

Source: City of Santa Clara / Santa Clara County Auditor

SUCCESSOR AGENCY OF THE CITY OF SANTA CLARA
BAYSHORE NORTH PROJECT AREA
TEN LARGEST ASSESSEES - TAXABLE VALUE
June 30, 2024

Table 2

	ASSESSEE	ASSESSED PROPERTY USE	ASSESSED PROPERTY VALUATION	PERCENT OF TOTAL
1	Forty Niners SC Stadium Company LLC	Commercial Office Building	$ 811,430,125	12.28%
2	SI LLC	Commercial Office Building	592,670,967	8.97%
3	Exchange Santa Clara	Commercial Office Building	316,200,000	4.79%
4	Innovation Commons Owner LLC	Commercial Office Building	290,034,923	4.39%
5	The Irvine Company	Commercial Office Building	240,463,423	3.64%
6	Apple Inc	Commercial Office Building	229,758,745	3.48%
7	PC Santa Clara Gateway 2 LLC	Commercial Office Building	222,711,871	3.37%
8	SCT Owner LLC	Commercial Office Building	205,645,889	3.11%
9	STC Venture LLC	Commercial Office Building	188,867,860	2.86%
10	PRII Towers at Great America Owner LLC	Commercial Office Building	183,302,957	2.77%
		TOTAL	$ 3,281,086,760	49.66%
		TOTAL AGENCY ASSESSED VALUE	$ 6,606,149,941	

Source: HDL Coren & Cone

SUCCESSOR AGENCY OF THE CITY OF SANTA CLARA
BAYSHORE NORTH PROJECT AREA
ASSESSMENT APPEAL ACTIVITY OF TOP 20 ASSESSEES
2023-24 Impacts

Table 3

TAX ROLL NUMBER	ASSESSEE	ASSESSED VALUATION/ORIGINAL	S/U [1]	APPEAL NUMBER	HEARING DATE DEADLINE	STATUS	APPLICANT'S OPINION VALUATION	LAND USE
984-92-103	FORTY NINERS	$ 555,214,000	S	15.0278			$ 88,000,000	Commerical
984-92-104	FORTY NINERS	555,214,000	S	15.0279			88,000,000	Commerical
984-92-103	FORTY NINERS	555,214,000	S	15.028			88,000,000	Commerical
984-92-104	FORTY NINERS	555,214,000	S	15.0281			88,000,000	Commerical
984-92-103	FORTY NINERS	554,267,314	S	17.0232			140,000,000	Commerical
984-92-104	FORTY NINERS	554,267,314	S	17.0233			140,000,000	Commerical
984-92-104	FORTY NINERS	548,980,708	S	16.0256			100,000,000	Commerical
984-92-103	FORTY NINERS	548,980,708	S	16.0257			100,000,000	Commerical
984-92-103	FORTY NINERS	253,784,158	S	18.1918			250,500,000	Commerical
22-0125223	APPLE INC	160,776,054	U	22.1293			50,100,000	N/A
21-0811071	CEDAR FAIR S	93,154,425	U	21.3482			46,577,214	N/A
21-0811089	CEDAR FAIR S	86,769,758	U	21.3483			42,989,135	N/A
21-0811097	CEDAR FAIR S	62,482,975	U	21.3484			35,620,612	N/A
21-0811105	CEDAR FAIR S	59,777,200	U	21.3485			29,888,601	N/A
17-018611	CEDAR FAIR S	59,280,246	U	17.1041			58,852,511	N/A
18-018278	CEDAR FAIR S	58,493,748	U	18.0594			50,547,232	N/A
18-0429201	CYXTERA COMM	46,130,484	U	22.416			16,130,000	N/A
104-50-025	COHERENT INC	46,023,273	S	15.0256			15,251,322	Commerical
10-037856	SAVVIS COMMU	45,935,890	U	10.5814			40,000,000	N/A
14-032002	SAVVIS COMMU	44,195,581	U	14.171			22,000,000	N/A
		$ 5,444,155,836					$ 1,490,456,627	

Note:

(1) S=secured roll, U=unsecured roll

Source: Santa Clara County Assessor's Office

SUCCESSOR AGENCY OF THE CITY OF SANTA CLARA
BAYSHORE NORTH PROJECT AREA
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
June 30, 2024

Table 4

2023-24 Assessed Valuation:	$ 6,606,149,941
Base Year Valuation:	(8,837,956)
Incremental Valuation:	$ 6,597,311,985

	Total Debt 6/30/2024	% Applicable[1]	Project Area's Share of Debt 6/30/24
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Santa Clara Unified School District	$ 1,003,615,000	7.645%	$ 76,726,367
West Valley-Mission Community College District	663,040,000	3.495%	23,173,248
Santa Clara County	956,770,000	1.001%	9,577,268
Santa Clara Valley Water District Benefit Assessment District	29,235,000	1.001%	292,642
El Camino Hospital District	102,186,937	0.007%	7,153
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			$ 109,776,678
OVERLAPPING GENERAL FUND DEBT:			
Santa Clara County General Fund Obligations	$ 1,057,709,440	1.001%	$ 10,587,671
Santa Clara County Pension Obligations	323,733,582	1.001%	3,240,573
Santa Clara County Board of Education Certificates of Participation	12,073,098	1.001%	120,852
West Valley-Mission Community College District General Fund Obligations	2,520,000	3.495%	88,074
Santa Clara Unified School District Certificates of Participation	11,202,000	7.645%	856,393
City of Santa Clara General Fund Obligations	9,055,000	10.817%	979,479
Santa Clara County Vector Control District Certificates of Participation	945,000	1.001%	9,459
TOTAL OVERLAPPING GENERAL FUND DEBT			$ 15,882,501
Less: Santa Clara County supported obligations			(26,627)
COMBINED TOTAL DIRECT AND OVERLAPPING DEBT			$ 125,659,179 [2]
TOTAL NET DIRECT AND OVERLAPPING BONDED DEBT			$ 125,632,552

(1) Percentage of overlapping agency's assessed valuation located within boundaries of the project area
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations

Ratios to 2023-24 Assessed Valuation:	
Combined Total Direct and Overlapping Debt	1.90%
Net Combined Total Direct and Overlapping Debt	1.90%

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