

**CITY OF SAN JOSE
PARKS AND RECREATION
BOND PROJECTS FUND
(A Fund of the City of San José)**

Independent Auditor's Reports,
Financial Statements,
Other Supplementary Information and
Independent Accountant's Report

For the Year Ended June 30, 2025

CITY OF SAN JOSE
PARKS AND RECREATION BOND PROJECTS FUND
(A Fund of the City of San José)
For the Year Ended June 30, 2025

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Independent Auditor's Report

City Council and
Members of the Parks and Recreation Commission
City of San José, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Parks and Recreation Bond Projects Fund (Fund), a fund of the City of San José (City), as of and for the year ended June 30, 2025, and the related notes to the financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Fund of the City of San José, as of June 30, 2025, and the change in its financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of a Matter

As discussed in Note 2, the financial statements present only the Fund and do not purport to, and do not, present fairly the financial position of the City as of June 30, 2025, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Management's Responsibilities for the Financial Statements

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

Auditor's Responsibility 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 GAAS 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 GAAS 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.

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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements. The accompanying statements of revenues, expenditures, and change in fund balance by fiscal year for the period from June 6, 2001 through June 30, 2025 are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information for the year ended June 30, 2025 has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information for the year ended June 30, 2025 is fairly stated in all material respects in relation to the financial statements as a whole.

We also have previously audited, in accordance with GAAS, the Fund's financial statements as of and for the period from June 6, 2001 through June 30, 2008, as of and for the years ended June 30, 2009 through 2015, and as of and for the years ended June 30, 2018 through 2024 which are not presented with the accompanying financial statements. In our reports dated March 13, 2009, October 2, 2009, December 2, 2010, October 18, 2011, November 15, 2012, October 4, 2013, November 14, 2014, October 8, 2015, October 23, 2018, October 15, 2019, November 13, 2020, November 3, 2021, October 27, 2022, October 18, 2023, October 16, 2024, respectively, we expressed unmodified opinions on the Fund's financial statements. The audits were conducted for the purposes of forming opinions on the financial statements as a whole. The information for the period from June 6, 2001 through June 30, 2015, and for the years ended June 30, 2018 through 2024 been subjected to the auditing procedures applied in the audits of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information for the period from June 6, 2001 through June 30, 2008, the years ended June 30, 2009 through 2015, and the years ended June 30, 2018 through 2024 is fairly stated in all material respects in relation to the financial statements from which they have been derived.

The financial statements of the Fund as of and for the years ended June 30, 2016 and 2017 were audited by other auditors. Those auditors expressed unmodified opinions on those reports dated November 17, 2016 and October 20, 2017, respectively. Those auditors' reports also stated that the Statements of Revenues, Expenditures, and Change in Fund Balance by fiscal year for the years ended June 30, 2016 and 2017 were fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2025 on our consideration of the City's internal control over the Fund's 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 the Fund's 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 the Fund's financial reporting and compliance.



Walnut Creek, California
October 7, 2025

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CITY OF SAN JOSE
PARKS AND RECREATION BOND PROJECTS FUND

(A Fund of the City of San José)

Balance Sheet

June 30, 2025

Assets

Restricted assets:

Equity in pooled cash and investments held in the City Treasury	\$ 2,618,545
Investments held with fiscal agents	15,709,840
Accrued interest receivable	<u>14,874</u>
Total assets	<u><u>\$ 18,343,259</u></u>

Liabilities and Fund Balance

Liabilities:

Accounts payable and accrued liabilities	<u>\$ 71,424</u>
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Fund balance:

Restricted for Parks and Recreation Bond projects	<u>18,271,835</u>
Total liabilities and fund balance	<u><u>\$ 18,343,259</u></u>

See accompanying notes to the financial statements.

CITY OF SAN JOSE
PARKS AND RECREATION BOND PROJECTS FUND
(A Fund of the City of San José)
Statement of Revenues, Expenditures, and Change in Fund Balance
For the Year Ended June 30, 2025

Revenues:

Investment income	\$ 797,885
Unrealized gain on investments	<u>43,290</u>
Total revenues	<u>841,175</u>

Expenditures:

Columbus Park Soccer Facility	<u>399,495</u>
Change in fund balance	441,680
Fund balance, beginning of year	<u>17,830,155</u>
Fund balance, end of year	<u><u>\$ 18,271,835</u></u>

See accompanying notes to the financial statements.

CITY OF SAN JOSE
PARKS AND RECREATION BOND PROJECTS FUND
(A Fund of the City of San José)
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 1 – BACKGROUND

In November 2000, registered voters of the City of San José (City) approved Measure P, the San José Safe Neighborhood Parks and Recreation Bonds, authorizing the issuance and sale of general obligation bonds (Parks Bonds) not to exceed \$228,030,000 to be used to fund the acquisition of property and construction of improvements to neighborhood and regional parks, community centers and other recreational amenities within the City. The Parks bond proceeds are not allowed to be expended on salaries of Park administrators. Therefore, the City did not use bond proceeds to pay for administrative salaries within the Parks and Recreation Department. The capital project management services provided by the Parks and Recreation Department are considered allowable expenditures and reported in the project administration costs.

The table below sets forth the amount of Parks Bonds authorized and issued pursuant to Measure P:

	Amount	Date
Voter authorization	\$ 228,030,000	November 7, 2000
Bonds issued:		
Series 2001 Bonds	40,000,000	June 6, 2001
Series 2002 Bonds	46,715,000	July 18, 2002
Series 2004 Bonds	46,000,000	July 14, 2004
Series 2005 Bonds	45,400,000	June 23, 2005
Series 2006 Bonds	22,100,000	June 29, 2006
Series 2008 Bonds	27,815,000	June 25, 2008
Total bonds issued	228,030,000	
Authorized but unissued	\$ -	

As of June 30, 2025, outstanding projects approved by the City Council to be funded by the remaining bond proceeds include Columbus Park Soccer Facility. See Note 4 for the related outstanding project construction commitments.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements present only the financial position and the change in financial position of the Parks and Recreation Bond Projects Fund (Fund) and do not purport to, and do not, present fairly the financial position of the City as of June 30, 2025, the change in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

A capital projects fund (governmental fund) is used to account for the City's Parks and Recreation Bond Projects activities. Capital projects funds are used to account for financial resources (e.g., bond proceeds and investment income) that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition of land or acquisition and construction of major governmental facilities.

CITY OF SAN JOSE
PARKS AND RECREATION BOND PROJECTS FUND
(A Fund of the City of San José)
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

The Fund's activity is reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Fund considers revenues to be available if collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, expenditures related to vacation, sick leave, claims and judgments are recorded only when payment is due.

Restricted Cash and Investments

Cash and investments that are restricted for specified uses by bond covenants or other requirements are classified as restricted. The Fund's restricted cash and investments are held in the City Treasury and in fiscal agent accounts to be spent only on authorized capital projects. The Fund's restricted cash and investments are subject to the requirements of the City's adopted investment policy and bond indentures. The fair value of investments is based on quoted market information obtained from fiscal agents or other sources.

Fund Balance

Under Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the balance sheets of governmental funds classify fund balances based primarily on the extent to which the Fund is bound to honor constraints on the specific purposes for which those funds can be spent. The Fund only has restricted fund balance at June 30, 2025. Restricted fund balance represents amounts when constraints placed on use of resources are either (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

CITY OF SAN JOSE
PARKS AND RECREATION BOND PROJECTS FUND
(A Fund of the City of San José)
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 3 – RESTRICTED CASH AND INVESTMENTS

A summary of the Fund’s restricted cash and investments at June 30, 2025 are as follows:

Type of investment	Fair Value	Risk Rating	Maturity
City of San José cash and investment pool	\$ 2,618,545	Unrated	560 days
State of California Local Agency Investment Fund	12,620,884	Unrated	248 days
Wilmington Trust Money Market Mutual Fund	3,088,956	Aaa-mf	36 days
Total investments	<u>\$ 18,328,385</u>		

The Fund has investments subject to provisions of the bond indentures of its various bond issues. According to the bond indentures, the Fund is permitted to invest in the City’s cash and investment pool, the State of California Local Agency Investment Fund (LAIF), obligations of the U.S. Treasury or U.S. government agencies, time deposits, money market mutual funds invested in U.S. government securities, along with various other investments.

The Fund maintains part of its investments in the City’s cash and investment pool. The amounts held in the City’s investment pool can be withdrawn upon demand. Income and losses arising from the investment activity of pooled cash are allocated to the participating funds on a monthly basis, based on their proportionate shares of the average daily cash balance.

Information regarding the characteristics of the entire City’s cash and investment pool can be found in the City’s basic financial statements for the year ended June 30, 2025. A copy of that report may be obtained by contacting the City’s Finance Department, 200 East Santa Clara Street, 13th Floor, San José, CA, 95113 or can be found at the City’s Finance Department Website at <http://www.sanjoseca.gov>.

Government Code Section 16429.1 authorizes each local government agency to invest funds in the LAIF administered by the California State Treasurer. The total amount recorded by all public agencies in LAIF at June 30, 2025 was approximately \$24.5 billion. LAIF is part of the State’s Pooled Money Investment Account (PMIA). The total amount recorded by all public agencies in PMIA at June 30, 2025 was approximately \$178.1 billion and of that amount, 96.2% was invested in non-derivative financial products and 3.8% in structured notes and asset backed securities. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State statute. The value of the pool shares in LAIF, which may be withdrawn, is determined on an amortized cost basis, which is different than the fair value of the Fund’s position in the pool.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This risk is measured by the assignment of a rating by nationally recognized statistical rating organizations. The City’s investment policy has mitigated credit risk by limiting investments to the safest types of securities, by prequalifying financial institutions, by diversifying the portfolio, and by establishing monitoring procedures.

CITY OF SAN JOSE
PARKS AND RECREATION BOND PROJECTS FUND
(A Fund of the City of San José)
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 3 – RESTRICTED CASH AND INVESTMENTS (Continued)

Concentration Credit Risk

Concentration of credit risk is the risk that the failure of any one issuer would place an undue financial burden on the Fund. Investments issued by or explicitly guaranteed by the U.S. government and investments in mutual funds and other pooled investments are exempt from this requirement, as they are normally diversified themselves.

Interest Rate Risk

Interest rate risk is the risk that changes in market rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market rates. The City's investment policy has mitigated interest rate risk by establishing policies over liquidity, including maturity limits by investment classification. These limits, for investments other than external investment pools and money market mutual funds, range from 10 days to 5 years depending on the investment classification.

Fair Value Measurement Categorization

The Fund categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The inputs and techniques used for valuing securities are not necessarily an indication of risk associated with investing in those securities. The City's investment in Wilmington Trust Money Market Mutual Funds is measured at level 1 inputs, while investments in the City's cash and investment pool and LAIF are not subject to fair value hierarchy.

NOTE 4 – COMMITMENTS

At June 30, 2025, the Fund has outstanding project construction encumbrances as follows:

Project	Amount
Columbus Park Soccer Facility	\$ 776,683

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	-	-	-	-	-
	-	-	-	-	-
	-	-	37,820	-	11,426
	233,266	1,695,340	3,275,552	16,887	1,734,199
Community Center/Library	-	58,681	682,929	1,084,999	7,791,470
	-	-	146,556	648,088	783,633
t	-	27,040	251,373	92,765	-
	-	21,082	441,765	50,890	-
reet Park Phase II	-	-	-	-	-
estroom	-	64,605	558,866	15,823	-
	-	-	11,142	88,827	851,399
estrooms	-	-	101,159	525,515	-
	-	28,318	141,599	9,923	-
n	-	33,398	197,862	3,333	-
Playlot Renovation	-	73,900	367,926	11,992	-
	30,997	600,052	1,769	-	-
	-	30,585	242,335	18,181	-
	-	636,697	989,279	2,900,625	4,343,202
ion	1,918	91,633	245,743	20,998	-
t	4,868	118,039	252,519	20,998	-
	-	35,296	162,130	2,194	-
ovation	-	24,014	225,966	14,748	-
y	-	-	-	-	-
os Golf Course	-	-	85,569	184,944	107,981
/All Inclusive Playground	-	23,815	254,498	90,568	56,587
- LeFevre House	3,949	164,062	204,928	1,165,301	64,871
	1,393	150,069	85,557	4,998	-
	3,338	396,147	81,113	9,776	-
	2,256	104,581	67,663	5,144	-
	-	5,898	603,491	40,970	-
	-	33,606	191,244	47,669	-
vation	-	2,076	216,688	46,672	-
	-	107,304	912,800	3,217,600	530,681
	22,263	458,420	-	18,748	-
	20,837	208,156	24,850	148	-
om	-	-	17,729	113,517	-
	-	-	113,015	292,977	108,670
acility	-	-	-	-	-
n	3,994	81,176	453,066	-	-
	-	58,983	33,772	-	-
	-	964,516	195,051	-	-
	-	-	-	469,521	1,522,832
room	3,517	58,818	389,825	564	-
	2,181	51,069	450,089	5,881	-
room	1,597	498,826	20,302	-	-
Renovation	3,508	165,592	175,404	4,998	-
	-	-	-	-	-
	-	2,908	310,160	44,635	-
renovation	-	-	-	-	-
ayground	-	-	-	-	-

ation	3,477	57,530	134,898	15,998	-	
ion	-	92	76,955	195,255	-	
ulti-Service	-	-	-	2,583,000	-	
	-	36,653	261,204	1,571,390	1,540	
ovation	2,793	72,724	147,732	1,980	-	
tion	-	24	17,793	146,028	79,227	
	-	18,338	415,812	39,751	-	
	-	-	63,325	258,710	3	
	-	4,262	118,064	144,909	-	
	23,990	305,740	121,868	-	-	
	-	-	19,092	256,286	-	
	-	-	51,653	217,977	-	
/Shade Structure	20,151	221,156	3,000	-	-	
	-	52,870	12,617	313,208	192,365	
	-	8,628	113,753	313,984	-	
vation	-	9,818	65,887	360,511	-	
ovements	5,036	392,339	36,995	230,724	-	
- Multi-Service	-	-	-	20,716	1,433,573	
ation	-	23,646	231,688	7,997	-	
oom	3,520	99,368	502,646	19,967	-	
	-	45,623	664,597	23,734	-	
	-	-	123,886	482,086	1	
	5,170	7,470	308,672	175,851	1,150,914	
	-	148,236	33,109	5,001	-	
	6,220	139,398	267,899	4,720	-	
	-	4,484	87,277	168,687	-	
	12,515	512,062	168,077	308,704	18,441	
	-	53,191	387,976	73,823	309,175	
ements	1,315	40,641	231,543	19,986	-	
y Center	-	-	-	-	-	
	-	-	20,539	314,230	912,231	
Lot	-	20,864	413,971	53,304	-	
lestrian Bridge	-	-	-	-	-	
	-	-	49,280	234,383	-	
	-	15,661	213,212	19,101	-	
	-	-	42,931	225,026	-	
Lot	-	6,143	352,813	75,635	-	
	-	37,406	195,706	4,998	-	
ion	-	36,817	152,879	9,960	-	
tion	24,968	37,977	47,884	9,998	-	
	-	-	34,836	399,275	3	
s	-	-	-	-	-	
vation	-	23,829	244,378	67,908	-	
ation/Improvements	-	11,759	200,093	26,208	-	
ma Olinder Park)	-	-	6,287	11,574	209,252	
	-	303,522	537,372	873,676	1,064,156	
	-	-	-	-	-	
	-	293,000	-	-	-	
	224,951	9,787,962	17,843,425	22,119,420	21,779,731	
venues						
res	8,315	(8,092,622)	(14,567,873)	(22,102,533)	(20,045,532)	

	-	-	426	964,000	1,420,112	
	-	-	-	-	-	
	17,363	21,792	71,406	54,580	-	
	4,174,082	2,471,246	740,123	1,219,898	1,562,843	
Community Center/Library	145,237	7,019	-	-	-	
	1,098,191	455	-	-	-	
t	-	-	-	-	-	
	-	-	-	-	-	
reet Park Phase II	-	-	-	-	-	
estroom	-	-	-	-	-	
	471,551	3,195,549	5,684,973	1,295,996	1,000	
estrooms	-	-	-	-	-	
	-	-	-	-	-	
n	-	-	-	-	-	
Playlot Renovation	-	-	-	-	-	
	-	-	-	-	-	
	-	-	-	-	-	
	890,805	-	-	-	-	
ion	-	-	-	-	-	
	-	-	-	-	-	
	-	-	-	-	-	
ovation	-	-	-	-	-	
y	-	-	-	-	-	
os Golf Course	438,794	859,733	111,539	-	-	
/All Inclusive Playground	-	-	34,200	3,800	-	
- LeFevre House	12,909	33,733	21,170	8,602	-	
	-	-	-	-	-	
	-	-	-	-	-	
	-	-	-	-	-	
	-	-	-	-	-	
vation	-	-	-	-	-	
	-	-	-	-	-	
	-	-	-	-	-	
om	-	-	-	-	-	
	277,905	461,777	872,004	406,430	6,993	
ility	-	-	-	-	-	
n	-	-	-	-	-	
	-	-	-	-	-	
	47,263	60,017	12,949	-	4,454	
	1,940,909	29,502,794	15,772,108	2,240,045	999,705	
room	-	-	-	-	-	
	-	-	-	-	-	
room	-	-	-	-	-	
Renovation	-	-	-	-	-	
	-	-	-	-	-	
	-	-	-	-	-	
renovation	-	-	-	-	-	
ayground	-	-	-	-	-	

ation	-	-	-	-	-	-
ion	-	-	-	-	-	-
ulti-Service	-	-	-	-	-	-
	-	-	-	-	-	-
ovation	-	-	-	-	-	-
tion	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
/Shade Structure	-	-	-	-	-	-
	446,901	951,544	610,753	294,290	46,074	
	-	-	-	-	-	-
vation	-	-	-	-	-	-
ovements	-	-	-	-	-	-
- Multi-Service	11,944,700	1,173,482	63,034	-	-	-
ation	-	-	-	-	-	-
oom	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	5,782	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	167,400	401,526	225,943	
	-	-	-	17,526	401	
ements	-	-	-	-	-	-
y Center	1,394,917	9,418,481	8,003,063	836,607	137,936	
	-	-	-	-	-	-
Lot	-	-	-	-	-	-
lestrian Bridge	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Lot	-	-	-	-	-	-
	-	-	-	-	-	-
tion	-	-	-	-	-	-
tion	-	-	-	-	-	-
	-	-	-	-	-	-
s	-	-	-	-	-	-
vation	-	-	-	-	-	-
ation/Neighborhood Center Improv	-	-	-	-	-	-
ma Olinder Park)	-	-	-	-	-	-
	665,643	742,893	720,803	476,282	306,224	
	-	-	-	-	-	-
	274,000	-	-	-	-	
	28,973,645	48,149,930	32,135,949	6,018,337	1,728,730	
venues						
res	(24,799,563)	(45,678,684)	(31,395,826)	(4,798,439)	(165,887)	

	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	79,660	120,539	185,756	384,242	546,397
Community Center/Library	-	-	-	-	-
	-	-	-	-	-
t	-	-	-	-	-
	-	-	-	-	-
reet Park Phase II	-	-	-	-	871,089
estroom	-	-	-	-	-
	-	-	-	-	-
estrooms	-	-	-	-	-
	-	-	-	-	-
n	-	-	-	-	-
Playlot Renovation	-	-	-	-	35,201
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
ion	-	-	-	-	-
	-	-	-	-	-
ovation	-	-	-	-	-
y	-	-	-	-	-
os Golf Course	-	-	-	-	-
/All Inclusive Playground	-	-	-	-	4,139
- LeFevre House	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
vation	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
om	-	-	-	-	-
	-	-	-	-	-
ility	-	-	-	20,733	-
n	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	19,582	-	-	-	-
room	-	-	-	-	4,198
	-	-	-	-	-
room	-	-	-	-	-
Renovation	-	-	-	-	-
	-	-	-	-	548,971
	-	-	-	-	-
enovation	-	-	-	-	-
ayground	-	-	-	-	-

ation	-	-	-	-	-	-
ion	-	-	-	-	-	-
ulti-Service	-	-	-	-	-	-
	-	-	-	-	-	-
ovation	-	-	-	-	-	-
tion	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
/Shade Structure	-	-	-	-	-	-
	82,436	12,108	69,416	-	-	-
	-	-	-	-	-	-
vation	-	-	-	-	-	-
ovements	-	-	-	-	-	11,384
- Multi-Service	-	-	-	-	-	-
ation	-	-	-	-	-	-
oom	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	918,202	189,231	223,175	24,550	-	-
	5,368	472,254	161,912	3,989,068	7,122,304	-
ements	-	-	-	-	-	-
y Center	(38,370)	-	-	-	-	150,000
	-	-	-	-	-	-
Lot	-	-	-	-	-	-
lestrian Bridge	-	-	-	-	-	8,523
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Lot	-	-	-	-	-	-
	-	-	-	-	-	-
tion	-	-	-	-	-	-
tion	-	-	-	-	-	-
	-	-	-	-	-	-
s	-	-	-	-	-	100,000
vation	-	-	-	-	-	-
ation/Neighborhood Center Improv	-	-	-	-	-	3,326
ma Olinder Park)	-	-	-	-	-	-
	293,610	182,196	149,638	124,049	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	1,280,828	855,789	604,141	4,158,400	8,859,135	-
venues						
res	(1,201,168)	(735,250)	(418,385)	(3,774,158)	(8,312,738)	-

in State	-	-	-	-	2,384,
	-	-	-	-	651,
	-	-	-	-	220,
	(20,310)	355,737	735,270	841,175	29,749,
ty - Community Center/Library	-	-	-	-	16,407,
	-	-	-	-	3,013,
Youth Lot	-	-	-	-	371,
c Tot Lot	-	-	-	-	513,
and 31 Street Park Phase II	-	-	-	-	1,000,
ot Lot/ Restroom	-	-	-	-	639,
Center	-	-	-	-	11,771,
lots & Restrooms	-	-	-	-	626,
oom	-	-	-	-	179,
renovation	-	-	-	-	234,
Tot Lot/Playlot Renovation	-	-	-	-	753,
t	-	-	-	-	632,
room	-	-	-	-	291,
ce Center	-	-	-	-	9,896,
Renovation	-	-	-	-	360,
& Tot Lot	-	-	-	-	396,
bow	-	-	-	-	199,
Area Renovation	-	-	-	-	264,
er Facility	334,781	319,197	307,285	399,495	1,603,
Los Lagos Golf Course	-	-	-	-	2,149,
rial Park/All Inclusive Playground	-	-	-	-	2,374,
rial Park - LeFevre House	-	-	-	-	1,899,
Area	-	-	-	-	242,
Area	-	-	-	-	490,
rea	-	-	-	-	179,
t Lot	-	-	-	-	650,
ks Youth	-	-	-	-	272,
Lot Renovation	-	-	-	-	265,
Center	-	-	-	-	4,834,
Lot	-	-	-	-	499,
Lot	-	-	-	-	253,
ve Restroom	-	-	-	-	131,
uil	-	-	-	-	2,878,
Soccer Facility	-	-	-	-	20,
Restroom	-	-	-	-	538,
-Strategy	-	-	-	-	92,
Strategy	-	-	-	-	1,709,
and Zoo	-	-	-	-	58,578,
ot & Restroom	-	-	-	-	1,302,
area	-	-	-	-	509,
ea & Restroom	-	-	-	-	520,
& Tot Lot Renovation	-	-	-	-	349,
elopment	-	-	-	-	728,
Tot Lot	-	-	-	-	357,
ground Renovation	-	-	-	-	300,
lusive Playground	-	-	-	-	65,

Lot Renovation	-	-	-	-	211,
Renovation	-	-	-	-	272,
Center- Multi-Service	-	-	-	-	4,100,
den	-	-	-	-	1,870,
Lot Renovation	-	-	-	-	225,
a Renovation	-	-	-	-	243,
Tot Lot	-	-	-	-	473,
ea	-	-	-	-	322,
y Area	-	-	-	-	267,
Tot Lot	-	-	-	-	451,
stroom	-	-	-	-	275,
ay Area	-	-	-	-	269,
Play Area/Shade Structure	-	-	-	-	344,
	-	-	-	-	3,909,
Area	-	-	-	-	436,
rea Renovation	-	-	-	-	436,
Park Improvements	-	-	-	-	800,
ty Center - Multi-Service	-	-	-	-	20,244,
ea Renovation	-	-	-	-	263,
& Restroom	-	-	-	-	625,
	-	-	-	-	733,
	-	-	-	-	605,
	-	-	-	-	2,221,
y Area	-	-	-	-	186,
y Area	-	-	-	-	418,
lay Area	-	-	-	-	260,
	-	-	-	-	4,551,
	-	-	-	-	14,105,
a/Improvements	-	-	-	-	444,
Community Center	-	-	-	-	20,681,
y Center	-	-	-	-	1,811,
h & Tot Lot	-	-	-	-	488,
Creek Pedestrian Bridge	-	-	-	-	143,
ea	-	-	-	-	283,
Area	-	-	-	-	247,
Area	-	-	-	-	267,
th & Tot Lot	-	-	-	-	434,
y Area	-	-	-	-	238,
Renovation	-	-	-	-	199,
t Renovation	-	-	-	-	120,
y Area	-	-	-	-	434,
ovements	-	-	-	-	100,
Lot Renovation	-	-	-	-	336,
m Renovation/Neighborhood Center Improv	-	-	-	-	438,
oom (Selma Olinder Park)	-	-	-	-	227,
on	-	-	-	-	8,826,
	-	-	-	-	1,339,
	-	-	-	-	
ment	-	-	-	-	567,
es	334,781	319,197	307,285	399,495	244,236,
cy) of revenues					
xpenditures	(355,091)	36,540	427,985	441,680	(214,487,

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**Independent Auditor's Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

City Council and
Members of the Parks and Recreation Commission
City of San José, California

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements of the Parks and Recreation Bond Projects Fund (Fund), a fund of the City of San José (City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, and have issued our report thereon dated October 7, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over the Fund's financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Macias Gini & O'Connell LLP

Walnut Creek, California
October 7, 2025

Independent Accountant's Report on Compliance with Measure P

City Council and
Members of the Parks and Recreation Commission
City of San José, California

We have examined the City of San José's (City) compliance with certain provisions of Measure P for the year ended June 30, 2025 as follows:

- Bond proceeds were used for installing lighting, reconstructing deteriorating playgrounds and restrooms; preserving open space; constructing trails; constructing new recreational sports facilities; improving Community and Senior Centers; and constructing improvements to regional parks, such as Happy Hollow.
- Bond proceeds were not used for parks administrators' salaries.
- Annual audits were performed.
- A citizen's oversight committee was established.

Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied with the specified requirements, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about the City's compliance with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the City's compliance with the specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2025.

Macias Gini & O'Connell LLP

Walnut Creek, California
October 7, 2025

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