

SARA AGENDA: 12/15/20  
FILE: 20-1663  
ITEM: 9.1



# Memorandum

**TO:** SUCCESSOR AGENCY BOARD

**FROM:** Julia H. Cooper  
Chief Financial Officer

**SUBJECT:** SEE BELOW

**DATE:** December 3, 2020

Approved

Date

12/4/20

**SUBJECT: SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE – AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2020**

## RECOMMENDATION

Accept the Fiscal Year 2019-2020 Independent Auditor’s Reports and Basic Financial Statements for the Successor Agency to the Redevelopment Agency of the City of San José (“SARA”).

## OUTCOME

To provide an overview of the Independent Auditor’s Reports and Basic Financial Statements for the SARA for Fiscal Year 2019-2020.

## BACKGROUND

On June 29, 2011, ABx1 26 (“Redevelopment Dissolution Law”) was signed into law and subsequently upheld on December 29, 2011 by the California Supreme Court. The Redevelopment Dissolution Law requires successor agencies to cause an annual audit of financial transactions and records to be conducted by a certified public accountant (Health and Safety Code Section 34177[n]).

The Successor Agency to the Redevelopment Agency (“SARA”) of the City of San José (“City”) contracted with Macias Gini & O’Connell LLP (“Auditors”), a firm of Certified Public Accountants licensed to practice in the State of California, to perform the independent audit. The audit was conducted in accordance with auditing standards generally accepted in the United

States. The auditors expressed opinions that the SARA financial statements are fairly stated in conformity with accounting principles generally accepted in the United States.

The independent auditor's reports and basic financial statements for the SARA cover the period from July 1, 2019 to June 30, 2020 and are available on the City's website at the following link: <https://www.sanjoseca.gov/your-government/appointees/city-auditor/external-financial-audits>.

The independent auditor's reports and basic financial statements are organized in the following sections:

- Report of Independent Certified Public Accountants
- Basic Financial Statements including the Notes to Basic Financial Statements
- Report of Independent Certified Public Accountants on Internal Control over Financial Reporting and Other Matters Based on an Audit of Financial Statements Performed in accordance with Government Auditing Standards

## **ANALYSIS**

The auditors provided an "unmodified" or "clean" opinion whereby they disclosed no instances of noncompliance with accounting principles generally accepted in the United States of America.

The financial statements reflect the financial status of the SARA as of the end of the fiscal year at June 30, 2020. The financial statements are intended to provide relevant financial information to the public, investors, rating agencies, insurers, and other interested parties.

This item is to be heard concurrently with the presentation on the City's Comprehensive Annual Financial Report at the December 15, 2020 City Council meeting. Additionally, the attached Independent Auditor's Reports and Basic Financial Statements of the SARA will be presented to the Countywide Oversight Board in January 2021.

## **CONCLUSION**

The FY 2019-20 Audited Financial Statements for the Successor Agency provide an overview of the financial position of the Successor Agency as of June 30, 2020 and is included in the annual continuing disclosure report to the investors in the Successor Agency's outstanding bonds.

## **EVALUATION AND FOLLOW UP**

There is no evaluation or follow-up needed.

### **CLIMATE SMART SAN JOSE**

The recommendation in this memo has no effect on Climate Smart San José energy, water, or mobility goals.

### **PUBLIC OUTREACH**

This memorandum will be posted on the City's Council Agenda website for the December 15, 2020 Council Meeting.

### **COORDINATION**

The Finance Department has coordinated this memorandum with the City Attorney's Office.

### **COMMISSION RECOMMENDATION/INPUT**

This item does not have input from any board or commission, however staff will present the audited financial statements to the Countywide Oversight Board in January 2021.

### **CEQA**

Not a Project, File No. PP17-010, City Organizational & Administrative Activities resulting in no changes to the physical environment.

/s/  
JULIA H. COOPER  
Director of Finance  
Chief Financial Officer, SARA

Attachment

For questions, please contact Julia H. Cooper, CFO/Director of Finance at (408) 535-7011.