



# Memorandum

**TO:** SUCCESSOR AGENCY  
BOARD

**FROM:** Drew Corbett

**SUBJECT:** See Below

**DATE:** November 18, 2024

Approved

Date:

11/21/24

**COUNCIL DISTRICT:** Citywide

**SUBJECT:** Successor Agency to the Redevelopment Agency of the City of San Jose – Audited Financial Statements for Fiscal Year Ended June 30, 2024

## **RECOMMENDATION**

Accept the Fiscal Year 2023-2024 Independent Auditor's Reports and Basic Financial Statements for the Successor Agency to the Redevelopment Agency of the City of San José.

## **SUMMARY AND OUTCOME**

The Independent Auditor's Reports and Basic Financial Statements for the Successor Agency to the Redevelopment Agency of the City of San José (SARA) provide an audited account of SARA's financial position and adherence to accounting standards for the fiscal year ended June 30, 2024.

The reports ensure transparency and accountability, offering stakeholders a clear understanding of the SARA's financial performance and compliance with regulations.

## **BACKGROUND**

On June 29, 2011, Assembly Bill X1 26 (Redevelopment Dissolution Law) was signed into law and subsequently upheld by the California Supreme Court on December 29, 2011. 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]).

## **ANALYSIS**

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

The Independent Auditor's Reports and Basic Financial Statements for the SARA cover the period from July 1, 2023 to June 30, 2024, are attached to this memorandum 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; and
- 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.

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 June 30, 2024. The financial statements are intended to provide relevant financial information to the public, investors, rating agencies, insurers, and other interested parties.

## **EVALUATION AND FOLLOW-UP**

The attached Independent Auditor's Reports and Basic Financial Statements of the SARA will be presented to the Countywide Oversight Board of Santa Clara County in January 2025.

## **COORDINATION**

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

## **PUBLIC OUTREACH**

This memorandum will be posted on the City's Council Agenda website for the December 10, 2024 City Council meeting. This item is to be heard concurrently with the presentation on the City's Annual Comprehensive Financial Report at the December 10, 2024 City Council meeting.

## **COMMISSION RECOMMENDATION AND INPUT**

No commission recommendation or input is associated with this action.

## **CEQA**

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

## **PUBLIC SUBSIDY REPORTING**

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/  
DREW CORBETT  
Acting Director of Finance  
Chief Financial Officer, SARA

For questions, please contact Drew Corbett, Chief Financial Officer/Acting Director of Finance, at (408) 535-7000 or via email at [drew.corbett@sanjoseca.gov](mailto:drew.corbett@sanjoseca.gov).

**ATTACHMENT:** SARA Independent Auditor's Reports and Basic Financial Statements for the Year Ended June 30, 2024