



Memorandum

TO: SUCCESSOR AGENCY
BOARD

FROM: Maria Öberg

SUBJECT: See Below

DATE: October 17, 2025

Approved

Date:

11/24/25

COUNCIL DISTRICT: Citywide

SUBJECT: Successor Agency to the Redevelopment Agency of the City of San José – Audited Financial Statements for Fiscal Year Ended June 30, 2025

RECOMMENDATION

Accept the Fiscal Year 2024-2025 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 the SARA's financial position and adherence to accounting standards for the fiscal year ended June 30, 2025.

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, 2024, to June 30, 2025, 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, 2025. 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 2026.

COORDINATION

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

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the December 9, 2025 City Council meeting. This item is to be heard concurrently with the presentation on the City's Annual Comprehensive Financial Report at the December 9, 2025 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

Not a Project, File No. PP17-009, Staff Reports, Assessments, Annual Reports, and Informational Memos that involve no approvals of any City action.

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.



MARIA ÖBERG
Director, Finance Department
Chief Financial Officer, SARA

For questions, please contact Maria Öberg, Director of Finance, Chief Financial Officer, SARA, at (408) 535-7000 or via email at maria.oberg@sanjoseca.gov.

ATTACHMENT: SARA Independent Auditor's Reports and Basic Financial Statements for the Year Ended June 30, 2025