

ALAMEDA COUNTY REDEVELOPMENT SUCCESSOR AGENCY
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2023

ALAMEDA COUNTY REDEVELOPMENT SUCCESSOR AGENCY
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INDEPENDENT AUDITOR'S REPORT

The Members of the Governing Board of the
Alameda County Redevelopment Successor Agency
Hayward, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of fiduciary net positions of the Alameda County Redevelopment Successor Agency (the Successor Agency), a component unit of the County of Alameda (the County) the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Successor Agency as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Successor Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Successor Agency, as of June 30, 2023, 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 Successor Agency 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 opinions.

Responsibilities of Management 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, and for 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.

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 Successor Agency'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

INDEPENDENT AUDITOR'S REPORT (Continued)

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 Successor Agency'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 Successor Agency'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 4 through 6 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.

INDEPENDENT AUDITOR'S REPORT (Continued)

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 combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are 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 and statistical sections 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 exists, 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 March 11, 2024, on our consideration of the Successor Agency'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 Successor Agency'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 Successor Agency's internal control over financial reporting and compliance.

Grant & Smith, LLP

Oakland, California

March 11, 2024

**ALAMEDA COUNTY REDEVELOPMENT SUCCESSOR AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2023**

This section of the Alameda County Redevelopment Successor Agency (the Successor Agency) annual financial report presents a discussion and analysis of the Successor Agency's financial performance for the year ended June 30, 2023. Please read it in conjunction with the Successor Agency's basic financial statements following this section.

Financial Highlights

On April 26, 2013 The Successor Agency received its Finding of Completion from the California Department of Finance ("DOF"). The Department is administering approved Recognized Obligation Payment Schedule projects ("ROPS").

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Successor Agency's basic financial statements. The Successor Agency's basic financial statements comprise two components: 1) Basic financial statements and 2) Notes to the basic financial statements. These financial statements are prepared on the economic resources' measurement focus and the accrual basis of accounting.

Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. At the close of June 30, 2023, the Successor Agency had a negative net position of \$13.40 million.

**STATEMENT OF FIDUCIARY NET POSITION
JUNE 30,**

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and investments	\$ 6,246,893	\$ 8,241,765
Interest and other receivable	53,738	52,902
Restricted cash and investments	2,188,920	2,187,139
Loans receivable	<u>21,238</u>	<u>21,238</u>
Total assets	<u>8,510,789</u>	<u>10,503,044</u>
LIABILITIES		
Accounts payable	4,752	2,654,741
Accrued interest	414,323	433,536
Long-term liabilities:		
Due within one year	1,142,425	1,097,425
Due in more than one year	<u>20,352,352</u>	<u>21,502,691</u>
Total liabilities	<u>21,913,852</u>	<u>25,688,393</u>
NET POSITION HELD IN TRUST	<u>\$ (13,403,063)</u>	<u>\$ (15,185,349)</u>

**ALAMEDA COUNTY REDEVELOPMENT SUCCESSOR AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2023**

The Successor Agency had \$8.4 million in restricted cash and investments, which was held for redevelopment projects and reserves for repayment of debt pursuant to contracts and agreements made by the former Agency, their use restricted for a particular purpose.

Long-term liabilities are mainly represented by tax allocation bonds totaling \$21.32 million issued to finance redevelopment projects.

Operating activities:

For the year ended June 30, 2023, the Successor Agency had additions over deductions in the amount of \$1.78 million.

**CHANGE IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30,**

	2023	2022
ADDITIONS		
Redevelopment property tax	\$ 4,078,115	\$ 3,293,583
Other revenues	-	12,425
Program income	637	680
Interest income	<u>216,625</u>	<u>180,282</u>
Total additions	<u>4,295,377</u>	<u>3,486,970</u>
DEDUCTIONS		
General and administration	244,736	258,212
Project expenses	1,270,137	4,417,544
Interest on debt	<u>998,218</u>	<u>1,044,171</u>
Total deductions	<u>2,513,091</u>	<u>5,719,927</u>
OTHER FINANCING SOURCES		
Transfer in	4,430,057	5,251,395
Transfer out	<u>(4,430,057)</u>	<u>(5,251,395)</u>
Total other financing sources	<u>-</u>	<u>-</u>
Change in net position	1,782,286	(2,232,957)
Net position - beginning of year	<u>(15,185,349)</u>	<u>(12,952,392)</u>
Net position - end of year	<u>\$ (13,403,063)</u>	<u>\$ (15,185,349)</u>

Debt Administration

On June 30, 2023, the Successor Agency had long-term bonds outstanding aggregating to \$21.32 million, a decrease of \$1 million from fiscal year 2022, resulting from debt service payments on outstanding long-term debts (Tax Allocation Bonds), which are backed by redevelopment property tax revenue.

**ALAMEDA COUNTY REDEVELOPMENT SUCCESSOR AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2023**

Revenue and Recognized Obligations Payment Schedule

Pursuant to AB X1 26, the Successor Agency is required to adopt a Recognized Obligation Payments Schedule ("ROPS"). A ROPS, listing all enforceable obligations due and payable in the one-year period, is prepared annually and is the basis for the distribution of property tax revenues from the Redevelopment Property Tax Trust Fund (Trust Fund). Management has determined that the ROPS will replace the Successor Agency's annual budget.

The annual Administrative Budget for the Successor Agency is presented and approved by the Successor Agency governing Board and Oversight Board, and subsequently approved as part of the ROPS by the California State Department of Finance.

Request for Information

This financial report is designed to provide a general overview of the Successor Agency's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Office of the Finance Manager, 224 West Winton Avenue, Room 110, Hayward, CA 94544.

BASIC FINANCIAL STATEMENTS

ALAMEDA COUNTY REDEVELOPMENT SUCCESSOR
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2023

ASSETS

Cash and investments	\$ 6,246,893
Interest and other receivable	53,738
Restricted cash and investments	2,188,920
Loans receivable	<u>21,238</u>
Total assets	<u>8,510,789</u>

LIABILITIES

Accounts payable	4,752
Payable to County	-
Accrued interest	433,323
Due to other governmental agency - long-term portion	-
Long-term liabilities:	
Due within one year	1,142,425
Due in more than one year	<u>20,352,352</u>
Total liabilities	<u>21,913,852</u>

NET POSITION

NET POSITION HELD IN TRUST	<u>\$ (13,403,063)</u>
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The accompanying notes are an integral part of these financial statements

**ALAMEDA COUNTY REDEVELOPMENT SUCCESSOR
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023**

ADDITIONS

Redevelopment property tax	\$ 4,078,115
Other revenues	-
Program income	637
Interest income	<u>216,625</u>
Total additions	<u>4,295,377</u>

DEDUCTIONS

General and administration	244,736
Project expenses	1,270,137
Interest on debt	<u>998,218</u>
Total deductions	<u>2,513,091</u>

OTHER FINANCING SOURCES

Transfer in	4,430,057
Transfer out	<u>(4,430,057)</u>
Total other financing sources	<u>-</u>

Change in net position	1,782,286
Net position - beginning of year	<u>(15,185,349)</u>
Net position - end of year	<u>\$ (13,403,063)</u>

The accompanying notes are an integral part of these financial statements

ALAMEDA COUNTY REDEVELOPMENT SUCCESSOR AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1: ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Board of Supervisors of the County of Alameda, acting pursuant to the provisions of the Community Redevelopment Law (codified at Health and Safety Code Sections 33000, et seq.), and by ordinance no. 656 issued October 3, 1961 reactivated the Redevelopment Agency in December 1999. Until June 28, 2011, the Redevelopment Agency was charged with the goal of eliminating blight within designated geographic areas through the process of redevelopment.

On June 28, 2011, Assembly Bill XI 26 ("AB XI 26") was enacted. This legislation is referred to herein as the Redevelopment Dissolution Law. On December 29, 2011, the California Supreme Court upheld the constitutionality of AB XI 26, and all redevelopment agencies in California were dissolved by operation of law effective February 1, 2012, the legislation provides for successor agencies and oversight boards that are responsible for overseeing the dissolution process and the wind down of redevelopment activity. On January 10, 2012, the County elected to become the Successor Agency for the former redevelopment agency effective February 1, 2012.

The Alameda County Redevelopment Successor Agency (the Successor Agency) was created to serve as a custodian for the assets and to wind down the affairs of the former Redevelopment Agency. The Successor Agency is a separate public entity from the County, subject to the direction of the Countywide Oversight Board.

In general, the Successor Agency's assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments). In future fiscal years, the Successor Agency will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former Redevelopment Agency until all enforceable obligations of the former Redevelopment Agency have been paid in full and all assets have been liquidated. Based upon the nature of the Successor Agency's custodial role, the Successor Agency is reported in a fiduciary fund (private-purpose trust fund).

B. Measurement Focus and Basis of Accounting and Presentation

The basic financial statements include the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position. The basic financial statements are prepared using the economic resource measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or non-current) are included on the statement of fiduciary net position. The statement of changes in fiduciary net position presents increases (revenues) and decreases (expenses) in total fiduciary net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

ALAMEDA COUNTY REDEVELOPMENT SUCCESSOR AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1: ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Assets, Liabilities, Equities and Operations

Cash and Investments

The Successor Agency maintains its cash balance in the County investment pool and investment with bond trustee.

Restricted Cash and Investments

Restricted cash and investments are held by fiscal agents for specified uses as allowed under bond covenants.

Redevelopment Property Tax

Pursuant to the Redevelopment Dissolution Law, funds that would have been distributed to the former Redevelopment Agency as tax increment, hereafter referred to as redevelopment property tax, are deposited into the Successor Agency's Redevelopment Property Tax Trust Fund ("Trust Fund"), pursuant to the approved ROPS, administered by the County's Auditor- Controller for the benefit of holders of the former Redevelopment Agency's enforceable obligations and the taxing entities that receive pass-through payments.

Distributions of RPTTF are made once a year covering period: Covers

Recognized Obligation

Payment Schedules to be Paid*

January 1 through June 30

July 1 through December 31

*The amounts distributed for ROPS are forward looking to the next six-month period.

Long-Term Obligations

The former Redevelopment Agency issued Tax Allocation Bonds to finance various redevelopment projects. Long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of applicable bond premium or discount.

Use of Estimates

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

ALAMEDA COUNTY REDEVELOPMENT SUCCESSOR AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2: CASH AND INVESTMENTS

Cash and investments as of June 30, 2023 consisted of the following:

	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total</u>
Cash with County Treasury	\$6,246,893	\$ -	\$6,246,893
Investments with Fiscal Agent	<u>2,188,920</u>	<u>-</u>	<u>2,188,920</u>
Total	<u>\$8,435,813</u>	<u>\$ -</u>	<u>\$8,435,813</u>

Deposits

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Successor Agency will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside entity.

Investments

The Successor Agency investments consisted of (a) Cash with County Treasurer (b) Investments with Fiscal Agents.

a) Cash with County Treasury

The Successor Agency maintains its available cash in Alameda County Treasury. The County pools these funds with those of other agencies and invests the cash. These pooled funds are carried at cost, which approximates the market value. All the funds in the pool share any investments losses proportionately.

Funds with the County Treasurer are invested pursuant to investment policy established by the Treasurer and approved by the Board of Supervisors. The objectives of the policy are, in order of priority, preservation of capital, liquidity and yield. The policy addresses the soundness of financial institutions in which the County deposits funds, the types of investment instruments and the percentage of the portfolio which may be invested in certain instruments, as permitted by Section 53600 et seq. of the Government Code of the State of California. Authorized instruments in which the Treasurer can invest include debts issued by the County, US Treasury securities, banker's acceptances, federal, state and local government securities, commercial paper, medium-term corporate notes, negotiable certificates of deposit, local agency investment fund, money market funds, mutual funds, and mortgage-backed securities. Information regarding the characteristics of the entire investment pool can be found in the County's comprehensive annual financial report. A copy of that report may be obtained by contacting the County's Auditor-Controller Agency, 1221 Oak Street, Room 220, Oakland, CA 94612.

b) Investments with Fiscal Agents

As of June 30, 2023, investments with these fiscal agents consisted of the following:

<u>Investment Type</u>	<u>Credit Rating</u> <u>S & P's/Moody's Fair Value</u>	
Wells Fargo Money Market	A-1/P-1	\$ 8,349
Wells Fargo CD	A+/Aa1	<u>2,180,571</u>
Total		<u>\$ 2,188,920</u>

ALAMEDA COUNTY REDEVELOPMENT SUCCESSOR AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2: CASH AND INVESTMENTS - Continued

Interest Rate Risk

The investment policy under the bond indenture limits the investment maturity on or before the dates on which such deposit is anticipated to be needed for disbursement. The deposit in the Debt Services Fund shall be invested with a term not greater than the final maturity date on the Bonds.

Credit Risk

The Successor Agency's investment policy under the bond indenture limits the investment to the safest types of securities, by prequalifying financial institutions and by establishing monitoring procedures.

Concentration of Credit Risk

The investment policy under the bond indenture places no limit on the amount of funds that may be invested in any one insurer.

NOTE 3: LONG TERM OBLIGATIONS

The Changes in the Successor Agency's long-term obligation during the year consisted of the following:

	<u>Balance</u> <u>July 01, 2022</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Due Within</u> <u>One Year</u>
Tax Allocation Bonds -					
Series 2006A	\$ 22,410,000	\$ -	\$ 1,085,000	\$ 21,325,000	\$ 1,130,000
Bond Premium	168,763	-	12,425	156,338	12,425
Compensated Absences	<u>21,353</u>	<u>-</u>	<u>7,914</u>	<u>13,439</u>	<u>-</u>
Total Long term Obligation					
Net of Premium	<u>\$ 22,600,116</u>	<u>\$ -</u>	<u>\$ 1,105,339</u>	<u>\$ 21,494,777</u>	<u>\$ 1,142,425</u>

ALAMEDA COUNTY REDEVELOPMENT SUCCESSOR AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3: LONG TERM OBLIGATIONS(CONT'D)

Tax allocation bonds

Bond payable of the Successor Agency as of June 30, 2023 consisted of the following:

				Amount of	Amount Outstanding
	Date of		Maturity	Original	<u>June 30,</u>
<u>Type of Indebtedness</u>	<u>Issuance</u>	<u>Interest Rate</u>	<u>Date</u>	<u>Issue</u>	<u>2023</u>
Tax Allocation bonds-					
Series 2006A	02/02/2006	4.00% -5.00%	08/01/2036	\$34,735,000	\$21,325,000
Total				\$34,735,000	\$21,325,000

On February 2, 2006 the former Redevelopment Agency issued \$34,735,000 in tax allocation bonds, series 2006A to finance redevelopment eligible activities in Castro Valley, Cherryland and San Lorenzo project areas. Interest on the bonds varies from 4.00 to 5.00 percent and is payable twice a year, August 1 and February 1 while Principal on the bonds is payable on August 1st every year. Total principal and interest remaining on the bonds is \$28.84 million, with the final payment due on August 1, 2036.

The tax allocation bonds are secured and to be serviced from tax increment revenues of the Project Area. All project tax increment revenue except dedicated housing tax increment allocation is the security for the bonds. These revenues have been pledged until the year 2036. Pursuant to California Assembly Bill AB X1 26, as of February 1, 2012, the responsibility for the payment of this debt was transferred to the Successor Agency which will request the funds through Recognized Obligation Payment Schedule from the Redevelopment Property Tax Trust Fund (RPTTF). During the year ended June 30, 2023, funds received from RPTTF were \$4.0 million.

ALAMEDA COUNTY REDEVELOPMENT SUCCESSOR AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3: LONG TERM OBLIGATIONS (CONT'D)

The annual debt service requirements to maturity for the tax allocation payments, are as follows:

<u>30-Jun-23</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	1,130,000	970,363	2,100,363
2025	1,180,000	921,275	2,101,275
2026	1,230,000	870,063	2,100,063
2027-2031	6,995,000	3,487,369	10,482,369
2032-2036	8,765,000	1,644,875	10,409,875
2037	2,025,000	50,625	2,075,625
	<u>21,325,000</u>	<u>7,944,569</u>	<u>29,269,569</u>

NOTE 4: FINDING OF COMPLETION

H&S Code section 34179.7 provides that DOF will issue a finding of completion to a successor agency that makes required payments of available cash assets for distribution to taxing entities. On April 26, 2013, the Successor Agency, after making its required payments, received its Finding of Completion from DOF.

NOTE 5: LONG-RANGE PROPERTY MANAGEMENT PLAN (LRPMP)

H&S Code section 34191.5(b) requires a successor agency to prepare and submit for approval LRPMP within six months of receiving a finding of completion. On July 2, 2014 the DOF approved the revised Long-Range Property Management Plan. The Plan sets forth the disposition of the Successor Agency properties.

NOTE 6: SUBSEQUENT EVENTS

Management has reviewed its financial statements and evaluated subsequent events for the period of time from its year ended June 30, 2023 through March 11, 2024, the date the financial statements were issued. Management is not aware of any subsequent events that would require recognition or disclosure in the accompanying financial statements other than what is disclosed.

**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***

The Members of the Governing Board of the Alameda
County Redevelopment Successor Agency Hayward,
California

I 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, the statements of fiduciary net positions of the Alameda County Redevelopment Successor Agency (the Successor Agency), a component unit of the County of Alameda (the County) as of and for the year ended June 30, 2023, and the related statement of changes in fiduciary net positions for the year then ended, and the related notes to the financial statements, which collectively comprise the Successor Agency's basic financial statements, and have issued my report thereon dated March 11, 2024.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Successor Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Successor Agency's internal control. Accordingly, I do not express an opinion on the effectiveness of the Successor Agency'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.

my 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**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***

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Successor Agency's financial statements are free from material misstatement, I 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my 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 my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Successor Agency'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 Successor Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Grant & Smith, LLP

Oakland, California
March 11, 2024