



Memorandum

TO: TRANSPORTATION AND ENVIRONMENT COMMITTEE

FROM: Julia H. Cooper

SUBJECT: SEE BELOW

DATE: November 19, 2021

Approved

Date

11/24/21

SUBJECT: SAN JOSE CLEAN ENERGY FY 2020-2021 FINANCIAL STATEMENTS, FY 2019-2020 INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES AND FY 2020-2021 INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

RECOMMENDATION

Accept the San José Clean Energy Fiscal Year 2020-2021 Independent Auditor's Report, Financial Statements, and Required Supplementary Information for the Year Ended June 30, 2021; Fiscal Year 2019-2020 Independent Accountant's Report on Applying Agreed-Upon Procedures; and Fiscal Year 2020-2021 Independent Accountant's Report on Applying Agreed-Upon Procedures.

OUTCOME

To provide relevant financial information to the Transportation & Environment Committee and ultimately the City Council and other interested parties regarding San José Clean Energy for the Year Ended June 30, 2021; to report on San José Clean Energy compliance with its Risk Management Regulations, internal controls and department procedures for the Fiscal Years 2019-2020 and 2020-2021; and to provide additional resources for ongoing financial information on San José Clean Energy.

BACKGROUND

As part of the City of San José ("City") oversight of the City's Community Energy Department (also known as San José Clean Energy, "SJCE"), the City prepares annual financial statements audited by an independent auditor, who is retained by the City Council and works under the direction of the City Auditor. The City also engaged the independent auditor to perform Agreed-

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Upon Procedures (“AUP”), reviewing SJCE compliance with its Risk Management Regulations as effected October 3, 2019. The City engaged Macias, Gini & O’Connell, LLP (“MGO”), a firm of Certified Public Accountants licensed to practice in the State of California who performs the City-wide annual independent audit, as its independent auditor for these SJCE activities.

ANALYSIS

This memorandum transmits the San José Clean Energy Fiscal Year 2020-2021 Independent Auditor’s Report, Financial Statements, and Required Supplementary Information for the Year Ended June 30, 2021; Fiscal Year 2019-2020 Independent Accountant’s Report on Applying Agreed-Upon Procedures; and Fiscal Year 2020-2021 Independent Accountant’s Report on Applying Agreed-Upon Procedures.

Additional resources for current financial information on San José Clean Energy are available. San José Clean Energy unaudited financial statements are posted quarterly at <https://sanjosecleanenergy.org/resources/>.

Unaudited, budget vs. actual revenues and expenditures for the Community Energy Department are posted bi-monthly, in even-numbered months, at <https://www.sanjoseca.gov/your-government/departments-offices/office-of-the-city-manager/budget/budget-documents/2020-2021-budget-documents/budget-monitoring>. These Bi-Monthly Financial Reports are included on the Public Safety, Finance and Strategic Support Committee Agenda each October, December, April and June. The Budget Office also prepares a detailed Mid-Year Budget Review Report which covers the period July – December and is presented at a City Council meeting each February. Finally, the Budget Office prepares the Annual Report which provides a comparison of actual revenue collections and expenditures to projections and appropriations included in the City’s budget. This report is presented to City Council each October along with associated budget adjustments.

CONCLUSION

Accept the San José Clean Energy Fiscal Year 2020-2021 Independent Auditor’s Report, Financial Statements, and Required Supplementary Information for the Year Ended June 30, 2021; Fiscal Year 2019-2020 Independent Accountant’s Report on Applying Agreed-Upon Procedures; and Fiscal Year 2020-2021 Independent Accountant’s Report on Applying Agreed-Upon Procedures

EVALUATION AND FOLLOW-UP

There is no evaluation or follow-up needed.

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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 and attachments will be posted on the City website for the December 6, 2021 Transportation & Environment Committee agenda.

COORDINATION

No coordination was required for this memorandum.

COMMISSION RECOMMENDATION/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.

/s/
JULIA H. COOPER
Director of Finance

For questions, please contact Luz Cofresi-Howe, at luz.cofresi-howe@sanjoseca.gov or (408) 535-7041.

Attachment A: San José Clean Energy FY 2020-2021 Independent Auditor's Report, Financial Statements, and Required Supplementary Information for the Year Ended June 30, 2021
Attachment B: FY 2019-2020 Independent Accountant's Report on Applying Agreed-Upon Procedures
Attachment C: FY 2020-2021 Independent Accountant's Report on Applying Agreed-Upon Procedures