



**TOWN OF LOS GATOS  
FINANCE COMMISSION REPORT**

MEETING DATE: 03/08/2021

ITEM NO: 2

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DATE: February 24, 2021  
TO: Finance Commission  
FROM: Laurel Prevetti, Town Manager  
SUBJECT: Receive the State Controller Financial Transactions Report Submittal for 2020

**RECOMMENDATION:**

Receive the State Controller Financial Transactions Report submittal for 2020

**BACKGROUND:**

With the passage of Measure A, the Finance Commission has be tasked with several mandated duties as described in the provisions of the adopted Ordinance. Section 2.50.225. – Duties states that:

(a) The Finance Commission shall:

- (4) Review the Director of Finance's summary of the Town's financial report required by section 53891 of the California Government Code and prepared in accordance with section 2.50.010(c) of the Town Code. and provide written comments and recommendations to the Director of Finance prior to the publishing of the summary of the report.

*California Government Code* section 53891 requires financial transactions of each local agency to be submitted to the State Controller's Office (SCO) within seven months after the close of the fiscal year (February 1<sup>st</sup>). This State mandated report is referred to as the Cities "Financial Transactions Report" (FTR).

The FTR must contain underlying data from audited financial statements prepared in accordance with generally accepted accounting principles. The purpose of the FTR is to provide

**PREPARED BY:** Stephen Conway CPA  
Director of Finance

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Reviewed by: Town Manager and Town Attorney

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SUBJECT: Receive State Controller 2020 FTR

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BACKGROUND (continued):

financial and statistical data about California cities on as uniform a basis as possible. Following the completion and publication of the Comprehensive Annual Financial Report (CAFR), the underlying financial transactions included therein are translated into the format specified by the SCO and transmitted by the statutory annual deadline.

DISCUSSION:

Given that the Finance Commission held its first inaugural meeting on February 8, 2021, staff was required to submit the 2020 FTR without Finance Commission review for this reporting period (Attachments 1 and 2). In consultation with the Commission Chair, the Commission is being provided the submittal to understand the nature of the report and the data contained within it.

It should be noted that conforming with the language of Measure A may be challenging given that the State Controller has transitioned to online reporting for FTR submittals. Prior to next submittal, staff will seek options which align with the language in Measure A and the realities of the technical reporting requirements.

COORDINATION:

This item was coordinated with the Town Manager and Town Attorney.

FISCAL IMPACT:

None

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:

1. State Controller FTR 2020 Submission
2. FTR Supplement