

TOWN OF LOS GATOS

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING
AGREED-UPON PROCEDURES ON MEASURE G REVENUES
AND EXPENDITURES**

JUNE 30, 2025

* * *



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**TOWN OF LOS GATOS
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING
AGREED-UPON PROCEDURES**

**MEASURE G
JUNE 30, 2025**

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INDEPENDENT ACCOUNTANT'S REPORT

To the City Council and Management of the
Town of Los Gatos
Los Gatos, California

We have performed the procedures enumerated below on the accompanying Schedule of Measure G Revenues, Expenditures and Changes in Fund Balance of the Town of Los Gatos (the Town) for the fiscal year ended June 30, 2025. Town management is responsible for the Schedule of Measure G Revenues, Expenditures and Changes in Fund Balance for the fiscal year ended June 30, 2025.

The Town has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of determining whether Measure G sales taxes were used and accounted for in accordance with specified laws, regulations, and recommendations of the Finance Commission for the fiscal year ended June 30, 2025. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

1. We obtained and reviewed Town Ordinance 2274, Amending Chapter 2.60 of the Town's Municipal Code, "'Transactions and Use Tax' to Extend the One-Eighth Cent Transactions and Use Tax Term for Twenty Years."

Finding: No exceptions were noted as a result of our procedures.

2. We obtained and reviewed Town Ordinance 2314, adding Article 5 to Chapter Two and amending Chapter 25.60.140 of the Town's Municipal Code.

Finding: No exceptions were noted as a result of our procedures.

3. We obtained a schedule of Measure G revenues and expenditures for the fiscal year ended June 30, 2025 and agreed totals reported on the schedule to the Town's audited trial balance.

Finding: No exceptions were noted as a result of our procedures.

4. We compared Measure G revenues reported to monthly sales tax reports from the California Department of Tax and Fee Administration (CDTFA).

Finding: No exceptions were noted as a result of our procedures.



5. We inquired as to whether or not the Finance Commission reviewed and recommended usage of Measure G revenues to the Town Council, to meet the following objectives.
 - a. Maintaining and enhancing neighborhood police patrols and local crime prevention programs;
 - b. Improving traffic flow to reduce congestion;
 - c. Repairing potholes and maintaining the Town's streets, roads, and sidewalks; and
 - d. Maintaining the Town's long-term financial stability.

Finding: No exceptions were noted as a result of our procedures.

6. We inquired as to whether the Town Council received the Finance Commission's recommendation and adopted a Council authorized expenditure plan directing the use of Measure G revenues for the fiscal year ended June 30, 2025.

Finding: No exceptions were noted as a result of our procedures.

7. We selected 15 Measure G expenditures from 27 transactions, which was 63% coverage in terms of dollars, to verify if they were for allowable purposes. We also verified that the 4 administrative fee charges were accurate and appropriate within the measure by vouching those charges to the statement of tax distribution from the California Department of Tax and Fee Administration. Per Measure G Ordinance 2314, eligible expenditures include:
 - a. Maintaining and enhancing neighborhood police patrols and local crime prevention programs;
 - b. Improving traffic flow to reduce congestion;
 - c. Repairing potholes and maintaining the Town's streets, roads, and sidewalks; and
 - d. Maintaining the Town's long-term financial stability.

Finding: No exceptions were noted as a result of our procedures.

8. We agreed amounts held in the General Fund Reserve sub-fund for Measure G to the Measure G sales tax collections for the fiscal year ended June 30, 2025, less any amounts reduced for Town Council authorized uses.

Finding: No exceptions were noted as a result of our procedures.

We were engaged by the Town of Los Gatos to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying Schedule of Measure G Revenues, Expenditures and Changes in Fund Balance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional



procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Town Council and management of the Town and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

C & A LLP

February 13, 2026
Morgan Hill, California

**TOWN OF LOS GATOS
MEASURE G**

**SCHEDULE OF MEASURE G
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

REVENUES

| | |
|-------------------------|---------------------|
| Sales Taxes - Measure G | <u>\$ 1,338,642</u> |
| Total Revenues | <u>1,338,642</u> |

EXPENDITURES

| | |
|--------------------|----------------|
| Public Safety | 652,396 |
| Collection Fees | <u>33,850</u> |
| Total Expenditures | <u>686,246</u> |

**EXCESS (DEFICIENCY) OF REVENUES
OVER EXPENDITURES**

| | |
|---|--------------------------|
| | 652,396 |
| Transfers out to the Appropriated Reserves Fund | <u>(652,396)</u> |
| Change in Fund Balance | - |
| Beginning Fund Balance | <u>590,581</u> |
| Ending Fund Balance | <u><u>\$ 590,581</u></u> |

Note:

The transfer of \$652,396 remained unspent and was assigned for capital projects in the Appropriated Reserves Fund as of June 30, 2025.

**TOWN OF LOS GATOS
MEASURE G**

**NOTES TO SCHEDULE OF MEASURE G
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

1. MEASURE G

Measure G is a 1/8 percent transaction and use tax approved by voters in November 2018 for a twenty-year period. The Town of Los Gatos (Town) received the first taxes in May 2019 which represented sales in March 2019. In November 2020, voters approved a second measure which codified Measure G's objectives:

- a. Maintaining and enhancing neighborhood police patrols and local crime prevention programs;
- b. Improve traffic flow to reduce traffic congestion;
- c. Repairing potholes and maintaining the Town's streets, roads, and sidewalks;
- d. Maintaining the Town's long-term financial stability.

2. COLLECTION FEES

Collection fees are fees imposed by the State for collecting the Measure G sales tax and distributing it to the Town. Cash received by the Town is net of these fees. The Town has elected to record the gross sales taxes as revenue and the collection fees as expenditures.