



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 10/06/2026

ITEM NO: 8

DATE: October 6, 2026
TO: Mayor and Town Council
FROM: Chris Constantin, Town Manager
SUBJECT: **Receive the July 2026 Expenditure and Revenue Reports and Approve the Monthly and Quarterly Reporting Formats**

RECOMMENDATION: Receive the July 2026 Expenditure and Revenue Reports and approve the Monthly Reporting format and Quarterly Reporting Format.

FISCAL IMPACT:

This item has no fiscal impact. These monthly reports are intended to enhance transparency, support monitoring of townwide spending, and ensure timely administrative oversight.

STRATEGIC PRIORITY:

Revenue and expenditure reporting supports the Council's Strategic Priority of Fiscal Stability by ensuring timely monthly review of the Town's finances.

BACKGROUND:

As part of the Town's new ongoing monthly financial reporting process, staff is providing standardized expenditure and revenue reports that present financial activity by fund and expense and revenue category levels.

All the attached reports were presented to the Finance Commission at its September 14, 2026, meeting. In addition, reports by department and by department and category, and historical July reports for the last three years were also provided. The Commission requested that the reports be presented in summary to allow for easy consumption of the information. The reports being presented to Council have been adjusted to include only fund and revenue and expenditure category views by fund for July 2026. This ensures the Council still has a view of

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Reviewed by: Town Manager, Assistant Town Manager, and Town Attorney

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expenses by fund that aligns with how the budget is approved. Adding the by category component allows for a more in-depth view using categories that align with reporting levels that will be included in the proposed and final budget.

Financial reporting is completed two months in arrears to allow the soft close of each accounting period, verification of transactions, and reconciliation of revenue postings. As a result, July 2026 expenditure and revenue reports were presented at the September Finance Commission meeting.

DISCUSSION:

The July 2026 monthly financial reports provide expenditure and revenue information with the following breakdowns:

1. **By Fund**

Shows total expenditures and revenues for each Town fund, allowing for high-level review of fiscal performance across all funding sources.

2. **By Fund and Category**

Provides expenditures and revenues within each fund divided into major categories such as salaries, benefits, contracts, capital, town services, taxes, and other revenue and expense types.

Included in this staff report are monthly and quarterly report formats:

- A. Monthly Reporting Format – Provides high-level analysis by fund type and breaks out percent collected or expended by year. Provides detailed analysis by fund, with a detailed by category analysis for the General Fund and vacancy savings.
- B. Quarterly Reporting – Most detailed analysis by fund, General Fund analysis by category and department. Provides background information on the report and uniqueness of reporting for July. This analysis was provided to the Finance Commission.

CONCLUSION:

The July 2026 reports show total revenues at 1.6% of the revised budget and total expenditures and encumbrances at 15.1%. General Fund revenues are at 1.4%, and General Fund expenditures and encumbrances are at 8.0%. Staff recommends that Council receive the reports and approve the monthly financial-reporting format in Attachment 5 and the quarterly financial-reporting format in Attachment 6 for use beginning with the August 2026 reporting period, with the quarterly format replacing the monthly narrative report for each quarter-ending reporting period (Sep, Dec, Mar).

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ENVIRONMENTAL ASSESSMENT:

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

Attachments:

1. Year-to-Date Budget Report Expense by Fund for July
2. Year-to-Date Budget Report Expense by Fund and Category for July
3. Year-to-Date Budget Report Revenue by Fund for July
4. Year-to-Date Budget Report Revenue by Fund and Category July
5. Monthly Reporting Format – July
6. Quarterly Reporting Format – July