



**TOWN OF LOS GATOS  
FINANCE COMMISSION REPORT**

MEETING DATE: 11/08/2021

ITEM NO: 3

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DATE: November 3, 2021  
TO: Finance Commission  
FROM: Laurel Prevetti, Town Manager  
SUBJECT: Management Discussion and Analysis Review for the Annual Comprehensive Financial Report

**RECOMMENDATION:**

Management Discussion and Analysis (MD&A) review for the Annual Comprehensive Financial Report.

**BACKGROUND:**

With the passage of Measure A, the Finance Commission has been 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:

(3) Review the Town Manager's draft Comprehensive Annual Financial Report (CAFR) for the preceding fiscal year and provide written comments and recommendations to the Town Manager.

(A) The Town Manager shall respond in writing to the Finance Commission providing his or her rationale for accepting or rejecting each of the Finance Commission's comments and recommendations prior to presenting the CAFR to the Town Council for formal consideration.

(B) The Town Manager may not present the CAFR to the Town Council for formal consideration unless or until he or she considers and responds in writing to all of the Finance Commission's comments and recommendations.

**PREPARED BY:** Arn Andrews  
Assistant Town Manager

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Reviewed by: Town Manager and Finance Director

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SUBJECT: MD&A Review

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DISCUSSION:

Prior to the final draft Annual Comprehensive Financial Report (ACFR) being presented to the Finance Commission, staff would appreciate input regarding the composition of the FY 2020 Management Discussion and Analysis (MD&A) (Attachment 1). To help facilitate the Commission's MD&A review, staff is providing the relevant section of GASB 34 (Attachment 2) which established the MD&A section and the Government Financial Officers Association award rating criteria for MD&A (Attachment 3). It is important to note that while management has some latitude in the composition of the MD&A, it is primarily structured through the framework of GASB 34 and the GFOA award criteria.

CONCLUSION:

Staff looks forward to the Commission's MD&A review and input.

Attachments:

1. FY 2020 MD&A
2. GASB 34 MD&A
3. GFOA MD&A Award Criteria