

AUDIT PLAN SUMMARY

Town of Los Gatos

Audit conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS)

FOR THE FISCAL YEAR ENDED

June 30, 2026



Chavan and Associates, LLP
Certified Public Accountants

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Key dates from fieldwork through final reporting

Auditing Standards & Framework



AICPA Statements on Auditing Standards

Professional standards issued by the AICPA governing the conduct of the financial statement audit (SAS 134–142).



GAO / GAGAS (Yellow Book)

Generally Accepted Government Auditing Standards issued by the U.S. Government Accountability Office for engagements involving government funds.



Auditor's Objective

To obtain reasonable assurance that the financial statements are free of material misstatement, whether due to error or fraud.



Reasonable Assurance

A high, but not absolute, level of assurance — audits are designed to detect material, not all, misstatements.



Materiality

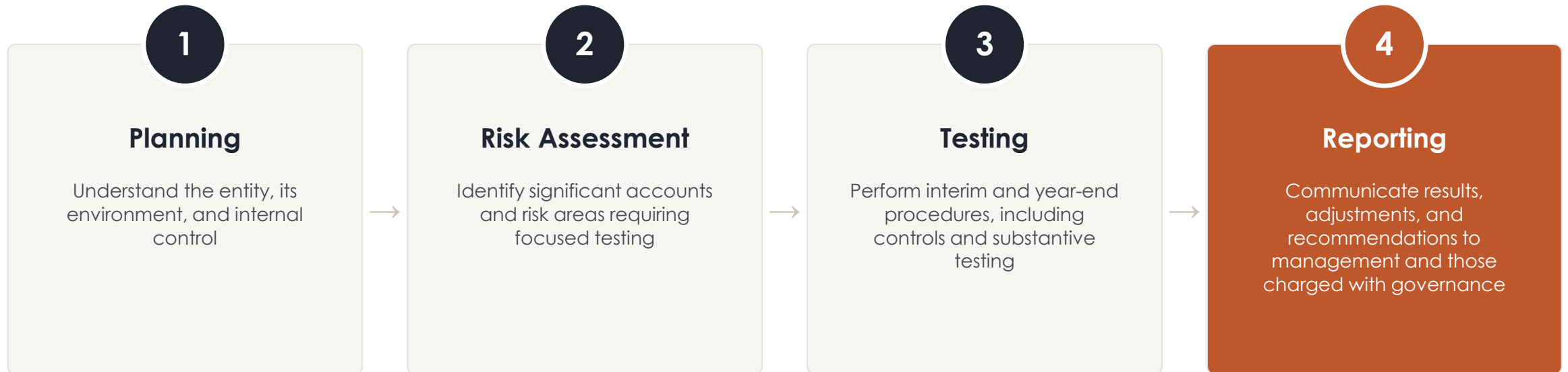
The threshold at which a misstatement, individually or in aggregate, could influence the decisions of financial statement users.



Independence

The auditor maintains independence in mind and appearance, consistent with GAGAS and AICPA independence requirements.

Our Risk-Based Audit Approach



Interim testing focuses on internal controls; year-end testing emphasizes account balances, disclosures, and compliance.

Significant Areas & Risk Areas — Interim

Area	Result	Procedures Performed
Federal Compliance	N/A	Not applicable for the current period.
Cash Receipts	No Exceptions	5 sites and 26 transactions tested.
Payroll & Allocations	No Exceptions	5 employees over 4 pay periods recalculated; onboarding controls and position control tested; 13 key controls tested.
Disbursements & Purchases	Zero Deviations	36 transactions sampled; 13 key controls tested.
Credit Cards	Zero Deviations	5 employees and 15 transactions sampled; 7 key controls tested.
Bid Testing	No Exceptions	3 contracts / projects sampled.
Measure G	Pending	Testing to be completed at year-end.

Significant Areas & Risk Areas — Year-End

1 Journal Entries

2 Cash and Investments

3 Accounts Receivable and Revenue

4 Capital Assets

5 Measure G

6 Fund Balance and Net Position

7 Interfund Transactions

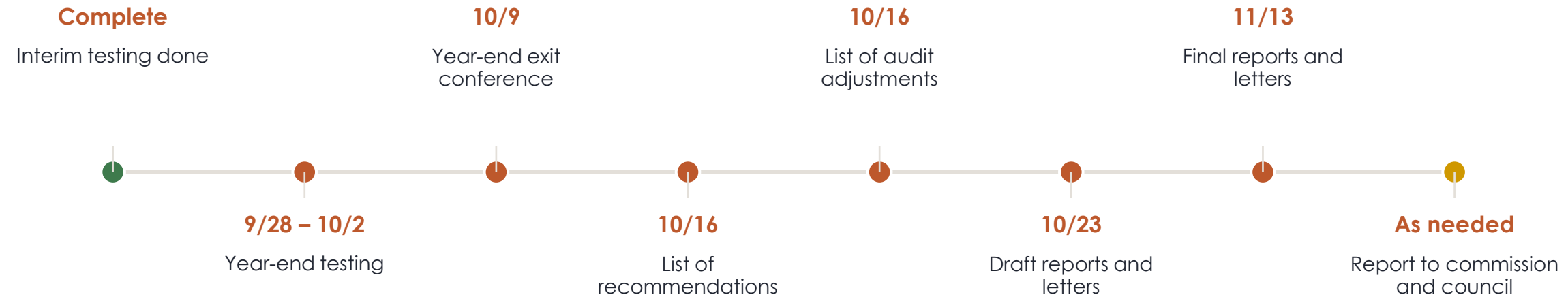
8 Accounts Payable and Expenditures

9 Pensions and OPEB

10 Liabilities

KEY DATES

Audit Timeline



Milestone dates reflect the current audit plan and are subject to change based on fieldwork progress.

THANK YOU

Questions & Discussion

We welcome your questions on the audit plan, scope, or timeline for the fiscal year ended June 30, 2026.



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