



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 12/20/2022

ITEM NO: 7

DESK ITEM

DATE: December 20, 2022

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Annual Comprehensive Financial Report (ACFR):

- Receive the Annual Comprehensive Financial Report (ACFR) for the Fiscal Year Ended June 30, 2022, and
- Adopt a Resolution Confirming June 30, 2022 Fund Balances in Accordance Fiscal Year 2021/22 Final Audit and Town Council General Fund Reserve Policy

REMARKS:

Attachment 5 contains public comment received after 11:00 a.m. on Monday December 19, 2022.

In addition, a Councilmember inquired if the Finance Commission meeting held on December 12, 2022 provided Commissioners and the public ample opportunities to discuss the Annual Comprehensive Financial Report (ACFR). Following is the chronology of the Commission meeting:

3 mins 10 secs – Liaison Andrews introduces the item and states “similar to last year what we’ll do is we’ll listen to the proceedings, we’ll listen to the Q&A, and we will then document to the best of our ability the conversation as it transpired. We will then come back to you on Thursday showing kinda the recap of the meeting. And then if there are any additional comments on Thursday, we will capture those and both of these meetings will then be represented in the staff report that goes to Council on the 20th when they see the ACFR for the first time.”

3 mins 47 secs – The Town’s auditor Sheldon Chavan provides a presentation of the audit. The presentation concludes with the following audit results slide:

- No Exceptions in Audit Opinions
- No Material Weaknesses

PREPARED BY: Gitta Ungvari
Finance Director

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

- No Disagreements with Management
- No Significant Passed on Adjustments

14 mins 32 sec to 17 mins 17 secs – The Town’s auditor responds to questions from the Commission. No further questions are directed to the auditor.

17 mins 34 secs to 20 mins 23 secs – Town staff and the auditor respond to Commission questions. No further questions of staff or the auditor.

20 mins 26 secs - Chair Dickel opens public comment. No public comments received.

20 mins 58 secs to 30 mins 21 secs - Staff provides an assessment of important ACFR elements. Additional Q&A between the Commission and staff.

30 mins 27 secs to 43 mins 39 secs – Chair Dickel asks staff to respond to written public comments. Staff provided verbal responses to written public comments and additional Commission questions.

43 mins 56 secs – Liaison Andrews provides a recap of Commission recommendations to ensure all Commission items are addressed.

46 mins 01 secs – Staff confirms they will continue to accept Commissioner questions up until the day of the meeting. (No additional Commissioner questions received to date.)

46 mins 25 secs – Chair Dickel states “I do want to say that it is an impressive document overall, with a tremendous amount of information.” The Chair further states “The form of the document is much improved over the form say five years ago, versus the MD&A, pension disclosures and others.”

47 mins 49 secs – Chair Dickel confirms there are no additional Commissioner questions and closes the item.

1 hour 06 mins 52 secs - At the conclusion of the Commission meeting, Chair Dickel confirms that staff has no disagreements with any of the Commission recommendations.

Attachments previously received with the staff report:

1. Draft Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2022.
2. Fund Balance Resolution Establishing June 30, 2022 Fund Balances
3. Independent Auditor Presentation to the Council Finance Commission
4. Public Comment

PAGE 3 OF 3

SUBJECT: Receive 2022 Annual Comprehensive Financial Report

DATE: December 20, 2022

Attachment received with this Desk Item:

5. Public Comment