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April 21, 2017

The Honorable John Moorlach
California State Senate
State Capitol Building, Room 2048
Sacramento, CA 95814

**RE: SB 742 (Moorlach) City Treasurers--GAAP Standards
Notice of SUPPORT**

Dear Senator Moorlach:

On behalf of the League of California Cities, I am pleased to notify you of our support for SB 742, which requires a city treasurer, if the city has issued bonds, to use a system of accounting and auditing that adheres to generally accepted accounting principles (GAAP).

According to our discussions with city officials about this matter in our policy committees, we believe that most cities already maintain their financial records in compliance with GAAP. It is considered a good business practice, promotes transparency and yields improved credit ratings for those cities that issue bonds.

Thank you for updating existing statutes to clarify these best practices. If you have any questions regarding the League's position on this bill, please do not hesitate to contact me at (916) 658-8222.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Carrigg".

Dan Carrigg
Deputy Executive Director/Legislative Director

cc: Chair and Members, Senate Governance and Finance Committee
Catherine Bird, Legislative Director, Office of Senator John Moorlach
Jimmy MacDonald, Consultant, Senate Governance and Finance Committee
Ryan Eisberg, Consultant, Senate Republican Caucus