CITY OF CUPERTINO

ADMINISTRATIVE SERVICES DEPARTMENT

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**CITY COUNCIL INFORMATIONAL MEMORANDUM**

Date: February 27, 2025

To: Cupertino City Council
From: Jonathan Orozco, Finance Manager

Re: Receive the Monthly Treasurer's Report for January 2025

Background

California Government Code Section 41004 states:

> Regularly, at least once each month, the city treasurer shall submit to the city clerk a written report and accounting of all receipts, disbursements, and fund balances. The city treasurer shall file a copy with the legislative body.

The City's Municipal Code Section 2.24.030 Monthly Reports states:

> The Treasurer shall make monthly reports which conform to the requirements of Government Code Section 41004. Said reports shall be delivered to the City Council, the City Manager and made available for review by such other persons who may so request.

The Treasurer's Report (report and accounting of all receipts, disbursements, and fund balances) is made available to City Council in compliance with the aforementioned requirements.

**Cash vs. Accrual Basis Accounting**
Cash basis accounting and accrual basis accounting differ in the way revenues and expenses are recognized and recorded, primarily with regard to their timing.

Under cash basis accounting, revenues are recorded when payment is received, and expenses are recorded when payment is made. This method of accounting recognizes transactions only when cash changes hands. In contrast, accrual basis accounting recognizes revenues when they are earned (but not necessarily received) and expenses when they are incurred (but not necessarily paid). This method of accounting recognizes transactions as they occur, regardless of whether cash has been exchanged.

Receipts, disbursements, and cash balance are measured on a cash basis. The cash balance shows the total cash and investments in the City's accounts. The ending balance is the beginning balance plus receipts minus disbursements. Journal adjustments generally include transactions recorded in other systems and imported into New World, Council-approved budget adjustments, quarterly Cost Allocation Plan (CAP) charges, and quarterly interest earnings.

Revenues, expenditures, and fund balance are measured on an accrual basis. As a result, the amount in fund balance does not mean the City has that much cash on hand. Instead, fund balance is the difference between assets and liabilities. The ending balance is the beginning balance plus revenues minus expenditures.

**Treasurer's Report**
The report provides an update on the City's cash and fund balances for December 2024. The report is as of February 25, 2025.

Note: Beginning balances have been updated to account for any final adjustments made as part of the month-end close that could not be completed before the prior report's preparation. These adjustments were necessary due to time constraints associated with completing the month-end close process and generating the report.

*Receipts, Disbursements, and Cash Balance*
The City's General Fund ending cash and investment balance was $207.1 million, increasing by $11.6 million from the prior month. Receipts were $16.3 million, disbursements were $(5.4) million, and journal adjustments were $676,096 for the month.

The City's total ending cash and investment balance was $311.7 million, increasing by $13.3 million from the prior month. Receipts were $19.4 million, disbursements were $(7.2) million, and journal adjustments were $1.1 million for the month.

Journal adjustments included the following:
- Parks and Recreation transactions imported from Active Network into New World

- Investment and interest earnings
- Worker's Compensation Journals

*Fund Balance/Net Position*
The City's General Fund ending fund balance was $136.8 million, increasing by $10.1 million from the prior month due to revenues of $16.0 million and expenditures of $6.0 million.

The City's total ending fund balance was $236.4 million, increasing by $10.8 million from the prior month due to revenues of $18.9 million and expenditures of $8.0 million.

Sustainability Impact
No sustainability impact.

Fiscal Impact
No fiscal impact.

California Environmental Quality Act
Not applicable.

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Prepared by: ____________________
Jonathan Orozco
Finance Manager

Reviewed by: ____________________
Kristina Alfaro
Director of Administrative Services

Approved for Submission by: ____________________
Pamela Wu
City Manager

Attachments:
A – Report of City-wide Receipts, Disbursements, and Cash Balances January 2025
B – Report of City-wide Fund Balances/Net Position January 2025

## January 2025 Report of City-wide Receipts, Disbursements, and Cash Balances
## Cash and Investments

| Fund Type | Fund Number/Name | Beginning Balance as of December 31, 2024 | Receipts | Disbursements | Journal Adjustments | Ending Balance as of January 31, 2025 |
|---|---|---|---|---|---|---|
| General Fund | 100 General Fund | 195,496,868 | 16,333,521 | (5,429,346) | 676,096 | 207,077,139 |
| General Fund | 130 Investment Fund | 0 | - | - | - | 0 |
| Special Revenue Funds | 210 Storm Drain Improvement | 146,261 | - | - | 428 | 146,689 |
| Special Revenue Funds | 215 Storm Drain AB1600 | 2,129,612 | 18,492 | - | 6,231 | 2,154,335 |
| Special Revenue Funds | 230 Env Mgmt Cln Crk Strm Drain | 230,483 | 832,394 | (54,579) | 674 | 1,008,972 |
| Special Revenue Funds | 260 CDBG | 322,670 | 18,937 | (9,377) | 1,618 | 333,848 |
| Special Revenue Funds | 261 HCD Loan Rehab | 230,372 | - | - | - | 230,372 |
| Special Revenue Funds | 265 BMR Housing | 4,798,359 | 55,668 | (34,546) | 14,039 | 4,833,521 |
| Special Revenue Funds | 270 Transportation Fund | 15,538,766 | 1,263,813 | (565,375) | 45,464 | 16,282,668 |
| Special Revenue Funds | 271 Traffic Impact | 833,612 | 46,630 | - | 2,439 | 882,681 |
| Special Revenue Funds | 280 Park Dedication | 19,576,154 | 609,000 | - | 57,277 | 20,242,431 |
| Special Revenue Funds | 281 Tree Fund | 67,736 | 4,525 | - | 198 | 72,459 |
| Debt Service Funds | 365 Public Facilities Corp | 2,394,350 | - | - | - | 2,394,350 |
| Capital Project Funds | 420 Capital Improvement Fund | 35,263,632 | 21,365 | (234,348) | - | 35,050,649 |
| Capital Project Funds | 427 Stevens Creek Corridor Park | 157,338 | - | - | - | 157,338 |
| Capital Project Funds | 429 Capital Reserve* | 2,637,212 | - | - | - | 2,637,212 |
| Enterprise Funds | 520 Resource Recovery | 5,291,331 | 143,591 | (152,581) | 15,482 | 5,297,823 |
| Enterprise Funds | 560 Blackberry Farm | 987,135 | 3,679 | (65,691) | 51,406 | 976,529 |
| Enterprise Funds | 570 Sports Center | 862,235 | - | (107,132) | 107,279 | 862,383 |
| Enterprise Funds | 580 Recreation Program | 3,166,506 | 9,738 | (90,310) | 76,494 | 3,162,428 |
| Internal Service Funds | 610 Innovation & Technology | 3,301,357 | 979 | (224,740) | 9,659 | 3,087,256 |
| Internal Service Funds | 620 Workers' Compensation | 3,670,296 | - | (7,588) | 5,597 | 3,668,305 |
| Internal Service Funds | 630 Vehicle/Equip Replacement | 1,151,281 | 11,356 | (61,541) | 3,368 | 1,104,465 |
| Internal Service Funds | 641 Compensated Absence/LTD | 699,441 | - | (7,933) | 2,046 | 693,555 |
| Internal Service Funds | 642 Retiree Medical | (531,796) | - | (137,270) | - | (669,066) |
| **Total** | | **$ 298,421,212** | **$ 19,373,690** | **$ (7,182,357)** | **$ 1,075,796** | **$ 311,688,341** |

* For reporting purposes, this fund rolls up/combines with Fund 420

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For more information on funds, please see cupertino.org/fund-structure

## January 2025 Report of City-wide Fund Balances/Net Position

| Fund Type | Fund Number/Name | Beginning Fund Balance as of December 31, 2024 | Revenues | Expenditures | Ending Fund Balance as of January 31, 2025 |
|---|---|---|---|---|---|
| General Fund | 100 General Fund | 126,684,726 | 16,038,231 | 5,955,145 | 136,767,812 |
| General Fund | 130 Investment Fund | 229,425 | - | - | 229,425 |
| Special Revenue Funds | 210 Storm Drain Improvement | 2,123,768 | 428 | - | 2,124,196 |
| Special Revenue Funds | 215 Storm Drain AB1600 | 1,881,419 | 24,723 | - | 1,906,142 |
| Special Revenue Funds | 230 Env Mgmt Cln Crk Strm Drain | 926,715 | 881,046 | 80,048 | 1,727,713 |
| Special Revenue Funds | 260 CDBG | 1,743,050 | 20,029 | 15,670 | 1,747,409 |
| Special Revenue Funds | 261 HCD Loan Rehab | 222,016 | - | - | 222,016 |
| Special Revenue Funds | 265 BMR Housing | 9,555,168 | 69,708 | 43,052 | 9,581,823 |
| Special Revenue Funds | 270 Transportation Fund | 10,761,111 | 633,585 | 635,371 | 10,759,325 |
| Special Revenue Funds | 271 Traffic Impact | 773,723 | 49,069 | - | 822,792 |
| Special Revenue Funds | 280 Park Dedication | 18,792,029 | 666,277 | - | 19,458,306 |
| Special Revenue Funds | 281 Tree Fund | 78,573 | 4,723 | - | 83,296 |
| Debt Service Funds | 365 Public Facilities Corp | 250 | - | - | 250 |
| Capital Project Funds | 420 Capital Improvement Fund | 20,051,835 | 3,230 | 245,153 | 19,809,912 |
| Capital Project Funds | 427 Stevens Creek Corridor Park | 157,343 | - | - | 157,343 |
| Capital Project Funds | 429 Capital Reserve* | 13,744,638 | - | - | 13,744,638 |
| Enterprise Funds | 520 Resource Recovery | 4,552,641 | 159,073 | 228,063 | 4,483,651 |
| Enterprise Funds | 560 Blackberry Farm | 680,628 | 57,950 | 73,980 | 664,599 |
| Enterprise Funds | 570 Sports Center | 1,766,251 | 84,258 | 118,977 | 1,731,532 |
| Enterprise Funds | 580 Recreation Program | 2,872,732 | 131,223 | 109,530 | 2,894,425 |
| Internal Service Funds | 610 Innovation & Technology | 2,382,716 | 9,734 | 286,222 | 2,106,228 |
| Internal Service Funds | 620 Workers' Compensation | 2,365,497 | 10,674 | 14,203 | 2,361,968 |
| Internal Service Funds | 630 Vehicle/Equip Replacement | 2,738,038 | 14,724 | 77,652 | 2,675,110 |
| Internal Service Funds | 641 Compensated Absence/LTD | 558,349 | 2,056 | 7,942 | 552,463 |
| Internal Service Funds | 642 Retiree Medical | (122,868) | - | 137,270 | (260,138) |
| **Total** | | **$ 225,519,771** | **$ 18,860,741** | **$ 8,028,277** | **$ 236,352,235** |

* For reporting purposes, this fund rolls up/combines with Fund 420

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For more information on funds, please see [cupertino.org/fund-structure](cupertino.org/fund-structure)