



ADMINISTRATIVE SERVICES DEPARTMENT

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CITY COUNCIL INFORMATIONAL MEMORANDUM

Date: August 29, 2024

To: Cupertino City Council

From: Jonathan Orozco, Finance Manager

Re: Receive the Monthly Treasurer's Report for July 2024

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 July 2024. The report is as of August 19, 2024.

Receipts, Disbursements, and Cash Balance

The City's General Fund ending cash and investment balance was \$167.1 million, decreasing by \$3.0 million from the prior month. Receipts were \$5.4 million, disbursements were \$(8.4) million, and journal adjustments were \$(102,126) for the month.

The City's total ending cash and investment balance was \$261.1 million, decreasing by \$4.7 million from the prior month. Receipts were \$6.2 million, disbursements were \$(12.1) million, and journal adjustments were \$1.2 million for the month.

Journal adjustments included the following:

- Parks and Recreation transactions imported from Active Network into New World
- Worker's Compensation transactions
- LAIF Transfer
- Returned checks

Fund Balance/Net Position

The City's General Fund ending fund balance was \$135.7 million, decreasing by \$3.1 million from the prior month due to revenues of \$1.1 million and expenditures of \$4.2 million.

The City's total ending fund balance was \$232.8 million, decreasing by \$4.0 million from the prior month due to revenues of \$1.7 million and expenditures of \$5.5 million.

Sustainability Impact

No sustainability impact.

Fiscal Impact

No fiscal impact.

California Environmental Quality Act

Not applicable.

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 July 2024

B – Report of City-wide Fund Balances/Net Position July 2024

July 2024 Report of City-wide Receipts, Disbursements, and Cash Balances
Cash and Investments

Fund Type	Fund Number/Name	Beginning Balance as of June 30, 2024	Receipts	Disbursements	Journal Adjustments	Ending Balance as of July 31, 2024
General Fund	100 General Fund	169,936,255	5,427,511	(8,385,863)	102,126	167,080,029
General Fund	130 Investment Fund	1,157,343	-	-	759,702	1,917,045
Special Revenue Funds	210 Storm Drain Improvement	65,220	-	-	-	65,220
Special Revenue Funds	215 Storm Drain AB1600	1,990,621	-	-	-	1,990,621
Special Revenue Funds	230 Env Mgmt Cln Crk Strm Drain	1,030,291	2,080	(399,763)	-	632,608
Special Revenue Funds	260 CDBG	261,317	1,324	(20,416)	-	242,224
Special Revenue Funds	261 HCD Loan Rehab	222,016	-	-	-	222,016
Special Revenue Funds	265 BMR Housing	4,736,987	50,000	(99,307)	-	4,687,680
Special Revenue Funds	270 Transportation Fund	14,064,253	414,347	(402,393)	-	14,076,207
Special Revenue Funds	271 Traffic Impact	788,242	-	-	-	788,242
Special Revenue Funds	280 Park Dedication	18,516,413	23,449	-	(8,449)	18,531,413
Special Revenue Funds	281 Tree Fund	74,327	2,060	-	-	76,387
Debt Service Funds	365 Public Facilities Corp	250	-	-	-	250
Capital Project Funds	420 Capital Improvement Fund	24,825,389	-	(963,695)	-	23,861,694
Capital Project Funds	427 Stevens Creek Corridor Park	151,394	-	-	-	151,394
Capital Project Funds	429 Capital Reserve*	10,660,339	-	-	-	10,660,339
Enterprise Funds	520 Resource Recovery	5,067,340	214,830	(286,058)	-	4,996,111
Enterprise Funds	560 Blackberry Farm	911,962	2,534	(76,939)	69,517	907,075
Enterprise Funds	570 Sports Center	793,991	-	(133,110)	53,334	714,215
Enterprise Funds	580 Recreation Program	3,325,250	22,035	(388,657)	236,867	3,195,495
Internal Service Funds	610 Innovation & Technology	3,072,308	241	(549,195)	-	2,523,354
Internal Service Funds	620 Workers' Compensation	3,459,127	-	(157,771)	-	3,301,356
Internal Service Funds	630 Vehicle/Equip Replacement	1,673,231	-	(119,718)	-	1,553,513
Internal Service Funds	641 Compensated Absence/LTD	428,165	-	229	-	428,394
Internal Service Funds	642 Retiree Medical	(1,401,947)	-	(118,392)	-	(1,520,339)
Total		\$ 265,810,083	\$ 6,160,410	\$ (12,101,047)	\$ 1,213,097	\$ 261,082,543

* 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

July 2024 Report of City-wide Fund Balances/Net Position

Fund Type	Fund Number/Name	Beginning Fund Balance as of June 30, 2024	Revenues	Expenditures	Ending Fund Balance as of July 31, 2024
General Fund	100 General Fund	138,753,663	1,119,986	4,214,024	135,659,625
General Fund	130 Investment Fund	229,425	-	-	229,425
Special Revenue Funds	210 Storm Drain Improvement	2,123,134	-	-	2,123,134
Special Revenue Funds	215 Storm Drain AB1600	1,884,127	-	-	1,884,127
Special Revenue Funds	230 Env Mgmt Cln Crk Strm Drain	1,560,813	-	226,561	1,334,252
Special Revenue Funds	260 CDBG	1,681,923	142	7,419	1,674,647
Special Revenue Funds	261 HCD Loan Rehab	222,016	-	-	222,016
Special Revenue Funds	265 BMR Housing	9,505,338	-	11,321	9,494,017
Special Revenue Funds	270 Transportation Fund	10,024,411	-	154,243	9,870,169
Special Revenue Funds	271 Traffic Impact	770,107	-	-	770,107
Special Revenue Funds	280 Park Dedication	18,200,452	15,000	2,969	18,212,483
Special Revenue Funds	281 Tree Fund	79,309	2,060	-	81,369
Debt Service Funds	365 Public Facilities Corp	1,750	-	-	1,750
Capital Project Funds	420 Capital Improvement Fund	20,141,729	-	80,214	20,061,515
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	5,027,122	-	143,990	4,883,132
Enterprise Funds	560 Blackberry Farm	717,204	71,356	23,617	764,943
Enterprise Funds	570 Sports Center	1,825,335	64,449	65,763	1,824,021
Enterprise Funds	580 Recreation Program	2,749,895	393,650	98,289	3,045,257
Internal Service Funds	610 Innovation & Technology	2,054,651	-	273,567	1,781,084
Internal Service Funds	620 Workers' Compensation	2,117,621	-	153,273	1,964,348
Internal Service Funds	630 Vehicle/Equip Replacement	2,717,473	-	72,979	2,644,494
Internal Service Funds	641 Compensated Absence/LTD	530,656	8,118	7,889	530,885
Internal Service Funds	642 Retiree Medical	(125,960)	-	-	(125,960)
Total		\$ 236,694,177	\$ 1,674,762	\$ 5,536,118	\$ 232,832,820

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

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