



ADMINISTRATIVE SERVICES DEPARTMENT

CITY HALL
10300 TORRE AVENUE • CUPERTINO, CA 95014-3255
TELEPHONE: (408) 777-3220 • FAX: (408) 777-3109
CUPERTINO.ORG

CITY COUNCIL STAFF REPORT

Meeting: October 17, 2023

Subject

Receive the Monthly Treasurer's Report for September 2023

Recommended Action

Receive the Monthly Treasurer's Report for September 2023

Reasons for Recommendation

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 September 2023. The report is as of October 5, 2023.

Receipts, Disbursements, and Cash Balance

The City's General Fund ending cash and investment balance was \$131.1 million, decreasing by \$2.8 million from the prior month. Receipts were \$6.2 million, disbursements were \$(8.6) million, and journal adjustments were \$(0.4) million for the month.

The City's total ending cash and investment balance was \$234.6 million, decreasing by \$4.0 million from the prior month. Receipts were \$6.6 million, disbursements were \$(10.8) million, and journal adjustments were \$0.3 million for the month.

Journal adjustments included the following:

- Parks and Recreation transactions imported from Active Network into New World
- FY 2024 Quarter 1 Cost Allocation Plan Charges

Fund Balance/Net Position

The City's General Fund ending fund balance was \$101.1 million, decreasing by \$6.5 million from the prior month due to revenues of \$3.4 million and expenditures of \$9.9 million.

The City's total ending fund balance was \$198.1 million, decreasing by \$7.4 million from the prior month due to revenues of \$5.2 million and expenditures of \$12.6 million.

Sustainability Impact

No sustainability impact.

Fiscal Impact

No fiscal impact.

California Environmental Quality Act

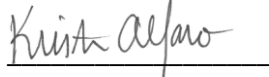
Not applicable.

Prepared by:



Thomas Leung
Budget 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 September 2023

B – Report of City-wide Fund Balances/Net Position September 2023