

FY 2023-24 First Quarter Financial Report

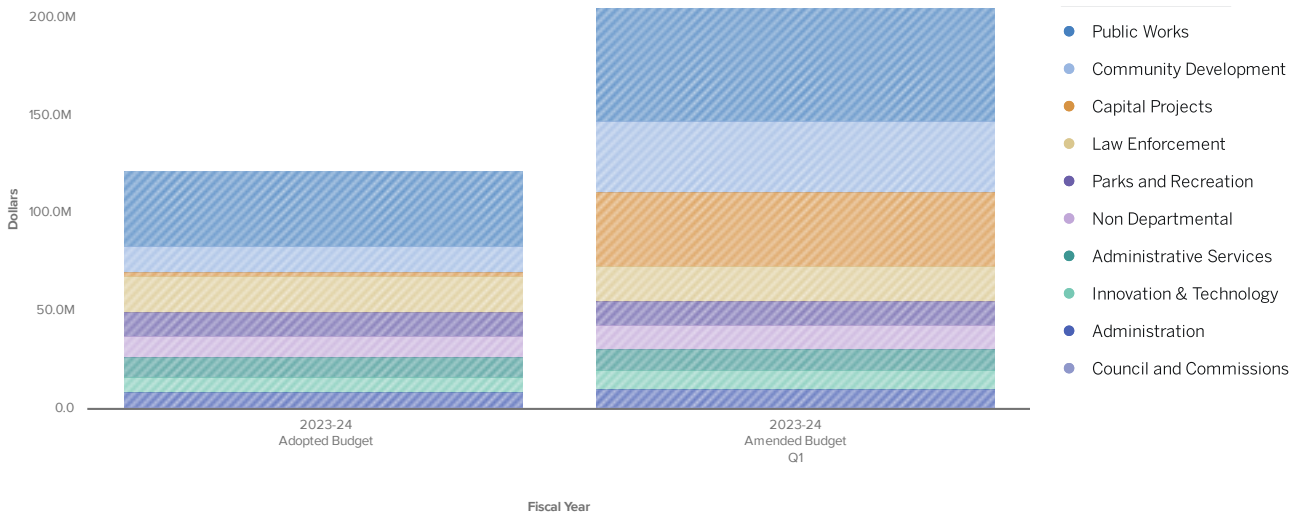
The following is the First Quarter Financial Report, submitted by the Administrative Services Department for the period of July 1, 2023 to September 30, 2023 for Fiscal Year (FY) 2023-24. It has been prepared to inform the City Council, City leadership and the public of the City's fiscal status.

This [Financial Report](#) is interactive. Click on a chart to learn more.

Background

On June 6, 2023, the City Council adopted the Fiscal Year (FY) 2023-24 Adopted Budget, a \$121.8 million spending plan funded by \$110.2 million in revenue and \$11.6 million in fund balance. The FY 2023-24 Adopted Budget reflected a \$4.0 million increase from the FY 2023-24 Proposed Budget, mainly due to the Capital Improvement Program. As a result of budget adjustments, encumbrances, and carryovers, the amended budget at the end of the first quarter is \$204.7 million.

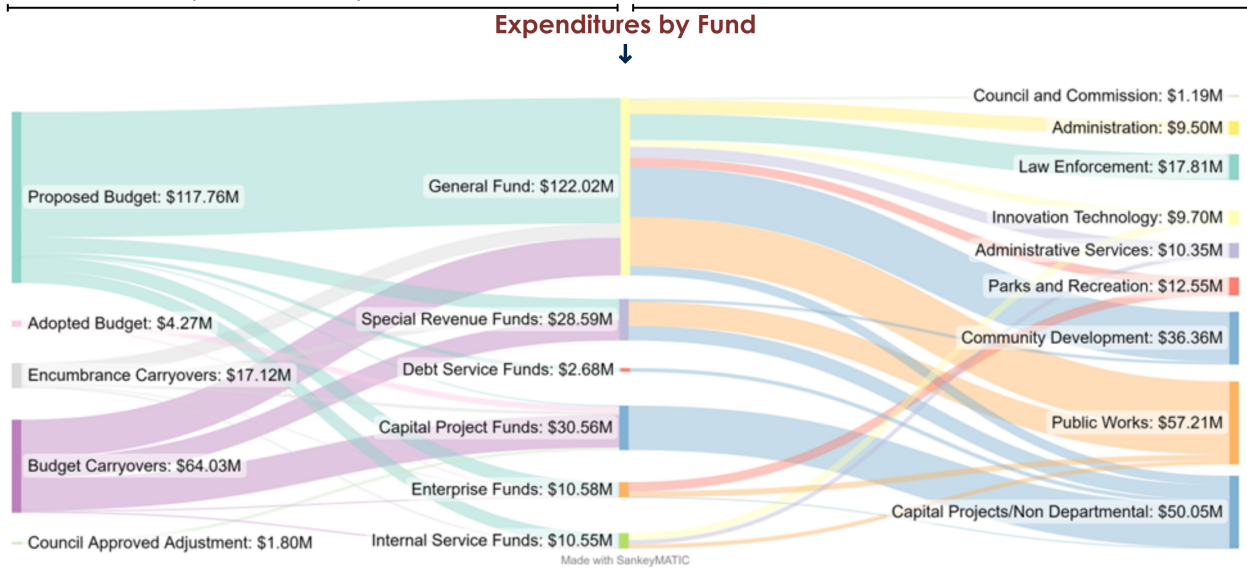
Amended Budget



Flow of Funds Chart (in Millions)

FY 24 Amended Budget
(as of 9/30/23)

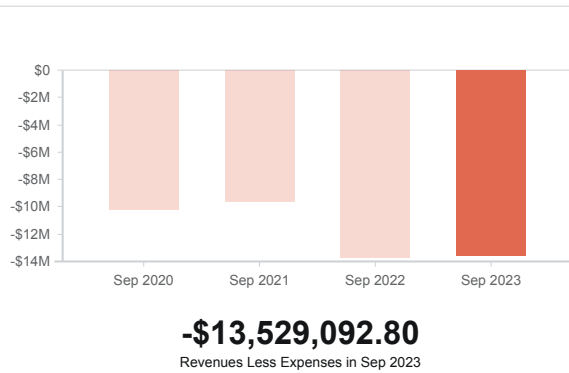
Expenditures By Department



General Fund Revenues, Expenditures, and Fund Balance

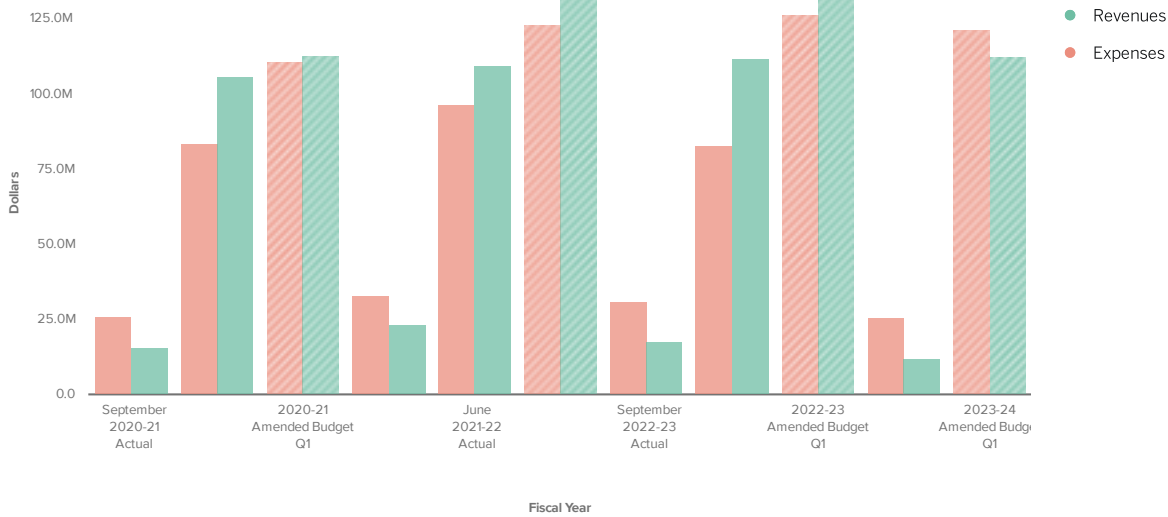
To date the City's financial statement audit has yet to be issued and revenue, expenditure, and fund balance totals listed in this report are preliminary and subject to change after a full review by the City's auditors. City staff does not anticipate many if any changes from the auditors.

General Fund Revenues vs Expenditures First Quarter



General Fund Revenues vs Expenses Year End





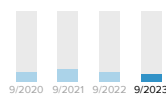
General Fund Revenue and Expenditure Trends

As of September 30, 2023, General Fund revenues are at \$12.1 million, which is 11% of budgeted revenue. Revenues at the first quarter point of the prior three years were between 13% and 18% of budgeted revenues, placing this year slightly below the range. Staff will continue to monitor its leading revenue sources as the year progresses.

General Fund expenditures are \$25.6 million, which is 21% of budgeted appropriations. Expenditures at the first quarter point of the prior three years ranged between 23% and 27% of budgeted appropriations which places current first quarter actuals within the range.

General Fund Revenues - First Quarter vs Budget

Data Updated Nov 14, 2023, 1:05 PM

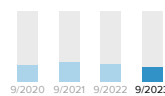


10.74%

In Revenues of \$112,763,401.00 Budgeted through Sep 2023

General Fund Expenses - First Quarter vs Budget

Data Updated Nov 14, 2023, 1:05 PM



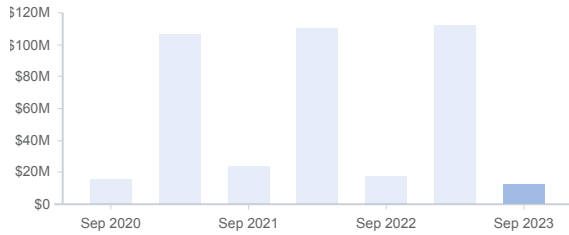
21.06%

In Expenses of \$121,777,754.00 Budgeted through Sep 2023

As of the first quarter, overall revenue is \$12.1 million, which is \$5.5 million, or 31%, lower than the same time last year. This is primarily due to decreases in sales tax, intergovernmental, and transfers in.

As of first quarter, overall expenditures are \$25.6 million, which is \$5.7 million, or 18%, lower than the same time last year. This is primarily due to decreases in transfers as part of an expenditure reduction strategy.

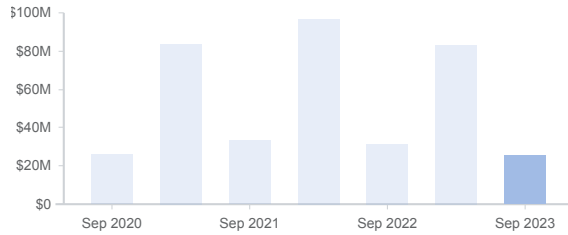
General Fund Revenues - First Quarter vs Year End



\$12,113,167.19

Revenues in Sep 2023

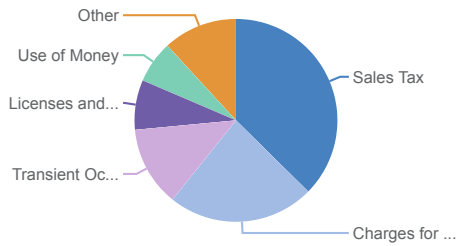
General Fund Expenses - First Quarter vs Year End



\$25,642,259.99

Expenses in Sep 2023

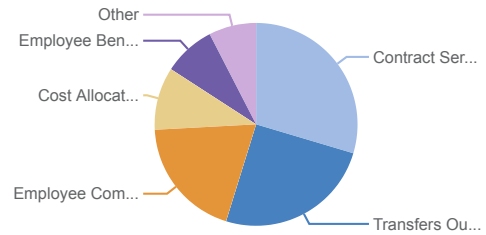
General Fund Revenues by Type



\$12,113,167.19

Revenues in Sep 2023

General Fund Expenses by Type



\$25,642,259.99

Expenses in Sep 2023

General Fund Classification of Fund Balance

The City's General Fund ended FY 2021-22 with \$110.2 million in total fund balance. Staff anticipates the General Fund will end FY 2022-23 with \$139.3 million in fund balance, an increase of \$29.1 million from the prior year due to FY 2022-23 ending with revenues higher than expenditures. As of the first quarter, staff anticipates the General Fund will end FY 2023-24 with \$135.4 million in fund balance.

To date, the City's outside auditors have not completed their review of the City's financials. Revenue, expenditure, and fund balance totals listed in this report are preliminary and subject to change after a full review by the City's auditors. City Staff does not anticipate many, if any, changes from the auditors.

Classification	Actual		Year End		1st Quarter Year	
	2021-22		Projection		Adopted Budget	End Projection
			2022-23		2023-24	2023-24
Non Spendable	\$	0.4	\$	0.4	\$	0.4
Restricted		18.8		18.8		18.8
Committed		34.1		34.1		34.1
Assigned		5.0		5.0		5.0
Unassigned		51.8		80.9		77.0
TOTAL FUND BALANCE	\$	110.2	\$	139.3	\$	135.4

Recommended Adjustments

As of the first quarter, Departments are requesting budget adjustments to ensure they end the year within budget appropriations. The recommended adjustments are summarized in the table below:

Fund	Department	Revenue	Expenditure	Change in Fund Balance	Proposal
GENERAL FUND					
100 General Fund	Administration	222,233	64,405	157,828	CA Volunteer N2N Grant
100 General Fund	Public Works	-	10,858	(10,858)	Unforeseen HVAC Repair
100 General Fund	Public Works	-	14,574	(14,574)	Unforeseen Generator Repair
100 General Fund	Public Works	-	7,882	(7,882)	Unforeseen Breaker Repair
100 General Fund	Public Works	-	14,636	(14,636)	Compressor Repair
100 General Fund	Public Works	-	2,401	(2,401)	Fire Sprinkler Repair
100 General Fund	Public Works	-	2,500	(2,500)	4H Rack Room Building Damage
100 General Fund	Public Works	-	3,631	(3,631)	Ceramic Room A/C Unit Repair
100 General Fund	Public Works	-	8,831	(8,831)	Unforeseen Panel Replacement
100 General Fund	Public Works	-	29,118	(29,118)	IMPEC Additional Janitorial Services
100 General Fund	Innovation & Technology	20,000	20,000	-	Transfer from Resource Recovery Fund for ClimateNav Hub funds
100 General Fund	Innovation & Technology	16,000	16,000	-	Transfer from I&T Fund for Senior Center Access Controls
100 General Fund	Innovation & Technology	60,000	60,000	-	Transfer from I&T Fund for License Plate Readers
100 General Fund	Administration	8,000	8,000	-	Emergency Management Performance Grant
	TOTAL GENERAL FUND	326,233	262,836	63,397	
SPECIAL REVENUE FUNDS					
230 Env Mgmt Cln Crk Strm Drain	Public Works	-	(12,500)	12,500	Defund Permeable Pavement Rebate
270 Transportation Fund	Public Works	467	467	-	Transfer from CIP for Street Sign damage at Wilson Park
	TOTAL SPECIAL REVENUE FUNDS	467	(12,033)	12,500	
CAPITAL PROJECT FUNDS					
420 Capital Improvement Fund	Capital Projects	-	467	(467)	Transfer from CIP for Street Sign damage at Wilson Park
	TOTAL CAPITAL PROJECT FUNDS	-	467	(467)	
ENTERPRISE FUNDS					
560 Blackberry Farm	Public Works	-	77,000	(77,000)	Utilities Adjustment
560 Blackberry Farm	Public Works	-	55,000	(55,000)	Tree Maintenance
	TOTAL ENTERPRISE FUNDS	-	132,000	(132,000)	
INTERNAL SERVICE FUNDS					
610 Innovation & Technology	Innovation & Technology	56,000	56,000	-	Transfer from General Fund for Salaries Part Time
610 Innovation & Technology	Innovation & Technology	45,000	45,000	-	Transfer from General Fund for LaserFiche Subscription
610 Innovation & Technology	Innovation & Technology	2,500	2,500	-	Transfer from General Fund for LaserFiche Conference
610 Innovation & Technology	Innovation & Technology	15,900	15,900	-	Transfer from General Fund for LaserFiche Consultation
610 Innovation & Technology	Innovation & Technology	10,600	10,600	-	Transfer from General Fund for NexSan WORM Device
610 Innovation & Technology	Innovation & Technology	7,684	7,684	-	Transfer from General Fund for Municipal Code Publishing
630 Vehicle/Equip Replacement	Public Works	-	19,187	(19,187)	Install Wood Chipper Safety Shields
	TOTAL INTERNAL SERVICE FUNDS	137,684	156,871	(19,187)	
TOTAL ALL FUNDS \$ 464,384 \$ 540,141 \$ (75,757)					

Summary

The First Quarter Financial Report shows the City is positioned as anticipated. City staff recommends adjustments of \$540,141 in new appropriations, funded by \$464,384 in revenues and \$75,757 in one-time fund balance.

[City of Cupertino, California](#)

Cupertino City Hall
10300 Torre Avenue
Cupertino, CA 95014-3202

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