CITY OF CUPERTINO

FY 2025-26 First Quarter Financial Report

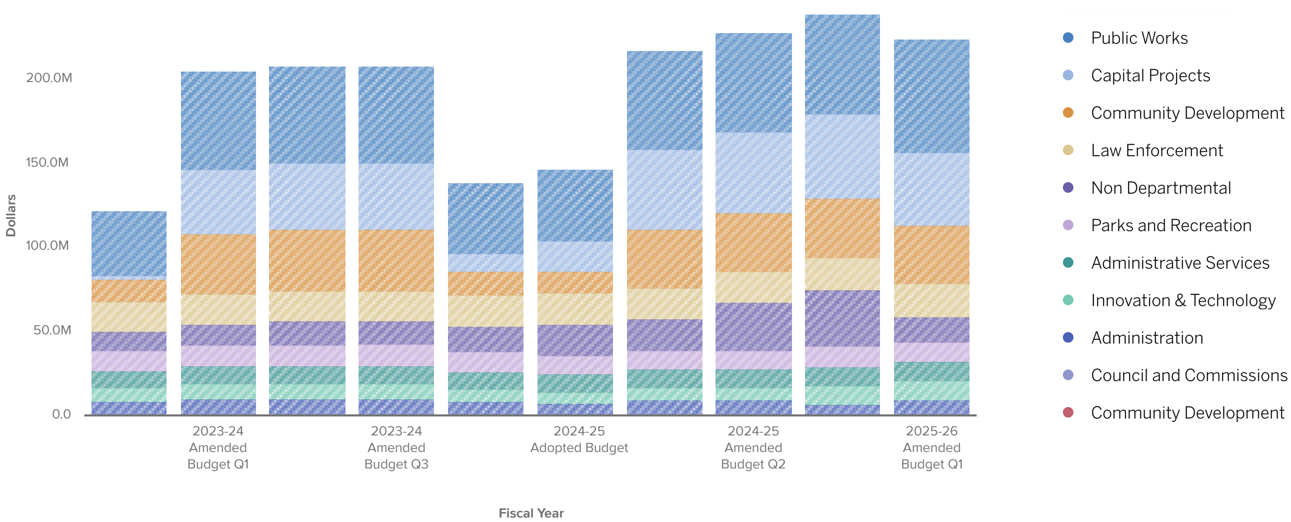
The following is the First Quarter Financial Report, submitted by the Administrative Services Department for the period of July 1, 2025 to September 30, 2025 for Fiscal Year (FY) 2025-26. It has been prepared to inform the City Council, City leadership and the public of the City's fiscal status.

This Financial Report is interactive. Click on a chart to learn more.

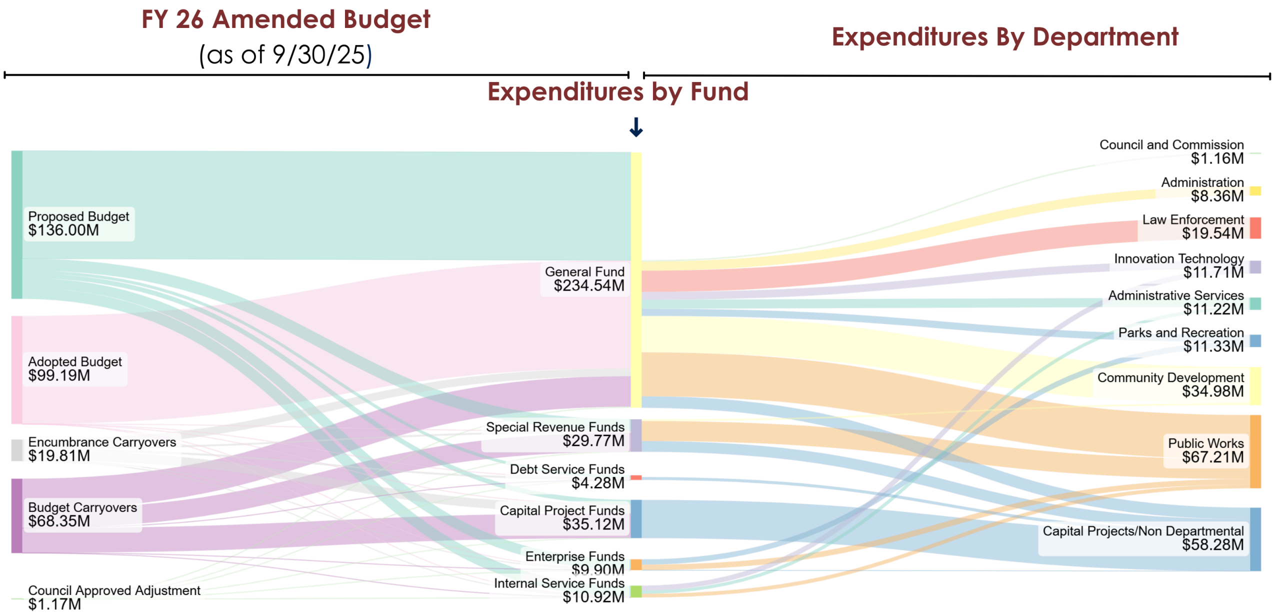
Background

On June 3, 2025, the City Council adopted the FY 2025-26 Adopted Budget, a $136.1 million spending plan funded by $133.7 million in revenue and $2.4 million in fund balance. The adopted budget reflected a $68,966 increase from the Proposed Budget. As a result of these budget adjustments, encumbrances, and carryovers, the amended budget at the end of the first quarter is $223.8 million, funded with $183.2 million in revenue and $40.6 million in fund balance.

Amended Budget



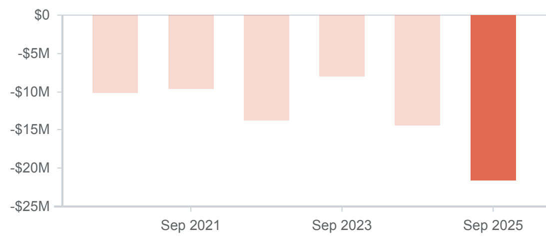
Flow of Funds Chart ($ in Millions)



General Fund Revenues, Expenditures, and Fund Balance

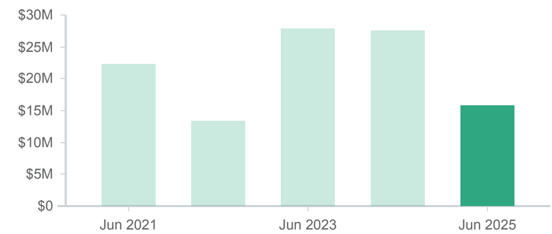
To date the City's financial statement audit has yet to be issued and revenue, expenditure, and fund balance totals listed in this report are preliminary and subject to change after a full review by the City's auditors. City staff does not anticipate many if any changes from the auditors.

General Fund Revenues vs Expenditures First Quarter



-$21,559,787.00
Revenues Less Expenses in Sep 2025

General Fund Revenues vs Expenses Year End



$15,741,940.34
Revenues Less Expenses in Jun 2025

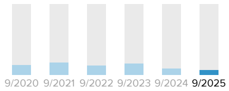
General Fund Revenue and Expenditure Trends

As of September 30, 2025, General Fund revenues are at $9.2 million, which is 7% of budgeted revenue. Revenues at the first quarter point of the prior three years ranged between 9% and 15% of budgeted revenues, placing this year slightly below the range.

General Fund expenditures are $30.8 million, which is 23% of budgeted appropriations. Expenditures at the first quarter point of the prior three years ranged between 21% and 24% of budgeted appropriations which places current first quarter actuals within the range.

General Fund Revenues - First Quarter vs Budget

Data Updated Nov 05, 2025, 11:37 AM

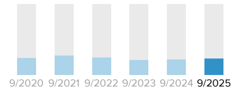


6.85%

In Revenues of **$134,299,115.00** Budgeted through **Sep 2025**

General Fund Expenses - First Quarter vs Budget

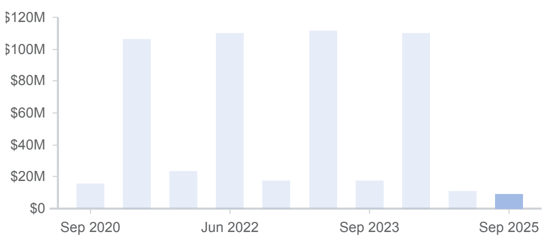
Data Updated Nov 05, 2025, 11:37 AM



22.73%

In Expenses of **$135,337,154.00** Budgeted through **Sep 2025**

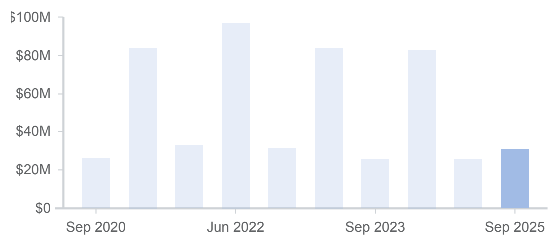
General Fund Revenues - First Quarter vs Year End



$9,198,950.56

Revenues in Sep 2025

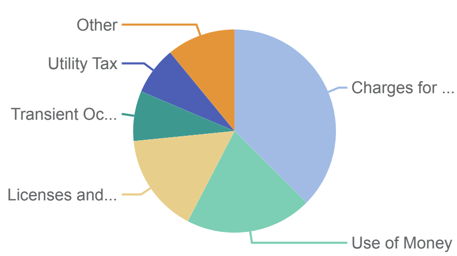
General Fund Expenses - First Quarter vs Year End



$30,758,737.56

Expenses in Sep 2025

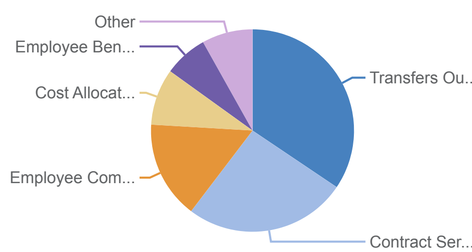
General Fund Revenues by Type



$9,198,950.56

Revenues in Sep 2025

General Fund Expenses by Type



$30,758,737.56

Expenses in Sep 2025

General Fund Classification of Fund Balance

The General Fund's estimated, unaudited ending fund balance for FY 2024-25 is $181.8 million, a 15.7 million increase from FY 2023-24 actuals primarily due to the prior year ending with expenditure savings that outpaced revenue decreases. Expenditure savings were primarily because of salary and contract savings along with increased revenues.

As of first quarter, staff anticipates the General Fund will end FY 2024-25 with $155.0 million in fund balance. It's important to note that the only portion available for use, according to City policy, is unassigned funds. Committed funds are set aside for specific purposes determined by City Council resolution. Restricted funds, such as the Section 115 Pension Trust, are allocated for specific purposes stipulated by external resource providers. Assigned funds are reserved for encumbrances. Of the total fund balance, $42.4 million is unassigned and available to be used.

Approximately $10.7 million of unassigned fund balance is attributed to Vallco Town Center plan check and building inspection revenues that were carried over. These revenues will continue to be carried over each year until the services are rendered, and the revenues are recognized.

Classification	Actual 2023-24	Unaudited 2024-25	Adopted Budget 2025-26	1st Quarter Projection 2025-26
Non Spendable	$ 3.4	$ 1.0	$ 3.5	$ 3.5
Restricted	23.3	25.8	22.1	21.9
Committed	108.6	98.6	87.2	87.2
Assigned	4.7	7.3	-	-
Unassigned	26.0	49.1	43.3	42.4
TOTAL FUND BALANCE	$ 166.1	$ 181.8	$ 156.0	$ 155.0

*Q1 Year-End Projections assume budgeted revenues and expenditures are fully collected and incurred. Fund balances do not consider City Council actions after September 30, 2025.

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	Multiple Departments	(3,405)	(892,702)	889,297	CAP Reallocation
100 General Fund	Community Development	-	30,000	(30,000)	Citation Processing Center - Fees
100 General Fund	Community Development	-	79,000	(79,000)	GF HSG Grant Contracts
100 General Fund	Community Development	269,231	175,000	94,231	Plan Review Services - Toll Brothers
100 General Fund	Innovation & Technology	-	15,000	(15,000)	CRM Software solution
100 General Fund	Innovation & Technology	-	7,000	(7,000)	I&T - Video - Operational Enhancements - Small Tools
100 General Fund	Parks and Recreation	-	140,000	(140,000)	4th of July
100 General Fund	Public Works	-	20,000	(20,000)	Library HVAC VFD Replacement
100 General Fund	Public Works	-	200,000	(200,000)	Traffic Data Collection
100 General Fund	Public Works	-	7,000	(7,000)	Bridge Fencing
100 General Fund	Public Works	-	24,386	(24,386)	Tree Maintenance
	TOTAL GENERAL FUND	**265,826**	**(195,316)**	**461,142**	
SPECIAL REVENUE FUNDS					
230 Env Mgmt Cln Crk Strm	Public Works	-	(55,167)	55,167	CAP Reallocation
270 Transportation Fund	Public Works	-	(131,216)	131,216	CAP Reallocation
270 Transportation Fund	Public Works	-	(425,599)	425,599	PW Defunded CIPs & transfers in and outs
270 Transportation Fund	Public Works	-	40,000	(40,000)	RV Ordinance Signage
	TOTAL SPECIAL REVENUE FUNDS	**-**	**(571,982)**	**571,982**	
CAPITAL IMPROVEMENT FUNDS					
420 Capital Improvement Fund	Public Works	99,632	(42,945)	142,577	PW Defunded CIPs & transfers in and outs
429 Capital Reserve	Public Works	144,684	-	144,684	PW Defunded CIPs & transfers in and outs
	TOTAL CAPITAL IMPROVEMENT FUNDS	**244,316**	**(42,945)**	**287,261**	
ENTERPRISE FUNDS					
570 Sports Center	Public Works	-	(29,689)	29,689	CAP Reallocation
	TOTAL ENTERPRISE FUNDS	**-**	**(29,689)**	**29,689**	
INTERNAL SERVICE FUNDS					
610 Innovation & Technology	Innovation & Technology	-	15,000	(15,000)	Accessibility, Security, and Operational Updates
610 Innovation & Technology	Innovation & Technology	-	131,100	(131,100)	Control Room Project AV Systems Upgrade
610 Innovation & Technology	Innovation & Technology	-	72,500	(72,500)	Control Room Project Tech Refresh - Reimbursement
610 Innovation & Technology	Innovation & Technology	-	25,000	(25,000)	Operational Enhancements
620 Workers' Compensation	Human Resources	(6,514)	-	(6,514)	CAP Reallocation
630 Vehicle/Equip Replacement	Public Works	-	(77,889)	77,889	CAP Reallocation
	TOTAL INTERNAL SERVICE FUNDS	**(6,514)**	**165,711**	**(172,225)**	
	TOTAL ALL FUNDS	**$ 503,628**	**$ (674,221)**	**$ 1,177,849**	

Summary

The First Quarter Financial Report shows the City is positioned as anticipated. City staff recommends adjustments of ($674,221) in appropriations, funded by increases in revenue of $503,628 because of transfers in from the General Fund, resulting in an increase of $1,177,849 to unassigned fund balance. The City will continue to monitor its revenue and expenditure trends closely to ensure it remains on track toward achieving its budgetary goals and objectives.

City of Cupertino, California

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