

CITY OF CUPERTINO

FY 2024-25 Mid-Year Financial Report

The Administrative Services Department is pleased to present the Mid-Year Financial Report for Fiscal Year 2024-25, covering the period from July 1, 2024 to December 31, 2024. This report serves as an update on the City's financial standing, providing the City Council, City leadership, and the public with important insights on the City's fiscal status.

The City is committed to providing accurate and timely financial information, and this report reflects its ongoing efforts to maintain transparency and accountability.

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

Background

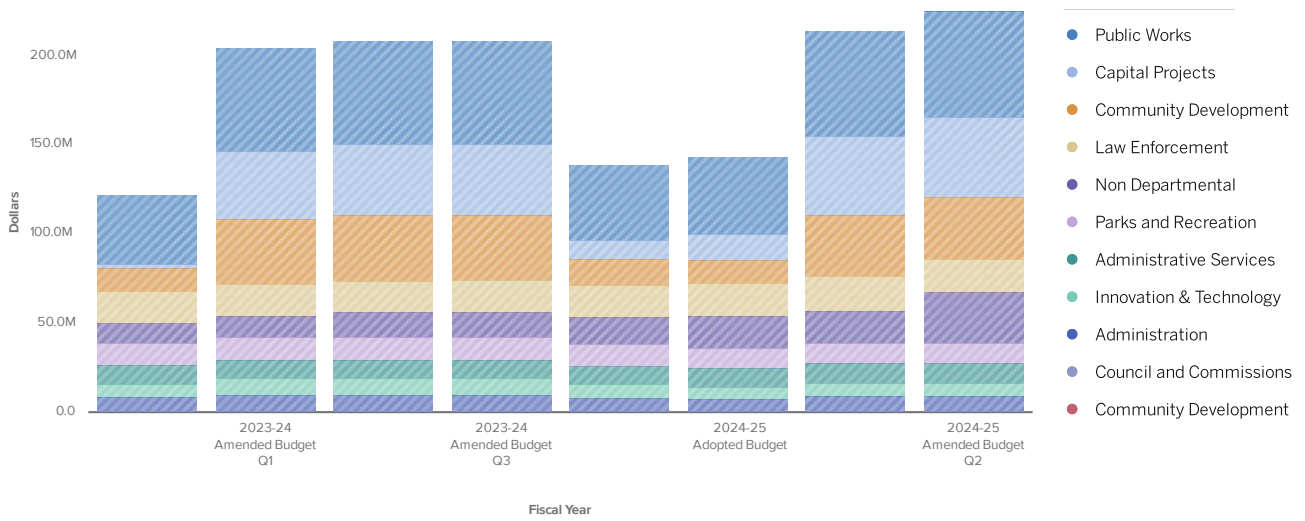
On June 4, 2024, the City Council adopted the FY 2024-25 Adopted Budget, a \$146.6 million spending plan funded by \$139.3 million in revenue and \$7.3 million in fund balance. The adopted budget reflected a \$102,805 increase from the proposed budget.

As described in the City Manager's First Quarter Financial Report, the budget was revised to account for encumbrances and carryover appropriations. As part of the FY 2024-25 year-end close, additional funds were carried forward to FY 2024-25, amounting to \$9.0 million in encumbrances and \$61.1 million in budget carryovers. The largest encumbrances were for General Fund (\$4.8 million), and the largest carryovers were for General Fund (\$24.3 million) and are largely related to The Rise Project.

Furthermore, the FY 2024-25 Amended Budget as of December 31, 2024 includes Council-approved budget adjustments from July 1 to December 31, 2024, for a total of \$227,801,053 across all fund.

The amended budget at the end of mid-year is \$227.8 million, funded with \$175.0 million in revenue and \$52.8 million in fund balance. The amended budget is the adopted budget, plus encumbrances, carryovers, and Council-approved budget adjustments. The reflection of carryovers and encumbrances in the amended budget is a standard practice in municipal budgeting and aligns with the amounts in previous years, which have been approximately \$80 million. Carryovers and encumbrances are appropriations approved in prior years but have not yet been spent and are still required for ongoing projects or obligations.

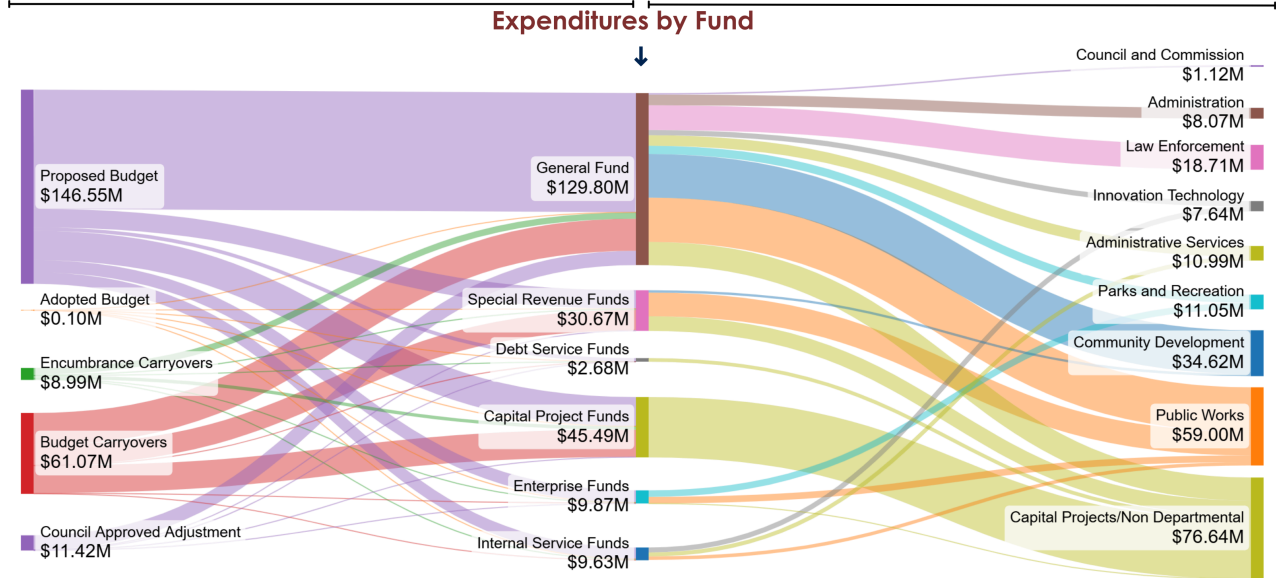
Amended Budget



Flow of Funds Chart (in Millions)

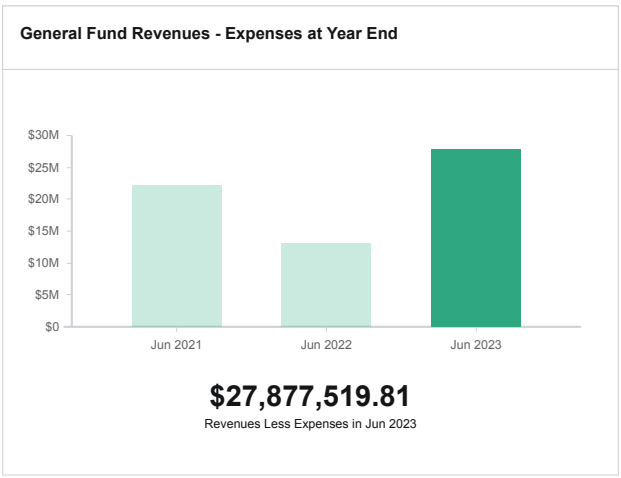
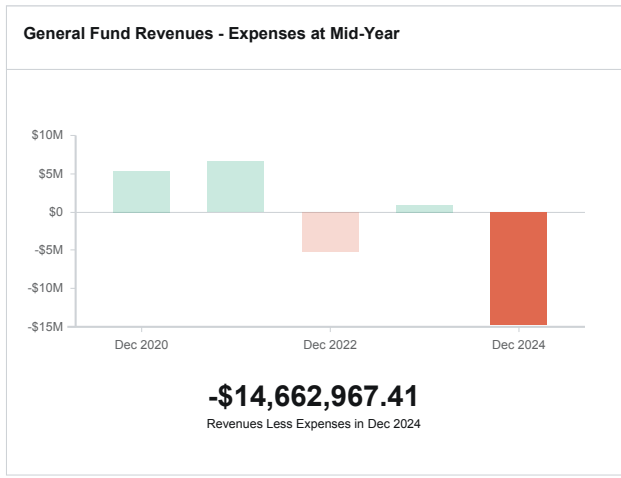
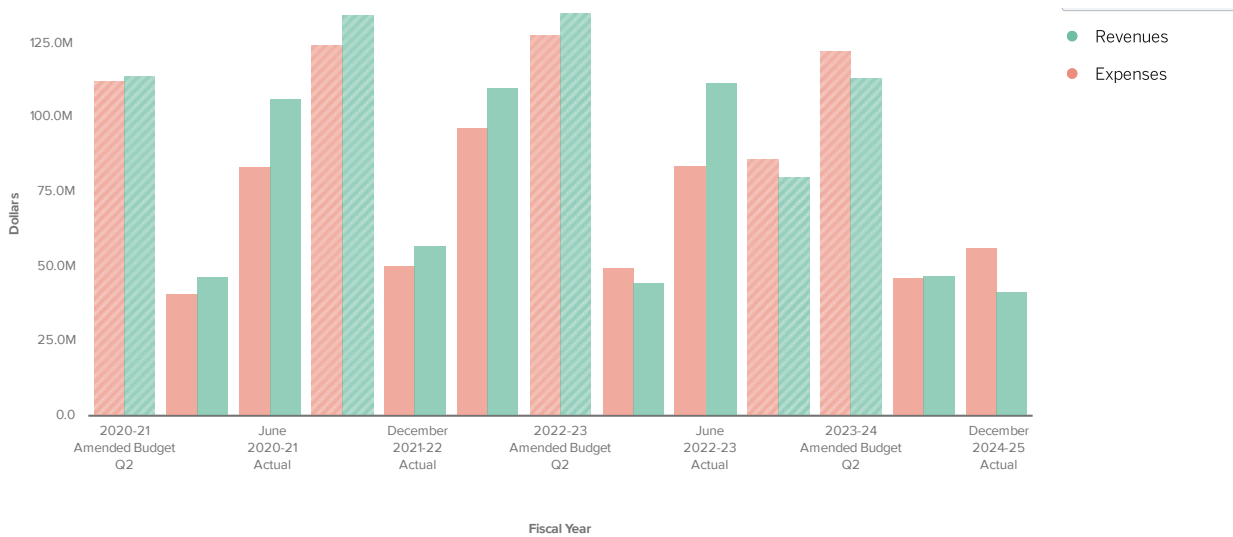
FY 25 Amended Budget
(as of 12/31/24)

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 Revenue and Expenditure Trends

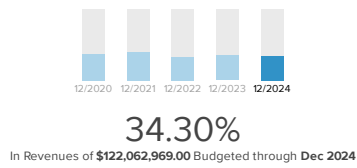
As of December 31, 2024, General Fund revenues have totaled \$41.9 million, representing 34.3% of the budgeted revenue. This is below the mid-year revenue range of the past three years, which was between 35% and 40%. General Fund expenditures have totaled \$56.5 million, which is 43.2% of the budgeted appropriations*. This is below the mid-year expenditure range of the previous three years, which was between

48% and 50% of year-end actual expenditures. To ensure fiscal stability, staff will continue to closely monitor leading revenue sources throughout the year.

*Staff is working with Opengov to resolve the discrepancy in the amended budget amount of \$131,006,154.

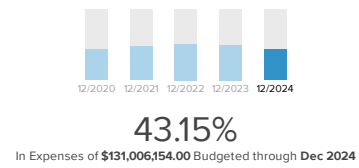
General Fund Revenues - Mid-Year Actuals vs Budget

Data Updated Feb 26, 2025, 11:37 AM



General Fund Expenses - Mid-Year Actuals vs Budget

Data Updated Feb 26, 2025, 11:37 AM



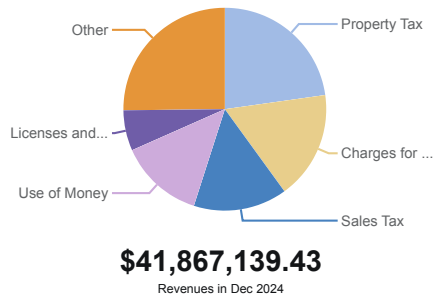
General Fund Revenues - Mid-Year vs Year End Actuals



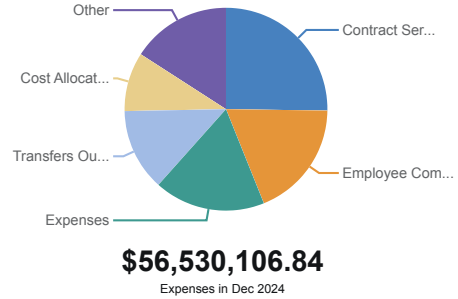
General Fund Expenses - Mid-Year vs Year End Actuals



General Fund Revenues by Type



General Fund Expenses by Type



General Fund Classification of Fund Balance

As of mid-year, staff anticipate the General Fund will end FY 2024-25 with \$152.8 million in fund balance. A decrease of \$13.2 million from the first quarter projection of \$169.8. The decrease is due to the uncommitting of \$10 million dollars for a one-time discretionary payment towards the City's retirement system CalPERS, in addition to changes in the amended budget including adjustments being requested in this report. It's important to note that the only portion available for use, according to City policy, is unassigned funds. Committed funds, such as the Committed for Future Use reserve 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, \$29.1 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 2022-23	Actual 2023-24	Adopted Budget 2024-25	1st Quarter Projection 2024-25	Mid-Year Year End Projection 2024-25
Non Spendable	\$ 0.9	\$ 3.4	\$ 0.4	\$ 4.7	\$ 3.4
Restricted	20.7	23.3	20.7	20.7	20.7
Committed	34.1	108.6	99.0	31.1	98.6
Assigned	9.7	4.7	7.0	7.0	4.7
Unassigned	73.1	26.0	23.6	106.2	25.3
TOTAL FUND BALANCE	\$ 138.6	\$ 166.1	\$ 150.8	\$ 169.8	\$ 152.8

Recommended Adjustments

The City's departments regularly evaluate their budget expenditures throughout the fiscal year to ensure they stay within their budget appropriations. In case of any variance, they can request budget adjustments as necessary as part of the quarterly reports.

The budget adjustment requests are summarized in the table below.

Fund	Department	Revenue	Expenditure	Change in Fund Balance	Proposal
GENERAL FUND					
100 General Fund	Innovation & Technology	-	(31,564)	31,564	I&T - Admin - PT Admin Assistant
100 General Fund	Administrative Services	-	25,000	(25,000)	Recruitment - Assistant City Manager & City Attorney
100 General Fund	Parks & Recreation	13,619	11,188	2,431	Hidden Treasures Proceeds
100 General Fund	Non-Departmental	-	4,101,564	(4,101,564)	Transfer out to meet minimum capital reserve levels per policy, resume annual \$2 million transfer to capital reserve and IT salary savings to Internal Service Funds
100 General Fund	Innovation & Technology	-	(3,481)	3,481	Partial Defund of Redesign of City Website
TOTAL GENERAL FUND		13,619	4,102,707	(4,092,569)	
CAPITAL FUNDS					
429 Capital Reserve	Non-Departmental	4,070,000	-	4,070,000	Transfer in to meet minimum reserve levels per policy & resume annual \$2 million transfer
TOTAL CAPITAL FUND		4,070,000	-	4,070,000	
INTERNAL SERVICE FUNDS					
610 Innovation & Technology	Innovation & Technology	31,564	31,564	-	I&T - Admin - PT Admin Assistant fund by GF Transfer
610 Innovation & Technology	Innovation & Technology	-	(6,079)	6,079	Partial Defund of City Facilities Video Capture
630 Vehicle Equip Replacement	Public Works	-	33,700	(33,700)	Mower Replacement
TOTAL INTERNAL SERVICE FUND		31,564	59,185	(27,621)	
TOTAL ALL FUNDS		\$ 4,115,183	\$ 4,161,892	\$ (50,190)	

Summary

The Mid-Year Financial Report shows the City is positioned as anticipated. City staff recommends adjustments of \$4,161,892 in new appropriations, funded by \$4,115,183 in revenues and \$50,190 in one-time 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

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