CITY OF CUPERTINO

ADMINISTRATIVE SERVICES DEPARTMENT

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CITY COUNCIL STAFF REPORT

Meeting: June 7, 2022

Subject
Consider the Monthly Treasurer's Report for March 2022

Recommended Action
Accept the Monthly Treasurer's Report for March 2022

Discussion
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.

Lastly, the City's Municipal Code Section 2.88.100 Duties-Powers-Responsibilities lists one of the powers and functions of the Audit Committee is "to review the monthly Treasurer's report."

Per the referenced code provisions, a Treasurer's Report (report and accounting of all receipts, disbursements, and fund balances) shall be submitted to the Audit Committee for review and filed with the City Clerk every month.

Cash vs. Accrual Basis Accounting
Cash and accrual basis accounting differ in the timing when revenues and expenses are recognized and recorded. Cash basis accounting recognizes revenues when payment is received and expenses when payment is paid. Accrual basis accounting recognizes

revenues when they are earned (but not necessarily received) and expenses when they are incurred (but not necessarily paid).

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 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 cash and fund balances for the City of Cupertino for March 2022. The report is as of April 21, 2022.

The City's General Fund ending cash and investment balance was $108.9 million, a decrease of $7.3 million from the prior month. Receipts were $7.9 million, disbursements were ($4.6) million, and journal adjustments were ($10.6) million for the month.

The City's General Fund ending fund balance was $97.8 million, decreasing $11.8 million from the prior month due to revenues of $6.1 million and expenditures of $17.9 million.

Sustainability Impact
No sustainability impact.

Fiscal Impact
No fiscal impact.

Prepared by: ____________________
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Reviewed by: Krista Alfaro
Kristina Alfaro
Director of Administrative Services and City Treasurer

Approved for Submission by: ____________________
Dianne Thompson
Assistant City Manager

Attachments:

A – Report of City-wide Receipts, Disbursements, and Cash Balances March 2022

B – Report of City-wide Fund Balances/Net Position March 2022