



## ADMINISTRATIVE SERVICES DEPARTMENT

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### CITY COUNCIL STAFF REPORT

Meeting: February 21, 2023

#### Subject

Consider the Monthly Treasurer's Report for December 2022

#### Recommended Action

Receive the Monthly Treasurer's Report for December 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 and City Council 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 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 December 2022. The report is as of January 18, 2023.

#### *Receipts, Disbursements, and Cash Balance*

The City's General Fund ending cash and investment balance was \$115.0 million, an increase of \$5.4 million from the prior month. Receipts were \$12.2 million, disbursements were \$(6.9) million, and journal adjustments were \$41,618 for the month.

The City's total ending cash and investment balance was \$220.1 million, an increase of \$2.0 million from the prior month. Receipts were \$12.9 million, disbursements were \$(10.7) million, and journal adjustments were \$(0.1) million for the month.

In December 2022, the journal adjustments included the following:

- Parks and Recreation transactions imported from Active Network into New World
- Workers' Compensation transactions
- BNY Mellon debt service payment

#### *Fund Balance/Net Position*

The City's General Fund ending fund balance was \$100.1 million, increasing by \$22,284 from the prior month due to revenues of \$5.7 million and expenditures of \$5.7 million.

The City's total ending fund balance was \$202.4 million, decreasing by \$2.2 million from the prior month due to revenues of \$6.7 million and expenditures of \$8.9 million.

Sustainability Impact

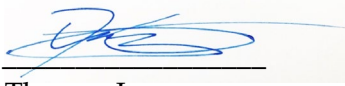
No sustainability impact.

Fiscal Impact

No fiscal impact.

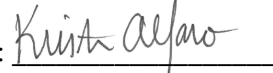
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Approved for Submission by:



Pamela Wu  
City Manager

Attachments:

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

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