

# FY 2022-23 First Quarter Financial Report

The following is the First Quarter Financial Report, submitted by the Administrative Services Department for the period of July 1, 2022 to September 30, 2022 for Fiscal Year (FY) 2022-23. 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.

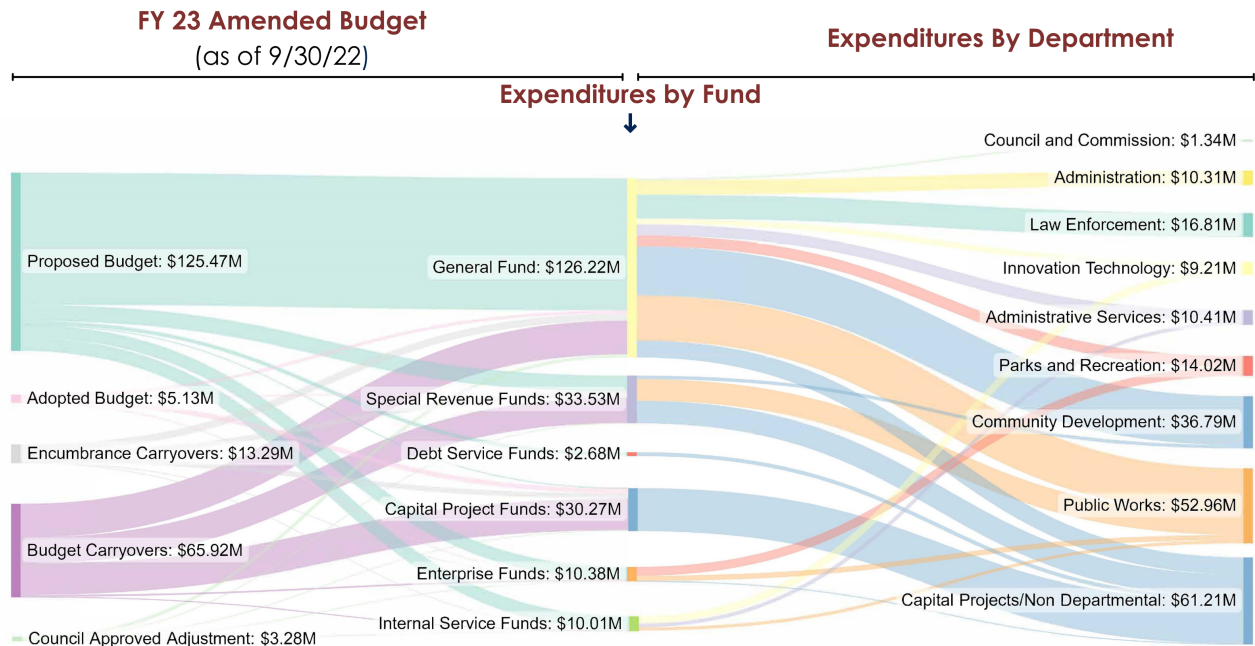
## Background

On June 9, 2022, the City Council adopted the Fiscal Year (FY) 2022-23 Adopted Budget, a \$130,587,325 spending plan funded by \$130,244,157 in revenue and \$343,168 in fund balance. The FY 2022-23 Adopted Budget reflected a \$5.1 million increase from the FY 2022-23 Proposed Budget of \$125,461,857, mainly due to operating changes, City Work Program, and the Capital Improvement Program. First quarter adjustments include carryovers and encumbrances for obligations from the previous fiscal year, as well as Council-approved adjustments. Combined, these adjustments result in the amended operating budget of \$213,074,719.

## Amended Budget



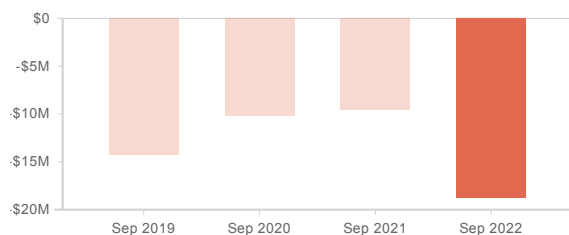
## Flow of Funds Chart (in Millions)



## General Fund Revenues, Expenditures, and Fund Balance

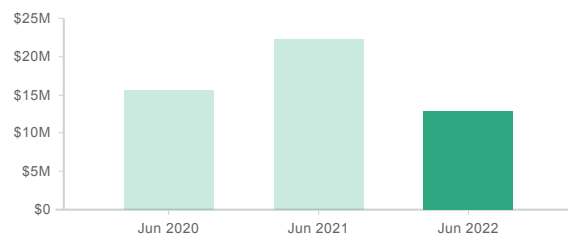
To date the City's financial statement audit has yet to be issued and revenue, expenditure, and fund balance totals listed in this report are preliminary and subject to change after a full review by the City's auditors. City staff does not anticipate many if any changes from the auditors.

**General Fund Revenues vs Expenditures First Quarter**

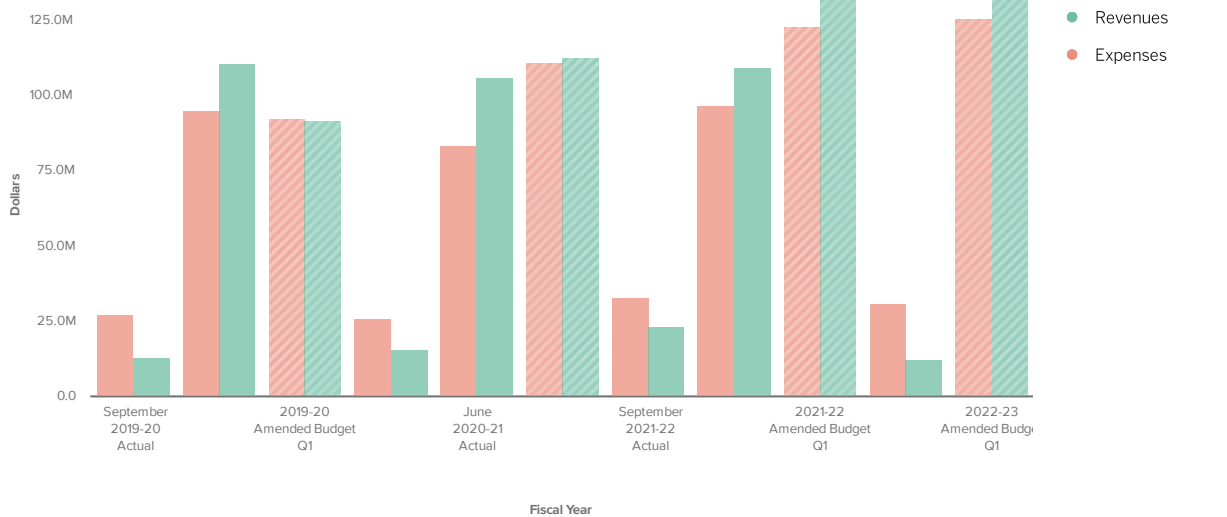


**-\$18,803,366.54**  
Revenues Less Expenses in Sep 2022

**General Fund Revenues vs Expenses Year End**



**\$12,907,502.61**  
Revenues Less Expenses in Jun 2022

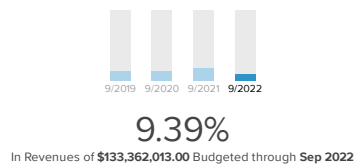


## General Fund Revenue and Expenditure Trends

As of September 30, 2022, General Fund expenditures are \$31.3 million, which is 25% of budgeted appropriations. Expenditures at the first quarter point of the prior three years ranged between 23% and 29% of budgeted appropriations which places current first quarter actuals within the range. General Fund revenues are at \$12.5 million, which is 9% of budgeted revenue. Revenues at the first quarter point of the prior three years were between 14% 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.

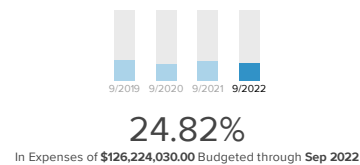
### General Fund Revenues - First Quarter vs Budget

Data Updated yesterday



### General Fund Expenses - First Quarter vs Budget

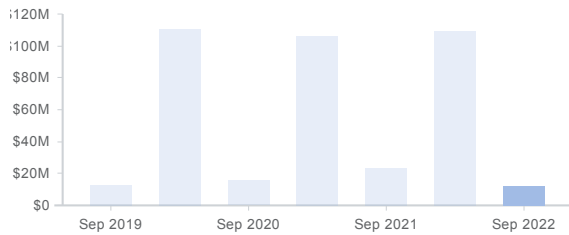
Data Updated yesterday



As of first quarter, overall revenue is tracking at \$12.5 million which is \$11.1 million, or 47%, lower than the same time last year and has been most impacted by changes in sales tax, intergovernmental, and transfers in.

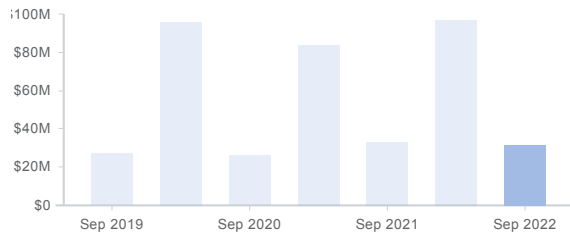
As of first quarter, overall expenditures are tracking at \$31.3 million which is \$1.9 million, or 6%, lower than the same time last year. This is primarily due to decreases in transfers out, which were higher in FY 2021-22 as a result of the American Rescue Plan Act funding strategy approved by City Council.

General Fund Revenues - First Quarter vs Year End



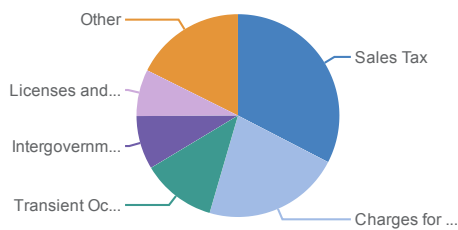
**\$12,526,345.76**  
Revenues in Sep 2022

General Fund Expenses - First Quarter vs Year End



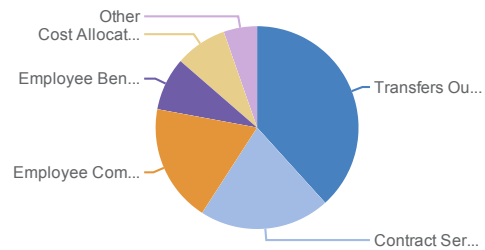
**\$31,329,712.30**  
Expenses in Sep 2022

General Fund Revenues by Type



**\$12,526,345.76**  
Revenues in Sep 2022

General Fund Expenses by Type



**\$31,329,712.30**  
Expenses in Sep 2022

## General Fund Classification of Fund Balance

The City's General Fund ended FY 2020-21 with \$96.9 million in total fund balance. Staff anticipates the General Fund will end FY 2021-22 with \$109.8 million in fund balance, an increase of \$12.9 million from the prior year due to FY 2021-22 ending with revenues higher than expenditures. As of the first quarter, staff anticipates the General Fund will end FY 2022-23 with \$121.6 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.



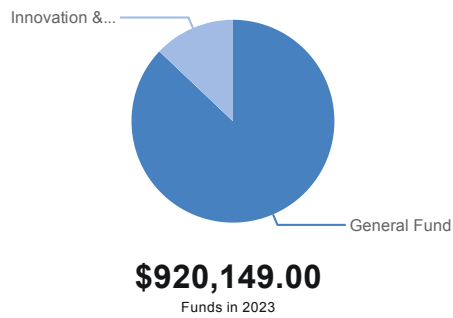
Classification	Actual 2020-21	Year End Projection 2021-22	Adopted Budget 2022-23	1st Quarter Year End Projection 2022-23
Non Spendable	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4
Restricted	19.9	18.8	24.2	18.8
Committed	19.1	34.1	34.1	34.1
Assigned	4.9	5.0	3.0	5.0
Unassigned	52.4	51.4	48.3	63.2
<b>TOTAL FUND BALANCE</b>	<b>\$ 96.9</b>	<b>\$ 109.8</b>	<b>\$ 110.1</b>	<b>\$ 121.6</b>

## Recommended Adjustments

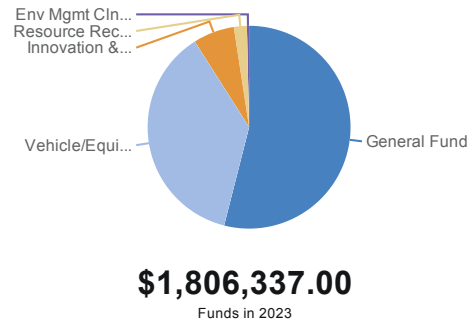
As of the first quarter, Departments are requesting budget adjustments to ensure they end the year within budget appropriations. The recommended adjustments are summarized in the table below:

Fund	Department	Revenue	Expenditure	Change in Fund Balance	Proposal
<b>GENERAL FUNDS</b>					
100 General Fund	Administration	-	9,650	(9,650)	Community Outreach Printing and Mailing
100 General Fund	Administration	-	7,150	(7,150)	Earth and Arbor Day Festival Services
100 General Fund	Administration	-	20,000	(20,000)	Greenhouse Gas Emissions Inventory Update
100 General Fund	Administration	-	30,000	(30,000)	Valley Water Cost Share Program
100 General Fund	Innovation & Technology	12,000	-	12,000	Revenue from Video Production Services
100 General Fund	Innovation & Technology	20,152	-	20,152	Revenue from HCD Grant
100 General Fund	Community Development	769,231	500,000	269,231	Construction Plan Check
100 General Fund	Public Works	-	11,965	(11,965)	McClellan Ranch Path Repair
100 General Fund	Public Works	-	136,734	(136,734)	Tree Maintenance
100 General Fund	Public Works	-	118,500	(118,500)	Utilities Adjustments
100 General Fund	Public Works	-	8,201	(8,201)	Backwater Check Valve Replacement
100 General Fund	Public Works	-	13,804	(13,804)	Pool Equipment Preventive Maintenance
100 General Fund	Non-Departmental	-	118,766	(118,766)	Transfer to I&T Fund for Faro Scanners
<b>TOTAL GENERAL FUNDS</b>		<b>801,383</b>	<b>974,770</b>	<b>(173,387)</b>	
<b>SPECIAL REVENUE FUNDS</b>					
230 Environmental Mgmt	Public Works	-	6,238	(6,238)	Utilities Adjustments
<b>TOTAL SPECIAL REVENUE FUNDS</b>		<b>-</b>	<b>6,238</b>	<b>(6,238)</b>	
<b>ENTERPRISE FUNDS</b>					
520 Resource Recovery	Public Works	-	31,377	(31,377)	Household Hazardous Waste (HHW)
520 Resource Recovery	Public Works	-	6,140	(6,140)	SB 1383 Grant Fund Allocation
<b>TOTAL ENTERPRISE FUNDS</b>		<b>-</b>	<b>37,517</b>	<b>(37,517)</b>	
<b>INTERNAL SERVICE FUNDS</b>					
610 Innovation & Technology	Innovation & Technology	118,766	-	118,766	Transfer from General Fund for Faro Scanners
610 Innovation & Technology	Innovation & Technology	-	118,766	(118,766)	Faro Scanners for the Sheriff's Office
630 Vehicle/Equip Replacement	Public Works	-	669,046	(669,046)	Vehicle and Equipment Replacement
<b>TOTAL INTERNAL SERVICE FUNDS</b>		<b>118,766</b>	<b>787,812</b>	<b>(669,046)</b>	
<b>TOTAL ALL FUNDS \$ 920,149 \$ 1,806,337 \$ (886,188)</b>					

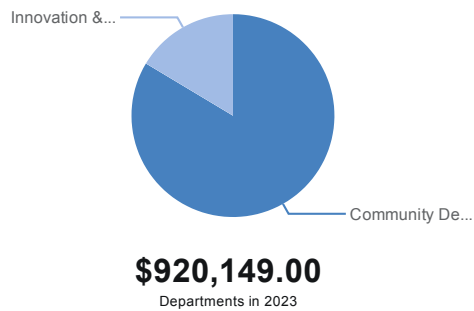
### Revenue Adjustments by Fund



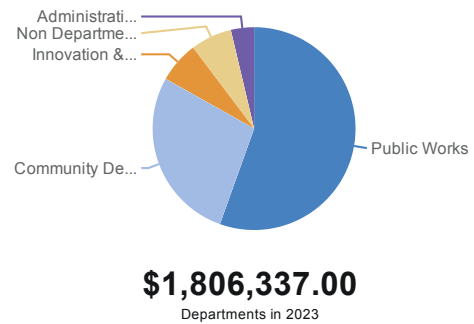
### Expense Adjustments by Fund



### Revenue Adjustments by Department



### Expense Adjustments by Department



## Summary

The First Quarter Financial Report shows the City is well-positioned to move forward. City staff recommends adjustments of \$1,806,337 in new appropriations, funded by \$920,149 in revenues and \$886,188 in fund balance.

City of Cupertino, California

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

[View the City Council Meeting Agenda](#)

[View the City's Budgets](#)

[View the City's Financial Transparency Portal](#)