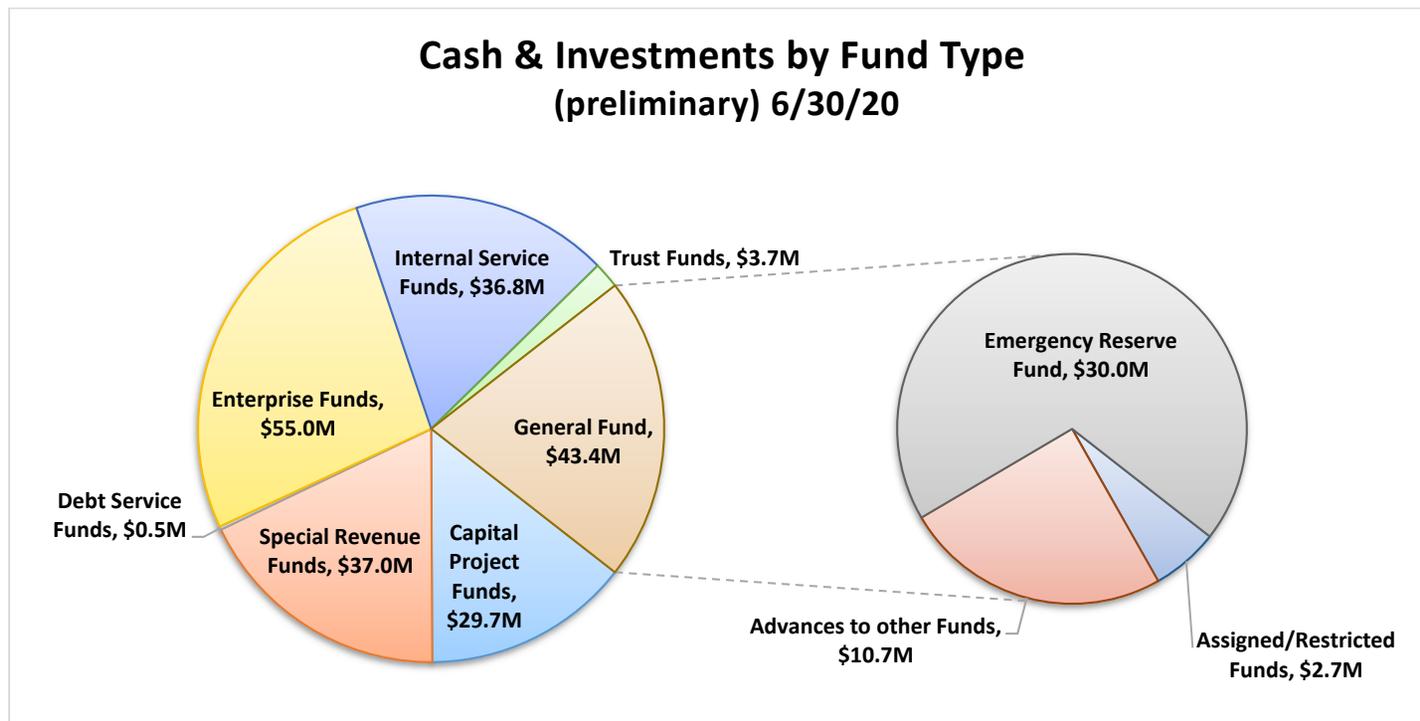


## Investment Portfolio Benefits all Funds

The City's cash and investment portfolio represents money from all City funds, including the General Fund, Enterprise funds, Capital Projects funds, and other funds, which are restricted to specific purposes.

In general, monies held by the City are allocated by the City Council for spending or are purposefully retained in reserves. For example, the money in the Capital Projects fund has been identified to provide particular capital projects for the community and there is a plan for spending down the cash balance as the projects progress. In the General Fund, approximately \$30 million is purposely held in reserve to meet the City's reserve policy of a minimum of 17% and a goal of 30% of operating expenditures. The City is currently in the process of finalizing its financial results for the year ended June 30, 2020. At the time the Treasurer's Report was prepared, the preliminary reserve balance for the General Fund represented approximately 27% of operating expenditures.

Below is a chart showing the composition of the cash and investment portfolio included in the June 30, 2020 Treasurer's Report. It is important to understand that the only money not already allocated (but not yet spent) or restricted for a specific purpose is the General Fund Emergency Reserve, which is shown in the pie chart on the chart below in gray.



### **Fund Descriptions:**

**General Fund** is the City's operating fund that accounts for general purpose revenues and expenses and are by definition unrestricted. The Cash and Investments in the General Fund is comprised of the following categories: 1) Assignments and Restrictions for obligations already entered into but not yet paid; 2) Advances to Other funds which primarily represent advances to the Local Reuse Authority for the Naval Weapons Station redevelopment project and to the Golf Course for improvements at that facility; and 3) Emergency Reserve funds that are retained per Council Policy to address financial uncertainties.

**Enterprise Funds** report operations that are operating in a manner similar to a private business enterprise. The Sewer Fund is the largest fund in this category and is legally restricted to be used only for sewer related activities.

**Special Revenue Funds** account for funds where the source of revenue is dedicated and restricted to a specific purpose. Housing funds, State Gas Tax funds and Assessment District funds represent examples of these types of funds.

**Capital Projects Funds** are used to track the financial resources set aside to acquire and/or construct major capital assets.

**Internal Service Funds (ISF)** are established to account for special activities and services performed by a designated department for other departments on a cost -reimbursement basis or replacement of necessary equipment. Examples include Worker's Compensation, Fleet Maintenance/Replacement, Information Technology, and Building Maintenance fund. Funds are restricted by policy through the City Council and spent in accordance with the program/equipment they are designated to support.

**Debt Service Funds** are cash reserves that are required to be set aside to pay for the interest and principal payments on certain types of debt per the debt issuance documents.

**Trust Funds** are used to account for assets held by the City as a trustee agent for individuals, private organizations, and other governments. Examples include the City of Concord Retirement System Pension Fund and the Successor Agency Private Purpose Trust Fund.