

To the Mayor and Members of the City Council

August 19, 2021

Page 1 of 2



SUBJECT: FY2020 CASH, CASH EQUIVALENTS AND INVESTMENTS

The purpose of this budget response is to provide detail on the amounts reported as Cash, Cash Equivalents, & Investments at the end of FY2020.

The City maintains a cash and investment pool that is available for use by all operating, capital project and special revenue funds. The City ended FY2020 with a total of \$2,280,019,000 in cash, cash equivalents, and investments. As shown in the table below, \$924,823,000 is restricted with \$129,053,000 held in Trust.

Cash, Cash Equivalents & Investments are reported as Restricted when there are limitations imposed on its use either through enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments. Cash, Cash Equivalents & Investments that are not reported as Restricted have no such limitations imposed on their use (i.e., it is available to spend for City operations).

(000's omitted from table)

	Primary Government		
	Governmental	Business-	Total
	Activities	Type	
Assets			
Cash, Cash Equivalents, & Investments	\$ 1,173,918	\$ 181,278	\$ 1,355,196
Restricted Assets:			-
Cash, Cash Equivalents, & Investments	3,551	792,219	795,770
Cash, Cash Equivalents, & Investments Held by Trustees	41,601	87,452	129,053
Total Cash, Cash Equivalents, & Investments - Restricted	<u>45,152</u>	<u>879,671</u>	<u>924,823</u>
Total Cash, Cash Equivalents, & Investments	<u>\$ 1,219,070</u>	<u>\$ 1,060,949</u>	<u>\$ 2,280,019</u>

FY2020 Comprehensive Annual Financial Report, Statement of Net Position (page 19)

The \$1,355,196,000 of unrestricted cash represents a consolidation of city-wide cash, cash equivalents, and investments for the following purposes:

- Water & Sewer, Stormwater, Municipal Airport, Municipal Parking, and Solid Waste business-type activities: \$181,278,000
- General Government Capital Projects: \$607,593,000
- Grant Funds: \$111,618,000 (ex. Operating Grants – Federal, State, and Other)
- Nonmajor Governmental Funds (ex. CCPD, Public Improvement Districts, Tax Increment Reinvestment Zones, Culture and Tourism, Golf, etc.): \$154,168,000

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Page 2 of 2

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- General Government Debt Service: \$53,180,000
- Internal Services (ex. Equipment Services, Group Health and Life Self-Insurance, Risk Financing, etc.): \$90,728,000
- Unrestricted General Government: \$156,631,000

The General Fund ended FY2020 with an Unassigned Fund Balance of \$144,460,216. This represents 18.47% of General Fund budgeted expenditures.

The City's robust liquidity position (i.e., healthy operating surplus and General Fund reserves) is viewed positively by the City's credit ratings agencies, resulting in higher bond ratings and lower costs of borrowing. Adequate liquidity precludes the need for cash flow borrowing, which is a positive credit factor.

For questions regarding this information, please contact Reginald Zeno, Director of Financial Management Services/Chief Financial Officer, at 817-392-8500.

David Cooke
City Manager