

City of Fort Worth, Texas

# FY2018

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2018



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended  
September 30, 2018

## CITY OF FORT WORTH, TEXAS

### ELECTED OFFICIALS

#### 2018 CITY COUNCIL

Betsy Price, Mayor

Carlos E. Flores  
Cary Moon  
Jungus Jordan  
Kelly Allen Gray

Brian Byrd  
Gyna Bivens  
Dennis Shingleton  
Ann Zadeh

### CITY MANAGER

David Cooke

### INTERIM CHIEF FINANCIAL OFFICER

Kevin Gunn

### INDEPENDENT AUDITORS

Weaver and Tidwell, L.L.P.

Prepared by the Department of Financial Management Services

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Catherine Perry  
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Accounting Staff

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#### Treasury

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Jay Rutledge  
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Treasury Staff

#### Financial Systems

Brad Cromer  
Financial Systems Staff

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# City of Fort Worth, Texas

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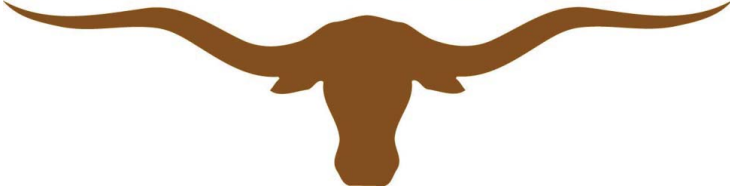
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# INTRODUCTORY SECTION





February 14, 2019

To the Honorable Mayor, Members of the City Council, Citizens and Stakeholders of the City of Fort Worth, Texas:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Fort Worth, Texas (the “City” or “Fort Worth”), for the fiscal year ended September 30, 2018. The Department of Financial Management Services prepared this report to present the financial position of the City. The CAFR describes the financial results of our operations, the cash flows of our proprietary fund types, and changes in plan net positions of our pension and post-employment benefit trusts. The financial statements and supporting schedules have been prepared in accordance with generally accepted accounting principles and meet the requirements of the State of Texas and the City Charter.

The City Charter Chapter X, Section 11 requires that an annual audit of all accounts of the City be made by an independent certified public accountant and an annual financial report be published by the City. The annual financial report must be printed and furnished to the Mayor and each member of the City Council, the City Manager and to each citizen who requests a copy. This report is published to fulfill the aforementioned requirements for the most recent fiscal year. In addition, this report is used to communicate background information on the City and the environment which it operates, schedules that demonstrate compliance with finance-related legal and contractual provisions and statistical information that offers multi-year trend information, along with relevant economic and demographic information.

Management assumes full responsibility for the completeness, fairness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Weaver and Tidwell, L.L.P. issued an unmodified opinion on the City’s financial statements for the year ended September 30, 2018. The Independent Auditor’s Report is located on page 1 of this report.

Management’s Discussion and Analysis (MD&A) immediately follows the Independent Auditor’s Report and provides a narrative introduction, overview, and analysis of the basic financial statements and should be read in conjunction with the basic financial statements.

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**DEPARTMENT OF FINANCIAL MANAGEMENT SERVICES**

CITY OF FORT WORTH ★ 200 TEXAS STREET ★ FORT WORTH, TEXAS 76102  
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## **City of Fort Worth Profile**

Fort Worth, incorporated in 1873, is a political subdivision and municipal corporation of the State of Texas, located in Tarrant, Denton, Parker, Wise, and Johnson Counties. The City covers approximately 353 square miles and serves a population of 895,121.

Fort Worth operates under a Council/Manager form of government with a City Council comprised of the Mayor and nine Council members. The Mayor is elected at large and the nine Council members are elected from single-member districts. Both the Mayor and Council members serve two-year terms. The Mayor and City Council appoint the City Manager, City Attorney, City Secretary, City Auditor, and the municipal judges. On May 7, 2016, a special election was held to vote on amendments to the City's Charter. Proposition 2 to increase the number of council members from nine members to eleven was approved and begins with the first election following the 2020 census.

Services provided by the City under general governmental functions include public safety (municipal courts, and police/fire protection), highways and streets, culture and recreation, urban redevelopment and housing, health and welfare, and general government services.

Water and sewer services, stormwater utility services, airports, city owned parking garages and lots, and solid waste collection are provided under an enterprise fund concept, with user charges set by the City Council to ensure adequate coverage of operating expenses and payments of outstanding debt. In addition, the City provides water and wastewater treatment for several neighboring jurisdictions. Equipment services, information systems (incorporated into the General Fund as of September 30, 2018), capital project services, group health and life insurance, and risk financing are provided through internal service funds.

As required by generally accepted accounting principles in the United States of America (GAAP), the financial reporting entity includes all funds of the primary government (the City), as well as the City's component units. Component units are legally separate entities for which the primary government is financially accountable. Organizations that do not meet the financial accountability criteria for inclusion as a component unit could be included based upon management's determination that it would be misleading to exclude them. During Fiscal Year 2018, there were nine blended component units. One of the blended component units (Fort Worth Housing Finance Corporation) also has nine Limited Liability Corporations (LLCs), which are reported as blended component units, and one Limited Liability Partnership that is discretely presented.

The fiscal year of the City begins on the first day of October and ends on the last day of September. On or before the fifteenth day of August of each year, the City Manager submits to the City Council a proposed budget for the ensuing fiscal year. The City Manager's proposed budget provides a complete financial plan of all City funds and activities for the upcoming fiscal year. The budget is prepared by fund, organization unit or department, program, purpose or activity, and object. As required by the City Charter, the auditors completed a separate review of the City's budget adoption process. The City Manager may transfer resources within a department. Transfers between departments, however, require approval from the City Council. Delegated authority has been provided by the Mayor and City Council to the City Manager to complete certain and specific budgeted transfers between departments and to utilize Non-Departmental appropriations as anticipated.

## Local Economy

Fort Worth is consistently ranked among the top places in the nation to live, work, and play. With a growing workforce, top educational facilities, low cost of doing business, high quality of life, prime location, and climate, the City is an attractive choice for companies looking to expand their operations.

Major employers in Fort Worth include AMR/American Airlines, Lockheed Martin, JPS Health Network, Cook Children's Healthcare System, Tarrant County, NAS Fort Worth Joint Reserve Base, Fort Worth Independent School District, Texas Health Fort Worth Hospital, Alcon Laboratories, City of Fort Worth, Bell, and FedEx Supply Chain. Manufacturing and distribution remains an important part of the Fort Worth economy. The list of companies in distribution and manufacturing operations include Acme Brick, Alcon Labs, Allied Electronics, ATC Logistics & Electronics, Haggar Clothing, Federal Express, J.C. Penney's, Mother Parker's Tea and Coffee, Coca-Cola Enterprises, Ben E. Keith Co., Miller Coors LLC, Williamson-Dickie, Pratt Industries USA, Inc., NGC Renewables, LLC, Carolina Beverage Group, LLC, GE Manufacturing Solutions, and Danone North America.

A released economic impact study by The Perryman Group credits oil and natural gas exploration for adding \$11.8 billion in gross product per year and more than 107,650 permanent jobs to the North Texas region. Oil and gas production, driven by the Barnett Shale, has provided a number of economic benefits from exploration, drilling and related activity. Covering approximately 5,000 square miles and 25 counties the annual tax impact is about \$480.6 million to municipalities, counties and other governmental entities, as well as \$644.7 million to the state of Texas. The Barnett Shale has yielded over 15 trillion cubic feet of natural gas with about 18,000 wells in the shale since 2001. That's 66 percent more than the 9 trillion cubic feet in 2011 and despite only 19 rigs operating in the Barnett as of September 1, 2014. The study credited almost 40 percent of the region's incremental growth since 2001 as a direct result of Barnett Shale activity. Despite tepid pricing for natural gas and the 2018 decision by XTO to consolidate their Fort Worth offices in new facilities in The Woodlands (Houston area), the energy industry remains a strong and important segment of the local and regional economy.

The City's industry clusters remain diverse with trade, transportation, and utilities making up the largest percentage of the Fort Worth-Arlington Metropolitan Division (MD) industry composition at 24%. Since 2010 trade, transportation, and utilities companies have grown considerably adding over 41,500 jobs to the area. Healthcare, Manufacturing, Hospitality and Tourism, Transportation and Warehousing, and Oil and Gas make up the five established sectors that play a key role in the Fort Worth economy. As a group, these five established sectors account for more than a third of employment in Fort Worth with over 149,000 people employed. Emerging economic sectors include aerospace manufacturing and design, life sciences delivery and innovation, geotechnical engineering, international business, corporate and regional headquarters, professional services, financial services, and transportation innovation.

There are over 36,405 registered business firms in the City of Fort Worth. About 89% of these businesses are small to mid-size firms that employ anywhere from one to 249 individuals. The remaining 11% of businesses are firms that employ greater than 250 employees (Reference USA).

The Fort Worth-Arlington MD boasts a strong labor force of 1.2 million that continues to grow. The Fort Worth-Arlington MD has experienced positive annual employment growth since summer 2010. The unemployment rate of 3.6% is still less than the 3.9% state unemployment rate and the 3.9% national unemployment rate through August 2018.

**Local Economy (Continued)**

The chart below shows annual labor force data for the City of Fort Worth, the Dallas-Fort Worth-Arlington Metropolitan Statistical Area, and Tarrant County, with 2018 representing statistics from August 2018.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
City of Fort Worth											
Labor Force	323,314	332,419	357,927	369,718	377,123	384,170	390,430	393,352	404,789	414,163	422,803
Unemployment	16,210	25,879	28,441	27,628	24,301	22,982	19,258	16,303	16,984	15,865	15,982
Unemployment Rate	5.0%	7.8%	7.9%	7.5%	6.4%	6.0%	4.9%	4.1%	4.2%	3.8%	3.8%
Dallas-Fort Worth-Arlington MSA											
Labor Force	3,146,487	3,187,001	3,300,761	3,374,414	3,420,186	3,474,226	3,535,331	3,579,454	3,694,960	3,795,291	3,892,802
Unemployment	153,563	248,383	266,593	255,271	225,014	212,012	177,598	145,292	143,064	138,248	138,640
Unemployment Rate	4.9%	7.8%	8.1%	7.6%	6.6%	6.1%	5.0%	4.1%	3.9%	3.6%	3.6%
Tarrant County											
Labor Force	880,826	896,305	924,951	950,514	966,259	981,537	991,015	990,682	1,009,291	1,033,317	1,054,408
Unemployment	42,048	68,936	75,375	71,788	62,944	59,367	49,829	41,169	40,130	37,978	37,857
Unemployment Rate	4.8%	7.7%	8.1%	7.6%	6.5%	6.0%	5.0%	4.2%	4.0%	3.7%	3.6%

*Source: Texas Workforce Commission, Labor Market Information*

The Alliance Texas development in far north Fort Worth continued its growth by adding more than 2,400 jobs over the past 12 months, one of its largest increases since the recession. Employment at the 18,000-acre development, which includes a substantial logistics park, residential subdivisions, shopping centers and the Circle T Ranch (a 2,500-acre master planned mixed use community), topped 37,000 in 2014.

Rock Creek Ranch continued with development on their 1,755-acres in southwest Fort Worth off the Chisholm Trail Parkway. The development will include commercial, mixed use and residential, as well as a new 80-acre campus for Tarleton State University. The campus is anticipated to open in Fall 2019 and is expected to have 2,500 students.



## Local Economy (Continued)

Walsh Ranch is a 7,267-acre development that will eventually feature as many as 15,000 homes. The first phase opened in April 2017 with an anticipated 587 homes across 1,700 acres. Walsh Elementary, a two-story, 100,000-square-foot campus on 14-acres, opened in the Fall 2017. The development is anticipated to have a build-out cost of \$1.6 Billion over 12 to 15 years.

Dickies Arena, which is scheduled to open November 2019, is under construction on the Will Rogers Memorial Center campus. The arena will attract a wide variety of high-quality entertainment options to the Fort Worth area including concerts, sporting events and family shows, as well as host the month-long Fort Worth Stock Show and Rodeo. In addition to exciting entertainment and sporting events, Dickies Arena will have the capacity to accommodate conventions, exhibit events, business meetings and private receptions with flexible meeting and event spaces ranging in from 685-square-feet to 91,315-square-feet size.



## Local Economy (Continued)

Encore Multifamily, LLC, a subsidiary of the Dallas-based Encore Enterprises, Inc., is officially under contract to break ground on the first private development on Panther Island. The thoughtfully designed 233,198-square-foot multi-family community will feature creative solutions to connect the streetscape to the Riverwalk environment planned for the district. Residents will be able to enjoy exceptional amenities including waterfront balconies, an infinity pool with cascading waterfalls, a state-of-the-art fitness facility and a top floor lounge that will feature the most dynamic views of downtown. Located at the intersection of 4th Street and North Main Street, residents at the 300-unit community will be walking distance to Panther Island Brewing, Coyote Drive-In and Panther Island Pavilion.

Fort Worth Heritage Development, LLC will construct a mixed-use redevelopment and new development project located in the historic Fort Worth Stockyards. The project will comprise approximately one million square feet of space consisting of a hotel, retail, restaurants, office and residential apartment units among other uses. The development will be constructed in three phases completing by December 2025.

Clearfork is a 270-acre, multi-phase development project that ultimately will incorporate 2 million square feet of office space, 1.2 million square feet of retail, dining and entertainment, and 2,500 multifamily residential units at completion. The first phase of development is complete with construction ongoing for subsequent phases.



The City of Fort Worth's Local Development Corporation completed a five-story, mixed-use building downtown named Pinnacle Bank Place in 2017. The ground floor consists of bank offices, a dental office, coffee shop, and high end salon. The four floors above have 130 apartments. In addition, the project includes a parking garage on the back of the project. The building, located on West Lancaster Avenue between Jennings and Throckmorton streets, continues to generate significant activity to the area with the addition of the property's residents and tenants. The property was sold to Beachwold Residential in August 2018.

Facebook recently opened a \$1 billion data center in Fort Worth. The data center is located in the Alliance Corridor, in north Fort Worth. The new data center is located at the corner of Park Vista Blvd. and State Highway 170 and ultimately will consist of five 250,000-square-foot buildings on a 110-acre site. Construction on the first phase was recently completed and the development of future phases has been accelerated.

Smith & Nephew Inc. has leased a 55,000-square-foot building at Chisholm Trail Parkway and Clearfork Main Street. The firm has made Fort Worth the U.S. headquarters of its Advanced Wound Management division. The London-based maker of wound care and surgical products plans to have at least 230 full-time positions in Fort Worth by December 31, 2021, with an \$85,000 average salary for all full-time employees.

## Local Economy (Continued)

Tanger Outlets (Tanger) constructed a 350,000-square-foot shopping center in north Fort Worth across from Texas Motor Speedway. Tanger planned to invest \$70 million to build the shopping center. Tanger anticipates 350 full time employees by December 31, 2019.



Construction on Frost Tower, located at 640 Taylor Street downtown, was completed in 2018. The \$115 million, 25-story office tower has ground-floor retail space and 15 floors of parking, including 4 underground. It has an additional 14 floors of office, residential and restaurant space. It is the new headquarters for Fort Worth-based oil and gas company Jetta Operating and a regional financial center for Frost Bank, with remaining space leased to other tenants.



## Local Economy (Continued)

Downtown Fort Worth's historic Sinclair Building is being transformed into an upscale 165-room Marriott Autograph Collection hotel, and the empty and former Hilton Annex will be made over into corporate apartments. Also under redevelopment by the same development group, the adjacent Sanger Bros. Building recently completed a full refurbishment and updating of existing office space and the first two floors of the building now house CVS Pharmacy. Additional improvements to the building include facade and streetscape improvements, ground-floor retail, one floor of meeting and banquet space that connects to the hotel by sky bridge, a spa, and potentially office remodeling, conversion of some empty space to house data centers, and conversion of more space for hotel services.

Catalyst Urban Development plans to construct a 240-unit apartment project near Lancaster Avenue and Cherry St., to be known as the Burnett Lofts. The project, anticipated to involve at least \$34 million in investment will also feature 6,000-square-foot of retail space.



Niles City Resorts announced plans to invest \$21 million for the construction of a minimum 140-room 4-star hotel in the Fort Worth Stockyards. Located on the historic site of the former Armour packing plant, the project will be known as the Armour Hotel.



The City of Fort Worth recently completed the preparation of an economic development strategic plan that is designed to guide City economic development priorities for the coming five years and beyond. The plan delivered key insights into the competitiveness of Fort Worth compared to other regions across the United States and abroad and provided focused recommendations on industry targets and tactical measures aimed at increasing the economic vitality and industrial strength of Fort Worth and the surrounding region.

Moody's Investors Services (Moody's), S&P Global Rating Services (S&P), Fitch Rating Services (Fitch), and Kroll Bond Rating Agency (Kroll) have all assigned ratings to the City of Fort Worth's outstanding debt. The City's general obligation bonds are rated "Aa3" by Moody's, "AA" by S&P, and "AA+" by both Fitch and Kroll. The City's water and sewer system revenue bonds are not rated by Kroll, and are rated "Aa1" by Moody's, "AA+" by S&P, and "AA" by Fitch. The City's drainage utility system revenue bonds are not rated by Moody's or Kroll, and are rated "AA+" by both S&P and Fitch. The City's special tax revenue bonds are not rated by S&P or Kroll, and are rated "A1" and "AA+" by Moody's and Fitch, respectively. The City's ratings are complimentary of our strong financial performance, maintaining reserves, and financial governance. The City's pension obligations and fixed costs, discussed further in this document, create downward pressure on the City's ratings.



## Long-term Financial Planning and Major Initiatives

The City's strategic goals enable the City Council to:

- Better understand Fort Worth's cultural heritage
- Have a consensus on what to accomplish over the next five years
- Translate the vision into an action plan
- Prioritize the use of limited city resources
- Support staff and community groups in focusing efforts on the vision and priorities

City Council will refine and adjust the strategic goals, as circumstances change. Overall, the City of Fort Worth concentrated on nine top-priority strategic challenges and opportunities for Fiscal Year 2018. These areas were identified to provide a clear and concise statement about where the Mayor and City Council want Fort Worth to focus over the next five years and to stimulate broader discussion of the important issues facing Fort Worth now and in the future. A number of ongoing administrative and community processes will make the goals reality.

The City Council's strategic challenges and opportunities:

- Effective Resource Management
- Sustainable Growth
- Public Infrastructure
- Transportation
- Housing
- Financial Stability
- City Service Delivery
- Education & Workforce Development
- Leadership and Engagement

These strategic challenges and opportunities enable the City Council to have a consensus on mission, vision, and values for the future as follows:

*Mission:* Working together to build a strong community.

Building a strong community means building strong neighborhoods, developing a sound economy, providing a safe community, and fostering a healthy environment.

*Vision:* Fort Worth will be the most livable and best managed city in the country.

The City's vision statement sets forth our aspiration to become even better than we are today as a community and as an organization.

*Values:* There are six values that guide our employees as they go about this work:

- Exceptional Customer Experience
- Accountability
- Ethical Behavior
- Diversity
- Mutual Respect
- Continuous Improvement

The City continues to focus major efforts on these strategic challenges and opportunities which drive decision-making and help the City Council further the City's mission and vision by translating that vision into an action plan. The City's limited resources are then prioritized to achieve that plan. The City's actions to implement the established strategic challenges and address community issues are numerous and varied.

## **Pension Committee**

In August 2015, the City Council requested that the City Manager form a committee “to determine what additional steps may be necessary to manage the risk of the (retirement) plan and improve the overall financial condition.” The Pension Committee was assembled since that meeting and consists of the City Manager and other stakeholders of the City, including the City’s Financial Advisor.

The Pension Committee was charged with defining and assessing the long-term sustainability of the Employees’ Retirement Fund of the City and evaluating options to improve the current position of the retirement fund, without directly or indirectly requiring additional contributions from taxpayers/ratepayers.

In order to meet the charge, the Pension Committee:

- Discussed and agreed in how long-term sustainability will be defined (as it relates to amortization period; discount rates; funded ratios, etc.)
- Evaluated the competitiveness of the City’s pension plan in the context of total compensation – with the goal of maintaining competitive recruitment and retention. Total compensation will include salary, pension, healthcare, and other benefits such as paid leave.
- Evaluated pension marketplaces to include other Texas stand-alone plans and the Texas Municipal Retirement System to include, at a minimum, the following data:
  - Financial condition of other plans
  - Vesting
  - Benefit formula (multiplier, final salary calculation, overtime, etc.)
  - Employer/Employee contributions

Since formation, the Pension Committee and the City Manager have released a series of “Pension Recap” articles/updates to City employees regarding the progress being made by the committee. These updates outlined important information about the pension plan and the continued challenges as currently structured.

On August 7, 2018, the Pension Committee presented their initial recommendation on proposed changes to the pension plan before City Council. On December 11, 2018, the City Council voted and accepted the final plan recommended by the Pension Committee, which includes increasing contributions from the City and employees, eliminating service credit for future accruals of sick leave and major medical leave, and making changes to Cost of Living Adjustments. The final plan will move to an employee vote in February 2019, where a majority (50 percent plus one of all employees, not just those who vote) must agree to the proposed employee contribution portion of the plan for the plan to succeed. If the proposed plan does not get a majority of employee votes, it will go to the State Legislature for a final decision.

For more information on the Employees’ Retirement Fund of the City of Fort Worth, Texas, please refer to Note I.

## **Relevant Financial Policies**

The City has adopted a comprehensive set of Financial Management Policy Statements to help ensure that the City's financial resources are managed in a prudent manner. The City will maintain a minimum Unassigned Fund Balance in the General Fund equivalent to ten percent (10%) of regular ongoing operating expenditures, with a goal of two months (16.67%) of regular ongoing operating expenditures. In the event reserves exceed the minimum balance requirements, at the end of each fiscal year, any excess reserves may be used in the following ways:

1. Fund accrued liabilities, including but not limited to debt service, pension, and other post-employment benefits as directed and approved within the long-term financial plan and the annual budget ordinance. Priority will be given to those items that relieve budget or financial operating pressure in future periods;
2. Appropriated to lower the amount of bonds or increase the pay-as-you-go contributions needed to fund capital projects in the City's Capital Improvement Plan;
3. One-time expenditures that do not increase recurring operating costs that cannot be funded through current revenues. Emphasis will be placed on one-time uses that reduce future operating costs; or
4. Start-up expenditures for new programs, provided that such action is approved by the City Council and is considered in the context of multi-year projections of revenue and expenditures as prepared by the Department of Financial Management Services.

The use of funds within the Capital Projects Fund shall be guided by the Capital Expenditures and Improvements Policy Statements. The City maintains reserve policies for the various fund types, please refer to Note A.12. for the remaining Financial Management Policies related to fund balance.

The Unassigned Fund Balance in the General Fund at the end of the fiscal year was \$107.2 million or 17.2% of total General Fund expenditures.

## **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended September 30, 2017. This was the 8<sup>th</sup> consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning October 1, 2017. To qualify for the Distinguished Budget Presentation Award, the City's budget document had to be judged proficient as a policy document, a financial plan, operations guide, and a communications device.

## **Acknowledgements**

The preparation of this report could not have been accomplished without the full support and involvement of the City Manager's Office and all City departments who provided information and analyses contained within this document. A very special thanks is due to the staff of the Department of Financial Management Services for their dedicated service to the City and to the citizens of Fort Worth. In addition, we acknowledge the thorough, professional, and timely manner in which our independent auditors, Weaver and Tidwell, L.L.P., conducted the audit. Finally, we express great appreciation to the Mayor and City Council for their unflinching support for maintaining the highest standards and professionalism in the management of the City's finances.

Sincerely,



David Cooke  
City Manager



Kevin Gunn  
Interim Chief Financial Officer





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Fort Worth  
Texas**

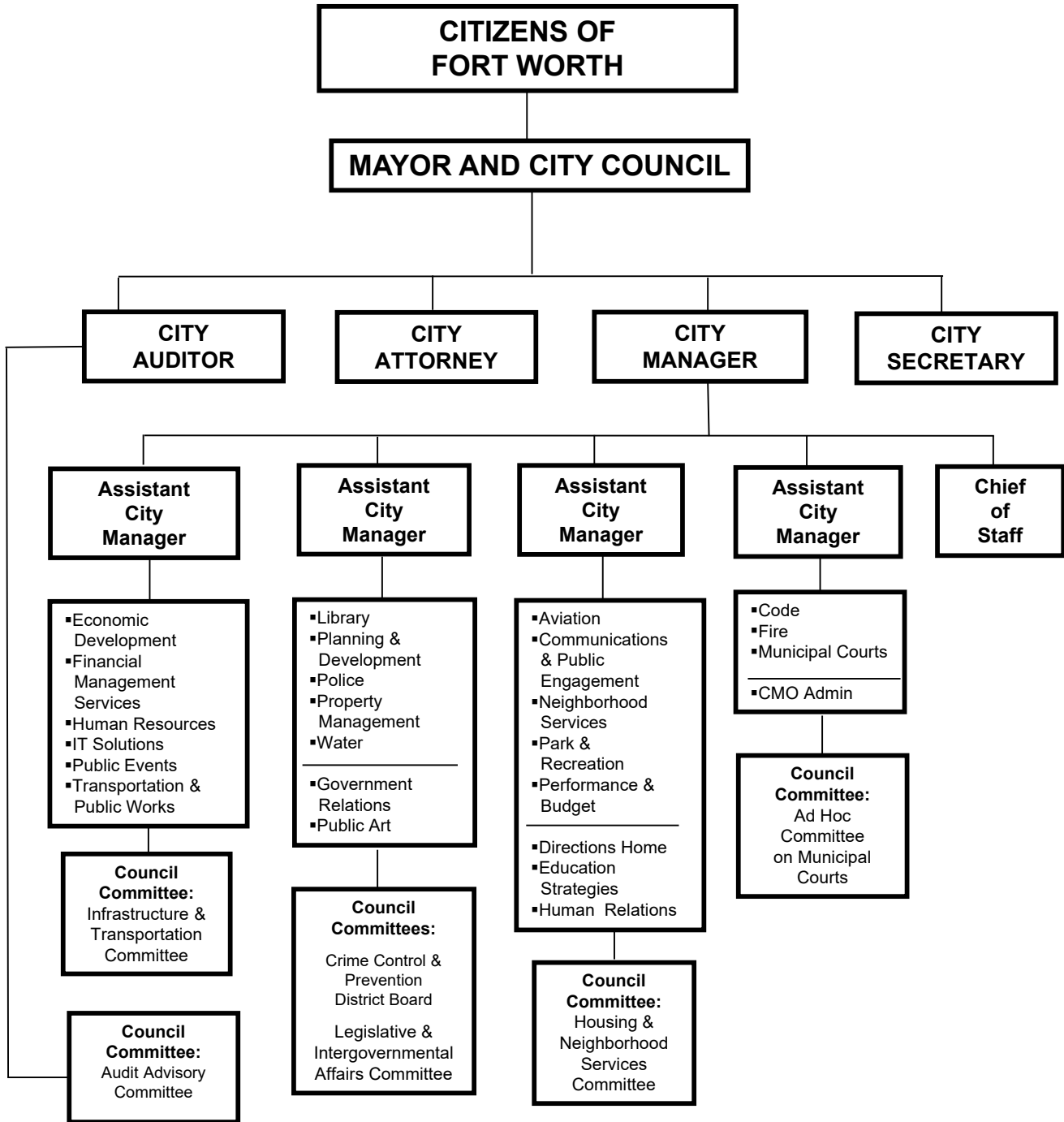
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2017**

*Christopher P. Morill*

Executive Director/CEO

**CITY OF FORT WORTH, TEXAS  
ORGANIZATION OF CITY GOVERNMENT  
September 30, 2018**



**CITY OF FORT WORTH, TEXAS  
ELECTED OFFICIALS  
MAYOR AND CITY COUNCIL MEMBERS  
FOR FISCAL YEAR 2018**

---



**Betsy Price  
Mayor**



**Carlos E. Flores  
Council District 2**



**Brian Byrd  
Council District 3**



**Cary Moon  
Council District 4**



**Gyna Bivens  
Council District 5**



**Jungus Jordan  
Council District 6**



**Dennis Shingleton  
Council District 7**



**Kelly Allen Gray  
Council District 8**



**Ann Zadeh  
Council District 9**



# FINANCIAL SECTION

## Independent Auditor's Report

To the Honorable Mayor and City Council Members of  
City of Fort Worth, Texas

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Fort Worth, Texas (the City), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Employees' Retirement Fund of the City of Fort Worth, which represent 97 percent, 99 percent, 97 percent and 91 percent, respectively, of the assets, liabilities, net position, and additions to net position of the fiduciary trust funds of the City. We did not audit the financial statements of the Fort Worth Housing Finance Corporation, which represent 10 percent, 5 percent, 9 percent and 1 percent of the assets, liabilities, fund balance, and revenues of the nonmajor governmental funds of the City. We did not audit the financial statements of Terrell Homes, Ltd., which represents 100 percent of the assets, liabilities, net position, and revenues of the discretely presented component unit of the City. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Employees' Retirement Fund of the City of Fort Worth, the Fort Worth Housing Finance Corporation and Terrell Homes, Ltd., is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Employee' Retirement Fund of the City of Fort Worth were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

The Honorable Mayor and City Council Members of  
City of Fort Worth, Texas

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Fort Worth, as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note A.17 and J to the financial statements, the City adopted new accounting guidance GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedule – General Fund, the Employees' Retirement Fund – Schedule of Contributions to the Retirement Fund – Last Ten Fiscal Years, the Employees' Retirement Fund – Schedule of Changes in Net Pension Liability – Last Ten Fiscal Years, the Other Postemployment Benefits – Schedule of Changes in Net OPEB Liability be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Fort Worth's basic financial statements. The introductory section, the combining and individual fund financial statements and schedules, the other supplemental information and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the other supplemental information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional

The Honorable Mayor and City Council Members of  
City of Fort Worth, Texas

procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual fund financial statements and schedules and other supplemental information are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2019 on our consideration of City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas  
February 14, 2019



**CITY OF FORT WORTH, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018  
(000's omitted in tables)**

Management's discussion and analysis (MD&A) provides a narrative overview of the financial activities and changes in the financial position of the City of Fort Worth, Texas (City), for the fiscal year ended September 30, 2018 (FY2018). The MD&A is offered here by the management of the City to the readers of its financial statements. Readers should use the information presented here in conjunction with additional information furnished in our letter of transmittal, which can be found in the Introductory Section of this Comprehensive Annual Financial Report (CAFR).

**Financial Highlights**

The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at September 30, 2018, by \$1,465,828,000 (net position). For FY2018, the City reported an unrestricted net deficit of \$2,428,156 which was an increase in unrestricted net deficit of \$559,635,000 compared to the previous fiscal year. This increase was primarily due to an increase in deferred inflows for net Other Than Pension Benefits (OPEB) of \$62,245,000 and an increase in Net OPEB liability of \$283,152,000 due to the implementation of GASB Statement No. 75. In addition, deferred inflows related to the Pension increased \$324,704,000, which was offset by a decrease in net pension liability of \$136,412,000.

The City's total net position decreased by \$426,842,000 in comparison with the amount in FY2017. This decrease can be attributed to increases in deferred inflows and in net OPEB liability that was offset, in part, by revenues generated in the enterprise funds as well as increases in property tax revenue, and sales tax revenue for governmental activities.

At September 30, 2018, the City's governmental funds reported combined ending fund balances of \$823,339,000, a decrease of \$89,336,000 in comparison with FY2017. Approximately 49.6 percent of ending fund balance of \$408,339,000 is available for spending at the government's discretion, as follows: \$161,173,000 of committed fund balance; \$140,650,000 of assigned fund balance; and \$106,516,000 of unassigned fund balance.

The City's total long-term liabilities increased by \$147,505,000 in comparison with FY2017. The key factors in this increase occurred for Net OPEB Liability of \$283,151,000, the issuance of \$62,220,000 of General Obligations, \$12,590,000 of Tax Notes, \$5,155,000 of Special Assessment Debt, and \$19,106,000 of additional Tarrant Regional Water District loans. During the year, long-term liabilities were reduced by principal payments of \$84,868,000 in governmental activities and \$72,859,000 in business-type activities. Additionally, the City issued \$110,475,000 of revenue bonds for business-type activities and cash defeased \$16,435,000 of existing governmental activity debt. Net pension liability decreased \$136,412,000 for the City (\$118,735,000 for governmental activity and \$17,677,000 for business-type activity).

**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The reporting focus of this document is on the City as a whole and on individual major funds. It is intended to present a more comprehensive view of the City's financial activities.

The basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains required supplementary information, combining and individual fund financial statements and schedules, and other supplemental information in addition to the basic financial statements themselves.

**CITY OF FORT WORTH, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018  
(000's omitted in tables)  
(continued)**

***Government-wide Financial Statements***

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. Both are prepared using the economic resources focus and the accrual basis of accounting; meaning that all the current year's revenues and expenses are included regardless of when cash is received or paid.

The Statement of Net Position presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, including capital assets and long-term obligations. The difference between the two is reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other indicators of the City's financial position should be taken into consideration, such as the change in the City's property tax base and condition of the City's infrastructure (i.e., roads, drainage systems, water and sewer lines, etc.), in order to more accurately assess the overall financial condition of the City.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. It focuses on both the gross and net costs of the government's various activities and thus summarizes the cost of providing specific governmental services. This statement includes all current year revenues and expenses.

The Statement of Net Position and the Statement of Activities divide the primary government (the City) activities into two types:

***Governmental activities*** – Most of the City's basic services are reported here, including general government, public safety, highways and streets, culture and recreation, health and welfare, and urban development and housing. General property taxes, sales taxes, and franchise fees provide the majority of the financing for these activities.

***Business-Type activities*** – Activities for which the City charges a fee to customers to pay most or all of the costs of a service it provides are reported here. The City's business-type activities include water distribution and wastewater collection, stormwater utility, municipal airports, municipal parking, and solid waste collection and disposal.

***Discretely Presented Component Unit*** – These statements also report information on the activities of a discretely presented component unit. This entity is not considered a part of the primary government.

***Fund Financial Statements***

The City of Fort Worth, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. These statements focus on the most significant funds and are used to report more detailed information about the City's most significant activities. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

***Governmental Funds*** – These funds are used to account for the majority of the City's activities, which are essentially the same functions reported as governmental activities in the government-wide statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as spendable resources available at the end of the fiscal year for future spending. Such information may be useful in evaluating a government's near-term financing requirements.

**CITY OF FORT WORTH, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018  
(000's omitted in tables)  
(continued)**

***Fund Financial Statements (continued)***

The focus of the governmental fund financial statements is narrower than that of the government-wide financial statements. Therefore, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison. The reconciliation explains the differences between the government's activities as reported in the government-wide statements and the information presented in the governmental funds' financial statements.

The City maintains twenty-one individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, the Debt Service Fund, and the Capital Projects Fund, which are considered to be major funds. Data for the other governmental funds are combined into a single, aggregated presentation.

***Proprietary Funds*** – When the City charges customers for services it provides, the activities are generally reported in proprietary funds. The City of Fort Worth maintains two different types of proprietary funds: enterprise funds and internal service funds.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations, stormwater utility, municipal airports, municipal parking, and solid waste. These services are primarily provided to outside or non-governmental customers.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its equipment services, capital project services, group health and life insurance, and risk financing. As of September 30, 2018, the Information Systems Fund was incorporated into the General Fund and Capital Projects Fund.

Proprietary funds financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer and the Stormwater Utility Funds, which are considered to be the major proprietary funds of the City. The nonmajor enterprise funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

***Fiduciary Funds*** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City reports one Trust Fund which accounts for the assets of the City's pension plan and postemployment healthcare plan. Separate audited financial statements are available for the City's pension plan. The pension plan's statements can be obtained by contacting the Plan at 3801 Hulen Street, Suite 101, Fort Worth, Texas 76107.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found directly following the fund financial statements and prior to the Required Supplementary Information in this report.



**CITY OF FORT WORTH, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018  
(000's omitted in tables)  
(continued)**

**Government-Wide Financial Analysis**

At September 30, 2018, total assets of the City were \$7,369,522,000 and deferred outflows were \$1,234,838,000 while total liabilities were \$6,683,264,000 and deferred inflows were \$455,268,000, resulting in a net position of \$1,465,828,000.

The City's net investment in capital assets was \$3,730,485,000. The City uses these assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City reports net investment in capital assets, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$163,499,000 represents resources that are subject to external restrictions on how they may be used. The City has an unrestricted net deficit of \$2,428,156,000.

**Condensed Schedule of Net Position (Deficit)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>
Current and Other Assets	\$ 1,131,161	\$ 1,042,449	\$ 767,883	\$ 890,051	\$ 1,899,044	\$ 1,932,500
Capital Assets	2,160,710	2,218,391	3,110,083	3,218,631	5,270,793	5,437,022
Total Assets	<u>3,291,871</u>	<u>3,260,840</u>	<u>3,877,966</u>	<u>4,108,682</u>	<u>7,169,837</u>	<u>7,369,522</u>
Deferred Outflows	1,140,342	1,064,881	182,998	169,957	1,323,340	1,234,838
Other Liabilities	180,388	186,144	72,306	70,602	252,694	256,746
Long-term Liabilities Outstanding	4,710,841	4,807,016	1,568,172	1,619,502	6,279,013	6,426,518
Total Liabilities	<u>4,891,229</u>	<u>4,993,160</u>	<u>1,640,478</u>	<u>1,690,104</u>	<u>6,531,707</u>	<u>6,683,264</u>
Deferred Inflows	57,494	393,213	11,306	62,055	68,800	455,268
Net Position (Deficit):						
Net Investment in Capital Assets	1,392,113	1,451,492	2,242,924	2,278,993	3,635,037	3,730,485
Restricted	86,980	88,734	39,174	74,765	126,154	163,499
Unrestricted (Deficit)	(1,995,603)	(2,600,878)	127,082	172,722	(1,868,521)	(2,428,156)
Total Net Position (Deficit)	<u>\$ (516,510)</u>	<u>\$ (1,060,652)</u>	<u>\$ 2,409,180</u>	<u>\$ 2,526,480</u>	<u>\$ 1,892,670</u>	<u>\$ 1,465,828</u>

At September 30, 2018, the City of Fort Worth is able to report positive balances in net position for the government as a whole and business-type activities. Governmental activities report a deficit net position at year-end. There was an increase in restricted net position reported in the City's governmental activities of \$1,754,000, which resulted from the increase in impact fees collected for future development. The governmental activities' unrestricted net deficit balance increased by \$605,275,000, mostly due to increases in pension and OPEB deferred inflows, net OPEB liability, new debt issuances, and the liability for Tarrant Regional Water District.

**CITY OF FORT WORTH, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2018**  
**(000's omitted in tables)**  
**(continued)**

**Government-Wide Financial Analysis (continued)**

**Condensed Schedule of Changes in Net Position (Deficit)**

	<b>Governmental Activities</b>		<b>Business -Type Activities</b>		<b>Total</b>	
	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 85,983	\$ 92,053	\$ 530,142	\$ 578,765	\$ 616,125	\$ 670,818
Operating Grants and Contributions	54,497	65,082	-	-	54,497	65,082
Capital Grants and Contributions	123,816	97,698	121,769	101,120	245,585	198,818
General Revenues:						
General Property Taxes	452,357	486,418	-	-	452,357	486,418
Sales Taxes	218,937	231,899	-	-	218,937	231,899
Other Local Taxes	31,732	34,580	-	-	31,732	34,580
Franchise Fees	50,078	51,934	-	-	50,078	51,934
Gas Leases and Royalties	9,063	9,267	6,504	4,754	15,567	14,021
Investment Income	7,239	8,902	5,240	7,270	12,479	16,172
Other	38,160	13,358	7,406	6,349	45,566	19,707
<i>Total revenues</i>	<u>1,071,862</u>	<u>1,091,191</u>	<u>671,061</u>	<u>698,258</u>	<u>1,742,923</u>	<u>1,789,449</u>
<b>Expenses:</b>						
General Government	152,609	149,942	-	-	152,609	149,942
Public Safety	698,059	687,036	-	-	698,059	687,036
Highways and Streets	157,108	158,652	-	-	157,108	158,652
Culture and Recreation	174,426	284,181	-	-	174,426	284,181
Health and Welfare	11,076	11,104	-	-	11,076	11,104
Urban Redevelopment and Housing	76,190	92,183	-	-	76,190	92,183
Interest and Service Charges	31,636	30,844	-	-	31,636	30,844
Water and Sewer	-	-	376,755	375,603	376,755	375,603
Stormwater Utility	-	-	30,238	29,690	30,238	29,690
Municipal Airports	-	-	14,628	18,694	14,628	18,694
Municipal Parking	-	-	6,699	6,744	6,699	6,744
Solid Waste	-	-	59,292	57,654	59,292	57,654
<i>Total expenses</i>	<u>1,301,104</u>	<u>1,413,942</u>	<u>487,612</u>	<u>488,385</u>	<u>1,788,716</u>	<u>1,902,327</u>
Excess (Deficiency) of Revenues						
Over (Under) Expenses	(229,242)	(322,751)	183,449	209,873	(45,793)	(112,878)
Transfers	33,629	37,681	(33,629)	(37,681)	-	-
Changes in Net Position (Deficit)	<u>(195,613)</u>	<u>(285,070)</u>	<u>149,820</u>	<u>172,192</u>	<u>(45,793)</u>	<u>(112,878)</u>
Net Position (Deficit), Beginning of Year as Restated (Note A.17.)	<u>(320,897)</u>	<u>(775,582)</u>	<u>2,259,360</u>	<u>2,354,288</u>	<u>1,938,463</u>	<u>1,578,706</u>
Net Position (Deficit), End of Year	<u>\$ (516,510)</u>	<u>\$ (1,060,652)</u>	<u>\$ 2,409,180</u>	<u>\$ 2,526,480</u>	<u>\$ 1,892,670</u>	<u>\$ 1,465,828</u>

**CITY OF FORT WORTH, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018  
(000's omitted in tables)  
(continued)**

**Government-Wide Financial Analysis (continued)**

Overall, the governmental activities change in net deficit was \$285,070,000 as a result of current fiscal year activity. Factors that contributed to the governmental activities net deficit increase were expenses of \$1,413,942,000, exceeding revenues of \$1,091,191,000 and transfers from business-type activities of \$37,681,000.

Governmental activities expenses increased by \$112,838,000 when compared to FY2017. This increase was primarily in Culture and Recreation of \$109,755,000 (which included increased contributions for the multi-purpose arena) and Urban Redevelopment and Housing of \$15,993,000. These increases were offset by reduced spending for General Government of \$2,667,000 and Public Safety of \$11,203,000.

Business-type activities net position increased \$172,192,000 during the current fiscal year which is \$22,372,000 higher than the previous year's increase. The major factors that contributed to the business-type activities net position increase were increases of \$48,623,000 in charges for services and decreases of \$20,649,000 in capital grants and contributions. This was offset by an increase in operating expenses of \$773,000.

**Financial Analysis of the Government's Funds**

**Governmental Funds** – The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported total fund balances of \$823,339,000. Approximately 18.5 percent or \$152,701,000 constitutes the General Fund's fund balance. As of September 30, 2018, the General Fund's nonspendable fund balance includes \$2,153,000 for inventories, \$1,844,000 for advances to other funds, and \$1,032,000 for prepaids, deposits, and other. The General Fund's restricted fund balance includes \$8,895,000 for park improvements, and \$1,600,000 is related to other purposes. The committed fund balance includes amounts of \$6,011,000 for repayment of State loans, \$3,741,000 for other purposes, and \$17,608,000 for public events and facilities. The assigned fund balance of \$2,545,000 was for other purposes. As of September 30, 2018, the General Fund had an unassigned fund balance of \$107,272,000. The General Fund's fund balance increased by \$17,252,000 when compared to FY2017. This increase is primarily due to an increase in property tax assessed values offset by a decrease in the City's property tax rate resulting in an increase in property tax revenues of \$26,175,000, increase in sales tax revenues of \$9,004,000, and increases in transfers in from other funds of \$6,437,000. These increases were offset by increases in expenditures in General Government of \$3,781,000 and Public Safety of \$24,279,000.

The Nonmajor Governmental Funds' fund balance of \$152,966,000 is 18.6 percent of total governmental fund balance and includes nonspendable fund balance of \$5,189,000, restricted fund balance of \$92,287,000, committed fund balance of \$2,690,000, assigned fund balance of \$53,556,000, and an unassigned deficit of \$756,000. Nonmajor Governmental Fund's fund balance increased by \$34,526,000 when compared to FY2017. This increase is primarily due to increases in revenues: property tax (\$2,866,000); sales tax (\$3,958,000); other taxes (\$2,522,000); revenue from money and property (\$2,172,000); intergovernmental revenue (\$9,048,000); and other revenue (\$6,492,000). In addition, expenditures for General Government were reduced by \$19,150,000, but this was offset by expenditure increases for Culture and Recreation of \$4,771,000, Urban Redevelopment and Housing of \$24,118,000, and loan principal payments of \$17,550,000. Construction loan proceeds decreased by \$7,531,000 and proceeds from disposal of property increased by \$23,840,000.

**CITY OF FORT WORTH, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018  
(000's omitted in tables)  
(continued)**

**Financial Analysis of the Government's Funds (continued)**

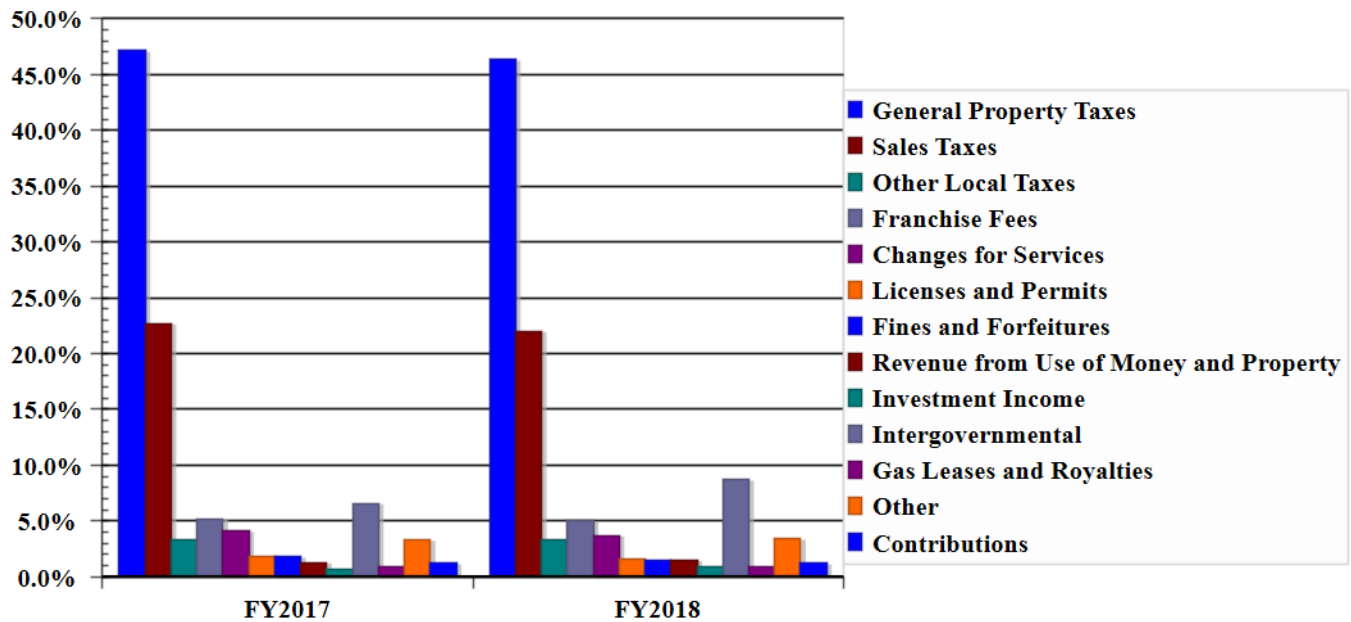
The Debt Service Fund has a fund balance of \$50,967,000 or 6.2 percent of total governmental fund balance of which \$29,250,000 is restricted fund balance, \$8,602,000 is committed fund balance, and \$13,115,000 is assigned fund balance. Debt Service Fund's fund balance decreased by \$1,329,000 when compared to FY2017. This decrease in fund balance was due to primarily increased debt service payments offset by increased property tax revenue and investment income.

The Capital Projects Fund has a fund balance of \$466,705,000 or 56.7 percent of total governmental fund balance of which \$382,000 is nonspendable fund balance, \$272,368,000 is restricted fund balance, \$122,521,000 is committed fund balance, and \$71,434,000 is assigned fund balance. The Capital Projects Fund's fund balance decreased by \$139,785,000 when compared to FY2017. This decrease in fund balance was due to increased spending for General Government of \$1,935,000, Public Safety of \$10,069,000, Highways and Streets of \$4,302,000, Culture and Recreation of \$109,792,000, and capital outlay of \$16,581,000. This spending was offset by increased intergovernmental revenue of \$17,436,000 and decreased in other revenue of \$3,086,000.

As shown in the following charts (on the next page) for governmental funds for FY2017 and FY2018, general property taxes and sales taxes were the primary sources of revenue for both years, while public safety and capital outlay were the largest expenditures by function. The General Fund is the primary operating fund of the City. At the end of the current fiscal year, the fund balance of the General Fund was \$152,701,000. As a measure of the General Fund's liquidity, it may be useful to compare the unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance of \$107,272,000, represents 17.4 percent of total General Fund expenditures. The total fund balance of \$152,701,000 represents 24.8 percent of total General Fund expenditures. Fund balance in the General Fund increased by \$17,252,000, over the previous fiscal year.

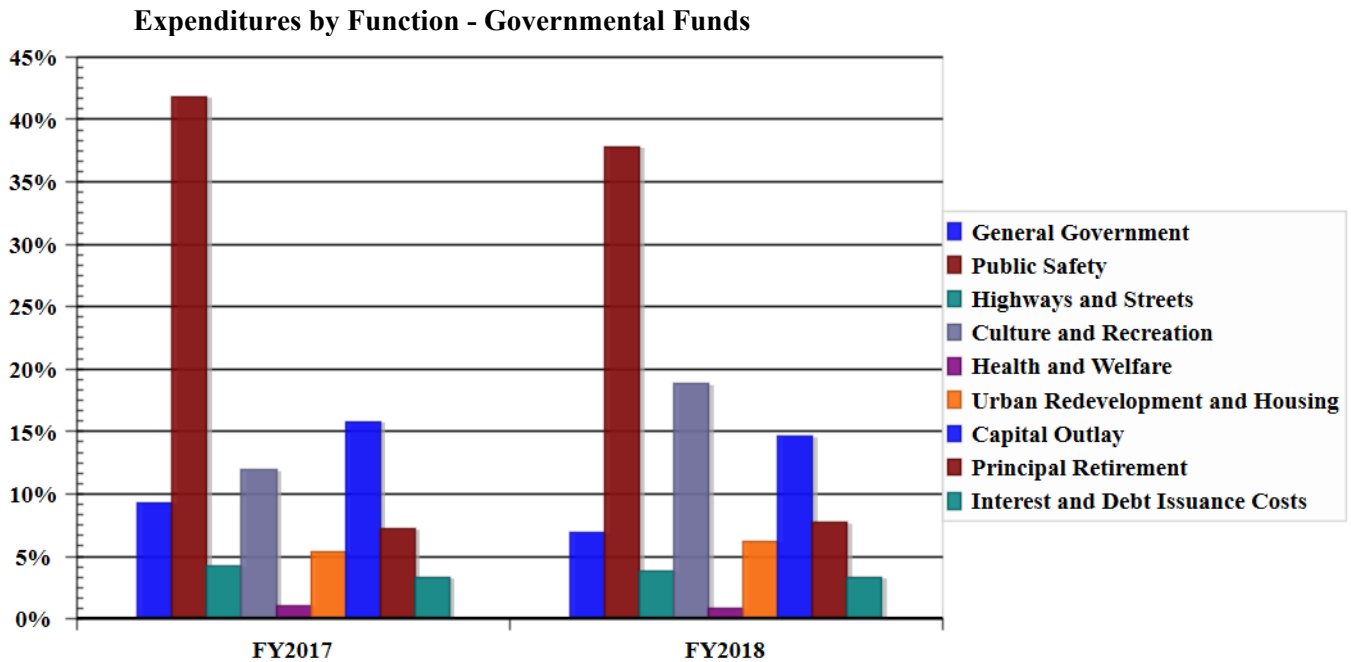
**Revenues and Expenditures – Governmental Funds**

**Revenues by Source – Governmental Funds**



**CITY OF FORT WORTH, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018  
(000's omitted in tables)  
(continued)**

**Revenues and Expenditures – Governmental Funds (continued)**



**Financial Analysis of the Proprietary Funds**

The City’s Proprietary Funds provide the same type of information found in the government-wide financial statements but in more detail.

Total net position in the Water and Sewer Fund increased \$96,106,000 when compared to FY2017. This increase is primarily due to charges for services increasing \$42,384,000 and contract expenses (mainly water purchases) increased \$10,801,000 during unseasonably dry summer months. Also, capital contributions from impact fees increased \$6,415,000 and restatement of beginning net position from implementation of GASB Statement No. 75 accounted for a decrease of \$49,021,000. Normal operations provided an additional \$58,108,000. Unrestricted net position for the Water and Sewer Fund is \$102,209,000, an increase of \$57,481,000 when compared to FY2017. This increase was due to increased emphasis on reserve requirements.

Total net position in the Stormwater Utility Fund increased by \$10,583,000 when compared to FY2017. This increase in net position is primarily due to the restatement of net position from implementation of GASB Statement No. 75 which accounted for \$5,500,000 restatement of the beginning balance and \$5,083,000 from normal operations.

**CITY OF FORT WORTH, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018  
(000's omitted in tables)  
(continued)**

**Financial Analysis of the Proprietary Funds (continued)**

Nonmajor Enterprise Funds activities increased the City's net position by \$10,611,000 when compared to FY2017. For the Municipal Airport Fund, net position increased by \$12,716,000. This increase was due primarily to operating and non-operating revenues and expenses resulting in change of net position of \$14,425,000 and a reduction in beginning net position from the implementation of GASB Statement No. 75 of \$1,709,000. For Municipal Parking Fund, net position increased by \$11,493,000. This increase was due primarily to the capital contribution of a parking garage of \$8,988,000 and an increase in beginning net position from the implementation of GASB Statement No. 75 of \$662,000. For the Solid Waste Fund, net position decreased by \$13,598,000. This decrease was due primarily to operating and non-operating revenues and expenses resulting in change in net position of a decrease of \$3,274,000 and a restatement of beginning net position from the implementation of GASB Statement No. 75 of \$10,324,000.

**General Fund Budgetary Highlights**

Differences between the original expenditure budget and the final amended budget resulted in a \$5,076,000 increase in appropriations and is briefly summarized as follows:

- Significant activities which necessitated these increases included: \$1,800,000 for fees and revenues associated with a contract to collect delinquent court fines; \$1,700,000 to reflect the appropriations needed for overage police officer positions that was funded by a transfer from the Crime Control and Prevention District Fund; \$1,339,000 to fund payments for an energy conservation loan that was funded through transfers from other funds; and \$291,000 to fund programs that arose during the fiscal year which were funded through Neighborhood Empowerment Zones, Public Improvement District admin fees, or program refunds.

The City also increased a transfer to the Golf Fund to address the fund deficit at year end in the amount of \$13,442, funded through reducing other unused appropriations.

**Capital Assets and Debt Administration**

**Capital Assets** – The City's investment in capital assets for its governmental and business-type activities as of September 30, 2018, amounted to \$5,437,022,000 (net of accumulated depreciation/amortization). This investment in capital assets includes land/right of way, construction in progress, intangibles, buildings, vehicles, machinery and equipment, infrastructure, and amortizable intangibles. The total increase in the City's capital assets for the current fiscal year was \$166,229,000 (3.2 percent). Major capital assets events during the current fiscal year included the following:

- The acquisition of assets and development of governmental projects throughout the City added \$190,440,857 to capital assets, while governmental capital contributions were \$62,803,939.
- The acquisition of assets and development of water and sewer projects throughout the City added \$107,578,465 to capital assets, while water and sewer capital contributions were \$47,113,126.
- The acquisition of assets and development of drainage projects throughout the City added \$10,092,505 to capital assets.
- These additions were offset by depreciation/amortization of \$240,434,000 and retirements during the year.

**CITY OF FORT WORTH, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2018**  
**(000's omitted in tables)**  
**(continued)**

**Capital Assets and Debt Administration (continued)**

**Capital Assets, net of Accumulated Depreciation/Amortization**

	Governmental Activities		Business-Type Activities		Total	
	2017	2018	2017	2018	2017	2018
Land/Right of Way	\$ 234,985	\$ 251,519	\$ 201,718	\$ 207,562	\$ 436,703	\$ 459,081
Construction in Progress	298,738	337,787	355,514	305,017	654,252	642,804
Intangibles	24,270	32,096	-	1,525	24,270	33,621
Buildings	268,762	256,362	101,632	103,208	370,394	359,570
Vehicles, Machinery and Equipment	99,817	84,479	129,267	121,521	229,084	206,000
Infrastructure	1,206,136	1,238,570	2,321,952	2,479,322	3,528,088	3,717,892
Amortizable Intangibles	28,002	17,578	-	476	28,002	18,054
Total	<u>\$ 2,160,710</u>	<u>\$ 2,218,391</u>	<u>\$ 3,110,083</u>	<u>\$ 3,218,631</u>	<u>\$ 5,270,793</u>	<u>\$ 5,437,022</u>

Additional information on the City's capital assets can be found in Note F.

Long-term Liabilities – At the end of the current fiscal year, the City had total long-term liabilities of \$6,426,518,000. Of this amount, \$680,285,000 comprises debt backed by the full faith and credit of the government, and \$1,487,379,000 represents self-supported debt issues.

**Long-Term Liabilities Outstanding**

	Governmental Activities		Business-Type Activities		Total	
	2017	2018	2017	2018	2017	2018
General Obligation Bonds	\$ 452,570	\$ 475,520	\$ 37,365	\$ 35,580	\$ 489,935	\$ 511,100
Revenue Bonds	-	-	910,685	953,415	910,685	953,415
Certificates of Obligation	201,945	167,785	2,515	1,400	204,460	169,185
Special Tax Revenue Debt	226,880	226,550	-	-	226,880	226,550
Special Assessment Debt	12,685	17,840	-	-	12,685	17,840
Tax Notes	26,130	35,010	-	-	26,130	35,010
HUD Installment Obligations	2,000	1,368	-	-	2,000	1,368
Lone Star Local Government Corp Obligation	31,617	31,617	-	-	31,617	31,617
State Obligation - City	6,476	6,011	-	-	6,476	6,011
State Obligation - CCPD	2,516	2,335	-	-	2,516	2,335
TRWD Obligation	171,391	186,654	-	-	171,391	186,654
State Energy Conservation Loan Phase III	397	-	-	-	397	-
ESPC Phase VII	15,474	14,302	-	-	15,474	14,302
Capital Leases	1,167	837	-	-	1,167	837
Southwest Bank Loan (LDC SW Building)	1,477	1,099	-	-	1,477	1,099
Lancaster Corridor Construction Loan	16,500	-	-	-	16,500	-
Trinity River Authority Oblig.	-	-	3,600	2,930	3,600	2,930
ESPC Phase V	-	-	8,955	7,411	8,955	7,411
Net Unamortized Bond Premium/Discount	69,218	55,951	69,036	52,814	138,254	108,765
Compensated Absences	119,622	120,527	14,727	15,411	134,349	135,938
Risk Management Estimated Claims Payable	33,377	32,441	-	-	33,377	32,441
Arbitrage	-	-	7	12	7	12
Landfill Closure and Postclosure Liability	-	-	8,331	8,724	8,331	8,724
Pollution Remediation Liability	5,636	4,781	5,945	685	11,581	5,466
Net OPEB Liability*	803,500	753,076	137,284	130,254	940,784	883,330
Net Pension Liability	2,792,047	2,673,312	428,543	410,866	3,220,590	3,084,178
Total	<u>\$ 4,992,625</u>	<u>\$ 4,807,016</u>	<u>\$ 1,626,993</u>	<u>\$ 1,619,502</u>	<u>\$ 6,619,618</u>	<u>\$ 6,426,518</u>

\* The balances at October 1, 2017 were restated to reflect the City's implementation of GASB Statement No. 75. See Note A.17.

**CITY OF FORT WORTH, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018  
(000's omitted in tables)  
(continued)**

**Capital Assets and Debt Administration (continued)**

***Long-term Liabilities (continued)***

The City's total long-term liabilities increased by \$147,255,000 when compared to FY2017, mainly due to the issuance of bonds and notes in excess of principal payments made during the year. Due to implementation of GASB Statement No. 75, the beginning balance for Net OPEB Liability was increased by \$340,605,000 and resulted in an overall decrease in total long-term liabilities by \$193,100,000 during FY2018. Key changes for the year include: Net Pension Liability decreased by \$136,412,000, the City's Net OPEB Liability decreased by \$57,454,000, new issues of Tax Notes of \$12,590,000, and Special Assessment Debt of \$5,155,000. The City also added a net \$15,263,000 to the loan from Tarrant Regional Water District, and the Water and Sewer Fund issued \$110,475,000 Revenue Bonds. For governmental activities, the City made payments of principal balances for bonded debt of \$39,270,000 and \$17,725,000 on its General Obligation Bonds and Certificates of Obligation, respectively. The City also cash defeased \$16,435,000 of existing Certificates of Obligation. For business-type activities, the City made payments of principal for revenue bond debt of \$63,285,000 for Water and Sewer Revenue Bonds and \$4,460,000 for Stormwater Revenue Bonds.

In FY2018, Moody's Investors Services (Moody's), S&P Global Rating Services (S&P), Fitch Rating Services (Fitch), and Kroll Bond Rating Agency (Kroll) have all assigned ratings to the City of Fort Worth's outstanding debt. The City's general obligation bonds are rated "Aa3" by Moody's, "AA" by S&P, and "AA+" by both Fitch and Kroll. The City's water and sewer system revenue bonds are not rated by Kroll, and are rated "Aa1" by Moody's, "AA+" by S&P, and "AA" by Fitch. The City's drainage utility system revenue bonds are not rated by Moody's or Kroll, and are rated "AA+" by both S&P and Fitch. The City's special tax revenue bonds are not rated by S&P or Kroll, and are rated "A1" and "AA+" by Moody's and Fitch, respectively.

The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to 1.90 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on the general obligation long-term debt. The current ratio of tax-supported debt to the assessed value of all taxable property is 1.14 percent (Statistical Section on Table 14).

Additional information on the City's long-term liabilities can be found in Note G.

**Economic Factors and Next Year's Budgets and Rates**

The overall economic outlook for the City remains positive. Sales taxes have climbed steadily since the recession ended in late 2010. Declining unemployment rates and continued population growth suggest these trends should continue well into 2019. Existing households are likely to continue spending at current rates, while new residents will add to the City's sales tax base. Population growth and steady strides in the residential real estate market support improved property tax revenues in the future while the increasing volume of building permits continues to increase the overall tax base. Demand for existing homes supports the rising growth in values, which has allowed the City to reduce the property tax rates. Property tax revenues are characteristically slower to materialize than sales taxes, as homes built in 2018 are added to the tax roll in 2019 and do not begin paying taxes until 2020. However, this revenue growth is more certain than other sources, as the lagging nature of the revenue buffers property tax revenue from short-term economic trends.

The FY2019 adopted budget reduced the City's property tax rate to \$0.7850 per \$100 net taxable valuation. The total appraised value of the City's property tax roll increased \$7.6 billion or 9.2 percent from the July 2017 certified roll to the July 2018 certified roll. Adjusted Net Taxable Value (which is the Net Taxable Value plus the value of incomplete properties and properties under protest), increased \$6.6 billion or 10.9 percent in the same period across all properties within the City. Adjusted Net Taxable Value is the basis for the City's property tax revenue calculation.



**CITY OF FORT WORTH, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018  
(000's omitted in tables)  
(continued)**

**Economic Factors and Next Year's Budgets and Rates (continued)**

City staff analyzed many of the factors affecting property tax revenue, including anticipated population growth, historical change in values for residential and commercial properties, current and projected permitting data, the impact of foreclosures, as well as exemptions and protests. Staff also evaluated the allocation of the levy amount, and resulting availability of revenue for maintenance and operations (M&O), as compared to the amount available to repay the City's debt. In previous years, the City Council abided by its commitment to building capacity for capital projects by increasing the portion of the City's property tax levy to capital projects. The City's ability to continue to shift funding to our pay-as-you-go capital program over the next five years is supported by the City's commitment to invest additional dollars in infrastructure maintenance.

For FY2019, the City estimates a 98.5% collection rate of its property tax levy. Based on the M&O levy rate of \$0.6300 per \$100 of assessed valuation, the General Fund portion of the property tax rate is expected to yield approximately \$396 million in revenue for FY2019. The debt service levy rate of \$0.1550 per \$100 of assessed valuation is expected to yield approximately \$97.4 million, which will allow the repayment of all current and proposed general obligation debt.

Revenue from the City's one percent of the sales tax, excluding the one-half percent special use tax for the Crime Control and Prevention District Fund, is projected to equal \$163.2 million, an increase of \$8.6 million or 5.5 percent from the FY2018 budget. This revenue is dependent on the level of wholesale and retail sales. Over the past ten years, the City's sales tax collection grew from \$100 million in 2010 to the anticipated amount of \$163 million in 2018. This represents a 63.3% growth over the last ten years.

**Requests for Information**

This financial report is designed to provide a general overview of the City's finances for all those with interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Chief Financial Officer, 200 Texas Street, 3rd Floor, Department of Financial Management Services, Fort Worth, Texas 76102.

# BASIC FINANCIAL STATEMENTS

**CITY OF FORT WORTH, TEXAS**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2018**  
**(in 000's)**

	<u>Primary Government</u>			<b>Discretely Presented Component Unit</b>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
<b>Assets</b>				
Cash, Cash Equivalents, & Investments	\$ 857,086	\$ 153,539	\$ 1,010,625	\$ 62
Receivables, Net of Allowance for Uncollectible:				
Taxes	7,537	-	7,537	-
Grants and Other Governments	52,330	-	52,330	-
Loans	16,410	-	16,410	-
Interest	1,880	526	2,406	-
Accounts and Other	37,513	63,320	100,833	2
Internal Balances	(6,163)	6,163	-	-
Inventories (at Cost)	7,822	3,538	11,360	-
Prepays, Deposits, and Other	1,613	128	1,741	576
Long-Term Loans Receivable	13,733	-	13,733	-
Restricted Assets:				
Cash, Cash Equivalents, & Investments	4,858	584,965	589,823	267
Cash, Cash Equivalents, & Investments Held by Trustees	47,542	68,805	116,347	-
Grants Receivable	-	8,001	8,001	-
Interest Receivable	-	898	898	-
Prepaid Bond Insurance	288	168	456	-
Capital Assets, Net of Accumulated Depreciation:				
Non-Depreciable	621,402	514,104	1,135,506	-
Depreciable	1,596,989	2,704,527	4,301,516	7,465
Total Assets	<u>3,260,840</u>	<u>4,108,682</u>	<u>7,369,522</u>	<u>8,372</u>
<b>Deferred Outflows of Resources</b>	<u>1,064,881</u>	<u>169,957</u>	<u>1,234,838</u>	<u>-</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>4,325,721</u>	<u>4,278,639</u>	<u>8,604,360</u>	<u>8,372</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</b>				
<b>Liabilities</b>				
Accounts Payable	31,397	15,755	47,152	13
Escrow Accounts Payable	11,874	3,371	15,245	-
Accrued Payroll	18,696	2,915	21,611	-
Other	933	-	933	-
Unearned Revenue	57,382	-	57,382	-
Payables from Restricted Assets:				
Construction Payable	40,502	19,371	59,873	-
Customer Deposits	-	19,887	19,887	16
Accrued Interest Payable	25,360	4,803	30,163	56
Unearned Revenue	-	4,500	4,500	-
Long-Term Liabilities:				
Due Within One Year	154,454	76,209	230,663	25
Due in More Than One Year	4,652,562	1,543,293	6,195,855	3,246
Total Liabilities	<u>4,993,160</u>	<u>1,690,104</u>	<u>6,683,264</u>	<u>3,356</u>
<b>Deferred Inflows of Resources</b>	<u>393,213</u>	<u>62,055</u>	<u>455,268</u>	<u>-</u>
<b>NET POSITION (DEFICIT)</b>				
Net Investment in Capital Assets	1,451,492	2,278,993	3,730,485	-
Restricted for:				
Debt Service	25,609	46,026	71,635	-
Capital Projects	63,125	28,739	91,864	-
Partnership Equity	-	-	-	5,016
Unrestricted (Deficit)	<u>(2,600,878)</u>	<u>172,722</u>	<u>(2,428,156)</u>	<u>-</u>
Total Net Position (Deficit)	<u>\$ (1,060,652)</u>	<u>\$ 2,526,480</u>	<u>\$ 1,465,828</u>	<u>\$ 5,016</u>

See accompanying notes to the basic financial statements.

**CITY OF FORT WORTH, TEXAS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**  
**(in 000's)**

Function/Program Activities	<b>Program Revenues</b>			
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Primary Government:</b>				
Governmental Activities:				
General Government	\$ 149,942	\$ 14,850	\$ 1,781	\$ 4,769
Public Safety	687,036	11,488	16,328	781
Highways and Streets	158,652	12,244	963	75,154
Economic Opportunity	-	-	2,000	-
Culture and Recreation	284,181	28,657	9,809	16,331
Health and Welfare	11,104	-	11,302	-
Urban Redevelopment and Housing	92,183	24,814	22,899	663
Interest and Service Charges	30,844	-	-	-
<b>Total Governmental Activities</b>	<b>1,413,942</b>	<b>92,053</b>	<b>65,082</b>	<b>97,698</b>
Business-Type Activities:				
Water and Sewer	375,603	466,462	-	71,887
Stormwater Utility	29,690	38,621	-	-
Municipal Airports	18,694	7,359	-	20,245
Municipal Parking	6,744	8,577	-	8,988
Solid Waste	57,654	57,746	-	-
<b>Total Business-Type Activities</b>	<b>488,385</b>	<b>578,765</b>	<b>-</b>	<b>101,120</b>
<b>Total Primary Government</b>	<b>\$ 1,902,327</b>	<b>\$ 670,818</b>	<b>\$ 65,082</b>	<b>\$ 198,818</b>
<b>Discretely Presented Component Unit:</b>				
Terrell Homes, Ltd.	\$ 858	\$ 545	\$ -	\$ -
<b>Total Discretely Presented Component Unit</b>	<b>\$ 858</b>	<b>\$ 545</b>	<b>\$ -</b>	<b>\$ -</b>

Changes in Net Position (Deficit):

General Revenues:
Taxes:
General Property Taxes
Other Local Taxes:
Sales Taxes
Hotel/Motel Taxes
Other Taxes
Franchise Fees
Gas Leases and Royalties
Investment Income
Other
Transfers
Total General Revenues and Transfers
Changes in Net Position (Deficit)
Net Position (Deficit), Beginning of Year as Restated (Note A.17.)
Net Position (Deficit), End of Year

See accompanying notes to the basic financial statements.

**Net (Expenses) Revenues and Changes in Net Position (Deficit)**

<b>Primary Government</b>			
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Discretely Presented Component Unit</b>
\$ (128,542)		\$ (128,542)	
(658,439)		(658,439)	
(70,291)		(70,291)	
2,000		2,000	
(229,384)		(229,384)	
198		198	
(43,807)		(43,807)	
(30,844)		(30,844)	
<u>(1,159,109)</u>		<u>(1,159,109)</u>	
	\$ 162,746	162,746	
	8,931	8,931	
	8,910	8,910	
	10,821	10,821	
	92	92	
	<u>191,500</u>	<u>191,500</u>	
<u>(1,159,109)</u>	<u>191,500</u>	<u>(967,609)</u>	
			\$ <u>(313)</u>
			<u>(313)</u>
486,418	-	486,418	-
231,899	-	231,899	-
29,515	-	29,515	-
5,065	-	5,065	-
51,934	-	51,934	-
9,267	4,754	14,021	-
8,902	7,270	16,172	-
13,358	6,349	19,707	12
37,681	(37,681)	-	-
<u>874,039</u>	<u>(19,308)</u>	<u>854,731</u>	<u>12</u>
(285,070)	172,192	(112,878)	(301)
(775,582)	2,354,288	1,578,706	5,317
<u>\$ (1,060,652)</u>	<u>\$ 2,526,480</u>	<u>\$ 1,465,828</u>	<u>\$ 5,016</u>

**CITY OF FORT WORTH, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2018  
(in 000's)**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<b>ASSETS</b>					
Cash, Cash Equivalents, & Investments	\$ 103,877	\$ 46,132	\$ 505,890	\$ 144,557	\$ 800,456
Cash, Cash Equivalents, & Investments Held by Trustees	32,042	3,547	9,085	140	44,814
Receivables, Net of Allowance for Uncollectible:					
Taxes	5,846	1,691	-	-	7,537
Grants and Other Governments	28,387	-	2,927	21,016	52,330
Loans	-	-	-	16,410	16,410
Interest	64	1,061	177	433	1,735
Accounts and Other	15,394	-	872	21,247	37,513
Inventories (at Cost)	2,153	-	-	5,191	7,344
Advances to Other Funds	1,844	-	-	-	1,844
Prepays, Deposits, and Other	1,032	-	382	188	1,602
Long-Term Loans Receivable	-	-	-	13,733	13,733
Total Assets	<u>\$ 190,639</u>	<u>\$ 52,431</u>	<u>\$ 519,333</u>	<u>\$ 222,915</u>	<u>\$ 985,318</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 11,871	\$ -	\$ -	\$ 15,740	\$ 27,611
Construction Payable	-	-	40,403	99	40,502
Escrow Accounts Payable	3,653	-	4,559	3,662	11,874
Accrued Payroll	16,025	-	-	2,020	18,045
Other	837	-	-	96	933
Advances from Other Funds	-	-	4,693	1,844	6,537
Unearned Revenue	429	-	755	34,360	35,544
Total Liabilities	<u>32,815</u>	<u>-</u>	<u>50,410</u>	<u>57,821</u>	<u>141,046</u>
<b>Deferred Inflows of Resources</b>	<u>5,123</u>	<u>1,464</u>	<u>2,218</u>	<u>12,128</u>	<u>20,933</u>
<b>Fund Balances (Deficit):</b>					
Nonspendable	5,029	-	382	5,189	10,600
Restricted	10,495	29,250	272,368	92,287	404,400
Committed	27,360	8,602	122,521	2,690	161,173
Assigned	2,545	13,115	71,434	53,556	140,650
Unassigned (Deficit)	107,272	-	-	(756)	106,516
Total Fund Balances	<u>152,701</u>	<u>50,967</u>	<u>466,705</u>	<u>152,966</u>	<u>823,339</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 190,639</u>	<u>\$ 52,431</u>	<u>\$ 519,333</u>	<u>\$ 222,915</u>	<u>\$ 985,318</u>

See accompanying notes to the basic financial statements.

**CITY OF FORT WORTH, TEXAS**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL**  
**FUNDS TO THE STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2018**  
**(in 000's)**

Total fund balances--governmental funds \$ 823,339

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets (including internal service fund assets of \$2,898) consist of:

Land/right of way	\$	251,519	
Construction in progress		337,787	
Intangibles		32,096	
Buildings		487,519	
Vehicles, machinery and equipment		230,896	
Infrastructure		3,219,038	
Amortizable intangibles		42,955	
Accumulated depreciation/amortization		<u>(2,383,419)</u>	
Total capital assets		<u>2,218,391</u>	2,218,391

Some revenues in the governmental funds are not recognized because they are not collected within the prescribed period after year-end. On the accrual basis, however, those revenues would be recognized, regardless of when they are collected. 20,933

Internal service funds are used by management to charge the costs of certain activities, such as; equipment services, information systems, capital project services, group health and life insurance, and risk financing to individual funds. A portion of the net position of the internal service funds is included in governmental activities in the Statement of Net Position (amount is net of capital assets of \$2,898 and compensated absences of (\$2,428)). 26,502

Deferred outflows of resources are not reported in the governmental funds related to:

Pension (See Note I for detailed breakdown)		1,033,287	
Other postemployment benefits (See Note J for detailed breakdown)		22,440	
Deferred charges on debt refundings		9,154	
Total deferred outflows of resources		<u>1,064,881</u>	1,064,881

Some long-term assets and liabilities are not due and payable in the current period and therefore are not reported in the funds. Those assets and liabilities (including allocated internal service fund compensated absences of \$2,428) consist of:

Prepaid bond insurance		288	
Long-term compensated absences		(120,527)	
Pollution remediation liability		(4,781)	
Other postemployment benefits obligation		(753,076)	
Net pension liability		(2,673,312)	
Accrued interest payable		(25,360)	
Long-term debt, including premium/discount		<u>(1,222,879)</u>	
Total long-term liabilities		<u>(4,799,647)</u>	(4,799,647)

Unearned revenues are resources received in advance and should be reported as liabilities until the period of the exchange. This liability consists of a long-term land lease entered into by a blended component unit of the City. (21,838)

Deferred inflows of resources are not reported in the governmental funds related to:

Pension (See Note I for detailed breakdown)		(340,147)	
Other postemployment benefits (See Note J for detailed breakdown)		<u>(53,066)</u>	
Total deferred inflows of resources		<u>(393,213)</u>	(393,213)

Net position (deficit) of governmental activities \$ (1,060,652)

**CITY OF FORT WORTH, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**  
**(in 000's)**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<b>REVENUES:</b>					
General Property Taxes	\$ 371,832	\$ 94,646	\$ -	\$ 19,481	\$ 485,959
Sales Taxes	157,369	-	-	73,884	231,253
Other Local Taxes	5,065	-	-	29,515	34,580
Franchise Fees	51,934	-	-	-	51,934
Charges for Services	18,185	-	5,099	15,656	38,940
Licenses and Permits	17,029	-	-	16	17,045
Fines and Forfeitures	6,317	-	-	9,741	16,058
Revenue from Use of Money and Property	588	99	1,776	13,032	15,495
Investment Income (Loss)	(870)	9,170	613	273	9,186
Intergovernmental	1,779	-	29,206	59,876	90,861
Gas Leases and Royalties	2,084	-	6,231	952	9,267
Other	2,902	-	12,307	20,340	35,549
Contributions	164	-	10,502	2,205	12,871
Total Revenues	<u>634,378</u>	<u>103,915</u>	<u>65,734</u>	<u>244,971</u>	<u>1,048,998</u>
<b>EXPENDITURES:</b>					
Current:					
General Government	63,718	-	10,607	15,566	89,891
Public Safety	419,515	-	13,093	63,625	496,233
Highways and Streets	32,946	-	10,783	6,131	49,860
Culture and Recreation	60,911	-	137,983	47,428	246,322
Health and Welfare	82	-	-	10,009	10,091
Urban Redevelopment and Housing	35,921	-	60	45,614	81,595
Capital Outlay	-	-	185,338	5,103	190,441
Debt Service:					
Principal Retirement	1,789	77,470	632	20,832	100,723
Interest and Debt Issuance Costs	384	40,955	744	1,046	43,129
Total Expenditures	<u>615,266</u>	<u>118,425</u>	<u>359,240</u>	<u>215,354</u>	<u>1,308,285</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>19,112</u>	<u>(14,510)</u>	<u>(293,506)</u>	<u>29,617</u>	<u>(259,287)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Issuance of Long-Term Debt	-	-	62,220	-	62,220
Issuance of Special Assessment Debt	-	940	4,170	45	5,155
Issuance of Tax Notes	-	-	12,590	-	12,590
Construction Loans	-	-	-	19,106	19,106
Premium on Issuance	-	1,071	3,345	-	4,416
Proceeds from Disposal of Property	-	-	398	25,614	26,012
Transfers In	50,465	11,170	72,421	10,292	144,348
Transfers Out	(52,325)	-	(1,423)	(50,148)	(103,896)
Total Other Financing Sources (Uses)	<u>(1,860)</u>	<u>13,181</u>	<u>153,721</u>	<u>4,909</u>	<u>169,951</u>
Net Change in Fund Balances	<u>17,252</u>	<u>(1,329)</u>	<u>(139,785)</u>	<u>34,526</u>	<u>(89,336)</u>
Fund Balances, Beginning of Year	135,449	52,296	606,490	118,440	912,675
Fund Balances, End of Year	<u>\$ 152,701</u>	<u>\$ 50,967</u>	<u>\$ 466,705</u>	<u>\$ 152,966</u>	<u>\$ 823,339</u>

See accompanying notes to the basic financial statements.



**CITY OF FORT WORTH, TEXAS  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2018  
(in 000's)**

Net change in fund balances--total governmental funds \$ (89,336)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation and other transactions that impact capital assets in the current period.

Contributed assets	\$ 55,797	
Capital outlay expenditures	190,441	
Depreciation and amortization expense (excluding internal service fund depreciation of \$291)	<u>(142,667)</u>	
Net adjustment	<u>103,571</u>	103,571

In the Statement of Activities, the gain on sale of capital assets is reported. In the governmental funds, the proceeds from the disposal of assets were reported as another financing source. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets. (52,895)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This adjustment is to recognize the net change in "unavailable" revenues. Under the modified accrual basis of accounting, revenues are not recognized unless they are deemed "available" to finance the expenditures of the current period; accrual-basis recognition is not limited by availability, so certain revenues need to be reduced by the amounts that were unavailable at the beginning of the year and increased by the amounts that were unavailable at the end of the year. 3,748

The issuance of long-term debt (e.g., bonds, certificates of obligation) provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Debt issued:		
General obligation bonds	(62,220)	
Special assessment debt	(5,155)	
Tax notes	(12,590)	
Other obligations	<u>(19,106)</u>	
Total proceeds	(99,071)	
Premium on debt issued	(4,416)	
Repayments:		
To bondholders	100,723	
Amortization of premiums and discounts	17,683	
Amortization of prepaid bond insurance	<u>(11)</u>	
Net adjustment	<u>14,908</u>	14,908

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Increase in accrued interest on long-term liabilities	(2,322)	
Decrease in net pension liability	118,735	
Decrease in other postemployment benefits obligation	50,424	
Increase in compensated absences liability (excluding internal service fund decrease of \$1,933)	(2,838)	
Decrease in pollution remediation liability	<u>855</u>	
Net adjustment	<u>164,854</u>	164,854

(continued)

**CITY OF FORT WORTH, TEXAS  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2018  
(in 000's)**

Governmental funds report pension and OPEB contributions as expenditures when made. However, in the Statement of Activities, pension and OPEB expense is the cost of benefits earned adjusted for member contributions, the recognition of changes in deferred outflows and inflows of resources related to pensions and OPEB, the investment experience, and changes in actuarial assumptions.

Deferred outflows of resources	\$ (95,109)	
Deferred inflows of resources	<u>(335,719)</u>	
Net adjustment	<u>(430,828)</u>	\$ (430,828)

Internal service funds are used by management to charge the costs of certain activities, such as: equipment services, information systems, capital project services, group health and life insurance, and risk financing to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.

(1,155)

Revenue on the Statement of Activities includes current recognition of unearned revenues related to a long-term land lease entered into by a component unit of the City. This amount is combined with an adjustment to increase sales tax revenue on the Statement of Activities for a liability on the Statement of Net Position for the State Tax Agreement.

5,127

Governmental funds report the amount of refinance debt as a current resource and do not calculate a gain or loss on the defeasance of the extinguished debt. This adjustment represents the amount of amortization for the current year of the deferred outflow of refunding loss.

(3,064)

Change in net position (deficit) of governmental activities

\$ (285,070)



**CITY OF FORT WORTH, TEXAS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2018**  
**(in 000's)**

	Business-Type Activities-- Enterprise Funds			Governmental Activities	
	Water and Sewer	Stormwater Utility	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>					
<b>Assets</b>					
Current Assets:					
Cash, Cash Equivalents, & Investments	\$ 110,312	\$ 16,859	\$ 26,368	\$ 153,539	\$ 56,630
Interest Receivable	429	44	53	526	145
Accounts and Other Receivables, Net of Allowance for Uncollectible	52,195	3,882	7,243	63,320	-
Inventories (at Cost)	3,538	-	-	3,538	478
Prepays, Deposits, and Other	118	-	10	128	11
Restricted Assets:					
Cash & Cash Equivalents	41,886	2,389	7,657	51,932	-
Total Current Assets	<u>208,478</u>	<u>23,174</u>	<u>41,331</u>	<u>272,983</u>	<u>57,264</u>
Noncurrent Assets:					
Restricted Assets:					
Cash & Cash Equivalents	459,653	44,882	28,498	533,033	4,858
Cash, Cash Equivalents, & Investments Held by Trustees	27,801	-	41,004	68,805	2,728
Grants and Other Receivables	1,243	35	6,723	8,001	-
Interest Receivable	653	112	133	898	-
Total Restricted Assets	<u>489,350</u>	<u>45,029</u>	<u>76,358</u>	<u>610,737</u>	<u>7,586</u>
Advances to Other Funds	-	-	4,693	4,693	-
Prepaid Bond Insurance	168	-	-	168	-
Capital Assets (at Cost):					
Land/Right of Way	28,472	13,689	165,401	207,562	1,123
Buildings	67,543	8,409	89,554	165,506	4,656
Infrastructure	3,154,096	138,469	344,315	3,636,880	1,039
Vehicles, Machinery and Equipment	356,617	12,782	9,094	378,493	4,395
Construction in Progress	263,843	29,798	11,376	305,017	251
Intangibles - Depreciable	-	-	510	510	-
Intangibles - Non-Depreciable	-	-	1,525	1,525	-
Accumulated Depreciation	(1,223,985)	(41,820)	(211,057)	(1,476,862)	(8,566)
Net Capital Assets	<u>2,646,586</u>	<u>161,327</u>	<u>410,718</u>	<u>3,218,631</u>	<u>2,898</u>
Total Noncurrent Assets	<u>3,136,104</u>	<u>206,356</u>	<u>491,769</u>	<u>3,834,229</u>	<u>10,484</u>
Total Assets	<u>3,344,582</u>	<u>229,530</u>	<u>533,100</u>	<u>4,107,212</u>	<u>67,748</u>
<b>Deferred Outflows of Resources</b>	<u>133,668</u>	<u>15,402</u>	<u>20,887</u>	<u>169,957</u>	<u>-</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 3,478,250</u>	<u>\$ 244,932</u>	<u>\$ 553,987</u>	<u>\$ 4,277,169</u>	<u>\$ 67,748</u>

(continued)

**CITY OF FORT WORTH, TEXAS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2018**  
**(in 000's)**

	<b>Business-Type Activities--</b>				<b>Governmental</b>
	<b>Enterprise Funds</b>				<b>Activities</b>
	<b>Water and Sewer</b>	<b>Stormwater Utility</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>					
<b>Liabilities</b>					
Current Liabilities:					
Accounts Payable	\$ 10,236	\$ 287	\$ 5,232	\$ 15,755	\$ 3,786
Accrued Payroll	2,292	265	358	2,915	651
Current Portion of Long-Term Liabilities	67,353	5,167	3,689	76,209	18,131
Payables from Restricted Assets:					
Construction Payable	14,213	1,814	3,344	19,371	-
Escrow Accounts Payable	3,371	-	-	3,371	-
Customer Deposits	18,951	-	936	19,887	-
Accrued Interest Payable	4,091	575	137	4,803	-
Unearned Revenue	1,260	-	3,240	4,500	-
<b>Total Current Liabilities</b>	<b>121,767</b>	<b>8,108</b>	<b>16,936</b>	<b>146,811</b>	<b>22,568</b>
Long-Term Liabilities:					
Long-Term Liabilities Due in More Than One Year	1,284,154	152,966	106,173	1,543,293	16,738
<b>Total Long-Term Liabilities</b>	<b>1,284,154</b>	<b>152,966</b>	<b>106,173</b>	<b>1,543,293</b>	<b>16,738</b>
<b>Total Liabilities</b>	<b>1,405,921</b>	<b>161,074</b>	<b>123,109</b>	<b>1,690,104</b>	<b>39,306</b>
<b>Deferred Inflows of Resources</b>	<b>47,624</b>	<b>4,967</b>	<b>9,464</b>	<b>62,055</b>	<b>-</b>
<b>NET POSITION</b>					
Net Investment in Capital Assets	1,852,552	58,199	368,242	2,278,993	2,897
Restricted for:					
Debt Service	41,205	3,463	1,358	46,026	-
Capital Projects	28,739	-	-	28,739	-
Unrestricted	102,209	17,229	51,814	171,252	25,545
<b>Total Net Position</b>	<b>\$ 2,024,705</b>	<b>\$ 78,891</b>	<b>\$ 421,414</b>	<b>\$ 2,525,010</b>	<b>\$ 28,442</b>
Adjustment to Reflect the Consolidation of Internal Service Funds Activities Related to Enterprise Funds				1,470	
<b>Net Position of Business-Type Activities</b>				<b>\$ 2,526,480</b>	

See accompanying notes to the basic financial statements.

(concluded)

**CITY OF FORT WORTH, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**  
**(in 000's)**

	Business-Type Activities-- Enterprise Funds			Total	Governmental Activities
	Water and Sewer	Stormwater Utility	Nonmajor Enterprise Funds		Internal Service Funds
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 466,462	\$ 38,621	\$ 73,682	\$ 578,765	\$ 169,588
Other	1,709	29	4,611	6,349	10,984
Total Operating Revenues	<u>468,171</u>	<u>38,650</u>	<u>78,293</u>	<u>585,114</u>	<u>180,572</u>
<b>OPERATING EXPENSES</b>					
Personnel Services	107,618	12,965	13,660	134,243	34,960
Supplies and Materials	25,036	838	1,387	27,261	11,142
Contractual Services	158,620	6,144	53,075	217,839	127,971
Landfill Closure and Postclosure Cost	-	-	393	393	-
Depreciation	75,238	8,651	13,587	97,476	291
Total Operating Expenses	<u>366,512</u>	<u>28,598</u>	<u>82,102</u>	<u>477,212</u>	<u>174,364</u>
Operating Income (Loss)	<u>101,659</u>	<u>10,052</u>	<u>(3,809)</u>	<u>107,902</u>	<u>6,208</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment Income	5,232	333	1,705	7,270	(289)
Gain (Loss) on Sale of Property and Equipment	146	26	20	192	(4,303)
Interest and Service Charges	(9,237)	(1,118)	(1,010)	(11,365)	-
Gas Leases and Royalties	1,053	-	3,701	4,754	-
Total Nonoperating Revenues (Expenses)	<u>(2,806)</u>	<u>(759)</u>	<u>4,416</u>	<u>851</u>	<u>(4,592)</u>
Income (Loss) Before Transfers and Contributions	<u>98,853</u>	<u>9,293</u>	<u>607</u>	<u>108,753</u>	<u>1,616</u>
Transfers In	3,690	24	89	3,803	8,400
Transfers Out	(29,303)	(4,234)	(7,947)	(41,484)	(11,171)
Capital Contributions	54,916	-	29,233	84,149	-
Capital Contributions - Impact Fees	16,971	-	-	16,971	-
Changes in Net Position	<u>145,127</u>	<u>5,083</u>	<u>21,982</u>	<u>172,192</u>	<u>(1,155)</u>
Total Net Position, Beginning of Year, as Restated (Note A.17.)	<u>1,879,578</u>	<u>73,808</u>	<u>399,432</u>	<u>2,352,818</u>	<u>29,597</u>
Total Net Position, End of Year	<u>\$ 2,024,705</u>	<u>\$ 78,891</u>	<u>\$ 421,414</u>	<u>\$ 2,525,010</u>	<u>\$ 28,442</u>

See accompanying notes to the basic financial statements.



**CITY OF FORT WORTH, TEXAS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**  
**(in 000's)**

	Business-Type Activities-- Enterprise Funds			Governmental Activities	
	Water and Sewer	Stormwater Utility	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>Cash Flows from Operating Activities:</b>					
Receipts from Customers	\$ 465,794	\$ 37,904	\$ 73,231	\$ 576,929	\$ -
Receipts from Other Funds	-	-	-	-	170,705
Receipts from Other Operating Sources	1,709	29	4,611	6,349	10,984
Payments to Employees	(72,390)	(7,865)	(11,002)	(91,257)	(37,253)
Payments to Vendors	(186,459)	(7,181)	(53,891)	(247,531)	(45,717)
Payments for Benefits	-	-	-	-	(98,148)
Net Cash Provided by (Used for) Operating Activities	<u>208,654</u>	<u>22,887</u>	<u>12,949</u>	<u>244,490</u>	<u>571</u>
<b>Cash Flows from Noncapital Financing Activities:</b>					
Transfers In from Other Funds	3,690	24	89	3,803	8,400
Transfers Out to Other Funds	(29,303)	(4,234)	(7,947)	(41,484)	(11,171)
Due from Other Funds	66	-	316	382	-
Advances to Other Funds	-	-	3,520	3,520	-
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(25,547)</u>	<u>(4,210)</u>	<u>(4,022)</u>	<u>(33,779)</u>	<u>(2,771)</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Bond Principal Received	110,475	-	-	110,475	-
Bond Premium Received	3,127	-	-	3,127	-
Proceeds from Sale of Property and Equipment	552	24	59	635	8
Contributions	9,105	-	22,249	31,354	-
Contributions - Impact Fees	16,971	-	-	16,971	-
Acquisition and Construction of Capital Assets	(109,101)	(11,961)	(24,561)	(145,623)	(1,752)
Principal Paid on Long-Term Debt	(65,499)	(4,460)	(2,900)	(72,859)	-
Interest Paid on Long-Term Obligations	(31,721)	(4,680)	(1,701)	(38,102)	-
Bond Issuance Cost Paid	(1,287)	-	-	(1,287)	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(67,378)</u>	<u>(21,077)</u>	<u>(6,854)</u>	<u>(95,309)</u>	<u>(1,744)</u>
<b>Cash Flows from Investing Activities:</b>					
Receipts from Gas Leases and Royalties	1,053	-	3,701	4,754	-
Purchases of Investments	(1,936)	-	(9,525)	(11,461)	-
Sales of Investments	1,528	-	7,908	9,436	-
Investment Income Received	5,019	333	1,694	7,046	(281)
Net Cash Provided by (Used for) Investing Activities	<u>5,664</u>	<u>333</u>	<u>3,778</u>	<u>9,775</u>	<u>(281)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	121,393	(2,067)	5,851	125,177	(4,225)
Cash and Cash Equivalents, Beginning of Year	511,398	66,197	64,863	642,458	68,441
Cash and Cash Equivalents, End of Year	<u>\$ 632,791</u>	<u>\$ 64,130</u>	<u>\$ 70,714</u>	<u>\$ 767,635</u>	<u>\$ 64,216</u>

(continued)



**CITY OF FORT WORTH, TEXAS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**  
**(in 000's)**

	Business-Type Activities-- Enterprise Funds			Governmental Activities	
	Water and Sewer	Stormwater Utility	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>					
Operating Income (Loss)	\$ 101,659	\$ 10,052	\$ (3,809)	\$ 107,902	\$ 6,208
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Depreciation	75,238	8,651	13,587	97,476	291
Changes in Assets and Liabilities:					
Accounts and Other Receivables	(2,770)	(744)	17	(3,497)	521
Inventories	(284)	-	-	(284)	(44)
Prepays, Deposits, and Other Assets	(118)	27	(10)	(101)	596
Deferred Outflows of Resources (Pension)	12,019	1,472	1,425	14,916	-
Deferred Outflows of Resources (OPEB)	317	32	-	349	-
Accounts Payable	2,741	(199)	571	3,113	(3,772)
Escrow Accounts Payable	912	-	-	912	-
Accrued Payroll and Compensation	852	158	189	1,199	(2,293)
Customer Deposits	1,308	-	23	1,331	-
Accrued Benefits	-	-	-	-	(936)
Landfill Closure and Postclosure Liability	-	-	393	393	-
Pollution Remediation Costs	(5,260)	-	-	(5,260)	-
Net Pension Liability	(13,802)	(1,675)	(2,201)	(17,678)	-
Net OPEB Liability	(4,809)	971	1,132	(2,706)	-
Deferred Inflows of Resources (Pension)	32,763	3,983	5,305	42,051	-
Deferred Inflows of Resources (OPEB)	7,888	159	(3,192)	4,855	-
Deferred Inflows of Resources (Service Concession Agreement)	-	-	(481)	(481)	-
Total Adjustments	106,995	12,835	16,758	136,588	(5,637)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>\$ 208,654</b>	<b>\$ 22,887</b>	<b>\$ 12,949</b>	<b>\$ 244,490</b>	<b>\$ 571</b>
<b>The Cash and Cash Equivalents are reported in the Statement of Net Position as follows:</b>					
Current - Cash, Cash Equivalents, & Investments	\$ 110,312	\$ 16,859	\$ 26,368	\$ 153,539	\$ 56,630
Current Restricted - Cash & Cash Equivalents	41,886	2,389	7,657	51,932	-
Noncurrent Restricted - Cash & Cash Equivalents	459,653	44,882	28,498	533,033	4,858
Noncurrent Restricted - Cash, Cash Equivalents, & Investments Held by Trustees	27,801	-	41,004	68,805	2,728
Less: Gas Well Investments Held by Trustees	(6,861)	-	(32,813)	(39,674)	-
<b>Total Cash and Cash Equivalents</b>	<b>\$ 632,791</b>	<b>\$ 64,130</b>	<b>\$ 70,714</b>	<b>\$ 767,635</b>	<b>\$ 64,216</b>
<b>Noncash Investing, Capital, and Financing Activities:</b>					
Capitalized Interest	\$ 8,084	\$ 2,300	\$ -	\$ 10,384	\$ -
Capital Asset Contributions from Developers	48,774	-	10,384	59,158	-
Capital Asset Transfers from Government	12	-	-	12	-
Amortization of Bond Premium/Discount	17,211	1,270	868	19,349	-
Amortization of Bond Defeasement Loss	(1,489)	(28)	(187)	(1,704)	-
Change in Fair Value on Pooled Investments	(2,478)	(637)	(764)	(3,879)	(1,224)
Change in Fair Value on Non-Pooled Investments	65	-	373	438	-

(concluded)

See accompanying notes to the basic financial statements.

**CITY OF FORT WORTH, TEXAS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2018**  
**(in 000's)**

	<b>Retirement Pension Trust Fund</b>	<b>Retiree Healthcare Trust Fund</b>	<b>Total</b>
<b>ASSETS</b>			
Current Assets:			
Cash & Cash Equivalents	\$ 150	\$ 704	\$ 854
Cash & Investments Held by Trustees:			
Asset and Mortgage Backed Obligations	59,089	-	59,089
Corporate Obligations	164,626	23,161	187,787
Government Agency Obligations	121,463	8,406	129,869
International Obligations	13,541	3,357	16,898
Securities Lending Collateral	135,483	-	135,483
U.S. Treasuries	77,904	12,569	90,473
Short-Term Mutual Fund Investments	71,535	27,421	98,956
Corporate Stock	436,588	-	436,588
Alternative Investments	602,122	-	602,122
Commingled Funds	848,883	-	848,883
Total Cash & Investments Held by Trustees	<u>2,531,234</u>	<u>74,914</u>	<u>2,606,148</u>
Prepays	32	-	32
Accrued Income	5,023	387	5,410
Other Receivables	5,039	-	5,039
Due from Broker Securities Sold	288,468	-	288,468
Total Current Assets	<u>2,829,946</u>	<u>76,005</u>	<u>2,905,951</u>
Capital Assets (at Cost):			
Land	404	-	404
Buildings	3,498	-	3,498
Machinery and Equipment	292	-	292
Accumulated Depreciation	(1,125)	-	(1,125)
Net Capital Assets	<u>3,069</u>	<u>-</u>	<u>3,069</u>
Total Assets	<u>2,833,015</u>	<u>76,005</u>	<u>2,909,020</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accrued Liabilities	192	280	472
Obligations Under Securities Lending	135,483	-	135,483
Due to Broker Securities Purchased	373,004	-	373,004
Total Current Liabilities	<u>508,679</u>	<u>280</u>	<u>508,959</u>
<b>NET POSITION</b>			
Net Position Held in Trust for Pension and Other Employee Benefits:			
Restricted for Pensions	2,324,336	-	2,324,336
Postemployment Healthcare Plan	-	75,725	75,725
Total Net Position	<u>\$ 2,324,336</u>	<u>\$ 75,725</u>	<u>\$ 2,400,061</u>

See accompanying notes to the basic financial statements.

**CITY OF FORT WORTH, TEXAS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**  
**(in 000's)**

	<b>Retirement Pension Trust Fund</b>	<b>Retiree Healthcare Trust Fund</b>	<b>Total</b>
<b>ADDITIONS</b>			
Interest, Dividend, and Securities Lending Income	\$ 28,032	\$ 2,519	\$ 30,551
Less: Investment Management Fees and Interest Expense	(6,230)	(228)	(6,458)
Net Gain (Loss) in Fair Value of Investments	104,973	(383)	104,590
Other Income	14,107	963	15,070
Employer Contributions	93,504	25,297	118,801
Employee/Retiree Contributions	37,618	-	37,618
Total Additions	<u>272,004</u>	<u>28,168</u>	<u>300,172</u>
<b>DEDUCTIONS</b>			
Benefit Payments	212,541	19,919	232,460
Refunds	5,261	-	5,261
Administrative Expenses	4,915	1,352	6,267
Total Deductions	<u>222,717</u>	<u>21,271</u>	<u>243,988</u>
Change in Net Position	49,287	6,897	56,184
Net Position, Beginning of Year	2,275,049	68,828	2,343,877
Net Position, End of Year	<u>\$ 2,324,336</u>	<u>\$ 75,725</u>	<u>\$ 2,400,061</u>

See accompanying notes to the basic financial statements.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**(000's omitted in tables)**

Note A: Summary of Significant Accounting Policies

Note B: Cash, Cash Equivalents, & Investments

Note C: Receivables and Interfund Balances

Note D: Fund Equity

Note E: Restricted Assets

Note F: Capital Assets

Note G: Debt Obligations

Note H: Landfill Closure and Postclosure Care Costs

Note I: Employees' Retirement Fund of the City of Fort Worth, Texas

Note J: Employee Benefits

Note K: Commitments and Contingencies

Note L: Segment Financial Information

Note M: Fort Worth Multi-Purpose Arena

Note N: Subsequent Events

Note O: New Accounting Standards

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**(000's omitted in tables)**

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the City of Fort Worth, Texas (the City) as reflected in the accompanying financial statements for the year ended September 30, 2018, conform to accounting principles generally accepted in the United States of America (GAAP) for local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. A summary of the City's significant accounting policies applied in the preparation of the accompanying financial statements follows.

**A.1. FINANCIAL REPORTING ENTITY**

In evaluating the City's financial reporting entity, management has considered all potential component units as required by GAAP. Organizations are included if the City is financially accountable for them, or the nature and significance of their relationship with the City are such that exclusion would cause the financial statements to be misleading. Inclusion is determined on the basis of the City's ability to exercise significant influence. Significant influence or accountability is based primarily on its operational or financial relationship with the City (as distinct from a legal relationship).

The City is financially accountable if it appoints a voting majority of an organization's governing body and is able to impose its will on that organization, or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the City. The City also is financially accountable if an organization is fiscally dependent on the City and potentially provides specific financial benefits to, or imposes specific financial burdens on the City.

**Blended Component Units**

Blended component units, although legally separate entities are reported as part of the primary government because they meet the criteria above, and are so intertwined with the City that they are, in substance, the same as the City. In Fiscal Year 2018 (FY2018), most of the blended component units prepared and published separate financial statements, copies of which are available by contacting the respective parties noted in the following paragraphs. The nine blended component units below are reported as part of the primary government:

***Crime Control and Prevention District*** - The Crime Control and Prevention District (CCPD) was created in March 1995 by a vote of local residents, and renewed in 2000, 2005, 2010 and 2014 for subsequent five-years periods and expires at the end of fiscal year 2020. The CCPD is supported by a ½ cent sales tax which serves a role in providing the necessary resources to effectively implement crime control strategies. Although it is legally separate from the City, the members of the Board of the CCPD and members of the City Council are substantially the same. The City has financial accountability, and a financial benefit/burden relationship exists which allows the City to impose its will. Therefore, the CCPD has been blended in the City's basic financial statements as a Nonmajor Special Revenue Fund.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**(000's omitted in tables)**

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A.1. FINANCIAL REPORTING ENTITY (CONTINUED)**

**Fort Worth Housing Finance Corporation** - The Fort Worth Housing Finance Corporation (FWHFC) was created by the City in 1979 pursuant to the Texas Housing Finance Corporations Act. The FWHFC was formed for the purpose of financing the cost of residential development for persons of low and moderate income, including multifamily and single-family housing. Although it is legally separate from the City, the members of the Board of the FWHFC and members of the City Council are substantively the same. The City has financial accountability, and a financial benefit/burden relationship exists which allows the City to impose its will. Therefore, the FWHFC has been blended in the City's basic financial statements as a Nonmajor Special Revenue Fund. FWHFC is the sole member of the following Texas Limited Liability Corporations ("LLCs"): Decatur Angle GP, LLC; Enclave Westport GP, LLC; Race Streets Lofts GP, LLC; Reserve at Quebec GP, LLC; Mercantile Apartments GP, LLC; The Broadmoor at Western Hills GP, LLC; Enclave Park GP, LLC; Riverside Senior Development GP, LLC; and Terrell Homes GP, LLC. These LLCs are limited partners with 0.005% to 0.01% respective interest of the following Texas limited partnerships and one limited liability company: Decatur Angle Ltd; Enclave Westport, LP; Race Streets Lofts, Ltd; Reserve at Quebec, LLC; Mercantile Apartments Ltd; The Broadmoor at Western Hills, Ltd; Enclave Park, LP; Riverside Senior Investments, LP and Terrell Homes, Ltd. Terrell Homes, Ltd. is included in the FWHFC financial statements as a discretely presented component unit, which is discussed under the discretely presented component unit section. Separate FWHFC financial statements can be obtained by contacting the Fort Worth Housing Finance Corporation at 200 Texas Street, Fort Worth, Texas 76102.

**Fort Worth Local Development Corporation** - The Fort Worth Local Development Corporation (FWLDC) is a 501(c)(3) organization and a Texas nonprofit corporation formed in 1987 by the City Council. The original purpose of the FWLDC was to administer a low-interest rate program for business development in and around the Stockyards area in accordance with the Economic Development Administration Block Grant Program. However, the articles of incorporation are broad enough to allow involvement in almost any kind of city-wide economic development activities. Although it is legally separate entity from the City, the members of the Board of the FWLDC and members of the City Council are substantively the same. The City has financial accountability, and a financial benefit/burden relationship exists which allows the City to impose its will. Therefore, the FWLDC has been blended in the City's basic financial statements as a Nonmajor Capital Project Fund. Included in FWLDC is its component unit: Lancaster Corridor Redevelopment, LLC as noted in the following paragraph below. Separate financial statements can be obtained by contacting the Fort Worth Local Development Corporation at 1150 South Freeway, Fort Worth, Texas 76104.

**Lancaster Corridor Redevelopment, LLC** - Lancaster Corridor Redevelopment, LLC (the Company), a Texas limited liability company, was created as a subsidiary of FWLDC pursuant to the Texas Limited Liability Company Act for the purpose of aiding, assisting, and acting on behalf of the City in the construction of the mixed-use redevelopment along the Lancaster Corridor. The financial information of the Company is blended into that of the FWLDC in the separate financial statements noted above; however, the Company has been blended into the City's basic financial statements as a Nonmajor Capital Project Fund (reported with the Other Blended Component Units). Separate financial statements can be obtained by contacting the Lancaster Corridor Redevelopment, LLC at 1150 South Freeway, Fort Worth, Texas 76104.

**Alliance Airport Authority, Inc.** - The Alliance Airport Authority, Inc. (the Authority) was created in 1989. It is an industrial development corporation created to benefit the City and to, among other things, issue bonds, promote and develop new and expanded business enterprises in the City, promote and encourage employment, and otherwise to benefit the public in accordance with the Development Corporation Act of 1979. Although it is legally separate entity from the City, the members of the Board of the Authority and members of the City Council are substantively the same. The City has financial accountability and a financial benefit/burden relationship exists which allows the City to impose its will. Therefore, the Authority has been blended into the City's basic financial statements as a Nonmajor Special Revenue Fund (reported with the Other Blended Component Units). Separate financial statements can be obtained by contacting the Alliance Airport Authority, Inc. at 1150 South Freeway, Fort Worth, Texas 76104.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**(000's omitted in tables)**

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A.1. FINANCIAL REPORTING ENTITY (CONTINUED)**

**Fort Worth Sports Authority, Inc.** - The Fort Worth Sports Authority, Inc. (Sports Authority) was created pursuant to the provisions of Section 4B, Article 5190.6, Vernon's Texas Civil Statutes, which authorizes the Sports Authority to jointly assist and act on behalf of the City and to engage in activities in furtherance of the purposes for its creation. The Sports Authority is organized for the purpose of aiding, assisting, and acting on behalf of the City in the performance of its governmental functions to promote the common good and general welfare of the City and in the construction of projects on behalf of the City. The Sports Authority financed the purchase of the Texas Motor Speedway (Speedway) and the infrastructure in and around that property; however, it does not operate the Speedway. Although it is legally separate from the City, the members of the Board of the Sports Authority and members of the City Council are substantively the same. The City has financial accountability, and a financial benefit/burden relationship exists, which allows the City to impose its will. Due to the Sports Authority benefiting and providing services almost exclusively to the City, the Sports Authority has been blended in the City's basic financial statements as a Nonmajor Special Revenue Fund (reported with the Other Blended Component Units). Separate financial statements can be obtained by contacting the Fort Worth Sports Authority, Inc. at 1201 Houston Street, Fort Worth, TX 76102.

**Lone Star Local Government Corporation** - The Lone Star Local Government Corporation (LSLGC) was created pursuant to the provisions of Subchapter D, Chapter 431 of the Texas Transportation Code, and Chapter 394 of the Texas Local Government Code. The LSLGC is organized for the purpose of aiding, assisting, and acting on behalf of the City in the performance of its governmental functions to promote the common good and general welfare of the City and in undertaking and completing of projects on behalf of the City. Although it is legally separate from the City, the members of the Board of the LSLGC and members of the City Council are substantively the same. The City has financial accountability and a financial benefit/burden relationship exists, which allows the City to impose its will. Therefore, the LSLGC has been blended in the City's basic financial statements as a Nonmajor Special Revenue Fund (reported with the Other Blended Component Units).

**Fort Worth Central City Local Government Corporation** - The Fort Worth Central City Local Government Corporation (FWCCLGC) was created pursuant to the provisions of Subchapter D, Chapter 431 of the Texas Transportation Code. The FWCCLGC is organized for the purpose of aiding, assisting and acting on behalf of the City in the exercise of its powers to accomplish any government purpose of the City and in promotion of the common good and general welfare of the City. Although it is legally separate from the City, the members of the Board of the FWCCLGC and members of the City Council are substantively the same. The City has financial accountability, and a financial benefit/burden relationship exists, which allows the City to impose its will. The FWCCLGC has been blended in the City's basic financial statements as a Nonmajor Capital Project Fund (reported with the Other Blended Component Units). Separate financial statements can be obtained by contacting the Fort Worth Central City Local Government Corporation at 1150 South Freeway, Fort Worth, Texas 76104.

**Fort Worth Tourism Public Improvement District Corporation** - The Fort Worth Tourism Public Improvement District Corporation (FWTPIDC) was created pursuant to the provision of Section 372.009 and Chapter 372 of the Texas Local Code. The FWTPIDC is organized to support the mission of the Fort Worth Convention & Visitors Bureau to raise visibility of Fort Worth as a destination spot. Although it is legally separate from the City, the FWTPIDC budget is authorized and approved by the City. The City has financial accountability, and a financial benefit/burden relationship exists, which allows the City to impose its will. Therefore, the FWTPIDC has been blended in the City's basic financial statements as a Nonmajor Special Revenue Fund (reported with the Other Blended Component Units). Separate financial statements can be obtained by contacting the Fort Worth Tourism Public Improvement District Corporation at 111 W. 4th Street, Suite 200, Fort Worth, Texas 76102.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**(000's omitted in tables)**

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A.1. FINANCIAL REPORTING ENTITY (CONTINUED)**

**Discretely Presented Component Unit**

The following legally separate entity is reported as a discretely presented component unit of the City in a separate column in the government-wide financial statements. Terrell Homes Ltd., has been reported as a discretely presented component unit because of the degree of control its general partner has over the LP as set out in its Amended and Restated Limited Partnership Agreement. Terrell Homes GP, LLC is the General Partner of Terrell Homes, Ltd. noted below:

*Terrell Homes, Ltd.* - Terrell Homes, Ltd. ("Partnership") is a Texas limited partnership formed on December 9, 2011, to construct, develop and operate 54 single-family houses, known as the Terrell Homes I Apartments located on scattered sites. The houses are rented to low-income tenants and operated in a manner necessary to qualify for federal low-income housing tax credits as provided in Internal Revenue Code Section 42. For the calendar year ended December 31, 2017, the Partnership's financial information is presented in a separate column in the government-wide financial statements. Separate audited financial statements can be obtained by contacting the Fort Worth Housing Finance Corporation at 200 Texas Street, Fort Worth, Texas 76102.

**Pension and Retiree Healthcare Trust Funds**

*Retirement Pension Trust Fund of the City of Fort Worth* - The Employees' Retirement Fund of the City of Fort Worth, Texas (the "Retirement Fund") is comprised of two separate defined benefit plans: the City of Fort Worth employees benefit plan (the "City Plan" or the "Plan") and the Retirement Fund employees plan (the "Staff Plan"). The Retirement Fund and City Plan were established by City Ordinance on September 12, 1945. The Staff Plan was established through Administrative Rules in 2007, and both plans are governed by State statute (Vernon's Civil Statutes, Title 109, Article 6243i) effective June 15, 2007. The assets of the City Plan are commingled for investment purposes with the assets of the Staff Plan of the Employees' Retirement Fund, and both plans are administered by the thirteen-member Retirement Fund Board of Trustees (Board). The Retirement Fund Board is solely responsible for managing the assets for the City of Fort Worth employees plan, and defining benefits, setting contribution rates, funding contributions, and all other financial components of the Staff Plan. Defining benefits, setting contribution rates, funding contributions, and all other financial components of the City Plan are administered by the Mayor and City Council. Each plan has a separate actuarial valuation completed annually to determine the respective funded status based on current and projected assets and liabilities. Therefore, assets of each plan are legally separate and cannot pay benefits of the other. Due to the insignificant nature of the Staff Plan's assets compared to the Retirement Fund's assets, all further references to the Plan and information provided in the Notes and Required Supplementary Information about the City Plan are strictly limited to information about the City employees (comprised of General Employees, Police Officers, and Firefighters). As discussed in Note I, this fiduciary fund of the City issues separate audited financial statements which are publicly available and can be obtained by contacting the Employees' Retirement Fund at 3801 Hulen Street, Suite 101, Fort Worth, Texas 76107.

*Retiree Healthcare Trust Fund of the City of Fort Worth* - The single-employer defined benefit retirement health care trust was established under the legal authority of the City Charter and is administered by the City. Retiree Healthcare Trust Fund of the City of Fort Worth is reported in the City's basic financial statements as a Fiduciary fund.



**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**(000's omitted in tables)**

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A.1. FINANCIAL REPORTING ENTITY (CONTINUED)**

**Related Entities**

The following related entities are the more significant of those that do not meet the criteria for component units and are not included in the City's financial statements: Area Metropolitan Ambulance Authority, Fort Worth Zoological Association, Fort Worth Botanical Society, Inc., Friends of the Fort Worth Public Library, certain Fort Worth library trusts, the Business Assistance Center Foundation, Inc., Fort Worth South, Inc., and the Trinity River Vision Project.

City officials are also responsible for appointing members to the boards of the following organizations, but the City's accountability for these organizations do not extend beyond making appointments.

**Event Facilities Fort Worth**—Events Facilities Fort Worth (EFFW) is an independent organization, which has a scope of public service to hold agricultural fairs and encourage agricultural pursuits within the geographic boundaries of the City. The City of Fort Worth and EFFW entered into an agreement to construct a first-class state-of-the-art facility, the new Fort Worth Multi-Purpose Arena (Dickies Arena) as discussed in Note M.

**Dallas/Fort Worth International Airport**—Dallas/Fort Worth International Airport (D/FW Airport) was created by contract and agreement between the City of Fort Worth and the City of Dallas for the purpose of developing and operating an airport as a jointly governed organization between the two Cities. The D/FW Airport is governed by a 12-member board comprised of seven members representing the City of Dallas, four members representing the City of Fort Worth, and on an annual basis, one non-voting member chosen from the neighboring cities of Irving, Grapevine, Euless, and Coppell. The Board must submit an expenditure budget for each fiscal year to the City Manager of each city by July 15. The governing body of each city must approve the budget by September 1. The City is a member of the Revenue Sharing Agreement, as originally adopted on May 1, 2001. Total revenue for the year ended September 30, 2018, was \$6,169,105 from this agreement. Financial statements of the Airport are not included in the City's financial statements because the Airport is not under the sole control of the Fort Worth City Council and the City has no ongoing financial interest or responsibility for the airport. Separate audited financial statements, which are publicly available, can be obtained by contacting the Airport at 2400 Aviation Drive, P.O. Box 619428, DFW Airport, Texas 75261-9428.

**Fort Worth Housing Solutions**—Fort Worth Housing Solutions ("Housing Solutions"), the assumed name of the Housing Authority of the City of Fort Worth is an independent agency organized by the City in 1938 pursuant to the Texas Housing Authorities Act. It is a public body, corporate and political, which has a scope of public service within the City's geographic boundaries. By Texas State Law, the responsibility for the administration and operations of Housing Solutions is vested solely with its Board of Commissioners. Housing Solutions is dependent on Federal funds from the U.S. Department of Housing and Urban Development ("HUD") and, as a result, is not financially dependent on the City. In addition, the City is not responsible for any deficits it incurs and has no fiscal management control. Separate financial statements for the Housing Solutions can be obtained by contacting the Department of Administrative Services, Housing Solutions, 1201 E. 13th Street, Fort Worth, Texas 76102.

**Trinity Metro (formerly Fort Worth Transportation Authority)**—Trinity Metro is an independent organization that provides public transportation services for Tarrant County and the North Central Texas region. Under Texas State Statutes, the responsibility for the administration and operations of the Trinity Metro is vested solely with the Trinity Metro's Board of Directors, which is comprised of eleven members appointed by the Fort Worth City Council and Tarrant County Commissioners Court. Trinity Metro is dependent on State and Federal funds and user fees. As a result, the City is not responsible for any deficits incurred and has no fiscal management control. The audited financial statement for the Trinity Metro can be obtained by contacting: The Chief Financial Officer, 801 Cherry Street, Suite 850, Fort Worth, Texas 76102.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**(000's omitted in tables)**

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A.2. BASIS OF PRESENTATION**

**Government-Wide Statements**

The two government-wide financial statements, the Statement of Net Position and the Statement of Activities, report information on all of the nonfiduciary activities of the City. Governmental activities, which include those activities primarily supported by taxes or intergovernmental revenue, are reported separately from business-type activities, which generally rely on fees and charges for support. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer and solid waste functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The Statement of Activities demonstrates the extent to which the direct expenses of a functional category are offset by program revenues. Direct expenses are those that are identifiable with a specific program. Program revenues include charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function. They also include operating and capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items are properly excluded from program revenues and reported as general revenues.

The government-wide financial statements also present the calendar year (December 31, 2017) financial information of the City's Discretely Presented Component Unit: Terrell Homes, Ltd.

**Fund Financial Statements**

The City segregates transactions related to certain functions or activities in separate funds to aid financial management activities and to demonstrate legal compliance. Separate statements are prescribed for governmental activities and proprietary activities. These statements present each major fund as a separate column on the fund financial statements, while all nonmajor funds are aggregated and presented in a single column.

Internal service funds of the City (which provide services primarily to other funds of the government) are presented in summary form as part of the proprietary fund financial statements. Financial statements of internal service funds are allocated between the governmental and business-type activities columns when presented at the government-wide level. The costs of these services are reflected in the appropriate functional activity (General Government, Public Safety, Highways and Streets, etc.).

The City's fiduciary funds are presented in the fund financial statements. Since, by definition, these assets are being held for the benefit of a third party (pension and retiree healthcare plan participants) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

The following is a brief description of the major funds used by the City:

- (1) Main operating fund (General Fund)
- (2) Any fund that comprises at least 10% of assets and deferred outflows, liabilities and deferred inflows, revenues or expenses/expenditures of the total governmental or enterprise funds type and at least 5% of that same corresponding item meeting the 10% requirement for all governmental and enterprise funds are considered major funds.
- (3) Additional funds considered important by the City but not meeting the criteria of a major fund, (i.e., Debt Service Fund and Stormwater Utility Fund).

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**(000's omitted in tables)**

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A.2. BASIS OF PRESENTATION (CONTINUED)**

**Governmental Funds**

Governmental funds are those through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses, and balance of financial resources while modified accrual is used for the basis of accounting. The City reports the following major governmental funds:

**General Fund** is the main operating fund of the City. The fund is used to account for all the financial resources that are not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

The General Fund also includes the Parks and Recreation Department (PAR) Endowment Gas Lease Fund and the General Endowment Gas Lease Fund, as both funds have no assigned or specific expenditures for the majority of their revenues. These funds were established in FY2008 for the purpose of aggregating specific gas well revenues that belong to the General Fund (PAR land and any other City of Fort Worth owned land) so that gas well-related revenue would remain intact and only investment generated revenue would be spent for specific purposes.

**Debt Service Fund** accounts for the accumulation of financial resources for the payment of principal, interest and related costs on long-term obligations paid primarily from taxes levied by the City. The fund balance of the Debt Service Fund is reserved to signify the amounts that are restricted exclusively for debt service expenditures.

**Capital Projects Fund** accounts for the City's purchase or construction of major capital facilities and equipment using various types of financing resources.

In addition to the major funds mentioned above, the City reports the following nonmajor governmental funds.

**Special Revenue Funds** accounts for the proceeds of specific revenue sources requiring separate accounting because of legal or regulatory provisions or administrative action. The proceeds of specific revenue sources that have been committed or restricted to expenditure for specified purposes other than debt service or capital project are accounted as special revenue funds.

**CITY OF FORT WORTH, TEXAS**  
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**SEPTEMBER 30, 2018**  
**(000's omitted in tables)**

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A.2. BASIS OF PRESENTATION (CONTINUED)**

**Proprietary Funds**

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position, and cash flows. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources are included in the Statement of Net Position.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and internal service funds are charges to customers for sales and services. The Water and Sewer Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Enterprise Funds**

The City reports the following major enterprise funds:

***Water and Sewer Fund*** accounts for the provision of regional water, wastewater and reclaimed water services to residential, commercial, industrial, irrigation, and wholesale customers. Activities of the fund include administration, engineering, water and wastewater treatment, billing and collection services, operations and maintenance of the system, and funding for capital improvements to ensure system reliability, comply with regulatory requirements, meet corporate priorities, and serve anticipated growth. Debt is issued for large capital projects. All costs are financed through charges and rates based on the amount of service used, which is billed to customers and collected on a monthly basis. Rates are reviewed regularly and adjusted as necessary to ensure the integrity of the system.

***Stormwater Utility Fund*** accounts for the operation of the stormwater utility and provides funding for storm drainage capital improvements and enhanced maintenance of the storm drainage system to protect people and property from harmful stormwater runoffs. The fund also accounts for the accumulation of resources for and the payment of long-term principal and interest for the stormwater debt.

In addition to the enterprise funds mentioned above, the City reports the following nonmajor enterprise funds.

***Other Enterprise Funds*** is a summary of all the nonmajor enterprise, proprietary funds. These funds include Municipal Airports Fund, Municipal Parking Fund, and the Solid Waste Fund.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**(000's omitted in tables)**

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A.2. BASIS OF PRESENTATION (CONTINUED)**

**Internal Service Funds**

Internal service funds are used to account for the financing of goods or services provided by one department to other departments within the City, on a cost-reimbursement basis. The City has four internal service funds, which include: Equipment Services, Capital Project Services, Group Health and Life Insurance, and Risk Financing. As of September 30, 2018, the Information Systems Fund, previously reported as an internal service fund, was incorporated into the General Fund and Capital Projects Fund.

**Fiduciary Funds**

Included in this fund type are trust funds which account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The City reports the following fiduciary funds:

*Retirement Pension Trust Fund* for accounting measurement purposes, the Retirement Pension Trust Fund is accounted for essentially in the same manner as proprietary funds. The Retirement Pension Trust Fund accounts for the assets of the City's retirement plan.

*Retiree Healthcare Trust Fund* for accounting measurement purposes, the Retiree Healthcare Trust Fund is accounted for in essentially the same manner as proprietary funds. The Retiree Healthcare Trust Fund accounts for the assets of the City's postemployment healthcare benefit.

The fiduciary funds are not included in the government-wide financial statements.

**Reconciliation of Government-Wide and Fund Financial Statements**

A summary reconciliation of the difference between total fund balances as reflected on the governmental funds Balance Sheet and total net position for governmental activities as shown on the government-wide Statement of Net Position is presented in an accompanying schedule to the governmental funds Balance Sheet. The assets, deferred outflows of resources, liabilities and deferred inflows of resources, and elements which comprise the reconciliation difference stem from governmental funds using the current financial resources measurement focus and the modified accrual basis of accounting while the government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting. A summary reconciliation of the difference between net changes in fund balances as reflected on the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances and change in net position for governmental activities as shown on the government-wide Statement of Activities is presented in an accompanying schedule to the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances. The revenue and expenditure/expense elements which comprise the reconciliation difference stem from governmental funds using the current financial resources measurement focus and the modified accrual basis of accounting while the government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**(000's omitted in tables)**

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A.3. MEASUREMENT FOCUS/BASIS OF ACCOUNTING**

The government-wide Statement of Net Position and Statement of Activities, all proprietary funds, and the fiduciary funds are reported and accounted for on the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of these activities are included on the Statement of Net Position. Revenues are recorded when earned, and expenses are recorded when liabilities are incurred, regardless of the timing of the related cash flows. Nonexchange transactions, in which the City either gives or receives value without directly receiving or giving equal value in exchange include sales taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from sales taxes is recognized when the underlying exchange transaction takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been met. Contributions from members are recorded when the employer makes payroll deductions from Plan members. Employer contributions are recognized when due. Benefits and refunds are recognized when due and payable by the terms of the Plan.

The governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. This focus is on the determination of and changes in financial position. Revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current fiscal period. Revenues from taxes are considered available if received within 60 days after the fiscal year-end. Revenue from categorical and other grants are recognized when applicable eligibility requirements, including time requirements, are met and are considered available if received within 60 days after the fiscal year-end. Program revenues such as fines, licenses and permits, gas leases and royalties and other charges for services are considered to be measurable and available when the cash is received. Expenditures are recorded when the related liability is incurred and payment is due, except for principal and interest on long-term debt and certain estimated liabilities which are recorded only when the obligation has matured and is due and payable shortly after year-end as required by GAAP.

**A.4. PROPERTY TAXES**

The City's property taxes are levied each October 1 on the assessed value as of the previous January 1 for all real and personal property. Property taxes attach as an enforceable lien on property as of January 1. Taxes are due October 1st, and full payment can be made prior to the following February to avoid penalty and interest charges. Taxpayers also have the option of paying one-half of their taxes by November 30 and the second-half by June 30 to avoid penalty and interest charges.

Property taxes levied for 2018 have been recorded as receivables, net of allowance for refunds and uncollectible amount. The net receivables collected during 2018 and those considered "available" at FY2018, (i.e., property taxes collected within 60 days of year-end) have been recognized as revenues in 2018. The remaining receivables have been reflected as deferred inflows of resources. In the government-wide financial statements, tax revenue is recognized in the year in which the taxes are levied.

The State Constitution limits the tax rate to \$2.50 per \$100 of assessed valuation including debt service. However, the City Charter further limits the tax rate to \$1.90 per \$100 or \$19.00 per \$1,000 of assessed valuation including debt service. The property tax rate levied in fiscal year 2018 was \$0.8050 per \$100 of valuation.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**(000's omitted in tables)**

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A.5. CASH, CASH EQUIVALENTS, & INVESTMENTS**

**A.5.A. CASH, CASH EQUIVALENTS, & INVESTMENTS**

The City pools cash from all funds (excluding the Pension and Other Employee Benefits Trust Funds) to increase income through investment activities. Investments are carried at fair value. Interest earnings are allocated based on cash and investment amounts in individual funds in a manner consistent with budgetary and legal requirements.

Unrestricted investments purchased with pooled cash are classified as cash, cash equivalents, & investments in the accompanying Balance Sheet and Statement of Net Position. The relationship of an individual fund to the pooled cash and investment account is essentially that of a demand deposit account. Individual funds can withdraw cash from the account as needed and therefore all equity that the fund has in the pooled cash and investment account is highly liquid. For the purposes of the accompanying Statement of Cash Flows, the City has chosen to reconcile “cash, cash equivalents, & investments,” because all investments are regarded as cash equivalents.

When both restricted and unrestricted resources are available for use for the same purpose, it is the City’s policy to use restricted resources first, then unrestricted resources when they are needed.

**Fair Value** — GAAP establishes a hierarchy of Levels 1, 2, and 3, which are based on valuation techniques. All three levels are designed for the development of a more consistent and measurable valuation. These levels are defined as:

- Level 1: Quoted prices from an active market for identical assets or liabilities;
- Level 2: Quoted prices from an inactive market for similar or identical assets or liabilities; and
- Level 3: Unobservable in the market and are the least reliable.

Equity and mutual fund investments that are classified as Level 1 are valued using prices quoted in active markets for those securities. Level 1 debt securities are U.S. Treasuries with more than 750 transactions over the previous 30 days.

Debt and derivative securities, and commercial paper classified as Level 2 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features, and ratings. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices. These debt and derivative securities have non-proprietary information that was readily available to market participants, from independent sources, which are known to be actively involved in the market. Cash and cash equivalents are short-term investments valued based on cost and accrued interest which approximates fair value. Equity securities classified as Level 2 are derived from associated traded security values, or convertible securities valued similarly to debt securities through a bid evaluation process.

Debt and derivative securities, and commercial paper classified in Level 3 are valued similar to Level 2 securities but have limited bids, limited trade information, limited trade activity, pricing from multiple sources but differences in prices above an acceptable level or pricing provided by a single source. Equity securities classified as Level 3 have limited trade information. These securities are priced off last trade price or estimated off recent trades and corporate actions.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**(000's omitted in tables)**

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A.5. CASH, CASH EQUIVALENTS, & INVESTMENTS (CONTINUED)**

**A.5.B. INVESTMENTS OF THE EMPLOYEES' RETIREMENT FUND (THE CITY PLAN)**

*Valuation of Investments* — Investments are stated at fair value. Investments that do not have quoted market prices are priced from information received from the external manager. This information includes audited financial statements, quarterly valuation statements, adjustments for cash receipts, cash disbursements and securities distributions through September 30, 2018. Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on an accrual basis. Dividends are recorded on the ex-dividend date (date usually two days prior to the record date).

The City Plan invests in limited partnerships which are valued at estimated fair value based on the City Plan's proportionate share of the partnerships' fair value as recorded by the partnerships. The limited partnerships allocate gains, losses, and expenses to the partners based on the ownership percentage as described in the partnership agreements.

There are certain market risks, credit risks, foreign exchange currency risks, or events that may subject the City Plan's investment portfolio to economic changes occurring in certain industries, sectors, or geographies. Net investment income includes net appreciation (depreciation) in the fair value of investments, interest income, dividend income, and investment expense. Investment expense includes custodian and management fees, securities lending expense and all other significant investment-related costs.

*Due to/from Broker* — The balance due to broker securities purchased and due from broker securities sold in FY2018 represents trades pending settlement and amounts due on foreign currency contracts.

*Foreign Currency Transactions* — The City Plan is a party to financial instruments with off-balance-sheet risk, primarily forward contracts. Forward transactions are contracts or agreements for delayed delivery of commodities, securities, or money market instruments in which the seller agrees to make a delivery at a specified future date of a specified commodity or instrument, at a specified price or yield. Entering into these investments involves not only the risk of dealing with counterparties and their ability to meet the terms of the contracts but also the risk associated with market fluctuations.

Gains and losses resulting from foreign exchange contracts (transactions denominated in a currency other than the City Plan's functional currency — U.S. dollars) are recorded by the Plan based on changes in market values and are combined with similar transactions in the accompanying Statement of Changes in Plan Fiduciary Net Position and are included in interest and dividend income. The City Plan structures its foreign exchange contracts and enters into certain transactions to substantially mitigate the Plan's exposure to fluctuations in foreign exchange rates.

Investments and broker accounts denominated in foreign currencies outstanding at September 30, 2018, were converted to the City Plan's functional currency at the foreign exchange rates quoted at September 30, 2018. These foreign exchange gains and losses are included in a change to net gain (loss) in fair value of investments in the accompanying Statement of Changes in Fiduciary Net Position.

**A.5.C. INVESTMENTS OF THE RETIREE HEALTHCARE TRUST FUND**

*Valuation of Investments* — Investments are stated at fair value as of September 30, 2018, for both reporting and actuarial purposes. The Retiree Healthcare Trust Fund is charged with receiving employee and employer contributions, paying medical and dental claims, and prudently investing money in the fund not immediately needed to pay claims.



**CITY OF FORT WORTH, TEXAS**  
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**(000's omitted in tables)**

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A.6. INVENTORIES**

In governmental funds, inventories are valued at cost using the weighted average consumption method of valuation, however, land held-for-sale is valued at cost using specific identification consumption method. Additionally, expendable supplies are accounted for using the purchase method. Inventories in the proprietary funds are stated at the lower of cost (determined by using weighted average cost or first-in, first-out consumption methods) or fair value. In the Equipment Services Fund (an internal service fund), inventories consist of expendable supplies and automotive fuel held for consumption and are accounted for by the first-in, first-out consumption method.

**A.7. CAPITAL ASSETS**

Capital assets, which include land, buildings, infrastructure, vehicles, machinery and equipment, intangibles, and construction in progress, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Capital assets are recorded at original cost. The donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has been capitalized during the construction period for proprietary capital assets.

The capitalization threshold below is determined by the asset class (except for water and sewer capital assets which are considered to be one system and will be capitalized at their cost):

- a) Land must be capitalized regardless of the value or cost;
- b) Buildings must be capitalized regardless of the cost;
- c) Infrastructure and intangible assets must be capitalized when the useful life is at least three years and the cost is \$100,000 or more;
- d) Betterments, improvements, machinery and equipment must be capitalized when the useful life is at least two years and the cost is \$25,000 or more; and
- e) Vehicles must be capitalized when the useful life is 4 years or greater, the cost is \$5,000 or greater and it meets both criteria:
  - Self-propelled
  - Primary use is on public streets and the unit is street legal

Depreciation and amortization is recorded on each class of depreciable property and intangibles using the straight-line method over the estimated useful lives of the assets. Estimated useful lives are as follows:

Water and Sewer Meters and Equipment	5-30 years
Water and Sewer Infrastructure	25-60 years
Buildings (Includes Portable Structures)	20-40 years
Machinery and Equipment	2-20 years
Runways and Taxiways	20-30 years
Infrastructure	20-60 years
Vehicles	4-8 years

The City capitalizes certain computer software, works of art, and aviation easements as intangible assets. In accordance with the City's capitalization policy, other intangible assets are amortized over the useful life of the related assets. Also, works of art do not have a useful life in accordance with GAAP. The City's capitalized works of art are reported in the government-wide financial statements under governmental activities. These assets are recorded at their acquisition value at the date of donation or purchase.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**(000's omitted in tables)**

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A.8. INTERFUND TRANSACTIONS**

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (the current portion) or “advances to/from other funds” (the long-term portion). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

**A.9. COMPENSATED ABSENCES**

City employees earn personal leave, which may either be taken or accumulated until paid upon termination or retirement. Unused sick leave, accrued holidays, and compensated time may be accumulated to a specific maximum amount and is paid upon termination, retirement or death for Civil Service employees. All other employees are paid up to an established limit for personal leave upon retirement or death. Accumulated vacation and sick leave are accrued when incurred in the government-wide Statement of Net Position, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund statements, only if they have matured as a result of employee resignation or retirements in accordance with GAAP. For accrued amounts that are paid through proprietary funds, an expense and liability for the total future liability are recorded.

The amount of current year compensated absences related to both governmental and proprietary funds is budgeted annually as an expenditure or expense, as appropriate. Compensated absences related to the governmental funds are liquidated in the respective funds of the employees.

**A.10. RISK FINANCING**

**A.10.A. RISK FINANCING**

The Risk Financing internal service fund accounts for the administration of risk management activities and programs in accordance with GAAP. These activities and programs are as follows: third party liability claims and coordination with the Department of Law on litigation, property and casualty insurance, workers' compensation, group health and life insurance plan, unemployment compensation insurance, and retired employees' group death benefits for certain retirees.

All funds of the City participate in the program and make payments to the Risk Financing internal service fund based on estimates of the amounts needed to pay prior and current-year claims and to establish a reserve for catastrophic losses. Since the City is primarily self-insured, settlement amounts have not exceeded coverage in any of the prior three fiscal years. An accrual for unpaid claims and claims incurred but not reported is reflected in the internal service funds and government-wide financial statements as estimated claims payable. Claims expenses and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The provision for claims incurred but not reported which are probable and reasonably estimable is based on City experience since the inception of the insurance programs. In accordance with GAAP, the estimated claims payables are based on the estimated ultimate cost of settling the claims. The total estimated claims payable includes estimates of allocated loss adjustment expenses. A discount rate of 3% has been applied to some estimated claims payable. The undiscounted total estimated claims payable is \$36,155,770.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**(000's omitted in tables)**

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A.10. RISK FINANCING (CONTINUED)**

**A.10.A. RISK FINANCING (CONTINUED)**

The total discounted estimated claims payable for the Group Health and Life Insurance Fund and the Risk Financing Fund at September 30, 2018, is \$32,190,973, of which \$13,776,986 represents workers' compensation case reserve losses, and is reported as long-term liabilities in the Internal Service Funds statements.

	<b>Balance at October 1, 2016</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance at September 30, 2017</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance at September 30, 2018</b>
Judgments and Claims	\$ 34,386	\$ 78,288	\$ (79,297)	\$ 33,377	\$ 74,187	\$ (75,123)	\$ 32,441

**A.10.B. LIABILITY INSURANCE**

The City largely self-funds the risk for most liability claims, lawsuits, and related expenses. However, there are separate commercial liability insurance policies for each of the following: contract instructors liability; aircraft and airport liability; liquor liability; pollution legal liability; animal herd; international center; and crime insurance. There were no significant changes in coverage limits for liability insurance.

**A.10.C. PROPERTY AND CASUALTY INSURANCE**

An "all risk" property policy is provided by multiple commercial insurance companies for losses in excess of \$250,000 per occurrence for all covered perils. The City self-insures most property losses less than \$250,000. Boiler and machinery insurance, and crime insurance are also maintained on a commercial insurance basis. There were no significant changes in coverage limits for property and casualty insurance.

**A.10.D. WORKERS' COMPENSATION**

The City largely self-funds the risk for workers' compensation claims. Catastrophic loss protection for workers' compensation is provided by a commercial insurer on a policy with a self-insured retention limit of \$2,250,000 per occurrence for Police Officers and Firefighters and \$1,500,000 for any single occurrence for all other employees. Coverage limits for workers' compensation are the statutory limits required by the Texas Workers' Compensation Act.

**CITY OF FORT WORTH, TEXAS**  
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**(000's omitted in tables)**

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A.10. RISK FINANCING (CONTINUED)**

**A.10.E. GROUP HEALTH AND LIFE INSURANCE**

The City maintains a group health insurance plan for active, retired employees, and their eligible dependents. The City's self-insured Preferred Provider Organization plan is offered to the active employees and the non-Medicare retirees. There are two plan options: (1) a high deductible health plan (the Consumer Choice Plan) with Health Savings Account contributions to the fund provided by both the City and participating employees and retiree; and (2) the Health Center Plan with deductibles and copays. The health centers provide free primary care services for those on the Health Center Plan and reduced cost for those on the Consumer Choice Plan. There are three (3) main Health Centers and five (5) Satellite Offices through our partnership with Southwest Health Resources.

There is a fully insured plan offered to the Medicare eligible retirees, a Medicare Advantage Preferred Provider Organization which includes a Prescription Drug Plan.

The specific stop-loss insurance is \$1,000,000 which assumes the risk for claims on any individual in excess of \$1,000,000 paid during a calendar year.

The City provides employee basic group life insurance and accidental death and dismemberment insurance of one-time base annual salary.

**A.10.F. UNEMPLOYMENT COMPENSATION**

The City is a reimbursing agency for Unemployment Compensation. The Texas Workforce Commission (TWC) sends quarterly reports to a third party administrator who then forwards to the City concerning claims paid on behalf of the City to eligible former employees. A third party administrator reviews the claims but responds to TWC based on information the City provides. There were no significant changes in coverage levels for unemployment compensation.

**A.11. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the Statement of Net Position presents a separate section for deferred outflows of resources. Deferred outflows of resources represent consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources reported in the government-wide and proprietary fund's Statement of Net Position relate to debt refunding, pension, and the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, as described below:

The City reports \$9,154,182 as a deferred outflow of resources for unamortized loss on debt refunding in the governmental activities and \$8,719,282 in the business-type activities in the Statement of Net Position. The unamortized loss on debt refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

The City recorded total pension-related deferred outflows of resources of \$1,190,945,000 as of September 30, 2018, in accordance with GAAP. These deferred outflows are detailed in Note I.

The City recorded total other postemployment benefit-related deferred outflows of resources of \$26,020,000 as of September 30, 2018, in accordance with GAAP. These deferred outflows are detailed in Note J.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**(000's omitted in tables)**

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A.11. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (CONTINUED)**

In addition to liabilities, the Statement of Net Position presents a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The deferred inflows of resources in the governmental funds result from the City's unavailable revenue which are receivables for revenue that are not considered available to liquidate liabilities in the current period. Deferred inflows of resources reported in the government-wide and proprietary fund's Statement of Net Position relate to a service concession arrangement (SCA), pension, and the implementation of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, as described below:

In 2003, the City entered into an agreement with Allied Waste Systems (D/B/A Trinity Waste Services) to operate the City's Southeast Landfill. As part of this agreement, Allied Waste Systems is compensated by third party users of the landfill. The City owns the land for the landfill and retains ownership (residual interest) in the land at the end of the 20-year agreement. In 2003, Allied Waste Systems made an initial payment of \$9,600,000 to the City. This upfront payment is being amortized over the 20-year contract term. As of September 30, 2018, the City recognized deferred inflows of resources in the amount of \$2,164,049 in the Solid Waste Fund.

The City recorded total pension-related deferred inflows of resources of \$390,859,000 as of September 30, 2018, in accordance with GAAP. These deferred inflows are detailed in Note I.

The City recorded total other postemployment benefit-related deferred inflows of resources of \$62,245,000 as of September 30, 2018, in accordance with GAAP. These deferred outflows are detailed in Note J.

	<b>Governmental Funds</b>				
	<b>General</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Nonmajor</b>	<b>Total</b>
				<b>Governmental Funds</b>	
<b>Deferred Inflows of Resources:</b>					
Property Tax	\$ 4,952	\$ 1,464	\$ -	\$ -	\$ 6,416
Accounts Receivable	-	-	-	5,592	5,592
Grants and Other Governments	-	-	2,218	3,074	5,292
Other	171	-	-	3,462	3,633
<b>Total</b>	<b>\$ 5,123</b>	<b>\$ 1,464</b>	<b>\$ 2,218</b>	<b>\$ 12,128</b>	<b>\$ 20,933</b>

	<b>Business-Type Activities</b>					
	<b>Governmental Activities</b>	<b>Water and Sewer</b>			<b>Nonmajor Enterprise Funds</b>	<b>Total</b>
		<b>Stormwater Utility</b>				
<b>Deferred Outflows of Resources:</b>						
Unamortized Loss on Debt Refunding	\$ 9,154	\$ 5,941	\$ 442	\$ 2,336	\$ 17,873	
Pension Related	1,033,287	124,667	14,924	18,067	1,190,945	
OPEB Related	22,440	3,060	36	484	26,020	
<b>Total</b>	<b>\$ 1,064,881</b>	<b>\$ 133,668</b>	<b>\$ 15,402</b>	<b>\$ 20,887</b>	<b>\$ 1,234,838</b>	
<b>Deferred Inflows of Resources:</b>						
Service Concession Arrangement	\$ -	\$ -	\$ -	\$ 2,164	\$ 2,164	
Pension Related	340,147	39,736	4,808	6,168	390,859	
OPEB Related	53,066	7,888	159	1,132	62,245	
<b>Total</b>	<b>\$ 393,213</b>	<b>\$ 47,624</b>	<b>\$ 4,967</b>	<b>\$ 9,464</b>	<b>\$ 455,268</b>	

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**(000's omitted in tables)**

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A.12. FUND BALANCE/NET POSITION**

Net position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net position is presented in the Statement of Net Position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any debt related to the acquisition, construction, or improvements of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. Net position is 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.

Fund balance is presented on the Balance Sheet for Governmental Funds. The components of fund balance include the following line items: a) nonspendable fund balance; b) restricted fund balance; c) committed fund balance; d) assigned fund balance; and e) unassigned fund balance. For further explanation of each fund balance component, please see the following:

a) **Nonspendable fund balance** (inherently nonspendable) include the:

- Portion of net resources that cannot be spent because of their form.
- Portion of net resources that cannot be spent because they must be maintained intact.

b) **Restricted fund balance** (externally enforceable limitations on use) include amounts subject to:

- Limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments.
- Limitations imposed by law through constitutional provision or enabling legislation.

c) **Committed fund balance** (self-imposed limitations set in place prior to the end of the period)

include amounts subject to:

- Limitations imposed at the highest level of decision making that requires formal action (passage of City Ordinance) at the same level to remove. For the City, the City Council is the highest level of decision making.

d) **Assigned fund balance** (limitation resulting from intended use) consists of amounts where the:

- Intended use is established by the body designated for that purpose (City Council).
- Through Mayor and City Council ordinance, the City Manager has been delegated the authority to assign fund balances that are constrained by specific purposes that are neither restricted nor committed.

e) **Unassigned fund balance** (residual net resources) is the:

- Total fund balance in the General Fund in excess of nonspendable, restricted, committed, and assigned fund balance.
- Negative unassigned fund balance is the excess of nonspendable, restricted, and committed fund balance over total fund balance.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**(000's omitted in tables)**

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A.12. FUND BALANCE/NET POSITION (CONTINUED)**

If there is an expenditure incurred for purposes for which both restricted and unrestricted fund balance is available, the City will consider restricted fund balance to have been spent before unrestricted fund balance. Further, if there is an expenditure incurred for purposes for which committed, assigned, or unassigned fund balance classifications could be used, the City will consider committed fund balance to be spent before assigned fund balance, and consider assigned fund balance to be spent before unassigned fund balance.

The City's Financial Management Policy Statements establish and document the City's policies concerning maintaining the fund balance and net position of the various operating funds at levels sufficient to protect the City's creditworthiness as well as its financial position. The policy provides for the following:

**General Fund and Debt Service Funds**

**General Fund**

The City will maintain a minimum unassigned fund balance in the General Fund equivalent to ten percent (10%) of regular ongoing operating expenditures, with a goal of two months (16.67%) of regular ongoing operating expenditures.

**Debt Service Fund**

The City will maintain a minimum level of restricted, committed, and assigned fund balance in the Debt Service Fund between two (16.67%) to three (25%) months of the highest projected debt service over the succeeding debt service forecast. Amounts used in this calculation shall not include any amounts allocated for other purposes by the City Council.

While the reserves for the General Fund and Debt Service Fund are calculated separately, the resulting individual reserve requirements will be combined into one figure to be compared with the General Fund and Debt Service Fund's fund balance.

**Capital Projects Fund**

The City will maintain a reserve in the Capital Projects Funds that will not exceed the amount needed to fully fund the approved projects outlined in the five-year Capital Improvement Plan.

**Special Revenue Funds**

The City will maintain the following minimum restricted and assigned fund balances:

- A minimum fund balance in Special Revenue Funds equivalent to two months (16.67%) of regular, ongoing operating expenditures (including transfers out). This calculation shall not include non-recurring items.
- A minimum fund balance in Special Revenue Funds equivalent to two months (16.67%) of the amount being paid in debt service payments for the subsequent fiscal year.
- The applicable cumulative total of all above requirements will be the minimum reserve requirement for each Special Revenue Fund.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**(000's omitted in tables)**

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A.12. FUND BALANCE/NET POSITION (CONTINUED)**

**Enterprise Funds**

The City will maintain the following minimum reserve levels in each Enterprise Fund, consistent with State law and the terms of ordinances pursuant to which obligations have been issued or incurred that are secured in whole or in part by revenues held in or credited to an Enterprise Fund:

- A goal of a minimum level of Working Capital in Enterprise Funds equivalent to three (25%) months of regular, on-going operating expenses (including operating transfers out). This calculation shall not include non-recurring items.
- A goal of a minimum level of Working Capital in Enterprise Funds equivalent to three (25%) months of the amount being paid in debt service payments for the subsequent fiscal year.
- Days Cash on Hand:
  - Water and Sewer Fund— A minimum reserve of 62 days Cash on Hand with a goal of 250 days Cash on Hand.
  - All Other Enterprise Fund— A minimum reserve of 62 days Cash on Hand with a goal of 150 days Cash on Hand.
- In addition, no Enterprise Fund shall have a negative unrestricted net position.

**Internal Service Funds—Insurance Funds (Insurance Funds)**

The City will maintain the following minimum reserve levels in all Insurance Funds:

- A minimum level of Working Capital in Insurance Funds between two (16.67%) and three (25%) months of regular, on-going operating expenses (including transfers out). This calculation shall not include non-recurring items.
- In addition, no Insurance Fund shall have a negative unrestricted net position.

**Internal Service Funds—Non-Insurance Funds (Non-Insurance Funds)**

The City will maintain the following minimum reserve levels in all Non-Insurance Funds:

- A minimum level of Working Capital in Non-Insurance Funds equivalent to three percent (3%) of regular, on-going operating expenses (including transfers out). This calculation does not include non-recurring items.
- In addition, no Non-Insurance Fund shall have a negative unrestricted net position.

**When Reserves are not met:**

If, based on analysis and forecasting, the target level of reserves is not met at fiscal year-end or is not likely to be met at any point within a five-year time horizon, then during the annual budget process a plan to replenish the reserve levels will be developed by collaboration among affected departments and the Department of Financial Management Services based on the requirements outlined in this policy.



**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**(000's omitted in tables)**

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A.12. FUND BALANCE/NET POSITION (CONTINUED)**

**Excess of Reserves:**

In the event reserves exceed the minimum balance requirements, at the end of each fiscal year, any excess reserves may be used in the following ways:

**General Fund, Special Revenue Funds, and Enterprise Funds**

- Fund accrued liabilities, including but not limited to debt service, pension, and other post-employment benefits as directed and approved within the long-term financial plan and the annual budget ordinance. Priority will be given to those items that relieve budget or financial operating pressure in future periods;
- Appropriated to lower the amounts of bonds or increase the pay-as-you-go contributions needed to fund capital projects in the City's Capital Improvement Plan;
- One-time expenditures/expenses that do not increase recurring operating costs that cannot be funded through current revenues. Emphasis will be placed on one-time uses that reduce future operating costs; or
- Start-up expenditures/expenses for new programs provided that such action be approved by the City Council and is considered in the context of multi-year projections of revenue and expenditures/expenses as prepared by the Department of Financial Management Services.

**Debt Service Fund** — Use to repay any outstanding debt or obligations.

**Capital Projects Fund**

- Appropriated to lower the amounts of bonds or increase the pay-as-you-go contributions needed to fund capital projects in the City's Capital Improvement Plan;
- To pay for non-routine and one-time expenditures such as land and building purchases, construction and maintenance projects with at least a 10-year life, feasibility, design, and engineering studies related to such projects, capital equipment, and vehicles with at least a 10-year life, and technology improvements with at least a 5-year life.

**Internal Service Funds— Insurance and Non-Insurance Funds**

- Fund accrued liabilities, including but not limited to debt service, pension, and other post-employment benefits as directed and approved within the long-term financial plan and the annual budget ordinance. Priority will be given to those items that relieve budget or financial operating pressure in future periods;
- One-time expenses that do not increase recurring operating costs that cannot be funded through current revenues. Emphasis will be placed on one-time uses that reduce future operating costs; or
- Start-up expenses for new programs provided that such action is approved by the City Council and is considered in the context of multi-year projections of revenue and expenses as prepared by the Department of Financial Management Services.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**(000's omitted in tables)**

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A.12. FUND BALANCE/NET POSITION (CONTINUED)**

The following table provides detail regarding the fund balance categories and classifications for the governmental funds which shows components of nonspendable fund balance, as well as the purposes for restricted, committed, and assigned fund balance. The unassigned fund balance (deficit) is also shown.

<b>Fund Balance Categories and Classifications</b>					
<b>Fund Balance</b>	<b>General</b>	<b>Debt Service</b>	<b>Capital Projects*</b>	<b>Nonmajor Governmental Funds**</b>	<b>Total Fund Balance</b>
<b>Nonspendable</b>					
Inventory	\$ 2,153	\$ -	\$ -	\$ 5,003	\$ 7,156
Advances	1,844	-	-	-	1,844
Prepays, Deposits, and Other	1,032	-	382	186	1,600
Total Nonspendable	<u>5,029</u>	<u>-</u>	<u>382</u>	<u>5,189</u>	<u>10,600</u>
<b>Restricted</b>					
Park Improvements	8,895	-	-	-	8,895
Debt Service	-	29,250	-	-	29,250
Crime Control and Prevention	-	-	-	9,936	9,936
Environmental Management	-	-	-	1,382	1,382
Construction of Multi-Purpose Arena	-	-	37,042	8,357	45,399
Red Light Enforcement Program	-	-	-	3,320	3,320
Southside Medical Dist. Development	-	-	-	13,926	13,926
North Tarrant Parkway Development	-	-	-	11,369	11,369
Lancaster Corridor Development	-	-	-	12,734	12,734
Fort Worth Downtown Development	-	-	-	3,335	3,335
Maintenance Facility Relocation	-	-	7,223	-	7,223
Hemphill Street Project	-	-	17,252	-	17,252
Fire Apparatus Replacement	-	-	7,495	-	7,495
Parker - Henderson Road Project	-	-	6,115	-	6,115
Rock Creek Sewer Project	-	-	7,611	-	7,611
2014 Bond Program	-	-	39,253	-	39,253
Transportation Impact Fees	-	-	19,552	-	19,552
Other	1,600	-	130,825	27,928	160,353
Total Restricted	<u>10,495</u>	<u>29,250</u>	<u>272,368</u>	<u>92,287</u>	<u>404,400</u>

(continued)

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**(000's omitted in tables)**

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A.12. FUND BALANCE/NET POSITION (CONTINUED)**

Fund Balance Categories and Classifications					
Fund Balance	General	Debt Service	Capital Projects*	Nonmajor Governmental Funds**	Total Fund Balance
Committed					
Public Events and Facilities	\$ 17,608	\$ -	\$ -	\$ -	\$ 17,608
Debt Service	-	8,602	-	-	8,602
ERP IT Project	-	-	5,801	-	5,801
Police Vehicle Replacement	-	-	5,810	-	5,810
Police Facility Renovation	-	-	7,824	-	7,824
Streets & Highways	-	-	11,994	-	11,994
Evans/Rosedale Section	-	-	7,637	-	7,637
Construction of Multi-purpose Arena	-	-	5,892	-	5,892
State Sales Tax Agreement	6,011	-	-	2,335	8,346
Other	3,741	-	77,563	355	81,659
Total Committed	<u>27,360</u>	<u>8,602</u>	<u>122,521</u>	<u>2,690</u>	<u>161,173</u>
Assigned					
Debt Service	-	13,115	-	-	13,115
Culture and Tourism	-	-	-	15,230	15,230
Alliance Maintenance Facility	-	-	-	4,403	4,403
Urban Redevelopment and Housing	-	-	-	8,591	8,591
Lake Worth Trail - Phase 1	-	-	5,529	-	5,529
Other	2,545	-	65,905	25,332	93,782
Total Assigned	<u>2,545</u>	<u>13,115</u>	<u>71,434</u>	<u>53,556</u>	<u>140,650</u>
Unassigned (Deficit)	107,272	-	-	(756)	106,516
Total Fund Balance	<u>\$ 152,701</u>	<u>\$ 50,967</u>	<u>\$ 466,705</u>	<u>\$ 152,966</u>	<u>\$ 823,339</u>

(concluded)

\*The Other category and classification for the Capital Projects Fund for restricted, committed, and assigned fund balance consists of various smaller construction projects at the end of the fiscal year.

\*\*The Other category and classification for the Nonmajor Governmental Funds for restricted, committed, and assigned fund balance consists of smaller projects and activities at the end of the fiscal year.

The City sets aside funds restricted for retiree health benefits as identified in the Collective Bargaining Agreement between the City and the Fort Worth Professional Firefighters Association. These funds are restricted but are not yet deposited into a formal trust. The amount set aside as of September 30, 2018, was \$1,600,000 and is presented as restricted for general administration purposes.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**(000's omitted in tables)**

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A.13. LONG-TERM OBLIGATIONS**

Long-term debt and other obligations for general government purposes are recorded in the government-wide Statement of Net Position. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds and the business-type activities on the government-wide Statement of Net Position.

For the government-wide financial statements and proprietary fund statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are expensed as incurred apart from prepaid bond insurance, which is classified as an asset and amortized on a straight-line basis over the term of the related debt. In addition, gains and losses on bond refunding's are reported as deferred outflows/inflows of resources and are amortized over the term of the lesser of the life of the new bonds or the life of the refunded bonds using the straight-line method. In governmental funds, all bond-related items are recognized in the current period.

**A.14. USE OF ESTIMATES**

The preparation of the basic financial statements in conformity with GAAP requires the City's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the basic financial statements and/or the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates, but the City believes that the differences will be insignificant.

**A.15. TAX ABATEMENTS**

As of September 30, 2018, the City provides tax abatements through three programs: Tax Abatement Agreements (Texas Tax Code 312), Economic Development Program Grant Agreements (Texas Local Government Code Chapter 380), and Neighborhood Empowerment Zones (Texas Tax Local Government Code Chapter 378). The table below and on the following pages explain each program and the numbers represented are not in thousands:

	<b>Tax Abatement Agreements</b>	<b>Economic Development Program Grant Agreements</b>	<b>Neighborhood Empowerment Zones (NEZ)</b>
<b>1) Purpose of Program</b>	Chapter 312 of the Texas Tax Code allows, but does not obligate or require, the City to grant a Tax Abatement on the value added to a particular property on account of a specific development project that meets the eligibility requirements set forth in this Policy. In order for the City to participate in Tax Abatement, the City is required to establish guidelines and criteria governing Tax Abatement agreements.	This program is grant based and the purpose of these City grants is to reimburse private developers for the range of expenses that may otherwise contribute to a financing gap, yielding projects financially infeasible. A city may provide a Chapter 380 grant in the form of a municipal sales or property tax rebate. In addition, various amendments to state law have permitted temporary hotel/motel tax rebates to help finance convention center-related hotel facilities.	This program allows for owners of residential, multi-family, commercial, industrial, mixed-use, and community facilities development projects located in a NEZ area to apply for a tax abatement.
<b>2) Tax being abated:</b>	Real Property, & Business Personal Property	Real Property, Business Personal Property, Sales Tax, & Hotel Occupancy Tax	Property Tax
<b>3) Authority under which abatement agreements are entered into:</b>	Tax abatements are authorized under Chapter 312 of the Texas Tax Code.	Grants are authorized under Texas Local Government Code Chapter 380.	Tax abatements are authorized under Chapter 378 of the Texas Local Government Code.  (continued)



**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
(000's omitted in tables)

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A.15. TAX ABATEMENTS (CONTINUED)**

	<b>Tax Abatement Agreements</b>	<b>Economic Development Program Grant Agreements</b>	<b>Neighborhood Empowerment Zones (NEZ)</b>																		
<b>6) How amount of abatement is determined:</b>	The taxes may be abated up to 100 percent of the property tax paid depending on the type of agreements.	The taxes may be abated up to 100 percent of the property, sale, and hotel occupancy tax paid depending on the type of agreements.	The taxes may be abated up to 100 percent of the property tax paid depending on the type of agreements.																		
<b>7) Provisions for recapturing abated taxes:</b>	If the recipient of a Chapter 312 Tax Abatement breaches any of the terms or conditions of the Tax Abatement Agreement and fails to cure such breach in accordance with the Tax Abatement Agreement, the City shall have the right to terminate the Tax Abatement Agreement.	If the recipient of a Chapter 380 award breaches any of the terms or conditions of the Economic Development Program Agreement and fails to cure such breach in accordance with the Economic Development Program Grant Agreement, the City shall have the right to terminate the Agreement.	If the recipient of a Chapter 378 Tax Abatement breaches any of the terms or conditions of the Tax Abatement Agreement and fails to cure such breach in accordance with the Tax Abatement Agreement, the City shall have the right to terminate the Tax Abatement Agreement.																		
<b>8) Types of commitments made by the City other than to reduce taxes:</b>	No additional commitments were made by the City as part of these agreements.	No additional commitments were made by the City as part of these agreements.	No additional commitments were made by the City as part of these agreements.																		
<b>9) Gross dollar amount, on accrual basis, by which the City's tax revenues were reduced as a result of abatement agreement:</b>	<table> <tr> <td>Real Property</td> <td>\$ 390,676</td> </tr> <tr> <td>B/P* Property</td> <td><u>1,271,146</u></td> </tr> <tr> <td>Total</td> <td><u>\$ 1,661,822</u></td> </tr> </table> <p><i>*B/P = Business Personal</i></p>	Real Property	\$ 390,676	B/P* Property	<u>1,271,146</u>	Total	<u>\$ 1,661,822</u>	<table> <tr> <td>Real Property</td> <td>\$ 5,234,688</td> </tr> <tr> <td>B/P* Property</td> <td>3,063,873</td> </tr> <tr> <td>Sales</td> <td>3,855,860</td> </tr> <tr> <td>Hotel Occupancy</td> <td><u>3,696,939</u></td> </tr> <tr> <td>Total</td> <td><u>\$ 15,851,360</u></td> </tr> </table>	Real Property	\$ 5,234,688	B/P* Property	3,063,873	Sales	3,855,860	Hotel Occupancy	<u>3,696,939</u>	Total	<u>\$ 15,851,360</u>	<table> <tr> <td>Real Property</td> <td><u>\$ 228,199</u></td> </tr> </table> <p>(concluded)</p>	Real Property	<u>\$ 228,199</u>
Real Property	\$ 390,676																				
B/P* Property	<u>1,271,146</u>																				
Total	<u>\$ 1,661,822</u>																				
Real Property	\$ 5,234,688																				
B/P* Property	3,063,873																				
Sales	3,855,860																				
Hotel Occupancy	<u>3,696,939</u>																				
Total	<u>\$ 15,851,360</u>																				
Real Property	<u>\$ 228,199</u>																				

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**(000's omitted in tables)**

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A.16. IMPLEMENTATION OF NEW GASB STATEMENTS**

During the year, the City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, GASB No. 85, *Omnibus 2017*, and GASB No. 86, *Certain Debt Extinguishment Issues*. Additional information on the implementation of these statements are noted below:

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*: This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. The purpose of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions. Information provided by state and local government employers about financial support for OPEB is provided by other entities will also be improved. See Note A.17. and Note J for current year disclosures.

GASB Statement No. 85, *Omnibus 2017*: The objective of this Statement is to address practice issues that have been identified during implementation of certain GASB Statements. The requirements of this Statement will enhance consistency in the application of accounting and financial reporting requirements. This Statement addresses various miscellaneous accounting issues related to blending component units, fair value measurement, and postemployment benefits.

Specifically, this Statement addresses the following topics as it relates to the City:

- **Blending Component Units** - A primary government that has a business-type activity that presents its activities in a single column on financial statements may present a component unit as blended if it meets the blending criterion described in paragraph 53 of GASB Statement No. 14, *The Financial Reporting Entity*.
- **Fair Value Measurement and Application** - This Statement requires a real estate held by an insurance entity to be classified as an “investment” if it meets the definition of an investment supplied in Statement No. 72, *Fair Value Measurement and Application*; otherwise, it should classify as a “capital asset.” Furthermore, money-market investments and participating interest-earning investment contracts may be measured at amortized cost if they have a remaining maturity of one year or less at the time of purchase.
- **Postemployment Benefits** - This Statement clarifies and addresses modifications to GASB Statement Nos. 72, 74, 75, 78, and 82 for post-employment benefits. The timing of the measurement of pension and other post-employment benefit (OPEB) liabilities and expenditures are recognized in financial statements prepared using the current financial resources measurement focus. Additionally, it is simplifying certain parts of the OPEB alternative measurement method as well as identified on-behalf payments for pensions within employer financial statements.

GASB Statement No. 86, *Certain Debt Extinguishment Issues*: The objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources - resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2017. Earlier application is encouraged. See Note G.2 for current year disclosure.

**CITY OF FORT WORTH, TEXAS**  
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**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A.17. RESTATEMENT**

As a result of implementing GASB Statement 75, the City restated its beginning net position to reflect the impact of implementation as summarized below:

	Government-wide Statement of Activities		Fund Level		
	Governmental Activities	Business-Type Activities	Water and Sewer	Stormwater Utility	Nonmajor Enterprise Funds
Net Position (Deficit), September 30, 2017 as originally reported	\$ (516,510)	\$ 2,409,180	\$ 1,928,599	\$ 68,308	\$ 410,803
<b>Implementation of GASB 75:</b>					
Recording of Net OPEB Liability 9/30/17	(803,500)	(137,284)	(116,756)	(1,283)	(19,245)
Deferred Outflows of Resources for Contributions Made After the Measurement Date	22,712	3,929	3,377	68	484
Write off of Previously Recorded Net OPEB Obligation	521,716	78,463	64,358	6,715	7,390
Net Position (Deficit), September 30, 2017 as restated	<u>\$ (775,582)</u>	<u>\$ 2,354,288</u>	<u>\$ 1,879,578</u>	<u>\$ 73,808</u>	<u>\$ 399,432</u>

**NOTE B: CASH, CASH EQUIVALENTS, & INVESTMENTS**

**B.1. POOLED CASH AND INVESTMENTS**

The City maintains a cash and investment pool that is available for use by all operating, capital project, and special revenue funds. Each fund's portion of this pool is displayed separately on the Statement of Net Position as "Cash, Cash Equivalents, & Investments." The cash and investments of the Employees' Retirement Fund and investments of the OPEB Trust are managed and accounted for separately from those of the City. The City categorizes its fair value measurements within the fair value hierarchy established by GAAP, see Note A.5.A.

**Pooled Portfolio**

The investment policies of the City are governed by State statutes and the City Council's adopted Investment Policy and Strategy (Policy). Major controls stipulated in the Policy include: depository limitations; Federal Deposit Insurance Corporation (FDIC) insurance or collateralization; repurchase agreements restrictions regarding primary dealers; independent third party custody for all collateral; settlement by delivery versus payment; defined authorized investments; and diversification guidelines. Maximum maturity and maximum weighted average maturity (WAM) limits are also set by the Policy.

State statutes and the Policy authorize investment in obligations of the U.S. Government, its agencies and instrumentalities, municipal obligations rated AA or better, repurchase agreements, A1/P1 commercial paper, AAA-rated constant dollar public funds investment pools, Letters of Credit (LOC) issued by the Federal Home Loan Bank, and Security and Exchange Commission (SEC) registered money market mutual funds. The City's Policy requires that collateral is limited to federal government securities with a market value equal to 102 percent of deposits.



**CITY OF FORT WORTH, TEXAS**  
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**NOTE B: CASH, CASH EQUIVALENTS, & INVESTMENTS (CONTINUED)**

**B.1. POOLED CASH AND INVESTMENTS (CONTINUED)**

**Pooled Portfolio (continued)**

The City, as authorized by the City Council, engages in securities lending through a contract with Citibank whereby all of the U.S. Treasury securities and agency securities are available to be lent to an authorized dealer. All loans can be terminated on demand by either party. The State law indirectly addresses reinvestment of collateral through the reverse repurchase agreement requirements. The law requires that reinvestment of the funds received “must mature not later than the expiration date” of the loan (Section 2256.011d of the Public Funds Investment Act). The City receives defined collateral of at least 102 percent of fair value. At no time is ownership of the underlying securities transferred to the primary dealer. The City does not have the ability to pledge or sell collateral securities outside of borrower default. Therefore, in accordance with GAAP, collateral securities are not presented on the City financial statements. As of September 30, 2018, the carrying and fair value of securities on loan were \$391,998,727 and the fair value of collateral held against the loaned securities was \$399,813,128.

The Public Funds Investment Act, Chapter 2256, Texas Government Code (the PFIA) directs authorized investments of the City. State statutes and the Policy require all time and demand deposits to be fully FDIC insured or collateralized. As of September 30, 2018, the City’s demand and time deposits totaled \$399,432,873. Of the \$399,432,873 bank balance, \$250,000 in each bank account was insured by FDIC deposit insurance with the remainder collateralized with pledged securities held by an independent custodian. As of September 30, 2018, all funds were insured or collateralized as required under state law.

As of September 30, 2018, the City’s investment portfolios (Portfolio) (excluding bank deposits, local government investment pools, money market mutual funds, and amounts held by Trustees) were held by the City’s custodians in the City’s name under written agreements. The City’s custodians are Citibank (securities lending) and JP Morgan Chase.

The City generally holds all pooled investments to maturity for investment and income, not speculation. For the year ended September 30, 2018, interest earned of \$4,599,722 on investments in the Capital Projects Fund was assigned to and reported as investment income in the Debt Service Fund for future debt service payments.

**Interest Rate Risk** — In order to limit interest and market rate risk, the Policy sets specific maximum maturity dates and WAM for each of the City's investment portfolios. The City's liquid investment portfolio has investments held for one year or less. For the City's short-term portfolio, the WAM is two and one half (2½) years with a maximum stated maturity of five (5) years. The City's long-term portfolio has a WAM of seven and one half (7½) years, and a maximum stated maturity of (10) years.

The Policy sets guidelines for maturity ranges which are dependent on interest rate conditions.

<u>Maturity</u>	<u>Cash to 1 year</u>	<u>1 - 2 years</u>	<u>2 - 3 years</u>	<u>3 - 4 years</u>	<u>4+ years</u>
Targeted Portfolio %	40.00	15.00	15.00	15.00	15.00
Actual %	54.63	13.06	12.64	7.95	11.72

As of September 30, 2018, the Portfolio included:

- no holdings with a stated maturity date beyond August 15, 2027;
- holdings maturing beyond one year represented 45.37 percent; and
- the WAM was 565 days or 1.5 years.

**CITY OF FORT WORTH, TEXAS**  
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**NOTE B: CASH, CASH EQUIVALENTS, & INVESTMENTS (CONTINUED)**

**B.1. POOLED CASH AND INVESTMENTS (CONTINUED)**

**Pooled Portfolio (continued)**

**Interest Rate Risk (continued)**

The Portfolio invests in agency debentures which are based on the credit of the agency. The Portfolio does not invest in any agency mortgage-backed securities. Certain debentures have embedded call options which are exercised dependent upon the type of call creating a unique “structure” for that security. Calls are normally scheduled on a one-time, quarterly, or continuous call basis. As of September 30, 2018, the Portfolio contained U.S. Government notes (debentures) with various callable structures totaling \$347,000,000. The callable debentures included \$277,000,000 in quarterly callable notes, \$18,000,000 in continuously callable notes, and \$52,000,000 in step-up callable notes. The step-up callable notes will increase in coupon rate if not redeemed on the call date.

**Credit Risk** — The primary stated objective of the Policy is the safety of principal and avoidance of principal loss. State statutes and the Policy restrict time and demand deposits to banks doing business in Texas and require FDIC insurance or collateralization. A 102 percent margin on collateral is required, and collateral is limited to obligations of the U.S. Government, its agencies or instrumentalities. Securities are priced at fair value on a daily basis as a contractual responsibility of the bank.

State statutes and the Policy limit repurchase agreements to those with defined termination dates executed with a Texas bank or a primary dealer. The Policy requires an industry standard, written master repurchase agreement, and a 102 percent margin on collateral, as well as, delivery versus payment settlement and independent safekeeping.

The Policy restricts investments in commercial paper to dual rated, A1/P1 commercial paper. The Policy also states maximum maturity for commercial paper is 270 days.

The Policy restricts investment in pools to AAA-rated local government investment pools.

As of September 30, 2018, the Portfolio consisted of:

- U.S. Treasury Notes and Bills represented 38.01%;
- U.S. Obligations represented 57.83%; and
- Municipal Obligations represented 4.16%

See Note B.3. for a detailed listing of investments as of September 30, 2018.

Credit risk in the securities lending program is mitigated by diversification of the borrowers through Citibank’s automated process and the 102 percent margin required for every transaction. As a muni-swap contract, Citibank uses only A or better state and local governmental collateral for securities lending. There has not been any default by a borrower or lending agent under the City’s securities lending program since its inception. Collateral provided under the securities lending program is not reported as an asset of the City.

**Concentration of Credit Risk** — The City recognizes over-concentration of assets by market sector or maturity as market risk. The Policy establishes diversification as a major objective and sets diversification limits and strategy percentage directives which are monitored on at least a monthly basis. The City’s balances and investment horizon are managed in accordance with cash flow needs, prevailing market conditions, and general economic factors.

**Custodial Credit Risk** — To control custody and safekeeping risk, State statutes and the Policy require FDIC insurance or collateral for all time and demand deposits, as well as collateral for repurchase agreements and security lending positions. All collateral is held by an independent party approved by the City. The custodian provides original safekeeping receipts and full monthly reporting. Depository agreements are executed under the terms of the Financial Institutions Resource and Recovery Enforcement Act.

**CITY OF FORT WORTH, TEXAS**  
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**NOTE B: CASH, CASH EQUIVALENTS, & INVESTMENTS (CONTINUED)**

**B.1. POOLED CASH AND INVESTMENTS (CONTINUED)**

**Pooled Portfolio (continued)**

**Custodial Credit Risk (continued)**

As of September 30, 2018, the Portfolio contained no certificates of deposit and no repurchase agreements.

Custody of collateral under the securities lending program utilizes an independent third party custodian in a segregated account for all collateral. All collateral is held in the name of the City and marked-to-market daily. If the value falls below 102 percent, additional collateral is provided. The lender does not act as a borrower.

**Gas Lease Portfolio**

Section 2256.0202 of the PFIA authorizes municipal funds from the management and development of mineral rights to be invested in accordance with Texas Trust Code (Subtitle B, Title 9, Property Code). Texas Trust Code allows any security that a "Prudent Investor" would be willing to utilize. City Council has adopted a separate Gas Lease Investment Policy (GLI Policy) statement for these funds. The GLI Policy defines authorized investments and sets the objectives of security, liquidity, and diversification. In addition to the authorized investments allowed under the Investment Policy and Strategy, the GLI Policy authorizes: investments in municipal obligations rated A or better; prime banker's acceptances; domestic and international bond mutual funds with a Morningstar rating of at least two stars; domestic and international equity, and preferred stock mutual funds; domestic and international stocks; real assets; real estate; complementary strategies (currently hedge funds); and corporate and asset-backed securities rated A or better. The fair value and cost basis of this Gas Lease Portfolio were \$69,520,000 and \$64,347,579, respectively.

The GLI Policy sets maximum maturity limits for each authorized investment type. The maximum stated maturity for fixed income securities is 20 years. As of September 30, 2018, no holdings have a stated maturity date beyond March 1, 2027. The following schedule details fair values and maturities for fixed income securities and mutual funds:

<b>Fixed Income Securities</b>	<b>Less Than 1 Year</b>	<b>1 - 5 Years</b>	<b>6 - 10 Years</b>	<b>Total</b>
Government Obligations	\$ 473	\$ 2,851	\$ 310	\$ 3,634
Mortgage Backed Securities	86	693	821	1,600
Municipal Bonds	50	200	-	250
Corporate Obligations	1,198	8,603	-	9,801
Domestic Mutual Funds	1,620	-	-	1,620
International Mutual Funds	3,901	-	-	3,901
Total Fixed Income Securities	\$ 7,328	\$ 12,347	\$ 1,131	\$ 20,806

**CITY OF FORT WORTH, TEXAS**  
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**NOTE B: CASH, CASH EQUIVALENTS, & INVESTMENTS (CONTINUED)**

**B.2. CASH, CASH EQUIVALENTS, & INVESTMENTS HELD BY TRUSTEES**

All cash equivalents held by Trustees are held in depositories and SEC-registered money market funds.

**B.3. CASH, CASH EQUIVALENTS, & INVESTMENTS**

Below are the City's investments measured at fair value as of September 30, 2018:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<b>Investments by Fair Value Level</b>				
<b>Investments Managed by the City</b>				
Federal Farm Credit Bank (FFCB)	\$ 47,583	\$ -	\$ 47,583	\$ -
Federal Home Loan Bank (FHLB)	36,361	-	36,361	-
Federal Home Loan Mortgage Corporation (FHLMC)	134,445	-	134,445	-
Federal National Mortgage Association (FNMA)	270,606	-	270,606	-
U.S. Treasury Notes	321,469	321,469	-	-
Municipal Obligations - Short Term	35,142	-	35,142	-
Total Investments Managed by the City	<u>845,606</u>	<u>321,469</u>	<u>524,137</u>	<u>-</u>
<b>Investments Held by Trustees for the City</b>				
Gas Lease Revenue - Fixed Income	15,285	-	15,285	-
Gas Lease Revenue - Fixed Income - Domestic and International Mutual Fund	5,521	5,521	-	-
Gas Lease Revenue - Equities	3,270	3,270	-	-
Gas Lease Revenue - Equities - Domestic and International Mutual Fund	28,167	28,167	-	-
Gas Lease Revenue - Real Assets Funds	7,787	7,787	-	-
Gas Lease Revenue - Complementary Strategies Funds	9,490	9,490	-	-
Total Investments Held by Trustees for the City	<u>69,520</u>	<u>54,235</u>	<u>15,285</u>	<u>-</u>
Total Investments by Fair Value Level	<u>\$ 915,126</u>	<u>\$ 375,704</u>	<u>\$ 539,422</u>	<u>\$ -</u>

**CITY OF FORT WORTH, TEXAS**  
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**NOTE B: CASH, CASH EQUIVALENTS, & INVESTMENTS (CONTINUED)**

**B.3. CASH, CASH EQUIVALENTS, & INVESTMENTS (CONTINUED)**

The City held the following cash, cash equivalents, & investments as of September 30, 2018:

	<u>Fair Value</u>	<u>WAM by Days</u>	<u>Moody's Credit Rating</u>
<b>Pooled Cash, Cash Equivalents, &amp; Investments Managed by the City</b>			
Cash	\$ 732,797	N/A	N/A
Cash in Bank - Blended Component Units	22,045	N/A	N/A
Federal Farm Credit Bank (FFCB)	47,583	455	Aaa
Federal Home Loan Bank (FHLB)	36,361	1,975	Aaa
Federal Home Loan Mortgage Corporation (FHLMC)	134,445	633	Aaa
Federal National Mortgage Association (FNMA)	270,606	771	Aaa
U.S. Treasury Notes	321,469	1,059	Aaa
Municipal Obligations - Short Term	35,142	1,158	Aa1
Total Cash, Cash Equivalents, & Investments Managed by the City	<u>1,600,448</u>		
<b>Cash, Cash Equivalents, &amp; Investments Held by Trustees for the City</b>			
Gas Lease Revenue - Cash	4,239	N/A	N/A
Gas Lease Revenue - Fixed Income	15,285	N/A	Note B.1.
Gas Lease Revenue - Fixed Income - Domestic and International Mutual Fund	5,521	N/A	Note B.1.
Gas Lease Revenue - Equities	3,270	N/A	N/A
Gas Lease Revenue - Equities - Domestic and International Mutual Fund	28,167	N/A	N/A
Gas Lease Revenue - Real Assets Funds	7,787	N/A	N/A
Gas Lease Revenue - Complementary Strategies Funds	9,490	N/A	N/A
Cash Held by Trustee - United Healthcare	1,928	N/A	N/A
Cash Held by Trustee - York	800	N/A	N/A
Cash Held by Trustee - TWDB 2017B SWIRF	1,547	N/A	N/A
Cash Held by Trustee - Rock Creek	12,190	N/A	N/A
Cash Held by Trustee - CWSRF2015	4,324	N/A	N/A
Cash Held by Trustee - CWSRF2017	14,765	N/A	N/A
Cash Held by Trustee - HUD 108 Loan Fund (Evans/Rosedale/Mercado)	555	N/A	N/A
Cash Held by Trustee - Southeast Landfill	6,479	N/A	N/A
Total Cash, Cash Equivalents, & Investments Held by Trustees for the City	<u>116,347</u>		
<b>Total Cash, Cash Equivalents, &amp; Investments - Primary Government</b>	<u>\$ 1,716,795</u>		
<b>Cash &amp; Cash Equivalents Managed by the Employees' Retirement Fund</b>			
Cash in Bank	150	N/A	N/A
<b>Investments Managed by the Employees' Retirement Fund</b>			
Investments	<u>2,531,234</u>	See Note B.5.	
<b>Total Cash, Cash Equivalents, &amp; Investments - Employees' Retirement Fund</b>	<u>2,531,384</u>		
<b>Cash &amp; Cash Equivalents Managed by the Retiree Healthcare Trust Fund</b>			
Cash in Bank	704	N/A	N/A
<b>Investments Managed by the Retiree Healthcare Trust Fund</b>			
Investments	<u>74,914</u>	See Note B.4.	
<b>Total Cash, Cash Equivalents, &amp; Investments - Retiree Healthcare Trust Fund</b>	<u>75,618</u>		
<b>Cash &amp; Cash Equivalents Managed by the Discretely Presented Component Unit</b>			
Cash in Bank	329	N/A	N/A
<b>Total Cash &amp; Cash Equivalents - Discretely Presented Component Unit</b>	<u>329</u>		
<b>Total Cash, Cash Equivalents, &amp; Investments</b>	<u>\$ 4,324,126</u>		

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**NOTE B: CASH, CASH EQUIVALENTS, & INVESTMENTS (CONTINUED)**

**B.3. CASH, CASH EQUIVALENTS, & INVESTMENTS (CONTINUED)**

The following is reconciliation between Note B.3. and the Basic Financial Statements:

<b>Cash, Cash Equivalents, &amp; Investments, per Note</b>	
Primary Government	\$ 1,716,795
Employees' Retirement Fund	2,531,384
Retiree Healthcare Trust Fund	75,618
Discretely Presented Component Unit	329
<b>Total, per Note</b>	<u><u>\$ 4,324,126</u></u>
<b>Cash, Cash Equivalents, &amp; Investments, per Basic Financial Statements</b>	
Statement of Net Position - Primary Government	\$ 1,010,625
Statement of Net Position - Primary Government Restricted	706,170
Statement of Net Position - Discretely Presented Component Unit	329
Statement of Fiduciary Net Position - Cash and Cash Equivalents	854
Statement of Fiduciary Net Position - Cash and Investments Held by Trustees	2,606,148
<b>Total, per Basic Financial Statements</b>	<u><u>\$ 4,324,126</u></u>

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**NOTE B: CASH, CASH EQUIVALENTS, & INVESTMENTS (CONTINUED)**

**B.4. INVESTMENTS OF THE RETIREE HEALTHCARE TRUST FUND (THE OPEB TRUST)**

All OPEB Trust investments are held in the Public Agencies Retirement Services (PARS) Post-Retirement Health Care Plan Trust by its trustee, US Bank. The Trustee is contracted to manage the portfolio in accordance with the Trust documents as approved by the City Council. The Trust Investment Guideline mandates a diversified portfolio in real estate, fixed income securities, and equity securities.

**Custodial Credit Risk** — As of September 30, 2018, all investments are registered in the name of the City of Fort Worth PARS Post-Retirement Health Care Plan Trust in a master trust custodial agreement.

**Credit Risk of Debt Securities** — The OPEB Trust investments as of September 30, 2018, are shown below:

Investment Type	Rating	Fair Value*
Issues:		
US Government Issues	N/A	\$ 20,824
Corporate Issues	N/A	23,161
Foreign Issues	N/A	3,357
Municipal Issues	N/A	151
Total Issues		47,493
Fixed Income Mutual Funds:		
Vanguard Short-Term Investment Grade	N/A	3,387
Pimco Total Return II Instl	N/A	236
Total Fixed Income Mutual Funds	N/A	3,623
Equity Mutual Funds:		
Ishares S&P 500 ETF	N/A	7,082
Ishares S&P 500 Growth ETF	N/A	2,242
Ishares S&P 500 Value ETF	N/A	3,154
Ishares Msci Eafe ETF	N/A	3,028
Ishares Russell Midcap Value ETF	N/A	2,312
Ishares Russell 2000 Value Index ETF	N/A	2,253
Ishares Russell 2000 Growth ETF	N/A	1,692
Vanguard Emerg Mkt	N/A	1,433
Vanguard Reit ETF	N/A	602
Total Equity Mutual Funds	N/A	23,798
Total Investments		\$ 74,914

*\*All OPEB Trust assets were valued using Level 1 inputs.*

**Concentration of Credit Risk** — The OPEB Trust Investment Guideline addresses concentration limits on a manager basis. As of September 30, 2018, the OPEB Trust's investments were all registered in the Trust's name.

**Interest Rate Risk** — The OPEB Trust does not have a formal policy limiting investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates.

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**NOTE B: CASH, CASH EQUIVALENTS, & INVESTMENTS (CONTINUED)**

**B.5. INVESTMENTS OF THE EMPLOYEES' RETIREMENT FUND**

The Employees' Retirement Fund of the City of Fort Worth, Texas (the "Retirement Fund") is comprised of two separate defined benefit plans: the City of Fort Worth employees benefit plan (the "City Plan" or the "Plan") and the Retirement Fund employees plan (the "Staff Plan"). The Retirement Fund and City Plan were established by City Ordinance on September 12, 1945. The Staff Plan was established through Administrative Rules in 2007, and both plans are governed by State statute (Vernon's Civil Statutes, Title 109, Article 6243i) effective June 15, 2007. The assets of the City Plan are commingled for investment purposes with the assets of the Staff Plan of the Employees' Retirement Fund, and both plans are administered by the thirteen-member Retirement Fund Board of Trustees (Board). The Retirement Fund Board is solely responsible for managing the assets for the City of Fort Worth employees plan, and defining benefits, setting contribution rates, funding contributions, and all other financial components of the Staff Plan. Defining benefits, setting contribution rates, funding contributions, and all other financial components of the City Plan are administered by the Mayor and City Council. Each plan has a separate actuarial valuation completed annually to determine the respective funded status based on current and projected assets and liabilities. Therefore, assets of each plan are legally separate and cannot pay benefits of the other. Due to the insignificant nature of the Staff Plan's assets compared to the Retirement Fund's assets, all further references to the Plan and information provided in the Notes and Required Supplementary Information about the City Plan are strictly limited to information about the City employees (comprised of General Employees, Police Officers, and Firefighters). As discussed in Note I, this fiduciary fund of the City issues separate audited financial statements which are publicly available and can be obtained by contacting the Employees' Retirement Fund at 3801 Hulen Street, Suite 101, Fort Worth, Texas 76107.

**Fair Value** — The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles as described in Note A.5.A.

Investments that are measured at fair value using the net asset value (NAV) per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy. Investments that use inputs that are of different levels are categorized based on the lowest level of input used to determine the fair value of the investment.

The Plan's assets listed in the Investments Measured at Net Asset Value table in Note B.5. are invested with managers in structures that the Plan receives values for shares held in the investment structure with the manager. The liquidity of these structures is listed below on the following pages:

**Equity Investments** — This consists of two Commingled Global Equity Funds that are passive institutional investment funds that invest in global equities diversified across all sectors focused on large to mid-cap equities. One of the global equity funds is based on a cap-weighted MSCI ACWI index and the second fund is based on an MSCI ACWI weighted toward fundamental aspects of companies within the index. There is also one Commingled Emerging Market Equity Fund that is an institutional investment fund that invests in emerging market equities diversified across all sectors focused on large to mid-cap equities.



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**NOTE B: CASH, CASH EQUIVALENTS, & INVESTMENTS (CONTINUED)**

**B.5. INVESTMENTS OF THE EMPLOYEES' RETIREMENT FUND (CONTINUED)**

**Absolute Return Funds** — This category consists of several different styles of funds, as well as different liquidity structures. Directional funds include investments in three funds that invest in a directional nature based on their views of markets, at times these funds may invest without directional bias. Equity Long/Short funds include investments in five funds with two of these funds currently in redemption consisting of 1% of assets in this category. Equity Long/Short funds maintain some level of market exposure by investing in U.S. or global equities both long and short with the level of exposure varying over time. One fund of this type, consisting of 34% of assets in this category, allows quarterly liquidity received 1/4 of assets each subsequent quarter. Event-driven funds include investments in eight (8) funds with three (3) of those funds currently in redemption consisting of 1% of assets in this category. These funds seek to gain an advantage from pricing inefficiencies that may arise based on corporate actions or events which may change the nature of the underlying investment. The nature of event-driven investments often restricts the liquidity of those investments. In this category, 17% of the assets may only be redeemed in three (3) year intervals, while 21% may only be redeemed on an annual basis. The remaining 62% of assets may be redeemed either quarterly receiving 1/4 of assets each subsequent quarter. Multi-Strategy funds include investments in five (5) funds with all funds currently in redemption. Multi-Strategy funds invest in multiple strategies in order to diversify risks and reduce volatility. All funds in this category have been redeemed. The remaining assets are either audit holdback, or side-pocketed assets waiting for liquidation. Relative Value funds include investments in three (3) funds in this category with one of these funds in redemption. Relative Value funds seek returns by identifying mispricing of related securities or financial instruments. The redeemed fund in this category representing 19% of assets in this category has quarterly liquidity with a limit of 1/6 of assets being redeemed at one time; the fund has received its four installments with the remainder to be returned over the next 6 months.

**Alternative Assets** — This category consists of limited partnership structures that invest in companies or real estate which allow for limited or no liquidity for the investor. Private Equity partnerships consist of funds that invest in buyouts, growth equity, venture capital, special situations, mezzanine and distressed debt. There are 85 partnerships in this category, and these partnerships are typically structured with life from 7-10 years and are considered illiquid. As investments are sold out of the partnerships assets are returned to the investors. These funds fair value are determined using net asset values one (1) quarter in arrears and adjusted for cash flows of the most recent quarter. Real Estate - Core partnerships invest in highly leased lower leverage properties that provide consistent income to the investors. These funds allow quarterly liquidity to the investors. There are three (3) partnerships in this category. Real Estate – Non-Core partnerships invest in properties that require some development or improvements to improve the position of the property. There are 24 partnerships in this category, and these partnerships are typically structured with life from 7-10 years and are considered illiquid. As properties are sold out of the partnership assets are returned to the investors. These funds fair value are determined using net asset values one (1) quarter in arrears and adjusted for cash flows of the most recent quarter.

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**NOTE B: CASH, CASH EQUIVALENTS, & INVESTMENTS (CONTINUED)**

**B.5. INVESTMENTS OF THE EMPLOYEES' RETIREMENT FUND (CONTINUED)**

Below are the Plan's investments and derivative instruments measured at fair value as of September 30, 2018:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<b>Investments by Fair Value Level</b>				
<b>Short Term Securities</b>	\$ 207,479	\$ -	\$ 205,486	\$ 1,993
<b>Debt Securities</b>				
Collateralized Debt Obligations	46,406	-	34,558	11,848
Commercial Mortgage-Backed Securities	12,571	-	12,571	-
Corporates	161,092	-	161,089	3
Debt Other	114,682	110,781	3,901	-
Municipals	5,912	-	5,912	-
Non U.S. Government	13,280	-	13,280	-
U.S. Government Agencies	116,356	-	107,069	9,287
U.S. Treasuries	78,078	78,078	-	-
<b>Total Debt Securities</b>	<u>548,377</u>	<u>188,859</u>	<u>338,380</u>	<u>21,138</u>
<b>Equity Securities</b>				
Communication Services	12,980	12,980	-	-
Consumer Discretionary	42,638	42,638	-	-
Consumer Staples	20,220	20,220	-	-
Energy	59,780	59,780	-	-
Equity Other	12,072	12,072	-	-
Financials	47,519	47,519	-	-
Health Care	30,198	30,198	-	-
Industrials	58,092	58,092	-	-
Information Technology	42,128	42,128	-	-
Materials	21,684	21,684	-	-
Real Estate	43,593	43,593	-	-
Utilities	4,414	4,414	-	-
<b>Total Equity Securities</b>	<u>395,318</u>	<u>395,318</u>	<u>-</u>	<u>-</u>
<b>Investments Measured at Net Asset Value*</b>				
<b>Equity Investments</b>				
Commingled Global Equity Fund	\$ 501,267			
Commingled Emerging Market Equity Fund	42,244			
<b>Total Equity Investments</b>	<u>543,511</u>			
<b>Absolute Return</b>	<u>322,714</u>			
<b>Alternative Investments</b>				
Private Equity	280,749			
Real Estate - Core	110,880			
Real Estate	127,845			
<b>Total Alternative Investments</b>	<u>519,474</u>			
<b>Total Investments Measured at Net Asset Value</b>	<u>\$ 1,385,699</u>			
<b>Total Investments by Fair Value Level</b>	<u>\$ 2,536,873</u>	<u>\$ 584,177</u>	<u>\$ 543,866</u>	<u>\$ 23,131</u>
<b>Less: Investments in Non-City Funded Staff Plan</b>	<u>(5,639)</u>			
<b>Total Investments by Fair Value Level in City Plan</b>	<u>\$ 2,531,234</u>			
<b>Investment Derivative Instruments</b>				
Forward Contracts	1,592	-	1,592	-
Swap Agreements	205	-	205	-
Options	(5)	-	(5)	-
<b>Total Investment Derivative Instruments</b>	<u>\$ 1,792</u>	<u>\$ -</u>	<u>\$ 1,792</u>	<u>\$ -</u>

\*Investments measured at Net Asset Value have total Unfunded Commitments of \$215,323,727, the Plan's investments at NAV offer redemption frequencies ranging from daily to three (3) years on redeemable investments; with a total of \$408,594,567 of alternative

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**NOTE B: CASH, CASH EQUIVALENTS, & INVESTMENTS (CONTINUED)**

**B.5. INVESTMENTS OF THE EMPLOYEES' RETIREMENT FUND (CONTINUED)**

Substantially all of the Plan's investments are held by its custodian. The Retirement Fund Board of Directors (Board) authorizes various external managers to manage investments within certain policies as set forth by the Board. These policies mandate a diversified portfolio, which includes investments, either directly or in commingled accounts, in real estate, fixed income securities, and equity securities.

GAAP addresses common deposit and investment risks including custodial credit risk, credit risk of debt securities, concentration of credit risk, interest rate risk, and foreign currency risk. Required disclosures related to these risks are presented below and on the following pages:

**Custodial Credit Risk** — Custodial credit risk is the risk that in the event of failure of the counterparty, the Plan would not be able to recover the value of its investments. The Plan does not have a formal policy for custodial credit risk. As of September 30, 2018, all investments are registered in the name of the Employees' Retirement Fund of the City of Fort Worth or in the name of the Plan's custodian, established through a master trust custodial agreement, except investments in alternative investments and commingled funds.

**Credit Risk of Debt Securities** — Credit risk of debt securities is the risk that an issuer or another counterparty to an investment will not fulfill its obligations. The Plan's investment policy (the policy) requires that fixed income securities have a weighted average of no less than investment grade, as rated by Moody's or Standard & Poor's (S&P). However, the policy does provide for high yield fixed income managers to invest in securities with S&P ratings between BB+ and CCC. The policy limits 25% of a manager's portfolio to be rated CCC or lower. Unrated securities should be limited to no more than 20% of a manager's portfolio. GAAP does not require disclosure of U.S. government obligations explicitly guaranteed.

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**NOTE B: CASH, CASH EQUIVALENTS, & INVESTMENTS (CONTINUED)**

**B.5. INVESTMENTS OF THE EMPLOYEES' RETIREMENT FUND (CONTINUED)**

**Credit Risk of Debt Securities**—The Plan's investments as of September 30, 2018, are shown below:

**Credit Risk of Debt Securities (continued)**

<u>Investment Type</u>	<u>S&amp;P Rating</u>	<u>Fair Value</u>
Asset & Mortgage Backed Obligations	AAA	\$ 31,806
Asset & Mortgage Backed Obligations	AA	5,202
Asset & Mortgage Backed Obligations	A	6,126
Asset & Mortgage Backed Obligations	BBB	1,533
Asset & Mortgage Backed Obligations	BB	1,309
Asset & Mortgage Backed Obligations	B	1,961
Asset & Mortgage Backed Obligations	CCC	1,406
Asset & Mortgage Backed Obligations	NR	9,878
Total Asset & Mortgage Backed Obligations		59,221
Corporate Obligations	AAA	3,719
Corporate Obligations	AA	9,681
Corporate Obligations	A	50,085
Corporate Obligations	BBB	52,442
Corporate Obligations	BB	18,317
Corporate Obligations	B	22,243
Corporate Obligations	CCC	4,821
Corporate Obligations	CC	293
Corporate Obligations	NR	3,392
Total Corporate Obligations		164,993
Government Agency Obligations	AAA	115,591
Government Agency Obligations	AA	3,101
Government Agency Obligations	A	2,165
Government Agency Obligations	NR	875
Total Government Agency Obligations		121,732
International Obligations	AAA	3,871
International Obligations	AA	1,633
International Obligations	A	292
International Obligations	BBB	1,390
International Obligations	BB	2,831
International Obligations	B	127
International Obligations	NR	3,428
Total International Obligations		13,572
Securities Lending Collateral	AAA	1,759
Securities Lending Collateral	AA	72,567
Securities Lending Collateral	A	60,895
Securities Lending Collateral	NR	563
Total Securities Lending Collateral		135,784
Total Fixed Income Subject to Credit Risk		495,302
U.S. Treasuries (Not Subject to Credit Risk)		78,078
Short-Term Marketable Securities		71,695
Corporate Stock		437,562
Alternative Investments		603,463
Commingled Funds		850,773
Less: Investments in Non-City Funded Staff Plan		(5,639)
Total Investments in City Plan		\$ 2,531,234

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**NOTE B: CASH, CASH EQUIVALENTS, & INVESTMENTS (CONTINUED)**

**B.5. INVESTMENTS OF THE EMPLOYEES' RETIREMENT FUND (CONTINUED)**

**Concentration of Credit Risk** — Concentration of credit risk is the risk of loss attributed to the magnitude of the Plan's investment in a single issuer. The Plan's investment policy addresses concentration limits on a manager basis. As of September 30, 2018, the Plan did not have any investments, where the underlying assets were registered in the Plan's name that totaled more than 5% of assets of the Plan.

**Interest Rate Risk** — Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The Plan does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates.

The maturities of investments subject to interest rate risk are as follows:

Investment Type	Less Than 1 Year	1 - 5 Years	6 - 10 Years	More Than 10 Years	Total Fair Value
Asset & Mortgage Backed Obligations	\$ 569	\$ 13,614	\$ 7,120	\$ 37,918	\$ 59,221
Corporate Obligations	8,005	96,168	39,900	20,920	164,993
Government Agency Obligations	-	2,198	1,129	118,405	121,732
International Obligations	127	3,331	5,997	4,117	13,572
Securities Lending Collateral	135,784	-	-	-	135,784
Short-term Fixed Income	71,695	-	-	-	71,695
U.S. Treasuries	-	28,515	17,225	32,338	78,078
Total Interest Rate Risk Debt Securities	\$ 216,180	\$ 143,826	\$ 71,371	\$ 213,698	\$ 645,075

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**NOTE B: CASH, CASH EQUIVALENTS, & INVESTMENTS (CONTINUED)**

**B.5. INVESTMENTS OF THE EMPLOYEES' RETIREMENT FUND (CONTINUED)**

**Foreign Currency Risk** — Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. The Plan has no formal investment policy with regard to foreign currency risk as it is considered an intrinsic risk associated with the investment strategy. The Plan's exposure to foreign currency risk at September 30, 2018, is presented below:

<b>Currency</b>	<b>Debt</b>	<b>Equity</b>	<b>Total</b>
Argentine Peso	\$ 384	\$ -	\$ 384
Australian Dollar	1,323	3,828	5,151
Brazilian Real	40	3,242	3,282
British Pound Sterling	6,772	11,058	17,830
Canadian Dollar	23	11,293	11,316
Czech Koruna	2,020	-	2,020
Chilean Peso	2,834	-	2,834
Danish Krone	(22)	1,056	1,034
Euro Currency Unit	49,494	46,578	96,072
Hong Kong Dollar	-	15,140	15,140
Indian Rupee	3,751	-	3,751
Indonesian Rupiah	2,485	404	2,889
Japanese Yen	1,283	32,155	33,438
Mexican New Peso	3	-	3
New Taiwan Dollar	-	6,950	6,950
Norwegian Krone	1,349	343	1,692
Philippine Peso	-	262	262
Polish Zloty	39	766	805
Russian Ruble	4,748	-	4,748
Singapore Dollar	-	410	410
South African Rand	2,886	-	2,886
South Korean Won	2,031	4,404	6,435
Swedish Krona	1,341	4,113	5,454
Swiss Franc	14	12,479	12,493
Thai Baht	3	-	3
Total Securities Subject to Foreign Currency Risk	<u>\$ 82,801</u>	<u>\$ 154,481</u>	<u>\$ 237,282</u>

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**NOTE B: CASH, CASH EQUIVALENTS, & INVESTMENTS (CONTINUED)**

**B.5. INVESTMENTS OF THE EMPLOYEES' RETIREMENT FUND (CONTINUED)**

**FOREIGN CURRENCY EXCHANGE TRANSACTIONS**

To manage the foreign currency exchange risks associated with foreign investments, the Plan enters into forward currency contracts. The Plan had a net foreign currency contracts with a fair value of approximately \$1,592,432 at September 30, 2018, which contractually obligates the Plan to deliver currencies at a specified date. The Plan could be exposed to the risk of loss if the counterparty is unable to meet the terms of a contract or if the value of currency changes unfavorably. At September 30, 2018, the fair value of these contracts is included in due to/from broker.

**DERIVATIVE FINANCIAL INSTRUMENTS**

The Plan's investment managers are permitted to invest in derivatives subject to guidelines established by the Board. Derivatives are financial instruments that derive their value, usefulness, and marketability from an underlying instrument which represents direct ownership of an asset or an obligation of an issuer. The Plan's derivative positions are marked to market daily, and managers may only trade with counterparties with a credit rating of A-/A3 as defined by S&P and Moody's, respectively. Substitution and risk control are the only strategies permitted; speculation is strictly prohibited. Derivatives are carried as a receivable when the fair value is positive and as payable when the fair value is negative. Fair value is determined based on quoted market prices, if available, or based on differences in cash flows between the fixed and variable rates in each contract as of the measurement date. Gains and losses from derivatives are included in net investment income.

The Plan was in possession of the following types of derivatives at September 30, 2018:

**Futures Contracts** — A futures contract is a standardized contract between two parties to buy or sell a specified asset of standardized quantity and quality for a price agreed upon today with delivery and payment occurring at a specified future date, the delivery date. The contracts are negotiated at a futures exchange, which acts as an intermediary between the two parties to minimize the risk of default by either party.

**Forward Contracts** — A forward contract represents an agreement to buy or sell an underlying asset at a specified date in the future at a specified price. Payment for the transaction is delayed until the settlement or expiration date. A forward contract is a non-standardized contract that is tailored to each specific transaction. Forward contracts are privately negotiated and are intended to be held until the settlement date. Currency forward contracts are used to control currency exposure and facilitate the settlement of international security purchase and sale transactions

**Swap Agreements** — A swap is an agreement between two or more parties to exchange a sequence of cash flows over a period of time in the future based on an underlying asset. No principal is exchanged at the beginning of the swap. The cash flows the counterparties exchange are tied to a "notional" amount. A swap agreement specifies the period over which the periodic payments will be exchanged. The fair value represents the gains or losses as of the prior marking-to-market.

**Options** — Options represent or give buyers the right, but not the obligation, to buy (call) or sell (put) an asset at a present price over a specified period. The option's price is usually a small percentage of the underlying asset's value. As a buyer of financial options, the Fund receives a premium at the outset of the agreement and bears the risk of an unfavorable change in the price of the financial instrument underlying the option. As a purchaser of financial options, the fund pays a premium at the outset of the agreement and the counter-party bears the risk of an unfavorable change in the price of the financial instrument underlying the option.

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**NOTE B: CASH, CASH EQUIVALENTS, & INVESTMENTS (CONTINUED)**

**B.5. INVESTMENTS OF THE EMPLOYEES' RETIREMENT FUND (CONTINUED)**

**Rights and Warrants** — A right is a special type of option that has a short market life, usually existing for no more than a few weeks. Essentially, rights originate when corporations raise money by issuing new shares of common stock. From an investor's perspective, a right enables a stockholder to buy shares of the new issue at a specified price, over a specified, fairly short period. Rights not executed by their expiration date cease to exist and become worthless. A warrant is a long-term option that gives the holder the right to buy a certain number of shares of stock in a certain company for a certain period. Like most options, warrants are found in the corporate sector of the market. Occasionally, warrants can be used to purchase preferred stock or even bonds, but the common stock is the leading redemption vehicle. Warrants, like rights, cease to exist and become worthless if they are not executed by their expiration date.

The Investment Derivatives schedule listed below reports the fair value, changes in fair value, and notional amounts of derivatives outstanding as of September 30, 2018, classified by type:

<b>Derivative Type</b>	<b>Changes in Fair Value</b>		<b>Fair Value</b>	
	<b>Classification</b>	<b>Amount</b>	<b>Amount</b>	<b>Notional</b>
Fiduciary Funds				
Investment Derivatives				
Futures Contracts	<i>Investment Income</i>	\$ (9)	\$ -	\$ 140,899
Forward Contracts	<i>Investment Income</i>	2,271	1,592	114,047
Swap Agreements	<i>Investment Income</i>	(149)	205	134,393
Options	<i>Investment Income</i>	(5)	(5)	2,000
Rights and Warrants	<i>Investment Income</i>	(3)	-	-
	Total	<u>\$ 2,105</u>	<u>\$ 1,792</u>	<u>\$ 391,339</u>

**Credit Risk** — The Plan is exposed to credit risk on investment derivatives that are traded over the counter and reported in asset positions. Derivatives exposed to credit risk include currency forward contracts, rights and warrants, and swap agreements. To minimize credit risk exposure, the Plan's managers monitor the credit ratings of the counterparties. Should there be a counterparty failure, the Plan would be exposed to the loss of the fair value of derivatives that are in the asset positions and any collateral provided to the counterparty, net of the effect of applicable netting arrangements. Netting arrangements provide the Plan with a right of offset in the event of bankruptcy or default by the counterparty. Collateral provided by the counterparty reduces the Plan's credit risk exposure.

The following Credit Risk Analysis schedule discloses the counterparty credit ratings of the Plan's investment derivatives by type, as of September 30, 2018. These amounts represent the maximum loss that would be recognized if all counterparties fail to perform as contracted, without respect to any collateral or other security or netting arrangement. The schedule displays the fair value of the investments by credit rating in increasing magnitude of risk. Investments are classified by S&P rating. If the investment does not have an S&P rating, the Moody's rating that corresponds to the S&P rating is used.

As of September 30, 2018, the Plan's credit risk to these statements is disclosed in the following table:

<b>Derivative Type</b>	<b>AA</b>	<b>A</b>	<b>BBB</b>	<b>Not Rated</b>	<b>Total Fair Value</b>
Forward Contracts	\$ (1)	\$ (24)	\$ -	\$ 1,617	\$ 1,592
Swap Agreements	-	(38)	-	243	205
Options	-	-	-	(5)	(5)
Total	<u>\$ (1)</u>	<u>\$ (62)</u>	<u>\$ -</u>	<u>\$ 1,855</u>	<u>\$ 1,792</u>



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**NOTE B: CASH, CASH EQUIVALENTS, & INVESTMENTS (CONTINUED)**

**B.5. INVESTMENTS OF THE EMPLOYEES' RETIREMENT FUND (CONTINUED)**

**Interest Rate Risk** — The interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Interest rate swaps are an example of an investment that has a fair value that is highly sensitive to interest rate changes. These investments, as of September 30, 2018, are disclosed in the following table:

<u>Derivative Type</u>	<u>Total Notional Value</u>	<u>Total Fair Value</u>
Interest Rate Swaps	\$ 129,393	\$ 238
Swaptions	5,000	(33)
Total	<u>\$ 134,393</u>	<u>\$ 205</u>

**Foreign Currency Risk** — For those forward contracts and swap agreements that are securities issued by foreign countries and foreign businesses there is an exposure to foreign currency risk. Currency forward contracts represent foreign exchange contracts that are used to control currency exposure and facilitate the settlement of international security purchase and sale transactions.

The net exposure column of the schedule below indicates the Plan's net foreign currency risk related to derivatives as of September 30, 2018:

<u>Currency</u>	<u>Forward Contracts</u>	<u>Swap Agreements</u>	<u>Net Exposure</u>
Australian Dollar	\$ (12)	\$ -	\$ (12)
Brazilian Real	1,037	(21)	1,016
British Pound Sterling	(2)	133	131
Canadian Dollar	5	44	49
Chilean Peso	52	-	52
Colombian Peso	(20)	-	(20)
Czech Koruna	(35)	-	(35)
Danish Krone	52	-	52
Euro Currency Unit	64	(48)	16
Japanese Yen	370	(52)	318
Indian Rupee	(101)	-	(101)
Indonesian Rupiah	45	-	45
Mexican Peso	83	-	83
Norwegian Krone	17	-	17
Russian Ruble	(3)	-	(3)
South African Rand	(2)	-	(2)
South Korean Won	14	-	14
Swedish Krona	28	-	28
Total	<u>\$ 1,592</u>	<u>\$ 56</u>	<u>\$ 1,648</u>

The values shown are for the positions that the Plan holds directly. The Plan may also have indirect exposure to derivatives via its commingled funds and its alternative investments. The Plan owns an interest in commingled and alternative investment funds which in turn holds the actual positions. Indirect exposures via these types of investments are not shown here.

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**NOTE B: CASH, CASH EQUIVALENTS, & INVESTMENTS (CONTINUED)**

**B.5. INVESTMENTS OF THE EMPLOYEES' RETIREMENT FUND (CONTINUED)**

**SECURITIES LENDING**

The Plan is authorized to contractually lend securities to borrowers in accordance with policy established by the Board. The Plan is currently contracted with Northern Trust to establish, manage and administer a securities lending program. Northern Trust facilitates lending the Plan's domestic and international equity and fixed income securities in return for collateral consisting of cash, U.S. government securities and irrevocable letters of credit issued by banks independent of the borrower. At a loan's inception, the value of collateral obtained is equal to 102% for securities of United States issuers, and 105% in the case of securities of non-United States issuers, of the market value of any securities to be loaned, plus any accrued interest.

Cash collateral is to be invested in government securities, bank and corporate notes, bank certificates of deposit, time deposits, bankers' acceptances, repurchase agreements, commercial paper, and asset-backed securities. The contract with Northern Trust specifies guidelines for allowable investments, maturities, and diversification. The Plan cannot pledge or sell collateral securities without borrower default. The amount of collateral held exceeds the value of the assets on loan at September 30, 2018.

The Plan earns income from fees paid by the borrowers and interest earned from investing the cash collateral. The contract requires the custodian bank to purchase any loaned securities with collateral provided, however, if the collateral is insufficient to cover the loss, the Plan is liable for the loss. The cash collateral received on each loan was invested in the collateral pool at Northern Trust. Because the loans are terminable at will, their duration generally did not match the duration of the investments made with cash collateral. In addition, the Plan had no credit risk exposure to borrowers. As of September 30, 2018, the value of the collateral held was \$135,784,423 and the value of securities on loan at September 30, 2018, was \$132,238,671. The Plan earned \$645,550, net, on its securities lending activity for the fiscal year ended September 30, 2018.

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**NOTE C: RECEIVABLES AND INTERFUND BALANCES**

**C.1. RECEIVABLES**

Receivables at September 30, 2018, for governmental activities of the City's major funds and nonmajor funds and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, consist of the following:

<b>Receivables</b>	<b>General</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Nonmajor Governmental Funds</b>	<b>Internal Service Funds</b>	<b>Total Governmental Activities</b>
Taxes	\$ 30,558	\$ 8,841	\$ -	\$ -	\$ -	\$ 39,399
Grants and Other Governments	28,387	-	2,927	21,016	-	52,330
Levied, Unbilled Assessments	-	-	2,082	-	-	2,082
Loans	-	-	-	17,025	-	17,025
Long-Term Loans	-	-	-	13,733	-	13,733
Interest	64	1,061	177	433	145	1,880
Accounts and Other	35,266	-	872	21,259	559	57,956
Total Gross Receivables	<u>94,275</u>	<u>9,902</u>	<u>6,058</u>	<u>73,466</u>	<u>704</u>	<u>184,405</u>
Less Allowance for Uncollectible Accounts:						
Taxes	(24,712)	(7,150)	-	-	-	(31,862)
Levied, Unbilled Assessments	-	-	(2,082)	-	-	(2,082)
Loans	-	-	-	(615)	-	(615)
Accounts and Other	(19,872)	-	-	(12)	(559)	(20,443)
Total Allowance	<u>(44,584)</u>	<u>(7,150)</u>	<u>(2,082)</u>	<u>(627)</u>	<u>(559)</u>	<u>(55,002)</u>
Total Receivables, Net	<u>\$ 49,691</u>	<u>\$ 2,752</u>	<u>\$ 3,976</u>	<u>\$ 72,839</u>	<u>\$ 145</u>	<u>\$ 129,403</u>

Receivables at September 30, 2018, for business-type activities of the City's major enterprise funds and nonmajor enterprise funds in the aggregate, including the applicable allowances for uncollectible accounts, consist of the following:

<b>Receivables</b>	<b>Water and Sewer</b>	<b>Stormwater Utility</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total Business-Type Activities</b>
Interest	\$ 429	\$ 44	\$ 53	\$ 526
Accounts and Other	53,275	4,654	7,476	65,405
Grants and Other - Restricted	1,243	35	6,723	8,001
Interest - Restricted	653	112	133	898
Total Gross Receivables	<u>55,600</u>	<u>4,845</u>	<u>14,385</u>	<u>74,830</u>
Less Allowance for Uncollectible Accounts:				
Accounts and Other	(1,080)	(772)	(233)	(2,085)
Total Allowance	<u>(1,080)</u>	<u>(772)</u>	<u>(233)</u>	<u>(2,085)</u>
Total Receivables, Net	<u>\$ 54,520</u>	<u>\$ 4,073</u>	<u>\$ 14,152</u>	<u>\$ 72,745</u>

**CITY OF FORT WORTH, TEXAS**  
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**NOTE C: RECEIVABLES AND INTERFUND BALANCES (CONTINUED)**

**C.1. RECEIVABLES (CONTINUED)**

Governmental funds report deferred inflows of resources, unavailable revenue, in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also report a liability, unearned revenue, in connection with resources that have been received, but not yet earned.

At the end of the fiscal year, the various components of unavailable revenue and unearned revenue reported in the governmental funds were as follows:

<u>Description</u>	<u>Unavailable</u>	<u>Unearned</u>
Property Taxes	\$ 6,448	\$ -
Grants and Other Governments	14,346	4,982
Long-Term Loans	-	30,087
Other	139	475
	<u>\$ 20,933</u>	<u>35,544</u>
Total Unavailable / Unearned Revenues		<u>\$ 56,477</u>

Enterprise funds record unearned revenue in connection with resources that have been received, but not yet earned. At the end of the fiscal year, the various components of unearned revenue reported in the enterprise funds were as shown:

<u>Description</u>	<u>Water and Sewer</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total Business-Type Activities</u>
Deposits and Rents	\$ 1,260	\$ -	\$ 1,260
Grants and Other	-	3,240	3,240
Total Unearned Revenues	<u>\$ 1,260</u>	<u>\$ 3,240</u>	<u>\$ 4,500</u>

**C.2. ADVANCES**

Advances from/to other funds at September 30, 2018, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Total</u>
General	Nonmajor Governmental	\$ 1,844
Nonmajor Enterprise	Capital Projects	4,693
Total:		<u>\$ 6,537</u>

An explanation of significant advances from/to other funds is presented below:

The \$1,844,000 payable to the General Fund from the Nonmajor Governmental Funds is an advance to the Grants Operating Federal Fund to cover a construction grant cash deficit that will be repaid by the granting agency.

The \$4,693,000 payable to the Nonmajor Enterprise Funds from the Capital Projects Fund is due from the Public Safety Training Facility Fund to the Solid Waste Fund for construction costs associated with a new Public Safety Training Center. The loan is reimbursed from Crime Control and Prevention District Fund, and the remaining balance is payable in a series of three payments commenced in FY2018.

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**NOTE C: RECEIVABLES AND INTERFUND BALANCES (CONTINUED)**

**C.3. TRANSFERS**

Transfers made during the year were as follows:

	<b>Transfers In:</b>								<b>Total</b>
	<b>General</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Nonmajor Governmental Funds</b>	<b>Water and Sewer</b>	<b>Stormwater Utility</b>	<b>Nonmajor Enterprise Funds</b>	<b>Internal Service Funds</b>	
<b>Transfers Out:</b>									
General	\$ -	\$ -	\$ 38,599	\$ 9,552	\$ 186	\$ -	\$ 60	\$ 3,928	\$ 52,325
Capital Projects	506	4	-	572	-	24	-	317	1,423
Nonmajor									
Governmental Funds	10,227	10,961	23,877	43	1,383	-	29	3,628	50,148
Water and Sewer	29,140	-	120	43	-	-	-	-	29,303
Stormwater Utility	3,104	-	-	82	1,003	-	-	45	4,234
Nonmajor Enterprise Funds	6,435	-	-	-	1,118	-	-	394	7,947
Internal Service Funds	1,053	205	9,825	-	-	-	-	88	11,171
<b>Total</b>	<b>\$ 50,465</b>	<b>\$ 11,170</b>	<b>\$ 72,421</b>	<b>\$ 10,292</b>	<b>\$ 3,690</b>	<b>\$ 24</b>	<b>\$ 89</b>	<b>\$ 8,400</b>	<b>\$ 156,551</b>

Transfers are used to: 1) move revenues from the fund with collection authorization to the Debt Service Fund as debt service principal and interest payments become due; 2) move restricted amounts from borrowings to the Debt Service Fund to establish mandatory reserve accounts; and 3) move unrestricted revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

Significant transfers included the following:

The General Fund transferred \$38,599,000 to the Capital Projects Fund, of which \$33,976,000 was for the Capital Improvement Plan and \$4,622,000 to fund current city-wide capital projects.

The General Fund transferred \$9,552,000 to the Nonmajor Governmental Funds, of which \$5,014,000 was to the Culture and Tourism Fund for the purposes of operating the Fort Worth Convention Center, the Will Rogers Memorial Complex, and the Cowtown Coliseum, funding a contract with the Fort Worth Convention and Visitors Bureau, and to pay costs associated with construction and debt-financing of the Dickies Arena. The General Fund transferred \$2,851,000 to Botanic Garden Special Revenue Fund for the overall administration, operations, and maintenance of the Botanic Garden. The Golf Fund received a subsidy in the amount of \$615,000 from the General Fund to assist with the operational costs. The Fort Worth Public Improvement Districts (PID) received \$766,000 in lieu of services and assessments.

The General Fund transferred \$3,928,000 to the Internal Service Funds to fund information technology advancements and computer replacement administered through the Information Systems Fund.

**CITY OF FORT WORTH, TEXAS**  
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**NOTE C: RECEIVABLES AND INTERFUND BALANCES (CONTINUED)**

**C.3. TRANSFERS (CONTINUED)**

The Nonmajor Governmental Funds transferred \$10,227,000 to the General Fund, of which \$4,006,000 was from the Crime Control and Prevention District Fund for the Civil Service Pay Plan and \$3,970,000 from the Red Light Enforcement Fund for administered and maintenance the photographic traffic signal enforcement system governed by Texas Transportation Code Chapter 707 and used for traffic safety programs. The General Fund received \$1,169,000 from the Culture and Tourism Fund for energy savings debt service. The General Fund also received \$213,000, \$361,000, and \$207,000 respectively from Fort Worth Public Improvement Districts Fund, Taxing Increment Reinvestment Zones Fund, and Fort Worth LDC for management and administration.

The Nonmajor Governmental Funds transferred \$10,961,000 to the Debt Service Fund, of which \$8,013,000 was from the Culture and Tourism Fund, and \$2,948,000 was from the Crime Control and Prevention District Fund to pay for 2011 Tax Notes debt service.

The Nonmajor Governmental Funds transferred \$23,877,000 to the Capital Projects Fund, of which \$13,196,000 was made from the Crime Control and Prevention District Fund for construction commitments relating to facility renovation and maintenance, 6th Patrol Division's new facility, transportation maintenance, and community partnerships per the capital improvement plan. The Culture and Tourism Fund transferred \$3,171,000 to the Culture and Tourism Capital Projects Fund for the public events capital improvement plan. The Culture and Tourism Capital Projects Fund also received a transfer of \$650,000 from the Culture and Tourism Fund for support of the Venue Project that includes the Multi-Purpose Arena (see Note M) adjacent to the Will Rogers Memorial Center. The Culture and Tourism Fund also transferred \$4,130,000 to the Culture and Tourism DFW Revenue Share Capital Project Fund per the capital improvement plan. The Special Purpose Fund transferred \$1,000,000 to the General Capital Projects Fund per the capital improvement plan. The Taxing Increment Reinvestment Zone #7 North Tarrant Parkway transferred \$1,190,000 to the Specially Funded Projects Fund to pay for interfund loan for North Riverside Drive and Old Denton Road from Golden Triangle projects.

The Nonmajor Governmental Funds transferred \$3,628,000 to the Internal Service Funds to fund information technology advancements and computer replacement administered through the Information System Fund.

The Water and Sewer Fund transferred \$29,140,000 to the General Fund, which \$22,977,000 was for Street Rental Fees and \$6,129,000 for Payment in Lieu of Taxes (PILOT).

The Stormwater Utility Fund transferred \$3,104,000 to the General Fund, which \$2,925,000 was for Street Rental Fees and \$162,000 was for PILOT. The Stormwater Utility Fund also transferred \$17,000 to the Water and Sewer Fund for billing services.

The Nonmajor Enterprise Funds transferred \$6,435,000 to the General Fund, of which the Solid Waste Fund transferred for \$2,887,000 Street Rental Fees and \$1,825,000 for PILOT. The General Fund also received \$1,219,000 from the Solid Waste Fund for program services. The Nonmajor Enterprise Funds also transferred \$503,000 to the Water and Sewer Fund for billing services.

The Internal Service Funds transferred \$9,825,000 to the Capital Projects Fund and \$1,053,000 to the Capital Projects Fund related to the closure of the Information System Fund in FY2018. See Note A.2 for additional information.

It is the City's policy to record interfund reimbursements that are in excess of the underlying expenditures or expenses as transfers.

**CITY OF FORT WORTH, TEXAS**  
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**NOTE D: FUND EQUITY**

**D.1. FUND DEFICITS & UNASSIGNED FUND BALANCE**

Grants Fund, a nonmajor governmental fund, current year has a fund deficit of \$84,000, a reduction of the deficit of \$491,000 from the previous year, and an unassigned fund balance deficit of \$654,000, due to reimbursement timing differences, as of September 30, 2018. Also, revenues were unavailable (collectible during the current period or soon after) to be used to pay liabilities of the current period. Reimbursement for federal, state, and local grant expenditures are expected to offset this fund deficit future fiscal years. In compliance with the City's Special Revenue Fund Reserve Policy, the City has taken action to decrease this deficit.

Golf Fund, a nonmajor governmental fund, has an unassigned fund balance deficit of \$102,000, a decrease of \$5,000 from the previous fiscal year. In compliance with the City's Special Revenue Fund Reserve Policy, this deficit will be offset by revenues in future years.

**NOTE E: RESTRICTED ASSETS**

Restricted assets in certain funds are held for specific purposes in accordance with bond ordinances or other legal restrictions as follows:

	<u>Water and Sewer</u>	<u>Stormwater Utility</u>	<u>Nonmajor Enterprise Funds</u>	<u>Internal Service Funds</u>	<u>Total</u>
<b>Debt Service:</b>					
Cash and Cash Equivalents	\$ 44,085	\$ 3,926	\$ 1,464	\$ -	\$ 49,475
Cash and Cash Equivalents Held by Trustees	617	-	-	-	617
Interest Receivable	570	112	31	-	713
	<u>45,272</u>	<u>4,038</u>	<u>1,495</u>	<u>-</u>	<u>50,805</u>
<b>Capital Improvements:</b>					
Cash and Cash Equivalents	435,849	43,345	21,539	977	501,710
Cash and Cash Equivalents Held by Trustees	20,020	-	-	-	20,020
Grants and Other Receivables	1,195	35	6,090	-	7,320
Interest Receivable	70	-	-	-	70
	<u>457,134</u>	<u>43,380</u>	<u>27,629</u>	<u>977</u>	<u>529,120</u>
<b>Customer Deposits:</b>					
Cash and Cash Equivalents	18,951	-	936	-	19,887
	<u>18,951</u>	<u>-</u>	<u>936</u>	<u>-</u>	<u>19,887</u>
<b>Other Restrictions:</b>					
Cash and Cash Equivalents	2,654	-	12,216	3,881	18,751
Cash and Cash Equivalents Held by Trustees	7,164	-	41,004	2,728	50,896
Grants and Other Receivables	48	-	633	-	681
Interest Receivable	13	-	102	-	115
	<u>9,879</u>	<u>-</u>	<u>53,955</u>	<u>6,609</u>	<u>70,443</u>
Total	<u>\$ 531,236</u>	<u>\$ 47,418</u>	<u>\$ 84,015</u>	<u>\$ 7,586</u>	<u>\$ 670,255</u>

**CITY OF FORT WORTH, TEXAS**  
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**NOTE F: CAPITAL ASSETS**

Capital asset activity for Governmental Activities for the year ended September 30, 2018, was as follows:

	<u>Balance at October 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at September 30, 2018</u>
<b>Governmental Activities</b>				
<b>Capital Assets, Not Being Depreciated:</b>				
Land/Right of Way	\$ 234,985	\$ 22,127	\$ (5,593)	\$ 251,519
Construction in Progress	298,738	180,108	(141,059)	337,787
Intangibles	24,270	7,826	-	32,096
Total Capital Assets, Not Being Depreciated	<u>557,993</u>	<u>210,061</u>	<u>(146,652)</u>	<u>621,402</u>
<b>Capital Assets, Being Depreciated:</b>				
Buildings	488,714	28,526	(29,721)	487,519
Vehicles, Machinery and Equipment	261,238	42,056	(72,398)	230,896
Infrastructure	3,078,952	150,975	(10,889)	3,219,038
Intangibles	49,690	700	(7,435)	42,955
Total Capital Assets, Being Depreciated	<u>3,878,594</u>	<u>222,257</u>	<u>(120,443)</u>	<u>3,980,408</u>
<b>Less Accumulated Depreciation/Amortization for:</b>				
Buildings	219,952	14,434	(3,229)	231,157
Vehicles, Machinery and Equipment	161,421	17,176	(32,180)	146,417
Infrastructure	1,872,816	107,659	(7)	1,980,468
Intangibles	21,688	3,689	-	25,377
Total Accumulated Depreciation and Amortization	<u>2,275,877</u>	<u>142,958</u>	<u>(35,416)</u>	<u>2,383,419</u>
Total Capital Assets, Being Depreciated, Net	<u>1,602,717</u>	<u>79,299</u>	<u>(85,027)</u>	<u>1,596,989</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 2,160,710</u>	<u>\$ 289,360</u>	<u>\$ (231,679)</u>	<u>\$ 2,218,391</u>

Capital asset activity for Business-Type Activities for the year ended September 30, 2018, was as follows:

	<u>Balance at October 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at September 30, 2018</u>
<b>Business-Type Activities</b>				
<b>Capital Assets, Not Being Depreciated:</b>				
Land/Right of Way	\$ 201,718	\$ 10,660	\$ (4,816)	\$ 207,562
Construction in Progress	355,514	143,370	(193,867)	305,017
Intangibles	-	1,525	-	1,525
Total Capital Assets, Not Being Depreciated	<u>557,232</u>	<u>155,555</u>	<u>(198,683)</u>	<u>514,104</u>
<b>Capital Assets, Being Depreciated:</b>				
Buildings	160,367	7,664	(2,525)	165,506
Vehicles, Machinery and Equipment	377,216	4,482	(3,205)	378,493
Infrastructure	3,401,541	236,991	(1,652)	3,636,880
Intangibles	-	510	-	510
Total Capital Assets, Being Depreciated	<u>3,939,124</u>	<u>249,647</u>	<u>(7,382)</u>	<u>4,181,389</u>
<b>Less Accumulated Depreciation/Amortization for:</b>				
Buildings	58,735	6,056	(2,493)	62,298
Vehicles, Machinery and Equipment	247,949	12,199	(3,176)	256,972
Infrastructure	1,079,589	79,187	(1,218)	1,157,558
Intangibles	-	34	-	34
Total Accumulated Depreciation and Amortization	<u>1,386,273</u>	<u>97,476</u>	<u>(6,887)</u>	<u>1,476,862</u>
Total Capital Assets, Being Depreciated, Net	<u>2,552,851</u>	<u>152,171</u>	<u>(495)</u>	<u>2,704,527</u>
<b>Business-Type Activities Capital Assets, Net</b>	<u>\$ 3,110,083</u>	<u>\$ 307,726</u>	<u>\$ (199,178)</u>	<u>\$ 3,218,631</u>



**CITY OF FORT WORTH, TEXAS**  
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**NOTE F: CAPITAL ASSETS (CONTINUED)**

Depreciation and amortization expense was charged as follows for the year ended September 30, 2018:

	<b>Depreciation and Amortization Expense</b>
<b>Governmental Activities</b>	
General Government	\$ 15,424
Public Safety	11,159
Highways and Streets	99,408
Culture and Recreation	14,637
Urban Redevelopment and Housing	2,330
Total Governmental Depreciation and Amortization	<u>142,958</u>
<b>Major Business-Type Activities</b>	
Water and Sewer	75,238
Stormwater Utility	8,651
<b>Nonmajor Business-Type Activities</b>	
Municipal Airports	11,098
Municipal Parking	1,990
Solid Waste	499
Total Business-Type Depreciation and Amortization	<u>97,476</u>
<b>Total Depreciation and Amortization Expense</b>	<u><u>\$ 240,434</u></u>

The governmental activities depreciation and amortization expense above includes \$291,000 of depreciation expense from the Internal Service Funds.

The City capitalizes interest during the construction period in proprietary fund capital projects. For the year ended September 30, 2018, interest was capitalized in the Water and Sewer Fund and Stormwater Utility Fund in the amounts of \$8,083,969 and \$2,300,055, respectively.

**CITY OF FORT WORTH, TEXAS**  
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**NOTE G: DEBT OBLIGATIONS**

**G.1. CHANGES IN LONG-TERM DEBT OBLIGATIONS AND OTHER LIABILITIES**

The following is a summary of changes in long-term obligations for the year ended September 30, 2018:

	<b>Balance at October 1, 2017</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance at September 30, 2018</b>	<b>Due Within One Year</b>
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 452,570	\$ 62,220	\$ 39,270	\$ 475,520	\$ 61,570
Certificates of Obligation	201,945	-	34,160	167,785	15,040
Special Tax Revenue Debt	226,880	-	330	226,550	435
Special Assessment Debt	12,685	5,155	-	17,840	-
Tax Notes	26,130	12,590	3,710	35,010	5,275
HUD Installment Obligations	2,000	-	632	1,368	666
Lone Star Local Government Corp Obligation	31,617	-	-	31,617	-
State Obligation - City	6,476	-	465	6,011	465
State Obligation - CCPD	2,516	-	181	2,335	181
TRWD Obligation	171,391	19,106	3,843	186,654	-
State Energy Conservation Loan Phase III	397	-	397	-	-
ESPC Phase VII	15,474	-	1,172	14,302	1,652
Capital Leases	1,167	-	330	837	361
Southwest Bank Loan (LDC SW Building)	1,477	-	378	1,099	389
Lancaster Corridor Construction Loan	16,500	-	16,500	-	-
Net Unamortized Bond Premium/Discount	69,218	4,416	17,683	55,951	-
Compensated Absences	119,622	52,518	51,613	120,527	51,603
Pollution Remediation Liability	5,636	-	855	4,781	-
Risk Management Estimated Claims Payable	33,377	74,187	75,123	32,441	16,817
Net OPEB Liability*	803,500	-	50,424	753,076	-
Net Pension Liability	2,792,047	-	118,735	2,673,312	-
Total Governmental Activities	<u>4,992,625</u>	<u>230,192</u>	<u>415,801</u>	<u>4,807,016</u>	<u>154,454</u>
<b>Business-Type Activities:</b>					
Water and Sewer - Revenue Bonds	791,315	110,475	63,285	838,505	59,840
Water and Sewer - Trinity River Authority Oblig.	3,600	-	670	2,930	690
Water and Sewer - ESPC Phase V	8,955	-	1,544	7,411	1,580
Stormwater Utility - Revenue Bonds	119,370	-	4,460	114,910	4,640
Municipal Parking - General Obligation Bonds	33,850	-	1,315	32,535	1,380
Municipal Parking - Certificate of Obligation	2,515	-	1,115	1,400	1,170
Solid Waste - General Obligation Bonds	3,515	-	470	3,045	460
Net Unamortized Bond Premium/Discount	69,036	3,127	19,349	52,814	-
Compensated Absences	14,727	7,133	6,449	15,411	6,449
Landfill Closure and Postclosure Liability	8,331	393	-	8,724	-
Arbitrage	7	5	-	12	-
Pollution Remediation Liability	5,945	352	5,612	685	-
Net OPEB Liability*	137,284	-	7,030	130,254	-
Net Pension Liability	428,543	-	17,677	410,866	-
Total Business-Type Activities	<u>1,626,993</u>	<u>121,485</u>	<u>128,976</u>	<u>1,619,502</u>	<u>76,209</u>
<b>Total Long-Term Liabilities</b>	<u>\$ 6,619,618</u>	<u>\$ 351,677</u>	<u>\$ 544,777</u>	<u>\$ 6,426,518</u>	<u>\$ 230,663</u>

\*The balances at October 1, 2017 were restated to reflect the City's Implementation of GASB Statement No. 75. See Note A.17.

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**NOTE G: DEBT OBLIGATIONS (CONTINUED)**

**G.1. CHANGES IN LONG-TERM DEBT OBLIGATIONS AND OTHER LIABILITIES (CONTINUED)**

Governmental Activities long-term debt is summarized as follows:

	<u>Interest Rate %</u>	<u>Year of Issue</u>	<u>Year of Maturity</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>
General Obligation Bonds:					
Series 2009	2.5-5.0	2009	2019	\$ 85,180	\$ 4,260
Series 2010	2.0-4.0	2010	2030	20,590	12,360
Series 2011 Refunding	2.0-5.0	2011	2023	46,680	24,005
Series 2012 Refunding	2.0-5.0	2012	2032	135,485	109,945
Series 2013 Refunding	2.0-4.5	2013	2033	37,130	20,080
Series 2014 Refunding	2.2	2014	2023	35,480	19,700
Series 2015 Refunding	2.33	2015	2025	3,955	2,700
Series 2015A Refunding	3.25-5.0	2015	2035	127,725	105,950
Series 2016 Refunding	3.0-5.0	2016	2036	130,500	114,300
Series 2018	3.0-5.0	2018	2038	62,220	62,220
Total General Obligation Bonds					<u>475,520</u>
Certificates of Obligation:					
Series 2009	3.0-4.375	2009	2029	55,585	5,850
Series 2010	2.0-4.25	2010	2031	34,685	25,490
Series 2010A	3.0-5.0	2010	2030	40,640	20,365
Series 2012	3.0-5.0	2012	2032	85,790	58,935
Series 2013A	2.0-5.0	2013	2033	46,095	33,455
Series 2013B	2.0-4.99	2013	2033	11,140	9,015
Series 2013C	3.0-5.0	2013	2034	19,270	14,675
Total Certificates of Obligation					<u>167,785</u>
Special Tax Revenue Debt:					
Series 2017A	2.0-5.25	2017	2043	86,170	86,170
Series 2017B	1.719-4.238	2017	2047	140,710	140,380
Total Special Tax Revenue Debt					<u>226,550</u>
Special Assessment Debt:					
Series 2017 (Rock Creek)	5.0-5.125	2017	2037	12,685	12,685
Series 2018 (Rock Creek)	5.0	2018	2047	5,155	5,155
Total Special Assessment Debt				17,840	<u>17,840</u>
Tax Notes:					
Series 2016	1.44	2017	2023	9,525	6,910
Series 2017	1.97	2017	2024	23,080	15,510
Series 2018	4.0-5.0	2018	2025	12,590	12,590
Total Tax Notes					<u>35,010</u>

(continued)

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**(000's omitted in tables)**

**NOTE G: DEBT OBLIGATIONS (CONTINUED)**

**G.1. CHANGES IN LONG-TERM DEBT OBLIGATIONS AND OTHER LIABILITIES (CONTINUED)**

Governmental Activities long-term debt is summarized as follows:					
	Interest Rate %	Year of Issue	Year of Maturity	Original Amount	Amount Outstanding
HUD Installment Obligations:					
Series 2005	4.46-6.8	2005	2020	7,500	1,368
Lone Star Local Government Corp Obligation	4.75	2006	2024	31,617	31,617
State Obligation - City	0.0	2014	2031	9,307	6,011
State Obligation - CCPD	0.0	2014	2031	3,616	2,335
TRWD Obligation	0.0	2010	2031	226,000	186,654
ESPC Phase VII	2.236	2013	2026	18,443	14,302
Capital Leases	2.539-3.59	2010	2022		837
Southwest Bank Loan (LDC SW Building)	2.93	2014	2021	2,689	1,099
Net Unamortized Bond Premium/Discount	N/A	N/A	N/A	N/A	55,951
Compensated Absences	N/A	N/A	N/A	N/A	120,527
Pollution Remediation Liability	N/A	N/A	N/A	N/A	4,781
Risk Management Estimated Claims Payable	N/A	N/A	N/A	N/A	32,441
Net OPEB Liability	N/A	N/A	N/A	N/A	753,076
Net Pension Liability	N/A	N/A	N/A	N/A	2,673,312
Total Governmental Activities Long-Term Debt					<u>\$ 4,807,016</u>
					(concluded)

The Debt Service Fund has been used to liquidate the General Obligation Bonds, Certificates of Obligation, Special Tax Revenue Debt, Special Assessment Debt, and the Tax Notes. The General Fund and the Special Revenue Funds have been used to liquidate all other governmental activities' long-term debt.

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**NOTE G: DEBT OBLIGATIONS (CONTINUED)**

**G.1. CHANGES IN LONG-TERM DEBT OBLIGATIONS AND OTHER LIABILITIES (CONTINUED)**

Business-Type long-term debt is summarized as follows:					
	<u>Interest Rate %</u>	<u>Year of Issue</u>	<u>Year of Maturity</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>
Water and Sewer:					
Revenue Bonds:					
Series 2007A TWDB*	1.75-3.0	2007	2027	\$ 33,560	\$ 17,640
Series 2007B TWDB*	2.2-3.0	2007	2027	49,585	26,740
Series 2009 TWDB*	0.0	2009	2030	16,265	9,660
Series 2010 Refunding	4.0-5.0	2010	2020	98,855	13,590
Series 2010A TWDB*	0.36-2.62	2010	2030	40,000	25,430
Series 2010B TWDB*	0.15-2.85	2010	2030	28,000	17,830
Series 2010C	4.0-5.25	2010	2030	45,870	31,405
Series 2011 Refunding	2.0-5.0	2011	2031	151,160	101,435
Series 2012 Refunding	2.0-5.0	2012	2025	31,155	21,365
Series 2014 Refunding	2.0-5.0	2014	2034	171,415	118,065
Series 2015 Revenue (Clean Water SRF) TWDB*	0.0-2.04	2015	2035	39,000	33,495
Series 2015A Refunding	3.125-5.0	2015	2035	126,615	115,135
Series 2015B Refunding TWDB*	0.19-2.20	2016	2030	13,000	10,680
Series 2016 Refunding	2.0-5.0	2016	2046	75,890	69,595
Series 2017 Revenue (Clean Water SRF) TWDB*	0.0-1.7	2017	2047	16,045	15,570
Series 2017A Refunding	3.125-5.0	2017	2047	111,600	103,890
Series 2017B Revenue TWDB*	0.58-2.05	2018	2032	63,000	59,505
Series 2018	3.25-5.0	2018	2048	47,475	47,475
Total Revenue Bonds					838,505
Trinity River Authority Obligation:					
Series 2011 Refunding	2.0-4.0	2011	2022	6,795	2,930
ESPC Phase V	2.34	2012	2023	15,365	7,411
Total Water and Sewer					848,846
Stormwater Utility:					
Revenue Bonds:					
Series 2009	2.0-4.3	2009	2035	45,190	35,225
Series 2011	2.0-5.0	2011	2036	78,325	62,955
Series 2016 Refunding	2.0-5.0	2016	2033	17,505	16,730
Total Stormwater Utility					114,910
Municipal Parking:					
General Obligation Bonds:					
Series 2016 Refunding	4.0-5.0	2016	2033	34,445	32,535
Certificates of Obligation:					
Series 2009	5.0-5.25	2009	2019	27,135	950
Series 2010A	3.0-5.0	2010	2020	1,955	450
Total Certificates of Obligation					1,400
Total Municipal Parking					33,935
Solid Waste:					
General Obligation Bonds:					
Series 2015 Refunding	2.33	2015	2025	4,465	3,045
Net Unamortized Bond Premium/Discount	N/A	N/A	N/A	N/A	52,814
Compensated Absences	N/A	N/A	N/A	N/A	15,411
Landfill Closure and Postclosure Liability	N/A	N/A	N/A	N/A	8,724
Arbitrage	N/A	N/A	N/A	N/A	12
Pollution Remediation Liability	N/A	N/A	N/A	N/A	685
Net OPEB Liability	N/A	N/A	N/A	N/A	130,254
Net Pension Liability	N/A	N/A	N/A	N/A	410,866
Total Business-Type Long-Term Debt					\$ 1,619,502

\*Texas Water Development Board

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**NOTE G: DEBT OBLIGATIONS (CONTINUED)**

**G.2. GOVERNMENTAL ACTIVITIES' DEBT**

Long-term liabilities consist of General Obligation Bonds and Certificates of Obligation, as well as other long-term liabilities. Principal and interest payments on debt obligations are either secured solely by ad valorem taxes, secured partially by ad valorem taxes and partially by specific revenue streams, or solely by specific revenue streams.

General Obligation Bonds and Certificates of Obligation indentures require the City to levy the tax required to fund interest and principal at maturity or at least 2 percent of the outstanding principal, whichever is greater. At September 30, 2018, the Debt Service Fund held \$36,834,126 and \$9,298,219 of cash and investments to service General Obligation Bonds/Certificates of Obligation and for Special Tax Revenue Debt, respectively, for governmental activities.

On June 22, 2018, the City issued \$5,155,000 of Special Assessment Revenue Debt, Series 2018 for Fort Worth Public Improvement District No. 17 Roadway Improvement Project. The bonds will mature on September 1 of each year from 2021 to 2037 in installments ranging from \$195,000 to \$440,000. Interest is payable on March 1 and September 1 of each year commencing March 1, 2019, with interest rates equal to 5.0 percent.

On July 10, 2018, the City issued \$12,590,000 of Tax Notes, Series 2018 for the purchase of fire trucks and equipment, construction of roads, and a community center. These notes will mature beginning March 1 of each year from 2019 to 2025 in installments ranging from \$1,490,000 to \$2,085,000. Interest is payable on March 1 and September 1 of each year commencing March 2019, with interest rates ranging from 4.0 to 5.0 percent.

On July 10, 2018, the City issued \$62,220,000 of General Obligation Bonds, Series 2018 for funding projects within the 2014 bond program to include: transportation; parks, recreation and community centers; library system; fire safety; municipal court improvements; and animal care and control. These bonds will mature beginning March 1 of each year from 2019 to 2038 in installments ranging from \$2,245,000 to \$19,495,000. Interest is payable on March 1 and September 1 of each year commencing March 2019 with interest rates ranging from 3.0 to 5.0 percent.

On July 11, 2018, the City had a partial cash defeasance of Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2009 of \$16,435,000. The City utilized excess debt service fund balance to establish an escrow account for the outstanding tax supported debt. The cash defeasance resulted in an economic gain of \$2,036,619 and a book loss of \$443,635. At September 30, 2018, \$5,850,000 remains outstanding.

On August 9, 2018, the Lancaster Corridor construction loan was paid in full with proceeds from the sale of a building.

In FY2011, Taxing Increment Reinvestment Zone No. 9 (TIRZ #9) entered into an agreement with the Tarrant Regional Water District (TRWD) for the work related to the Trinity River Vision project. This agreement stipulates that the City's total liability is capped at \$320,000,000, but this liability cannot exceed \$226,000,000 during any given year. During FY2018, TIRZ #9 borrowed an additional \$19,106,000 from TRWD.

As of September 30, 2018, the following bonds were authorized but not issued:

General Obligation Bonds	Date Authorized	Amount Authorized	Amount Unissued
2014 Bond Program	5/10/2014	\$ 292,075	\$ 84,725
2018 Bond Program	5/5/2018	399,500	399,500
Total		\$ 691,575	\$ 484,225

**CITY OF FORT WORTH, TEXAS**  
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**NOTE G: DEBT OBLIGATIONS (CONTINUED)**

**G.3. COMMERCIAL PAPER PROGRAM**

On December 5, 2017, the City authorized the ordinance and related agreements allowing the implementation of a replacement liquidity program offered through J.P. Morgan Securities LLC. In conjunction with the execution of the commercial paper (CP) program, a supplement ordinance authorized Water and Sewer System CP Notes with a maximum aggregate principal amount of \$150,000,000. The callable CP may be issued without the need for bank liquidity support and is structured in a manner that upon initial issuance, the callable CP will have an original call date between three and 120 business days. As is customary for commercial paper products, the maturity date will not be greater than 270 days from the date of issuance. The current intent is to utilize the CP program as appropriation authority only. No commercial paper was issued during the fiscal year ended September 30, 2018.

**G.4. ENTERPRISE DEBT**

Water and Sewer Revenue Bonds and Stormwater Utility Revenue Bonds constitute special obligations of the City secured solely by a lien on and pledge of the net revenues of the Water and Sewer system and the Stormwater system. Certain Certificates of Obligation and General Obligation Bonds are recorded in the Municipal Parking Fund and Solid Waste Fund. These bonds have no specific claim against Municipal Parking or Solid Waste revenues. However, debt service requirements are provided by the Water and Sewer Fund, Stormwater Utility Fund, Municipal Parking Fund, and Solid Waste Fund. Accordingly, the debt is reflected in a fund obligation.

In accordance with the revenue bond ordinances, a reserve for debt service is maintained. At September 30, 2018, \$50,793,978 of cash and investments was available for payments of principal and interest on all Enterprise Fund debt. The Water and Sewer Fund has substituted surety bonds in the amount of \$2,784,705 that are also held in reserve to provide for the payment of debt service obligations in the event there are insufficient amounts on deposit to make debt service payments.

On November 28, 2017, the City issued \$63,000,000 of Water and Sewer System Revenue Bonds, Series 2017B to fund the second phase of the Advanced Metering Infrastructure (AMI) Project along with an automated leak detection system. The planned project comes under the authority of the Texas Water Development Board's State Water Implementation Revenue Fund for Texas (SWIRFT) Program. The bonds will mature on February 15 of each year from 2018 to 2032 and are payable in installments ranging from \$3,495,000 to \$4,675,000. Interest is payable on February 15 and August 15 of each year commencing in February 2018, with interest rates ranging from 0.58 to 2.05 percent.

On June 27, 2018, the City issued \$47,475,000 of Water and Sewer System Revenue and Improvement Bonds, Series 2018 to fund improvements and extensions to the Water and Sewer System. The bonds will mature on February 15 of each year from 2019 to 2048 in installments ranging from \$510,000 to \$2,685,000. Interest is payable on February 15 and August 15 of each year commencing February 2019, with interest rates ranging from 3.25 to 5.0 percent.

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**NOTE G: DEBT OBLIGATIONS (CONTINUED)**

**G.4. ENTERPRISE DEBT (CONTINUED)**

Net revenues of some of the City’s Enterprise Funds - defined as operating income (loss), plus investment income under nonoperating revenues (expenses) on the Other Supplemental Information Schedule of Revenues, Expenses, and Changes in Net Position for Enterprise Funds - have been pledged for repayment of long-term bonded debt incurred by these funds. The amount pledged is equal to the remaining outstanding debt service requirements for these bonds. The pledge continues for the life of the bonds.

For the year ended September 30, 2018, net pledged revenue by fund was as follows:

<b>Fund</b>	<b>2018 Net Pledged Revenues</b>	<b>2018 Debt Service</b>	<b>Purpose of Debt</b>
Water and Sewer Fund	\$ 218,462	\$ 94,714	<i>Extending and improving water and sewer system</i>
Stormwater Utility Fund	24,920	9,138	<i>Improvements to storm drains, roadways, and erosion protection</i>
Municipal Parking Fund	5,371	4,054	<i>Construction of City-owned parking garages</i>
Solid Waste Fund	7,433	546	<i>Improvements to the eastside landfill</i>
Total	<u>\$ 256,186</u>	<u>\$ 108,452</u>	

All future improvements to the City's Water and Sewer system are funded through the sale of Water and Sewer Revenue Bonds, the City's Water and Sewer Operating Budget, or alternative forms of debt.

The City has pledged stormwater, municipal parking, and solid waste net revenues to repay long-term bonded debt. The City reports the net revenues in major and nonmajor enterprise funds.

The City is responsible for environmental cleanup of Riverside Park funded by the Water and Sewer Fund. The City is required to report the estimated liability for pollution remediation activities in accordance with GAAP. During FY2018, the City identified and recorded \$352,046 for pollution remediation.



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**NOTE G: DEBT OBLIGATIONS (CONTINUED)**

**G.5. ANNUAL REQUIREMENTS TO AMORTIZE BONDED AND CONTRACTUAL DEBT OBLIGATION**

The annual requirements to amortize all Governmental Activities bonded and contractual debt outstanding as of September 30, 2018, is as follows:

Governmental Activities:									
Year Ending September 30,	General Obligation Bonds		Certificates of Obligation		Special Tax Revenue Debt		Special Assessment Debt		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2019	\$ 61,570	\$ 20,350	\$ 15,040	\$ 6,715	\$ 435	\$ 9,672	\$ -	\$ -	\$ 948
2020	44,070	17,780	14,810	6,095	440	9,662	-	-	898
2021	44,135	15,770	14,060	5,476	5,325	9,599	675	-	898
2022	42,470	13,781	12,790	4,879	5,480	9,445	710	-	865
2023	40,115	11,880	12,650	4,312	5,660	9,269	750	-	829
2024-2028	151,055	35,127	55,025	13,924	31,640	42,982	4,370	-	3,542
2029-2033	65,385	10,416	42,495	3,882	38,835	35,781	5,640	-	2,329
2034-2038	26,720	1,709	915	20	48,125	26,284	5,695	-	743
2039-2043	-	-	-	-	59,750	13,839	-	-	-
2044-2047	-	-	-	-	30,860	2,685	-	-	-
	<u>\$ 475,520</u>	<u>\$ 126,813</u>	<u>\$ 167,785</u>	<u>\$ 45,303</u>	<u>\$ 226,550</u>	<u>\$ 169,218</u>	<u>\$ 17,840</u>	<u>\$ -</u>	<u>\$ 11,052</u>

Governmental Activities: (continued)									
Year Ending September 30,	Tax Notes		HUD Installment Obligations		State Obligation - City		State Obligation - CCPD		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2019	\$ 5,275	\$ 1,014	\$ 666	\$ 75	\$ 465	\$ -	\$ 181	\$ -	\$ -
2020	5,510	792	702	39	465	-	181	-	-
2021	5,650	655	-	-	465	-	181	-	-
2022	5,810	505	-	-	465	-	181	-	-
2023	5,985	340	-	-	465	-	181	-	-
2024-2028	6,780	233	-	-	2,327	-	904	-	-
2029-2033	-	-	-	-	1,359	-	526	-	-
	<u>\$ 35,010</u>	<u>\$ 3,539</u>	<u>\$ 1,368</u>	<u>\$ 114</u>	<u>\$ 6,011</u>	<u>\$ -</u>	<u>\$ 2,335</u>	<u>\$ -</u>	<u>\$ -</u>

Governmental Activities: (concluded)				
Year Ending September 30,	ESPC Phase VII		Total Governmental Activities	
	Principal	Interest	Principal	Interest
2019	\$ 1,652	\$ 306	\$ 85,284	\$ 39,080
2020	1,689	269	67,867	35,535
2021	1,727	231	72,218	32,629
2022	1,766	192	69,672	29,667
2023	1,806	152	67,612	26,782
2024-2028	5,662	196	257,763	96,004
2029-2033	-	-	154,240	52,408
2034-2038	-	-	81,455	28,756
2039-2043	-	-	59,750	13,839
2044-2047	-	-	30,860	2,685
	<u>\$ 14,302</u>	<u>\$ 1,346</u>	<u>\$ 946,721</u>	<u>\$ 357,385</u>

**CITY OF FORT WORTH, TEXAS**  
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**NOTE G: DEBT OBLIGATIONS (CONTINUED)**

**G.5. ANNUAL REQUIREMENTS TO AMORTIZE BONDED AND CONTRACTUAL DEBT OBLIGATION (CONTINUED)**

The Lone Star Local Government Corporation (a blended component unit) entered into an agreement with Cabela's Fort Worth facility to finance the public Museum facilities and certain other public work and improvement projects near the site. Annual payments are made from property tax increment revenues from Taxing Increment Reinvestment Zone #10. Lone Star Local Government Corporation is obligated for tax increment revenues collected through 2024, with the total principal payment price not to exceed \$31,617,000. The obligation is payable solely from the incremental taxes. Incremental taxes were projected to produce 100 percent of the debt service requirements over the life of the contract. The total remaining principal on the contract is \$31,617,000 and a total compounded interest as of September 31, 2018, is \$21,893,451 payable through 2024. The interest rate for this agreement is 4.75 percent.

The annual requirements to amortize all Major Fund Business-Type Activities bonded and contractual debt outstanding as of September 30, 2018, is as follows:

Major Business-Type Activities:												
Year Ending September 30,	Water and Sewer Revenue Bonds		Water and Sewer Trinity River Auth.		Water and Sewer ESPC Phase V		Stormwater Utility Revenue Bonds		Total Major Business-Type Activities			
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest		
2019	\$ 59,840	\$ 31,510	\$ 690	\$ 77	\$ 1,580	\$ 160	\$ 4,640	\$ 4,498	\$ 66,750	\$ 36,245		
2020	58,735	28,921	720	55	1,618	122	4,855	4,283	65,928	33,381		
2021	57,375	26,605	745	34	1,656	84	5,090	4,048	64,866	30,771		
2022	55,930	24,358	775	12	1,695	45	5,320	3,803	63,720	28,218		
2023	55,065	22,190	-	-	862	8	5,545	3,577	61,472	25,775		
2024-2028	249,780	79,438	-	-	-	-	31,280	14,650	281,060	94,088		
2029-2033	156,210	40,182	-	-	-	-	38,160	7,929	194,370	48,111		
2034-2038	58,835	19,592	-	-	-	-	20,020	1,122	78,855	20,714		
2039-2043	44,485	12,044	-	-	-	-	-	-	44,485	12,044		
2044-2048	42,250	3,367	-	-	-	-	-	-	42,250	3,367		
	<u>\$ 838,505</u>	<u>\$ 288,207</u>	<u>\$ 2,930</u>	<u>\$ 178</u>	<u>\$ 7,411</u>	<u>\$ 419</u>	<u>\$ 114,910</u>	<u>\$ 43,910</u>	<u>\$ 963,756</u>	<u>\$ 332,714</u>		

The annual requirements to amortize all Nonmajor Fund Business-Type Activities bonded and contractual debt outstanding as of September 30, 2018, is as follows:

Nonmajor Business-Type Activities:									
Year Ending September 30,	Municipal Parking General Obligation Bonds		Municipal Parking Certificates of Obligation		Solid Waste General Obligation Bonds		Total Nonmajor Business-Type Activities		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2019	\$ 1,380	\$ 1,457	\$ 1,170	\$ 42	\$ 460	\$ 66	\$ 3,010	\$ 1,565	
2020	1,590	1,383	230	5	450	55	2,270	1,443	
2021	1,675	1,302	-	-	440	45	2,115	1,347	
2022	1,760	1,216	-	-	435	34	2,195	1,250	
2023	1,850	1,125	-	-	430	24	2,280	1,149	
2024-2028	10,795	4,100	-	-	830	19	11,625	4,119	
2029-2033	13,485	1,391	-	-	-	-	13,485	1,391	
	<u>\$ 32,535</u>	<u>\$ 11,974</u>	<u>\$ 1,400</u>	<u>\$ 47</u>	<u>\$ 3,045</u>	<u>\$ 243</u>	<u>\$ 36,980</u>	<u>\$ 12,264</u>	

**CITY OF FORT WORTH, TEXAS**  
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**NOTE G: DEBT OBLIGATIONS (CONTINUED)**

**G.6. ARBITRAGE**

The City frequently issues bonds for capital construction projects. These bonds are subject to the arbitrage regulations. At September 30, 2018, the liability for a rebate of arbitrage was \$11,664 for business-type activities. This amount is included in the "Long-Term Liabilities Due in More Than One Year" on the Statement of Net Position. Currently, the City does not have an arbitrage liability for governmental activities.

**G.7. LEASES**

The City is also committed under capital leases for the acquisitions of one municipal building and heavy equipment. These capital leases are recorded on the government-wide statements as well as their related amortizations are included in depreciation expense. The leased building and heavy equipment had an original cost totaling \$1,484,000 and \$575,000, respectively.

The following is a summary of capital lease transactions of the City for the year ended September 30, 2018:

Capital Lease Obligation, October 1, 2017	\$ 1,167
Principal Payments	330
Capital Lease Obligation, September 30, 2018	<u>\$ 837</u>

Future minimum lease payments for the leases are as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Lease</u> <u>Payments</u>
2019	\$ 397
2020	292
2021	124
2022	77
Less: Amount Representing Interest	(53)
Present Value of Minimum Leased Payments	<u>\$ 837</u>

The following schedule provides an analysis of the City's investment in capital assets under the lease arrangement as of September 30, 2018:

Building	\$ 1,484
Equipment	575
Less: Accumulated Depreciation	(1,503)
Total Net Book Value of Leased Assets	<u>\$ 556</u>

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**NOTE G: DEBT OBLIGATIONS (CONTINUED)**

**G.7. LEASES (CONTINUED)**

The City entered into operating lease agreements for the utilization of computers and related equipment, office space, vehicles, golf carts, and red light camera equipment. The lease terms range from 12 to 226 months. The following is a schedule by years of future minimum rental payments required under the operating leases as of September 30, 2018:

<u>Year Ending</u> <u>September 30,</u>	
2019	\$ 6,639
2020	5,860
2021	5,551
2022	5,294
2023	3,592
2024 - 2028	<u>8,650</u>
Total Future Minimum Rental Payments Required	<u>\$ 35,586</u>

The total rental expense for the year ended September 30, 2018, was \$7,538,000.

**G.8. DEFEASANCE OF PRIOR DEBT**

In prior years, the City defeased certain outstanding General Obligation Bonds and Certificates of Obligation by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments of the old bonds. Accordingly, the trust accounts and the defeased bonds are not included in the City's financial statements.

At September 30, 2018, the following outstanding bonds are considered defeased:

General Obligation Bonds and Certificates of Obligation	<u>\$ 80,495</u>
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**G.9. DISCRETELY PRESENTED COMPONENT UNIT DEBT**

On June 2, 2014, Terrell Homes, Ltd. (fiscal year ends December 31) obtained mortgage financing of \$2,000,000 for permanent financing of properties. The mortgage bears an interest rate of 7.0 percent. This mortgage requires monthly payments of principal and interest of \$13,306 based on a thirty-year amortization period and matures on June 2, 2029, at which time the entire unpaid principal balance and accrued interest will become due and payable. During 2017, interest expense was \$138,001. As of December 31, 2017, the unpaid principal balance was \$1,888,498, and there was no accrued interest.

In 2013, Terrell Homes, Ltd. entered into a loan agreement with the City of Fort Worth for \$900,000 for the construction and development of the 54 single-family houses (See Note A.1). The loan has a 20-year term. The loan bears a fixed interest rate of 1.0 percent. The loan will be repaid from available cash flow. During 2017, interest expense was \$9,000. As of December 31, 2017, the outstanding principal balance was \$900,000, and there was the accrued interest of \$56,426.

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**NOTE H: LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS**

State and federal regulations require the City to place a final cover on its Southeast landfill site when it stops accepting waste and performing certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used at the end of each fiscal year. The City has contracted for the operations of the landfill, but the legal liability for closure and postclosure care costs remains with the City. The City is required by state and federal regulations to provide financial assurance for closure and postclosure care. Annually, the City files a standby letter of credit with the state noting its compliance with these requirements.

The City reported \$8,723,998 as landfill closure and postclosure care liability in the Solid Waste Fund at September 30, 2018. This represents the cumulative amount reported to date based on the use of 41.5 percent of the estimated current permitted capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$12,284,499 as the remaining estimated capacity is filled. The City expects to close the landfill in 29 years from the end of the current fiscal year, or the year 2047. The total closure and postclosure cost is an estimate and is subject to changes resulting from inflation, deflation, technology changes, or changes in applicable laws and regulations.

Furthermore, at September 30, 2018, the City reported cash and cash equivalents of \$2,244,843 as restricted assets for closure and postclosure care and has \$6,479,155 in a trust instrument for these costs provided from its contractor (Allied Waste, Inc. (Allied)). The City expects that future closure and postclosure care costs and inflation costs will be entirely covered by the trust instrument, in accordance with the contractual agreement with Allied. Allied will operate and close the landfill once it has reached capacity, and maintain and monitor the landfill during the postclosure care period.

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**NOTE I: EMPLOYEES' RETIREMENT FUND OF THE CITY OF FORT WORTH, TEXAS**

**Plan Description**

The Employees' Retirement Fund of the City of Fort Worth, Texas (the "Retirement Fund") is comprised of two separate defined benefit plans: the City of Fort Worth employees benefit plan (the "City Plan" or the "Plan") and the Retirement Fund employees plan (the "Staff Plan"). The Retirement Fund and City Plan were established by City Ordinance on September 12, 1945. The Staff Plan was established through Administrative Rules in 2007, and both plans are governed by State statute (Vernon's Civil Statutes, Title 109, Article 6243i) effective June 15, 2007. The assets of the City Plan are commingled for investment purposes with the assets of the Staff Plan of the Employees' Retirement Fund, and both plans are administered by the thirteen-member Retirement Fund Board of Trustees (Board). The Retirement Fund Board is solely responsible for managing the assets for the City of Fort Worth employees plan, defining benefits, setting contribution rates, funding contributions, and all other financial components of the Staff Plan. Defining benefits, setting contribution rates, funding contributions, and all other financial components of the City Plan are administered by the Mayor and City Council. Each plan has a separate actuarial valuation completed annually to determine the respective funded status based on current and projected assets and liabilities. Therefore, assets of each plan are legally separate and cannot pay benefits of the other. Due to the insignificant nature of the Staff Plan's assets and net pension liability compared to the Retirement Fund's assets, all further references to the Plan and information provided in the Notes and Required Supplementary Information about the City Plan are strictly limited to information about the City employees (comprised of General Employees, Police Officers, and Firefighters).

The City Plan provides retirement, disability, and death benefits to all employees of the City, except elected officers and non-salaried appointed members of administrative boards and commissions, part-time, temporary and contract employees, and employees paid in part by another governmental agency. The City Plan is established under the legal authority of the State of Texas, and it is administered by the Board. The authority to define or amend employer and employee contribution rates or benefits is given to the Mayor and the Fort Worth City Council (City Council).

The City Plan issues separate audited financial statements that are publicly available. These statements can be obtained by contacting the Plan at 3801 Hulen Street, Suite 101, Fort Worth, Texas 76107.

The City has received a favorable letter of determination from the Internal Revenue Service on December 8, 2014, that its Plan is qualified under Section 401(a) of the Internal Revenue Code. This letter of determination is valid for five years, through January 31, 2019.

Effective June 15, 2007, Article 6243i of the Texas Revised Civil Statutes (Article 6243i) changed the structure of the Board and how benefits could be changed by the plan sponsor. Article 6243i also permitted the Board to create administrative rules that govern the City Plan. The administrative rules govern the administration and benefits of the City Plan. The Board may change the administrative operation of the City Plan without the City's approval, while any increases to the benefit structure must be approved by the City, following an actuarial assessment. A reduction in benefits must be proposed by the City, and the City must notify the Board 90 days in advance of such benefit reduction.

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**NOTE I: EMPLOYEES' RETIREMENT FUND OF THE CITY OF FORT WORTH, TEXAS (CONTINUED)**

**Plan Description (continued)**

As of January 1, 2018, the Plan's membership consisted of the following members (numbers in the following table are not in thousands):

Employees covered by benefit terms:

Pension plan membership consisted of the following:	
	<b>January 1, 2018</b>
Inactive employees or beneficiaries currently receiving benefits	4,391
Inactive employees entitled to, but not yet receiving benefits	375
Total Inactive Members	<u>4,766</u>
Active members	<u>6,579</u>
Total	<u><u>11,345</u></u>

Actuarial valuations are completed on a calendar year basis, and census data was not collected as of September 30, 2017 (measurement date). It is assumed that the population remains constant between December 31 and September 30.

**Contributions**

The City contributes 19.74% of retirement-eligible wages to the Employees' Retirement Fund for General employees and Firefighters and 20.46% for Police Officers. General employees and Firefighters contribute 8.25% of retirement-eligible wages, and Police Officers contribute 8.73%.

**CITY OF FORT WORTH, TEXAS**  
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**NOTE I: EMPLOYEES' RETIREMENT FUND OF THE CITY OF FORT WORTH, TEXAS (CONTINUED)**

**Summary of Plan Provisions**

This exhibit summarizes the major provisions of the City Plan. It is not intended to be, nor should it be interpreted as, a complete statement of all provisions.

<p><b>Plan Year:</b>  <b>Fiscal Year:</b>  <b>Plan Status:</b></p>	<p><i>January 1 through December 31</i>  <i>October 1 through September 30</i>  <i>Ongoing</i></p>
<p><b>Categories of Employees:</b>  <i>Tier I</i>   <i>Tier II</i></p>	<p><i>General Employees hired prior to July 1, 2011</i>  <i>Police Officers hired prior to January 1, 2013</i>  <i>Firefighters hired prior to January 10, 2015</i>   <i>General Employees hired on or after July 1, 2011</i>  <i>Police Officers hired on or after January 1, 2013</i>  <i>Firefighters hired on or after January 10, 2015</i></p>
<p><b>Categories of Benefits/Service:</b>  <i>Blue</i>   <i>Orange</i></p>	<p><i>Earned prior to October 1, 2013 for Tier I General Employees and Police Officers</i>  <i>Earned prior to January 10, 2015 for Tier I Firefighters</i>   <i>Earned on or after October 1, 2013 for Tier I General Employees and Police Officers</i>  <i>Earned on or after January 10, 2015 for Tier I Firefighters</i>  <i>All service for Tier II Employees</i></p>
<p><b>Normal Retirement:</b>  <i>Age and Service Requirements</i>   <i>Amount</i>   <i>Final Average Compensation</i></p>	<p><i>Age 65 and five years of Credited Service, or age plus years of Credited Service equal to 80 points ("Rule of 80"). Tier II General Employees have a minimum retirement age of 55.</i>   <i>Police Officers are also eligible at any age with 25 years of Credited Service.</i>   <i>3.00% of Final Average Compensation multiplied by years of Blue Credited Service plus 2.50% of Final Average Compensation multiplied by years of Orange Credited Service</i>   <u>Blue:</u> <i>Average of member's highest three calendar years' earnings, including overtime</i>  <u>Orange:</u> <i>Average of member's highest five calendar years' earnings, excluding overtime except for "built-in" overtime for Firefighters on 56-hour schedules</i></p>
<p><b>Early Retirement:</b>  <i>Age and Service Requirements</i>   <i>Amount</i>   <i>Reduction</i></p>	<p><i>Age 50 (Age 55 for Tier II General Employees) and five years of Credited Service</i>   <i>2.75% of Final Average Compensation multiplied by years of Blue Credited Service plus 2.25% of Final Average Compensation multiplied by years of Orange Credited Service</i>   <i>5/12% for each month the commencement date precedes the member's projected Normal Retirement date</i></p>



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**NOTE I: EMPLOYEES' RETIREMENT FUND OF THE CITY OF FORT WORTH, TEXAS (CONTINUED)**

<p><b>Disability (in the line of duty):</b>  <i>Age and Service Requirements</i></p> <p><i>Amount</i></p> <p><i>Minimum</i></p>	<p><i>None</i></p> <p><u>Tier I:</u> 2.75% of Final Average Compensation multiplied by total years of Credited Service projected to member's Normal Retirement date</p> <p><u>Tier II:</u> 2.25% of Final Average Compensation multiplied by total years of Credited Service projected to member's Normal Retirement date</p> <p><i>\$250 per month</i></p>
<p><b>Disability (not in the line of duty):</b>  <i>Age and Service Requirements</i></p> <p><i>Amount</i></p> <p><i>Minimum</i></p>	<p><i>Five years of credited service</i></p> <p><i>2.75% of Final Average Compensation multiplied by years of Blue Credited Service plus 2.25% of Final Average Compensation multiplied by years of Orange Credited Service</i></p> <p><i>None</i></p>
<p><b>Vesting:</b>  <i>Age Requirement</i></p> <p><i>Service Requirement</i></p> <p><i>Amount</i></p> <p><i>Normal Retirement Age</i></p>	<p><i>None</i></p> <p><i>Five years of Credited Service</i></p> <p><i>Normal pension accrued, based on Credited Service at termination</i></p> <p><i>Age 65, or age plus years of Credited Service projected to Normal Retirement date equal to 80 points</i></p>
<p><b>Termination Benefits:</b>  <i>Age and Service Requirements</i></p> <p><i>Amount</i></p>	<p><i>None</i></p> <p><i>A member with fewer than five years of Credited Service who withdraws from the plan is eligible to receive a refund of contributions accumulated with 5.25% interest, compounded annually while an active member. A member who terminates with five or more years of Credited Service is entitled to a Vested Pension but may receive a refund of contributions with 5.25% interest, compounded annually while an active member, instead of the Vested Pension.</i></p>
<p><b>Spouse's Pre-Retirement Death Benefit (death in the line of duty):</b>  <i>Age and Service Requirements</i></p> <p><i>Amount</i></p> <p><i>Minimum</i></p> <p><i>Child Benefits</i></p>	<p><i>None</i></p> <p><u>Tier I:</u> 75% of the Normal Retirement benefit, based on a 3.00% multiplier and with years of Credited Service projected to the member's Normal Retirement Date.</p> <p><u>Tier II:</u> 75% of the Normal Retirement benefit, based on a 2.50% multiplier and with years of Credited Service projected to the member's Normal Retirement Date.</p> <p><i>\$250 per month</i></p> <p><i>Each dependent child under 18 receives \$100 per month; if there is no surviving spouse, the children share equally in the 75% survivor amount (not less than \$250 per child)</i></p>

**CITY OF FORT WORTH, TEXAS**  
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**NOTE I: EMPLOYEES' RETIREMENT FUND OF THE CITY OF FORT WORTH, TEXAS (CONTINUED)**

<p><b>Spouse's Pre-Retirement Death Benefit</b>  <b>(death not in the line of duty):</b>  <i>Age and Service Requirements</i></p> <p><i>Amount</i></p> <p><i>Minimum</i></p> <p><i>Child Benefits</i></p>	<p><i>Five years of Credited Service</i></p> <p><u>Tier I:</u> <i>75% of the accrued benefit at death, calculated as 2.75% of Final Average Compensation multiplied by years of Blue Credited Service plus 2.25% of the Final Average Compensation multiplied by years of Orange Credited Service</i></p> <p><u>Tier II:</u> <i>75% of the accrued benefit at death, calculated as 2.25% of the Final Average Compensation Base multiplied by years of Credited Service</i></p> <p><i>\$150 per month</i></p> <p><i>Each dependent child under 18 receives \$100 per month; if there is no surviving spouse, the children share equally in the 75% survivor amount (not less than \$150 per child)</i></p>
<p><b>Post-Retirement Death Benefit:</b></p>	<p><i>If married, pension benefits are paid in the form of a 75% joint and survivor annuity unless this form is rejected by the participant and spouse. For Tier II, if the member elects a joint survivor benefit, the retirement benefit is actuarially reduced to reflect the joint and survivor coverage.</i></p>
<p><b>Contributions:</b>  <i>Member contributions</i></p> <p><i>City contributions</i></p>	<p><i>8.25% of retirement-eligible compensation for General Employees and Firefighters</i>  <i>8.73% of retirement-eligible compensation for Police Officers</i></p> <p><i>19.74% of retirement-eligible compensation for General Employees and Firefighters</i>  <i>20.46% of retirement-eligible compensation for Police Officers</i>  <i>The City contributes to overtime earnings for Tier I employees. Employees do not contribute to overtime, except for Tier I Firefighters who contribute on built-in overtime only.</i></p>
<p><b>Overtime Contribution Account:</b></p>	<p><i>Only available for General Employees hired after July 1, 2011, and prior to January 1, 2013. Member contributions made for overtime worked in that period are credited to the Overtime Contribution Account. Upon retirement, the member is entitled to a refund of this account with 5.25% interest, compounded annually. The City will match 100% of the balance of the account. Upon termination, the member is entitled to a refund of this account with 5.25% interest, compounded annually.</i></p>



**CITY OF FORT WORTH, TEXAS**  
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**NOTE I: EMPLOYEES' RETIREMENT FUND OF THE CITY OF FORT WORTH, TEXAS (CONTINUED)**

**Summary of Plan Provisions (continued)**

If a member continues to work after the normal retirement date, the member is required to make contributions to the Plan until the date of actual retirement. Members continue to accrue credited service until they retire.

In September 2007, the Board voted to allow multiple payment options for members that entered the Deferred Retirement Option Program (DROP). Members must select from the following options upon retirement for their DROP balances:

- A total or partial distribution of their DROP balance made directly to the member or via a rollover to a qualified plan or IRA.
- Annuitize a partial amount or the full amount into a monthly annuity. Annuity payments are determined using the actuarial assumptions for the plan at the time of the annuity selection and the member's demographics. If an annuity is selected the DROP balance is no longer available to the member and the monthly annuity is added to the member's monthly pension benefit.
- Leave the total balance or the remaining balance, after selecting one of the above options, with the City Plan. The member earns the same gains and losses as the City Plan. When selecting this option, the member may elect to receive monthly payments from the Plan or receive up to two lump-sum payments per year. All distributions made to the member are deducted from their DROP balance until the full amount (inclusive of gains and losses from the Plan investment performance) has been distributed to the member.

**Obligation to Contribute to the Plan**

The City contributes to the City Plan an amount equal to 19.74% (20.46% for sworn Police Officers) of the retirement eligible earnings of members. The City Council, through its budget appropriation, has the right to contribute an additional amount over and above the members' contributions, in accordance with state law, plus the cost of administration of the City Plan. No additional contributions were made during FY2018. Eligible employees of the City, as a condition of employment, commencing on the effective date of their membership in the Plan, shall contribute 8.25% (8.73% for sworn Police Officers) of their eligible earnings to the Plan until the date of their actual retirement or earlier termination of employment. The employer and employee contribution rates are not used when the actuary determines the required annual contributions to the City Plan.

**Funding Policy**

The Plan's actuary conducts an annual valuation for each plan to determine the adequacy of the current employer contribution rates, to describe the current financial condition of the plans, and to analyze changes in the Plan's condition. The significant actuarial assumptions used to compute the actuarially determined contribution requirement are the same as those used to compute the actuarial accrued liability. Employer contributions are recognized as additions in the period in which employee services are performed. The City's actuarially determined contribution, contributions, and contribution rates are as follows:

Year Ended September 30,	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency	Covered Payroll	Contributions as a Percentage of Covered Payroll
2017	\$ 112,185	\$ 89,408	\$ 22,777	\$ 448,313	19.9%

**CITY OF FORT WORTH, TEXAS**  
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**NOTE I: EMPLOYEES' RETIREMENT FUND OF THE CITY OF FORT WORTH, TEXAS (CONTINUED)**

**Actuarial Methods and Assumptions**

The following are the significant actuarial assumptions used for the January 1, 2017, actuarial valuation:

<b>Valuation date</b>	<i>January 1, 2017</i>
<b>Actuarial cost method</b>	<i>Entry Age Normal</i>
<b>Amortization method</b>	<i>Level Percentage of Payroll, Open</i>
<b>Remaining amortization period</b>	<i>30 years as of January 1, 2017</i>
<b>Asset valuation method</b>	<i>Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.</i>
<b>Actuarial assumptions:</b>	
Investment rate of return	<i>7.75% , including inflation, net of all expenses</i>
Inflation rate	<i>2.75%</i>
Projected salary increases	<i>2.75% - 16.00%</i>
Cost-of-living adjustments	<i>0.00% - 2.00%*</i>
Payroll growth rate	<i>3.00% per annum, used to amortize unfunded actuarial accrued liabilities</i>
Retirement rates	<i>The retirement rates were set by the Fund's actuary based on a study of experience for 2013-2015. The rates for all employees are age-related. General employees have some assumed probability of retirement prior to eligibility for an unreduced pension, whereas the public safety employees are assumed to wait until full benefits are payable.</i>
Mortality	<i>Healthy mortality rates were based on the RP-2014 Healthy Annuitant Mortality Table, with rates set forward three years for males and females. Generational mortality improvements using Scale MP-2015 are projected from the year 2014.</i>

*\*A 2% cost-of-living adjustment (COLA) is assumed for all members in the guaranteed COLA Program, no COLAs are assumed for members participating in the ad-hoc COLA program.*

**CITY OF FORT WORTH, TEXAS**  
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**NOTE I: EMPLOYEES' RETIREMENT FUND OF THE CITY OF FORT WORTH, TEXAS (CONTINUED)**

**Actuarial Methods and Assumptions (continued)**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2017, are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return*</b>
Global Equity	39%	5.40%
Fixed income	19%	1.53%
Real return	6%	4.24%
Real estate	13%	5.26%
Absolute return	12%	3.75%
Private equity	10%	7.50%
Cash	1%	-0.25%
Total	100%	

*\*The expected real rate of return is net of inflation.*

**Discount Rate**

The blended discount rate used to measure the total pension liability is 5.13%. The projection of cash flows used to determine the discount rate assumed City and plan member contributions will be made at the current contribution rates: 19.74% from the City and 8.25% from the members for General employees and Firefighters, and 20.46% from the City and 8.73% from the members for Police Officers. The City is assumed to continue to contribute for Tier I employees on total pay, including overtime. City contributions for Tier II employees are on base pay, which excludes overtime other than built-in overtime for Firefighters. All members are assumed to contribute as a percentage of base pay. Based on these assumptions, the Retirement Fund's fiduciary net position was not projected to be available to make all projected future benefit payments for current plan members. The long-term expected rate of return on Retirement Fund investments was applied to projected benefit payments through the 2043 fiscal year, and a 3.5% municipal bond rate was applied for all periods thereafter, to determine the total pension liability. The 3.5% municipal bond rate is the rate for Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index". The rate is as of the last date available on or before the measurement date of September 30, 2017.

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**NOTE I: EMPLOYEES' RETIREMENT FUND OF THE CITY OF FORT WORTH, TEXAS (CONTINUED)**

**Net Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions**

The Net Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources related to pensions are allocated to the funds based on each fund's contributions to the pension plan during the annual measurement period. Contributions to the pension plan for employees whose salaries are paid from internal service funds are expected to be paid primarily from resources received from the general government; therefore, the related Net Pension Liability, Pension Expense, and related Deferred Outflows/Inflows of Resources for these funds are reported in the government-wide financial statements under governmental activities and not reported in the financial statements of the individual internal service funds.

Pension Expense for the year ended September 30, 2018, was as follows:

Service cost	\$	123,793
Interest on total pension liability (TPL)		251,646
Employee contributions		(35,963)
Administrative expenses		4,867
Expected return on assets		(159,546)
Expensed portion of current year period differences between expected and actual experience in TPL		31,142
Expensed portion of current year period assumption changes		(54,548)
Expensed portion of current year period differences between projected and actual investment earnings		(18,273)
Current year recognition of deferred inflows and outflows established in prior years		248,227
Total pension expense	\$	<u>391,345</u>

For the year ended September 30, 2018, the City reported the following Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Pension Liability related to pensions. The following amounts have been allocated to Governmental Activities and Business-Type Activities on the Statement of Net Position, see the table below:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Pension contributions made after the measurement date	\$ 81,326	\$ 12,322	\$ 93,648
Differences between expected and actual experience	137,948	20,549	158,497
Net difference between projected and actual earnings on pension plan investments	65,151	9,940	75,091
Changes in assumptions	748,862	114,847	863,709
Total Deferred Outflows of Resources	<u>\$ 1,033,287</u>	<u>\$ 157,658</u>	<u>\$ 1,190,945</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$ 35,689	\$ 5,370	\$ 41,059
Net difference between projected and actual earnings on pension plan investments	67,061	9,999	77,060
Changes in assumptions	237,397	35,343	272,740
Total Deferred Inflows of Resources	<u>\$ 340,147</u>	<u>\$ 50,712</u>	<u>\$ 390,859</u>
<b>Net Pension Liability</b>	<u>\$ 2,673,312</u>	<u>\$ 410,866</u>	<u>\$ 3,084,178</u>

**CITY OF FORT WORTH, TEXAS**  
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**NOTE I: EMPLOYEES' RETIREMENT FUND OF THE CITY OF FORT WORTH, TEXAS (CONTINUED)**

**Net Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources  
Related to Pensions (continued)**

\$93,648,000 reported as a Deferred Outflows for pension contributions made after the measurement date will be recognized as a deduction of the net pension liability in the year ending September 30, 2019. Other amounts reported as Deferred Outflows/(Inflows) of Resources related to pensions will be recognized in pension expense as follows:

	Year Established	Outstanding Balance at October 1, 2017	Amount Recognized During FYE September 30, 2018	Outstanding Balance at September 30, 2018	Deferred Outflows/(Inflows) Recognized in Future Years				
					2019	2020	2021	2022	2023
<b>Fiscal Year Outflows</b>									
Investment	2016	\$ 112,637	\$ 37,545	\$ 75,092	\$ 37,546	\$ 37,546	\$ -	\$ -	\$ -
Assumptions	2016	242,996	60,749	182,247	60,749	60,749	60,749	-	-
Experience Loss	2017	3,482	697	2,785	696	696	696	697	-
Assumptions	2017	851,827	170,365	681,462	170,365	170,365	170,366	170,366	-
Experience Loss	2018	-	31,142	155,711	31,142	31,142	31,142	31,142	31,143
<b>Total Outflows</b>		<u>1,210,942</u>	<u>300,498</u>	<u>1,097,297</u>	<u>300,498</u>	<u>300,498</u>	<u>262,953</u>	<u>202,205</u>	<u>31,143</u>
<b>Fiscal Year Inflows</b>									
Investment	2015	(537)	(269)	(268)	(268)	-	-	-	-
Experience Gain	2015	(53,476)	(17,826)	(35,650)	(17,825)	(17,825)	-	-	-
Experience Gain	2016	(7,211)	(1,802)	(5,409)	(1,803)	(1,803)	(1,803)	-	-
Investment	2017	(4,931)	(1,232)	(3,699)	(1,233)	(1,233)	(1,233)	-	-
Investment	2018	-	(18,273)	(73,093)	(18,273)	(18,273)	(18,273)	(18,274)	-
Assumptions	2018	-	(54,548)	(272,740)	(54,548)	(54,548)	(54,548)	(54,548)	(54,548)
<b>Total Inflows</b>		<u>(66,155)</u>	<u>(93,950)</u>	<u>(390,859)</u>	<u>(93,950)</u>	<u>(93,682)</u>	<u>(75,857)</u>	<u>(72,822)</u>	<u>(54,548)</u>
<b>Total</b>		<u>\$ 1,144,787</u>	<u>\$ 206,548</u>	<u>\$ 706,438</u>	<u>\$ 206,548</u>	<u>\$ 206,816</u>	<u>\$ 187,096</u>	<u>\$ 129,383</u>	<u>\$ (23,405)</u>

*Note: In accordance with Paragraph 71 of GASB Statement No. 68, the difference between projected and actual earnings on investments is recognized over a closed five-year period. Assumption changes and the difference between expected and actual total pension liability experience are each recognized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan (active employees and inactive employees), determined as of the beginning of the measurement period. For FY2018, the period is six years (rounded).*



**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE I: EMPLOYEES' RETIREMENT FUND OF THE CITY OF FORT WORTH, TEXAS (CONTINUED)**

**Changes in Net Pension Liability**

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
Balances at September 30, 2017	\$ 5,318,307	\$ 2,097,717	\$ 3,220,590
Changes for the year:			
Service cost	123,793	-	123,793
Interest	251,646	-	251,646
Differences between expected and actual experience	186,854	-	186,854
Changes of assumptions	(327,288)	-	(327,288)
Contributions - employer	-	89,408	(89,408)
Contributions - employee	-	35,963	(35,963)
Net investment income	-	250,913	(250,913)
Benefit payments, including refunds of employee contributions	(198,612)	(198,612)	-
Administrative expenses	-	(4,867)	4,867
Net changes	<u>36,393</u>	<u>172,805</u>	<u>(136,412)</u>
Balances at September 30, 2018	<u>\$ 5,354,700</u>	<u>\$ 2,270,522</u>	<u>\$ 3,084,178</u>

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the Net Pension Liability of the City Plan, calculated using the discount rate of 5.13%, as well as what the City Plan's Net Pension Liability would be if it were calculated using a discount rate that is one-percentage-point lower (4.13%) or one-percentage-point higher (6.13%) than the current discount rate:

<b>1% Decrease (4.13%)</b>	<b>Current Discount Rate (5.13%)</b>	<b>1% Increase (6.13%)</b>
\$ 3,917,921	\$ 3,084,178	\$ 2,415,765

*Note: The balances as of September 30, 2017, constitute measurements of the Net Pension Liability for the fiscal year ended September 30, 2018.*

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**(000's omitted in tables)**

**NOTE J: EMPLOYEE BENEFITS**

**J.1. POSTEMPLOYMENT BENEFITS**

**Plan Descriptions**

In addition to the pension benefits described in Note I, the City provides postemployment health care benefits, established under the legal authority of the City Charter and administered by the City. The single employer plan coverage is offered to all employees who retire from the City in accordance with criteria listed in Note I. However, some retirees elect not to continue the health coverage during their retirement. The City also provides a \$5,000 lump sum death benefit single-employer plan for beneficiaries of retired employees who retired on or after January 1, 1970. Neither of these plans issues stand-alone financial statements. Due to the insignificant nature of the death benefit assets and net OPEB liability compared to the Retiree Healthcare Trust Fund's assets, information provided in Note J and required supplementary information about the OPEB Plan are for both plans combined (herein after referred to as the "OPEB Plan")

A retiree who is either (i) receiving, or (ii) in the process to receive City of Fort Worth retirement benefits at the time of termination, is eligible for medical coverage through the City. At this time, retired employees hired prior to October 5, 1988, have afforded to them at least one group health care plan option for which the City pays 100% of the retiree premium equivalent rate for coverage, but may need to contribute to obtain benefits above the City specified plan or to cover any dependents. Retired employees with less than 25 years of credited service hired on or after October 5, 1988, and before January 1, 2009, will be required to contribute towards the cost of their group health care benefits at a cost established by the City of Fort Worth; those with 25 years or more of credited service will be afforded the same City premium subsidy as the retiree hired prior to October 5, 1988. Retired employees hired on or after January 1, 2009, are not eligible for a City of Fort Worth retiree premium subsidy but may enroll for coverage at retirement and pay the full premium for coverage for themselves and eligible dependents.

Retiree health care benefits cannot be accessed until the employee retires. However, for employees who terminated on or before September 30, 2014, and are vested in the City's retirement plan, health care benefits may continue, until the employee retires, by paying the full cost of coverage. For employees who terminated on or after October 1, 2014, and are vested in the City's retirement plan, health care benefits are only covered if the employee retires/begins receiving retirement benefits at the time of separation from the City (with exceptions noted above based on hire date). For all other employees who terminate without retirement, health care benefits continue for one month after termination. At that time the former employee has continuation rights to health insurance coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting Postemployment Benefits Other Than Pensions*, the City will perform actuarial studies each year. The actuarial information presented in Note J and the required supplementary information represent the September 30, 2017 valuation.

As of September 30, 2018, the OPEB Plan's membership consisted of the following members (numbers in the following table are not in thousands):

Employees covered by benefit terms:

	<b>September 30, 2017</b>	
	<b>Medical</b>	<b>Death Benefit</b>
Inactive employees or beneficiaries currently receiving benefits	3,030	3,030
Active members	3,517	6,464
Total	<u>6,547</u>	<u>9,494</u>

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE J: EMPLOYEE BENEFITS (CONTINUED)**

**J.1. POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Funding Policies**

For the health care benefits and the death benefit, contractual requirements for the City are established and may be amended by the City Council. City contributions to the Retiree Healthcare Trust Fund are not legally or statutorily required. During FY2018, retirees' health insurance was provided with separate plan designs depending on whether the retiree was eligible for Medicare. The City paid for a major portion or all of the total health insurance cost for retirees depending on the retiree's date of employment or length of service and the retiree's coverage election. The City paid 30 to 50 percent of the cost for coverage for dependents and surviving spouses eligible to participate in the group plan. The remainder of the premium was paid by the retirees for their dependents or by the surviving spouse. Expenditures for postemployment health care are recognized as claims or premiums when paid. During FY2018, the cost of health care benefits for retirees, dependents, and surviving spouses was \$19,521,000 and the death benefit payments totaled \$398,000.

**Actuarial Methods and Assumptions**

The following are the significant actuarial assumptions used for the September 30, 2017, actuarial valuation:

<b>Actuarial Valuation Date</b>	<i>September 30, 2017</i>
<b>Actuarial Cost Method</b>	<i>Entry Age Normal</i>
<b>Amortization Method</b>	<i>Level Percent of Payroll, Open</i>
<b>Remaining Amortization Period</b>	<i>30 years as of September 30, 2017</i>
<b>Asset Valuation Method</b>	<i>Market Value</i>
<b>Actuarial Assumptions:</b>	
Investment rate of return	<i>7.75%, including inflation, net of all expenses</i>
Healthcare cost trend rate	<i>4.50 - 8.00%</i>
Inflation rate	<i>2.75%</i>
Payroll growth rate	<i>3.00%</i>
Retirement rates	<i>The retirement rates were set by the Fund's actuary based on a study of experience for 2013-2015. The rates for all employees are age-related. General employees have some assumed probability of retirement prior to eligibility for an unreduced pension, whereas the public safety employees are assumed to wait until full benefits are payable.</i>
Mortality	<i>Mortality rates were based on the RP-2014 Dynamic Table using the MP-2014 projection scale.</i>

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE J: EMPLOYEE BENEFITS (CONTINUED)**

**J.1. POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Actuarial Methods and Assumptions (continued)**

The long-term expected rate of return on OPEB plan investments was determined using the building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of September 30, 2017, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return *
Equities	30%	10.85%
Fixed Income	65%	2.53%
Cash and Cash Equivalents	5%	2.03%
Total	100%	

\*The expected real rate of return is net of inflation.

**Discount Rate**

The blended discount rate used to measure the total OPEB liability is 3.53%. The projection of cash flows used to determine the discount rate assumed City contributions equal to benefit payments as they are incurred. Based on these assumptions, the Retiree Healthcare Trust Fund's fiduciary net position was projected to be available to make projected future benefit payments for current plan members for 2.5 years. The long-term expected rate of return on Retiree Healthcare Trust Fund's investments was applied to the first 2.5 years of projected benefit payments and a 3.5% municipal bond rate was applied for all periods thereafter to determine the total OPEB liability. The 3.5% municipal bond rate is the rate for Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index". The rate is as of the last date available on or before the measurement date of September 30, 2017.

**Net OPEB Liability, OPEB Expense, and Deferred Outflows/Inflows of Resources related to OPEB**

The Net OPEB Liability, OPEB Expense, and Deferred Outflows/Inflows of Resources related to OPEB are allocated to the funds based on each fund's contributions to the Retiree Healthcare Fund during the annual measurement period. Contributions to the Retiree Healthcare Trust Fund from internal service funds are expected to be paid primarily from resources received from the general government; therefore, the related Net OPEB Liability, OPEB Expense, and related Deferred Outflows/Inflows of Resources for these funds are reported in the government-wide financial statements under governmental activities and not reported in the financial statements of the individual internal service funds.

OPEB Expense for the year ended September 30, 2018, was as follows:

Service cost	\$ 33,369
Interest on total OPEB liability (TOL)	30,961
Administrative expenses	1,351
Expected return on assets	(5,201)
Expensed portion of current year period differences between expected and actual experience in TOL	(9,500)
Expensed portion of current year assumption changes	(21,261)
Expensed portion of current year period differences between projected and actual investment earnings	343
	<u>\$ 30,062</u>

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE J: EMPLOYEE BENEFITS (CONTINUED)**

**J.1. POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Net OPEB Liability, OPEB Expense, and Deferred Outflows/Inflows of Resources related to OPEB (continued)**

For the year ended September 30, 2018, the City reported the following Deferred Outflows of Resources, Deferred Inflows of Resources, and Net OPEB Liability related to OPEB. The following amounts have been allocated to Governmental Activities and Business-Type Activities on the Statement of Net Position, see the table below:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
OPEB contributions made after the measurement date	\$ 21,272	\$ 3,378	\$ 24,650
Net difference between projected and actual earnings on OPEB plan investments	<u>1,168</u>	<u>202</u>	<u>1,370</u>
Total Deferred Outflows of Resources	\$ 22,440	\$ 3,580	\$ 26,020
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$ 16,399	\$ 2,837	\$ 19,236
Changes in assumptions	<u>36,667</u>	<u>6,342</u>	<u>43,009</u>
Total Deferred Inflows of Resources	\$ 53,066	\$ 9,179	\$ 62,245
<b>Net OPEB Liability</b>	\$ 753,076	\$ 130,254	\$ 883,330

\$24,650,00 reported as a Deferred Outflows for OPEB contributions made after the measurement date will be recognized as a deduction of the Net OPEB Liability in the year ending September 30, 2019. Other amounts reported as Deferred Outflows/(Inflows) of Resources will be recognized in OPEB expense as follows:

	Year Established	Outstanding Balance at October 1, 2017	Amount Recognized During FYE September 30, 2018	Outstanding Balance at September 30, 2018	Deferred Outflows/(Inflows) Recognized in Future Years			
					2019	2020	2021	2022
<b>Fiscal Year Outflows</b>								
Investment	2018	\$ 1,713	\$ 343	\$ 1,370	\$ 343	\$ 343	\$ 343	\$ 341
<b>Fiscal Year Inflows</b>								
Experience Gain	2018	(28,736)	(9,500)	(19,236)	(9,500)	(9,501)	(118)	(117)
Assumptions	2018	<u>(64,270)</u>	<u>(21,261)</u>	<u>(43,009)</u>	<u>(21,261)</u>	<u>(21,262)</u>	<u>(243)</u>	<u>(243)</u>
<b>Total Inflows</b>		<u>(93,006)</u>	<u>(30,761)</u>	<u>(62,245)</u>	<u>(30,761)</u>	<u>(30,763)</u>	<u>(361)</u>	<u>(360)</u>
<b>Total</b>		<u>\$ (91,293)</u>	<u>\$ (30,418)</u>	<u>\$ (60,875)</u>	<u>\$ (30,418)</u>	<u>\$ (30,420)</u>	<u>\$ (18)</u>	<u>\$ (19)</u>

*Note: In accordance with Paragraph 43 of GASB Statement No. 75, the difference between projected and actual earnings on investments is recognized over a closed five-year period. Assumption changes and the difference between expected and actual total OPEB liability experience are each recognized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB Plan (active employees and inactive employees), determined as of the beginning of the measurement period. For FY2018, the period is 3 years for healthcare benefits and 5 years for death benefits (rounded).*

**CITY OF FORT WORTH, TEXAS**  
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**NOTE J: EMPLOYEE BENEFITS (CONTINUED)**

**J.1. POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Changes in Net OPEB Liability**

	<b>Total OPEB Liability (a)</b>	<b>OPEB Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (a) - (b)</b>
Balances at September 30, 2017	\$ 1,007,898	\$ 67,114	\$ 940,784
Changes for the year:			
Service cost	33,369	-	33,369
Interest	30,961	-	30,961
Differences between expected and actual experience	(28,736)	-	(28,736)
Change in assumptions	(64,270)	-	(64,270)
Contributions - employer	-	26,641	(26,641)
Net investment income	-	3,488	(3,488)
Benefit payments	(27,064)	(27,064)	-
Administrative expense	-	(1,351)	1,351
Net changes	<u>(55,740)</u>	<u>1,714</u>	<u>(57,454)</u>
Balances at September 30, 2018	<u>\$ 952,158</u>	<u>\$ 68,828</u>	<u>\$ 883,330</u>
Money-weighted rate of return			5.13 %
Plan Fiduciary Net Position as a % of the Total Pension Liability			7.23 %

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates**

The following presents the Net OPEB Liability of the City, calculated using the discount rate of 3.53%, as well as what the City's Net OPEB Liability would be if it were calculated using a discount rate that is one percentage-point lower (2.53%) or one percentage point higher (4.53%) than the current discount rate:

<b>1% Decrease (2.53%)</b>	<b>Current Discount Rate (3.53%)</b>	<b>1% Increase (4.53%)</b>
\$ 1,063,692	\$ 883,330	\$ 746,422

The following presents the Net OPEB Liability of the City, calculated using the healthcare cost trend rates of 8.0% decreasing to 4.5%, as well as what the City's Net OPEB Liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower (7.0% decreasing to 3.5%) or one percentage-point higher (9.0% decreasing to 5.5%) than the current healthcare cost trend rates:

<b>1% Decrease (7.0% Decreasing to 3.5%)</b>	<b>Healthcare Cost Trend Rates (8.0% decreasing to 4.5%)</b>	<b>1% Increase (9.0% Decreasing to 5.5%)</b>
\$ 742,437	\$ 883,330	\$ 1,039,205

*Note: The balances as of September 30, 2017, constitute measurements of the Net OPEB Liability for the fiscal year ended September 30, 2018.*

**CITY OF FORT WORTH, TEXAS**  
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**NOTE J: EMPLOYEE BENEFITS (CONTINUED)**

**J.2. DEFERRED COMPENSATION PLAN**

The City offers its employees a Deferred Compensation Plan (DCP) created in accordance with Internal Revenue Code Section 457. The City's DCP, available to all regular full-time City employees, permits the deferral of income based upon guidelines published by the Internal Revenue Service. The City's DCP is administered by the Teachers Insurance and Annuity Association (TIAA). The City's DCP investments include mutual funds whose focus is on stocks, bonds, money-market-type investments, or a combination of these. Deferred compensation investments are held by outside trustees for the exclusive benefit of eligible employees and their beneficiaries and are not included in these financial statements. The deferred compensation funds are not available for employee distribution until termination, retirement, death, or unforeseeable emergency. Employees can take loans from their individual accounts of up to 50% of their account balances not to exceed \$50,000 at a fixed interest of prime rate plus 1%. The City has no responsibility for investment losses of the DCP, but does have the fiduciary responsibilities usual to the sponsor of any retirement plan.

**NOTE K: COMMITMENTS AND CONTINGENCIES**

The City has executed a long-term supply agreement with Tarrant Regional Water District (District) for all of its raw water needs whereby the City makes monthly payments to fund its water purchases. The FY2018 payments to the District under the agreement were \$81,712,681. Future payments will be a direct result of future water usage.

The City is subject to extensive and rapidly changing Federal and State environmental regulations governing wastewater discharges, solid and hazardous waste management, and site remediation and restoration activities. The City's policy is to accrue environmental and related remediation costs when it is probable that a liability has been incurred and the amount can be reasonably estimated. As discussed in Note G.2. and Note G.4., as of September 30, 2018, the City has recorded pollution remediation liabilities in the amounts of \$4,781,000 and \$685,000 in the Environmental Protection Capital Projects Fund and the Water and Sewer Fund, respectively, as required by GAAP. No other liabilities have been specifically identified, and no such costs have been accrued other than those disclosed.

The City has received Federal and State financial assistance in the form of grants and entitlements that are subject to review and audit by the grantor agencies. Such audits could result in requests for reimbursement by the grantor agency for expenditures disallowed under terms and conditions specified in the grant agreements. In the opinion of City management, such disallowances will not have a material impact on the financial statements.

The City has outstanding construction commitments of \$217,075,851 as of September 30, 2018, excluding the arena commitment described below.

Various other claims and lawsuits are pending against the City. After consultation with legal counsel, the City had potential losses from pending litigation that are reasonably possible totaling \$3,767,470 as of September 30, 2018.

The City adopted a resolution committing an amount not to exceed \$225,000,000 for the construction of the new Fort Worth Multi-Purpose Arena (Dickies Arena) at the intersection of Harley Avenue and Gendy Street. The construction of the Dickies Arena began in FY2017, and the City has expended \$161,958,034 to date (\$134,850,014 during FY2018) leaving \$36,936,166 committed as of September 30, 2018. See Note M for additional information on this project.

**CITY OF FORT WORTH, TEXAS**  
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**NOTE L: SEGMENT FINANCIAL INFORMATION**

Segment financial information for the City's Municipal Parking Fund and Solid Waste Fund are presented below:

	<b>Municipal Parking Fund</b>	<b>Solid Waste Fund</b>
<b>Condensed Statement of Net Position</b>		
<b>Assets</b>		
Current Assets	\$ 3,846	\$ 25,274
Other Assets	1,576	19,087
Advances to Other Funds	-	4,693
Capital Assets	54,010	16,500
<b>Deferred Outflows of Resources</b>	<u>3,679</u>	<u>13,686</u>
Total Assets and Deferred Outflows of Resources	<u>63,111</u>	<u>79,240</u>
<b>Liabilities</b>		
Other Current Liabilities	3,986	6,617
Other Noncurrent Liabilities	39,710	54,622
Total Liabilities	<u>43,696</u>	<u>61,239</u>
Deferred Inflows of Resources	421	7,650
<b>Net Position (Deficit)</b>		
Net Investment in Capital Assets	17,923	13,434
Restricted	707	651
Unrestricted (Deficit)	364	(3,734)
Total Net Position	<u>\$ 18,994</u>	<u>\$ 10,351</u>
<b>Condensed Statement of Revenues, Expenses, and Changes in Net Position</b>		
Operating Revenues	\$ 8,741	\$ 62,084
Depreciation Expense	1,990	499
Other Operating Expenses	3,820	57,116
Operating Income	<u>2,931</u>	<u>4,469</u>
<b>Nonoperating Revenues (Expenses):</b>		
Investment Income (Loss)	(33)	(135)
Gain (Loss) on Sale of Property and Equipment	-	37
Interest and Service Charges	(934)	(76)
Gas Leases and Royalties	-	98
Transfers Out	(121)	(7,667)
Capital Contributions	8,988	-
Change in Net Position	10,831	(3,274)
Beginning Net Position, as restated (Note A.17.)	<u>8,163</u>	<u>13,625</u>
Ending Net Position	<u>\$ 18,994</u>	<u>\$ 10,351</u>
<b>Condensed Statement of Cash Flows</b>		
<b>Net Cash Provided (Used) by:</b>		
Operating Activities	5,474	6,492
Noncapital Financing Activities	(121)	(5,337)
Capital and Related Financing Activities	(4,104)	(524)
Investing Activities	<u>(29)</u>	<u>(42)</u>
Net Increase (Decrease)	1,220	589
Beginning Cash and Cash Equivalents	4,179	36,841
Ending Cash and Cash Equivalents	<u>\$ 5,399</u>	<u>\$ 37,430</u>



**CITY OF FORT WORTH, TEXAS**  
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**NOTE M: FORT WORTH MULTI-PURPOSE ARENA**

The new Fort Worth Multi-Purpose Arena (Dickies Arena) being constructed near the City's Will Rogers complex will be a state-of-the-art venue for concerts, sports, family entertainment and the Stock Show Rodeo. The Dickies Arena is the result of a pioneering partnership between the City of Fort Worth and the private sector, led by Event Facilities Fort Worth, a non-profit 501(c)(3). The expected completion date is in 2019. Upon completion, this facility is anticipated to be donated to the City of Fort Worth. Construction costs of \$376,127,668 have been incurred as of the end of FY2018, of which the City contributed \$188,063,834. As the City does not own the facility during construction, the City's contributions are expensed as incurred. See Note K for additional information.

**NOTE N: SUBSEQUENT EVENTS**

On May 1, 2018, the City authorized amendments to the Collective Bargaining Agreement between the City and the Fort Worth Professional Firefighters Association, International Association of the Fire Fighters Local 440 (the Association). These amendments allow the Association to establish, manage, and administer a separately administered and funded healthcare plan for the benefit of firefighter recruits, active fire fighters and pre-Medicare fire fighter retirees, plus their spouses and dependents, beginning in January 2019. The Association intends to create and administer a tax-exempt trust (the Trust) for the purpose of funding a healthcare plan. The City has set aside funds of \$1,600,000 restricted for retiree health benefits as identified in the Collective Bargaining Agreement to be deposited in the Trust. See Note A.12. for details.

**NOTE O: NEW ACCOUNTING STANDARDS**

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance within this Statement. This Statement also establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement also requires the following:

- That recognition occurs when the liability is both incurred and reasonably estimable;
- The measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred;
- The current value of a government's AROs should be adjusted for the effects of general inflation or deflation at least annually; and
- Disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets.

This Statement is effective for the City's financial periods beginning October 1, 2018.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE O: NEW ACCOUNTING STANDARDS (CONTINUED)**

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify the fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. This Statement is effective for the City's financial periods beginning October 1, 2019.

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This Statement is effective for the City's financial periods beginning October 1, 2020.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**(000's omitted in tables)**

**NOTE O: NEW ACCOUNTING STANDARDS (CONTINUED)**

In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement establishes new note disclosure requirements for long-term debt, including direct borrowings and placements. In addition, this Statement requires that a government should disclose in the notes to financial statements summarized information about the following items: (1) amount of unused lines of credit, (2) assets pledged as collateral for debt, and (3) terms specified in debt agreements with finance-related consequences such as: (a) events of default, (b) termination events, and (c) subjective acceleration clauses. This Statement also requires that disclosures for direct borrowings and placements be distinct from other debt disclosures. This Statement is effective for the City's financial periods beginning October 1, 2018.

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period including all interest that previously was accounted for in accordance with Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The purpose of this Statement is to: (1) enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period, and (2) simplify accounting for interest cost incurred before the end of a construction period. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. This Statement is effective for the City's financial periods beginning October 1, 2020.

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests (an Amendment of GASB Statements No. 14 and No. 61)*. This Statement provides guidance for reporting a component unit if a government acquires a 100 percent equity interest of another legally separate entity. The objectives of this Statement are to improve consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations and improve the relevance of financial statement information for certain component units. This Statement is effective for the City's financial periods beginning October 1, 2019.

The City has not finalized its determination of the effect that the implementation of these new accounting standards will have on the City's financial statements or disclosures, as of the date of this report.



REQUIRED SUPPLEMENTARY  
INFORMATION  
(UNAUDITED)

REQUIRED  
SUPPLEMENTARY  
INFORMATION (UNAUDITED)

**CITY OF FORT WORTH, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2018  
(in 000's)  
(Unaudited)**

	Budgeted Amounts		Budgetary Basis Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues and Other Financing Sources:</b>				
Revenues:				
General Property Taxes	\$ 371,236	\$ 371,236	\$ 371,671	\$ 435
Sales Taxes	154,573	154,573	157,369	2,796
Other Local Taxes	54,831	54,831	57,161	2,330
Charges for Services	26,698	28,553	27,240	(1,313)
Licenses and Permits	16,137	16,082	16,972	890
Fines and Forfeitures	6,091	6,091	6,302	211
Revenue from Use of Money and Property	634	634	749	115
Intergovernmental	369	451	1,975	1,524
Other	2,633	2,733	2,917	184
Total Revenues	<u>633,202</u>	<u>635,184</u>	<u>642,356</u>	<u>7,172</u>
Other Financing Sources:				
Transfers In - Other Funds	45,748	48,897	50,270	1,373
Total Revenues and Other Financing Sources	<u>678,950</u>	<u>684,081</u>	<u>692,626</u>	<u>8,545</u>
<b>Expenditures:</b>				
Departmental:				
City Attorney's Office	6,855	6,961	6,961	-
City Auditor's Office	1,845	1,763	1,737	26
City Manager's Office	9,089	9,396	9,390	6
City Secretary's Office	1,592	1,831	1,773	58
Code Compliance	20,210	19,680	19,500	180
Financial Management Services	11,576	11,728	11,725	3
Fire	145,163	147,259	147,259	-
Housing and Economic Development	21,606	18,818	17,640	1,178
Human Resources	4,551	5,142	4,717	425
Library	20,797	21,029	20,900	129
Municipal Court	15,910	17,037	16,011	1,026
Neighborhood Services	9,007	9,161	8,913	248
Non-Departmental	22,968	12,228	9,460	2,768
Park and Recreation	47,307	47,464	47,138	326
Performance and Budget	6,158	6,233	5,984	249
Planning and Development	16,966	16,294	16,181	113
Police	239,817	253,654	253,654	-
Property Management	15,219	16,648	16,320	328
Communication and Public Engagement	4,064	4,016	3,946	70
Transportation and Public Works	58,233	57,667	56,823	844
Total Expenditures	<u>678,933</u>	<u>684,009</u>	<u>676,032</u>	<u>7,977</u>
<b>Contribution to / (Use of) Fund Balance</b>	<u>\$ 17</u>	<u>\$ 72</u>	<u>\$ 16,594</u>	<u>\$ 16,522</u>

**Explanation of Differences Between Budgetary Contribution to / (Use of) Fund Balance and GAAP Net Change in Fund Balance**

<b>Contribution to / (Use of) Fund Balance (Budgetary Basis)</b>	\$ 16,594
Differences - Budgetary to GAAP	
Current year non-budgeted transfers treated as revenues for financial reporting purposes but not as budgetary inflows.	3,278
Current year non-budgeted transfers treated as expenditures for financial reporting purposes but not as budgetary outflows.	(1,585)
Current year non-budgeted revenues treated as revenues for financial reporting purposes (due to perspective difference) but not as budgetary inflows.	(953)
Current year non-budgeted expenditures treated as expenditures for financial reporting purposes (due to perspective difference) but not as budgetary outflows.	(82)
<b>Net Change in Fund Balance (GAAP Basis)</b>	<u>\$ 17,252</u>

See accompanying notes to the required supplementary information.

**CITY OF FORT WORTH, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**SEPTEMBER 30, 2018**  
**(000's omitted in tables)**

**ADOPTED BUDGET**

The City's framework for financial decision making is a comprehensive set of Financial Management Policy Statements. As required by the City's Charter, the City adopts an annual balanced budget for most funds (as more fully described below) which the legal level of control is at the departmental/fund level. Departments may not exceed their appropriations within any specific fund.

The City adopts annual budgets for most governmental funds, including the General Fund, the Debt Service Fund, the Crime Control and Prevention District Fund (CCPD), the Culture and Tourism Fund, the Environmental Management Fund, the Other Special Revenue Fund, the Public Improvement Districts Fund, the Golf Fund, the Botanic Gardens Fund, and the Fort Worth Tourism Public Improvement District Corporation, using the modified accrual basis of accounting except for certain revenues, expenditures, other financing sources, administrative costs, indirect costs, and transfers. Therefore, a reconciliation is presented on the Budgetary Comparisons Schedules to reconcile the Budgetary Basis Contribution to/Use of Fund Balance to the GAAP Basis Net Change in Fund Balance. Specific information on the budget for each of these funds is included as supplementary information in the Combining and Individual Fund Financial Statements and Schedules section.

Multi-year project length budgets are adopted for the City's governmental Capital Projects Fund and the Grants Fund in accordance with the City's *Capital Project Improvement Program* and are not presented within this document. Other multi-year budgets have been established for the Special Projects Fund, the Taxing Increment Reinvestment Zones Funds, Fort Worth Housing Finance Corporation, Fort Worth Local Development Corporation, Fort Worth Sports Authority, Lone Star Local Development Corporation, Central City Local Government Corporation, Lancaster Corridor LLC, and Alliance Airport Authority. Budgets for the Grants Fund are established pursuant to the terms of the related Federal, State, and local grant awards and are therefore considered a legally adopted budget once the specific appropriation is approved.

Prior to action taken by City Council, the CCPD Board of Directors (Board) must approve the original budget for this fund. Also, the Board, as well as the City Council, must approve any supplement or transfer of appropriation balances or portions thereof from one department to another for this fund.

The City also adopts an annual budget for most of the proprietary funds, including enterprise funds and internal service funds. Internal service funds are maintained to account for services provided primarily to departments within the City. Budgets for proprietary funds are prepared on the full accrual basis of accounting with the following exceptions:

- Changes in the fair value of investments are not treated as adjustments to revenue in the annual operating budget;
- Debt service and capital lease principal payments are treated as expenses in the annual operating budget;
- Depreciation expense is not recognized in the annual operating budget; and
- Capital purchases are recognized as expense in the annual operating budgets.

At the close of each fiscal year the appropriated balance for annually adopted budgets lapse.

**CITY OF FORT WORTH, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2018  
(000's omitted in tables)**

**BUDGETARY CONTROL**

Budgetary controls begin with the City Charter requirements that the City adopt an annual balanced budget for appropriated funds by formal action. Each department is responsible for administering their respective programs and operations within the financial constraints described by the adopted budget.

The City's budget ordinance is deemed balanced when the sum of estimated revenues and appropriated fund balance/net position is equal to expenditure/expense appropriations and contributions to fund balance/net position. Operating revenues and other financing sources must fully cover operating expenditures/expenses, including debt service and other financing uses. Operating expenditures/expenses to balance the annual budget shall include that year's contribution to capital funds required to maintain existing assets. Furthermore, operating expenditures/expenses shall include the portion of funds required to maintain the viability of internal service funds or the purposes in which they were created. Finally, minimum reserve levels as outlined in the Financial Management Policy Statements must be maintained unless reserves are being used in accordance with the purposes permitted by the City's policy.

The overall budget appropriation may be increased via a supplemental appropriation ordinance that allocates funds that are certified as being in excess of those included in the budget and as being otherwise unencumbered. These amendments shall be considered and adopted by the City Council at formal business meetings, except for specific adjustments when limited authority has been delegated to the City Manager as prescribed within the adopted budget ordinance.

The City Manager may transfer part or all of any unencumbered appropriation balance among programs within a department, division, or section upon compliance with such conditions as the City Council has established. Upon request of the City Manager, the City Council may by ordinance transfer part or all of any unencumbered appropriation balance from one department to another. No such transfers shall be made of revenues or earnings of any non-tax supported public entity to any other purpose.

For the General Fund, supplemental appropriations of \$5,076,000 were approved by the City Council. The reported budgetary data includes amendments made during the year. At the close of each fiscal year, any appropriated balance in the General Fund lapses to fund balance. Multi-year project length budget appropriations are automatically carried over into the next fiscal year.

**BUDGET PROCESS**

The City adheres to the following procedures for establishing the operating budget:

On or before August 15 of each year, the City Manager submits to the City Council a proposed budget for the fiscal year beginning the following October 1. The operating budget includes proposed expenditures and the means of financing them. Public hearing is conducted. The budget is legally enacted by the City Council through the passage of appropriations and the tax levying ordinances prior to September 30 and is published under a separate cover.



**CITY OF FORT WORTH, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
EMPLOYEES' RETIREMENT FUND  
SCHEDULE OF CONTRIBUTIONS TO THE RETIREMENT FUND  
– LAST TEN FISCAL YEARS  
SEPTEMBER 30, 2018  
(in 000's)**

<b>Year Ended September 30,</b>	<b>Actuarially Determined Contributions*</b>	<b>Contributions in Relation to the Actuarially Determined Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll**</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2009	(Historical information prior to implementation of GASB 67/68 is not required)				
2010					
2011					
2012					
2013					
2014	\$ 82,938	\$ 78,165	\$ 4,773	\$ 390,128	20.0%
2015	93,563	80,821	12,742	403,772	20.0%
2016	101,340	84,747	16,593	422,977	20.0%
2017	112,185	89,408	22,777	448,313	19.9%
2018	131,766	93,504	38,262	468,803	19.9%

*\*The Actuarially Determined Contribution is equal to the total calculated contribution rate in the prior actuarial valuation, minus the portion expected to be covered by employee contributions, multiplied by the covered payroll. City and Member rates are established by ordinance.*

*\*\*Covered payroll is the actual payroll on which contributions are based.*

**CITY OF FORT WORTH, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**EMPLOYEES' RETIREMENT FUND**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY**  
**– LAST TEN FISCAL YEARS**  
**SEPTEMBER 30, 2018**  
**(in 000's)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013*</u>	<u>2012*</u>
<b>Total Pension Liability</b>						
Service Cost	\$ 123,793	\$ 98,173	\$ 85,593	\$ 92,189		
Interest	251,646	252,240	246,293	234,701		
Change of Benefit Terms	-	-	(1,828)	110,188		
Differences Between Expected and Actual Experience	186,854	4,178	(10,817)	(106,951)		
Change of Assumptions	(327,288)	1,022,193	364,494	-		
Benefit Payments, Including Refunds of Employee Contributions	<u>(198,612)</u>	<u>(185,820)</u>	<u>(167,066)</u>	<u>(161,159)</u>		
Net Change in Total Pension Liability	36,393	1,190,964	516,669	168,968		
Total Pension Liability - Beginning	<u>5,318,307</u>	<u>4,127,343</u>	<u>3,610,674</u>	<u>3,441,706</u>		
Total Pension Liability - Ending (a)	<u>\$ 5,354,700</u>	<u>\$ 5,318,307</u>	<u>\$ 4,127,343</u>	<u>\$ 3,610,674</u>		
<b>Plan Fiduciary Net Pension</b>						
Contributions - Employer	\$ 89,408	\$ 84,747	\$ 80,820	\$ 78,165		
Contributions - Employee	35,963	33,977	32,542	31,929		
Net Investment Income	250,913	166,306	(20,635)	159,994		
Benefit Payments, Including Refunds of Employee Contributions	(198,612)	(185,820)	(167,066)	(161,159)		
Administrative Expense	(4,867)	(4,522)	(3,823)	(3,739)		
Other	-	(241)	(143)	(130)		
Net Change in Plan Fiduciary Net Position	<u>172,805</u>	<u>94,447</u>	<u>(78,305)</u>	<u>105,060</u>		
Plan Fiduciary Net Position - Beginning	<u>2,097,717</u>	<u>2,003,270</u>	<u>2,081,575</u>	<u>1,976,515</u>		
Plan Fiduciary Net Position - Ending (b)	<u>\$ 2,270,522</u>	<u>\$ 2,097,717</u>	<u>\$ 2,003,270</u>	<u>\$ 2,081,575</u>		
Net Pension Liability - Ending (a) - (b)	<u>\$ 3,084,178</u>	<u>\$ 3,220,590</u>	<u>\$ 2,124,073</u>	<u>\$ 1,529,099</u>		
Plan Fiduciary Net Position as a % of the Total Pension Liability	42.40%	39.44%	48.54%	57.65%		
Covered Payroll	\$ 448,313	\$ 422,977	\$ 403,772	\$ 390,128		
Net Pension Liability as a % of Covered Payroll	687.95%	761.41%	526.06%	391.95%		

\*Historical information prior to implementation of GASB 67/68 is not required.

**Notes to Schedule:**

Changes of assumptions each year include the change in the blended discount rate. The blended discount rates for 2014, 2015, 2016, and 2017 were 6.98%, 6.25%, 4.71%, and 5.13%, respectively.

**Benefits changes:**

**FY2014** - The benefits for Municipal Employees hired before July 1, 2011, and Police Officers hired before January 1, 2013 (Groups I and III) were bifurcated effective October 1, 2013. Prospectively, the benefit multiplier changed from 3.00% to 2.50% for standard pension benefits and from 2.75% to 2.25% for early retirement, non-duty death, and non-duty disability benefits. The compensation base was extended from the highest three years to the highest five years, and overtime earnings are now excluded. Benefits earned on or after October 1, 2013, are subject to an annual 2.00% simple COLA, rather than an ad-hoc COLA.

**FY2015** - The benefits for Firefighters hired before January 10, 2015 (Group II) were bifurcated effective January 10, 2015. Prospectively, the benefit multiplier changed from 3.00% to 2.50% for standard pension benefits and from 2.75% to 2.25% for early retirement, non-duty death and non-duty disability benefits. The compensation base was extended from the highest three years to the highest five years, and overtime earnings are now excluded (except built-in overtime, assumed to be 6.50% of base pay). Benefits earned on or after January 10, 2015, are subject to an annual 2.00% simple COLA, rather than an ad-hoc COLA.

**CITY OF FORT WORTH, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
EMPLOYEES' RETIREMENT FUND  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
– LAST TEN FISCAL YEARS  
SEPTEMBER 30, 2018  
(in 000's)**

**Notes to Schedule: (continued)**

FY2016 - A comprehensive Actuarial Experience Review, covering the period January 1, 2013, through December 31, 2015, was completed in March 2016. As a result of that study, the following assumption changes were approved by the Retirement Board:

- The mortality assumption for active and inactive vested participants was changed from the RP-2000 Combined Healthy Mortality Table, set forward one year to the RP-2014 Employee Mortality Table.
- The post-retirement mortality assumption for healthy annuitants was changed from the RP-2000 Combined Healthy Mortality Table, set forward one year to the RP-2014 Healthy Annuitant Mortality Table, set forward three years.
- Coordinating with the mortality assumption for healthy lives, the mortality assumption for disabled retirees was changed from the RP-2000 Disabled Retiree Mortality Table, reduced by 20% for males and loaded by 50% for females to the RP-2014 Disabled Retiree Mortality Table.
- The generational projection scale was changed from Scale AA to the MP-2015 improvement scale.
- The assumption for deaths in the line of duty for Police Officers was reduced from 25% to 10% of all active deaths.
- The investment return assumption was lowered from 8.00% to 7.75%.
- An administrative expense assumption of \$3,000,000 was introduced.
- The inflation assumption was lowered from 3.00% to 2.75%.
- The payroll growth rate assumption (used for determining the amortization of the unfunded actuarial accrued liability) was lowered from 3.25% to 3.00%.
- While maintaining the existing service-based tables, the salary scale was adjusted to better match observed experience. The inflation component was lowered from 3.50% per year for all to 3.00% per year for General Employees and Firefighters and lowered to 2.75% per year for Police Officers.
- The retirement rates for General Employees who retire early with reduced benefits were adjusted to match observed experience.
- The unreduced retirement rates were restructured to be based on eligibility for Normal Retirement for all groups and the assumed retirement rates for non-DROP participants were updated.
- A retirement assumption for DROP participants was introduced to reflect that all DROP participants will enter at first eligibility and retire at the end of the assumed DROP period.
- The DROP utilization assumption was lowered from 90% to 85% for Police Officers.
- The current disability rates were lowered by 50%.
- The gender-distinct five-year select-and-ultimate turnover tables were modified for General Employees with increased rates for non-vested and vested males only. The service-based withdrawal rates for Police Officers and Firefighters were lowered to reflect observed experience.
- The assumed marriage percentage assumption was lowered from 90% to 80% for males and to 60% for females.
- The spousal age difference was changed from assuming females are three years younger than males to the spouse being four years younger for male participants and the same age for female participants.
- The overtime and other payloads (applied to Blue benefits only) were lowered for Police Officers from 8.00% to 7.00% and from 18.00% to 16.75% for Firefighters.
- The load on final average salary for General Employees was eliminated. The load for Police Officers was lowered from 2.75% to 2.00% while the load for Firefighters was increased from 4.00% to 5.00%.
- The sick leave service conversion load for General Employees and Firefighters was increased from 3.25% to 3.75% and 1.50% to 2.50%, respectively.

**CITY OF FORT WORTH, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**OTHER POSTEMPLOYMENT BENEFITS**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY**  
**-LAST TEN FISCAL YEARS**  
**SEPTEMBER 30, 2018**  
**(in 000's)**

	<u>2017</u>	<u>2016*</u>	<u>2015*</u>	<u>2014*</u>	<u>2013*</u>
<b>Total OPEB Liability</b>					
Service Cost	\$ 33,369				
Interest	30,961				
Differences Between Expected and Actual Experience	(28,736)				
Change of Assumptions	(64,270)				
Benefit Payments, Including Refunds of Employee Contributions	<u>(27,064)</u>				
Net Change in Total OPEB Liability	(55,740)				
Total OPEB Liability - Beginning	<u>1,007,898</u>				
Total OPEB Liability - Ending (a)	<u>\$ 952,158</u>				
<b>OPEB Plan Fiduciary Net Position</b>					
Contributions - Employer	\$ 26,641				
Net Investment Income	3,488				
Benefit Payments, Including Refunds of Employee Contributions	(27,064)				
Administrative Expense	<u>(1,351)</u>				
Net Change in Plan Fiduciary Net Position	1,714				
OPEB Plan Fiduciary Net Position - Beginning	<u>67,114</u>				
OPEB Plan Fiduciary Net Position - Ending (b)	<u>\$ 68,828</u>				
Net OPEB Liability - Ending (a) - (b)	<u>\$ 883,330</u>				
Plan Fiduciary Net Position as a % of the Total OPEB Liability	7.23 %				
Covered Employee Payroll	\$ 302,434				
Net OPEB Liability as a % of Covered Employee Payroll	292.07 %				

\*Historical information prior to implementation of GASB 74/75 is not required.

**Notes to Schedule:**

Changes of assumptions each year include the change in the blended discount rate. The blended discount rates for measurement dates September 30, 2016 and September 30, 2017 were 3.12% and 3.53%, respectively.



COMBINING AND INDIVIDUAL  
FUND FINANCIAL STATEMENTS  
AND SCHEDULES

## **Debt Service Fund**

The Debt Service Fund accounts for the accumulation of financial resources for the payment of principal, interest and related costs on long-term obligations paid primarily from taxes levied by the City. The fund balance of the Debt Service Fund is reserved to signify the amounts that are restricted exclusively for debt service expenditures. It comprises four funds: General Debt Service Fund, Culture and Tourism Debt Service Fund, Venue Debt Service Fund, and Rock Creek PID Debt Service Fund. In addition, long-term obligations that are paid with special assessments or fund revenues are included in this fund.

**CITY OF FORT WORTH, TEXAS**  
**BUDGETARY COMPARISON SCHEDULE**  
**DEBT SERVICE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**  
**(in 000's)**

	<b>Budgeted Amounts</b>		<b>Budgetary Basis Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues and Other Financing Sources:</b>				
Revenues:				
General Property Taxes	\$ 94,314	\$ 94,314	\$ 94,646	\$ 332
Revenue from Use of Money and Property	2,781	2,781	10,150	7,369
Total Revenues	<u>97,095</u>	<u>97,095</u>	<u>104,796</u>	<u>7,701</u>
Other Financing Sources:				
Issuance of Special Assessment Debt	-	1,201	1,028	(173)
Issuance of Bonds/Premium	-	982	982	-
Transfers In - Other Funds	12,919	11,166	11,166	-
Total Other Financing Sources	<u>12,919</u>	<u>13,349</u>	<u>13,176</u>	<u>(173)</u>
Total Revenues and Other Financing Sources	<u>110,014</u>	<u>110,444</u>	<u>117,972</u>	<u>7,528</u>
<b>Expenditures:</b>				
Departmental:				
Financial Management Services	<u>111,132</u>	<u>118,867</u>	<u>118,425</u>	<u>442</u>
<b>Contribution to / (Use of) Fund Balance</b>	<u>\$ (1,118)</u>	<u>\$ (8,423)</u>	<u>\$ (453)</u>	<u>\$ 7,970</u>
<b>Explanation of Differences Between Contribution to / (Use of) Fund Balance and GAAP Net Change in Fund Balance</b>				
<b>Contribution to / (Use of) Fund Balance</b>			\$ (453)	
Differences - Budgetary to GAAP:				
Current year non-budgeted other financing sources treated as other financing sources for financial reporting purposes but not as budgetary inflows.			4	
Current year non-budgeted revenues treated as revenues for financial reporting purposes (due to perspective difference) but not as budgetary inflows.			<u>(880)</u>	
<b>Net Change in Fund Balance (GAAP Basis)</b>			<u>\$ (1,329)</u>	



## **Nonmajor Governmental Funds Special Revenue Funds**

The Special Revenue Funds are used to account for the proceeds from specific revenue sources (other than expendable trusts, major capital projects, or proprietary funds) that are legally restricted to expenditures for specified purposes.

*Crime Control and Prevention District Fund* is used to finance the cost in providing the necessary resources to effectively implement crime reduction strategies pertaining to enhanced enforcement, neighborhood crime prevention, partner programs, recruitment and training, and department equipment, technology, and infrastructure within the City of Fort Worth, as approved by citizens.

*Environmental Management Fund* is used to accumulate revenue to pay for any environmental program or service as such services are required by state or federal mandates.

*Fort Worth Housing Finance Corporation Fund* is used to finance the cost of residential ownership and development of single-family dwellings for persons of low and moderate income.

*Fort Worth Local Development Corporation Fund* is used to administer a low-interest rate program for business development in and around the stockyards area as well as other City-wide economic development activities.

*Special Projects Fund* is used to account for many small projects, which are varied in purpose. Financing for this Fund is provided by contributions from various organizations and individuals and is restricted to such projects.

*Culture and Tourism Fund* is used to account for taxes received from hotel and motel occupancy to promote tourism.

*Grants Fund* is used to account for grant resources received from various local, state and federal agencies and organizations. The use of these resources is restricted to a particular function of the City by each grantor.

*Other Blended Component Units Fund* is used to combine Fort Worth Tourism PID Corporation (created to increase the economic impact and enhance competitiveness in tourism activities throughout the city that will benefit the participating hotels, Fort Worth Sports Authority (used to purchase the Texas Motor Speedway and spur economic growth), Lone Star Local Development Corporation (used for the construction of a museum, exhibition space, and certain public infrastructure in the vicinity of Cabela's retail facility), and Alliance Airport Authority, Inc. (which was created for the promotion and development of new and expanded business enterprises at Alliance Airport and to promote and encourage employment and public welfare).

*Other Special Revenue Fund* is used to report the financial activity of minor funds whose proceeds of specific revenue sources require separate accounting because of legal or regulatory provisions or administrative action.

**Nonmajor Governmental Funds  
Special Revenue Funds  
(continued)**

*Public Improvement Districts (PIDs)* were created by resolution of the City Council pursuant to Chapter 372 of the Local Government Code. PIDs provide a development tool that allocates costs according to the benefits received. In time of declining city revenues, a PID can provide a means to fund supplemental services and improvements to meet community needs which could not otherwise be constructed or provided and be paid by those who most benefit from them.

*Taxing Increment Reinvestment Zones (TIRZs)* are special zones created by City Council under the Texas Tax Code Chapter 311 (Tax Increment Financing Act). A TIRZ is used to finance public improvements within a defined area. These improvements are intended to promote development or redevelopment in the defined area and surrounding areas. Taxes attributable to new improvements (tax increments) are set aside in a special revenue fund to finance public improvements within the boundaries of the zone.

*Golf Fund* is used to account for the operation of four City golf courses. The Fund's operations are financed by course fees, golf equipment rentals and merchandise and concession sales to the public and an annual subsidy from the General Fund.

*Botanic Gardens Fund* is responsible for maintaining the oldest botanic garden in Texas and preserving art and culture.

**Nonmajor Governmental Funds  
Capital Project Funds**

*Other Blended Component Units Fund* is used to combine Lancaster Corridor LLC Fund (organized to support mixed-use redevelopment along the Lancaster Corridor) and Central City Local Government Corporation (organized for the purpose of aiding, assisting, and acting on behalf of the City in the implementation of project plans for the Magnolia Green Development, including construction of a parking garage to support development).



**CITY OF FORT WORTH, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2018  
(in 000's)**

	<b>Special Revenue Funds</b>					
	<b>Crime Control and Prevention District</b>	<b>Environmental Management</b>	<b>Fort Worth Housing Finance Corporation</b>	<b>Fort Worth Local Development Corporation</b>	<b>Special Projects</b>	<b>Culture and Tourism</b>
<b>ASSETS</b>						
Cash, Cash Equivalents, & Investments	\$ 2,705	\$ 1,164	\$ 10,091	\$ 1,134	\$ 19,200	\$ 23,925
Cash, Cash Equivalents, & Investments Held by Trustees	-	-	-	-	27	-
Receivables, Net of Allowance for Uncollectible:						
Grants and Other Governments	12,557	-	-	-	-	40
Loans	-	-	-	-	-	-
Interest	8	13	216	-	9	12
Accounts and Other	1,207	374	6,612	627	282	7,447
Inventories (at Cost)	-	-	4,910	187	-	-
Prepays, Deposits, and Other	-	-	3	-	134	-
Long-Term Loans Receivable	-	-	-	-	-	-
Total Assets	<u>\$ 16,477</u>	<u>\$ 1,551</u>	<u>\$ 21,832</u>	<u>\$ 1,948</u>	<u>\$ 19,652</u>	<u>\$ 31,424</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICIT)</b>						
<b>Liabilities</b>						
Accounts Payable	\$ 679	\$ 109	\$ 2,959	\$ 159	\$ 253	\$ 2,271
Construction Payable	-	-	46	-	-	-
Escrow Accounts Payable	-	-	2	-	63	3,528
Accrued Payroll	1,124	60	-	-	39	308
Other	-	-	-	-	-	12
Advances from Other Funds	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	1,719
Total Liabilities	<u>1,803</u>	<u>169</u>	<u>3,007</u>	<u>159</u>	<u>355</u>	<u>7,838</u>
<b>Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>5,321</u>	<u>271</u>	<u>-</u>	<u>-</u>
<b>Fund Balances (Deficit):</b>						
Nonspendable	-	-	4,910	-	134	-
Restricted	9,936	1,382	-	-	5,998	8,357
Committed	2,335	-	-	-	355	-
Assigned	2,403	-	8,594	1,518	12,810	15,229
Unassigned (Deficit)	-	-	-	-	-	-
Total Fund Balances (Deficit)	<u>14,674</u>	<u>1,382</u>	<u>13,504</u>	<u>1,518</u>	<u>19,297</u>	<u>23,586</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit)</b>	<u>\$ 16,477</u>	<u>\$ 1,551</u>	<u>\$ 21,832</u>	<u>\$ 1,948</u>	<u>\$ 19,652</u>	<u>\$ 31,424</u>

Special Revenue Funds							Capital Project Funds		Total Nonmajor Governmental Funds
Grants	Other Blended Component Units	Other Special Revenue	Public Improvement Districts	Taxing Increment Reinvestment Zones	Golf	Botanic Gardens	Special Revenue Funds Subtotal	Other Blended Component Units	Total Nonmajor Governmental Funds
\$ 670	\$ 3,636	\$ 10,865	\$ 3,672	\$ 59,047	\$ 106	\$ 1,158	\$ 137,373	\$ 7,184	\$ 144,557
-	-	-	113	-	-	-	140	-	140
8,377	39	-	3	-	-	-	21,016	-	21,016
16,410	-	-	-	-	-	-	16,410	-	16,410
-	-	17	9	146	-	3	433	-	433
-	556	4,097	45	-	-	-	21,247	-	21,247
-	-	-	-	-	94	-	5,191	-	5,191
42	-	-	-	-	9	-	188	-	188
13,733	-	-	-	-	-	-	13,733	-	13,733
<u>\$ 39,232</u>	<u>\$ 4,231</u>	<u>\$ 14,979</u>	<u>\$ 3,842</u>	<u>\$ 59,193</u>	<u>\$ 209</u>	<u>\$ 1,161</u>	<u>\$ 215,731</u>	<u>\$ 7,184</u>	<u>\$ 222,915</u>
\$ 1,399	\$ 362	\$ 3,679	\$ 732	\$ 99	\$ 117	\$ 76	\$ 12,894	\$ 2,846	\$ 15,740
53	-	-	-	-	-	-	99	-	99
64	-	5	-	-	-	-	3,662	-	3,662
287	-	4	-	-	91	107	2,020	-	2,020
-	-	84	-	-	-	-	96	-	96
1,844	-	-	-	-	-	-	1,844	-	1,844
32,595	25	21	-	-	-	-	34,360	-	34,360
<u>36,242</u>	<u>387</u>	<u>3,793</u>	<u>732</u>	<u>99</u>	<u>208</u>	<u>183</u>	<u>54,975</u>	<u>2,846</u>	<u>57,821</u>
3,074	-	3,462	-	-	-	-	12,128	-	12,128
42	-	-	-	-	103	-	5,189	-	5,189
528	2,013	3,321	2,437	58,315	-	-	92,287	-	92,287
-	-	-	-	-	-	-	2,690	-	2,690
-	1,831	4,403	673	779	-	978	49,218	4,338	53,556
(654)	-	-	-	-	(102)	-	(756)	-	(756)
<u>(84)</u>	<u>3,844</u>	<u>7,724</u>	<u>3,110</u>	<u>59,094</u>	<u>1</u>	<u>978</u>	<u>148,628</u>	<u>4,338</u>	<u>152,966</u>
<u>\$ 39,232</u>	<u>\$ 4,231</u>	<u>\$ 14,979</u>	<u>\$ 3,842</u>	<u>\$ 59,193</u>	<u>\$ 209</u>	<u>\$ 1,161</u>	<u>\$ 215,731</u>	<u>\$ 7,184</u>	<u>\$ 222,915</u>

**CITY OF FORT WORTH, TEXAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018  
(in 000's)**

	<b>Special Revenue Funds</b>					
	<b>Crime Control and Prevention District</b>	<b>Environmental Management</b>	<b>Fort Worth Housing Finance Corporation</b>	<b>Fort Worth Local Development Corporation</b>	<b>Special Projects</b>	<b>Culture and Tourism</b>
<b>REVENUES:</b>						
General Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	73,884	-	-	-	-	-
Other Local Taxes	-	-	-	-	-	29,515
Charges for Services	-	3,678	-	-	1,782	4,962
Licenses and Permits	-	-	-	-	-	16
Fines and Forfeitures	-	-	-	-	658	-
Revenue from Use of Money and Property	-	-	-	1,199	1	7,730
Investment Income (Loss)	(513)	4	89	12	34	(300)
Intergovernmental	5,339	-	-	-	1,239	7,824
Gas Leases and Royalties	-	-	38	80	-	-
Other	530	-	746	-	1,158	2,276
Contributions	-	-	-	-	958	797
Total Revenues	<u>79,240</u>	<u>3,682</u>	<u>873</u>	<u>1,291</u>	<u>5,830</u>	<u>52,820</u>
<b>EXPENDITURES:</b>						
Current:						
General Government	-	-	-	-	892	-
Public Safety	52,954	3,200	-	-	209	-
Highways and Streets	-	-	-	-	-	-
Culture and Recreation	1,102	-	-	-	2,179	34,452
Health and Welfare	-	-	-	-	3	-
Urban Redevelopment and Housing	636	-	775	408	8	-
Capital Outlay	-	-	-	-	-	303
Debt Service:						
Principal Retirement	-	-	-	378	-	-
Interest and Debt Issuance Costs	-	-	-	39	-	-
Total Expenditures	<u>54,692</u>	<u>3,200</u>	<u>775</u>	<u>825</u>	<u>3,291</u>	<u>34,755</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>24,548</u>	<u>482</u>	<u>98</u>	<u>466</u>	<u>2,539</u>	<u>18,065</u>
<b>OTHER FINANCING  SOURCES (USES):</b>						
Issuance of Special Assessment Debt	-	-	-	-	-	-
Construction Loans	-	-	-	-	-	-
Proceeds from Disposal of Property	178	-	81	-	-	-
Transfers In	-	-	-	-	363	5,014
Transfers Out	(23,759)	(533)	-	(207)	(1,182)	(16,944)
Total Other Financing Sources (Uses)	<u>(23,581)</u>	<u>(533)</u>	<u>81</u>	<u>(207)</u>	<u>(819)</u>	<u>(11,930)</u>
Net Change in Fund Balances (Deficit)	967	(51)	179	259	1,720	6,135
Fund Balances (Deficit), Beginning of Year	13,707	1,433	13,325	1,259	17,577	17,451
Fund Balances (Deficit), End of Year	<u>\$ 14,674</u>	<u>\$ 1,382</u>	<u>\$ 13,504</u>	<u>\$ 1,518</u>	<u>\$ 19,297</u>	<u>\$ 23,586</u>

Special Revenue Funds							Capital Project Funds		Total Nonmajor Governmental Funds
Grants	Other Blended Component Units	Other Special Revenue	Public Improvement Districts	Taxing Increment Reinvestment Zones	Golf	Botanic Gardens	Special Revenue Funds Subtotal	Other Blended Component Units	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 19,481	\$ -	\$ -	\$ 19,481	\$ -	\$ 19,481
-	-	-	-	-	-	-	73,884	-	73,884
-	-	-	-	-	-	-	29,515	-	29,515
-	-	1	-	-	4,138	1,095	15,656	-	15,656
-	-	-	-	-	-	-	16	-	16
-	-	9,083	-	-	-	-	9,741	-	9,741
1,114	-	752	-	-	-	561	11,357	1,675	13,032
151	-	(97)	79	788	12	14	273	-	273
35,006	100	-	-	10,368	-	-	59,876	-	59,876
-	832	-	-	-	-	-	950	2	952
35	3,631	4,094	7,151	-	16	703	20,340	-	20,340
162	-	-	-	-	-	228	2,145	60	2,205
<u>36,468</u>	<u>4,563</u>	<u>13,833</u>	<u>7,230</u>	<u>30,637</u>	<u>4,166</u>	<u>2,601</u>	<u>243,234</u>	<u>1,737</u>	<u>244,971</u>
1,222	1,558	5,125	6,769	-	-	-	15,566	-	15,566
7,262	-	-	-	-	-	-	63,625	-	63,625
128	-	6,003	-	-	-	-	6,131	-	6,131
43	-	-	-	-	4,646	5,006	47,428	-	47,428
10,006	-	-	-	-	-	-	10,009	-	10,009
12,860	65	-	-	26,500	-	-	41,252	4,362	45,614
3,317	-	1,051	-	-	-	-	4,671	432	5,103
-	-	-	-	3,844	110	-	4,332	16,500	20,832
-	-	-	-	-	14	-	53	993	1,046
<u>34,838</u>	<u>1,623</u>	<u>12,179</u>	<u>6,769</u>	<u>30,344</u>	<u>4,770</u>	<u>5,006</u>	<u>193,067</u>	<u>22,287</u>	<u>215,354</u>
1,630	2,940	1,654	461	293	(604)	(2,405)	50,167	(20,550)	29,617
-	-	-	45	-	-	-	45	-	45
-	-	-	-	19,106	-	-	19,106	-	19,106
6	-	4	-	-	-	-	269	25,345	25,614
595	-	-	759	49	618	2,894	10,292	-	10,292
(1,741)	(72)	(3,976)	(141)	(1,580)	(13)	-	(50,148)	-	(50,148)
(1,140)	(72)	(3,972)	663	17,575	605	2,894	(20,436)	25,345	4,909
490	2,868	(2,318)	1,124	17,868	1	489	29,731	4,795	34,526
(574)	976	10,042	1,986	41,226	-	489	118,897	(457)	118,440
<u>\$ (84)</u>	<u>\$ 3,844</u>	<u>\$ 7,724</u>	<u>\$ 3,110</u>	<u>\$ 59,094</u>	<u>\$ 1</u>	<u>\$ 978</u>	<u>\$ 148,628</u>	<u>\$ 4,338</u>	<u>\$ 152,966</u>

**CITY OF FORT WORTH, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS - OTHER BLENDED COMPONENT UNITS  
SEPTEMBER 30, 2018  
(in 000's)**

	<b>Special Revenue Funds</b>				
	<b>Fort Worth Tourism PID Corporation</b>	<b>Fort Worth Sports Authority</b>	<b>Lone Star</b>		<b>Total</b>
			<b>Local Government Corporation</b>	<b>Alliance Airport Authority</b>	
<b>ASSETS</b>					
Cash, Cash Equivalents, & Investments	\$ 1,900	\$ 1,235	\$ -	\$ 501	\$ 3,636
Receivables, Net of Allowance for Uncollectibles:					
Grants and Other Governments	39	-	-	-	39
Accounts and Other	436	96	-	24	556
<b>Total Assets</b>	<b>\$ 2,375</b>	<b>\$ 1,331</b>	<b>\$ -</b>	<b>\$ 525</b>	<b>\$ 4,231</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 362	\$ -	\$ -	\$ -	\$ 362
Unearned Revenue	-	25	-	-	25
<b>Total Liabilities</b>	<b>362</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>387</b>
<b>Fund Balances:</b>					
Restricted	2,013	-	-	-	2,013
Assigned	-	1,306	-	525	1,831
<b>Total Fund Balances</b>	<b>2,013</b>	<b>1,306</b>	<b>-</b>	<b>525</b>	<b>3,844</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,375</b>	<b>\$ 1,331</b>	<b>\$ -</b>	<b>\$ 525</b>	<b>\$ 4,231</b>



**CITY OF FORT WORTH, TEXAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS - OTHER BLENDED COMPONENT UNITS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018  
(in 000's)**

	<b>Special Revenue Funds</b>				<b>Total</b>
	<b>Fort Worth Tourism PID Corporation</b>	<b>Fort Worth Sports Authority</b>	<b>Lone Star Local Government Corporation</b>	<b>Alliance Airport Authority</b>	
<b>REVENUES:</b>					
Intergovernmental	\$ -	\$ 100	\$ -	\$ -	\$ 100
Gas Leases and Royalties	-	432	-	400	832
Other	3,631	-	-	-	3,631
Total Revenues	<u>3,631</u>	<u>532</u>	<u>-</u>	<u>400</u>	<u>4,563</u>
<b>EXPENDITURES:</b>					
Current:					
General Government	1,546	-	-	12	1,558
Urban Redevelopment and Housing	-	65	-	-	65
Total Expenditures	<u>1,546</u>	<u>65</u>	<u>-</u>	<u>12</u>	<u>1,623</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,085</u>	<u>467</u>	<u>-</u>	<u>388</u>	<u>2,940</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers Out	(72)	-	-	-	(72)
Net Change in Fund Balances (Deficit)	2,013	467	-	388	2,868
Fund Balances (Deficit), Beginning of Year	-	839	-	137	976
Fund Balances (Deficit), End of Year	<u>\$ 2,013</u>	<u>\$ 1,306</u>	<u>\$ -</u>	<u>\$ 525</u>	<u>\$ 3,844</u>

**CITY OF FORT WORTH, TEXAS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS - OTHER BLENDED COMPONENT UNITS  
 SEPTEMBER 30, 2018  
 (in 000's)**

	<b>Capital Project Funds</b>		
	<b>Lancaster Corridor LLC Fund</b>	<b>Central City Local Government Corporation</b>	<b>Total</b>
<b>ASSETS</b>			
Cash, Cash Equivalents, & Investments	\$ 7,134	\$ 50	\$ 7,184
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 2,840	\$ 6	\$ 2,846
Total Liabilities	2,840	6	2,846
<b>Fund Balances:</b>			
Assigned	4,294	44	4,338
Total Fund Balances	4,294	44	4,338
Total Liabilities and Fund Balances	\$ 7,134	\$ 50	\$ 7,184

**CITY OF FORT WORTH, TEXAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS - OTHER BLENDED COMPONENT UNITS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018  
(in 000's)**

	<b>Capital Project Funds</b>		
	<b>Lancaster Corridor LLC Fund</b>	<b>Central City Local Government Corporation</b>	<b>Total</b>
<b>REVENUES:</b>			
Revenue from Use of Money and Property	\$ 1,666	\$ 9	\$ 1,675
Gas Leases and Royalties	-	2	2
Contributions	-	60	60
<b>Total Revenues</b>	<b>1,666</b>	<b>71</b>	<b>1,737</b>
<b>EXPENDITURES:</b>			
Current:			
Urban Redevelopment and Housing	4,286	76	4,362
Capital Outlay	432	-	432
Debt Service:			
Principal Retirement	16,500	-	16,500
Interest and Debt Issuance Costs	993	-	993
<b>Total Expenses</b>	<b>22,211</b>	<b>76</b>	<b>22,287</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(20,545)</b>	<b>(5)</b>	<b>(20,550)</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Proceeds from Disposal of Property	24,512	833	25,345
Net Change in Fund Balances	3,967	828	4,795
Fund Balance (Deficit), Beginning of Year	327	(784)	(457)
Fund Balance, End of Year	<b>\$ 4,294</b>	<b>\$ 44</b>	<b>\$ 4,338</b>

**CITY OF FORT WORTH, TEXAS  
 BUDGETARY COMPARISON SCHEDULE  
 CRIME CONTROL AND PREVENTION DISTRICT FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2018  
 (in 000's)**

	<b>Budgeted Amounts</b>		<b>Budgetary Basis Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues and Other Financing Sources:</b>				
Revenues:				
Sales Taxes	\$ 73,729	\$ 73,729	\$ 73,884	\$ 155
Revenue from Use of Money and Property	189	189	(17)	(206)
Intergovernmental	5,330	5,330	5,339	9
Other	217	217	529	312
Total Revenues	<u>79,465</u>	<u>79,465</u>	<u>79,735</u>	<u>270</u>
Other Financing Sources:				
Proceeds from Disposal of Property	145	145	178	33
Total Revenues and Other Financing Sources	<u>79,610</u>	<u>79,610</u>	<u>79,913</u>	<u>303</u>
<b>Expenditures:</b>				
Departmental:				
Neighborhood Services	744	744	638	106
Park and Recreation	1,102	1,102	1,102	-
Police	77,764	77,764	76,711	1,053
Total Expenditures	<u>79,610</u>	<u>79,610</u>	<u>78,451</u>	<u>1,159</u>
<b>Contribution to / (Use of) Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,462</u>	<u>\$ 1,462</u>
<b>Explanation of Differences Between Contribution to / (Use of) Fund Balance and GAAP Net Change in Fund Balance</b>				
<b>Contribution to / (Use of) Fund Balance (Budgetary Basis)</b>			\$ 1,462	
Differences - Budgetary to GAAP:				
Current year non-budgeted revenues treated as revenues for financial reporting purposes (due to perspective difference) but not as budgetary inflows.			<u>(495)</u>	
<b>Net Change in Fund Balance (GAAP Basis)</b>			<u>\$ 967</u>	

**CITY OF FORT WORTH, TEXAS  
 BUDGETARY COMPARISON SCHEDULE  
 ENVIRONMENTAL MANAGEMENT FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2018  
 (in 000's)**

	<b>Budgeted Amounts</b>		<b>Budgetary Basis Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Revenues:				
Charges for Services	\$ 3,755	\$ 3,755	\$ 3,678	\$ (77)
Revenue from Use of Money and Property	59	59	84	25
Other	19	19	-	(19)
Total Revenues	<u>3,833</u>	<u>3,833</u>	<u>3,762</u>	<u>(71)</u>
<b>Expenditures:</b>				
Departmental:				
Code Compliance	<u>3,833</u>	<u>3,833</u>	<u>3,733</u>	<u>100</u>
<b>Contribution to / (Use of) Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29</u>	<u>\$ 29</u>
<b>Explanation of Differences Between Budgetary Contribution to / (Use of) Fund Balance and GAAP Net Change in Fund Balance</b>				
<b>Contribution to / (Use of) Fund Balance (Budgetary Basis)</b>			\$ 29	
Differences - Budgetary to GAAP:				
Current year non-budgeted revenues treated as revenues for financial reporting purposes (due to perspective difference) but not as budgetary inflows.			<u>(80)</u>	
<b>Net Change in Fund Balance (GAAP Basis)</b>			<u>\$ (51)</u>	

**CITY OF FORT WORTH, TEXAS  
 BUDGETARY COMPARISON SCHEDULE  
 CULTURE AND TOURISM FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2018  
 (in 000's)**

	<b>Budgeted Amounts</b>		<b>Budgetary Basis Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues and Other Financing Sources:</b>				
Revenues:				
Other Local Taxes	\$ 29,094	\$ 29,094	\$ 29,475	\$ 381
Charges for Services	3,446	3,446	4,962	1,516
Licenses and Permits	20	20	16	(4)
Revenue from Use of Money and Property	7,489	7,489	8,659	1,170
Intergovernmental	8,499	8,609	7,824	(785)
Other	1,873	1,873	2,276	403
Total Revenues	<u>50,421</u>	<u>50,531</u>	<u>53,212</u>	<u>2,681</u>
Other Financing Sources:				
Transfers In - Other Funds	<u>5,014</u>	<u>5,014</u>	<u>5,014</u>	<u>-</u>
Total Revenues and Other Financing Sources	<u>55,435</u>	<u>55,545</u>	<u>58,226</u>	<u>2,681</u>
<b>Expenditures:</b>				
Departmental:				
Public Events and Facilities	<u>55,590</u>	<u>55,700</u>	<u>51,793</u>	<u>3,907</u>
<b>Contribution to / (Use of) Fund Balance</b>	<u>\$ (155)</u>	<u>\$ (155)</u>	<u>\$ 6,433</u>	<u>\$ 6,588</u>
<b>Explanation of Differences Between Contribution to / (Use of) Fund Balance and GAAP Net Change in Fund Balance</b>				
<b>Contribution to / (Use of) Fund Balance (Budgetary Basis)</b>			\$ 6,433	
Differences - Budgetary to GAAP:				
Current year non-budgeted expenditures treated as expenditures for financial reporting purposes (due to perspective difference) but not as budgetary outflows.			(393)	
Current year non-budgeted revenues treated as revenues for financial reporting purposes (due to perspective difference) but not as budgetary inflows.			<u>95</u>	
<b>Net Change in Fund Balance (GAAP Basis)</b>			<u>\$ 6,135</u>	

**CITY OF FORT WORTH, TEXAS  
 BUDGETARY COMPARISON SCHEDULE  
 OTHER SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2018  
 (in 000's)**

	<b>Budgeted Amounts</b>		<b>Budgetary Basis Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Revenues:				
Charges for Services	\$ 2	\$ 2	\$ 1	\$ (1)
Fines and Forfeitures	8,874	8,874	8,295	(579)
Revenue from Use of Money and Property	454	454	843	389
Other	3,680	3,680	4,885	1,205
Total Revenues	<u>13,010</u>	<u>13,010</u>	<u>14,024</u>	<u>1,014</u>
<b>Expenditures:</b>				
Departmental:				
Property Management	6,197	6,197	6,175	22
Transportation and Public Works	10,261	10,261	9,980	281
Total Expenditures	<u>16,458</u>	<u>16,458</u>	<u>16,155</u>	<u>303</u>
<b>Contribution to / (Use of) Fund Balance</b>	<u>\$ (3,448)</u>	<u>\$ (3,448)</u>	<u>\$ (2,131)</u>	<u>\$ 1,317</u>

**Explanation of Differences Between Contribution to / (Use of) Fund Balance and GAAP Net Change in Fund Balance**

<b>Contribution to / (Use of) Fund Balance (Budgetary Basis)</b>	\$ (2,131)
Differences - Budgetary to GAAP:	
Current year non-budgeted revenues treated as revenues for financial reporting purposes (due to perspective difference) but not as budgetary inflows.	<u>(187)</u>
<b>Net Change in Fund Balance (GAAP Basis)</b>	<u>\$ (2,318)</u>

**CITY OF FORT WORTH, TEXAS  
 BUDGETARY COMPARISON SCHEDULE  
 PUBLIC IMPROVEMENT DISTRICTS FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2018  
 (in 000's)**

	<b>Budgeted Amounts</b>		<b>Budgetary Basis Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues and Other Financing Resources:</b>				
Revenues:				
Revenue from Use of Money and Property	\$ -	\$ 1	\$ 80	\$ 79
Other	6,801	7,149	7,151	2
Total Revenues	6,801	7,150	7,231	81
Other Financing Sources:				
Issuance of Special Assessment Debt	-	45	45	-
Transfers In - Other Funds	759	759	759	-
Total Other Financing Sources	759	804	804	-
Total Revenues and Other Financing Sources	7,560	7,954	8,035	81
<b>Expenditures:</b>				
Departmental:				
Financial Management Services	7,823	8,055	6,911	1,144
<b>Contribution to / (Use of) Fund Balance</b>	<b>\$ (263)</b>	<b>\$ (101)</b>	<b>\$ 1,124</b>	<b>\$ 1,225</b>



**CITY OF FORT WORTH, TEXAS  
 BUDGETARY COMPARISON SCHEDULE  
 GOLF FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2018  
 (in 000's)**

	<b>Budgeted Amounts</b>		<b>Budgetary Basis Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues and Other Financing Sources:</b>				
Revenues:				
Charges for Services	\$ 4,602	\$ 4,602	\$ 4,138	\$ (464)
Other	10	10	17	7
Total Revenues	<u>4,612</u>	<u>4,612</u>	<u>4,155</u>	<u>(457)</u>
Other Financing Sources:				
Transfers In - Other Funds	<u>615</u>	<u>615</u>	<u>618</u>	<u>3</u>
Total Revenues and Other Financing Sources	<u>5,227</u>	<u>5,227</u>	<u>4,773</u>	<u>(454)</u>
<b>Expenditures:</b>				
Departmental:				
Park and Recreation	<u>5,227</u>	<u>5,227</u>	<u>4,783</u>	<u>444</u>
<b>Contribution to / (Use of) Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10)</u>	<u>\$ (10)</u>
<b>Explanation of Differences Between Contribution to / (Use of) Fund Balance and GAAP Net Change in Fund Balance</b>				
<b>Contribution to / (Use of) Fund Balance (Budgetary Basis)</b>			\$ (10)	
Differences - Budgetary to GAAP:				
Current year non-budgeted revenues treated as revenues for financial reporting purposes (due to perspective difference) but not as budgetary inflows.			<u>11</u>	
<b>Net Change in Fund Balance (GAAP Basis)</b>			<u>\$ 1</u>	

**CITY OF FORT WORTH, TEXAS  
 BUDGETARY COMPARISON SCHEDULE  
 BOTANIC GARDENS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2018  
 (in 000's)**

	<b>Budgeted Amounts</b>		<b>Budgetary Basis Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues and Other Financing Sources:</b>				
Revenues:				
Charges for Services	\$ 1,685	\$ 1,685	\$ 1,095	\$ (590)
Revenue from Use of Money and Property	664	809	810	1
Other	206	61	703	642
Total Revenues	<u>2,555</u>	<u>2,555</u>	<u>2,608</u>	<u>53</u>
Other Financing Sources:				
Transfers In - Other Funds	<u>3,046</u>	<u>3,046</u>	<u>2,894</u>	<u>(152)</u>
Total Revenues and Other Financing Sources	<u>5,601</u>	<u>5,601</u>	<u>5,502</u>	<u>(99)</u>
<b>Expenditures:</b>				
Departmental:				
Park and Recreation	<u>5,601</u>	<u>5,793</u>	<u>5,006</u>	<u>787</u>
<b>Contribution to / (Use of) Fund Balance</b>	<u>\$ -</u>	<u>\$ (192)</u>	<u>\$ 496</u>	<u>\$ 886</u>
<b>Explanation of Differences Between Contribution to / (Use) of Fund Balance and GAAP Net Change in Fund Balance</b>				
<b>Contribution to / (Use of) Fund Balance (Budgetary Basis)</b>			\$ 496	
Differences - Budgetary to GAAP:				
Current year non-budgeted revenues treated as revenues for financial reporting purposes (due to perspective difference) but not as budgetary inflows.			<u>(7)</u>	
<b>Net Change in Fund Balance (GAAP Basis)</b>			<u>\$ 489</u>	

**CITY OF FORT WORTH, TEXAS  
 BUDGETARY COMPARISON SCHEDULE  
 FORT WORTH TOURISM PID CORPORATION  
 FOR THE YEAR ENDED SEPTEMBER 30, 2018  
 (in 000's)**

	<b>Budgeted Amounts</b>		<b>Budgetary Basis Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Revenues:				
Other	\$ 3,470	\$ 3,470	\$ 3,591	\$ 121
<b>Expenditures:</b>				
Departmental:				
Financial Management Services	3,470	3,470	1,618	1,852
<b>Contribution to / (Use of) Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,973</u>	<u>\$ 1,731</u>
<b>Explanation of Differences Between Contribution to / (Use) of Fund Balance and GAAP Net Change in Fund Balance</b>				
<b>Contribution to / (Use of) Fund Balance (Budgetary Basis)</b>			\$ 1,973	
Differences - Budgetary to GAAP:				
Current year non-budgeted revenues treated as revenues for financial reporting purposes (due to perspective difference) but not as budgetary inflows.				
			<u>40</u>	
<b>Net Change in Fund Balance (GAAP Basis)</b>			<u>\$ 2,013</u>	

## **Nonmajor Enterprise Funds**

Nonmajor Enterprise Funds are used to account for the acquisition, operation, and maintenance of governmental facilities and services, which are entirely or predominantly self-supported by user charges. The operations of Proprietary Funds are accounted for in such manner as to show a profit or loss similar to comparable private enterprises.

### **Municipal Airports Fund**

The Municipal Airports Fund is used to account for the Meacham, Spinks (South Fort Worth), and Alliance (North Fort Worth) Airport operations. Revenues are derived principally from the hangar and terminal building rental, landing fees, and fuel surcharges.

### **Municipal Parking Fund**

The Municipal Parking Fund is used to account for the operation of the Will Rogers Memorial Center parking system, Taylor Street garage, Convention Center garage, Houston Street garage, Western Heritage garage, 15th Street garage, and several surface lots located in the downtown area, as well as parking meters and parking compliance personnel. The Fund's operations are financed by parking activities and office space rentals.

### **Solid Waste Fund**

The Solid Waste Fund is used to account for solid waste services provided to the residents of the City. The Fund's operations are financed by trash collection utility fees and cart rentals.

**CITY OF FORT WORTH, TEXAS**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**SEPTEMBER 30, 2018**  
**(in 000's)**

	<u>Municipal Airports</u>	<u>Municipal Parking</u>	<u>Solid Waste</u>	<u>Total</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
<b>Assets</b>				
Current Assets:				
Cash, Cash Equivalents, & Investments	\$ 6,079	\$ 2,883	\$ 17,406	\$ 26,368
Interest Receivable	-	-	53	53
Accounts and Other Receivables, Net of Allowance for Uncollectible	392	9	6,842	7,243
Prepays, Deposits, and Other	-	-	10	10
Restricted Assets:				
Cash & Cash Equivalents	5,740	954	963	7,657
Total Current Assets	<u>12,211</u>	<u>3,846</u>	<u>25,274</u>	<u>41,331</u>
Noncurrent Assets:				
Restricted Assets:				
Cash & Cash Equivalents	14,354	1,562	12,582	28,498
Cash, Cash Equivalents, & Investments Held by Trustees	34,525	-	6,479	41,004
Grants Receivable	6,723	-	-	6,723
Interest Receivable	93	14	26	133
Total Restricted Assets	<u>55,695</u>	<u>1,576</u>	<u>19,087</u>	<u>76,358</u>
Advances to Other Funds	-	-	4,693	4,693
Capital Assets (at Cost):				
Land/Right of Way	155,610	4,096	5,695	165,401
Buildings	30,205	56,572	2,777	89,554
Infrastructure	318,736	8,134	17,445	344,315
Vehicles, Machinery and Equipment	4,256	1,050	3,788	9,094
Construction in Progress	11,040	20	316	11,376
Intangibles - Depreciable	-	-	510	510
Intangibles - Non-Depreciable	1,525	-	-	1,525
Accumulated Depreciation	<u>(181,164)</u>	<u>(15,862)</u>	<u>(14,031)</u>	<u>(211,057)</u>
Net Capital Assets	<u>340,208</u>	<u>54,010</u>	<u>16,500</u>	<u>410,718</u>
Total Noncurrent Assets	<u>395,903</u>	<u>55,586</u>	<u>40,280</u>	<u>491,769</u>
Total Assets	<u>408,114</u>	<u>59,432</u>	<u>65,554</u>	<u>533,100</u>
<b>Deferred Outflows of Resources</b>	<u>3,522</u>	<u>3,679</u>	<u>13,686</u>	<u>20,887</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 411,636</u>	<u>\$ 63,111</u>	<u>\$ 79,240</u>	<u>\$ 553,987</u>

(continued)

**CITY OF FORT WORTH, TEXAS**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**SEPTEMBER 30, 2018**  
**(in 000's)**

	<u>Municipal Airports</u>	<u>Municipal Parking</u>	<u>Solid Waste</u>	<u>Total</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>				
<b>Liabilities</b>				
Current Liabilities:				
Accounts Payable	\$ 404	\$ 409	\$ 4,419	\$ 5,232
Accrued Payroll	69	31	258	358
Current Portion of Long-Term Liabilities	120	2,592	977	3,689
Payables from Restricted Assets:				
Construction Payable	3,323	-	21	3,344
Customer Deposits	-	-	936	936
Accrued Interest Payable	-	131	6	137
Unearned Revenue	2,417	823	-	3,240
Total Current Liabilities	<u>6,333</u>	<u>3,986</u>	<u>6,617</u>	<u>16,936</u>
Long-Term Liabilities:				
Long-Term Liabilities Due in More Than One Year	<u>11,841</u>	<u>39,710</u>	<u>54,622</u>	<u>106,173</u>
Total Long-Term Liabilities	<u>11,841</u>	<u>39,710</u>	<u>54,622</u>	<u>106,173</u>
Total Liabilities	<u>18,174</u>	<u>43,696</u>	<u>61,239</u>	<u>123,109</u>
<b>Deferred Inflows of Resources</b>	<u>1,393</u>	<u>421</u>	<u>7,650</u>	<u>9,464</u>
<b>NET POSITION (DEFICIT)</b>				
Net Investment in Capital Assets	336,885	17,923	13,434	368,242
Restricted for:				
Debt Service	-	707	651	1,358
Unrestricted (Deficit)	55,184	364	(3,734)	51,814
Total Net Position	<u>\$ 392,069</u>	<u>\$ 18,994</u>	<u>\$ 10,351</u>	<u>\$ 421,414</u>

(concluded)

**CITY OF FORT WORTH, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**  
**(in 000's)**

	<u>Municipal Airports</u>	<u>Municipal Parking</u>	<u>Solid Waste</u>	<u>Total</u>
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 7,359	\$ 8,577	\$ 57,746	\$ 73,682
Other	109	164	4,338	4,611
Total Operating Revenues	<u>7,468</u>	<u>8,741</u>	<u>62,084</u>	<u>78,293</u>
<b>OPERATING EXPENSES</b>				
Personnel Services	2,719	1,203	9,738	13,660
Supplies and Materials	150	258	979	1,387
Contractual Services	4,710	2,359	46,006	53,075
Landfill Closure and Postclosure Cost	-	-	393	393
Depreciation	11,098	1,990	499	13,587
Total Operating Expenses	<u>18,677</u>	<u>5,810</u>	<u>57,615</u>	<u>82,102</u>
Operating Income (Loss)	<u>(11,209)</u>	<u>2,931</u>	<u>4,469</u>	<u>(3,809)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment Income (Loss)	1,873	(33)	(135)	1,705
Gain (Loss) on Sale of Property and Equipment	(17)	-	37	20
Interest and Service Charges	-	(934)	(76)	(1,010)
Gas Leases and Royalties	3,603	-	98	3,701
Total Nonoperating Revenues (Expenses)	<u>5,459</u>	<u>(967)</u>	<u>(76)</u>	<u>4,416</u>
Income (Loss) Before Transfers and Contributions	<u>(5,750)</u>	<u>1,964</u>	<u>4,393</u>	<u>607</u>
Transfers In	89	-	-	89
Transfers Out	(159)	(121)	(7,667)	(7,947)
Capital Contributions	20,245	8,988	-	29,233
Changes in Net Position	<u>14,425</u>	<u>10,831</u>	<u>(3,274)</u>	<u>21,982</u>
Total Net Position, Beginning of Year, as restated (Note A.17.)	<u>377,644</u>	<u>8,163</u>	<u>13,625</u>	<u>399,432</u>
Total Net Position, End of Year	<u>\$ 392,069</u>	<u>\$ 18,994</u>	<u>\$ 10,351</u>	<u>\$ 421,414</u>

**CITY OF FORT WORTH, TEXAS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**  
**(in 000's)**

	<b>Municipal Airports</b>	<b>Municipal Parking</b>	<b>Solid Waste</b>	<b>Total</b>
<b>Cash Flows from Operating Activities:</b>				
Receipts from Customers	\$ 7,575	\$ 8,589	\$ 57,067	\$ 73,231
Receipts from Other Operating Sources	109	164	4,338	4,611
Payments to Employees	(2,050)	(795)	(8,157)	(11,002)
Payments to Vendors	(4,651)	(2,484)	(46,756)	(53,891)
Net Cash Provided by (Used for) Operating Activities	<u>983</u>	<u>5,474</u>	<u>6,492</u>	<u>12,949</u>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Transfers In from Other Funds	89	-	-	89
Transfers Out to Other Funds	(159)	(121)	(7,667)	(7,947)
Due from Other Funds	316	-	-	316
Advances to Other Funds	1,190	-	2,330	3,520
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>1,436</u>	<u>(121)</u>	<u>(5,337)</u>	<u>(4,022)</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Proceeds from Sale of Property and Equipment	15	-	44	59
Contributions	21,426	823	-	22,249
Acquisition and Construction of Capital Assets	(23,667)	(873)	(21)	(24,561)
Principal Paid on Long-Term Debt	-	(2,430)	(470)	(2,900)
Interest Paid on Long-Term Obligations	-	(1,624)	(77)	(1,701)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(2,226)</u>	<u>(4,104)</u>	<u>(524)</u>	<u>(6,854)</u>
<b>Cash Flows from Investing Activities:</b>				
Receipts from Gas Leases and Royalties	3,603	-	98	3,701
Purchases of Investments	(9,525)	-	-	(9,525)
Sales of Investments	7,908	-	-	7,908
Investment Income Received	1,863	(29)	(140)	1,694
Net Cash Provided by (Used for) Investing Activities	<u>3,849</u>	<u>(29)</u>	<u>(42)</u>	<u>3,778</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	4,042	1,220	589	5,851
Cash and Cash Equivalents, Beginning of Year	<u>23,843</u>	<u>4,179</u>	<u>36,841</u>	<u>64,863</u>
Cash and Cash Equivalents, End of Year	<u>\$ 27,885</u>	<u>\$ 5,399</u>	<u>\$ 37,430</u>	<u>\$ 70,714</u>

(continued)



**CITY OF FORT WORTH, TEXAS  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018  
(in 000's)**

	<u>Municipal Airports</u>	<u>Municipal Parking</u>	<u>Solid Waste</u>	<u>Total</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>				
Operating Income (Loss)	\$ (11,209)	\$ 2,931	\$ 4,469	\$ (3,809)
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>				
Depreciation	11,098	1,990	499	13,587
<b>Changes in Assets and Liabilities:</b>				
Accounts and Other Receivables	216	12	(211)	17
Prepays, Deposits, and Other Assets	-	-	(10)	(10)
Deferred Outflows of Resources (Pension)	283	122	1,020	1,425
Deferred Outflows of Resources (OPEB)	4	2	(6)	-
Accounts Payable	209	133	229	571
Accrued Payroll and Compensation	86	18	85	189
Customer Deposits	-	-	23	23
Landfill Closure and Postclosure Liability	-	-	393	393
Net Pension Liability	(414)	(144)	(1,643)	(2,201)
Net OPEB Liability	214	5	913	1,132
Deferred Inflows of Resources (Pension)	989	339	3,977	5,305
Deferred Inflows of Resources (OPEB)	(493)	66	(2,765)	(3,192)
Deferred Inflows of Resources (Service Concession Agreement)	-	-	(481)	(481)
Total Adjustments	<u>12,192</u>	<u>2,543</u>	<u>2,023</u>	<u>16,758</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 983</u>	<u>\$ 5,474</u>	<u>\$ 6,492</u>	<u>\$ 12,949</u>
<b>The Cash and Cash Equivalents are reported in the Statement of Net Position as follows:</b>				
Current - Cash, Cash Equivalents, & Investments	\$ 6,079	\$ 2,883	\$ 17,406	\$ 26,368
Current Restricted - Cash & Cash Equivalents	5,740	954	963	7,657
Noncurrent Restricted - Cash & Cash Equivalents	14,354	1,562	12,582	28,498
Noncurrent Restricted - Cash, Cash Equivalents, & Investments Held by Trustees	34,525	-	6,479	41,004
Less: Gas Well Investments Held by Trustees	(32,813)	-	-	(32,813)
Total Cash and Cash Equivalents	<u>\$ 27,885</u>	<u>\$ 5,399</u>	<u>\$ 37,430</u>	<u>\$ 70,714</u>
<b>Noncash Investing, Capital, and Financing Activities:</b>				
Capital Asset Contributions from Developers	\$ 1,396	\$ 8,988	\$ -	\$ 10,384
Amortization of Bond Premium	-	868	-	868
Amortization of Bond Defeasement Loss	-	(187)	-	(187)
Change in Fair Value on Pooled Investments	7	(87)	(684)	(764)
Change in Fair Value on Non-Pooled Investments	373	-	-	373

(concluded)



## **Internal Service Funds**

Internal Service Funds have been established to account for the financing of goods and services provided by one department to other City departments.

### **Equipment Services Fund**

The Equipment Services Fund is used to account for the maintenance, repair and rental operations of most City vehicles.

### **Information Systems Fund**

The Information Systems Fund is used to account for the management of all City's audio, visual, and computer related equipment services, including application development, implementation of software systems, information technology project management, database and geographic information systems support, and desktop, software, and hardware support. As of September 30, 2018, the Information Systems Fund was incorporated into the General Fund and Capital Projects Fund.

### **Capital Project Services Fund**

The Capital Project Services Fund is used to account for general engineering services provided to various City departments.

### **Group Health and Life Insurance**

The Group Health and Life Insurance Fund accounts for medical benefits for City employees, and their eligible spouses and/or dependents.

### **Risk Financing**

The fund administration of the City's commercial insurance program, self-insured programs, claims litigation management, and subrogation. This is to protect City resources and to minimize the financial impact when losses do occur. Workers' Compensation is self-funded by the City. Claims are handled by a third-party administrator or contractor. The City is a reimbursing agency for unemployment compensation. The Texas Workforce Commission (TWC) sends quarterly reports to the City concerning claims paid on behalf of the City to eligible former employees.

**CITY OF FORT WORTH, TEXAS**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**SEPTEMBER 30, 2018**  
**(in 000's)**

	<u>Equipment Services</u>	<u>Information Systems</u>	<u>Capital Project Services</u>	<u>Group Health and Life Insurance</u>	<u>Risk Financing</u>	<u>Total</u>
<b>ASSETS</b>						
<b>Current Assets:</b>						
Cash, Cash Equivalents, & Investments	\$ 5,217	\$ -	\$ 4,883	\$ 19,536	\$ 26,994	\$ 56,630
Interest Receivable	16	-	12	50	67	145
Inventories (at Cost)	478	-	-	-	-	478
Prepays, Deposits, and Other	-	-	11	-	-	11
Total Current Assets	<u>5,711</u>	<u>-</u>	<u>4,906</u>	<u>19,586</u>	<u>27,061</u>	<u>57,264</u>
<b>Noncurrent Assets:</b>						
<b>Restricted Assets:</b>						
Cash & Cash Equivalents	977	-	-	-	3,881	4,858
Cash, Cash Equivalents, & Investments Held by Trustees	-	-	-	1,928	800	2,728
Total Restricted Assets	<u>977</u>	<u>-</u>	<u>-</u>	<u>1,928</u>	<u>4,681</u>	<u>7,586</u>
<b>Capital Assets (at Cost):</b>						
Land/Right of Way	1,119	-	4	-	-	1,123
Buildings	4,656	-	-	-	-	4,656
Infrastructure	948	-	91	-	-	1,039
Vehicles, Machinery and Equipment	2,557	-	1,838	-	-	4,395
Construction in Progress	251	-	-	-	-	251
Accumulated Depreciation	(6,659)	-	(1,907)	-	-	(8,566)
Net Capital Assets	<u>2,872</u>	<u>-</u>	<u>26</u>	<u>-</u>	<u>-</u>	<u>2,898</u>
Total Noncurrent Assets	<u>3,849</u>	<u>-</u>	<u>26</u>	<u>1,928</u>	<u>4,681</u>	<u>10,484</u>
Total Assets	<u>9,560</u>	<u>-</u>	<u>4,932</u>	<u>21,514</u>	<u>31,742</u>	<u>67,748</u>
<b>LIABILITIES</b>						
<b>Current Liabilities:</b>						
Accounts Payable	2,471	-	71	755	489	3,786
Accrued Payroll	255	-	308	32	56	651
Current Portion of Long-Term Liabilities	605	-	464	7,722	9,340	18,131
Total Current Liabilities	<u>3,331</u>	<u>-</u>	<u>843</u>	<u>8,509</u>	<u>9,885</u>	<u>22,568</u>
<b>Long-Term Liabilities:</b>						
Long-Term Liabilities Due in More Than One Year	392	-	561	144	15,641	16,738
Total Long-Term Liabilities	<u>392</u>	<u>-</u>	<u>561</u>	<u>144</u>	<u>15,641</u>	<u>16,738</u>
Total Liabilities	<u>3,723</u>	<u>-</u>	<u>1,404</u>	<u>8,653</u>	<u>25,526</u>	<u>39,306</u>
<b>NET POSITION</b>						
Net Investment in Capital Assets	2,871	-	26	-	-	2,897
Unrestricted	2,966	-	3,502	12,861	6,216	25,545
Total Net Position	<u>\$ 5,837</u>	<u>\$ -</u>	<u>\$ 3,528</u>	<u>\$ 12,861</u>	<u>\$ 6,216</u>	<u>\$ 28,442</u>

**CITY OF FORT WORTH, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**  
**(in 000's)**

	<u>Equipment Services</u>	<u>Information Systems</u>	<u>Capital Project Services</u>	<u>Group Health and Life Insurance</u>	<u>Risk Financing</u>	<u>Total</u>
<b>OPERATING REVENUES</b>						
Charges for Services	\$ 28,757	\$ 35,476	\$ 12,568	\$ 78,936	\$ 13,851	\$ 169,588
Other	90	970	-	3,757	6,167	10,984
Total Operating Revenues	<u>28,847</u>	<u>36,446</u>	<u>12,568</u>	<u>82,693</u>	<u>20,018</u>	<u>180,572</u>
<b>OPERATING EXPENSES</b>						
Personnel Services	8,707	14,901	8,690	998	1,664	34,960
Supplies and Materials	7,627	3,281	184	24	26	11,142
Contractual Services	12,096	20,578	1,359	78,133	15,805	127,971
Depreciation	174	104	13	-	-	291
Total Operating Expenses	<u>28,604</u>	<u>38,864</u>	<u>10,246</u>	<u>79,155</u>	<u>17,495</u>	<u>174,364</u>
Operating Income (Loss)	<u>243</u>	<u>(2,418)</u>	<u>2,322</u>	<u>3,538</u>	<u>2,523</u>	<u>6,208</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Investment Income	(43)	208	-	(234)	(220)	(289)
Gain (Loss) on Sale of Property and Equipment	(44)	(4,259)	-	-	-	(4,303)
Total Nonoperating Revenues (Expenses)	<u>(87)</u>	<u>(4,051)</u>	<u>-</u>	<u>(234)</u>	<u>(220)</u>	<u>(4,592)</u>
Income (Loss) Before Transfers	<u>156</u>	<u>(6,469)</u>	<u>2,322</u>	<u>3,304</u>	<u>2,303</u>	<u>1,616</u>
Transfers In	-	8,400	-	-	-	8,400
Transfers Out	(58)	(11,017)	(79)	(9)	(8)	(11,171)
Changes in Net Position	98	(9,086)	2,243	3,295	2,295	(1,155)
Total Net Position, Beginning of Year	5,739	9,086	1,285	9,566	3,921	29,597
Total Net Position, End of Year	<u>\$ 5,837</u>	<u>\$ -</u>	<u>\$ 3,528</u>	<u>\$ 12,861</u>	<u>\$ 6,216</u>	<u>\$ 28,442</u>

**CITY OF FORT WORTH, TEXAS  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018  
(in 000's)**

	<b>Equipment Services</b>	<b>Information Systems</b>	<b>Capital Project Services</b>	<b>Group Health and Life Insurance</b>	<b>Risk Financing</b>	<b>Total</b>
<b>Cash Flows from Operating Activities:</b>						
Receipts from Other Funds	\$ 28,757	\$ 36,101	\$ 12,557	\$ 78,936	\$ 14,354	\$ 170,705
Receipts from Other Operating Sources	90	970	-	3,757	6,167	10,984
Payments to Employees	(8,751)	(17,370)	(8,459)	(964)	(1,709)	(37,253)
Payments to Vendors	(19,493)	(24,625)	(1,549)	(24)	(26)	(45,717)
Payments for Benefits	-	-	-	(81,576)	(16,572)	(98,148)
Net Cash Provided by (Used for)						
Operating Activities	<u>603</u>	<u>(4,924)</u>	<u>2,549</u>	<u>129</u>	<u>2,214</u>	<u>571</u>
<b>Cash Flows from Noncapital Financing Activities:</b>						
Transfers In from Other Funds	-	8,400	-	-	-	8,400
Transfers Out to Other Funds	(58)	(11,017)	(79)	(9)	(8)	(11,171)
Net Cash Provided by (Used for)						
Noncapital Financing Activities	<u>(58)</u>	<u>(2,617)</u>	<u>(79)</u>	<u>(9)</u>	<u>(8)</u>	<u>(2,771)</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>						
Proceeds from Sale of Property and Equipment	1	7	-	-	-	8
Acquisition and Construction of Capital Assets	(647)	(1,105)	-	-	-	(1,752)
Net Cash Provided by (Used for)						
Capital Related Financing Activities	<u>(646)</u>	<u>(1,098)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,744)</u>
<b>Cash Flows from Investing Activities:</b>						
Investment Income Received	(44)	235	(6)	(237)	(229)	(281)
Net Cash Provided by (Used for)						
Investing Activities	<u>(44)</u>	<u>235</u>	<u>(6)</u>	<u>(237)</u>	<u>(229)</u>	<u>(281)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>						
Cash and Cash Equivalents, Beginning of Year	6,339	8,404	2,419	21,581	29,698	68,441
Cash and Cash Equivalents, End of Year	<u>\$ 6,194</u>	<u>\$ -</u>	<u>\$ 4,883</u>	<u>\$ 21,464</u>	<u>\$ 31,675</u>	<u>\$ 64,216</u>

**CITY OF FORT WORTH, TEXAS  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018  
(in 000's)**

	<b>Equipment Services</b>	<b>Information Systems</b>	<b>Capital Project Services</b>	<b>Group Health and Life Insurance</b>	<b>Risk Financing</b>	<b>Total</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>						
Operating Income (Loss)	\$ 243	\$ (2,418)	\$ 2,322	\$ 3,538	\$ 2,523	\$ 6,208
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>						
Depreciation	174	104	13	-	-	291
<b>Changes in Assets and Liabilities:</b>						
Accounts and Other Receivables	-	18	-	-	503	521
Inventories	(129)	85	-	-	-	(44)
Prepays, Deposits, and Other Assets	-	607	(11)	-	-	596
Accounts Payable	359	(851)	(6)	(3,118)	(156)	(3,772)
Accrued Payroll and Compensation	(44)	(2,469)	231	34	(45)	(2,293)
Accrued Benefits	-	-	-	(325)	(611)	(936)
Total Adjustments	<u>360</u>	<u>(2,506)</u>	<u>227</u>	<u>(3,409)</u>	<u>(309)</u>	<u>(5,637)</u>
Net Cash Provided by (Used for) Operating Activities	\$ <u>603</u>	\$ <u>(4,924)</u>	\$ <u>2,549</u>	\$ <u>129</u>	\$ <u>2,214</u>	\$ <u>571</u>
<b>The Cash and Cash Equivalents are reported in the Statement of Net Position as follows:</b>						
Current - Cash, Cash Equivalents, & Investments	\$ 5,217	\$ -	\$ 4,883	\$ 19,536	\$ 26,994	\$ 56,630
Noncurrent Restricted - Cash & Cash Equivalents	977	-	-	-	3,881	4,858
Noncurrent Restricted - Cash, Cash Equivalents, & Investments Held by Trustees	-	-	-	1,928	800	2,728
Total Cash and Cash Equivalents	<u>\$ 6,194</u>	<u>\$ -</u>	<u>\$ 4,883</u>	<u>\$ 21,464</u>	<u>\$ 31,675</u>	<u>\$ 64,216</u>
<b>Noncash Investing, Capital, and Financing Activities:</b>						
Change in Fair Value on Pooled Investments	\$ (134)	\$ 55	\$ (61)	\$ (463)	\$ (621)	\$ (1,224)





# OTHER SUPPLEMENTAL INFORMATION

**CITY OF FORT WORTH, TEXAS  
SCHEDULE OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
ENTERPRISE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018  
(in 000's)**

	<b>Water and Sewer</b>	<b>Stormwater Utility</b>	<b>Municipal Airports</b>	<b>Municipal Parking</b>	<b>Solid Waste</b>
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 466,462	\$ 38,621	\$ 7,359	\$ 8,567	\$ 57,746
Other	1,709	25	109	164	3,857
Total Operating Revenues	<u>468,171</u>	<u>38,646</u>	<u>7,468</u>	<u>8,731</u>	<u>61,603</u>
<b>OPERATING EXPENSES</b>					
Personnel Services	72,765	7,907	2,064	801	8,180
Supplies and Materials	25,149	838	150	258	979
Contractual Services	159,440	5,950	4,711	2,359	45,559
Total Operating Expenses	<u>257,354</u>	<u>14,695</u>	<u>6,925</u>	<u>3,418</u>	<u>54,718</u>
Operating Income (Loss)	<u>210,817</u>	<u>23,951</u>	<u>543</u>	<u>5,313</u>	<u>6,885</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment Income	7,645	969	1,496	58	548
Gain (Loss) on Sale of Property and Equipment	552	24	15	-	44
Interest and Service Charges	(32,911)	(4,679)	-	(1,625)	(76)
Gas Leases and Royalties	1,053	-	3,603	-	98
Total Nonoperating Revenues (Expenses)	<u>(23,661)</u>	<u>(3,686)</u>	<u>5,114</u>	<u>(1,567)</u>	<u>614</u>
Income (Loss) Before Transfers and Contributions	<u>187,156</u>	<u>20,265</u>	<u>5,657</u>	<u>3,746</u>	<u>7,499</u>
Transfers In	3,690	24	89	-	-
Transfers Out	(29,303)	(4,234)	(159)	(121)	(7,667)
Capital Contributions	7,803	-	14,360	-	-
Capital Contributions - Impact Fees	16,971	-	-	-	-
Changes in Net Position	<u>\$ 186,317</u>	<u>\$ 16,055</u>	<u>\$ 19,947</u>	<u>\$ 3,625</u>	<u>\$ (168)</u>
<b>Reconciliation of Changes in Noncurrent Non-Cash Revenues and Expenses:</b>					
<b>OPERATING REVENUES:</b>					
Charges for Services	\$ -	\$ -	\$ -	\$ 10	\$ -
Other	-	4	-	-	481
Total Changes in Operating Revenues	<u>-</u>	<u>4</u>	<u>-</u>	<u>10</u>	<u>481</u>
<b>OPERATING EXPENSES:</b>					
Personnel Services:					
Compensated Absences	(430)	(115)	(70)	(12)	(57)
Net Pension Liability	(30,980)	(3,780)	(859)	(318)	(3,353)
Net OPEB Liability	(3,443)	(1,163)	274	(72)	1,852
Total Changes in Personnel Services	<u>(34,853)</u>	<u>(5,058)</u>	<u>(655)</u>	<u>(402)</u>	<u>(1,558)</u>
Supplies and Materials	113	-	-	-	-
Contractual Services	820	(194)	1	-	(447)
Landfill Closure and Postclosure Costs	-	-	-	-	(393)
Depreciation	(75,238)	(8,651)	(11,098)	(1,990)	(499)
Total Changes in Operating Expenses	<u>(109,158)</u>	<u>(13,903)</u>	<u>(11,752)</u>	<u>(2,392)</u>	<u>(2,897)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Investment Income (Loss)	(2,413)	(636)	377	(91)	(683)
Gain (Loss) on Sale of Property and Equipment	(406)	2	(32)	-	(7)
Interest and Service Charges	23,674	3,561	-	691	-
Capital Contributions	47,113	-	5,885	8,988	-
Total Changes In Nonoperating Revenues (Expenses)	<u>67,968</u>	<u>2,927</u>	<u>6,230</u>	<u>9,588</u>	<u>(690)</u>
Total Non-Cash Adjustments	<u>(41,190)</u>	<u>(10,972)</u>	<u>(5,522)</u>	<u>7,206</u>	<u>(3,106)</u>
Changes in Net Position per Schedule	<u>186,317</u>	<u>16,055</u>	<u>19,947</u>	<u>3,625</u>	<u>(168)</u>
Changes in Net Position on Fund Financial Statements	<u>\$ 145,127</u>	<u>\$ 5,083</u>	<u>\$ 14,425</u>	<u>\$ 10,831</u>	<u>\$ (3,274)</u>



STATISTICAL SECTION  
(UNAUDITED)

STATISTICAL SECTION  
(UNAUDITED)

## STATISTICAL SECTION

(Unaudited)

The City of Fort Worth comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the City's overall financial health.

		<b>Tables</b>
<b>Financial Trends</b>	These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	<b>1-4</b>
<b>Revenue Capacity</b>	These schedules present information to help the reader assess the City's most significant local revenue source, the property tax.	<b>5-12</b>
<b>Debt Capacity</b>	These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	<b>13-18</b>
<b>Demographic &amp; Economic Information</b>	These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	<b>19-28</b>
<b>Operating Information</b>	These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	<b>29-31</b>

**Sources:** Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year.

**CITY OF FORT WORTH, TEXAS**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS (Unaudited)**  
**(accrual basis of accounting)**  
**(in 000's)**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Governmental Activities:</b>					
Net Investment in Capital Assets	\$ 979,581	\$ 943,984	\$ 1,015,491	\$ 1,005,900	\$ 1,053,547
Restricted for Debt Service	15,613	16,437	5,478	9,047	1,660
Restricted for Capital Projects	-	8,393	12,818	17,350	23,512
Unrestricted (Deficit) <sup>(a)</sup>	19,795	32,197	(32,846)	(53,101)	(128,038)
<b>Total Governmental Activities Net Position (Deficit)</b>	<u>\$ 1,014,989</u>	<u>\$ 1,001,011</u>	<u>\$ 1,000,941</u>	<u>\$ 979,196</u>	<u>\$ 950,681</u>
<b>Business-Type Activities:</b>					
Net Investment in Capital Assets	\$ 1,560,269	\$ 1,594,876	\$ 1,569,470	\$ 1,715,508	\$ 1,850,152
Restricted for Debt Service	41,532	37,739	42,407	29,919	34,513
Restricted for Capital Projects	-	67,661	47,464	39,715	35,852
Unrestricted (Deficit)	232,086	224,958	327,535	261,406	216,989
<b>Total Business-Type Activities Net Position</b>	<u>\$ 1,833,887</u>	<u>\$ 1,925,234</u>	<u>\$ 1,986,876</u>	<u>\$ 2,046,548</u>	<u>\$ 2,137,506</u>
<b>Primary Government:</b>					
Net Investment in Capital Assets	\$ 2,539,850	\$ 2,538,860	\$ 2,584,961	\$ 2,721,408	\$ 2,903,699
Restricted for Debt Service	57,145	54,176	47,885	38,966	36,173
Restricted for Capital Projects	-	76,054	60,282	57,065	59,364
Unrestricted (Deficit)	251,881	257,155	294,689	208,305	88,951
<b>Total Primary Government Net Position</b>	<u>\$ 2,848,876</u>	<u>\$ 2,926,245</u>	<u>\$ 2,987,817</u>	<u>\$ 3,025,744</u>	<u>\$ 3,088,187</u>

Source: Comprehensive Annual Financial Report for the respective years.

(a) For FY2015, decrease due to GASB 68 Implementation.

**TABLE 1**

<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ 1,092,890	\$ 1,228,012	\$ 1,302,450	\$ 1,392,113	\$ 1,451,492
2,616	6,585	10,977	29,259	25,609
33,367	45,773	42,877	57,721	63,125
(214,634)	(1,552,115)	(1,677,201)	(1,995,603)	(2,600,878)
<u>\$ 914,239</u>	<u>\$ (271,745)</u>	<u>\$ (320,897)</u>	<u>\$ (516,510)</u>	<u>\$ (1,060,652)</u>
\$ 1,864,396	\$ 1,990,723	\$ 2,052,536	\$ 2,242,924	\$ 2,278,993
27,641	3,852	10,576	13,146	46,026
33,276	26,070	15,221	26,028	28,739
290,454	117,473	181,027	127,082	172,722
<u>\$ 2,215,767</u>	<u>\$ 2,138,118</u>	<u>\$ 2,259,360</u>	<u>\$ 2,409,180</u>	<u>\$ 2,526,480</u>
\$ 2,957,286	\$ 3,218,735	\$ 3,354,986	\$ 3,635,037	\$ 3,730,485
30,257	10,437	21,553	42,405	71,635
66,643	71,843	58,098	83,749	91,864
75,820	(1,434,642)	(1,496,174)	(1,868,521)	(2,428,156)
<u>\$ 3,130,006</u>	<u>\$ 1,866,373</u>	<u>\$ 1,938,463</u>	<u>\$ 1,892,670</u>	<u>\$ 1,465,828</u>

**CITY OF FORT WORTH, TEXAS**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS (Unaudited)**  
**(accrual basis of accounting)**  
**(in 000's)**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Expenses</b>					
Governmental Activities:					
General Government	\$ 111,114	\$ 112,638	\$ 118,104	\$ 108,632	\$ 114,575
Public Safety	379,865	391,755	407,601	422,626	431,362
Highways and Streets	-	-	-	-	-
Culture and Recreation	55,110	55,022	57,815	60,089	62,626
Health and Welfare	1,292	-	-	-	-
Urban Redevelopment and Housing	-	-	-	-	-
Transportation and Public Works	117,540	108,481	128,611	133,691	129,820
Public Library	20,200	20,531	22,348	22,102	21,736
Public Events and Facilities	32,204	28,020	32,844	33,152	35,545
Planning and Development	14,654	12,520	13,534	13,156	14,145
Housing and Economic Development	27,558	37,944	35,699	24,382	20,388
Interest and Service Charges	26,910	29,220	31,472	31,130	34,366
Total Governmental Activities	<u>786,447</u>	<u>796,131</u>	<u>848,028</u>	<u>848,960</u>	<u>864,563</u>
Business-Type Activities:					
Water and Sewer	260,544	269,723	288,452	306,476	302,447
Stormwater Utility	14,265	19,961	18,972	20,773	22,531
Municipal Airports	12,238	12,656	13,356	14,912	18,768
Municipal Parking	2,067	3,552	5,851	6,580	6,621
Solid Waste	44,296	39,241	44,247	46,415	48,903
Municipal Golf <sup>(a)</sup>	6,126	5,949	5,864	7,723	5,614
Total Business-Type Activities	<u>339,536</u>	<u>351,082</u>	<u>376,742</u>	<u>402,879</u>	<u>404,884</u>
Total Primary Government Expenses	<u>\$ 1,125,983</u>	<u>\$ 1,147,213</u>	<u>\$ 1,224,770</u>	<u>\$ 1,251,839</u>	<u>\$ 1,269,447</u>
<b>Program Revenues</b>					
Governmental Activities:					
Charges for Services:					
General Government	\$ 19,213	\$ 16,903	\$ 14,701	\$ 5,436	\$ 5,933
Public Safety	22,506	18,306	19,925	22,722	25,339
Highways and Streets	-	-	-	-	-
Culture and Recreation	1,826	1,988	2,750	3,165	2,990
Health and Welfare	312	-	-	-	-
Urban Redevelopment and Housing	-	-	-	-	-
Transportation and Public Works	4,381	6,469	10,627	14,738	14,984
Public Library	668	601	666	670	629
Public Events and Facilities	8,515	8,838	9,749	8,822	10,814
Planning and Development	10,262	10,776	11,673	10,336	11,497
Housing and Economic Development	2,334	1,979	3,028	2,683	4,845
Operating Grants and Contributions	35,532	56,798	56,825	47,644	45,173
Capital Grants and Contributions	40,063	35,987	54,686	55,075	52,682
Total Governmental Activities	<u>145,612</u>	<u>158,645</u>	<u>184,630</u>	<u>171,291</u>	<u>174,886</u>
Business-Type Activities:					
Charges for Services:					
Water and Sewer	303,111	304,831	348,650	345,373	352,005
Stormwater Utility	20,803	26,530	29,397	32,615	34,973
Municipal Airports	3,406	3,987	4,800	4,755	4,662
Municipal Parking	4,533	6,394	7,635	7,725	7,105
Solid Waste	45,465	46,710	48,314	48,502	50,344
Municipal Golf <sup>(a)</sup>	5,072	4,374	4,260	4,388	3,859
Capital Grants and Contributions	54,827	31,186	18,846	27,578	35,910
Total Business-Type Activities	<u>437,217</u>	<u>424,012</u>	<u>461,902</u>	<u>470,936</u>	<u>488,858</u>
Total Primary Government Program Revenues	<u>\$ 582,829</u>	<u>\$ 582,657</u>	<u>\$ 646,532</u>	<u>\$ 642,227</u>	<u>\$ 663,744</u>



**TABLE 2**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$	173,634	\$ 202,450	\$ 160,124	\$ 152,609	\$ 149,942
	424,289	529,188	551,562	698,059	687,036
	-	131,535	154,346	157,108	158,652
	62,167	129,115	128,444	174,426	284,181
	-	3,548	6,863	11,076	11,104
	-	36,544	68,782	76,190	92,183
	147,429	-	-	-	-
	20,842	-	-	-	-
	32,876	-	-	-	-
	12,382	-	-	-	-
	18,402	-	-	-	-
	31,522	26,448	30,493	31,636	30,844
	<u>923,543</u>	<u>1,058,828</u>	<u>1,100,614</u>	<u>1,301,104</u>	<u>1,413,942</u>
	317,526	340,113	358,053	376,755	375,603
	23,745	28,198	24,365	30,238	29,690
	23,089	14,194	20,519	14,628	18,694
	6,649	7,602	7,387	6,699	6,744
	48,420	52,586	53,089	59,292	57,654
	5,396	-	-	-	-
	424,825	442,693	463,413	487,612	488,385
\$	<u>1,348,368</u>	<u>1,501,521</u>	<u>1,564,027</u>	<u>1,788,716</u>	<u>1,902,327</u>
\$	6,575	\$ 19,229	\$ 22,900	\$ 25,075	\$ 14,850
	23,023	9,984	13,110	12,463	11,488
	-	13,884	12,549	12,952	12,244
	4,021	20,266	19,491	17,137	28,657
	-	-	-	-	-
	-	13,344	20,824	18,356	24,814
	14,683	-	-	-	-
	608	-	-	-	-
	11,421	-	-	-	-
	11,308	-	-	-	-
	1,998	-	-	-	-
	43,700	37,810	61,189	54,497	65,082
	69,149	62,794	76,667	123,816	97,698
	<u>186,486</u>	<u>177,311</u>	<u>226,730</u>	<u>264,296</u>	<u>254,833</u>
	361,853	389,188	415,125	424,078	466,462
	35,409	36,185	36,887	37,016	38,621
	5,074	5,437	6,078	6,480	7,359
	7,082	7,310	7,815	7,863	8,577
	50,338	52,373	54,003	54,705	57,746
	3,621	-	-	-	-
	42,682	88,617	87,851	121,769	101,120
	506,059	579,110	607,759	651,911	679,885
\$	<u>692,545</u>	<u>756,421</u>	<u>834,489</u>	<u>916,207</u>	<u>934,718</u>

(continued)

**CITY OF FORT WORTH, TEXAS**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS (Unaudited)**  
**(accrual basis of accounting)**  
**(in 000's)**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Net (Expense) and Revenue</b>					
Governmental Activities	\$ (640,835)	\$ (637,486)	\$ (663,398)	\$ (677,669)	\$ (689,677)
Business-Type Activities	97,681	72,930	85,160	68,057	83,974
Total Primary Government Net Expense	<u>\$ (543,154)</u>	<u>\$ (564,556)</u>	<u>\$ (578,238)</u>	<u>\$ (609,612)</u>	<u>\$ (605,703)</u>
<b>General Revenues and Changes in Net Position (Deficit)</b>					
Governmental Activities:					
Taxes:					
General Property Taxes	\$ 344,172	\$ 354,815	\$ 341,820	\$ 351,277	\$ 361,568
Other Local Taxes	173,559	174,092	179,802	188,884	203,417
Franchise Fees	34,717	35,148	45,178	47,190	49,489
Gas Leases and Royalties	13,866	13,963	23,506	15,758	10,834
Investment Income	15,746	11,572	8,601	7,795	3,149
Other	14,465	14,688	13,744	16,593	16,069
Transfers	27,957	18,867	47,169	28,427	29,282
Insurance Recoveries	-	-	-	-	-
Special Items	-	-	-	-	-
Gain (Loss) on Disposal of Capital Assets	430	352	3,508	-	1,316
Assessments	13	11	-	-	-
Total Governmental Activities	<u>624,925</u>	<u>623,508</u>	<u>663,328</u>	<u>655,924</u>	<u>675,124</u>
Business-Type Activities:					
Gas Leases and Royalties	5,540	23,708	11,298	7,440	12,377
Investment Income	9,605	7,687	5,283	6,666	1,661
Other	4,202	5,889	7,070	5,936	22,228
Transfers	(27,957)	(18,867)	(47,169)	(28,427)	(29,282)
Gain (Loss) on Disposal of Capital Assets	(237)	-	-	-	-
Total Business-Type Activities	<u>(8,847)</u>	<u>18,417</u>	<u>(23,518)</u>	<u>(8,385)</u>	<u>6,984</u>
Total Primary Government	<u>\$ 616,078</u>	<u>\$ 641,925</u>	<u>\$ 639,810</u>	<u>\$ 647,539</u>	<u>\$ 682,108</u>
<b>Changes in Net Position (Deficit)</b>					
Governmental Activities	\$ (15,910)	\$ (13,978)	\$ (70)	\$ (21,745)	\$ (14,553)
Business-Type Activities	88,834	91,347	61,642	59,672	90,958
Total Primary Government	<u>\$ 72,924</u>	<u>\$ 77,369</u>	<u>\$ 61,572</u>	<u>\$ 37,927</u>	<u>\$ 76,405</u>
<b>Implementation of New Accounting Standard and Change in Accounting</b>					
	<u>\$ (9,225)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,962)</u>

Source: Comprehensive Annual Financial Report for the respective years.

Expenditure and Revenue Functions for Governmental Activities were realigned in Fiscal Year 2015.

(a) The Municipal Golf Fund was transferred to Governmental Activities in Fiscal Year 2015.

(concluded)

**TABLE 2**

<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ (737,057)	\$ (881,517)	\$ (873,884)	\$ (1,036,808)	\$ (1,159,109)
81,234	136,417	144,346	164,299	191,500
<u>\$ (655,823)</u>	<u>\$ (745,100)</u>	<u>\$ (729,538)</u>	<u>\$ (872,509)</u>	<u>\$ (967,609)</u>

\$ 389,118	\$ 413,687	\$ 426,247	\$ 452,357	\$ 486,418
217,799	226,028	235,146	250,669	266,479
51,205	53,129	49,031	50,078	51,934
16,500	15,717	18,485	9,063	9,267
8,622	6,025	3,703	7,239	8,902
20,582	37,594	33,410	38,160	13,358
21,913	55,535	51,233	33,629	37,681
-	-	7,477	-	-
-	31,490	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>725,739</u>	<u>839,205</u>	<u>824,732</u>	<u>841,195</u>	<u>874,039</u>

12,989	8,372	15,869	6,504	4,754
6,077	3,475	2,809	5,240	7,270
5,861	6,087	9,451	7,406	6,349
(21,913)	(55,535)	(51,233)	(33,629)	(37,681)
-	-	-	-	-
<u>3,014</u>	<u>(37,601)</u>	<u>(23,104)</u>	<u>(14,479)</u>	<u>(19,308)</u>
<u>\$ 728,753</u>	<u>\$ 801,604</u>	<u>\$ 801,628</u>	<u>\$ 826,716</u>	<u>\$ 854,731</u>

\$ (11,318)	\$ (42,312)	\$ (49,152)	\$ (195,613)	\$ (285,070)
84,248	98,816	121,242	149,820	172,192
<u>\$ 72,930</u>	<u>\$ 56,504</u>	<u>\$ 72,090</u>	<u>\$ (45,793)</u>	<u>\$ (112,878)</u>

<u>\$ (31,111)</u>	<u>\$ (1,320,137)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (313,964)</u>
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(concluded)

**CITY OF FORT WORTH, TEXAS**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS (Unaudited)**  
**(modified accrual basis of accounting)**  
**(in 000's)**

	<u>2009</u>	<u>2010</u>	<u>2011*</u>	<u>2012</u>	<u>2013</u>
General Fund					
Reserved	\$ 15,885	\$ 23,114	\$ -	\$ -	\$ -
Unreserved	127,656	139,779	-	-	-
Nonspendable	-	-	10,194	10,910	11,723
Restricted	-	-	646	2,735	9,047
Committed	-	-	54,183	60,231	74,177
Assigned	-	-	45,447	38,789	8,005
Unassigned	-	-	53,137	55,760	58,383
Total General Fund	<u>143,541</u>	<u>162,893</u>	<u>163,607</u>	<u>168,425</u>	<u>161,335</u>
All Other Governmental Funds					
Reserved	44,371	51,485	-	-	-
Unreserved, designated for authorized expenditures	443,043	422,310	-	-	-
Unreserved, undesignated special revenue funds	33,296	17,156	-	-	-
Nonspendable, reported in:					
Capital Projects	-	-	12,422	314	802
Nonmajor Governmental Funds	-	-	11,119	2,854	1,671
Restricted, reported in:					
Debt Service	-	-	10,599	16,890	9,701
Capital Projects	-	-	189,432	336,582	323,970
Nonmajor Governmental Funds	-	-	44,663	45,153	59,590
Committed, reported in:					
Debt Service	-	-	6,393	6,106	7,694
Capital Projects	-	-	127,787	126,653	130,655
Nonmajor Governmental Funds	-	-	19,974	20,674	34,609
Assigned, reported in:					
Debt Service	-	-	478	92	24
Capital Projects	-	-	36,163	36,107	36,781
Nonmajor Governmental Funds	-	-	51,999	48,497	41,060
Unassigned (Deficit), reported in:					
Nonmajor Governmental Funds	-	-	(465)	-	(3,795)
Total All Other Governmental Funds	<u>520,710</u>	<u>490,951</u>	<u>510,564</u>	<u>639,922</u>	<u>642,762</u>
Total All Governmental Funds	<u>\$ 664,251</u>	<u>\$ 653,844</u>	<u>\$ 674,171</u>	<u>\$ 808,347</u>	<u>\$ 804,097</u>

Source: Comprehensive Annual Financial Report for the respective years.

\* In Fiscal Year 2011, the City implemented GASB 54. The amounts prior to 2011 above have not been restated for the implementation of GASB 54.

**TABLE 3**

<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
5,180	5,427	27,823	2,953	5,029
3,045	12,153	12,738	9,886	10,495
11,768	22,508	22,924	29,009	27,360
8,755	193	-	-	2,545
57,294	84,280	68,436	93,601	107,272
<u>86,042</u>	<u>124,561</u>	<u>131,921</u>	<u>135,449</u>	<u>152,701</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
752	601	531	412	382
2,930	3,891	5,294	2,674	5,189
8,263	17,497	22,680	38,018	29,250
211,029	160,074	235,075	313,630	272,368
90,328	95,981	74,775	70,935	92,287
11,436	7,993	8,583	10,333	8,602
126,850	149,945	129,279	218,254	122,521
30,240	4,372	6,458	4,128	2,690
107	199	107	3,945	13,115
35,414	44,104	62,372	74,194	71,434
43,919	33,932	30,224	41,843	53,556
(1,620)	(785)	(1,794)	(1,140)	(756)
<u>559,648</u>	<u>517,804</u>	<u>573,584</u>	<u>777,226</u>	<u>670,638</u>
<u>\$ 645,690</u>	<u>\$ 642,365</u>	<u>\$ 705,505</u>	<u>\$ 912,675</u>	<u>\$ 823,339</u>

**CITY OF FORT WORTH, TEXAS**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS (Unaudited)**  
**(modified accrual basis of accounting)**  
**(in 000's)**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>REVENUES:</b>					
General Property Taxes	\$ 343,973	\$ 353,606	\$ 343,954	\$ 351,540	\$ 357,673
Other Local Taxes	173,559	174,092	179,802	188,884	203,417
Franchise Fees	-	-	45,178	47,190	49,489
Charges for Services	20,494	13,313	14,390	15,975	16,693
Licenses and Permits	49,870	52,429	18,447	12,011	12,179
Fines and Forfeitures	18,738	19,652	24,705	25,598	28,246
Revenue from Use of Money and Property	15,821	15,612	15,577	14,988	19,915
Investment Income	15,364	11,385	8,502	7,695	3,129
Intergovernmental	46,691	65,753	70,276	53,354	59,111
Gas Leases and Royalties	13,866	13,963	23,506	15,758	10,834
Other	12,592	14,610	13,696	16,554	16,069
Contributions	12,263	12,594	12,154	12,633	17,208
Assessments	13	11	-	-	-
Total Revenues	<u>723,244</u>	<u>747,020</u>	<u>770,187</u>	<u>762,180</u>	<u>793,963</u>
<b>EXPENDITURES:</b>					
Current:					
General Government	103,235	105,557	109,265	99,112	106,907
Public Safety	320,527	331,529	348,165	368,224	381,513
Highways and Streets	-	-	-	-	-
Culture and Recreation	46,195	46,115	48,544	51,036	53,883
Health and Welfare	1,199	-	-	-	-
Urban Redevelopment and Housing	-	-	-	-	-
Transportation and Public Works	46,083	36,414	46,853	53,822	47,598
Public Library	17,151	17,593	19,355	19,209	18,991
Public Events and Facilities	26,116	22,033	26,692	28,058	30,528
Planning and Development	12,926	10,871	12,074	11,865	12,875
Housing and Economic Development	26,282	36,445	34,073	23,158	19,259
Capital Outlay	114,595	129,407	137,100	107,625	170,502
Debt Service:					
Principal Retirement	46,160	46,397	47,351	53,925	75,611
Interest and Debt Issuance Costs	25,301	29,169	31,451	30,277	37,517
Total Expenditures	<u>785,770</u>	<u>811,530</u>	<u>860,923</u>	<u>846,311</u>	<u>955,184</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(62,526)</u>	<u>(64,510)</u>	<u>(90,736)</u>	<u>(84,131)</u>	<u>(161,221)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Issuance of Long-Term Debt	253,565	34,685	101,665	170,970	68,570
Issuance of Special Assessment Debt	-	-	-	-	-
Issuance of Tax Notes	-	-	-	-	-
Issuance of Capital Leases	9,066	-	4,419	-	-
Construction Loans	-	-	-	-	18,443
Premium on Issuance	9,792	-	12,554	32,956	5,150
Proceeds from Disposal of Property	1,049	386	4,444	286	9,090
Issuance of Refunding Bonds	-	-	46,680	50,305	25,795
Payment to Bond Escrow Agent	-	-	(54,299)	(60,437)	(27,286)
Refunded Bonds Redeemed	-	-	(9,146)	-	-
Insurance Recoveries	-	-	-	-	-
Transfers In	87,407	86,864	161,129	470,463	109,939
Transfers Out	(63,816)	(67,832)	(156,383)	(446,236)	(52,730)
Total Other Financing Sources (Uses)	<u>297,063</u>	<u>54,103</u>	<u>111,063</u>	<u>218,307</u>	<u>156,971</u>
Net Change in Fund Balances	<u>\$ 234,537</u>	<u>\$ (10,407)</u>	<u>\$ 20,327</u>	<u>\$ 134,176</u>	<u>\$ (4,250)</u>
Debt Service as a Percentage of Noncapital Expenditures	10.64 %	11.10 %	10.80 %	11.38 %	14.41 %

Source: Comprehensive Annual Financial Report for the respective years.

Expenditure and Revenue Functions for Governmental Activities were realigned in Fiscal Year 2015.

TABLE 4

	2014	2015	2016	2017	2018
\$	389,490	\$ 414,419	\$ 424,458	\$ 452,843	\$ 485,959
	217,153	225,382	234,500	250,023	265,833
	51,205	53,129	49,031	50,078	51,934
	18,284	22,306	37,588	39,864	38,940
	12,771	12,750	15,325	16,881	17,045
	26,968	25,325	18,056	17,062	16,058
	15,614	16,326	15,715	12,432	15,495
	8,200	5,131	3,601	6,952	9,186
	79,239	61,403	72,493	63,364	90,861
	16,500	15,717	18,485	9,063	9,267
	22,315	30,407	33,138	31,879	35,549
	9,840	12,177	13,928	11,515	12,871
	-	-	-	-	-
	<u>867,579</u>	<u>894,472</u>	<u>936,318</u>	<u>961,956</u>	<u>1,048,998</u>
	163,945	177,549	124,281	103,325	89,891
	389,058	393,715	443,730	465,575	496,233
	-	40,750	56,759	47,146	49,860
	54,711	100,930	102,239	132,014	246,322
	-	3,109	6,716	10,843	10,091
	-	31,125	51,470	60,093	81,595
	71,106	-	-	-	-
	18,763	-	-	-	-
	28,324	-	-	-	-
	11,656	-	-	-	-
	17,536	-	-	-	-
	206,450	178,970	184,317	175,367	190,441
	88,923	70,939	70,484	79,491	100,723
	35,044	31,121	32,265	36,566	43,129
	<u>1,085,516</u>	<u>1,028,208</u>	<u>1,072,261</u>	<u>1,110,420</u>	<u>1,308,285</u>
	<u>(217,937)</u>	<u>(133,736)</u>	<u>(135,943)</u>	<u>(148,464)</u>	<u>(259,287)</u>
	19,270	40,000	103,000	226,880	62,220
	-	-	-	12,685	5,155
	-	-	-	32,605	12,590
	344	-	-	575	-
	46,865	37,356	40,373	26,637	19,106
	364	18,668	21,131	11,192	4,416
	1,340	2,394	533	15,619	26,012
	-	127,162	27,500	-	-
	-	(154,840)	(47,650)	-	-
	-	-	-	-	-
	-	-	7,477	-	-
	143,754	162,071	162,483	389,685	144,348
	<u>(181,450)</u>	<u>(102,400)</u>	<u>(115,764)</u>	<u>(360,244)</u>	<u>(103,896)</u>
	<u>30,487</u>	<u>130,411</u>	<u>199,083</u>	<u>355,634</u>	<u>169,951</u>
\$	<u>(187,450)</u>	<u>\$ (3,325)</u>	<u>\$ 63,140</u>	<u>\$ 207,170</u>	<u>\$ (89,336)</u>
	14.16 %	12.00 %	11.47 %	12.41 %	12.87 %

**CITY OF FORT WORTH, TEXAS  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE  
 OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS (Unaudited)  
 (in 000's)**

**TABLE 5**

<u>Fiscal Year</u>	<u>Net Assessed Valuation<sup>(a)</sup></u>			<u>Total Direct Tax Rate<sup>(d)</sup></u>
	<u>Real<sup>(b)</sup></u>	<u>Personal<sup>(c)</sup></u>	<u>Total Taxable</u>	
2009	\$ 32,915,645	\$ 7,954,958	\$ 40,870,603	0.8550
2010	33,504,557	8,346,458	41,851,015	0.8550
2011	32,195,274	8,826,794	41,022,068	0.8550
2012	33,932,556	8,053,487	41,986,043	0.8550
2013	35,892,406	7,805,257	43,697,663	0.8550
2014	34,792,449	7,628,240	42,420,689	0.8550
2015	37,644,135	8,286,957	45,931,092	0.8550
2016	40,839,940	8,819,802	49,659,742	0.8550
2017	41,193,832	8,511,146	49,704,978	0.8350
2018	48,854,255	12,095,772	60,950,027	0.8050

Source: Tarrant County Appraisal District, Denton County Appraisal District, Parker County Appraisal District and Wise County Appraisal District.

(a) The Assessed Value is 100%. Valuation shown for 2009 to 2018 are from Tarrant, Denton, Parker and Wise County.

(b) Real properties include: residential, commercial and industrial.

(c) Includes personal properties such as; billboards, oil, gas, minerals, utilities, aircraft/mobile home

(d) Tax rate per \$100 of valuation.

Although the City of Fort Worth extends into Johnson County, the City limits within this jurisdiction do not include any taxable property.



**CITY OF FORT WORTH, TEXAS  
PROPERTY TAX RATES - ALL DIRECT AND  
OVERLAPPING TAX RATES  
LAST TEN FISCAL YEARS (Unaudited)  
(Per \$100 of Assessed Value)**

**TABLE 6**

Fiscal Year Ended Sept. 30	City Direct Rates <sup>(a)</sup>			Overlapping Rates <sup>(a)</sup>			
	Operating General Rates	General Obligation Debt Service	Total	Fort Worth ISD	Tarrant County	Tarrant County Hospital District	Tarrant County College District
2009	\$ 0.7109	\$ 0.1441	\$ 0.8550	\$ 1.2570	\$ 0.2640	\$ 0.2279	\$ 0.1380
2010	0.7109	0.1441	0.8550	1.3220	0.2640	0.2279	0.1376
2011	0.7109	0.1441	0.8550	1.3220	0.2640	0.2279	0.1490
2012	0.7009	0.1541	0.8550	1.3220	0.2640	0.2279	0.1490
2013	0.6859	0.1691	0.8550	1.3220	0.2640	0.2279	0.1490
2014	0.6759	0.1791	0.8550	1.3220	0.2640	0.2279	0.1495
2015	0.6759	0.1791	0.8550	1.3220	0.2640	0.2279	0.1495
2016	0.6759	0.1791	0.8550	1.3520	0.2640	0.2279	0.1495
2017	0.6615	0.1735	0.8350	1.3520	0.2540	0.2279	0.1447
2018	0.6415	0.1635	0.8050	1.3520	0.2440	0.2244	0.1401

(a) Source - Tarrant County Appraisal District.

**CITY OF FORT WORTH, TEXAS  
PROPERTY TAXES LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS (Unaudited)  
(in 000's)**

**TABLE 7**

<b>Fiscal Year</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected Within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Current Tax Collections</b>	<b>Percentage of Levy</b>		<b>Total Tax Collections</b>	<b>Percentage of Levy</b>
2009	\$ 350,946	\$ 343,530	97.89%	\$ 5,089	\$ 348,619	99.34%
2010	362,551	354,605	97.81%	3,869	358,474	98.88%
2011	350,050	343,622	98.16%	4,229	347,851	99.37%
2012	358,954	352,784	98.28%	4,257	357,041	99.47%
2013	366,361	359,890	98.23%	3,270	363,160	99.13%
2014	377,584	370,904	98.23%	3,082	373,986	99.05%
2015	402,370	393,691	97.84%	3,712	397,403	98.77%
2016	424,203	416,304	98.14%	2,834	419,138	98.81%
2017	453,954	444,015	97.81%	2,410	446,425	98.34%
2018	488,093	477,778	97.89%	-	477,778	97.89%

Source: Tarrant County Tax Office

**CITY OF FORT WORTH, TEXAS  
PROPERTY TAX RATE TREND  
LAST TWENTY FISCAL YEARS (Unaudited)**

**TABLE 8**

<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$ 0.8975	\$ 0.8850	\$ 0.8750	\$ 0.8650	\$ 0.8650	\$ 0.8650	\$ 0.8650	\$ 0.8650	\$ 0.8600	\$ 0.8550
<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 0.8550	\$ 0.8550	\$ 0.8550	\$ 0.8550	\$ 0.8550	\$ 0.8550	\$ 0.8550	\$ 0.8550	\$ 0.8350	\$ 0.8050

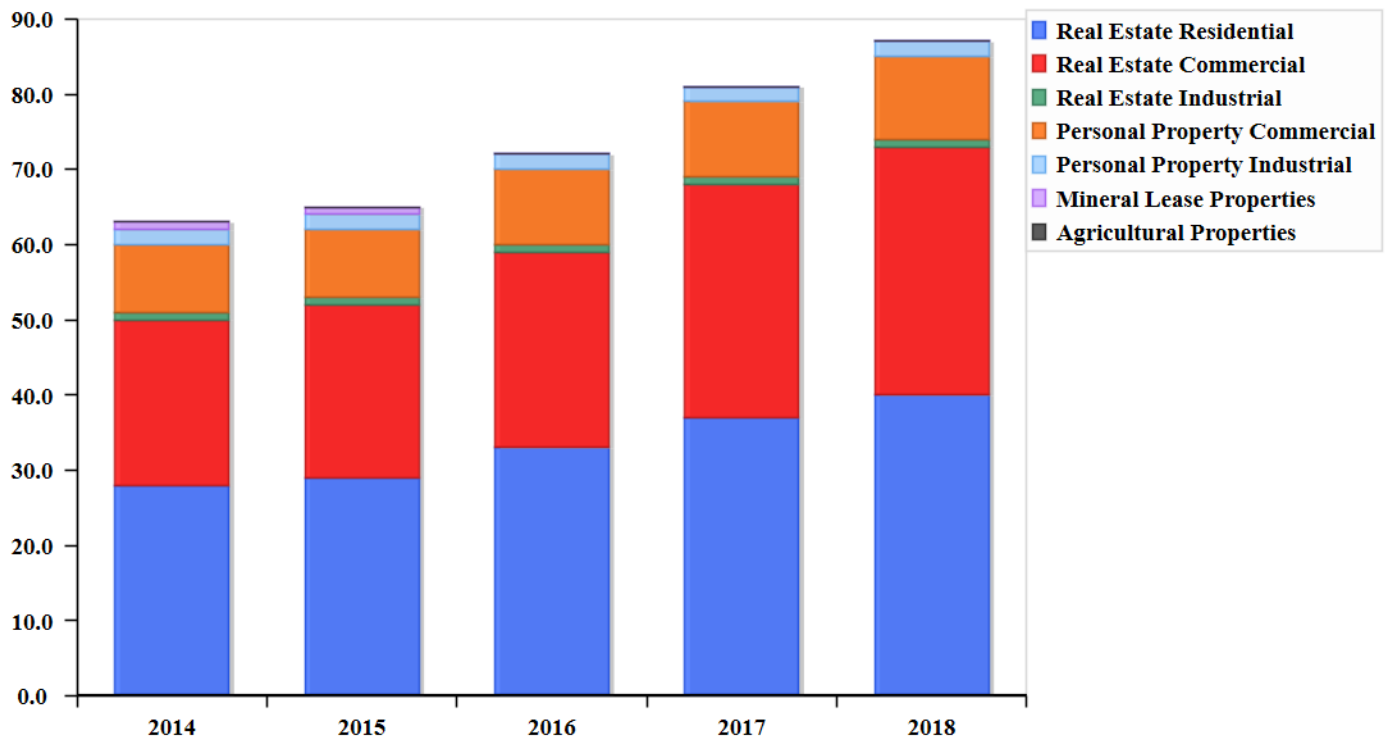
Source: Budget and Research Division, FMS, City of Fort Worth  
Tax rate per \$100 of Assessed Value

\*Y-Axis adjusted for reader clarity

**CITY OF FORT WORTH, TEXAS  
APPRAISED VALUE BY TYPE (Unaudited)  
(Inflation Adjusted)**

**TABLE 9**

Appraisal Year	2014	2015	2016	2017	2018
<b>TAD Value By Type</b>					
Real Estate Residential	\$ 27,838,438,625	\$ 28,893,726,041	\$ 32,960,279,993	\$ 36,684,054,659	\$ 40,416,373,511
Real Estate Commercial <sup>(a)</sup>	22,125,666,464	23,127,040,927	26,237,285,606	30,561,203,577	33,159,724,072
Real Estate Industrial	685,102,871	688,895,285	764,749,581	716,000,835	774,566,170
Personal Property Commercial <sup>(a)</sup>	9,012,689,484	9,174,950,221	10,274,347,397	10,485,835,883	11,374,286,496
Personal Property Industrial	2,204,318,829	2,372,534,332	2,330,591,133	2,381,273,287	2,412,169,819
Mineral Lease Properties	780,730,910	842,034,470	280,114,160	270,687,240	311,440,940
Agricultural Properties	496,920,328	16,132,705	13,590,832	6,042,630	6,223,003
<b>Total TAD Value</b>	<b>\$ 63,143,867,511</b>	<b>\$ 65,115,313,981</b>	<b>\$ 72,860,958,702</b>	<b>\$ 81,105,098,111</b>	<b>\$ 88,454,784,011</b>
Total CFW Value	\$ 64,934,531,075	\$ 67,008,399,264	\$ 74,906,924,377	\$ 83,712,155,148	\$ 91,126,027,911
% of CFW Value	97.2 %	97.2 %	97.3 %	96.9 %	97.1 %



Source: Tarrant Appraisal District Certified Tax Report.

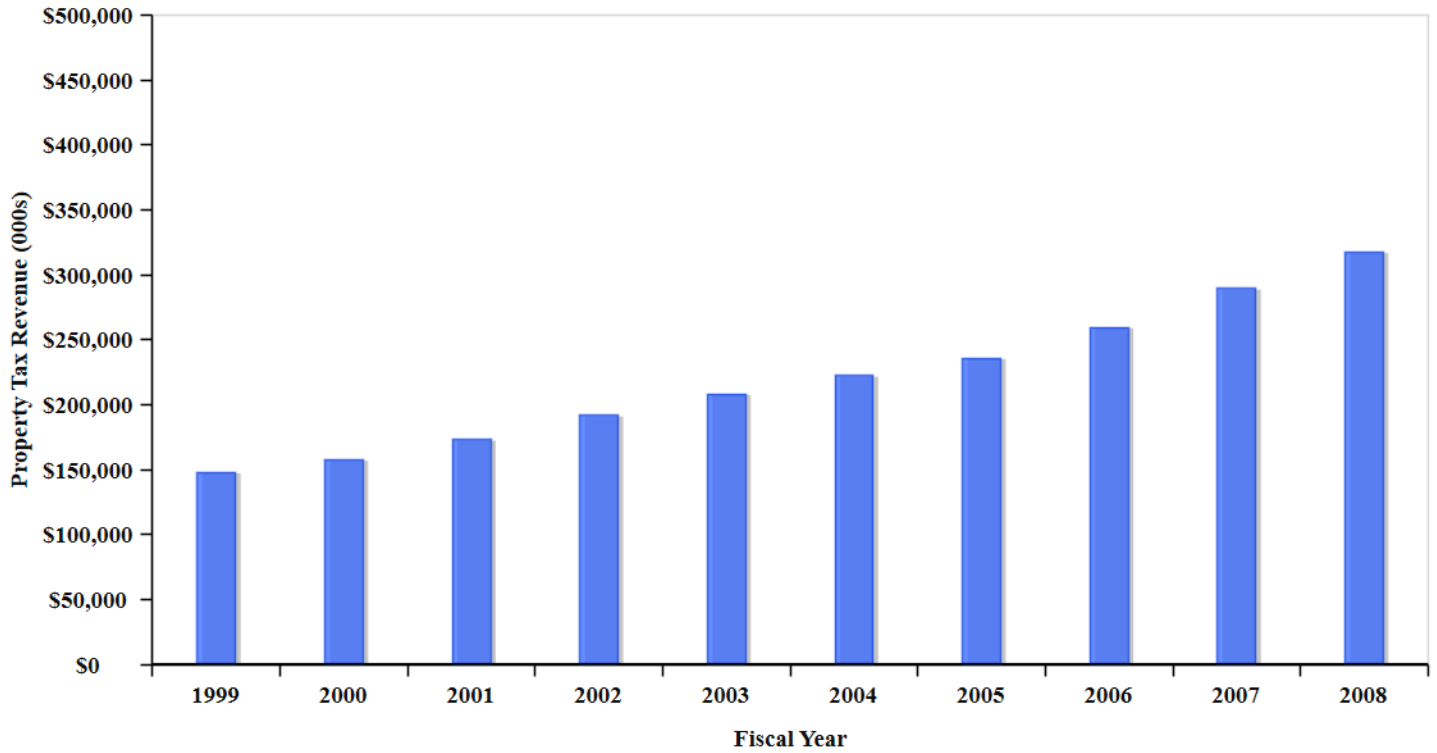
Values reported are for Tarrant County only.

(a) Apartment complexes (multi-family) are included in the commercial category.



**CITY OF FORT WORTH, TEXAS  
PROPERTY TAX REVENUE  
LAST TWENTY FISCAL YEARS (Unaudited)**

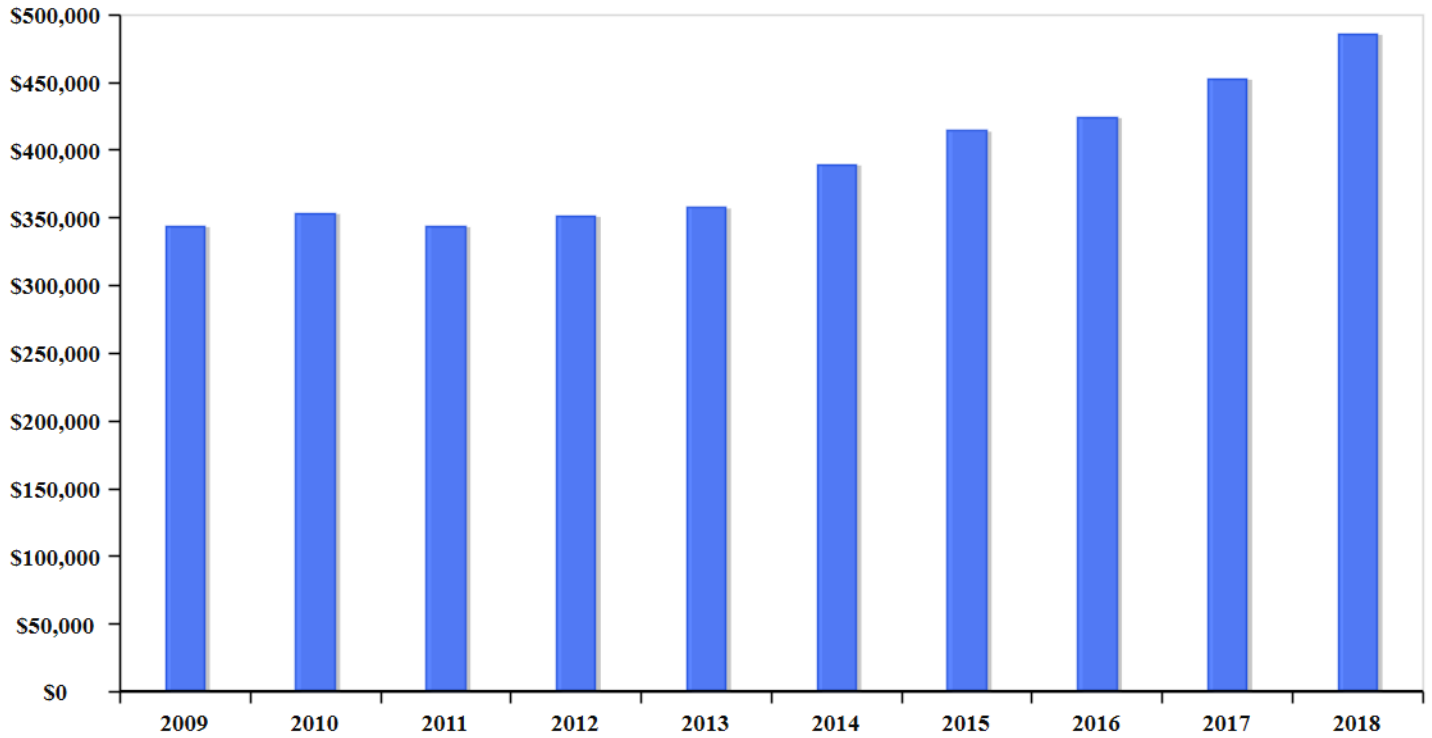
<b>Fiscal Year</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Value (000s)	\$ 147,760	\$ 157,430	\$ 172,908	\$ 191,563	\$ 208,112	\$ 222,111	\$ 235,643	\$ 259,483	\$ 289,177	\$ 317,290
Percent Change		6.54 %	9.83 %	10.79 %	8.64 %	6.73 %	6.09 %	10.12 %	11.44 %	9.72 %



Source: Financial Reporting Division, FMS, City of Fort Worth

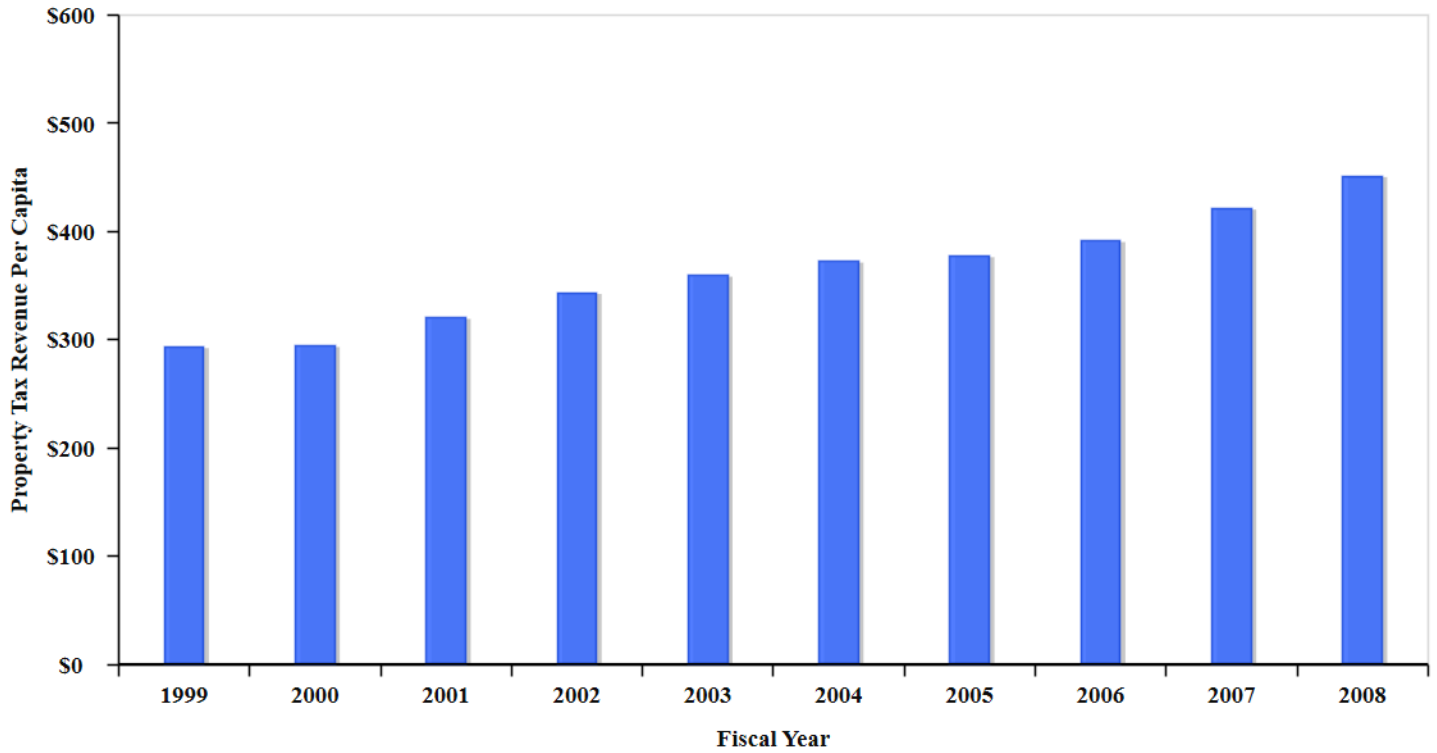
**TABLE 10**

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 343,973	\$ 353,606	\$ 343,954	\$ 351,540	\$ 357,673	\$ 389,490	\$ 414,419	\$ 424,458	\$ 452,843	\$ 485,959
8.41 %	2.80 %	(2.73)%	2.21 %	1.74 %	8.90 %	6.40 %	2.42 %	6.69 %	7.31 %



**CITY OF FORT WORTH, TEXAS  
PROPERTY TAX REVENUE (Per Capita)  
LAST TWENTY FISCAL YEARS (Unaudited)**

<b>Fiscal Year</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Value (000s) <sup>(a)</sup>	\$ 147,760	\$ 157,430	\$ 172,908	\$ 191,563	\$ 208,112	\$ 222,111	\$ 235,643	\$ 259,483	\$ 289,177	\$ 317,290
Population <sup>(b)</sup>	504,850	534,694	540,950	557,750	579,250	597,150	624,850	664,100	686,850	702,850
Value Per Capita	\$ 293	\$ 294	\$ 320	\$ 343	\$ 359	\$ 372	\$ 377	\$ 391	\$ 421	\$ 451
Percent Change		0.34 %	8.84 %	7.19 %	4.66 %	3.62 %	1.34 %	3.71 %	7.67 %	7.13 %



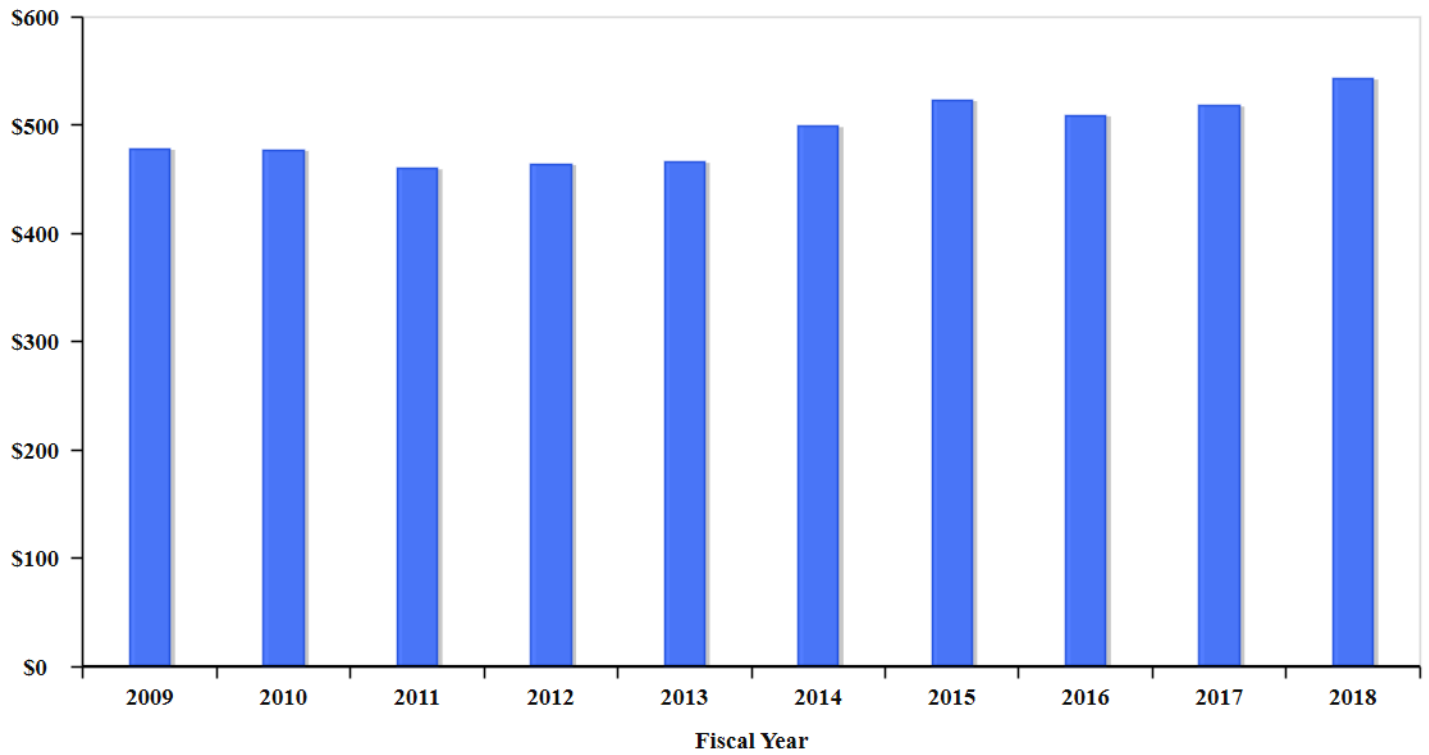
(a) Source: Financial Reporting Division, FMS, City of Fort Worth

(b) Source: See Table 19 - Demographic and Economic Statistics



**TABLE 11**

<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ 343,973	\$ 353,606	\$ 343,954	\$ 351,540	\$ 357,673	\$ 389,490	\$ 414,419	\$ 424,458	\$ 452,843	\$ 485,959
720,250	741,206	748,450	757,810	767,560	781,100	792,720	833,319	874,168	895,121
\$ 478	\$ 477	\$ 460	\$ 464	\$ 466	\$ 499	\$ 523	\$ 509	\$ 518	\$ 543
5.99 %	(0.21)%	(3.56)%	0.87 %	0.43 %	7.08 %	4.81 %	(2.68)%	1.77 %	4.83 %



**CITY OF FORT WORTH, TEXAS  
 PRINCIPAL PROPERTY TAXPAYERS  
 CURRENT YEAR AND NINE YEARS AGO (Unaudited)  
 (in 000's)**

**TABLE 12**

<b>Name of Taxpayer</b>	<b>Nature of Property</b>	<b>2018<sup>(a)</sup></b>			<b>2009<sup>(b)</sup></b>		
		<b>2017 Taxable Assessed Valuation</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Valuation</b>	<b>2008 Taxable Assessed Valuation</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Valuation</b>
Alcon Laboratories	Pharmaceuticals	\$ 505,608	1	0.83 %	\$ 168,516	7	0.41 %
American Airlines	Airlines	411,777	2	0.68 %	158,841	9	0.39 %
Oncor Electric Delivery Co LLC	Pharmaceuticals	408,843	3	0.67 %	356,389	1	0.87 %
Winner LLC	Commercial Real Estate	368,974	4	0.61 %			
Bell Helicopter Textron Inc	Aircraft Manufacturing	355,506	5	0.58 %	333,258	2	0.82 %
At Industrial Owner1 LLC	Real Estate	259,426	6	0.43 %			%
Walmart Real Estate Trust	Real Estate.	227,522	7	0.37 %			
DDR/DTC City Investments LP	Real Estate	253,961	8	0.42 %			%
MillerCoors	Food Insdutry	174,472	9	0.29 %			
Behringer Harvard Brnet Plz	Commercial Real Estate	169,320	10	0.28 %	144,555	10	0.35 %
XTO Energy Inc	Oil/Gass Producer	-	0	- %	252,803	3	0.62 %
KAN AM Riverfront Campus LP	Corporate Campus				236,952	4	0.58 %
Chesapeake Operating	Natrual Gass Producer				234,469	5	0.57 %
Southwestern Bell	Telephone Utility				170,277	6	0.42 %
Mercantile Partners	Land Subdivider Developer				163,552	8	0.40 %
		<u>\$ 3,135,409</u>		<u>5.16 %</u>	<u>\$ 2,219,612</u>		<u>5.43 %</u>

(a) Source: Tarrant Appraisal District Supplemental Certification Report

(b) Source: Comprehensive Annual Financial Report for the respective year



**CITY OF FORT WORTH, TEXAS**  
**RATIO OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS (Unaudited)**  
**(in 000's)**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Governmental:</b>					
General Obligation Bonds	\$ 406,006	\$ 380,125	\$ 371,760	\$ 458,800	\$ 463,488
Certificates of Obligation	166,215	188,655	202,880	247,600	302,985
Special Tax Revenue Debt	-	-	-	-	-
Special Assessment Debt	-	-	-	-	-
Tax Notes	-	-	-	-	-
Installment Obligation	5,585	5,010	4,405	3,770	3,080
Equipment Notes Payable	22,634	18,852	58,005	54,450	46,860
HUD Installment Obligation	8,147	7,465	6,761	6,034	5,282
Service Center Obligation	20,995	20,520	20,030	19,515	18,980
Fort Worth Housing Corp Obligation	9,322	9,244	9,161	9,073	-
Fort Worth Sports Authority	15,903	15,442	15,337	8,476	8,386
Lone Star Local Govt Corp Obligation	31,617	31,617	31,617	31,617	31,617
Central City Local Govt Corp Obligation	2,219	1,809	1,376	872	347
State Obligations	-	-	-	-	-
TRWD Obligation	-	-	-	-	-
State Energy Conservation Loan Phase I & II	3,730	3,216	2,580	1,925	1,249
State Energy Conservation Loan Phase III	4,397	4,080	3,598	3,102	2,590
ESPC Phase IV	9,066	8,795	8,352	7,820	-
ESPC Phase VII	-	-	-	-	18,443
Wells Fargo Loan	245	196	144	78	-
Beechwood Bridge Obligation	1,127	724	333	-	-
Capital Leases	-	-	4,319	4,096	3,816
Southwest Bank Loan (LDC SW Building)	-	-	-	-	-
Lancaster Corridor Construction Loan	-	-	-	-	-
<b>Business-type:</b>					
General Obligation Bonds	65	-	-	-	-
Revenue Bonds	710,675	745,155	855,310	884,010	858,985
Certificates of Obligation	57,240	54,195	57,560	56,035	55,238
Municipal Golf Capital Lease	69	5	-	-	-
Equipment Notes Payable	4,545	3,319	2,049	750	-
Trinity River Authority	8,065	7,620	7,150	6,656	6,100
ESPC Phase V	-	15,365	15,365	15,365	14,691
<b>Total Primary Government</b>	<u>\$ 1,487,867</u>	<u>\$ 1,521,409</u>	<u>\$ 1,678,092</u>	<u>\$ 1,820,044</u>	<u>\$ 1,842,137</u>
Personal Income <sup>(a)</sup>	\$ 13,640,815	\$ 17,334,565	\$ 20,399,090	\$ 18,827,032	\$ 18,934,769
Debt as a Percentage of Personal Income	11 %	9 %	8 %	10 %	10 %
Population <sup>(b)</sup>	720	736	748	758	768
Debt Per Capita	\$ 2,066	\$ 2,067	\$ 2,249	\$ 2,313	\$ 2,399

(a) Personal Income calculated using the population and the per capita personal income (source: U. S. Bureau of Census 2010 and estimates)

(b) Years prior to 2016: North Central Texas Council of Governments (NCTCOG). Beginning in year 2016: U.S. Bureau of Census 2010 and

(c) Unamortized premium and discounts are included in the General Obligation, Certificate of Obligation, Special Tax Revenue Debt, Special Assessment Debt and Revenue Bonds where applicable.

Source: Comprehensive Annual Financial Report for the respective years and other sources listed above.

**TABLE 13**

	<b>2014</b>	<b>2015<sup>(c)</sup></b>	<b>2016<sup>(c)</sup></b>	<b>2017<sup>(c)</sup></b>	<b>2018<sup>(c)</sup></b>
\$	440,617	\$ 497,821	\$ 557,406	\$ 502,140	\$ 515,448
	299,441	253,954	231,648	210,567	172,199
	-	-	-	237,836	236,867
	-	-	-	12,755	17,987
	-	-	-	26,130	36,155
	2,370	1,620	825	-	-
	39,145	-	-	-	-
	4,504	3,699	2,865	2,000	1,368
	-	-	-	-	-
	6,868	2,495	-	-	-
	31,617	31,617	31,617	31,617	31,617
	-	-	-	-	-
	10,931	10,285	9,638	8,992	8,346
	91,998	124,349	153,853	171,391	186,654
	553	-	-	-	-
	2,064	1,528	971	397	-
	-	-	-	-	-
	18,064	17,426	16,472	15,474	14,302
	-	-	-	-	-
	-	-	-	-	-
	1,482	1,122	836	1,167	837
	2,545	2,200	1,844	1,477	1,099
	-	1,774	10,276	16,500	-
	-	-	44,385	42,721	40,077
	950,107	943,005	932,807	974,365	1,001,741
	53,092	49,081	4,284	2,515	1,391
	-	-	-	-	-
	-	-	-	-	-
	5,500	4,885	4,250	3,600	2,930
	13,355	11,938	10,463	8,955	7,411
<b>\$</b>	<b>1,974,253</b>	<b>\$ 1,958,799</b>	<b>\$ 2,014,440</b>	<b>\$ 2,270,599</b>	<b>\$ 2,276,429</b>
\$	19,128,358	\$ 19,600,795	\$ 20,604,646	\$ 22,772,813	\$ 25,219,139
	10 %	10 %	10 %	10 %	9 %
	781	793	833	875	895
\$	2,528	\$ 2,470	\$ 2,418	\$ 2,595	\$ 2,543

**CITY OF FORT WORTH, TEXAS**  
**PERCENT OF TOTAL GENERAL DEBT OUTSTANDING**  
**TO ASSESSED VALUE AND TOTAL GENERAL DEBT**  
**OUTSTANDING PER CAPITA**  
**LAST TEN FISCAL YEARS (Unaudited)**  
**(in 000's)**

**TABLE 14**

Fiscal Year	General Bonded Debt Outstanding			Total Net Bonded Debt	Net Assessed Value <sup>(b)</sup>	Percent Outstanding General Debt to Assessed Value	Estimated Population <sup>(c)</sup>	Outstanding General Debt Per Capita
	General Obligation Bonds <sup>(a)</sup>	Certification of Obligation <sup>(a)</sup>	Less Restricted for Debt Service <sup>(d)</sup>					
2009	\$ 406,006	\$ 166,215	\$ -	\$ 572,221	\$ 40,870,603	1.40 %	702	\$ 0.815
2010	380,125	188,655	-	568,780	41,851,015	1.36 %	741	0.768
2011	371,760	202,880	-	574,640	41,022,067	1.40 %	748	0.768
2012	458,800	247,600	-	706,400	41,986,043	1.68 %	758	0.932
2013	463,488	302,985	-	766,473	43,697,663	1.75 %	768	0.998
2014	440,617	299,441	-	740,058	42,420,689	1.74 %	781	0.948
2015	497,821	303,035	830	800,026	45,931,092	1.74 %	793	0.936
2016	601,791	235,932	1,245	836,478	49,659,742	1.68 %	833	0.915
2017	544,861	213,082	1,196	756,747	49,704,978	1.52 %	875	0.793
2018	555,525	173,590	37,061	692,054	60,950,027	1.14 %	895	0.773

NME 030501

(a) Includes Business-Type Activities debt and all bond related unamortized premiums and discounts.

(b) Assessed value is 100%

(c) Source: Years prior to 2016: North Central Texas Council of Governments (NCTCOG). Beginning in year 2016: U.S. Bureau of Census 2010 and estimates.

(d) Amount available for Governmental & Business-type payments.



**CITY OF FORT WORTH, TEXAS  
LEGAL DEBT MARGIN INFORMATION  
SEPTEMBER 30, 2018 (Unaudited)  
(in Millions)**

	<u>2009*</u>	<u>2010*</u>	<u>2011*</u>	<u>2012</u>	<u>2013</u>
Total Assessed Valuation	\$ 38,357	\$ 39,725	\$ 39,836	\$ 41,986	\$ 43,698
Overall Debt Limitation - 10% of Assessed Valuation				4,199	4,370
Net Debt Subject to Limitation				<u>706</u>	<u>727</u>
Legal Debt Margin Within 10% Limitation				<u>3,493</u>	<u>3,643</u>
Legal Debt Margin as a Percentage of the Debt Limit				83 %	83 %

Notes:

\*Government Code Sec. 1331.051 of the State of Texas Constitution and Statutes limits cities with a population of seven hundred fifty thousand or more to incur a total bonded indebtedness by the issuance of tax-supported bonds in an amount not exceeding ten (10%) percent of the total appraised value of property listed on the most recent appraisal roll for the City. Prior to FY2011, per Article 835p of the State of Texas Civil Statutes, the limit was based upon a population of six hundred thousand according to the last federal census. According to the 2000 Federal Census, the City of Fort Worth had a population of over 516 thousand; therefore the 10% limitation does not apply to 2010 and before. According to the 2010 Federal Census, the City of Fort Worth had a population of over 758 thousand; therefore, the 10% limitation does apply after 2010.

Assessed Value is the appraised value of property net of exemptions, deferrals, incomplete and protested properties.

Net Debt Subject to Limitation includes governmental activities tax supported general obligation bonds and certificates of obligations.

**CITY OF FORT WORTH, TEXAS  
CITY TAX RATE DISTRIBUTION  
LAST TEN FISCAL YEARS (Unaudited)  
(Per \$100 of Assessed Value)**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Fund	\$ 0.711	\$ 0.711	\$ 0.711	\$ 0.701	\$ 0.686
Debt Service Fund	<u>0.144</u>	<u>0.144</u>	<u>0.144</u>	<u>0.154</u>	<u>0.169</u>
Total City Tax Rate	<u>\$ 0.855</u>	<u>\$ 0.855</u>	<u>\$ 0.855</u>	<u>\$ 0.855</u>	<u>\$ 0.855</u>

Source: Tarrant Appraisal District



**TABLE 15**

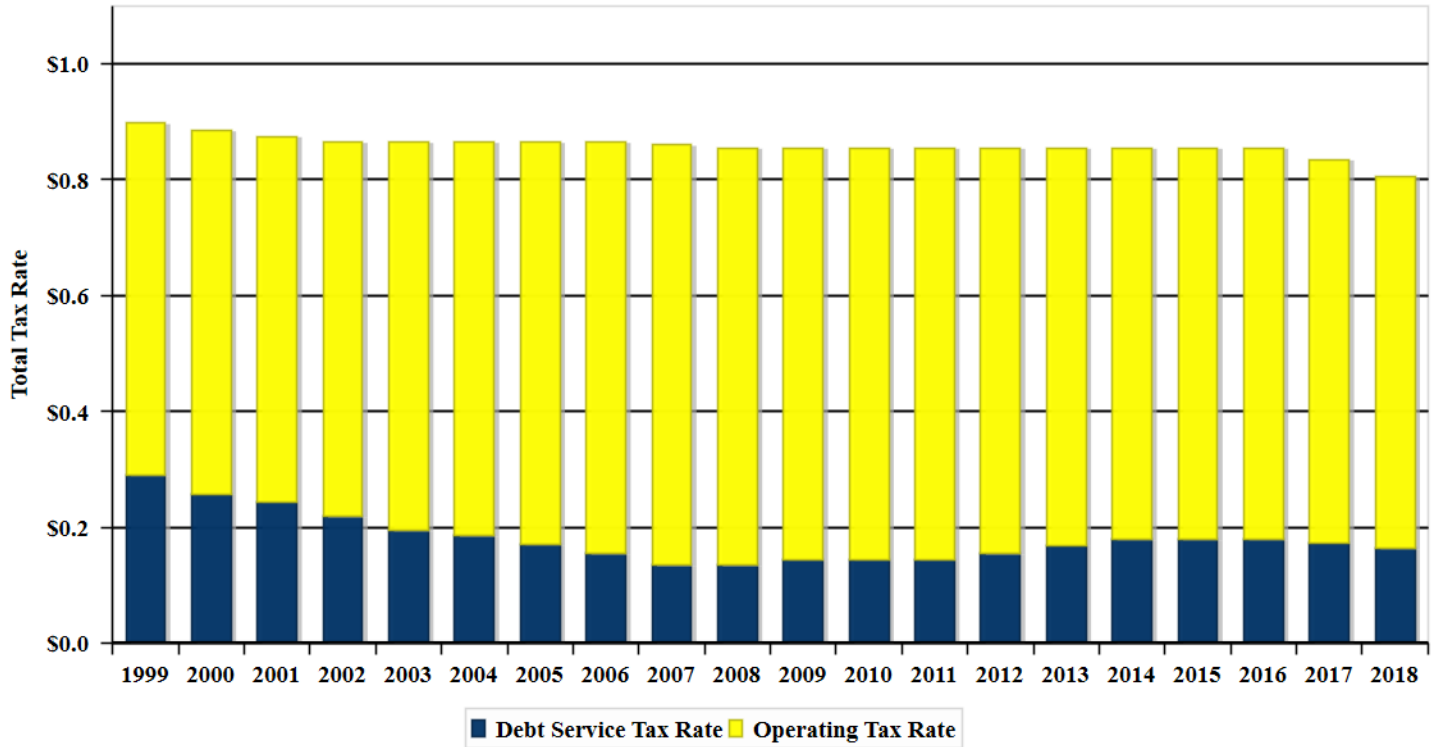
<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ 42,421	\$ 45,931	\$ 49,660	\$ 49,705	\$ 60,950
4,242	4,593	4,966	4,971	6,095
695	695	721	721	715
3,547	\$ 3,898	\$ 4,245	\$ 4,250	\$ 6,810
84 %	85 %	85 %	82 %	112 %

<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ 0.676	\$ 0.676	\$ 0.676	\$ 0.662	\$ 0.642
0.179	0.179	0.179	0.173	0.163
\$ 0.855	\$ 0.855	\$ 0.855	\$ 0.835	\$ 0.805

**CITY OF FORT WORTH, TEXAS**  
**TAX RATE ALLOCATION**  
**LAST TWENTY FISCAL YEARS (Unaudited)**

**TABLE 16**

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Debt Service Tax Rate	\$ 0.2899	\$ 0.2576	\$ 0.2438	\$ 0.2183	\$ 0.1943	\$ 0.1851	\$ 0.1704	\$ 0.1543	\$ 0.1341	\$ 0.1341
Operating Tax Rate	\$ 0.6076	\$ 0.6274	\$ 0.6312	\$ 0.6467	\$ 0.6707	\$ 0.6799	\$ 0.6946	\$ 0.7107	\$ 0.7259	\$ 0.7209
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Debt Service Tax Rate	\$ 0.1441	\$ 0.1441	\$ 0.1441	\$ 0.1541	\$ 0.1691	\$ 0.1791	\$ 0.1791	\$ 0.1791	\$ 0.1735	\$ 0.1635
Operating Tax Rate	\$ 0.7109	\$ 0.7109	\$ 0.7109	\$ 0.7009	\$ 0.6859	\$ 0.6759	\$ 0.6759	\$ 0.6759	\$ 0.6615	\$ 0.6415



Source: Budget and Research Division, FMS, City of Fort Worth

**CITY OF FORT WORTH, TEXAS  
DIRECT AND OVERLAPPING GOVERNMENTAL  
ACTIVITIES DEBT(Unaudited)  
YEAR ENDED SEPTEMBER 30, 2018  
(in 000's)**

**TABLE 17**

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable<sup>(a)</sup></b>	<b>Estimated Share of Overlapping Debt</b>
Aledo ISD	\$ 171,024	0.57%	\$ 975
Arlington Independent School District	824,136	0.04%	330
Azle Independent School District	83,335	2.63%	2,192
Birdville Independent School District	253,562	5.42%	13,743
Burleson Independent School District	345,696	16.47%	56,936
Castleberry Independent School District	38,795	48.18%	18,691
Crowley Independent School District	467,572	76.00%	355,355
Denton County	612,630	2.19%	13,417
Eagle Mountain-Saginaw Independent School District	584,983	67.68%	395,917
Everman Independent School District	85,215	69.01%	58,807
Fort Worth Independent School District	966,280	89.62%	865,980
Hurst-Eules-Bedford Independent School District	299,715	28.96%	86,797
Keller Independent School District	680,509	50.24%	341,888
Kennedale Independent School District	33,330	0.83%	277
Lake Worth Independent School District	65,992	55.07%	36,342
Mansfield Independent School District	750,175	0.01%	75
Northwest Independent School District	870,670	42.54%	370,383
Parker County	121,435	0.16%	194
Parker County JCD	4,385	0.18%	8
Tarrant County	294,500	38.24%	112,617
Tarrant County Hospital District	19,300	38.19%	7,371
White Settlement Independent School District	156,267	52.69%	82,337
Subtotal, overlapping debt			<u>2,820,632</u>
City of Fort Worth Net Direct Debt	1,166,928	100.00 %	<u>1,166,928</u>
Total direct and overlapping debt			<u>\$ 3,987,560</u>

All debt figures of the overlapping subdivisions reflect the gross bonded debt of each entity, with the exception of the City of Fort Worth. Net direct debt includes all long-term debt instruments of the governmental activities, which currently includes General Obligation Bonds, Certificates of Obligation, Notes, Loans, and Capital Leases.

(a) The estimated percentage is based on a formula using assessed values of the property.

Source: Municipal Advisory Council of Texas

**CITY OF FORT WORTH, TEXAS  
 PLEDGED-REVENUE COVERAGE  
 LAST TEN FISCAL YEARS (Unaudited)  
 (in 000's)**

**TABLE 18**

Fiscal Year	Revenues			Debt Service Requirements <sup>(a)</sup>			Bond Coverage <sup>(d)</sup>
	Total Revenues <sup>(b)</sup>	Less: Operating Expense <sup>(c)</sup>	Net Revenue	Principal	Interest	Annual Requirement	
<b>Water and Sewer<sup>(e)</sup></b>							
2009	\$ 310,122	\$ 183,311	\$ 126,811	\$ 51,831	\$ 32,018	\$ 83,849	1.51
2010	321,366	189,329	132,037	51,025	28,592	79,617	1.66
2011	351,712	196,478	155,234	57,195	30,702	87,897	1.77
2012	349,112	217,978	131,134	62,210	33,592	95,802	1.37
2013	353,223	211,493	141,730	59,725	31,162	90,887	1.56
2014	364,660	226,719	137,941	61,800	29,551	91,351	1.51
2015	391,225	253,114	138,111	65,055	30,201	95,256	1.45
2016	419,469	252,368	167,101	61,635	28,852	90,487	1.85
2017	427,521	239,642	187,879	63,175	29,396	92,571	2.03
2018	475,816	257,354	218,462	63,285	31,429	94,714	2.31
<b>Municipal Parking<sup>(f)</sup></b>							
2009	5,133	1,423	3,710	100	1,895	1,995	1.86
2010	6,543	2,189	4,354	300	2,651	2,951	1.48
2011	7,800	2,448	5,352	640	2,704	3,344	1.60
2012	7,808	2,775	5,033	955	2,667	3,622	1.39
2013	7,117	2,891	4,226	1,005	2,620	3,625	1.17
2014	7,127	2,703	4,424	1,495	2,561	4,056	1.09
2015	7,345	3,140	4,205	1,565	2,490	4,055	1.04
2016	7,856	3,176	4,680	1,640	1,328	2,968	1.58
2017	7,906	3,184	4,722	2,305	1,735	4,040	1.17
2018	8,789	3,418	5,371	2,430	1,624	4,054	1.32
<b>Solid Waste<sup>(g)</sup></b>							
2009	49,442	42,976	6,466	1,625	484	2,109	3.07
2010	52,787	37,966	14,821	1,661	491	2,152	6.89
2011	55,418	42,945	12,473	1,704	333	2,037	6.12
2012	54,449	45,023	9,426	1,734	285	2,019	4.67
2013	56,325	47,669	8,656	1,185	235	1,420	6.10
2014	55,819	47,128	8,691	435	207	642	13.54
2015	58,622	51,689	6,933	435	152	587	11.81
2016	59,447	52,283	7,164	480	98	578	12.39
2017	60,651	54,650	6,001	468	87	555	10.81
2018	62,151	54,718	7,433	470	76	546	13.61
<b>Stormwater<sup>(h)</sup></b>							
2009	21,675	12,711	8,964	520	1,158	1,678	5.34
2010	27,786	17,737	10,049	1,445	2,752	4,197	2.39
2011	30,340	16,522	13,818	1,515	2,858	4,373	3.16
2012	34,130	17,929	16,201	3,860	5,426	9,286	1.74
2013	35,208	17,446	17,762	3,715	5,663	9,378	1.89
2014	36,439	17,141	19,298	3,825	5,522	9,347	2.06
2015	36,799	20,706	16,093	3,960	5,380	9,340	1.72
2016	37,283	14,377	22,906	4,130	4,847	8,977	2.55
2017	37,301	15,797	21,504	4,300	4,824	9,124	2.36
2018	39,615	14,695	24,920	4,460	4,678	9,138	2.73

- (a) Principal and Interest does not include general obligation bonds reported in enterprise funds.
- (b) Through FY2017 total revenues is exclusive of other expenses and contributions, gas lease revenue, and includes interest income. Beginning in FY2018 total revenues is cash based and include interest income
- (c) Through FY2017 Water and Sewer and Stormwater operating expense are cash based. All other funds operating expense are exclusive of depreciation charges. Beginning in FY2018 operating expense for all funds is cash based.
- (d) Bond Coverage is computed by dividing Net Revenue by Annual Requirements.
- (e) Secured by revenues of the City's Water and Sewer System.
- (f) Secured by revenues of the City's Will Rogers Memorial Center Parking Facilities.
- (g) Secured by revenues of the City's Solid Waste Services Program.
- (h) Secured by revenue collected to maintain the stormwater system.

**CITY OF FORT WORTH, TEXAS  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN FISCAL YEARS (Unaudited)**

**TABLE 19**

<u>Fiscal Year</u>	<u>Population<sup>(a)</sup></u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>	<u>Unemployment<sup>(b)</sup></u>	<u>Unemployment Rate<sup>(b)</sup></u>
2009	720,250	\$ 13,640,814,750	\$ 18,939 <sup>(c)</sup>	31.2 <sup>(c)</sup>	26,982	8.1%
2010	741,206	18,414,521,864	24,844 <sup>(d)</sup>	31.1 <sup>(d)</sup>	28,044	8.3%
2011	748,450	18,594,491,800	24,844 <sup>(d)</sup>	31.1 <sup>(d)</sup>	29,813	8.7%
2012	757,810	18,827,031,640	24,844 <sup>(d)</sup>	31.1 <sup>(d)</sup>	22,632	6.4%
2013	767,560	17,998,514,440	23,449 <sup>(e)</sup>	31.9 <sup>(e)</sup>	22,566	6.1%
2014	781,100	19,128,357,900	24,489 <sup>(f)</sup>	31.5 <sup>(f)</sup>	18,699	5.0%
2015	792,720	19,600,794,720	24,726 <sup>(g)</sup>	31.8 <sup>(h)</sup>	15,594	4.0%
2016	833,319	20,604,645,594	24,726 <sup>(g)</sup>	31.9 <sup>(h)</sup>	16,600	4.1%
2017	874,168	22,772,813,280	26,051 <sup>(h)</sup>	32.0 <sup>(h)</sup>	12,823	3.1%
2018	895,121	25,219,139,054	28,174 <sup>(h)</sup>	32.9 <sup>(h)</sup>	15,011	3.5%

(a) Source: Years prior to 2016: North Central Texas Council of Governments (NCTCOG). Beginning in year 2016: U.S. Bureau of Census 2010 and estimates. Beginning 2017, estimate revised to July 1 estimate for historical years.

(b) Source: BLS Local Area Unemployment Statistics.

(c) Source: U.S. Census Bureau 2000

(d) Source: U.S. Census Bureau 2010

(e) Source: U.S. Census Bureau 2012

(f) Source: U.S. Census Bureau 2013 Estimate

(g) Source: U.S. Census Bureau 2014 Estimate

(h) Source: U.S. Census Bureau, American Community Survey

**CITY OF FORT WORTH, TEXAS  
PRINCIPAL EMPLOYERS  
FORT WORTH METROPOLITAN AREA  
CURRENT YEAR AND NINE YEARS AGO (Unaudited)  
(in 000's)**

**TABLE 20**

<b>Name of Employers</b>	<b>2018</b>			<b>2009</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Employment<sup>(a)</sup></b>	<b>Employees<sup>(b)</sup></b>	<b>Rank</b>	<b>Percentage of Total Employment<sup>(c)</sup></b>
AMR Corp. /American Airlines	25.0	1	6.10 %	6.5	3	1.22 %
Lockheed Martin Tactical Aircraft Systems	13.7	2	3.34 %	13.5	1	2.52 %
Fort Worth Independent School District	12.0	3	2.93 %	11.7	2	2.19 %
NAS Fort Worth Joint Reserve Base	10.0	4	2.44 %	5.4	5	1.01 %
JPS Health Network/John Peter Smith Hospital	6.5	5	1.59 %	4.3	6	0.80 %
City of Fort Worth	6.2	6	1.51 %	6.4	4	1.20 %
Cook Children's Health Care System	6.0	7	1.46 %	3.1	9	0.58 %
Tarrant County College	6.0	8	1.46 %	-	-	
Alcon Laboratories Inc.	5.4	9	1.32 %	-	-	
Bell Helicopter-Textron, Inc.	5.0	10	1.22 %	3.8	8	0.71 %
Harris Methodist Hospital				4.0	7	0.75 %
Burlington Northern Santa Fe Railway				3.1	10	0.58 %
	<u>95.8</u>		<u>23.37 %</u>	<u>61.8</u>		<u>11.56 %</u>

(a) Estimated total employment of 409,749 for 2018 per U.S. Bureau of Labor Statistics

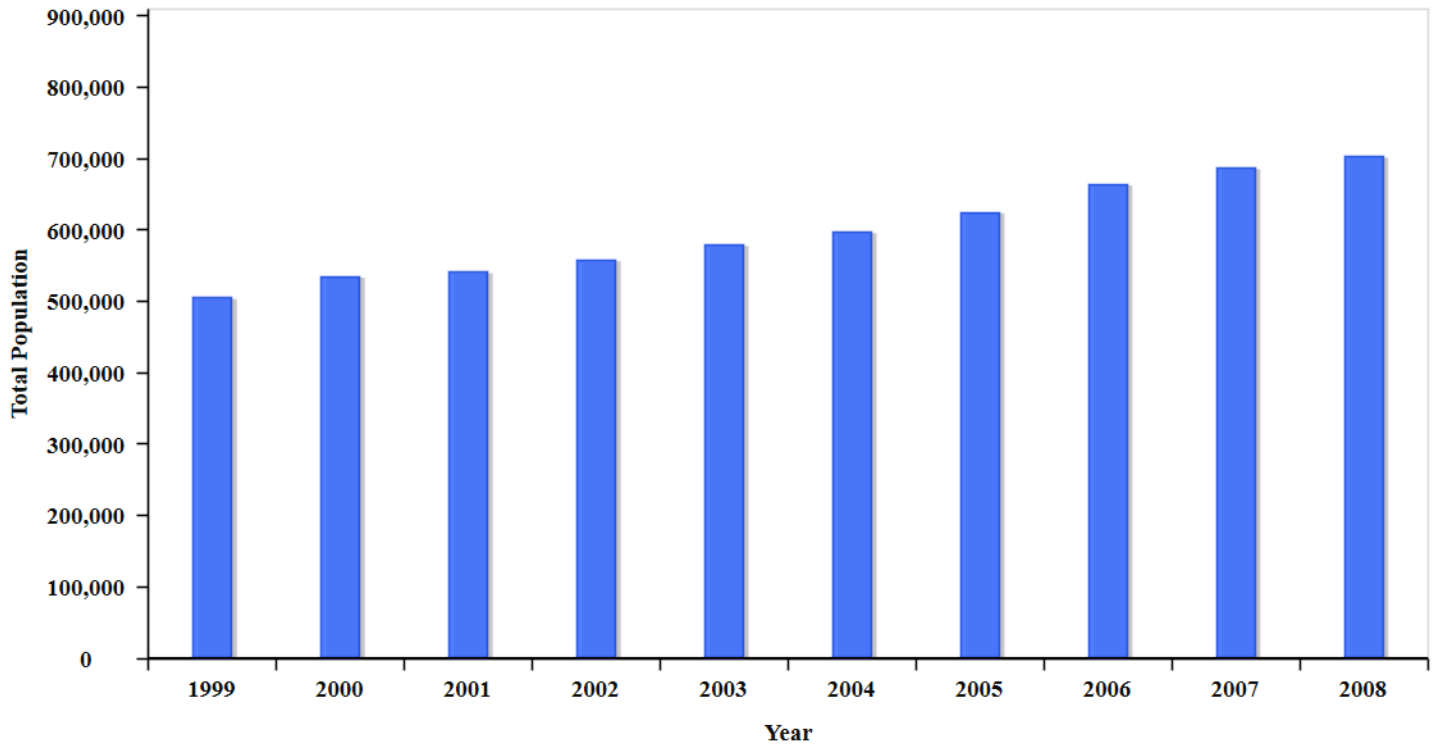
(b) Source: City of Fort Worth, Texas CAFR For the Fiscal Year Ended September 30, 2009

(c) Estimated total employment of 534,850 for 2009 per North Central Texas Council of Governments



**CITY OF FORT WORTH, TEXAS  
POPULATION GROWTH  
LAST TWENTY FISCAL YEARS (Unaudited)**

<b>Fiscal Year</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Population	504,850	534,694	540,950	557,750	579,250	597,150	624,850	664,100	686,850	702,850
Percent Change		5.91 %	1.17 %	3.11 %	3.85 %	3.09 %	4.64 %	6.28 %	3.43 %	2.33 %

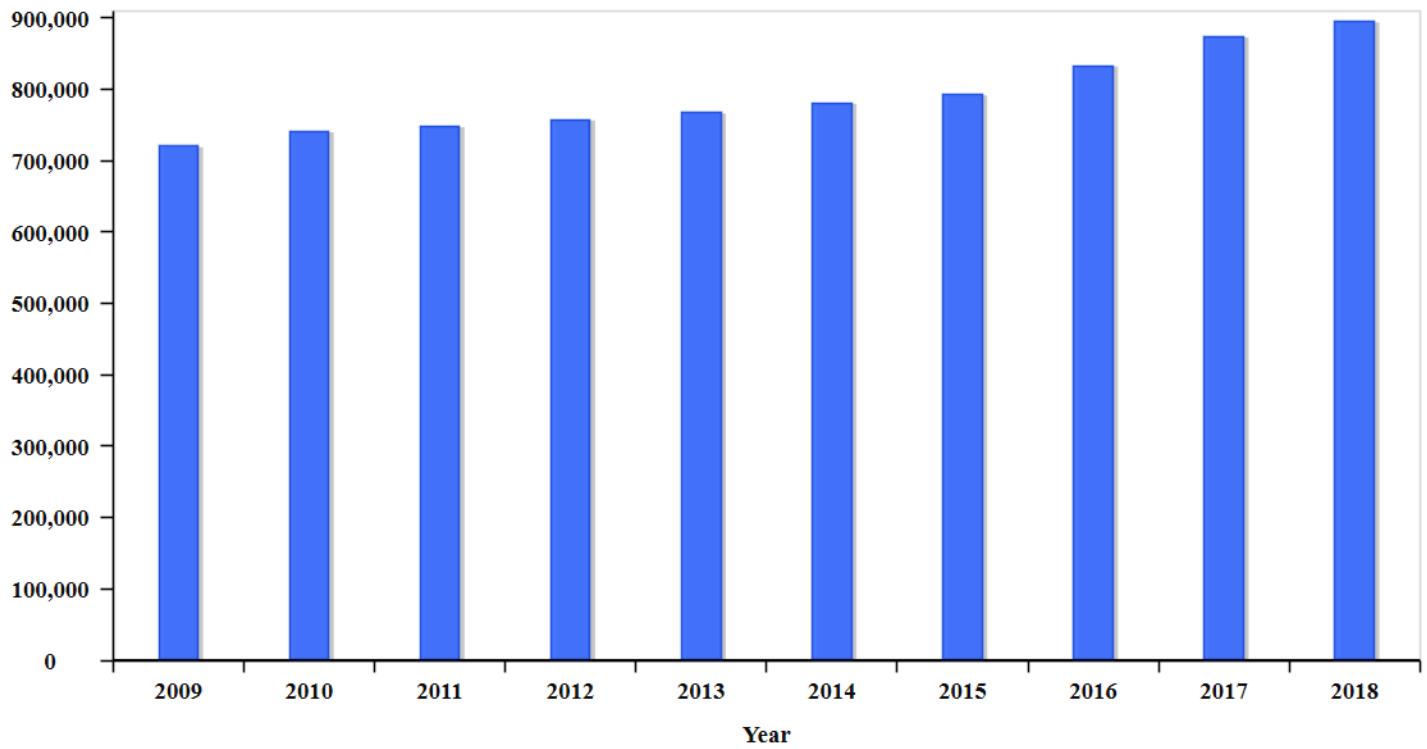


Source: Years prior to 2016: North Central Texas Council of Governments (NCTCOG). Beginning in year 2016: U.S. Bureau of Census 2010 and estimates.



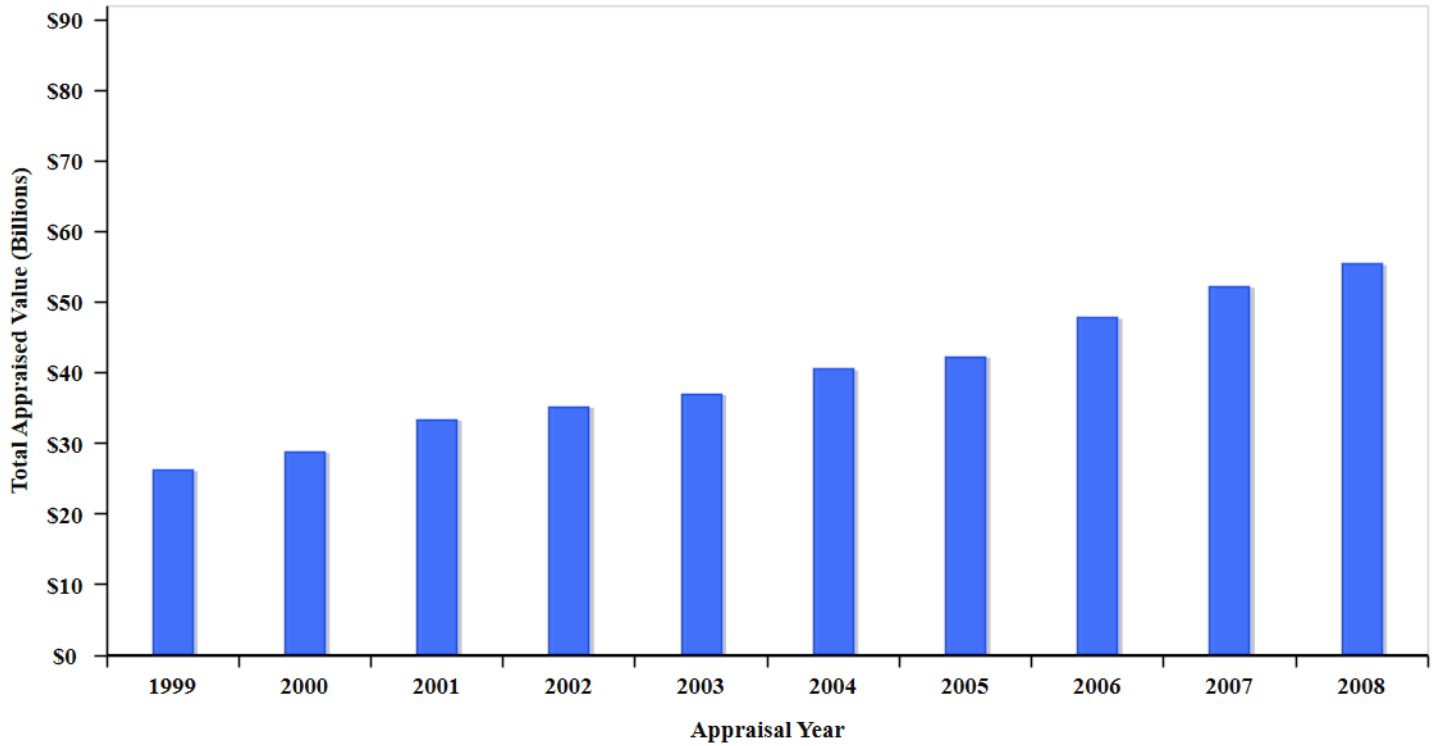
**TABLE 21**

<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
720,250	741,206	748,450	757,810	767,560	781,100	792,720	833,319	874,168	895,121
2.48 %	2.91 %	0.98 %	1.25 %	1.29 %	1.76 %	1.49 %	5.12 %	4.90 %	2.40 %



**CITY OF FORT WORTH, TEXAS  
 TOTAL APPRAISED VALUE  
 LAST TWENTY FISCAL YEARS (Unaudited)**

<b>Appraisal Year</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Value (Billions)	\$ 26.2	\$ 28.8	\$ 33.4	\$ 35.2	\$ 37.0	\$ 40.5	\$ 42.3	\$ 47.8	\$ 52.2	\$ 55.4
Percent Change		9.92 %	15.97 %	5.39 %	5.11 %	9.46 %	4.44 %	13.00 %	9.21 %	6.13 %

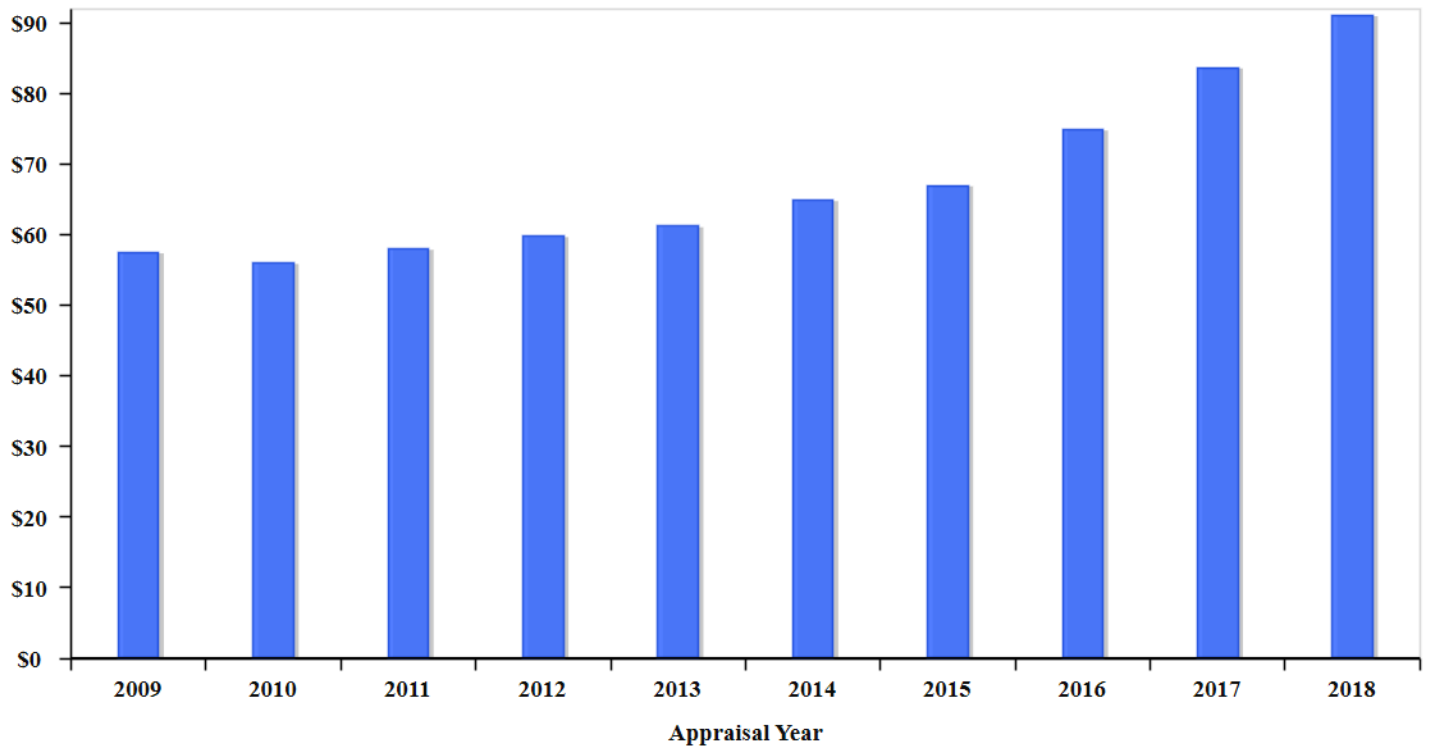


Source: Tarrant, Denton, Wise, Parker Appraisal District Certified Tax Report.

Although the City of Fort Worth extends into Johnson County, the City limits within this jurisdiction do not include any taxable property.

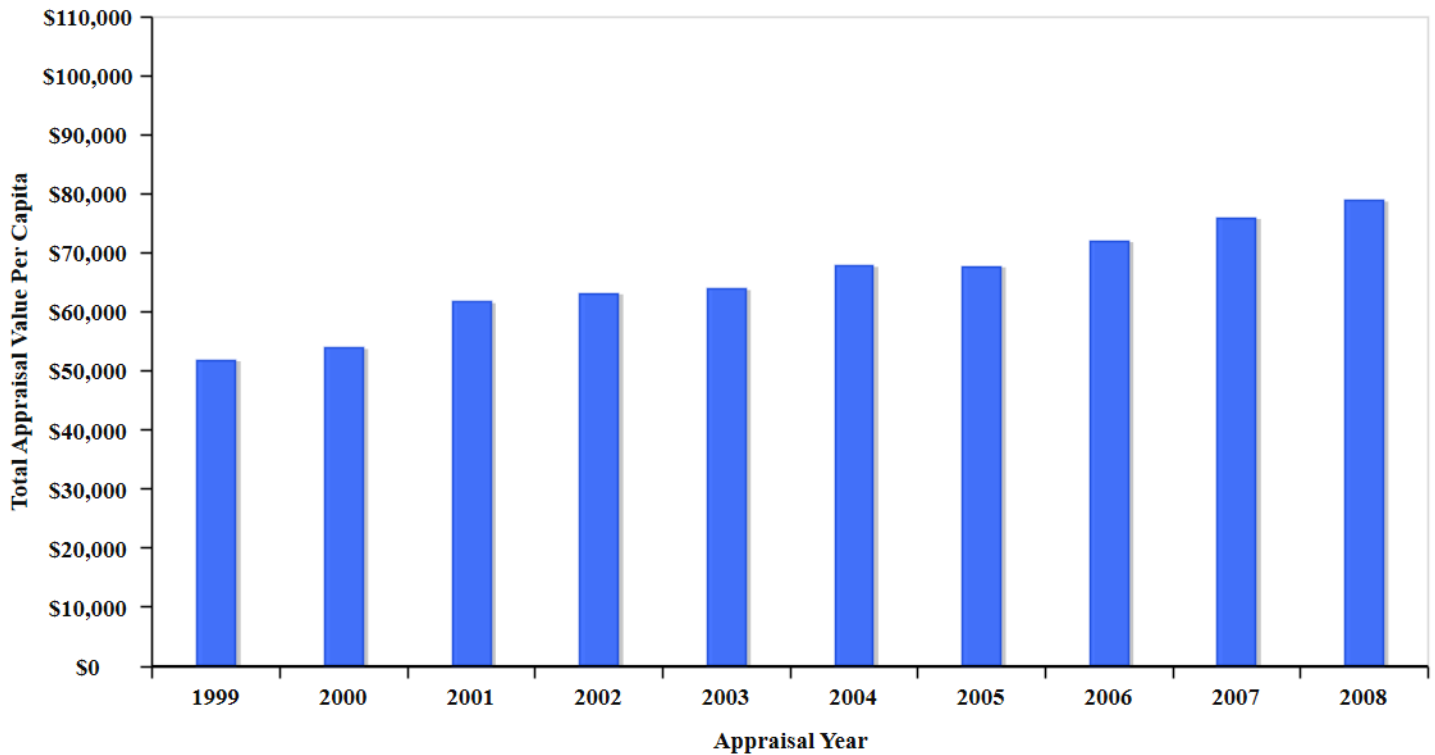
**TABLE 22**

<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ 57.5	\$ 56.0	\$ 58.0	\$ 59.8	\$ 61.2	\$ 64.9	\$ 67.0	\$ 74.9	\$ 83.7	\$ 91.1
3.79 %	(2.61)%	3.57 %	3.10 %	2.34 %	6.05 %	3.24 %	11.79 %	11.75 %	8.84 %



**CITY OF FORT WORTH, TEXAS  
APPRAISED VALUE PER CAPITA  
LAST TWENTY FISCAL YEARS (Unaudited)**

<b>Appraisal Year</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Value (Billions)	\$ 26.2	\$ 28.8	\$ 33.4	\$ 35.2	\$ 37.0	\$ 40.5	\$ 42.3	\$ 47.8	\$ 52.2	\$ 55.4
Population	504,850	534,694	540,950	557,750	579,250	597,150	624,850	664,100	686,850	702,850
Value Per Capita	\$ 51,827	\$ 53,902	\$ 61,667	\$ 63,171	\$ 63,884	\$ 67,815	\$ 67,737	\$ 71,999	\$ 75,929	\$ 78,869
Percent Change		4.00 %	14.41 %	2.44 %	1.13 %	6.15 %	(0.12)%	6.29 %	5.46 %	3.87 %



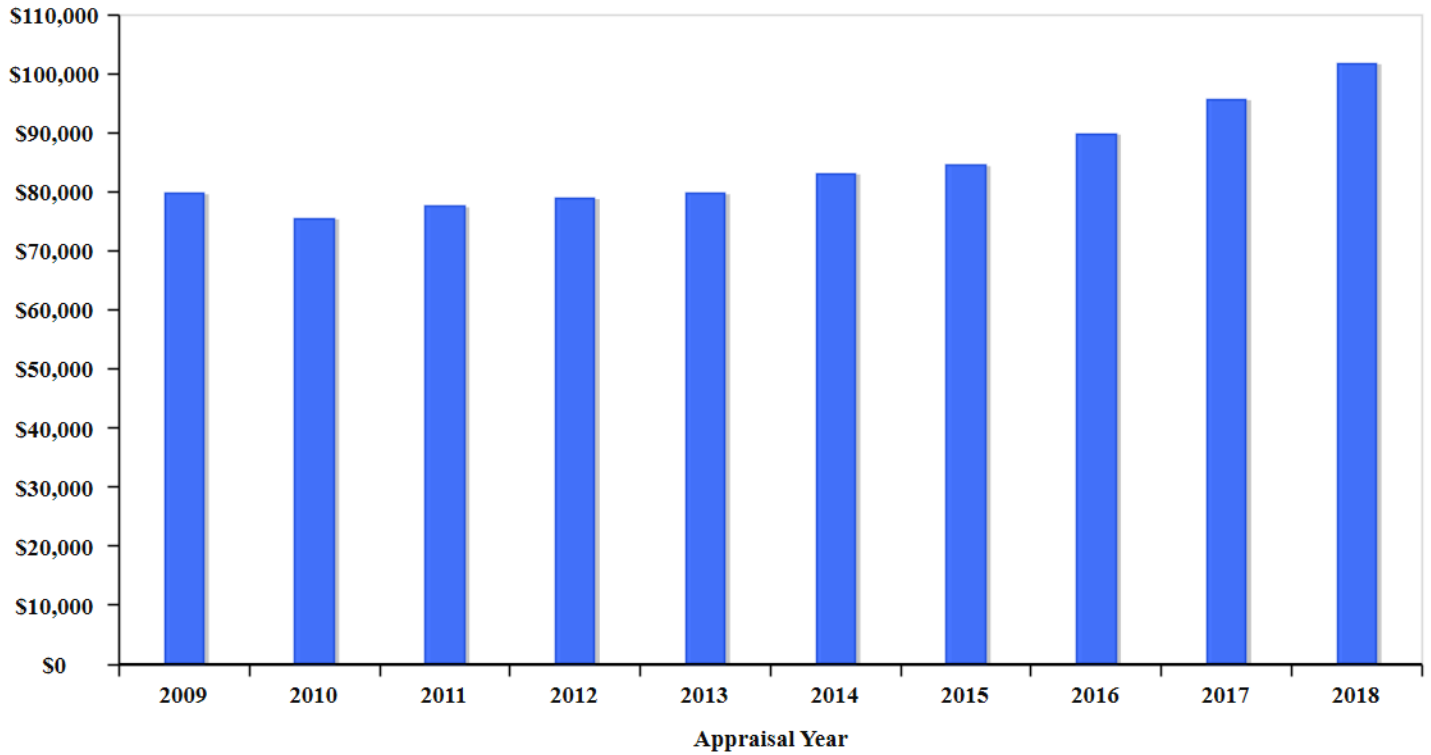
Source: Tarrant, Denton, Wise, Parker Appraisal District Certified Tax Report.

Although the City of Fort Worth extends into Johnson County, the City limits within this jurisdiction do not include any taxable property.

Population prior to 2016 source is NCTCOG. Population beginning 2016 source is U.S. Bureau of Census 2010 and estimates.

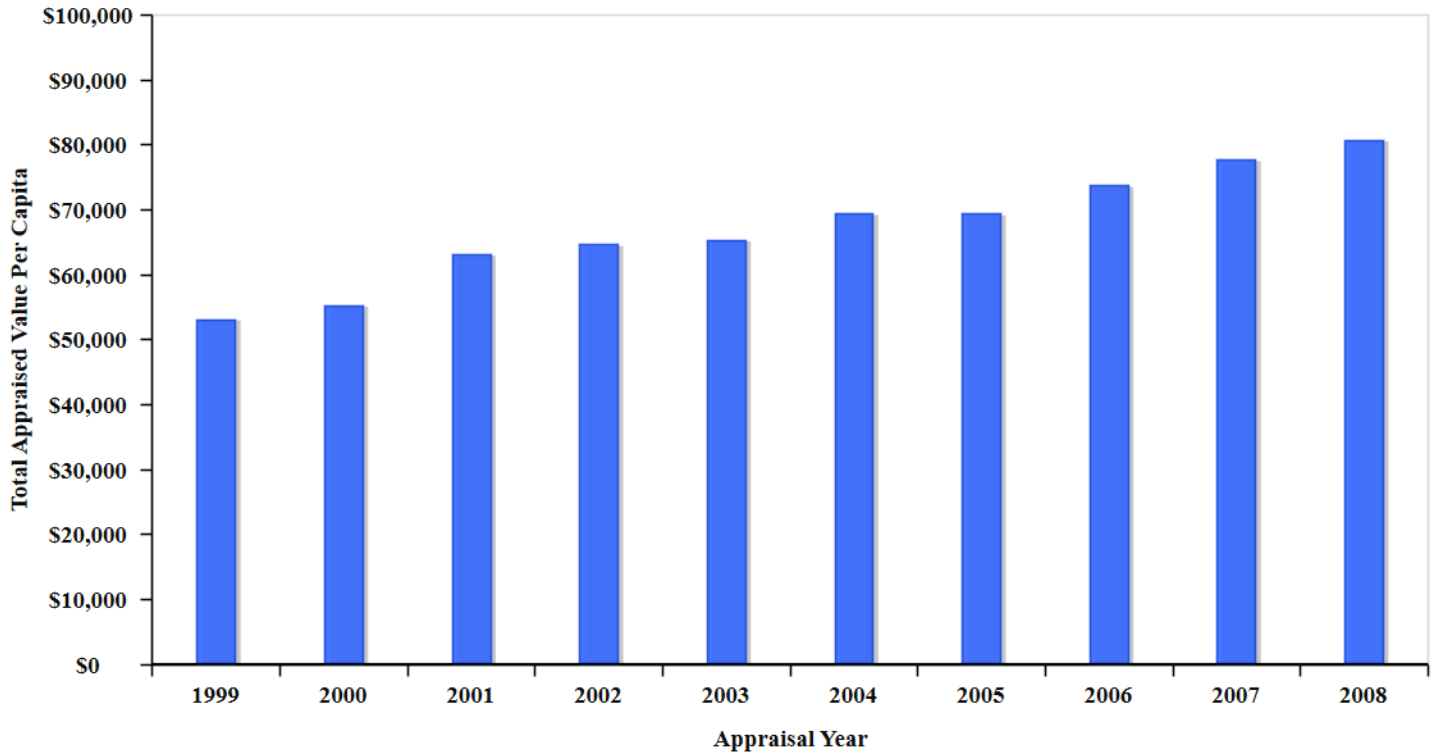
**TABLE 23**

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
\$ 57.5	\$ 56.0	\$ 58.0	\$ 59.8	\$ 61.2	\$ 64.9	\$ 67.0	\$ 74.9	\$ 83.7	\$ 91.1
720,250	741,206	748,450	757,810	767,560	781,100	792,720	833,319	874,168	895,121
\$ 79,766	\$ 75,528	\$ 77,558	\$ 78,954	\$ 79,759	\$ 83,143	\$ 84,530	\$ 89,882	\$ 95,722	\$ 101,803
1.14 %	(5.31)%	2.69 %	1.80 %	1.02 %	4.24 %	1.67 %	6.33 %	6.50 %	6.35 %



**CITY OF FORT WORTH, TEXAS  
 APPRAISED VALUE PER CAPITA (Inflation Adjusted)  
 LAST TWENTY FISCAL YEARS (Unaudited)**

<b>Appraisal Year</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Value	\$ 26,165	\$ 28,821	\$ 33,359	\$ 35,234	\$ 37,005	\$ 40,496	\$ 42,325	\$ 47,815	\$ 52,152	\$ 55,433
Adj Value (Billions)	\$ 26.8	\$ 29.5	\$ 34.1	\$ 36.0	\$ 37.8	\$ 41.4	\$ 43.3	\$ 48.9	\$ 53.3	\$ 56.7
Population	504,850	534,694	540,950	557,750	579,250	597,150	624,850	664,100	686,850	702,850
Value Per Capita	\$ 53,085	\$ 55,172	\$ 63,037	\$ 64,545	\$ 65,257	\$ 69,329	\$ 69,297	\$ 73,633	\$ 77,601	\$ 80,672
Percent Change		3.93 %	14.26 %	2.39 %	1.10 %	6.24 %	(0.05)%	6.26 %	5.39 %	3.96 %



Source: Tarrant, Denton, Wise, Parker Appraisal District Certified Tax Report.

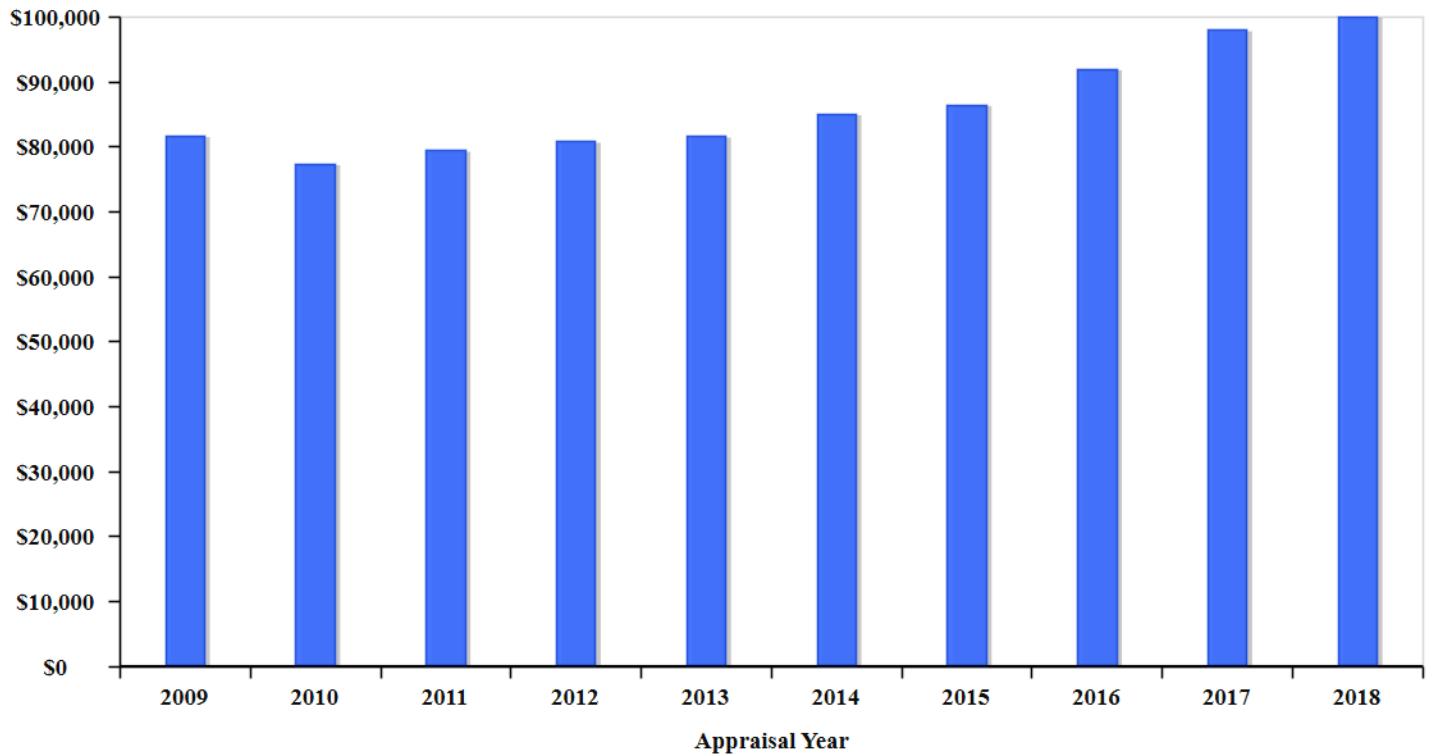
Population prior to 2016 source is NCTCOG. Population beginning 2016 source is U.S. Bureau of Census 2010 and estimates.

Appraisal values adjusted for inflation based on CPI data available at <http://www.usinflationcalculator.com>

Although the City of Fort Worth extends into Johnson County, the City limits within this jurisdiction does not include any taxable property.

**TABLE 24**

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
\$ 57,452	\$ 55,982	\$ 58,049	\$ 59,832	\$ 61,220	\$ 64,935	\$ 67,008	\$ 74,907	\$ 83,712	91,126
\$ 58.8	\$ 57.3	\$ 59.4	\$ 61.2	\$ 62.6	\$ 66.4	\$ 68.5	\$ 76.6	\$ 85.6	\$ 91.1
720,250	741,206	748,450	757,810	767,560	781,100	792,720	833,319	874,168	895,121
\$ 81,638	\$ 77,306	\$ 79,364	\$ 80,759	\$ 81,557	\$ 85,008	\$ 86,411	\$ 91,922	\$ 97,922	\$ 101,774
1.20 %	(5.31)%	2.66 %	1.76 %	0.99 %	4.23 %	1.65 %	6.38 %	6.53 %	3.93 %

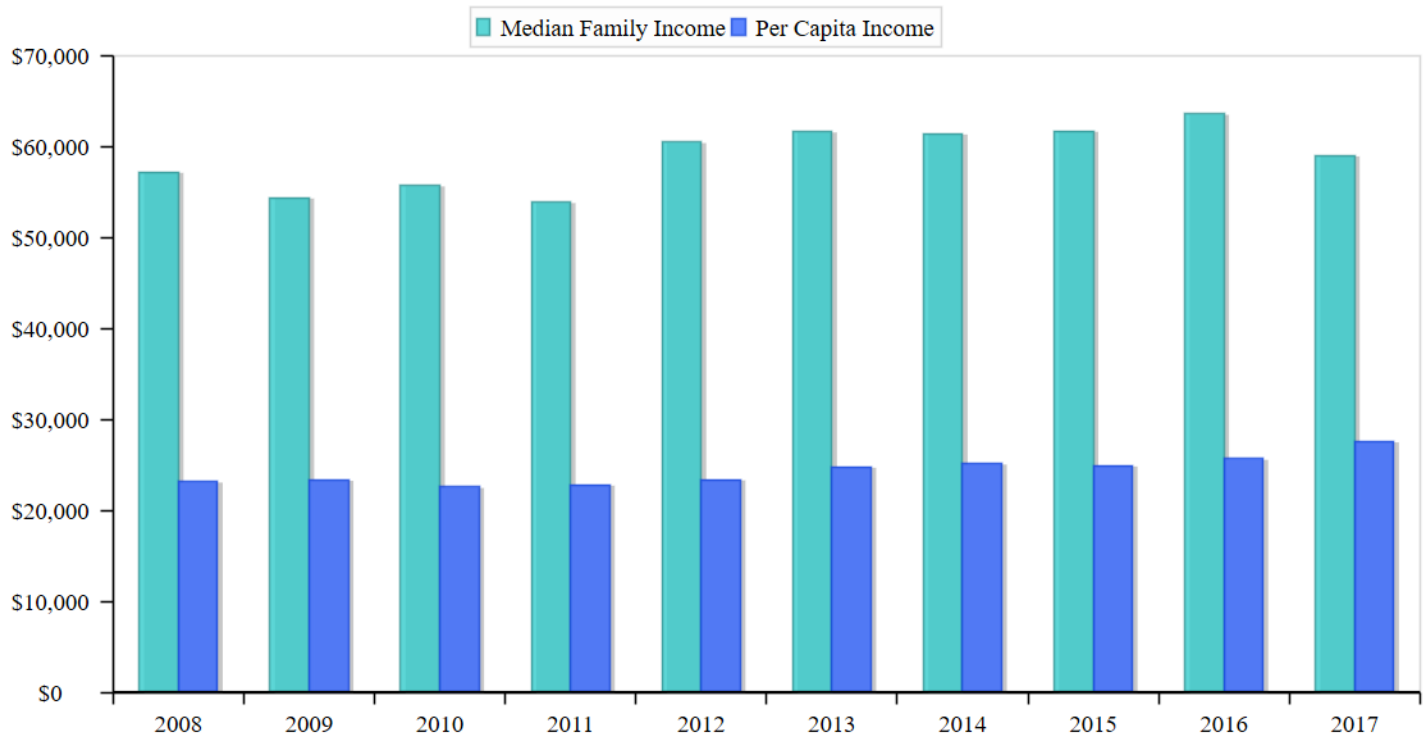


**CITY OF FORT WORTH, TEXAS**  
**MEDIAN FAMILY AND PER CAPITA INCOME (Unaudited)**  
**(Unadjusted for Inflation)**

**TABLE 25**

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Median Family Income	\$ 57,220	\$ 54,404	\$ 55,727	\$ 53,900	\$ 60,489	\$ 61,651	\$ 61,433	\$ 61,728	\$ 63,585	\$ 59,025
Percent Change		(4.92)%	2.43 %	(3.28)%	12.22 %	1.92 %	(0.35)%	0.48 %	3.01 %	(7.17)%

Fort Worth Per Capita Income (Unadjusted for Inflation)										
Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Per Capita Income	\$ 23,208	\$ 23,399	\$ 22,613	\$ 22,868	\$ 23,449	\$ 24,836	\$ 25,186	\$ 24,975	\$ 25,706	\$ 27,622
Percent Change		0.82 %	(3.36)%	1.13 %	2.54 %	5.91 %	1.41 %	(0.84)%	2.93 %	7.45 %



Source: U.S. Census Bureau, American Community Survey

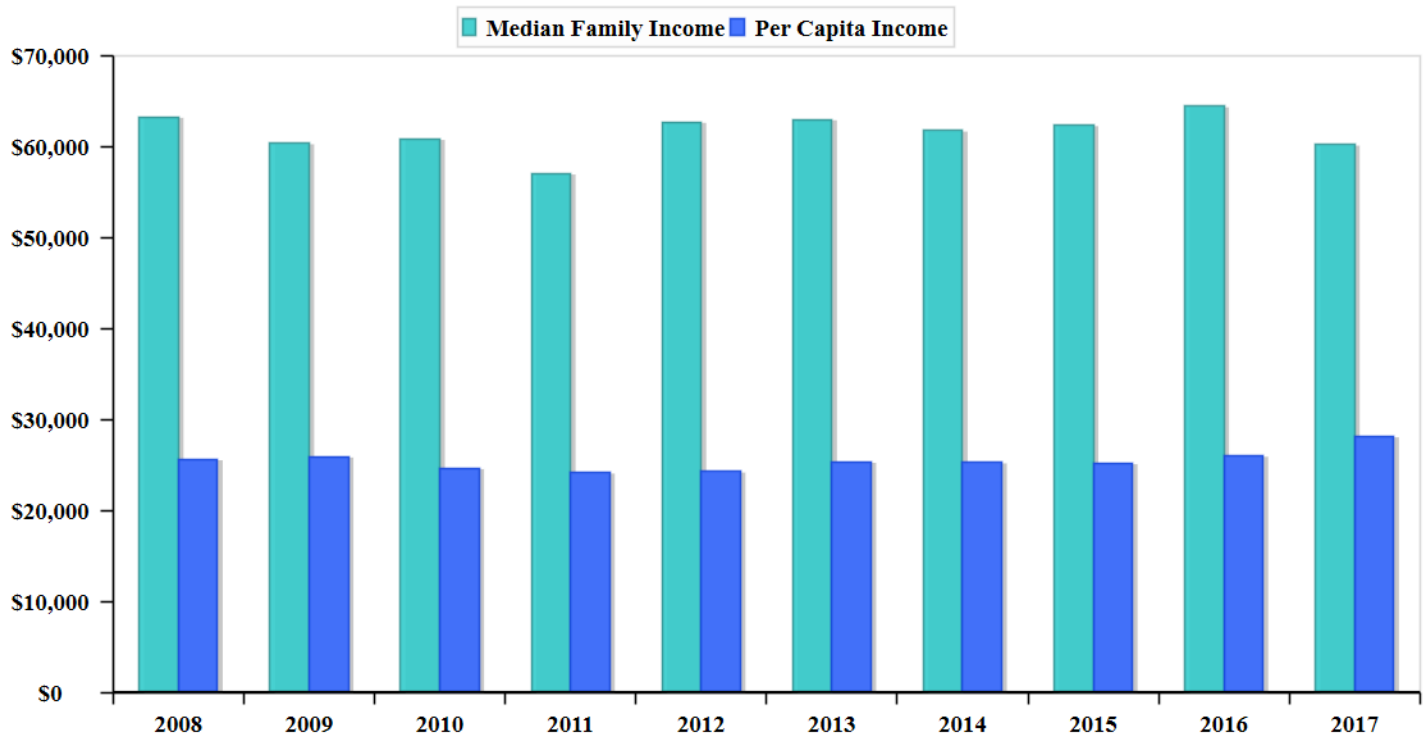


**CITY OF FORT WORTH, TEXAS**  
**MEDIAN FAMILY AND PER CAPITA INCOME (Unaudited)**  
**(Adjusted for Inflation)**

**TABLE 26**

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Median Family Income	\$ 63,260	\$ 60,362	\$ 60,832	\$ 57,037	\$ 62,712	\$ 62,994	\$ 61,747	\$ 62,345	\$ 64,412	\$ 60,205
Percent Change		(4.58)%	0.78 %	(6.24)%	9.95 %	0.45 %	(1.98)%	0.97 %	3.32 %	(6.53)%

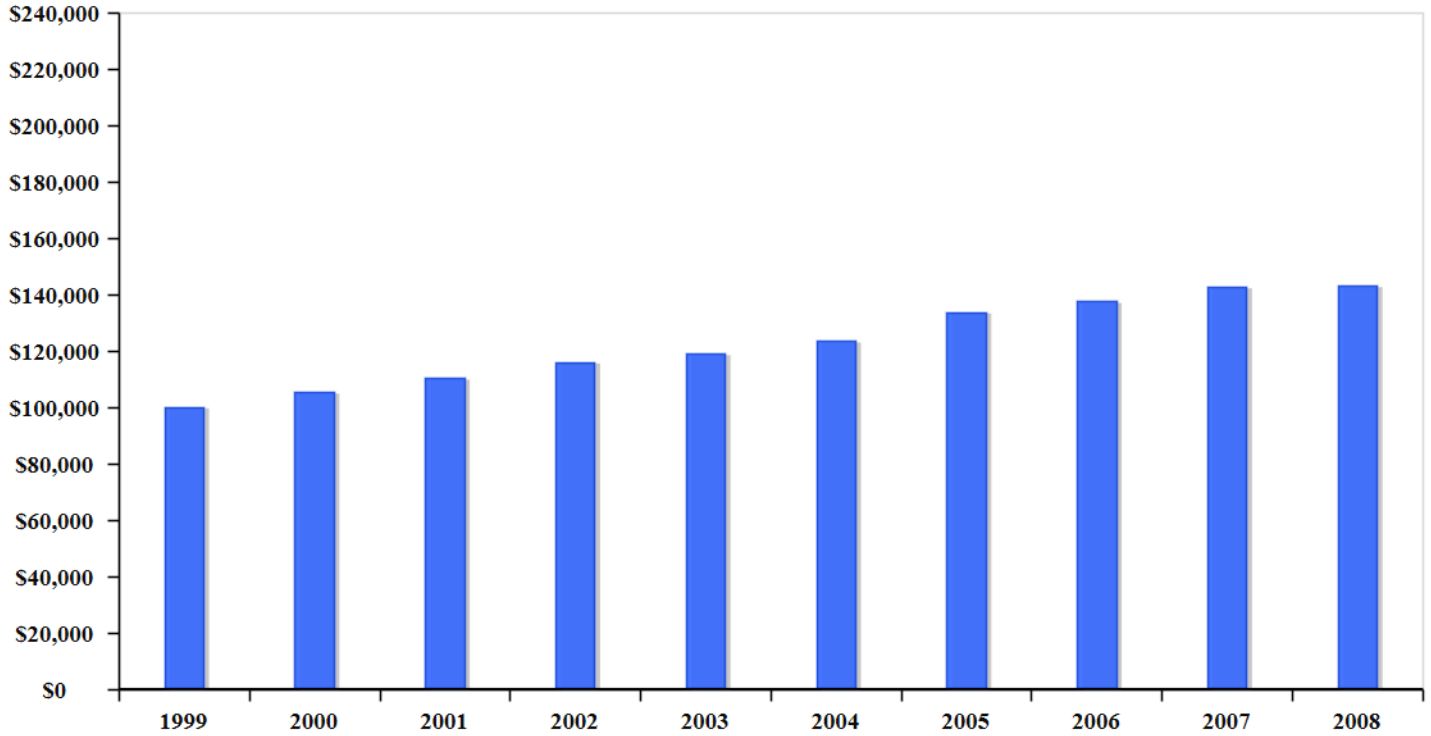
Fort Worth Per Capita Income (Adjusted for Inflation)										
Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Per Capita Income	\$ 25,658	\$ 25,961	\$ 24,685	\$ 24,199	\$ 24,310	\$ 25,376	\$ 25,315	\$ 25,225	\$ 26,040	\$ 28,174
Percent Change		1.18 %	(4.92)%	(1.97)%	0.46 %	4.39 %	(0.24)%	(0.36)%	3.23 %	8.20 %



Source: U.S. Census Bureau, American Community Survey

**CITY OF FORT WORTH, TEXAS  
 AVERAGE HOME VALUE  
 LAST TWENTY FISCAL YEARS (Unaudited)**

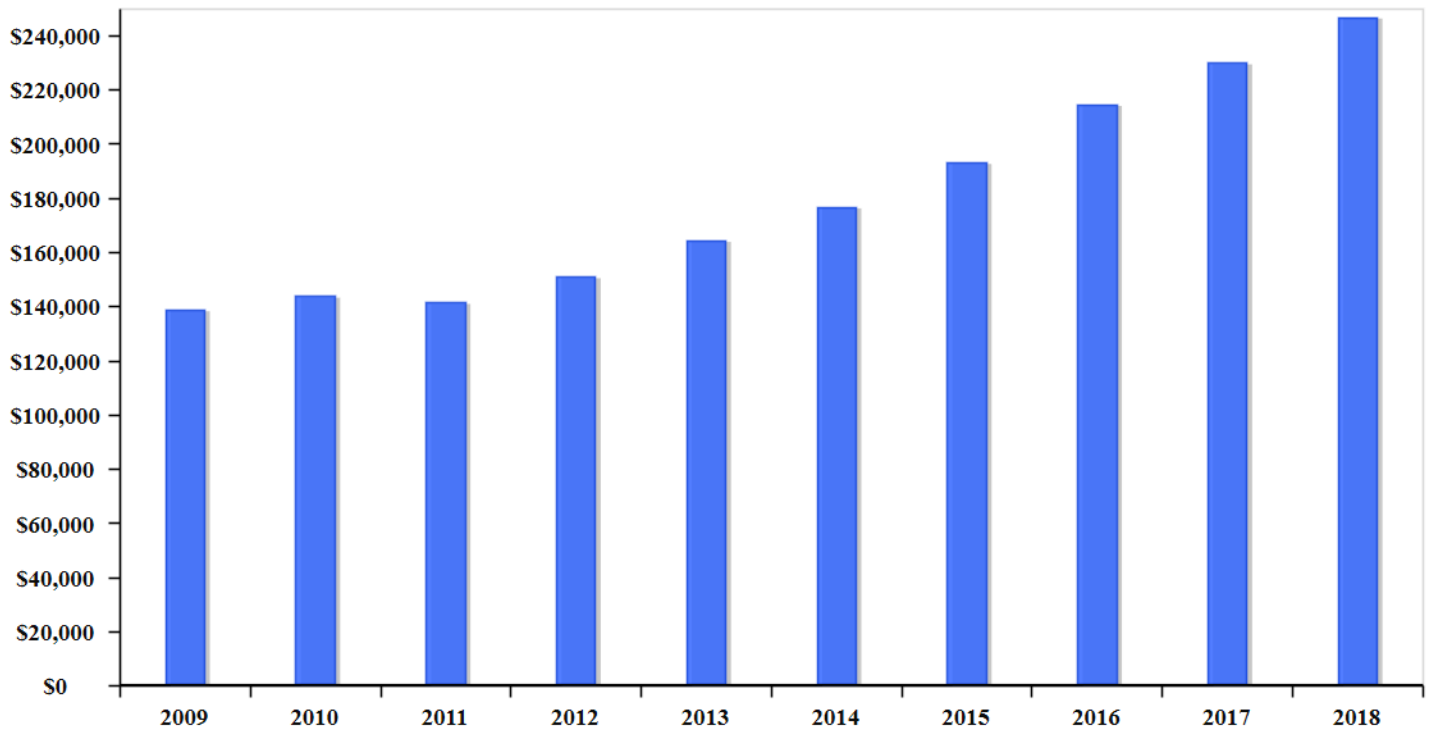
<b>Year</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Average Home Value	\$ 100,200	\$ 105,400	\$ 110,300	\$ 116,100	\$ 119,000	\$ 123,500	\$ 133,800	\$ 137,500	\$ 142,700	\$ 143,100
% Change		5.19 %	4.65 %	5.26 %	2.50 %	3.78 %	8.34 %	2.77 %	3.78 %	0.28 %



Source: Texas A&M University, Real Estate Center. For years prior to 2016, figures are MLS described geography. Beginning in 2016, figures are geographical for better accuracy. For FY17, the source is the same; data used is based on a monthly average and not the annual.

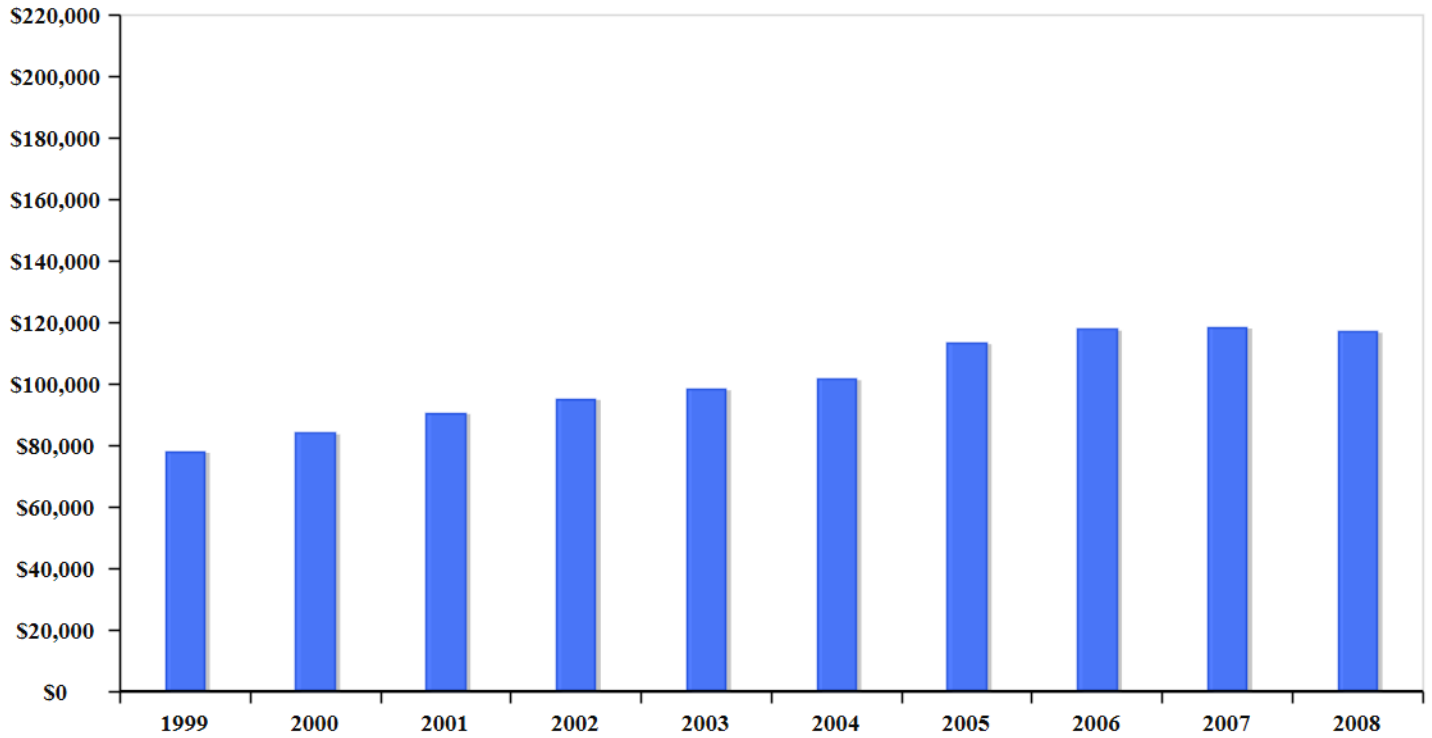
**TABLE 27**

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
\$ 138,700	\$ 143,700	\$ 141,400	\$ 150,900	\$ 164,300	\$ 176,700	\$ 193,100	\$ 214,506	\$ 229,864	\$ 246,797
(3.07)%	3.60 %	(1.60)%	6.72 %	8.88 %	7.55 %	9.28 %	11.09 %	7.16 %	7.37 %



**CITY OF FORT WORTH, TEXAS  
 MEDIAN HOME VALUE  
 LAST TWENTY FISCAL YEARS (Unaudited)**

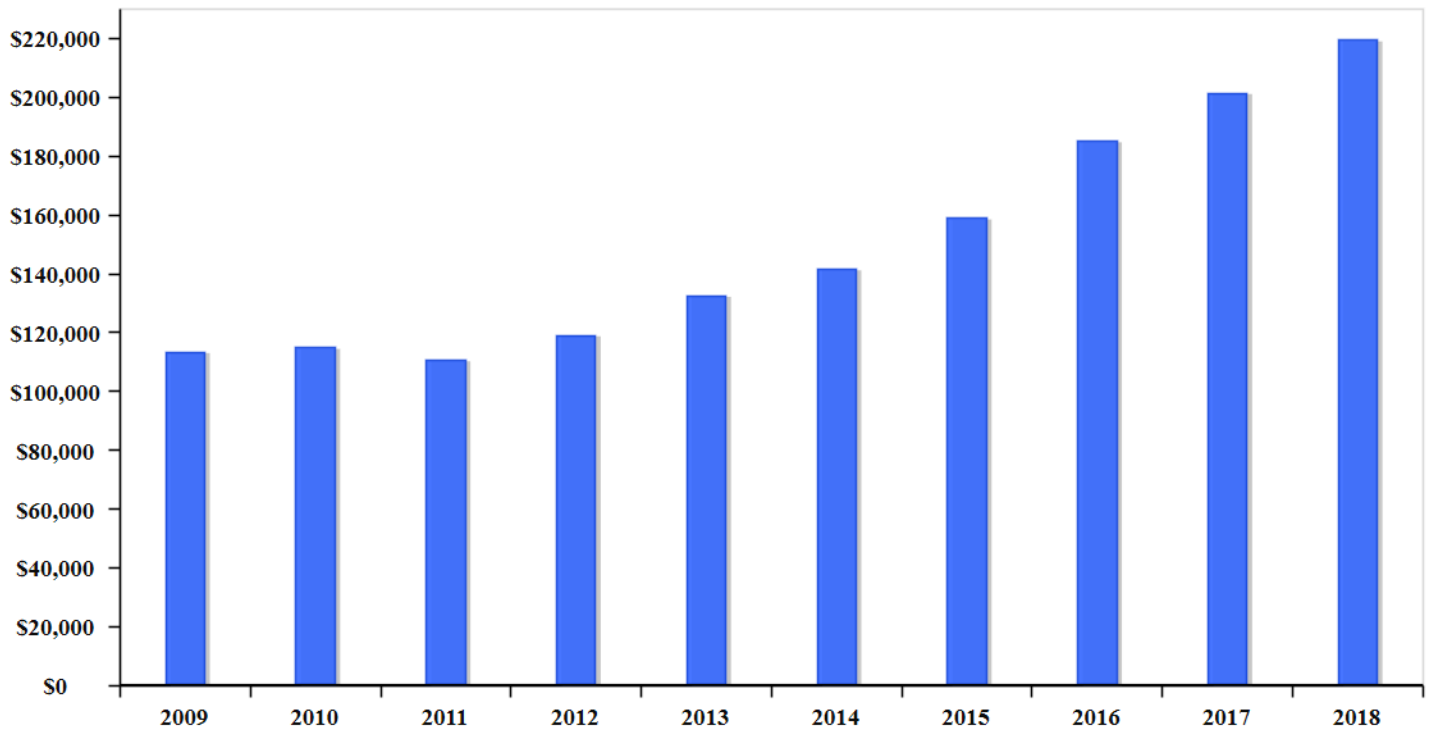
<b>Year</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Median Home Value	\$ 78,000	\$ 84,000	\$ 90,600	\$ 95,200	\$ 98,300	\$ 101,600	\$ 113,300	\$ 117,700	\$ 118,400	\$ 117,000
% Change		7.69 %	7.86 %	5.08 %	3.26 %	3.36 %	11.52 %	3.88 %	0.59 %	(1.18)%



Source: Texas A&M University, Real Estate Center. For years prior to 2016, figures are MLS described geography. Beginning in 2016, figures are geographical for better accuracy. For FY17, the source is the same; data used is based on a monthly median and not the annual.

**TABLE 28**

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 113,400	\$ 114,800	\$ 110,600	\$ 119,100	\$ 132,500	\$ 141,500	\$ 158,800	\$ 185,000	\$ 201,396	\$ 219,276
(3.08)%	1.23 %	(3.66)%	7.69 %	11.25 %	6.79 %	12.23 %	16.50 %	8.86 %	8.88 %



**CITY OF FORT WORTH, TEXAS  
FULL-TIME EQUIVALENT CITY GOVERNMENT  
EMPLOYEES BY FUNCTION / PROGRAM  
LAST TEN FISCAL YEARS (Unaudited)**

<b>Function/Program</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
General Government					
Mayor and Council <sup>(a)</sup>	26	26	-	-	-
City Manager	41	52	90	89	58
Performance and Budget <sup>(b)</sup>	9	8	-	-	-
Housing and Community Development <sup>(c)</sup>	83	85	75	57	71
Planning and Development	140	137	135	147	155
Community and Public Engagement <sup>(a)</sup>	72	45	-	-	-
Internal Audit	14	14	14	16	15
City Secretary	11	12	10	11	12
Legal	51	52	46	51	53
Financial Management Services	70	71	72	90	88
Human Resources	126	103	104	107	52
Economic Development <sup>(c)</sup>	-	-	-	-	-
Neighborhood Services <sup>(c)</sup>	-	-	-	-	-
Transportation and Public Works <sup>(d)</sup>	559	550	588	564	617
Property Management <sup>(h)</sup>	-	-	-	-	-
Code Compliance <sup>(e)</sup>	173	173	272	284	289
Public Events	132	127	127	123	132
Municipal Court	180	177	191	195	198
Environmental Management <sup>(e)</sup>	107	113	-	-	-
Park and Recreation <sup>(f)</sup>	756	705	727	690	396
Library	260	275	286	271	220
Subtotal	<u>2,810</u>	<u>2,725</u>	<u>2,737</u>	<u>2,695</u>	<u>2,356</u>
Enterprise Fund					
Water/Wastewater	880	891	892	901	934
Aviation	24	22	24	21	24
Subtotal	<u>904</u>	<u>913</u>	<u>916</u>	<u>922</u>	<u>958</u>
Internal Service Fund					
IT Solutions	99	90	100	111	127
Equipment Services <sup>(g)</sup>	119	104	97	96	106
Subtotal	<u>218</u>	<u>194</u>	<u>197</u>	<u>207</u>	<u>233</u>
Public Safety					
Police <sup>(h)</sup>	-	-	-	-	-
Police-Uniform	1,538	1,524	1,534	1,539	1,594
Police-Civilian	675	660	647	677	448
Fire <sup>(h)</sup>	-	-	-	-	-
Fire-Uniform	891	869	894	897	908
Fire-Civilian	57	55	44	60	47
Subtotal	<u>3,161</u>	<u>3,108</u>	<u>3,119</u>	<u>3,173</u>	<u>2,997</u>
Total	<u><u>7,093</u></u>	<u><u>6,940</u></u>	<u><u>6,969</u></u>	<u><u>6,997</u></u>	<u><u>6,544</u></u>

(a) Mayor and Council Office is included in City Manager's Office since 2011. In FY18 Community Relations separated from the City Managers Office and the name changed to Community and Public Engagement

(b) Budget and Management Services established in FY05, previously a division of City Manager's Office. In FY09 merged into Financial Management Services, moved to City Manager's Office in FY11, and in FY13 moved back to Financial Management Services. In FY17, the Budget Division was transferred to the newly created Performance and Budget Office.

(c) Economic and Community Development was combined with Housing in 2009, and dissolved in FY16 into Economic Development and Neighborhood Services.

(d) Street services is a division of Transportation and Public Works Department.

(e) Environmental Management is combined with Transportation and Public Works since 2011.

(f) Parks and Community Services is referred to as Park and Recreation beginning FY16.

(g) Property Management was established in FY16 and was overstated due to the inclusion of Equipment Services. 2016 data has been corrected.

(h) In FY18, the Police and Fire Uniform and Civilian FTEs are not reported separately.

Source: Approved Budgets 2009-2018

**TABLE 29**

<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
-	-	-	-	-
53	64	63	55	35
-	-	-	25	25
68	76	-	-	-
146	143	132	140	153
-	-	-	-	41
15	15	15	15	16
11	11	11	11	14
53	51	50	51	51
101	104	100	91	89
51	50	59	59	58
-	-	22	22	20
-	-	155	150	170
589	591	441	442	490
-	-	88	93	97
286	310	353	370	326
133	133	133	133	196
191	184	184	182	168
-	-	-	-	-
392	397	362	391	414
220	216	213	213	237
<b>2,309</b>	<b>2,345</b>	<b>2,381</b>	<b>2,443</b>	<b>2,600</b>
940	937	937	949	967
24	24	24	24	26
<b>964</b>	<b>961</b>	<b>961</b>	<b>973</b>	<b>993</b>
133	139	138	136	158
106	106	106	114	117
<b>239</b>	<b>245</b>	<b>244</b>	<b>250</b>	<b>275</b>
-	-	-	-	2,222
1,549	1,549	1,599	1,635	-
445	453	455	458	-
-	-	-	-	1,004
884	884	911	925	-
47	47	60	61	-
<b>2,925</b>	<b>2,933</b>	<b>3,025</b>	<b>3,079</b>	<b>3,226</b>
<b>6,437</b>	<b>6,484</b>	<b>6,611</b>	<b>6,745</b>	<b>7,094</b>

**CITY OF FORT WORTH, TEXAS**  
**OPERATING INDICATORS BY FUNCTION / PROGRAM**  
**LAST TEN FISCAL YEARS (Unaudited)**

<b>Function/Program</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Public Safety</b>					
Fire					
Calls for Service - Fire	2,776	2,281	12,392	10,111	10,158
Calls for Service - EMS	52,566	53,837	65,190	58,770	71,511
Police					
Calls for Service	314,942	312,061	299,750	299,793	266,169
<b>Municipal Courts</b>					
Citations Entered	451,938	415,008	327,779	277,672	246,378
Warrants Issued	273,951	274,833	318,720	219,478	167,764
Jail Cases Prepared	73,566	81,522	136,312	152,874	141,888
<b>Transportation and Public Works</b>					
Streets - Lane Miles Maintained Annually	7,291	7,317	7,325	7,341	7,382
Lane Miles - Resurfaced	208	164	177	169	143
<b>Library</b>					
Books and audio/visual materials (millions) <sup>(a)</sup>	1.1	1.1	1.1	1.1	1.1
Average Monthly Circulation	349,247	342,697	375,965	369,450	355,877
<b>Building Permits</b>					
Permits issued (in thousands)	9.7	10.0	9.8	10.0	10.1
Estimated Value (in thousands)	1,487,296	1,678,179	1,352,438	1,454,917	1,214,680
<b>Aviation</b>					
Airport Operations (Takeoffs and Landings)	263,077	229,845	260,059	248,650	252,989
Total Fuel Flowage, gallons	7,099,019	6,656,640	7,828,177	7,742,014	8,260,693
Total Fuel Flowage, revenue	632,715	770,510	910,116	908,212	926,437
<b>Water &amp; Sewer</b>					
Number of Water Accounts (in thousands)	220	221	223	225	228
Peak Day Water Consumption (million gallons)	323	313	368	346	324
Average Daily Water Consumption (million gallons)	178	170	205	265	186
Water System Storage Capacity (million gallons)	92	93	93	93	90
Actual Annual Water Pumpage (million gallons)	64,984	62,131	74,997	69,469	67,929
Infrastructure Leakage Index <sup>(b)</sup>	N/A	4.52	4.59	4.12	3.67
Number of Sewer Accounts (in thousands)	210	212	214	216	219
Average daily sewage treatment (million gallons)	106	135	105	110	95
<b>Municipal Parking</b>					
Parking tickets issued	64,061	61,715	52,261	47,211	60,354

(a) Number does not include approximately 1 million governmental documents for the years 2008-2010.

(b) Number based on the calendar year per state requirements - Information N/A (Not Available).

Source: Respective City of Fort Worth departments.



**TABLE 30**

<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
10,439	10,333	2,340	2,398	2,960
76,438	79,059	66,712	72,176	72,277
296,561	292,047	289,058	286,373	269,714
232,596	205,553	175,559	155,027	154,277
115,840	195,718	150,281	112,060	147,782
126,739	127,925	104,637	88,610	74,134
7,420	7,437	7,518	7,617	7,667
110	139	165	149	110
1.2	1.2	1.2	1.1	1.2
339,860	309,730	322,724	369,120	330,488
10.8	11.3	12.3	13.44	14.00
2,143,490	2,118,305	2,753,962	3,935,427	3,510,592
257,944	300,013	310,811	331,714	345,944
7,457,850	8,371,920	7,845,963	8,822,258	9,545,622
893,647	1,088,113	1,016,484	1,231,311	1,434,661
234	238	241	247	254
297	329	312	263	356
179	179	173	177	194
89	90	95	95	96
65,485	65,119	63,162	64,751	71,069
5.21	5.42	7.07	4.33	N/A
225	229	231	237	243
95	114	124	104	117
44,932	42,667	36,753	31,251	30,742

**CITY OF FORT WORTH, TEXAS  
CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM  
LAST TEN FISCAL YEARS (Unaudited)**

<b>Function/Program</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Library</b>					
Library Facilities Owned	13	13	14	14	14
Library Facilities Leased	2	2	2	2	2
<b>Neighborhood Services <sup>(a)</sup></b>					
Community and C.A.P. Centers	-	-	-	-	-
<b>Park and Recreation</b>					
Parks and Public Spaces	249	253	257	260	260
Parks Acres	11,094	11,292	11,609	11,663	11,663
Miles of Trails (Jogging, Hiking & Biking) (paved trails)	63	64	66	66	71
Swimming Pools	7	7	7	7	7
Athletic Fields (Soccer, Football, Baseball & Rugby)	181	181	181	184	188
Tennis Centers	1	1	1	1	1
Number of Tennis Courts	16	16	16	16	16
Neighborhood Tennis Courts	82	82	82	82	87
Multi-use Courts	107	107	107	107	107
Golf Courses	5	5	5	5	4
Community and C.A.P Centers	22	22	22	22	22
<b>Public Safety</b>					
Police Stations Owned	11	11	10	12	12
Police Stations Leased	10	9	8	11	11
Fire Stations	42	42	42	42	42
<b>Public Works</b>					
Streets - Lane Miles	7,291	7,317	7,325	7,341	7,382
Traffic Signals	620 <sup>(b)</sup>	635 <sup>(b)</sup>	644 <sup>(b)</sup>	649 <sup>(c)</sup>	667 <sup>(c)</sup>
Street Lights	61,593	62,075	63,007	64,175	64,721
<b>Stormwater</b>					
Miles of Channels - Improved	333	327	330	212	212
Miles of Storm Pipes	714	800	900	930	1,163
<b>Water</b>					
Water Mains (Miles)	3,449	3,469	3,480	3,513	3,553
Fire Hydrants	17,947	18,275	18,388	18,616	18,879
<b>Wastewater</b>					
Miles of Sanitary Sewers	3,421	3,454	3,527	3,569	3,610

(a) Neighborhood Services became a separate department of Park and Recreation in FY2016.

(b) The City also maintains 97 Traffic Signals owned by TXDOT not included in the number noted above.

(c) The City also maintains 100 Traffic Signals owned by TXDOT not included in the number noted above.

(d) The City also maintains 118 Traffic Signals owned by TXDOT not included in the number noted above.

(e) The City also maintains 114 Traffic Signals owned by TXDOT not included in the number noted above.

(f) The City also maintains 193 Traffic Signals owned by TXDOT not included in the number noted above. In FY2016, traffic signal counts were standardized to use intersections within a site as measurement. Prior to FY2016 counts were based on site.

(g) The city also maintains 204 signalized intersections owned by TXDOT not included in the number noted above. A total number of Traffic Signals maintained by the City is 884. In FY2016, traffic signal counts were standardized to use intersections within a site as measurement, prior to FY2016 counts were based on site. An example includes I-20 @ James/Crowley is measured as four intersections, and I-30 @ Summit measured as two intersections.

(h) The City also maintains 190 Traffic Signals owned by TXDOT not included in the number noted above

Source: Respective City of Fort Worth departments.

**TABLE 31**

<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
14	14	14	14	14
2	2	2	2	2
-	-	9	9	9
263	271	274	278	283
11,722	11,781	11,878	11,988	12,065
71	77	120	78	79
2	2	2	2	3
186	186	192	188	227
1	1	1	1	1
16	16	16	16	16
87	88	86	88	64
107	113	113	130	47
4	4	4	4	4
23	23	14	22	22
14	17	17	17	15
10	11	11	11	9
42	42	42	42	43
7,420	7,437	7,518	7,617	7,667
649 <sup>(d)</sup>	667 <sup>(e)</sup>	697 <sup>(f)</sup>	680 <sup>(g)</sup>	693 <sup>(h)</sup>
65,489	65,894	66,182	67,032	67,237
212	214	214	214	214
943	955	970	973	998
3,596	3,386	3,420	3,503	3,503
19,136	18,709	19,182	22,320	22,278
3,643	3,289	3,313	3,459	3,508

