



City of Fort Worth, Texas

# FY2019

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2019



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended  
September 30, 2019

## CITY OF FORT WORTH, TEXAS

### ELECTED OFFICIALS

#### 2019 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

### CHIEF FINANCIAL OFFICER

Reginald Zeno

### INDEPENDENT AUDITORS

Weaver and Tidwell, L.L.P.

Prepared by the Department of Financial Management Services

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Edward Amoah  
Peter James  
May Ma  
Ramona Nails  
Catherine Perry  
Accounting Staff

#### Treasury

John R. Samford, CPA  
Jay Rutledge  
Alex Laufer  
Sharon Gunter  
Vonda Coleman  
Treasury Staff

#### Financial Systems

Brad Cromer  
Financial Systems Staff

#### Administration

Crystal Hinojosa  
Charissa Williams

#### Purchasing

Cynthia Garcia  
John Baby  
Purchasing Staff

**FORT WORTH.**<sup>®</sup>



# City of Fort Worth, Texas

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# INTRODUCTORY SECTION



February 7, 2020

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, 2019. 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, 2019. 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**

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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 917,050.

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, 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 2019, there were ten 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 Helicopter-Textron, Inc., 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, Hagggar 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 3.5% is slightly higher than the 3.4% state unemployment rate but below the 3.7% national unemployment rate through August 2019.

## 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 (MSA), and Tarrant County, with 2019 representing statistics from August 2019.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
City of Fort Worth											
Labor Force	332,419	357,927	369,718	377,123	384,170	390,430	393,352	404,789	414,163	422,803	432,355
Unemployment	25,879	28,441	27,628	24,301	22,982	19,258	16,303	16,984	15,865	15,982	15,149
Unemployment Rate	7.80%	7.90%	7.50%	6.40%	6.00%	4.90%	4.10%	4.20%	3.80%	3.80%	3.50%
Dallas-Fort Worth-Arlington MSA											
Labor Force	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	3,986,660
Unemployment	248,383	266,593	255,271	225,014	212,012	177,598	145,292	143,064	138,248	138,640	132,416
Unemployment Rate	7.80%	8.10%	7.60%	6.60%	6.10%	5.00%	4.10%	3.90%	3.60%	3.60%	3.30%
Tarrant County											
Labor Force	896,305	924,951	950,514	966,259	981,537	991,015	990,682	1,009,291	1,033,317	1,054,408	1,073,827
Unemployment	68,936	75,375	71,788	62,944	59,367	49,829	41,169	40,130	37,978	37,857	36,296
Unemployment Rate	7.70%	8.10%	7.60%	6.50%	6.00%	5.00%	4.20%	4.00%	3.70%	3.60%	3.40%

Source: Texas Workforce Commission, Labor Market Information. <https://texaslmi.com/LMIbyCategory/LAUS>

The Alliance Texas development in far north Fort Worth continued its growth through 2018 and now employs 61,600 people in over 507 businesses. Over 70 customers are from either the Fortune 500 (U.S. public), Global 500 (intl. public) or Forbes List of Top Private Companies (U.S. private). Overall, Alliance Texas has had an estimated \$76.43 billion economic impact since 1980.

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 opened in the Fall of 2019 with over 1,900 students enrolled in over 50 degree programs.



Encore Multifamily, LLC, a subsidiary of the Dallas-based Encore Enterprises, Inc., is developing a 300-unit, five-story, multi-family 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 community will be walking distance to Panther Island Brewing, Coyote Drive-In and Panther Island Pavilion.

Fort Worth Heritage Development, LLC is refurbishing the historic Horse and Mule Barns located in the historic Fort Worth Stockyards and will feature almost 200,000 square feet of restaurants, entertainment venues, and retail boutiques. At the end of “Mule Alley” will be a 200-room boutique hostel, The Drover, in the Western Tradition. The \$175 million renovation and ground-up development will be constructed in three phases completing by December 2025.

**Local Economy (Continued)**

Dickies Arena opened October 26, 2019 on the Will Rogers Memorial Center campus. The arena is anticipated to 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 has the capacity to accommodate conventions, exhibit events, business meetings and private receptions with flexible meeting and event spaces ranging in from 685-square-foot to 91,315-square-foot size.



## Local Economy (Continued)

Facebook recently expanded its \$1 billion data center in Fort Worth. The data center is located at the corner of Park Vista Blvd. and State Highway 170 in the Alliance Corridor in north Fort Worth and consists of five 250,000-square-foot buildings on a 110-acre site and recently expanded via acquisition of adjacent land and an existing data center. The acquisition represented an additional investment of \$150 million in Fort Worth.

Stanley Black & Decker, Inc. will be investing over \$80 million in a new manufacturing facility in the Alliance Corridor. The facility is expanding the US operations as they reshore production from overseas. Over 500 people will be employed at the facility.

Ben E. Keith, which earns the 119<sup>th</sup> spot on the Forbes list of Largest US Privately Owned Companies, is completing a 185,000 square foot office and warehouse expansion at their location in the Carter Industrial Park. The \$22 million investment will also increase employment by at least 283 full-time employees. The average wages will be at least \$73,000.

McClane announced a new 650,000 square feet regional distribution operation, also in the Carter Industrial Park. The investment is \$18 million in an existing facility and will create 550 new full-time positions.

Panoramic Doors, Chip 1 Exchange, and D&M Auto Leasing all relocated their corporate headquarters to Fort Worth in the recent past. Panoramic Doors and Chip 1 Exchange were both previously located in California. Chip 1 Exchange is an industry-leading, global, hybrid, franchise/full service distributor of electronic components and peripherals and Panoramic Doors builds a unique slide and pivot door system utilizing independent panel design for ultimate control of the environment. D&M Auto Leasing is the largest, highest rated leasing company in the nation and relocated from elsewhere in the DFW Metro.

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. Construction has been ongoing and initial retail tenants include Louis Vuitton, Neiman Marcus, Tiffany & Co., and Ballard Designs. Office tenants include Smith & Nephew, WeWork and Acme Brick.



In August 2019, Catalyst Urban Development broke ground on 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.

## Local Economy (Continued)

Frost Tower, located at 640 Taylor Street downtown and completed in 2018, is over 75% occupied. 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.



A new 17-story residential tower in the northwestern portion of Downtown Fort Worth was announced over the summer of 2019. This development will be the first high-rise rental residential in the Central Business District and is critical in providing comps for additional downtown residential development.

Downtown Fort Worth's historic Sinclair Building is being transformed into an upscale 164-room Marriott Autograph Collection hotel and is scheduled to open in November 2019. The Sinclair, Autograph Collection is an uncommon hotel infused with visionary style. The hotel features a 17<sup>th</sup> floor rooftop bar and unrivaled tech-forward accoutrements.



## **Local Economy (Continued)**

The City of Fort Worth recently provided an 18-month update on the economic development strategic plan that is designed to guide City economic development priorities through 2022 and beyond. While additional emphasis needs to be placed on messaging, several key initiatives have moved forward. Final edits are being made on the Small Business and Entrepreneurial Ecosystem Analysis, which placed Fort Worth #2 among benchmark communities like Austin, Miami, and Nashville. Additionally, iter8 health innovation community, a medical innovation district, was launched on October 29, 2019. The focus on innovation continues with Hillwood's launch of the Mobility Innovation Zone in north Fort Worth.

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 2019. 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

## **Long-term Financial Planning and Major Initiatives (Continued)**

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 on 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

## **Pension Committee (Continued)**

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 December 11, 2018, the City Council voted and accepted the plan recommended by the Pension Committee, which included 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. In February 2019, the active employee members of the Fort Worth Employees’ Retirement Fund voted in favor of the proposed pension contribution increases and other modifications to the plan, including an automatic-risk sharing feature. The vote was administered by the Retirement Fund and implemented by a third-party election company, Election-America. Implementation of automatic risk-sharing would begin for contribution increases, not sooner than 2022 if the valuations for the preceding two calendar years show the contribution is less than the Actuarial Determined Contribution.

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 \$128.8 million or 19.6% 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, 2018. This was the 9<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, 2018. 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, an operations guide, and a communications device.

The City's General Portfolio Investment Policy received the Investment Policy Certification award issued by the Government Treasurers' Organization of Texas (GTOT). This certification is awarded to Governmental entities that develop a comprehensive investment policy that meets the requirements of the Public Funds Investment Act and the standards for prudent public investing established by the GTOT. The certification is good for two years and expires on March 31, 2021.

## **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 unfailing support for maintaining the highest standards and professionalism in the management of the City's finances.

Sincerely,



David Cooke  
City Manager



Reginald Zeno  
Chief Financial Officer



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Fort Worth  
Texas**

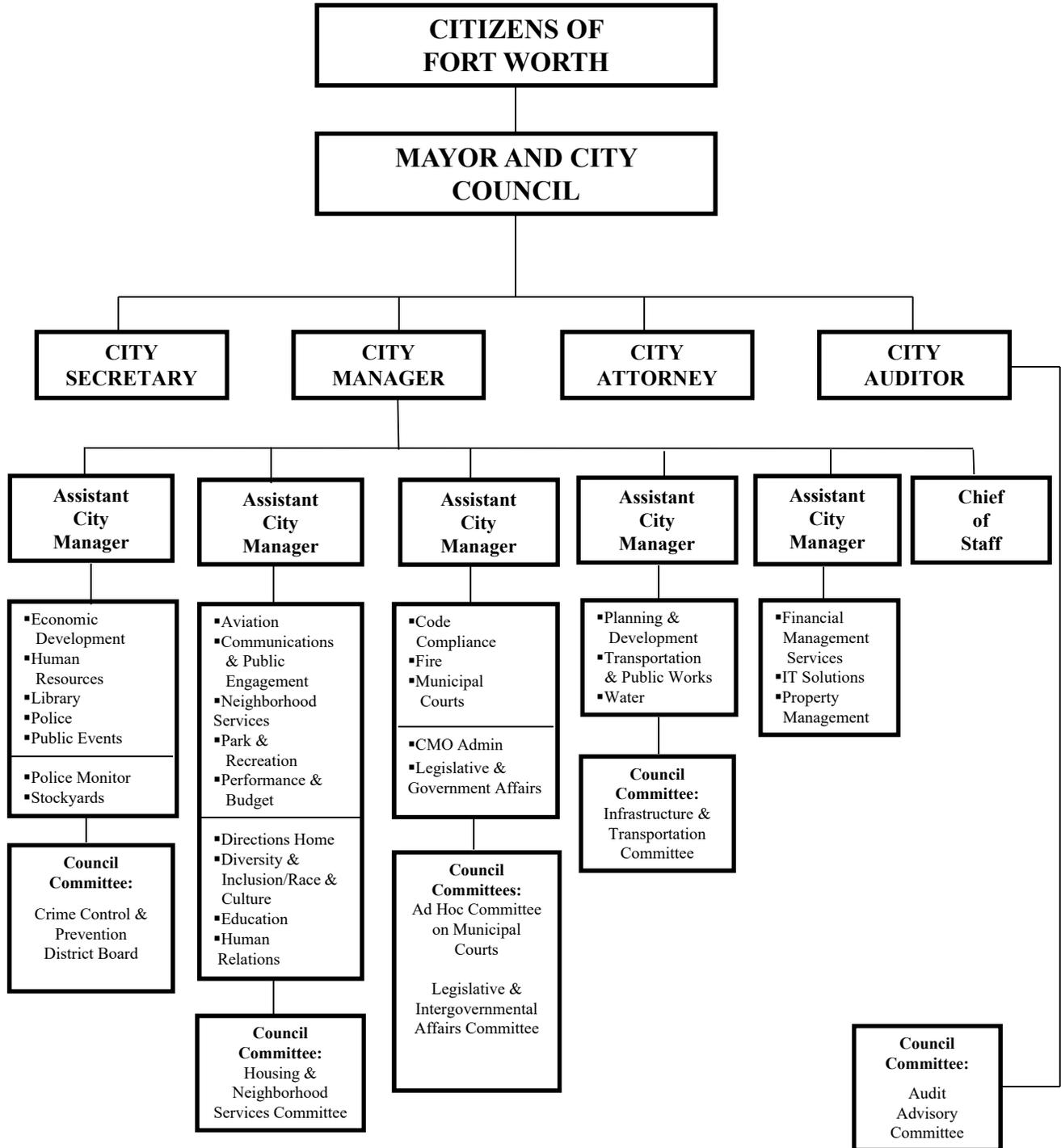
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2018**

*Christopher P. Morill*

Executive Director/CEO

**CITY OF FORT WORTH, TEXAS  
ORGANIZATION OF CITY GOVERNMENT  
SEPTEMBER 30, 2019**



**CITY OF FORT WORTH, TEXAS  
ELECTED OFFICIALS  
MAYOR AND CITY COUNCIL MEMBERS  
FOR FISCAL YEAR 2019**

---



**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, 2019, 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 and Fort Worth Firefighters Healthcare Trust, which collectively represent 97 percent, 100 percent, 96 percent and 88 percent, respectively, of the assets, liabilities, net position, and revenues of the fiduciary trust funds of the City. We did not audit the financial statements of the Fort Worth Housing Finance Corporation, Fort Worth Local Development Corporation, Fort Worth Central City Local Government Corporation and Alliance Airport Authority, which represent 11 percent, 5 percent, 10 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 reports thereon have 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, Fort Worth Firefighters Healthcare Trust, the Fort Worth Housing Finance Corporation, Fort Worth Local Development Corporation, Fort Worth Central City Local Government Corporation, Alliance Airport Authority and Terrell Homes, Ltd., is based solely on the reports 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 and Fort Worth Firefighters Healthcare Trust 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, 2019, 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.

### ***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 – Last Ten Fiscal Years 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 procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, 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.

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2020 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 7, 2020



**CITY OF FORT WORTH, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2019  
(000's omitted in tables)  
(Unaudited)**

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, 2019 (FY2019). 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, 2019, by \$1,620,059,000 (net position). For FY2019, the City reported an unrestricted net deficit of \$2,744,811,000 which was an increase in unrestricted net deficit of \$316,655,000 compared to the previous fiscal year. This increase was primarily due to a decrease of \$228,198,000 in deferred outflows of resources related to pension and other postemployment benefits and an increase of \$87,303,000 in capital asset contributions.

The City's total net position increased by \$154,231,000 in comparison with the amount in FY2018. This increase can be attributed to increases in revenues generated in the enterprise funds as well as increases in property tax revenue, and sales tax revenue for governmental activities.

At September 30, 2019, the City's governmental funds reported combined ending fund balances of \$912,477,000, an increase of \$89,138,000 in comparison with FY2018. Approximately 55.8 percent of ending fund balance of \$509,020,000 is available for spending at the government's discretion, as follows: \$181,788,000 of committed fund balance; \$198,629,000 of assigned fund balance; and \$128,603,000 of unassigned fund balance.

The City's total long-term liabilities decreased by \$8,808,000 in comparison with FY2018. The key factors in this decrease occurred for Net OPEB Liability of \$92,075,000 (\$70,013,000 for governmental activity and \$22,062,000 for business-type activity). During the year, long-term liabilities were reduced by principal payments of \$91,016,000 in governmental activities and \$103,581,000 in business-type activities. This decrease was offset by the debt issuance of \$122,345,000 for governmental activity and \$124,355,000 for business-type activity and an increase in compensated absences of \$18,294,000. Net pension liability increased \$14,100,000 for the City (\$12,244,000 for governmental activity and \$1,856,000 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, 2019  
(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, 2019  
(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.

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 three Trust Funds which accounts for the assets of the City's pension plan and postemployment healthcare plan and firefighters' employment and postemployment healthcare benefit. Separate audited financial statements are available for the City's pension plan and firefighters healthcare trust. The pension plan and firefighters healthcare trust's statements can be obtained by contacting the Plan at 3801 Hulen Street, Suite 101, Fort Worth, Texas 76107 and Fort Worth Firefighters Healthcare Trust at 3855 Tulsa Way, Fort Worth, TX 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, 2019**  
**(000's omitted in tables)**  
**(continued)**

**Government-wide Financial Analysis**

At September 30, 2019, total assets of the City were \$7,831,697,000 and deferred outflows were \$971,060,000 while total liabilities were \$6,686,296,000 and deferred inflows were \$496,402,000, resulting in a net position of \$1,620,059,000.

The City's net investment in capital assets was \$4,140,621,000. 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, \$224,249,000 represents resources that are subject to external restrictions on how they may be used. The City has an unrestricted net deficit of \$2,744,811,000.

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

	Governmental Activities		Business-Type Activities		Total	
	2018	2019	2018	2019	2018	2019
Current and Other Assets	\$ 1,042,449	\$ 1,145,399	\$ 890,051	\$ 1,026,406	\$ 1,932,500	\$ 2,171,805
Capital Assets	2,218,391	2,358,159	3,218,631	3,301,733	5,437,022	5,659,892
Total Assets	3,260,840	3,503,558	4,108,682	4,328,139	7,369,522	7,831,697
Deferred Outflows	1,064,881	836,683	169,957	134,377	1,234,838	971,060
Other Liabilities	186,144	187,459	70,602	81,127	256,746	268,586
Long-term Liabilities Outstanding	4,807,016	4,800,695	1,619,502	1,617,015	6,426,518	6,417,710
Total Liabilities	4,993,160	4,988,154	1,690,104	1,698,142	6,683,264	6,686,296
Deferred Inflows	393,213	428,835	62,055	67,567	455,268	496,402
Net Position (Deficit):						
Net Investment in Capital Assets	1,451,492	1,641,806	2,278,993	2,498,815	3,730,485	4,140,621
Restricted	88,734	112,004	74,765	112,245	163,499	224,249
Unrestricted (Deficit)	(2,600,878)	(2,830,558)	172,722	85,747	(2,428,156)	(2,744,811)
Total Net Position (Deficit)	\$ (1,060,652)	\$ (1,076,748)	\$ 2,526,480	\$ 2,696,807	\$ 1,465,828	\$ 1,620,059

At September 30, 2019, 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 \$23,270,000, which resulted from the increase in impact fees collected for future development. The governmental activities' unrestricted net deficit balance increased by \$229,680,000, mostly due to decreases in deferred outflows and increases in pension, new debt issuances, and the liability for Tarrant Regional Water District.

**CITY OF FORT WORTH, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2019**  
**(000's omitted in tables)**  
**(continued)**

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

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

	Governmental Activities		Business -Type Activities		Total	
	2018	2019	2018	2019	2018	2019
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 92,053	\$ 93,256	\$ 578,765	\$ 569,330	\$ 670,818	\$ 662,586
Operating Grants and Contributions	65,082	76,267	-	-	65,082	76,267
Capital Grants and Contributions	97,698	170,497	101,120	88,757	198,818	259,254
General Revenues:						
General Property Taxes	486,418	517,382	-	-	486,418	517,382
Sales Taxes	231,899	244,133	-	-	231,899	244,133
Other Local Taxes	34,580	36,377	-	-	34,580	36,377
Franchise Fees	51,934	50,494	-	-	51,934	50,494
Gas Leases and Royalties	9,267	6,646	4,754	4,356	14,021	11,002
Investment Income	8,902	38,090	7,270	27,885	16,172	65,975
Other	13,358	15,394	6,349	3,382	19,707	18,776
<i>Total revenues</i>	<u>1,091,191</u>	<u>1,248,536</u>	<u>698,258</u>	<u>693,710</u>	<u>1,789,449</u>	<u>1,942,246</u>
<b>Expenses:</b>						
General Government	149,942	166,338	-	-	149,942	166,338
Public Safety	687,036	671,224	-	-	687,036	671,224
Highways and Streets	158,652	167,258	-	-	158,652	167,258
Culture and Recreation	284,181	171,710	-	-	284,181	171,710
Health and Welfare	11,104	11,017	-	-	11,104	11,017
Urban Redevelopment and Housing	92,183	82,821	-	-	92,183	82,821
Interest and Service Charges	30,844	32,715	-	-	30,844	32,715
Water and Sewer	-	-	375,603	365,414	375,603	365,414
Stormwater Utility	-	-	29,690	31,960	29,690	31,960
Municipal Airports	-	-	18,694	19,424	18,694	19,424
Municipal Parking	-	-	6,744	7,030	6,744	7,030
Solid Waste	-	-	57,654	62,407	57,654	62,407
<i>Total expenses</i>	<u>1,413,942</u>	<u>1,303,083</u>	<u>488,385</u>	<u>486,235</u>	<u>1,902,327</u>	<u>1,789,318</u>
Insurance Recoveries	-	1,303	-	-	-	1,303
Excess (Deficiency) of Revenues						
Over (Under) Expenses	(322,751)	(53,244)	209,873	207,475	(112,878)	154,231
Transfers	37,681	37,148	(37,681)	(37,148)	-	-
Changes in Net Position (Deficit)	<u>(285,070)</u>	<u>(16,096)</u>	<u>172,192</u>	<u>170,327</u>	<u>(112,878)</u>	<u>154,231</u>
Net Position (Deficit), Beginning of Year	<u>(775,582)</u>	<u>(1,060,652)</u>	<u>2,354,288</u>	<u>2,526,480</u>	<u>1,578,706</u>	<u>1,465,828</u>
Net Position (Deficit), End of Year	<u>\$ (1,060,652)</u>	<u>\$ (1,076,748)</u>	<u>\$ 2,526,480</u>	<u>\$ 2,696,807</u>	<u>\$ 1,465,828</u>	<u>\$ 1,620,059</u>

**CITY OF FORT WORTH, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2019  
(000's omitted in tables)  
(continued)**

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

Overall, the governmental activities increase in net deficit was \$16,096,000 as a result of current fiscal year activity. Factors that contributed to the governmental activities net deficit increase were expenses of \$1,303,083,000, exceeding revenues of \$1,249,839,000 and transfers from business-type activities of \$37,148,000.

Governmental activities expenses decreased by \$110,859,000 when compared to FY2018. This decrease was primarily in Culture and Recreation of \$112,471,000, Public Safety of \$15,812,000 and Urban Redevelopment and Housing of \$9,362,000. These decreases were offset by increased spending for General Government of \$16,396,000, Highways and Streets of \$8,606,000 and Interest and Services Charges of \$1,871,000.

Business-type activities net position increased \$170,327,000 during the current fiscal year which is \$1,865,000 lower than the previous year's increase. Factors that contributed to the business-type activities net position increase were revenues of \$693,710,000 exceeding expenses of \$486,235,000 and transfers to governmental activities of \$37,148,000.

**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 \$912,477,000. Approximately 19.1 percent or \$173,797,000 constitutes the General Fund's fund balance. As of September 30, 2019, the General Fund's nonspendable fund balance includes \$2,322,000 for inventories and \$2,395,000 for prepaids, deposits, and other. The General Fund's restricted fund balance includes \$9,044,000 for park improvements, and \$1,600,000 is related to other purposes. The committed fund balance includes amounts of \$5,545,000 for repayment of State loans, \$3,754,000 for park improvements, and \$20,534,000 for public events and facilities. As of September 30, 2019, the General Fund had an unassigned fund balance of \$128,603,000. 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 and increases in sales tax revenues, charges for services, and investment income offset by increase in expenditures in General Government.

The Nonmajor Governmental Funds' fund balance of \$175,139,000 is 19.2 percent of total governmental fund balance and includes nonspendable fund balance of \$4,631,000, restricted fund balance of \$115,197,000, committed fund balance of \$2,569,000, and assigned fund balance of \$52,742,000. Nonmajor Governmental Fund's fund balance increased by \$22,173,000 when compared to FY2018. This increase is primarily due to increases in property tax revenues, sales tax revenues, other taxes, charges for services, intergovernmental revenue, investment income, contributions, and other revenue. In addition, reduction in expenditures for Urban Redevelopment and Housing, Highways and Streets, Public Safety, capital outlay and loan principal payments. These decreases were offset by expenditure increases for General Government, Culture and Recreation.

The Debt Service Fund has a fund balance of \$62,369,000 or 6.8 percent of total governmental fund balance of which \$20,273,000 is restricted fund balance, \$8,602,000 is committed fund balance, and \$33,494,000 is assigned fund balance. Debt Service Fund's fund balance increased by \$11,402,000 when compared to FY2018. This increase in fund balance was due to primarily increased property tax revenue and investment income offset by increased debt service payments.

**CITY OF FORT WORTH, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2019  
(000's omitted in tables)  
(continued)**

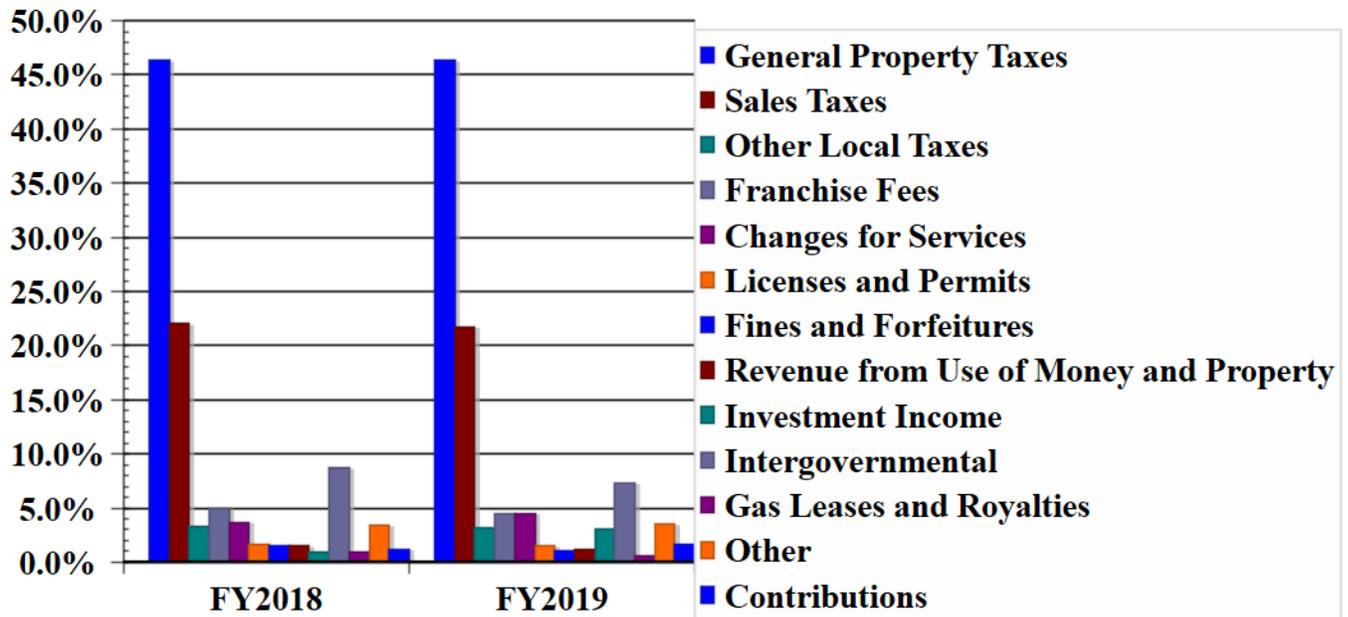
**Financial Analysis of the Government's Funds (continued)**

The Capital Projects Fund has a fund balance of \$501,172,000 or 54.9 percent of total governmental fund balance of which \$1,040,000 is nonspendable fund balance, \$246,955,000 is restricted fund balance, \$140,784,000 is committed fund balance, and \$112,393,000 is assigned fund balance. The Capital Projects Fund's fund balance increased by \$34,467,000 when compared to FY2018. This increase in fund balance was due to decreased spending for Culture and Recreation and capital outlay. The decrease in spending was offset by increased spending for Highways and Streets, General Government and decreased in total revenues.

As shown in the following charts (on the next page) for governmental funds for FY2018 and FY2019, 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 \$173,797,000. 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 \$128,603,000, represents 19.6 percent of total General Fund expenditures. The total fund balance of \$173,797,000 represents 26.5 percent of total General Fund expenditures. Fund balance in the General Fund increased by \$21,096,000, over the previous fiscal year.

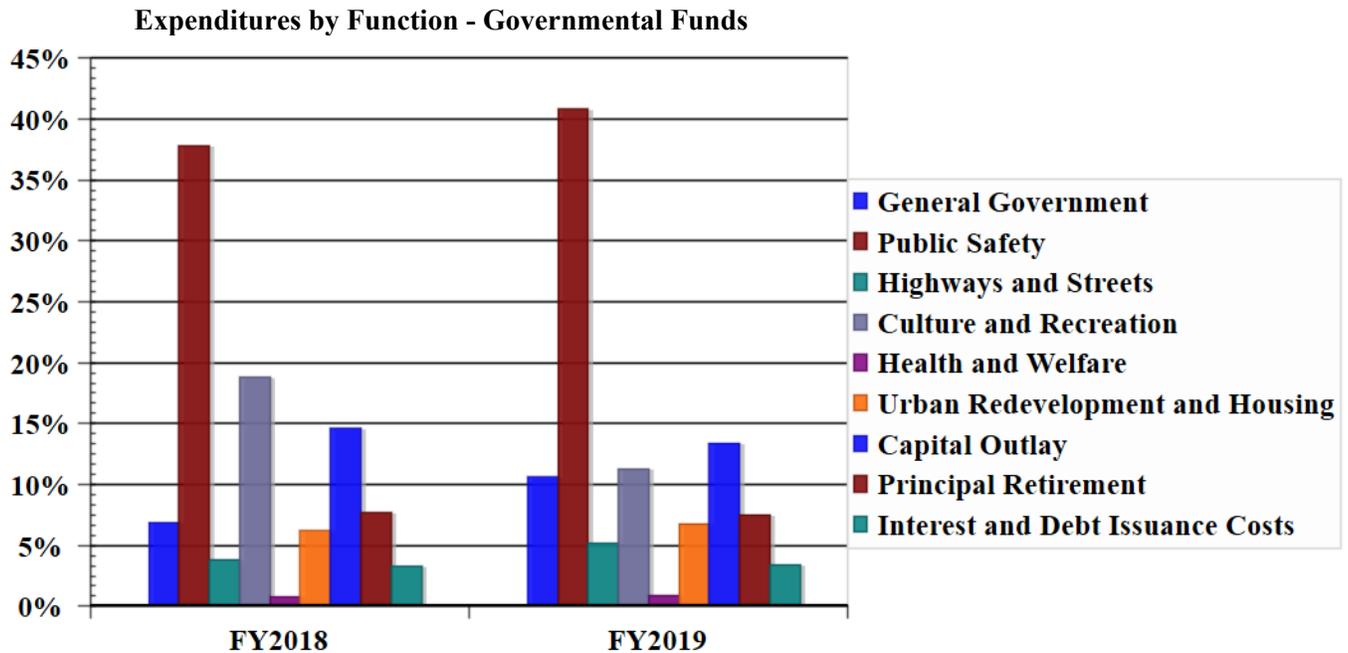
**Revenues and Expenditures – Governmental Funds**

**Revenues by Source – Governmental Funds**



**CITY OF FORT WORTH, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2019  
(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 \$156,432,000, an increase of \$11,305,000 when compared to FY2018. This increase in net position is primarily due to a decrease in operating expenses (mainly the OPEB liability, compensated absences, and contract expenses for raw water purchases). Also, capital contributions from impact fees increased which was partially offset by a small reduction in capital contributions.

Total net position in the Stormwater Utility Fund increased by \$8,145,000 when compared to FY2018. This increase in net position is primarily due to operating revenues increasing and operating expenses decreasing (mainly net OPEB).

Nonmajor business-type activities increased the City’s net position by \$5,750,000 when compared to FY2018. This increase in net position is primarily due to capital contributions received by the Municipal Airport Fund offset by decreases in operating income.

**CITY OF FORT WORTH, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2019  
(000's omitted in tables)  
(continued)**

**General Fund Budgetary Highlights**

Differences between the original expenditure budget and the final amended budget resulted in a \$1,098,000 increase in appropriations and is briefly summarized as follows:

Significant activities which necessitated these increases included:

- \$200,000 to reflect a roll over and reappropriation of previously unspent authorized amount into FY2019 for contractual obligations related to the pension study that were not invoiced and paid in FY2018; and \$86,303 and \$659,461 to reflect the acceptance and allocation of funds from the Tarrant County 9-1-1 District associated with the Public Safety Answering Points Assistance Program and Radio Assistance Program, respectively.

The City also increased a transfer to the Botanic Gardens Fund to address the fund deficit at year end in the amount of \$151,360, funded through excess sales tax collections.

**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, 2019, amounted to \$5,659,892,000 (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 \$222,870,000 (4.1 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 \$160,895,000 to capital assets, while governmental capital contributions were \$150,107,000.
- The acquisition of assets and development of water and sewer projects throughout the City added \$108,489,000 to capital assets, while water and sewer capital contributions were \$47,483,000.
- The acquisition of assets and development of drainage projects throughout the City added \$12,318,000 to capital assets.
- These additions were offset by depreciation/amortization of \$247,034,000 and retirements during the year.

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

	Governmental Activities		Business-Type Activities		Total	
	2018	2019	2018	2019	2018	2019
Land/Right of Way	\$ 251,519	\$ 255,710	\$ 207,562	\$ 210,168	\$ 459,081	\$ 465,878
Construction in Progress	337,787	207,459	305,017	330,360	642,804	537,819
Intangibles	32,096	32,757	1,525	1,525	33,621	34,282
Buildings	256,362	308,003	103,208	102,980	359,570	410,983
Vehicles, Machinery and Equipment	84,479	98,984	121,521	113,525	206,000	212,509
Infrastructure	1,238,570	1,438,505	2,479,322	2,542,750	3,717,892	3,981,255
Amortizable Intangibles	17,578	16,741	476	425	18,054	17,166
<b>Total</b>	<b>\$ 2,218,391</b>	<b>\$ 2,358,159</b>	<b>\$ 3,218,631</b>	<b>\$ 3,301,733</b>	<b>\$ 5,437,022</b>	<b>\$ 5,659,892</b>

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

**CITY OF FORT WORTH, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2019**  
**(000's omitted in tables)**  
**(continued)**

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

Long-term Liabilities – At the end of the current fiscal year, the City had total long-term liabilities of \$6,417,710,000. Of this amount, \$707,260,000 comprises debt backed by the full faith and credit of the government, and \$1,512,507,000 represents self-supported debt issues.

**Long-Term Liabilities Outstanding**

	Governmental Activities		Business-Type Activities		Total	
	2018	2019	2018	2019	2018	2019
General Obligation Bonds	\$ 475,520	\$ 520,545	\$ 35,580	\$ 33,740	\$ 511,100	\$ 554,285
Revenue Bonds	-	-	953,415	979,470	953,415	979,470
Certificates of Obligation	167,785	152,745	1,400	230	169,185	152,975
Special Tax Revenue Debt	226,550	226,115	-	-	226,550	226,115
Special Assessment Debt	17,840	17,840	-	-	17,840	17,840
Tax Notes	35,010	38,300	-	-	35,010	38,300
HUD Installment Obligations	1,368	702	-	-	1,368	702
Lone Star Local Government Corp Obligation	31,617	31,617	-	-	31,617	31,617
State Obligation - City	6,011	5,546	-	-	6,011	5,546
State Obligation - CCPD	2,335	2,154	-	-	2,335	2,154
TRWD Obligation	186,654	188,857	-	-	186,654	188,857
ESPC Phase VII	14,302	12,650	-	-	14,302	12,650
Capital Leases	837	476	-	-	837	476
Southwest Bank Loan (LDC SW Building)	1,099	710	-	-	1,099	710
Trinity River Authority Oblig.	-	-	2,930	2,240	2,930	2,240
ESPC Phase V	-	-	7,411	5,830	7,411	5,830
Net Unamortized Bond Premium/Discount	55,951	55,342	52,814	52,784	108,765	108,126
Compensated Absences	120,527	142,517	15,411	11,715	135,938	154,232
Risk Management Estimated Claims Payable	32,441	32,012	-	-	32,441	32,012
Arbitrage	-	9	12	10	12	19
Landfill Closure and Postclosure Liability	-	-	8,724	10,069	8,724	10,069
Pollution Remediation Liability	4,781	3,939	685	13	5,466	3,952
Net OPEB Liability	753,076	683,063	130,254	108,192	883,330	791,255
Net Pension Liability	2,673,312	2,685,556	410,866	412,722	3,084,178	3,098,278
<b>Total</b>	<b>\$ 4,807,016</b>	<b>\$ 4,800,695</b>	<b>\$ 1,619,502</b>	<b>\$ 1,617,015</b>	<b>\$ 6,426,518</b>	<b>\$ 6,417,710</b>

The City's total long-term liabilities decreased by \$8,808,000 when compared to FY2018, mainly due to the decrease in Net OPEB Liability that was offset by the issuance of bonds and notes in excess of principal payments made during the year. Key changes for the year include: the City's Net OPEB Liability decreased, Net Pension Liability increased, and new issues of Tax Notes and General Obligations. The City also borrowed an additional amount from Tarrant Regional Water District. Also, the Water and Sewer Fund issued Revenue Bonds and Stormwater Utility Fund issued Revenue Bonds to current refund existing stormwater revenue debt. For governmental activities, the City made principal payments for bonded debt on its General Obligation Bonds and Certificates of Obligation. For business-type activities, the City made principal payments for revenue bond debt for Water and Sewer Revenue Bonds and Stormwater Revenue Bonds.

**CITY OF FORT WORTH, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2019  
(000's omitted in tables)  
(continued)**

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

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

In FY2019, 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 2020. 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 2019 are added to the tax roll in 2020 and do not begin paying taxes until 2021. 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 FY2020 adopted budget reduced the City's property tax rate to \$0.7475 per \$100 net taxable valuation. The total appraised value of the City's property tax roll increased \$12 billion or 13.1 percent from the July 2018 certified roll to the July 2019 certified roll. Adjusted Net Taxable Value (which is the Net Taxable Value plus the value of incomplete properties and properties under protest), increased \$9.6 billion or 14.3 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 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.

**CITY OF FORT WORTH, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2019  
(000's omitted in tables)  
(continued)**

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

For FY2020, the City estimates a 98.5% collection rate of its property tax levy based on the certified rolls provided by the central appraisal districts of Tarrant, Denton, Wise and Parker Counties in July 2019. Based on the M&O levy rate of \$0.5950 per \$100 of assessed valuation, the General Fund portion of the property tax rate is expected to yield approximately \$431 million in revenue for FY2020. The debt service levy rate of \$0.1525 per \$100 of assessed valuation is expected to yield approximately \$110 million, which will allow the repayment of current and proposed general obligation debt for FY2020.

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 \$172.7 million, an increase of \$9.6 million or 5.9 percent from the FY2019 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 \$106 million in 2011 to the anticipated amount of \$173 million in 2020. This represents a 63.6% 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, 2019**  
**(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	\$ 967,773	\$ 124,586	\$ 1,092,359	\$ 22
Receivables, Net of Allowance for Uncollectible:				
Taxes	6,261	-	6,261	-
Grants and Other Governments	52,978	-	52,978	-
Loans	17,567	-	17,567	-
Interest	3,007	572	3,579	-
Accounts and Other	29,426	70,855	100,281	5
Internal Balances	(3,833)	3,833	-	-
Inventories (at Cost)	7,334	3,608	10,942	-
Prepays, Deposits, and Other	3,658	257	3,915	570
Long-Term Loans Receivable	13,103	-	13,103	-
Restricted Assets:				
Cash, Cash Equivalents, & Investments	4,115	736,855	740,970	276
Cash, Cash Equivalents, & Investments Held by Trustees	43,733	77,800	121,533	-
Grants Receivable	-	6,679	6,679	-
Interest Receivable	-	1,211	1,211	-
Prepaid Bond Insurance	277	150	427	-
Capital Assets, Net of Accumulated Depreciation:				
Non-Depreciable	495,926	542,053	1,037,979	-
Depreciable	1,862,233	2,759,680	4,621,913	7,200
Total Assets	<u>3,503,558</u>	<u>4,328,139</u>	<u>7,831,697</u>	<u>8,073</u>
<b>Deferred Outflows of Resources</b>	<u>836,683</u>	<u>134,377</u>	<u>971,060</u>	<u>-</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>4,340,241</u>	<u>4,462,516</u>	<u>8,802,757</u>	<u>8,073</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</b>				
<b>Liabilities</b>				
Accounts Payable	28,892	15,736	44,628	29
Escrow Accounts Payable	7,693	-	7,693	-
Accrued Payroll	21,296	3,301	24,597	-
Other	727	-	727	-
Unearned Revenue	64,437	-	64,437	1
Payables from Restricted Assets:				
Construction Payable	38,385	29,901	68,286	-
Escrow Accounts Payable	-	2,453	2,453	-
Customer Deposits	-	20,822	20,822	17
Accrued Interest Payable	26,029	4,910	30,939	65
Unearned Revenue	-	4,004	4,004	-
Long-Term Liabilities:				
Due Within One Year	158,823	75,969	234,792	27
Due in More Than One Year	4,641,872	1,541,046	6,182,918	3,140
Total Liabilities	<u>4,988,154</u>	<u>1,698,142</u>	<u>6,686,296</u>	<u>3,279</u>
<b>Deferred Inflows of Resources</b>	<u>428,835</u>	<u>67,567</u>	<u>496,402</u>	<u>-</u>
<b>NET POSITION (DEFICIT)</b>				
Net Investment in Capital Assets	1,641,806	2,498,815	4,140,621	-
Restricted for:				
Debt Service	36,341	58,513	94,854	-
Capital Projects	75,663	53,732	129,395	-
Partnership Equity	-	-	-	4,794
Unrestricted (Deficit)	<u>(2,830,558)</u>	<u>85,747</u>	<u>(2,744,811)</u>	<u>-</u>
Total Net Position (Deficit)	<u>\$ (1,076,748)</u>	<u>\$ 2,696,807</u>	<u>\$ 1,620,059</u>	<u>\$ 4,794</u>

See accompanying notes to the basic financial statements.

**CITY OF FORT WORTH, TEXAS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**  
**(in 000's)**

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Function/Program Activities</b>				
<b>Primary Government:</b>				
Governmental Activities:				
General Government	\$ 166,338	\$ 24,044	\$ 2,645	\$ 2,542
Public Safety	671,224	12,689	16,648	881
Highways and Streets	167,258	8,921	582	140,064
Culture and Recreation	171,710	26,871	15,229	27,010
Health and Welfare	11,017	-	10,580	-
Urban Redevelopment and Housing	82,821	20,731	30,583	-
Interest and Service Charges	32,715	-	-	-
Total Governmental Activities	<u>1,303,083</u>	<u>93,256</u>	<u>76,267</u>	<u>170,497</u>
Business-Type Activities:				
Water and Sewer	365,414	452,989	-	72,541
Stormwater Utility	31,960	40,037	-	-
Municipal Airports	19,424	8,032	-	16,216
Municipal Parking	7,030	8,501	-	-
Solid Waste	62,407	59,771	-	-
Total Business-Type Activities	<u>486,235</u>	<u>569,330</u>	<u>-</u>	<u>88,757</u>
<b>Total Primary Government</b>	<u>\$ 1,789,318</u>	<u>\$ 662,586</u>	<u>\$ 76,267</u>	<u>\$ 259,254</u>
<b>Discretely Presented Component Unit:</b>				
Terrell Homes, Ltd.	\$ 796	\$ 564	\$ -	\$ -
<b>Total Discretely Presented Component Unit</b>	<u>\$ 796</u>	<u>\$ 564</u>	<u>\$ -</u>	<u>\$ -</u>

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
Insurance Recoveries
Total General Revenues and Transfers
Changes in Net Position (Deficit)
Net Position (Deficit), Beginning of Year
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>Discretely Presented Component Unit</b>
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	
\$ (137,107)		\$ (137,107)	
(641,006)		(641,006)	
(17,691)		(17,691)	
(102,600)		(102,600)	
(437)		(437)	
(31,507)		(31,507)	
(32,715)		(32,715)	
<u>(963,063)</u>		<u>(963,063)</u>	
	\$ 160,116	160,116	
	8,077	8,077	
	4,824	4,824	
	1,471	1,471	
	<u>(2,636)</u>	<u>(2,636)</u>	
	171,852	171,852	
<u>(963,063)</u>	<u>171,852</u>	<u>(791,211)</u>	
			\$ <u>(232)</u>
			<u>(232)</u>
517,382	-	517,382	-
244,133	-	244,133	-
30,901	-	30,901	-
5,476	-	5,476	-
50,494	-	50,494	-
6,646	4,356	11,002	-
38,090	27,885	65,975	-
15,394	3,382	18,776	10
37,148	(37,148)	-	-
1,303	-	1,303	-
<u>946,967</u>	<u>(1,525)</u>	<u>945,442</u>	<u>10</u>
(16,096)	170,327	154,231	(222)
<u>(1,060,652)</u>	<u>2,526,480</u>	<u>1,465,828</u>	<u>5,016</u>
<u>\$ (1,076,748)</u>	<u>\$ 2,696,807</u>	<u>\$ 1,620,059</u>	<u>\$ 4,794</u>

**CITY OF FORT WORTH, TEXAS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2019**  
**(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	\$ 127,361	\$ 58,104	\$ 545,945	\$ 162,151	\$ 893,561
Cash, Cash Equivalents, & Investments Held by Trustees	32,971	2,755	3,201	1,440	40,367
Receivables, Net of Allowance for Uncollectible:					
Taxes	4,891	1,370	-	-	6,261
Grants and Other Governments	29,229	-	3,552	20,197	52,978
Loans	-	-	-	17,567	17,567
Interest	58	1,334	436	979	2,807
Accounts and Other	13,736	-	326	14,900	28,962
Inventories (at Cost)	2,322	-	-	4,595	6,917
Prepays, Deposits, and Other	2,395	-	1,040	223	3,658
Long-Term Loans Receivable	-	-	-	13,103	13,103
Total Assets	<u>\$ 212,963</u>	<u>\$ 63,563</u>	<u>\$ 554,500</u>	<u>\$ 235,155</u>	<u>\$ 1,066,181</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 11,361	\$ -	\$ -	\$ 13,938	\$ 25,299
Construction Payable	-	-	38,363	22	38,385
Escrow Accounts Payable	3,938	-	3,632	123	7,693
Accrued Payroll	18,031	-	-	2,499	20,530
Other	636	-	-	91	727
Advances from Other Funds	-	-	2,363	-	2,363
Unearned Revenue	973	-	6,185	34,072	41,230
Total Liabilities	<u>34,939</u>	<u>-</u>	<u>50,543</u>	<u>50,745</u>	<u>136,227</u>
<b>Deferred Inflows of Resources</b>	<u>4,227</u>	<u>1,194</u>	<u>2,785</u>	<u>9,271</u>	<u>17,477</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>39,166</u>	<u>1,194</u>	<u>53,328</u>	<u>60,016</u>	<u>153,704</u>
<b>Fund Balances (Deficit):</b>					
Nonspendable	4,717	-	1,040	4,631	10,388
Restricted	10,644	20,273	246,955	115,197	393,069
Committed	29,833	8,602	140,784	2,569	181,788
Assigned	-	33,494	112,393	52,742	198,629
Unassigned (Deficit)	128,603	-	-	-	128,603
Total Fund Balances	<u>173,797</u>	<u>62,369</u>	<u>501,172</u>	<u>175,139</u>	<u>912,477</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 212,963</u>	<u>\$ 63,563</u>	<u>\$ 554,500</u>	<u>\$ 235,155</u>	<u>\$ 1,066,181</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, 2019**  
**(in 000's)**

Total fund balances--governmental funds \$ 912,477

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 \$2,835) consist of:

Land/right of way	\$	255,710	
Construction in progress		207,459	
Intangibles		32,757	
Buildings		554,269	
Vehicles, machinery and equipment		254,007	
Infrastructure		3,521,230	
Amortizable intangibles		46,041	
Accumulated depreciation/amortization		<u>(2,513,314)</u>	
Total capital assets		<u>2,358,159</u>	2,358,159

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. 17,477

Internal service funds are used by management to charge the costs of certain activities, such as; equipment services, 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 \$2,835 and compensated absences of (\$2,463)). 44,933

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

Pension (See Note I for detailed breakdown)		803,070	
Other postemployment benefits (See Note J for detailed breakdown)		26,062	
Deferred charges on debt refundings		<u>7,551</u>	
Total deferred outflows of resources		<u>836,683</u>	836,683

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 \$2,463) consist of:

Prepaid bond insurance		277	
Long-term compensated absences		(142,517)	
Pollution remediation liability		(3,939)	
Other postemployment benefits obligation		(683,063)	
Net pension liability		(2,685,556)	
Accrued interest payable		(26,029)	
Long-term debt, including premium/discount		<u>(1,253,608)</u>	
Total long-term liabilities		<u>(4,794,435)</u>	(4,794,435)

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. (23,207)

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

Pension (See Note I for detailed breakdown)		(328,202)	
Other postemployment benefits (See Note J for detailed breakdown)		<u>(100,633)</u>	
Total deferred inflows of resources		<u>(428,835)</u>	(428,835)

Net position (deficit) of governmental activities \$ (1,076,748)

**CITY OF FORT WORTH, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**  
**(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	\$ 398,426	\$ 97,919	\$ -	\$ 22,180	\$ 518,525
Sales Taxes	165,364	-	-	78,123	243,487
Other Local Taxes	5,476	-	-	30,901	36,377
Franchise Fees	50,494	-	-	-	50,494
Charges for Services	28,931	-	3,766	18,063	50,760
Licenses and Permits	16,949	-	-	17	16,966
Fines and Forfeitures	6,468	-	-	5,313	11,781
Revenue from Use of Money and Property	701	117	1,565	10,668	13,051
Investment Income (Loss)	4,896	21,604	3,217	4,528	34,245
Intergovernmental	2,128	-	10,515	68,841	81,484
Gas Leases and Royalties	1,453	-	4,625	568	6,646
Other	4,535	-	13,316	21,601	39,452
Contributions	191	-	9,622	7,612	17,425
Total Revenues	<u>686,012</u>	<u>119,640</u>	<u>46,626</u>	<u>268,415</u>	<u>1,120,693</u>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
General Government	96,395	-	13,241	18,634	128,270
Public Safety	418,042	-	12,454	62,345	492,841
Highways and Streets	33,425	-	25,807	3,724	62,956
Culture and Recreation	59,770	-	26,428	49,661	135,859
Health and Welfare	-	-	-	10,773	10,773
Urban Redevelopment and Housing	44,955	-	1,077	35,395	81,427
Capital Outlay	-	-	158,887	2,008	160,895
<b>Debt Service:</b>					
Principal Retirement	1,900	82,320	666	5,484	90,370
Interest and Debt Issuance Costs	331	39,490	201	1,006	41,028
Total Expenditures	<u>654,818</u>	<u>121,810</u>	<u>238,761</u>	<u>189,030</u>	<u>1,204,419</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>31,194</u>	<u>(2,170)</u>	<u>(192,135)</u>	<u>79,385</u>	<u>(83,726)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Issuance of Long-Term Debt	-	-	106,595	-	106,595
Issuance of Tax Notes	-	-	8,565	-	8,565
Construction Loans	-	-	-	7,185	7,185
Premium on Issuance	-	766	9,229	-	9,995
Proceeds from Disposal of Property	-	-	1,341	1,141	2,482
Insurance Recoveries	829	-	474	-	1,303
Transfers In	45,948	13,238	102,219	9,667	171,072
Transfers Out	(56,875)	(432)	(1,821)	(75,205)	(134,333)
Total Other Financing Sources (Uses)	<u>(10,098)</u>	<u>13,572</u>	<u>226,602</u>	<u>(57,212)</u>	<u>172,864</u>
Net Change in Fund Balances	21,096	11,402	34,467	22,173	89,138
Fund Balances, Beginning of Year	152,701	50,967	466,705	152,966	823,339
Fund Balances, End of Year	<u>\$ 173,797</u>	<u>\$ 62,369</u>	<u>\$ 501,172</u>	<u>\$ 175,139</u>	<u>\$ 912,477</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, 2019  
(in 000's)**

Net change in fund balances--total governmental funds \$ 89,138

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	\$	150,107	
Capital outlay expenditures		160,895	
Depreciation and amortization expense (excluding internal service fund depreciation of \$263)		<u>(145,897)</u>	
Net adjustment		<u>165,105</u>	165,105

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. (26,876)

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. (3,497)

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:			
Special tax revenue bonds		(106,595)	
Tax notes		(8,565)	
Other obligations		<u>(7,185)</u>	
Total proceeds		(122,345)	
Premium on debt issued		(9,995)	
Repayments:			
To bondholders		90,370	
Amortization of premiums and discounts		10,604	
Amortization of prepaid bond insurance		<u>(11)</u>	
Net adjustment		<u>(31,377)</u>	(31,377)

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		(678)	
Increase in net pension liability		(12,244)	
Decrease in other postemployment benefits obligation		70,013	
Increase in compensated absences liability (excluding internal service fund increase of \$35)		(21,955)	
Decrease in pollution remediation liability		<u>842</u>	
Net adjustment		<u>35,978</u>	35,978

(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, 2019  
(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	\$ (226,595)	
Deferred inflows of resources	<u>(35,622)</u>	
Net adjustment	<u>(262,217)</u>	\$ (262,217)

Internal service funds are used by management to charge the costs of certain activities, such as: equipment services, 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.

18,333

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.

920

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.

(1,603)

Change in net position (deficit) of governmental activities

\$ (16,096)



**CITY OF FORT WORTH, TEXAS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2019**  
**(in 000's)**

	<b>Business-Type Activities-- Enterprise Funds</b>				<b>Governmental 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>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>					
<b>Assets</b>					
<b>Current Assets:</b>					
Cash, Cash Equivalents, & Investments	\$ 97,861	\$ 6,411	\$ 20,314	\$ 124,586	\$ 74,212
Interest Receivable	484	27	61	572	200
Accounts and Other Receivables, Net of Allowance for Uncollectible	59,212	4,177	7,466	70,855	464
Inventories (at Cost)	3,608	-	-	3,608	417
Prepays, Deposits, and Other	205	26	26	257	-
<b>Restricted Assets:</b>					
Cash & Cash Equivalents	51,712	3,559	7,237	62,508	-
<b>Total Current Assets</b>	<b>213,082</b>	<b>14,200</b>	<b>35,104</b>	<b>262,386</b>	<b>75,293</b>
<b>Noncurrent Assets:</b>					
<b>Restricted Assets:</b>					
Cash & Cash Equivalents	585,439	57,140	31,768	674,347	4,115
Cash, Cash Equivalents, & Investments Held by Trustees	28,288	-	49,512	77,800	3,366
Grants and Other Receivables	1,979	35	4,665	6,679	-
Interest Receivable	899	160	152	1,211	-
<b>Total Restricted Assets</b>	<b>616,605</b>	<b>57,335</b>	<b>86,097</b>	<b>760,037</b>	<b>7,481</b>
Advances to Other Funds	-	-	2,363	2,363	-
Prepaid Bond Insurance	150	-	-	150	-
<b>Capital Assets (at Cost):</b>					
Land/Right of Way	29,945	14,822	165,401	210,168	1,123
Buildings	67,855	8,409	95,344	171,608	4,656
Infrastructure	3,276,398	150,116	355,520	3,782,034	1,142
Vehicles, Machinery and Equipment	359,928	13,026	9,029	381,983	3,989
Construction in Progress	288,991	28,783	12,586	330,360	157
Intangibles - Depreciable	-	-	510	510	-
Intangibles - Non-Depreciable	-	-	1,525	1,525	-
Accumulated Depreciation	(1,299,712)	(51,075)	(225,668)	(1,576,455)	(8,232)
<b>Net Capital Assets</b>	<b>2,723,405</b>	<b>164,081</b>	<b>414,247</b>	<b>3,301,733</b>	<b>2,835</b>
<b>Total Noncurrent Assets</b>	<b>3,340,160</b>	<b>221,416</b>	<b>502,707</b>	<b>4,064,283</b>	<b>10,316</b>
<b>Total Assets</b>	<b>3,553,242</b>	<b>235,616</b>	<b>537,811</b>	<b>4,326,669</b>	<b>85,609</b>
<b>Deferred Outflows of Resources</b>	<b>105,232</b>	<b>12,254</b>	<b>16,891</b>	<b>134,377</b>	<b>-</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 3,658,474</b>	<b>\$ 247,870</b>	<b>\$ 554,702</b>	<b>\$ 4,461,046</b>	<b>\$ 85,609</b>

(continued)

**CITY OF FORT WORTH, TEXAS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2019**  
**(in 000's)**

	Business-Type Activities-- Enterprise Funds			Total	Governmental Activities
	Water and Sewer	Stormwater Utility	Nonmajor Enterprise Funds		Internal Service Funds
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>					
<b>Liabilities</b>					
<b>Current Liabilities:</b>					
Accounts Payable	\$ 9,519	\$ 499	\$ 5,718	\$ 15,736	\$ 3,593
Accrued Payroll	2,581	323	397	3,301	766
Current Portion of Long-Term Liabilities	67,635	5,300	3,034	75,969	17,922
<b>Payables from Restricted Assets:</b>					
Construction Payable	25,148	3,347	1,406	29,901	-
Escrow Accounts Payable	2,453	-	-	2,453	-
Customer Deposits	19,883	-	939	20,822	-
Accrued Interest Payable	4,261	525	124	4,910	-
Unearned Revenue	1,140	-	2,864	4,004	-
Total Current Liabilities	<u>132,620</u>	<u>9,994</u>	<u>14,482</u>	<u>157,096</u>	<u>22,281</u>
<b>Long-Term Liabilities:</b>					
Long-Term Liabilities Due in More Than One Year	<u>1,291,805</u>	<u>146,001</u>	<u>103,240</u>	<u>1,541,046</u>	<u>16,553</u>
Total Long-Term Liabilities	<u>1,291,805</u>	<u>146,001</u>	<u>103,240</u>	<u>1,541,046</u>	<u>16,553</u>
Total Liabilities	<u>1,424,425</u>	<u>155,995</u>	<u>117,722</u>	<u>1,698,142</u>	<u>38,834</u>
<b>Deferred Inflows of Resources</b>	<u>52,912</u>	<u>4,839</u>	<u>9,816</u>	<u>67,567</u>	<u>-</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>1,477,337</u>	<u>160,834</u>	<u>127,538</u>	<u>1,765,709</u>	<u>38,834</u>
<b>NET POSITION</b>					
Net Investment in Capital Assets	2,058,178	63,463	377,174	2,498,815	2,835
<b>Restricted for:</b>					
Debt Service	52,836	3,955	1,722	58,513	-
Capital Projects	53,732	-	-	53,732	-
Unrestricted	<u>16,391</u>	<u>19,618</u>	<u>48,268</u>	<u>84,277</u>	<u>43,940</u>
Total Net Position	<u>\$ 2,181,137</u>	<u>\$ 87,036</u>	<u>\$ 427,164</u>	<u>\$ 2,695,337</u>	<u>\$ 46,775</u>
Adjustment to Reflect the Consolidation of Internal Service Funds Activities Related to Enterprise Funds				<u>1,470</u>	
Net Position of Business-Type Activities				<u>\$ 2,696,807</u>	

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, 2019**  
**(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>OPERATING REVENUES</b>					
Charges for Services	\$ 452,989	\$ 40,037	\$ 76,304	\$ 569,330	\$ 129,622
Other	448	-	2,934	3,382	10,610
Total Operating Revenues	<u>453,437</u>	<u>40,037</u>	<u>79,238</u>	<u>572,712</u>	<u>140,232</u>
<b>OPERATING EXPENSES</b>					
Personnel Services	87,304	10,949	15,235	113,488	22,602
Supplies and Materials	25,810	687	1,145	27,642	7,708
Contractual Services	150,280	6,776	55,338	212,394	95,583
Landfill Closure and Postclosure Cost	-	-	1,345	1,345	-
Depreciation	76,691	9,483	14,700	100,874	263
Total Operating Expenses	<u>340,085</u>	<u>27,895</u>	<u>87,763</u>	<u>455,743</u>	<u>126,156</u>
Operating Income (Loss)	<u>113,352</u>	<u>12,142</u>	<u>(8,525)</u>	<u>116,969</u>	<u>14,076</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment Income	20,932	2,966	3,987	27,885	3,846
Gain (Loss) on Sale of Property and Equipment	461	(40)	1	422	2
Interest and Service Charges	(25,790)	(4,025)	(1,099)	(30,914)	-
Gas Leases and Royalties	1,138	-	3,218	4,356	-
Total Nonoperating Revenues (Expenses)	<u>(3,259)</u>	<u>(1,099)</u>	<u>6,107</u>	<u>1,749</u>	<u>3,848</u>
Income (Loss) Before Transfers and Contributions	<u>110,093</u>	<u>11,043</u>	<u>(2,418)</u>	<u>118,718</u>	<u>17,924</u>
Transfers In	2,920	1,500	60	4,480	1,779
Transfers Out	(29,122)	(4,398)	(8,108)	(41,628)	(1,370)
Capital Contributions	48,459	-	16,216	64,675	-
Capital Contributions - Impact Fees	24,082	-	-	24,082	-
Changes in Net Position	156,432	8,145	5,750	170,327	18,333
Total Net Position (Deficit), Beginning of Year	2,024,705	78,891	421,414	2,525,010	28,442
Total Net Position, End of Year	<u>\$ 2,181,137</u>	<u>\$ 87,036</u>	<u>\$ 427,164</u>	<u>\$ 2,695,337</u>	<u>\$ 46,775</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, 2019**  
**(in 000's)**

	<b>Business-Type Activities-- Enterprise Funds</b>				<b>Governmental 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>Cash Flows from Operating Activities:</b>					
Receipts from Customers	\$ 445,899	\$ 39,716	\$ 75,587	\$ 561,202	\$ -
Receipts from Other Funds	-	-	-	-	129,169
Receipts from Other Operating Sources	448	-	2,934	3,382	10,610
Payments to Employees	(76,403)	(8,696)	(11,835)	(96,934)	(22,452)
Payments to Vendors	(177,549)	(7,251)	(55,997)	(240,797)	(22,435)
Payments for Benefits	-	-	-	-	(81,417)
Net Cash Provided by (Used for) Operating Activities	<u>192,395</u>	<u>23,769</u>	<u>10,689</u>	<u>226,853</u>	<u>13,475</u>
<b>Cash Flows from Noncapital Financing Activities:</b>					
Transfers In from Other Funds	2,920	1,500	60	4,480	1,779
Transfers Out to Other Funds	(29,122)	(4,398)	(8,108)	(41,628)	(1,370)
Advances to Other Funds	-	-	2,330	2,330	-
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(26,202)</u>	<u>(2,898)</u>	<u>(5,718)</u>	<u>(34,818)</u>	<u>409</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Bond Principal Received	93,340	31,015	-	124,355	-
Bond Premium Received	7,502	2,207	-	9,709	-
Proceeds from Sale of Property and Equipment	591	-	1	592	13
Contributions	120	-	17,898	18,018	-
Contributions - Impact Fees	24,082	-	-	24,082	-
Acquisition and Construction of Capital Assets	(95,022)	(10,687)	(19,116)	(124,825)	(211)
Principal Paid on Long-Term Debt	(62,110)	(4,640)	(3,010)	(69,760)	-
Principal Paid to Escrow Agent	-	(33,820)	-	(33,820)	-
Interest Paid on Long-Term Obligations	(31,747)	(4,516)	(1,567)	(37,830)	-
Bond Issuance Cost Paid	(870)	(386)	-	(1,256)	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(64,114)</u>	<u>(20,827)</u>	<u>(5,794)</u>	<u>(90,735)</u>	<u>(198)</u>
<b>Cash Flows from Investing Activities:</b>					
Receipts from Gas Leases and Royalties	1,138	-	3,218	4,356	-
Purchases of Investments	(566)	-	(3,579)	(4,145)	-
Sales of Investments	294	-	3,344	3,638	-
Investment Income Received	20,630	2,936	3,960	27,526	3,791
Net Cash Provided by (Used for) Investing Activities	<u>21,496</u>	<u>2,936</u>	<u>6,943</u>	<u>31,375</u>	<u>3,791</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	123,575	2,980	6,120	132,675	17,477
Cash and Cash Equivalents, Beginning of Year	632,791	64,130	70,714	767,635	64,216
Cash and Cash Equivalents, End of Year	<u>\$ 756,366</u>	<u>\$ 67,110</u>	<u>\$ 76,834</u>	<u>\$ 900,310</u>	<u>\$ 81,693</u>

(continued)

**CITY OF FORT WORTH, TEXAS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**  
**(in 000's)**

	Business-Type Activities-- Enterprise Funds			Total	Governmental Activities
	Water and Sewer	Stormwater Utility	Nonmajor Enterprise Funds		Internal Service Funds
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>					
Operating Income (Loss)	\$ 113,352	\$ 12,142	\$ (8,525)	\$ 116,969	\$ 14,076
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Depreciation	76,691	9,483	14,700	100,874	263
<b>Changes in Assets and Liabilities:</b>					
Accounts and Other Receivables	(7,017)	(295)	(223)	(7,535)	(464)
Inventories	(70)	-	-	(70)	61
Prepays, Deposits, and Other Assets	(87)	(26)	(16)	(129)	11
Deferred Outflows of Resources (Pension)	27,544	3,312	3,873	34,729	-
Deferred Outflows of Resources (OPEB)	(571)	(14)	(62)	(647)	-
Accounts Payable	(717)	212	486	(19)	(193)
Escrow Accounts Payable	(918)	-	-	(918)	-
Accrued Payroll and Compensation	(3,537)	132	92	(3,313)	150
Customer Deposits	932	-	3	935	-
Accrued Benefits	-	-	-	-	(429)
Landfill Closure and Postclosure Liability	-	-	1,345	1,345	-
Pollution Remediation Costs	(672)	-	-	(672)	-
Net Pension Liability	1,462	170	223	1,855	-
Net OPEB Liability	(19,285)	(1,219)	(1,559)	(22,063)	-
Deferred Inflows of Resources (Pension)	(1,165)	(200)	(176)	(1,541)	-
Deferred Inflows of Resources (OPEB)	6,453	72	1,009	7,534	-
Deferred Inflows of Resources (Service Concession Agreement)	-	-	(481)	(481)	-
Total Adjustments	79,043	11,627	19,214	109,884	(601)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>\$ 192,395</b>	<b>\$ 23,769</b>	<b>\$ 10,689</b>	<b>\$ 226,853</b>	<b>\$ 13,475</b>
<b>The Cash and Cash Equivalents are reported in the Statement of Net Position as follows:</b>					
Current - Cash, Cash Equivalents, & Investments	\$ 97,861	\$ 6,411	\$ 20,314	\$ 124,586	\$ 74,212
Current Restricted - Cash & Cash Equivalents	51,712	3,559	7,237	62,508	-
Noncurrent Restricted - Cash & Cash Equivalents	585,439	57,140	31,768	674,347	4,115
Noncurrent Restricted - Cash, Cash Equivalents, & Investments Held by Trustees	28,288	-	49,512	77,800	3,366
Less: Gas Well Investments Held by Trustees	(6,934)	-	(31,997)	(38,931)	-
<b>Total Cash and Cash Equivalents</b>	<b>\$ 756,366</b>	<b>\$ 67,110</b>	<b>\$ 76,834</b>	<b>\$ 900,310</b>	<b>\$ 81,693</b>
<b>Noncash Investing, Capital, and Financing Activities:</b>					
Capital Asset Contributions from Developers	47,483	-	-	47,483	-
Amortization of Bond Premium/Discount	8,478	675	641	9,794	-
Amortization of Bond Defeasement Loss	(1,465)	(36)	(187)	(1,688)	-
Change in Fair Value on Pooled Investments	7,059	1,587	1,655	10,301	2,425
Change in Fair Value on Non-Pooled Investments	(199)	-	(1,051)	(1,250)	-

See accompanying notes to the basic financial statements.

(concluded)

**CITY OF FORT WORTH, TEXAS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2019**  
**(in 000's)**

	<b>Pension and Other Employee Benefits Trust Funds</b>
<b>ASSETS</b>	
Current Assets:	
Cash & Cash Equivalents	\$ 7,534
Cash & Investments Held by Trustees:	
Asset and Mortgage Backed Obligations	60,687
Corporate Obligations	227,290
Government Agency Obligations	147,510
International Obligations	16,978
Securities Lending Collateral	129,160
U.S. Treasuries	118,617
Short-Term Mutual Fund Investments	118,356
Corporate Stock	386,836
Alternative Investments	567,307
Commingled Funds	804,871
Total Cash & Investments Held by Trustees	<u>2,577,612</u>
Prepays	140
Accrued Income	5,049
Other Receivables	8,398
Due from Broker Securities Sold	210,467
Total Current Assets	<u>2,809,200</u>
Capital Assets (at Cost):	
Land	404
Buildings	3,502
Machinery and Equipment	322
Accumulated Depreciation	(1,247)
Net Capital Assets	<u>2,981</u>
Total Assets	<u>2,812,181</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accrued Liabilities	3,027
Obligations Under Securities Lending	129,160
Due to Broker Securities Purchased	280,793
Total Current Liabilities	<u>412,980</u>
<b>NET POSITION</b>	
Net Position Held in Trust for Pension and Other Employee Benefits:	
Restricted for Pensions	2,312,863
Postemployment Healthcare Plan	86,338
Total Net Position	<u>\$ 2,399,201</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, 2019**  
**(in 000's)**

	<b>Pension and Other Employee Benefits Trust Funds</b>
<b>ADDITIONS</b>	
Interest, Dividend, and Securities Lending Income	\$ 32,748
Less: Investment Management Fees and Interest Expense	(7,021)
Net Gain (Loss) in Fair Value of Investments	29,592
Other Income	20,511
Employer Contributions	146,254
Employee/Retiree Contributions	44,449
Total Additions	<u>266,533</u>
<b>DEDUCTIONS</b>	
Benefit Payments	254,239
Refunds	5,736
Administrative Expenses	7,418
Total Deductions	<u>267,393</u>
Change in Net Position	(860)
Net Position, Beginning of Year	<u>2,400,061</u>
Net Position, End of Year	<u>\$ 2,399,201</u>

See accompanying notes to the basic financial statements.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**  
**(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, 2019**  
**(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, 2019, 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 or incomplete. Inclusion is determined based on 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 2019 (FY2019), 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 ten 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-year periods. 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, 2019**  
**(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, 2019**  
**(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). No separate financial statements for the LSLGC are available.

***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 the 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, 2019**  
**(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, 2018, the Partnership's financial information is presented in a separate column in the government-wide financial statements.

The Fort Worth Housing Finance Corporation (blended component unit of the City) considered the organizations and activities of each of the LPs to determine if any of them meet the condition for inclusion as component units. The decision to include a potential component unit was made by applying the criteria set forth in GASB Statement No. 14, The Financial Reporting Entity, GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, and GASB Statement No. 61, Financial Reporting Entity-Omnibus.

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 ("LPA"). Separate audited financial statements can be obtained by contacting the Fort Worth Housing Finance Corporation at 200 Texas Street, Fort Worth, Texas 76102.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**  
**(000's omitted in tables)**

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

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

**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.

***Fort Worth Firefighters Healthcare Trust*** - The Fort Worth Firefighters Healthcare Trust (the "Trust") was established effective January 01, 2019 by the International Association of Firefighters Local No. 440 to provide health benefits for its eligible members and their dependents. The Trust provides health and welfare benefits to qualified participants. Qualified participants include active and retired firefighters of the City of Fort Worth (the Employer) and their dependents. Although it is legally separate from the City, the City has financial accountability, and a financial benefit/burden relationship exists, which allows the City to impose its will. The Trust is not subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The Trust is a component unit of the City and reported in the City's basic financial statements as a Fiduciary fund. Separate audited financial statements can be obtained by contacting Fort Worth Firefighters Healthcare Trust at 3855 Tulsa Way, Fort Worth, TX 76107.

**Related Organizations**

The following related organizations 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 does 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.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**  
**(000's omitted in tables)**

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

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

**Related Organizations (continued)**

***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, 2019, was \$6,497,771 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**  
**SEPTEMBER 30, 2019**  
**(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 excluded from program revenues and reported as general revenues.

The government-wide financial statements also present the calendar year (December 31, 2018) 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, 2019**  
**(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 current 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 projects are accounted as special revenue funds.

**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.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Proprietary Funds (continued)**

**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.

**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.

**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.

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

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

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**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.

**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 in 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.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**  
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**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 2019 have been recorded as receivables, net of allowance for refunds, and uncollectible amount. The net receivables collected during 2019 and those considered "available" at FY2019 (i.e., property taxes collected within 60 days of year-end) have been recognized as revenues in 2019. 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 2019 was \$0.7850 per \$100 of valuation.

**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.

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

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

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

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.

**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, 2019. 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 FY2019 represents trades pending settlement and amounts due on foreign currency contracts.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**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) (CONTINUED)**

*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, 2019, were converted to the City Plan's functional currency at the foreign exchange rates quoted at September 30, 2019. 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, 2019, 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.

**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.

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

**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. In FY2019, the City is early implementing GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. Under this Statement, interest cost is recognized as an expense in the period incurred. Therefore, interest cost is no longer capitalized as part of the historical cost for proprietary capital assets. See Note A.16. for details.

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**  
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**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 \$35,593,000.

The total discounted estimated claims payable for the Group Health and Life Insurance Fund and the Risk Financing Fund at September 30, 2019, is \$32,012,000, of which \$14,370,000 represents workers' compensation case reserve losses, and is reported as long-term liabilities in the Internal Service Funds statements.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

The changes in the City's total estimated claims and judgments liability are as follows (in thousands):

	<u>FY 2018</u>	<u>FY 2019</u>
Unpaid Claims, October 1st	\$ 33,377	\$ 32,441
Provisions for current year's events and changes in provision for priors years' events	74,187	73,055
Claims payments	<u>(75,123)</u>	<u>(73,484)</u>
Unpaid Claims, September 30th	<u>\$ 32,441</u>	<u>\$ 32,012</u>

**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.

**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.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**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 \$7,551,000 as a deferred outflow of resources for unamortized loss on debt refunding in the governmental activities and \$7,221,000 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 deferred outflows of resources of \$925,999,000 total pension-related and \$30,289,000 total other postemployment benefit-related as of September 30, 2019, in accordance with GAAP.

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 other post employment benefits.

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, 2019, the City recognized deferred inflows of resources in the amount of \$1,684,000 in the Solid Waste Fund.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

The City recorded deferred inflows of resources of \$377,372,000 total pension-related and \$117,346,000 total other postemployment benefit-related as of September 30, 2019, in accordance with GAAP.

	<b>Governmental Funds</b>				<b>Total</b>
	<b>General</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Nonmajor</b>	
				<b>Governmental Funds</b>	
<b>Deferred Inflows of Resources:</b>					
Property Tax	\$ 4,078	\$ 1,194	\$ -	\$ -	\$ 5,272
Accounts Receivable	-	-	-	5,635	5,635
Grants and Other Governments	-	-	2,785	1,916	4,701
Other	149	-	-	1,720	1,869
<b>Total</b>	<b>\$ 4,227</b>	<b>\$ 1,194</b>	<b>\$ 2,785</b>	<b>\$ 9,271</b>	<b>\$ 17,477</b>

	<b>Business-Type Activities</b>				<b>Total</b>
	<b>Governmental Activities</b>	<b>Water and Sewer</b>	<b>Stormwater Utility</b>	<b>Nonmajor</b>	
				<b>Enterprise Funds</b>	
<b>Deferred Outflows of Resources:</b>					
Unamortized Loss on Debt Refunding	\$ 7,551	\$ 4,477	\$ 594	\$ 2,150	\$ 14,772
Pension Related	803,070	97,124	11,610	14,195	925,999
OPEB Related	26,062	3,631	50	546	30,289
<b>Total</b>	<b>\$ 836,683</b>	<b>\$ 105,232</b>	<b>\$ 12,254</b>	<b>\$ 16,891</b>	<b>\$ 971,060</b>
<b>Deferred Inflows of Resources:</b>					
Service Concession Arrangement	\$ -	\$ -	\$ -	\$ 1,684	\$ 1,684
Pension Related	328,202	38,570	4,607	5,993	377,372
OPEB Related	100,633	14,342	232	2,139	117,346
<b>Total</b>	<b>\$ 428,835</b>	<b>\$ 52,912</b>	<b>\$ 4,839</b>	<b>\$ 9,816</b>	<b>\$ 496,402</b>

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**  
**(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, 2019**  
**(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, on-going 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 the 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, 2019**  
**(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.
- A minimum reserve of 100 days Cash on Hand with a goal of 150 days Cash on Hand. This calculation shall be performed against the operating fund only.
- 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, 2019**  
**(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, 2019**  
**(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	\$ 2,322	\$ -	\$ -	\$ 4,416	\$ 6,738
Advances	-	-	-	-	-
Prepays, Deposits, and Other	2,395	-	1,040	215	3,650
Total Nonspendable	<u>4,717</u>	<u>-</u>	<u>1,040</u>	<u>4,631</u>	<u>10,388</u>
<b>Restricted</b>					
Park Improvements	9,044	-	-	-	9,044
Debt Service	-	20,273	-	-	20,273
Crime Control and Prevention	-	-	-	15,414	15,414
Environmental Management	-	-	-	1,853	1,853
Construction of Multi-Purpose Arena	-	-	-	9,448	9,448
City Television	-	-	-	6,743	6,743
Multi-Purpose Arena Project	-	-	15,768	-	15,768
2014 Bond Program	-	-	32,120	-	32,120
Transportation Impact Fees	-	-	60,441	-	60,441
Community Facility Agreements	-	-	21,345	-	21,345
Community Park Projects	-	-	8,315	-	8,315
Fire Apparatus Replacement	-	-	5,140	-	5,140
Other	1,600	-	103,826	81,739	187,165
Total Restricted	<u>10,644</u>	<u>20,273</u>	<u>246,955</u>	<u>115,197</u>	<u>393,069</u>

(continued)

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**  
**(000's omitted in tables)**

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

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

<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>Committed</b>					
Public Events and Facilities	\$ 20,534	\$ -	\$ -	\$ -	\$ 20,534
Debt Service	-	8,602	-	-	8,602
Park Improvements	3,754	-	-	-	3,754
Street Improvements	-	-	38,052	-	38,052
Police Vehicle Replacement	-	-	35,479	-	35,479
Police Facility Renovation	-	-	20,268	-	20,268
Police Equipment	-	-	11,416	-	11,416
Fire Apparatus Replacement	-	-	5,792	-	5,792
IT Software and Computers	-	-	5,015	-	5,015
Traffic System Improvements	-	-	11,897	-	11,897
General Vehicle Replacements	-	-	12,865	-	12,865
State Sales Tax Agreement	5,545	-	-	2,155	7,700
Other	-	-	-	414	414
Total Committed	<u>29,833</u>	<u>8,602</u>	<u>140,784</u>	<u>2,569</u>	<u>181,788</u>
<b>Assigned</b>					
Culture and Tourism	-	-	-	20,003	20,003
Community Park Projects	-	-	33,609	-	33,609
IT Software and Computers	-	-	5,375	-	5,375
Park and Recreation Programs	-	-	-	96	96
Other	-	33,494	73,409	32,643	139,546
Total Assigned	<u>-</u>	<u>33,494</u>	<u>112,393</u>	<u>52,742</u>	<u>198,629</u>
Unassigned (Deficit)	<u>128,603</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>128,603</u>
Total Fund Balance	<u>\$ 173,797</u>	<u>\$ 62,369</u>	<u>\$ 501,172</u>	<u>\$ 175,139</u>	<u>\$ 912,477</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, 2019, was \$1,600,000 and is presented as restricted for general administration purposes.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**  
**(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, 2019, 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>	<i>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.</i>	<i>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.</i>	<i>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.</i>
<b>2) Tax being abated:</b>	<i>Real Property, &amp; Business Personal Property</i>	<i>Real Property, Business Personal Property, Sales Tax, &amp; Hotel Occupancy Tax</i>	<i>Property Tax</i>

*(continued)*

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**  
**(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>3) Authority under which abatement agreements are entered into:</b>	<i>Tax abatements are authorized under Chapter 312 of the Texas Tax Code.</i>	<i>Grants are authorized under Texas Local Government Code Chapter 380.</i>	<i>Tax abatements are authorized under Chapter 378 of the Texas Local Government Code.</i>
<b>4) Criteria to be eligible to receive abatement:</b>	<i>A Tax Abatement can only be granted to persons or entities eligible for Tax Abatement pursuant to Section 312.204(a) of the Texas Tax Code, which persons or entities as of the effective date of this policy are the owner of taxable real property located in a Tax Abatement reinvestment zone; or the owner of a leasehold interest in real property located in a Tax Abatement reinvestment zone.</i>	<i>A business or entity shall be eligible to participate in the Chapter 380 Economic Development Program on terms and conditions established by the City Council on a case-by-case basis if: (a) the business or entity enters into a binding contract with the City under which (i) the business or entity is required to make specific and verifiable employment and other commitments that serve the public purposes overseen by the City's Economic Development Department and that the City Council deems appropriate under the circumstances and (ii) the City is able to cease and/or recapture payment of Chapter 380 incentives or to terminate the contract in the event that the public purposes specified in the contract are not met; or (b) the business or entity enters into a binding contract with the City under which (i) the business or entity commits to conduct or sponsor, in whole or in part, an event to which the general public has access, including, but not limited to, sporting events; events that focus on the history of the City and the region; and events that promote instrumental and vocal music, dance, drama, folk art, creative writing, architecture, design and allied fields, painting, sculpture, photography, and graphic and craft arts, and (ii) as part of such event and as specified in the contract, the business or entity is required to promote and publicize the City and attractions within the City in a manner that is likely to attract visitors from locations outside the City.</i>	<i>Municipal property tax abatements, fee waivers and release of city liens are available to property owners who build or rehabilitate property within a NEZ.</i>

*(continued)*

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**  
**(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>5) How recipients' taxes are reduced:</b>	1. The property tax abatement is refunded after the taxpayer pays the property tax. 2. The business personal tax abatement is refunded after the taxpayer pay the business personal tax.	1. The property tax due is net of the abated amount, or the property tax may be paid by the taxpayer and subsequently refunded by the city. 2. All other taxes to be abated are refunded after the taxpayer pays the associated tax.	The property tax due is net of the abated amount.																		
<b>6) How the 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>\$ 2,175,975</td> </tr> <tr> <td>B/P* Property</td> <td><u>2,079,932</u></td> </tr> <tr> <td>Total</td> <td><u>\$ 4,225,907</u></td> </tr> </table> <p>*B/P = Business Personal</p>	Real Property	\$ 2,175,975	B/P* Property	<u>2,079,932</u>	Total	<u>\$ 4,225,907</u>	<table> <tr> <td>Real Property</td> <td>\$ 7,395,828</td> </tr> <tr> <td>B/P* Property</td> <td>6,791,438</td> </tr> <tr> <td>Sales</td> <td>5,844,641</td> </tr> <tr> <td>Hotel Occupancy</td> <td><u>3,863,367</u></td> </tr> <tr> <td>Total</td> <td><u>\$ 23,895,274</u></td> </tr> </table>	Real Property	\$ 7,395,828	B/P* Property	6,791,438	Sales	5,844,641	Hotel Occupancy	<u>3,863,367</u>	Total	<u>\$ 23,895,274</u>	<table> <tr> <td>Real Property</td> <td><u>\$ 426,720</u></td> </tr> </table> <p>(concluded)</p>	Real Property	<u>\$ 426,720</u>
Real Property	\$ 2,175,975																				
B/P* Property	<u>2,079,932</u>																				
Total	<u>\$ 4,225,907</u>																				
Real Property	\$ 7,395,828																				
B/P* Property	6,791,438																				
Sales	5,844,641																				
Hotel Occupancy	<u>3,863,367</u>																				
Total	<u>\$ 23,895,274</u>																				
Real Property	<u>\$ 426,720</u>																				

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**  
**(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. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, and GASB No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. Additional information on the implementation of these statements are noted below:

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*: This Statement requires that direct borrowings and placements disclose information concerning the amount of unused lines of credit, assets pledged as collateral for a debt, and terms specified in debt agreements (such as significant events of default and termination events) with finance-related consequences. Statement No. 88 redefines debt as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. While no financial impact should be seen, the City has four outstanding debt issues (Tax Notes Series 2016, 2017, 2018 and 2019) that meet the definition of debt in this Statement. See Note G.1 for additional information.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*: This Statement requires interest cost incurred before the end of a construction period to be recognized as an expense in financial statements prepared using the full accrual basis of accounting. This Statement is effective for periods beginning after December 15, 2019, earlier application is permitted. The City has chosen to early adopt this statement for the year ended September 30, 2019. This statement is applied prospectively and no adjustment was made to the September 30, 2018 balance of \$55,603,000. Depreciation expense incurred during FY2019 on previously capitalized interest is \$9,448,000. The balance of capitalized interest at September 30, 2019 is \$46,155,000 and will continue to be depreciated over its remaining useful life of 9 years.

**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, investments of the OPEB Trust, and cash of the Fort Worth Firefighters Healthcare 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**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**  
**(000's omitted in tables)**

**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, 2019, the carrying and fair value of securities on loan were \$391,903,764 and the fair value of collateral held against the loaned securities was \$399,705,274.

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, 2019, the City’s demand and time deposits totaled \$439,233,127. Of the \$439,233,127 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, 2019, all funds were insured or collateralized as required under state law.

As of September 30, 2019, 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, 2019, interest earned of \$5,390,401 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>
<b>Targeted Portfolio %</b>	40.00	15.00	15.00	15.00	15.00
<b>Actual %</b>	48.49	13.82	12.46	11.05	14.18

As of September 30, 2019, the Portfolio included:

- no holdings with a stated maturity date beyond August 15, 2027;
- holdings maturing beyond one year represented 51.51 percent; and
- the WAM was 623 days or 1.7 years.

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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, 2019, the Portfolio contained U.S. Government notes (debentures) with various callable structures totaling \$202,000,000. The callable debentures included \$150,000,000 in quarterly 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 365 days.

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

As of September 30, 2019, the Portfolio consisted of:

- U.S. Treasury Notes and Bills represented 41.26%;
- U.S. Obligations represented 57.63%; and
- Municipal Obligations represented 1.11%

See Note B.3. for a detailed listing of investments as of September 30, 2019.

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.

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

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

**Custodial Credit Risk (continued)**

As of September 30, 2019, 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 \$69,165,000 and \$66,152,067, 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, 2019, 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	\$ 569	\$ 2,959	\$ 246	\$ 3,774
Mortgage Backed Securities	-	250	861	1,111
Municipal Bonds	200	-	-	200
Corporate Obligations	1,305	9,533	-	10,838
Domestic Mutual Funds	3,138	-	-	3,138
International Mutual Funds	4,614	-	-	4,614
Total Fixed Income Securities	<u>\$ 9,826</u>	<u>\$ 12,742</u>	<u>\$ 1,107</u>	<u>\$ 23,675</u>

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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, 2019:

	<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)	\$ 62,688	\$ -	\$ 62,688	\$ -
Federal Home Loan Bank (FHLB)	124,493	-	124,493	-
Federal Home Loan Mortgage Corporation (FHLMC)	109,829	-	109,829	-
Federal National Mortgage Association (FNMA)	206,368	-	206,368	-
U.S. Treasury Notes	360,472	360,472	-	-
Municipal Obligations - Short Term	9,683	-	9,683	-
Total Investments Managed by the City	<u>873,533</u>	<u>360,472</u>	<u>513,061</u>	<u>-</u>
<b>Investments Held by Trustees for the City</b>				
Gas Lease Revenue - Fixed Income	15,923	-	15,923	-
Gas Lease Revenue - Fixed Income - Domestic and International Mutual Fund	7,752	7,752	-	-
Gas Lease Revenue - Equities	3,962	3,962	-	-
Gas Lease Revenue - Equities - Domestic and International Mutual Fund	26,315	26,315	-	-
Gas Lease Revenue - Real Assets Funds	5,998	5,998	-	-
Gas Lease Revenue - Complementary Strategies Funds	9,215	9,215	-	-
Total Investments Held by Trustees for the City	<u>69,165</u>	<u>53,242</u>	<u>15,923</u>	<u>-</u>
Total Investments by Fair Value Level	<u>\$ 942,698</u>	<u>\$ 413,714</u>	<u>\$ 528,984</u>	<u>\$ -</u>

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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, 2019:

	<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	\$ 941,755	N/A	N/A
Cash in Bank - Blended Component Units	18,041	N/A	N/A
Federal Farm Credit Bank (FFCB)	62,688	788	Aaa
Federal Home Loan Bank (FHLB)	124,493	1,247	Aaa
Federal Home Loan Mortgage Corporation (FHLMC)	109,829	540	Aaa
Federal National Mortgage Association (FNMA)	206,368	762	Aaa
U.S. Treasury Notes	360,472	1,302	Aaa
Municipal Obligations - Short Term	9,683	793	Aa1
Total Cash, Cash Equivalents, & Investments Managed by the City	<u>1,833,329</u>		
<b>Cash, Cash Equivalents, &amp; Investments Held by Trustees for the City</b>			
Gas Lease Revenue - Cash	14,367	N/A	N/A
Gas Lease Revenue - Fixed Income	15,923	N/A	Note B.1.
Gas Lease Revenue - Fixed Income - Domestic and International Mutual Fund	7,752	N/A	Note B.1.
Gas Lease Revenue - Equities	3,962	N/A	N/A
Gas Lease Revenue - Equities - Domestic and International Mutual Fund	26,315	N/A	N/A
Gas Lease Revenue - Real Assets Funds	5,998	N/A	N/A
Gas Lease Revenue - Complementary Strategies Funds	9,215	N/A	N/A
Cash Held by Trustee - United Healthcare	2,566	N/A	N/A
Cash Held by Trustee - York	800	N/A	N/A
Cash Held by Trustee - TWDB 2017B SWIRF	1,578	N/A	N/A
Cash Held by Trustee - Rock Creek	5,729	N/A	N/A
Cash Held by Trustee - CWSRF2015	4,401	N/A	N/A
Cash Held by Trustee - CWSRF2017	14,987	N/A	N/A
Cash Held by Trustee - HUD 108 Loan Fund (Evans/Rosedale/Mercado)	565	N/A	N/A
Cash Held by Trustee - Southeast Landfill	7,375	N/A	N/A
Total Cash, Cash Equivalents, & Investments Held by Trustees for the City	<u>121,533</u>		
<b>Total Cash, Cash Equivalents, &amp; Investments - Primary Government</b>	<u>\$ 1,954,862</u>		
<b>Cash &amp; Cash Equivalents Managed by the Employees' Retirement Fund</b>			
Cash in Bank	129	N/A	N/A
<b>Investments Managed by the Employees' Retirement Fund</b>			
Investments	<u>2,497,900</u>	See Note B.5.	
<b>Total Cash, Cash Equivalents, &amp; Investments - Employees' Retirement Fund</b>	<u>2,498,029</u>		
<b>Cash &amp; Cash Equivalents Managed by the Retiree Healthcare Trust Fund</b>			
Cash in Bank	4,338	N/A	N/A
<b>Investments Managed by the Retiree Healthcare Trust Fund</b>			
Investments	<u>79,712</u>	See Note B.4.	
<b>Total Cash, Cash Equivalents, &amp; Investments - Retiree Healthcare Trust Fund</b>	<u>84,050</u>		
<b>Cash &amp; Cash Equivalents Managed by the Fort Worth Firefighters Healthcare Trust Fund</b>			
Cash in Bank	<u>3,067</u>	N/A	N/A
<b>Total Cash &amp; Cash Equivalents - Fort Worth Firefighters Healthcare Trust Fund</b>	<u>3,067</u>		
<b>Cash &amp; Cash Equivalents Managed by the Discretely Presented Component Unit</b>			
Cash in Bank	298	N/A	N/A
<b>Total Cash &amp; Cash Equivalents - Discretely Presented Component Unit</b>	<u>298</u>		
<b>Total Cash, Cash Equivalents, &amp; Investments</b>	<u>\$ 4,540,306</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	\$ 1,954,862
Employees' Retirement Fund	2,498,029
Retiree Healthcare Trust Fund	84,050
Fort Worth Firefighters Healthcare Trust Fund	3,067
Discretely Presented Component Unit	298
<b>Total, per Note</b>	<u>\$ 4,540,306</u>
<b>Cash, Cash Equivalents, &amp; Investments, per Basic Financial Statements</b>	
Statement of Net Position - Primary Government	\$ 1,092,359
Statement of Net Position - Primary Government Restricted	862,503
Statement of Net Position - Discretely Presented Component Unit	298
Statement of Fiduciary Net Position - Cash and Cash Equivalents	7,534
Statement of Fiduciary Net Position - Cash and Investments Held by Trustees	2,577,612
<b>Total, per Basic Financial Statements</b>	<u>\$ 4,540,306</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, 2019, 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, 2019, are shown below:

Investment Type	Rating	Fair Value*
Issues:		
US Government Issues	N/A	\$ 24,777
Corporate Issues	N/A	25,261
Foreign Issues	N/A	3,378
Municipal Issues	N/A	175
Total Issues		53,591
Fixed Income Mutual Funds:		
Vanguard Short-Term Investment Grade	N/A	2,412
Pimco Total Return II Instl	N/A	358
Total Fixed Income Mutual Funds	N/A	2,770
Equity Mutual Funds:		
Ishares S&P 500 ETF	N/A	6,852
Ishares S&P 500 Growth ETF	N/A	2,821
Ishares S&P 500 Value ETF	N/A	2,824
Ishares Msci Eafe ETF	N/A	2,842
Ishares Russell Midcap Value ETF	N/A	2,055
Ishares Russell 2000 Value Index ETF	N/A	1,678
Ishares Russell 2000 Growth ETF	N/A	1,679
Vanguard Emerg Mkt	N/A	1,185
Vanguard Reit ETF	N/A	1,415
Total Equity Mutual Funds	N/A	23,351
Total Investments		\$ 79,712

\*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, 2019, 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. When redeeming from these funds, there is typically a notice period ranging from one to three months' notice and funds can hold back a small portion of the assets until an annual audit is conducted. In some cases managers designate particular investments as longer hold periods than the funds liquidity schedule, in these cases they side pocket the investment, and these assets are not available immediately upon redemption. Directional funds include investments in two funds that invest in a directional nature based on their views of markets, at times these funds may invest without a directional bias. The directional funds are the most liquid funds in the portfolio with 55% of the assets able to redeem on a monthly basis and 45% of the assets able to redeem on a quarterly basis. Equity Long/Short funds include investments in five funds with two of these funds currently in redemption consisting of less than 1% of assets in this category. Equity Long/Short funds maintain some level of market exposure by investing in US or global equities both long and short with the level of exposure varying over time. Two funds of this type, consisting of 60% of assets in this category allow a full redemption on a quarterly basis. The other significant fund of this type, consisting of 39% of assets in this category, allows quarterly liquidity receiving 1/4 of assets each subsequent quarter. Event driven funds include investments in eight funds with three 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 16% of the assets may only be redeemed in three-year intervals, while 16% may only be redeemed on an annual basis. The remaining 67% of assets may be redeemed quarterly receiving 1/4 of assets each subsequent quarter. Multi-Strategy funds invest in multiple strategies in order to diversify risks and reduce volatility. The five funds in this category have been redeemed with the remaining assets either audit holdback or side pocketed assets waiting for liquidation. Relative Value funds include investments in two funds in this category. Relative Value funds seek returns by identifying mispricing of related securities or financial instruments. One of the Relative Value funds allows full redemption on a quarterly basis while the other fund allows quarterly liquidity receiving 1/4 of assets each subsequent quarter.

**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 consists of funds that invest in buyouts, growth equity, venture capital, special situations, mezzanine and distressed debt. There are 84 partnerships in this category and these partnerships are typically structured with a life from 7-12 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 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 partnerships in this category. Real Estate – Non-Core partnerships invest in properties that require some kind of development or improvements to improve the position of the property. There are 21 partnerships in this category and these partnerships are typically structured with a life from 7-12 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 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, 2019:

	<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>	\$ 221,917	\$ 13,157	\$ 208,758	\$ 2
<b>Debt Securities</b>				
Collateralized Debt Obligations	45,968	-	38,617	7,351
Commercial Mortgage-Backed Securities	14,863	-	13,947	916
Corporates	200,152	-	200,150	2
Debt Other	82,154	79,974	2,180	-
Municipals	5,837	-	5,079	758
Non U.S. Government	13,632	-	11,844	1,788
U.S. Government Agencies	130,905	-	124,993	5,912
U.S. Treasuries	105,180	105,180	-	-
<b>Total Debt Securities</b>	<u>598,691</u>	<u>185,154</u>	<u>396,810</u>	<u>16,727</u>
<b>Equity Securities</b>				
Communication Services	12,994	12,994	-	-
Consumer Discretionary	37,338	37,338	-	-
Consumer Staples	18,365	18,365	-	-
Energy	38,320	38,320	-	-
Equity Other	13,793	13,793	-	-
Financials	50,470	50,470	-	-
Health Care	25,345	25,345	-	-
Industrials	64,296	64,296	-	-
Information Technology	39,249	39,249	-	-
Materials	16,033	16,033	-	-
Real Estate	16,991	16,991	-	-
Utilities	8,269	8,269	-	-
<b>Total Equity Securities</b>	<u>341,463</u>	<u>341,463</u>	<u>-</u>	<u>-</u>
<b>Investments Measured at Net Asset Value*</b>				
<b>Equity Investments</b>				
Commingled Global Equity Fund	\$ 505,171			
Commingled Emerging Market Equity Fund	46,288			
<b>Total Equity Investments</b>	<u>551,459</u>			
<b>Absolute Return</b>	<u>275,013</u>			
<b>Alternative Investments</b>				
Private Equity	293,636			
Real Estate - Core	109,981			
Real Estate	111,649			
<b>Total Alternative Investments</b>	<u>515,266</u>			
<b>Total Investments Measured at Net Asset Value</b>	<u>\$ 1,341,738</u>			
<b>Total Investments by Fair Value Level</b>	<u>\$ 2,503,809</u>	<u>\$ 539,774</u>	<u>\$ 605,568</u>	<u>\$ 16,729</u>
<b>Less: Investments in Non-City Funded Staff Plan</b>	<u>(5,909)</u>			
<b>Total Investments by Fair Value Level in City Plan</b>	<u>\$ 2,497,900</u>			
<b>Investment Derivative Instruments</b>				
Forward Contracts	(182)	-	(182)	-
Swap Agreements	(910)	-	(910)	-
Rights and Warrants	89	89	-	-
Options	(15)	(9)	(6)	-
<b>Total Investment Derivative Instruments</b>	<u>\$ (1,018)</u>	<u>\$ 80</u>	<u>\$ (1,098)</u>	<u>\$ -</u>

\*Investments measured at Net Asset Value have total Unfunded Commitments of \$223,400,782, the Plan's investments at NAV offer redemption frequencies ranging from daily to two (2) years on redeemable investments; with a total of \$405,285,824 of alternative investments that are ineligible for redemption and a redemption notice period of one (1) day to 90 days on eligible assets.

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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 Trustees (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, 2019, 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, with the exception of 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 (continued)**

**Credit Risk of Debt Securities**—The Plan's investments as of September 30, 2019, are shown below:

<b>Investment Type</b>	<b>S&amp;P Rating</b>	<b>Fair Value</b>
Asset & Mortgage Backed Obligations	AAA	\$ 32,017
Asset & Mortgage Backed Obligations	AA	3,496
Asset & Mortgage Backed Obligations	A	7,570
Asset & Mortgage Backed Obligations	BBB	3,231
Asset & Mortgage Backed Obligations	BB	1,336
Asset & Mortgage Backed Obligations	B	3,536
Asset & Mortgage Backed Obligations	CCC	1,693
Asset & Mortgage Backed Obligations	NR	7,952
Total Asset & Mortgage Backed Obligations		<u>60,831</u>
Corporate Obligations	AAA	2,481
Corporate Obligations	AA	5,874
Corporate Obligations	A	70,861
Corporate Obligations	BBB	75,268
Corporate Obligations	BB	24,492
Corporate Obligations	B	19,428
Corporate Obligations	CCC	2,272
Corporate Obligations	CC	91
Corporate Obligations	NR	1,564
Total Corporate Obligations		<u>202,331</u>
Government Agency Obligations	AAA	114,095
Government Agency Obligations	AA	17,375
Government Agency Obligations	A	2,812
Government Agency Obligations	NR	2,460
Total Government Agency Obligations		<u>136,742</u>
International Obligations	AAA	9,057
International Obligations	AA	1,586
International Obligations	A	305
International Obligations	NR	2,684
Total International Obligations		<u>13,632</u>
Securities Lending Collateral	AA	24,428
Securities Lending Collateral	A	77,988
Securities Lending Collateral	BBB	2,517
Securities Lending Collateral	NR	24,532
Total Securities Lending Collateral		<u>129,465</u>
Total Fixed Income Subject to Credit Risk		<u>543,001</u>
U.S. Treasuries (Not Subject to Credit Risk)		105,180
Short-Term Marketable Securities		92,453
Corporate Stock		387,751
Alternative Investments		568,649
Commingled Funds		806,775
Less: Investments in Non-City Funded Staff Plan		(5,909)
Total Investments in City Plan		<u>\$ 2,497,900</u>

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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, 2019, 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	\$ 867	\$ 11,968	\$ 6,249	\$ 41,747	\$ 60,831
Corporate Obligations	5,932	126,968	52,003	17,428	202,331
Government Agency Obligations	529	15,336	6,121	114,756	136,742
International Obligations	-	7,878	3,056	2,698	13,632
Securities Lending Collateral	129,465	-	-	-	129,465
Short-term Fixed Income	92,453	-	-	-	92,453
U.S. Treasuries	-	31,245	11,165	62,770	105,180
Total Interest Rate Risk Debt Securities	\$ 229,246	\$ 193,395	\$ 78,594	\$ 239,399	\$ 740,634

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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, 2019, is presented below:

<b>Currency</b>	<b>Debt</b>	<b>Equity</b>	<b>Alternatives</b>	<b>Total</b>
Argentine Peso	\$ 6	\$ -	\$ -	\$ 6
Australian Dollar	168	889	-	1,057
Brazilian Real	59	3,934	-	3,993
British Pound Sterling	(84)	13,740	4,508	18,164
Canadian Dollar	71	8,412	-	8,483
Chilean Peso	1,637	-	-	1,637
Danish Krone	-	844	-	844
Euro Currency Unit	1,663	40,837	48,618	91,118
HK Offshore Chinese Yuan Renminbi	(3,046)	-	-	(3,046)
Hong Kong Dollar	-	13,927	-	13,927
Indian Rupee	1,684	-	-	1,684
Indonesian Rupiah	-	547	-	547
Japanese Yen	7,957	28,121	-	36,078
Mexican New Peso	2,788	-	-	2,788
New Taiwan Dollar	10	6,360	-	6,370
Peruvian Nuevo Sol	368	-	-	368
Polish Zloty	-	458	-	458
South African Rand	1	-	-	1
South Korean Won	-	3,765	-	3,765
Swedish Krona	-	3,821	-	3,821
Swiss Franc	1	10,200	-	10,201
Thai Baht	3	-	-	3
Total Securities Subject to Foreign Currency Risk	<u>\$ 13,286</u>	<u>\$ 135,855</u>	<u>\$ 53,126</u>	<u>\$ 202,267</u>

**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 net foreign currency contracts with a fair value of approximately \$(181,501) at September 30, 2019, 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, 2019, the fair value of these contracts is included in due to/from broker.

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

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

**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, 2019:

**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 Plan 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 Plan 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.

**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 time 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 of time. 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.

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

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

The Investment Derivatives schedule listed below reports the fair value and changes in fair value and notional amounts of derivatives outstanding as of September 30, 2019, classified by type:

Derivative Type	Changes in Fair Value		Fair Value	
	Classification	Amount	Amount	Notional
Fiduciary Funds				
Investment Derivatives				
Futures Contracts	<i>Investment Income</i>	\$ (9)	\$ (9)	\$ 130,266
Forward Contracts	<i>Investment Income</i>	(1,774)	(182)	84,642
Swap Agreements	<i>Investment Income</i>	(1,115)	(910)	92,391
Options	<i>Investment Income</i>	(1)	(6)	1,800
Rights and Warrants	<i>Investment Income</i>	89	89	383
	Total	<u>\$ (2,810)</u>	<u>\$ (1,018)</u>	<u>\$ 309,482</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, 2019. 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, 2019, the Plan's credit risk to these investments is disclosed in the following table:

Derivative Type	AA	A	BBB	Not Rated	Total Fair Value
Futures Contracts	\$ -	\$ -	\$ -	\$ (9)	\$ (9)
Forward Contracts	-	(19)	-	(163)	(182)
Swap Agreements	-	39	-	(949)	(910)
Options	-	(6)	-	-	(6)
Rights and Warrants	-	-	-	89	89
Total	<u>\$ -</u>	<u>\$ 14</u>	<u>\$ -</u>	<u>\$ (1,032)</u>	<u>\$ (1,018)</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, 2019, are disclosed in the following table:

<b>Derivative Type</b>	<b>Total Notional Value</b>	<b>Total Fair Value</b>
Interest Rate Swaps	\$ 87,391	\$ (910)
Swaptions	5,000	-
Total	<u>\$ 92,391</u>	<u>\$ (910)</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, 2019:

<b>Currency</b>	<b>Forward Contracts</b>	<b>Swap Agreements</b>	<b>Net Exposure</b>
Australian Dollar	\$ (4)	\$ -	\$ (4)
British Pound Sterling	(40)	(264)	(304)
Canadian Dollar	(7)	-	(7)
Chilean Peso	(41)	-	(41)
Chinese Yuan	(18)	-	(18)
Euro Currency Unit	131	6	137
Japanese Yen	(198)	(483)	(681)
Indian Rupee	10	-	10
Mexican Peso	(50)	-	(50)
Russian Ruble	15	-	15
Swiss Franc	20	-	20
Total	<u>\$ (182)</u>	<u>\$ (741)</u>	<u>\$ (923)</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 the commingled and alternative investment funds which in turn holds the actual positions. Indirect exposures via these types of investments are not shown here.

**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. As of September 30, 2019, all securities lending collateral held is cash. 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 fair value of any securities to be loaned, plus any accrued interest.

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

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

**SECURITIES LENDING (CONTINUED)**

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 does not have the ability to pledge or sell collateral securities without borrower default. The amount of cash collateral held exceeds the value of the assets on loan at September 30, 2019.

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, 2019, the value of the collateral held was \$129,464,532 and the value of securities on loan at September 30, 2019, was \$126,396,698. The Plan earned \$446,317, net, on its securities lending activity for the fiscal year ended September 30, 2019.

**NOTE C: RECEIVABLES AND INTERFUND BALANCES**

**C.1. RECEIVABLES**

Receivables at September 30, 2019, 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	\$ 29,166	\$ 8,309	\$ -	\$ -	\$ -	\$ 37,475
Grants and Other Governments	29,229	-	3,552	20,197	-	52,978
Levied, Unbilled Assessments	-	-	2,082	-	-	2,082
Loans	-	-	-	18,182	-	18,182
Long-Term Loans	-	-	-	13,103	-	13,103
Interest	58	1,334	436	979	200	3,007
Accounts and Other	31,120	-	326	14,913	464	46,823
<b>Total Gross Receivables</b>	<b>89,573</b>	<b>9,643</b>	<b>6,396</b>	<b>67,374</b>	<b>664</b>	<b>173,650</b>
Less Allowance for Uncollectible Accounts:						
Taxes	(24,275)	(6,939)	-	-	-	(31,214)
Levied, Unbilled Assessments	-	-	(2,082)	-	-	(2,082)
Loans	-	-	-	(615)	-	(615)
Accounts and Other	(17,384)	-	-	(13)	-	(17,397)
<b>Total Allowance</b>	<b>(41,659)</b>	<b>(6,939)</b>	<b>(2,082)</b>	<b>(628)</b>	<b>-</b>	<b>(51,308)</b>
<b>Total Receivables, Net</b>	<b>\$ 47,914</b>	<b>\$ 2,704</b>	<b>\$ 4,314</b>	<b>\$ 66,746</b>	<b>\$ 664</b>	<b>\$ 122,342</b>

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

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

Receivables at September 30, 2019, 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:

Receivables	Water and Sewer	Stormwater Utility	Nonmajor Enterprise Funds	Total Business-Type Activities
Interest	\$ 484	\$ 27	\$ 61	\$ 572
Accounts and Other	60,334	4,947	7,671	72,952
Grants and Other - Restricted	1,979	35	4,665	6,679
Interest - Restricted	899	160	152	1,211
Total Gross Receivables	<u>63,696</u>	<u>5,169</u>	<u>12,549</u>	<u>81,414</u>
Less Allowance for Uncollectible Accounts:				
Accounts and Other	<u>(1,122)</u>	<u>(770)</u>	<u>(205)</u>	<u>(2,097)</u>
Total Allowance	<u>(1,122)</u>	<u>(770)</u>	<u>(205)</u>	<u>(2,097)</u>
Total Receivables, Net	<u>\$ 62,574</u>	<u>\$ 4,399</u>	<u>\$ 12,344</u>	<u>\$ 79,317</u>

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:

Description	Unavailable	Unearned
Property Taxes	\$ 5,304	\$ -
Grants and Other Governments	12,056	9,540
Long-Term Loans	-	30,672
Other	117	1,018
	<u>\$ 17,477</u>	<u>41,230</u>
Total Unavailable / Unearned Revenues		<u>\$ 58,707</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:

Description	Water and Sewer	Nonmajor Enterprise Funds	Total Business-Type Activities
Deposits and Rents	\$ 1,140	\$ -	\$ 1,140
Grants and Other	-	2,864	2,864
Total Unearned Revenues	<u>\$ 1,140</u>	<u>\$ 2,864</u>	<u>\$ 4,004</u>

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

**C.2. ADVANCES**

Advances from/to other funds at September 30, 2019, were as follows:

Receivable Fund	Payable Fund	Total
Nonmajor Enterprise	Capital Projects	\$ 2,363

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

The \$2,363,000 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.

**C.3. TRANSFERS**

Transfers made during the year were as follows:

	Transfers In:								Total
	General	Debt Service	Capital Projects	Nonmajor Governmental Funds	Water and Sewer	Stormwater Utility	Nonmajor Enterprise Funds	Internal Service Funds	
<b>Transfers Out:</b>									
General	\$ -	\$ 194	\$ 46,721	\$ 8,588	\$ -	\$ -	\$ 60	\$ 1,312	\$ 56,875
Debt Service	-	-	432	-	-	-	-	-	432
Capital Projects	321	-	-	-	-	1,500	-	-	1,821
Nonmajor									
Governmental									
Funds	6,968	13,044	53,493	1,036	555	-	-	109	75,205
Water and Sewer	28,658	-	195	43	-	-	-	226	29,122
Stormwater Utility	3,249	-	15	-	1,098	-	-	36	4,398
Nonmajor Enterprise									
Funds	6,733	-	71	-	1,267	-	-	37	8,108
Internal Service									
Funds	19	-	1,292	-	-	-	-	59	1,370
Total	<u>\$ 45,948</u>	<u>\$ 13,238</u>	<u>\$ 102,219</u>	<u>\$ 9,667</u>	<u>\$ 2,920</u>	<u>\$ 1,500</u>	<u>\$ 60</u>	<u>\$ 1,779</u>	<u>\$ 177,331</u>

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 \$46,721,000 to the Capital Projects Fund, of which \$43,896,000 was for the Capital Improvement Plan and \$2,825,000 to fund current city-wide capital projects.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE C: RECEIVABLES AND INTERFUND BALANCES (CONTINUED)**

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

The General Fund transferred \$8,588,000 to the Nonmajor Governmental Funds, of which \$3,845,000 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 also transferred \$3,154,000 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 \$755,000 in lieu of services and assessments. The General Fund transferred \$211,000 to the Grants Operating Federal Fund to adhere to the City's matching agreements.

The Nonmajor Governmental Funds transferred \$6,968,000 to the General Fund, of which \$950,000 was from the Crime Control and Prevention District Fund for the Civil Service Pay Plan and \$3,995,000 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 \$1,037,000 from the Culture and Tourism Fund for energy savings debt service. The General Fund also received \$986,000 from Taxing Increment Reinvestment Zones Funds, Fort Worth Public Improvement Districts Funds, and other Nonmajor Governmental funds.

The Nonmajor Governmental Funds transferred \$13,044,000 to the Debt Service Fund, of which \$10,157,000 was from the Culture and Tourism Fund, and \$2,887,000 was from the Crime Control and Prevention District Fund to pay for 2011 Tax Notes debt service.

The Nonmajor Governmental Funds transferred \$53,493,000 to the Capital Projects Fund, of which \$19,580,000 was from the Crime Control and Prevention District Fund for construction commitments relating to facility renovation and maintenance, transportation maintenance, and community partnerships per the capital improvement plan. The Culture & Tourism and Public Events Capital Projects Funds received \$12,536,000 from Culture & Tourism Operating Funds for capital improvement. The Taxing Increment Reinvestment Zone #7 North Tarrant Parkway transferred \$12,315,000 to the Developer Contribution Fund to pay for Heritage Trace, North Riverside, and Harmon Road Right of Way projects. The Taxing Increment Reinvestment Zone #4 Southside Medical District transferred \$3,364,000 to pay for reconstruction and rehabilitation of deteriorating streets around the Fort Worth's Southside District. The IT Solutions Capital Project Fund received \$2,954,000 for information technology refresh program. The Grants Operating Federal Fund transferred \$741,000 to HUD 108 Loan Capital Project Fund to pay for the HUD Loan Program. The General Capital Projects Fund received \$2,003,000 to fund current city-wide capital projects.

The Water and Sewer Fund transferred \$28,658,000 to the General Fund, which \$22,325,000 was for Street Rental Fees and \$5,547,000 for Payment in Lieu of Taxes (PILOT) and \$786,000 for other expenses.

The Stormwater Utility Fund transferred \$3,249,000 to the General Fund, which \$1,992,000 was for Street Rental Fees and \$1,224,000 was for PILOT. The Stormwater Utility Fund also transferred \$33,000 to the Water and Sewer Fund for billing services.

The Nonmajor Enterprise Funds transferred \$6,733,000 to the General Fund, of which the Solid Waste Fund transferred for \$3,185,000 Street Rental Fees and \$1,831,000 for PILOT. The General Fund also received \$1,219,000 from the Solid Waste Fund for program services. The Nonmajor Enterprise Funds also transferred \$498,000 to the Water and Sewer Fund for billing services.

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

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**NOTE D: FUND EQUITY**

**D.1. UNRESTRICTED DEFICIT**

Solid Waste Fund, a nonmajor enterprise fund, has an unrestricted deficit of \$10,150,000 as of September 30, 2019, due to a decrease in net position of \$5,471,000 from the previous fiscal year. Global Recycle Markets are still depressed which has led to less demand for raw recycle material and higher processing costs for cities. This requires the City to evaluate the cost of offering recycling, collection and landfill services. A consultant has been hired to evaluate all solid waste services and make recommendations. Meanwhile, the City temporarily budgeted a shortfall using net position with the anticipation that the consultant's work will yield a combination of cost decreases along with rate increases to balance the budget in 2021.

**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	\$ 55,381	\$ 4,328	\$ 1,806	\$ -	\$ 61,515
Cash and Cash Equivalents Held by Trustees	1,000	-	-	-	1,000
Interest Receivable	699	160	40	-	899
	<u>57,080</u>	<u>4,488</u>	<u>1,846</u>	<u>-</u>	<u>63,414</u>
<b>Capital Improvements:</b>					
Cash and Cash Equivalents	529,884	52,812	25,297	670	608,663
Cash and Cash Equivalents Held by Trustees	19,966	-	-	-	19,966
Grants and Other Receivables	1,951	35	6,087	-	8,073
Interest Receivable	189	-	31	-	220
	<u>551,990</u>	<u>52,847</u>	<u>31,415</u>	<u>670</u>	<u>636,922</u>
<b>Customer Deposits:</b>					
Cash and Cash Equivalents	19,883	-	939	-	20,822
	<u>19,883</u>	<u>-</u>	<u>939</u>	<u>-</u>	<u>20,822</u>
<b>Other Restrictions:</b>					
Cash and Cash Equivalents	32,002	3,559	10,965	3,445	49,971
Cash and Cash Equivalents Held by Trustees	7,322	-	49,511	3,366	60,199
Grants and Other Receivables	28	-	482	-	510
Interest Receivable	12	-	80	-	92
	<u>39,364</u>	<u>3,559</u>	<u>61,038</u>	<u>6,811</u>	<u>110,772</u>
Total	<u>\$ 668,317</u>	<u>\$ 60,894</u>	<u>\$ 95,238</u>	<u>\$ 7,481</u>	<u>\$ 831,930</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, 2019, was as follows:

	<u>Balance at</u> <u>October 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>CIP Placed</u> <u>In Service</u>	<u>Balance at</u> <u>September 30, 2019</u>
<b>Governmental Activities</b>					
<b>Capital Assets, Not Being Depreciated:</b>					
Land/Right of Way	\$ 251,519	\$ 9,779	\$ (5,588)	\$ -	\$ 255,710
Construction in Progress	337,787	122,055	-	(252,383)	207,459
Intangibles	32,096	53	-	608	32,757
Total Capital Assets, Not Being Depreciated	<u>621,402</u>	<u>131,887</u>	<u>(5,588)</u>	<u>(251,775)</u>	<u>495,926</u>
<b>Capital Assets, Being Depreciated:</b>					
Buildings	487,519	20,106	(582)	47,226	554,269
Vehicles, Machinery and Equipment	230,896	29,821	(6,710)	-	254,007
Infrastructure	3,219,038	130,350	(29,621)	201,463	3,521,230
Intangibles	42,955	-	-	3,086	46,041
Total Capital Assets, Being Depreciated	<u>3,980,408</u>	<u>180,277</u>	<u>(36,913)</u>	<u>251,775</u>	<u>4,375,547</u>
<b>Less Accumulated Depreciation/Amortization for:</b>					
Buildings	231,157	15,691	(582)	-	246,266
Vehicles, Machinery and Equipment	146,417	15,086	(6,480)	-	155,023
Infrastructure	1,980,468	111,460	(9,203)	-	2,082,725
Intangibles	25,377	3,923	-	-	29,300
Total Accumulated Depreciation and Amortization	<u>2,383,419</u>	<u>146,160</u>	<u>(16,265)</u>	<u>-</u>	<u>2,513,314</u>
Total Capital Assets, Being Depreciated, Net	<u>1,596,989</u>	<u>34,117</u>	<u>(20,648)</u>	<u>251,775</u>	<u>1,862,233</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 2,218,391</u>	<u>\$ 166,004</u>	<u>\$ (26,236)</u>	<u>\$ -</u>	<u>\$ 2,358,159</u>

Capital asset activity for Business-Type Activities for the year ended September 30, 2019, was as follows:

	<u>Balance at</u> <u>October 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>CIP Placed</u> <u>In Service</u>	<u>Balance at</u> <u>September 30, 2019</u>
<b>Business-Type Activities</b>					
<b>Capital Assets, Not Being Depreciated:</b>					
Land/Right of Way	\$ 207,562	\$ 2,606	\$ -	\$ -	\$ 210,168
Construction in Progress	305,017	133,218	-	(107,875)	330,360
Intangibles	1,525	-	-	-	1,525
Total Capital Assets, Not Being Depreciated	<u>514,104</u>	<u>135,824</u>	<u>-</u>	<u>(107,875)</u>	<u>542,053</u>
<b>Capital Assets, Being Depreciated:</b>					
Buildings	165,506	-	-	6,102	171,608
Vehicles, Machinery and Equipment	378,493	2,741	(905)	1,654	381,983
Infrastructure	3,636,880	47,483	(2,448)	100,119	3,782,034
Intangibles	510	-	-	-	510
Total Capital Assets, Being Depreciated	<u>4,181,389</u>	<u>50,224</u>	<u>(3,353)</u>	<u>107,875</u>	<u>4,336,135</u>
<b>Less Accumulated Depreciation/Amortization for:</b>					
Buildings	62,298	6,330	-	-	68,628
Vehicles, Machinery and Equipment	256,972	12,313	(827)	-	268,458
Infrastructure	1,157,558	82,180	(454)	-	1,239,284
Intangibles	34	51	-	-	85
Total Accumulated Depreciation and Amortization	<u>1,476,862</u>	<u>100,874</u>	<u>(1,281)</u>	<u>-</u>	<u>1,576,455</u>
Total Capital Assets, Being Depreciated, Net	<u>2,704,527</u>	<u>(50,650)</u>	<u>(2,072)</u>	<u>107,875</u>	<u>2,759,680</u>
<b>Business-Type Activities Capital Assets, Net</b>	<u>\$ 3,218,631</u>	<u>\$ 85,174</u>	<u>\$ (2,072)</u>	<u>\$ -</u>	<u>\$ 3,301,733</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, 2019:

	<b>Depreciation and Amortization Expense</b>
<b>Governmental Activities</b>	
General Government	\$ 14,155
Public Safety	11,653
Highways and Streets	103,397
Culture and Recreation	15,453
Urban Redevelopment and Housing	1,502
Total Governmental Depreciation and Amortization	<u>146,160</u>
<b>Major Business-Type Activities</b>	
Water and Sewer	76,691
Stormwater Utility	9,483
<b>Nonmajor Business-Type Activities</b>	
Municipal Airports	12,210
Municipal Parking	1,975
Solid Waste	515
Total Business-Type Depreciation and Amortization	<u>100,874</u>
<b>Total Depreciation and Amortization Expense</b>	<u><u>\$ 247,034</u></u>

The governmental activities depreciation and amortization expense above includes \$263,492 of depreciation expense from the Internal Service Funds.

During FY2019, the City is early implementing GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. See Note A.16 for additional information.

**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, 2019:

	<u>Balance at October 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at September 30, 2019</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 475,520	\$ 106,595	\$ 61,570	\$ 520,545	\$ 64,735
Certificates of Obligation	167,785	-	15,040	152,745	14,810
Special Tax Revenue Debt	226,550	-	435	226,115	440
Special Assessment Debt	17,840	-	-	17,840	-
Tax Notes*	35,010	8,565	5,275	38,300	6,525
HUD Installment Obligations	1,368	-	666	702	702
Lone Star Local Government Corp Obligation	31,617	-	-	31,617	-
State Obligation - City	6,011	-	465	5,546	465
State Obligation - CCPD	2,335	-	181	2,154	181
TRWD Obligation	186,654	7,185	4,982	188,857	-
ESPC Phase VII	14,302	-	1,652	12,650	1,689
Capital Leases	837	-	361	476	280
Southwest Bank Loan (LDC SW Building)	1,099	-	389	710	401
Net Unamortized Bond Premium/Discount	55,951	9,995	10,604	55,342	-
Compensated Absences	120,527	74,089	52,099	142,517	52,081
Arbitrage	-	9	-	9	-
Pollution Remediation Liability	4,781	-	842	3,939	-
Risk Management Estimated Claims Payable	32,441	73,055	73,484	32,012	16,514
Net OPEB Liability	753,076	-	70,013	683,063	-
Net Pension Liability	2,673,312	12,244	-	2,685,556	-
Total Governmental Activities	<u>4,807,016</u>	<u>291,737</u>	<u>298,058</u>	<u>4,800,695</u>	<u>158,823</u>
<b>Business-Type Activities:</b>					
Water and Sewer - Revenue Bonds	838,505	93,340	59,840	872,005	59,955
Water and Sewer - Trinity River Authority Oblig.	2,930	-	690	2,240	720
Water and Sewer - ESPC Phase V	7,411	-	1,581	5,830	1,618
Stormwater Utility - Revenue Bonds	114,910	31,015	38,460	107,465	4,705
Municipal Parking - General Obligation Bonds	32,535	-	1,380	31,155	1,590
Municipal Parking - Certificate of Obligation	1,400	-	1,170	230	230
Solid Waste - General Obligation Bonds	3,045	-	460	2,585	450
Net Unamortized Bond Premium/Discount	52,814	9,709	9,739	52,784	-
Compensated Absences	15,411	3,021	6,717	11,715	6,701
Landfill Closure and Postclosure Liability	8,724	1,345	-	10,069	-
Arbitrage	12	-	2	10	-
Pollution Remediation Liability	685	-	672	13	-
Net OPEB Liability	130,254	-	22,062	108,192	-
Net Pension Liability	410,866	1,856	-	412,722	-
Total Business-Type Activities	<u>1,619,502</u>	<u>140,286</u>	<u>142,773</u>	<u>1,617,015</u>	<u>75,969</u>
<b>Total Long-Term Liabilities</b>	<u>\$ 6,426,518</u>	<u>\$ 432,023</u>	<u>\$ 440,831</u>	<u>\$ 6,417,710</u>	<u>\$ 234,792</u>

\*Direct borrowings and direct placements

**CITY OF FORT WORTH, TEXAS**  
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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 2010	2.0-4.0	2010	2030	\$ 20,590	\$ 11,330
Series 2011 Refunding	2.0-5.0	2011	2023	46,680	18,785
Series 2012 Refunding	2.0-5.0	2012	2032	135,485	100,650
Series 2013 Refunding	2.0-4.5	2013	2033	37,130	16,395
Series 2014 Refunding	2.2	2014	2023	35,480	15,760
Series 2015 Refunding	2.33	2015	2025	3,955	2,295
Series 2015A Refunding	3.25-5.0	2015	2035	127,725	95,870
Series 2016 Refunding	3.0-5.0	2016	2036	130,500	110,140
Series 2018	3.0-5.0	2018	2038	62,220	42,725
Series 2019	3.0-5.0	2019	2039	106,595	106,595
Total General Obligation Bonds					<u>520,545</u>
Certificates of Obligation:					
Series 2009	3.0-4.375	2009	2029	55,585	3,470
Series 2010	2.0-4.25	2010	2031	34,685	23,955
Series 2010A	3.0-5.0	2010	2030	40,640	17,560
Series 2012	3.0-5.0	2012	2032	85,790	54,465
Series 2013A	2.0-5.0	2013	2033	46,095	30,970
Series 2013B	2.0-4.99	2013	2033	11,140	8,570
Series 2013C	3.0-5.0	2013	2034	19,270	13,755
Total Certificates of Obligation					<u>152,745</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	139,945
Total Special Tax Revenue Debt					<u>226,115</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	2037	5,155	5,155
Total Special Assessment Debt				17,840	<u>17,840</u>
Tax Notes*:					
Series 2016	1.44	2017	2023	9,525	5,585
Series 2017	1.97	2017	2024	23,080	13,050
Series 2018	4.0-5.0	2018	2025	12,590	11,100
Series 2019	3.0-5.0	2019	2026	8,565	8,565
Total Tax Notes					<u>38,300</u>

(continued)

\*Direct borrowings and direct placements

**CITY OF FORT WORTH, TEXAS**  
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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:					
	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	702
Lone Star Local Government Corp Obligation	4.75	2006	2024	31,617	31,617
State Obligation - City	0.0	2014	2031	9,307	5,546
State Obligation - CCPD	0.0	2014	2031	3,616	2,154
TRWD Obligation	0.0	2010	2031	226,000	188,857
ESPC Phase VII	2.236	2013	2026	18,443	12,650
Capital Leases	2.539-3.59	2010	2022		476
Southwest Bank Loan (LDC SW Building)	2.93	2014	2021	2,689	710
Net Unamortized Bond Premium/Discount	N/A	N/A	N/A	-	55,342
Compensated Absences	N/A	N/A	N/A	-	142,517
Arbitrage	N/A	N/A	N/A	-	9
Pollution Remediation Liability	N/A	N/A	N/A	-	3,939
Risk Management Estimated Claims Payable	N/A	N/A	N/A	-	32,012
Net OPEB Liability	N/A	N/A	N/A	-	683,063
Net Pension Liability	N/A	N/A	N/A	-	2,685,556
Total Governmental Activities Long-Term Debt					<u>\$ 4,800,695</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.

The City's outstanding Tax notes from Direct Borrowings and Direct Placements related to Governmental Activities of \$38,300,000 contain a provision that in an event of default, outstanding amounts become immediately due if the City is unable to make payment.

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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	\$ 15,860
Series 2007B TWDB*	2.2-3.0	2007	2027	49,585	24,095
Series 2009 TWDB*	0.0	2009	2030	16,265	8,845
Series 2010 Refunding	4.0-5.0	2010	2020	98,855	5,550
Series 2010A TWDB*	0.36-2.62	2010	2030	40,000	23,540
Series 2010B TWDB*	0.15-2.85	2010	2030	28,000	16,515
Series 2010C	4.0-5.25	2010	2030	45,870	29,385
Series 2011 Refunding	2.0-5.0	2011	2031	151,160	92,830
Series 2012 Refunding	2.0-5.0	2012	2025	31,155	18,700
Series 2014 Refunding	2.0-5.0	2014	2034	171,415	111,990
Series 2015 Revenue (Clean Water SRF) TWDB*	0.0-2.04	2015	2035	39,000	31,660
Series 2015A Refunding	3.125-5.0	2015	2035	126,615	107,185
Series 2015B Refunding TWDB*	0.19-2.20	2016	2030	13,000	9,855
Series 2016 Refunding	2.0-5.0	2016	2046	75,890	65,785
Series 2017 Revenue (Clean Water SRF) TWDB*	0.0-1.7	2017	2047	16,045	15,095
Series 2017A Refunding	3.125-5.0	2017	2047	111,600	99,285
Series 2017B Revenue TWDB*	0.58-2.05	2018	2032	63,000	55,525
Series 2018	3.25-5.0	2018	2048	47,475	46,965
Series 2019	3.0-5.0	2019	2049	93,340	93,340
Total Revenue Bonds					872,005
Trinity River Authority Obligation:					
Series 2011 Refunding	2.0-4.0	2011	2022	6,795	2,240
ESPC Phase V	2.34	2012	2023	15,365	5,830
Total Water and Sewer					880,075
Stormwater Utility:					
Revenue Bonds:					
Series 2011	2.0-5.0	2011	2036	78,325	60,535
Series 2016 Refunding	2.0-5.0	2016	2033	17,505	15,915
Series 2019 Refunding	3.0-5.0	2019	2035	31,015	31,015
Total Stormwater Utility					107,465
Municipal Parking:					
General Obligation Bonds:					
Series 2016 Refunding	4.0-5.0	2016	2033	34,445	31,155
Certificates of Obligation:					
Series 2010A	3.0-5.0	2010	2020	1,955	230
Total Municipal Parking					31,385
Solid Waste:					
General Obligation, Series 2015 Refunding	2.33	2015	2025	4,465	2,585
Net Unamortized Bond Premium/Discount	N/A	N/A	N/A	-	52,784
Compensated Absences	N/A	N/A	N/A	-	11,715
Landfill Closure and Postclosure Liability	N/A	N/A	N/A	-	10,069
Arbitrage	N/A	N/A	N/A	-	10
Pollution Remediation Liability	N/A	N/A	N/A	-	13
Net OPEB Liability	N/A	N/A	N/A	-	108,192
Net Pension Liability	N/A	N/A	N/A	-	412,722
Total Business-Type Long-Term Debt					\$ 1,617,015

\*Texas Water Development Board

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

**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, 2019, the Debt Service Fund held \$54,973,062 and \$3,130,663 of cash and investments to service General Obligation Bonds/Certificates of Obligation and for Special Tax Revenue Debt, respectively, for governmental activities.

On July 16, 2019, the City issued \$8,565,000 of Tax Notes, Series 2019 for the purchase of vehicles and equipment for various city departments. These notes will mature beginning March 1 of each year from 2020 to 2026 in installments ranging from \$1,015,000 to \$1,420,000. Interest is payable on March 1 and September 1 of each year commencing March 2020, with interest rates ranging from 3.0 to 5.0 percent.

On July 10, 2019, the City issued \$106,595,000 of General Obligation Bonds, Series 2019 for funding projects within the 2014 and 2018 bond programs to include: transportation; parks, recreation and community centers; library system; fire safety; municipal court improvements; streets and mobility infrastructure; animal care and control; and police facility. These bonds will mature beginning March 1 of each year from 2020 to 2039 in installments ranging from \$4,500,000 to \$20,665,000. Interest is payable on March 1 and September 1 of each year commencing March 2020 with interest rates ranging from 3.0 to 5.0 percent.

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 FY2019, TIRZ #9 borrowed an additional \$7,185,000 from TRWD.

As of September 30, 2019, the following bonds were authorized but not issued:

General Obligation Bonds	Date Authorized	Amount Authorized	Amount Unissued
2018 Bond Program	5/5/2018	\$ 399,500	\$ 369,500

The City is responsible for environmental cleanup of hazardous substances, such as asbestos remediation on City-owned buildings funded by the Environmental Protection Capital Projects Fund. The City is required to report the estimated liability for pollution remediation activities in accordance with GAAP. As of September 30, 2019, the City's liability was \$3,939,000 for the Environmental Protection Capital Project Fund. The City's estimated outlays for the cleanup were generated using the expected cash flows technique. The amount of the estimated pollution remediation liability is based on the assumption that there will be no significant additional cost for providing these cleanup services. These estimates are subject to changes as a result of price increases, changes in technology, and new laws and regulations.

**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, 2019.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE G: DEBT OBLIGATIONS (CONTINUED)**

**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, 2019, \$62,178,397 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 \$2,784,645 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 March 7, 2019, the City issued Drainage Utility System Revenue Refunding Bonds, Series 2019 in the amount of \$31,015,000 to current refund \$33,820,000 of existing Drainage Utility System Revenue Bonds, Series 2009. These bonds will mature on February 15 of each year from 2020 to 2035 in installments ranging from \$1,310,000 to \$2,665,000. Interest is payable on February 15 and August 15 of each year commencing August 2019 with interest rates ranging from 3.0 to 5.0 percent. The City deposited the refunding proceeds in the Bank of Texas Escrow Fund to defease the debt which covered the \$33,820,000 principal and \$133,320 in interest. As a result, the refunded bonds are considered to be defeased, and the liability is not reflected in the Statement of Net Position. The current refunding resulted in a reduction of principal and interest payments of \$4,534,371 over the life of the bonds. This refunding resulted in an economic gain (the difference between the present value of the old and new debt service payments) of \$3,389,502 and a book loss of \$188,300.

On July 16, 2019, the City issued \$93,340,000 of Water and Sewer System Revenue Bonds, Series 2019 to fund improvements and extensions to the Water and Sewer System. The bonds will mature on February 15 of each year from 2020 to 2049 in installments ranging from \$1,220,000 to \$5,040,000. Interest is payable on February 15 and August 15 of each year commencing February 2020, with interest rates ranging from 3.0 to 5.0 percent.

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.

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

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

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

For the year ended September 30, 2019, net pledged revenue by fund was as follows:

Fund	2019		Purpose of Debt
	Net Pledged Revenues	Debt Service	
Water and Sewer Fund	\$ 213,648	\$ 91,350	<i>Extending and improving water and sewer system</i>
Stormwater Utility Fund	25,179	8,966	<i>Improvements to storm drains, roadways, and erosion protection</i>
Municipal Parking Fund	4,806	4,050	<i>Construction of City-owned parking garages</i>
Solid Waste Fund	5,076	526	<i>Improvements to the eastside landfill</i>
Total	<u>\$ 248,709</u>	<u>\$ 104,892</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 the 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. As of September 30, 2019, the City's liability was \$13,000 for the Water and Sewer Fund. The City's estimated outlays for the cleanup were generated using the expected cash flows technique. The amount of the estimated pollution remediation liability assumes that there will be no major increases in the cost of providing these cleanup services. These estimates are subject to changes as a result of price increases, changes in technology, and new laws and regulations.

**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, 2019, is as follows:

Governmental Activities: Year Ending September 30,	General		Certificates of Obligation		Special Tax		Special	
	Obligation Bonds				Revenue Debt		Assessment Debt	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 64,735	\$ 21,985	\$ 14,810	\$ 6,095	\$ 440	\$ 9,662	\$ -	\$ 898
2021	48,670	19,050	14,060	5,476	5,325	9,599	675	898
2022	46,990	16,879	12,790	4,879	5,480	9,445	710	865
2023	44,630	14,820	12,650	4,312	5,660	9,269	750	829
2024	37,040	12,887	12,505	3,744	5,845	9,078	790	791
2025-2029	158,840	38,466	52,675	11,725	32,920	41,703	4,595	3,323
2030-2034	78,275	13,278	33,255	2,357	40,550	34,067	5,940	2,046
2035-2039	41,365	2,617	-	-	50,135	24,064	4,380	454
2040-2044	-	-	-	-	56,130	11,128	-	-
2045-2047	-	-	-	-	23,630	1,531	-	-
	<u>\$ 520,545</u>	<u>\$ 139,982</u>	<u>\$ 152,745</u>	<u>\$ 38,588</u>	<u>\$ 226,115</u>	<u>\$ 159,546</u>	<u>\$ 17,840</u>	<u>\$ 10,104</u>

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE G: DEBT OBLIGATIONS (CONTINUED)**

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

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	Principal	Interest
2020	\$ 6,525	\$ 1,235	\$ 702	\$ 39	\$ 465	\$ -	\$ 181	\$ -	\$ -	\$ -
2021	6,755	1,005	-	-	465	-	181	-	-	-
2022	6,970	798	-	-	465	-	181	-	-	-
2023	7,205	574	-	-	465	-	181	-	-	-
2024	5,985	351	-	-	465	-	181	-	-	-
2025-2029	4,860	193	-	-	2,327	-	904	-	-	-
2030-2034	-	-	-	-	894	-	345	-	-	-
	<u>\$ 38,300</u>	<u>\$ 4,156</u>	<u>\$ 702</u>	<u>\$ 39</u>	<u>\$ 5,546</u>	<u>\$ -</u>	<u>\$ 2,154</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Governmental Activities: (concluded)				
Year Ending September 30,	ESPC Phase VII		Total Governmental Activities	
	Principal	Interest	Principal	Interest
2020	\$ 1,689	\$ 269	\$ 89,547	\$ 40,183
2021	1,727	231	77,858	36,259
2022	1,766	192	75,352	33,058
2023	1,806	152	73,347	29,956
2024	1,847	111	64,658	26,962
2025-2029	3,815	85	260,936	95,495
2030-2034	-	-	159,259	51,748
2035-2039	-	-	95,880	27,135
2040-2044	-	-	56,130	11,128
2045-2047	-	-	23,630	1,531
	<u>\$ 12,650</u>	<u>\$ 1,040</u>	<u>\$ 976,597</u>	<u>\$ 353,455</u>

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, 2019, is \$22,463,164 payable through 2024. The interest rate for this agreement is 4.75 percent.

**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 annual requirements to amortize all Major Fund Business-Type Activities bonded and contractual debt outstanding as of September 30, 2019, 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
2020	\$ 59,955	\$ 32,822	\$ 720	\$ 55	\$ 1,618	\$ 122	\$ 4,705	\$ 4,090	\$ 66,998	\$ 37,089
2021	58,960	30,142	745	34	1,656	84	4,935	3,862	66,296	34,122
2022	57,595	27,814	775	12	1,695	45	5,155	3,624	65,220	31,495
2023	56,815	25,561	-	-	861	8	5,375	3,404	63,051	28,973
2024	56,950	23,300	-	-	-	-	5,605	3,201	62,555	26,501
2025-2029	243,405	84,996	-	-	-	-	31,850	12,420	275,255	97,416
2030-2034	154,595	46,213	-	-	-	-	37,505	5,707	192,100	51,920
2035-2039	61,270	26,549	-	-	-	-	12,335	434	73,605	26,983
2040-2044	66,460	15,719	-	-	-	-	-	-	66,460	15,719
2045-2049	56,000	3,873	-	-	-	-	-	-	56,000	3,873
	<u>\$ 872,005</u>	<u>\$ 316,989</u>	<u>\$ 2,240</u>	<u>\$ 101</u>	<u>\$ 5,830</u>	<u>\$ 259</u>	<u>\$ 107,465</u>	<u>\$ 36,742</u>	<u>\$ 987,540</u>	<u>\$ 354,091</u>

The annual requirements to amortize all Nonmajor Fund Business-Type Activities bonded and contractual debt outstanding as of September 30, 2019, 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	
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	1,950	1,030	-	-	420	14	2,370	1,044	
2025-2029	11,335	3,559	-	-	410	5	11,745	3,564	
2030-2034	10,995	902	-	-	-	-	10,995	902	
	<u>\$ 31,155</u>	<u>\$ 10,517</u>	<u>\$ 230</u>	<u>\$ 5</u>	<u>\$ 2,585</u>	<u>\$ 177</u>	<u>\$ 33,970</u>	<u>\$ 10,699</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, 2019, the liabilities for rebates of arbitrage were \$9,934 for business-type activities and \$9,151 for governmental activities. These amounts are included in the “Long-Term Liabilities Due in More Than One Year” on the Statement of Net Position.

**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, 2019:

Capital Lease Obligation, October 1, 2018	\$	837
Principal Payments		<u>361</u>
Capital Lease Obligation, September 30, 2019		<u><u>476</u></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>
2020	\$ 292
2021	124
2022	78
Less: Amount Representing Interest	<u>(18)</u>
Present Value of Minimum Leased Payments	<u><u>476</u></u>

The following schedule provides an analysis of the City’s investment in capital assets under the lease arrangement as of September 30, 2019:

Building	\$	1,484
Equipment		575
Less: Accumulated Depreciation		<u>(1,756)</u>
Total Net Book Value of Leased Assets		<u><u>303</u></u>

**CITY OF FORT WORTH, TEXAS**  
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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 108 months. The following is a schedule by years of future minimum rental payments required under the operating leases as of September 30, 2019:

<u>Year Ending</u> <u>September 30,</u>		
2020	\$	3,325
2021		3,017
2022		2,766
2023		1,068
2024		835
2025 - 2028		<u>989</u>
Total Future Minimum Rental Payments Required	\$	<u><u>12,000</u></u>

The total rental expense for the year ended September 30, 2019, was \$6,563,000.

**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, 2019, there were no outstanding bonds considered defeased.

**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 2018, interest expense was \$137,150. As of December 31, 2018, the unpaid principal balance was \$1,867,645, 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 2018, interest expense was \$9,000. As of December 31, 2018, the outstanding principal balance was \$900,000, and there was an accrued interest of \$65,426.

**CITY OF FORT WORTH, TEXAS**  
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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 \$10,068,790 as landfill closure and postclosure care liability in the Solid Waste Fund at September 30, 2019. This represents the cumulative amount reported to date based on the use of 46.0 percent of the estimated current permitted capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$11,808,239 as the remaining estimated capacity is filled. The City expects to close the landfill in 18 years from the end of the current fiscal year, or the year 2037. 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, 2019, the City reported cash and cash equivalents of \$2,694,182 as restricted assets for closure and postclosure care and has \$7,374,608 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.

**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).

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

**Plan Description (continued)**

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.

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.

As of January 1, 2019, 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, 2019</b>
Inactive employees or beneficiaries currently receiving benefits	4,391
Inactive employees entitled to, but not yet receiving benefits	1,099
Total Inactive Members	<u>5,490</u>
Active members	6,579
Total	<u><u>12,069</u></u>

Actuarial valuations are completed on a calendar year basis, and census data was not collected as of September 30, 2018 (measurement date). It is assumed that the population remains constant between December 31 and September 30.

**Contributions**

Prior to January 2019, the City contributed 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%.

In February 2019, members of the pension plan voted to increase their contributions to the Plan. At the same time, the City elected to increase its contributions. Effective January 2019, the City's contribution rate increased by 4.50% of payroll. General employees and Firefighters increased from 19.74% to 24.24% and Police Officers increased from 20.46% to 24.96%.

The contribution changes were effective on July 20, 2019 and will be phased in over two years for General Employees and Firefighters and three years for Police Officers.

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

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

Below is a composite of the increase to member contribution rates:

	<u>Previous Rate</u>	<u>July 2019</u>	<u>January 2020</u>	<u>January 2021</u>
General*	8.25%	9.35%	9.35%	9.35%
Police	8.73%	10.53%	12.53%	13.13%
Fire	8.25%	10.05%	12.05%	12.05%

\* General employees also contribute an additional 0.7% of pay for a period equal to their individual blue service (July 2019).

**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.

<b>Plan Year:</b> <b>Fiscal Year:</b> <b>Plan Status:</b>	<i>January 1 through December 31</i> <i>October 1 through September 30</i> <i>Ongoing</i>
<b>Categories of Employees:</b> <i>Tier I</i>  <i>Tier II</i>	<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>
<b>Categories of Benefits/Service:</b> <i>Blue</i>  <i>Orange</i>  <i>Gray</i>	<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>  <i>Earned on or after July 20, 2019 for Tier I and II General Employees, Police Officers, and Firefighters</i>
<b>Normal Retirement:</b> <i>Age and Service Requirements</i>  <i>Amount</i>  <i>Final Average Compensation</i>	<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 2.50% of Final Average Compensation multiplied by years of Gray 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> <u>Gray:</u> <i>Average of member's highest five calendar years' earnings, excluding overtime except for "built-in" overtime for Firefighters on 56-hour schedules and any eligible leave conversion</i>

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

<p><b>Early Retirement:</b>  <i>Age and Service Requirements</i></p> <p><i>Amount</i></p> <p><i>Reduction</i></p>	<p><i>Age 50 (Age 55 for Tier II General Employees) and 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 2.25% of Final Average Compensation multiplied by years of Gray Credited Service</i></p> <p><i>5/12% for each month the commencement date precedes the member's projected Normal Retirement date</i></p>
<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> <i>2.75% of Final Average Compensation multiplied by total years of Credited Service projected to member's Normal Retirement date</i></p> <p><u>Tier II:</u> <i>2.25% of Final Average Compensation multiplied by total years of Credited Service projected to member's Normal Retirement date</i></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 2.25% of Final Average Compensation multiplied by years of Gray 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>

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

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

<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>																				
<p><b>Spouse's Pre-Retirement Death Benefit (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> 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 and Gray Credited Service</p> <p><u>Tier II:</u> 75% of the accrued benefit at death, calculated as 2.25% of the Final Average Compensation Base multiplied by years of Credited Service</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>	<table border="1" data-bbox="581 1350 1347 1465"> <thead> <tr> <th></th> <th><u>Prior July 2019</u></th> <th><u>July 2019</u></th> <th><u>January 2020</u></th> <th><u>January 2021</u></th> </tr> </thead> <tbody> <tr> <td><i>General*</i></td> <td>8.25%</td> <td>9.35%</td> <td>9.35%</td> <td>9.35%</td> </tr> <tr> <td><i>Police</i></td> <td>8.73%</td> <td>10.53%</td> <td>12.53%</td> <td>13.13%</td> </tr> <tr> <td><i>Fire</i></td> <td>8.25%</td> <td>10.05%</td> <td>12.05%</td> <td>12.05%</td> </tr> </tbody> </table> <p><i>* General employees also contribute an additional 0.7% of pay for a period equal to their individual blue service (July 2019).</i></p> <p><i>Effective January 2019, the City's contribution rate increased by 4.50% of payroll. General employees and Firefighters increased from 19.74% to 24.24%, and Police increase from 20.46% to 24.96%.</i></p>		<u>Prior July 2019</u>	<u>July 2019</u>	<u>January 2020</u>	<u>January 2021</u>	<i>General*</i>	8.25%	9.35%	9.35%	9.35%	<i>Police</i>	8.73%	10.53%	12.53%	13.13%	<i>Fire</i>	8.25%	10.05%	12.05%	12.05%
	<u>Prior July 2019</u>	<u>July 2019</u>	<u>January 2020</u>	<u>January 2021</u>																	
<i>General*</i>	8.25%	9.35%	9.35%	9.35%																	
<i>Police</i>	8.73%	10.53%	12.53%	13.13%																	
<i>Fire</i>	8.25%	10.05%	12.05%	12.05%																	
<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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**(000's omitted in tables)**

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

<p><b>Changes in Plan Provisions:</b></p>	<p><i>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%. In February 2019, members of the pension plan voted to increase their contributions to the plan. At the same time, the City elected to increase its contributions. Effective January 2019, the city's contribution rate increased by 4.50% of payroll. General employees and Firefighters increased from 19.74% to 24.24% and Police Officer increased from 20.46% to 24.96%. The contribution changes were effective on July 20, 2019 and will be phased in over two years for General Employees and Firefighters and three years for Police Officers. Additional category for "Gray" benefits which are earned on or after July 20, 2019 for Tier I and II General Employees, Police Officers, and Firefighters. Please see disclosure on "Contribution" for further details.</i></p>
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**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.

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

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

**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:

<u>Year Ended September 30,</u>	<u>Actuarially Determined Contributions</u>	<u>Contributions in Relation to the Actuarially Determined Contributions</u>	<u>Contribution Deficiency</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2018	\$ 131,766	\$ 93,504	\$ 38,262	\$ 468,803	19.95%
2019	\$ 136,168	\$ 113,110	\$ 23,058	\$ 481,898	23.47%

**Actuarial Methods and Assumptions**

The following are the significant actuarial assumptions used for the January 1, 2018, actuarial valuation:

<b>Valuation date</b>	<i>January 1, 2018</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, 2018</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**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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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, 2018, 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%	5.41%
Fixed income	19%	1.24%
Real return	3%	4.82%
Real estate	13%	5.14%
Absolute return	15%	3.41%
Private equity	10%	7.25%
Cash	1%	0.00%
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 5.35%. 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. Effective January 2019, the city contribution rate increase by 4.50% of pay. General employees and Firefighters increase from 19.74% to 24.24%, and Police increase from 20.46% to 24.96%. 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 3.83% municipal bond rate was applied for all periods thereafter, to determine the total pension liability. The 3.83% 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, 2018.

**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**

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, 2019, was as follows:

Service cost	\$ 113,947
Interest on total pension liability (TPL)	274,955
Employee contributions	(37,618)
Administrative expenses	4,915
Expected return on assets	(172,416)
Expensed portion of current year period differences between expected and actual experience in TPL	10,352
Expensed portion of current year period assumption changes	(27,550)
Expensed portion of current year period differences between projected and actual investment earnings	5,402
Current year recognition of deferred inflows and outflows established in prior years	206,548
Total pension expense	<u>\$ 378,535</u>

For the year ended September 30, 2019, 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	\$ 97,895	\$ 15,225	\$ 113,120
Differences between expected and actual experience	155,189	23,231	178,420
Net difference between projected and actual earnings on pension plan investments	1,517	348	1,865
Changes in assumptions	548,469	84,125	632,594
Total Deferred Outflows of Resources	<u>\$ 803,070</u>	<u>\$ 122,929</u>	<u>\$ 925,999</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$ 18,627	\$ 2,804	\$ 21,431
Changes in assumptions	309,575	46,366	355,941
Total Deferred Inflows of Resources	<u>\$ 328,202</u>	<u>\$ 49,170</u>	<u>\$ 377,372</u>
<b>Net Pension Liability</b>	<u>\$ 2,685,556</u>	<u>\$ 412,722</u>	<u>\$ 3,098,278</u>

**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)**

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

\$113,120,000 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, 2020. For the year ended September 30, 2019, the City reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:		
2020	\$	195,021
2021		175,300
2022		117,587
2023		(35,202)
2024		(17,199)
Total	\$	<u>435,507</u>

**Changes in Net Pension Liability**

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at September 30, 2018	\$ 5,354,700	\$ 2,270,522	\$ 3,084,178
Changes for the year:			
Service cost	113,947	-	113,947
Interest	274,955	-	274,955
Differences between expected and actual experience	62,114	-	62,114
Changes of assumptions	(165,301)	-	(165,301)
Contributions - employer	-	93,504	(93,504)
Contributions - employee	-	37,618	(37,618)
Net investment income	-	145,408	(145,408)
Benefit payments, including refunds of employee contributions	(217,802)	(217,802)	-
Administrative expenses	-	(4,915)	4,915
Net changes	<u>67,913</u>	<u>53,813</u>	<u>14,100</u>
Balances at September 30, 2019	<u>\$ 5,422,613</u>	<u>\$ 2,324,335</u>	<u>\$ 3,098,278</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 5.35%, 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 (4.35%) or one-percentage-point higher (6.35%) than the current discount rate:

1% Decrease (4.35%)	Current Discount Rate (5.35%)	1% Increase (6.35%)
\$ 3,919,184	\$ 3,098,278	\$ 2,437,505

*Note: The balances as of September 30, 2018, constitute measurements of the Net Pension Liability for the fiscal year ended September 30, 2019.*

**CITY OF FORT WORTH, TEXAS**  
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**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 plan 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 and net OPEB liability, 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").

The following is a condensed schedule for the Retiree Healthcare Trust Fund as it does not issue separate audited GAAP basis financial statements:

<b>Retiree Healthcare Trust Fund</b>	
<b>Condensed Schedule of Fiduciary Net Position</b>	
<b>Assets</b>	
Current Assets	\$ 84,999
<b>Liabilities</b>	
Current Liabilities	271
<b>Net Position</b>	
Postemployment Healthcare Plan	84,728
Total Net Position	<u>\$ 84,728</u>
<b>Condensed Schedule of Revenues, Expenses, and Changes in Fiduciary Net Position</b>	
Additions	\$ 31,710
Deductions	22,707
Change in Net Position	9,003
Net Position, Beginning of Year	75,725
Net Position, End of Year	<u>\$ 84,728</u>

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.

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**NOTE J: EMPLOYEE BENEFITS (CONTINUED)**

**Plan Descriptions (continued)**

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 GAAP, the City will perform actuarial studies each year. The actuarial information presented in Note J and the required supplementary information represent the September 30, 2018 valuation.

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

Employees covered by benefit term:

OPEB plan membership consisted of the following:	September 30, 2018	
	Medical	Death Benefit
Inactive employees or beneficiaries currently receiving benefits	3,108	3,108
Active members	3,246	6,490
Total	<u>6,354</u>	<u>9,598</u>

**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 FY2019, 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 FY2019, the cost of health care benefits for retirees, dependents, and surviving spouses was \$21,095,000 and the death benefit payments totaled \$445,000.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**  
**(000's omitted in tables)**

**NOTE J: EMPLOYEE BENEFITS (CONTINUED)**

**Actuarial Methods and Assumptions**

The following are the significant actuarial assumptions used for the September 30, 2018, actuarial valuation:

<b>Actuarial Valuation Date</b>	<i>September 30, 2018</i>
<b>Actuarial Cost Method</b>	<i>Entry Age Normal</i>
<b>Amortization Period</b>	<i>Level Percent of Payroll, Open</i>
<b>Remaining Amortization Period</b>	<i>30 years as of September 30, 2018</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>

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, 2018, are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return*</b>
Equity	30%	10.03%
Fixed income	65%	2.93%
Cash and Cash Equivalents	5%	1.75%
Total	100%	

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

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**  
**(000's omitted in tables)**

**NOTE J: EMPLOYEE BENEFITS (CONTINUED)**

**Discount Rate**

The blended discount rate used to measure the total OPEB liability is 3.86%. 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 3.83% municipal bond rate was applied for all periods thereafter to determine the total OPEB liability. The 3.83% 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, 2018.

**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, 2019, was as follows:

Service cost	\$	29,287
Interest on total OPEB liability (TOL)		33,005
Administrative expenses		1,352
Expected return on asset		(5,334)
Expensed portion of current year period differences between expected and actual experience in TOL		(37,587)
Expensed portion of current year assumption changes		(35,825)
Expensed portion of current year period differences between projected and actual investment earnings		1,028
	<u>\$</u>	<u>(14,074)</u>

For the year ended September 30, 2019, 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	\$ 22,823	\$ 3,697	\$ 26,520
Net difference between projected and actual earnings on OPEB plan investments	3,239	530	3,769
Total Deferred Outflows of Resources	<u>\$ 26,062</u>	<u>\$ 4,227</u>	<u>\$ 30,289</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$ 56,871	\$ 9,247	\$ 66,118
Changes in assumptions	43,762	7,466	51,228
Total Deferred Inflows of Resources	<u>\$ 100,633</u>	<u>\$ 16,713</u>	<u>\$ 117,346</u>
<b>Net OPEB Liability</b>	<u>\$ 683,063</u>	<u>\$ 108,192</u>	<u>\$ 791,255</u>

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**  
**(000's omitted in tables)**

**NOTE J: EMPLOYEE BENEFITS (CONTINUED)**

\$26,520,000 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, 2020. Other amounts reported as Deferred Outflows/(Inflows) of Resources will be recognized in OPEB expense as follows:

Year ended September 30:		
2020	\$	(72,385)
2021		(41,982)
2022		386
2023		404
Total	\$	<u>(113,577)</u>

**Changes in the Net OPEB Liability**

	Total OPEB Liability (a)	OPEB Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Beginning balances at September 30, 2017	\$ 952,158	\$ 68,828	\$ 883,330
Changes for the year::			
Service cost	29,287	-	29,287
Interest	33,005	-	33,005
Differences between expected and actual experience	(84,468)	-	(84,468)
Change in assumptions	(44,046)	-	(44,046)
Contributions - employer	-	25,297	(25,297)
Net investment income	-	1,908	(1,908)
Benefit payments	(18,956)	(18,956)	-
Administrative expense	-	(1,352)	1,352
Net Changes	<u>(85,178)</u>	<u>6,897</u>	<u>(92,075)</u>
Balances at September 30, 2018	<u>\$ 866,980</u>	<u>\$ 75,725</u>	<u>\$ 791,255</u>
Money-weighted rate of return			2.77%
Plan Fiduciary Net Position as a % of the Total OPEB Liability			8.73%

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**  
**(000's omitted in tables)**

**NOTE J: EMPLOYEE BENEFITS (CONTINUED)**

**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 3.86%, 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 (2.86%) or one percentage point higher (4.86%) than the current discount rate:

<b>1 % Decrease (2.86%)</b>	<b>Current Discount Rate (3.86%)</b>	<b>1 % Increase (4.86%)</b>
\$ 936,843	\$ 791,255	\$ 677,199

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 (3.5%)</b>	<b>Healthcare Cost Trend Rate (4.5%)</b>	<b>1% Increase (5.5%)</b>
\$ 673,807	\$ 791,255	\$ 940,617

*Note: The balances as of September 30, 2018, constitute measurements of the Net OPEB Liability for the fiscal year ended September 30, 2019.*

**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.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**  
**(000's omitted in tables)**

**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 FY2019 payments to the District under the agreement were \$72,197,336. 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, 2019, the City has recorded pollution remediation liabilities in the amounts of \$3,939,000 and \$13,000 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 \$299,806,688 as of September 30, 2019, 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 \$4,260,952 as of September 30, 2019.

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 \$201,782,520 to date (\$21,273,516 during FY2019) leaving \$23,217,480 committed as of September 30, 2019. See Note M for additional information on this project.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**  
**(000's omitted in tables)**

**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	\$ 3,618	\$ 23,301
Other Assets	2,435	21,653
Advances to Other Funds	-	2,363
Capital Assets	52,021	16,900
<b>Deferred Outflows of Resources</b>	<u>3,244</u>	<u>10,874</u>
Total Assets and Deferred Outflows of Resources	<u>61,318</u>	<u>75,091</u>
<b>Liabilities</b>		
Current Liabilities	3,099	7,737
Noncurrent Liabilities	37,200	54,619
Total Liabilities	<u>40,299</u>	<u>62,356</u>
Deferred Inflows of Resources	425	7,855
<b>Net Position (Deficit)</b>		
Net Investment in Capital Assets	18,938	14,119
Restricted	811	911
Unrestricted (Deficit)	845	(10,150)
Total Net Position	<u>\$ 20,594</u>	<u>\$ 4,880</u>
<b>Condensed Statement of Revenues, Expenses, and Changes in Net Position</b>		
Operating Revenues	\$ 8,502	\$ 62,638
Depreciation Expense	1,975	515
Other Operating Expenses	4,021	61,828
Operating Income	<u>2,506</u>	<u>295</u>
<b>Nonoperating Revenues (Expenses):</b>		
Investment Income (Loss)	285	2,072
Gain (Loss) on Sale of Property and Equipment	-	1
Interest and Service Charges	(1,034)	(65)
Transfers Out	<u>(157)</u>	<u>(7,774)</u>
Change in Net Position	1,600	(5,471)
Beginning Net Position	18,994	10,351
Ending Net Position	<u>\$ 20,594</u>	<u>\$ 4,880</u>
<b>Condensed Statement of Cash Flows</b>		
<b>Net Cash Provided (Used) by:</b>		
Operating Activities	4,464	4,689
Noncapital Financing Activities	(157)	(5,444)
Capital and Related Financing Activities	(4,052)	(1,264)
Investing Activities	<u>282</u>	<u>2,067</u>
Net Increase (Decrease)	537	48
Beginning Cash and Cash Equivalents	5,399	37,430
Ending Cash and Cash Equivalents	<u>\$ 5,936</u>	<u>\$ 37,478</u>

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**  
**(000's omitted in tables)**

**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 November 2019. Upon completion, this facility is anticipated to be donated to the City of Fort Worth. Construction costs of \$508,760,395 have been incurred as of the end of FY2019, of which the City contributed \$201,782,520. 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**

October 22, 2019, the City authorized the incorporation of the Cavile Place/Historic Stop Six Neighborhood Transformation Plan into the City's Comprehensive Plan, authorized the City of Fort Worth to act as the Co-Applicant and Lead Neighborhood Implementation Entity in the submission of a Choice Neighborhoods Implementation Grant with Fort Worth Housing Solutions, and authorized the commitment of \$39,375,654 over the six-year grant period for activities necessary to implement the Transformation Plan.

The Transformation Plan addressed and included specific plans in the three areas which Housing Urban Development deemed critical to affecting lasting change: The Neighborhood Plan, The Housing Plan, and The People Plan. The Neighborhood Plan was designed to discover options for connecting existing community assets to proposed improvements to the neighborhood. The Housing Plan included the demolition of Cavile Place which was approved by HUD in April 2019, replacement of 300 assisted units, and the construction of approximately 600 additional rental units in six phases of housing developments spread throughout the neighborhood. The People Plan addressed the needs of the residents of both Cavile Place and the surrounding neighborhood.

**NOTE O: NEW ACCOUNTING STANDARDS**

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.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**  
**(000's omitted in tables)**

**NOTE O: NEW ACCOUNTING STANDARDS (CONTINUED)**

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.

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.

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The objectives of this Statement are to provide a single method of reporting and eliminate the option for government issuers to recognize conduit debt obligations. This Statement clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improves required note disclosures. This Statement is effective for the City's financial periods beginning October 1, 2021.

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)

**CITY OF FORT WORTH, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2019  
(in 000's)  
(Unaudited)**

	<b>Budgeted Amounts</b>		<b>Budgetary</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Basis</b>	<b>Final Budget -</b>
			<b>Actual</b>	<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues and Other Financing Sources:</b>				
Revenues:				
General Property Taxes	\$ 401,690	\$ 401,690	\$ 398,426	\$ (3,264)
Sales Taxes	163,152	163,303	165,364	2,061
Other Local Taxes	55,498	55,498	55,970	472
Charges for Services	37,614	37,614	38,624	1,010
Licenses and Permits	17,030	17,030	16,938	(92)
Fines and Forfeitures	5,575	5,575	6,458	883
Revenue from Use of Money and Property	626	626	889	263
Intergovernmental	338	1,084	2,199	1,115
Other	3,116	3,117	5,370	2,253
Total Revenues	<u>684,639</u>	<u>685,537</u>	<u>690,238</u>	<u>4,701</u>
Other Financing Sources:				
Transfers In - Other Funds	46,551	46,551	46,854	303
Total Revenues and Other Financing Sources	<u>731,190</u>	<u>732,088</u>	<u>737,092</u>	<u>5,004</u>
<b>Expenditures:</b>				
Departmental:				
City Attorney's Office	7,210	7,253	7,236	17
City Auditor's Office	1,955	1,955	1,783	172
City Manager's Office	9,823	10,000	8,661	1,339
City Secretary's Office	1,631	1,980	1,812	168
Code Compliance	20,973	21,298	21,009	289
Communication and Public Engagement	4,129	4,222	4,133	89
Economic Development	21,842	26,989	26,266	723
Financial Management Services	12,248	12,508	12,433	75
Fire	150,068	157,596	156,836	760
Human Resources	4,504	4,780	4,633	147
IT Solutions	15,617	16,277	16,152	125
Library	22,175	20,778	20,296	482
Municipal Court	15,795	15,345	14,860	485
Neighborhood Services	9,984	10,118	9,965	153
Non-Departmental	21,314	1,587	1,225	362
Park and Recreation	50,756	51,209	50,435	774
Performance and Budget	6,238	6,238	6,055	183
Planning and Development	18,252	17,860	17,251	609
Police	253,938	261,413	259,564	1,849
Property Management	20,993	21,003	20,475	528
Transportation and Public Works	61,745	61,879	60,980	899
Total Expenditures	<u>731,190</u>	<u>732,288</u>	<u>722,060</u>	<u>10,228</u>
<b>Contribution to / (Use of) Fund Balance</b>	<u>\$ -</u>	<u>\$ (200)</u>	<u>\$ 15,032</u>	<u>\$ 15,232</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>	\$ 15,032
Differences - Budgetary to GAAP	
Current year non-budgeted transfers treated as revenues for financial reporting purposes but not as budgetary inflows.	2,980
Current year non-budgeted transfers treated as expenditures for financial reporting purposes but not as budgetary outflows.	(1,894)
Current year non-budgeted revenues treated as revenues for financial reporting purposes (due to perspective difference) but not as budgetary inflows.	(6,178)
Current year non-budgeted expenditures treated as expenditures for financial reporting purposes (due to perspective difference) but not as budgetary outflows.	11,156
<b>Net Change in Fund Balance (GAAP Basis)</b>	<u>\$ 21,096</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, 2019**  
**(000's omitted in tables)**  
**(Unaudited)**

**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, 2019  
(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 \$1,098,000 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, 2019  
(in 000's) (Unaudited)**

<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>
2010	(Historical information prior to implementation of GASB 67/68 is not required)				
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%
2019	136,168	113,110	23,058	481,898	23.5%

*\*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, 2019**  
**(in 000's) (Unaudited)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013*</u>
<b>Total Pension Liability</b>						
Service Cost	\$ 113,947	\$ 123,793	\$ 98,173	\$ 85,593	\$ 92,189	
Interest	274,955	251,646	252,240	246,293	234,701	
Change of Benefit Terms	-	-	-	(1,828)	110,188	
Differences Between Expected and Actual Experience	62,114	186,854	4,178	(10,817)	(106,951)	
Change of Assumptions	(165,301)	(327,288)	1,022,193	364,494	-	
Benefit Payments, Including Refunds of Employee Contributions	(217,802)	(198,612)	(185,820)	(167,066)	(161,159)	
Net Change in Total Pension Liability	<u>67,913</u>	<u>36,393</u>	<u>1,190,964</u>	<u>516,669</u>	<u>168,968</u>	
Total Pension Liability - Beginning	<u>5,354,700</u>	<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>\$ 5,422,613</u>	<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	\$ 93,504	\$ 89,408	\$ 84,747	\$ 80,820	\$ 78,165	
Contributions - Employee	37,618	35,963	33,977	32,542	31,929	
Net Investment Income	145,408	250,913	166,306	(20,635)	159,994	
Benefit Payments, Including Refunds of Employee Contributions	(217,802)	(198,612)	(185,820)	(167,066)	(161,159)	
Administrative Expense	(4,915)	(4,867)	(4,522)	(3,823)	(3,739)	
Other	-	-	(241)	(143)	(130)	
Net Change in Plan Fiduciary Net Position	<u>53,813</u>	<u>172,805</u>	<u>94,447</u>	<u>(78,305)</u>	<u>105,060</u>	
Plan Fiduciary Net Position - Beginning	<u>2,270,522</u>	<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>\$ 2,324,335</u>	<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>\$ 3,098,278</u>	<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	42.86%	42.40%	39.44%	48.54%	57.65%	
Covered Payroll	\$ 468,803	\$ 448,313	\$ 422,977	\$ 403,772	\$ 390,128	
Net Pension Liability as a % of Covered Payroll	660.89%	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, 2017, and 2018 were 6.98%, 6.25%, 4.71%, 5.13%, and 5.35% 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, 2019  
(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%.
- Administrative expense assumption of \$3,000,000 was introduced and 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 by 5% for Police Officers and 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 (Blue benefits only) were lowered for Police Officers by 1.00% and 1.25% 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 by 0.50% and 1.0%, respectively.

FY2019 - Benefits changes:

- Increase to the City contribution rate by 4.50% of pay, effective January 2019.
- Increase to the member contribution rate by 1.1% of pay for all General Employees, effective July 2019.
- Increase to the member contribution rate by an additional 0.7% of pay for a period equal to the period of blue service for each individual General Employee, effective July 2019.
- Extend maximum DROP period to six years, and new categories for Gray member benefits and services was introduced, please refer to Note I for additional information.

**CITY OF FORT WORTH, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**OTHER POSTEMPLOYMENT BENEFITS**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY**  
**-LAST TEN FISCAL YEARS**  
**SEPTEMBER 30, 2019**  
**(in 000's) (Unaudited)**

	<u>2018</u>	<u>2017</u>	<u>2016*</u>	<u>2015*</u>	<u>2014*</u>
<b>Total OPEB Liability</b>					
Service Cost	29,287	\$ 33,369			
Interest	33,005	30,961			
Differences Between Expected and Actual Experience	(84,468)	(28,736)			
Change of Assumptions	(44,046)	(64,270)			
Benefit Payments, Including Refunds of Employee Contributions	<u>(18,956)</u>	<u>(27,064)</u>			
Net Change in Total OPEB Liability	(85,178)	(55,740)			
Total OPEB Liability - Beginning	952,158	1,007,898			
Total OPEB Liability - Ending (a)	<u>\$ 866,980</u>	<u>\$ 952,158</u>			
<b>OPEB Plan Fiduciary Net Position</b>					
Contributions - Employer	\$ (25,297)	\$ (26,641)			
Net Investment Income	(1,908)	(3,488)			
Benefit Payments, Including Refunds of Employee Contributions	18,956	27,064			
Administrative Expense	<u>1,352</u>	<u>1,351</u>			
Net Change in Plan Fiduciary Net Position	6,897	1,714			
OPEB Plan Fiduciary Net Position - Beginning	68,828	67,114			
OPEB Plan Fiduciary Net Position - Ending (b)	<u>\$ 75,725</u>	<u>\$ 68,828</u>			
Net OPEB Liability - Ending (a) - (b)	<u>\$ 791,255</u>	<u>\$ 883,330</u>			
Plan Fiduciary Net Position as a % of the Total OPEB Liability	8.73 %	7.23 %			
Covered Employee Payroll	294,960	\$ 302,434			
Net OPEB Liability as a % of Covered Employee Payroll	268.26 %	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, 2017 and September 30, 2018 were 3.53% and 3.86%, 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, 2019  
 (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	\$ 98,776	\$ 98,776	\$ 97,919	\$ (857)
Revenue from Use of Money and Property	2,981	2,981	13,517	10,536
Total Revenues	<u>101,757</u>	<u>101,757</u>	<u>111,436</u>	<u>9,679</u>
Other Financing Sources:				
Issuance of Bonds/Premium	-	1,250	766	(484)
Transfers In - Other Funds	13,044	13,238	13,238	-
Total Other Financing Sources	<u>13,044</u>	<u>14,488</u>	<u>14,004</u>	<u>(484)</u>
Total Revenues and Other Financing Sources	<u>114,801</u>	<u>116,245</u>	<u>125,440</u>	<u>9,195</u>
<b>Expenditures:</b>				
Departmental:				
Financial Management Services	<u>121,099</u>	<u>122,348</u>	<u>121,810</u>	<u>538</u>
<b>Contribution to / (Use of) Fund Balance</b>	<u>\$ (6,298)</u>	<u>\$ (6,103)</u>	<u>\$ 3,630</u>	<u>\$ 9,733</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>			\$ 3,630	
Differences - Budgetary to GAAP:				
Current year non-budgeted expenditures treated as expenditures for financial reporting purposes but not as budgetary outflows.			(432)	
Current year non-budgeted revenues treated as revenues for financial reporting purposes (due to perspective difference) but not as budgetary inflows.			<u>8,204</u>	
<b>Net Change in Fund Balance (GAAP Basis)</b>			<u>\$ 11,402</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. As of September 30, 2019, the Sycamore Creek golf course ceased operations and has been converted to public park land.

*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, 2019  
(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	\$ 10,180	\$ 1,654	\$ 10,450	\$ 1,306	\$ 19,234	\$ 29,848
Cash, Cash Equivalents, & Investments Held by Trustees	-	-	-	-	1,102	-
Receivables, Net of Allowance for Uncollectible:						
Grants and Other Governments	13,086	-	-	-	-	11
Loans	-	-	-	-	-	-
Interest	28	11	697	-	12	18
Accounts and Other	465	469	6,658	609	-	4,247
Inventories (at Cost)	-	-	4,341	187	-	-
Prepays, Deposits, and Other	-	-	-	-	123	-
Long-Term Loans Receivable	-	-	-	-	-	-
Total Assets	<u>\$ 23,759</u>	<u>\$ 2,134</u>	<u>\$ 22,146</u>	<u>\$ 2,102</u>	<u>\$ 20,471</u>	<u>\$ 34,124</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICIT)</b>						
<b>Liabilities</b>						
Accounts Payable	\$ 1,341	\$ 211	\$ 2,784	\$ -	\$ 778	\$ 2,544
Construction Payable	-	-	-	-	-	-
Escrow Accounts Payable	-	-	-	-	63	-
Accrued Payroll	1,477	70	-	-	34	349
Other	-	-	-	-	-	7
Unearned Revenue	-	-	-	-	-	1,773
Total Liabilities	<u>2,818</u>	<u>281</u>	<u>2,784</u>	<u>-</u>	<u>875</u>	<u>4,673</u>
<b>Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>5,364</u>	<u>271</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>2,818</u>	<u>281</u>	<u>8,148</u>	<u>271</u>	<u>875</u>	<u>4,673</u>
<b>Fund Balances (Deficit):</b>						
Nonspendable	-	-	4,341	-	123	-
Restricted	15,414	1,853	-	-	11,884	9,448
Committed	2,155	-	350	-	64	-
Assigned	3,372	-	9,307	1,831	7,525	20,003
Total Fund Balances	<u>20,941</u>	<u>1,853</u>	<u>13,998</u>	<u>1,831</u>	<u>19,596</u>	<u>29,451</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit)</b>	<u>\$ 23,759</u>	<u>\$ 2,134</u>	<u>\$ 22,146</u>	<u>\$ 2,102</u>	<u>\$ 20,471</u>	<u>\$ 34,124</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
\$ 917	\$ 4,950	\$ 12,807	\$ 4,703	\$ 63,990	\$ 321	\$ 456	\$ 160,816	\$ 1,335	\$ 162,151
-	-	-	338	-	-	-	1,440	-	1,440
6,760	3	-	-	337	-	-	20,197	-	20,197
17,567	-	-	-	-	-	-	17,567	-	17,567
-	-	25	12	175	-	1	979	-	979
-	448	1,998	6	-	-	-	14,900	-	14,900
-	-	-	-	-	67	-	4,595	-	4,595
91	-	-	-	-	9	-	223	-	223
13,103	-	-	-	-	-	-	13,103	-	13,103
<u>\$ 38,438</u>	<u>\$ 5,401</u>	<u>\$ 14,830</u>	<u>\$ 5,059</u>	<u>\$ 64,502</u>	<u>\$ 397</u>	<u>\$ 457</u>	<u>\$ 233,820</u>	<u>\$ 1,335</u>	<u>\$ 235,155</u>
\$ 2,500	\$ -	\$ 2,161	\$ 1,073	\$ 363	\$ 133	\$ 50	\$ 13,938	\$ -	\$ 13,938
22	-	-	-	-	-	-	22	-	22
51	-	9	-	-	-	-	123	-	123
334	-	3	-	-	92	140	2,499	-	2,499
-	-	84	-	-	-	-	91	-	91
32,253	25	21	-	-	-	-	34,072	-	34,072
<u>35,160</u>	<u>25</u>	<u>2,278</u>	<u>1,073</u>	<u>363</u>	<u>225</u>	<u>190</u>	<u>50,745</u>	<u>-</u>	<u>50,745</u>
1,916	-	1,383	-	337	-	-	9,271	-	9,271
<u>37,076</u>	<u>25</u>	<u>3,661</u>	<u>1,073</u>	<u>700</u>	<u>225</u>	<u>190</u>	<u>60,016</u>	<u>-</u>	<u>60,016</u>
91	-	-	-	-	76	-	4,631	-	4,631
1,271	3,094	7,128	3,222	61,883	-	-	115,197	-	115,197
-	-	-	-	-	-	-	2,569	-	2,569
-	2,282	4,041	764	1,919	96	267	51,407	1,335	52,742
<u>1,362</u>	<u>5,376</u>	<u>11,169</u>	<u>3,986</u>	<u>63,802</u>	<u>172</u>	<u>267</u>	<u>173,804</u>	<u>1,335</u>	<u>175,139</u>
<u>\$ 38,438</u>	<u>\$ 5,401</u>	<u>\$ 14,830</u>	<u>\$ 5,059</u>	<u>\$ 64,502</u>	<u>\$ 397</u>	<u>\$ 457</u>	<u>\$ 233,820</u>	<u>\$ 1,335</u>	<u>\$ 235,155</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, 2019  
(in 000's)**

	Special Revenue Funds					
	Crime Control and Prevention District	Environmental Management	Fort Worth Housing Finance Corporation	Fort Worth Local Development Corporation	Special Projects	Culture and Tourism
<b>REVENUES:</b>						
General Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	78,123	-	-	-	-	-
Other Local Taxes	-	-	-	-	-	30,901
Charges for Services	-	4,341	-	-	2,368	5,629
Licenses and Permits	-	-	-	-	-	17
Fines and Forfeitures	-	-	-	-	-	-
Revenue from Use of Money and Property	-	-	-	1,410	2	7,404
Investment Income (Loss)	916	269	248	6	91	1,084
Intergovernmental	5,688	-	-	-	758	13,124
Gas Leases and Royalties	-	-	43	55	-	-
Other	67	1	977	-	1,140	1,833
Contributions	-	-	-	-	1,147	800
Total Revenues	<u>84,794</u>	<u>4,611</u>	<u>1,268</u>	<u>1,471</u>	<u>5,506</u>	<u>60,792</u>
<b>EXPENDITURES:</b>						
Current:						
General Government	-	-	-	-	995	-
Public Safety	50,340	3,488	-	-	591	-
Highways and Streets	-	-	-	-	-	-
Culture and Recreation	1,247	-	-	-	2,531	35,917
Health and Welfare	-	-	-	-	-	-
Urban Redevelopment and Housing	662	-	774	347	17	-
Capital Outlay	-	-	-	-	35	-
Debt Service:						
Principal Retirement	-	-	-	389	-	-
Interest and Debt Issuance Costs	-	-	-	27	-	-
Total Expenditures	<u>52,249</u>	<u>3,488</u>	<u>774</u>	<u>763</u>	<u>4,169</u>	<u>35,917</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>32,545</u>	<u>1,123</u>	<u>494</u>	<u>708</u>	<u>1,337</u>	<u>24,875</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Construction Loans	-	-	-	-	-	-
Proceeds from Disposal of Property	140	-	-	-	1	1,000
Transfers In	-	-	-	-	2	3,845
Transfers Out	(26,418)	(652)	-	(395)	(1,041)	(23,855)
Total Other Financing Sources (Uses)	<u>(26,278)</u>	<u>(652)</u>	<u>-</u>	<u>(395)</u>	<u>(1,038)</u>	<u>(19,010)</u>
Net Change in Fund Balances (Deficit)	6,267	471	494	313	299	5,865
Fund Balances (Deficit), Beginning of Year	14,674	1,382	13,504	1,518	19,297	23,586
Fund Balances (Deficit), End of Year	<u>\$ 20,941</u>	<u>\$ 1,853</u>	<u>\$ 13,998</u>	<u>\$ 1,831</u>	<u>\$ 19,596</u>	<u>\$ 29,451</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
\$ -	\$ -	\$ -	\$ -	\$ 22,180	\$ -	\$ -	\$ 22,180	\$ -	\$ 22,180
-	-	-	-	-	-	-	78,123	-	78,123
-	-	-	-	-	-	-	30,901	-	30,901
-	-	1	-	-	4,106	1,618	18,063	-	18,063
-	-	-	-	-	-	-	17	-	17
-	-	5,313	-	-	-	-	5,313	-	5,313
598	-	630	-	-	-	622	10,666	2	10,668
194	2	411	126	1,156	(3)	28	4,528	-	4,528
36,671	100	-	-	12,500	-	-	68,841	-	68,841
-	470	-	-	-	-	-	568	-	568
3	4,944	4,982	7,551	-	9	59	21,566	35	21,601
303	-	4,976	48	-	-	248	7,522	90	7,612
<u>37,769</u>	<u>5,516</u>	<u>16,313</u>	<u>7,725</u>	<u>35,836</u>	<u>4,112</u>	<u>2,575</u>	<u>268,288</u>	<u>127</u>	<u>268,415</u>
1,254	3,781	5,160	7,444	-	-	-	18,634	-	18,634
7,926	-	-	-	-	-	-	62,345	-	62,345
17	-	3,707	-	-	-	-	3,724	-	3,724
62	-	-	-	-	4,422	5,482	49,661	-	49,661
10,773	-	-	-	-	-	-	10,773	-	10,773
13,835	148	-	-	16,482	-	-	32,265	3,130	35,395
1,973	-	-	-	-	-	-	2,008	-	2,008
-	-	-	-	4,982	113	-	5,484	-	5,484
-	968	-	-	-	11	-	1,006	-	1,006
<u>35,840</u>	<u>4,897</u>	<u>8,867</u>	<u>7,444</u>	<u>21,464</u>	<u>4,546</u>	<u>5,482</u>	<u>185,900</u>	<u>3,130</u>	<u>189,030</u>
1,929	619	7,446	281	14,372	(434)	(2,907)	82,388	(3,003)	79,385
-	-	-	-	7,185	-	-	7,185	-	7,185
-	-	-	-	-	-	-	1,141	-	1,141
278	968	-	755	7	615	3,197	9,667	-	9,667
(761)	(55)	(4,001)	(160)	(16,856)	(10)	(1,001)	(75,205)	-	(75,205)
(483)	913	(4,001)	595	(9,664)	605	2,196	(57,212)	-	(57,212)
1,446	1,532	3,445	876	4,708	171	(711)	25,176	(3,003)	22,173
(84)	3,844	7,724	3,110	59,094	1	978	148,628	4,338	152,966
<u>\$ 1,362</u>	<u>\$ 5,376</u>	<u>\$ 11,169</u>	<u>\$ 3,986</u>	<u>\$ 63,802</u>	<u>\$ 172</u>	<u>\$ 267</u>	<u>\$ 173,804</u>	<u>\$ 1,335</u>	<u>\$ 175,139</u>

**CITY OF FORT WORTH, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS - OTHER BLENDED COMPONENT UNITS  
SEPTEMBER 30, 2019  
(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>ASSETS</b>					
Cash, Cash Equivalents, & Investments	\$ 2,694	\$ 1,614	\$ -	\$ 642	\$ 4,950
Receivables, Net of Allowance for Uncollectibles:					
Grants and Other Governments	3	-	-	-	3
Accounts and Other	397	34	-	17	448
Total Assets	<u>\$ 3,094</u>	<u>\$ 1,648</u>	<u>\$ -</u>	<u>\$ 659</u>	<u>\$ 5,401</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Unearned Revenue	\$ -	\$ 25	\$ -	\$ -	\$ 25
Total Liabilities	<u>-</u>	<u>25</u>	<u>-</u>	<u>-</u>	<u>25</u>
<b>Fund Balances:</b>					
Restricted	3,094	-	-	-	3,094
Assigned	-	1,623	-	659	2,282
Total Fund Balances	<u>3,094</u>	<u>1,623</u>	<u>-</u>	<u>659</u>	<u>5,376</u>
Total Liabilities and Fund Balances	<u>\$ 3,094</u>	<u>\$ 1,648</u>	<u>\$ -</u>	<u>\$ 659</u>	<u>\$ 5,401</u>

**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, 2019  
(in 000's)**

	Special Revenue Funds				Total
	Fort Worth Tourism PID Corporation	Fort Worth Sports Authority	Lone Star Local Government Corporation	Alliance Airport Authority	
<b>REVENUES:</b>					
Investment Income	\$ -	\$ -	\$ -	\$ 2	\$ 2
Intergovernmental	-	100	-	-	100
Gas Leases and Royalties	-	325	-	145	470
Other	4,904	40	-	-	4,944
Total Revenues	4,904	465	-	147	5,516
<b>EXPENDITURES:</b>					
Current:					
General Government	3,768	-	-	13	3,781
Urban Redevelopment and Housing	-	148	-	-	148
Interest and Debt Issuance Costs	-	-	968	-	968
Total Expenditures	3,768	148	968	13	4,897
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,136	317	(968)	134	619
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers In	-	-	968	-	968
Transfers Out	(55)	-	-	-	(55)
Total Other Financing Sources (Uses)	(55)	-	968	-	913
Net Change in Fund Balances (Deficit)	1,081	317	-	134	1,532
Fund Balances (Deficit), Beginning of Year	2,013	1,306	-	525	3,844
Fund Balances (Deficit), End of Year	\$ 3,094	\$ 1,623	\$ -	\$ 659	\$ 5,376

**CITY OF FORT WORTH, TEXAS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS - OTHER BLENDED COMPONENT UNITS  
 SEPTEMBER 30, 2019  
 (in 000's)**

	<u>Capital Project Funds</u>		
	<u>Lancaster Corridor LLC Fund</u>	<u>Central City Local Government Corporation</u>	<u>Total</u>
<b>ASSETS</b>			
Cash, Cash Equivalents, & Investments	\$ 1,301	\$ 34	\$ 1,335
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>Liabilities</b>	\$ -	\$ -	\$ -
<b>Fund Balances:</b>			
Assigned	1,301	34	1,335
Total Fund Balances	<u>1,301</u>	<u>34</u>	<u>1,335</u>
Total Liabilities and Fund Balances	<u>\$ 1,301</u>	<u>\$ 34</u>	<u>\$ 1,335</u>

**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, 2019  
(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	\$ -	\$ 2	\$ 2
Other	35	-	35
Contributions	-	90	90
Total Revenues	<u>35</u>	<u>92</u>	<u>127</u>
<b>EXPENDITURES:</b>			
Current:			
Urban Redevelopment and Housing	<u>3,028</u>	<u>102</u>	<u>3,130</u>
Total Expenses	<u>3,028</u>	<u>102</u>	<u>3,130</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,993)</u>	<u>(10)</u>	<u>(3,003)</u>
Net Change in Fund Balances	(2,993)	(10)	(3,003)
Fund Balance (Deficit), Beginning of Year	4,294	44	4,338
Fund Balance, End of Year	<u>\$ 1,301</u>	<u>\$ 34</u>	<u>\$ 1,335</u>

**CITY OF FORT WORTH, TEXAS  
 BUDGETARY COMPARISON SCHEDULE  
 CRIME CONTROL AND PREVENTION DISTRICT FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2019  
 (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	\$ 76,678	\$ 76,678	\$ 78,123	\$ 1,445
Revenue from Use of Money and Property	28	28	143	115
Intergovernmental	5,679	5,679	5,688	9
Other	338	338	67	(271)
Total Revenues	<u>82,723</u>	<u>82,723</u>	<u>84,021</u>	<u>1,298</u>
Other Financing Sources:				
Proceeds from Disposal of Property	170	170	140	(30)
Total Revenues and Other Financing Sources	<u>82,893</u>	<u>82,893</u>	<u>84,161</u>	<u>1,268</u>
<b>Expenditures:</b>				
Departmental:				
Neighborhood Services	746	734	662	72
Park and Recreation	1,120	1,249	1,247	2
Police	72,409	80,649	76,747	3,902
Total Expenditures	<u>74,275</u>	<u>82,632</u>	<u>78,656</u>	<u>3,976</u>
<b>Contribution to / (Use of) Fund Balance</b>	<u>\$ 8,618</u>	<u>\$ 261</u>	<u>\$ 5,505</u>	<u>\$ 5,244</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>			\$ 5,505	
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>762</u>	
<b>Net Change in Fund Balance (GAAP Basis)</b>			<u>\$ 6,267</u>	

**CITY OF FORT WORTH, TEXAS  
 BUDGETARY COMPARISON SCHEDULE  
 ENVIRONMENTAL MANAGEMENT FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2019  
 (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	\$ 3,810	\$ 4,240	\$ 4,341	\$ 101
Revenue from Use of Money and Property	59	59	84	25
Other	-	-	1	1
<b>Total Revenues</b>	<b>3,869</b>	<b>4,299</b>	<b>4,426</b>	<b>127</b>
<b>Expenditures:</b>				
Departmental:				
Code Compliance	3,970	4,400	4,135	265
<b>Contribution to / (Use of) Fund Balance</b>	<b>\$ (101)</b>	<b>\$ (101)</b>	<b>\$ 291</b>	<b>\$ 392</b>
<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>			\$ 291	
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.			180	
<b>Net Change in Fund Balance (GAAP Basis)</b>			<b>\$ 471</b>	

**CITY OF FORT WORTH, TEXAS  
 BUDGETARY COMPARISON SCHEDULE  
 CULTURE AND TOURISM FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2019  
 (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	\$ 30,492	\$ 30,492	\$ 30,930	\$ 438
Charges for Services	4,441	4,441	5,629	1,188
Licenses and Permits	17	17	17	-
Revenue from Use of Money and Property	7,718	7,718	9,317	1,599
Intergovernmental	10,871	10,871	13,124	2,253
Other	1,975	1,975	1,833	(142)
Total Revenues	<u>55,514</u>	<u>55,514</u>	<u>60,850</u>	<u>5,336</u>
Other Financing Sources:				
Transfers In - Other Funds	<u>3,845</u>	<u>3,845</u>	<u>3,845</u>	<u>-</u>
Total Revenues and Other Financing Sources	<u>59,359</u>	<u>59,359</u>	<u>64,695</u>	<u>5,336</u>
<b>Expenditures:</b>				
Departmental:				
Public Events and Facilities	<u>57,028</u>	<u>60,584</u>	<u>59,770</u>	<u>814</u>
<b>Contribution to / (Use of) Fund Balance</b>	<u>\$ 2,331</u>	<u>\$ (1,225)</u>	<u>\$ 4,925</u>	<u>\$ 6,150</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>			\$ 4,925	
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>940</u>	
<b>Net Change in Fund Balance (GAAP Basis)</b>			<u>\$ 5,865</u>	

**CITY OF FORT WORTH, TEXAS  
 BUDGETARY COMPARISON SCHEDULE  
 OTHER SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2019  
 (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	8,736	8,736	4,816	(3,920)
Revenue from Use of Money and Property	454	5,430	5,778	348
Other	3,647	3,647	5,479	1,832
Total Revenues	<u>12,839</u>	<u>17,815</u>	<u>16,074</u>	<u>(1,741)</u>
<b>Expenditures:</b>				
Departmental:				
Property Management	6,197	6,197	5,160	1,037
Transportation and Public Works	10,290	15,266	7,703	7,563
Total Expenditures	<u>16,487</u>	<u>21,463</u>	<u>12,863</u>	<u>8,600</u>
<b>Contribution to / (Use of) Fund Balance</b>	<u>\$ (3,648)</u>	<u>\$ (3,648)</u>	<u>\$ 3,211</u>	<u>\$ 6,859</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>	\$ 3,211
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>234</u>
<b>Net Change in Fund Balance (GAAP Basis)</b>	<u>\$ 3,445</u>

**CITY OF FORT WORTH, TEXAS  
 BUDGETARY COMPARISON SCHEDULE  
 PUBLIC IMPROVEMENT DISTRICTS FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2019  
 (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	\$ -	\$ -	\$ 169	\$ 169
Other	7,599	7,599	7,551	(48)
Total Revenues	7,599	7,599	7,720	121
Other Financing Sources:				
Transfers In - Other Funds	953	1,121	1,122	1
Total Other Financing Sources	953	1,121	1,122	1
Total Revenues and Other Financing Sources	8,552	8,720	8,842	122
<b>Expenditures:</b>				
Departmental:				
Financial Management Services	9,134	9,496	7,966	1,530
<b>Contribution to / (Use of) Fund Balance</b>	<b>\$ (582)</b>	<b>\$ (776)</b>	<b>\$ 876</b>	<b>\$ 1,652</b>

**CITY OF FORT WORTH, TEXAS  
 BUDGETARY COMPARISON SCHEDULE  
 GOLF FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2019  
 (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	\$ 4,647	\$ 4,647	\$ 4,106	\$ (541)
Other	15	15	9	(6)
Total Revenues	<u>4,662</u>	<u>4,662</u>	<u>4,115</u>	<u>(547)</u>
Other Financing Sources:				
Transfers In - Other Funds	<u>615</u>	<u>615</u>	<u>615</u>	<u>-</u>
Total Revenues and Other Financing Sources	<u>5,277</u>	<u>5,277</u>	<u>4,730</u>	<u>(547)</u>
<b>Expenditures:</b>				
Departmental:				
Park and Recreation	<u>5,277</u>	<u>5,277</u>	<u>4,556</u>	<u>721</u>
<b>Contribution to / (Use of) Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 174</u>	<u>\$ 174</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>			\$ 174	
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>(3)</u>	
<b>Net Change in Fund Balance (GAAP Basis)</b>			<u>\$ 171</u>	

**CITY OF FORT WORTH, TEXAS  
 BUDGETARY COMPARISON SCHEDULE  
 BOTANIC GARDENS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2019  
 (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	\$ 1,598	\$ 1,598	\$ 1,618	\$ 20
Revenue from Use of Money and Property	994	994	882	(112)
Other	46	46	59	13
Total Revenues	<u>2,638</u>	<u>2,638</u>	<u>2,559</u>	<u>(79)</u>
Other Financing Sources:				
Transfers In - Other Funds	<u>3,046</u>	<u>3,046</u>	<u>3,197</u>	<u>151</u>
Total Revenues and Other Financing Sources	<u>5,684</u>	<u>5,684</u>	<u>5,756</u>	<u>72</u>
<b>Expenditures:</b>				
Departmental:				
Park and Recreation	<u>5,684</u>	<u>6,516</u>	<u>6,483</u>	<u>33</u>
<b>Contribution to / (Use of) Fund Balance</b>	<u>\$ -</u>	<u>\$ (832)</u>	<u>\$ (727)</u>	<u>\$ 105</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>			\$ (727)	
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>16</u>	
<b>Net Change in Fund Balance (GAAP Basis)</b>			<u>\$ (711)</u>	

**CITY OF FORT WORTH, TEXAS  
 BUDGETARY COMPARISON SCHEDULE  
 FORT WORTH TOURISM PID CORPORATION  
 FOR THE YEAR ENDED SEPTEMBER 30, 2019  
 (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	\$ 4,895	\$ 4,895	\$ 4,940	\$ 45
<b>Expenditures:</b>				
Departmental:				
Financial Management Services	4,895	4,895	3,823	1,072
<b>Contribution to / (Use of) Fund Balance</b>	\$ -	\$ -	\$ 1,117	\$ 1,117

**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>	\$ 1,117
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.	(36)
<b>Net Change in Fund Balance (GAAP Basis)</b>	\$ 1,081

## **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, 2019**  
**(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	\$ 3,015	\$ 2,582	\$ 14,717	\$ 20,314
Interest Receivable	-	10	51	61
Accounts and Other Receivables, Net of Allowance for Uncollectible	-	100	7,366	7,466
Prepays, Deposits, and Other	-	-	26	26
Restricted Assets:				
Cash & Cash Equivalents	5,170	926	1,141	7,237
Total Current Assets	<u>8,185</u>	<u>3,618</u>	<u>23,301</u>	<u>35,104</u>
Noncurrent Assets:				
Restricted Assets:				
Cash & Cash Equivalents	15,095	2,428	14,245	31,768
Cash, Cash Equivalents, & Investments Held by Trustees	42,137	-	7,375	49,512
Grants Receivable	4,665	-	-	4,665
Interest Receivable	112	7	33	152
Total Restricted Assets	<u>62,009</u>	<u>2,435</u>	<u>21,653</u>	<u>86,097</u>
Advances to Other Funds	-	-	2,363	2,363
Capital Assets (at Cost):				
Land/Right of Way	155,610	4,096	5,695	165,401
Buildings	35,995	56,572	2,777	95,344
Infrastructure	329,941	8,134	17,445	355,520
Vehicles, Machinery and Equipment	4,256	1,050	3,723	9,029
Construction in Progress	11,372	6	1,208	12,586
Intangibles - Depreciable	-	-	510	510
Intangibles - Non-Depreciable	1,525	-	-	1,525
Accumulated Depreciation	<u>(193,373)</u>	<u>(17,837)</u>	<u>(14,458)</u>	<u>(225,668)</u>
Net Capital Assets	<u>345,326</u>	<u>52,021</u>	<u>16,900</u>	<u>414,247</u>
Total Noncurrent Assets	<u>407,335</u>	<u>54,456</u>	<u>40,916</u>	<u>502,707</u>
Total Assets	<u>415,520</u>	<u>58,074</u>	<u>64,217</u>	<u>537,811</u>
<b>Deferred Outflows of Resources</b>	<u>2,773</u>	<u>3,244</u>	<u>10,874</u>	<u>16,891</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 418,293</u>	<u>\$ 61,318</u>	<u>\$ 75,091</u>	<u>\$ 554,702</u>

(continued)

**CITY OF FORT WORTH, TEXAS**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**SEPTEMBER 30, 2019**  
**(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	\$ 149	\$ 264	\$ 5,305	\$ 5,718
Accrued Payroll	79	41	277	397
Current Portion of Long-Term Liabilities	152	1,868	1,014	3,034
Payables from Restricted Assets:				
Construction Payable	1,209	-	197	1,406
Customer Deposits	-	-	939	939
Accrued Interest Payable	-	119	5	124
Unearned Revenue	2,057	807	-	2,864
Total Current Liabilities	<u>3,646</u>	<u>3,099</u>	<u>7,737</u>	<u>14,482</u>
Long-Term Liabilities:				
Long-Term Liabilities Due in More Than One Year	<u>11,421</u>	<u>37,200</u>	<u>54,619</u>	<u>103,240</u>
Total Long-Term Liabilities	<u>11,421</u>	<u>37,200</u>	<u>54,619</u>	<u>103,240</u>
Total Liabilities	<u>15,067</u>	<u>40,299</u>	<u>62,356</u>	<u>117,722</u>
<b>Deferred Inflows of Resources</b>				
Total Liabilities and Deferred Inflows of Resources	<u>16,603</u>	<u>40,724</u>	<u>70,211</u>	<u>127,538</u>
<b>NET POSITION (DEFICIT)</b>				
Net Investment in Capital Assets	344,117	18,938	14,119	377,174
Restricted for:				
Debt Service	-	811	911	1,722
Unrestricted (Deficit)	<u>57,573</u>	<u>845</u>	<u>(10,150)</u>	<u>48,268</u>
Total Net Position	<u>\$ 401,690</u>	<u>\$ 20,594</u>	<u>\$ 4,880</u>	<u>\$ 427,164</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, 2019**  
**(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	\$ 8,032	\$ 8,501	\$ 59,771	\$ 76,304
Other	66	1	2,867	2,934
Total Operating Revenues	<u>8,098</u>	<u>8,502</u>	<u>62,638</u>	<u>79,238</u>
<b>OPERATING EXPENSES</b>				
Personnel Services	2,652	1,273	11,310	15,235
Supplies and Materials	213	173	759	1,145
Contractual Services	4,349	2,575	48,414	55,338
Landfill Closure and Postclosure Cost	-	-	1,345	1,345
Depreciation	12,210	1,975	515	14,700
Total Operating Expenses	<u>19,424</u>	<u>5,996</u>	<u>62,343</u>	<u>87,763</u>
Operating Income (Loss)	<u>(11,326)</u>	<u>2,506</u>	<u>295</u>	<u>(8,525)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment Income (Loss)	1,630	285	2,072	3,987
Gain (Loss) on Sale of Property and Equipment	-	-	1	1
Interest and Service Charges	-	(1,034)	(65)	(1,099)
Gas Leases and Royalties	3,218	-	-	3,218
Total Nonoperating Revenues (Expenses)	<u>4,848</u>	<u>(749)</u>	<u>2,008</u>	<u>6,107</u>
Income (Loss) Before Transfers and Contributions	<u>(6,478)</u>	<u>1,757</u>	<u>2,303</u>	<u>(2,418)</u>
Transfers In	60	-	-	60
Transfers Out	(177)	(157)	(7,774)	(8,108)
Capital Contributions	16,216	-	-	16,216
Changes in Net Position	<u>9,621</u>	<u>1,600</u>	<u>(5,471)</u>	<u>5,750</u>
Total Net Position, Beginning of Year	<u>392,069</u>	<u>18,994</u>	<u>10,351</u>	<u>421,414</u>
Total Net Position, End of Year	<u>\$ 401,690</u>	<u>\$ 20,594</u>	<u>\$ 4,880</u>	<u>\$ 427,164</u>



**CITY OF FORT WORTH, TEXAS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**  
**(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	\$ 8,424	\$ 8,410	\$ 58,753	\$ 75,587
Receipts from Other Operating Sources	66	1	2,867	2,934
Payments to Employees	(2,137)	(1,054)	(8,644)	(11,835)
Payments to Vendors	(4,817)	(2,893)	(48,287)	(55,997)
Net Cash Provided by (Used for) Operating Activities	<u>1,536</u>	<u>4,464</u>	<u>4,689</u>	<u>10,689</u>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Transfers In from Other Funds	60	-	-	60
Transfers Out to Other Funds	(177)	(157)	(7,774)	(8,108)
Advances to Other Funds	-	-	2,330	2,330
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(117)</u>	<u>(157)</u>	<u>(5,444)</u>	<u>(5,718)</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Proceeds from Sale of Property and Equipment	-	-	1	1
Contributions	17,914	(16)	-	17,898
Acquisition and Construction of Capital Assets	(18,392)	15	(739)	(19,116)
Principal Paid on Long-Term Debt	-	(2,550)	(460)	(3,010)
Interest Paid on Long-Term Obligations	-	(1,501)	(66)	(1,567)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(478)</u>	<u>(4,052)</u>	<u>(1,264)</u>	<u>(5,794)</u>
<b>Cash Flows from Investing Activities:</b>				
Receipts from Gas Leases and Royalties	3,218	-	-	3,218
Purchases of Investments	(3,579)	-	-	(3,579)
Sales of Investments	3,344	-	-	3,344
Investment Income Received	1,611	282	2,067	3,960
Net Cash Provided by (Used for) Investing Activities	<u>4,594</u>	<u>282</u>	<u>2,067</u>	<u>6,943</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>5,535</u>	<u>537</u>	<u>48</u>	<u>6,120</u>
Cash and Cash Equivalents, Beginning of Year	27,885	5,399	37,430	70,714
Cash and Cash Equivalents, End of Year	<u>\$ 33,420</u>	<u>\$ 5,936</u>	<u>\$ 37,478</u>	<u>\$ 76,834</u>

(continued)

**CITY OF FORT WORTH, TEXAS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**  
**(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)	\$ (11,326)	\$ 2,506	\$ 295	\$ (8,525)
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>				
Depreciation	12,210	1,975	515	14,700
<b>Changes in Assets and Liabilities:</b>				
Accounts and Other Receivables	392	(91)	(524)	(223)
Prepays, Deposits, and Other Assets	-	-	(16)	(16)
Deferred Outflows of Resources (Pension)	762	249	2,862	3,873
Deferred Outflows of Resources (OPEB)	(12)	-	(50)	(62)
Accounts Payable	(255)	(145)	886	486
Accrued Payroll and Compensation	26	15	51	92
Customer Deposits	-	-	3	3
Landfill Closure and Postclosure Liability	-	-	1,345	1,345
Net Pension Liability	43	17	163	223
Net OPEB Liability	(447)	(66)	(1,046)	(1,559)
Deferred Inflows of Resources (Pension)	(37)	4	(143)	(176)
Deferred Inflows of Resources (OPEB)	180	-	829	1,009
Deferred Inflows of Resources (Service Concession Agreement)	-	-	(481)	(481)
<b>Total Adjustments</b>	<b>12,862</b>	<b>1,958</b>	<b>4,394</b>	<b>19,214</b>
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>\$ 1,536</b>	<b>\$ 4,464</b>	<b>\$ 4,689</b>	<b>\$ 10,689</b>
<b>The Cash and Cash Equivalents are reported in the Statement of Net Position as follows:</b>				
Current - Cash, Cash Equivalents, & Investments	\$ 3,015	\$ 2,582	\$ 14,717	\$ 20,314
Current Restricted - Cash & Cash Equivalents	5,170	926	1,141	7,237
Noncurrent Restricted - Cash & Cash Equivalents	15,095	2,428	14,245	31,768
Noncurrent Restricted - Cash, Cash Equivalents, & Investments Held by Trustees	42,137	-	7,375	49,512
Less: Gas Well Investments Held by Trustees	(31,997)	-	-	(31,997)
<b>Total Cash and Cash Equivalents</b>	<b>\$ 33,420</b>	<b>\$ 5,936</b>	<b>\$ 37,478</b>	<b>\$ 76,834</b>
<b>Noncash Investing, Capital, and Financing Activities:</b>				
Amortization of Bond Premium	-	641	-	641
Amortization of Bond Defeasement Loss	-	(187)	-	(187)
Change in Fair Value on Pooled Investments	206	170	1,279	1,655
Change in Fair Value on Non-Pooled Investments	(1,051)	-	-	(1,051)

(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.

### **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, 2019**  
**(in 000's)**

	<b>Equipment Services</b>	<b>Capital Project Services</b>	<b>Group Health and Life Insurance</b>	<b>Risk Financing</b>	<b>Total</b>
<b>ASSETS</b>					
<b>Current Assets:</b>					
Cash, Cash Equivalents, & Investments	\$ 5,229	\$ 7,444	\$ 29,724	\$ 31,815	\$ 74,212
Interest Receivable	9	21	81	89	200
Accounts and Other Receivables, Net of Allowance for Uncollectible	-	-	261	203	464
Inventories (at Cost)	417	-	-	-	417
Total Current Assets	<u>5,655</u>	<u>7,465</u>	<u>30,066</u>	<u>32,107</u>	<u>75,293</u>
<b>Noncurrent Assets:</b>					
<b>Restricted Assets:</b>					
Cash & Cash Equivalents	670	-	-	3,445	4,115
Cash, Cash Equivalents, & Investments Held by Trustees	-	-	2,566	800	3,366
Total Restricted Assets	<u>670</u>	<u>-</u>	<u>2,566</u>	<u>4,245</u>	<u>7,481</u>
<b>Capital Assets (at Cost):</b>					
Land/Right of Way	1,119	4	-	-	1,123
Buildings	4,656	-	-	-	4,656
Infrastructure	1,051	91	-	-	1,142
Vehicles, Machinery and Equipment	2,662	1,327	-	-	3,989
Construction in Progress	157	-	-	-	157
Accumulated Depreciation	(6,823)	(1,409)	-	-	(8,232)
Net Capital Assets	<u>2,822</u>	<u>13</u>	<u>-</u>	<u>-</u>	<u>2,835</u>
Total Noncurrent Assets	<u>3,492</u>	<u>13</u>	<u>2,566</u>	<u>4,245</u>	<u>10,316</u>
Total Assets	<u>9,147</u>	<u>7,478</u>	<u>32,632</u>	<u>36,352</u>	<u>85,609</u>
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Accounts Payable	1,961	70	1,202	360	3,593
Accrued Payroll	299	364	35	68	766
Current Portion of Long-Term Liabilities	604	564	5,445	11,309	17,922
Total Current Liabilities	<u>2,864</u>	<u>998</u>	<u>6,682</u>	<u>11,737</u>	<u>22,281</u>
<b>Long-Term Liabilities:</b>					
Long-Term Liabilities Due in More Than One Year	373	621	-	15,559	16,553
Total Long-Term Liabilities	<u>373</u>	<u>621</u>	<u>-</u>	<u>15,559</u>	<u>16,553</u>
Total Liabilities	<u>3,237</u>	<u>1,619</u>	<u>6,682</u>	<u>27,296</u>	<u>38,834</u>
<b>NET POSITION</b>					
Net Investment in Capital Assets	2,822	13	-	-	2,835
Unrestricted	3,088	5,846	25,950	9,056	43,940
Total Net Position	<u>\$ 5,910</u>	<u>\$ 5,859</u>	<u>\$ 25,950</u>	<u>\$ 9,056</u>	<u>\$ 46,775</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, 2019  
(in 000's)**

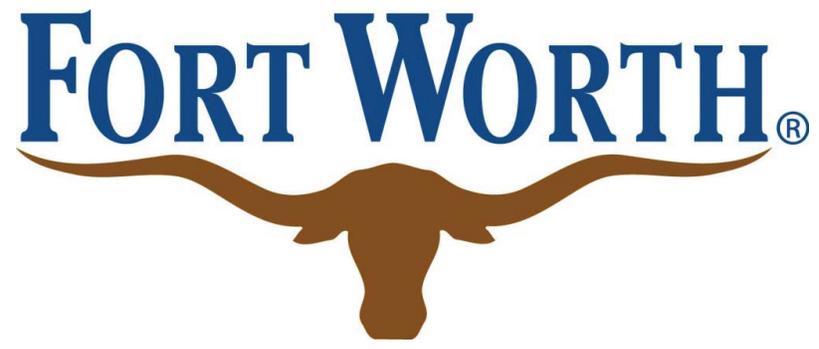
	<b>Equipment Services</b>	<b>Capital Project Services</b>	<b>Group Health and Life Insurance</b>	<b>Risk Financing</b>	<b>Total</b>
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 28,762	\$ 16,171	\$ 67,020	\$ 17,669	\$ 129,622
Other	51	-	8,913	1,646	10,610
Total Operating Revenues	<u>28,813</u>	<u>16,171</u>	<u>75,933</u>	<u>19,315</u>	<u>140,232</u>
<b>OPERATING EXPENSES</b>					
Personnel Services	9,330	10,492	983	1,797	22,602
Supplies and Materials	7,353	302	15	38	7,708
Contractual Services	12,095	2,182	63,587	17,719	95,583
Depreciation	250	13	-	-	263
Total Operating Expenses	<u>29,028</u>	<u>12,989</u>	<u>64,585</u>	<u>19,554</u>	<u>126,156</u>
Operating Income (Loss)	<u>(215)</u>	<u>3,182</u>	<u>11,348</u>	<u>(239)</u>	<u>14,076</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment Income	366	250	1,440	1,790	3,846
Gain (Loss) on Sale of Property and Equipment	2	-	-	-	2
Total Nonoperating Revenues (Expenses)	<u>368</u>	<u>250</u>	<u>1,440</u>	<u>1,790</u>	<u>3,848</u>
Income (Loss) Before Transfers	<u>153</u>	<u>3,432</u>	<u>12,788</u>	<u>1,551</u>	<u>17,924</u>
Transfers In	-	-	331	1,448	1,779
Transfers Out	(80)	(1,101)	(30)	(159)	(1,370)
Changes in Net Position	73	2,331	13,089	2,840	18,333
Total Net Position, Beginning of Year	<u>5,837</u>	<u>3,528</u>	<u>12,861</u>	<u>6,216</u>	<u>28,442</u>
Total Net Position, End of Year	<u>\$ 5,910</u>	<u>\$ 5,859</u>	<u>\$ 25,950</u>	<u>\$ 9,056</u>	<u>\$ 46,775</u>

**CITY OF FORT WORTH, TEXAS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**  
**(in 000's)**

	<b>Equipment Services</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	\$ 28,762	\$ 16,182	\$ 66,759	\$ 17,466	\$ 129,169
Receipts from Other Operating Sources	51	-	8,913	1,646	10,610
Payments to Employees	(9,306)	(10,276)	(1,098)	(1,772)	(22,452)
Payments to Vendors	(19,897)	(2,485)	(15)	(38)	(22,435)
Payments for Benefits	-	-	(65,443)	(15,974)	(81,417)
Net Cash Provided by (Used for)					
Operating Activities	(390)	3,421	9,116	1,328	13,475
<b>Cash Flows from Noncapital Financing Activities:</b>					
Transfers In from Other Funds	-	-	331	1,448	1,779
Transfers Out to Other Funds	(80)	(1,101)	(30)	(159)	(1,370)
Net Cash Provided by (Used for)					
Noncapital Financing Activities	(80)	(1,101)	301	1,289	409
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Proceeds from Sale of Property and Equipment	13	-	-	-	13
Acquisition and Construction of Capital Assets	(211)	-	-	-	(211)
Net Cash Provided by (Used for)					
Capital Related Financing Activities	(198)	-	-	-	(198)
<b>Cash Flows from Investing Activities:</b>					
Investment Income Received	373	241	1,409	1,768	3,791
Net Cash Provided by (Used for)					
Investing Activities	373	241	1,409	1,768	3,791
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>					
Cash and Cash Equivalents, Beginning of Year	6,194	4,883	21,464	31,675	64,216
Cash and Cash Equivalents, End of Year	\$ 5,899	\$ 7,444	\$ 32,290	\$ 36,060	\$ 81,693

**CITY OF FORT WORTH, TEXAS  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019  
(in 000's)**

	<b>Equipment Services</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)	\$ (215)	\$ 3,182	\$ 11,348	\$ (239)	\$ 14,076
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>					
Depreciation	250	13	-	-	263
Changes in Assets and Liabilities:					
Accounts and Other Receivables	-	-	(261)	(203)	(464)
Inventories	61	-	-	-	61
Prepays, Deposits, and Other Assets	-	11	-	-	11
Accounts Payable	(510)	(1)	447	(129)	(193)
Accrued Payroll and Compensation	24	216	(115)	25	150
Accrued Benefits	-	-	(2,303)	1,874	(429)
Total Adjustments	<u>(175)</u>	<u>239</u>	<u>(2,232)</u>	<u>1,567</u>	<u>(601)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (390)</u>	<u>\$ 3,421</u>	<u>\$ 9,116</u>	<u>\$ 1,328</u>	<u>\$ 13,475</u>
<b>The Cash and Cash Equivalents are reported in the Statement of Net Position as follows:</b>					
Current - Cash, Cash Equivalents, & Investments	\$ 5,229	\$ 7,444	\$ 29,724	\$ 31,815	\$ 74,212
Noncurrent Restricted - Cash & Cash Equivalents	670	-	-	3,445	4,115
Noncurrent Restricted - Cash, Cash Equivalents, & Investments Held by Trustees	-	-	2,566	800	3,366
Total Cash and Cash Equivalents	<u>\$ 5,899</u>	<u>\$ 7,444</u>	<u>\$ 32,290</u>	<u>\$ 36,060</u>	<u>\$ 81,693</u>
<b>Noncash Investing, Capital, and Financing Activities:</b>					
Change in Fair Value on Pooled Investments	\$ 259	\$ 114	\$ 896	\$ 1,156	\$ 2,425



## **Fiduciary Funds**

Fiduciary funds are used to account for resources held by the City as a trustee or agent. Fiduciary Funds 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 in essentially the same manner as proprietary funds. The Retirement Pension Trust Fund accounts for the assets of the City's employees and employees of the Employees' Retirement Fund and issues separately audited financial statements. Those statements can be obtained by contacting the Employee's Retirement Plan of the City of Fort Worth, 3801 Hulen St., Suite 101, Fort Worth, Texas, 76107.

### **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.

### **Fort Worth Firefighters Healthcare Trust Fund**

For accounting measurement purposes, the Fort Worth Firefighters Healthcare Trust Fund is accounted for in essentially the same manner as proprietary funds. The Fort Worth Firefighters Healthcare Trust Fund accounts for the assets of the City's firefighters' employment and postemployment healthcare benefit.

**CITY OF FORT WORTH, TEXAS**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS**  
**SEPTEMBER 30, 2019**  
**(in 000's)**

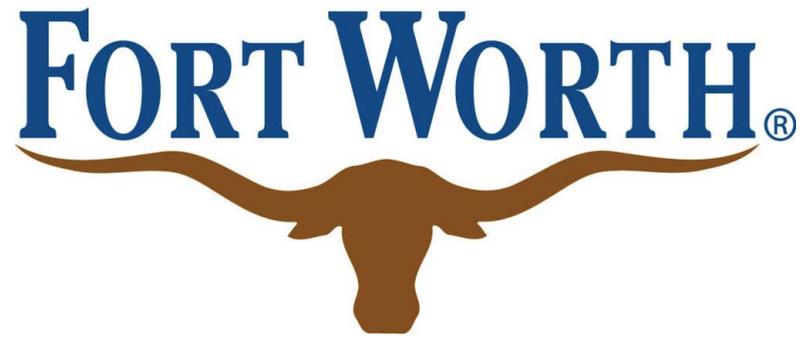
	<b>Retirement Pension Trust Fund</b>	<b>Retiree Healthcare Trust Fund</b>	<b>Fort Worth Firefighters Healthcare Trust Fund</b>	<b>Total</b>
<b>ASSETS</b>				
Current Assets:				
Cash & Cash Equivalents	\$ 129	\$ 4,338	\$ 3,067	\$ 7,534
Cash & Investments Held by Trustees:				
Assets and Mortgage Backed Obligations	60,687	-	-	60,687
Corporate Obligations	201,853	25,437	-	227,290
Government Agency Obligations	136,419	11,091	-	147,510
International Obligations	13,600	3,378	-	16,978
Securities Lending Collateral	129,160	-	-	129,160
U.S. Treasuries	104,932	13,685	-	118,617
Short-Term Mutual Fund Investments	92,235	26,121	-	118,356
Corporate Stock	386,836	-	-	386,836
Alternative Investments	567,307	-	-	567,307
Commingled Funds	804,871	-	-	804,871
Total Cash & Investments Held by Trustees	<u>2,497,900</u>	<u>79,712</u>	<u>-</u>	<u>2,577,612</u>
Prepays	26	-	114	140
Accrued Income	4,754	295	-	5,049
Other Receivables	7,091	654	653	8,398
Due From Broker Securities Sold	210,467	-	-	210,467
Total Current Assets	<u>2,720,367</u>	<u>84,999</u>	<u>3,834</u>	<u>2,809,200</u>
Capital Assets (at Cost):				
Land	404	-	-	404
Buildings	3,502	-	-	3,502
Machinery and Equipment	322	-	-	322
Accumulated Depreciation	(1,247)	-	-	(1,247)
Net Capital Assets	<u>2,981</u>	<u>-</u>	<u>-</u>	<u>2,981</u>
Total Assets	<u>2,723,348</u>	<u>84,999</u>	<u>3,834</u>	<u>2,812,181</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accrued Liabilities	532	271	2,224	3,027
Obligations Under Securities Lending	129,160	-	-	129,160
Due to Broker Securities Purchased	280,793	-	-	280,793
Total Current Liabilities	<u>410,485</u>	<u>271</u>	<u>2,224</u>	<u>412,980</u>
<b>NET POSITION</b>				
Net Position Held in Trust for Pension and Other Employee Benefits:				
Restricted for Pensions	2,312,863	-	-	2,312,863
Postemployment Healthcare Plan	-	84,728	1,610	86,338
Total Net Position	<u>\$ 2,312,863</u>	<u>\$ 84,728</u>	<u>\$ 1,610</u>	<u>\$ 2,399,201</u>

**CITY OF FORT WORTH, TEXAS**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**  
**(in 000's)**

	<b>Retirement Pension Trust Fund</b>	<b>Retiree Healthcare Trust Fund</b>	<b>Fort Worth Firefighters Healthcare Trust Fund</b>	<b>Total</b>
<b>ADDITIONS</b>				
Interest, Dividend, and Securities Lending Income	\$ 30,200	\$ 2,548	\$ -	\$ 32,748
Less: Investment Management Fees and Interest Expense	(6,788)	(233)	-	(7,021)
Net Gain (Loss) in Fair Value of Investments	26,319	3,273	-	29,592
Other Income	17,997	2,514	-	20,511
Employer Contributions	113,110	23,608	9,536	146,254
Employee/Retiree Contributions	40,635	-	3,814	44,449
Total Additions	<u>221,473</u>	<u>31,710</u>	<u>13,350</u>	<u>266,533</u>
<b>DEDUCTIONS</b>				
Benefit Payments	221,503	21,540	11,196	254,239
Refunds	5,736	-	-	5,736
Administrative Expenses	5,707	1,167	544	7,418
Total Deductions	<u>232,946</u>	<u>22,707</u>	<u>11,740</u>	<u>267,393</u>
Change in Net Position	(11,473)	9,003	1,610	(860)
Total Net Position (Deficit), Beginning of Year	<u>2,324,336</u>	<u>75,725</u>	<u>-</u>	<u>2,400,061</u>
Net Position, End of Year	<u>\$ 2,312,863</u>	<u>\$ 84,728</u>	<u>\$ 1,610</u>	<u>\$ 2,399,201</u>



# 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, 2019  
(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	\$ 452,989	\$ 40,037	\$ 8,032	\$ 8,484	\$ 59,771
Other	448	-	66	-	2,386
Total Operating Revenues	<u>453,437</u>	<u>40,037</u>	<u>8,098</u>	<u>8,484</u>	<u>62,157</u>
<b>OPERATING EXPENSES</b>					
Personnel Services	76,690	8,757	2,146	1,066	8,662
Supplies and Materials	25,830	687	213	172	759
Contractual Services	151,340	6,793	3,278	2,556	48,450
Total Operating Expenses	<u>253,860</u>	<u>16,237</u>	<u>5,637</u>	<u>3,794</u>	<u>57,871</u>
Operating Income (Loss)	<u>199,577</u>	<u>23,800</u>	<u>2,461</u>	<u>4,690</u>	<u>4,286</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment Income	14,071	1,379	2,473	116	790
Gain (Loss) on Sale of Property and Equipment	590	-	-	-	1
Interest and Service Charges	(32,540)	(4,846)	-	(1,500)	(66)
Gas Leases and Royalties	1,138	-	3,218	-	-
Total Nonoperating Revenues (Expenses)	<u>(16,741)</u>	<u>(3,467)</u>	<u>5,691</u>	<u>(1,384)</u>	<u>725</u>
Income (Loss) Before Transfers and Contributions	<u>182,836</u>	<u>20,333</u>	<u>8,152</u>	<u>3,306</u>	<u>5,011</u>
Transfers In	2,920	1,500	60	-	-
Transfers Out	(28,896)	(4,362)	(163)	(155)	(7,753)
Capital Contributions	3,055	-	16,271	-	-
Capital Contributions - Impact Fees	24,082	-	-	-	-
Changes in Net Position	<u>\$ 183,997</u>	<u>\$ 17,471</u>	<u>\$ 24,320</u>	<u>\$ 3,151</u>	<u>\$ (2,742)</u>

**CITY OF FORT WORTH, TEXAS  
SCHEDULE OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
ENTERPRISE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019  
(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>Reconciliation of Changes in Noncurrent Non-Cash Revenues and Expenses:</b>					
<b>OPERATING REVENUES:</b>					
Charges for Services	\$ -	\$ -	\$ -	\$ 17	\$ -
Other	-	-	-	1	481
Total Changes in Operating Revenues	-	-	-	18	481
<b>OPERATING EXPENSES:</b>					
Personnel Services:					
Compensated Absences	3,825	(75)	(17)	(5)	(32)
Net Pension Liability	(27,841)	(3,283)	(767)	(269)	(2,883)
Net OPEB Liability	13,402	1,166	278	67	267
Total Changes in Personnel Services	(10,614)	(2,192)	(506)	(207)	(2,648)
Supplies and Materials	20	-	-	(1)	-
Contractual Services	1,060	17	(1,071)	(19)	36
Landfill Closure and Postclosure Costs	-	-	-	-	(1,345)
Depreciation	(76,691)	(9,483)	(12,210)	(1,975)	(515)
Total Changes in Operating Expenses	(86,225)	(11,658)	(13,787)	(2,202)	(4,472)
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Investment Income (Loss)	6,861	1,587	(843)	169	1,282
Gain (Loss) on Sale of Property and Equipment	(129)	(40)	-	-	-
Interest and Service Charges	6,750	821	-	466	1
Capital Contributions	45,404	-	(55)	-	-
Transfers Out	(226)	(36)	(14)	(2)	(21)
Total Changes In Nonoperating Revenues (Expenses)	58,660	2,332	(912)	633	1,262
Total Non-Cash Adjustments	(27,565)	(9,326)	(14,699)	(1,551)	(2,729)
Changes in Net Position per Schedule	183,997	17,471	24,320	3,151	(2,742)
Changes in Net Position on Fund Financial Statements	\$ 156,432	\$ 8,145	\$ 9,621	\$ 1,600	\$ (5,471)



# 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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Governmental Activities:</b>					
Net Investment in Capital Assets	\$ 943,984	\$ 1,015,491	\$ 1,005,900	\$ 1,053,547	\$ 1,092,890
Restricted for Debt Service	16,437	5,478	9,047	1,660	2,616
Restricted for Capital Projects	8,393	12,818	17,350	23,512	33,367
Unrestricted (Deficit) <sup>(a)</sup>	32,197	(32,846)	(53,101)	(128,038)	(214,634)
Total Governmental Activities Net Position (Deficit)	<u>\$ 1,001,011</u>	<u>\$ 1,000,941</u>	<u>\$ 979,196</u>	<u>\$ 950,681</u>	<u>\$ 914,239</u>
<b>Business-Type Activities:</b>					
Net Investment in Capital Assets	\$ 1,594,876	\$ 1,569,470	\$ 1,715,508	\$ 1,850,152	\$ 1,864,396
Restricted for Debt Service	37,739	42,407	29,919	34,513	27,641
Restricted for Capital Projects	67,661	47,464	39,715	35,852	33,276
Unrestricted (Deficit)	224,958	327,535	261,406	216,989	290,454
Total Business-Type Activities Net Position	<u>\$ 1,925,234</u>	<u>\$ 1,986,876</u>	<u>\$ 2,046,548</u>	<u>\$ 2,137,506</u>	<u>\$ 2,215,767</u>
<b>Primary Government:</b>					
Net Investment in Capital Assets	\$ 2,538,860	\$ 2,584,961	\$ 2,721,408	\$ 2,903,699	\$ 2,957,286
Restricted for Debt Service	54,176	47,885	38,966	36,173	30,257
Restricted for Capital Projects	76,054	60,282	57,065	59,364	66,643
Unrestricted (Deficit)	257,155	294,689	208,305	88,951	75,820
Total Primary Government Net Position	<u>\$ 2,926,245</u>	<u>\$ 2,987,817</u>	<u>\$ 3,025,744</u>	<u>\$ 3,088,187</u>	<u>\$ 3,130,006</u>

Source: Comprehensive Annual Financial Report for the respective years.

(a) For FY2015, decrease due to GASB 68 Implementation.

**TABLE 1**

<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
\$ 1,228,012	\$ 1,302,450	\$ 1,392,113	\$ 1,451,492	\$ 1,641,806
6,585	10,977	29,259	25,609	36,341
45,773	42,877	57,721	63,125	75,663
<u>(1,552,115)</u>	<u>(1,677,201)</u>	<u>(1,995,603)</u>	<u>(2,600,878)</u>	<u>(2,830,558)</u>
<u>\$ (271,745)</u>	<u>\$ (320,897)</u>	<u>\$ (516,510)</u>	<u>\$ (1,060,652)</u>	<u>\$ (1,076,748)</u>
\$ 1,990,723	\$ 2,052,536	\$ 2,242,924	\$ 2,278,993	\$ 2,498,815
3,852	10,576	13,146	46,026	58,513
26,070	15,221	26,028	28,739	53,732
<u>117,473</u>	<u>181,027</u>	<u>127,082</u>	<u>172,722</u>	<u>85,747</u>
<u>\$ 2,138,118</u>	<u>\$ 2,259,360</u>	<u>\$ 2,409,180</u>	<u>\$ 2,526,480</u>	<u>\$ 2,696,807</u>
\$ 3,218,735	\$ 3,354,986	\$ 3,635,037	\$ 3,730,485	\$ 4,140,621
10,437	21,553	42,405	71,635	94,854
71,843	58,098	83,749	91,864	129,395
<u>(1,434,642)</u>	<u>(1,496,174)</u>	<u>(1,868,521)</u>	<u>(2,428,156)</u>	<u>(2,744,811)</u>
<u>\$ 1,866,373</u>	<u>\$ 1,938,463</u>	<u>\$ 1,892,670</u>	<u>\$ 1,465,828</u>	<u>\$ 1,620,059</u>

**CITY OF FORT WORTH, TEXAS**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS (Unaudited)**  
**(accrual basis of accounting)**  
**(in 000's)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Expenses</b>					
Governmental Activities:					
General Government	\$ 112,638	\$ 118,104	\$ 108,632	\$ 114,575	\$ 173,634
Public Safety	391,755	407,601	422,626	431,362	424,289
Highways and Streets	-	-	-	-	-
Culture and Recreation	55,022	57,815	60,089	62,626	62,167
Health and Welfare	-	-	-	-	-
Urban Redevelopment and Housing	-	-	-	-	-
Transportation and Public Works	108,481	128,611	133,691	129,820	147,429
Public Library	20,531	22,348	22,102	21,736	20,842
Public Events and Facilities	28,020	32,844	33,152	35,545	32,876
Planning and Development	12,520	13,534	13,156	14,145	12,382
Housing and Economic Development	37,944	35,699	24,382	20,388	18,402
Interest and Service Charges	29,220	31,472	31,130	34,366	31,522
Total Governmental Activities	<u>796,131</u>	<u>848,028</u>	<u>848,960</u>	<u>864,563</u>	<u>923,543</u>
Business-Type Activities:					
Water and Sewer	269,723	288,452	306,476	302,447	317,526
Stormwater Utility	19,961	18,972	20,773	22,531	23,745
Municipal Airports	12,656	13,356	14,912	18,768	23,089
Municipal Parking	3,552	5,851	6,580	6,621	6,649
Solid Waste	39,241	44,247	46,415	48,903	48,420
Municipal Golf <sup>(a)</sup>	5,949	5,864	7,723	5,614	5,396
Total Business-Type Activities	<u>351,082</u>	<u>376,742</u>	<u>402,879</u>	<u>404,884</u>	<u>424,825</u>
Total Primary Government Expenses	<u>\$ 1,147,213</u>	<u>\$ 1,224,770</u>	<u>\$ 1,251,839</u>	<u>\$ 1,269,447</u>	<u>\$ 1,348,368</u>
<b>Program Revenues</b>					
Governmental Activities:					
Charges for Services:					
General Government	\$ 16,903	\$ 14,701	\$ 5,436	\$ 5,933	\$ 6,575
Public Safety	18,306	19,925	22,722	25,339	23,023
Highways and Streets	-	-	-	-	-
Culture and Recreation	1,988	2,750	3,165	2,990	4,021
Urban Redevelopment and Housing	-	-	-	-	-
Transportation and Public Works	6,469	10,627	14,738	14,984	14,683
Public Library	601	666	670	629	608
Public Events and Facilities	8,838	9,749	8,822	10,814	11,421
Planning and Development	10,776	11,673	10,336	11,497	11,308
Housing and Economic Development	1,979	3,028	2,683	4,845	1,998
Operating Grants and Contributions	56,798	56,825	47,644	45,173	43,700
Capital Grants and Contributions	35,987	54,686	55,075	52,682	69,149
Total Governmental Activities	<u>158,645</u>	<u>184,630</u>	<u>171,291</u>	<u>174,886</u>	<u>186,486</u>
Business-Type Activities:					
Charges for Services:					
Water and Sewer	304,831	348,650	345,373	352,005	361,853
Stormwater Utility	26,530	29,397	32,615	34,973	35,409
Municipal Airports	3,987	4,800	4,755	4,662	5,074
Municipal Parking	6,394	7,635	7,725	7,105	7,082
Solid Waste	46,710	48,314	48,502	50,344	50,338
Municipal Golf <sup>(a)</sup>	4,374	4,260	4,388	3,859	3,621
Capital Grants and Contributions	31,186	18,846	27,578	35,910	42,682
Total Business-Type Activities	<u>424,012</u>	<u>461,902</u>	<u>470,936</u>	<u>488,858</u>	<u>506,059</u>
Total Primary Government Program Revenues	<u>\$ 582,657</u>	<u>\$ 646,532</u>	<u>\$ 642,227</u>	<u>\$ 663,744</u>	<u>\$ 692,545</u>

**TABLE 2**

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
\$	202,450	\$ 160,124	\$ 152,609	\$ 149,942	\$ 166,338
	529,188	551,562	698,059	687,036	671,224
	131,535	154,346	157,108	158,652	167,258
	129,115	128,444	174,426	284,181	171,710
	3,548	6,863	11,076	11,104	11,017
	36,544	68,782	76,190	92,183	82,821
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	26,448	30,493	31,636	30,844	32,715
	<u>1,058,828</u>	<u>1,100,614</u>	<u>1,301,104</u>	<u>1,413,942</u>	<u>1,303,083</u>
	340,113	358,053	376,755	375,603	365,414
	28,198	24,365	30,238	29,690	31,960
	14,194	20,519	14,628	18,694	19,424
	7,602	7,387	6,699	6,744	7,030
	52,586	53,089	59,292	57,654	62,407
	-	-	-	-	-
	442,693	463,413	487,612	488,385	486,235
\$	<u>1,501,521</u>	<u>1,564,027</u>	<u>1,788,716</u>	<u>1,902,327</u>	<u>1,789,318</u>
\$	19,229	\$ 22,900	\$ 25,075	\$ 14,850	\$ 24,044
	9,984	13,110	12,463	11,488	12,689
	13,884	12,549	12,952	12,244	8,921
	20,266	19,491	17,137	28,657	26,871
	13,344	20,824	18,356	24,814	20,731
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	37,810	61,189	54,497	65,082	76,267
	62,794	76,667	123,816	97,698	170,497
	<u>177,311</u>	<u>226,730</u>	<u>264,296</u>	<u>254,833</u>	<u>340,020</u>
	389,188	415,125	424,078	466,462	452,989
	36,185	36,887	37,016	38,621	40,037
	5,437	6,078	6,480	7,359	8,032
	7,310	7,815	7,863	8,577	8,501
	52,373	54,003	54,705	57,746	59,771
	-	-	-	-	-
	88,617	87,851	121,769	101,120	88,757
	<u>579,110</u>	<u>607,759</u>	<u>651,911</u>	<u>679,885</u>	<u>658,087</u>
\$	<u>756,421</u>	<u>834,489</u>	<u>916,207</u>	<u>934,718</u>	<u>998,107</u>

(continued)

**CITY OF FORT WORTH, TEXAS**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS (Unaudited)**  
**(accrual basis of accounting)**  
**(in 000's)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Net (Expense) and Revenue</b>					
Governmental Activities	\$ (637,486)	\$ (663,398)	\$ (677,669)	\$ (689,677)	\$ (737,057)
Business-Type Activities	72,930	85,160	68,057	83,974	81,234
Total Primary Government Net Expense	<u>\$ (564,556)</u>	<u>\$ (578,238)</u>	<u>\$ (609,612)</u>	<u>\$ (605,703)</u>	<u>\$ (655,823)</u>
<b>General Revenues and Changes in Net Position (Deficit)</b>					
Governmental Activities:					
Taxes:					
General Property Taxes	\$ 354,815	\$ 341,820	\$ 351,277	\$ 361,568	\$ 389,118
Other Local Taxes	174,092	179,802	188,884	203,417	217,799
Franchise Fees	35,148	45,178	47,190	49,489	51,205
Gas Leases and Royalties	13,963	23,506	15,758	10,834	16,500
Investment Income	11,572	8,601	7,795	3,149	8,622
Other	14,688	13,744	16,593	16,069	20,582
Transfers	18,867	47,169	28,427	29,282	21,913
Insurance Recoveries	-	-	-	-	-
Special Items	-	-	-	-	-
Gain (Loss) on Disposal of Capital Assets	352	3,508	-	1,316	-
Assessments	11	-	-	-	-
Total Governmental Activities	<u>623,508</u>	<u>663,328</u>	<u>655,924</u>	<u>675,124</u>	<u>725,739</u>
Business-Type Activities:					
Gas Leases and Royalties	23,708	11,298	7,440	12,377	12,989
Investment Income	7,687	5,283	6,666	1,661	6,077
Other	5,889	7,070	5,936	22,228	5,861
Transfers	(18,867)	(47,169)	(28,427)	(29,282)	(21,913)
Total Business-Type Activities	<u>18,417</u>	<u>(23,518)</u>	<u>(8,385)</u>	<u>6,984</u>	<u>3,014</u>
Total Primary Government	<u>\$ 641,925</u>	<u>\$ 639,810</u>	<u>\$ 647,539</u>	<u>\$ 682,108</u>	<u>\$ 728,753</u>
<b>Changes in Net Position (Deficit)</b>					
Governmental Activities	\$ (13,978)	\$ (70)	\$ (21,745)	\$ (14,553)	\$ (11,318)
Business-Type Activities	91,347	61,642	59,672	90,958	84,248
Total Primary Government	<u>\$ 77,369</u>	<u>\$ 61,572</u>	<u>\$ 37,927</u>	<u>\$ 76,405</u>	<u>\$ 72,930</u>
<b>Implementation of New Accounting Standard and</b>					
<b>Change in Accounting</b>					
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,962)</u>	<u>\$ (31,111)</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.

**TABLE 2**

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ (881,517)	\$ (873,884)	\$ (1,036,808)	\$ (1,159,109)	\$ (963,063)
136,417	144,346	164,299	191,500	171,852
<u>\$ (745,100)</u>	<u>\$ (729,538)</u>	<u>\$ (872,509)</u>	<u>\$ (967,609)</u>	<u>\$ (791,211)</u>

\$ 413,687	\$ 426,247	\$ 452,357	\$ 486,418	\$ 517,382
226,028	235,146	250,669	266,479	280,510
53,129	49,031	50,078	51,934	50,494
15,717	18,485	9,063	9,267	6,646
6,025	3,703	7,239	8,902	38,090
37,594	33,410	38,160	13,358	15,394
55,535	51,233	33,629	37,681	37,148
-	7,477	-	-	1,303
31,490	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>839,205</u>	<u>824,732</u>	<u>841,195</u>	<u>874,039</u>	<u>946,967</u>

8,372	15,869	6,504	4,754	4,356
3,475	2,809	5,240	7,270	27,885
6,087	9,451	7,406	6,349	3,382
<u>(55,535)</u>	<u>(51,233)</u>	<u>(33,629)</u>	<u>(37,681)</u>	<u>(37,148)</u>
<u>(37,601)</u>	<u>(23,104)</u>	<u>(14,479)</u>	<u>(19,308)</u>	<u>(1,525)</u>
<u>\$ 801,604</u>	<u>\$ 801,628</u>	<u>\$ 826,716</u>	<u>\$ 854,731</u>	<u>\$ 945,442</u>

\$ (42,312)	\$ (49,152)	\$ (195,613)	\$ (285,070)	\$ (16,096)
98,816	121,242	149,820	172,192	170,327
<u>\$ 56,504</u>	<u>\$ 72,090</u>	<u>\$ (45,793)</u>	<u>\$ (112,878)</u>	<u>\$ 154,231</u>

<u>\$ (1,320,137)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (313,964)</u>	<u>\$ -</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>2010</u>	<u>2011*</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund					
Reserved	\$ 23,114	\$ -	\$ -	\$ -	\$ -
Unreserved	139,779	-	-	-	-
Nonspendable	-	10,194	10,910	11,723	5,180
Restricted	-	646	2,735	9,047	3,045
Committed	-	54,183	60,231	74,177	11,768
Assigned	-	45,447	38,789	8,005	8,755
Unassigned	-	53,137	55,760	58,383	57,294
Total General Fund	<u>162,893</u>	<u>163,607</u>	<u>168,425</u>	<u>161,335</u>	<u>86,042</u>
All Other Governmental Funds					
Reserved	51,485	-	-	-	-
Unreserved, designated for authorized expenditures	422,310	-	-	-	-
Unreserved, undesignated special revenue funds	17,156	-	-	-	-
Nonspendable, reported in:					
Capital Projects	-	12,422	314	802	752
Nonmajor Governmental Funds	-	11,119	2,854	1,671	2,930
Restricted, reported in:					
Debt Service	-	10,599	16,890	9,701	8,263
Capital Projects	-	189,432	336,582	323,970	211,029
Nonmajor Governmental Funds	-	44,663	45,153	59,590	90,328
Committed, reported in:					
Debt Service	-	6,393	6,106	7,694	11,436
Capital Projects	-	127,787	126,653	130,655	126,850
Nonmajor Governmental Funds	-	19,974	20,674	34,609	30,240
Assigned, reported in:					
Debt Service	-	478	92	24	107
Capital Projects	-	36,163	36,107	36,781	35,414
Nonmajor Governmental Funds	-	51,999	48,497	41,060	43,919
Unassigned (Deficit), reported in:					
Nonmajor Governmental Funds	-	(465)	-	(3,795)	(1,620)
Total All Other Governmental Funds	<u>490,951</u>	<u>510,564</u>	<u>639,922</u>	<u>642,762</u>	<u>559,648</u>
Total All Governmental Funds	<u>\$ 653,844</u>	<u>\$ 674,171</u>	<u>\$ 808,347</u>	<u>\$ 804,097</u>	<u>\$ 645,690</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>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
5,427	27,823	2,953	5,029	4,717
12,153	12,738	9,886	10,495	10,644
22,508	22,924	29,009	27,360	29,833
193	-	-	2,545	-
84,280	68,436	93,601	107,272	128,603
<u>124,561</u>	<u>131,921</u>	<u>135,449</u>	<u>152,701</u>	<u>173,797</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
601	531	412	382	1,040
3,891	5,294	2,674	5,189	4,631
17,497	22,680	38,018	29,250	20,273
160,074	235,075	313,630	272,368	246,955
95,981	74,775	70,935	92,287	115,197
7,993	8,583	10,333	8,602	8,602
149,945	129,279	218,254	122,521	140,784
4,372	6,458	4,128	2,690	2,569
199	107	3,945	13,115	33,494
44,104	62,372	74,194	71,434	112,393
33,932	30,224	41,843	53,556	52,742
(785)	(1,794)	(1,140)	(756)	-
<u>517,804</u>	<u>573,584</u>	<u>777,226</u>	<u>670,638</u>	<u>738,680</u>
<u>\$ 642,365</u>	<u>\$ 705,505</u>	<u>\$ 912,675</u>	<u>\$ 823,339</u>	<u>\$ 912,477</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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>REVENUES:</b>					
General Property Taxes	\$ 353,606	\$ 343,954	\$ 351,540	\$ 357,673	\$ 389,490
Other Local Taxes	174,092	179,802	188,884	203,417	217,153
Franchise Fees	-	45,178	47,190	49,489	51,205
Charges for Services	13,313	14,390	15,975	16,693	18,284
Licenses and Permits	52,429	18,447	12,011	12,179	12,771
Fines and Forfeitures	19,652	24,705	25,598	28,246	26,968
Revenue from Use of Money and Property	15,612	15,577	14,988	19,915	15,614
Investment Income	11,385	8,502	7,695	3,129	8,200
Intergovernmental	65,753	70,276	53,354	59,111	79,239
Gas Leases and Royalties	13,963	23,506	15,758	10,834	16,500
Other	14,610	13,696	16,554	16,069	22,315
Contributions	12,594	12,154	12,633	17,208	9,840
Assessments	11	-	-	-	-
Total Revenues	<u>747,020</u>	<u>770,187</u>	<u>762,180</u>	<u>793,963</u>	<u>867,579</u>
<b>EXPENDITURES:</b>					
Current:					
General Government	105,557	109,265	99,112	106,907	163,945
Public Safety	331,529	348,165	368,224	381,513	389,058
Highways and Streets	-	-	-	-	-
Culture and Recreation	46,115	48,544	51,036	53,883	54,711
Health and Welfare	-	-	-	-	-
Urban Redevelopment and Housing	-	-	-	-	-
Transportation and Public Works	36,414	46,853	53,822	47,598	71,106
Public Library	17,593	19,355	19,209	18,991	18,763
Public Events and Facilities	22,033	26,692	28,058	30,528	28,324
Planning and Development	10,871	12,074	11,865	12,875	11,656
Housing and Economic Development	36,445	34,073	23,158	19,259	17,536
Capital Outlay	129,407	137,100	107,625	170,502	206,450
Debt Service:					
Principal Retirement	46,397	47,351	53,925	75,611	88,923
Interest and Debt Issuance Costs	29,169	31,451	30,277	37,517	35,044
Total Expenditures	<u>811,530</u>	<u>860,923</u>	<u>846,311</u>	<u>955,184</u>	<u>1,085,516</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(64,510)</u>	<u>(90,736)</u>	<u>(84,131)</u>	<u>(161,221)</u>	<u>(217,937)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Issuance of Long-Term Debt	34,685	101,665	170,970	68,570	19,270
Issuance of Special Assessment Debt	-	-	-	-	-
Issuance of Tax Notes	-	-	-	-	-
Issuance of Capital Leases	-	4,419	-	-	344
Construction Loans	-	-	-	18,443	46,865
Premium on Issuance	-	12,554	32,956	5,150	364
Proceeds from Disposal of Property	386	4,444	286	9,090	1,340
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	86,864	161,129	470,463	109,939	143,754
Transfers Out	(67,832)	(156,383)	(446,236)	(52,730)	(181,450)
Total Other Financing Sources (Uses)	<u>54,103</u>	<u>111,063</u>	<u>218,307</u>	<u>156,971</u>	<u>30,487</u>
Net Change in Fund Balances	<u>\$ (10,407)</u>	<u>\$ 20,327</u>	<u>\$ 134,176</u>	<u>\$ (4,250)</u>	<u>\$ (187,450)</u>
Debt Service as a Percentage of Noncapital Expenditures	11.10 %	10.80 %	11.38 %	14.41 %	14.16 %

Source: Comprehensive Annual Financial Report for the respective years.

Expenditure and Revenue Functions for Governmental Activities were realigned in Fiscal Year 2015.

TABLE 4

	2015	2016	2017	2018	2019
\$	414,419	\$ 424,458	\$ 452,843	\$ 485,959	\$ 518,525
	225,382	234,500	250,023	265,833	279,864
	53,129	49,031	50,078	51,934	50,494
	22,306	37,588	39,864	38,940	50,760
	12,750	15,325	16,881	17,045	16,966
	25,325	18,056	17,062	16,058	11,781
	16,326	15,715	12,432	15,495	13,051
	5,131	3,601	6,952	9,186	34,245
	61,403	72,493	63,364	90,861	81,484
	15,717	18,485	9,063	9,267	6,646
	30,407	33,138	31,879	35,549	39,452
	12,177	13,928	11,515	12,871	17,425
	-	-	-	-	-
	<u>894,472</u>	<u>936,318</u>	<u>961,956</u>	<u>1,048,998</u>	<u>1,120,693</u>
	177,549	124,281	103,325	89,891	128,270
	393,715	443,730	465,575	496,233	492,841
	40,750	56,759	47,146	49,860	62,956
	100,930	102,239	132,014	246,322	135,859
	3,109	6,716	10,843	10,091	10,773
	31,125	51,470	60,093	81,595	81,427
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	178,970	184,317	175,367	190,441	160,895
	70,939	70,484	79,491	100,723	90,370
	31,121	32,265	36,566	43,129	41,028
	<u>1,028,208</u>	<u>1,072,261</u>	<u>1,110,420</u>	<u>1,308,285</u>	<u>1,204,419</u>
	<u>(133,736)</u>	<u>(135,943)</u>	<u>(148,464)</u>	<u>(259,287)</u>	<u>(83,726)</u>
	40,000	103,000	226,880	62,220	106,595
	-	-	12,685	5,155	-
	-	-	32,605	12,590	8,565
	-	-	575	-	-
	37,356	40,373	26,637	19,106	7,185
	18,668	21,131	11,192	4,416	9,995
	2,394	533	15,619	26,012	2,482
	127,162	27,500	-	-	-
	(154,840)	(47,650)	-	-	-
	-	-	-	-	-
	-	7,477	-	-	1,303
	162,071	162,483	389,685	144,348	171,072
	<u>(102,400)</u>	<u>(115,764)</u>	<u>(360,244)</u>	<u>(103,896)</u>	<u>(134,333)</u>
	<u>130,411</u>	<u>199,083</u>	<u>355,634</u>	<u>169,951</u>	<u>172,864</u>
\$	<u>(3,325)</u>	<u>\$ 63,140</u>	<u>\$ 207,170</u>	<u>\$ (89,336)</u>	<u>\$ 89,138</u>
	12.00 %	11.47 %	12.41 %	12.87 %	12.59 %

**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>	
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
2019	54,591,566	12,993,405	67,584,971	0.7850

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 2010 to 2019 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
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
2019	0.6300	0.1550	0.7850	1.3520	0.2340	0.2244	0.1361

(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>
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%	809	478,587	98.05%
2019	527,508	515,308	97.69%	-	515,308	97.69%

Source: Tarrant County Tax Office

**CITY OF FORT WORTH, TEXAS  
PROPERTY TAX RATE TREND  
LAST TWENTY FISCAL YEARS (Unaudited)**

**TABLE 8**

<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>	<u>2009</u>
\$ 0.8850	\$ 0.8750	\$ 0.8650	\$ 0.8650	\$ 0.8650	\$ 0.8650	\$ 0.8650	\$ 0.8600	\$ 0.8550	\$ 0.8550
<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>	<u>2019</u>
\$ 0.8550	\$ 0.8550	\$ 0.8550	\$ 0.8550	\$ 0.8550	\$ 0.8550	\$ 0.8550	\$ 0.8350	\$ 0.8050	\$ 0.7850

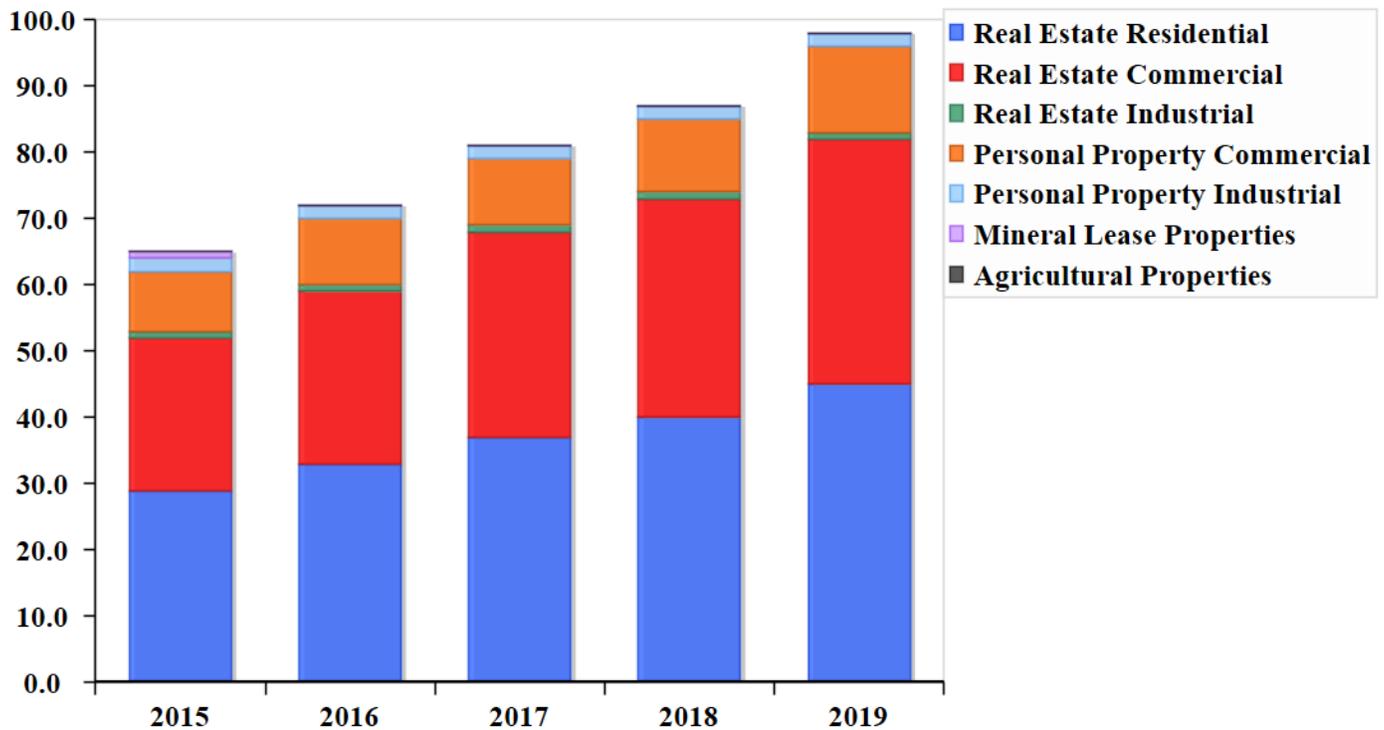
Source: Budget and Research Division, FMS, City of Fort Worth  
Tax rate per \$100 of Assessed Value

\*Y-Axis adjusted for reader clarity

**CITY OF FORT WORTH, TEXAS  
APPRAISED VALUE BY TYPE (Unaudited)  
(Inflation Adjusted)**

**TABLE 9**

Appraisal Year	2015	2016	2017	2018	2019
<b>TAD Value By Type</b>					
Real Estate Residential	\$ 28,893,726,041	\$ 32,960,279,993	\$ 36,684,054,659	\$ 40,416,373,511	\$ 45,419,396,758
Real Estate Commercial <sup>(a)</sup>	23,127,040,927	26,237,285,606	30,561,203,577	33,159,724,072	37,401,217,704
Real Estate Industrial	688,895,285	764,749,581	716,000,835	774,566,170	880,356,252
Personal Property Commercial <sup>(a)</sup>	9,174,950,221	10,274,347,397	10,485,835,883	11,374,286,496	13,280,195,431
Personal Property Industrial	2,372,534,332	2,330,591,133	2,381,273,287	2,412,169,819	2,305,884,521
Mineral Lease Properties	842,034,470	280,114,160	270,687,240	311,440,940	325,587,510
Agricultural Properties	16,132,705	13,590,832	6,042,630	6,223,003	13,312,851
<b>Total TAD Value</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>	<b>\$ 99,625,951,027</b>
Total CFW Value	\$ 67,008,399,264	\$ 74,906,924,377	\$ 83,712,155,148	\$ 91,126,027,911	\$103,261,553,977
% of CFW Value	97.2 %	97.3 %	96.9 %	97.1 %	96.5 %



Source: Tarrant Appraisal District Certified Tax Report.

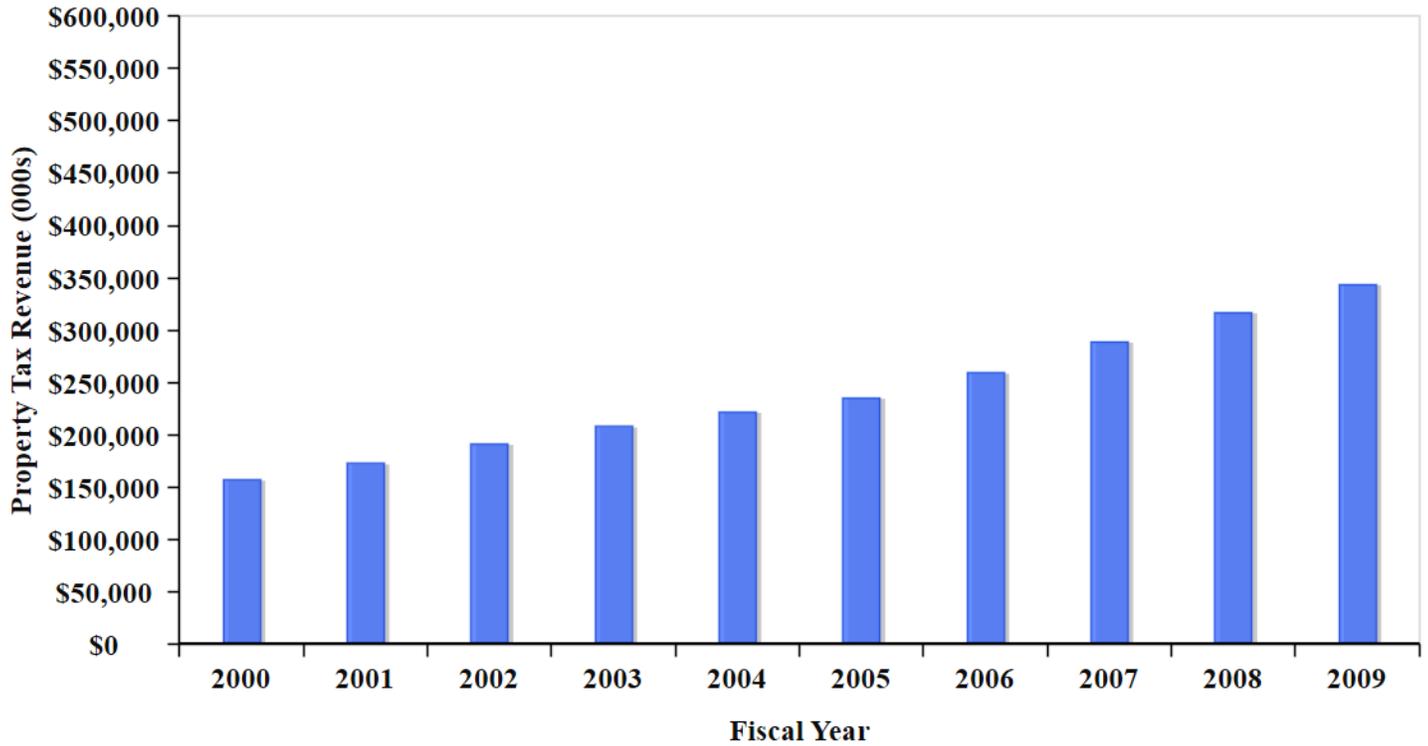
Values reported are for Tarrant County only.

(a) Apartment complexes (multi-family) are included in the commercial category.



**CITY OF FORT WORTH, TEXAS  
PROPERTY TAX REVENUE  
LAST TWENTY FISCAL YEARS (Unaudited)**

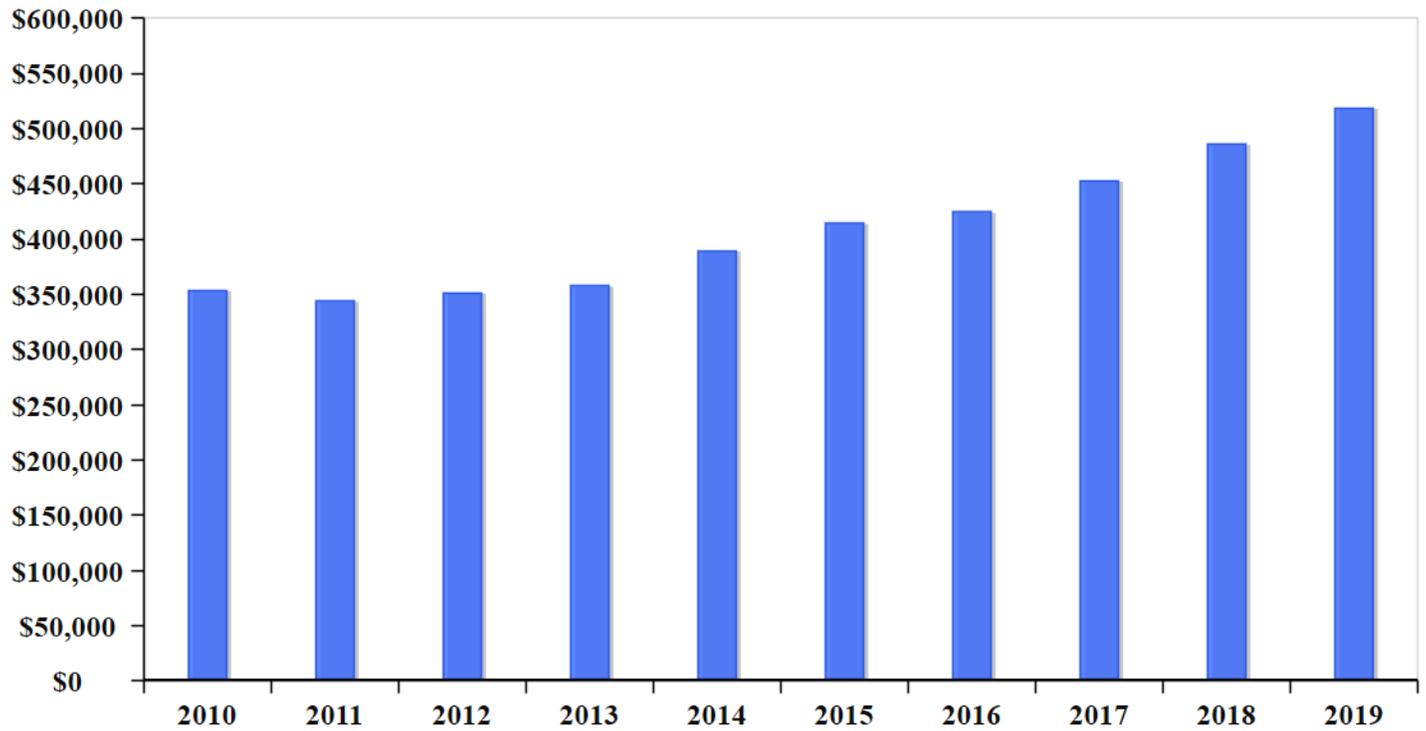
<b>Fiscal Year</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Value (000s)	\$ 157,430	\$ 172,908	\$ 191,563	\$ 208,112	\$ 222,111	\$ 235,643	\$ 259,483	\$ 289,177	\$ 317,290	\$ 343,973
Percent Change		9.83 %	10.79 %	8.64 %	6.73 %	6.09 %	10.12 %	11.44 %	9.72 %	8.41 %



Source: Financial Reporting Division, FMS, City of Fort Worth

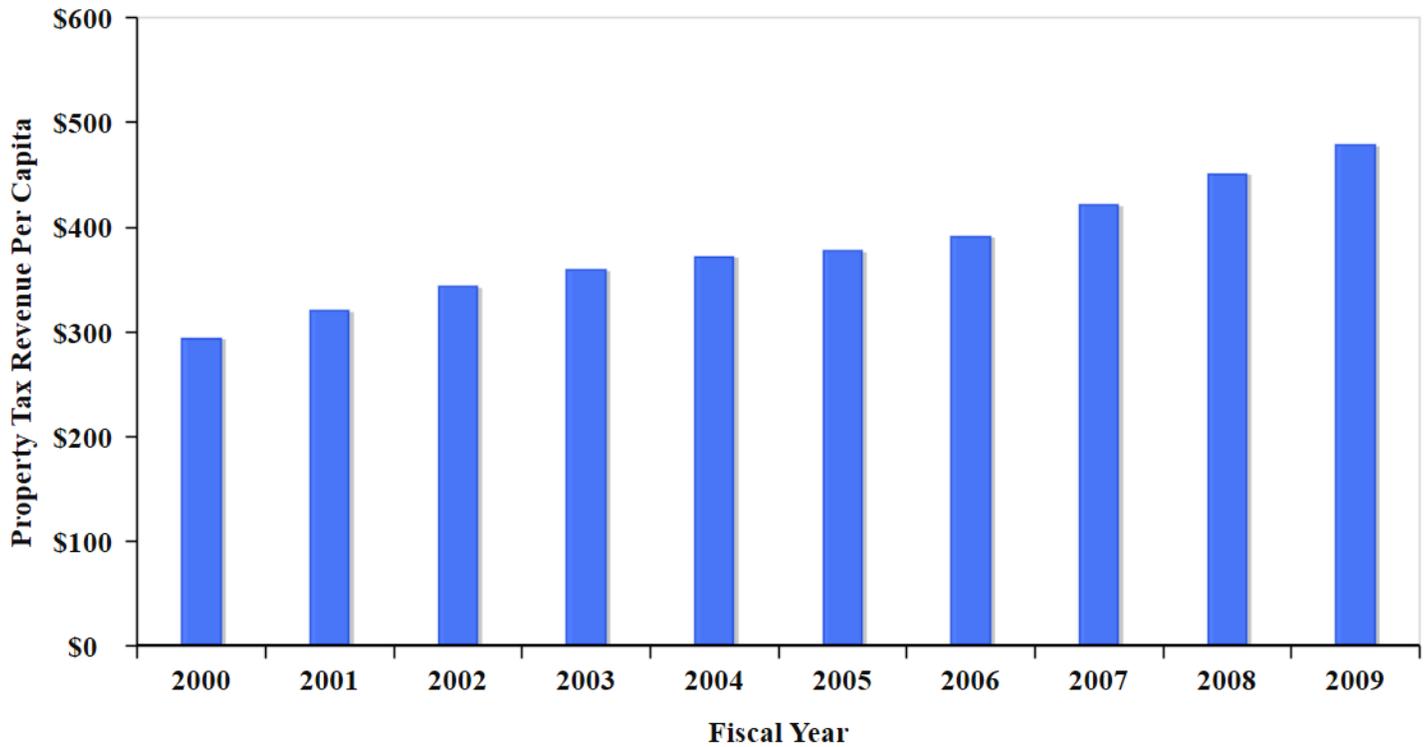
**TABLE 10**

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
\$ 353,606	\$ 343,954	\$ 351,540	\$ 357,673	\$ 389,490	\$ 414,419	\$ 424,458	\$ 452,843	\$ 485,959	\$ 518,525
2.80 %	(2.73)%	2.21 %	1.74 %	8.90 %	6.40 %	2.42 %	6.69 %	7.31 %	6.70 %



**CITY OF FORT WORTH, TEXAS  
PROPERTY TAX REVENUE (Per Capita)  
LAST TWENTY FISCAL YEARS (Unaudited)**

<b>Fiscal Year</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>	<b>2009</b>
Value (000s) <sup>(a)</sup>	\$ 157,430	\$ 172,908	\$ 191,563	\$ 208,112	\$ 222,111	\$ 235,643	\$ 259,483	\$ 289,177	\$ 317,290	\$ 343,973
Population <sup>(b)</sup>	534,694	540,950	557,750	579,250	597,150	624,850	664,100	686,850	702,850	720,250
Value Per Capita	\$ 294	\$ 320	\$ 343	\$ 359	\$ 372	\$ 377	\$ 391	\$ 421	\$ 451	\$ 478
Percent Change		8.84 %	7.19 %	4.66 %	3.62 %	1.34 %	3.71 %	7.67 %	7.13 %	5.99 %

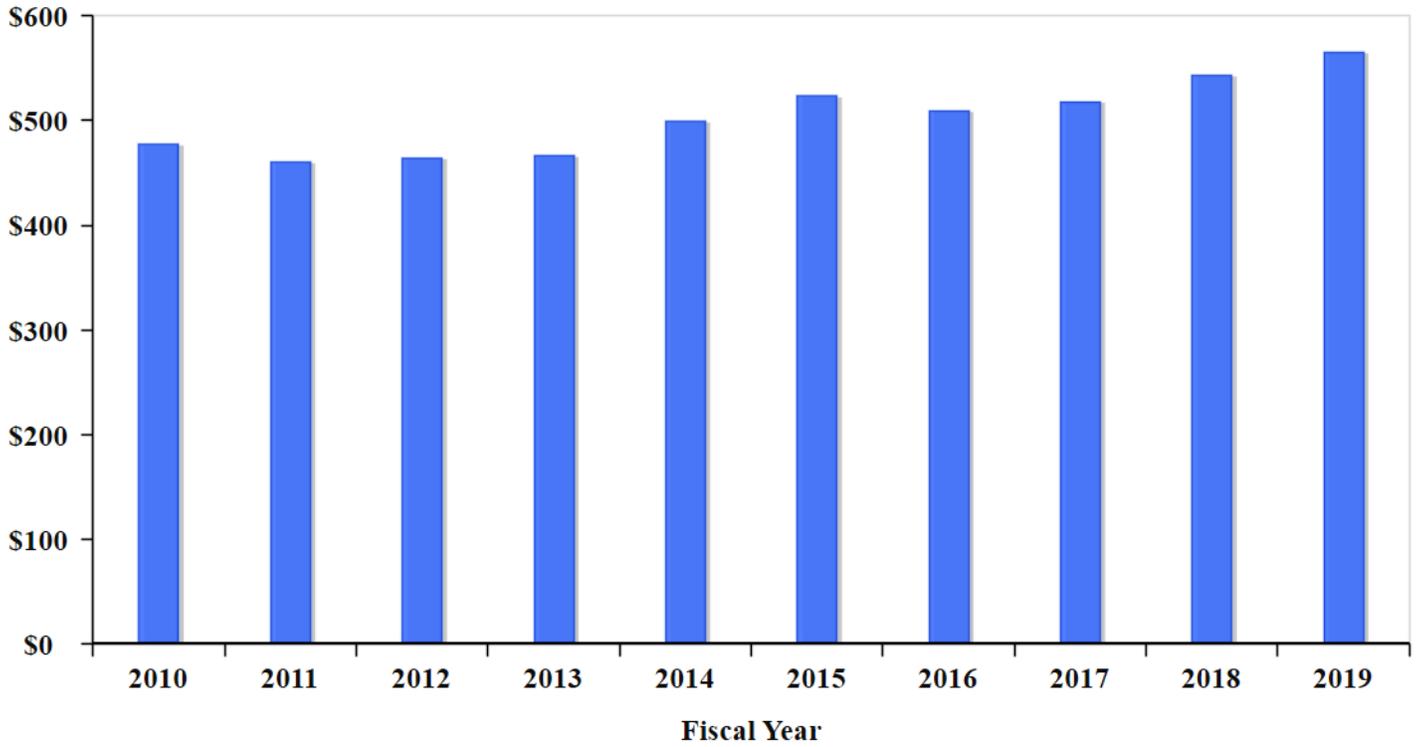


(a) Source: Financial Reporting Division, FMS, City of Fort Worth

(b) Source: See Table 19 - Demographic and Economic Statistics

**TABLE 11**

<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>	<b>2019</b>
\$ 353,606	\$ 343,954	\$ 351,540	\$ 357,673	\$ 389,490	\$ 414,419	\$ 424,458	\$ 452,843	\$ 485,959	\$ 518,525
741,206	748,450	757,810	767,560	781,100	792,720	833,319	874,168	895,121	917,050
\$ 477	\$ 460	\$ 464	\$ 466	\$ 499	\$ 523	\$ 509	\$ 518	\$ 543	\$ 565
(0.21)%	(3.56)%	0.87 %	0.43 %	7.08 %	4.81 %	(2.68)%	1.77 %	4.83 %	4.05 %



**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>2019<sup>(a)</sup></b>			<b>2010<sup>(b)</sup></b>		
		<b>2018 Taxable Assessed Valuation</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Valuation</b>	<b>2009 Taxable Assessed Valuation</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Valuation</b>
Winner LLC	Commercial Real Estate	\$ 1,054,627	1	1.56 %	\$ -		- %
American Airlines	Airlines	578,376	2	0.86 %	-		- %
Oncor Electric Delivery Co LLC	Electric Utility	460,659	3	0.68 %	-		- %
Bell Helicopter Textron Inc	Aircraft Manufacturing	372,731	4	0.55 %	323,958	2	0.82 %
Alcon Laboratories	Pharmaceuticals	253,307	5	0.37 %	181,227	6	0.46 %
DDR/DTC City Investments LP	Real Estate	261,580	6	0.39 %	197,509	5	0.50 %
Walmart Real Estate Trust	Real Estate	244,972	7	0.36 %	-		- %
At Industrial Owner1 LLC	Real Estate	215,604	8	0.32 %	-		- %
MillerCoors	Food Insdutry	173,943	9	0.26 %	-		- %
Caryle/Cypress West 7th LP	Commercial Real Estate	162,300	10	0.24 %	-		- %
TXU Electric/Oncor Electric Delivery Co, LLC	Electric Utility	-		- %	348,188	1	0.88 %
XTO Energy Inc	Oil/Gas Producer				280,520	3	0.71 %
Chesapeake Operating	Natrual Gas Producer				218,163	4	0.55 %
AMR Corp/American Airlines, Inc.	Air Travel				173,420	7	0.44 %
Mercantile Partners	Land Subdivider Developer				154,204	8	0.39 %
Southwestern Bell	Telephone Utility				150,925	9	0.38 %
Quicksilver Resources, Inc.	Oil/Gas Producer				142,984	10	0.36 %
		<u>\$ 3,778,099</u>		<u>5.59 %</u>	<u>\$ 2,171,098</u>		<u>5.49 %</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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Governmental:</b>					
General Obligation Bonds	\$ 380,125	\$ 371,760	\$ 458,800	\$ 463,488	\$ 440,617
Certificates of Obligation	188,655	202,880	247,600	302,985	299,441
Special Tax Revenue Debt	-	-	-	-	-
Special Assessment Debt	-	-	-	-	-
Tax Notes	-	-	-	-	-
Installment Obligation	5,010	4,405	3,770	3,080	2,370
Equipment Notes Payable	18,852	58,005	54,450	46,860	39,145
HUD Installment Obligation	7,465	6,761	6,034	5,282	4,504
Service Center Obligation	20,520	20,030	19,515	18,980	-
Fort Worth Housing Corp Obligation	9,244	9,161	9,073	-	-
Fort Worth Sports Authority	15,442	15,337	8,476	8,386	6,868
Lone Star Local Govt Corp Obligation	31,617	31,617	31,617	31,617	31,617
Central City Local Govt Corp Obligation	1,809	1,376	872	347	-
State Obligations	-	-	-	-	10,931
TRWD Obligation	-	-	-	-	91,998
State Energy Conservation Loan Phase I & II	3,216	2,580	1,925	1,249	553
State Energy Conservation Loan Phase III	4,080	3,598	3,102	2,590	2,064
ESPC Phase IV	8,795	8,352	7,820	-	-
ESPC Phase VII	-	-	-	18,443	18,064
Wells Fargo Loan	196	144	78	-	-
Beechwood Bridge Obligation	724	333	-	-	-
Capital Leases	-	4,319	4,096	3,816	1,482
Southwest Bank Loan (LDC SW Building)	-	-	-	-	2,545
Lancaster Corridor Construction Loan	-	-	-	-	-
Unamortized Prem/Disc	-	-	-	-	-
<b>Business-type:</b>					
General Obligation Bonds	-	-	-	-	-
Revenue Bonds	745,155	855,310	884,010	858,985	950,107
Certificates of Obligation	54,195	57,560	56,035	55,238	53,092
Municipal Golf Capital Lease	5	-	-	-	-
Equipment Notes Payable	3,319	2,049	750	-	-
Trinity River Authority	7,620	7,150	6,656	6,100	5,500
ESPC Phase V	15,365	15,365	15,365	14,691	13,355
Unamortized Prem/Disc	-	-	-	-	-
<b>Total Primary Government</b>	<b>\$ 1,521,409</b>	<b>\$ 1,678,092</b>	<b>\$ 1,820,044</b>	<b>\$ 1,842,137</b>	<b>\$ 1,974,253</b>
Personal Income <sup>(a)</sup>	\$ 17,334,565	\$ 20,399,090	\$ 18,827,032	\$ 18,934,769	\$ 19,128,358
Debt as a Percentage of Personal Income	9 %	8 %	10 %	10 %	10 %
Population <sup>(b)</sup>	736	748	758	768	781
Debt Per Capita	\$ 2,067	\$ 2,249	\$ 2,313	\$ 2,399	\$ 2,528

(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>2015</b>	<b>2016<sup>(c)</sup></b>	<b>2017<sup>(c)</sup></b>	<b>2018<sup>(c)</sup></b>	<b>2019<sup>(c)</sup></b>
\$	452,412	\$ 499,217	\$ 452,570	\$ 475,520	\$ 520,545
	242,290	221,565	201,945	167,785	152,745
	-	-	226,880	226,550	226,115
	-	-	12,685	17,840	17,840
	-	-	26,130	35,010	38,300
	1,620	825	-	-	-
	-	-	-	-	-
	3,699	2,865	2,000	1,368	702
	-	-	-	-	-
	-	-	-	-	-
	2,495	-	-	-	-
	31,617	31,617	31,617	31,617	31,617
	-	-	-	-	-
	10,285	9,638	8,992	8,346	7,700
	124,349	153,853	171,391	186,654	188,857
	-	-	-	-	-
	1,528	971	397	-	-
	-	-	-	-	-
	17,426	16,472	15,474	14,302	12,650
	-	-	-	-	-
	-	-	-	-	-
	1,122	836	1,167	837	476
	2,200	1,844	1,477	1,099	710
	1,774	10,276	16,500	-	-
	57,073	68,272	69,218	55,951	55,342
	-	38,428	37,365	35,580	33,740
	882,395	870,315	910,685	953,415	979,470
	48,428	4,225	2,515	1,400	230
	-	-	-	-	-
	-	-	-	-	-
	4,885	4,250	3,600	2,930	2,240
	11,938	10,463	8,955	7,411	5,830
	61,263	68,508	69,036	52,814	52,784
<b>\$</b>	<b>1,958,799</b>	<b>\$ 2,014,440</b>	<b>\$ 2,270,599</b>	<b>\$ 2,276,429</b>	<b>\$ 2,327,893</b>
\$	19,600,795	\$ 20,604,646	\$ 22,772,813	\$ 25,219,139	\$ 31,024,719
	10 %	10 %	10 %	9 %	8 %
	793	833	875	895	917
\$	2,470	\$ 2,418	\$ 2,595	\$ 2,543	\$ 2,539

**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>					
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
2019	598,605	156,174	55,685	699,094	67,584,971	1.03 %	917	0.762

(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, 2019 (Unaudited)  
(in Millions)**

	<u>2010*</u>	<u>2011*</u>	<u>2012*</u>	<u>2013</u>	<u>2014</u>
Total Assessed Valuation	\$ 39,725	\$ 39,836	\$ 41,986	\$ 43,698	\$ 42,421
Overall Debt Limitation - 10% of Assessed Valuation				4,370	4,242
Net Debt Subject to Limitation				<u>727</u>	<u>695</u>
Legal Debt Margin Within 10% Limitation				<u>3,643</u>	<u>3,547</u>
Legal Debt Margin as a Percentage of the Debt Limit				83 %	84 %

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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund	\$ 0.711	\$ 0.711	\$ 0.701	\$ 0.686	\$ 0.676
Debt Service Fund	<u>0.144</u>	<u>0.144</u>	<u>0.154</u>	<u>0.169</u>	<u>0.179</u>
Total City Tax Rate	<u>\$ 0.855</u>				

Source: Tarrant Appraisal District

**TABLE 15**

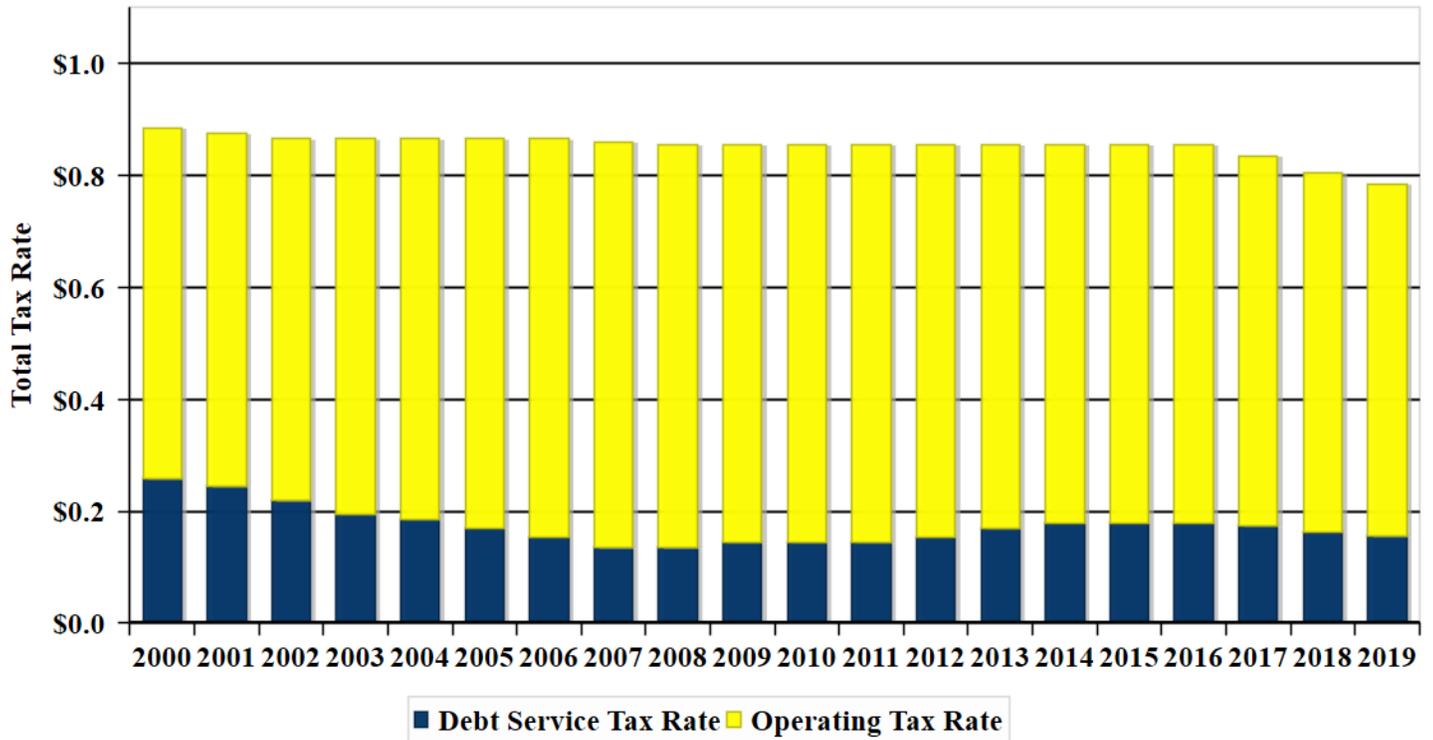
<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
\$ 45,931	\$ 49,660	\$ 49,705	\$ 60,950	\$ 67,585
4,593	4,966	4,971	6,095	6,759
695	721	721	715	746
3,898	\$ 4,245	\$ 4,250	\$ 5,380	\$ 6,013
85 %	85 %	85 %	88 %	89 %

<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
\$ 0.676	\$ 0.676	\$ 0.662	\$ 0.642	\$ 0.630
0.179	0.179	0.173	0.163	0.155
\$ 0.855	\$ 0.855	\$ 0.835	\$ 0.805	\$ 0.785

**CITY OF FORT WORTH, TEXAS  
TAX RATE ALLOCATION  
LAST TWENTY FISCAL YEARS (Unaudited)**

**TABLE 16**

	<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>	<u>2009</u>
Debt Service Tax Rate	\$ 0.2576	\$ 0.2438	\$ 0.2183	\$ 0.1943	\$ 0.1851	\$ 0.1704	\$ 0.1543	\$ 0.1341	\$ 0.1341	\$ 0.1441
Operating Tax Rate	\$ 0.6274	\$ 0.6312	\$ 0.6467	\$ 0.6707	\$ 0.6799	\$ 0.6946	\$ 0.7107	\$ 0.7259	\$ 0.7209	\$ 0.7109
	<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>	<u>2019</u>
Debt Service Tax Rate	\$ 0.1441	\$ 0.1441	\$ 0.1541	\$ 0.1691	\$ 0.1791	\$ 0.1791	\$ 0.1791	\$ 0.1735	\$ 0.1635	\$ 0.1550
Operating Tax Rate	\$ 0.7109	\$ 0.7109	\$ 0.7009	\$ 0.6859	\$ 0.6759	\$ 0.6759	\$ 0.6759	\$ 0.6615	\$ 0.6415	\$ 0.6300



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, 2019  
(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	\$ 162,845	1.98%	\$ 3,224
Arlington Independent School District	766,072	0.04%	306
Azle Independent School District	81,050	2.54%	2,059
Birdville Independent School District	397,327	5.57%	22,131
Burleson Independent School District	332,791	21.63%	71,983
Castleberry Independent School District	37,375	49.45%	18,482
Crowley Independent School District	460,378	76.90%	354,031
Denton County	590,380	2.53%	14,937
Eagle Mountain-Saginaw Independent School District	611,083	68.30%	417,370
Everman Independent School District	82,590	65.23%	53,873
Fort Worth Independent School District	901,160	88.39%	796,535
Grapevine-Colleyville Independent School District	435,416	0.01%	44
Hurst-Euless-Bedford Independent School District	383,550	27.58%	105,783
Keller Independent School District	649,855	49.38%	320,898
Kennedale Independent School District	30,910	0.76%	235
Lake Worth Independent School District	63,891	52.19%	33,345
Mansfield Independent School District	928,545	0.01%	93
Northwest Independent School District	934,245	44.38%	414,618
Parker County	116,835	0.65%	759
Parker County JCD	3,720	0.65%	24
Tarrant County	266,375	38.47%	102,474
Tarrant County Hospital District	17,735	38.47%	6,823
White Settlement Independent School District	153,712	49.97%	76,810
Wise County	10,520	0.04%	4
Subtotal, overlapping debt			<u>2,816,841</u>
City of Fort Worth Net Direct Debt	1,198,257	100.00 %	<u>1,198,257</u>
Total direct and overlapping debt			<u>\$ 4,015,098</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>							
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
2019	467,508	253,860	213,648	59,840	31,510	91,350	2.34
<b>Municipal Parking<sup>(f)</sup></b>							
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
2019	8,600	3,794	4,806	2,550	1,500	4,050	1.19
<b>Solid Waste<sup>(g)</sup></b>							
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
2019	62,947	57,871	5,076	460	66	526	9.65
<b>Stormwater<sup>(h)</sup></b>							
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
2019	41,416	16,237	25,179	4,640	4,326	8,966	2.81

- (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><sup>(b)</sup></u>	<u>Unemployment Rate<sup>(b)</sup></u>
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%
2019	917,050	31,024,718,550	33,831	38.2	14,108	3.2%

(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>2019</b>			<b>2010</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	5.94 %	6.5	4	1.20 %
Lockheed Martin Tactical Aircraft Systems	13.7	2	3.25 %	13.5	1	2.49 %
Fort Worth Independent School District	12.0	3	2.85 %	10.7	3	1.97 %
NAS Fort Worth Joint Reserve Base	10.0	4	2.38 %	11.4	2	2.10 %
JPS Health Network/John Peter Smith Hospital	6.5	5	1.54 %	4.3	6	0.79 %
City of Fort Worth	6.2	6	1.47 %	6.3	5	1.16 %
Cook Children's Health Care System	6.0	7	1.43 %	3.1	10	0.57 %
Tarrant County College	6.0	8	1.43 %	-	-	- %
Alcon Laboratories Inc.	5.4	9	1.28 %	3.3	9	0.61 %
Bell Helicopter-Textron, Inc.	5.0	10	1.19 %	3.8	8	0.70 %
Harris Methodist Hospital				4.0	7	0.74 %
	<u>95.8</u>		<u>22.76 %</u>	<u>66.9</u>		<u>12.33 %</u>

(a) Estimated total employment of 422,244 for 2019 per U.S. Bureau of Labor Statistics

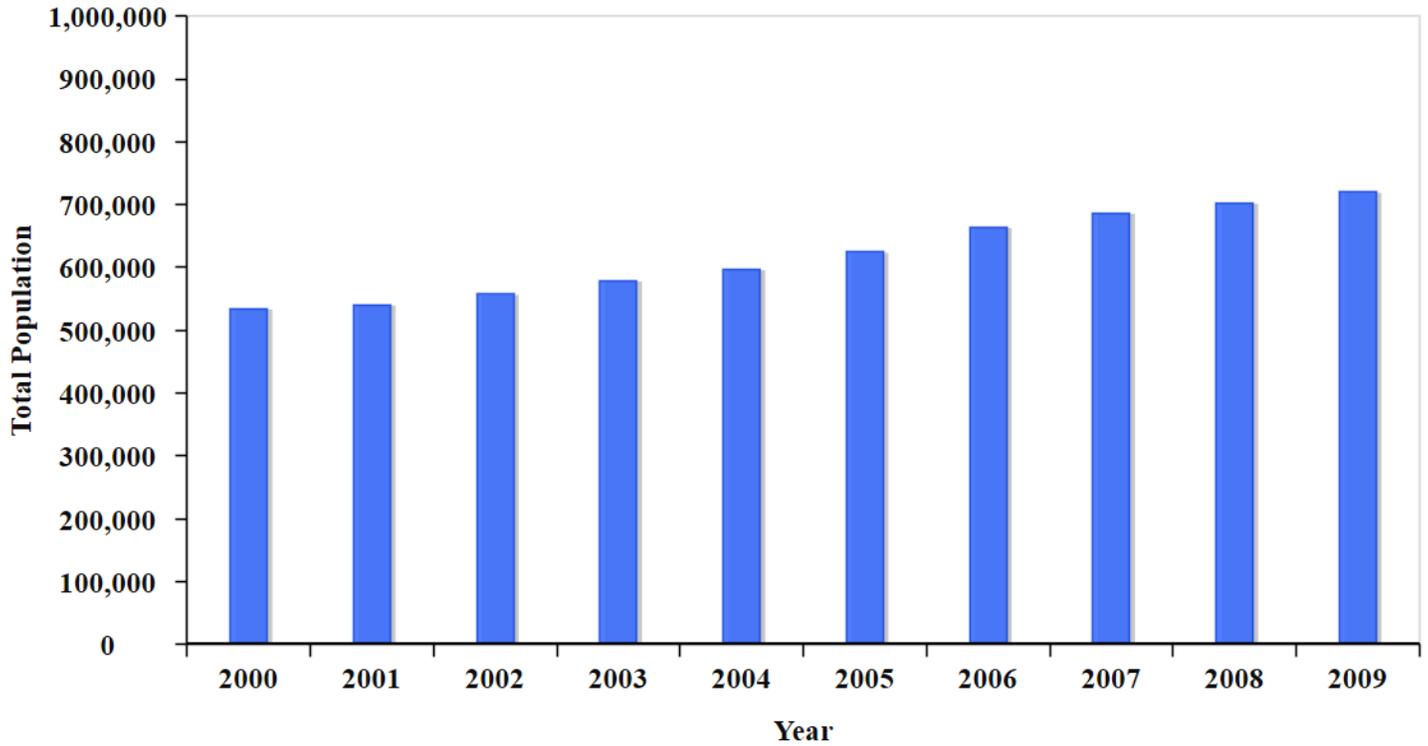
(b) Source: City of Fort Worth, Texas CAFR For the Fiscal Year Ended September 30, 2010

(c) Estimated total employment of 542,452 for 2010 per North Central Texas Council of Governments



**CITY OF FORT WORTH, TEXAS  
POPULATION GROWTH  
LAST TWENTY FISCAL YEARS (Unaudited)**

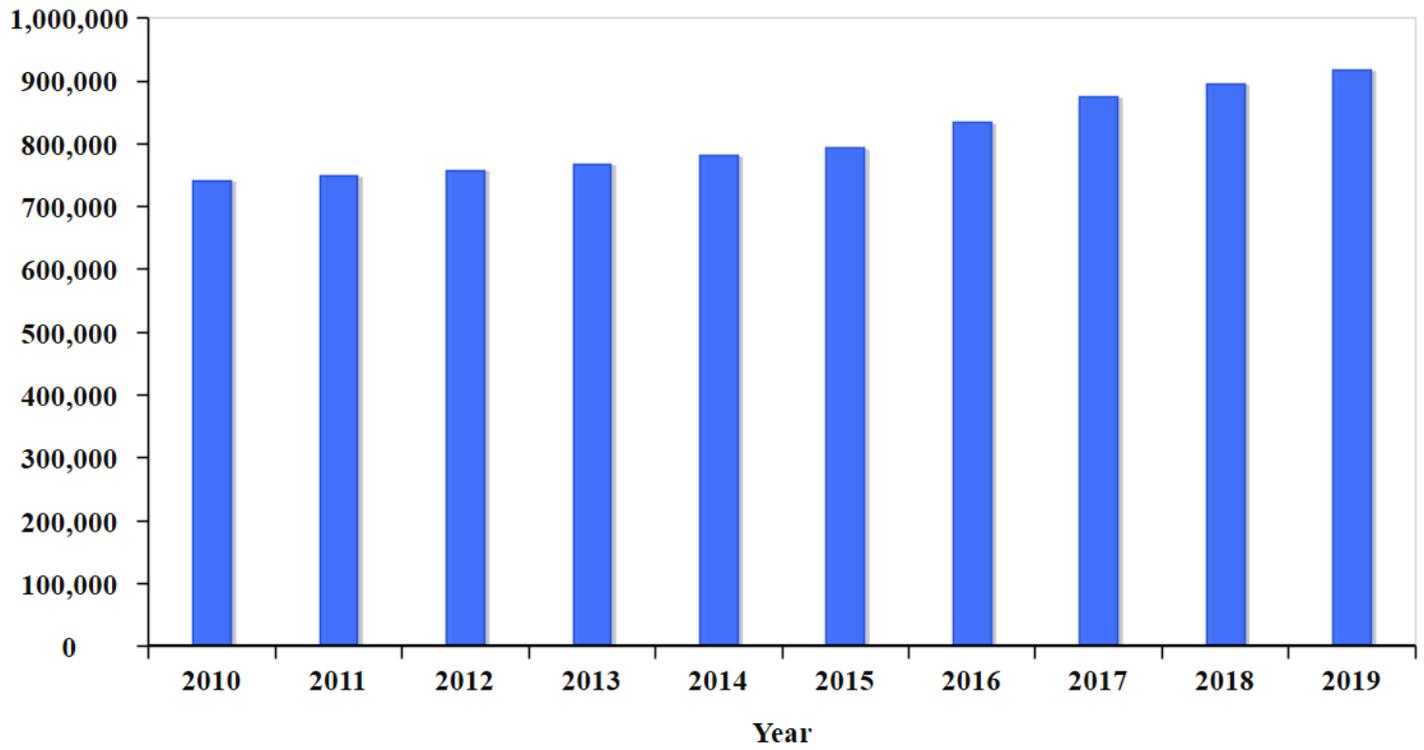
<b>Fiscal Year</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Population	534,694	540,950	557,750	579,250	597,150	624,850	664,100	686,850	702,850	720,250
Percent Change		1.17 %	3.11 %	3.85 %	3.09 %	4.64 %	6.28 %	3.43 %	2.33 %	2.48 %



Source: Years prior to 2016: North Central Texas Council of Governments (NCTCOG). Beginning in year 2016: U.S. Bureau of Census 2010 and estimates.

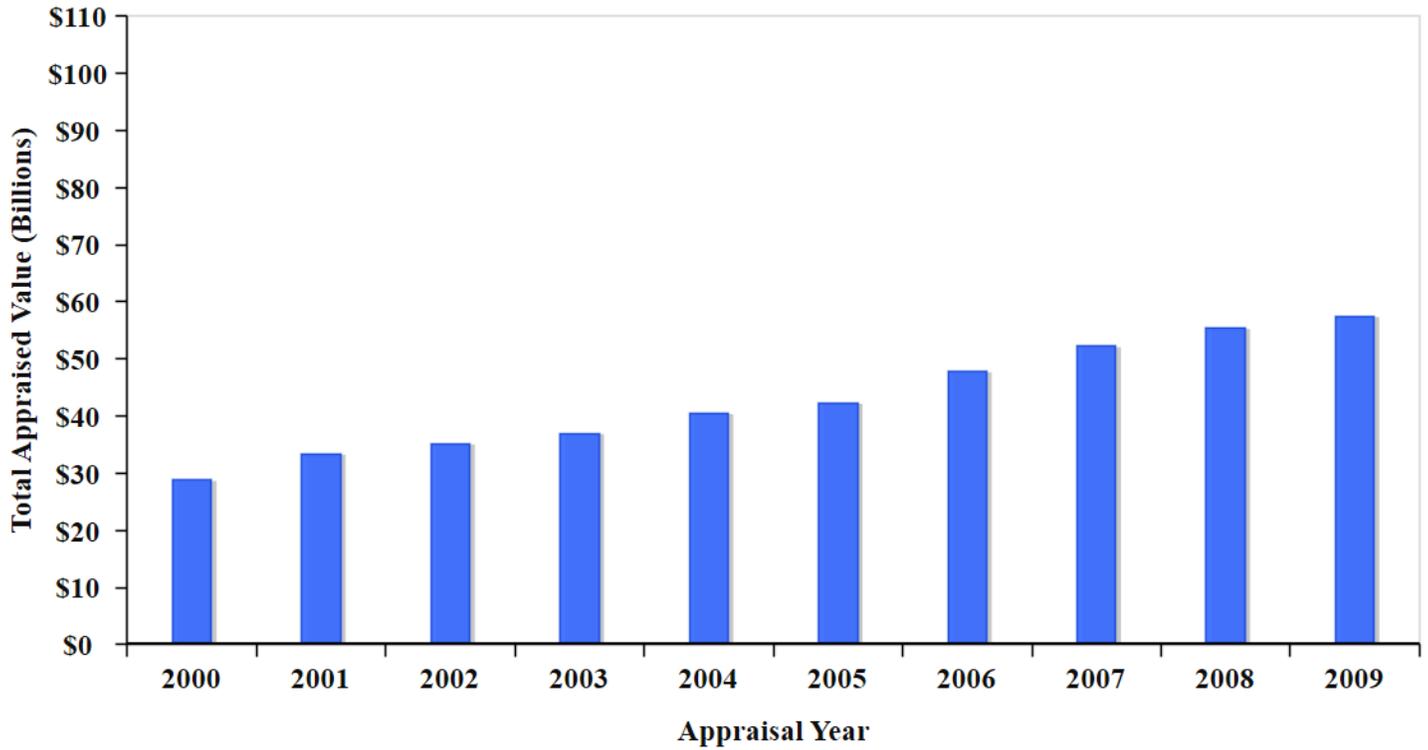
**TABLE 21**

<b>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>	<b>2019</b>
741,206	748,450	757,810	767,560	781,100	792,720	833,319	874,168	895,121	917,050
2.91 %	0.98 %	1.25 %	1.29 %	1.76 %	1.49 %	5.12 %	4.90 %	2.40 %	2.45 %



**CITY OF FORT WORTH, TEXAS  
 TOTAL APPRAISED VALUE  
 LAST TWENTY FISCAL YEARS (Unaudited)**

<b>Appraisal Year</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>	<b>2009</b>
Value (Billions)	\$ 28.8	\$ 33.4	\$ 35.2	\$ 37.0	\$ 40.5	\$ 42.3	\$ 47.8	\$ 52.2	\$ 55.4	\$ 57.5
Percent Change		15.97 %	5.39 %	5.11 %	9.46 %	4.44 %	13.00 %	9.21 %	6.13 %	3.79 %

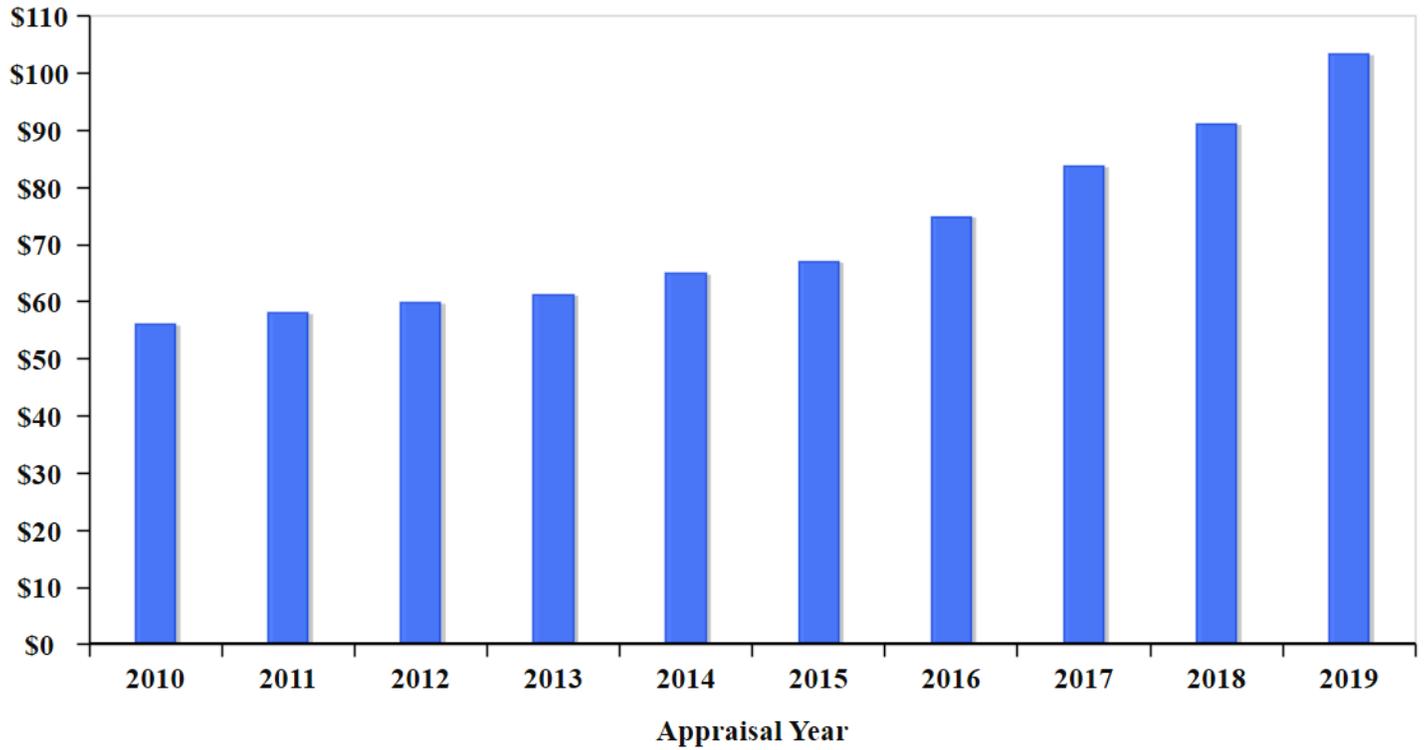


Source: Tarrant, Denton, Wise, Parker Appraisal District Certified Tax Report.

Although the City of Fort Worth extends into Johnson County, the City limits within this jurisdiction do not include any taxable property.

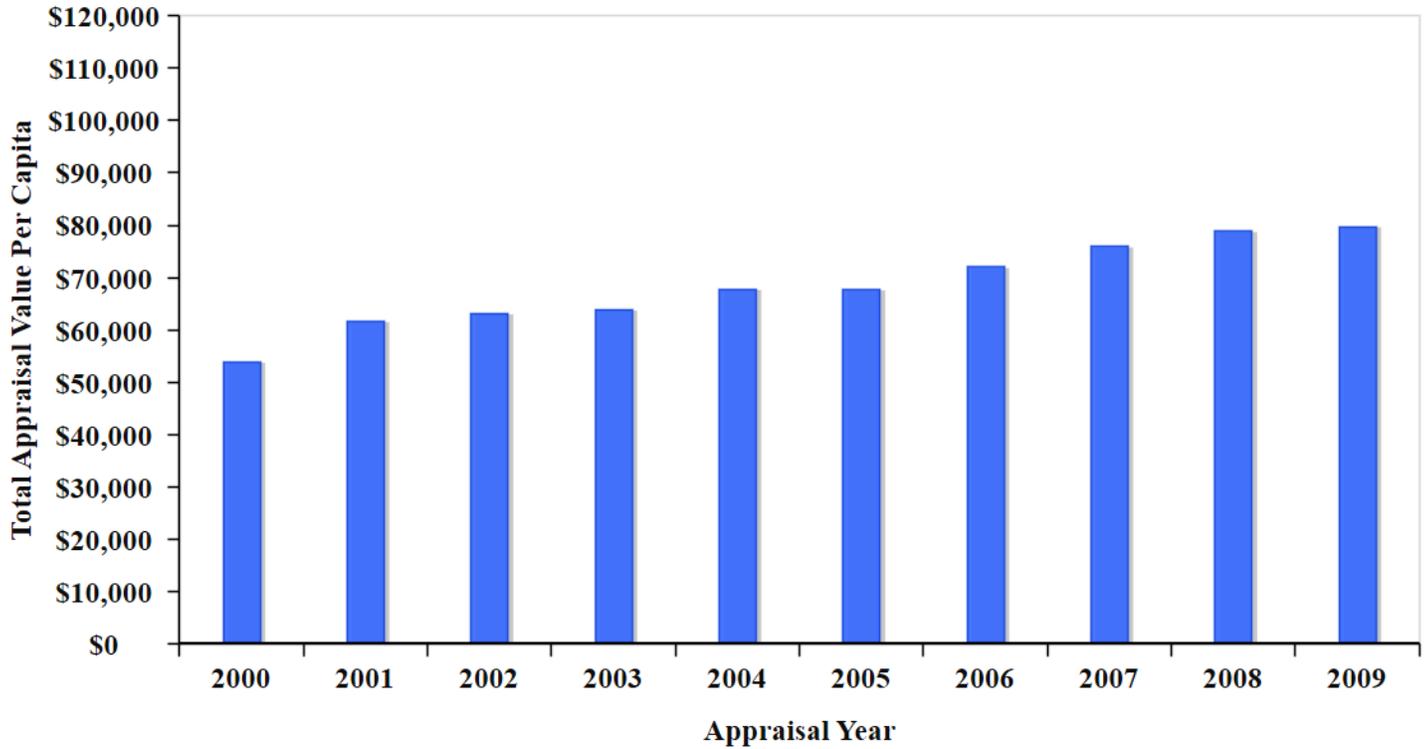
**TABLE 22**

<b>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>	<b>2019</b>
\$ 56.0	\$ 58.0	\$ 59.8	\$ 61.2	\$ 64.9	\$ 67.0	\$ 74.9	\$ 83.7	\$ 91.1	\$ 103.3
(2.61)%	3.57 %	3.10 %	2.34 %	6.05 %	3.24 %	11.79 %	11.75 %	8.84 %	13.39 %



**CITY OF FORT WORTH, TEXAS  
 APPRAISED VALUE PER CAPITA  
 LAST TWENTY FISCAL YEARS (Unaudited)**

<b>Appraisal Year</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>	<b>2009</b>
Value (Billions)	\$ 28.8	\$ 33.4	\$ 35.2	\$ 37.0	\$ 40.5	\$ 42.3	\$ 47.8	\$ 52.2	\$ 55.4	\$ 57.5
Population	534,694	540,950	557,750	579,250	597,150	624,850	664,100	686,850	702,850	720,250
Value Per Capita	\$ 53,902	\$ 61,667	\$ 63,171	\$ 63,884	\$ 67,815	\$ 67,737	\$ 71,999	\$ 75,929	\$ 78,869	\$ 79,766
Percent Change		14.41 %	2.44 %	1.13 %	6.15 %	(0.12)%	6.29 %	5.46 %	3.87 %	1.14 %



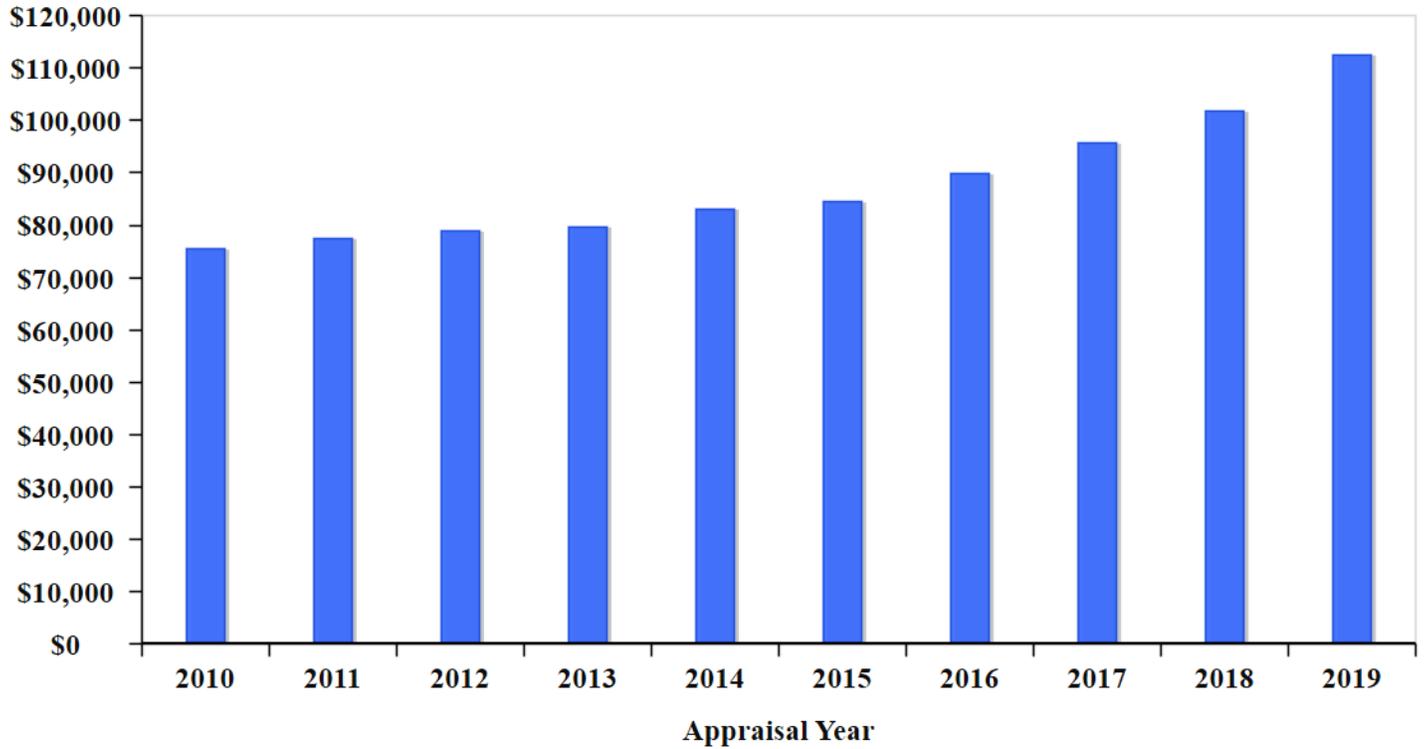
Source: Tarrant, Denton, Wise, Parker Appraisal District Certified Tax Report.

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.

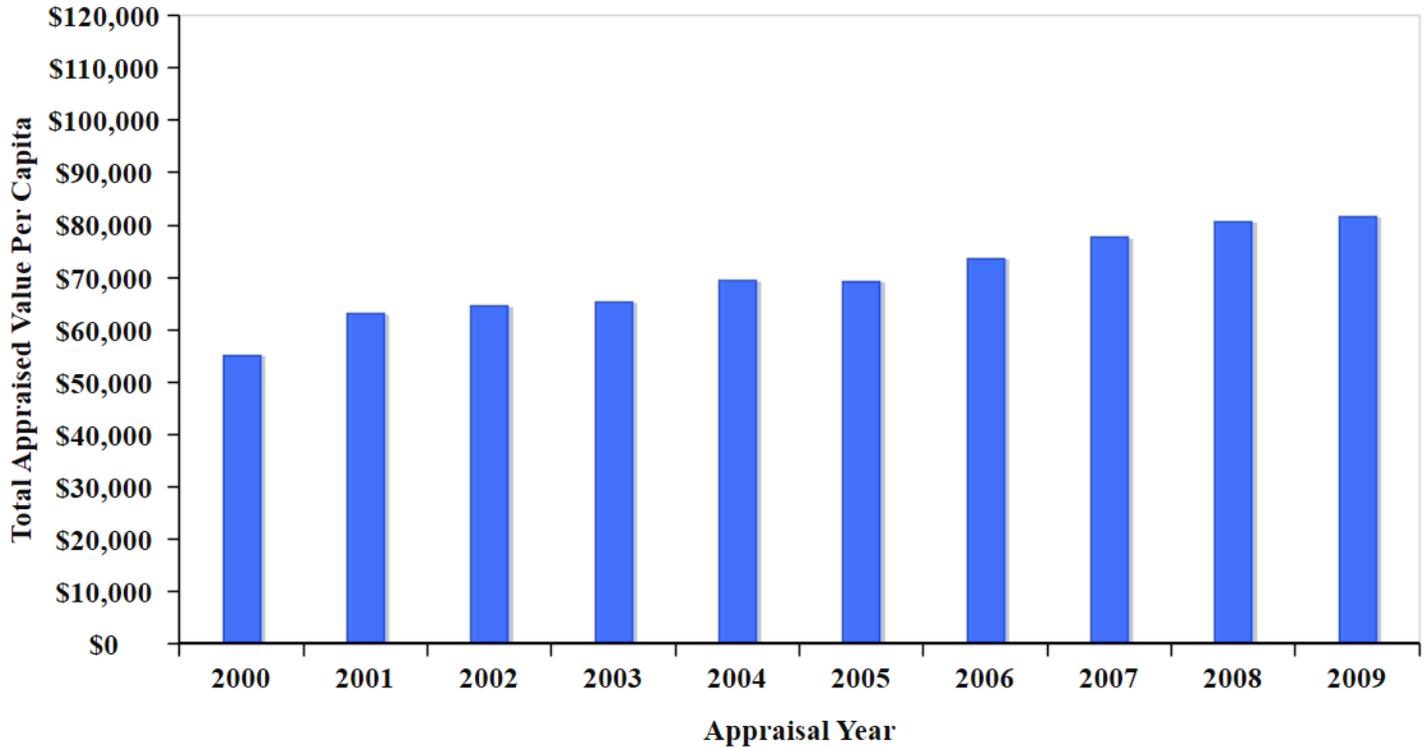
**TABLE 23**

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
\$ 56.0	\$ 58.0	\$ 59.8	\$ 61.2	\$ 64.9	\$ 67.0	\$ 74.9	\$ 83.7	\$ 91.1	\$ 103.3
741,206	748,450	757,810	767,560	781,100	792,720	833,319	874,168	895,121	917,050
\$ 75,528	\$ 77,558	\$ 78,954	\$ 79,759	\$ 83,143	\$ 84,530	\$ 89,882	\$ 95,722	\$ 101,803	\$ 112,602
(5.31)%	2.69 %	1.80 %	1.02 %	4.24 %	1.67 %	6.33 %	6.50 %	6.35 %	10.61 %



**CITY OF FORT WORTH, TEXAS  
 APPRAISED VALUE PER CAPITA (Inflation Adjusted)  
 LAST TWENTY FISCAL YEARS (Unaudited)**

<b>Appraisal Year</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>	<b>2009</b>
Value	\$ 28,821	\$ 33,359	\$ 35,234	\$ 37,005	\$ 40,496	\$ 42,325	\$ 47,815	\$ 52,152	\$ 55,433	\$ 57,452
Adj Value (Billions)	\$ 29.5	\$ 34.1	\$ 36.0	\$ 37.8	\$ 41.4	\$ 43.3	\$ 48.9	\$ 53.3	\$ 56.7	\$ 58.8
Population	534,694	540,950	557,750	579,250	597,150	624,850	664,100	686,850	702,850	720,250
Value Per Capita	\$ 55,172	\$ 63,037	\$ 64,545	\$ 65,257	\$ 69,329	\$ 69,297	\$ 73,633	\$ 77,601	\$ 80,672	\$ 81,638
Percent Change		14.26 %	2.39 %	1.10 %	6.24 %	(0.05)%	6.26 %	5.39 %	3.96 %	1.20 %



Source: Tarrant, Denton, Wise, Parker Appraisal District Certified Tax Report.

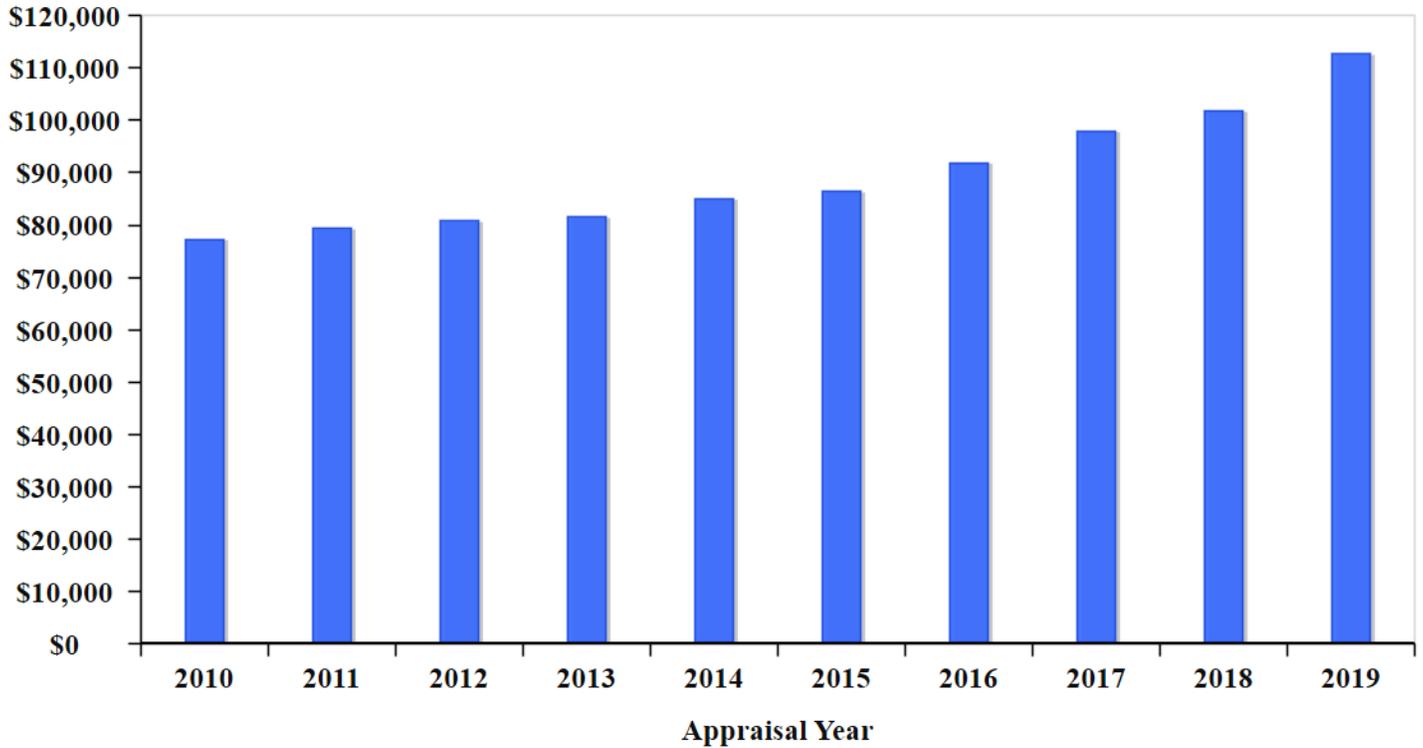
Population prior to 2016 source is NCTCOG. Population beginning 2016 source is U.S. Bureau of Census 2010 and estimates.

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**

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
\$ 55,982	\$ 58,049	\$ 59,832	\$ 61,220	\$ 64,935	\$ 67,008	\$ 74,907	\$ 83,712	\$ 91,126	103,262
\$ 57.3	\$ 59.4	\$ 61.2	\$ 62.6	\$ 66.4	\$ 68.5	\$ 76.6	\$ 85.6	\$ 91.1	\$ 103.3
741,206	748,450	757,810	767,560	781,100	792,720	833,319	874,168	895,121	917,050
\$ 77,306	\$ 79,364	\$ 80,759	\$ 81,557	\$ 85,008	\$ 86,411	\$ 91,922	\$ 97,922	\$ 101,774	\$ 112,644
(5.31)%	2.66 %	1.76 %	0.99 %	4.23 %	1.65 %	6.38 %	6.53 %	3.93 %	10.68 %

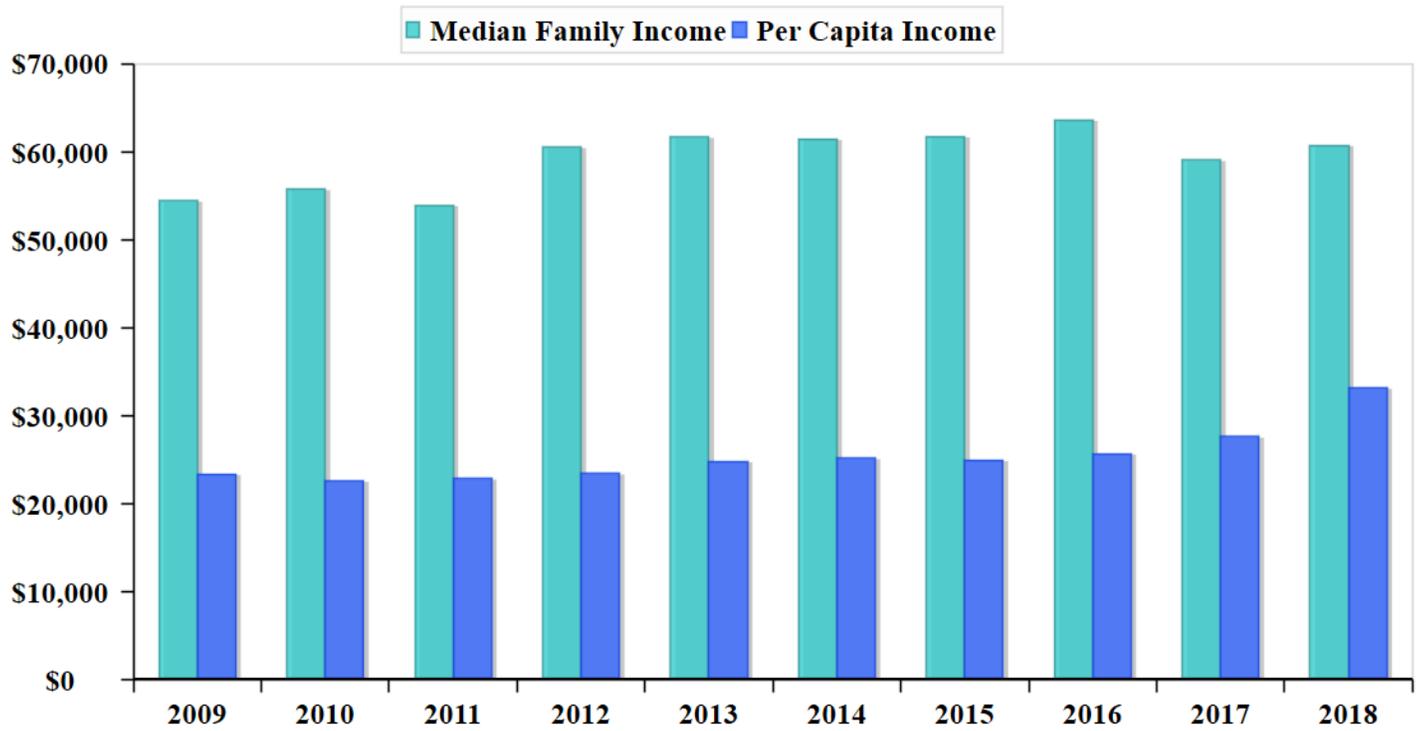


**CITY OF FORT WORTH, TEXAS**  
**MEDIAN FAMILY AND PER CAPITA INCOME (Unaudited)**  
**(Unadjusted for Inflation)**

**TABLE 25**

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Median Family Income	\$ 54,404	\$ 55,727	\$ 53,900	\$ 60,489	\$ 61,651	\$ 61,433	\$ 61,728	\$ 63,585	\$ 59,025	\$ 60,723
Percent Change		2.43 %	(3.28)%	12.22 %	1.92 %	(0.35)%	0.48 %	3.01 %	(7.17)%	2.88 %

Fort Worth Per Capita Income (Unadjusted for Inflation)										
Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Per Capita Income	\$ 23,399	\$ 22,613	\$ 22,868	\$ 23,449	\$ 24,836	\$ 25,186	\$ 24,975	\$ 25,706	\$ 27,622	\$ 33,168
Percent Change		(3.36)%	1.13 %	2.54 %	5.91 %	1.41 %	(0.84)%	2.93 %	7.45 %	20.08 %



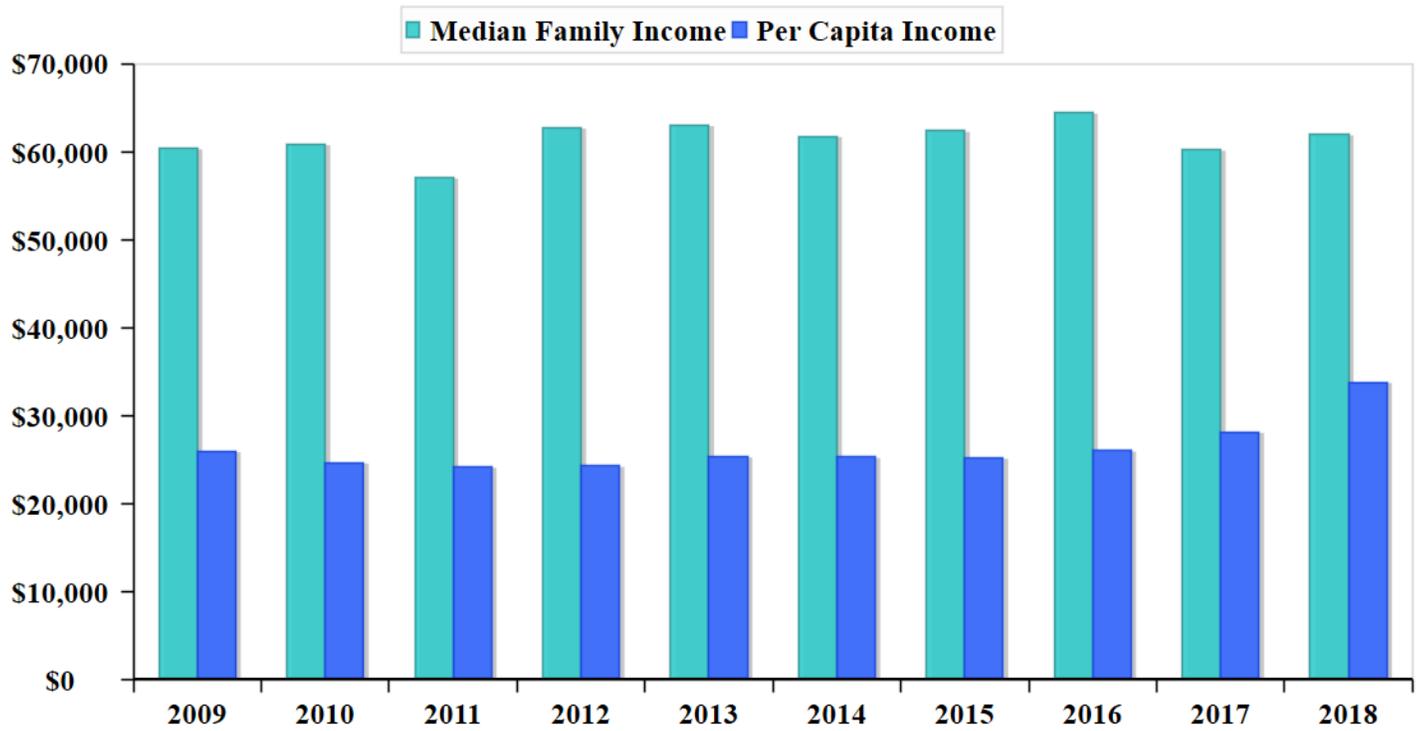
Source: U.S. Census Bureau, American Community Survey

**CITY OF FORT WORTH, TEXAS**  
**MEDIAN FAMILY AND PER CAPITA INCOME (Unaudited)**  
**(Adjusted for Inflation)**

**TABLE 26**

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Median Family Income	\$ 60,362	\$ 60,832	\$ 57,037	\$ 62,712	\$ 62,994	\$ 61,747	\$ 62,345	\$ 64,412	\$ 60,205	\$ 61,937
Percent Change		0.78 %	(6.24)%	9.95 %	0.45 %	(1.98)%	0.97 %	3.32 %	(6.53)%	2.88 %

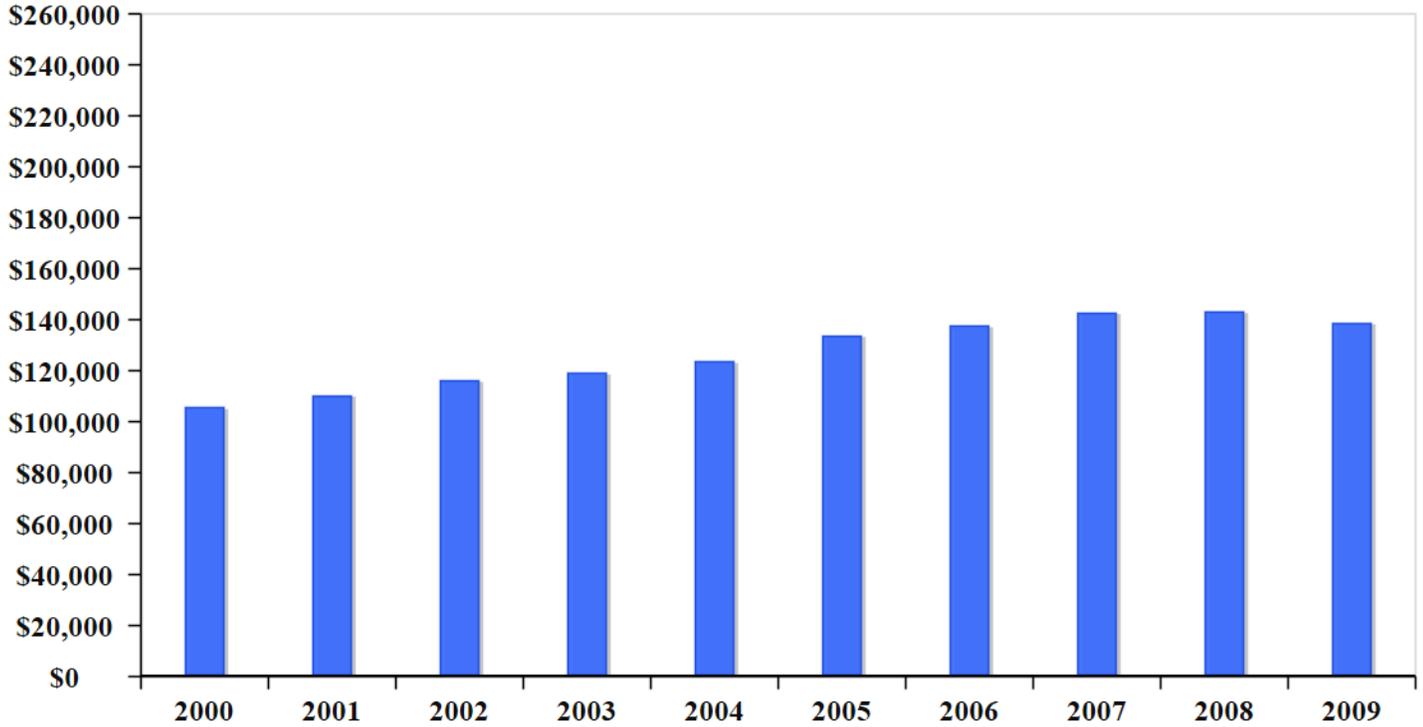
Year	Fort Worth Per Capita Income (Adjusted for Inflation)									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Per Capita Income	\$ 25,961	\$ 24,685	\$ 24,199	\$ 24,310	\$ 25,376	\$ 25,315	\$ 25,225	\$ 26,040	\$ 28,174	\$ 33,831
Percent Change		(4.92)%	(1.97)%	0.46 %	4.39 %	(0.24)%	(0.36)%	3.23 %	8.20 %	20.08 %



Source: U.S. Census Bureau, American Community Survey

**CITY OF FORT WORTH, TEXAS  
 AVERAGE HOME VALUE  
 LAST TWENTY FISCAL YEARS (Unaudited)**

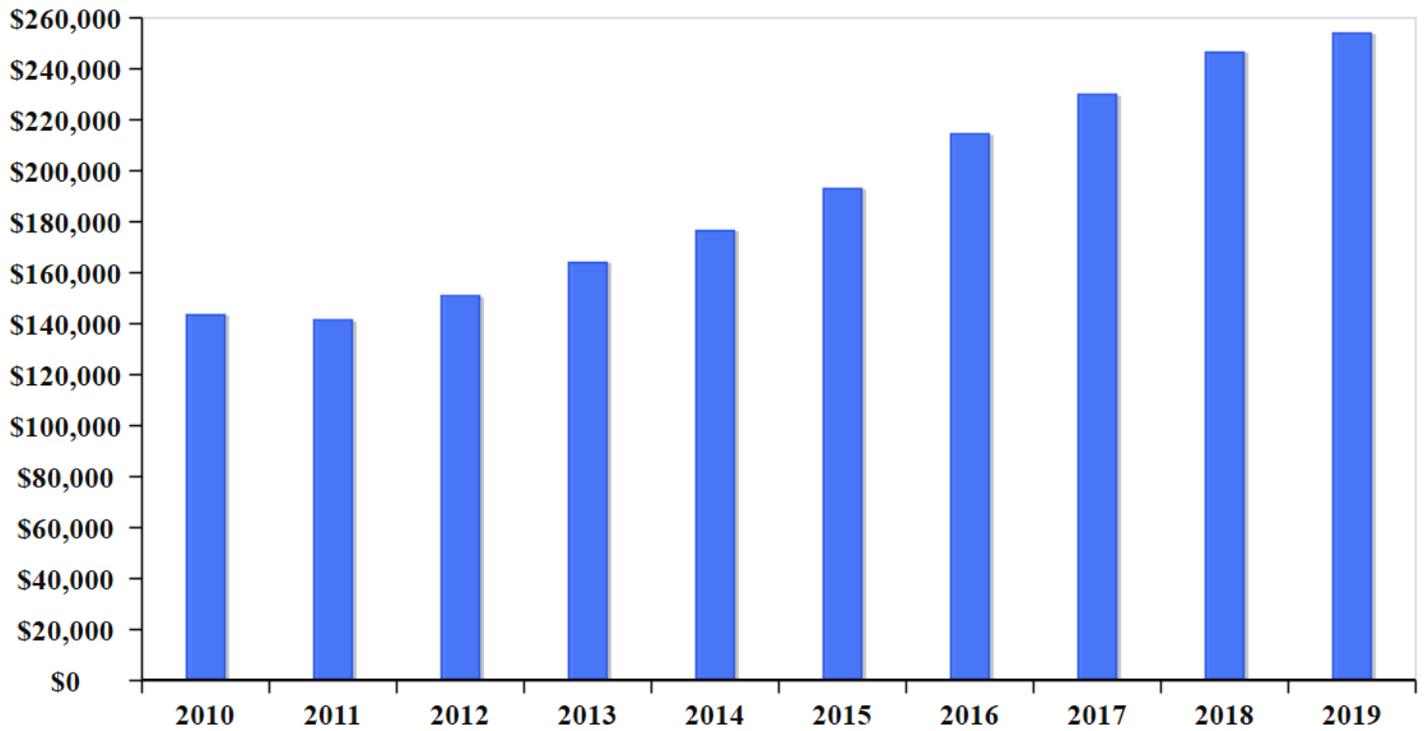
<b>Year</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Average Home Value	\$ 105,400	\$ 110,300	\$ 116,100	\$ 119,000	\$ 123,500	\$ 133,800	\$ 137,500	\$ 142,700	\$ 143,100	\$ 138,700
% Change		4.65 %	5.26 %	2.50 %	3.78 %	8.34 %	2.77 %	3.78 %	0.28 %	(3.07)%



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.

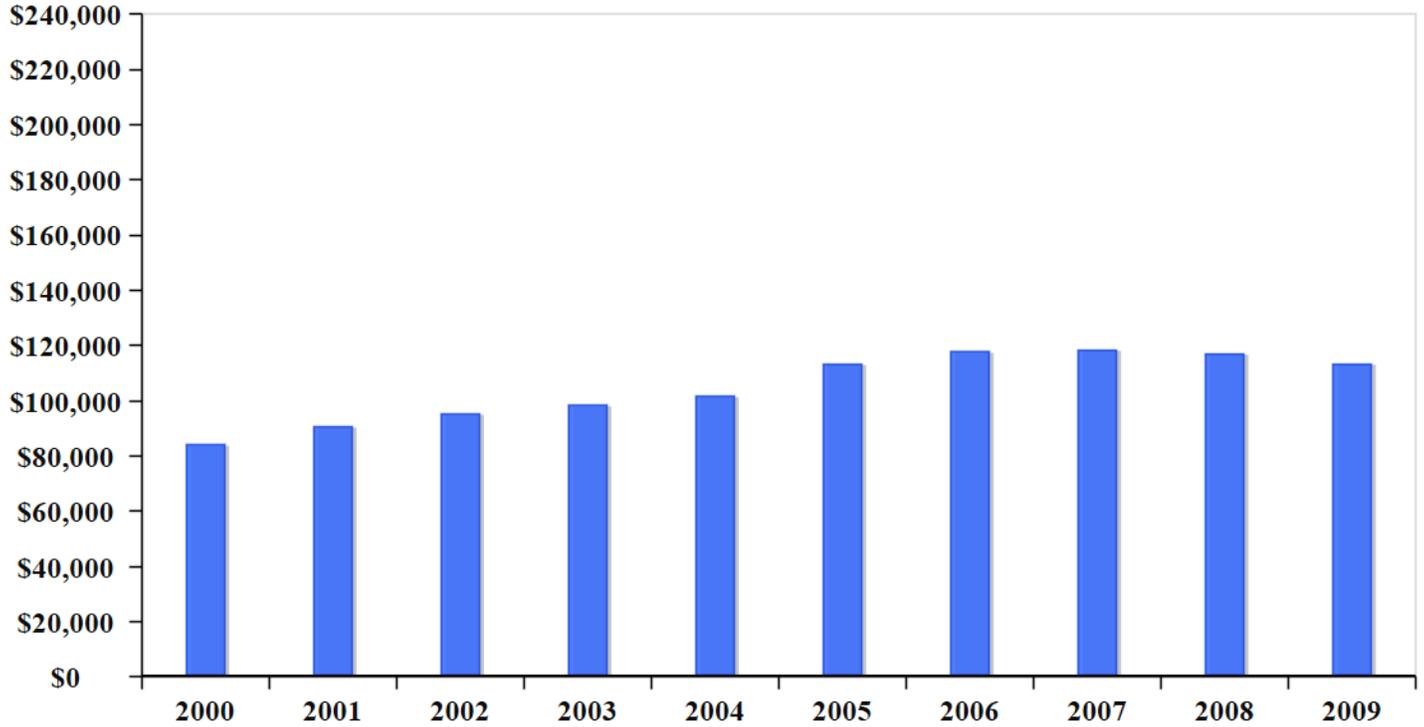
**TABLE 27**

<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>	<u>2019</u>
\$ 143,700	\$ 141,400	\$ 150,900	\$ 164,300	\$ 176,700	\$ 193,100	\$ 214,506	\$ 229,864	\$ 246,797	\$ 254,107
3.60 %	(1.60)%	6.72 %	8.88 %	7.55 %	9.28 %	11.09 %	7.16 %	7.37 %	2.96 %



**CITY OF FORT WORTH, TEXAS  
 MEDIAN HOME VALUE  
 LAST TWENTY FISCAL YEARS (Unaudited)**

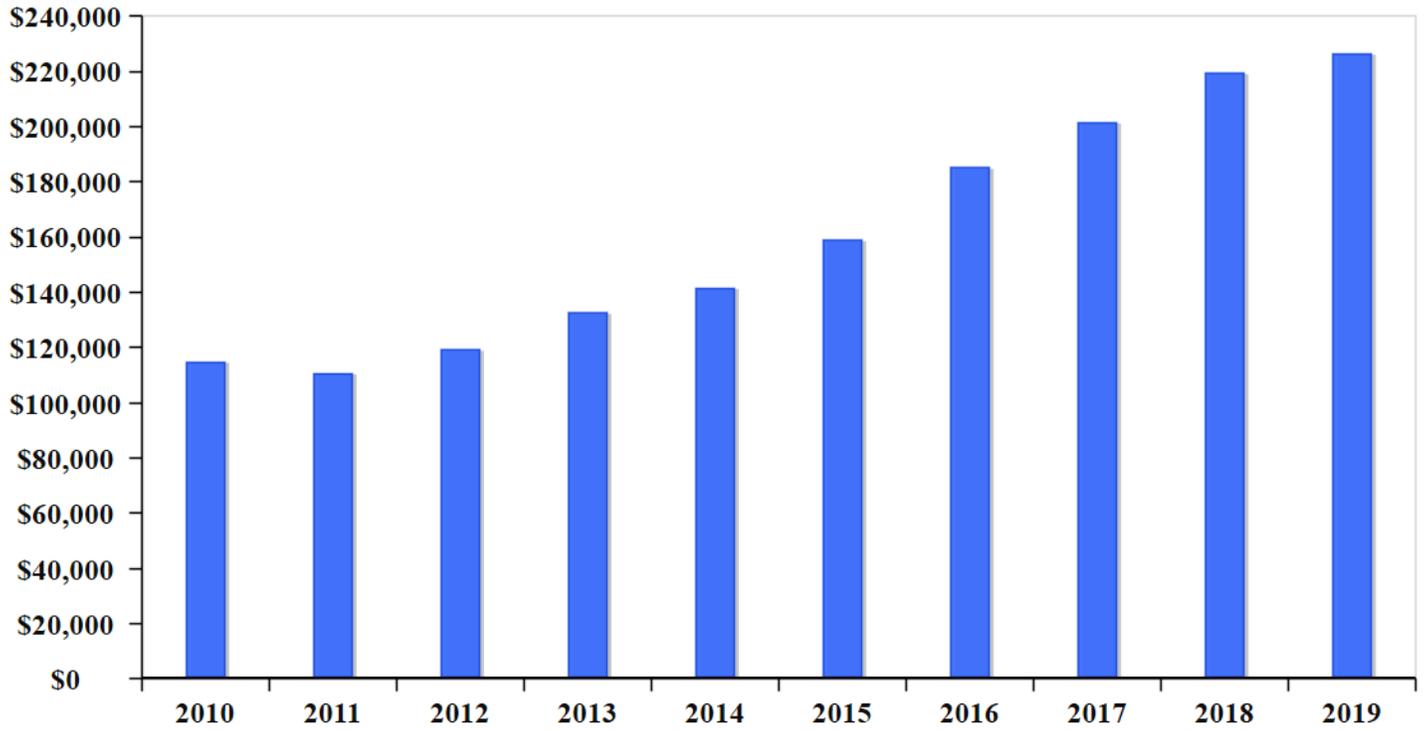
<b>Year</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Median Home Value	\$ 84,000	\$ 90,600	\$ 95,200	\$ 98,300	\$ 101,600	\$ 113,300	\$ 117,700	\$ 118,400	\$ 117,000	\$ 113,400
% Change		7.86 %	5.08 %	3.26 %	3.36 %	11.52 %	3.88 %	0.59 %	(1.18)%	(3.08)%



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>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>	<u>2019</u>
\$ 114,800	\$ 110,600	\$ 119,100	\$ 132,500	\$ 141,500	\$ 158,800	\$ 185,000	\$ 201,396	\$ 219,276	\$ 226,329
1.23 %	(3.66)%	7.69 %	11.25 %	6.79 %	12.23 %	16.50 %	8.86 %	8.88 %	3.22 %



**CITY OF FORT WORTH, TEXAS  
FULL-TIME EQUIVALENT CITY GOVERNMENT  
EMPLOYEES BY FUNCTION / PROGRAM  
LAST TEN FISCAL YEARS (Unaudited)**

<b>Function/Program</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
General Government					
Mayor and Council <sup>(a)</sup>	26	-	-	-	-
City Manager	52	90	89	58	53
Performance and Budget <sup>(b)</sup>	8	-	-	-	-
IT Solutions <sup>(i)</sup>	-	-	-	-	-
Housing and Community Development <sup>(c)</sup>	85	75	57	71	68
Planning and Development	137	135	147	155	146
Community and Public Engagement <sup>(a)</sup>	45	-	-	-	-
Internal Audit	14	14	16	15	15
City Secretary	12	10	11	12	11
Legal	52	46	51	53	53
Financial Management Services	71	72	90	88	101
Human Resources	103	104	107	52	51
Economic Development <sup>(c)</sup>	-	-	-	-	-
Neighborhood Services <sup>(c)</sup>	-	-	-	-	-
Transportation and Public Works <sup>(d)</sup>	550	588	564	617	589
Property Management <sup>(h)</sup>	-	-	-	-	-
Code Compliance <sup>(e)</sup>	173	272	284	289	286
Public Events	127	127	123	132	133
Municipal Court	177	191	195	198	191
Environmental Management <sup>(e)</sup>	113	-	-	-	-
Park and Recreation <sup>(f)</sup>	705	727	690	396	392
Library	275	286	271	220	220
<b>Subtotal</b>	<b>2,725</b>	<b>2,737</b>	<b>2,695</b>	<b>2,356</b>	<b>2,309</b>
Enterprise Fund					
Water/Wastewater	891	892	901	934	940
Aviation	22	24	21	24	24
<b>Subtotal</b>	<b>913</b>	<b>916</b>	<b>922</b>	<b>958</b>	<b>964</b>
Internal Service Fund					
IT Solutions <sup>(i)</sup>	90	100	111	127	133
Equipment Services <sup>(g)</sup>	104	97	96	106	106
<b>Subtotal</b>	<b>194</b>	<b>197</b>	<b>207</b>	<b>233</b>	<b>239</b>
Public Safety					
Police <sup>(h)</sup>	-	-	-	-	-
Police-Uniform	1,524	1,534	1,539	1,594	1,549
Police-Civilian	660	647	677	448	445
Fire <sup>(h)</sup>	-	-	-	-	-
Fire-Uniform	869	894	897	908	884
Fire-Civilian	55	44	60	47	47
<b>Subtotal</b>	<b>3,108</b>	<b>3,119</b>	<b>3,173</b>	<b>2,997</b>	<b>2,925</b>
<b>Total</b>	<b>6,940</b>	<b>6,969</b>	<b>6,997</b>	<b>6,544</b>	<b>6,437</b>

(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) The Police and Fire Uniform and Civilian FTEs are not reported separately beginning FY18.

(i) As of September 30, 2018, IT Solutions was incorporated into General Government

Source: Approved Budgets 2009-2019

**TABLE 29**

<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
-	-	-	-	-
64	63	55	35	36
-	-	25	25	25
-	-	-	-	160
76	-	-	-	-
143	132	140	153	162
-	-	-	41	42
15	15	15	16	16
11	11	11	14	14
51	50	51	51	51
104	100	91	89	89
50	59	59	58	60
-	22	22	20	23
-	155	150	170	172
591	441	442	490	485
-	88	93	97	102
310	353	370	326	355
133	133	133	137	142
184	184	182	168	161
-	-	-	-	-
397	362	391	473	493
216	213	213	237	236
<b>2,345</b>	<b>2,381</b>	<b>2,443</b>	<b>2,600</b>	<b>2,824</b>
937	937	949	967	993
24	24	24	26	26
<b>961</b>	<b>961</b>	<b>973</b>	<b>993</b>	<b>1,019</b>
139	138	136	158	-
106	106	114	117	115
<b>245</b>	<b>244</b>	<b>250</b>	<b>275</b>	<b>115</b>
-	-	-	2,222	2,229
1,549	1,599	1,635	-	-
453	455	458	-	-
-	-	-	1,004	1,016
884	911	925	-	-
47	60	61	-	-
<b>2,933</b>	<b>3,025</b>	<b>3,079</b>	<b>3,226</b>	<b>3,245</b>
<b>6,484</b>	<b>6,611</b>	<b>6,745</b>	<b>7,094</b>	<b>7,203</b>

**CITY OF FORT WORTH, TEXAS  
OPERATING INDICATORS BY FUNCTION / PROGRAM  
LAST TEN FISCAL YEARS (Unaudited)**

<b>Function/Program</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Public Safety					
Fire					
Calls for Service - Fire	2,281	12,392	10,111	10,158	10,439
Calls for Service - EMS	53,837	65,190	58,770	71,511	76,438
Calls for Service - Other <sup>(c)</sup>	26,553	28,863	28,775	29,529	32,514
Police					
Calls for Service	312,061	299,750	299,793	266,169	296,561
Municipal Courts					
Citations Entered	415,008	327,779	277,672	246,378	232,596
Warrants Issued	274,833	318,720	219,478	167,764	115,840
Jail Cases Prepared	81,522	136,312	152,874	141,888	126,739
Transportation and Public Works					
Streets - Lane Miles Maintained Annually	7,317	7,325	7,341	7,382	7,420
Lane Miles - Resurfaced	164	177	169	143	110
Library					
Books and audio/visual materials (millions) <sup>(a)</sup>	1.1	1.1	1.1	1.1	1.2
Average Monthly Circulation	342,697	375,965	369,450	355,877	339,860
Building Permits					
Permits issued (in thousands)	10.0	9.8	10.0	10.1	10.8
Estimated Value (in thousands)	1,678,179	1,352,438	1,454,917	1,214,680	2,143,490
Aviation					
Airport Operations (Takeoffs and Landings)	229,845	260,059	248,650	252,989	257,944
Total Fuel Flowage, gallons	6,656,640	7,828,177	7,742,014	8,260,693	7,457,850
Total Fuel Flowage, revenue	770,510	910,116	908,212	926,437	893,647
Water & Sewer					
Number of Water Accounts (in thousands)	221	223	225	228	234
Peak Day Water Consumption (million gallons)	313	368	346	324	297
Average Daily Water Consumption (million gallons)	170	205	265	186	179
Water System Storage Capacity (million gallons)	93	93	93	90	89
Actual Annual Water Pumpage (million gallons)	62,131	74,997	69,469	67,929	65,485
Infrastructure Leakage Index <sup>(b)</sup>	4.52	4.59	4.12	3.67	5.21
Number of Sewer Accounts (in thousands)	212	214	216	219	225
Average daily sewage treatment (million gallons)	135	105	110	95	95
Municipal Parking					
Parking tickets issued	61,715	52,261	47,211	60,354	44,932

(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).

(c) Beginning FY19, in addition to Fire and EMS, "Other" was added which includes HazMat, Lift-Assist & Lockouts.

Source: Respective City of Fort Worth departments.

**TABLE 30**

<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
10,333	2,340	2,398	2,960	2,130
79,059	66,712	72,176	72,277	73,423
35,557	36,995	37,160	42,305	44,639
292,047	289,058	286,373	269,714	278,467
205,553	175,559	155,027	154,277	146,415
195,718	150,281	112,060	147,782	150,701
127,925	104,637	88,610	74,134	33,953
7,437	7,518	7,617	7,775	7,907
139	165	149	108	30
1.2	1.2	1.1	1.2	1.2
309,730	322,724	369,120	330,488	336,898
11.3	12.3	13.4	14.0	14.0
2,118,305	2,753,962	3,935,427	3,510,592	3,451,308
300,013	310,811	331,714	345,944	358,672
8,371,920	7,845,963	8,822,258	9,545,622	9,906,966
1,088,113	1,016,484	1,231,311	1,434,661	1,586,871
238	241	247	254	260
329	312	263	356	315
179	173	177	194	176
90	95	95	96	96
65,119	63,162	64,751	71,069	64,131
5.42	7.07	4.33	5.71	N/A
229	231	237	243	249
114	124	104	117	132
42,667	36,753	31,251	30,742	43,213

**CITY OF FORT WORTH, TEXAS**  
**CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM**  
**LAST TEN FISCAL YEARS (Unaudited)**

<b>Function/Program</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Library</b>					
Library Facilities Owned	13	14	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	253	257	260	260	263
Parks Acres	11,292	11,609	11,663	11,663	11,722
Miles of Trails (Jogging, Hiking & Biking) (paved trails)	64	66	66	71	71
Swimming Pools	7	7	7	7	2
Athletic Fields (Soccer, Football, Baseball & Rugby)	181	181	184	188	186
Tennis Centers	1	1	1	1	1
Number of Tennis Courts	16	16	16	16	16
Neighborhood Tennis Courts	82	82	82	87	87
Multi-use Courts	107	107	107	107	107
Golf Courses	5	5	5	4	4
Community and C.A.P Centers	22	22	22	22	23
<b>Public Safety</b>					
Police Stations Owned	11	10	12	12	14
Police Stations Leased	9	8	11	11	10
Fire Stations	42	42	42	42	42
<b>Public Works</b>					
Streets - Lane Miles	7,317	7,325	7,341	7,382	7,420
Traffic Signals	635 <sup>(b)</sup>	644 <sup>(b)</sup>	649 <sup>(c)</sup>	667 <sup>(c)</sup>	649 <sup>(d)</sup>
Street Lights	62,075	63,007	64,175	64,721	65,489
<b>Stormwater</b>					
Miles of Channels - Improved	327	330	212	212	212
Miles of Storm Pipes	800	900	930	1,163	943
<b>Water</b>					
Water Mains (Miles)	3,469	3,480	3,513	3,553	3,596
Fire Hydrants	18,275	18,388	18,616	18,879	19,136
<b>Wastewater</b>					
Miles of Sanitary Sewers	3,454	3,527	3,569	3,610	3,643

(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.

(i) The City also maintains 196 Traffic Signals owned by TXDOT not included in the number noted above.

Source: Respective City of Fort Worth departments.

**TABLE 31**

<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
14	14	14	14	14
2	2	2	2	3
-	9	9	9	9
271	274	278	283	289
11,781	11,878	11,988	12,065	12,323
77	120	78	79	79
2	2	2	3	3
186	192	188	227	227
1	1	1	1	1
16	16	16	16	16
88	86	88	64	62
113	113	130	47	47
4	4	4	4	4
23	14	22	22	14
17	17	17	15	15
11	11	11	9	9
42	42	42	43	43
7,437	7,518	7,617	7,775	7,907
667 <sup>(e)</sup>	697 <sup>(f)</sup>	680 <sup>(g)</sup>	693 <sup>(h)</sup>	701 <sup>(i)</sup>
65,894	66,182	67,032	67,237	69,527
214	214	214	214	214
955	970	973	998	994
3,386	3,420	3,503	3,503	3,629
18,709	19,182	22,320	22,778	23,420
3,289	3,313	3,459	3,508	3,565

