

Debt Service Funds

Debt Service Funds

Debt Service Fund Statement

FUND SUMMARY

	FY2018	FY2019	FY2019	FY2020	Change from Adopted	
	Final	Adopted	Adjusted	Adopted	Amount	%
Property Tax	94,645,827	98,775,882	98,775,882	111,776,117	13,000,235	13.16%
Charge for Service	99,375	-	-	-	-	0.00%
Use of Money & Property	16,903,479	2,981,456	2,981,456	275,300	(2,706,156)	-90.77%
Transfer In	143,788,970	119,943,568	154,035,170	133,636,827	13,693,259	11.42%
Total Revenues	255,437,650	221,700,906	255,792,508	245,688,244	23,987,338	10.82%
Use of Fund Balance	-	7,956,795	8,959,535	898,175	(7,058,620)	-88.71%
Debt Service Accts	226,875,813	226,162,031	261,365,351	238,374,352	12,212,321	5.40%
Transfer Out	-	-	-	-	-	0.00%
Total Expenses	226,875,813	226,162,031	261,365,351	238,374,352	12,212,321	5.40%
Contribution to Fund Balance	-	3,495,670	3,387,113	8,212,067	4,716,397	134.92%
Revenues Over(Under) Expenses	\$ 28,561,838	\$ -	\$ (421)	\$ -	\$ -	0%

FUND PURPOSE AND GOALS

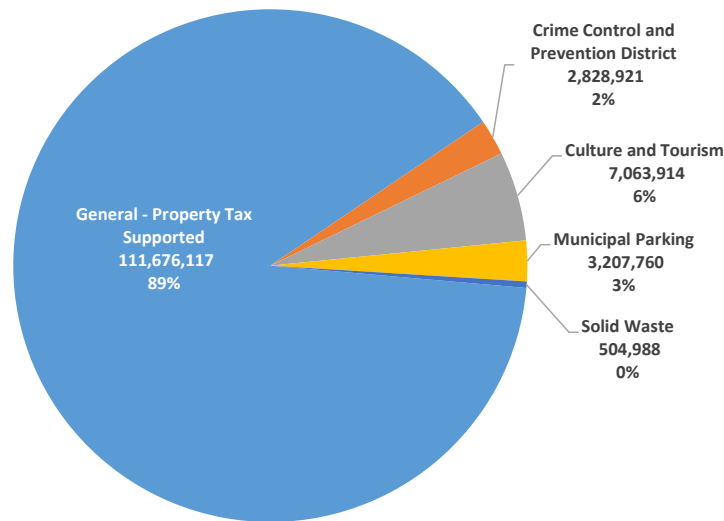
Debt service funds account for the accumulation of financial resources for the payment of principal, interest and related costs on long-term obligations paid primarily from taxes levied by the city. The city will utilize nine debt service funds to accumulate the resources to make principal and interest payments on existing bond issues. Debt service funds include the General Debt Service Fund, Culture and Tourism Debt Service Fund, Venue Debt Service Fund, Rock Creek PID Debt Service Fund, Stormwater Debt Service Fund, Solid Waste Debt Service Fund, Municipal Parking Debt Service Fund, and two Water debt service funds. The total FY2020 debt service requirements as of August 6, 2019, for all fund's outstanding debt are \$238,273,952 (does not include capital leases, energy conservation loans, or handling charges).

TOTAL GENERAL OBLIGATION DEBT

Of the total debt amount projected for the upcoming fiscal year (FY2020), \$125,281,700 is for general obligation bonds, certificates of obligation, loans, and tax notes.

Debt Service Funds

Total General Obligation Debt



Ad Valorem Tax Supported Debt

Current property tax collections cover most of the general debt service assisted by delinquent property tax collections. Other revenues include a transfer to the General Debt Service Fund from the Crime Control and Prevention District (CCPD) for CCPD eligible activities and interest earnings. Projected revenues for debt service are as follows:

Current Property Tax	\$	110,426,117
Other Revenue	\$	4,178,921
	\$	<u>114,605,038</u>

State property tax law allows the city to levy a property tax to pay for its long-term (over 1 year) debt obligations and for the next fiscal year \$0.1525 (20.40%) of the total tax rate is devoted to paying long-term debt service obligations. For FY2020 the city's combined adopted property tax rate is \$0.7475 per \$100 of assessed valuation with a 98.5% collection rate. This represents a decrease of \$0.0375 from the prior year property tax rate. The debt service levy rate of \$0.1525 per \$100 of assessed valuation is expected to yield approximately \$110.4 million, which will allow the repayment of all current general debt obligations, along with other revenue.

The State Constitution limits the tax rate to \$2.50 per \$100. Administratively, the Texas Attorney General will only allow up to \$1.50 per \$100 for all tax supported debt. This amount is calculated at the time the bonds are sold and based on 90% collection rate. Self-supporting debt does not count against the \$1.50.

The city's credit ratings are complimentary of strong financial performance, maintaining reserves and strong financial governance. The city's credit strengths are somewhat offset by the city's unfunded pension liability and fixed cost burden. 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 revenue bonds are rated 'Aa1' by Moody's, 'AA+' by S&P, and 'AA' by Fitch. The city's drainage utility revenue bonds are rated 'AA+' by S&P and Fitch. The city's special tax revenue bonds are not rated by S&P or Kroll, and are rated 'A1' 'AA+' by Moody's and Fitch, respectively.

Debt Service Fund

General Debt Service

FUND SUMMARY

	FY2018 Final	FY2019 Adopted	FY2019 Adjusted	FY2020 Adopted	Change from Adopted	
					Amount	%
Property Tax	94,645,827	98,775,882	98,775,882	111,776,117	13,000,235	13.16%
Charge for Service	99,375	-	-	-	-	0.00%
Use of Money & Property	7,968,393	2,706,156	2,706,156	-	(2,706,156)	-100.00%
Transfer In	4,135,301	2,886,707	4,136,707	2,828,921	(57,786)	-2.00%
Revenue	\$106,848,895	\$104,368,745	\$105,619,166	\$114,605,038	\$ 10,236,293	9.81%
Debt Service Accts	99,429,536	102,984,951	104,234,951	114,605,038	11,620,087	11.28%
Transfer Out & Other	-	1,383,794	1,384,215	-	(1,383,794)	-100.00%
Expenses	\$ 99,429,536	\$104,368,745	\$105,619,166	\$114,605,038	\$ 10,236,293	9.81%

FUND PURPOSE AND GOALS

The General Debt Service Fund debt is used to provide funds for capital necessities including equipment purchases, upgrades, and repairs, construction of buildings, streets, and infrastructure to meet the needs of the city. This includes the debt paid by property tax authority rather than debt paid by an enterprise fund revenue source.

Tax supported debt is shown in the following chart. Not included in the chart is \$100k in handling charges, as well as amounts designated for the early retirement and defeasement of callable debt options beginning March 1, 2020.

FY2020	Principal	Interest	Total
	\$	\$	\$
	80,775,000	27,546,006	108,321,006
Series 2009 CO	1,995,000	98,900	2,093,900
Series 2009 GP Bonds	-	-	-
Series 2010 GP Bonds	1,030,000	412,000	1,442,000
Series 2010A CO	2,885,000	697,500	3,582,500
Series 2011 GP Refunding	5,095,000	786,400	5,881,400
Series 2012 CO	4,475,000	2,040,875	6,515,875
Series 2012 GP Ref and Imp	9,295,000	4,699,925	13,994,925
Series 2013 GP Ref and Imp	570,000	313,875	883,875
Series 2013A CO	2,480,000	1,424,500	3,904,500
Series 2013C CO	920,000	515,631	1,435,631
Series 2014 GP Refunding	3,940,000	303,380	4,243,380
Series 2015 GP Refunding	400,000	48,814	448,814
Series 2015A GP Ref and Imp	10,075,000	4,201,363	14,276,363
Series 2016 GP Ref and Imp	8,175,000	4,848,575	13,023,575
Series 2016 Tax Notes	1,355,000	70,668	1,425,668
Series 2017 Tax Notes	2,510,000	232,362	2,742,362
Series 2018 GP Ref and Imp	2,250,000	1,714,145	3,964,145
Series 2018 Tax Notes	1,645,000	488,500	2,133,500
Series 2019 GP	20,665,000	4,204,875	24,869,875
Series 2019 Tax Notes	1,015,000	443,719	1,458,719

Debt Service Fund

Culture and Tourism Debt Service

FUND SUMMARY

	FY2018 Final	FY2019 Adopted	FY2019 Adjusted	FY2020 Adopted	Change from Adopted	
					Amount	%
Use of Money & Property	672,864	275,300	275,300	275,300	-	0.00%
Transfer In	7,056,001	7,059,281	7,059,281	7,063,911	4,630	0.07%
Revenue	\$ 7,728,865	\$ 7,334,581	\$ 7,334,581	\$ 7,339,211	\$ 4,630	0.06%
Debt Service Accts	7,051,987	7,059,281	7,059,281	7,063,914	4,633	0.07%
Transfer Out & Other	-	275,300	275,300	275,297	(3)	0.00%
Expenses	\$ 7,051,987	\$ 7,334,581	\$ 7,334,581	\$ 7,339,211	\$ 4,630	0.06%

FUND PURPOSE AND GOALS

The Culture & Tourism debt service fund is used to finance upgrades, updates, and construction projects to city owned facilities that will add to the tourism attractions in the City of Fort Worth. Examples include the Convention Center and the Will Rogers Memorial Coliseum.

Interest Earnings were previously included in the operating Culture & Tourism Fund. In FY2019, earning were shifted to the debt service fund and resulted in an increase in transfer out and other as a contribution to fund balance.

The following chart provides the principal and interest for each bond issuance that has a payment due in FY2020.

FY2020	Principal	Interest	Total
	\$ 5,295,000	\$ 1,768,914	\$ 7,063,914
Series 2010 CO	1,595,000	936,620	2,531,620
Series 2013 GO	3,240,000	274,200	3,514,200
Series 2013B CO	460,000	380,844	840,844
Series 2015A GO	-	177,250	177,250

Debt Service Fund

Municipal Parking Debt Service

FUND SUMMARY

	FY2018 Final	FY2019 Adopted	FY2019 Adjusted	FY2020 Adopted	Change from Adopted	
					Amount	%
Use of Money & Property	31,797	-	-	-	-	0.00%
Transfer In	4,041,100	4,049,500	4,049,500	3,207,760	(841,740)	-20.79%
Revenue	\$ 4,072,897	\$ 4,049,500	\$ 4,049,500	\$ 3,207,760	\$ (841,740)	-20.79%
Debt Service Accts	4,054,700	4,049,500	4,049,500	3,207,760	(841,740)	-20.79%
Expenses	\$ 4,054,700	\$ 4,049,500	\$ 4,049,500	\$ 3,207,760	\$ (841,740)	-20.79%

FUND PURPOSE AND GOALS

The Municipal Parking Debt Service Fund is used to finance upgrades, repairs, and construction of city parking facilities.

The following chart provides principal and interest by series for each bond issuance that has a payment due in FY2020.

FY2020	Principal	Interest	Total
	\$ 1,820,000	\$ 1,387,760	\$ 3,207,760
Series 2009 CO	1,590,000	1,383,160	2,973,160
Series 2010A CO	230,000	4,600	234,600

Debt Service Fund

Rock Creek PID Debt Service

FUND SUMMARY

	FY2018 Final	FY2019 Adopted	FY2019 Adjusted	FY2020 Adopted	Change from Adopted	
					Amount	%
Transfer In	1,027,902	-	-	-	-	0.00%
Use of Fund Balance	-	947,978	947,978	898,175	(49,803)	-5.25%
Revenue	\$ 1,114,683	\$ 947,978	\$ 947,978	\$ 898,175	\$ (49,803)	-5.25%
Debt Service Accts	617,299	947,978	947,978	898,175	(49,803)	-5.25%
Expenses	\$ 617,299	\$ 947,978	\$ 947,978	\$ 898,175	\$ (49,803)	-5.25%

FUND PURPOSE AND GOALS

Rock Creek Ranch PID continues with development on 1,755-acres located 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 August 2019 and is expected to have 2,500 students. The Rock Creek PID Debt Service Fund was created to pay for debt issued to finance the improvements related to the development. The debt takes the form of special assessment revenue bonds which are secured by pledged revenue of annual installments levied against the property within the PID. The debts are special and limited obligations of the city, and shall never be payable out of funds raised or to be raised by taxation or from any other revenues, properties or income of the city. The city is acting as the property owner's agent within the district in collecting future assessments, forwarding collections to trustees, approving bond proceed disbursements, and initiating any future foreclosures.

The following chart provides the principal and interest for each debt issuance that has a payment due in FY2020. Handling charges are included separately from principal and interest depicted in the chart.

FY2020	Principal	Interest	Total
	\$ -	\$ 898,175	\$ 898,175
Series 2017 Spec Assess Rev	-	640,425	640,425
Series 2018 Spec Assess Rev	-	257,750	257,750

Debt Service Fund

Solid Waste Debt Service

FUND SUMMARY

	FY2018 Final	FY2019 Adopted	FY2019 Adjusted	FY2020 Adopted	Change from Adopted	
					Amount	%
Use of Money & Property	178,128	-	-	-	-	0.00%
Transfer In	535,005	525,590	525,590	504,988	(20,602)	-3.92%
Revenue	\$ 713,133	\$ 525,590	\$ 525,590	\$ 504,988	\$ (20,602)	-3.92%
Debt Service Accts	546,424	525,590	525,590	504,988	(20,602)	-3.92%
Expenses	\$ 546,424	\$ 525,590	\$ 525,590	\$ 504,988	\$ (20,602)	-3.92%

FUND PURPOSE AND GOALS

The Solid Waste Debt Service Fund is used to pay for street repairs, as well as repairs and upgrades to the city's Eastside Landfill.

The following chart provides the principal and interest by series for each bond issuance that has a payment due in FY2020.

FY2020	Principal	Interest	Total
	\$ 450,000	\$ 54,988	\$ 504,988
Series 2015 GP Refunding	450,000	54,988	504,988

Debt Service Fund

Stormwater Debt Service

FUND SUMMARY

	FY2018 Final	FY2019 Adopted	FY2019 Adjusted	FY2020 Adopted	Change from Adopted	
					Amount	%
Use of Money & Property	791,506	-	-	-	-	0.00%
Transfer In	9,137,956	9,246,952	42,088,554	8,910,580	(336,372)	-3.77%
Revenue	\$ 9,929,462	\$ 9,246,952	\$ 43,091,294	\$ 8,910,580	\$ (336,372)	-3.64%
Debt Service Accts	9,139,155	9,137,974	43,091,294	8,794,925	(343,049)	-3.75%
Transfer Out & Other	-	108,978	-	115,655	6,677	6.13%
Expenses	\$ 9,139,155	\$ 9,246,952	\$ 43,091,294	\$ 8,910,580	\$ (336,372)	-3.64%

FUND PURPOSE AND GOALS

The Stormwater Debt Service Fund is used to fund projects which update, upgrade, or improve the city's current storm water system. It also includes long range development planning of the system.

The following chart provides principal and interest by series for each debt issuance that has a payment due in FY2020.

FY2020	Principal	Interest	Total
	\$ 4,705,000	\$ 4,089,925	\$ 8,794,925
Series 2011 Drainage Utility Revenue	2,540,000	2,352,219	4,892,219
Series 2016 Drainage Utility Revenue	855,000	576,775	1,431,775
Series 2019 Drainage Utility Revenue	1,310,000	1,160,931	2,470,931

Debt Service Fund

Water Prior Lien Debt Service

FUND SUMMARY

	FY2018 Final	FY2019 Adopted	FY2019 Adjusted	FY2020 Adopted	Change from Adopted	
					Amount	%
Use of Money & Property	5,680,891	-	-	-	-	0.00%
Transfer In	108,931,562	87,449,177	87,449,177	92,539,640	5,090,463	5.82%
Revenue	\$114,612,453	\$ 87,449,177	\$ 87,449,177	\$ 92,539,640	\$ 5,090,463	5.82%
Debt Service Accts	89,144,594	85,779,879	85,779,879	87,625,341	1,845,462	2.15%
Transfer Out & Other	-	1,669,298	1,669,298	4,914,299	3,245,001	194.39%
Expenses	\$ 89,144,594	\$ 87,449,177	\$ 87,449,177	\$ 92,539,640	\$ 5,090,463	5.82%

FUND PURPOSE AND GOALS

Water & Sewer Prior Lien Debt Service Fund uses revenue debt to fund projects which update, upgrade, or improve the city's current water and sewer system. It also includes long range development and planning of the systems.

In addition to the outstanding general obligation debt, the city's Water & Sewer Enterprise System has outstanding debt service obligations for previously issued water-related debt. Issues include water & sewer revenue bonds and loans from the Texas Water Development Board's State Revolving Loan Fund. The Water & Sewer Operating Fund collects fees for its services to support ongoing operation and its outstanding debt service obligations.

The following chart shows principal and interest by series for each bond issuance with a payment due in FY2020. An additional minimal amount is included in debt service accounts that do not show below. This is due to estimates used based on the timing of the 2019 issuance and the development of budgetary needs and assessments.

FY2020	Principal	Interest	Total
	\$ 55,415,000	\$ 31,790,498	\$ 87,205,498
Series 2009 WSSR DWSRF	815,000	-	815,000
Series 2010 WSSR Ref	5,550,000	117,938	5,667,938
Series 2010A WSSR DWSRF	1,920,000	513,327	2,433,327
Series 2010B WSSR CWSRF	1,340,000	386,320	1,726,320
Series 2010C WSSR Rev	2,075,000	1,229,463	3,304,463
Series 2011 W&SS Ref & Imp	12,240,000	4,335,500	16,575,500
Series 2012 W&SS Ref	2,800,000	740,600	3,540,600
Series 2014 W&SS Ref & Imp	6,395,000	5,370,925	11,765,925
Series 2015 W&SS Rev, TWDB	1,840,000	460,520	2,300,520
Series 2015A W&SS Rev, Ref and Imp	1,795,000	4,953,419	6,748,419
Series 2015B W&SS Rev, TWDB	830,000	150,083	980,083
Series 2016 W&SS Rev, Ref and Imp	4,005,000	2,748,525	6,753,525
Series 2017 W&SS Rev	475,000	186,663	661,663
Series 2017A W&SS Rev, Ref and Imp	7,310,000	4,029,775	11,339,775
Series 2017B W&SS Rev	4,000,000	736,748	4,736,748
Series 2018 W&S Rev	805,000	1,929,869	2,734,869
Series 2019 W&SS Rev	1,220,000	3,900,825	5,120,825

Debt Service Fund

Water Sub Lien Debt Service

FUND SUMMARY

	FY2018 Final	FY2019 Adopted	FY2019 Adjusted	FY2020 Adopted	Change from Adopted	
					Amount	%
Use of Money & Property	51,440	-	-	-	-	0.00%
Transfer In	5,599,252	5,628,655	5,628,655	5,629,731	1,076	0.02%
Revenue	\$ 5,650,692	\$ 5,628,655	\$ 5,628,655	\$ 5,629,731	\$ 1,076	0.02%
Debt Service Accts	5,569,346	5,570,355	5,570,355	5,571,293	938	0.02%
Transfer Out & Other	-	58,300	58,300	58,438	138	0.24%
Expenses	\$ 5,569,346	\$ 5,628,655	\$ 5,628,655	\$ 5,629,731	\$ 1,076	0.02%

FUND PURPOSE AND GOALS

In addition to the outstanding general obligation debt, the Water & Sewer Prior Lien Debt Service Fund includes state revolving loan debt used to fund projects which update, upgrade, or improve the city's current water & sewer system. It also includes long range development and planning of the systems. This debt works in conjunction with the city's other water & sewer debt in that they are subordinate liens to the primary water & sewer system debt.

The following chart provides principal and interest by series for each bond issuance that has a payment due in FY2020.

FY2020	Principal	Interest	Total
	\$ 4,540,000	\$ 1,031,293	\$ 5,571,293
Series 2007A WSS SRLF	\$ 1,820,000	\$ 368,465	\$ 2,188,465
Series 2007B WSS SRLF	\$ 2,720,000	\$ 662,828	\$ 3,382,828

Debt Service Fund

Venue Debt Service

FUND SUMMARY

	FY2018 Final	FY2019 Adopted	FY2019 Adjusted	FY2020 Adopted	Change from Adopted	
					Amount	%
Use of Money & Property	1,323,010	-	-	-	-	0.00%
Transfer In	961,341	3,097,706	3,097,706	12,951,296	9,853,590	318.09%
Use of Fund Balance	-	7,008,817	7,008,817	-	(7,008,817)	-100.00%
Revenue	\$ 2,284,351	\$ 10,106,523	\$ 10,106,523	\$ 12,951,296	\$ 2,844,773	28.15%
Debt Service Accts	11,326,273	10,106,523	10,106,523	10,102,918	(3,605)	-0.04%
Transfer Out & Other	-	-	-	2,848,378	2,848,378	0.00%
Expenses	\$ 11,326,273	\$ 10,106,523	\$ 10,106,523	\$ 12,951,296	\$ 2,844,773	28.15%

FUND PURPOSE AND GOALS

The Venue Debt Service Fund is used to provide funds for Dickies Arena and associated facilities that will add to the tourism attractions in the City of Fort Worth, by servicing the city's portion of debt associated with these facilities.

The following chart provides the principal and interest amounts for each bond issuance that has a payment due in FY2020.

FY2020	Principal	Interest	Total
	\$ 440,000	\$ 9,662,518	\$ 10,102,518
Series 2017A	-	4,211,606	4,211,606
Series 2017B	440,000	5,450,912	5,890,912