

City of Fort Worth, Texas

# FY2018

## RESERVE REQUIREMENT SUPPLEMENT

For the Fiscal Year Ended September 30, 2018

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**City of Fort Worth, Texas**  
**Reserve Requirement Supplement**  
**For the Fiscal Year Ended September 30, 2018**

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April 26, 2019

Department Heads,  
Fiscal Coordinators and City Staff  
City of Fort Worth, Texas

Ladies and Gentlemen:

We are pleased to submit the Reserve Requirement Supplement for the fiscal year ended September 30, 2018. The City's Financial Management Policy Statements (FMPS) 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. This report contains information pertaining to the City's Operating Funds and their compliance with the City's Financial Management Policy Statements under Section III: Fund Reserve Policies.

FMPS Fund Reserve Policies can be found on the City's Intranet Website under Financial Management Services found here: <http://www.cfwnet.org/finance/policy-statements/>

Any non-compliant Fund should consult with the Performance and Budget Office during the upcoming fiscal planning process to allocate a Contribution to Net Position/Fund Balance over the next fiscal year(s) to regain compliance with their respective Fund Reserve Policy.

The following considerations/basis of calculation were applied in this Reserve Requirement Supplement that aren't explicitly stated in the Fund Reserve Policies: Calculations only include the Operating Fund; and only includes the Actuals ledger from the General Ledger. For Proprietary Funds, Working Capital has been adjusted for "Non-spendable" items such as: Unrealized Gain/Loss; Inventories; Prepaids, Deposits, and Other; and Unearned Revenue as due to their very nature they cannot be expended again. For Enterprise Funds, the only time information from their respective Debt Service or Capital Project Funds is combined with the Operating Fund is to compute the ending Unrestricted Net Position for the Fund. Also, for the Enterprise Funds' Days Cash on Hand calculation: 'Recurring Expenses' exclude amounts for bonded debt in the next fiscal year; and 'Cash on Hand' is reduced by the amount due for restricted payables.

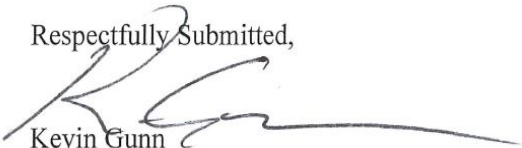
The Financial Management Services Department (FMS) reviews and updates the FMPS on an annual basis and submits revisions to the Mayor and City Council for approval. Any discrepancies noted above between the policies as currently written and the intent will be updated during this process to add clarification to the calculation.

Details of any Operating Fund's Reserve Requirement Supplement can be provided upon request by emailing FMS' Financial Reporting Division at [zz\\_FIN\\_CAFR](mailto:zz_FIN_CAFR) or by calling 817-392-2455.

The PDF comes fully bookmarked for your convenience.

If you have any questions about this information, please feel free to contact me at 817-392-8500.

Respectfully Submitted,

  
Kevin Gunn  
Interim Chief Financial Officer

**DEPARTMENT OF FINANCIAL MANAGEMENT SERVICES**

THE CITY OF FORT WORTH \* 200 TEXAS STREET \* FORT WORTH, TEXAS 76102  
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# GOVERNMENTAL FUNDS

## **Governmental Funds**

### **Governmental Funds**

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

#### **General Fund**

The 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.

#### **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.

#### **Special Revenue Funds**

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

GENERAL

FUND

**CITY OF FORT WORTH, TEXAS**  
**RESERVE REQUIREMENT SUPPLEMENT**  
**GENERAL FUND**  
**SEPTEMBER 30, 2018**  
**(\*\*UNAUDITED\*\*)**

The City will maintain a minimum Unassigned Fund Balance equivalent to ten percent (10%) of regular ongoing operating expenditures, with a goal of two months (16.67%) of regular ongoing operating expenditures.

<b>Unassigned Fund Balance tied to CAFR</b>	<u>\$ 115,199,000</u>
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<b>Operating Expenditures</b>	<u>\$ 627,461,243</u>
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**Reserve Requirement:**

Minimum - 10%	\$ 62,746,125
Goal - 16.67 % (2 months)	\$ 104,597,790

**Projected Excess (Deficit) of Reserves:**

Minimum - 10%	\$ 52,452,875
Goal - 16.67 % (2 months)	\$ 10,601,210

<b>Compliant/Not Compliant?</b>	<b>Compliant</b>
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**Reserve Requirement Policy:**

General Fund and Debt Service Fund

<http://www.cfwnet.org/finance/FMPS/4b-General-and-DebtService-Fund-Reserve-Policy.pdf>

**GENERAL  
DEBT SERVICE  
FUND**



**CITY OF FORT WORTH, TEXAS  
RESERVE REQUIREMENT SUPPLEMENT  
GENERAL DEBT SERVICE FUND  
SEPTEMBER 30, 2018  
(\*\*UNAUDITED\*\*)**

The City will maintain a minimum level of Restricted, Committed, and Assigned Fund Balance in the General 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.

<b>Restricted, Committed, and Assigned Fund Balance tied to CAFR</b>	<b>\$ <u>52,158,000</u></b>
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<b>Operating Expenditures</b>	<b>\$ <u>121,018,730</u></b>
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**Reserve Requirement:**

Minimum - 16.67 % (2 months)	\$ 20,173,823
Goal - 25 % (3 months)	\$ 30,254,683

**Projected Excess (Deficit) of Reserves:**

Minimum - 16.67 % (2 months)	\$ 31,984,177
Goal - 25 % (3 months)	\$ 21,903,317

<b>Compliant/Not Compliant?</b>	<b>Compliant</b>
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**Reserve Requirement Policy:**

General Fund and Debt Service Fund

<http://www.cfwnet.org/finance/FMPS/4b-General-and-DebtService-Fund-Reserve-Policy.pdf>

# SPECIAL REVENUE 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.

*Culture and Tourism Fund* is used to account for taxes received from hotel and motel occupancy to promote tourism.

*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.

*Golf Fund* is used to account for the operation of four City golf courses. The Fund's operations are financed by course fees, golf equipment rentals and merchandise and concession sales to the public and an annual subsidy from the General Fund.

*Botanic Gardens Fund* is responsible for maintaining the oldest botanic garden in Texas and preserving art and culture.

**CITY OF FORT WORTH, TEXAS**  
**RESERVE REQUIREMENT SUPPLEMENT**  
**CRIME CONTROL AND PREVENTION DISTRICT FUND**  
**SEPTEMBER 30, 2018**  
**(\*\*UNAUDITED\*\*)**

**Step 1:**

The City will maintain the minimum Fund Balances (combined Restricted and Assigned Fund Balances) equivalent to two months (16.67%) of regular, on-going Operating Expenditures (including operating transfers out). This calculation shall not include Non-Recurring Items.

<b>Restricted and Assigned Fund Balances tied to CAFR</b>	<u>\$ 12,991,000</u>
<b>Operating Expenditures</b>	<u>\$ 54,692,000</u>
<b>Reserve Requirement:</b>	
Minimum - 16.67 % (2 months)	\$ 9,117,156

**Step 2:**

The City will maintain the minimum Fund Balances (combined Restricted and Assigned Fund Balances) equivalent to two months (16.67%) of the amount being paid in Debt Service payments for the subsequent year.

<b>Projected Debt Service Payments</b>	<u>\$ -</u>
Minimum - 16.67 % (2 months)	\$ -

**Step 3:**

The applicable cumulative total of Steps 1 and 2 requirements will be the minimum reserve requirement.

<b>Combined Minimum Reserve Requirement:</b>	
Minimum - 16.67 % (2 months)	\$ 9,117,156
<b>Projected Excess (Deficit) of Reserves:</b>	
Excess (Deficit) Amount	\$ 3,873,844
<b>Compliant/Not compliant</b>	<b>Compliant</b>

**Reserve Requirement Policy:**

Special Revenue Fund

<http://www.cfwnet.org/finance/FMPS/4f-Special-Revenue-Fund-Reserve-Policy.pdf>

**CITY OF FORT WORTH, TEXAS  
RESERVE REQUIREMENT SUPPLEMENT  
ENVIRONMENTAL MANAGEMENT FUND  
SEPTEMBER 30, 2018  
(\*\*UNAUDITED\*\*)**

**Step 1:**

The City will maintain the minimum Fund Balances (combined Restricted and Assigned Fund Balances) equivalent to two months (16.67%) of regular, on-going Operating Expenditures (including operating transfers out). This calculation shall not include Non-Recurring Items.

<b>Restricted and Assigned Fund Balances tied to CAFR</b>	<u>\$ 1,543,000</u>
<b>Operating Expenditures</b>	<u>\$ 3,200,000</u>
<b>Reserve Requirement:</b>	
Minimum - 16.67 % (2 months)	\$ 533,440

**Step 2:**

The City will maintain the minimum Fund Balances (combined Restricted and Assigned Fund Balances) equivalent to two months (16.67%) of the amount being paid in Debt Service payments for the subsequent year.

<b>Projected Debt Service Payments</b>	<u>\$ -</u>
Minimum - 16.67 % (2 months)	\$ -

**Step 3:**

The applicable cumulative total of Steps 1 and 2 requirements will be the minimum reserve requirement.

<b>Combined Minimum Reserve Requirement:</b>	
Minimum - 16.67 % (2 months)	\$ 533,440
<b>Projected Excess (Deficit) of Reserves:</b>	
Excess (Deficit) Amount	\$ 1,009,560
<b>Compliant/Not Compliant?</b>	<b>Compliant</b>

**Reserve Requirement Policy:**

Special Revenue Fund

<http://www.cfwnet.org/finance/FMPS/4f-Special-Revenue-Fund-Reserve-Policy.pdf>

**CULTURE AND  
TOURISM  
FUNDS**

**CITY OF FORT WORTH, TEXAS  
RESERVE REQUIREMENT SUPPLEMENT  
CULTURE AND TOURISM FUND  
SEPTEMBER 30, 2018  
(\*\*UNAUDITED\*\*)**

**Step 1:**

The City will maintain the minimum Fund Balances (combined Restricted and Assigned Fund Balances) equivalent to two months (16.67%) of regular, on-going Operating Expenditures (including operating transfers out). This calculation shall not include Non-Recurring Items.

<b>Restricted and Assigned Fund Balances tied to CAFR</b>	<u>\$ 15,756,000</u>
<b>Operating Expenditures</b>	<u>\$ 34,705,000</u>
<b>Reserve Requirement:</b>	
Minimum - 16.67 % (2 months)	\$ 5,785,324

**Step 2:**

The City will maintain the minimum Fund Balances (combined Restricted and Assigned Fund Balances) equivalent to two months (16.67%) of the amount being paid in Debt Service payments for the subsequent year.

<b>Projected Debt Service Payments</b>	<u>\$ -</u>
Minimum - 16.67 % (2 months)	\$ -

**Step 3:**

The applicable cumulative total of Steps 1 and 2 requirements will be the minimum reserve requirement.

<b>Combined Minimum Reserve Requirement:</b>	
Minimum - 16.67 % (2 months)	\$ 5,785,324
<b>Projected Excess (Deficit) of Reserves:</b>	
Excess (Deficit) Amount	\$ 9,970,676
<b>Compliant/Not Compliant?</b>	<b>Compliant</b>

**Reserve Requirement Policy:**

Special Revenue Fund

<http://www.cfwnet.org/finance/FMPS/4f-Special-Revenue-Fund-Reserve-Policy.pdf>

**CITY OF FORT WORTH, TEXAS**  
**RESERVE REQUIREMENT SUPPLEMENT**  
**CULTURE AND TOURISM 2% CITY HOTEL FUND**  
**SEPTEMBER 30, 2018**  
**(\*\*UNAUDITED\*\*)**

**Step 1:**

The City will maintain the minimum Fund Balances (combined Restricted and Assigned Fund Balances) equivalent to two months (16.67%) of regular, on-going Operating Expenditures (including operating transfers out). This calculation shall not include Non-Recurring Items.

<b>Restricted and Assigned Fund Balances tied to CAFR</b>	<u>\$ 1,796,000</u>
<b>Operating Expenditures</b>	<u>\$ -</u>
<b>Reserve Requirement:</b>	
Minimum - 16.67 % (2 months)	\$ -

**Step 2:**

The City will maintain the minimum Fund Balances (combined Restricted and Assigned Fund Balances) equivalent to two months (16.67%) of the amount being paid in Debt Service payments for the subsequent year.

<b>Projected Debt Service Payments</b>	<u>\$ -</u>
Minimum - 16.67 % (2 months)	\$ -

**Step 3:**

The applicable cumulative total of Steps 1 and 2 requirements will be the minimum reserve requirement.

<b>Combined Minimum Reserve Requirement:</b>	
Minimum - 16.67 % (2 months)	\$ -
<b>Projected Excess (Deficit) of Reserves:</b>	
Excess (Deficit) Amount	\$ 1,796,000
<b>Compliant/Not Compliant?</b>	<b>Compliant</b>

**Reserve Requirement Policy:**

Special Revenue Fund

<http://www.cfwnet.org/finance/FMPS/4f-Special-Revenue-Fund-Reserve-Policy.pdf>



**CITY OF FORT WORTH, TEXAS**  
**RESERVE REQUIREMENT SUPPLEMENT**  
**CULTURE AND TOURISM PROJECT FINANCING ZONE FUND**  
**SEPTEMBER 30, 2018**  
**(\*\*UNAUDITED\*\*)**

**Step 1:**

The City will maintain the minimum Fund Balances (combined Restricted and Assigned Fund Balances) equivalent to two months (16.67%) of regular, on-going Operating Expenditures (including operating transfers out). This calculation shall not include Non-Recurring Items.

<b>Restricted and Assigned Fund Balances tied to CAFR</b>	<u>\$ 5,210,000</u>
<b>Operating Expenditures</b>	<u>\$ 145,000</u>
<b>Reserve Requirement:</b>	
Minimum - 16.67 % (2 months)	\$ 24,172

**Step 2:**

The City will maintain the minimum Fund Balances (combined Restricted and Assigned Fund Balances) equivalent to two months (16.67%) of the amount being paid in Debt Service payments for the subsequent year.

<b>Projected Debt Service Payments</b>	<u>\$ -</u>
Minimum - 16.67 % (2 months)	\$ -

**Step 3:**

The applicable cumulative total of Steps 1 and 2 requirements will be the minimum reserve requirement.

<b>Combined Minimum Reserve Requirement:</b>	
Minimum - 16.67 % (2 months)	\$ 24,172
<b>Projected Excess (Deficit) of Reserves:</b>	
Excess (Deficit) Amount	\$ 5,185,828
<b>Compliant/Not Compliant?</b>	<b>Compliant</b>

**Reserve Requirement Policy:**

Special Revenue Fund

<http://www.cfwnet.org/finance/FMPS/4f-Special-Revenue-Fund-Reserve-Policy.pdf>

**CITY OF FORT WORTH, TEXAS**  
**RESERVE REQUIREMENT SUPPLEMENT**  
**CULTURE AND TOURISM DFW REVENUE SHARING FUND**  
**SEPTEMBER 30, 2018**  
**(\*\*UNAUDITED\*\*)**

**Step 1:**

The City will maintain the minimum Fund Balances (combined Restricted and Assigned Fund Balances) equivalent to two months (16.67%) of regular, on-going Operating Expenditures (including operating transfers out). This calculation shall not include Non-Recurring Items.

<b>Restricted and Assigned Fund Balances tied to CAFR</b>	<u>\$ 1,547,000</u>
<b>Operating Expenditures</b>	<u>\$ -</u>
<b>Reserve Requirement:</b>	
Minimum - 16.67 % (2 months)	\$ -

**Step 2:**

The City will maintain the minimum Fund Balances (combined Restricted and Assigned Fund Balances) equivalent to two months (16.67%) of the amount being paid in Debt Service payments for the subsequent year.

<b>Projected Debt Service Payments</b>	<u>\$ -</u>
Minimum - 16.67 % (2 months)	\$ -

**Step 3:**

The applicable cumulative total of Steps 1 and 2 requirements will be the minimum reserve requirement.

<b>Combined Minimum Reserve Requirement:</b>	
Minimum - 16.67 % (2 months)	\$ -
<b>Projected Excess (Deficit) of Reserves:</b>	
Excess (Deficit) Amount	\$ 1,547,000
<b>Compliant/Not Compliant?</b>	<b>Compliant</b>

**Reserve Requirement Policy:**

Special Revenue Fund

<http://www.cfwnet.org/finance/FMPS/4f-Special-Revenue-Fund-Reserve-Policy.pdf>

**CITY OF FORT WORTH, TEXAS**  
**RESERVE REQUIREMENT SUPPLEMENT**  
**CULTURE AND TOURISM VENUE OPERATING FUND**  
**SEPTEMBER 30, 2018**  
**(\*\*UNAUDITED\*\*)**

**Step 1:**

The City will maintain the minimum Fund Balances (combined Restricted and Assigned Fund Balances) equivalent to two months (16.67%) of regular, on-going Operating Expenditures (including operating transfers out). This calculation shall not include Non-Recurring Items.

<b>Restricted and Assigned Fund Balances tied to CAFR</b>	<u>\$</u> -
<b>Operating Expenditures</b>	<u>\$</u> -
<b>Reserve Requirement:</b>	
Minimum - 16.67 % (2 months)	\$ -

**Step 2:**

The City will maintain the minimum Fund Balances (combined Restricted and Assigned Fund Balances) equivalent to two months (16.67%) of the amount being paid in Debt Service payments for the subsequent year.

<b>Projected Debt Service Payments</b>	<u>\$</u> -
Minimum - 16.67 % (2 months)	\$ -

**Step 3:**

The applicable cumulative total of Steps 1 and 2 requirements will be the minimum reserve requirement.

<b>Combined Minimum Reserve Requirement:</b>	
Minimum - 16.67 % (2 months)	\$ -
<b>Projected Excess (Deficit) of Reserves:</b>	
Excess (Deficit) Amount	\$ -
<b>Compliant/Not Compliant?</b>	<b>Compliant</b>

**Reserve Requirement Policy:**

Special Revenue Fund

<http://www.cfwnet.org/finance/FMPS/4f-Special-Revenue-Fund-Reserve-Policy.pdf>

**OTHER  
SPECIAL REVENUE  
FUNDS**

**CITY OF FORT WORTH, TEXAS  
RESERVE REQUIREMENT SUPPLEMENT  
RED LIGHT ENFORCEMENT PROGRAM FUND  
SEPTEMBER 30, 2018  
(\*\*UNAUDITED\*\*)**

**Step 1:**

The City will maintain the minimum Fund Balances (combined Restricted and Assigned Fund Balances) equivalent to two months (16.67%) of regular, on-going Operating Expenditures (including operating transfers out). This calculation shall not include Non-Recurring Items.

<b>Restricted and Assigned Fund Balances tied to CAFR</b>	<u>\$ 3,586,000</u>
<b>Operating Expenditures</b>	<u>\$ 6,003,000</u>
<b>Reserve Requirement:</b>	
Minimum - 16.67 % (2 months)	\$ 1,000,700

**Step 2:**

The City will maintain the minimum Fund Balances (combined Restricted and Assigned Fund Balances) equivalent to two months (16.67%) of the amount being paid in Debt Service payments for the subsequent year.

<b>Projected Debt Service Payments</b>	<u>\$ -</u>
Minimum - 16.67 % (2 months)	\$ -

**Step 3:**

The applicable cumulative total of Steps 1 and 2 requirements will be the minimum reserve requirement.

<b>Combined Minimum Reserve Requirement:</b>	
Minimum - 16.67 % (2 months)	\$ 1,000,700
<b>Projected Excess (Deficit) of Reserves:</b>	
Excess (Deficit) Amount	\$ 2,585,300
<b>Compliant/Not Compliant?</b>	<b>Compliant</b>

**Reserve Requirement Policy:**

Special Revenue Fund

<http://www.cfwnet.org/finance/FMPS/4f-Special-Revenue-Fund-Reserve-Policy.pdf>

**CITY OF FORT WORTH, TEXAS  
RESERVE REQUIREMENT SUPPLEMENT  
ALLIANCE MAINTENANCE FACILITY FUND  
SEPTEMBER 30, 2018  
(\*\*UNAUDITED\*\*)**

**Step 1:**

The City will maintain the minimum Fund Balances (combined Restricted and Assigned Fund Balances) equivalent to two months (16.67%) of regular, on-going Operating Expenditures (including operating transfers out). This calculation shall not include Non-Recurring Items.

<b>Restricted and Assigned Fund Balances tied to CAFR</b>	<u>\$ 3,719,000</u>
<b>Operating Expenditures</b>	<u>\$ 6,176,000</u>
<b>Reserve Requirement:</b>	
Minimum - 16.67 % (2 months)	\$ 1,029,539

**Step 2:**

The City will maintain the minimum Fund Balances (combined Restricted and Assigned Fund Balances) equivalent to two months (16.67%) of the amount being paid in Debt Service payments for the subsequent year.

<b>Projected Debt Service Payments</b>	<u>\$ -</u>
Minimum - 16.67 % (2 months)	\$ -

**Step 3:**

The applicable cumulative total of Steps 1 and 2 requirements will be the minimum reserve requirement.

<b>Combined Minimum Reserve Requirement:</b>	
Minimum - 16.67 % (2 months)	\$ 1,029,539
<b>Projected Excess (Deficit) of Reserves:</b>	
Excess (Deficit) Amount	\$ 2,689,461
<b>Compliant/Not Compliant?</b>	<b>Compliant</b>

**Reserve Requirement Policy:**

Special Revenue Fund

<http://www.cfwnet.org/finance/FMPS/4f-Special-Revenue-Fund-Reserve-Policy.pdf>

**CITY OF FORT WORTH, TEXAS**  
**RESERVE REQUIREMENT SUPPLEMENT**  
**GOLF FUND**  
**SEPTEMBER 30, 2018**  
**(\*\*UNAUDITED\*\*)**

**Step 1:**

The City will maintain the minimum Fund Balances (combined Restricted and Assigned Fund Balances) equivalent to two months (16.67%) of regular, on-going Operating Expenditures (including operating transfers out). This calculation shall not include Non-Recurring Items.

<b>Restricted and Assigned Fund Balances tied to CAFR</b>	<u>\$ -</u>
<b>Operating Expenditures</b>	<u>\$ 4,770,000</u>
<b>Reserve Requirement:</b>	
Minimum - 16.67 % (2 months)	\$ 795,159

**Step 2:**

The City will maintain the minimum Fund Balances (combined Restricted and Assigned Fund Balances) equivalent to two months (16.67%) of the amount being paid in Debt Service payments for the subsequent year.

<b>Projected Debt Service Payments</b>	<u>\$ -</u>
Minimum - 16.67 % (2 months)	\$ -

**Step 3:**

The applicable cumulative total of Steps 1 and 2 requirements will be the minimum reserve requirement.

<b>Combined Minimum Reserve Requirement:</b>	
Minimum - 16.67 % (2 months)	\$ 795,159
<b>Projected Excess (Deficit) of Reserves:</b>	
Excess (Deficit) Amount	\$ (795,159)
<b>Compliant/Not Compliant?</b>	<b>Not Compliant</b>

**Reserve Requirement Policy:**

Special Revenue Fund

<http://www.cfwnet.org/finance/FMPS/4f-Special-Revenue-Fund-Reserve-Policy.pdf>

**CITY OF FORT WORTH, TEXAS**  
**RESERVE REQUIREMENT SUPPLEMENT**  
**BOTANIC GARDENS FUND**  
**SEPTEMBER 30, 2018**  
**(\*\*UNAUDITED\*\*)**

**Step 1:**

The City will maintain the minimum Fund Balances (combined Restricted and Assigned Fund Balances) equivalent to two months (16.67%) of regular, on-going Operating Expenditures (including operating transfers out). This calculation shall not include Non-Recurring Items.

<b>Restricted and Assigned Fund Balances tied to CAFR</b>	<u>\$ 989,000</u>
<b>Operating Expenditures</b>	<u>\$ 5,006,000</u>
<b>Reserve Requirement:</b>	
Minimum - 16.67 % (2 months)	\$ 834,500

**Step 2:**

The City will maintain the minimum Fund Balances (combined Restricted and Assigned Fund Balances) equivalent to two months (16.67%) of the amount being paid in Debt Service payments for the subsequent year.

<b>Projected Debt Service Payments</b>	<u>\$ -</u>
Minimum - 16.67 % (2 months)	\$ -

**Step 3:**

The applicable cumulative total of Steps 1 and 2 requirements will be the minimum reserve requirement.

<b>Combined Minimum Reserve Requirement:</b>	
Minimum - 16.67 % (2 months)	\$ 834,500
<b>Projected Excess (Deficit) of Reserves:</b>	
Excess (Deficit) Amount	\$ 154,500
<b>Compliant/Not Compliant?</b>	<b>Compliant</b>

**Reserve Requirement Policy:**

Special Revenue Fund

<http://www.cfwnet.org/finance/FMPS/4f-Special-Revenue-Fund-Reserve-Policy.pdf>



# PROPRIETARY FUNDS

## **Enterprise Funds**

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 Enterprise Funds are accounted for in such manner as to show a profit or loss similar to comparable private enterprises.

### **Major Enterprise Funds**

#### **Water and Sewer Fund**

The Water and Sewer Fund is used to account 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**

The Stormwater Utility Fund is used to account 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.

### **Nonmajor Enterprise Funds**

#### **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.

# ENTERPRISE FUNDS

MAJOR  
ENTERPRISE  
FUNDS

**CITY OF FORT WORTH, TEXAS**  
**RESERVE REQUIREMENT SUPPLEMENT**  
**WATER AND SEWER FUND**  
**SEPTEMBER 30, 2018**  
**(\*\*UNAUDITED\*\*)**

**Step 1:**

No Enterprise Fund shall have a negative Unrestricted Net Position. Because the accounting for capital asset, debt, etc. is handled in a manner such as it is, this requirement should reflect each Fund group as a whole.

Operating Fund Unrestricted Net Position (Deficit) as of 9/30/18	\$ (333,519,000)
Capital Funds Unrestricted Net Position as of 9/30/18	<u>435,728,000</u>
Total Unrestricted Net Position as of 9/30/18 tied to CAFR	<u>\$ 102,209,000</u>

**Compliant/Not Compliant?**

**Compliant**

**Step 2 & 3:**

**ENTERPRISE OPERATING FUNDS**

A minimum level of Working Capital in Enterprise Funds equivalent to three months (25%) of regular, on-going Operating Expenses (including operating transfers out) & the amount being paid in Debt Service payments for the subsequent fiscal year. This calculation shall not include non-recurring items. This calculation only includes numbers from the Operating Fund and excludes their respective Capital or Debt Service Funds.

**Operating Expenses:** \$ 288,602,000

**Reserve Requirement:**

Minimum - 25% (3 Months) \$ 72,151,000

Current Assets: \$ 192,120,000

Less: Current Liabilities: 33,928,000

Working Capital (WC): 158,192,000

Adj: Non-spendable WC:

+/- Unrealized (gain)/loss -

- Inventories (at Cost) (3,538,000)

- Prepaids, Deposits, and Other -

+ Unearned Revenue 1,260,000

**Spendable WC:** \$ 155,914,000

Excess (Deficit) Spendable WC for FY18 \$ 83,763,000

**Compliant/Not Compliant?**

**Compliant**

Net Position Appropriated in FY19 \$ -

Projected Excess (Deficit) Spendable WC in FY19 \$ 83,763,000

**Step 4:**

**ENTERPRISE OPERATING FUNDS**

A minimum reserve of 62 Days Cash on Hand with a goal of 250 Days Cash on Hand.

**Recurring Expenses:** \$ 288,602,000

Cash per Day: \$ 791,000

62 Days \$ 49,042,000

250 Days \$ 197,750,000

Cash on Hand \$ 115,818,000

Excess (Deficit) of 62 Days \$ 66,776,000

**Compliant/Not Compliant?**

**Compliant**

Excess (Deficit) of 250 Days \$ (81,932,000)

Days Cash on Hand 146 Days

**Reserve Requirement Policy:**

Enterprise Funds:

<http://www.cfwnet.org/finance/FMPS/4c-Enterprise-Fund-Reserve-Policy.pdf>

**CITY OF FORT WORTH, TEXAS**  
**RESERVE REQUIREMENT SUPPLEMENT**  
**STORMWATER UTILITY FUND**  
**SEPTEMBER 30, 2018**  
**(\*\*UNAUDITED\*\*)**

**Step 1:**

No Enterprise Fund shall have a negative Unrestricted Net Position. Because the accounting for capital asset, debt, etc. is handled in a manner such as it is, this requirement should reflect each Fund group as a whole.

Operating Fund Unrestricted Net Position (Deficit) as of 9/30/18	\$ (26,151,000)
Capital Funds Unrestricted Net Position as of 9/30/18	43,380,000
Total Unrestricted Net Position as of 9/30/18 tied to CAFR	<u>\$ 17,229,000</u>

**Compliant/Not Compliant?**

**Compliant**

**Step 2 & 3:**

**ENTERPRISE OPERATING FUNDS**

A minimum level of Working Capital in Enterprise Funds equivalent to three months (25%) of regular, on-going Operating Expenses (including operating transfers out) & the amount being paid in Debt Service payments for the subsequent fiscal year. This calculation shall not include non-recurring items. This calculation only includes numbers from the Operating Fund and excludes their respective Capital or Debt Service Funds.

**Operating Expenses:** \$ 17,415,000

**Reserve Requirement:**

Minimum - 25% (3 Months) 4,354,000

Current Assets: \$ 21,755,000

Less: Current Liabilities: 552,000

Working Capital (WC): 21,203,000

Adj: Non-spendable WC:

+/- Unrealized (gain)/loss -

- Inventories (at Cost) -

- Prepaids, Deposits, and Other -

+ Unearned Revenue -

**Spendable WC:** \$ 21,203,000

Excess (Deficit) Spendable WC for FY18 \$ 16,849,000

**Compliant/Not Compliant?**

**Compliant**

Net Position Appropriated in FY19 \$ 9,000,000

Projected Excess (Deficit) Spendable WC in FY19 \$ 7,849,000

**Step 4:**

**ENTERPRISE OPERATING FUNDS**

A minimum reserve of 62 Days Cash on Hand with a goal of 150 Days Cash on Hand.

**Recurring Expenses:** *\*excludes amounts for bonded debt in next fiscal year* \$ 17,415,000

Cash per Day: \$ 48,000

62 Days \$ 2,976,000

150 Days \$ 7,200,000

Cash on Hand *\*excludes amounts due for Restricted Payables* \$ 17,829,000

Excess (Deficit) of 62 Days \$ 14,853,000

**Compliant/Not Compliant?**

**Compliant**

Excess (Deficit) of 150 Days \$ 10,629,000

Days Cash on Hand 371 Days

**Reserve Requirement Policy:**

Enterprise Funds:

<http://www.cfwnet.org/finance/FMPS/4c-Enterprise-Fund-Reserve-Policy.pdf>

NONMAJOR  
ENTERPRISE  
FUNDS

**CITY OF FORT WORTH, TEXAS**  
**RESERVE REQUIREMENT SUPPLEMENT**  
**MUNICIPAL AIRPORTS FUND**  
**SEPTEMBER 30, 2018**  
**(\*\*UNAUDITED\*\*)**

**Step 1:**

No Enterprise Fund shall have a negative Unrestricted Net Position. Because the accounting for capital asset, debt, etc. is handled in a manner such as it is, this requirement should reflect each Fund group as a whole.

Operating Fund Unrestricted Net Position (Deficit) as of 9/30/18	\$ (3,791,000)
Capital Funds Unrestricted Net Position as of 9/30/18	58,975,000
Total Unrestricted Net Position as of 9/30/18 tied to CAFR	<u>\$ 55,184,000</u>

**Compliant/Not Compliant?**

**Compliant**

**Step 2 & 3:**

**ENTERPRISE OPERATING FUNDS**

A minimum level of Working Capital in Enterprise Funds equivalent to three months (25%) of regular, on-going Operating Expenses (including operating transfers out) & the amount being paid in Debt Service payments for the subsequent fiscal year. This calculation shall not include non-recurring items. This calculation only includes numbers from the Operating Fund and excludes their respective Capital or Debt Service Funds.

**Operating Expenses:** \$ 5,115,000

**Reserve Requirement:**

Minimum - 25% (3 Months) 1,279,000

Current Assets: \$ 7,035,000

Less: Current Liabilities: 897,000

Working Capital (WC): 6,138,000

Adj: Non-spendable WC:

+/- Unrealized (gain)/loss -

- Inventories (at Cost) -

- Prepaids, Deposits, and Other -

+ Unearned Revenue 424,000

**Spendable WC:** \$ 6,562,000

Excess (Deficit) Spendable WC for FY18 \$ 5,283,000

**Compliant/Not Compliant?**

**Compliant**

Net Position Appropriated in FY19 \$ -

Projected Excess (Deficit) Spendable WC in FY19 \$ 5,283,000

**Step 4:**

**ENTERPRISE OPERATING FUNDS**

A minimum reserve of 62 Days Cash on Hand with a goal of 150 Days Cash on Hand.

**Recurring Expenses:** *\*excludes amounts for bonded debt in next fiscal year* \$ 5,115,000

Cash per Day: \$ 14,000

62 Days \$ 868,000

150 Days \$ 2,100,000

Cash on Hand *\*excludes amounts due for Restricted Payables* \$ 6,643,000

Excess (Deficit) of 62 Days \$ 5,775,000

**Compliant/Not Compliant?**

**Compliant**

Excess (Deficit) of 150 Days \$ 4,543,000

Days Cash on Hand 475 Days

**Reserve Requirement Policy:**

Enterprise Funds:

<http://www.cfwnet.org/finance/FMPS/4c-Enterprise-Fund-Reserve-Policy.pdf>



**CITY OF FORT WORTH, TEXAS**  
**RESERVE REQUIREMENT SUPPLEMENT**  
**MUNICIPAL PARKING FUND**  
**SEPTEMBER 30, 2018**  
**(\*\*UNAUDITED\*\*)**

**Step 1:**

No Enterprise Fund shall have a negative Unrestricted Net Position. Because the accounting for capital asset, debt, etc. is handled in a manner such as it is, this requirement should reflect each Fund group as a whole.

Operating Fund Unrestricted Net Position (Deficit) as of 9/30/18	\$ (515,000)
Capital Funds Unrestricted Net Position as of 9/30/18	879,000
Total Unrestricted Net Position as of 9/30/18 tied to CAFR	<u>\$ 364,000</u>

**Compliant/Not Compliant?**

**Compliant**

**Step 2 & 3:**

**ENTERPRISE OPERATING FUNDS**

A minimum level of Working Capital in Enterprise Funds equivalent to three months (25%) of regular, on-going Operating Expenses (including operating transfers out) & the amount being paid in Debt Service payments for the subsequent fiscal year. This calculation shall not include non-recurring items. This calculation only includes numbers from the Operating Fund and excludes their respective Capital or Debt Service Funds.

**Operating Expenses:** \$ 4,589,000

**Reserve Requirement:**

Minimum - 25% (3 Months) 1,147,000

Current Assets: \$ 3,804,000

Less: Current Liabilities: 440,000

Working Capital (WC): 3,364,000

Adj: Non-spendable WC:

+/- Unrealized (gain)/loss -

- Inventories (at Cost) -

- Prepaids, Deposits, and Other -

+ Unearned Revenue -

**Spendable WC:** \$ 3,364,000

Excess (Deficit) Spendable WC for FY18 \$ 2,217,000

**Compliant/Not Compliant?**

**Compliant**

Net Position Appropriated in FY19 \$ -

Projected Excess (Deficit) Spendable WC in FY19 \$ 2,217,000

**Step 4:**

**ENTERPRISE OPERATING FUNDS**

A minimum reserve of 62 Days Cash on Hand with a goal of 150 Days Cash on Hand.

**Recurring Expenses:** *\*excludes amounts for bonded debt in next fiscal year* \$ 3,377,000

Cash per Day: \$ 9,000

62 Days \$ 558,000

150 Days \$ 1,350,000

Cash on Hand *\*excludes amounts due for Restricted Payables* \$ 3,795,000

Excess (Deficit) of 62 Days \$ 3,237,000

**Compliant/Not Compliant?**

**Compliant**

Excess (Deficit) of 150 Days \$ 2,445,000

Days Cash on Hand 422 Days

**Reserve Requirement Policy:**

Enterprise Funds:

<http://www.cfwnet.org/finance/FMPS/4c-Enterprise-Fund-Reserve-Policy.pdf>

**CITY OF FORT WORTH, TEXAS**  
**RESERVE REQUIREMENT SUPPLEMENT**  
**SOLID WASTE FUND**  
**SEPTEMBER 30, 2018**  
**(\*\*UNAUDITED\*\*)**

**Step 1:**

No Enterprise Fund shall have a negative Unrestricted Net Position. Because the accounting for capital asset, debt, etc. is handled in a manner such as it is, this requirement should reflect each Fund group as a whole.

Operating Fund Unrestricted Net Position (Deficit) as of 9/30/18	\$ (13,467,000)
Capital Funds Unrestricted Net Position as of 9/30/18	<u>9,733,000</u>
Total Unrestricted Net Position as of 9/30/18 tied to CAFR	<u>\$ (3,734,000)</u>

**Compliant/Not Compliant?**

**Not Compliant**

**Step 2 & 3:**

**ENTERPRISE OPERATING FUNDS**

A minimum level of Working Capital in Enterprise Funds equivalent to three months (25%) of regular, on-going Operating Expenses (including operating transfers out) & the amount being paid in Debt Service payments for the subsequent fiscal year. This calculation shall not include non-recurring items. This calculation only includes numbers from the Operating Fund and excludes their respective Capital or Debt Service Funds.

**Operating Expenses:** \$ 62,204,000

**Reserve Requirement:**

Minimum - 25% (3 Months) 15,551,000

Current Assets: \$ 28,331,000

Less: Current Liabilities: 5,613,000

Working Capital (WC): 22,718,000

Adj: Non-spendable WC:

+/- Unrealized (gain)/loss -

- Inventories (at Cost) -

- Prepaids, Deposits, and Other -

+ Unearned Revenue -

**Spendable WC:** \$ 22,718,000

Excess (Deficit) Spendable WC for FY18 \$ 7,167,000

**Compliant/Not Compliant?**

**Compliant**

Net Position Appropriated in FY19 \$ 3,945,197

Projected Excess (Deficit) Spendable WC in FY19 \$ 3,221,803

**Step 4:**

**ENTERPRISE OPERATING FUNDS**

A minimum reserve of 62 Days Cash on Hand with a goal of 150 Days Cash on Hand.

**Recurring Expenses:** \$ 62,204,000

Cash per Day: \$ 170,000

62 Days \$ 10,540,000

150 Days \$ 25,500,000

Cash on Hand \$ 20,500,000

Excess (Deficit) of 62 Days \$ 9,960,000

**Compliant/Not Compliant?**

**Compliant**

Excess (Deficit) of 150 Days \$ (5,000,000)

Days Cash on Hand 121 Days

**Reserve Requirement Policy:**

Enterprise Funds:

<http://www.cfwnet.org/finance/FMPS/4c-Enterprise-Fund-Reserve-Policy.pdf>

## **Internal Service Funds**

Internal Service Funds have been established to account for the financing of goods and services provided by one department to other City departments.

### **Equipment Services Fund**

The Equipment Services Fund is used to account for the maintenance, repair and rental operations of most City vehicles.

### **Information Systems Fund**

The Information Systems Fund is used to account for the management of all City's audio, visual, and computer related equipment services, including application development, implementation of software systems, information technology project management, database and geographic information systems support, and desktop, software, and hardware support. As of September 30, 2018, the Information Systems Fund was incorporated into the General Fund and Capital Projects Fund.

### **Capital Project Services Fund**

The Capital Project Services Fund is used to account for general engineering services provided to various City departments.

### **Group Health and Life Insurance**

The Group Health and Life Insurance Fund accounts for medical benefits for City employees, and their eligible spouses and/or dependents.

### **Risk Financing**

The fund administration of the City's commercial insurance program, self-insured programs, claims litigation management, and subrogation. This is to protect City resources and to minimize the financial impact when losses do occur. Workers' Compensation is self-funded by the City. Claims are handled by a third-party administrator or contractor. The City is a reimbursing agency for unemployment compensation. The Texas Workforce Commission (TWC) sends quarterly reports to the City concerning claims paid on behalf of the City to eligible former employees.

# INTERNAL SERVICE FUNDS

# NON-INSURANCE FUNDS

**CITY OF FORT WORTH, TEXAS**  
**RESERVE REQUIREMENT SUPPLEMENT**  
**EQUIPMENT SERVICE FUND**  
**SEPTEMBER 30, 2018**  
**(\*\*UNAUDITED\*\*)**

**Step 1:**

No Internal Service {Operating} Fund shall have a negative Unrestricted Net Position.  
 Unrestricted Net Position as of 9/30/18

\$ 1,271,000

**Compliant/Not Compliant?**

**Compliant**

**Step 2:**

**NON-INSURANCE INTERNAL SERVICE OPERATING FUNDS**

A minimum level of Working Capital in Non-Insurance Internal Service Funds equivalent to three percent (3%) of regular, on-going operating expenses (including operating transfers out). This calculation shall not include non-recurring items.

**NON-INSURANCE**

Operating Expenses \$ 28,335,000

Reserve Requirement:

Minimum - 3% (Three Percent) \$ 850,000

Current Assets:

\$ 5,887,000

Less: Current Liabilities:

2,726,000

Working Capital (WC):

3,161,000

Adj: Non-spendable WC:

+/- Unrealized (gain)/loss

-

- Inventories (at Cost)

(478,000)

- Prepaids, Deposits, and Other

-

+ Unearned Revenue

-

**Spendable WC:**

\$ 2,683,000

Minimum - Excess Spendable (Deficit) WC for FY18

\$ 1,833,000

**Compliant/Not Compliant?**

**Compliant**

Net Position Appropriated in FY19

\$ -

Projected Excess (Deficit) Spendable WC in FY19

\$ 1,833,000

**Reserve Requirement Policy:**

Non-Insurance Funds: <http://www.cfwnet.org/finance/FMPS/4e-InternalService-Non-Insurance-Fund-Reserve-Policy.pdf>

**CITY OF FORT WORTH, TEXAS**  
**RESERVE REQUIREMENT SUPPLEMENT**  
**CAPITAL PROJECT SERVICE FUND**  
**SEPTEMBER 30, 2018**  
**(\*\*UNAUDITED\*\*)**

**Step 1:**

No Internal Service {Operating} Fund shall have a negative Unrestricted Net Position.  
 Unrestricted Net Position as of 9/30/18

\$ 3,502,000

**Compliant/Not Compliant?**

**Compliant**

**Step 2:**

**NON-INSURANCE INTERNAL SERVICE OPERATING FUNDS**

A minimum level of Working Capital in Non-Insurance Internal Service Funds equivalent to three percent (3%) of regular, on-going operating expenses (including operating transfers out). This calculation shall not include non-recurring items.

**NON-INSURANCE**

Operating Expenses \$ 10,151,000

Reserve Requirement:

Minimum - 3% (Three Percent) \$ 305,000

Current Assets:

\$ 4,972,000

Less: Current Liabilities:

379,000

Working Capital (WC):

4,593,000

Adj: Non-spendable WC:

+/- Unrealized (gain)/loss

-

- Inventories (at Cost)

-

- Prepaids, Deposits, and Other

(11,000)

+ Unearned Revenue

-

**Spendable WC:**

\$ 4,582,000

Minimum - Excess Spendable (Deficit) WC for FY18

\$ 4,277,000

**Compliant/Not Compliant?**

**Compliant**

Net Position Appropriated in FY19

\$ -

Projected Excess (Deficit) Spendable WC in FY19

\$ 4,277,000

**Reserve Requirement Policy:**

Non-Insurance Funds: <http://www.cfwnet.org/finance/FMPS/4e-InternalService-Non-Insurance-Fund-Reserve-Policy.pdf>

INSURANCE

FUNDS



**CITY OF FORT WORTH, TEXAS**  
**RESERVE REQUIREMENT SUPPLEMENT**  
**GROUP HEALTH AND LIFE INSURANCE FUND**  
**SEPTEMBER 30, 2018**  
**(\*\*UNAUDITED\*\*)**

**Step 1:**

No Internal Service {Operating} Fund shall have a negative Unrestricted Net Position.  
 Unrestricted Net Position as of 9/30/18

\$ 12,861,000

**Compliant/Not Compliant?**

**Compliant**

**Step 2:**

**INSURANCE INTERNAL SERVICE OPERATING FUNDS**

A minimum level of Working Capital in Insurance Internal Service Funds between two and three months of regular, on-going Operating Expenses (including operating transfers out). This calculation shall not include non-recurring items.

**INSURANCE**

Operating Expenses \$ 79,462,000

Reserve Requirement:

Minimum - 16.67% (2 Months) \$ 13,246,000

Goal - 25% (3 Months) \$ 19,866,000

Current Assets: \$ 20,193,000

Less: Current Liabilities: 787,000

Working Capital (WC): 19,406,000

Adj: Non-spendable WC:

+/- Unrealized (gain)/loss -

- Inventories (at Cost) -

- Prepaids, Deposits, and Other -

+ Unearned Revenue -

Spendable WC: \$ 19,406,000

Minimum - Excess Spendable (Deficit) WC for FY18 \$ 6,160,000

Goal - Excess Spendable (Deficit) WC for FY18 \$ (460,000)

**Compliant/Not Compliant?**

**Compliant**

Net Position Appropriated in FY19 \$ -

Projected Excess (Deficit) Spendable WC in FY19 \$ (460,000)

**Reserve Requirement Policy:**

Insurance Funds: [http://www.cfwnet.org/finance/FMPS/SecIII\\_d-InternalService-Insurance-Fund-Reserve-Policy.pdf](http://www.cfwnet.org/finance/FMPS/SecIII_d-InternalService-Insurance-Fund-Reserve-Policy.pdf)

**CITY OF FORT WORTH, TEXAS**  
**RESERVE REQUIREMENT SUPPLEMENT**  
**RISK FINANCING FUND**  
**SEPTEMBER 30, 2018**  
**(\*\*UNAUDITED\*\*)**

**Step 1:**

No Internal Service {Operating} Fund shall have a negative Unrestricted Net Position.  
 Unrestricted Net Position as of 9/30/18

\$ 6,216,000

**Compliant/Not Compliant?**

**Compliant**

**Step 2:**

**INSURANCE INTERNAL SERVICE OPERATING FUNDS**

A minimum level of Working Capital in Insurance Internal Service Funds between two and three months of regular, on-going Operating Expenses (including operating transfers out). This calculation shall not include non-recurring items.

**INSURANCE**

Operating Expenses \$ 17,418,000

Reserve Requirement:

Minimum - 16.67% (2 Months) \$ 2,904,000

Goal - 25% (3 Months) \$ 4,355,000

Current Assets: \$ 27,844,000

Less: Current Liabilities: 545,000

Working Capital (WC): 27,299,000

Adj: Non-spendable WC:

+/- Unrealized (gain)/loss -

- Inventories (at Cost) -

- Prepaids, Deposits, and Other -

+ Unearned Revenue -

Spendable WC: \$ 27,299,000

Minimum - Excess Spendable (Deficit) WC for FY18 \$ 24,395,000

Goal - Excess Spendable (Deficit) WC for FY18 \$ 22,944,000

**Compliant/Not Compliant?**

**Compliant**

Net Position Appropriated in FY19 \$ 166,378

Projected Excess (Deficit) Spendable WC in FY19 \$ 22,777,622

**Reserve Requirement Policy:**

Insurance Funds: [http://www.cfwnet.org/finance/FMPS/SecIII\\_d-InternalService-Insurance-Fund-Reserve-Policy.pdf](http://www.cfwnet.org/finance/FMPS/SecIII_d-InternalService-Insurance-Fund-Reserve-Policy.pdf)