

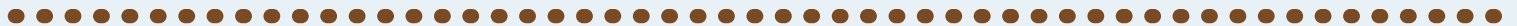


City of Fort Worth, Texas

FY2019

RESERVE REQUIREMENT SUPPLEMENT

For the Fiscal Year Ended September 30, 2019



City of Fort Worth, Texas
Reserve Requirement Supplement
For the Fiscal Year Ended September 30, 2019

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May 6, 2020

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, 2019. 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 Planning and Data Analytics Department 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 (budgetary basis) 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 current and 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 [FIN_FINANCIAL_REPORTING](#) 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,


Reginald Zeno
Chief Financial Officer

DEPARTMENT OF FINANCIAL MANAGEMENT SERVICES

THE CITY OF FORT WORTH * 200 TEXAS STREET * FORT WORTH, TEXAS 76102
(817) 392-8500 * FAX (817) 392-8502

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, 2019
(**UNAUDITED**)**

The City will maintain a goal of Unassigned Fund Balance equivalent to two months (16.67%) of regular ongoing operating expenditures.

Operating Expenditures	<i>A</i>	\$	680,715,650
Unassigned Fund Balances tied to CAFR	<i>B</i>	\$	130,158,245
Reserve Goal			
16.67 % (2 months) (<i>A</i> x .1667)	<i>C</i>	\$	113,475,299
Projected Excess of Reserve:			
2 months (<i>B</i> - <i>C</i>)	<i>D</i>	\$	16,682,946
Compliant/Not Compliant?			Compliant

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, 2019
(UNAUDITED**)**

The City will maintain a goal of Restricted, Committed, and Assigned Fund Balance in the General Debt Service Fund equivalent 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.

Operating Expenditures	<i>A</i>	\$ 121,018,730
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Restricted, Committed, and Assigned Fund Balances tied to CAFR	<i>B</i>	\$ 55,677,000
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Reserve Goal		
25 % (3 months) (A x .25)	<i>C</i>	\$ 30,254,683

Projected Excess of Reserve:		
3 months (B - C)	<i>D</i>	\$ 25,422,317

Compliant/Not Compliant?	Compliant
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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>

Note:

The General Debt Service Fund did not include the other debt service funds reported in the Debt Service Fund in the CAFR which was comprised of General Debt Service, Culture & Tourism, Venue Debt Service and Rock Creek PID Debt Service.

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 & Tourism Fund is used to provide funding to enhance tourism and promote, develop, and maintain cultural activities in Fort Worth. The Culture & Tourism Fund is supported by three primary revenue sources: the Hotel/Motel Occupancy Tax, the Dallas/Fort Worth Revenue Sharing and the revenues generated by the Fort Worth Convention Center and the Will Rogers Memorial Center.

Culture and Tourism 2% Tax Fund is used to segregate the 2% portion of the Hotel Occupancy Tax dedicated to the debt of facilities and expansion and improvements associated with the Fort Worth Convention Center and the Will Rogers Memorial Center from the other revenue sources of the Culture & Tourism Fund, to more accurately track the uses of the different revenue sources and restrictions associated therewith.

Culture and Tourism Project Financing Zone Fund is used to restricted to paying the debt associated with facility improvements and/or capital facility enhancements. This fund was established in FY2016 to segregate the revenues of the Project Finance Zone from the other revenue sources in the Culture & Tourism Fund.

DFW Revenue Sharing Fund is used to segregate the revenues of the DFW Revenue Sharing from the other revenue sources in the Culture & Tourism Fund. Revenues received in this fund remain dedicated to the debt and improvements associated with the Fort Worth Convention Center, the Will Rogers Memorial Center and the new Dickies Arena. With the addition of the new Dickies Arena, the debt associated will take precedence for this revenue source.

Alliance Maintenance Facility Fund was established on February 2015, The Alliance Airport Authority, Inc. transferred ownership of the Alliance Fort Worth Maintenance Base (Facility) to the City of Fort Worth. As part of the transfer of ownership of the Facility, the parties agreed that all contracts and agreements relating to the operations, maintenance, property management and leases of the Facility would be assigned to the City of Fort Worth.

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: Pecan Valley, Meadowbrook, Rockwood Park and Sycamore Creek. 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, 2019
(UNAUDITED**)**

The City will maintain the goal of 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.

Operating Expenditures	<i>A</i>	\$	52,304,000
Restricted and Assigned Fund Balances tied to CAFR	<i>B</i>	\$	18,786,000
Reserve Goal			
16.67 % (2 months) ($A \times .1667$)	<i>C</i>	\$	8,719,077
Projected Excess of Reserve:			
2 months ($B - C$)	<i>D</i>	\$	10,066,923
Compliant/Not Compliant?			Compliant

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, 2019
(**UNAUDITED**)**

The City will maintain the goal of 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.

Operating Expenditures	<i>A</i>	\$	4,135,000
Restricted and Assigned Fund Balances tied to CAFR	<i>B</i>	\$	1,794,000
Reserve Goal			
16.67 % (2 months) ($A \times .1667$)	<i>C</i>	\$	689,305
Projected Excess of Reserve:			
2 months ($B - C$)	<i>D</i>	\$	1,104,695
Compliant/Not Compliant?			Compliant

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, 2019
(UNAUDITED**)**

The City will maintain the goal of 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.

Operating Expenditures	<i>A</i>	\$	40,908,000
Restricted and Assigned Fund Balances tied to CAFR	<i>B</i>	\$	19,477,000
Reserve Goal			
16.67 % (2 months) ($A \times .1667$)	<i>C</i>	\$	6,819,364
Projected Excess of Reserve:			
2 months ($B - C$)	<i>D</i>	\$	12,657,636
Compliant/Not Compliant?			Compliant

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, 2019
(UNAUDITED**)**

The City will maintain the goal of 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.

Operating Expenditures	<i>A</i>	\$	7,928,000
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Restricted and Assigned Fund Balances tied to CAFR	<i>B</i>	\$	720,000
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Reserve Goal			
16.67 % (2 months) (<i>A</i> x .1667)	<i>C</i>	\$	1,321,598

Projected Deficit of Reserve:			
2 months (<i>B</i> - <i>C</i>)	<i>D</i>	\$	(601,598)

Compliant/Not Compliant?	Not Compliant
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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, 2019
(UNAUDITED**)**

The City will maintain the goal of 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.

Operating Expenditures	<i>A</i>	\$	4,572,000
Restricted and Assigned Fund Balances tied to CAFR	<i>B</i>	\$	7,355,000
Reserve Goal			
16.67 % (2 months) ($A \times .1667$)	<i>C</i>	\$	762,152
Projected Excess of Reserve:			
2 months ($B - C$)	<i>D</i>	\$	6,592,848
Compliant/Not Compliant?			Compliant

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, 2019
(UNAUDITED**)**

The City will maintain the goal of 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.

Operating Expenditures	<i>A</i>	\$	6,362,000
Restricted and Assigned Fund Balances tied to CAFR	<i>B</i>	\$	1,683,000
Reserve Goal			
16.67 % (2 months) ($A \times .1667$)	<i>C</i>	\$	1,060,545
Projected Excess of Reserve:			
2 months ($B - C$)	<i>D</i>	\$	622,455
Compliant/Not Compliant?			Compliant

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
ALLIANCE MAINTENANCE FACILITY FUND
SEPTEMBER 30, 2019
(UNAUDITED**)**

The City will maintain the goal of 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.

Operating Expenditures	<i>A</i>	\$	5,160,000
Restricted and Assigned Fund Balances tied to CAFR	<i>B</i>	\$	3,627,000
Reserve Goal			
16.67 % (2 months) ($A \times .1667$)	<i>C</i>	\$	860,172
Projected Excess of Reserve:			
2 months ($B - C$)	<i>D</i>	\$	2,766,828
Compliant/Not Compliant?			Compliant

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, 2019
(UNAUDITED**)**

The City will maintain the goal of 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.

Operating Expenditures	<i>A</i>	\$	4,556,000
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Restricted and Assigned Fund Balances tied to CAFR	<i>B</i>	\$	97,000
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Reserve Goal			
16.67 % (2 months) ($A \times .1667$)	<i>C</i>	\$	759,485

Projected Deficit of Reserve:			
2 months ($B - C$)	<i>D</i>	\$	(662,485)

Compliant/Not Compliant?	Not Compliant
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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, 2019
(UNAUDITED**)**

The City will maintain the goal of 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.

Operating Expenditures	<i>A</i>	\$	6,483,000
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Restricted and Assigned Fund Balances tied to CAFR	<i>B</i>	\$	262,000
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Reserve Goal			
16.67 % (2 months) ($A \times .1667$)	<i>C</i>	\$	1,080,716

Projected Deficit of Reserve:			
2 months ($B - C$)	<i>D</i>	\$	(818,716)

Compliant/Not Compliant?	Not Compliant
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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 & SEWER FUND
SEPTEMBER 30, 2019
(UNAUDITED**)**

Step 1:

No Enterprise Fund shall have a negative Unrestricted Net Position. Because of the manner in which capital assets, debt, etc. are recorded, this requirement should reflect each Fund group as a whole.

Operating Fund Unrestricted Net Position (Deficit) as of 9/30/19	\$ (463,337,000)
Capital Funds Unrestricted Net Position as of 9/30/19	<u>479,728,000</u>
Total Unrestricted Net Position as of 9/30/19 tied to CAFR	<u>\$ 16,391,000</u>

Compliant/Not Compliant?

Compliant

Step 2 & 3:

ENTERPRISE OPERATING FUNDS

A goal 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.

Recurring Operating Expenses **A** \$ 284,744,000

Reserve Goal:

25% (3 Months) ($A \times .25$) **B** \$ 71,186,000

Current Assets \$ 210,861,000

Less: Current Liabilities 27,412,000

Spendable Working Capital (WC) **C** \$ 183,449,000

Adj: Non-spendable WC:

- Inventories (at Cost) \$ (3,608,000)

+ Unearned Revenue 1,140,000

Spendable WC: **D** \$ 180,981,000

Excess Spendable WC for FY19 ($D - B$) **E** \$ 109,795,000

Compliant/Not Compliant?

Compliant

Net Position Appropriated in FY20 **F** \$ -

Projected Excess Spendable WC in FY20 ($E - F$) \$ 109,795,000

Step 4:

ENTERPRISE OPERATING FUNDS

A minimum reserve of 100 Days Cash on Hand with a goal of 150 Days Cash on Hand.

Recurring Operating Expenses **G** \$ 282,230,000

Cash per Day ($G \div 365$ days) **H** \$ 773,000

Cash on Hand **I** \$ 120,145,000

150 Days ($H \times 150$ days) **J** 115,950,000

Excess of 150 Days ($I - J$) **K** \$ 4,195,000

Days Cash on Hand ($I \div H$) **L** 155 Days

Compliant/Not Compliant?

Compliant

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, 2019
(UNAUDITED**)**

Step 1:

No Enterprise Fund shall have a negative Unrestricted Net Position. Because of the manner in which capital assets, debt, etc. are recorded, this requirement should reflect each Fund group as a whole.

Operating Fund Unrestricted Net Position (Deficit) as of 9/30/19	\$ (29,890,000)
Capital Funds Unrestricted Net Position as of 9/30/19	49,508,000
Total Unrestricted Net Position as of 9/30/19 tied to CAFR	<u>\$ 19,618,000</u>

Compliant/Not Compliant?

Compliant

Step 2 & 3:

ENTERPRISE OPERATING FUNDS

A goal 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.

Recurring Operating Expenses **A** \$ 18,716,000

Reserve Goal:

25% (3 Months) (A x .25) **B** \$ 4,679,000

Current Assets **\$** 13,711,000

Less: Current Liabilities 822,000

Spendable Working Capital (WC) **C** \$ 12,889,000

Excess Spendable WC for FY19 (C - B) **D** \$ 8,210,000

Compliant/Not Compliant?

Compliant

Net Position Appropriated in FY20 **E** \$ -

Projected Excess Spendable WC in FY20 (D - E) **\$** 8,210,000

Step 4:

ENTERPRISE OPERATING FUNDS

A minimum reserve of 100 Days Cash on Hand with a goal of 150 Days Cash on Hand.

Recurring Operating Expenses **F** \$ 18,716,000

Cash per Day (F ÷ 365 days) **G** \$ 51,000

Cash on Hand **H** \$ 8,685,000

150 Days (G x 150 days) **I** 7,650,000

Excess of 150 Days (H - I) **J** \$ 1,035,000

Days Cash on Hand (H ÷ G) **K** 170 Days

Compliant/Not Compliant?

Compliant

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, 2019
(UNAUDITED**)**

Step 1:

No Enterprise Fund shall have a negative Unrestricted Net Position. Because of the manner in which capital assets, debt, etc. are recorded, this requirement should reflect each Fund group as a whole.

Operating Fund Unrestricted Net Position (Deficit) as of 9/30/19	\$ 7,810,000
Capital Funds Unrestricted Net Position as of 9/30/19	53,576,000
Total Unrestricted Net Position as of 9/30/19 tied to CAFR	<u>\$ 61,386,000</u>

Compliant/Not Compliant?

Compliant

Step 2 & 3:

ENTERPRISE OPERATING FUNDS

A goal 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.

Recurring Operating Expenses **A** \$ 5,402,000

Reserve Goal:

25% (3 Months) ($A \times .25$) **B** \$ 1,351,000

Current Assets \$ 8,119,000

Less: Current Liabilities 357,000

Spendable Working Capital (WC) **C** \$ 7,762,000

Adj: Non-spendable WC:

+ Unearned Revenue 65,000

Spendable WC: **D** \$ 7,827,000

Excess Spendable WC for FY19 ($D - B$) **E** \$ 6,476,000

Compliant/Not Compliant?

Compliant

Net Position Appropriated in FY20 **F** \$ -

Projected Excess Spendable WC in FY20 ($F - E$) \$ 6,476,000

Step 4:

ENTERPRISE OPERATING FUNDS

A minimum reserve of 100 Days Cash on Hand with a goal of 150 Days Cash on Hand.

Recurring Operating Expenses **F** \$ 5,402,000

Cash per Day ($F \div 365$ days) **G** \$ 15,000

Cash on Hand **H** \$ 7,762,000

150 Days ($G \times 150$ days) **I** 2,250,000

Excess of 150 Days ($H - I$) **J** \$ 5,512,000

Days Cash on Hand ($H \div G$) **K** 517 Days

Compliant/Not Compliant?

Compliant

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, 2019
(UNAUDITED**)**

Step 1:

No Enterprise Fund shall have a negative Unrestricted Net Position. Because of the manner in which capital assets, debt, etc. are recorded, this requirement should reflect each Fund group as a whole.

Operating Fund Unrestricted Net Position (Deficit) as of 9/30/19	\$ 4,188,000
Capital Funds Unrestricted Net Position as of 9/30/19	1,505,000
Total Unrestricted Net Position as of 9/30/19 tied to CAFR	<u>\$ 5,693,000</u>

Compliant/Not Compliant?

Compliant

Step 2 & 3:

ENTERPRISE OPERATING FUNDS

A goal 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.

Recurring Operating Expenses **A** \$ 4,109,000

Reserve Goal:

25% (3 Months) ($A \times .25$) **B** \$ 1,027,000

Current Assets **\$** 3,576,000

Less: Current Liabilities 305,000

Spendable Working Capital (WC) **C** \$ 3,271,000

Excess Spendable WC for FY19 ($C - B$) **D** \$ 2,244,000

Compliant/Not Compliant?

Compliant

Net Position Appropriated in FY20 **E** \$ -

Projected Excess Spendable WC in FY20 ($D - E$) **\$** 2,244,000

Step 4:

ENTERPRISE OPERATING FUNDS

A minimum reserve of 100 Days Cash on Hand with a goal of 150 Days Cash on Hand.

Recurring Operating Expenses **F** \$ 3,874,000

Cash per Day ($F \div 365$ days) **G** \$ 11,000

Cash on Hand **H** \$ 3,161,000

150 Days ($G \times 150$ days) **I** 1,650,000

Excess of 150 Days ($H - I$) **J** \$ 1,511,000

Days Cash on Hand ($H \div G$) **K** 287 Days

Compliant/Not Compliant?

Compliant

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, 2019
(UNAUDITED**)**

Step 1:

No Enterprise Fund shall have a negative Unrestricted Net Position. Because of the manner in which capital assets, debt, etc. are recorded, this requirement should reflect each Fund group as a whole.

Operating Fund Unrestricted Net Position (Deficit) as of 9/30/19	\$ (20,647,000)
Capital Funds Unrestricted Net Position as of 9/30/19	10,497,000
Total Unrestricted Net Position as of 9/30/19 tied to CAFR	<u>\$ (10,150,000)</u>

Compliant/Not Compliant?

Not Compliant

Step 2 & 3:

ENTERPRISE OPERATING FUNDS

A goal 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.

Recurring Operating Expenses **A** \$ 66,022,000

Reserve Goal:

25% (3 Months) ($A \times .25$) **B** \$ 16,506,000

Current Assets **\$** 25,563,000

Less: Current Liabilities 6,521,000

Spendable Working Capital (WC) **C** \$ 19,042,000

Excess Spendable WC for FY19 ($C - B$) **D** \$ 2,536,000

Compliant/Not Compliant?

Compliant

Net Position Appropriated in FY20 **E** \$ 6,908,041

Projected Deficit Spendable WC in FY20 ($D - E$) **\$** (4,372,041)

Step 4:

ENTERPRISE OPERATING FUNDS

A minimum reserve of 100 Days Cash on Hand with a goal of 150 Days Cash on Hand.

Recurring Operating Expenses **F** \$ 65,517,000

Cash per Day ($F \div 365 \text{ days}$) **G** \$ 179,000

Cash on Hand **H** \$ 11,625,000

150 Days ($G \times 150 \text{ days}$) **I** 26,850,000

Deficit of 150 Days ($H - I$) **J** \$ (15,225,000)

Days Cash on Hand ($H \div G$) **K** 65 Days

Compliant/Not Compliant?

Not Compliant

Reserve Requirement Policy:

Enterprise Funds:

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

INTERNAL SERVICE FUNDS

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.

NON-INSURANCE FUNDS

CITY OF FORT WORTH, TEXAS
RESERVE REQUIREMENT SUPPLEMENT
EQUIPMENT SERVICE FUND
SEPTEMBER 30, 2019
(UNAUDITED**)**

Step 1:

No Internal Service {Operating} Fund shall have a negative Unrestricted Net Position.

Unrestricted Net Position as of 9/30/19 \$ 2,453,000

Compliant/Not Compliant?

Compliant

Step 2:

NON-INSURANCE INTERNAL SERVICE OPERATING FUNDS

A goal 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 *A* \$ 28,726,000

Reserve Requirement:

3% (A x .03) *B* \$ 862,000

Current Assets:

\$ 5,571,000

Less: Current Liabilities:

2,225,000

Spendable Working Capital (WC):

C 3,346,000

Adj: Non-spendable WC:

- Inventories (at Cost)

(417,000)

Spendable WC:

D \$ 2,929,000

Excess Spendable WC for FY19 (D - B)

E \$ 2,067,000

Compliant/Not Compliant?

Compliant

Net Position Appropriated in FY20

F \$ -

Projected Excess Spendable WC in FY19 (E -F)

\$ 2,067,000

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, 2019
(UNAUDITED**)**

Step 1:

No Internal Service {Operating} Fund shall have a negative Unrestricted Net Position.

Unrestricted Net Position as of 9/30/19 \$ 5,846,000

Compliant/Not Compliant?

Compliant

Step 2:

NON-INSURANCE INTERNAL SERVICE OPERATING FUNDS

A goal 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 A \$ 13,904,000

Reserve Requirement:

3% (A x .03) B \$ 417,000

Current Assets:

\$ 7,428,000

Less: Current Liabilities:

434,000

Spendable Working Capital (WC):

C \$ 6,994,000

Excess Spendable WC for FY19 (C - B)

D \$ 6,577,000

Compliant/Not Compliant?

Compliant

Net Position Appropriated in FY20

E \$ -

Projected Excess Spendable WC in FY19 (D - E)

\$ 6,577,000

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, 2019
(UNAUDITED**)**

Step 1:

No Internal Service { Operating } Fund shall have a negative Unrestricted Net Position.

Unrestricted Net Position as of 9/30/19

\$ 25,950,000

Compliant/Not Compliant?

Compliant

Step 2:

INSURANCE INTERNAL SERVICE OPERATING FUNDS

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

INSURANCE

Operating Expenses **A** \$ 67,019,000

Reserve Requirement:

25% (3 Months) ($A \times .25$)

B \$ 16,755,000

Current Assets:

\$ 29,776,000

Less: Current Liabilities:

1,237,000

Working Capital (WC):

C \$ 28,539,000

Excess Spendable WC for FY19 ($C - B$)

D \$ 11,784,000

Compliant/Not Compliant?

Compliant

Net Position Appropriated in FY20

E \$ -

Projected Excess Spendable WC in FY20 ($D - E$)

\$ 11,784,000

Reserve Requirement Policy:

Insurance Funds: 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, 2019
(UNAUDITED**)**

Step 1:

No Internal Service { Operating } Fund shall have a negative Unrestricted Net Position.

Unrestricted Net Position as of 9/30/19 \$ 9,056,000

Compliant/Not Compliant?

Compliant

Step 2:

INSURANCE INTERNAL SERVICE OPERATING FUNDS

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

INSURANCE

Operating Expenses **A** \$ 17,806,000

Reserve Requirement:

25% (3 Months) ($A \times .25$) **B** \$ 4,452,000

Current Assets:

\$ 31,733,000

Less: Current Liabilities:

428,000

Working Capital (WC):

C \$ 31,305,000

Excess Spendable WC for FY19 ($C - B$)

D \$ 26,853,000

Compliant/Not Compliant?

Compliant

Net Position Appropriated in FY20

E \$ -

Projected Excess Spendable WC in FY20 ($D - E$)

\$ 26,853,000

Reserve Requirement Policy:

Insurance Funds: http://www.cfwnet.org/finance/FMPS/SecIII_d-InternalService-Insurance-Fund-Reserve-Policy.pdf