

City of Fort Worth, Texas

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2020



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended
September 30, 2020

CITY OF FORT WORTH, TEXAS

ELECTED OFFICIALS

2020 CITY COUNCIL

Betsy Price, Mayor

Carlos E. Flores
Cary Moon
Jungus Jordan
Kelly Allen Gray

Brian Byrd
Gyna Bivens
Dennis Shingleton
Ann Zadeh

CITY MANAGER

David Cooke

CHIEF FINANCIAL OFFICER

Reginald Zeno

Prepared by the Department of Financial Management Services

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Financial Systems Staff

Administration

Charissa Williams

Treasury

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

Purchasing

Cynthia Garcia
John Padiñ
Cristina Camarillo
Jeff Cope
Purchasing Staff



City of Fort Worth, Texas

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INTRODUCTORY SECTION



February 5, 2021

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Fort Worth, Texas (the “City” or “Fort Worth”), for the fiscal year ended September 30, 2020. The Department of Financial Management Services prepared this report to present the financial position of the City. The CAFR describes the financial results of our operations, the cash flow of our proprietary fund types, and changes in plan net positions of our pension and post-employment benefit trusts. The financial statements and supporting schedules have been prepared in accordance with generally accepted accounting principles and meet the requirements of the State of Texas and the City Charter.

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

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

Weaver and Tidwell, L.L.P. issued an unmodified opinion on the City’s financial statements for the year ended September 30, 2020. The Independent Auditor’s Report is located on page 1 of this report.

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

DEPARTMENT OF FINANCIAL MANAGEMENT SERVICES

CITY OF FORT WORTH * 200 TEXAS ST * FORT WORTH, TEXAS 76102

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City of Fort Worth Profile

Fort Worth, incorporated in 1873, is a political subdivision and municipal corporation of the State of Texas, located in Tarrant, Denton, Parker, Wise, and Johnson Counties. The City covers approximately 353 square miles and serves a population of 930,971.

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

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

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

As required by generally accepted accounting principles in the United States of America (GAAP), the financial reporting entity includes all funds of the primary government (the City), as well as the City's component units. Component units are legally separate entities for which the primary government is financially accountable. Organizations that do not meet the financial accountability criteria for inclusion as a component unit could be included based upon management's determination that it would be misleading to exclude them. During Fiscal Year 2020, there were ten blended component units. One of the blended component units (Fort Worth Housing Finance Corporation) also has nine Limited Liability Corporations (LLCs), which are reported as blended component units, and one Limited Liability Partnership that is discretely presented.

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

Local Economy

Prior to events and impacts associated with COVID-19, Fort Worth had continued to sustain a multi-year trend of broad-based growth across many sectors. Much of this business growth has fueled and been fueled by Fort Worth's status as one of the top places in the nation to live, work, and play. With a growing workforce, top educational facilities, low cost of doing business, high quality of life, prime location, and climate, the City is an attractive choice for companies looking to expand their operations.

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

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

The City's industry clusters remain diverse with trade, transportation, and utilities making up the largest percentage of the Fort Worth-Arlington Metropolitan Division (MD) industry composition at 36%. Since 2010 trade, transportation, and utilities companies have grown considerably adding over 22,100 jobs to the area. Healthcare, Manufacturing, Hospitality and Tourism, Transportation and Warehousing, and Oil and Gas make up the five established sectors that play a key role in the Fort Worth economy. As a group, these five established sectors account for more than a third of employment in Tarrant County with over 398,000 people employed. The City's Economic Development Department has identified key emerging economic sectors including aerospace manufacturing and design, life sciences delivery and innovation, geotechnical engineering, international business, corporate and regional headquarters, professional services, financial services, and transportation innovation.

There are over 37,698 registered business firms in the City of Fort Worth. About 89% of these businesses are small to mid-size firms that employ anywhere from one to 249 individuals. The remaining 11% of businesses are firms that employ greater than 250 employees (Reference USA).

The Fort Worth-Arlington MD boasts a strong labor force of 1.2 million that continues to grow. The Fort Worth-Arlington MD has experienced positive annual employment growth since summer 2010 up until the COVID-19 pandemic in early 2020. In the wake of the crisis, the city's unemployment rate of 8.1% is slightly lower than the 8.3% state unemployment rate but above the 7.8% national unemployment rate through September 2020.

Local Economy (Continued)

The Alliance Texas development in far north Fort Worth continued its growth through 2019 and now employs more than 62,000 people in over 507 businesses. Over 70 customers are from either the Fortune 500 (U.S. public), Global 500 (intl. public) or Forbes List of Top Private Companies (U.S. private). Overall, Alliance Texas has had an estimated \$84 billion economic impact since 1980.

In addition to growth in sectors that serve the City's growing population (i.e. Construction, Real Estate, Personal Services, Education, Retail, etc.), continued growth in orders at Fort Worth-based Lockheed Martin Aeronautics for the F-35 (and other aircraft and weapons systems) has been a source of strength in the local and regional economy.

Further supporting the aerospace growth in Fort Worth is the February 2020 announcement by Gulfstream Aerospace Corporation that it will expand its operations with the construction of a service center at Fort Worth Alliance Airport. The facility is expected to open by fall of 2021 and will create approximately 50 new jobs with another 150 to 200 relocating from Dallas' Love Field. Gulfstream will invest more than \$35 million to build a nearly 160,000 square foot facility that will include hangar space, back shops, and employee and customer offices.

"Alliance Airport is a great location. It is an established airport for business aviation operators, has an outstanding infrastructure and is appropriately sized for our operations. It is also the home of a growing aviation school, which will help us continue to develop both new and existing employees."

*Derek Zimmerman, President
Gulfstream Customer Support*



The Near Southside, home to a first-of-its-kind medical innovation district - iter8 Health Innovation Community - has continued to see tremendous investment. This vibrant mix of arts and culture has seen a boom in housing development to support the numerous new businesses. Since 2017, 3,000 new units have been built or are under development, making way for nearly 4,500 new residents.

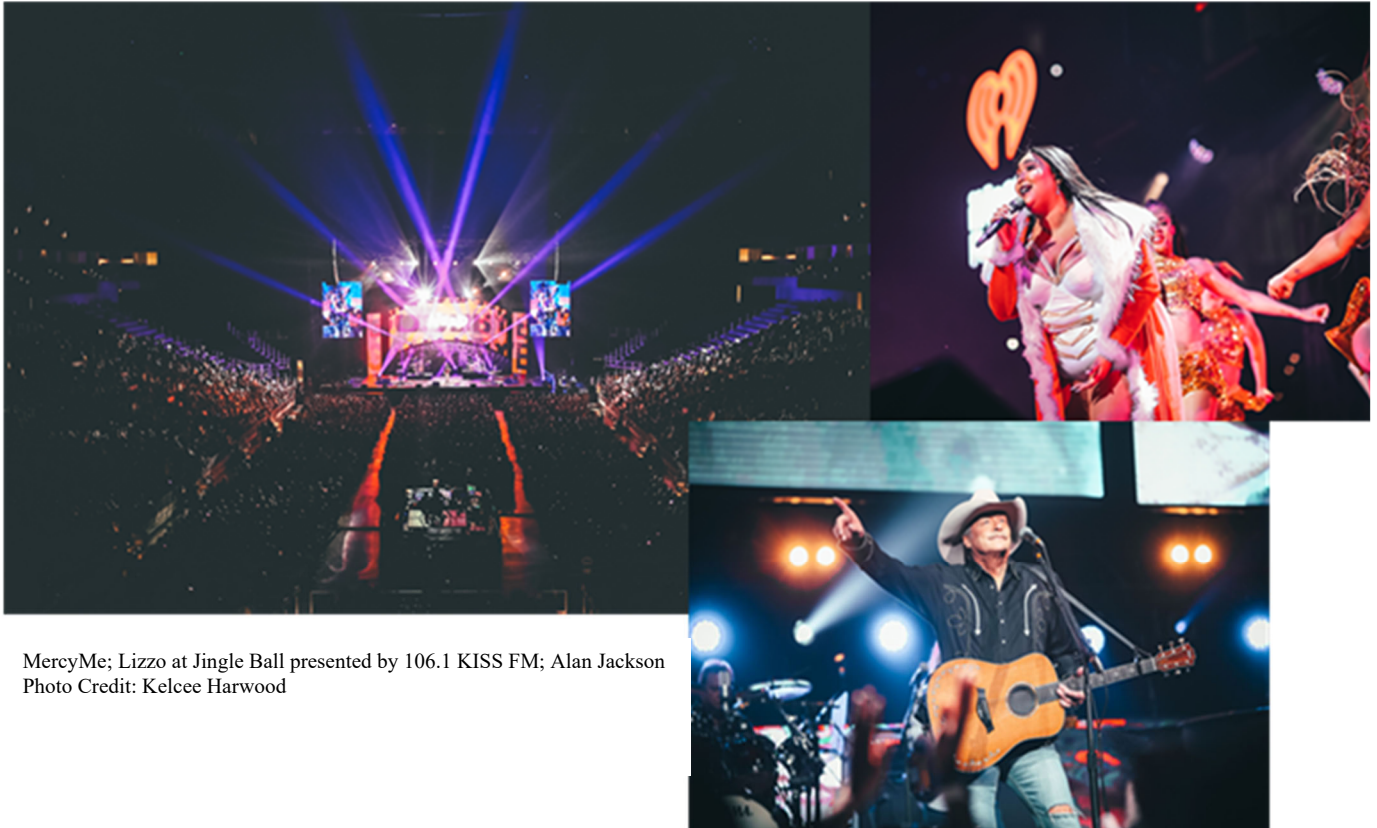
As a part of the Economic Development Department's Tax Increment Financing efforts in the eastern part of the city, the Tax Increment Reinvestment Zone Fourteen Board of Directors approved an investment into public infrastructure to support the development of almost 1 million square feet of commercial and mixed-use, transit-oriented development associated with a new TexRail Station in the Trinity Lakes area. Development is expected to be completed by December 2025.

Local Economy (Continued)

Fort Worth Heritage Development, LLC has refurbished the historic Horse and Mule Barns located in the historic Fort Worth Stockyards featuring almost 200,000 square feet of restaurants, entertainment venues, and retail boutiques. Several tenants opened their doors in June of 2020 following a brief delay as a result of COVID-19. Prominently featured in the Mule Alley redevelopment is the 200-room four-star Hotel Drover that is scheduled to open in early 2021. It will feature a restaurant and bar, a fashion boutique, and a large event space where it will host weddings and other events. The \$175 million renovation and ground-up development will be constructed in three phases and is expected to be fully completed by December 2025.



Dickies Arena opened October 26, 2019 on the Will Rogers Memorial Center campus. The \$540 million arena has attracted a wide variety of high-quality entertainment options to the Fort Worth area including concerts, sporting events and family shows, as well as the month-long Fort Worth Stock Show and Rodeo. In addition to exciting entertainment and sporting events, Dickies Arena has the capacity to accommodate conventions, exhibit events, business meetings and private receptions with flexible meeting and event spaces ranging from 685-square-feet to 91,315-square-feet size. In January of 2020, the rodeo's opening ceremonies attracted more than 9,000 spectators to great fanfare.



MercyMe; Lizzo at Jingle Ball presented by 106.1 KISS FM; Alan Jackson
Photo Credit: Kelcee Harwood

Local Economy (Continued)

Another affirmation of Fort Worth's reputation as "Cowtown" comes with the recently announced expansion of the well-known boot and western apparel maker Ariat International. The company is set to open an 800,000 square foot regional distribution hub and corporate office at the Intermodal Logistics Center in North Fort Worth. Ariat is set to spend a minimum of \$43 million in construction costs on or before December 31, 2021. This move will yield a minimum of 450 full-time jobs by the end of 2024 with a minimum average salary of \$43,992.

In September 2020, the State of Texas announced that Incora, previously known as Wesco Aircraft Hardware Corp, an aircraft part manufacturer and supply chain operator, plans to relocate its global headquarters from Valencia, CA to Fort Worth in 2021. The company will occupy the 40,000 square foot former FAA headquarters where they will employ more than 500 people with an average salary of \$75,000. The deal was negotiated with a combination of state and local incentives and will help cement Fort Worth's role as a leading center of aviation.

Fort Worth's reputation as a hub for aerospace design and production is further enhanced by its local education and workforce infrastructure. Chief among it is the new Mobility Innovation Zone set forth in the Alliance area. In partnership between the FAA, local universities, Hillwood Development Company, Alliance Texas, Amazon Regional Air Hub, FedEx's SW Regional Hub, BNSF Railway, UPS Ground, and others, the new zone will be a key player in industrial and aviation development. The group seeks to establish Fort Worth as an integrated and pioneering center of aviation development with a particular interest in drone technology, VTOL, supply chain logistics, AI, autonomous vehicles, and sky ports/sky taxis.

Also related to Fort Worth's growing transportation technologies sector is the new Linear Labs corporate relocation. The smart electric motor company received approval of a \$68.9 million economic incentive package from the City to relocate their headquarters and Research & Development (R & D) operations to Fort Worth. Linear Labs committed to provide the area with 6,000 jobs upon reaching full operations with a \$70,000 average salary and \$90,000 average salary for R & D related positions. The headquarters will serve as an anchor to the Mobility Innovation District and include a Center of Excellence at Tarrant County College's Northwest campus.

Fort Worth's largest corporate headquarters, American Airlines, completed a \$350 million expansion of its corporate headquarters in 2019, which was anticipated to house approximately 12,000 employees. COVID-19 has had significant impacts on the airline industry and the City of Fort Worth continues to monitor the situation closely and work with company leadership to mitigate local and regional impacts.

City of Fort Worth has invested a portion of the CARES Act Funds to support small businesses through the Preserve the Fort Small Business Program. To date \$55 million has been committed to support small businesses in Fort Worth through the Preserve the Fort Small Business Program. As of December 2020, 1640 awards were made for just under \$55 million.

Based on Chapter 312 of the Texas Local Government Code, the City may award development projects a Tax Abatement based on the value that the development adds to the property. The election to participate in a Tax Abatement Program and Policy is effective for a two-year period with the City last electing to be eligible to participate on January 29, 2019. The policy is effective through January 28, 2021.

On January 29, 2019 the City Council adopted a more detailed Economic Development Program under Chapter 380 of the Texas Local Government Code. On June 16, 2020, the Council amended the program.

Both the current Tax Abatement Policy and Chapter 380 Economic Development Program Policy were developed based upon the Economic Development Strategic Plan, as accepted by the City Council on December 12, 2017. The adopted policies enhance the tools available to the City and were developed, following significant stakeholder engagement and research, to specifically address the Economic Development Strategic Plan recommendation in creating new incentive tools to encourage business growth within target industries and to facilitate development and redevelopment in designated districts.

Please visit the City's website at <https://www.fortworthtexas.gov/departments/ecodev/edplan> for a copy of the Economic Development Strategic Plan.

Local Economy (Continued)

While all eligible applications will be considered for the programs, the City is especially interested in supporting projects that produce a meaningful impact on the City and its economy and result in one of more of the following:

- Growth of business activity, employment, or investment in one of Fort Worth's target industries. These target industries include:
 - Established target industries, such as transportation and warehousing, manufacturing, healthcare, oil and gas, or tourism
 - Emerging sectors, such as transportation innovation, life sciences, geotechnical engineering, or aerospace manufacturing and design
 - International businesses, corporate and regional headquarters, and other professional and financial services
- Significant investment, including the creation of high-wage jobs and a willingness to be part of strategic revitalization efforts in key areas of Fort Worth
- Retaining/expanding one of Fort Worth's existing major employers, or anchoring a business expansion project in a way that provides potential for more supply chain activity and additional growth

The City's Economic Development Department completes 5-year financial projections to determine the potential impact of the program and an annual review of all awards. In 2020, ten (10) Tax Abatement and thirty-three (33) economic development program (Chapter 380 Grant) agreements were reviewed for performance in Tax Year 2019.

In Tax Year 2019, the City's received \$827,323,288 in tax revenue. For tax year 2019, property taxes abated or reimbursed totaled just over \$27.4 million, which represents 3.3% of the City's total tax revenue. In total, the City still retained \$16.4 million of the taxes levied on the projects with an incentive agreement.

The private investment leveraged by the economic development program totaled \$4.6 billion, making the City's total incentive participation 0.66%, resulting in a private to public investment ratio of 152:1 based on overall public and private deal value delivered to date.

See Note A.15 Tax Abatements for additional information.

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 Kroll, and "AA" by both S&P and Fitch. The City's water and sewer system revenue bonds are rated "Aa1" by Moody's, "AA+" by S&P, and "AA" by Fitch. The City's drainage utility system revenue bonds are rated "AA+" by both S&P and Fitch. The City's special tax revenue bonds are rated "A1" by Moody's, and "AA" by Fitch. The City's ratings are complimentary of the City's strong financial performance, maintaining reserves, and very strong management, with strong financial policies and practices. The City's pension obligations and fixed costs create downward pressure on the City's ratings.

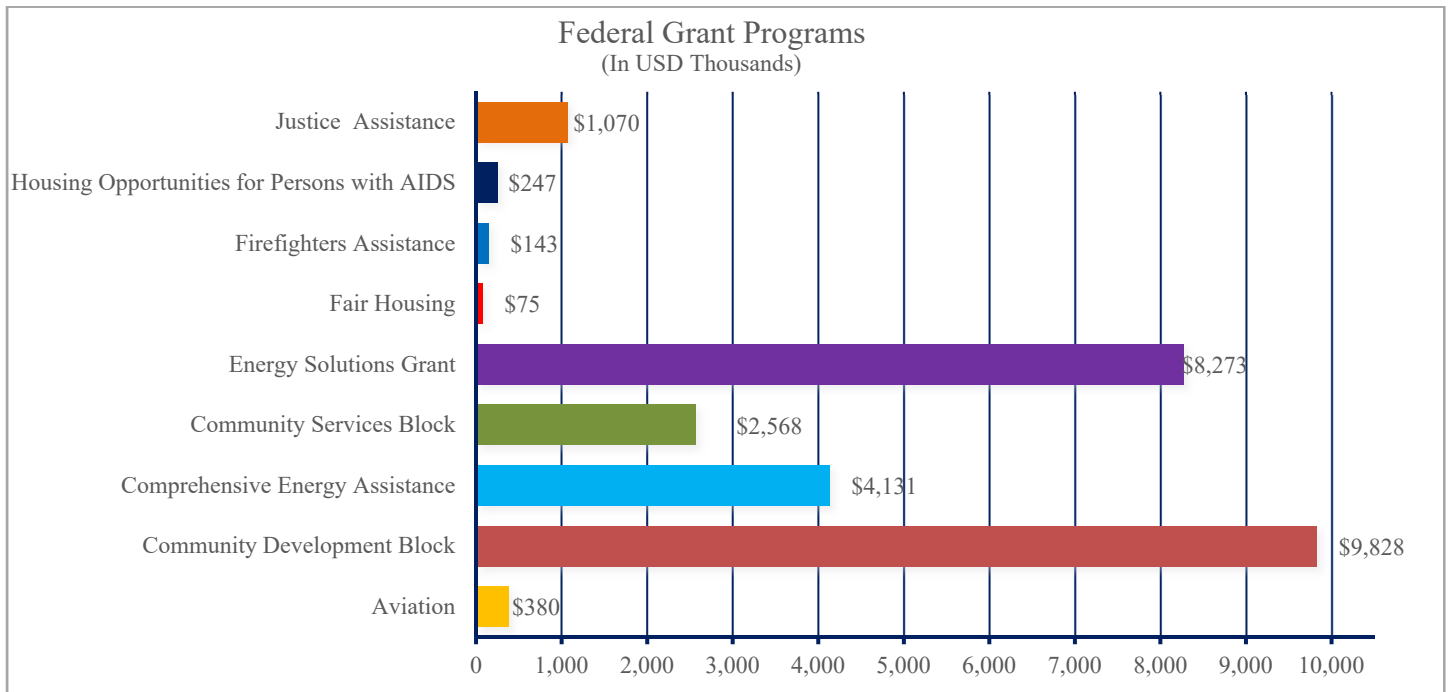
COVID-19 and Future Challenges

In December 2019, the coronavirus now designated as COVID-19 was detected in China and by March 2020 was declared a worldwide pandemic by the World Health Organization (WHO). On March 13, 2020, President Donald Trump, Governor Greg Abbott and Tarrant County Judge Glen Whitley issued emergency declarations for their respective jurisdictions. On March 21, 2020 Fort Worth Mayor, Betsy Price, also issued a declaration for the City to implement social distancing and gathering restrictions, among other requirements.

On April 29, 2020, the City received approximately \$158.7 million of federal grant funding under the Coronavirus Aid, Relief and Economic Security Act (CARES Act). Per guidance from the United States Treasury, such funds are restricted to expenditures which are necessary in response to the public health emergency, including medical expenses, public health and safety expenses, compliance costs of COVID-19 public health measures, and economic support to small businesses and were not budgeted for in the City's current Fiscal Year budget. State and Local Coronavirus Relief Fund allocations are not allowed to replace lost revenues due to the COVID-19 pandemic. Additionally, these funds are required to be spent by December 31, 2021.

The \$158.7 million of federal CARES Act funding was allocated to provide: \$55.0 million in small business support (“Preserve the Fort”), \$10.0 million for household and housing stability (“FWCares”) and support for social services NGOs, \$9.3 million in permanent supportive housing for high-risk homeless population, \$5.6 million to improve community Wi-Fi access, and \$55.6 million for COVID prevention/mitigation, with the balance going to provide safe access to public facilities and services.

Also, in addition to the programs shown below, we subsequently received an allocation of \$27.5 million for the Emergency Rental Assistance Program.



Our country and our city are in the midst of an unprecedented crisis from the COVID-19 pandemic. Among other things, the pandemic has caused a sharp downturn in the economy. The City managed its finances and resources through these uncertain times to address organizational needs and ensure that funds are available to continue delivering services to residents. The City has implemented several financial strategies to help mitigate the economic impact of the COVID-19 pandemic including a hiring frost (excluding fire and police civil service positions), reduced discretionary spending, prioritized programs and services by fund, and reviewed cash-funded capital projects. Immediate impacts have been seen in hotel/motel occupancy taxes, recreation programming and user fees in Public Events and Facilities department (or Culture and Tourism special revenue fund); parking fee collections at the City-owned parking structures; and parking enforcement for on-street parking.

COVID-19 and Future Challenges (Continued)

The City maintains a positive outlook on long-range financial planning. Slightly slower growth of revenue for the next two to three years is anticipated due to COVID-19, representing a significant reduction from previous, more optimistic, long-range forecasts prior to the pandemic. However, strong economic growth preceding the pandemic is expected to endure, and revenues are anticipated to continue to climb.

Long-term Financial Planning and Major Initiatives

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

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

City Council will refine and adjust the strategic goals, as circumstances change. Overall, the City of Fort Worth concentrated on nine top-priority strategic challenges and opportunities for Fiscal Year 2020. These areas were identified to provide a clear and concise statement about where the Mayor and City Council want Fort Worth to focus over the next five years and to stimulate broader discussion of the important issues facing Fort Worth now and in the future. A number of ongoing administrative and community processes will make the goals reality.

The City Council's strategic challenges and opportunities:

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

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

Mission: Working together to build a strong community.

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

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

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

Long-term Financial Planning and Major Initiatives (Continued)

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

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

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

Pension Committee

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

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

In order to meet the charge, the Pension Committee:

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

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

On December 11, 2018, the City Council voted and accepted the plan recommended by the Pension Committee, which included increasing contributions from the City and employees, eliminating service credit for future accruals of sick leave and major medical leave, and making changes to Cost of Living Adjustments. In February 2019, the active employee members of the Fort Worth Employees' Retirement Fund voted in favor of the proposed pension contribution increases and other modifications to the plan, including an automatic-risk sharing feature. The vote was administered by the Retirement Fund and implemented by a third-party election company, Election-America. Implementation of automatic risk-sharing would begin for contribution increases, not sooner than 2022 if the valuations for the preceding two calendar years show the contribution is less than the Actuarial Determined Contribution.

Pension Committee (Continued)

As a result of benefit terms modifications related to the changes to contributions and benefits enacted in 2019, the City's Net Pension Liability decreased in the current year by approximately \$839 million.

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended September 30, 2019. This was the 10th consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning October 1, 2019. To qualify for the Distinguished Budget Presentation Award, the City's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

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

Acknowledgements

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

Sincerely,



David Cooke
City Manager



Reginald Zeno
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Fort Worth
Texas**

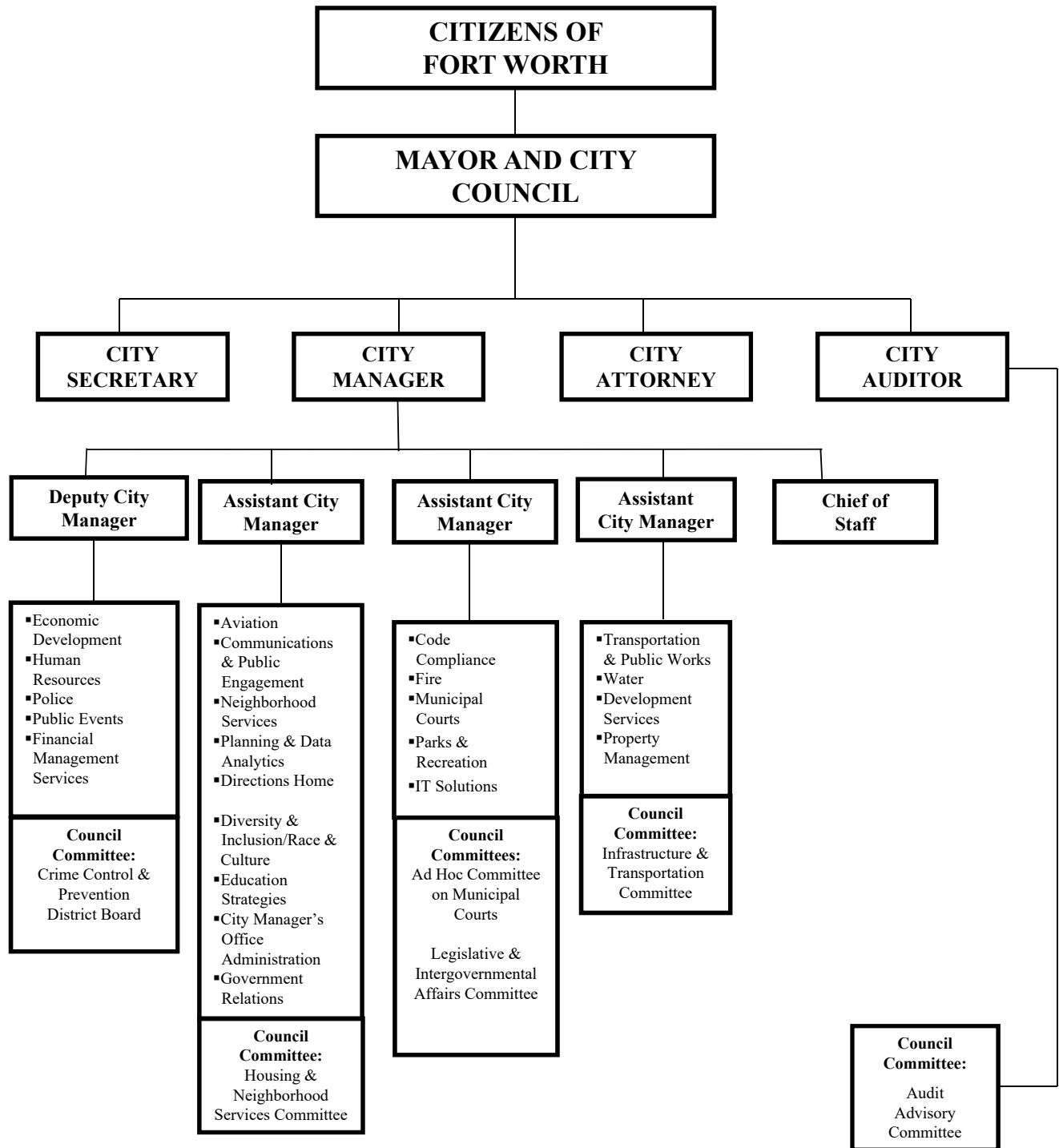
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO

**CITY OF FORT WORTH, TEXAS
ORGANIZATION OF CITY GOVERNMENT
SEPTEMBER 30, 2020**



**CITY OF FORT WORTH, TEXAS
ELECTED OFFICIALS
MAYOR AND CITY COUNCIL MEMBERS
FOR FISCAL YEAR 2020**



**Betsy Price
Mayor**



**Carlos E. Flores
Council District 2**



**Brian Byrd
Council District 3**



**Cary Moon
Council District 4**



**Gyna Bivens
Council District 5**



**Jungus Jordan
Council District 6**



**Dennis Shingleton
Council District 7**



**Kelly Allen Gray
Council District 8**



**Ann Zadeh
Council District 9**

FINANCIAL SECTION

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Fort Worth, Texas (the City), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Employees' Retirement Fund of the City of Fort Worth and Fort Worth Firefighters Healthcare Trust, which collectively represent 97 percent, 100 percent, 96 percent and 92 percent, respectively, of the assets, liabilities, net position, and revenues of the fiduciary trust funds of the City. We did not audit the financial statements of the Fort Worth Housing Finance Corporation, which represent 11 percent, 5 percent, 10 percent and 2 percent, respectively, of the assets, liabilities, fund balance, and revenues of the nonmajor governmental funds of the City. We did not audit the financial statements of Terrell Homes, Ltd., which represents 100 percent of the assets, liabilities, net position, and revenues of the discretely presented component unit of the City. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Employees' Retirement Fund of the City of Fort Worth, Fort Worth Firefighters Healthcare Trust, the Fort Worth Housing Finance Corporation, and Terrell Homes, Ltd., is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Employee' Retirement Fund of the City of Fort Worth and Fort Worth Firefighters Healthcare Trust were not audited in accordance with *Government Auditing Standards*.

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

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Fort Worth, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

The combining and individual fund financial statements and schedules and the other supplemental information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and other supplemental information are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2021 on our consideration of City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
February 5, 2021



CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020
(000's omitted in tables)
(Unaudited)

Management's discussion and analysis (MD&A) provides a narrative overview of the financial activities and changes in the financial position of the City of Fort Worth, Texas (City), for the fiscal year ended September 30, 2020 (FY2020). The MD&A is offered here by the management of the City to the readers of its financial statements. Readers should use the information presented here in conjunction with additional information furnished in our letter of transmittal, which can be found in the Introductory Section of this Comprehensive Annual Financial Report (CAFR) on pages v-xv of this report.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at September 30, 2020, by \$3,695,366,000 (net position). For FY2020, the City reported an unrestricted net deficit of \$1,458,753,000 which was a decrease in unrestricted net deficit of \$1,286,058 compared to the previous fiscal year. This increase was primarily due to a decrease in Net Pension Liability and an increase in contributed assets.
- The City's total net position increased by \$2,075,307,000 in comparison with the amount in FY2019. This increase can be attributed to decrease in Net Pension Liability and increases in revenues generated in the enterprise funds as well as increases in property tax revenue, sales tax revenue and contributed assets for governmental activities.
- At September 30, 2020, the City's governmental funds reported combined ending fund balances of \$1,001,490,000, an increase of \$89,013,000 in comparison with FY2019. Approximately 54.9 percent of ending fund balance of \$549,710,000 is available for spending at the government's discretion, as follows: \$203,295,000 of committed fund balance; \$193,886,000 of assigned fund balance; and \$152,529,000 of unassigned fund balance.
- The City's total long-term liabilities decreased by \$548,682,000 in comparison with FY2019. The key factor in this decrease occurred for Net Pension Liability reduction by \$839,220,000. During the year, long-term liabilities were reduced by principal payments of \$165,924,000 in governmental activities and \$168,788,000 in business-type activities. This decrease was offset by the debt issuance of \$187,291,000 for governmental activity and \$230,525,000 for business-type activity.

Overview of the Financial Statements

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

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

CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020
(000's omitted in tables)
(continued)

Government-wide Financial Statements

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

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

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

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

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

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

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

The government-wide financial statements can be found on page 19-21 of this report.

Fund Financial Statements

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

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

CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020
(000's omitted in tables)
(continued)

Fund Financial Statements (continued)

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

The City maintains twenty-one individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Debt Service Fund, Capital Projects Fund, and Grants Fund which are considered to be major funds. Data for the other seventeen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The basic governmental fund financial statements can be found on pages 22-26 of this report.

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

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

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its equipment services, capital project services, group health and life insurance, and risk financing. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer and the Stormwater Utility Funds, which are considered to be the major proprietary funds of the City. The three nonmajor enterprise funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Conversely, the four internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the nonmajor enterprise funds and internal service funds are provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The basic proprietary fund financial statements can be found on pages 28-33 of this report.

CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020
(000's omitted in tables)
(continued)

Fund Financial Statements (continued)

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City reports three Trust Funds which accounts for the assets of the City's pension plan and postemployment healthcare plan and firefighters' employment and postemployment healthcare benefit. Separate audited financial statements are available for the City's pension plan and firefighters healthcare trust. The pension plan and firefighters healthcare trust's statements can be obtained by contacting the Plan at 3801 Hulen Street, Suite 101, Fort Worth, Texas 76107 and Fort Worth Firefighters Healthcare Trust at 3855 Tulsa Way, Fort Worth, TX 76107.

The fiduciary fund financial statements can be found on pages 34-35 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found directly following the fund financial statements and prior to the Required Supplementary Information in this report. The notes to the basic financial statements can be found on pages 36-120 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information for the City's General Fund budgetary comparison schedule along with notes to the required supplementary information to demonstrate compliance with its budget as the City adopts an annual appropriated budget for most governmental funds. Also included is the required supplementary information concerning the City's progress in funding its obligations to provide pension and OPEB benefits to its employees. Required supplementary information can be found immediately after the notes to the financial statements on pages 121-128.

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, internal service funds and pension (and other employee benefit) trust funds are presented immediately following the required supplementary information on pensions and OPEB. Individual budgetary comparison schedule for other governmental funds with annual appropriated budget is included as supplementary information in the combining and individual fund statements and schedules which can be found on pages 129-167 of this report.

CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020
(000's omitted in tables)
(continued)

Government-Wide Financial Analysis

At September 30, 2020, total assets of the City were \$8,971,644,000 and deferred outflows were \$1,308,335,000 while total liabilities were \$6,248,476,000 and deferred inflows were \$336,137,000, resulting in a net position of \$3,695,366,000.

The City's net investment in capital assets was \$4,884,099,000. The City uses these assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City reports net investment in capital assets, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$270,020,000 represents resources that are subject to external restrictions on how they may be used. The City has an unrestricted net deficit of \$1,458,753,000.

Condensed Schedule of Net Position (Deficit)

	Governmental Activities		Business-Type Activities		Total	
	2019	2020	2019	2020	2019	2020
Current and Other Assets	\$ 1,145,399	\$ 1,347,248	\$ 1,026,406	\$ 1,148,882	\$ 2,171,805	\$ 2,496,130
Capital Assets	2,358,159	2,997,166	3,301,733	3,478,348	5,659,892	6,475,514
Total Assets	<u>3,503,558</u>	<u>4,344,414</u>	<u>4,328,139</u>	<u>4,627,230</u>	<u>7,831,697</u>	<u>8,971,644</u>
Deferred Outflows	<u>836,683</u>	<u>1,128,737</u>	<u>134,377</u>	<u>179,598</u>	<u>971,060</u>	<u>1,308,335</u>
Other Liabilities	187,459	282,580	81,127	96,868	268,586	379,448
Long-term Liabilities Outstanding	<u>4,800,695</u>	<u>4,264,361</u>	<u>1,617,015</u>	<u>1,604,667</u>	<u>6,417,710</u>	<u>5,869,028</u>
Total Liabilities	<u>4,988,154</u>	<u>4,546,941</u>	<u>1,698,142</u>	<u>1,701,535</u>	<u>6,686,296</u>	<u>6,248,476</u>
Deferred Inflows	<u>428,835</u>	<u>290,282</u>	<u>67,567</u>	<u>45,855</u>	<u>496,402</u>	<u>336,137</u>
Net Position (Deficit):						
Net Investment in Capital Assets	1,641,806	2,286,781	2,498,815	2,597,318	4,140,621	4,884,099
Restricted	112,004	119,353	112,245	150,667	224,249	270,020
Unrestricted (Deficit)	<u>(2,830,558)</u>	<u>(1,770,206)</u>	<u>85,747</u>	<u>311,453</u>	<u>(2,744,811)</u>	<u>(1,458,753)</u>
Total Net Position (Deficit)	<u>\$ (1,076,748)</u>	<u>\$ 635,928</u>	<u>\$ 2,696,807</u>	<u>\$ 3,059,438</u>	<u>\$ 1,620,059</u>	<u>\$ 3,695,366</u>

At September 30, 2020, the City of Fort Worth has a positive net position balance for the government as a whole. The governmental activities' increase in net investment in capital assets was mostly due to contributed assets received during the year as reported in Note M. The governmental activities' unrestricted net deficit balance decreased by \$1,060,352,000, mostly due to a decrease in Net Pension Liability.

CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020
(000's omitted in tables)
(continued)

Government-Wide Financial Analysis (continued)

Condensed Schedule of Changes in Net Position (Deficit)

	Governmental Activities		Business -Type Activities		Total	
	2019	2020	2019	2020	2019	2020
Revenues:						
Program Revenues:						
Charges for Services	\$ 93,256	\$ 82,493	\$ 569,330	\$ 599,224	\$ 662,586	\$ 681,717
Operating Grants and Contributions	76,267	662,064	-	-	76,267	662,064
Capital Grants and Contributions	170,497	172,337	88,757	111,419	259,254	283,756
General Revenues:						
General Property Taxes	517,382	562,687	-	-	517,382	562,687
Sales Taxes	244,133	245,627	-	-	244,133	245,627
Other Local Taxes	36,377	27,631	-	-	36,377	27,631
Franchise Fees	50,494	48,365	-	-	50,494	48,365
Gas Leases and Royalties	6,646	3,236	4,356	2,362	11,002	5,598
Investment Income	38,090	34,644	27,885	19,969	65,975	54,613
Gain on Debt Defeasance	-	79	-	-	-	79
Other	15,394	13,495	3,382	4,420	18,776	17,915
<i>Total revenues</i>	<u>1,248,536</u>	<u>1,852,658</u>	<u>693,710</u>	<u>737,394</u>	<u>1,942,246</u>	<u>2,590,052</u>
Expenses:						
General Government	166,338	14,398	-	-	166,338	14,398
Public Safety	671,224	(167,533)	-	-	671,224	(167,533)
Highways and Streets	167,258	125,762	-	-	167,258	125,762
Culture and Recreation	171,710	73,767	-	-	171,710	73,767
Health and Welfare	11,017	29,132	-	-	11,017	29,132
Urban Redevelopment and Housing	82,821	67,747	-	-	82,821	67,747
Interest and Service Charges	32,715	33,443	-	-	32,715	33,443
Water and Sewer	-	-	365,414	245,882	365,414	245,882
Stormwater Utility	-	-	31,960	20,012	31,960	20,012
Municipal Airports	-	-	19,424	16,812	19,424	16,812
Municipal Parking	-	-	7,030	4,406	7,030	4,406
Solid Waste	-	-	62,407	50,923	62,407	50,923
<i>Total expenses</i>	<u>1,303,083</u>	<u>176,716</u>	<u>486,235</u>	<u>338,035</u>	<u>1,789,318</u>	<u>514,751</u>
Insurance Recoveries	1,303	6	-	-	1,303	6
Excess (Deficiency) of Revenues						
Over (Under) Expenses	(53,244)	1,675,948	207,475	399,359	154,231	2,075,307
Transfers	37,148	36,728	(37,148)	(36,728)	-	-
Changes in Net Position (Deficit)	(16,096)	1,712,676	170,327	362,631	154,231	2,075,307
Net Position (Deficit), Beginning of Year	(1,060,652)	(1,076,748)	2,526,480	2,696,807	1,465,828	1,620,059
Net Position (Deficit), End of Year	<u>\$ (1,076,748)</u>	<u>\$ 635,928</u>	<u>\$ 2,696,807</u>	<u>\$ 3,059,438</u>	<u>\$ 1,620,059</u>	<u>\$ 3,695,366</u>

**CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020
(000's omitted in tables)
(continued)**

Government-Wide Financial Analysis (continued)

Overall, the governmental activities increase in net position was \$1,712,676,000 as a result of current fiscal year activity. Factors that contributed to the governmental activities net position increase were due to a decrease in Net Pension Liability and an increase in contributed assets.

Governmental activities expenses decreased by \$1,126,367,000 when compared to FY2019. This decrease was primarily in Public Safety of \$838,757,000, General Government of \$151,940,000, Culture and Recreation of \$97,943,000, Highways and Streets of \$41,496,000, and Urban Redevelopment and Housing of \$15,074,000. These decreases were offset by increased spending for Health and Welfare of \$18,115,000, and Interest and Services Charges of \$728,000. Also, the negative expense balance reported in Public Safety resulted from its proportionate share of the decrease in Net Pension Liability and an increase in deferred outflows of resources related to pension.

Business-type activities net position increased \$362,631,000 during the current fiscal year which is \$192,304,000 higher than the previous year's increase. Key factors that contributed to the business-type activities net position increase were due to a decrease in Net Pension Liability and an increase in capital contributions.

Financial Analysis of the Government's Funds

Governmental Funds – The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or City Manager that has been delegated authority to assign resources for use for particular purposes by the City's Council.

As of the end of the current fiscal year, the City's governmental funds reported total fund balances of \$1,001,490,000. Approximately 20.4 percent or \$204,161,000 constitutes the General Fund's fund balance. As of September 30, 2020, the General Fund's nonspendable fund balance includes \$2,707,000 for inventories, \$3,599,000 for advances to other funds, and \$1,664,000 for prepaids, deposits, and other. The General Fund's restricted fund balance includes \$9,041,000 for park improvements. The committed fund balance includes amounts of \$5,080,000 for repayment of State loans, \$3,663,000 for park improvements, and \$21,209,000 for public events and facilities. The assigned fund balance includes \$4,500,000 for general government purposes. As of September 30, 2020, the General Fund had an unassigned fund balance of \$152,698,000. This increase in fund balance is primarily due to an increase in property tax assessed values offset by a decrease in the City's property tax rate resulting in an increase in property tax revenues and increases in licenses and permits and investment income offset by decreases in other local taxes, franchise fees, fines and forfeitures, and charges for services as well as an increase in expenditures in General Government and Urban Redevelopment and Housing.

The Debt Service Fund has a fund balance of \$56,539,000 or 5.6 percent of total governmental fund balance of which \$7,896,000 is restricted fund balance, \$1,614,000 is committed fund balance, and \$47,029,000 is assigned fund balance. Debt Service Fund's fund balance decreased by \$5,830,000 when compared to FY2019. This decrease in fund balance was due to a portion of the fund balance at the beginning of the year that was used for debt service payments during the year.

CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020
(000's omitted in tables)
(continued)

Financial Analysis of the Government's Funds (continued)

The Capital Projects Fund has a fund balance of \$577,059,000 or 57.6 percent of total governmental fund balance of which \$483,000 is nonspendable fund balance, \$322,827,000 is restricted fund balance, \$166,437,000 is committed fund balance, and \$87,312,000 is assigned fund balance. The Capital Projects Fund's fund balance increased by \$75,887,000 when compared to FY2019. This increase in fund balance was due to decreased spending for Culture and Recreation, Urban Redevelopment and Housing, and Capital Outlay and increased in total revenues which was offset by increased spending for Public Safety and Highways and Streets. The issuance of general obligation refunding bonds and tax notes also caused an increase in fund balance in the capital projects fund.

The Grants Fund has a fund deficit of \$137,000 or 0.0 percent of total governmental fund balance of which \$32,000 is nonspendable fund balance and \$169,000 is unassigned balance fund deficit. The Grants Fund's fund balance decreased by \$1,499,000 when compared to FY2019. This decrease in fund balance was primarily due to timing differences on reimbursement for federal, state, and local grant expenditures from granting agencies, and revenues were unavailable to be used to pay liabilities of the current period.

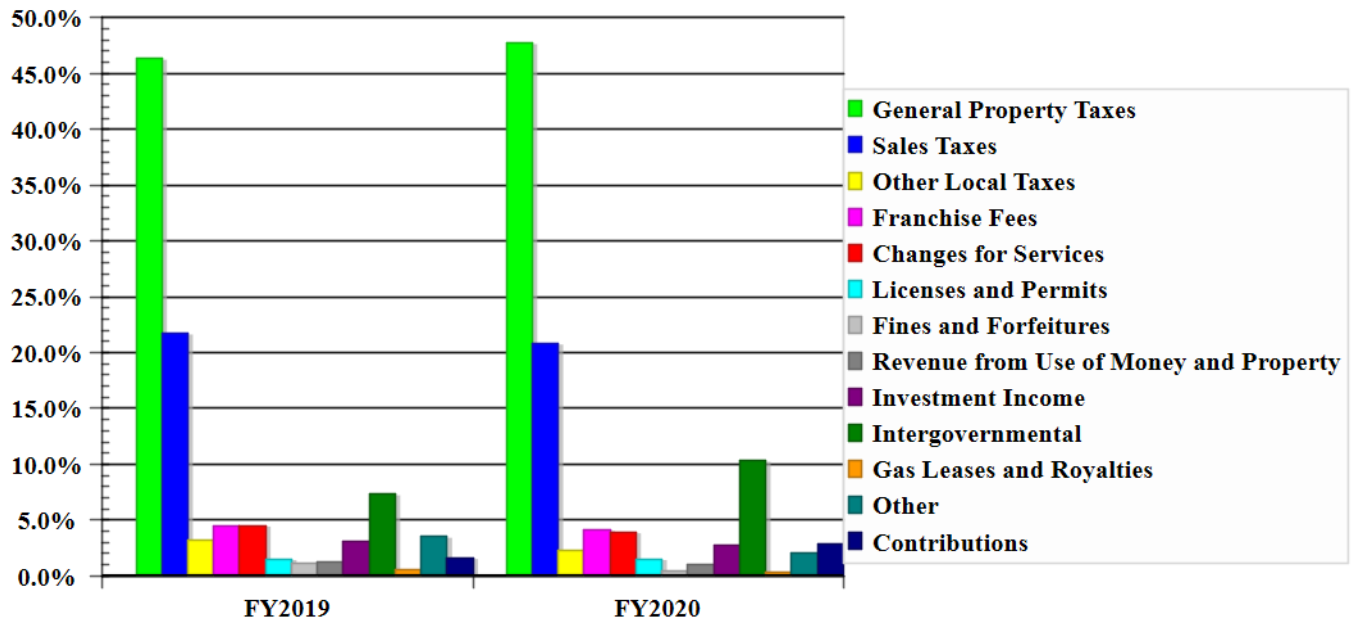
The Nonmajor Governmental Funds' fund balance of \$163,868,000 is 16.4 percent of total governmental fund balance and includes nonspendable fund balance of \$2,644,000, restricted fund balance of \$102,650,000, committed fund balance of \$3,278,000, and assigned fund balance of \$55,296,000. Nonmajor Governmental Fund's fund balance decreased by \$9,909,000 when compared to FY2019. This decrease is primarily due to overall decreases in total revenues. In addition, fines and forfeitures decrease was due to the termination of the City's automated red light enforcement program.

As shown in the following charts (on the next page) for governmental funds for FY2019 and FY2020, general property taxes and sales taxes were the primary sources of revenue for both years, while public safety and capital outlay were the largest expenditures by function. The General Fund is the primary operating fund of the City. At the end of the current fiscal year, the fund balance of the General Fund was \$204,161,000. As a measure of the General Fund's liquidity, it may be useful to compare the unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance of \$152,698,000, represents 23.1 percent of total General Fund expenditures. The total fund balance of \$204,161,000 represents 30.8 percent of total General Fund expenditures. Fund balance in the General Fund increased by \$30,364,000, over the previous fiscal year.

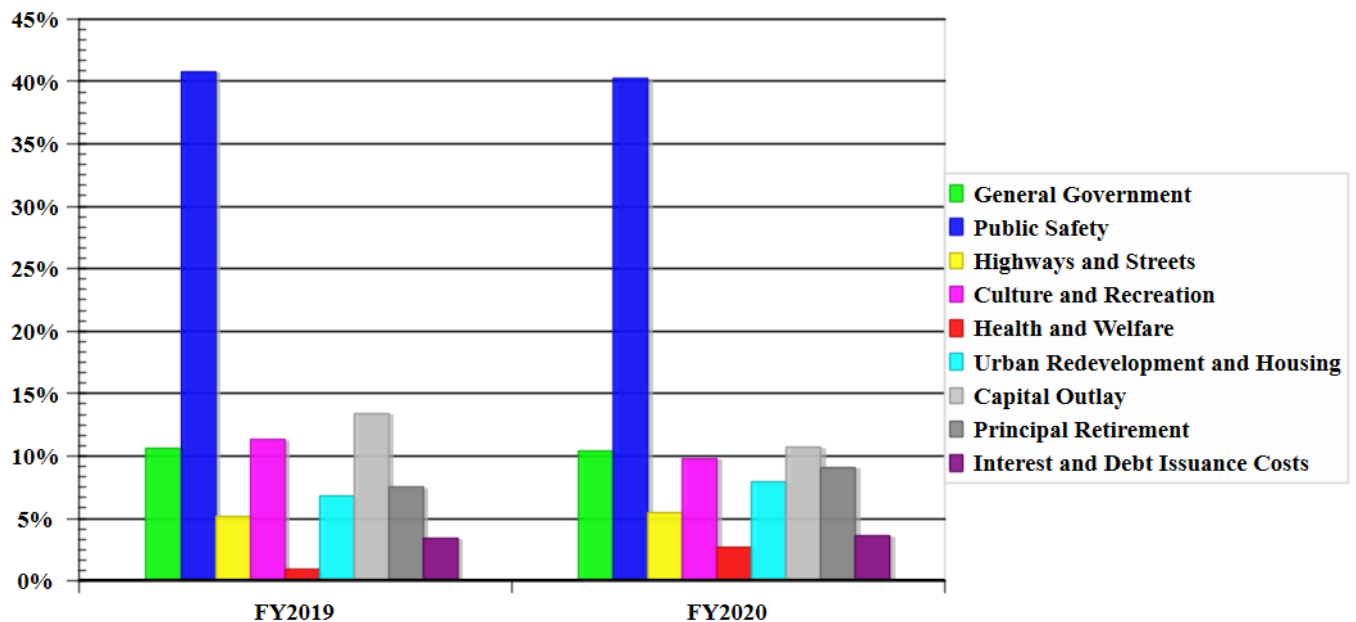
CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020
 (000's omitted in tables)
 (continued)

Revenues and Expenditures – Governmental Funds

Revenues by Source – Governmental Funds



Expenditures by Function - Governmental Funds



CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020
(000's omitted in tables)
(continued)

Financial Analysis of the Proprietary Funds

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

Total net position in the Water and Sewer Fund increased \$330,253,000, an increase of \$173,821,000 when compared to FY2019, Stormwater Utility Fund increased by \$20,757,000, and Nonmajor business-type activities increased by \$11,621,000 when compared to FY2019. This increase in net position in Proprietary Funds is primarily due to a decrease in operating expenses that resulted from a decrease in Net Pension Liability.

General Fund Budgetary Highlights

Differences between the original expenditure budget and the final amended budget resulted in a \$4,975,000 increase in appropriations and is briefly summarized as follows:

Significant activities which necessitated these increases included:

- \$4,091,000 to reflect a roll over and reappropriation of previously unspent authorized amount into FY2020
 - \$1,023,000 for deferred Directions Home programming;
 - \$412,000 for a security system upgrade for the Library;
 - \$227,000 for contractual obligations related to the disparity study;
 - \$829,000 from an insurance settlement for the replacement of a Fire department command vehicle;
 - \$1,600,000 for contractual obligations related to the Firefighters Healthcare Trust.
- \$217,000 and \$664,000 to reflect the acceptance and allocation of funds from the Tarrant County 9-1-1 District associated with the Public Safety Answering Points Assistance Program and Radio Assistance Program, respectively; and an additional \$3,000 to reflect new revenue for the suburban dispatch program.

Capital Assets and Debt Administration

Capital Assets – The City's investment in capital assets for its governmental and business-type activities as of September 30, 2020, amounted to \$6,475,514,000 (net of accumulated depreciation/amortization). This investment in capital assets includes land/right of way, construction in progress, intangibles, buildings, vehicles, machinery and equipment, infrastructure, and amortizable intangibles. The total increase in the City's capital assets for the current fiscal year was \$815,622,000 (14.4 percent). Major capital assets events during the current fiscal year included the following:

- The acquisition of assets and development of governmental projects throughout the City added \$137,352,000 to capital assets, while governmental capital contributions were \$676,089,000.
- The acquisition of assets and development of water and sewer projects throughout the City added \$195,961,000 to capital assets, while water and sewer capital contributions were \$65,636,000.
- The acquisition of assets and development of drainage projects throughout the City added \$16,539,000 to capital assets.
- These additions were offset by depreciation/amortization of \$264,953,000 and retirements during the year.

CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020
(000's omitted in tables)
(continued)

Capital Assets and Debt Administration (continued)

Capital Assets (continued)

Capital Assets, net of Accumulated Depreciation/Amortization

	Governmental Activities		Business-Type Activities		Total	
	2019	2020	2019	2020	2019	2020
Land/Right of Way	\$ 255,710	\$ 278,431	\$ 210,168	\$ 215,534	\$ 465,878	\$ 493,965
Construction in Progress	207,459	162,361	330,360	427,058	537,819	589,419
Intangibles	32,757	37,949	1,525	1,525	34,282	39,474
Buildings	308,003	783,018	102,980	97,183	410,983	880,201
Vehicles, Machinery and Equipment	98,984	113,702	113,525	109,055	212,509	222,757
Infrastructure	1,438,505	1,605,939	2,542,750	2,627,619	3,981,255	4,233,558
Amortizable Intangibles	16,741	15,766	425	374	17,166	16,140
Total	<u>\$ 2,358,159</u>	<u>\$ 2,997,166</u>	<u>\$ 3,301,733</u>	<u>\$ 3,478,348</u>	<u>\$ 5,659,892</u>	<u>\$ 6,475,514</u>

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

Long-term Liabilities – At the end of the current fiscal year, the City had total long-term liabilities of \$5,869,028,000. Of this amount, \$707,795,000 comprises debt backed by the full faith and credit of the government, and \$1,595,078,000 represents self-supported debt issues.

Long-Term Liabilities Outstanding

	Governmental Activities		Business-Type Activities		Total	
	2019	2020	2019	2020	2019	2020
General Obligation Bonds	\$ 520,545	\$ 576,670	\$ 33,740	\$ 31,700	\$ 554,285	\$ 608,370
Revenue Bonds	-	-	979,470	1,045,815	979,470	1,045,815
Certificates of Obligation	152,745	99,425	230	-	152,975	99,425
Special Tax Revenue Debt	226,115	225,675	-	-	226,115	225,675
Special Assessment Debt	17,840	17,840	-	-	17,840	17,840
Tax Notes	38,300	56,890	-	-	38,300	56,890
HUD Installment Obligations	702	-	-	-	702	-
Lone Star Local Government Corp Obligation	31,617	31,617	-	-	31,617	31,617
State Obligation - City	5,546	5,081	-	-	5,546	5,081
State Obligation - CCPD	2,154	1,973	-	-	2,154	1,973
TRWD Obligation	188,857	191,712	-	-	188,857	191,712
ESPC Phase VII	12,650	10,961	-	-	12,650	10,961
Capital Leases	476	1,473	-	-	476	1,473
Southwest Bank Loan (LDC SW Building)	710	309	-	-	710	309
Trinity River Authority Oblig.	-	-	2,240	1,520	2,240	1,520
ESPC Phase V	-	-	5,830	4,212	5,830	4,212
Net Unamortized Bond Premium/Discount	55,342	64,359	52,784	61,941	108,126	126,300
Compensated Absences	142,517	147,990	11,715	12,876	154,232	160,866
Risk Management Estimated Claims Payable	32,012	32,438	-	-	32,012	32,438
Arbitrage	9	3	10	-	19	3
Landfill Closure and Postclosure Liability	-	-	10,069	11,497	10,069	11,497
Pollution Remediation Liability	3,939	5,115	13	-	3,952	5,115
Net OPEB Liability	683,063	835,539	108,192	135,339	791,255	970,878
Net Pension Liability	2,685,556	1,959,291	412,722	299,767	3,098,278	2,259,058
Total	<u>\$ 4,800,695</u>	<u>\$ 4,264,361</u>	<u>\$ 1,617,015</u>	<u>\$ 1,604,667</u>	<u>\$ 6,417,710</u>	<u>\$ 5,869,028</u>

CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020
(000's omitted in tables)
(continued)

Capital Assets and Debt Administration (continued)

Long-term Liabilities (continued)

The City's total long-term liabilities decreased by \$548,682,000 when compared to FY2019, mainly due to the decrease in Net OPEB Liability that was offset by the issuance of bonds and notes in excess of principal payments made during the year. Key changes for the year include: the City's Net OPEB Liability increased, Net Pension Liability decreased, and new issues of Tax Notes and General Obligations. Also, the Water and Sewer Fund issued Revenue Bonds to fund improvements and extensions to the Water and Sewer System. For governmental activities, the City made principal payments for bonded debt on its General Obligation Bonds and Certificates of Obligation. For business-type activities, the City made principal payments for revenue bond debt for Water and Sewer Revenue Bonds and Stormwater Revenue Bonds.

In FY2020, 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 Kroll, and "AA" by both S&P and Fitch. The City's water and sewer system revenue bonds are rated "Aa1" by Moody's, "AA+" by S&P, and "AA" by Fitch. The City's drainage utility system revenue bonds are rated "AA+" by both S&P and Fitch. The City's special tax revenue bonds are rated "A1" by Moody's, and "AA" by Fitch.

The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to 1.90 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on the general obligation long-term debt. The current ratio of tax-supported debt to the assessed value of all taxable property is 0.92 percent (Statistical Section on Table 14).

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

Economic Factors and Next Year's Budgets and Rates

The overall economic outlook for the City remains positive. Sales taxes have climbed steadily since the recession ended in late 2010 representing strong local economic conditions leading up to the pandemic. Declining unemployment rates and continued population growth carried these trends into 2020. This growth is expected to slow or stall through FY2021. With unemployment rates now rising and fluctuating, existing households are likely to decrease spending. New residents adding to the City's sales tax base will likely be spend at a lower rate than previously recognized. Population growth and steady strides in the residential real estate market support improved property tax revenues in the future while the increasing volume of building permits continues to increase the overall tax base. Demand for existing homes supports the rising growth in values, which has allowed the City to maintain the property tax rates. Property tax revenues are characteristically slower to materialize than sales taxes, as homes built in 2020 are added to the tax roll in 2020 and do not begin paying taxes until 2021. However, this revenue growth is more certain than other sources, as the lagging nature of the revenue buffers property tax revenue from short-term economic trends.

The FY2021 adopted budget maintained the City's property tax rate to \$0.7475 per \$100 net taxable valuation. The total appraised value of the City's property tax roll increased \$6.2 billion or 6.0 percent from the July 2019 certified roll to the July 2020 certified roll. Adjusted Net Taxable Value (which is the Net Taxable Value plus the value of incomplete properties and properties under protest), increased \$2.9 billion or 3.7 percent in the same period across all properties within the City. Adjusted Net Taxable Value is the basis for the City's property tax revenue calculation.

CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020
(000's omitted in tables)
(continued)

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

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

For FY2021, the City estimates a 98.25% collection rate of its property tax levy based on the certified rolls provided by the central appraisal districts of Tarrant, Denton, Parker and Wise Counties in July 2020. Based on the M&O levy rate of \$0.5950 per \$100 of assessed valuation, the General Fund portion of the property tax rate is expected to yield approximately \$443 million in revenue for FY2021. The debt service levy rate of \$0.1525 per \$100 of assessed valuation is expected to yield approximately \$113.6 million, which will allow the repayment of current and proposed general obligation debt for FY2021.

Revenue from the City's one percent of the sales tax, excluding the one-half percent special use tax for the Crime Control and Prevention District Fund, is projected to equal \$168.2 million, a decrease of \$4.5 million or 3.0 percent from the FY2020 budget. This revenue is dependent on the level of wholesale and retail sales. Over the past ten years, the City's sales tax collection grew from \$106 million in 2011 to the anticipated amount of \$173 million in 2020. Due to the impact from the pandemic, this original 2020 anticipated amount was reduced to \$168.2M. This represents a 51.58% growth over the last ten years.

Requests for Information

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



BASIC FINANCIAL STATEMENTS

CITY OF FORT WORTH, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020
(in 000's)

	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business-Type Activities	Total	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Assets				
Cash, Cash Equivalents, & Investments	\$ 1,173,918	\$ 181,278	\$ 1,355,196	\$ 15
Receivables, Net of Allowance for Uncollectible:				
Taxes	6,000	-	6,000	-
Grants and Other Governments	54,046	-	54,046	-
Loans	17,125	-	17,125	-
Interest	3,216	446	3,662	-
Accounts and Other	29,192	77,462	106,654	-
Internal Balances	1,826	(1,826)	-	-
Inventories (at Cost)	5,413	3,885	9,298	-
Prepays, Deposits, and Other	2,481	237	2,718	564
Long-Term Loans Receivable	8,612	-	8,612	-
Restricted Assets:				
Cash, Cash Equivalents, & Investments	3,551	792,219	795,770	281
Cash, Cash Equivalents, & Investments Held by Trustees	41,601	87,452	129,053	-
Grants Receivable	-	6,541	6,541	-
Interest Receivable	-	1,188	1,188	-
Prepaid Bond Insurance	267	-	267	-
Capital Assets, Net of Accumulated Depreciation:				
Non-Depreciable	478,741	644,117	1,122,858	-
Depreciable	2,518,425	2,834,231	5,352,656	6,934
Total Assets	4,344,414	4,627,230	8,971,644	7,794
Deferred Outflows of Resources	1,128,737	179,598	1,308,335	-
Total Assets and Deferred Outflows of Resources	5,473,151	4,806,828	10,279,979	7,794
LIABILITIES, DEFERRED INFLOWS OF RESOURCES				
Liabilities				
Accounts Payable	28,211	14,765	42,976	18
Escrow Accounts Payable	9,947	-	9,947	-
Accrued Payroll	25,037	3,783	28,820	-
Other	805	-	805	-
Unearned Revenue	165,906	-	165,906	-
Payables from Restricted Assets:				
Construction Payable	26,459	46,456	72,915	-
Escrow Accounts Payable	-	2,356	2,356	-
Customer Deposits	-	21,885	21,885	18
Accrued Interest Payable	26,215	5,124	31,339	74
Unearned Revenue	-	2,499	2,499	-
Long-Term Liabilities:				
Due Within One Year	163,724	76,551	240,275	29
Due in More Than One Year	4,100,637	1,528,116	5,628,753	3,070
Total Liabilities	4,546,941	1,701,535	6,248,476	3,209
Deferred Inflows of Resources	290,282	45,855	336,137	-
NET POSITION (DEFICIT)				
Net Investment in Capital Assets	2,286,781	2,597,318	4,884,099	-
Restricted for:				
Debt Service	30,324	56,825	87,149	-
Capital Projects	89,029	93,842	182,871	-
Partnership Equity	-	-	-	4,585
Unrestricted (Deficit)	(1,770,206)	311,453	(1,458,753)	-
Total Net Position (Deficit)	\$ 635,928	\$ 3,059,438	\$ 3,695,366	\$ 4,585

See accompanying notes to the basic financial statements.

CITY OF FORT WORTH, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(in 000's)

Function/Program Activities	Program Revenues			
	Expenses*	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 14,398	\$ 22,895	\$ 5,463	\$ 21,221
Public Safety	(167,533)	16,328	13,139	141
Highways and Streets	125,762	2,290	542	141,686
Culture and Recreation	73,767	21,252	552,634	9,289
Health and Welfare	29,132	-	63,168	-
Urban Redevelopment and Housing	67,747	19,728	27,118	-
Interest and Service Charges	33,443	-	-	-
Total Governmental Activities	<u>176,716</u>	<u>82,493</u>	<u>662,064</u>	<u>172,337</u>
Business-Type Activities:				
Water and Sewer	245,882	477,948	-	107,898
Stormwater Utility	20,012	43,313	-	50
Municipal Airports	16,812	9,141	-	3,471
Municipal Parking	4,406	4,918	-	-
Solid Waste	50,923	63,904	-	-
Total Business-Type Activities	<u>338,035</u>	<u>599,224</u>	<u>-</u>	<u>111,419</u>
Total Primary Government	<u>\$ 514,751</u>	<u>\$ 681,717</u>	<u>\$ 662,064</u>	<u>\$ 283,756</u>
Discretely Presented Component Unit:				
Terrell Homes, Ltd.	\$ 793	\$ 571	\$ -	\$ -
Total Discretely Presented Component Unit	<u>\$ 793</u>	<u>\$ 571</u>	<u>\$ -</u>	<u>\$ -</u>

Changes in Net Position (Deficit):

General Revenues:

Taxes:

General Property Taxes

Other Local Taxes:

Sales Taxes

Hotel/Motel Taxes

Other Taxes

Franchise Fees

Gas Leases and Royalties

Investment Income

Gain on Debt Defeasance

Other

Transfers

Insurance Recoveries

Total General Revenues and Transfers

Changes in Net Position (Deficit)

Net Position (Deficit), Beginning of Year

Net Position (Deficit), End of Year

***Expenses** – Significant decrease of expenses when compared to previous year and negative expense balance were due to a decrease of \$839,220 in the City's Net Pension Liability allocated proportionately to Governmental Funds (\$726,265), Water and Sewer Fund (\$88,794), Stormwater Utility Fund (\$10,541), Municipal Airport (\$2,499), Municipal Parking (\$1,330), and Solid Waste Fund (\$9,791). See Note I for additional information.

See accompanying notes to the basic financial statements.

Net (Expenses) Revenues and Changes in Net Position (Deficit)			
Primary Government			Discretely Presented Component Unit
Governmental Activities	Business-Type Activities	Total	
\$ 35,181		\$ 35,181	
197,141		197,141	
18,756		18,756	
509,408		509,408	
34,036		34,036	
(20,901)		(20,901)	
(33,443)		(33,443)	
<u>740,178</u>		<u>740,178</u>	
	\$ 339,964	339,964	
	23,351	23,351	
	(4,200)	(4,200)	
	512	512	
	<u>12,981</u>	<u>12,981</u>	
	<u>372,608</u>	<u>372,608</u>	
<u>740,178</u>	<u>372,608</u>	<u>1,112,786</u>	
			\$ (222)
			<u>(222)</u>
562,687	-	562,687	-
245,627	-	245,627	-
23,370	-	23,370	-
4,261	-	4,261	-
48,365	-	48,365	-
3,236	2,362	5,598	-
34,644	19,969	54,613	-
79	-	79	-
13,495	4,420	17,915	13
36,728	(36,728)	-	-
6	-	6	-
<u>972,498</u>	<u>(9,977)</u>	<u>962,521</u>	<u>13</u>
1,712,676	362,631	2,075,307	(209)
(1,076,748)	2,696,807	1,620,059	4,794
<u>\$ 635,928</u>	<u>\$ 3,059,438</u>	<u>\$ 3,695,366</u>	<u>\$ 4,585</u>

CITY OF FORT WORTH, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020
(in 000's)

	General	Debt Service	Capital Projects	Grants	Nonmajor Governmental Funds	Total
ASSETS						
Cash, Cash Equivalents, & Investments	\$ 156,631	\$ 53,180	\$ 607,593	\$ 111,618	\$ 154,168	\$ 1,083,190
Cash, Cash Equivalents, & Investments Held by Trustees	33,355	1,889	2,042	-	950	38,236
Receivables, Net of Allowance for Uncollectible:						
Taxes	4,679	1,321	-	-	-	6,000
Grants and Other Governments	28,841	-	2,472	8,620	14,113	54,046
Loans	-	-	-	17,125	-	17,125
Interest	52	1,299	408	-	1,271	3,030
Accounts and Other	17,370	-	322	-	11,427	29,119
Due from Other Funds	140	-	-	-	-	140
Inventories (at Cost)	2,707	-	-	-	2,394	5,101
Advances to Other Funds	3,599	-	-	-	-	3,599
Prepays, Deposits, and Other	1,664	-	483	32	250	2,429
Long-Term Loans Receivable	-	-	-	8,612	-	8,612
Total Assets	<u>\$ 249,038</u>	<u>\$ 57,689</u>	<u>\$ 613,320</u>	<u>\$ 146,007</u>	<u>\$ 184,573</u>	<u>\$ 1,250,627</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts Payable	\$ 10,836	\$ -	\$ -	\$ 3,278	\$ 9,234	\$ 23,348
Construction Payable	-	-	26,335	124	-	26,459
Escrow Accounts Payable	3,533	-	6,311	40	63	9,947
Accrued Payroll	21,619	-	-	399	2,140	24,158
Other	719	-	-	-	86	805
Due to Other Funds	-	-	-	-	310	310
Advances from Other Funds	-	-	-	133	-	133
Unearned Revenue	501	-	1,744	139,286	1,411	142,942
Total Liabilities	<u>37,208</u>	<u>-</u>	<u>34,390</u>	<u>143,260</u>	<u>13,244</u>	<u>228,102</u>
Deferred Inflows of Resources	<u>7,669</u>	<u>1,150</u>	<u>1,871</u>	<u>2,884</u>	<u>7,461</u>	<u>21,035</u>
Total Liabilities and Deferred Inflows of Resources	<u>44,877</u>	<u>1,150</u>	<u>36,261</u>	<u>146,144</u>	<u>20,705</u>	<u>249,137</u>
Fund Balances (Deficit):						
Nonspendable	7,970	-	483	32	2,644	11,129
Restricted	9,041	7,896	322,827	-	102,650	442,414
Committed	29,952	1,614	166,437	-	3,278	201,281
Assigned	4,500	47,029	87,312	-	55,296	194,137
Unassigned (Deficit)	152,698	-	-	(169)	-	152,529
Total Fund Balances	<u>204,161</u>	<u>56,539</u>	<u>577,059</u>	<u>(137)</u>	<u>163,868</u>	<u>1,001,490</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 249,038</u>	<u>\$ 57,689</u>	<u>\$ 613,320</u>	<u>\$ 146,007</u>	<u>\$ 184,573</u>	<u>\$ 1,250,627</u>

See accompanying notes to the basic financial statements.

CITY OF FORT WORTH, TEXAS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2020
(in 000's)

Total fund balances--governmental funds \$ 1,001,490

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets (including internal service fund assets of \$2,725) consist of:

Land/right of way	\$ 278,431	
Construction in progress	162,361	
Intangibles	37,949	
Buildings	1,051,756	
Vehicles, machinery and equipment	276,927	
Infrastructure	3,803,598	
Amortizable intangibles	49,145	
Accumulated depreciation/amortization	<u>(2,663,001)</u>	
Total capital assets	<u>2,997,166</u>	2,997,166

Some revenues in the governmental funds are not recognized because they are not collected within the prescribed period after year-end. On the accrual basis, however, those revenues would be recognized, regardless of when they are collected. 21,035

Internal service funds are used by management to charge the costs of certain activities, such as; equipment services, capital project services, group health and life insurance, and risk financing to individual funds. A portion of the net position of the internal service funds is included in governmental activities in the Statement of Net Position (amount is net of capital assets of \$2,725 and compensated absences of (\$2,751)). 58,618

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

Pension (See Note I for detailed breakdown)	1,005,059	
Other postemployment benefits (See Note J for detailed breakdown)	117,419	
Deferred charges on debt refundings	<u>6,259</u>	
Total deferred outflows of resources	<u>1,128,737</u>	1,128,737

Some long-term assets and liabilities are not due and payable in the current period and therefore are not reported in the funds. Those assets and liabilities (including allocated internal service fund compensated absences of \$2,751) consist of:

Prepaid bond insurance	267	
Long-term compensated absences	(147,990)	
Pollution remediation liability	(5,115)	
Other postemployment benefits obligation	(835,539)	
Net pension liability	(1,959,291)	
Accrued interest payable	(26,215)	
Long-term debt, including premium/discount	<u>(1,283,989)</u>	
Total long-term liabilities	<u>(4,257,872)</u>	(4,257,872)

Unearned revenues are resources received in advance and should be reported as liabilities until the period of the exchange. This liability consists of a long-term land lease entered into by a blended component unit of the City. (22,964)

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

Pension (See Note I for detailed breakdown)	(253,023)	
Other postemployment benefits (See Note J for detailed breakdown)	<u>(37,259)</u>	
Total deferred inflows of resources	<u>(290,282)</u>	(290,282)

Net position of governmental activities \$ 635,928

CITY OF FORT WORTH, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(in 000's)

	General	Debt Service	Capital Projects	Grants	Nonmajor Governmental Funds	Total
REVENUES:						
General Property Taxes	\$ 432,650	\$ 110,745	\$ -	\$ -	\$ 19,300	\$ 562,695
Sales Taxes	166,289	-	-	-	78,692	244,981
Other Local Taxes	4,261	-	-	-	23,286	27,547
Franchise Fees	48,365	-	-	-	-	48,365
Charges for Services	27,246	-	3,530	-	15,330	46,106
Licenses and Permits	18,090	-	-	-	5	18,095
Fines and Forfeitures	4,419	-	-	-	7	4,426
Revenue from Use of Money and Property	262	95	2,107	948	7,882	11,294
Investment Income (Loss)	14,274	12,147	2,768	54	2,724	31,967
Intergovernmental	1,612	-	7,446	83,285	29,401	121,744
Gas Leases and Royalties	1,033	-	1,884	-	320	3,237
Other	3,561	-	132	-	19,804	23,497
Contributions	167	-	32,383	440	1,652	34,642
Total Revenues	<u>722,229</u>	<u>122,987</u>	<u>50,250</u>	<u>84,727</u>	<u>198,403</u>	<u>1,178,596</u>
EXPENDITURES:						
Current:						
General Government	99,266	-	13,602	4,073	16,749	133,690
Public Safety	416,971	-	13,364	28,491	58,192	517,018
Highways and Streets	33,958	-	35,622	1,042	-	70,622
Culture and Recreation	59,667	-	22,962	2,536	40,834	125,999
Health and Welfare	14	-	-	34,655	1	34,670
Urban Redevelopment and Housing	50,342	-	48	13,740	37,562	101,692
Capital Outlay	-	-	135,699	1,653	-	137,352
Debt Service:						
Principal Retirement	1,927	106,740	702	-	7,098	116,467
Interest and Debt Issuance Costs	294	42,652	257	-	2,376	45,579
Total Expenditures	<u>662,439</u>	<u>149,392</u>	<u>222,256</u>	<u>86,190</u>	<u>162,812</u>	<u>1,283,089</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>59,790</u>	<u>(26,405)</u>	<u>(172,006)</u>	<u>(1,463)</u>	<u>35,591</u>	<u>(104,493)</u>
OTHER FINANCING SOURCES (USES):						
Issuance of Long-Term Debt	-	-	109,065	-	-	109,065
Issuance of Tax Notes	-	-	25,115	-	-	25,115
Issuance of Refunding Bonds	-	42,325	-	-	-	42,325
Construction Loans	-	-	-	-	9,436	9,436
Premium on Issuance	-	7,884	14,821	-	-	22,705
Payments to Refunding Bond Escrow Agent	-	(48,810)	-	-	-	(48,810)
Proceeds from Disposal of Property	1	-	65	-	80	146
Insurance Recoveries	6	-	-	-	-	6
Transfers In	38,936	23,053	100,721	705	14,621	178,036
Transfers Out	(68,369)	(3,877)	(1,894)	(741)	(69,637)	(144,518)
Total Other Financing Sources (Uses)	<u>(29,426)</u>	<u>20,575</u>	<u>247,893</u>	<u>(36)</u>	<u>(45,500)</u>	<u>193,506</u>
Net Change in Fund Balances	30,364	(5,830)	75,887	(1,499)	(9,909)	89,013
Fund Balances, Beginning of Year	173,797	62,369	501,172	1,362	173,777	912,477
Fund Balances, End of Year	<u>\$ 204,161</u>	<u>\$ 56,539</u>	<u>\$ 577,059</u>	<u>\$ (137)</u>	<u>\$ 163,868</u>	<u>\$ 1,001,490</u>

See accompanying notes to the basic financial statements.

CITY OF FORT WORTH, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(in 000's)

Net change in fund balances--total governmental funds \$ 89,013

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

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

Contributed assets	\$	676,089	
Capital outlay expenditures		137,352	
Depreciation and amortization expense (excluding internal service fund depreciation of \$253)		<u>(159,282)</u>	
Net adjustment		<u>654,159</u>	654,159

In the Statement of Activities, the gain on sale of capital assets is reported. In the governmental funds, the proceeds from the disposal of assets were reported as another financing source. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets. (16,394)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This adjustment is to recognize the net change in "unavailable" revenues. Under the modified accrual basis of accounting, revenues are not recognized unless they are deemed "available" to finance the expenditures of the current period; accrual-basis recognition is not limited by availability, so certain revenues need to be reduced by the amounts that were unavailable at the beginning of the year and increased by the amounts that were unavailable at the end of the year. 4,831

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

Debt issued:			
General Obligation bonds		(151,390)	
Tax notes		(25,115)	
Other obligations		<u>(9,436)</u>	
Total proceeds		(185,941)	
Premium on debt issued		(22,705)	
Gain on Debt Defeasance		79	
Repayments:			
To bondholders		116,467	
To escrow for refunding		<u>48,810</u>	
Total repayments		165,277	
Amortization of premiums and discounts		13,688	
Amortization of prepaid bond insurance		<u>(11)</u>	
Net adjustment		<u>(29,613)</u>	(29,613)

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

Increase in accrued interest on long-term liabilities		(181)	
Decrease in net pension liability		726,265	
Increase in other postemployment benefits obligation		(152,476)	
Increase in compensated absences liability (excluding internal service fund increase of \$35)		(5,184)	
Increase in pollution remediation liability		<u>(1,176)</u>	
Net adjustment		<u>567,248</u>	567,248

(continued)

CITY OF FORT WORTH, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(in 000's)

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

Deferred outflows of resources	\$	293,346	
Deferred inflows of resources		<u>138,553</u>	
Net adjustment		<u>431,899</u>	\$ 431,899

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

13,287

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

(383)

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

(1,371)

Change in net position of governmental activities

\$ 1,712,676



CITY OF FORT WORTH, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2020
(in 000's)

	Business-Type Activities-- Enterprise Funds				Governmental Activities
	Water and Sewer	Stormwater Utility	Nonmajor Enterprise Funds	Total	Internal Service Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Assets					
Current Assets:					
Cash, Cash Equivalents, & Investments	\$ 152,355	\$ 11,583	\$ 17,340	\$ 181,278	\$ 90,728
Interest Receivable	385	23	38	446	186
Accounts and Other Receivables, Net of Allowance for Uncollectible	62,899	4,412	10,151	77,462	73
Due from Other Funds	18	-	152	170	-
Inventories (at Cost)	3,885	-	-	3,885	312
Prepays, Deposits, and Other	237	-	-	237	52
Restricted Assets:					
Cash & Cash Equivalents	69,610	3,777	4,933	78,320	-
Total Current Assets	289,389	19,795	32,614	341,798	91,351
Noncurrent Assets:					
Restricted Assets:					
Cash & Cash Equivalents	627,538	49,255	37,106	713,899	3,551
Cash, Cash Equivalents, & Investments Held by Trustees	36,376	-	51,076	87,452	3,365
Grants and Other Receivables	1,548	-	4,993	6,541	-
Interest Receivable	931	119	138	1,188	-
Total Restricted Assets	666,393	49,374	93,313	809,080	6,916
Capital Assets (at Cost):					
Land/Right of Way	32,652	17,481	165,401	215,534	1,123
Buildings	67,855	8,409	95,646	171,910	4,656
Infrastructure	3,402,707	176,968	369,525	3,949,200	1,142
Vehicles, Machinery and Equipment	364,805	13,409	9,943	388,157	3,749
Construction in Progress	409,619	12,912	4,527	427,058	-
Intangibles - Depreciable	-	-	510	510	201
Intangibles - Non-Depreciable	-	-	1,525	1,525	-
Accumulated Depreciation	(1,372,645)	(61,837)	(241,064)	(1,675,546)	(8,146)
Net Capital Assets	2,904,993	167,342	406,013	3,478,348	2,725
Total Noncurrent Assets	3,571,386	216,716	499,326	4,287,428	9,641
Total Assets	3,860,775	236,511	531,940	4,629,226	100,992
Deferred Outflows of Resources	141,750	15,329	22,519	179,598	-
Total Assets and Deferred Outflows of Resources	\$ 4,002,525	\$ 251,840	\$ 554,459	\$ 4,808,824	\$ 100,992

(continued)

CITY OF FORT WORTH, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2020
(in 000's)

	Business-Type Activities-- Enterprise Funds				Governmental Activities
	Water and Sewer	Stormwater Utility	Nonmajor Enterprise Funds	Total	Internal Service Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION					
Liabilities					
Current Liabilities:					
Accounts Payable	\$ 8,567	\$ 212	\$ 5,986	\$ 14,765	\$ 4,863
Accrued Payroll	2,979	364	440	3,783	879
Current Portion of Long-Term Liabilities	68,288	5,459	2,804	76,551	16,913
Payables from Restricted Assets:					
Construction Payable	40,564	3,280	2,612	46,456	-
Escrow Accounts Payable	2,356	-	-	2,356	-
Customer Deposits	20,902	-	983	21,885	-
Accrued Interest Payable	4,511	497	116	5,124	-
Unearned Revenue	1,277	-	1,222	2,499	-
Total Current Liabilities	<u>149,444</u>	<u>9,812</u>	<u>14,163</u>	<u>173,419</u>	<u>22,655</u>
Long-Term Liabilities:					
Advances from Other Funds	-	-	3,466	3,466	-
Long-Term Liabilities Due in More Than One Year	1,306,192	130,545	91,379	1,528,116	18,275
Total Long-Term Liabilities	<u>1,306,192</u>	<u>130,545</u>	<u>94,845</u>	<u>1,531,582</u>	<u>18,275</u>
Total Liabilities	<u>1,455,636</u>	<u>140,357</u>	<u>109,008</u>	<u>1,705,001</u>	<u>40,930</u>
Deferred Inflows of Resources	<u>35,499</u>	<u>3,690</u>	<u>6,666</u>	<u>45,855</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,491,135</u>	<u>144,047</u>	<u>115,674</u>	<u>1,750,856</u>	<u>40,930</u>
NET POSITION					
Net Investment in Capital Assets	2,159,080	67,815	370,423	2,597,318	2,725
Restricted for:					
Debt Service	49,884	4,999	1,942	56,825	-
Capital Projects	93,842	-	-	93,842	-
Unrestricted	208,584	34,979	66,420	309,983	57,337
Total Net Position	<u>\$ 2,511,390</u>	<u>\$ 107,793</u>	<u>\$ 438,785</u>	<u>\$ 3,057,968</u>	<u>\$ 60,062</u>
Adjustment to Reflect the Consolidation of Internal Service Funds Activities Related to Enterprise Funds				1,470	
Net Position of Business-Type Activities				<u>\$ 3,059,438</u>	

See accompanying notes to the basic financial statements.

(concluded)

CITY OF FORT WORTH, TEXAS
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(in 000's)

	Business-Type Activities-- Enterprise Funds				Governmental Activities
	Water and Sewer	Stormwater Utility	Nonmajor Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES					
Charges for Services	\$ 477,948	\$ 43,313	\$ 77,963	\$ 599,224	\$ 123,014
Other	940	4	3,476	4,420	8,134
Total Operating Revenues	<u>478,888</u>	<u>43,317</u>	<u>81,439</u>	<u>603,644</u>	<u>131,148</u>
OPERATING EXPENSES					
Personnel Services*	(40,490)	(4,964)	(7,401)	(52,855)	23,468
Supplies and Materials	26,517	750	856	28,123	6,306
Contractual Services	152,900	9,783	60,766	223,449	93,737
Landfill Closure and Postclosure Cost	-	-	1,428	1,428	-
Depreciation	78,834	11,084	15,500	105,418	253
Total Operating Expenses	<u>217,761</u>	<u>16,653</u>	<u>71,149</u>	<u>305,563</u>	<u>123,764</u>
Operating Income (Loss)	<u>261,127</u>	<u>26,664</u>	<u>10,290</u>	<u>298,081</u>	<u>7,384</u>
NONOPERATING REVENUES (EXPENSES)					
Investment Income	14,535	1,935	3,499	19,969	2,674
Gain (Loss) on Sale of Property and Equipment	(829)	12	24	(793)	19
Interest and Service Charges	(27,292)	(3,371)	(1,016)	(31,679)	-
Gas Leases and Royalties	530	-	1,832	2,362	-
Total Nonoperating Revenues (Expenses)	<u>(13,056)</u>	<u>(1,424)</u>	<u>4,339</u>	<u>(10,141)</u>	<u>2,693</u>
Income (Loss) Before Transfers and Contributions	<u>248,071</u>	<u>25,240</u>	<u>14,629</u>	<u>287,940</u>	<u>10,077</u>
Transfers In	3,070	-	81	3,151	5,289
Transfers Out	(28,786)	(4,533)	(6,560)	(39,879)	(2,079)
Capital Contributions	75,240	50	3,471	78,761	-
Capital Contributions - Impact Fees	32,658	-	-	32,658	-
Changes in Net Position	<u>330,253</u>	<u>20,757</u>	<u>11,621</u>	<u>362,631</u>	<u>13,287</u>
Total Net Position (Deficit), Beginning of Year	<u>2,181,137</u>	<u>87,036</u>	<u>427,164</u>	<u>2,695,337</u>	<u>46,775</u>
Total Net Position, End of Year	<u>\$ 2,511,390</u>	<u>\$ 107,793</u>	<u>\$ 438,785</u>	<u>\$ 3,057,968</u>	<u>\$ 60,062</u>

* Personnel Services – Negative expense balances were due to a decrease of \$839,220 in the City's Net Pension Liability allocated proportionately to Governmental Funds (\$726,265), Water and Sewer Fund (\$88,794), Stormwater Utility Fund (\$10,541), Municipal Airport (\$2,499), Municipal Parking (\$1,330), and Solid Waste Fund (\$9,791). See Note I for additional information.

See accompanying notes to the basic financial statements.



CITY OF FORT WORTH, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(in 000's)

	Business-Type Activities-- Enterprise Funds				Governmental Activities
	Water and Sewer	Stormwater Utility	Nonmajor Enterprise Funds	Total	Internal Service Funds
Cash Flows from Operating Activities:					
Receipts from Customers	\$ 475,151	\$ 43,104	\$ 74,850	\$ 593,105	\$ -
Receipts from Other Funds	-	-	-	-	123,353
Receipts from Other Operating Sources	940	4	3,476	4,420	8,134
Payments to Employees	(78,063)	(9,118)	(11,685)	(98,866)	(23,067)
Payments to Vendors	(180,659)	(10,820)	(61,354)	(252,833)	(19,085)
Payments for Benefits	-	-	-	-	(79,158)
Net Cash Provided by (Used for) Operating Activities	<u>217,369</u>	<u>23,170</u>	<u>5,287</u>	<u>245,826</u>	<u>10,177</u>
Cash Flows from Noncapital Financing Activities:					
Transfers In from Other Funds	3,070	-	81	3,151	5,289
Advances from Other Funds	-	-	3,466	3,466	-
Transfers Out to Other Funds	(28,786)	(4,533)	(6,560)	(39,879)	(2,079)
Due from Other Funds	(18)	-	(152)	(170)	-
Advances to Other Funds	-	-	2,363	2,363	-
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(25,734)</u>	<u>(4,533)</u>	<u>(802)</u>	<u>(31,069)</u>	<u>3,210</u>
Cash Flows from Capital and Related Financing Activities:					
Bond Principal Received	230,525	-	-	230,525	-
Bond Premium Received	19,863	-	-	19,863	-
Proceeds from Sale of Property and Equipment	344	12	30	386	19
Contributions	10,170	2,283	1,518	13,971	-
Contributions - Impact Fees	32,658	-	-	32,658	-
Acquisition and Construction of Capital Assets	(180,571)	(16,611)	(5,943)	(203,125)	(143)
Principal Paid on Long-Term Debt	(62,293)	(4,705)	(2,270)	(69,268)	-
Principal Paid to Escrow Agent	(99,520)	-	-	(99,520)	-
Interest Paid on Long-Term Obligations	(32,574)	(4,090)	(1,442)	(38,106)	-
Bond Issuance Cost Paid	(2,670)	-	-	(2,670)	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(84,068)</u>	<u>(23,111)</u>	<u>(8,107)</u>	<u>(115,286)</u>	<u>(124)</u>
Cash Flows from Investing Activities:					
Receipts from Gas Leases and Royalties	530	-	1,832	2,362	-
Purchases of Investments	(5,438)	-	(34,270)	(39,708)	-
Sales of Investments	5,269	-	25,485	30,754	-
Investment Income Received	14,601	1,979	3,536	20,116	2,688
Net Cash Provided by (Used for) Investing Activities	<u>14,962</u>	<u>1,979</u>	<u>(3,417)</u>	<u>13,524</u>	<u>2,688</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>122,529</u>	<u>(2,495)</u>	<u>(7,039)</u>	<u>112,995</u>	<u>15,951</u>
Cash and Cash Equivalents, Beginning of Year	<u>756,366</u>	<u>67,110</u>	<u>76,834</u>	<u>900,310</u>	<u>81,693</u>
Cash and Cash Equivalents, End of Year	<u>\$ 878,895</u>	<u>\$ 64,615</u>	<u>\$ 69,795</u>	<u>\$ 1,013,305</u>	<u>\$ 97,644</u>

(continued)

CITY OF FORT WORTH, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(in 000's)

	Business-Type Activities-- Enterprise Funds				Governmental Activities
	Water and Sewer	Stormwater Utility	Nonmajor Enterprise Funds	Total	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating Income (Loss)	\$ 261,127	\$ 26,664	\$ 10,290	\$ 298,081	\$ 7,384
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Depreciation	78,834	11,084	15,500	105,418	253
Changes in Assets and Liabilities:					
Accounts and Other Receivables	(3,687)	(235)	(2,685)	(6,607)	391
Inventories	(277)	-	-	(277)	105
Prepays, Deposits, and Other Assets	(32)	26	26	20	(52)
Deferred Outflows of Resources (Pension)	(19,508)	(2,263)	(3,213)	(24,984)	-
Deferred Outflows of Resources (OPEB)	(12,650)	(153)	(1,682)	(14,485)	-
Accounts Payable	(952)	(287)	268	(971)	1,270
Escrow Accounts Payable	(97)	-	-	(97)	-
Accrued Payroll and Compensation	1,434	170	41	1,645	401
Customer Deposits	1,019	-	44	1,063	-
Unearned Revenue	-	-	(17)	(17)	-
Accrued Benefits	-	-	-	-	425
Landfill Closure and Postclosure Liability	-	-	1,428	1,428	-
Pollution Remediation Costs	(13)	-	-	(13)	-
Net Pension Liability	(88,794)	(10,541)	(13,620)	(112,955)	-
Net OPEB Liability	23,616	553	2,979	27,148	-
Deferred Inflows of Resources (Pension)	(14,059)	(1,752)	(2,241)	(18,052)	-
Deferred Inflows of Resources (OPEB)	(8,592)	(96)	(1,350)	(10,038)	-
Deferred Inflows of Resources (Service Concession Agreement)	-	-	(481)	(481)	-
Total Adjustments	(43,758)	(3,494)	(5,003)	(52,255)	2,793
Net Cash Provided by (Used for) Operating Activities	\$ 217,369	\$ 23,170	\$ 5,287	\$ 245,826	\$ 10,177
The Cash and Cash Equivalents are reported in the Statement of Net Position as follows:					
Current - Cash, Cash Equivalents, & Investments	\$ 152,355	\$ 11,583	\$ 17,340	\$ 181,278	\$ 90,728
Current Restricted - Cash & Cash Equivalents	69,610	3,777	4,933	78,320	-
Noncurrent Restricted - Cash & Cash Equivalents	627,538	49,255	37,106	713,899	3,551
Noncurrent Restricted - Cash, Cash Equivalents, & Investments Held by Trustees	36,376	-	51,076	87,452	3,365
Less: Gas Well Investments Held by Trustees	(6,984)	-	(40,660)	(47,644)	-
Total Cash and Cash Equivalents	\$ 878,895	\$ 64,615	\$ 69,795	\$ 1,013,305	\$ 97,644
Noncash Investing, Capital, and Financing Activities:					
Capital Asset Contributions from Developers	65,638	50	-	65,688	-
Amortization of Bond Premium/Discount	9,220	732	605	10,557	-
Amortization of Bond Defeasement Loss	(1,470)	(41)	(187)	(1,698)	-
Change in Fair Value on Pooled Investments	4,419	994	1,036	6,449	1,518
Change in Fair Value on Non-Pooled Investments	(120)	-	(122)	(242)	-

(concluded)

See accompanying notes to the basic financial statements.

CITY OF FORT WORTH, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2020
(in 000's)

	Pension and Other Employee Benefits Trust Funds
ASSETS	
Current Assets:	
Cash & Cash Equivalents	\$ 6,828
Cash & Investments Held by Trustees:	
Asset and Mortgage Backed Obligations	69,126
Corporate Obligations	243,412
Government Agency Obligations	150,722
International Obligations	17,663
Securities Lending Collateral	99,257
U.S. Treasuries	82,340
Short-Term Mutual Fund Investments	113,072
Corporate Stock	334,788
Alternative Investments	522,648
Commingled Funds	955,063
Total Cash & Investments Held by Trustees	2,588,091
Prepays	279
Accrued Income	4,356
Other Receivables	10,194
Due from Broker Securities Sold	190,480
Total Current Assets	<u>2,800,228</u>
Capital Assets (at Cost):	
Land	404
Buildings	3,501
Machinery and Equipment	323
Accumulated Depreciation	(1,366)
Net Capital Assets	<u>2,862</u>
Total Assets	<u>2,803,090</u>
LIABILITIES	
Current Liabilities:	
Accrued Liabilities	2,604
Obligations Under Securities Lending	99,257
Due to Broker Securities Purchased	239,379
Total Current Liabilities	<u>341,240</u>
NET POSITION	
Net Position Held in Trust for Pension and Other Employee Benefits:	
Restricted for Pensions	2,368,162
Postemployment Healthcare Plan	93,689
Total Net Position	<u>\$ 2,461,851</u>

See accompanying notes to the basic financial statements.

CITY OF FORT WORTH, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(in 000's)

	Pension and Other Employee Benefits Trust Funds
ADDITIONS	
Interest, Dividend, and Securities Lending Income	\$ 31,180
Less: Investment Management Fees and Interest Expense	(6,749)
Net Gain (Loss) in Fair Value of Investments	80,644
Other Income	16,742
Employer Contributions	157,600
Employee/Retiree Contributions	61,671
Total Additions	<u>341,088</u>
DEDUCTIONS	
Benefit Payments	267,145
Refunds	3,773
Administrative Expenses	<u>7,520</u>
Total Deductions	<u>278,438</u>
Change in Net Position	62,650
Net Position, Beginning of Year	<u>2,399,201</u>
Net Position, End of Year	<u><u>\$ 2,461,851</u></u>

See accompanying notes to the basic financial statements.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

Note A: Summary of Significant Accounting Policies

Note B: Cash, Cash Equivalents, & Investments

Note C: Receivables and Interfund Balances

Note D: Fund Equity

Note E: Restricted Assets

Note F: Capital Assets

Note G: Debt Obligations

Note H: Landfill Closure and Postclosure Care Costs

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

Note J: Employee Benefits

Note K: Commitments and Contingencies

Note L: Segment Financial Information

Note M: Fort Worth Multi-Purpose Arena

Note N: Uncertainties (COVID-19 Impact)

Note O: Subsequent Events

Note P: New Accounting Standards

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Fort Worth, Texas (the City) as reflected in the accompanying financial statements for the year ended September 30, 2020, conform to accounting principles generally accepted in the United States of America (GAAP) for local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. A summary of the City's significant accounting policies applied in the preparation of the accompanying financial statements follows.

A.1. FINANCIAL REPORTING ENTITY

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

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

Blended Component Units

Blended component units, although legally separate entities, are reported as part of the primary government because they meet the criteria above and are so intertwined with the City that they are, in substance, the same as the City. In Fiscal Year 2020 (FY2020), most of the blended component units prepared and published separate financial statements, copies of which are available by contacting the respective parties noted in the following paragraphs. The nine blended component units below are reported as part of the primary government:

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

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A.1. FINANCIAL REPORTING ENTITY (CONTINUED)

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

Fort Worth Local Development Corporation - The Fort Worth Local Development Corporation (FWLDC) is a 501(c)(3) organization and a Texas nonprofit corporation formed in 1987 by the City Council. The original purpose of the FWLDC was to administer a low-interest rate program for business development in and around the Stockyards area in accordance with the Economic Development Administration Block Grant Program. However, the articles of incorporation are broad enough to allow involvement in almost any kind of city-wide economic development activities. Although it is legally separate entity from the City, the members of the Board of the FWLDC and members of the City Council are substantively the same. The City has financial accountability, and a financial benefit/burden relationship exists which allows the City to impose its will. Therefore, the FWLDC has been blended in the City's basic financial statements as a Nonmajor Capital Project Fund. Included in FWLDC is its component unit: Lancaster Corridor Redevelopment, LLC as noted in the following paragraph below. No separate financial statements are available.

Lancaster Corridor Redevelopment, LLC - Lancaster Corridor Redevelopment, LLC (the Company), a Texas limited liability company, was created as a subsidiary of FWLDC pursuant to the Texas Limited Liability Company Act for the purpose of aiding, assisting, and acting on behalf of the City in the construction of the mixed-use redevelopment along the Lancaster Corridor. The financial information of the Company is blended into that of the FWLDC in the separate financial statements noted above; however, the Company has been blended into the City's basic financial statements as a Nonmajor Capital Project Fund (reported with the Other Blended Component Units). No separate financial statements are available.

Alliance Airport Authority, Inc. - The Alliance Airport Authority, Inc. (the Authority) was created in 1989. It is an industrial development corporation created to benefit the City and to, among other things, issue bonds, promote and develop new and expanded business enterprises in the City, promote and encourage employment, and otherwise to benefit the public in accordance with the Development Corporation Act of 1979. Although it is legally separate entity from the City, the members of the Board of the Authority and members of the City Council are substantively the same. The City has financial accountability and a financial benefit/burden relationship exists which allows the City to impose its will. Therefore, the Authority has been blended into the City's basic financial statements as a Nonmajor Special Revenue Fund (reported with the Other Blended Component Units). No separate financial statements are available.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A.1. FINANCIAL REPORTING ENTITY (CONTINUED)

Fort Worth Sports Authority, Inc. - The Fort Worth Sports Authority, Inc. (Sports Authority) was created pursuant to the provisions of Section 4B, Article 5190.6, Vernon's Texas Civil Statutes, which authorizes the Sports Authority to jointly assist and act on behalf of the City and to engage in activities in furtherance of the purposes for its creation. The Sports Authority is organized for the purpose of aiding, assisting, and acting on behalf of the City in the performance of its governmental functions to promote the common good and general welfare of the City and in the construction of projects on behalf of the City. The Sports Authority financed the purchase of the Texas Motor Speedway (Speedway) and the infrastructure in and around that property; however, it does not operate the Speedway. Although it is legally separate from the City, the members of the Board of the Sports Authority and members of the City Council are substantively the same. The City has financial accountability, and a financial benefit/burden relationship exists, which allows the City to impose its will. Due to the Sports Authority benefiting and providing services almost exclusively to the City, the Sports Authority has been blended in the City's basic financial statements as a Nonmajor Special Revenue Fund (reported with the Other Blended Component Units). No separate financial statements are available.

Lone Star Local Government Corporation - The Lone Star Local Government Corporation (LSLGC) was created pursuant to the provisions of Subchapter D, Chapter 431 of the Texas Transportation Code, and Chapter 394 of the Texas Local Government Code. The LSLGC is organized for the purpose of aiding, assisting, and acting on behalf of the City in the performance of its governmental functions to promote the common good and general welfare of the City and in undertaking and completing of projects on behalf of the City. Although it is legally separate from the City, the members of the Board of the LSLGC and members of the City Council are substantively the same. The City has financial accountability and a financial benefit/burden relationship exists, which allows the City to impose its will. Therefore, the LSLGC has been blended in the City's basic financial statements as a Nonmajor Special Revenue Fund (reported with the Other Blended Component Units). No separate financial statements are available.

Fort Worth Central City Local Government Corporation - The Fort Worth Central City Local Government Corporation (FWCCLGC) was created pursuant to the provisions of Subchapter D, Chapter 431 of the Texas Transportation Code. The FWCCLGC is organized for the purpose of aiding, assisting and acting on behalf of the City in the exercise of its powers to accomplish any government purpose of the City and in promotion of the common good and general welfare of the City. Although it is legally separate from the City, the members of the Board of the FWCCLGC and members of the City Council are substantively the same. The City has financial accountability, and a financial benefit/burden relationship exists, which allows the City to impose its will. The FWCCLGC has been blended in the City's basic financial statements as a Nonmajor Capital Project Fund (reported with the Other Blended Component Units). No separate financial statements are available.

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

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A.1. FINANCIAL REPORTING ENTITY (CONTINUED)

Discretely Presented Component Unit

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

Terrell Homes, Ltd. - Terrell Homes, Ltd. ("Partnership") is a Texas limited partnership formed on December 9, 2011, to construct, develop and operate 54 single-family houses, known as the Terrell Homes I Apartments located on scattered sites. The houses are rented to low-income tenants and operated in a manner necessary to qualify for federal low-income housing tax credits as provided in Internal Revenue Code Section 42. For the calendar year ended December 31, 2019, the Partnership's financial information is presented in a separate column in the government-wide financial statements.

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

Terrell Homes Ltd. has been reported as a discretely presented component unit because of the degree of control its general partner has over the LP as set out in its Amended and Restated Limited Partnership Agreement ("LPA"). Separate audited financial statements can be obtained by contacting the Fort Worth Housing Finance Corporation at 200 Texas Street, Fort Worth, Texas 76102.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A.1. FINANCIAL REPORTING ENTITY (CONTINUED)

Pension and Retiree Healthcare Trust Funds

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

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

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

Related Organizations

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

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

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

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A.1. FINANCIAL REPORTING ENTITY (CONTINUED)

Related Organizations (continued)

Dallas/Fort Worth International Airport - Dallas/Fort Worth International Airport (D/FW Airport) was created by contract and agreement between the City of Fort Worth and the City of Dallas for the purpose of developing and operating an airport as a jointly governed organization between the two Cities. The D/FW Airport is governed by a 12-member board comprised of seven members representing the City of Dallas, four members representing the City of Fort Worth, and on an annual basis, one non-voting member chosen from the neighboring cities of Irving, Grapevine, Euless, and Coppell. The Board must submit an expenditure budget for each fiscal year to the City Manager of each city by July 15. The governing body of each city must approve the budget by September 1. The City is a member of the Revenue Sharing Agreement, as originally adopted on May 1, 2001. Total revenue for the year ended September 30, 2020, was \$6,795,607 from this agreement. Financial statements of the Airport are not included in the City's financial statements because the Airport is not under the sole control of the Fort Worth City Council and the City has no ongoing financial interest or responsibility for the airport. Separate audited financial statements, which are publicly available, can be obtained by contacting the Airport at 2400 Aviation Drive, P.O. Box 619428, DFW Airport, Texas 75261-9428.

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

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

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A.2. BASIS OF PRESENTATION

Government-Wide Statements

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

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

The government-wide financial statements also present the calendar year (December 31, 2019) financial information of the City's Discretely Presented Component Unit: Terrell Homes, Ltd.

Fund Financial Statements

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

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

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

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

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

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A.2. BASIS OF PRESENTATION (CONTINUED)

Governmental Funds

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

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

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

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

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

Grants Fund is used to account for grant resources received from various local, state and federal agencies and organizations. The use of these resources is restricted to a particular function of the City by each grantor.

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

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

Proprietary Funds

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

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

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A.2. BASIS OF PRESENTATION (CONTINUED)

Proprietary Funds (continued)

Enterprise Funds

The City reports the following major enterprise funds:

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

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

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

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

Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department to other departments within the City, on a cost-reimbursement basis. The City has four internal service funds, which include: Equipment Services, Capital Project Services, Group Health and Life Insurance, and Risk Financing.

Fiduciary Funds

Included in this fund type are trust funds which account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The City reports the following fiduciary funds: Retirement Pension Trust Fund for accounting measurement purposes, the Retirement Pension Trust Fund is accounted for essentially in the same manner as proprietary funds. The Retirement Pension Trust Fund accounts for the assets of the City's retirement plan.

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

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

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

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A.2. BASIS OF PRESENTATION (CONTINUED)

Reconciliation of Government-Wide and Fund Financial Statements

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

A.3. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

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

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

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A.4. PROPERTY TAXES

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

Property taxes levied for 2020 have been recorded as receivables, net of allowance for refunds, and uncollectible amount. The net receivables collected during 2020 and those considered "available" at FY2020 (i.e., property taxes collected within 60 days of year-end) have been recognized as revenues in 2020. The remaining receivables have been reflected as deferred inflows of resources. In the government-wide financial statements, tax revenue is recognized in the year in which the taxes are levied.

The State Constitution limits the tax rate to \$2.50 per \$100 of assessed valuation, including debt service. However, the City Charter further limits the tax rate to \$1.90 per \$100 or \$19.00 per \$1,000 of assessed valuation including debt service. The property tax rate levied in fiscal year 2020 was \$0.7475 per \$100 of valuation.

A.5. CASH, CASH EQUIVALENTS, & INVESTMENTS

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

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

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

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

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

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

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

Valuation of Investments - Investments are stated at fair value. Investments that do not have quoted market prices are priced from information received from the external manager. This information includes audited financial statements, quarterly valuation statements, adjustments for cash receipts, cash disbursements and securities distributions through September 30, 2020. Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on an accrual basis. Dividends are recorded on the ex-dividend date (date usually two days prior to the record date).

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

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

Due to/from Broker - The balance due to broker securities purchased and due from broker securities sold in FY2020 represents trades pending settlement and amounts due on foreign currency contracts.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

Investments and broker accounts denominated in foreign currencies outstanding at September 30, 2020, were converted to the City Plan's functional currency at the foreign exchange rates quoted at September 30, 2020. These foreign exchange gains and losses are included in a change to net gain (loss) in fair value of investments in the accompanying Statement of Changes in Fiduciary Net Position.

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

Valuation of Investments - Investments are stated at fair value as of September 30, 2020, for both reporting and actuarial purposes. The Retiree Healthcare Trust Fund is charged with receiving employee and employer contributions, paying medical and dental claims, and prudently investing money in the fund not immediately needed to pay claims.

A.6. INVENTORIES

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

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A.7. CAPITAL ASSETS

Capital assets, which include land, buildings, infrastructure, vehicles, machinery and equipment, intangibles, and construction in progress, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Capital assets are recorded at original cost. The donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value. Repairs and maintenance are recorded as expenses. The City implemented GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period. Under this Statement, interest cost is recognized as an expense in the period incurred. Therefore, interest cost is no longer capitalized as part of the historical cost for proprietary capital assets.

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

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

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

Water and Sewer Meters and Equipment	5-30 years
Water and Sewer Infrastructure	25-60 years
Buildings (Includes Portable Structures)	20-50 years
Machinery and Equipment	2-20 years
Runways and Taxiways	20-30 years
Infrastructure	20-60 years
Vehicles	4-15 years

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

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A.8. INTERFUND TRANSACTIONS

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

A.9. COMPENSATED ABSENCES

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

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

A.10. RISK FINANCING

A.10.A. RISK FINANCING

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

All funds of the City participate in the program and make payments to the Risk Financing internal service fund based on estimates of the amounts needed to pay prior and current-year claims and to establish a reserve for catastrophic losses. Since the City is primarily self-insured, settlement amounts have not exceeded coverage in any of the prior three fiscal years. An accrual for unpaid claims and claims incurred but not reported is reflected in the internal service funds and government-wide financial statements as estimated claims payable. Claims expenses and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The provision for claims incurred but not reported which are probable and reasonably estimable is based on City experience since the inception of the insurance programs. In accordance with GAAP, the estimated claims payables are based on the estimated ultimate cost of settling the claims. The total estimated claims payable includes estimates of allocated loss adjustment expenses. A discount rate of 3% has been applied to some estimated claims payable. The undiscounted total estimated claims payable is \$36,384,000.

The total discounted estimated claims payable for the Group Health and Life Insurance Fund and the Risk Financing Fund at September 30, 2020, is \$32,438,000, of which \$15,770,000 represents workers' compensation case reserve losses, and is reported as long-term liabilities in the Internal Service Funds statements.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A.10. RISK FINANCING (CONTINUED)

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

	<u>FY 2019</u>	<u>FY 2020</u>
Unpaid Claims, October 1st	\$ 32,441	\$ 32,012
Provisions for current year's events and changes in provision for priors years' events	73,055	72,420
Claims payments	<u>(73,484)</u>	<u>(71,994)</u>
Unpaid Claims, September 30th	<u>\$ 32,012</u>	<u>\$ 32,438</u>

A.10.B. LIABILITY INSURANCE

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

A.10.C. PROPERTY AND CASUALTY INSURANCE

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

A.10.D. WORKERS' COMPENSATION

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

A.10.E. GROUP HEALTH AND LIFE INSURANCE

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

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

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

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

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A.10. RISK FINANCING (CONTINUED)

A.10.F. UNEMPLOYMENT COMPENSATION

The City is a reimbursing agency for Unemployment Compensation. The Texas Workforce Commission (TWC) sends quarterly reports to a third party administrator who then forwards to the City concerning claims paid on behalf of the City to eligible former employees. A third party administrator reviews the claims but responds to TWC based on information the City provides. There has been significant changes in unemployment coverage levels this fiscal year due to COVID-19 related layoffs. The City's eligible unemployment claims were reimbursed under the 2020 CARES Disaster Assistance Coronavirus Relief Fund.

A.11. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

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

The City reports \$6,259,000 as a deferred outflow of resources for unamortized loss on debt refunding in the governmental activities and \$6,113,000 in the business-type activities in the Statement of Net Position. The unamortized loss on debt refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

The City recorded deferred outflows of resources of \$1,159,833,000 total pension-related and \$136,130,000 total other postemployment benefit-related as of September 30, 2020, in accordance with GAAP.

In addition to liabilities, the Statement of Net Position presents a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The deferred inflows of resources in the governmental funds result from the City's unavailable revenue which are receivables for revenue that are not considered available to liquidate liabilities in the current period. Deferred inflows of resources reported in the government-wide and proprietary fund's Statement of Net Position relate to a service concession arrangement (SCA), pension, and other post employment benefits.

In 2003, the City entered into an agreement with Allied Waste Systems (D/B/A Trinity Waste Services) to operate the City's Southeast Landfill. As part of this agreement, Allied Waste Systems is compensated by third party users of the landfill. The City owns the land for the landfill and retains ownership (residual interest) in the land at the end of the 20-year agreement. In 2003, Allied Waste Systems made an initial payment of \$9,600,000 to the City. This upfront payment is being amortized over the 20-year contract term. As of September 30, 2020, the City recognized deferred inflows of resources in the amount of \$1,201,000 in the Solid Waste Fund.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City recorded deferred inflows of resources of \$291,002,000 total pension-related and \$43,934,000 total other postemployment benefit-related as of September 30, 2020, in accordance with GAAP.

	Governmental Funds					Total
	General	Debt Service	Capital Projects	Grants	Nonmajor Governmental Funds	
Deferred Inflows of Resources:						
Property Tax	\$ 4,113	\$ 1,150	\$ -	\$ -	\$ -	\$ 5,263
Accounts Receivable	-	-	-	-	4,247	4,247
Grants and Other Governments	-	-	1,871	2,884	-	4,755
Other	3,556	-	-	-	3,214	6,770
Total	\$ 7,669	\$ 1,150	\$ 1,871	\$ 2,884	\$ 7,461	\$ 21,035

	Business-Type Activities				Total
	Governmental Activities	Water and Sewer	Stormwater Utility	Nonmajor Enterprise Funds	
Deferred Outflows of Resources:					
Unamortized Loss on Debt Refunding	\$ 6,259	3,597	\$ 553	\$ 1,963	\$ 12,372
Pension Related	1,005,059	121,872	14,573	18,329	1,159,833
OPEB Related	117,419	16,281	203	2,227	136,130
Total	\$ 1,128,737	\$ 141,750	\$ 15,329	\$ 22,519	\$ 1,308,335
Deferred Inflows of Resources:					
Service Concession Arrangement	\$ -	\$ -	\$ -	\$ 1,201	\$ 1,201
Pension Related	253,023	29,751	3,555	4,673	291,002
OPEB Related	37,259	5,748	135	792	43,934
Total	\$ 290,282	\$ 35,499	\$ 3,690	\$ 6,666	\$ 336,137

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A.12. FUND BALANCE/NET POSITION

Net position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net position is presented in the Statement of Net Position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any debt related to the acquisition, construction, or improvements of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

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

- a) **Nonspendable fund balance** (inherently nonspendable) include the:
 - Portion of net resources that cannot be spent because of their form.
 - Portion of net resources that cannot be spent because they must be maintained intact.
- b) **Restricted fund balance** (externally enforceable limitations on use) include amounts subject to:
 - Limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments.
 - Limitations imposed by law through constitutional provision or enabling legislation.
- c) **Committed fund balance** (self-imposed limitations set in place prior to the end of the period) include amounts subject to:
 - Limitations imposed at the highest level of decision making that requires formal action (passage of City Ordinance) at the same level to remove. For the City, the City Council is the highest level of decision making.
- d) **Assigned fund balance** (limitation resulting from intended use) consists of amounts where the:
 - Intended use is established by the body designated for that purpose (City Council).
 - Through Mayor and City Council ordinance, the City Manager has been delegated the authority to assign fund balances that are constrained by specific purposes that are neither restricted nor committed.
- e) **Unassigned fund balance** (residual net resources) is the:
 - Total fund balance in the General Fund in excess of nonspendable, restricted, committed, and assigned fund balance.
 - Negative unassigned fund balance is the excess of nonspendable, restricted, and committed fund balance over total fund balance.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

General Fund, General Debt Service and Special Revenue Funds

General Fund

The City will maintain an unassigned fund balance in the General Fund equivalent to two months (16.67%) of the next fiscal year budgeted operating expenditures.

General Debt Service Fund

The City will maintain a level of restricted, committed, and assigned fund balance in each governmental Debt Service Fund equivalent to three months (25%) of the highest projected debt service (principal and interest) over the succeeding debt service schedule due within one year. Amounts used in this calculation shall not include any amounts allocated for other purposes by the City Council.

Special Revenue Funds

The City will maintain a combined restricted and assigned fund balance in the Special Revenue Funds equivalent to two months (16.67%) of the next fiscal year's budgeted operating expenditures.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
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NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Enterprise Funds

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

- A goal of Working Capital in Enterprise Funds equivalent to three (25%) of the next fiscal year budgeted operating expenses, excluding intrafund transfers out to funds within the same reporting group (e.g. transfer out from Water and Sewer Operating Fund to its Capital Projects Fund or Debt Service Fund). This calculation shall be performed against the operating fund only.
- A reserve of 100 days Cash on Hand with a goal of 150 days Cash on Hand. This calculation shall be performed against the operating fund only on an accrual basis.
- In addition, no Enterprise Fund shall have a negative unrestricted net position. This calculation shall be performed by using all of the funds for the respective reporting group.

Internal Service Funds Insurance Funds (Insurance Funds)

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

- A goal of Working Capital in Insurance Funds between three months (25%) of the next fiscal year budgeted operating expenses, excluding intrafund transfers out to funds within the same reporting group. This calculation shall be performed against the operating fund only on an accrual basis.
- In addition, no Insurance Fund shall have a negative unrestricted net position. This calculation shall be performed by using all of the funds for the respective reporting group of the specific insurance related internal service fund.

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

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

- A goal Working Capital in Non-Insurance Funds equivalent to ten percent (10%) of the next fiscal year budgeted operating expenses, excluding intrafund transfers out to funds within the same reporting group. This calculation shall be performed against the operating fund only on an accrual basis.
- In addition, no Non-Insurance Fund shall have a negative unrestricted net position. This calculation shall be performed by using all of the funds for the respective reporting group of the specific non-insurance related internal service fund.

When Reserves are not met:

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

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Excess of Reserves:

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

General Fund, Special Revenue Funds, and Enterprise Funds, Internal Service Funds - Insurance and Non-Insurance Funds

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

General Debt Service Fund - Use to repay any outstanding debt or obligations.

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

Fund Balance Categories and Classifications						
Fund Balance	General	Debt Service	Capital Projects*	Grants	Nonmajor Governmental Funds**	Total Fund Balance
Nonspendable						
Inventory	\$ 2,707	\$ -	\$ -	\$ -	\$ 2,404	\$ 5,111
Advances	3,599	-	-	-	-	3,599
Prepays, Deposits, and Other	1,664	-	483	32	240	2,419
Total Nonspendable	7,970	-	483	32	2,644	11,129
Restricted						
Park Improvements	9,041	-	-	-	-	9,041
Debt Service	-	7,896	-	-	-	7,896
Crime Control and Prevention	-	-	-	-	21,965	21,965
Environmental Management	-	-	-	-	2,667	2,667
Construction of Multi-Purpose Arena	-	-	-	-	8,998	8,998
City Television	-	-	-	-	1,914	1,914
2014 Bond Program	-	-	32,119	-	-	32,119
Transportation Impact Fees	-	-	57,795	-	-	57,795
Community Facility Agreements	-	-	8,124	-	-	8,124
Community Park Projects	-	-	43,232	-	-	43,232
Fire Apparatus Replacement	-	-	8,294	-	-	8,294
Other	-	-	173,263	-	67,106	240,369
Total Restricted	9,041	7,896	322,827	-	102,650	442,414

(continued)

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Balance Categories and Classifications						
Fund Balance	General	Debt Service	Capital Projects*	Grants	Nonmajor Governmental Funds**	Total Fund Balance
Committed						
Public Events and Facilities	\$ 21,209	\$ -	\$ -	\$ -	\$ -	21,209
Debt Service	-	1,614	-	-	-	1,614
Park Improvements	3,663	-	-	-	-	3,663
Street Improvements	-	-	44,041	-	-	44,041
Community Facility Agreements	-	-	5,850	-	-	5,850
Community Park Projects	-	-	9,057	-	-	9,057
Police Vehicle Replacement	-	-	47,688	-	-	47,688
Police Equipment	-	-	10,266	-	-	10,266
Police Facility Renovation	-	-	32,348	-	-	32,348
Fire Apparatus Replacement	-	-	3,792	-	-	3,792
IT Software and Computers	-	-	6,668	-	-	6,668
State Sales Tax Agreement	5,080	-	-	-	1,974	7,054
Other	-	-	6,727	-	1,304	8,031
Total Committed	29,952	1,614	166,437	-	3,278	201,281
Assigned						
Culture and Tourism	-	-	-	-	16,002	16,002
Traffic System	-	-	14,962	-	-	14,962
Vehicle Replacement	-	-	17,687	-	-	17,687
Community Park Projects	-	-	5,600	-	-	5,600
WRMC	-	-	18,654	-	-	18,654
Park and Recreation Programs	-	-	-	-	824	824
Other	4,500	47,029	30,409	-	38,470	120,408
Total Assigned	4,500	47,029	87,312	-	55,296	194,137
Unassigned (Deficit)	152,698	-	-	(169)	-	152,529
Total Fund Balance	\$ 204,161	\$ 56,539	\$ 577,059	\$ (137)	\$ 163,868	\$ 1,001,490

(concluded)

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

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

As of September 30, 2020 the City has set aside \$4,500,000, of which \$2,500,000 is assigned to match federal funding from Federal Emergency Management Agency under the Public Assistance Program for emergency sheltering, testing sites and other services related to COVID-19 prevention and mitigation, and \$2,000,000 to fund costs associated with purchase, construction, and renovation of the Pier 1 Building, which the City intends to designate as the New City Hall facility.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A.13. LONG-TERM OBLIGATIONS

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

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

A.14. USE OF ESTIMATES

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

A.15. TAX ABATEMENTS

As of September 30, 2020, the City provides tax abatements through three programs: Tax Abatement Agreements (Texas Tax Code 312), Economic Development Program Grant Agreements (Texas Local Government Code Chapter 380), and Neighborhood Empowerment Zones (Texas Tax Local Government Code Chapter 378). The table below and on the following pages explain each program and the numbers represented are not in thousands:

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

(continued)

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A.15. TAX ABATEMENTS (CONTINUED)

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

(continued)

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A.15. TAX ABATEMENTS (CONTINUED)

[illegible]

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

NOTE B: CASH, CASH EQUIVALENTS, & INVESTMENTS

B.1. POOLED CASH AND INVESTMENTS

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

Pooled Portfolio

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

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

The City, as authorized by the City Council, engages in securities lending through a contract with Citibank whereby all of the U.S. Treasury securities and agency securities are available to be lent to an authorized dealer. All loans can be terminated on demand by either party. The State law indirectly addresses reinvestment of collateral through the reverse repurchase agreement requirements. The law requires that reinvestment of the funds received "must mature not later than the expiration date" of the loan (Section 2256.011d of the Public Funds Investment Act). The City receives defined collateral of at least 102 percent of fair value. At no time is ownership of the underlying securities transferred to the primary dealer. The City does not have the ability to pledge or sell collateral securities outside of borrower default. Therefore, in accordance with GAAP, collateral securities are not presented on the City financial statements. As of September 30, 2020, the carrying and fair value of securities on loan were \$391,937,241 and the fair value of collateral held against the loaned securities was \$399,742,124.

The Public Funds Investment Act, Chapter 2256, Texas Government Code (the PFIA) directs authorized investments of the City. State statutes and the Policy require all time and demand deposits to be fully FDIC insured or collateralized. As of September 30, 2020, the City's demand and time deposits totaled \$534,598,647. Of the \$534,598,647 bank balance, \$250,000 in each bank account was insured by FDIC deposit insurance with the remainder collateralized with pledged securities held by an independent custodian. As of September 30, 2020, all funds were insured or collateralized as required under state law.

As of September 30, 2020, the City's investment portfolios (Portfolio) (excluding bank deposits, local government investment pools, money market mutual funds, and amounts held by Trustees) were held by the City's custodians in the City's name under written agreements. The City's custodians are Citibank (securities lending) and JP Morgan Chase.

The City generally holds all pooled investments to maturity for investment and income, not speculation. For the year ended September 30, 2020, interest earned of \$4,014,422 on investments in the Capital Projects Fund was assigned to and reported as investment income in the Debt Service Fund for future debt service payments.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

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

B.1. POOLED CASH AND INVESTMENTS (CONTINUED)

Pooled Portfolio (continued)

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

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

<u>Maturity</u>	<u>Cash to 1 year</u>	<u>1 - 2 years</u>	<u>2 - 3 years</u>	<u>3 - 4 years</u>	<u>4+ years</u>
Targeted Portfolio %	40.00	15.00	15.00	15.00	15.00
Actual %	52.13	12.67	15.52	11.20	8.48

As of September 30, 2020, the Portfolio included:

- no holdings with a stated maturity date beyond August 15, 2027;
- holdings maturing beyond one year represented 47.86 percent; and
- the WAM was 531 days or 1.5 years.

The Portfolio invests in agency debentures which are based on the credit of the agency. The Portfolio does not invest in any agency mortgage-backed securities. Certain debentures have embedded call options which are exercised dependent upon the type of call creating a unique “structure” for that security. Calls are normally scheduled on a one-time, quarterly, or continuous call basis. As of September 30, 2020, the Portfolio contained U.S. Government notes (debentures) with various callable structures totaling \$50,855,000. The callable debentures included \$42,425,000 in one time callable notes, and \$8,430,000 in any time callable notes.

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

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

The Policy restricts investments in commercial paper to dual rated, A1/P1 commercial paper. The Policy also states maximum maturity for commercial paper is 365 days.

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

As of September 30, 2020, the Portfolio consisted of:

- U.S. Treasury Notes and Bills represented 52.45%;
- U.S. Obligations represented 43.36%; and
- Municipal Obligations represented 4.19%

See Note B.3. for a detailed listing of investments as of September 30, 2020.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

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

B.1. POOLED CASH AND INVESTMENTS (CONTINUED)

Pooled Portfolio (continued)

Credit Risk (continued)

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

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

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

As of September 30, 2020, the Portfolio contained no certificates of deposit and no repurchase agreements.

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

Gas Lease Portfolio

Section 2256.0202 of the PFIA authorizes municipal funds from the management and development of mineral rights to be invested in accordance with Texas Trust Code (Subtitle B, Title 9, Property Code). Texas Trust Code allows any security that a "Prudent Investor" would be willing to utilize. City Council has adopted a separate Gas Lease Investment Policy (GLI Policy) statement for these funds. The GLI Policy defines authorized investments and sets the objectives of security, liquidity, and diversification. In addition to the authorized investments allowed under the Investment Policy and Strategy, the GLI Policy authorizes: investments in municipal obligations rated A or better; prime banker's acceptances; domestic and international bond mutual funds with a Morningstar rating of at least two stars; domestic and international equity, and preferred stock mutual funds; domestic and international stocks; real assets; real estate; complementary strategies (currently hedge funds); and corporate and asset-backed securities rated A or better. The fair value and cost basis of this Gas Lease Portfolio were \$78,830,000 and \$76,472,000, respectively.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

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

B.1. POOLED CASH AND INVESTMENTS (CONTINUED)

Gas Lease Portfolio (continued)

The GLI Policy sets maximum maturity limits for each authorized investment type. The maximum stated maturity for fixed income securities is 20 years. As of September 30, 2020, no holdings have a stated maturity date beyond March 1, 2027. The following schedule details fair values and maturities for fixed income securities and mutual funds:

Fixed Income Securities	Less Than 1 Year	1 - 5 Years	6 - 10 Years	Total
Government Obligations	\$ 1,359	\$ 2,024	\$ 158	\$ 3,541
Mortgage Backed Securities	-	1,668	-	1,668
Corporate Obligations	2,852	11,532	86	14,470
Domestic Mutual Funds	7,877	-	-	7,877
International Mutual Funds	4,731	-	-	4,731
Total Fixed Income Securities	<u>\$ 16,819</u>	<u>\$ 15,224</u>	<u>\$ 244</u>	<u>\$ 32,287</u>

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

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

B.3. CASH, CASH EQUIVALENTS, & INVESTMENTS

Below are the City's investments measured at fair value as of September 30, 2020:

	Fair Value	Level 1	Level 2	Level 3
Investments by Fair Value Level				
Investments Managed by the City				
Federal Farm Credit Bank (FFCB)	\$ 68,678	\$ -	\$ 68,678	\$ -
Federal Home Loan Bank (FHLB)	136,355	-	136,355	-
Federal Home Loan Mortgage Corporation (FHLMC)	49,000	-	49,000	-
Federal National Mortgage Association (FNMA)	122,311	-	122,311	-
U.S. Treasury Notes	455,148	455,148	-	-
Municipal Obligations - Short Term	36,372	-	36,372	-
Total Investments Managed by the City	<u>867,864</u>	<u>455,148</u>	<u>412,716</u>	<u>-</u>
Investments Held by Trustees for the City				
Gas Lease Revenue - Fixed Income	19,678	-	19,678	-
Gas Lease Revenue - Fixed Income - Domestic and International Mutual Fund	12,609	12,609	-	-
Gas Lease Revenue - Equities - Domestic and International Mutual Fund	42,165	42,165	-	-
Gas Lease Revenue - Real Assets Funds	2,528	2,528	-	-
Gas Lease Revenue - Complementary Strategies Funds	1,850	1,850	-	-
Total Investments Held by Trustees for the City	<u>78,830</u>	<u>59,152</u>	<u>19,678</u>	<u>-</u>
Total Investments by Fair Value Level	<u>\$ 946,694</u>	<u>\$ 514,300</u>	<u>\$ 432,394</u>	<u>\$ -</u>

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

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

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

The City held the following cash, cash equivalents, & investments as of September 30, 2020:

	Fair Value	WAM by Days	Moody's Credit Rating
Pooled Cash, Cash Equivalents, & Investments Managed by the City			
Cash	\$ 1,262,805	N/A	N/A
Cash in Bank - Blended Component Units	20,297	N/A	N/A
Federal Farm Credit Bank (FFCB)	68,678	970	Aaa
Federal Home Loan Bank (FHLB)	136,355	844	Aaa
Federal Home Loan Mortgage Corporation (FHLMC)	49,000	1,308	Aaa
Federal National Mortgage Association (FNMA)	122,311	876	Aaa
U.S. Treasury Notes	455,148	1,078	Aaa
Municipal Obligations - Short Term	36,372	1,609	Aa1-Aaa
Total Cash, Cash Equivalents, & Investments Managed by the City	<u>2,150,966</u>		
Cash, Cash Equivalents, & Investments Held by Trustees for the City			
Gas Lease Revenue - Cash	5,215	N/A	N/A
Gas Lease Revenue - Fixed Income	19,678	N/A	Note B.1.
Gas Lease Revenue - Fixed Income - Domestic and International Mutual Fund	12,609	N/A	Note B.1.
Gas Lease Revenue - Equities - Domestic and International Mutual Fund	42,165	N/A	N/A
Gas Lease Revenue - Real Assets Funds	2,528	N/A	N/A
Gas Lease Revenue - Complementary Strategies Funds	1,850	N/A	N/A
Cash Held by Trustee - United Healthcare	2,566	N/A	N/A
Cash Held by Trustee - York	799	N/A	N/A
Cash Held by Trustee - TWDB 2010B	5,754	N/A	N/A
Cash Held by Trustee - TWDB 2017B SWIRF	1,590	N/A	N/A
Cash Held by Trustee - Rock Creek	3,762	N/A	N/A
Cash Held by Trustee - CWSRF2015	4,428	N/A	N/A
Cash Held by Trustee - CWSRF2017	15,092	N/A	N/A
Cash Held by Trustee - TWDB 2020	2,218	N/A	N/A
Cash Held by Trustee - HUD 108 Loan Fund (Evans/Rosedale/Mercado)	569	N/A	N/A
Cash Held by Trustee - Southeast Landfill	8,230	N/A	N/A
Total Cash, Cash Equivalents, & Investments Held by Trustees for the City	<u>129,053</u>		
Total Cash, Cash Equivalents, & Investments - Primary Government	<u>\$ 2,280,019</u>		
Cash & Cash Equivalents Managed by the Employees' Retirement Fund			
Cash in Bank	159	N/A	N/A
Investments Managed by the Employees' Retirement Fund			
Investments	<u>2,500,569</u>	See Note B.5.	
Total Cash, Cash Equivalents, & Investments - Employees' Retirement Fund	<u>2,500,728</u>		
Cash & Cash Equivalents Managed by the Retiree Healthcare Trust Fund			
Cash in Bank	3,389	N/A	N/A
Investments Managed by the Retiree Healthcare Trust Fund			
Investments	<u>87,522</u>	See Note B.4.	
Total Cash, Cash Equivalents, & Investments - Retiree Healthcare Trust Fund	<u>90,911</u>		
Cash & Cash Equivalents Managed by the Fort Worth Firefighters Healthcare Trust Fund			
Cash in Bank	3,280	N/A	N/A
Total Cash & Cash Equivalents - Fort Worth Firefighters Healthcare Trust Fund	<u>3,280</u>	0	
Cash & Cash Equivalents Managed by the Discretely Presented Component Unit			
Cash in Bank	296	N/A	N/A
Total Cash & Cash Equivalents - Discretely Presented Component Unit	<u>296</u>		
Total Cash, Cash Equivalents, & Investments	<u>\$ 4,875,234</u>		

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

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

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

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

Cash, Cash Equivalents, & Investments, per Note	
Primary Government	\$ 2,280,019
Employees' Retirement Fund	2,500,728
Retiree Healthcare Trust Fund	90,911
Fort Worth Firefighters Healthcare Trust Fund	3,280
Discretely Presented Component Unit	296
Total, per Note	<u>\$ 4,875,234</u>
Cash, Cash Equivalents, & Investments, per Basic Financial Statements	
Statement of Net Position - Primary Government	\$ 1,355,196
Statement of Net Position - Primary Government Restricted	924,823
Statement of Net Position - Discretely Presented Component Unit	296
Statement of Fiduciary Net Position - Cash and Cash Equivalents	6,828
Statement of Fiduciary Net Position - Cash and Investments Held by Trustees	2,588,091
Total, per Basic Financial Statements	<u>\$ 4,875,234</u>

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

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

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

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

Custodial Credit Risk — As of September 30, 2020, all investments are registered in the name of the City of Fort Worth PARS Post-Retirement Health Care Plan Trust in a master trust custodial agreement.

Credit Risk of Debt Securities — The OPEB Trust investments as of September 30, 2020, are shown below:

Investment Type	Rating	Fair Value*
Issues:		
US Government Issues	N/A	\$ 26,041
Corporate Issues	N/A	27,521
Foreign Issues	N/A	3,459
Municipal Issues	N/A	188
Total Issues		<u>57,209</u>
Fixed Income Mutual Funds:		
Vanguard Short-Term Investment Grade	N/A	3,813
Pimco Total Return II Instl	N/A	104
Total Fixed Income Mutual Funds	N/A	<u>3,917</u>
Equity Mutual Funds:		
Ishares S&P 500 ETF	N/A	9,362
Ishares S&P 500 Growth ETF	N/A	3,085
Ishares S&P 500 Value ETF	N/A	3,042
Ishares Msci Eafe ETF	N/A	3,507
Ishares Russell Midcap Value ETF	N/A	1,771
Ishares Russell 2000 Value Index ETF	N/A	1,457
Ishares Russell 2000 Growth ETF	N/A	1,469
Vanguard Emerg Mkt	N/A	2,226
Vanguard Reit ETF	N/A	477
Total Equity Mutual Funds	N/A	<u>26,396</u>
Total Investments		<u>\$ 87,522</u>

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

Concentration of Credit Risk — The OPEB Trust Investment Guideline addresses concentration limits on a manager basis. As of September 30, 2020, the OPEB Trust's investments were all registered in the Trust's name.

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

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

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

B.5. INVESTMENTS OF THE EMPLOYEES' RETIREMENT FUND

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

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

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

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

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

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

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

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

Absolute Return Funds — This category consists of several different styles of funds as well as different liquidity structures. When redeeming from these funds, there is typically a notice period ranging from one to three months' notice and funds can hold back a small portion of the assets until an annual audit is conducted. In some cases managers designate particular investments as longer hold periods than the funds liquidity schedule, in these cases they side pocket the investment, and these assets are not available immediately upon redemption. Directional funds include investments in one fund that invests in a directional nature based on their views of markets, at times this fund may invest without a directional bias. The directional fund is able to be redeemed on a quarterly basis. Equity Long/Short funds include investments in four funds with two of these funds currently in redemption consisting of less than 1% of assets in this category. Equity Long/Short funds maintain some level of market exposure by investing in US or global equities both long and short with the level of exposure varying over time. One fund of this type, consisting of 47% of assets in this category allows a full redemption on a quarterly basis. The other significant fund of this type, consisting of 53% of assets in this category, allows quarterly liquidity receiving 1/4 of assets each subsequent quarter. Event driven funds include investments in seven funds with two of those funds currently in redemption consisting of 1% of assets in this category. These funds seek to gain an advantage from pricing inefficiencies that may arise based on corporate actions or events which may change the nature of the underlying investment. The nature of event driven investments often restricts the liquidity of those investments. In this category 16% of the assets may only be redeemed in three-year intervals, while 14% may only be redeemed on an annual basis. The remaining 70% of assets may be redeemed quarterly receiving 1/4 of assets each subsequent quarter. Multi-Strategy funds invest in multiple strategies in order to diversify risks and reduce volatility. The five funds in this category have been redeemed with the remaining assets either audit holdback or side pocketed assets waiting for liquidation. Relative Value funds include investments in two funds in this category. Relative Value funds seek returns by identifying mispricing of related securities or financial instruments. Both of the Relative Value funds allow quarterly liquidity receiving 1/4 of assets each subsequent quarter. A redemption was submitted for one of these funds and proceeds will begin to be received in October 2020.

Alternative Assets — This category consists of limited partnership structures that invest in companies or real estate which allow for limited or no liquidity for the investor. Private Equity partnerships consist of funds that invest in buyouts, growth equity, venture capital, special situations, mezzanine and distressed debt. There are 85 partnerships in this category and these partnerships are typically structured with life from 7-12 years and are considered illiquid. As investments are sold out of the partnerships, assets are returned to the investors. These funds' fair value are determined using net asset values one quarter in arrears and adjusted for cash flows of the most recent quarter. There are three investments in Real Estate - Core partnerships which invest in highly leased lower leverage properties that provide consistent income to the investors. These funds allow quarterly liquidity to the investors. A redemption has been submitted from one of these managers, however a gate has been implemented by the manager restricting the flow of redemption proceeds as the manager pursues liquidation of some of the fund assets to meet the investors that have requested redemptions. Real Estate – Non-Core partnerships invest in properties that require some kind of development or improvements to improve the position of the property. There are 23 partnerships in this category and these partnerships are typically structured with a life from 7-12 years and are considered illiquid. As properties are sold out of the partnership, assets are returned to the investors. These funds fair value are determined using net asset values one quarter in arrears and adjusted for cash flows of the most recent quarter.

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

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

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

Below are the Plan's investments and derivative instruments measured at fair value as of September 30, 2020:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by Fair Value Level				
Short Term Securities	\$ 182,478	\$ 10,298	\$ 172,180	\$ -
Debt Securities				
Collateralized Debt Obligations	47,109	-	31,493	15,616
Commercial Mortgage-Backed Securities	22,193	-	20,017	2,176
Corporates	216,251	-	215,954	297
Debt Other	88,867	88,866	1	-
Municipals	8,559	-	8,559	-
Non U.S. Government	14,240	-	10,729	3,511
U.S. Government Agencies	130,550	-	123,213	7,337
U.S. Treasuries	68,439	68,439	-	-
Total Debt Securities	<u>596,208</u>	<u>157,305</u>	<u>409,966</u>	<u>28,937</u>
Equity Securities				
Communication Services	11,865	11,865	-	-
Consumer Discretionary	38,727	38,727	-	-
Consumer Staples	18,332	18,332	-	-
Energy	17,180	17,180	-	-
Equity Other	17,476	17,476	-	-
Financials	34,667	34,667	-	-
Health Care	20,122	20,122	-	-
Industrials	45,490	45,490	-	-
Information Technology	34,053	34,053	-	-
Materials	10,134	10,134	-	-
Real Estate	13,501	13,501	-	-
Utilities	10,911	10,911	-	-
Total Equity Securities	<u>272,458</u>	<u>272,458</u>	<u>-</u>	<u>-</u>
Investments Measured at Net Asset Value*				
Equity Investments				
Commingled Global Equity Fund	\$ 631,101			
Commingled Emerging Market Equity Fund	63,182			
Total Equity Investments	<u>694,283</u>			
Absolute Return	<u>246,349</u>			
Alternative Investments				
Private Equity	277,629			
Private Credit	5,209			
Real Estate - Core	106,678			
Real Estate	125,639			
Total Alternative Investments	<u>515,155</u>			
Total Investments Measured at Net Asset Value	<u>\$ 1,455,787</u>			
Total Investments by Fair Value Level	<u>\$ 2,506,931</u>	<u>\$ 440,061</u>	<u>\$ 582,146</u>	<u>\$ 28,937</u>
Less: Investments in Non-City Funded Staff Plan	<u>(6,362)</u>			
Total Investments by Fair Value Level in City Plan	<u>\$ 2,500,569</u>			
Investment Derivative Instruments				
Forward Contracts	491	-	491	-
Swap Agreements	(600)	-	(600)	-
Rights and Warrants	33	33	-	-
Options	(7)	-	(6)	(1)
Total Investment Derivative Instruments	<u>\$ (83)</u>	<u>\$ 33</u>	<u>\$ (115)</u>	<u>\$ (1)</u>

*Investments measured at Net Asset Value have total Unfunded Commitments of \$262,680,674, the Plan's investments at NAV offer redemption frequencies ranging from daily to three (3) years on redeemable investments; with a total of \$408,476,999 of alternative investments that are ineligible for redemption and a redemption notice period of one (1) day to 90 days on eligible assets.

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

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

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

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

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

Custodial Credit Risk — Custodial credit risk is the risk that in the event of failure of the counterparty, the Plan would not be able to recover the value of its investments. The Plan does not have a formal policy for custodial credit risk. As of September 30, 2020, all investments are registered in the name of the Employees' Retirement Fund of the City of Fort Worth or in the name of the Plan's custodian, established through a master trust custodial agreement, with the exception of investments in alternative investments and commingled funds.

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

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

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

Credit Risk of Debt Securities (continued)

Credit Risk of Debt Securities—The Plan's investments as of September 30, 2020, are shown below:

Investment Type	S&P Rating	Fair Value
Asset & Mortgage Backed Obligations	AAA	\$ 21,514
Asset & Mortgage Backed Obligations	AA	4,086
Asset & Mortgage Backed Obligations	A	25,721
Asset & Mortgage Backed Obligations	BBB	3,771
Asset & Mortgage Backed Obligations	BB	1,545
Asset & Mortgage Backed Obligations	B	2,406
Asset & Mortgage Backed Obligations	CCC	2,651
Asset & Mortgage Backed Obligations	NR	7,609
Total Asset & Mortgage Backed Obligations		69,303
Corporate Obligations	AAA	1,340
Corporate Obligations	AA	1,744
Corporate Obligations	A	56,656
Corporate Obligations	BBB	107,060
Corporate Obligations	BB	25,156
Corporate Obligations	B	14,960
Corporate Obligations	CCC	7,778
Corporate Obligations	CC	115
Corporate Obligations	NR	1,443
Total Corporate Obligations		216,252
Government Agency Obligations	AAA	115,563
Government Agency Obligations	AA	16,808
Government Agency Obligations	A	3,749
Government Agency Obligations	BB	213
Government Agency Obligations	NR	2,776
Total Government Agency Obligations		139,109
International Obligations	AAA	4,013
International Obligations	AA	3,778
International Obligations	A	1,472
International Obligations	BBB	677
International Obligations	NR	4,300
Total International Obligations		14,240
Securities Lending Collateral	AAA	5,374
Securities Lending Collateral	AA	17,279
Securities Lending Collateral	A	55,912
Securities Lending Collateral	BBB	2,926
Securities Lending Collateral	NR	18,018
Total Securities Lending Collateral		99,509
Total Fixed Income Subject to Credit Risk		538,413
U.S. Treasuries (Not Subject to Credit Risk)		68,438
Short-Term Marketable Securities		82,969
Corporate Stock		335,640
Alternative Investments		523,978
Commingled Funds		957,493
Less: Investments in Non-City Funded Staff Plan		(6,362)
Total Investments in City Plan		\$ 2,500,569

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

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

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

Concentration of Credit Risk — Concentration of credit risk is the risk of loss attributed to the magnitude of the Plan's investment in a single issuer. The Plan's investment policy addresses concentration limits on a manager basis. As of September 30, 2020, the Plan did not have any investments, where the underlying assets were registered in the Plan's name that totaled more than 5% of assets of the Plan.

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

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

Investment Type	Less Than 1 Year	1 - 5 Years	6 - 10 Years	More Than 10 Years	Total Fair Value
Asset & Mortgage Backed Obligations	\$ -	\$ 11,979	\$ 5,892	\$ 51,432	\$ 69,303
Corporate Obligations	6,702	78,761	95,331	35,458	216,252
Government Agency Obligations	23,370	9,847	1,781	104,111	139,109
International Obligations	4,802	3,511	2,420	3,507	14,240
Securities Lending Collateral	99,509	-	-	-	99,509
Short-term Fixed Income	82,969	-	-	-	82,969
U.S. Treasuries	-	25,082	18,486	24,870	68,438
Total Interest Rate Risk Debt Securities	<u>\$ 217,352</u>	<u>\$ 129,180</u>	<u>\$ 123,910</u>	<u>\$ 219,378</u>	<u>\$ 689,820</u>

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

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

Foreign Currency Risk — Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. The Plan has no formal investment policy with regard to foreign currency risk as it is considered an intrinsic risk associated with the investment strategy. The Plan's exposure to foreign currency risk at September 30, 2020, is presented below:

Currency	Debt	Equity	Alternatives	Total
Argentine Peso	\$ 6	\$ -	\$ -	\$ 6
Australian Dollar	102	-	-	102
Brazilian Real	22	2,388	-	2,410
British Pound Sterling	(66)	13,243	4,793	17,970
Canadian Dollar	(31)	8,169	-	8,138
Danish Krone	-	1,381	-	1,381
Euro Currency Unit	(11)	44,009	53,061	97,059
HK Offshore Chinese Yuan Renminbi	-	1,224	-	1,224
Hong Kong Dollar	-	15,664	-	15,664
Indonesian Rupiah	-	474	-	474
Japanese Yen	1,799	32,007	-	33,806
Mexican New Peso	1,803	-	-	1,803
New Israeli Shekel	-	687	-	687
New Taiwan Dollar	-	8,129	-	8,129
New Zealand Dollar	7	-	-	7
Norwegian Krone	-	395	-	395
Peruvian Nuevo Sol	686	-	-	686
Russian Ruble	1,662	-	-	1,662
South African Rand	1	-	-	1
South Korean Won	-	3,847	-	3,847
Swedish Krona	-	5,938	-	5,938
Swiss Franc	1	12,497	-	12,498
Thai Baht	3	1,052	-	1,055
Total Securities Subject to Foreign Currency Risk	<u>\$ 5,984</u>	<u>\$ 151,104</u>	<u>\$ 57,854</u>	<u>\$ 214,942</u>

FOREIGN CURRENCY EXCHANGE TRANSACTIONS

To manage the foreign currency exchange risks associated with foreign investments, the Plan enters into forward currency contracts. The Plan had net foreign currency contracts with a fair value of approximately \$491,333 at September 30, 2020, which contractually obligates the Plan to deliver currencies at a specified date. The Plan could be exposed to the risk of loss if the counterparty is unable to meet the terms of a contract or if the value of currency changes unfavorably. At September 30, 2020, the fair value of these contracts is included in due to/from broker.

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

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

DERIVATIVE FINANCIAL INSTRUMENTS

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

The Plan was in possession of the following types of derivatives at September 30, 2020:

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

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

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

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

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

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

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

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

The Investment Derivatives schedule listed below reports the fair value and changes in fair value and notional amounts of derivatives outstanding as of September 30, 2020, classified by type:

Derivative Type	Changes in Fair Value		Fair Value	
	Classification	Amount	Amount	Notional
Fiduciary Funds				
Investment Derivatives				
Futures Contracts	<i>Investment Income</i>	\$ 9	\$ -	\$ 47,867
Forward Contracts	<i>Investment Income</i>	673	491	59,467
Swap Agreements	<i>Investment Income</i>	310	(600)	78,275
Options	<i>Investment Income</i>	(1)	(7)	6,200
Rights and Warrants	<i>Investment Income</i>	(56)	33	18
Total		<u>\$ 935</u>	<u>\$ (83)</u>	<u>\$ 191,827</u>

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

The following Credit Risk Analysis schedule discloses the counterparty credit ratings of the Plan's investment derivatives by type, as of September 30, 2020. These amounts represent the maximum loss that would be recognized if all counterparties fail to perform as contracted, without respect to any collateral or other security or netting arrangement. The schedule displays the fair value of the investments by credit rating in increasing magnitude of risk. Investments are classified by S&P rating. If the investment does not have an S&P rating, the Moody's rating that corresponds to the S&P rating is used.

As of September 30, 2020, the Plan's credit risk to these investments is disclosed in the following table:

Derivative Type	AA	A	BBB	Not Rated	Total Fair Value
Futures Contracts	\$ -	\$ -	\$ -	\$ -	\$ -
Forward Contracts	-	-	-	491	491
Swap Agreements	-	(27)	-	(573)	(600)
Options	-	-	-	(7)	(7)
Rights and Warrants	-	-	-	33	33
Total	<u>\$ -</u>	<u>\$ (27)</u>	<u>\$ -</u>	<u>\$ (56)</u>	<u>\$ (83)</u>

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

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

Interest Rate Risk — The interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Interest rate swaps are an example of an investment that has a fair value that is highly sensitive to interest rate changes. These investments, as of September 30, 2020, are disclosed in the following table:

Derivative Type	Total Notional Value	Total Fair Value
Interest Rate Swaps	\$ 78,275	\$ (600)

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

The net exposure column of the schedule below indicates the Plan's net foreign currency risk related to derivatives as of September 30, 2020:

Currency	Forward Contracts	Swap Agreements	Net Exposure
Australian Dollar	\$ 2	\$ -	\$ 2
Brazilian Real	219	-	219
British Pound Sterling	166	(122)	44
Canadian Dollar	38	-	38
Euro Currency Unit	69	3	72
Japanese Yen	34	(258)	(224)
Mexican Peso	6	-	6
New Zealand Dollar	19	-	19
Norwegian Krone	(16)	-	(16)
Peruvian Solance	6	-	6
Russian Ruble	(52)	-	(52)
Total	\$ 491	\$ (377)	\$ 114

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

SECURITIES LENDING

The Plan is authorized to contractually lend securities to borrowers in accordance with policy established by the Board. The Plan is currently contracted with Northern Trust to establish, manage and administer a securities lending program. Northern Trust facilitates lending the Plan's domestic and international equity and fixed income securities in return for collateral consisting of cash, U.S. government securities and irrevocable letters of credit issued by banks independent of the borrower. As of September 30, 2020, all securities lending collateral held is cash. At a loan's inception, the value of collateral obtained is equal to 102% for securities of United States issuers, and 105% in the case of securities of non-United States issuers, of the fair value of any securities to be loaned, plus any accrued interest.

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

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

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

SECURITIES LENDING (CONTINUED)

Cash collateral is to be invested in government securities, bank and corporate notes, bank certificates of deposit, time deposits, bankers' acceptances, repurchase agreements, commercial paper, and asset-backed securities. The contract with Northern Trust specifies guidelines for allowable investments, maturities, and diversification. The Plan does not have the ability to pledge or sell collateral securities without borrower default. The amount of cash collateral held exceeds the value of the assets on loan at September 30, 2020.

The Plan earns income from fees paid by the borrowers and interest earned from investing the cash collateral. The contract requires the custodian bank to purchase any loaned securities with collateral provided. However, if the collateral is insufficient to cover the loss, the Plan is liable for the loss. The cash collateral received on each loan was invested in the collateral pool at Northern Trust. Because the loans are terminable at will, their duration generally did not match the duration of the investments made with cash collateral. In addition, the Plan had no credit risk exposure to borrowers. As of September 30, 2020, the value of the collateral held was \$99,508,929 and the value of securities on loan at September 30, 2020, was \$97,087,690. The Plan earned \$448,016, net, on its securities lending activity for the fiscal year ended September 30, 2020.

NOTE C: RECEIVABLES AND INTERFUND BALANCES

C.1. RECEIVABLES

Receivables at September 30, 2020, for governmental activities of the City's major funds and nonmajor funds and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, consist of the following:

Receivables	General	Debt Service	Capital Projects	Grants	Nonmajor Governmental Funds	Internal Service Funds	Total Governmental Activities
Taxes	\$ 30,499	\$ 8,614	\$ -	\$ -	\$ -	\$ -	\$ 39,113
Grants and Other Governments	28,841	-	2,472	8,620	14,113	-	54,046
Levied, Unbilled Assessments	-	-	2,082	-	-	-	2,082
Loans	-	-	-	17,125	-	-	17,125
Long-Term Loans	-	-	-	8,612	-	-	8,612
Interest	52	1,299	408	-	1,271	186	3,216
Accounts and Other	33,416	-	322	-	11,454	73	45,265
Total Gross Receivables	92,808	9,913	5,284	34,357	26,838	259	169,459
Less Allowance for Uncollectible Accounts:							
Taxes	(25,820)	(7,293)	-	-	-	-	(33,113)
Levied, Unbilled Assessments	-	-	(2,082)	-	-	-	(2,082)
Loans	-	-	-	(8,612)	-	-	(8,612)
Accounts and Other	(16,046)	-	-	-	(27)	-	(16,073)
Total Allowance	(41,866)	(7,293)	(2,082)	(8,612)	(27)	-	(59,880)
Total Receivables, Net	\$ 50,942	\$ 2,620	\$ 3,202	\$ 25,745	\$ 26,811	\$ 259	\$ 109,579

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
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NOTE C: RECEIVABLES AND INTERFUND BALANCES (CONTINUED)

C.1. RECEIVABLES (CONTINUED)

Receivables at September 30, 2020, for business-type activities of the City's major enterprise funds and nonmajor enterprise funds in the aggregate, including the applicable allowances for uncollectible accounts, consist of the following:

Receivables	Water and Sewer	Stormwater Utility	Nonmajor Enterprise Funds	Total Business-Type Activities
Interest	\$ 385	\$ 23	\$ 38	\$ 446
Accounts and Other	64,648	5,184	10,532	80,364
Grants and Other - Restricted	1,548	-	4,993	6,541
Interest - Restricted	931	119	138	1,188
Total Gross Receivables	67,512	5,326	15,701	88,539
Less Allowance for Uncollectible Accounts:				
Accounts and Other	(1,749)	(772)	(381)	(2,902)
Total Allowance	(1,749)	(772)	(381)	(2,902)
Total Receivables, Net	\$ 65,763	\$ 4,554	\$ 15,320	\$ 85,637

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

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

Description	Unavailable	Unearned
Property Taxes	\$ 5,295	\$ -
Grants and Other Governments	12,215	116,574
Long-Term Loans	-	25,737
Other	3,525	631
	\$ 21,035	142,942
Total Unavailable / Unearned Revenues		\$ 163,977

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

Description	Water and Sewer	Nonmajor Enterprise Funds	Total Business-Type Activities
Deposits and Rents	\$ 1,277	\$ -	\$ 1,277
Grants and Other	-	1,222	1,222
Total Unearned Revenues	\$ 1,277	\$ 1,222	\$ 2,499

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

NOTE C: RECEIVABLES AND INTERFUND BALANCES (CONTINUED)

C.2. INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at September 30, 2020, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Total</u>
General	Nonmajor Governmental	\$ 140
Nonmajor Enterprise	Nonmajor Governmental	152
Water and Sewer	Nonmajor Governmental	18
Total		<u>\$ 310</u>

An explanation for each interfund receivable and payable is presented below:

The General Fund, Nonmajor Enterprise Funds, and Water and Sewer Fund had a receivable of \$140,000, \$152,000, and \$18,000, respectively, from the Nonmajor Governmental Funds for gas royalties not distributed at the end of the fiscal year.

C.3. ADVANCES

Advances from/to other funds at September 30, 2020, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Total</u>
General	Grants	\$ 133
General	Nonmajor Enterprise	3,466
Total		<u>\$ 3,599</u>

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

The \$3,599,000 payable to the General Fund from the Grant Fund (\$133,000) and Nonmajor Enterprise Funds (\$3,466,000) is an advance to the Grants Fund and Municipal Airport Federal Grants Fund to cover a cash deficit that will be repaid with collections of receivables that are due from the granting agency.

C.4. TRANSFERS

Transfers made during the year were as follows:

	<u>Transfers In:</u>								<u>Total</u>
	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Grants</u>	<u>NMG Funds^a</u>	<u>Water and Sewer</u>	<u>NME Funds^b</u>	<u>IS Funds^c</u>	
Transfers Out:									
General	\$ -	\$ 193	\$ 57,149	\$ 540	\$ 6,927	\$ -	\$ 60	\$ 3,500	\$ 68,369
Debt Service	-	-	-	-	3,877	-	-	-	3,877
Capital Projects	456	16	-	-	1,422	-	-	-	1,894
Grants	-	-	741	-	-	-	-	-	741
NMG Funds ^a	2,021	22,844	40,875	123	2,352	596	-	826	69,637
Water and Sewer	27,985	-	120	-	43	-	21	617	28,786
Stormwater Utility	3,282	-	14	-	-	1,175	-	62	4,533
NME Funds ^b	5,173	-	11	-	-	1,299	-	77	6,560
IS Funds ^c	19	-	1,811	42	-	-	-	207	2,079
Total	<u>\$ 38,936</u>	<u>\$ 23,053</u>	<u>\$ 100,721</u>	<u>\$ 705</u>	<u>\$ 14,621</u>	<u>\$ 3,070</u>	<u>\$ 81</u>	<u>\$ 5,289</u>	<u>\$ 186,476</u>

a) NMG Funds - Nonmajor Governmental Funds

b) NME Funds - Nonmajor Enterprise Funds

c) IS Funds - Internal Service Funds

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

NOTE C: RECEIVABLES AND INTERFUND BALANCES (CONTINUED)

C.4. TRANSFERS (CONTINUED)

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

Significant transfers included the following:

The General Fund transferred \$57,149,000 to the Capital Projects Fund, of which \$53,547,000 was for the capital improvement plan and \$3,602,000 was for vehicle and equipment replacements.

The General Fund transferred \$6,927,000 to the Nonmajor Governmental Funds, of which \$2,215,000 was to the Culture and Tourism Fund for the purposes of operating the Fort Worth Convention Center, the Will Rogers Memorial Complex, and the Cowtown Coliseum, funding a contract with the Fort Worth Convention and Visitors Bureau, and to pay costs associated with construction and debt-financing of the Dickies Arena. The General Fund transferred \$3,555,000 to Botanic Garden Special Revenue Fund for the overall administration, operations, and maintenance of the Botanic Garden. The Golf Fund received a subsidy in the amount of \$395,000 from the General Fund to assist with the operational costs. The Fort Worth Public Improvement Districts (PID) received \$762,000 in lieu of services and assessments. The Risk Financing Fund and Group Health and Life Insurance Fund received \$2,173,000 and \$1,327,000, respectively, from the General Fund to cover future catastrophe losses, and total charges to other funds by these internal service funds will be adjusted over a reasonable period of time so that the revenues and expenses are approximately equal.

The Nonmajor Governmental Funds transferred \$2,021,000 to the General Fund, of which \$1,037,000 was from the Culture & Tourism Fund energy savings debt service, \$395,000 was from Fort Worth LDC, \$212,000 was from Fort Worth Public Improvement Districts Funds, \$282,000 was from Taxes Increment Reinvestment Zones Funds, and \$95,000 was from other Nonmajor Governmental funds.

The Nonmajor Governmental Funds transferred \$22,844,000 to the Debt Service Fund, of which \$20,015,000 was from the Culture and Tourism Fund, and \$2,829,000 was from the Crime Control and Prevention District Fund to pay for 2011 Tax Notes debt service.

The Nonmajor Governmental Funds transferred \$40,875,000 to the Capital Projects Fund, of which \$19,010,000 was made from the Crime Control and Prevention District Fund for construction commitments relating to facility renovation and maintenance, transportation maintenance, and community partnerships per the capital improvement plan. The Culture & Tourism Cap Projects Fund and Public Events Capital Fund received \$4,202,000 from Culture & Tourism Operating Funds for capital improvement. The Taxing Increment Reinvestment Zone transferred \$9,535,000 to the Developer Contribution Fund to pay for various projects. The Special Purpose Fund transferred \$5,553,000 for public, education and government access channel and \$770,000 to the General Capital Project Fund. The Grants Operating Federal Fund transferred \$261,000 to Botanic Gardens Fund for the overall administration, operations, and maintenance. The Asset Forfeiture Funds received \$1,544,000 to fund current city-wide capital projects.

The Water and Sewer Fund transferred \$27,985,000 to the General Fund, of which includes \$27,931,000 for Street Rental Fees and \$54,000 for other expenses.

The Stormwater Utility Fund transferred \$3,282,000 to the General Fund, of which \$2,080,000 was for Street Rental Fees and \$1,182,000 was for PILOT. The Stormwater Utility Fund also transferred \$1,175,000 to the Water and Sewer Fund for billing services.

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NOTE C: RECEIVABLES AND INTERFUND BALANCES (CONTINUED)

C.4. TRANSFERS (CONTINUED)

The Nonmajor Enterprise Funds transferred \$5,173,000 to the General Fund, of which Solid Waste Fund transferred \$4,868,000 for Street Maintenance. The Nonmajor Enterprise Funds also transferred \$1,299,000 to the Water and Sewer Fund for billing services.

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

NOTE D: FUND EQUITY

D.1. UNASSIGNED/UNRESTRICTED DEFICIT

Grants Fund, a nonmajor governmental fund, has a fund deficit of \$137,000 and an unassigned fund balance deficit of \$169,000 as of September 30, 2020 due to reimbursement timing differences. Also, revenues were unavailable (collectible during the current period or soon after) to be used to pay liabilities of the current period. Reimbursement for federal, state, and local grant expenditures are expected to offset this fund deficit in future fiscal years. In compliance with the City's Special Revenue Fund Reserve Policy, the City has taken action to decrease this deficit.

Solid Waste Fund, a nonmajor enterprise fund, has an unrestricted deficit of \$1,478,000 as of September 30, 2020. Global Recycle Markets remain depressed which has led to less demand for raw recycle material and higher processing costs for cities. The COVID-19 pandemic impacted the Solid Waste Fund through higher disposal volume; therefore, increase cost. Meanwhile, the City temporarily budgeted a shortfall using net position with the anticipation that some of the consultant's recommendations implemented beginning January 2021 will yield revenue increases.

NOTE E: RESTRICTED ASSETS

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

	Water and Sewer	Stormwater Utility	Nonmajor Enterprise Funds	Internal Service Funds	Total
Debt Service:					
Cash and Cash Equivalents	\$ 52,361	\$ 5,378	\$ 2,033	\$ -	\$ 59,772
Cash and Cash Equivalents Held by Trustees	1,366	-	-	-	1,366
Interest Receivable	655	119	26	-	800
	<u>54,382</u>	<u>5,497</u>	<u>2,059</u>	<u>-</u>	<u>61,938</u>
Capital Improvements:					
Cash and Cash Equivalents	620,814	47,654	32,838	441	701,747
Cash and Cash Equivalents Held by Trustees	27,716	-	-	-	27,716
Grants and Other Receivables	1,533	-	4,515	-	6,048
Interest Receivable	266	-	30	-	296
	<u>650,329</u>	<u>47,654</u>	<u>37,383</u>	<u>441</u>	<u>735,807</u>
Customer Deposits:					
Cash and Cash Equivalents	20,902	-	983	-	21,885
	<u>20,902</u>	<u>-</u>	<u>983</u>	<u>-</u>	<u>21,885</u>
Other Restrictions:					
Cash and Cash Equivalents	3,071	-	6,185	3,110	12,366
Cash and Cash Equivalents Held by Trustees	7,294	-	51,076	3,365	61,735
Grants and Other Receivables	15	-	478	-	493
Interest Receivable	10	-	82	-	92
	<u>10,390</u>	<u>-</u>	<u>57,821</u>	<u>6,475</u>	<u>74,686</u>
Total	<u>\$ 736,003</u>	<u>\$ 53,151</u>	<u>\$ 98,246</u>	<u>\$ 6,916</u>	<u>\$ 894,316</u>

CITY OF FORT WORTH, TEXAS
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NOTE F: CAPITAL ASSETS

Capital asset activity for Governmental Activities for the year ended September 30, 2020, was as follows:

	Balance at October 1, 2019	Increases	Decreases	CIP Placed In Service	Balance at September 30, 2020
Governmental Activities					
Capital Assets, Not Being Depreciated:					
Land/Right of Way	\$ 255,710	\$ 23,958	\$ (1,237)	\$ -	\$ 278,431
Construction in Progress	207,459	141,114	(8,896)	(177,316)	162,361
Intangibles	32,757	5,402	(2,626)	2,416	37,949
Total Capital Assets, Not Being Depreciated	495,926	170,474	(12,759)	(174,900)	478,741
Capital Assets, Being Depreciated:					
Buildings	554,269	474,932	(1,795)	24,350	1,051,756
Vehicles, Machinery and Equipment	254,007	33,326	(12,941)	2,535	276,927
Infrastructure	3,521,230	159,479	(22,022)	144,911	3,803,598
Intangibles	46,041	-	-	3,104	49,145
Total Capital Assets, Being Depreciated	4,375,547	667,737	(36,758)	174,900	5,181,426
Less Accumulated Depreciation/Amortization for:					
Buildings	246,266	22,618	(146)	-	268,738
Vehicles, Machinery and Equipment	155,023	16,379	(8,177)	-	163,225
Infrastructure	2,082,725	116,459	(1,525)	-	2,197,659
Intangibles	29,300	4,079	-	-	33,379
Total Accumulated Depreciation and Amortization	2,513,314	159,535	(9,848)	-	2,663,001
Total Capital Assets, Being Depreciated, Net	1,862,233	508,202	(26,910)	174,900	2,518,425
Governmental Activities Capital Assets, Net	\$ 2,358,159	\$ 678,676	\$ (39,669)	\$ -	\$ 2,997,166

Capital asset activity for Business-Type Activities for the year ended September 30, 2020, was as follows:

	Balance at October 1, 2019	Increases	Decreases	CIP Placed In Service	Balance at September 30, 2020
Business-Type Activities					
Capital Assets, Not Being Depreciated:					
Land/Right of Way	\$ 210,168	\$ 5,366	\$ -	\$ -	\$ 215,534
Construction in Progress	330,360	206,639	(8,941)	(101,000)	427,058
Intangibles	1,525	-	-	-	1,525
Total Capital Assets, Not Being Depreciated	542,053	212,005	(8,941)	(101,000)	644,117
Capital Assets, Being Depreciated:					
Buildings	171,608	-	-	302	171,910
Vehicles, Machinery and Equipment	381,983	7,738	(2,138)	574	388,157
Infrastructure	3,782,034	72,414	(5,372)	100,124	3,949,200
Intangibles	510	-	-	-	510
Total Capital Assets, Being Depreciated	4,336,135	80,152	(7,510)	101,000	4,509,777
Less Accumulated Depreciation/Amortization for:					
Buildings	68,628	6,099	-	-	74,727
Vehicles, Machinery and Equipment	268,458	12,688	(2,044)	-	279,102
Infrastructure	1,239,284	86,580	(4,283)	-	1,321,581
Intangibles	85	51	-	-	136
Total Accumulated Depreciation and Amortization	1,576,455	105,418	(6,327)	-	1,675,546
Total Capital Assets, Being Depreciated, Net	2,759,680	(25,266)	(1,183)	101,000	2,834,231
Business-Type Activities Capital Assets, Net	\$ 3,301,733	\$ 186,739	\$ (10,124)	\$ -	\$ 3,478,348

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

NOTE F: CAPITAL ASSETS (CONTINUED)

Depreciation and amortization expense was charged as follows for the year ended September 30, 2020:

	Depreciation and Amortization Expense
Governmental Activities	
General Government	\$ 14,163
Public Safety	11,865
Highways and Streets	106,875
Culture and Recreation	25,207
Urban Redevelopment and Housing	1,425
Total Governmental Depreciation and Amortization	<u>159,535</u>
Major Business-Type Activities	
Water and Sewer	78,834
Stormwater Utility	11,084
Nonmajor Business-Type Activities	
Municipal Airports	12,958
Municipal Parking	1,998
Solid Waste	544
Total Business-Type Depreciation and Amortization	<u>105,418</u>
Total Depreciation and Amortization Expense	<u><u>\$ 264,953</u></u>

The governmental activities depreciation and amortization expense above includes \$253,000 of depreciation expense from the Internal Service Funds.

The City implemented GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period.

CITY OF FORT WORTH, TEXAS
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NOTE G: DEBT OBLIGATIONS

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

The following is a summary of changes in long-term obligations for the year ended September 30, 2020:

	Balance at October 1, 2019	Increases	Decreases	Balance at September 30, 2020	Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 520,545	\$ 151,390	\$ 95,265	\$ 576,670	\$ 81,105
Certificates of Obligation	152,745	-	53,320	99,425	8,350
Special Tax Revenue Debt	226,115	-	440	225,675	5,325
Special Assessment Debt	17,840	-	-	17,840	675
Tax Notes*	38,300	25,115	6,525	56,890	9,780
HUD Installment Obligations	702	-	702	-	-
Lone Star Local Government Corp Obligation	31,617	-	-	31,617	-
State Obligation - City	5,546	-	465	5,081	465
State Obligation - CCPD	2,154	-	181	1,973	181
TRWD Obligation	188,857	9,436	6,581	191,712	-
ESPC Phase VII	12,650	-	1,689	10,961	1,727
Capital Leases	476	1,351	354	1,473	355
Southwest Bank Loan (LDC SW Building)	710	-	401	309	309
Net Unamortized Bond Premium/Discount	55,342	22,705	13,688	64,359	-
Compensated Absences	142,517	45,169	39,696	147,990	39,696
Arbitrage	9	-	6	3	-
Pollution Remediation Liability	3,939	1,176	-	5,115	-
Risk Management Estimated Claims Payable	32,012	72,420	71,994	32,438	15,756
Net OPEB Liability	683,063	152,476	-	835,539	-
Net Pension Liability	2,685,556	-	726,265	1,959,291	-
Total Governmental Activities	<u>4,800,695</u>	<u>481,238</u>	<u>1,017,572</u>	<u>4,264,361</u>	<u>163,724</u>
Business-Type Activities:					
Water and Sewer - Revenue Bonds	872,005	230,525	159,475	943,055	61,150
Water and Sewer - Trinity River Authority Oblig.	2,240	-	720	1,520	745
Water and Sewer - ESPC Phase V	5,830	-	1,618	4,212	1,656
Stormwater Utility - Revenue Bonds	107,465	-	4,705	102,760	4,935
Municipal Parking - General Obligation Bonds	31,155	-	1,590	29,565	1,675
Municipal Parking - Certificate of Obligation	230	-	230	-	-
Solid Waste - General Obligation Bonds	2,585	-	450	2,135	440
Net Unamortized Bond Premium/Discount	52,784	19,863	10,706	61,941	-
Compensated Absences	11,715	7,136	5,975	12,876	5,950
Landfill Closure and Postclosure Liability	10,069	1,428	-	11,497	-
Arbitrage	10	-	10	-	-
Pollution Remediation Liability	13	-	13	-	-
Net OPEB Liability	108,192	27,147	-	135,339	-
Net Pension Liability	412,722	-	112,955	299,767	-
Total Business-Type Activities	<u>1,617,015</u>	<u>286,099</u>	<u>298,447</u>	<u>1,604,667</u>	<u>76,551</u>
Total Long-Term Liabilities	<u>\$ 6,417,710</u>	<u>\$ 767,337</u>	<u>\$ 1,316,019</u>	<u>\$ 5,869,028</u>	<u>\$ 240,275</u>

*Direct borrowings and direct placements.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

NOTE G: DEBT OBLIGATIONS (CONTINUED)

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

Governmental Activities long-term debt is summarized as follows:					
	Interest Rate %	Year of Issue	Year of Maturity	Original Amount	Amount Outstanding
General Obligation Bonds:					
Series 2011 Refunding	2.0-5.0	2011	2023	\$ 46,680	\$ 13,690
Series 2012 Refunding	2.0-5.0	2012	2032	135,485	71,125
Series 2013 Refunding	2.0-4.5	2013	2033	37,130	12,585
Series 2014 Refunding	2.2	2014	2023	35,480	11,820
Series 2015 Refunding	2.33	2015	2025	3,955	1,895
Series 2015A Refunding	3.25-5.0	2015	2035	127,725	85,795
Series 2016 Refunding	3.0-5.0	2016	2036	130,500	101,965
Series 2018	3.0-5.0	2018	2038	62,220	40,475
Series 2019	3.0-5.0	2019	2039	106,595	85,930
Series 2020 Refunding	2.0-5.0	2020	2040	151,390	151,390
Total General Obligation Bonds					576,670
Certificates of Obligation:					
Series 2012	3.0-5.0	2012	2032	85,790	49,990
Series 2013A	2.0-5.0	2013	2033	46,095	28,490
Series 2013B	2.0-4.99	2013	2033	11,140	8,110
Series 2013C	3.0-5.0	2013	2034	19,270	12,835
Total Certificates of Obligation					99,425
Special Tax Revenue Debt:					
Series 2017A	2.0-5.25	2017	2043	86,170	86,170
Series 2017B	1.719-4.238	2017	2047	140,710	139,505
Total Special Tax Revenue Debt					225,675
Special Assessment Debt:					
Series 2017 (Rock Creek)	5.0-5.125	2017	2037	12,685	12,685
Series 2018 (Rock Creek)	5.0	2018	2037	5,155	5,155
Total Special Assessment Debt					17,840
Tax Notes*:					
Series 2016	1.44	2017	2023	9,525	4,230
Series 2017	1.97	2017	2024	23,080	10,540
Series 2018	4.0-5.0	2018	2025	12,590	9,455
Series 2019	3.0-5.0	2019	2026	8,565	7,550
Series 2020	4.0-5.0	2020	2027	25,115	25,115
Total Tax Notes					56,890
					(continued)

*Direct borrowings and direct placements

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

NOTE G: DEBT OBLIGATIONS (CONTINUED)

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

Governmental Activities long-term debt is summarized as follows:					
	Interest Rate %	Year of Issue	Year of Maturity	Original Amount	Amount Outstanding
Lone Star Local Government Corp Obligation	4.75	2006	2024	31,617	31,617
State Obligation - City	0.0	2014	2031	9,307	5,081
State Obligation - CCPD	0.0	2014	2031	3,616	1,973
TRWD Obligation	0.0	2010	2031	226,000	191,712
ESPC Phase VII	2.236	2013	2026	18,443	10,961
Capital Leases	2.539-3.59	2010	2022		1,473
Southwest Bank Loan (LDC SW Building)	2.93	2014	2021	2,689	309
Net Unamortized Bond Premium/Discount	N/A	N/A	N/A	-	64,359
Compensated Absences	N/A	N/A	N/A	-	147,990
Arbitrage	N/A	N/A	N/A	-	3
Pollution Remediation Liability	N/A	N/A	N/A	-	5,115
Risk Management Estimated Claims Payable	N/A	N/A	N/A	-	32,438
Net OPEB Liability	N/A	N/A	N/A	-	835,539
Net Pension Liability	N/A	N/A	N/A	-	1,959,291
Total Governmental Activities Long-Term Debt					<u>\$ 4,264,361</u>
					(concluded)

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

The City's outstanding Tax notes from Direct Borrowings and Direct Placements related to Governmental Activities of \$56,890,000 contain a provision that in an event of default, outstanding amounts become immediately due if the City is unable to make payment.

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

NOTE G: DEBT OBLIGATIONS (CONTINUED)

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

Business-Type long-term debt is summarized as follows:					
	<u>Interest Rate %</u>	<u>Year of Issue</u>	<u>Year of Maturity</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>
Water and Sewer:					
Revenue Bonds:					
Series 2009 TWDB*	0.0	2009	2030	\$ 16,265	\$ 8,030
Series 2011 Refunding	2.0-5.0	2011	2031	151,160	80,590
Series 2012 Refunding	2.0-5.0	2012	2025	31,155	15,900
Series 2014 Refunding	2.0-5.0	2014	2034	171,415	105,595
Series 2015 Revenue (Clean Water SRF) TWDB*	0.0-2.04	2015	2035	39,000	29,820
Series 2015A Refunding	3.125-5.0	2015	2035	126,615	105,390
Series 2015B Refunding TWDB*	0.19-2.20	2016	2030	13,000	9,025
Series 2016 Refunding	2.0-5.0	2016	2046	75,890	61,780
Series 2017 Revenue (Clean Water SRF) TWDB*	0.0-1.7	2017	2047	16,045	14,620
Series 2017A Refunding	3.125-5.0	2017	2047	111,600	91,975
Series 2017B Revenue TWDB*	0.58-2.05	2018	2032	63,000	51,525
Series 2018	3.25-5.0	2018	2048	47,475	46,160
Series 2019	3.0-5.0	2019	2049	93,340	92,120
Series 2020 TWDB*	0.0-0.54	2020	2040	62,725	62,725
Series 2020A Refunding	2.0-5.0	2020	2050	167,800	167,800
Total Revenue Bonds					<u>943,055</u>
Trinity River Authority Obligation:					
Series 2011 Refunding	2.0-4.0	2011	2022	6,795	1,520
ESPC Phase V	2.34	2012	2023	15,365	4,212
Total Water and Sewer					<u>948,787</u>
Stormwater Utility:					
Revenue Bonds:					
Series 2011	2.0-5.0	2011	2036	78,325	57,995
Series 2016 Refunding	2.0-5.0	2016	2033	17,505	15,060
Series 2019 Refunding	3.0-5.0	2019	2035	31,015	29,705
Total Stormwater Utility					<u>102,760</u>
Municipal Parking:					
General Obligation Bonds:					
Series 2016 Refunding	4.0-5.0	2016	2033	34,445	29,565
Total Municipal Parking					<u>29,565</u>
Solid Waste:					
General Obligation, Series 2015 Refunding	2.33	2015	2025	4,465	2,135
Net Unamortized Bond Premium/Discount	N/A	N/A	N/A	-	61,941
Compensated Absences	N/A	N/A	N/A	-	12,876
Landfill Closure and Postclosure Liability	N/A	N/A	N/A	-	11,497
Net OPEB Liability	N/A	N/A	N/A	-	135,339
Net Pension Liability	N/A	N/A	N/A	-	299,767
Total Business-Type Long-Term Debt					<u>\$ 1,604,667</u>
*Texas Water Development Board					

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

NOTE G: DEBT OBLIGATIONS (CONTINUED)

G.2. GOVERNMENTAL ACTIVITIES' DEBT

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

General Obligation Bonds and Certificates of Obligation indentures require the City to levy the tax required to fund interest and principal at maturity or at least 2 percent of the outstanding principal, whichever is greater. At September 30, 2020, the Debt Service Fund held \$47,003,482 and \$6,176,312 of cash and investments to service General Obligation Bonds/Certificates of Obligation and for Special Tax Revenue Debt, respectively, for governmental activities.

On April 24, 2020, the City had a partial cash defeasance of General Obligation Bonds, Series 2012 of \$20,230,000. The City utilized excess debt service fund balance to establish an escrow account for the outstanding tax supported debt. The cash defeasance resulted in an economic gain of \$3,161,693 and a book gain of \$79,125.

On July 14, 2020, the City issued \$25,115,000 of Tax Notes, Series 2020 for the construction of public works and the purchase of materials, supplies, equipment, machinery, buildings, lands, and rights-of-way. These notes will mature beginning March 1 of each year from 2021 to 2027 in installments ranging from \$3,025,000 to \$4,130,000. Interest is payable on March 1 and September 1 of each year commencing March 2021, with interest rates ranging from 4.0 to 5.0 percent.

On July 14, 2020, the City issued General Obligation Refunding Bonds, Series 2020 in the amount of \$151,390,000 to current refund \$48,810,000 of existing General Obligation Bonds, Series 2010 and Certificates Bonds, Series 2009, 2010, and 2010A and to fund projects within the 2018 bond program to include: streets and mobility infrastructure; parks and recreation; library; fire safety; animal care and control; and police facility. The bonds will mature beginning March 1 of each year from 2021 to 2040 in installments ranging from \$4,285,000 to \$33,465,000. Interest is payable on March 1 and September 1 of each year commencing September 2020, with interest rates ranging from 2.0 to 5.0 percent. The City deposited the refunding proceeds in the Bank of Texas Escrow Fund to defeased the debt, which covered the \$48,810,000 principal and \$749,590 in interest. As a result, the refunded bonds are considered to be defeased, and the liability is not reflected in the Statement of Net Position. The current refunding resulted in a reduction of principal and interest payments of \$7,072,685 over the life of the bonds. This refunding resulted in an economic gain (the difference between the present value of the old and new debt service payments) of \$6,744,292 and a book loss of \$315,206.

In FY2011, Taxing Increment Reinvestment Zone No. 9 (TIRZ #9) entered into an agreement with the Tarrant Regional Water District (TRWD) for the work related to the Trinity River Vision project. This agreement stipulates that the City's total liability is capped at \$320,000,000, but this liability cannot exceed \$226,000,000 during any given year. During FY2020, TIRZ #9 made repayments of \$6,581,000, and borrowed an additional \$9,436,000 from TRWD. At September 30, 2020, \$191,712,000 remains outstanding.

As of September 30, 2020, the following bonds were authorized but not issued:

General Obligation Bonds	Date Authorized	Amount Authorized	Amount Unissued
2018 Bond Program	5/5/2018	\$ 399,500	\$ 249,500

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

G.2 GOVERNMENTAL ACTIVITIES' DEBT (CONTINUED)

The City is responsible for environmental cleanup of hazardous substances, such as asbestos remediation on City-owned buildings funded by the Environmental Protection Capital Projects Fund. The City is required to report the estimated liability for pollution remediation activities in accordance with GAAP. As of September 30, 2020, the City's liability was \$5,115,000 for the Environmental Protection Capital Project Fund. The City's estimated outlays for the cleanup were generated using the expected cash flows technique. The amount of the estimated pollution remediation liability is based on the assumption that there will be no significant additional cost for providing these cleanup services. These estimates are subject to changes as a result of price increases, changes in technology, and new laws and regulations.

G.3. COMMERCIAL PAPER PROGRAM

On December 5, 2017, the City authorized the ordinance and related agreements allowing the implementation of a replacement liquidity program offered through J.P. Morgan Securities LLC. In conjunction with the execution of the commercial paper (CP) program, a supplement ordinance authorized Water and Sewer System CP Notes with a maximum aggregate principal amount of \$150,000,000. The callable CP may be issued without the need for bank liquidity support and is structured in a manner that upon initial issuance, the callable CP will have an original call date between three and 120 business days. As is customary for commercial paper products, the maturity date will not be greater than 270 days from the date of issuance. The current intent is to utilize the CP program as appropriation authority only. No commercial paper was issued during the fiscal year ended September 30, 2020.

G.4. ENTERPRISE DEBT

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

In accordance with the revenue bond ordinances, a reserve for debt service is maintained. At September 30, 2020, \$60,151,189 of cash and investments was available for principal and interest payments on all Enterprise Fund debt. The substituted surety bonds Water and Sewer Fund were refunded on July 15, 2020, no longer outstanding, and did not require any reserve to be held in the event there are insufficient amounts on deposit to make debt service payments.

On March 26, 2020, the City issued \$62,725,000 of Water and Sewer System Revenue Bonds, Series 2020 to fund improvements and extensions to the Water and Sewer System. The bonds will mature on February 15 of each year from 2021 to 2040 in installments ranging from \$3,115,000 to \$3,215,000. Interest is payable on February 15 and August 15 of each year commencing August 2020 at interest rates ranging from 0.00 to 0.54 percent.

On April 24, 2020, the City had a partial cash defeasance of Water and Sewer System Revenue Bonds, Series 2010C of \$11,750,000. The City utilized excess debt service fund balance to establish an escrow account for the outstanding tax supported debt. The cash defeasance resulted in an economic gain (the difference between the present value of the old and new debt service payments) of \$1,810,876 and a book gain of \$58,889.

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

NOTE G: DEBT OBLIGATIONS (CONTINUED)

G.4. ENTERPRISE DEBT (CONTINUED)

On July 15, 2020, the City issued Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2020A in the amount of \$167,800,000 to current refund \$87,770,000 of existing Water and Sewer Bonds, Series 2007A, 2007B, 2010A, 2010B, and 2010C and to fund new capital projects in alignment with the Water and Sewer System's Capital Improvement plan. The bonds will mature on February 15 of each year from 2021 to 2050 in installments ranging from \$2,910,000 to \$12,565,000. Interest is payable on February 15 and August 15 of each year commencing February 2021 at interest rates ranging from 2.0 to 5.0 percent. The City deposited the refunding proceeds in the Bank of Texas Escrow Fund to defease the debt that covered the \$87,770,000 principal and \$1,101,764 in interest. As a result, the refunded bonds are considered defeased, and the liability is not reflected in the Statement of Net Position. The current refunding resulted in a reduction of principal and interest payments of \$9,192,065 over the bonds' life. This refunding resulted in an economic gain (the difference between the present value of the old and new debt service payments) of \$7,394,476 and a book loss of \$591,324.

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

For the year ended September 30, 2020, net pledged revenue by fund was as follows:

Fund	2020 Net Pledged Revenues	2020 Debt Service	Purpose of Debt
Water and Sewer Fund	\$ 229,887	\$ 91,309	<i>Extending and improving water and sewer system</i>
Stormwater Utility Fund	26,774	8,795	<i>Improvements to storm drains, roadways, and erosion protection</i>
Municipal Parking Fund	1,598	3,208	<i>Construction of City-owned parking garages</i>
Solid Waste Fund	4,679	505	<i>Improvements to the eastside landfill</i>
Total	<u>\$ 262,938</u>	<u>\$ 103,817</u>	

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

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

The City is responsible for the environmental cleanup of Riverside Park funded by the Water and Sewer Fund. The cleanup effort for this project has been completed and is awaiting final approval from Texas Commission on Environmental Quality. The City is required to report the estimated liability for pollution remediation activities in accordance with GAAP, and there is no outstanding liability as of September 30, 2020. The City's estimated outlays for the cleanup were generated using the expected cash flows technique. The amount of the estimated pollution remediation liability assumes that there will be no major increases in the cost of providing these cleanup services. These estimates are subject to changes as a result of price increases, changes in technology, and new laws and regulations.

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

NOTE G: DEBT OBLIGATIONS (CONTINUED)

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

The annual requirements to amortize all Governmental Activities bonded and contractual debt outstanding as of September 30, 2020, is as follows:

Governmental Activities:								
Year Ending September 30,	General Obligation Bonds		Certificates of Obligation		Special Tax Revenue Debt		Special Assessment Debt	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 81,105	\$ 22,964	\$ 8,350	\$ 3,996	\$ 5,325	\$ 9,599	\$ 675	\$ 898
2022	54,960	20,147	8,360	3,628	5,480	9,445	710	864
2023	52,775	17,755	8,015	3,256	5,660	9,269	750	829
2024	45,400	15,440	7,660	2,877	5,845	9,078	790	791
2025	45,650	13,181	7,685	2,523	6,070	8,854	830	752
2026-2030	158,970	37,711	38,835	7,951	34,275	40,350	4,835	3,094
2031-2035	87,435	14,407	20,520	1,159	42,350	32,267	6,255	1,747
2036-2040	50,375	2,999	-	-	52,285	21,706	2,995	231
2041-2045	-	-	-	-	52,300	8,626	-	-
2046-2050	-	-	-	-	16,085	689	-	-
	<u>\$ 576,670</u>	<u>\$ 144,604</u>	<u>\$ 99,425</u>	<u>\$ 25,390</u>	<u>\$ 225,675</u>	<u>\$ 149,883</u>	<u>\$ 17,840</u>	<u>\$ 9,206</u>

Governmental Activities: (continued)						
Year Ending September 30,	Tax Notes		State Obligation - City		State Obligation - CCPD	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 9,780	\$ 2,213	\$ 465	\$ -	\$ 181	\$ -
2022	10,265	1,734	465	-	181	-
2023	10,635	1,375	465	-	181	-
2024	9,555	1,013	465	-	181	-
2025	7,180	653	465	-	181	-
2026-2030	9,475	443	2,329	-	902	-
2031-2035	-	-	427	-	166	-
	<u>\$ 56,890</u>	<u>\$ 7,431</u>	<u>\$ 5,081</u>	<u>\$ -</u>	<u>\$ 1,973</u>	<u>\$ -</u>

Governmental Activities: (concluded)				
Year Ending September 30,	ESPC Phase VII		Total Governmental Activities	
	Principal	Interest	Principal	Interest
2021	\$ 1,727	\$ 231	\$ 107,608	\$ 39,901
2022	1,766	192	82,187	36,010
2023	1,806	152	80,287	32,636
2024	1,847	111	71,743	29,310
2025	1,880	70	69,941	26,033
2026-2030	1,935	16	251,556	89,565
2031-2035	-	-	157,153	49,580
2036-2040	-	-	105,655	24,936
2040-2044	-	-	52,300	8,626
2045-2047	-	-	16,085	689
	<u>\$ 10,961</u>	<u>\$ 772</u>	<u>\$ 994,515</u>	<u>\$ 337,286</u>

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

NOTE G: DEBT OBLIGATIONS (CONTINUED)

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

The Lone Star Local Government Corporation (a blended component unit) entered into an agreement with Cabela's Fort Worth facility to finance the public Museum facilities and certain other public work and improvement projects near the site. Annual payments are made from property tax increment revenues from Taxing Increment Reinvestment Zone #10. Lone Star Local Government Corporation is obligated for tax increment revenues collected through 2024, with the total principal payment price not to exceed \$31,617,000. The obligation is payable solely from the incremental taxes. Incremental taxes were projected to produce 100 percent of the debt service requirements over the life of the contract. The total remaining principal on the contract is \$31,617,000 and a total compounded interest as of September 30, 2020, is \$22,683,533 payable through 2024. The interest rate for this agreement is 4.75 percent.

The annual requirements to amortize all Major Fund Business-Type Activities bonded and contractual debt outstanding as of September 30, 2020, is as follows:

Major Business-Type Activities:											
Year Ending September 30,	Water and Sewer Revenue Bonds		Water and Sewer Trinity River Auth.		Water and Sewer ESPC Phase V		Stormwater Utility Revenue Bonds		Total Major Business-Type Activities		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2021	\$ 61,150	\$ 34,167	\$ 745	\$ 34	\$ 1,656	\$ 84	\$ 4,935	\$ 3,862	\$ 68,486	\$ 38,147	
2022	60,510	31,118	775	12	1,695	45	5,155	3,624	68,135	34,799	
2023	59,930	28,663	-	-	861	8	5,375	3,404	66,166	32,075	
2024	60,290	26,175	-	-	-	-	5,605	3,201	65,895	29,376	
2025	61,250	23,618	-	-	-	-	5,855	2,983	67,105	26,601	
2026-2030	239,370	86,131	-	-	-	-	33,180	11,115	272,550	97,246	
2031-2035	159,670	48,498	-	-	-	-	37,685	4,363	197,355	52,861	
2036-2040	90,480	30,577	-	-	-	-	4,970	99	95,450	30,676	
2041-2045	87,795	17,272	-	-	-	-	-	-	87,795	17,272	
2046-2050	62,610	3,590	-	-	-	-	-	-	62,610	3,590	
	<u>\$ 943,055</u>	<u>\$ 329,809</u>	<u>\$ 1,520</u>	<u>\$ 46</u>	<u>\$ 4,212</u>	<u>\$ 137</u>	<u>\$ 102,760</u>	<u>\$ 32,651</u>	<u>\$ 1,051,547</u>	<u>\$ 362,643</u>	

The annual requirements to amortize all Nonmajor Fund Business-Type Activities bonded and contractual debt outstanding as of September 30, 2020, is as follows:

Nonmajor Business-Type Activities:						
Year Ending September 30,	Municipal Parking General Obligation Bonds		Solid Waste General Obligation Bonds		Total Nonmajor Business-Type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 1,675	\$ 1,302	\$ 440	\$ 45	\$ 2,115	\$ 1,347
2022	1,760	1,216	435	34	2,195	1,250
2023	1,850	1,125	430	24	2,280	1,149
2024	1,950	1,030	420	14	2,370	1,044
2025	2,050	930	410	5	2,460	935
2026-2030	11,875	3,017	-	-	11,875	3,017
2031-2035	8,405	513	-	-	8,405	513
	<u>\$ 29,565</u>	<u>\$ 9,133</u>	<u>\$ 2,135</u>	<u>\$ 122</u>	<u>\$ 31,700</u>	<u>\$ 9,255</u>

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

NOTE G: DEBT OBLIGATIONS (CONTINUED)

G.6. ARBITRAGE

The City frequently issues bonds for capital construction projects. These bonds are subject to the arbitrage regulations. At September 30, 2020, the liabilities for a rebate of arbitrage was \$3,443 for governmental activities. This amount is included in the "Long-Term Liabilities Due in More Than One Year" on the Statement of Net Position.

G.7. LEASES

The City is also committed under capital leases for the acquisitions of one municipal building and heavy equipment. These capital leases are recorded on the government-wide statements as well as their related amortizations are included in depreciation expense. The leased building and heavy equipment had an original cost totaling \$1,351,000 and \$575,000, respectively.

The following is a summary of capital lease transactions of the City for the year ended September 30, 2020:

Capital Lease Obligation, October 1, 2019	\$ 476
New Capital Leases	1,351
Less: Principal Payments	(354)
Capital Lease Obligation, September 30, 2020	<u>\$ 1,473</u>

Future minimum lease payments for the leases are as follows:

Year Ending September 30,	Lease Payments
2021	\$ 414
2022	376
2023	307
2024	317
2025	215
Less: Amount Representing Interest	(156)
Present Value of Minimum Leased Payments	<u>\$ 1,473</u>

The following schedule provides an analysis of the City's investment in capital assets under the lease arrangement as of September 30, 2020:

Building	\$ 1,351
Equipment	575
Less: Accumulated Depreciation	(473)
Total Net Book Value of Leased Assets	<u>\$ 1,453</u>

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

NOTE G: DEBT OBLIGATIONS (CONTINUED)

G.7. LEASES (CONTINUED)

The City entered into operating lease agreements for the utilization of computers and related equipment, office space, vehicles, and golf carts. The lease terms range from 12 to 96 months. The following is a schedule by years of future minimum rental payments required under the operating leases as of September 30, 2020:

<u>Year Ending September 30,</u>	
2021	\$ 3,093
2022	2,766
2023	1,068
2024	835
2025	387
2026 - 2028	<u>602</u>
Total Future Minimum Rental Payments Required	<u>\$ 8,751</u>

The total rental expense for the year ended September 30, 2020, was \$5,559,000.

G.8. DEFEASANCE OF PRIOR DEBT

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

At September 30, 2020, the following outstanding bonds are considered defeased.

General Obligation Bonds and Certificates of Obligation	<u>\$ 20,230</u>
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G.9. DISCRETELY PRESENTED COMPONENT UNIT DEBT

On June 2, 2014, Terrell Homes, Ltd. (fiscal year ends December 31) obtained mortgage financing of \$2,000,000 for permanent financing of properties. The mortgage bears an interest rate of 7.0 percent. This mortgage requires monthly payments of principal and interest of \$13,306 based on a thirty-year amortization period and matures on June 2, 2029, at which time the entire unpaid principal balance and accrued interest will become due and payable. During 2019, interest expense was \$134,330. As of December 31, 2019, the unpaid principal balance was \$1,843,973, and there was no accrued interest.

In 2013, Terrell Homes, Ltd. entered into a loan agreement with the City of Fort Worth for \$900,000 for the construction and development of the 54 single-family houses (See Note A.1). The loan has a 20-year term. The loan bears a fixed interest rate of 1.0 percent. The loan will be repaid from available cash flow. During 2019, interest expense was \$9,000. As of December 31, 2019, the outstanding principal balance was \$900,000, and there was an accrued interest of \$74,426.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

NOTE H: LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

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

The City reported \$11,497,089 as landfill closure and postclosure care liability in the Solid Waste Fund at September 30, 2020. This represents the cumulative amount reported to date based on the use of 48.7 percent of the estimated current permitted capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$12,118,532 as the remaining estimated capacity is filled. The City expects to close the landfill in 22 years from the end of the current fiscal year, or the year 2042. The total closure and postclosure cost is an estimate and is subject to changes resulting from inflation, deflation, technology changes, or changes in applicable laws and regulations.

Furthermore, at September 30, 2020, the City reported cash and cash equivalents of \$3,266,800 as restricted assets for closure and postclosure care and has \$8,230,288 in a trust instrument for these costs provided from its contractor (Allied Waste, Inc. (Allied)). The City expects that future closure and postclosure care costs and inflation costs will be entirely covered by the trust instrument, in accordance with the contractual agreement with Allied. Allied will operate and close the landfill once it has reached capacity, and will maintain and monitor the landfill during the postclosure care period.

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

Plan Description

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

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

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

Plan Description (continued)

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

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

The City has received a favorable letter of determination from the Internal Revenue Service on December 8, 2014, that its Plan is qualified under Section 401(a) of the Internal Revenue Code.

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

As of January 1, 2020, the Plan's membership consisted of the following members (numbers in the following table are not in thousands):

Employees covered by benefit terms:

Pension plan membership consisted of the following:	
	January 1, 2020
Inactive employees or beneficiaries currently receiving benefits	4,583
Inactive employees entitled to, but not yet receiving benefits	1,035
Total Inactive Members	5,618
Active members	6,589
Total	12,207

Actuarial valuations are completed on a calendar year basis, and census data were not collected as of September 30, 2019 (measurement date). It is assumed that the population remains constant between December 31 and September 30.

Contributions

The City contributed 24.24% of retirement-eligible wages to the Employees' Retirement Fund for General employees and Firefighters and 24.96% for Police Officers. General employees, Firefighters and Police Officers contribute 9.35%, 12.05% and 12.53%, respectively, of retirement-eligible wages. The contribution changes that took effect in July 2019 are phased in over two years for General employees and Firefighters and three years for Police Officers.

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

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

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

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

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

Summary of Plan Provisions

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

Plan Year: Fiscal Year: Plan Status:	<i>January 1 through December 31 October 1 through September 30 Ongoing</i>
Categories of Employees: <i>Tier I</i> <i>Tier II</i>	<i>General Employees hired prior to July 1, 2011 Police Officers hired prior to January 1, 2013 Firefighters hired prior to January 10, 2015 General Employees hired on or after July 1, 2011 Police Officers hired on or after January 1, 2013 Firefighters hired on or after January 10, 2015</i>
Categories of Benefits/Service: <i>Blue</i> <i>Orange</i> <i>Gray</i>	<i>Earned prior to October 1, 2013 for Tier I General Employees and Police Officers Earned prior to January 10, 2015 for Tier I Firefighters Earned on or after October 1, 2013 for Tier I General Employees and Police Officers Earned on or after January 10, 2015 for Tier I Firefighters Earned on or after July 20, 2019 for Tier I and II General Employees, Police Officers, and Firefighters</i>
Normal Retirement: <i>Age and Service Requirements</i> <i>Amount</i> <i>Final Average Compensation</i>	<i>Age 65 and five years of Credited Service, or age plus years of Credited Service equal to 80 points ("Rule of 80"). Tier II General Employees have a minimum retirement age of 55. Police Officers are also eligible at any age with 25 years of Credited Service. 3.00% of Final Average Compensation multiplied by years of Blue Credited Service plus 2.50% of Final Average Compensation multiplied by years of Orange Credited Service 2.50% of Final Average Compensation multiplied by years of Gray Credited Service <u>Blue:</u> Average of member's highest three calendar years' earnings, including overtime <u>Orange:</u> Average of member's highest five calendar years' earnings, excluding overtime except for "built-in" overtime for Firefighters on 56-hour schedules <u>Gray:</u> Average of member's highest five calendar years' earnings, excluding overtime except for "built-in" overtime for Firefighters on 56-hour schedules and any eligible leave conversion</i>

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

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

Early Retirement: <i>Age and Service Requirements</i> <i>Amount</i> <i>Reduction</i>	<i>Age 50 (Age 55 for Tier II General Employees) and five years of Credited Service</i> <i>2.75% of Final Average Compensation multiplied by years of Blue Credited Service plus 2.25% of Final Average Compensation multiplied by years of Orange Credited Service 2.25% of Final Average Compensation multiplied by years of Gray Credited Service</i> <i>5/12% for each month the commencement date precedes the member's projected Normal Retirement date</i>
Disability (in the line of duty): <i>Age and Service Requirements</i> <i>Amount</i> <i>Minimum</i>	<i>None</i> <u>Tier I:</u> <i>2.75% of Final Average Compensation multiplied by total years of Credited Service projected to member's Normal Retirement date</i> <u>Tier II:</u> <i>2.25% of Final Average Compensation multiplied by total years of Credited Service projected to member's Normal Retirement date</i> <i>\$250 per month</i>
Disability (not in the line of duty): <i>Age and Service Requirements</i> <i>Amount</i> <i>Minimum</i>	<i>Five years of credited service</i> <i>2.75% of Final Average Compensation multiplied by years of Blue Credited Service plus 2.25% of Final Average Compensation multiplied by years of Orange Credited Service 2.25% of Final Average Compensation multiplied by years of Gray Credited Service</i> <i>None</i>
Vesting: <i>Age Requirement</i> <i>Service Requirement</i> <i>Amount</i> <i>Normal Retirement Age</i>	<i>None</i> <i>Five years of Credited Service</i> <i>Normal pension accrued, based on Credited Service at termination</i> <i>Age 65, or age plus years of Credited Service projected to Normal Retirement date equal to 80 points</i>
Termination Benefits: <i>Age and Service Requirements</i> <i>Amount</i>	<i>None</i> <i>A member with fewer than five years of Credited Service who withdraws from the plan is eligible to receive a refund of contributions accumulated with 5.25% interest, compounded annually while an active member. A member who terminates with five or more years of Credited Service is entitled to a Vested Pension but may receive a refund of contributions with 5.25% interest, compounded annually while an active member, instead of the Vested Pension.</i>

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

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

Spouse's Pre-Retirement Death Benefit (death in the line of duty): <i>Age and Service Requirements</i> <i>Amount</i> <i>Minimum</i> <i>Child Benefits</i>	<i>None</i> <u>Tier I:</u> 75% of the Normal Retirement benefit, based on a 3.00% multiplier and with years of Credited Service projected to the member's Normal Retirement Date. <u>Tier II:</u> 75% of the Normal Retirement benefit, based on a 2.50% multiplier and with years of Credited Service projected to the member's Normal Retirement Date. \$250 per month Each dependent child under 18 receives \$100 per month; if there is no surviving spouse, the children share equally in the 75% survivor amount (not less than \$250 per child)																
Spouse's Pre-Retirement Death Benefit (death not in the line of duty): <i>Age and Service Requirements</i> <i>Amount</i> <i>Minimum</i> <i>Child Benefits</i>	<i>Five years of Credited Service</i> <u>Tier I:</u> 75% of the accrued benefit at death, calculated as 2.75% of Final Average Compensation multiplied by years of Blue Credited Service plus 2.25% of the Final Average Compensation multiplied by years of Orange and Gray Credited Service <u>Tier II:</u> 75% of the accrued benefit at death, calculated as 2.25% of the Final Average Compensation Base multiplied by years of Credited Service \$150 per month Each dependent child under 18 receives \$100 per month; if there is no surviving spouse, the children share equally in the 75% survivor amount (not less than \$150 per child)																
Post-Retirement Death Benefit:	<i>If married, pension benefits are paid in the form of a 75% joint and survivor annuity unless this form is rejected by the participant and spouse. For Tier II, if the member elects a joint survivor benefit, the retirement benefit is actuarially reduced to reflect the joint and survivor coverage.</i>																
Contributions: <i>Member contributions</i>	<table><tr><td></td><td><u>Prior January 2020</u></td><td><u>January 2020</u></td><td><u>January 2021</u></td></tr><tr><td>General*</td><td>9.35%</td><td>9.35%</td><td>9.35%</td></tr><tr><td>Police</td><td>10.53%</td><td>12.53%</td><td>13.13%</td></tr><tr><td>Fire</td><td>10.05%</td><td>12.05%</td><td>12.05%</td></tr></table> <i>* General employees also contribute an additional 0.7% of pay for a period equal to their individual blue service (July 2019).</i>		<u>Prior January 2020</u>	<u>January 2020</u>	<u>January 2021</u>	General*	9.35%	9.35%	9.35%	Police	10.53%	12.53%	13.13%	Fire	10.05%	12.05%	12.05%
	<u>Prior January 2020</u>	<u>January 2020</u>	<u>January 2021</u>														
General*	9.35%	9.35%	9.35%														
Police	10.53%	12.53%	13.13%														
Fire	10.05%	12.05%	12.05%														
<i>City contributions</i>	<i>The City contributed 24.24% of retirement-eligible wages to the Employees' Retirement Fund for General employees and Firefighters and 24.96% for Police Officers. General employees, Firefighters and Police Officers contribute 9.35%, 12.05% and 12.53%, respectively, of retirement-eligible wages.</i>																

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

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

Overtime Contribution Account:	<p>Only available for General Employees hired after July 1, 2011, and prior to January 1, 2013. Member contributions made for overtime worked in that period are credited to the Overtime Contribution Account. Upon retirement, the member is entitled to a refund of this account with 5.25% interest, compounded annually. The City will match 100% of the balance of the account. Upon termination, the member is entitled to a refund of this account with 5.25% interest, compounded annually.</p>															
Cost-of-Living Adjustments (COLA): <i>Ad-Hoc COLA Program</i>	<p>In general, pensioners and vested members who elected the Ad-Hoc COLA Program, nonvested members as of January 1, 2008, and Tier I members who were hired after January 1, 2008, are participants in the Ad-Hoc COLA program. However, a one-time election was available to Ad-Hoc COLA program participants to switch to a 2% guaranteed COLA. The election window for General Employees, Police Officers and Firefighters not included in the 2010 bargaining agreement was in the fourth quarter of 2013. The election window for remaining Firefighters was in the fourth quarter of 2014.</p> <p>Participants in the program who retire prior to September 30 of the preceding year may receive a compound COLA on Blue service benefits. The amount of the COLA is determined based on the prior year's valuation results. The initial COLA percentage is determined by selecting the appropriate percentage from the following table based on the Fund's Funding Period:</p> <table><tr><td><u>Tier</u></td><td><u>Funding Period</u></td><td><u>COLA Percentage Increase</u></td></tr><tr><td>#1</td><td>28.1 or greater</td><td>0.0%</td></tr><tr><td>#2</td><td>24.1 to 28.0</td><td>2.0%</td></tr><tr><td>#3</td><td>18.1 to 24.0</td><td>3.0%</td></tr><tr><td>#4</td><td>18.0 or less</td><td>4.0%</td></tr></table> <p>Next, the initial COLA percentage is applied to the benefits of the participants of the program to determine the increase in the liability. Using the new liability the Funding Period is recalculated. If the tier of the Funding Period does not change, then the initial COLA percentage will be the proposed percentage for the following January 1. However, if the tier does change, then the COLA percentage is changed to the percentage shown in the new tier. Then the liability and Funding periods are recalculated to check that the tier does not change. This process is repeated until the proposed COLA percentage does not change the Tier of the Funding Period.</p> <p><i>2% Guarantee</i></p> <p>Vested members hired before January 1, 2008, who elected the 2% Guaranteed COLA, and also those who elected to opt out of the Ad-Hoc COLA program, receive a simple COLA of 2% of their Base Pension Amount every January 1. All Orange service benefits of Tier I employees also receive a 2% simple COLA.</p> <p><i>None</i></p> <p>Tier II participants are not eligible for a COLA.</p>	<u>Tier</u>	<u>Funding Period</u>	<u>COLA Percentage Increase</u>	#1	28.1 or greater	0.0%	#2	24.1 to 28.0	2.0%	#3	18.1 to 24.0	3.0%	#4	18.0 or less	4.0%
<u>Tier</u>	<u>Funding Period</u>	<u>COLA Percentage Increase</u>														
#1	28.1 or greater	0.0%														
#2	24.1 to 28.0	2.0%														
#3	18.1 to 24.0	3.0%														
#4	18.0 or less	4.0%														

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

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

Deferred Retirement Option Program (DROP): <i>Eligibility</i> <i>DROP Enrollment</i> <i>Amount</i> <i>Contributions</i>	<i>Participants eligible for Normal Retirement may elect to enroll in DROP.</i> <i>A member may participate in DROP for up to 72 months. There is no minimum length of time a member must stay in the DROP. A member who elects a DROP must stay in the DROP for at least two years to be eligible for a retroactive cost-of-living increase at the time of actual retirement.</i> <i>Enrollment in DROP freezes a member's Credited Service and Final Average Compensation for purposes of calculating the monthly annuity. The DROP provides a lump sum payment for the number of months enrolled based on the monthly annuity calculated at the member's DROP enrollment date.</i> <i>Member and employer contributions continue during the DROP period but are not credited to the member's DROP account.</i>
Changes in Plan Provisions:	<i>There have been no changes in plan provisions since the last valuation.</i>

Summary of Plan Provisions (continued)

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

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

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

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

Funding Policy

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

<u>Year Ended September 30,</u>	<u>Actuarially Determined Contributions</u>	<u>Contributions in Relation to the Actuarially Determined Contributions</u>	<u>Contribution Deficiency</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2019	\$ 136,168	\$ 113,110	\$ 23,058	\$ 481,898	23.47%
2020	\$ 160,159	\$ 124,744	\$ 35,415	\$ 524,728	23.77%

Actuarial Methods and Assumptions

The following are the significant actuarial assumptions used for the January 1, 2019, actuarial valuation:

Valuation date	<i>January 1, 2019</i>
Actuarial cost method	<i>Entry Age Normal</i>
Amortization method	<i>Level Percentage of Payroll, Open</i>
Remaining amortization period	<i>30 years as of January 1, 2019</i>
Asset valuation method	<i>Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.</i>
Actuarial assumptions:	
Investment rate of return	<i>7.00% , including inflation, net of all expenses</i>
Inflation rate	<i>2.55%</i>
Projected salary increases	<i>3.25% - 28.25%</i>
Cost-of-living adjustments	<i>0.00% - 2.00%*</i>
Payroll growth rate	<i>3.00% per annum, used to amortize unfunded actuarial accrued liabilities</i>
Retirement rates	<i>The retirement rates were set by the Fund's actuary based on a study of experience for 2013-2015. The rates for all employees are age-related. General employees have some assumed probability of retirement prior to eligibility for an unreduced pension, whereas the public safety employees are assumed to wait until full benefits are payable.</i>
Mortality	<i>PubG-2010 Healthy Retiree Mortality Table for General Employees and PubS-2010 Healthy Retiree Mortality Table for Police Officers and Firefighters. Generational mortality improvements from the year 2010 using the ultimate mortality improvement rates in the MP tables.</i>

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

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

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

Actuarial Methods and Assumptions (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2019, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Global Equity	40%	5.58%
Fixed income	19%	1.68%
Real return	3%	4.41%
Real estate	12%	4.62%
Absolute return	15%	3.09%
Private equity	10%	7.00%
Cash	1%	0.50%
Total	100%	

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

Discount Rate

The blended discount rate used to measure the total pension liability is 7.00%. The projection of cash flows used to determine the discount rate assumed City and plan member contributions will be made at the current contribution rates: 24.24% from the City for General employees and Firefighters, and 24.96% from the City to the members for Police Officers. The City is assumed to continue to contribute to Tier I employees on total pay, including overtime. City contributions for Tier II employees are on base pay, which excludes overtime other than built-in overtime for Firefighters. All members are assumed to contribute as a percentage of base pay. Based on these assumptions, the Retirement Fund's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. The long-term expected rate of return on Retirement Fund investments was therefore applied to projected benefit payments through the period that benefits are projected to be paid.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

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

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

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

Pension Expense for the year ended September 30, 2020, was as follows:

Service cost	\$	111,951
Interest on total pension liability (TPL)		290,021
Employee contributions		(40,635)
Administrative expenses		5,707
Current-Period Benefit Changes		(1,543,332)
Expected return on assets		(159,931)
Expensed portion of current year period differences between expected and actual experience in TPL		(3,133)
Expensed portion of current year period assumption changes		90,914
Expensed portion of current year period differences between projected and actual investment earnings		18,440
Current year recognition of deferred inflows and outflows established in prior years		195,021
Total pension expense	\$	<u>(1,034,977)</u>

For the year ended September 30, 2020, the City reported the following Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Pension Liability related to pensions. The following amounts have been allocated to Governmental Activities and Business-Type Activities on the Statement of Net Position, see the table below:

	Governmental Activities	Business-Type Activities	Total
Deferred Outflows of Resources			
Pension contributions made after the measurement date	\$ 107,915	\$ 16,543	\$ 124,458
Differences between expected and actual experience	118,488	17,741	136,229
Net difference between projected and actual earnings on pension plan investments	45,059	7,128	52,187
Changes in assumptions	733,597	113,362	846,959
Total Deferred Outflows of Resources	\$ 1,005,059	\$ 154,774	\$ 1,159,833
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ 14,852	\$ 2,305	\$ 17,157
Changes in assumptions	238,171	35,674	273,845
Total Deferred Inflows of Resources	\$ 253,023	\$ 37,979	\$ 291,002
Net Pension Liability	\$ 1,959,291	\$ 299,767	\$ 2,259,058

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

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

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

\$124,458,000 reported as Deferred Outflows for pension contributions made after the measurement date will be recognized as a deduction of the net pension liability in the year ending September 30, 2021. For the year ended September 30, 2020, the City reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:		
2021	\$	281,521
2022		223,808
2023		71,019
2024		89,023
2025		79,002
Total	\$	<u>744,373</u>

Changes in Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at September 30, 2019	\$ 5,422,613	\$ 2,324,335	\$ 3,098,278
Changes for the year:			
Service cost	111,951	-	111,951
Interest	290,021	-	290,021
Differences between expected and actual experience	(18,487)	-	(18,487)
Changes of assumptions	536,394	-	536,394
Change of benefit terms	(1,543,332)	-	(1,543,332)
Contributions - employer	-	113,110	(113,110)
Contributions - employee	-	40,635	(40,635)
Net investment income	-	67,729	(67,729)
Benefit payments, including refunds of employee contributions	(227,239)	(227,239)	-
Administrative expenses	-	(5,707)	5,707
Net changes	<u>(850,692)</u>	<u>(11,472)</u>	<u>(839,220)</u>
Balances at September 30, 2020	<u>\$ 4,571,921</u>	<u>\$ 2,312,863</u>	<u>\$ 2,259,058</u>

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

The following presents the Net Pension Liability of the City Plan, calculated using the discount rate of 7.00%, as well as what the City Plan's Net Pension Liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.00%) or one-percentage-point higher (8.00%) than the current discount rate:

1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
\$ 2,833,951	\$ 2,259,058	\$ 1,783,481

Note: The balances as of September 30, 2019, constitute measurements of the Net Pension Liability for the fiscal year ended September 30, 2020.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

NOTE J: EMPLOYEE BENEFITS

J.1. POSTEMPLOYMENT BENEFITS

Plan Descriptions

In addition to the pension benefits described in Note I, the City provides postemployment health care benefits, established under the legal authority of the City Charter and administered by the City. The City provides two single-employer defined other postemployment benefit plans: Retiree Healthcare Trust Fund and Fort Worth Firefighters Healthcare Trust.

As of September 1, 2019, the Fort Worth Firefighters Healthcare Trust split from the rest of the City's Retiree Healthcare Trust Fund. All current and future Firefighter retirees are covered under that separate plan. However, because of the limited claims experience under that plan, their claims cost was assumed to be the same as the rest of the City. All other assumptions (mortality, turnover, retirement rates, eligibility) were assumed to remain the same. The actuarial assets and liabilities were valued separately and then combined with the Retiree Healthcare Trust Fund. Therefore, amounts presented herein are the combined amounts for both Trusts.

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

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

Retiree Healthcare Trust Fund	
Condensed Schedule of Fiduciary Net Position	
Assets	
Current Assets	\$ 91,258
Liabilities	
Current Liabilities	249
Net Position	
Postemployment Healthcare Plan	91,009
Total Net Position	<u>\$ 91,009</u>
Condensed Schedule of Revenues, Expenses, and Changes in Fiduciary Net Position	
Additions	\$ 28,967
Deductions	22,686
Change in Net Position	6,281
Net Position, Beginning of Year	84,728
Net Position, End of Year	<u>\$ 91,009</u>

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

NOTE J: EMPLOYEE BENEFITS (CONTINUED)

J.1 POSTEMPLOYMENT BENEFITS (CONTINUED)

Plan Descriptions (continued)

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

Retiree health care benefits cannot be accessed until the employee retires. However, for employees who terminated on or before September 30, 2014, and are vested in the City's retirement plan, health care benefits may continue, until the employee retires, by paying the full cost of coverage. For employees who terminated on or after October 1, 2014, and are vested in the City's retirement plan, health care benefits are only covered if the employee retires/begins receiving retirement benefits at the time of separation from the City (with exceptions noted above based on hire date). For all other employees who terminate without retirement, health care benefits continue for one month after termination. At that time the former employee has continuation rights to health insurance coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985. In accordance with GAAP, the City will perform actuarial studies each year. The actuarial information presented in Note J and the required supplementary information represent the September 30, 2019 valuation.

As of September 30, 2019 valuation date, the OPEB Plan's membership consisted of the following members (numbers in the following table are not in thousands):

Employees covered by benefit term:

OPEB plan membership consisted of the following:	September 30, 2019	
	Medical	Death Benefit
Inactive employees or beneficiaries currently receiving benefits	3,193	3,193
Active members	3,023	6,499
Total	6,216	9,692

Funding Policies

For the health care benefits and the death benefit, contractual requirements for the City are established and may be amended by the City Council. City contributions to the Retiree Healthcare Trust Fund are not legally or statutorily required. During FY2020, retirees' health insurance was provided with separate plan designs depending on whether the retiree was eligible for Medicare. The City paid for a major portion or all of the total health insurance cost for retirees depending on the retiree's date of employment or length of service and the retiree's coverage election. The City paid 30 to 50 percent of the cost for coverage for dependents and surviving spouses eligible to participate in the group plan. The remainder of the premium was paid by the retirees for their dependents or by the surviving spouse. Expenditures for postemployment health care are recognized as claims or premiums when paid. During FY2020, the cost of health care benefits for retirees, dependents, and surviving spouses was \$21,014,000 and the death benefit payments totaled \$527,000.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

NOTE J: EMPLOYEE BENEFITS (CONTINUED)

Actuarial Methods and Assumptions

The following are the significant actuarial assumptions (both trusts) used for the September 30, 2019, actuarial valuation:

Actuarial Valuation Date	<i>September 30, 2019</i>
Actuarial Cost Method	<i>Entry Age Normal</i>
Amortization Period	<i>Level Percent of Payroll, Open</i>
Remaining Amortization Period	<i>30 years as of September 30, 2019</i>
Asset Valuation Method	<i>Market Value</i>
Actuarial Assumptions:	
Investment rate of return	<i>7.00%, including inflation, net of all expenses</i>
Healthcare cost trend rate	<i>4.50 - 8.00%</i>
Inflation rate	<i>2.75%</i>
Payroll growth rate	<i>3.00%</i>
Retirement rates	<i>The retirement rates were set by the Fund's actuary based on a study of experience for 2013-2015. The rates for all employees are age-related. General employees have some assumed probability of retirement prior to eligibility for an unreduced pension, whereas the public safety employees are assumed to wait until full benefits are payable.</i>
Mortality	<i>Mortality rates were based on the RP-2014 Dynamic Table using the MP-2014 projection scale.</i>

The long-term expected rate of return on OPEB plan investments was determined using the building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of September 30, 2019, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Equity	30%	8.73%
Fixed income	65%	2.53%
Cash and Cash Equivalents	5%	(0.24)%
Total	100%	

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

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

NOTE J: EMPLOYEE BENEFITS (CONTINUED)

Discount Rate

The blended discount rate used to measure the total OPEB liability is 2.78%. The projection of cash flows used to determine the discount rate assumed City contributions equal to benefit payments as they are incurred. Based on these assumptions, the Retiree Healthcare Trust Fund's fiduciary net position was projected to be available to make projected future benefit payments for current plan members for 2.5 years. The long-term expected rate of return on Retiree Healthcare Trust Fund's investments was applied to the first 2.5 years of projected benefit payments and a 2.75% municipal bond rate was applied for all periods thereafter to determine the total OPEB liability. The 2.75% municipal bond rate is the rate for Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index". The rate is as of the last date available on or before the measurement date of September 30, 2019.

Net OPEB Liability, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

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

OPEB Expense for the year ended September 30, 2020, was as follows:

Service cost	\$	26,165
Interest on total OPEB liability (TOL)		32,803
Administrative expenses		1,711
Expected return on asset		(5,869)
Expensed portion of current year period differences between expected and actual experience in TOL		(34,239)
Expensed portion of current year assumption changes		14,202
Expensed portion of current year period differences between projected and actual investment earnings		1,085
	\$	<u>35,858</u>

For the year ended September 30, 2020, the City reported the following Deferred Outflows of Resources, Deferred Inflows of Resources, and Net OPEB Liability related to OPEB. The following amounts have been allocated to Governmental Activities and Business-Type Activities on the Statement of Net Position; see the table below:

	Governmental Activities	Business-Type Activities	Total
Deferred Outflows of Resources			
OPEB contributions made after the measurement date	\$ 21,826	\$ 3,219	\$ 25,045
Net difference between projected and actual earnings on OPEB plan investments	<u>2,550</u>	<u>421</u>	<u>2,971</u>
Differences between expected and actual experience	5,796	939	6,735
Changes in assumptions	<u>87,247</u>	<u>14,132</u>	<u>101,379</u>
Total Deferred Outflows of Resources	\$ 117,419	\$ 18,711	\$ 136,130
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ 24,423	\$ 4,108	\$ 28,531
Changes in assumptions	<u>12,836</u>	<u>2,567</u>	<u>15,403</u>
Total Deferred Outflows of Resources	\$ 37,259	\$ 6,675	\$ 43,934
Net OPEB Liability	\$ 835,539	\$ 135,339	\$ 970,878

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

NOTE J: EMPLOYEE BENEFITS (CONTINUED)

\$25,045,000 reported as Deferred Outflows for OPEB contributions made after the measurement date will be recognized as a deduction of the Net OPEB Liability in the year ending September 30, 2021. Other amounts reported as Deferred Outflows/(Inflows) of Resources will be recognized in OPEB expense as follows:

Year ended September 30:		
2021	\$	11,449
2022		53,818
2023		1,144
2024		740
Total	\$	<u>67,151</u>

Changes in the Net OPEB Liability

	Total OPEB Liability (a)	OPEB Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Beginning balances at September 30, 2018	\$ 866,980	\$ 75,725	\$ 791,255
Changes for the year::			
Service cost	26,165	-	26,165
Interest	32,803	-	32,803
Differences between expected and actual experience	10,083	-	10,083
Change in assumptions	151,407	-	151,407
Contributions - employer	-	33,144	(33,144)
Contributions - employee	-	3,814	(3,814)
Net investment income	-	5,588	(5,588)
Benefit payments	(30,222)	(30,222)	-
Administrative expense	-	(1,711)	1,711
Net Changes	190,236	10,613	179,623
Balances at September 30, 2019	<u>\$ 1,057,216</u>	<u>\$ 86,338</u>	<u>\$ 970,878</u>
Money-weighted rate of return			7.38%
Plan Fiduciary Net Position as a % of the Total OPEB Liability			8.17%

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

NOTE J: EMPLOYEE BENEFITS (CONTINUED)

Sensitivity of the Net OPEB liability to changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the Net OPEB Liability of the City, calculated using the discount rate of 2.78%, as well as what the City's Net OPEB Liability would be if it were calculated using a discount rate that is one-percentage-point lower (1.78%) or one-percentage-point higher (3.78%) than the current discount rate:

1 % Decrease (1.78%)	Current Discount Rate (2.78%)	1 % Increase (3.78%)
\$ 1,091,129	\$ 970,878	\$ 796,417

The following presents the Net OPEB Liability of the City, calculated using the healthcare cost trend rates of 8.0% decreasing to 4.5%, as well as what the City's Net OPEB Liability would be if it were calculated using healthcare cost trend rates that are one-percentage-point lower (7.0% decreasing to 3.5%) or one-percentage-point higher (9.0% decreasing to 5.5%) than the current healthcare cost trend rates:

1 % Decrease (7% to 3.5%)	Healthcare Cost Trend Rate (8% to 4.5%)	1% Increase (9% to 5.5%)
\$ 804,396	\$ 970,878	\$ 1,076,040

Note: The balances as of September 30, 2019, constitute measurements of the Net OPEB Liability for the fiscal year ended September 30, 2020.

Deferred Compensation Plan

The City offers its employees a Deferred Compensation Plan (DCP) created in accordance with Internal Revenue Code Section 457. The City's DCP, available to all regular full-time City employees, permits the deferral of income based upon guidelines published by the Internal Revenue Service. The City's DCP is administered by the Teachers Insurance and Annuity Association (TIAA). The City's DCP investments include mutual funds whose focus is on stocks, bonds, money-market-type investments, or a combination of these. Deferred compensation investments are held by outside trustees for the exclusive benefit of eligible employees and their beneficiaries and are not included in these financial statements. The deferred compensation funds are not available for employee distribution until termination, retirement, death, or unforeseeable emergency. Employees can take loans from their individual accounts of up to 50% of their account balances not to exceed \$50,000 at a fixed interest of prime rate plus 1%. The City has no responsibility for investment losses of the DCP, but does have the fiduciary responsibilities usual to the sponsor of any retirement plan.

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

NOTE K: COMMITMENTS AND CONTINGENCIES

The City has executed a long-term supply agreement with Tarrant Regional Water District (District) for all of its raw water needs whereby the City makes monthly payments to fund its water purchases. The FY2020 payments to the District under the agreement were \$70,996,218. Future payments will be a direct result of future water usage.

The City is subject to extensive and rapidly changing Federal and State environmental regulations governing wastewater discharges, solid and hazardous waste management, and site remediation and restoration activities. The City's policy is to accrue environmental and related remediation costs when it is probable that a liability has been incurred and the amount can be reasonably estimated. As discussed in Note G.2. and Note G.4., as of September 30, 2020, the City has recorded pollution remediation liabilities in the amounts of \$5,115,000 in the Environmental Protection Capital Projects Fund as required by GAAP. No other liabilities have been specifically identified, and no such costs have been accrued other than those disclosed.

The City has received Federal and State financial assistance in the form of grants and entitlements that are subject to review and audit by the grantor agencies. Such audits could result in requests for reimbursement by the grantor agency for expenditures disallowed under terms and conditions specified in the grant agreements. In the opinion of City management, such disallowances will not have a material impact on the financial statements.

The City has outstanding construction commitments of \$382,188,000 as of September 30, 2020.

Various other claims and lawsuits are pending against the City. After consultation with legal counsel, the City had potential losses from pending litigation that are reasonably possible totaling \$5,903,000 as of September 30, 2020.

On May 19, 2020, the City entered into an agreement, City Secretary Contract Number 54201 to turn over management of the Fort Worth Botanic Garden (the Garden) to Botanical Research Institute of Texas, Inc. (BRIT) for a 20-year term effective May 1, 2020 and to be fully implemented by October 1, 2020 or 90 days after COVID restrictions are lifted and the Garden reopens with general admission fees. Some of the major terms of the new agreement include: a) the City's payment of \$3.35 million in fiscal year 2021 for annual management fees and the fee for each subsequent fiscal year is subject to adjustment for inflation; b) the City's payment for supplemental management fee in the amount not to exceed \$1.36 million which was offset by corresponding reductions in the City's payroll costs as appropriated in the FY2020 approved budget for City positions previously performing transferred responsibilities; c) the City's commitment to provide up to \$17 million in debt funded capital improvements and repairs over 12 years beginning May 1, 2020 for deferred facility maintenance and an enhanced visitor experience; and d) City's transfer of vehicles, furniture, fixtures and equipment to BRIT to ensure continued operation of the Botanic Garden as a public garden.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

NOTE L: SEGMENT FINANCIAL INFORMATION

Segment financial information for the City's Municipal Parking Fund and Solid Waste Fund are presented below:

	Municipal Parking Fund	Solid Waste Fund
Condensed Statement of Net Position		
Assets		
Current Assets	\$ 1,917	\$ 23,046
Other Assets	1,750	20,847
Capital Assets	50,622	19,190
Deferred Outflows of Resources	3,563	15,150
Total Assets and Deferred Outflows of Resources	<u>57,852</u>	<u>78,233</u>
Liabilities		
Current Liabilities	2,766	8,282
Noncurrent Liabilities	33,590	48,345
Deferred Inflows of Resources	330	5,300
Total Liabilities and Deferred Inflows of Resources	<u>36,686</u>	<u>61,927</u>
Net Position (Deficit)		
Net Investment in Capital Assets	19,779	16,710
Restricted	868	1,074
Unrestricted (Deficit)	519	(1,478)
Total Net Position	<u>\$ 21,166</u>	<u>\$ 16,306</u>
Condensed Statement of Revenues, Expenses, and Changes in Net Position		
Operating Revenues	\$ 4,919	\$ 67,321
Operating Expenses	1,446	50,326
Depreciation Expenses	1,998	544
Operating Income	<u>1,475</u>	<u>16,451</u>
Nonoperating Revenues (Expenses):		
Investment Income (Loss)	171	1,233
Gain (Loss) on Sale of Property and Equipment	-	1
Interest and Service Charges	(962)	(54)
Transfers Out	(112)	(6,226)
Transfers In	-	21
Change in Net Position	<u>572</u>	<u>11,426</u>
Beginning Net Position	20,594	4,880
Ending Net Position	<u>\$ 21,166</u>	<u>\$ 16,306</u>
Condensed Statement of Cash Flows		
Net Cash Provided (Used) by:		
Operating Activities	\$ 1,408	\$ 2,384
Noncapital Financing Activities	(112)	(3,842)
Capital and Related Financing Activities	(3,806)	(3,189)
Investing Activities	180	1,261
Net Increase (Decrease)	<u>(2,330)</u>	<u>(3,386)</u>
Beginning Cash and Cash Equivalents	5,936	37,478
Ending Cash and Cash Equivalents	<u>\$ 3,606</u>	<u>\$ 34,092</u>

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

NOTE M: FORT WORTH MULTI-PURPOSE ARENA

The new Fort Worth Multi-Purpose Arena (Dickies Arena) near the City's Will Rogers complex is a state-of-the-art venue for concerts, sports, family entertainment and the Stock Show Rodeo. The Dickies Arena is the result of a pioneering partnership between the City of Fort Worth and the private sector, led by Event Facilities Fort Worth, a non-profit 501(c)(3). The Dickies Arena was completed in November 2019 and was donated to the City in April 2020. The total cost to construct the Dickies Arena was \$544,420,000, of which the City contributed \$225,000,000.

NOTE N: UNCERTAINTIES (COVID-19 IMPACT)

During March 2020, COVID-19 impacted the United States, which resulted in temporary closure of businesses, disruption of financial markets and an adverse impact to the overall United States economy. In response to COVID-19, the City continues to closely monitor its costs and revenue sources that could be adversely impacted while taking advantage of any federal and state grant opportunities available. The full extent of the operational and financial impact the COVID-19 pandemic may have on the City depends on the duration and spread of the outbreak and related advisories and restrictions that may result, all of which are highly uncertain and cannot be predicted at this time.

NOTE O: SUBSEQUENT EVENTS

The City has made modifications to the general employees and police officers leave policy beginning FY2021. For general employees, the City offers six weeks of new parental leave which is available using major medical leave starting October 1, 2020 and as a separate leave effective January 1, 2021. Additional modifications are for: a) compensatory time-exempt employees will continue to earn up to 120 hours annually and no longer have the ability to use and earn back more than 120 hours annually effective 2021, and the maximum carryover of 40 hours from one year to the next after 2021; b) major medical leave—employees will no longer accrue at the beginning of 2021 while accumulated hours earned before July 20, 2019 will remain untouched and hours earned since July 2019 will be moved to the sick leave; c) sick leave – all employees will receive 10 days annually, fixed for all years of service, and hours earned through the end of 2020 will be payable upon termination while hours earned starting in 2021 will not be payable upon termination; and d) holidays – employees will have one additional floating holiday. For police officers, the City entered into an agreement with the Fort Worth Police Officers on June 2, 2020 increasing the maximum sick leave payouts from 720 hours to 1000 hours for officers who have a minimum of 5 years of service and separate in good standing effective October 1, 2020.

On November 17, 2020, the City issued Drainage Utility System Revenue Refunding & Improvement Bonds, Series 2020 in the amount of \$103,210,000. Bond proceeds of \$53,365,000 will be used for various drainage and erosion projects throughout the City and \$49,845,000 to refund existing Drainage Utility Revenue System Revenue Bonds, Series 2011.

On December 15, 2020, the City authorized the execution of an acquisition agreement to purchase approximately 11.9 acres of land and improvements, being Lot 1R, Block 1 of the Pier 1 Addition, located at 100 Energy Way, Fort Worth, Texas (the Pier 1 Building), in the amount of \$69,500,000.00 with estimated closing costs in the amount of \$550,000.00.

On January 21, 2021, the City issued Tax Notes, Series 2021A and Tax Notes, Taxable Series 2021B for the amount of \$74,000,000 and \$26,000,000, respectively, to purchase, construct, and renovate the Pier 1 Building, which the City intends to designate as the New City Hall facility.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

NOTE P: NEW ACCOUNTING STANDARDS

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify the fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefits) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. This Statement is effective for the City's financial periods beginning October 1, 2020.

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This Statement is effective for the City's financial periods beginning October 1, 2021.

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests (an Amendment of GASB Statements No. 14 and No. 61)*. This Statement provides guidance for reporting a component unit if a government acquires a 100 percent equity interest of another legally separate entity. The objectives of this Statement are to improve consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations and improve the relevance of financial statement information for certain component units. This Statement is effective for the City's financial periods beginning October 1, 2020.

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The objectives of this Statement are to provide a single method of reporting and eliminate the option for government issuers to recognize conduit debt obligations. This Statement clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improves required note disclosures. This Statement is effective for the City's financial periods beginning October 1, 2022.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

NOTE P: NEW ACCOUNTING STANDARDS (CONTINUED)

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The objective of this Statement is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- Modifying the effective date of Statement No. 87, Leases, as well as associated implementation guidance
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefits (OPEB) plan
- Reporting assets accumulated for defined benefit postemployment benefits provided through plans that are not administered through trusts that meet specific criteria
- The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to pension and OPEB arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Nonrecurring fair value measurements
- Terminology used to refer to derivative instruments

This Statement is effective for the City's financial periods beginning October 1, 2021.

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates (IBOR)* to provide guidance to governments that have entered into agreements in which an IBOR is a benchmark for variable payments made or received from either derivative counterparties or parties associated with lease agreements. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an IBOR (as the most common IBOR, the London Interbank Offered Rate (LIBOR), is scheduled to be discontinued at the end of 2021). This Statement is effective for the City's financial periods beginning October 1, 2021.

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement requires that PPPs that meet the definition of a lease apply the guidance in Statement No. 87, Leases, as amended, if existing assets of the transferor that are not required to be improved by the operator as part of the PPP arrangement are the only underlying PPP assets and the PPP does not meet the definition of a service concession arrangement (SCA). This Statement also provides accounting and financial reporting requirements for all other PPPs: those that either (1) meet the definition of an SCA or (2) are not within the scope of Statement 87, as amended (as clarified by this Statement). This Statement is effective for the City's financial periods beginning October 1, 2022.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(000's omitted in tables)

NOTE P: NEW ACCOUNTING STANDARDS (CONTINUED)

In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides.

The effective dates of certain provisions contained in the following pronouncements that have not yet been implemented by the City are postponed as follows:

Statement No.	Title	Effective for the City's Financial Periods Beginning	
		Original	Amended
84	Fiduciary Activities	October 1, 2019	October 1, 2020
87	Leases	October 1, 2020	October 1, 2021
90	Majority Equity Interests	October 1, 2019	October 1, 2020
91	Conduit Debt Obligations	October 1, 2021	October 1, 2022
92	Omnibus 2020	October 1, 2020	October 1, 2021
93	Replacement of Interbank Offered Rates	October 1, 2020	October 1, 2021

In May 2020, GASB issued statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines SBITAs, (2) requires governments with SBITAs to recognize a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability, and (3) provides guidance related to outlays other than subscription payments, including implementation costs, and requirements for note disclosures related to a SBITA. This Statement is effective for the City's financial periods beginning October 1, 2022.

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans (an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32)*. The objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with reporting on certain employee benefit plans; and (3) improve the reporting of Section 457 deferred compensation plans that meet the definition of a pension plan, and for benefits provided through those plans. Objectives (1) and (2) of this Statement are effective immediately. Objective (3) of this Statement is effective for the City's financial periods beginning October 1, 2021.

The City has not finalized its determination of the effect that the implementation of these new accounting standards will have on the City's financial statements or disclosures, as of the date of this report.

REQUIRED SUPPLEMENTARY
INFORMATION
(UNAUDITED)

CITY OF FORT WORTH, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(in 000's)
(Unaudited)

	Budgeted Amounts		Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues and Other Financing Sources:				
Revenues:				
General Property Taxes	\$ 436,544	\$ 436,544	\$ 432,650	\$ (3,894)
Sales Taxes	172,770	172,770	166,289	(6,481)
Other Local Taxes	53,887	53,887	52,626	(1,261)
Charges for Services	42,096	42,098	37,936	(4,162)
Licenses and Permits	16,697	16,697	17,902	1,205
Fines and Forfeitures	5,550	5,550	4,414	(1,136)
Revenue from Use of Money and Property	665	665	416	(249)
Intergovernmental	373	1,255	1,797	542
Other	3,194	3,194	3,567	373
Total Revenues	<u>731,776</u>	<u>732,660</u>	<u>717,597</u>	<u>(15,063)</u>
Other Financing Sources:				
Transfers In	<u>40,162</u>	<u>40,162</u>	<u>39,000</u>	<u>(1,162)</u>
Total Revenues and Other Financing Sources	<u>771,938</u>	<u>772,822</u>	<u>756,597</u>	<u>(16,225)</u>
Expenditures:				
Departmental:				
City Attorney's Office	7,562	7,669	7,507	162
City Auditor's Office	2,139	2,139	1,937	202
City Manager's Office	9,375	11,241	10,256	985
City Secretary's Office	1,747	1,747	1,653	94
Code Compliance	23,351	23,351	20,526	2,825
Communication and Public Engagement	4,294	4,294	3,877	417
Development Services	18,179	18,179	17,435	744
Diversity and Inclusion	942	1,242	1,047	195
Economic Development	26,967	31,347	30,393	954
Financial Management Services	12,267	12,267	11,596	671
Fire	160,244	162,676	156,515	6,161
Human Resources	4,576	4,614	4,614	-
Information Technology Solutions	17,939	18,603	18,096	507
Library	23,452	23,864	19,871	3,993
Municipal Court	15,519	15,412	14,178	1,234
Neighborhood Services	10,580	10,580	9,903	677
Non-Departmental	11,488	6,154	1,145	5,009
Park and Recreation	53,195	53,195	51,750	1,445
Planning and Data Analytics	6,870	6,870	6,130	740
Police	267,160	267,377	262,451	4,926
Property Management	24,261	24,261	21,033	3,228
Transportation and Public Works	69,831	69,831	67,561	2,270
Total Expenditures	<u>771,938</u>	<u>776,913</u>	<u>739,474</u>	<u>37,439</u>
Contribution to / (Use of) Fund Balance	<u>\$ -</u>	<u>\$ (4,091)</u>	<u>\$ 17,123</u>	<u>\$ 21,214</u>

(Continued)

CITY OF FORT WORTH, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(in 000's)
(Unaudited)

	Budgeted Amounts		Budgetary Basis Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Explanation of Differences Between Budgetary Contribution to / (Use of) Fund Balance and GAAP Net Change in Fund Balance				
Contribution to / (Use of) Fund Balance (Budgetary Basis)			\$	17,123
Differences - Budgetary to GAAP:				
Current year non-budgeted transfers treated as revenues for financial reporting purposes but not as budgetary inflows.				2,467
Current year non-budgeted transfers treated as expenditures for financial reporting purposes but not as budgetary outflows.				(1,886)
Current year non-budgeted revenues treated as revenues for financial reporting purposes (due to perspective difference) but not as budgetary inflows.				2,386
Current year non-budgeted expenditures treated as expenditures for financial reporting purposes (due to perspective difference) but not as budgetary outflows.				10,274
Net Change in Fund Balance (GAAP Basis)			\$	30,364

(Concluded)

CITY OF FORT WORTH, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2020
(000's omitted in tables)

ADOPTED BUDGET

The City's framework for financial decision making is a comprehensive set of Financial Management Policy Statements. As required by the City's Charter, the City adopts an annual balanced budget for most funds (as more fully described below) which the legal level of control is at the departmental/fund level. Departments may not exceed their appropriations within any specific fund.

The City adopts annual budgets for most governmental funds, including the General Fund, the Debt Service Fund, the Crime Control and Prevention District Fund (CCPD), the Culture and Tourism Fund, the Environmental Management Fund, the Other Special Revenue Fund, the Public Improvement Districts Fund, the Golf Fund, the Botanic Gardens Fund, and the Fort Worth Tourism Public Improvement District Corporation, using the modified accrual basis of accounting except for certain revenues, expenditures, other financing sources, administrative costs, indirect costs, and transfers. Therefore, a reconciliation is presented on the Budgetary Comparisons Schedules to reconcile the Budgetary Basis Contribution to/Use of Fund Balance to the GAAP Basis Net Change in Fund Balance. Specific information on the budget for each of these funds is included as supplementary information in the Combining and Individual Fund Financial Statements and Schedules section.

Multi-year project length budgets are adopted for the City's governmental Capital Projects Fund and the Grants Fund in accordance with the City's *5-Year Capital Improvement Program* and are not presented within this document. Other multi-year budgets have been established for the Special Projects Fund, the Taxing Increment Reinvestment Zones Funds, Fort Worth Housing Finance Corporation, Fort Worth Local Development Corporation, Fort Worth Sports Authority, Lone Star Local Development Corporation, Central City Local Government Corporation, Lancaster Corridor LLC, and Alliance Airport Authority. Budgets for the Grants Fund are established pursuant to the terms of the related Federal, State, and local grant awards and are therefore considered a legally adopted budget once the specific appropriation is approved.

Prior to action taken by City Council, the CCPD Board of Directors (Board) must approve the original budget for the CCPD fund. Also, the Board, as well as the City Council, must approve any supplement or transfer of appropriation balances or portions thereof from one department to another for this fund.

The City also adopts an annual budget for most of the proprietary funds, including enterprise funds and internal service funds. Internal service funds are maintained to account for services provided primarily to departments within the City. Budgets for proprietary funds are prepared on the full accrual basis of accounting with the following exceptions:

- Changes in the fair value of investments are not treated as adjustments to revenue in the annual operating budget;
- Debt service and capital lease principal payments are treated as expenses in the annual operating budget;
- Depreciation expense is not recognized in the annual operating budget; and
- Capital purchases are recognized as expense in the annual operating budgets.

At the close of each fiscal year the appropriated balance for annually adopted budgets lapse.

CITY OF FORT WORTH, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2020
(000's omitted in tables)

BUDGETARY CONTROL

Budgetary controls begin with the City Charter requirements that the City adopt an annual balanced budget for appropriated funds by formal action. Each department is responsible for administering their respective programs and operations within the financial constraints described by the adopted budget.

The City's budget ordinance is deemed balanced when the sum of estimated revenues and appropriated fund balance/net position is equal to expenditure/expense appropriations and contributions to fund balance/net position. Operating revenues and other financing sources must fully cover operating expenditures/expenses, including debt service and other financing uses. Operating expenditures/expenses to balance the annual budget shall include that year's contribution to capital funds required to maintain existing assets. Furthermore, operating expenditures/expenses shall include the portion of funds required to maintain the viability of internal service funds or the purposes in which they were created. Finally, minimum reserve levels as outlined in the Financial Management Policy Statements must be maintained unless reserves are being used in accordance with the purposes permitted by the City's policy.

The overall budget appropriation may be increased via a supplemental appropriation ordinance that allocates funds that are certified as being in excess of those included in the budget and as being otherwise unencumbered. These amendments shall be considered and adopted by the City Council at formal business meetings, except for specific adjustments when limited authority has been delegated to the City Manager as prescribed within the adopted budget ordinance.

The City Manager may transfer part or all of any unencumbered appropriation balance among programs within a department, division, or section upon compliance with such conditions as the City Council has established. Upon request of the City Manager, the City Council may by ordinance transfer part or all of any unencumbered appropriation balance from one department to another. No such transfers shall be made of revenues or earnings of any non-tax supported public entity to any other purpose.

For the General Fund, supplemental appropriations of \$4,975,000 were approved by the City Council. The reported budgetary data includes amendments made during the year. At the close of each fiscal year, any appropriated balance in the General Fund lapses to fund balance. Multi-year project length budget appropriations are automatically carried over into the next fiscal year.

BUDGET PROCESS

The City adheres to the following procedures for establishing the operating budget:

On or before August 15 of each year, the City Manager submits to the City Council a proposed budget for the fiscal year beginning the following October 1. The operating budget includes proposed expenditures and the means of financing them. Public hearing is conducted. The budget is legally enacted by the City Council through the passage of appropriations and the tax levying ordinances prior to September 30 and is published under a separate cover.

CITY OF FORT WORTH, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
EMPLOYEES' RETIREMENT FUND
SCHEDULE OF CONTRIBUTIONS TO THE RETIREMENT FUND
– LAST TEN FISCAL YEARS
SEPTEMBER 30, 2020
(in 000's)

Year Ended September 30,	Actuarially Determined Contributions*	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll**	Contributions as a Percentage of Covered Payroll
2011	(Historical information prior to implementation of GASB 67/68 is not required)				
2012					
2013					
2014	\$ 82,938	\$ 78,165	\$ 4,773	\$ 390,128	20.0%
2015	93,563	80,821	12,742	403,772	20.0%
2016	101,340	84,747	16,593	422,977	20.0%
2017	112,185	89,408	22,777	448,313	19.9%
2018	131,766	93,504	38,262	468,803	19.9%
2019	136,168	113,110	23,058	481,898	23.5%
2020	160,159	124,744	35,415	524,728	23.8%

**The Actuarially Determined Contribution is equal to the total calculated contribution rate in the prior actuarial valuation, minus the portion expected to be covered by employee contributions, multiplied by the covered payroll. City and Member rates are established by ordinance.*

***Covered payroll is the actual payroll on which contributions are based.*

CITY OF FORT WORTH, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
EMPLOYEES' RETIREMENT FUND
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
– LAST TEN FISCAL YEARS
SEPTEMBER 30, 2020
(in 000's)

	2019	2018	2017	2016	2015	2014	2013*
Total Pension Liability							
Service Cost	\$ 111,951	\$ 113,947	\$ 123,793	\$ 98,173	\$ 85,593	\$ 92,189	
Interest	290,021	274,955	251,646	252,240	246,293	234,701	
Change of Benefit Terms	(1,543,332)	-	-	-	(1,828)	110,188	
Differences Between Expected and Actual Experience	(18,487)	62,114	186,854	4,178	(10,817)	(106,951)	
Change of Assumptions	536,394	(165,301)	(327,288)	1,022,193	364,494	-	
Benefit Payments, Including Refunds of Employee Contributions	(227,239)	(217,802)	(198,612)	(185,820)	(167,066)	(161,159)	
Net Change in Total Pension Liability	(850,692)	67,913	36,393	1,190,964	516,669	168,968	
Total Pension Liability - Beginning	<u>5,422,613</u>	<u>5,354,700</u>	<u>5,318,307</u>	<u>4,127,343</u>	<u>3,610,674</u>	<u>3,441,706</u>	
Total Pension Liability - Ending (a)	<u>\$ 4,571,921</u>	<u>\$ 5,422,613</u>	<u>\$ 5,354,700</u>	<u>\$ 5,318,307</u>	<u>\$ 4,127,343</u>	<u>\$ 3,610,674</u>	
Plan Fiduciary Net Pension							
Contributions - Employer	\$ 113,110	\$ 93,504	\$ 89,408	\$ 84,747	\$ 80,820	\$ 78,165	
Contributions - Employee	40,635	37,618	35,963	33,977	32,542	31,929	
Net Investment Income	67,729	145,408	250,913	166,306	(20,635)	159,994	
Benefit Payments, Including Refunds of Employee Contributions	(227,239)	(217,802)	(198,612)	(185,820)	(167,066)	(161,159)	
Administrative Expense	(5,707)	(4,915)	(4,867)	(4,522)	(3,823)	(3,739)	
Other	-	-	-	(241)	(143)	(130)	
Net Change in Plan Fiduciary Net Position	(11,472)	53,813	172,805	94,447	(78,305)	105,060	
Plan Fiduciary Net Position - Beginning	<u>2,324,335</u>	<u>2,270,522</u>	<u>2,097,717</u>	<u>2,003,270</u>	<u>2,081,575</u>	<u>1,976,515</u>	
Plan Fiduciary Net Position - Ending (b)	<u>\$ 2,312,863</u>	<u>\$ 2,324,335</u>	<u>\$ 2,270,522</u>	<u>\$ 2,097,717</u>	<u>\$ 2,003,270</u>	<u>\$ 2,081,575</u>	
Net Pension Liability - Ending (a) - (b)	<u>\$ 2,259,058</u>	<u>\$ 3,098,278</u>	<u>\$ 3,084,178</u>	<u>\$ 3,220,590</u>	<u>\$ 2,124,073</u>	<u>\$ 1,529,099</u>	
Plan Fiduciary Net Position as a % of the Total Pension Liability	50.59%	42.86%	42.40%	39.44%	48.54%	57.65%	
Covered Payroll	\$ 481,898	\$ 468,803	\$ 448,313	\$ 422,977	\$ 403,772	\$ 390,128	
Net Pension Liability as a % of Covered Payroll	468.78%	660.89%	687.95%	761.41%	526.06%	391.95%	

*Historical information prior to implementation of GASB 67/68 is not required.

Notes to Schedule:

Changes of assumptions each year include the change in the blended discount rate. The blended discount rates for 2014, 2015, 2016, 2017, and 2018 were 6.98%, 6.25%, 4.71%, 5.13%, and 5.35% respectively.

Benefits changes:

FY2014 - The benefits for Municipal Employees hired before July 1, 2011, and Police Officers hired before January 1, 2013 (Groups I and III) were bifurcated effective October 1, 2013. Prospectively, the benefit multiplier changed from 3.00% to 2.50% for standard pension benefits and from 2.75% to 2.25% for early retirement, non-duty death, and non-duty disability benefits. The compensation base was extended from the highest three years to the highest five years, and overtime earnings are now excluded. Benefits earned on or after October 1, 2013, are subject to an annual 2.00% simple COLA, rather than an ad-hoc COLA.

FY2015 - The benefits for Firefighters hired before January 10, 2015 (Group II) were bifurcated effective January 10, 2015. Prospectively, the benefit multiplier changed from 3.00% to 2.50% for standard pension benefits and from 2.75% to 2.25% for early retirement, non-duty death and non-duty disability benefits. The compensation base was extended from the highest three years to the highest five years, and overtime earnings are now excluded (except built-in overtime, assumed to be 6.50% of base pay). Benefits earned on or after January 10, 2015, are subject to an annual 2.00% simple COLA, rather than an ad-hoc COLA.

**CITY OF FORT WORTH, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
EMPLOYEES' RETIREMENT FUND
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
– LAST TEN FISCAL YEARS
SEPTEMBER 30, 2020
(in 000's)**

Notes to Schedule: (continued)

FY2016 - A comprehensive Actuarial Experience Review, covering the period January 1, 2013, through December 31, 2015, was completed in March 2016. As a result of that study, the following assumption changes were approved by the Retirement Board:

- The mortality assumption for active and inactive vested participants was changed from the RP-2000 Combined Healthy Mortality Table, set forward one year to the RP-2014 Employee Mortality Table.
- The post-retirement mortality assumption for healthy annuitants was changed from the RP-2000 Combined Healthy Mortality Table, set forward one year to the RP-2014 Healthy Annuitant Mortality Table, set forward three years.
- Coordinating with the mortality assumption for healthy lives, the mortality assumption for disabled retirees was changed from the RP-2000 Disabled Retiree Mortality Table, reduced by 20% for males and loaded by 50% for females to the RP-2014 Disabled Retiree Mortality Table.
- The generational projection scale was changed from Scale AA to the MP-2015 improvement scale.
- The assumption for deaths in the line of duty for Police Officers was reduced from 25% to 10% of all active deaths.
- The investment return assumption was lowered from 8.00% to 7.75%.
- Administrative expense assumption of \$3,000,000 was introduced and the inflation assumption was lowered from 3.00% to 2.75%.
- The payroll growth rate assumption (used for determining the amortization of the unfunded actuarial accrued liability) was lowered from 3.25% to 3.00%.
- While maintaining the existing service-based tables, the salary scale was adjusted to better match observed experience. The inflation component was lowered from 3.50% per year for all to 3.00% per year for General Employees and Firefighters and lowered to 2.75% per year for Police Officers.
- The retirement rates for General Employees who retire early with reduced benefits were adjusted to match observed experience.
- The unreduced retirement rates were restructured to be based on eligibility for Normal Retirement for all groups and the assumed retirement rates for non-DROP participants were updated.
- A retirement assumption for DROP participants was introduced to reflect that all DROP participants will enter at first eligibility and retire at the end of the assumed DROP period.
- The DROP utilization assumption was lowered by 5% for Police Officers and current disability rates were lowered by 50%.
- The gender-distinct five-year select-and-ultimate turnover tables were modified for General Employees with increased rates for non-vested and vested males only. The service-based withdrawal rates for Police Officers and Firefighters were lowered to reflect observed experience.
- The assumed marriage percentage assumption was lowered from 90% to 80% for males and to 60% for females.
- The spousal age difference was changed from assuming females are three years younger than males to the spouse being four years younger for male participants and the same age for female participants.
- The overtime and other payloads (Blue benefits only) were lowered for Police Officers by 1.00% and 1.25% for Firefighters.
- The load on final average salary for General Employees was eliminated. The load for Police Officers was lowered from 2.75% to 2.00% while the load for Firefighters was increased from 4.00% to 5.00%.
- The sick leave service conversion load for General Employees and Firefighters was increased by 0.50% and 1.0%, respectively.

FY2019 - The changed as follows:

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

FY2020 - The changed as follows:

- The blended discount rate went from 5.35% to 7.00%
- The investment return assumption was lowered from 7.75% to 7.00%.

CITY OF FORT WORTH, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFITS
SCHEDULE OF CHANGES IN NET OPEB LIABILITY
-LAST TEN FISCAL YEARS
SEPTEMBER 30, 2020
(in 000's)

	2019	2018	2017	2016*	2015*
Total OPEB Liability					
Service Cost	26,165	\$ 29,287	33,369		
Interest	32,803	33,005	30,961		
Differences Between Expected and Actual Experience	10,083	(84,468)	(28,736)		
Change of Assumptions	151,407	(44,046)	(64,270)		
Benefit Payments, Including Refunds of Employee Contributions	(30,222)	(18,956)	(27,064)		
Net Change in Total OPEB Liability	190,236	(85,178)	(55,740)		
Total OPEB Liability - Beginning	866,980	952,158	1,007,898		
Total OPEB Liability - Ending (a)	<u>\$ 1,057,216</u>	<u>\$ 866,980</u>	<u>\$ 952,158</u>		
OPEB Plan Fiduciary Net Position					
Contributions - Employer	\$ 33,144	\$ 25,297	\$ 26,641		
Contributions - Employee	3,814	-			
Net Investment Income	5,588	1,908	3,488		
Benefit Payments, Including Refunds of Employee Contributions	(30,222)	(18,956)	(27,064)		
Administrative Expense	(1,711)	(1,352)	(1,351)		
Net Change in Plan Fiduciary Net Position	10,613	6,897	1,714		
OPEB Plan Fiduciary Net Position - Beginning	75,725	68,828	67,114		
OPEB Plan Fiduciary Net Position - Ending (b)	<u>\$ 86,338</u>	<u>\$ 75,725</u>	<u>\$ 68,828</u>		
Net OPEB Liability - Ending (a) - (b)	<u>\$ 970,878</u>	<u>\$ 791,255</u>	<u>\$ 883,330</u>		
Plan Fiduciary Net Position as a % of the Total OPEB Liability	8.17 %	8.73 %	7.23 %		
Covered Employee Payroll **	276,075	\$ 294,960	\$ 302,434		
Net OPEB Liability as a % of Covered Employee Payroll	351.67 %	268.26 %	292.07 %		

* Historical information prior to implementation of GASB 74/75 is not required.

** Payroll of employees that are provided with OPEB through the OPEB plan.

Notes to Schedule:

Changes of assumptions each year include the change in the blended discount rate. The blended discount rates for measurement date September 30, 2017, 2018, and 2019 were 3.53%, 3.86%, and 2.75% respectively. As of 01/01/2019, the firefighters' union local 440 splits from the rest of the City and formed their own plan. All current and futures retirees are covered under that separate plan. However, because of the limited claims experience under that plan, their claims cost was assumed to be the same as the rest of the City. All other assumptions (mortality, turnovers, retirement rates, eligibility) was assumed to remain the same. Their numbers were valued separately and then rolled up into the City's.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Debt Service Fund

The Debt Service Fund accounts for the accumulation of financial resources for the payment of principal, interest and related costs on long-term obligations paid primarily from taxes levied by the City. The fund balance of the Debt Service Fund is reserved to signify the amounts that are restricted exclusively for debt service expenditures. It comprises four funds: General Debt Service Fund, Culture and Tourism Debt Service Fund, Venue Debt Service Fund, and Rock Creek PID Debt Service Fund. In addition, long-term obligations that are paid with special assessments or fund revenues are included in this fund.

CITY OF FORT WORTH, TEXAS
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(in 000's)

	Budgeted Amounts		Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues and Other Financing Sources:				
Revenues:				
General Property Taxes	\$ 111,776	\$ 111,776	\$ 110,745	\$ (1,031)
Revenue from Use of Money and Property	275	275	11,235	10,960
Total Revenues	112,051	112,051	121,980	9,929
Other Financing Sources:				
Issuance of Bonds/Premium	-	51,000	50,209	(791)
Transfers In	22,844	23,037	23,037	-
Total Other Financing Sources	22,844	74,037	73,246	(791)
Total Revenues and Other Financing Sources	134,895	186,088	195,226	9,138
Expenditures:				
Departmental:				
Financial Management Services	132,670	203,519	198,202	5,317
Contribution to / (Use of) Fund Balance	\$ 2,225	\$ (17,431)	\$ (2,976)	\$ 14,455
Explanation of Differences Between Contribution to / (Use of) Fund Balance and GAAP Net Change in Fund Balance				
Contribution to / (Use of) Fund Balance			\$ (2,976)	
Differences - Budgetary to GAAP:				
Current year non-budgeted revenues treated as other financing sources for financial reporting purposes (due to perspective difference) but not as budgetary inflows.			15	
Current year non-budgeted expenditures treated as other financing uses for financial reporting purposes (due to perspective difference) but not as budgetary outflows.			(3,877)	
Current year non-budgeted revenues treated as revenues for financial reporting purposes (due to perspective difference) but not as budgetary inflows.			1,008	
Net Change in Fund Balance (GAAP Basis)			\$ (5,830)	

Nonmajor Governmental Funds Special Revenue Funds

The Special Revenue Funds are used to account for the proceeds from specific revenue sources (other than expendable trusts, major capital projects, or proprietary funds) that are legally restricted to expenditures for specified purposes.

Crime Control and Prevention District Fund is used to finance the cost in providing the necessary resources to effectively implement crime reduction strategies pertaining to enhanced enforcement, neighborhood crime prevention, partner programs, recruitment and training, and department equipment, technology, and infrastructure within the City of Fort Worth, as approved by citizens.

Environmental Management Fund is used to accumulate revenue to pay for any environmental program or service as such services are required by state or federal mandates.

Fort Worth Housing Finance Corporation Fund is used to finance the cost of residential ownership and development of single-family dwellings for persons of low and moderate income.

Fort Worth Local Development Corporation Fund is used to administer a low-interest rate program for business development in and around the stockyards area as well as other City-wide economic development activities.

Special Projects Fund is used to account for many small projects, which are varied in purpose. Financing for this Fund is provided by contributions from various organizations and individuals and is restricted to such projects.

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

Other Blended Component Units Fund is used to combine Fort Worth Tourism PID Corporation (created to increase the economic impact and enhance competitiveness in tourism activities throughout the city that will benefit the participating hotels, Fort Worth Sports Authority (used to purchase the Texas Motor Speedway and spur economic growth), Lone Star Local Development Corporation (used for the construction of a museum, exhibition space, and certain public infrastructure in the vicinity of Cabela's retail facility), and Alliance Airport Authority, Inc. (which was created for the promotion and development of new and expanded business enterprises at Alliance Airport and to promote and encourage employment and public welfare).

Other Special Revenue Fund is used to report the financial activity of minor funds whose proceeds of specific revenue sources require separate accounting because of legal or regulatory provisions or administrative action.

**Nonmajor Governmental Funds
Special Revenue Funds
(continued)**

Public Improvement Districts (PIDs) were created by resolution of the City Council pursuant to Chapter 372 of the Local Government Code. PIDs provide a development tool that allocates costs according to the benefits received. In time of declining city revenues, a PID can provide a means to fund supplemental services and improvements to meet community needs which could not otherwise be constructed or provided and be paid by those who most benefit from them.

Taxing Increment Reinvestment Zones (TIRZs) are special zones created by City Council under the Texas Tax Code Chapter 311 (Tax Increment Financing Act). A TIRZ is used to finance public improvements within a defined area. These improvements are intended to promote development or redevelopment in the defined area and surrounding areas. Taxes attributable to new improvements (tax increments) are set aside in a special revenue fund to finance public improvements within the boundaries of the zone.

Golf Fund is used to account for the operation of three 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. This fund was closed as of September 30, 2020. See Note N for additional information.

**Nonmajor Governmental Funds
Capital Project Funds**

Other Blended Component Units Fund is used to combine Lancaster Corridor LLC Fund (organized to support mixed-use redevelopment along the Lancaster Corridor) and Central City Local Government Corporation (organized for the purpose of aiding, assisting, and acting on behalf of the City in the implementation of project plans for the Magnolia Green Development, including construction of a parking garage to support development).



CITY OF FORT WORTH, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020
(in 000's)

	Special Revenue Funds					
	Crime Control and Prevention District	Environmental Management	Fort Worth Housing Finance Corporation	Fort Worth Local Development Corporation	Special Projects	Culture and Tourism
ASSETS						
Cash, Cash Equivalents, & Investments	\$ 17,854	\$ 2,256	\$ 12,415	\$ 1,341	\$ 12,671	\$ 25,614
Cash, Cash Equivalents, & Investments Held by Trustees	-	-	-	-	550	-
Receivables, Net of Allowance for Uncollectible:						
Grants and Other Governments	13,253	195	-	-	-	249
Interest	35	10	1,072	-	11	-
Accounts and Other	948	331	4,895	162	2	2,194
Inventories (at Cost)	-	-	2,174	187	-	-
Prepays, Deposits, and Other	-	-	1	-	102	138
Total Assets	<u>\$ 32,090</u>	<u>\$ 2,792</u>	<u>\$ 20,557</u>	<u>\$ 1,690</u>	<u>\$ 13,336</u>	<u>\$ 28,195</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICIT)						
Liabilities						
Accounts Payable	\$ 1,133	\$ 38	\$ 653	\$ 190	\$ 230	\$ 499
Escrow Accounts Payable	-	-	-	-	63	-
Accrued Payroll	1,598	87	-	-	19	342
Other	-	-	-	-	-	2
Due to Other Funds	-	-	-	-	310	-
Unearned Revenue	-	-	-	-	-	1,283
Total Liabilities	<u>2,731</u>	<u>125</u>	<u>653</u>	<u>190</u>	<u>622</u>	<u>2,126</u>
Deferred Inflows of Resources	<u>721</u>	<u>-</u>	<u>4,092</u>	<u>155</u>	<u>-</u>	<u>415</u>
Total Liabilities and Deferred Inflows of Resources	<u>3,452</u>	<u>125</u>	<u>4,745</u>	<u>345</u>	<u>622</u>	<u>2,541</u>
Fund Balances (Deficit):						
Nonspendable	-	-	2,175	187	102	138
Restricted	21,965	2,667	-	-	4,620	8,998
Committed	1,974	-	300	-	488	516
Assigned	4,699	-	13,337	1,158	7,504	16,002
Total Fund Balances	<u>28,638</u>	<u>2,667</u>	<u>15,812</u>	<u>1,345</u>	<u>12,714</u>	<u>25,654</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit)	<u>\$ 32,090</u>	<u>\$ 2,792</u>	<u>\$ 20,557</u>	<u>\$ 1,690</u>	<u>\$ 13,336</u>	<u>\$ 28,195</u>

Other Blended Component Units	Other Special Revenue	Special Revenue Funds		Golf	Botanic Gardens	Special Revenue Funds Subtotal	Capital Project Funds	Total Nonmajor Governmental Funds
		Public Improvement Districts	Taxing Increment Reinvestment Zones				Other Blended Component Units	
\$ 5,214	\$ 10,894	\$ 5,491	\$ 58,038	\$ 1,053	\$ -	\$ 152,841	\$ 1,327	\$ 154,168
-	-	400	-	-	-	950	-	950
34	-	-	382	-	-	14,113	-	14,113
-	12	9	122	-	-	1,271	-	1,271
180	2,711	4	-	-	-	11,427	-	11,427
-	-	-	-	33	-	2,394	-	2,394
-	-	-	-	9	-	250	-	250
<u>\$ 5,428</u>	<u>\$ 13,617</u>	<u>\$ 5,904</u>	<u>\$ 58,542</u>	<u>\$ 1,095</u>	<u>\$ -</u>	<u>\$ 183,246</u>	<u>\$ 1,327</u>	<u>\$ 184,573</u>
\$ 177	\$ 346	\$ 1,362	\$ 4,466	\$ 135	\$ -	\$ 9,229	\$ 5	\$ 9,234
-	-	-	-	-	-	63	-	63
-	-	-	-	94	-	2,140	-	2,140
-	84	-	-	-	-	86	-	86
-	-	-	-	-	-	310	-	310
25	103	-	-	-	-	1,411	-	1,411
<u>202</u>	<u>533</u>	<u>1,362</u>	<u>4,466</u>	<u>229</u>	<u>-</u>	<u>13,239</u>	<u>5</u>	<u>13,244</u>
4	1,692	-	382	-	-	7,461	-	7,461
<u>206</u>	<u>2,225</u>	<u>1,362</u>	<u>4,848</u>	<u>229</u>	<u>-</u>	<u>20,700</u>	<u>5</u>	<u>20,705</u>
-	-	-	-	42	-	2,644	-	2,644
2,702	7,136	3,619	50,943	-	-	102,650	-	102,650
-	-	-	-	-	-	3,278	-	3,278
2,520	4,256	923	2,751	824	-	53,974	1,322	55,296
<u>5,222</u>	<u>11,392</u>	<u>4,542</u>	<u>53,694</u>	<u>866</u>	<u>-</u>	<u>162,546</u>	<u>1,322</u>	<u>163,868</u>
<u>\$ 5,428</u>	<u>\$ 13,617</u>	<u>\$ 5,904</u>	<u>\$ 58,542</u>	<u>\$ 1,095</u>	<u>\$ -</u>	<u>\$ 183,246</u>	<u>\$ 1,327</u>	<u>\$ 184,573</u>

CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(in 000's)

	Special Revenue Funds					
	Crime Control and Prevention District	Environmental Management	Fort Worth Housing Finance Corporation	Fort Worth Local Development Corporation	Special Projects	Culture and Tourism
REVENUES:						
General Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	78,692	-	-	-	-	-
Other Local Taxes	-	-	-	-	-	23,286
Charges for Services	-	4,650	-	-	769	3,577
Licenses and Permits	-	-	-	-	-	5
Fines and Forfeitures	-	-	-	-	-	-
Revenue from Use of Money and Property	-	-	-	1,489	-	4,778
Investment Income (Loss)	673	176	127	6	70	641
Intergovernmental	5,931	-	-	-	1,123	9,376
Gas Leases and Royalties	-	-	19	45	-	-
Other	424	-	3,159	-	27	1,722
Contributions	-	-	-	-	559	799
Total Revenues	85,720	4,826	3,305	1,540	2,548	44,184
EXPENDITURES:						
Current:						
General Government	-	-	-	-	304	-
Public Safety	54,502	3,399	-	-	291	-
Culture and Recreation	1,046	-	-	-	1,055	29,072
Health and Welfare	-	-	-	-	1	-
Urban Redevelopment and Housing	659	-	1,491	1,214	144	-
Debt Service:						
Principal Retirement	-	-	-	401	-	-
Interest and Debt Issuance Costs	-	-	-	16	-	-
Total Expenditures	56,207	3,399	1,491	1,631	1,795	29,072
Excess (Deficiency) of Revenues Over (Under) Expenditures	29,513	1,427	1,814	(91)	753	15,112
OTHER FINANCING SOURCES (USES):						
Construction Loans	-	-	-	-	-	-
Proceeds from Disposal of Property	74	-	-	-	6	-
Transfers In	348	-	-	-	424	6,741
Transfers Out	(22,238)	(613)	-	(395)	(8,065)	(25,650)
Total Other Financing Sources (Uses)	(21,816)	(613)	-	(395)	(7,635)	(18,909)
Net Change in Fund Balances (Deficit)	7,697	814	1,814	(486)	(6,882)	(3,797)
Fund Balances (Deficit), Beginning of Year	20,941	1,853	13,998	1,831	19,596	29,451
Fund Balances (Deficit), End of Year	\$ 28,638	\$ 2,667	\$ 15,812	\$ 1,345	\$ 12,714	\$ 25,654

Other Blended Component Units	Other Special Revenue	Special Revenue Funds				Special Revenue Funds Subtotal	Capital Project Funds	Total Nonmajor Governmental Funds
		Public Improvement Districts	Taxing Increment Reinvestment Zones	Golf	Botanic Gardens		Other Blended Component Units	
\$ -	\$ -	\$ -	\$ 19,300	\$ -	\$ -	\$ 19,300	\$ -	\$ 19,300
-	-	-	-	-	-	78,692	-	78,692
-	-	-	-	-	-	23,286	-	23,286
-	406	-	-	4,682	1,246	15,330	-	15,330
-	-	-	-	-	-	5	-	5
-	7	-	-	-	-	7	-	7
-	1,331	-	-	-	284	7,882	-	7,882
1	64	83	879	(4)	8	2,724	-	2,724
100	-	-	12,871	-	-	29,401	-	29,401
256	-	-	-	-	-	320	-	320
2,808	3,372	8,196	-	6	90	19,804	-	19,804
-	-	-	-	-	203	1,561	91	1,652
3,165	5,180	8,279	33,050	4,684	1,831	198,312	91	198,403
3,160	4,957	8,328	-	-	-	16,749	-	16,749
-	-	-	-	-	-	58,192	-	58,192
-	-	-	-	4,241	5,420	40,834	-	40,834
-	-	-	-	-	-	1	-	1
104	-	-	33,846	-	-	37,458	104	37,562
-	-	-	6,581	116	-	7,098	-	7,098
2,352	-	-	-	8	-	2,376	-	2,376
5,616	4,957	8,328	40,427	4,365	5,420	162,708	104	162,812
(2,451)	223	(49)	(7,377)	319	(3,589)	35,604	(13)	35,591
-	-	-	9,436	-	-	9,436	-	9,436
-	-	-	-	-	-	80	-	80
2,352	-	762	-	395	3,599	14,621	-	14,621
(55)	-	(157)	(12,167)	(20)	(277)	(69,637)	-	(69,637)
2,297	-	605	(2,731)	375	3,322	(45,500)	-	(45,500)
(154)	223	556	(10,108)	694	(267)	(9,896)	(13)	(9,909)
5,376	11,169	3,986	63,802	172	267	172,442	1,335	173,777
\$ 5,222	\$ 11,392	\$ 4,542	\$ 53,694	\$ 866	\$ -	\$ 162,546	\$ 1,322	\$ 163,868

CITY OF FORT WORTH, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - OTHER BLENDED COMPONENT UNITS
SEPTEMBER 30, 2020
(in 000's)

	Special Revenue Funds				
	Fort Worth Tourism PID Corporation	Fort Worth Sports Authority	Lone Star Local Government Corporation	Alliance Airport Authority	Total
ASSETS					
Cash, Cash Equivalents, & Investments	\$ 2,718	\$ 1,775	\$ -	\$ 721	\$ 5,214
Receivables, Net of Allowance for Uncollectibles:					
Grants and Other Governments	34	-	-	-	34
Accounts and Other	131	33	-	16	180
Total Assets	<u>\$ 2,883</u>	<u>\$ 1,808</u>	<u>\$ -</u>	<u>\$ 737</u>	<u>\$ 5,428</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 177	\$ -	\$ -	\$ -	\$ 177
Unearned Revenue	-	25	-	-	25
Total Liabilities	<u>177</u>	<u>25</u>	<u>-</u>	<u>-</u>	<u>202</u>
Deferred Inflows of Resources	<u>4</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4</u>
Total Liabilities and Deferred Inflows of Resources	<u>181</u>	<u>25</u>	<u>-</u>	<u>-</u>	<u>206</u>
Fund Balances:					
Restricted	2,702	-	-	-	2,702
Assigned	-	1,783	-	737	2,520
Total Fund Balances	<u>2,702</u>	<u>1,783</u>	<u>-</u>	<u>737</u>	<u>5,222</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,883</u>	<u>\$ 1,808</u>	<u>\$ -</u>	<u>\$ 737</u>	<u>\$ 5,428</u>

CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - OTHER BLENDED COMPONENT UNITS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(in 000's)

	Special Revenue Funds				
	Fort Worth Tourism PID Corporation	Fort Worth Sports Authority	Lone Star Local Government Corporation	Alliance Airport Authority	Total
REVENUES:					
Investment Income	\$ -	\$ -	\$ -	\$ 1	\$ 1
Intergovernmental	-	100	-	-	100
Gas Leases and Royalties	-	164	-	92	256
Other	2,808	-	-	-	2,808
Total Revenues	2,808	264	-	93	3,165
EXPENDITURES:					
Current:					
General Government	3,145	-	-	15	3,160
Urban Redevelopment and Housing	-	104	-	-	104
Interest and Debt Issuance Costs	-	-	2,352	-	2,352
Total Expenditures	3,145	104	2,352	15	5,616
Excess (Deficiency) of Revenues Over (Under) Expenditures	(337)	160	(2,352)	78	(2,451)
OTHER FINANCING SOURCES (USES):					
Transfers In	-	-	2,352	-	2,352
Transfers Out	(55)	-	-	-	(55)
Total Other Financing Sources (Uses)	(55)	-	2,352	-	2,297
Net Change in Fund Balances (Deficit)	(392)	160	-	78	(154)
Fund Balances (Deficit), Beginning of Year	3,094	1,623	-	659	5,376
Fund Balances (Deficit), End of Year	\$ 2,702	\$ 1,783	\$ -	\$ 737	\$ 5,222

CITY OF FORT WORTH, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - OTHER BLENDED COMPONENT UNITS
SEPTEMBER 30, 2020
(in 000's)

	Capital Project Funds		
	Lancaster Corridor LLC Fund	Central City Local Government Corporation	Total
ASSETS			
Cash, Cash Equivalents, & Investments	\$ 1,300	\$ 27	\$ 1,327
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ -	\$ 5	\$ 5
Fund Balances:			
Assigned	1,300	22	1,322
Total Liabilities and Fund Balances	\$ 1,300	\$ 27	\$ 1,327

CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - OTHER BLENDED COMPONENT UNITS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(in 000's)

	Capital Project Funds		
	Lancaster	Central City	
	Corridor LLC	Local	
	Fund	Government	Total
		Corporation	
REVENUES:			
Contributions	\$ -	\$ 91	\$ 91
Total Revenues	-	91	91
EXPENDITURES:			
Current:			
Urban Redevelopment and Housing	1	103	104
Total Expenses	1	103	104
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1)	(12)	(13)
Net Change in Fund Balances	(1)	(12)	(13)
Fund Balance (Deficit), Beginning of Year	1,301	34	1,335
Fund Balance, End of Year	\$ 1,300	\$ 22	\$ 1,322

CITY OF FORT WORTH, TEXAS
BUDGETARY COMPARISON SCHEDULE
CRIME CONTROL AND PREVENTION DISTRICT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(in 000's)

	Budgeted Amounts		Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues and Other Financing Sources:				
Revenues:				
Sales Taxes	\$ 81,340	\$ 81,340	\$ 78,692	\$ (2,648)
Revenue from Use of Money and Property	77	77	191	114
Intergovernmental	5,992	5,992	5,931	(61)
Other	328	328	424	96
Total Revenues	<u>87,737</u>	<u>87,737</u>	<u>85,238</u>	<u>(2,499)</u>
Other Financing Sources:				
Proceeds from Disposal of Property	128	128	74	(54)
Total Revenues and Other Financing Sources	<u>87,865</u>	<u>87,865</u>	<u>85,312</u>	<u>(2,553)</u>
Expenditures:				
Departmental:				
Neighborhood Services	853	853	659	194
Park and Recreation	1,279	1,279	1,039	240
Police	85,733	86,696	76,399	10,297
Total Expenditures	<u>87,865</u>	<u>88,828</u>	<u>78,097</u>	<u>10,731</u>
Contribution to / (Use of) Fund Balance	<u>\$ -</u>	<u>\$ (963)</u>	<u>\$ 7,215</u>	<u>\$ 8,178</u>
Explanation of Differences Between Contribution to / (Use of) Fund Balance and GAAP Net Change in Fund Balance				
Contribution to / (Use of) Fund Balance (Budgetary Basis)			\$ 7,215	
Differences - Budgetary to GAAP:				
Current year non-budgeted revenues treated as other financing sources for financial reporting purposes (due to perspective difference) but not as budgetary inflows.			348	
Current year non-budgeted expenditures treated as other financing uses for financial reporting purposes (due to perspective difference) but not as budgetary outflows.			(348)	
Current year non-budgeted revenues treated as revenues for financial reporting purposes (due to perspective difference) but not as budgetary inflows.			<u>482</u>	
Net Change in Fund Balance (GAAP Basis)			<u>\$ 7,697</u>	

CITY OF FORT WORTH, TEXAS
BUDGETARY COMPARISON SCHEDULE
ENVIRONMENTAL MANAGEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(in 000's)

	Budgeted Amounts		Budgetary Basis	Variance with
	Original	Final	Actual	Final Budget - Positive (Negative)
Revenues:				
Revenues:				
Charges for Services	\$ 4,224	\$ 4,224	\$ 4,650	\$ 426
Revenue from Use of Money and Property	56	56	59	3
Total Revenues	<u>4,280</u>	<u>4,280</u>	<u>4,709</u>	<u>429</u>
Expenditures:				
Departmental:				
Code Compliance	<u>4,224</u>	<u>4,224</u>	<u>4,012</u>	<u>212</u>
Contribution to / (Use of) Fund Balance	<u>\$ 56</u>	<u>\$ 56</u>	<u>\$ 697</u>	<u>\$ 641</u>
Explanation of Differences Between Budgetary Contribution to / (Use of) Fund Balance and GAAP Net Change in Fund Balance				
Contribution to / (Use of) Fund Balance (Budgetary Basis)			\$ 697	
Differences - Budgetary to GAAP:				
Current year non-budgeted revenues treated as revenues for financial reporting purposes (due to perspective difference) but not as budgetary inflows.			<u>117</u>	
Net Change in Fund Balance (GAAP Basis)			<u>\$ 814</u>	

CITY OF FORT WORTH, TEXAS
BUDGETARY COMPARISON SCHEDULE
CULTURE AND TOURISM FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(in 000's)

	Budgeted Amounts		Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues and Other Financing Sources:				
Revenues:				
Other Local Taxes	\$ 38,946	\$ 23,096	\$ 23,113	\$ 17
Charges for Services	4,045	3,435	3,577	142
Licenses and Permits	15	5	5	-
Revenue from Use of Money and Property	7,794	5,490	5,611	121
Intergovernmental	12,270	8,480	9,376	896
Other	1,671	1,671	1,722	51
Total Revenues	<u>64,741</u>	<u>42,177</u>	<u>43,404</u>	<u>1,227</u>
Other Financing Sources:				
Transfers In	<u>3,545</u>	<u>6,741</u>	<u>6,741</u>	<u>-</u>
Total Revenues and Other Financing Sources	<u>68,286</u>	<u>48,918</u>	<u>50,145</u>	<u>1,227</u>
Expenditures:				
Departmental:				
Public Events and Facilities	<u>67,648</u>	<u>55,814</u>	<u>54,967</u>	<u>847</u>
Contribution to / (Use of) Fund Balance	<u>\$ 638</u>	<u>\$ (6,896)</u>	<u>\$ (4,822)</u>	<u>\$ 2,074</u>
Explanation of Differences Between Contribution to / (Use of) Fund Balance and GAAP Net Change in Fund Balance				
Contribution to / (Use of) Fund Balance (Budgetary Basis)			\$ (4,822)	
Differences - Budgetary to GAAP:				
Current year non-budgeted revenues treated as revenues for financial reporting purposes (due to perspective difference) but not as budgetary inflows.			780	
Current year non-budgeted expenditures treated as expenditures for financial reporting purposes (due to perspective difference) but not as budgetary outflows.			<u>245</u>	
Net Change in Fund Balance (GAAP Basis)			<u>\$ (3,797)</u>	

CITY OF FORT WORTH, TEXAS
BUDGETARY COMPARISON SCHEDULE
OTHER SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(in 000's)

	Budgeted Amounts		Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Revenues:				
Charges for Services	\$ 122	\$ 122	\$ 406	\$ 284
Revenue from Use of Money and Property	1,173	1,173	1,405	232
Other	2,985	2,985	3,372	387
Total Revenues	<u>4,280</u>	<u>4,280</u>	<u>5,183</u>	<u>903</u>
Expenditures:				
Departmental:				
Property Management	<u>5,978</u>	<u>5,978</u>	<u>4,957</u>	<u>1,021</u>
Contribution to / (Use of) Fund Balance	<u>\$ (1,698)</u>	<u>\$ (1,698)</u>	<u>\$ 226</u>	<u>\$ 1,924</u>
Explanation of Differences Between Contribution to / (Use of) Fund Balance and GAAP Net Change in Fund Balance				
Contribution to / (Use of) Fund Balance (Budgetary Basis)			\$ 226	
Differences - Budgetary to GAAP:				
Current year non-budgeted revenues treated as revenues for financial reporting purposes (due to perspective difference) but not as budgetary inflows.			<u>(3)</u>	
Net Change in Fund Balance (GAAP Basis)			<u>\$ 223</u>	

CITY OF FORT WORTH, TEXAS
BUDGETARY COMPARISON SCHEDULE
PUBLIC IMPROVEMENT DISTRICTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(in 000's)

	Budgeted Amounts		Budgetary Basis	Variance with
	Original	Final	Actual	Final Budget - Positive (Negative)
Revenues and Other Financing Resources:				
Revenues:				
Other	\$ 7,848	\$ 7,768	\$ 8,196	\$ 428
Other Financing Sources:				
Transfers In	762	762	762	-
Total Revenues and Other Financing Sources	8,610	8,530	8,958	428
Expenditures:				
Departmental:				
Financial Management Services	9,509	9,584	8,485	1,099
Contribution to / (Use of) Fund Balance	<u>\$ (899)</u>	<u>\$ (1,054)</u>	<u>\$ 473</u>	<u>\$ 1,527</u>
Explanation of Differences Between Contribution to / (Use of) Fund Balance and GAAP Net Change in Fund Balance				
Contribution to / (Use of) Fund Balance (Budgetary Basis)			\$ 473	
Differences - Budgetary to GAAP:				
Current year non-budgeted revenues treated as revenues for financial reporting purposes (due to perspective difference) but not as budgetary inflows.			83	
Net Change in Fund Balance (GAAP Basis)			<u>\$ 556</u>	

CITY OF FORT WORTH, TEXAS
BUDGETARY COMPARISON SCHEDULE
GOLF FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(in 000's)

	Budgeted Amounts		Budgetary Basis	Variance with
	Original	Final	Actual	Final Budget - Positive (Negative)
Revenues and Other Financing Sources:				
Revenues:				
Charges for Services	\$ 4,600	\$ 4,600	\$ 4,682	\$ 82
Other	5	5	6	1
Total Revenues	4,605	4,605	4,688	83
Other Financing Sources:				
Transfers In	395	395	395	-
Total Revenues and Other Financing Sources	5,000	5,000	5,083	83
Expenditures:				
Departmental:				
Park and Recreation	5,000	5,000	4,383	617
Contribution to / (Use of) Fund Balance	\$ -	\$ -	\$ 700	\$ 700
Explanation of Differences Between Contribution to / (Use of) Fund Balance and GAAP Net Change in Fund Balance				
Contribution to / (Use of) Fund Balance (Budgetary Basis)			\$ 700	
Differences - Budgetary to GAAP:				
Current year non-budgeted revenues treated as revenues for financial reporting purposes (due to perspective difference) but not as budgetary inflows.			(4)	
Current year non-budgeted expenditures treated as expenditures for financial reporting purposes (due to perspective difference) but not as budgetary outflows.			(2)	
Net Change in Fund Balance (GAAP Basis)			\$ 694	

CITY OF FORT WORTH, TEXAS
BUDGETARY COMPARISON SCHEDULE
BOTANIC GARDENS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(in 000's)

	Budgeted Amounts		Budgetary Basis	Variance with
	Original	Final	Actual	Final Budget - Positive (Negative)
Revenues and Other Financing Sources:				
Revenues:				
Charges for Services	\$ 2,291	\$ 1,142	\$ 1,246	\$ 104
Revenue from Use of Money and Property	996	572	485	(87)
Other	106	106	90	(16)
Total Revenues	<u>3,393</u>	<u>1,820</u>	<u>1,821</u>	<u>1</u>
Other Financing Sources:				
Transfers In	<u>3,181</u>	<u>3,600</u>	<u>3,599</u>	<u>(1)</u>
Total Revenues and Other Financing Sources	<u>6,574</u>	<u>5,420</u>	<u>5,420</u>	<u>-</u>
Expenditures:				
Departmental:				
Park and Recreation	<u>6,427</u>	<u>5,681</u>	<u>5,681</u>	<u>-</u>
Contribution to / (Use of) Fund Balance	<u>\$ 147</u>	<u>\$ (261)</u>	<u>\$ (261)</u>	<u>\$ -</u>
Explanation of Differences Between Contribution to / (Use) of Fund Balance and GAAP Net Change in Fund Balance				
Contribution to / (Use of) Fund Balance (Budgetary Basis)			\$ (261)	
Differences - Budgetary to GAAP:				
Current year non-budgeted revenues treated as revenues for financial reporting purposes (due to perspective difference) but not as budgetary inflows.			10	
Current year non-budgeted expenditures treated as expenditures for financial reporting purposes (due to perspective difference) but not as budgetary outflows.			<u>(16)</u>	
Net Change in Fund Balance (GAAP Basis)			<u>\$ (267)</u>	

CITY OF FORT WORTH, TEXAS
BUDGETARY COMPARISON SCHEDULE
FORT WORTH TOURISM PID CORPORATION
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(in 000's)

	Budgeted Amounts		Budgetary Basis	Variance with
	Original	Final	Actual	Final Budget - Positive (Negative)
Revenues:				
Revenues:				
Other	\$ 5,156	\$ 2,861	\$ 2,781	\$ (80)
Expenditures:				
Departmental:				
Financial Management Services	5,156	3,714	3,200	514
Contribution to / (Use of) Fund Balance	\$ -	\$ (853)	\$ (419)	\$ 434
Explanation of Differences Between Contribution to / (Use) of Fund Balance and GAAP Net Change in Fund Balance				
Contribution to / (Use of) Fund Balance (Budgetary Basis)			\$ (419)	
Differences - Budgetary to GAAP:				
Current year non-budgeted revenues treated as revenues for financial reporting purposes (due to perspective difference) but not as budgetary inflows.			27	
Net Change in Fund Balance (GAAP Basis)			\$ (392)	

Nonmajor Enterprise Funds

Nonmajor Enterprise Funds are used to account for the acquisition, operation, and maintenance of governmental facilities and services, which are entirely or predominantly self-supported by user charges. The operations of Proprietary Funds are accounted for in such manner as to show a profit or loss similar to comparable private enterprises.

Municipal Airports Fund

The Municipal Airports Fund is used to account for the Meacham, Spinks (South Fort Worth), and Alliance (North Fort Worth) Airport operations. Revenues are derived principally from the hangar and terminal building rental, landing fees, and fuel surcharges.

Municipal Parking Fund

The Municipal Parking Fund is used to account for the operation of the Will Rogers Memorial Center parking system, Taylor Street garage, Convention Center garage, Houston Street garage, Western Heritage garage, 15th Street garage, and several surface lots located in the downtown area, as well as parking meters and parking compliance personnel. The Fund's operations are financed by parking activities and office space rentals.

Solid Waste Fund

The Solid Waste Fund is used to account for solid waste services provided to the residents of the City. The Fund's operations are financed by trash collection utility fees and cart rentals.



CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2020
(in 000's)

	Municipal Airports	Municipal Parking	Solid Waste	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Assets				
Current Assets:				
Cash, Cash Equivalents, & Investments	\$ 4,447	\$ 958	\$ 11,935	\$ 17,340
Interest Receivable	-	4	34	38
Accounts and Other Receivables, Net of Allowance for Uncollectible	353	53	9,745	10,151
Due from Other Funds	152	-	-	152
Restricted Assets:				
Cash & Cash Equivalents	2,699	902	1,332	4,933
Total Current Assets	<u>7,651</u>	<u>1,917</u>	<u>23,046</u>	<u>32,614</u>
Noncurrent Assets:				
Restricted Assets:				
Cash & Cash Equivalents	22,765	1,746	12,595	37,106
Cash, Cash Equivalents, & Investments Held by Trustees	42,846	-	8,230	51,076
Grants Receivable	4,993	-	-	4,993
Interest Receivable	112	4	22	138
Total Restricted Assets	<u>70,716</u>	<u>1,750</u>	<u>20,847</u>	<u>93,313</u>
Capital Assets (at Cost):				
Land/Right of Way	155,610	4,096	5,695	165,401
Buildings	36,297	56,572	2,777	95,646
Infrastructure	343,946	8,134	17,445	369,525
Vehicles, Machinery and Equipment	4,266	1,655	4,022	9,943
Construction in Progress	841	-	3,686	4,527
Intangibles - Depreciable	-	-	510	510
Intangibles - Non-Depreciable	1,525	-	-	1,525
Accumulated Depreciation	(206,284)	(19,835)	(14,945)	(241,064)
Net Capital Assets	<u>336,201</u>	<u>50,622</u>	<u>19,190</u>	<u>406,013</u>
Total Noncurrent Assets	<u>406,917</u>	<u>52,372</u>	<u>40,037</u>	<u>499,326</u>
Total Assets	<u>414,568</u>	<u>54,289</u>	<u>63,083</u>	<u>531,940</u>
Deferred Outflows of Resources				
	<u>3,806</u>	<u>3,563</u>	<u>15,150</u>	<u>22,519</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 418,374</u>	<u>\$ 57,852</u>	<u>\$ 78,233</u>	<u>\$ 554,459</u>

(continued)

CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2020
(in 000's)

	Municipal Airports	Municipal Parking	Solid Waste	Total
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
Liabilities				
Current Liabilities:				
Accounts Payable	\$ 222	\$ 87	\$ 5,677	\$ 5,986
Accrued Payroll	72	49	319	440
Current Portion of Long-Term Liabilities	122	1,728	954	2,804
Payables from Restricted Assets:				
Construction Payable	2,267	-	345	2,612
Customer Deposits	-	-	983	983
Accrued Interest Payable	-	112	4	116
Unearned Revenue	432	790	-	1,222
Total Current Liabilities	<u>3,115</u>	<u>2,766</u>	<u>8,282</u>	<u>14,163</u>
Long-Term Liabilities:				
Advances from Other Funds	3,466	-	-	3,466
Long-Term Liabilities Due in More Than One Year	9,444	33,590	48,345	91,379
Total Long-Term Liabilities	<u>12,910</u>	<u>33,590</u>	<u>48,345</u>	<u>94,845</u>
Total Liabilities	<u>16,025</u>	<u>36,356</u>	<u>56,627</u>	<u>109,008</u>
Deferred Inflows of Resources				
	<u>1,036</u>	<u>330</u>	<u>5,300</u>	<u>6,666</u>
Total Liabilities and Deferred Inflows of Resources	<u>17,061</u>	<u>36,686</u>	<u>61,927</u>	<u>115,674</u>
NET POSITION (DEFICIT)				
Net Investment in Capital Assets	333,934	19,779	16,710	370,423
Restricted for:				
Debt Service	-	868	1,074	1,942
Unrestricted (Deficit)	<u>67,379</u>	<u>519</u>	<u>(1,478)</u>	<u>66,420</u>
Total Net Position	<u>\$ 401,313</u>	<u>\$ 21,166</u>	<u>\$ 16,306</u>	<u>\$ 438,785</u>

(concluded)

CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(in 000's)

	Municipal Airports	Municipal Parking	Solid Waste	Total
OPERATING REVENUES				
Charges for Services	\$ 9,141	\$ 4,918	\$ 63,904	\$ 77,963
Other	58	1	3,417	3,476
Total Operating Revenues	<u>9,199</u>	<u>4,919</u>	<u>67,321</u>	<u>81,439</u>
OPERATING EXPENSES				
Personnel Services*	(1,268)	(796)	(5,337)	(7,401)
Supplies and Materials	170	125	561	856
Contractual Services	4,975	2,117	53,674	60,766
Landfill Closure and Postclosure Cost	-	-	1,428	1,428
Depreciation	12,958	1,998	544	15,500
Total Operating Expenses	<u>16,835</u>	<u>3,444</u>	<u>50,870</u>	<u>71,149</u>
Operating Income (Loss)	<u>(7,636)</u>	<u>1,475</u>	<u>16,451</u>	<u>10,290</u>
NONOPERATING REVENUES (EXPENSES)				
Investment Income (Loss)	2,095	171	1,233	3,499
Gain (Loss) on Sale of Property and Equipment	23	-	1	24
Interest and Service Charges	-	(962)	(54)	(1,016)
Gas Leases and Royalties	1,832	-	-	1,832
Total Nonoperating Revenues (Expenses)	<u>3,950</u>	<u>(791)</u>	<u>1,180</u>	<u>4,339</u>
Income (Loss) Before Transfers and Contributions	<u>(3,686)</u>	<u>684</u>	<u>17,631</u>	<u>14,629</u>
Transfers In	60	-	21	81
Transfers Out	(222)	(112)	(6,226)	(6,560)
Capital Contributions	3,471	-	-	3,471
Changes in Net Position	(377)	572	11,426	11,621
Total Net Position, Beginning of Year	<u>401,690</u>	<u>20,594</u>	<u>4,880</u>	<u>427,164</u>
Total Net Position, End of Year	<u>\$ 401,313</u>	<u>\$ 21,166</u>	<u>\$ 16,306</u>	<u>\$ 438,785</u>

* Personnel Services – Negative expense balances were due to a decrease of \$839.22 million in the City's Net Pension Liability allocated proportionately to Governmental Funds (\$726.265 million), Water and Sewer Fund (\$88.794 million), Stormwater Utility Fund (\$10.541 million), Municipal Airport (\$2.499 million), Municipal Parking (\$1.330 million), and Solid Waste Fund (\$9.791 million). See Note 1 for additional information.



CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(in 000's)

	Municipal Airports	Municipal Parking	Solid Waste	Total
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 8,788	\$ 4,948	\$ 61,114	\$ 74,850
Receipts from Other Operating Sources	58	1	3,417	3,476
Payments to Employees	(2,279)	(1,122)	(8,284)	(11,685)
Payments to Vendors	(5,072)	(2,419)	(53,863)	(61,354)
Net Cash Provided by (Used for) Operating Activities	<u>1,495</u>	<u>1,408</u>	<u>2,384</u>	<u>5,287</u>
Cash Flows from Noncapital Financing Activities:				
Transfers In from Other Funds	60	-	21	81
Advances from Other Funds	3,466	-	-	3,466
Transfers Out to Other Funds	(222)	(112)	(6,226)	(6,560)
Due from Other Funds	(152)	-	-	(152)
Advances to Other Funds	-	-	2,363	2,363
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>3,152</u>	<u>(112)</u>	<u>(3,842)</u>	<u>(802)</u>
Cash Flows from Capital and Related Financing Activities:				
Proceeds from Sale of Property and Equipment	27	-	3	30
Contributions	1,518	-	-	1,518
Acquisition and Construction of Capital Assets	(2,657)	(599)	(2,687)	(5,943)
Principal Paid on Long-Term Debt	-	(1,820)	(450)	(2,270)
Interest Paid on Long-Term Obligations	-	(1,387)	(55)	(1,442)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(1,112)</u>	<u>(3,806)</u>	<u>(3,189)</u>	<u>(8,107)</u>
Cash Flows from Investing Activities:				
Receipts from Gas Leases and Royalties	1,832	-	-	1,832
Purchases of Investments	(34,270)	-	-	(34,270)
Sales of Investments	25,485	-	-	25,485
Investment Income Received	2,095	180	1,261	3,536
Net Cash Provided by (Used for) Investing Activities	<u>(4,858)</u>	<u>180</u>	<u>1,261</u>	<u>(3,417)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(1,323)</u>	<u>(2,330)</u>	<u>(3,386)</u>	<u>(7,039)</u>
Cash and Cash Equivalents, Beginning of Year	33,420	5,936	37,478	76,834
Cash and Cash Equivalents, End of Year	<u>\$ 32,097</u>	<u>\$ 3,606</u>	<u>\$ 34,092</u>	<u>\$ 69,795</u>

(continued)

CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(in 000's)

	Municipal Airports	Municipal Parking	Solid Waste	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	\$ (7,636)	\$ 1,475	\$ 16,451	\$ 10,290
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	12,958	1,998	544	15,500
Changes in Assets and Liabilities:				
Accounts and Other Receivables	(353)	47	(2,379)	(2,685)
Prepays, Deposits, and Other Assets	-	-	26	26
Deferred Outflows of Resources (Pension)	(589)	(420)	(2,204)	(3,213)
Deferred Outflows of Resources (OPEB)	(292)	-	(1,390)	(1,682)
Accounts Payable	73	(177)	372	268
Accrued Payroll and Compensation	(103)	13	131	41
Customer Deposits	-	-	44	44
Unearned Revenue	-	(17)	-	(17)
Landfill Closure and Postclosure Liability	-	-	1,428	1,428
Net Pension Liability	(2,499)	(1,330)	(9,791)	(13,620)
Net OPEB Liability	589	-	2,390	2,979
Deferred Inflows of Resources (Pension)	(413)	(176)	(1,652)	(2,241)
Deferred Inflows of Resources (OPEB)	(240)	(5)	(1,105)	(1,350)
Deferred Inflows of Resources (Service Concession Agreement)	-	-	(481)	(481)
Total Adjustments	9,131	(67)	(14,067)	(5,003)
Net Cash Provided by (Used for) Operating Activities	\$ 1,495	\$ 1,408	\$ 2,384	\$ 5,287
The Cash and Cash Equivalents are reported in the Statement of Net Position as follows:				
Current - Cash, Cash Equivalents, & Investments	\$ 4,447	\$ 958	\$ 11,935	\$ 17,340
Current Restricted - Cash & Cash Equivalents	2,699	902	1,332	4,933
Noncurrent Restricted - Cash & Cash Equivalents	22,765	1,746	12,595	37,106
Noncurrent Restricted - Cash, Cash Equivalents, & Investments Held by Trustees	42,846	-	8,230	51,076
Less: Gas Well Investments Held by Trustees	(40,660)	-	-	(40,660)
Total Cash and Cash Equivalents	\$ 32,097	\$ 3,606	\$ 34,092	\$ 69,795
Noncash Investing, Capital, and Financing Activities:				
Amortization of Bond Premium	-	605	-	605
Amortization of Bond Defeasement Loss	-	(187)	-	(187)
Change in Fair Value on Pooled Investments	129	106	801	1,036
Change in Fair Value on Non-Pooled Investments	(122)	-	-	(122)

(concluded)



Internal Service Funds

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

Equipment Services Fund

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

Capital Project Services Fund

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

Group Health and Life Insurance

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

Risk Financing

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

CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2020
(in 000's)

	Equipment Services	Capital Project Services	Group Health and Life Insurance	Risk Financing	Total
ASSETS					
Current Assets:					
Cash, Cash Equivalents, & Investments	\$ 5,948	\$ 9,639	\$ 39,371	\$ 35,770	\$ 90,728
Interest Receivable	9	21	79	77	186
Accounts and Other Receivables, Net of Allowance for Uncollectible	-	-	-	73	73
Inventories (at Cost)	312	-	-	-	312
Prepays, Deposits, and Other	-	52	-	-	52
Total Current Assets	<u>6,269</u>	<u>9,712</u>	<u>39,450</u>	<u>35,920</u>	<u>91,351</u>
Noncurrent Assets:					
Restricted Assets:					
Cash & Cash Equivalents	441	-	-	3,110	3,551
Cash, Cash Equivalents, & Investments Held by Trustees	-	-	2,566	799	3,365
Total Restricted Assets	<u>441</u>	<u>-</u>	<u>2,566</u>	<u>3,909</u>	<u>6,916</u>
Capital Assets (at Cost):					
Land/Right of Way	1,119	4	-	-	1,123
Buildings	4,656	-	-	-	4,656
Infrastructure	1,051	91	-	-	1,142
Vehicles, Machinery and Equipment	2,529	1,220	-	-	3,749
Intangibles - Depreciable	201	-	-	-	201
Accumulated Depreciation	(6,838)	(1,308)	-	-	(8,146)
Net Capital Assets	<u>2,718</u>	<u>7</u>	<u>-</u>	<u>-</u>	<u>2,725</u>
Total Noncurrent Assets	<u>3,159</u>	<u>7</u>	<u>2,566</u>	<u>3,909</u>	<u>9,641</u>
Total Assets	<u>9,428</u>	<u>9,719</u>	<u>42,016</u>	<u>39,829</u>	<u>100,992</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	2,954	70	1,213	626	4,863
Accrued Payroll	309	432	42	96	879
Current Portion of Long-Term Liabilities	<u>495</u>	<u>516</u>	<u>5,424</u>	<u>10,478</u>	<u>16,913</u>
Total Current Liabilities	<u>3,758</u>	<u>1,018</u>	<u>6,679</u>	<u>11,200</u>	<u>22,655</u>
Long-Term Liabilities:					
Long-Term Liabilities Due in More Than One Year	<u>491</u>	<u>929</u>	<u>108</u>	<u>16,747</u>	<u>18,275</u>
Total Long-Term Liabilities	<u>491</u>	<u>929</u>	<u>108</u>	<u>16,747</u>	<u>18,275</u>
Total Liabilities	<u>4,249</u>	<u>1,947</u>	<u>6,787</u>	<u>27,947</u>	<u>40,930</u>
NET POSITION					
Net Investment in Capital Assets	2,718	7	-	-	2,725
Unrestricted	<u>2,461</u>	<u>7,765</u>	<u>35,229</u>	<u>11,882</u>	<u>57,337</u>
Total Net Position	<u>\$ 5,179</u>	<u>\$ 7,772</u>	<u>\$ 35,229</u>	<u>\$ 11,882</u>	<u>\$ 60,062</u>

CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(in 000's)

	Equipment Services	Capital Project Services	Group Health and Life Insurance	Risk Financing	Total
OPERATING REVENUES					
Charges for Services	\$ 26,165	\$ 16,237	\$ 63,013	\$ 17,599	\$ 123,014
Other	26	-	6,465	1,643	8,134
Total Operating Revenues	<u>26,191</u>	<u>16,237</u>	<u>69,478</u>	<u>19,242</u>	<u>131,148</u>
OPERATING EXPENSES					
Personnel Services	9,380	11,163	1,070	1,855	23,468
Supplies and Materials	6,024	262	12	8	6,306
Contractual Services	11,392	2,485	62,156	17,704	93,737
Depreciation	247	6	-	-	253
Total Operating Expenses	<u>27,043</u>	<u>13,916</u>	<u>63,238</u>	<u>19,567</u>	<u>123,764</u>
Operating Income (Loss)	<u>(852)</u>	<u>2,321</u>	<u>6,240</u>	<u>(325)</u>	<u>7,384</u>
NONOPERATING REVENUES (EXPENSES)					
Investment Income	239	197	1,029	1,209	2,674
Gain (Loss) on Sale of Property and Equipment	10	9	-	-	19
Total Nonoperating Revenues (Expenses)	<u>249</u>	<u>206</u>	<u>1,029</u>	<u>1,209</u>	<u>2,693</u>
Income (Loss) Before Transfers	<u>(603)</u>	<u>2,527</u>	<u>7,269</u>	<u>884</u>	<u>10,077</u>
Transfers In	-	-	2,018	3,271	5,289
Transfers Out	<u>(128)</u>	<u>(614)</u>	<u>(8)</u>	<u>(1,329)</u>	<u>(2,079)</u>
Changes in Net Position	<u>(731)</u>	<u>1,913</u>	<u>9,279</u>	<u>2,826</u>	<u>13,287</u>
Total Net Position, Beginning of Year	<u>5,910</u>	<u>5,859</u>	<u>25,950</u>	<u>9,056</u>	<u>46,775</u>
Total Net Position, End of Year	<u>\$ 5,179</u>	<u>\$ 7,772</u>	<u>\$ 35,229</u>	<u>\$ 11,882</u>	<u>\$ 60,062</u>

CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(in 000's)

	Equipment Services	Capital Project Services	Group Health and Life Insurance	Risk Financing	Total
Cash Flows from Operating Activities:					
Receipts from Other Funds	\$ 26,165	\$ 16,185	\$ 63,274	\$ 17,729	\$ 123,353
Receipts from Other Operating Sources	26	-	6,465	1,643	8,134
Payments to Employees	(9,361)	(10,835)	(1,024)	(1,847)	(23,067)
Payments to Vendors	(16,318)	(2,747)	(12)	(8)	(19,085)
Payments for Benefits	-	-	(62,097)	(17,061)	(79,158)
Net Cash Provided by (Used for) Operating Activities	<u>512</u>	<u>2,603</u>	<u>6,606</u>	<u>456</u>	<u>10,177</u>
Cash Flows from Noncapital Financing Activities:					
Transfers In from Other Funds	-	-	2,018	3,271	5,289
Transfers Out to Other Funds	(128)	(614)	(8)	(1,329)	(2,079)
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(128)</u>	<u>(614)</u>	<u>2,010</u>	<u>1,942</u>	<u>3,210</u>
Cash Flows from Capital and Related Financing Activities:					
Proceeds from Sale of Property and Equipment	10	9	-	-	19
Acquisition and Construction of Capital Assets	(143)	-	-	-	(143)
Net Cash Provided by (Used for) Capital Related Financing Activities	<u>(133)</u>	<u>9</u>	<u>-</u>	<u>-</u>	<u>(124)</u>
Cash Flows from Investing Activities:					
Investment Income Received	239	197	1,031	1,221	2,688
Net Cash Provided by (Used for) Investing Activities	<u>239</u>	<u>197</u>	<u>1,031</u>	<u>1,221</u>	<u>2,688</u>
Net Increase (Decrease) in Cash and Cash Equivalents	490	2,195	9,647	3,619	15,951
Cash and Cash Equivalents, Beginning of Year	5,899	7,444	32,290	36,060	81,693
Cash and Cash Equivalents, End of Year	<u>\$ 6,389</u>	<u>\$ 9,639</u>	<u>\$ 41,937</u>	<u>\$ 39,679</u>	<u>\$ 97,644</u>

CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(in 000's)

	Equipment Services	Capital Project Services	Group Health and Life Insurance	Risk Financing	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating Income (Loss)	\$ (852)	\$ 2,321	\$ 6,240	\$ (325)	\$ 7,384
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Depreciation	247	6	-	-	253
Changes in Assets and Liabilities:					
Accounts and Other Receivables	-	-	261	130	391
Inventories	105	-	-	-	105
Prepays, Deposits, and Other Assets	-	(52)	-	-	(52)
Accounts Payable	993	-	11	266	1,270
Accrued Payroll and Compensation	19	328	46	8	401
Accrued Benefits	-	-	48	377	425
Total Adjustments	<u>1,364</u>	<u>282</u>	<u>366</u>	<u>781</u>	<u>2,793</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 512</u>	<u>\$ 2,603</u>	<u>\$ 6,606</u>	<u>\$ 456</u>	<u>\$ 10,177</u>
The Cash and Cash Equivalents are reported in the Statement of Net Position as follows:					
Current - Cash, Cash Equivalents, & Investments	\$ 5,948	\$ 9,639	\$ 39,371	\$ 35,770	\$ 90,728
Noncurrent Restricted - Cash & Cash Equivalents	441	-	-	3,110	3,551
Noncurrent Restricted - Cash, Cash Equivalents, & Investments Held by Trustees	-	-	2,566	799	3,365
Total Cash and Cash Equivalents	<u>\$ 6,389</u>	<u>\$ 9,639</u>	<u>\$ 41,937</u>	<u>\$ 39,679</u>	<u>\$ 97,644</u>
Noncash Investing, Capital, and Financing Activities:					
Change in Fair Value on Pooled Investments	\$ 162	\$ 71	\$ 561	\$ 724	\$ 1,518



Fiduciary Funds

Fiduciary funds are used to account for resources held by the City as a trustee or agent. Fiduciary Funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The City reports the following fiduciary funds:

Retirement Pension Trust Fund

For accounting measurement purposes, the Retirement Pension Trust Fund is accounted for in essentially the same manner as proprietary funds. The Retirement Pension Trust Fund accounts for the assets of the City's employees and employees of the Employees' Retirement Fund and issues separately audited financial statements.

Retiree Healthcare Trust Fund

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

Fort Worth Firefighters Healthcare Trust Fund

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

CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
SEPTEMBER 30, 2020
(in 000's)

	Retirement Pension Trust Fund	Retiree Healthcare Trust Fund	Fort Worth Firefighters Healthcare Trust Fund	Total
ASSETS				
Current Assets:				
Cash & Cash Equivalents	\$ 159	\$ 3,389	\$ 3,280	\$ 6,828
Cash & Investments Held by Trustees:				
Assets and Mortgage Backed Obligations	69,126	-	-	69,126
Corporate Obligations	215,703	27,709	-	243,412
Government Agency Obligations	138,756	11,966	-	150,722
International Obligations	14,204	3,459	-	17,663
Securities Lending Collateral	99,257	-	-	99,257
U.S. Treasuries	68,265	14,075	-	82,340
Short-Term Mutual Fund Investments	82,759	30,313	-	113,072
Corporate Stock	334,788	-	-	334,788
Alternative Investments	522,648	-	-	522,648
Commingled Funds	955,063	-	-	955,063
Total Cash & Investments Held by Trustees	2,500,569	87,522	-	2,588,091
Prepays	92	-	187	279
Accrued Income	4,039	317	-	4,356
Other Receivables	8,978	30	1,186	10,194
Due From Broker Securities Sold	190,480	-	-	190,480
Total Current Assets	2,704,317	91,258	4,653	2,800,228
Capital Assets (at Cost):				
Land	404	-	-	404
Buildings	3,501	-	-	3,501
Machinery and Equipment	323	-	-	323
Accumulated Depreciation	(1,366)	-	-	(1,366)
Net Capital Assets	2,862	-	-	2,862
Total Assets	2,707,179	91,258	4,653	2,803,090
LIABILITIES				
Current Liabilities:				
Accrued Liabilities	382	249	1,973	2,604
Obligations Under Securities Lending	99,257	-	-	99,257
Due to Broker Securities Purchased	239,379	-	-	239,379
Total Current Liabilities	339,018	249	1,973	341,240
NET POSITION				
Net Position Held in Trust for Pension and Other Employee Benefits:				
Restricted for Pensions	2,368,162	-	-	2,368,162
Postemployment Healthcare Plan	-	91,009	2,680	93,689
Total Net Position	\$ 2,368,162	\$ 91,009	\$ 2,680	\$ 2,461,851

CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(in 000's)

	Retirement Pension Trust Fund	Retiree Healthcare Trust Fund	Fort Worth Firefighters Healthcare Trust Fund	Total
ADDITIONS				
Interest, Dividend, and Securities Lending Income	\$ 27,327	\$ 3,853	\$ -	\$ 31,180
Less: Investment Management Fees and Interest Expense	(6,503)	(246)	-	(6,749)
Net Gain (Loss) in Fair Value of Investments	78,342	2,302	-	80,644
Other Income	11,405	2,466	2,871	16,742
Employer Contributions	124,744	20,592	12,264	157,600
Employee/Retiree Contributions	56,251	-	5,420	61,671
Total Additions	<u>291,566</u>	<u>28,967</u>	<u>20,555</u>	<u>341,088</u>
DEDUCTIONS				
Benefit Payments	227,191	21,541	18,413	267,145
Refunds	3,773	-	-	3,773
Administrative Expenses	5,303	1,145	1,072	7,520
Total Deductions	<u>236,267</u>	<u>22,686</u>	<u>19,485</u>	<u>278,438</u>
Change in Net Position	55,299	6,281	1,070	62,650
Net Position, Beginning of Year	2,312,863	84,728	1,610	2,399,201
Net Position, End of Year	<u>\$ 2,368,162</u>	<u>\$ 91,009</u>	<u>\$ 2,680</u>	<u>\$ 2,461,851</u>



OTHER SUPPLEMENTAL INFORMATION



CITY OF FORT WORTH, TEXAS
SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(in 000's)

	Water and Sewer	Stormwater Utility	Municipal Airports	Municipal Parking	Solid Waste
OPERATING REVENUES					
Charges for Services	\$ 477,948	\$ 43,313	\$ 9,141	\$ 4,901	\$ 63,904
Other	940	4	58	1	2,910
Total Operating Revenues	<u>478,888</u>	<u>43,317</u>	<u>9,199</u>	<u>4,902</u>	<u>66,814</u>
OPERATING EXPENSES					
Personnel Services	78,719	9,197	2,271	1,130	8,363
Supplies and Materials	26,493	750	170	125	561
Contractual Services	154,025	7,536	4,979	2,113	53,645
Total Operating Expenses	<u>259,237</u>	<u>17,483</u>	<u>7,420</u>	<u>3,368</u>	<u>62,569</u>
Operating Income (Loss)	<u>219,651</u>	<u>25,834</u>	<u>1,779</u>	<u>1,534</u>	<u>4,245</u>
NONOPERATING REVENUES (EXPENSES)					
Investment Income	10,236	940	2,087	64	434
Gain (Loss) on Sale of Property and Equipment	346	8	6	-	4
Interest and Service Charges	(35,339)	(4,090)	-	(1,388)	(55)
Gas Leases and Royalties	530	-	1,832	-	-
Total Nonoperating Revenues (Expenses)	<u>(24,227)</u>	<u>(3,142)</u>	<u>3,925</u>	<u>(1,324)</u>	<u>383</u>
Income (Loss) Before Transfers and Contributions	<u>195,424</u>	<u>22,692</u>	<u>5,704</u>	<u>210</u>	<u>4,628</u>
Transfers In	3,070	-	60	-	21
Transfers Out	(28,169)	(4,470)	(210)	(106)	(6,167)
Capital Contributions	9,604	-	7,030	-	-
Capital Contributions - Impact Fees	32,658	-	-	-	-
Changes in Net Position	<u>\$ 212,587</u>	<u>\$ 18,222</u>	<u>\$ 12,584</u>	<u>\$ 104</u>	<u>\$ (1,518)</u>

CITY OF FORT WORTH, TEXAS
SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(in 000's)

	<u>Water and Sewer</u>	<u>Stormwater Utility</u>	<u>Municipal Airports</u>	<u>Municipal Parking</u>	<u>Solid Waste</u>
Reconciliation of Changes in Noncurrent Non-Cash					
Revenues and Expenses:					
OPERATING REVENUES:					
Charges for Services	\$ -	\$ -	\$ -	\$ 17	\$ -
Other	-	-	-	-	507
Total Changes in Operating Revenues	-	-	-	17	507
OPERATING EXPENSES:					
Personnel Services:					
Compensated Absences	(1,036)	(128)	97	(6)	(89)
Net Pension Liability	122,361	14,557	3,500	1,925	13,647
Net OPEB Liability	(2,069)	(268)	(49)	9	142
Other	(47)	-	(9)	(2)	-
Total Changes in Personnel Services	119,209	14,161	3,539	1,926	13,700
Supplies and Materials	(24)	-	-	-	-
Contractual Services	1,125	(2,247)	4	(4)	(29)
Landfill Closure and Postclosure Cost	-	-	-	-	(1,428)
Depreciation	(78,834)	(11,084)	(12,958)	(1,998)	(544)
Total Changes in Operating Expenses	41,476	830	(9,415)	(76)	11,699
NONOPERATING REVENUES (EXPENSES):					
Investment Income (Loss)	4,299	995	8	107	799
Gain (Loss) on Sale of Property and Equipment	(1,175)	4	17	-	(3)
Interest and Service Charges	8,047	719	-	426	1
Transfers Out	(617)	(63)	(12)	(6)	(59)
Capital Contributions	65,636	50	(3,559)	-	-
Total Changes In Nonoperating Revenues (Expenses)	76,190	1,705	(3,546)	527	738
Total Non-Cash Adjustments	117,666	2,535	(12,961)	468	12,944
Changes in Net Position per Schedule	212,587	18,222	12,584	104	(1,518)
Changes in Net Position on Fund Financial Statements	<u>\$ 330,253</u>	<u>\$ 20,757</u>	<u>\$ (377)</u>	<u>\$ 572</u>	<u>\$ 11,426</u>



STATISTICAL SECTION (UNAUDITED)

STATISTICAL SECTION

(Unaudited)

The City of Fort Worth comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the City's overall financial health.

		Tables
Financial Trends	These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	1-4
Revenue Capacity	These schedules present information to help the reader assess the City's most significant local revenue source, the property tax.	5-12
Debt Capacity	These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	13-18
Demographic & Economic Information	These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	19-28
Operating Information	These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	29-31

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year.

CITY OF FORT WORTH, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS (Unaudited)
(Accrual Basis of Accounting)
(in 000's)

	2011	2012	2013	2014	2015
Governmental Activities:					
Net Investment in Capital Assets	\$ 1,015,491	\$ 1,005,900	\$ 1,053,547	\$ 1,092,890	\$ 1,228,012
Restricted for Debt Service	5,478	9,047	1,660	2,616	6,585
Restricted for Capital Projects	12,818	17,350	23,512	33,367	45,773
Unrestricted (Deficit) ^(a)	(32,846)	(53,101)	(128,038)	(214,634)	(1,552,115)
Total Governmental Activities Net Position (Deficit)	<u>\$ 1,000,941</u>	<u>\$ 979,196</u>	<u>\$ 950,681</u>	<u>\$ 914,239</u>	<u>\$ (271,745)</u>
Business-Type Activities:					
Net Investment in Capital Assets	\$ 1,569,470	\$ 1,715,508	\$ 1,850,152	\$ 1,864,396	\$ 1,990,723
Restricted for Debt Service	42,407	29,919	34,513	27,641	3,852
Restricted for Capital Projects	47,464	39,715	35,852	33,276	26,070
Unrestricted (Deficit)	327,535	261,406	216,989	290,454	117,473
Total Business-Type Activities Net Position	<u>\$ 1,986,876</u>	<u>\$ 2,046,548</u>	<u>\$ 2,137,506</u>	<u>\$ 2,215,767</u>	<u>\$ 2,138,118</u>
Primary Government:					
Net Investment in Capital Assets	\$ 2,584,961	\$ 2,721,408	\$ 2,903,699	\$ 2,957,286	\$ 3,218,735
Restricted for Debt Service	47,885	38,966	36,173	30,257	10,437
Restricted for Capital Projects	60,282	57,065	59,364	66,643	71,843
Unrestricted (Deficit)	294,689	208,305	88,951	75,820	(1,434,642)
Total Primary Government Net Position	<u>\$ 2,987,817</u>	<u>\$ 3,025,744</u>	<u>\$ 3,088,187</u>	<u>\$ 3,130,006</u>	<u>\$ 1,866,373</u>

Source: Comprehensive Annual Financial Report for the respective years.

(a) For FY2015, decrease due to GASB 68 Implementation. For FY2018, decrease due to GASB 75 implementation.

TABLE 1

2016	2017	2018	2019	2020
\$ 1,302,450	\$ 1,392,113	\$ 1,451,492	\$ 1,641,806	\$ 2,286,781
10,977	29,259	25,609	36,341	30,324
42,877	57,721	63,125	75,663	89,029
<u>(1,677,201)</u>	<u>(1,995,603)</u>	<u>(2,600,878)</u>	<u>(2,830,558)</u>	<u>(1,770,206)</u>
<u>\$ (320,897)</u>	<u>\$ (516,510)</u>	<u>\$ (1,060,652)</u>	<u>\$ (1,076,748)</u>	<u>\$ 635,928</u>
\$ 2,052,536	\$ 2,242,924	\$ 2,278,993	\$ 2,498,815	\$ 2,597,318
10,576	13,146	46,026	58,513	56,825
15,221	26,028	28,739	53,732	93,842
<u>181,027</u>	<u>127,082</u>	<u>172,722</u>	<u>85,747</u>	<u>311,453</u>
<u>\$ 2,259,360</u>	<u>\$ 2,409,180</u>	<u>\$ 2,526,480</u>	<u>\$ 2,696,807</u>	<u>\$ 3,059,438</u>
\$ 3,354,986	\$ 3,635,037	\$ 3,730,485	\$ 4,140,621	\$ 4,884,099
21,553	42,405	71,635	94,854	87,149
58,098	83,749	91,864	129,395	182,871
<u>(1,496,174)</u>	<u>(1,868,521)</u>	<u>(2,428,156)</u>	<u>(2,744,811)</u>	<u>(1,458,753)</u>
<u>\$ 1,938,463</u>	<u>\$ 1,892,670</u>	<u>\$ 1,465,828</u>	<u>\$ 1,620,059</u>	<u>\$ 3,695,366</u>

CITY OF FORT WORTH, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS (Unaudited)
(Accrual Basis of Accounting)
(in 000's)

	2011	2012	2013	2014	2015
Expenses					
Governmental Activities:					
General Government	\$ 118,104	\$ 108,632	\$ 114,575	\$ 173,634	\$ 202,450
Public Safety	407,601	422,626	431,362	424,289	529,188
Highways and Streets	-	-	-	-	131,535
Culture and Recreation	57,815	60,089	62,626	62,167	129,115
Health and Welfare	-	-	-	-	3,548
Urban Redevelopment and Housing	-	-	-	-	36,544
Transportation and Public Works	128,611	133,691	129,820	147,429	-
Public Library	22,348	22,102	21,736	20,842	-
Public Events and Facilities	32,844	33,152	35,545	32,876	-
Planning and Development	13,534	13,156	14,145	12,382	-
Housing and Economic Development	35,699	24,382	20,388	18,402	-
Interest and Service Charges	31,472	31,130	34,366	31,522	26,448
Total Governmental Activities	848,028	848,960	864,563	923,543	1,058,828
Business-Type Activities:					
Water and Sewer	288,452	306,476	302,447	317,526	340,113
Stormwater Utility	18,972	20,773	22,531	23,745	28,198
Municipal Airports	13,356	14,912	18,768	23,089	14,194
Municipal Parking	5,851	6,580	6,621	6,649	7,602
Solid Waste	44,247	46,415	48,903	48,420	52,586
Municipal Golf ^(a)	5,864	7,723	5,614	5,396	-
Total Business-Type Activities	376,742	402,879	404,884	424,825	442,693
Total Primary Government Expenses	\$ 1,224,770	\$ 1,251,839	\$ 1,269,447	\$ 1,348,368	\$ 1,501,521
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government	\$ 14,701	\$ 5,436	\$ 5,933	\$ 6,575	\$ 19,229
Public Safety	19,925	22,722	25,339	23,023	9,984
Highways and Streets	-	-	-	-	13,884
Culture and Recreation	2,750	3,165	2,990	4,021	20,266
Urban Redevelopment and Housing	-	-	-	-	13,344
Transportation and Public Works	10,627	14,738	14,984	14,683	-
Public Library	666	670	629	608	-
Public Events and Facilities	9,749	8,822	10,814	11,421	-
Planning and Development	11,673	10,336	11,497	11,308	-
Housing and Economic Development	3,028	2,683	4,845	1,998	-
Operating Grants and Contributions	56,825	47,644	45,173	43,700	37,810
Capital Grants and Contributions	54,686	55,075	52,682	69,149	62,794
Total Governmental Activities	184,630	171,291	174,886	186,486	177,311
Business-Type Activities:					
Charges for Services:					
Water and Sewer	348,650	345,373	352,005	361,853	389,188
Stormwater Utility	29,397	32,615	34,973	35,409	36,185
Municipal Airports	4,800	4,755	4,662	5,074	5,437
Municipal Parking	7,635	7,725	7,105	7,082	7,310
Solid Waste	48,314	48,502	50,344	50,338	52,373
Municipal Golf ^(a)	4,260	4,388	3,859	3,621	-
Capital Grants and Contributions	18,846	27,578	35,910	42,682	88,617
Total Business-Type Activities	461,902	470,936	488,858	506,059	579,110
Total Primary Government Program Revenues	\$ 646,532	\$ 642,227	\$ 663,744	\$ 692,545	\$ 756,421

TABLE 2

2016	2017	2018	2019	2020 ^(b)
\$ 160,124	\$ 152,609	\$ 149,942	\$ 166,338	\$ 14,398
551,562	698,059	687,036	671,224	(167,533)
154,346	157,108	158,652	167,258	125,762
128,444	174,426	284,181	171,710	73,767
6,863	11,076	11,104	11,017	29,132
68,782	76,190	92,183	82,821	67,747
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
30,493	31,636	30,844	32,715	33,443
1,100,614	1,301,104	1,413,942	1,303,083	176,716
358,053	376,755	375,603	365,414	245,882
24,365	30,238	29,690	31,960	20,012
20,519	14,628	18,694	19,424	16,812
7,387	6,699	6,744	7,030	4,406
53,089	59,292	57,654	62,407	50,923
-	-	-	-	-
463,413	487,612	488,385	486,235	338,035
\$ 1,564,027	\$ 1,788,716	\$ 1,902,327	\$ 1,789,318	\$ 514,751
\$ 22,900	\$ 25,075	\$ 14,850	\$ 24,044	\$ 22,895
13,110	12,463	11,488	12,689	16,328
12,549	12,952	12,244	8,921	2,290
19,491	17,137	28,657	26,871	21,252
20,824	18,356	24,814	20,731	19,728
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
61,189	54,497	65,082	76,267	662,064
76,667	123,816	97,698	170,497	172,337
226,730	264,296	254,833	340,020	916,894
415,125	424,078	466,462	452,989	477,948
36,887	37,016	38,621	40,037	43,313
6,078	6,480	7,359	8,032	9,141
7,815	7,863	8,577	8,501	4,918
54,003	54,705	57,746	59,771	63,904
-	-	-	-	-
87,851	121,769	101,120	88,757	111,419
607,759	651,911	679,885	658,087	710,643
\$ 834,489	\$ 916,207	\$ 934,718	\$ 998,107	\$ 1,627,537

(continued)

CITY OF FORT WORTH, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS (Unaudited)
(Accrual Basis of Accounting)
(in 000's)

	2011	2012	2013	2014	2015
Net (Expense) and Revenue					
Governmental Activities	\$ (663,398)	\$ (677,669)	\$ (689,677)	\$ (737,057)	\$ (881,517)
Business-Type Activities	85,160	68,057	83,974	81,234	136,417
Total Primary Government Net Expense	<u>\$ (578,238)</u>	<u>\$ (609,612)</u>	<u>\$ (605,703)</u>	<u>\$ (655,823)</u>	<u>\$ (745,100)</u>
General Revenues and Changes in Net Position (Deficit)					
Governmental Activities:					
Taxes:					
General Property Taxes	\$ 341,820	\$ 351,277	\$ 361,568	\$ 389,118	\$ 413,687
Other Local Taxes	179,802	188,884	203,417	217,799	226,028
Franchise Fees	45,178	47,190	49,489	51,205	53,129
Gas Leases and Royalties	23,506	15,758	10,834	16,500	15,717
Investment Income	8,601	7,795	3,149	8,622	6,025
Gain on Debt Defeasance	-	-	-	-	-
Other	13,744	16,593	16,069	20,582	37,594
Transfers	47,169	28,427	29,282	21,913	55,535
Insurance Recoveries	-	-	-	-	-
Special Items	-	-	-	-	31,490
Gain (Loss) on Disposal of Capital Assets	3,508	-	1,316	-	-
Total Governmental Activities	<u>663,328</u>	<u>655,924</u>	<u>675,124</u>	<u>725,739</u>	<u>839,205</u>
Business-Type Activities:					
Gas Leases and Royalties	11,298	7,440	12,377	12,989	8,372
Investment Income	5,283	6,666	1,661	6,077	3,475
Other	7,070	5,936	22,228	5,861	6,087
Transfers	(47,169)	(28,427)	(29,282)	(21,913)	(55,535)
Total Business-Type Activities	<u>(23,518)</u>	<u>(8,385)</u>	<u>6,984</u>	<u>3,014</u>	<u>(37,601)</u>
Total Primary Government	<u>\$ 639,810</u>	<u>\$ 647,539</u>	<u>\$ 682,108</u>	<u>\$ 728,753</u>	<u>\$ 801,604</u>
Changes in Net Position (Deficit)					
Governmental Activities	\$ (70)	\$ (21,745)	\$ (14,553)	\$ (11,318)	\$ (42,312)
Business-Type Activities	61,642	59,672	90,958	84,248	98,816
Total Primary Government	<u>\$ 61,572</u>	<u>\$ 37,927</u>	<u>\$ 76,405</u>	<u>\$ 72,930</u>	<u>\$ 56,504</u>
Implementation of New Accounting Standard and Change in Accounting	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,962)</u>	<u>\$ (31,111)</u>	<u>\$ (1,320,137)</u>

Source: Comprehensive Annual Financial Report for the respective years.

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

(a) The Municipal Golf Fund was transferred to Governmental Activities in Fiscal Year 2015.

(b) Expenses – Significant decrease of expenses in Fiscal Year 2020 when compared to previous years and negative expense balances were due to a decrease of \$839,220 in the City's Net Pension Liability allocated proportionately to Governmental Funds (\$726,265), Water and Sewer Fund (\$88,794), Stormwater Utility Fund (\$10,541), Municipal Airport (\$2,499), Municipal Parking (\$1,330), and Solid Waste Fund (\$9,791). See Note I for additional information.

TABLE 2

2016	2017	2018	2019	2020 ^(b)
\$ (873,884)	\$ (1,036,808)	\$ (1,159,109)	\$ (963,063)	\$ 740,178
144,346	164,299	191,500	171,852	372,608
<u>\$ (729,538)</u>	<u>\$ (872,509)</u>	<u>\$ (967,609)</u>	<u>\$ (791,211)</u>	<u>\$ 1,112,786</u>
\$ 426,247	\$ 452,357	\$ 486,418	\$ 517,382	\$ 562,687
235,146	250,669	266,479	280,510	273,258
49,031	50,078	51,934	50,494	48,365
18,485	9,063	9,267	6,646	3,236
3,703	7,239	8,902	38,090	34,644
-	-	-	-	79
33,410	38,160	13,358	15,394	13,495
51,233	33,629	37,681	37,148	36,728
7,477	-	-	1,303	6
-	-	-	-	-
-	-	-	-	-
<u>824,732</u>	<u>841,195</u>	<u>874,039</u>	<u>946,967</u>	<u>972,498</u>
15,869	6,504	4,754	4,356	2,362
2,809	5,240	7,270	27,885	19,969
9,451	7,406	6,349	3,382	4,420
<u>(51,233)</u>	<u>(33,629)</u>	<u>(37,681)</u>	<u>(37,148)</u>	<u>(36,728)</u>
<u>(23,104)</u>	<u>(14,479)</u>	<u>(19,308)</u>	<u>(1,525)</u>	<u>(9,977)</u>
<u>\$ 801,628</u>	<u>\$ 826,716</u>	<u>\$ 854,731</u>	<u>\$ 945,442</u>	<u>\$ 962,521</u>
\$ (49,152)	\$ (195,613)	\$ (285,070)	\$ (16,096)	\$ 1,712,676
121,242	149,820	172,192	170,327	362,631
<u>\$ 72,090</u>	<u>\$ (45,793)</u>	<u>\$ (112,878)</u>	<u>\$ 154,231</u>	<u>\$ 2,075,307</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (313,964)</u>	<u>\$ -</u>	<u>\$ -</u>

(concluded)

CITY OF FORT WORTH, TEXAS
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (Unaudited)
(Modified Accrual Basis of Accounting)
(in 000's)

	2011	2012	2013	2014	2015
General Fund					
Nonspendable	\$ 10,194	\$ 10,910	\$ 11,723	\$ 5,180	\$ 5,427
Restricted	646	2,735	9,047	3,045	12,153
Committed	54,183	60,231	74,177	11,768	22,508
Assigned	45,447	38,789	8,005	8,755	193
Unassigned	53,137	55,760	58,383	57,294	84,280
Total General Fund	<u>163,607</u>	<u>168,425</u>	<u>161,335</u>	<u>86,042</u>	<u>124,561</u>
All Other Governmental Funds					
Nonspendable, reported in:					
Capital Projects	12,422	314	802	752	601
Grants ^(a)	-	-	-	-	-
Nonmajor Governmental Funds	11,119	2,854	1,671	2,930	3,891
Restricted, reported in:					
Debt Service	10,599	16,890	9,701	8,263	17,497
Capital Projects	189,432	336,582	323,970	211,029	160,074
Nonmajor Governmental Funds	44,663	45,153	59,590	90,328	95,981
Committed, reported in:					
Debt Service	6,393	6,106	7,694	11,436	7,993
Capital Projects	127,787	126,653	130,655	126,850	149,945
Nonmajor Governmental Funds	19,974	20,674	34,609	30,240	4,372
Assigned, reported in:					
Debt Service	478	92	24	107	199
Capital Projects	36,163	36,107	36,781	35,414	44,104
Nonmajor Governmental Funds	51,999	48,497	41,060	43,919	33,932
Unassigned (Deficit), reported in:					
Grants ^(a)	-	-	-	-	-
Nonmajor Governmental Funds	(465)	-	(3,795)	(1,620)	(785)
Total All Other Governmental Funds	<u>510,564</u>	<u>639,922</u>	<u>642,762</u>	<u>559,648</u>	<u>517,804</u>
Total All Governmental Funds	<u>\$ 674,171</u>	<u>\$ 808,347</u>	<u>\$ 804,097</u>	<u>\$ 645,690</u>	<u>\$ 642,365</u>

Source: Comprehensive Annual Financial Report for the respective years.

(a) The Grants Fund was reported as a Nonmajor Governmental Fund prior to Fiscal Year 2020

TABLE 3

2016		2017		2018		2019		2020	
\$	27,823	\$	2,953	\$	5,029	\$	4,717	\$	7,970
	12,738		9,886		10,495		10,644		9,041
	22,924		29,009		27,360		29,833		29,952
	-		-		2,545		-		4,500
	68,436		93,601		107,272		128,603		152,698
	131,921		135,449		152,701		173,797		204,161
	531		412		382		1,040		483
	-		-		-		-		32
	5,294		2,674		5,189		4,631		2,644
	22,680		38,018		29,250		20,273		7,896
	235,075		313,630		272,368		246,955		322,827
	74,775		70,935		92,287		115,197		102,650
	8,583		10,333		8,602		8,602		1,614
	129,279		218,254		122,521		140,784		166,437
	6,458		4,128		2,690		2,569		3,278
	107		3,945		13,115		33,494		47,029
	62,372		74,194		71,434		112,393		87,312
	30,224		41,843		53,556		52,742		55,296
	-		-		-		-		(169)
	(1,794)		(1,140)		(756)		-		-
	573,584		777,226		670,638		738,680		797,329
\$	705,505	\$	912,675	\$	823,339	\$	912,477	\$	1,001,490

CITY OF FORT WORTH, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (Unaudited)
(Modified Accrual Basis of Accounting)
(in 000's)

	2011	2012	2013	2014	2015
REVENUES:					
General Property Taxes	\$ 343,954	\$ 351,540	\$ 357,673	\$ 389,490	\$ 414,419
Other Local Taxes	179,802	188,884	203,417	217,153	225,382
Franchise Fees	45,178	47,190	49,489	51,205	53,129
Charges for Services	14,390	15,975	16,693	18,284	22,306
Licenses and Permits	18,447	12,011	12,179	12,771	12,750
Fines and Forfeitures	24,705	25,598	28,246	26,968	25,325
Revenue from Use of Money and Property	15,577	14,988	19,915	15,614	16,326
Investment Income	8,502	7,695	3,129	8,200	5,131
Intergovernmental	70,276	53,354	59,111	79,239	61,403
Gas Leases and Royalties	23,506	15,758	10,834	16,500	15,717
Other	13,696	16,554	16,069	22,315	30,407
Contributions	12,154	12,633	17,208	9,840	12,177
Total Revenues	<u>770,187</u>	<u>762,180</u>	<u>793,963</u>	<u>867,579</u>	<u>894,472</u>
EXPENDITURES:					
Current:					
General Government	109,265	99,112	106,907	163,945	177,549
Public Safety	348,165	368,224	381,513	389,058	393,715
Highways and Streets	-	-	-	-	40,750
Culture and Recreation	48,544	51,036	53,883	54,711	100,930
Health and Welfare	-	-	-	-	3,109
Urban Redevelopment and Housing	-	-	-	-	31,125
Transportation and Public Works	46,853	53,822	47,598	71,106	-
Public Library	19,355	19,209	18,991	18,763	-
Public Events and Facilities	26,692	28,058	30,528	28,324	-
Planning and Development	12,074	11,865	12,875	11,656	-
Housing and Economic Development	34,073	23,158	19,259	17,536	-
Capital Outlay	137,100	107,625	170,502	206,450	178,970
Debt Service:					
Principal Retirement	47,351	53,925	75,611	88,923	70,939
Interest and Debt Issuance Costs	31,451	30,277	37,517	35,044	31,121
Total Expenditures	<u>860,923</u>	<u>846,311</u>	<u>955,184</u>	<u>1,085,516</u>	<u>1,028,208</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(90,736)</u>	<u>(84,131)</u>	<u>(161,221)</u>	<u>(217,937)</u>	<u>(133,736)</u>
OTHER FINANCING SOURCES (USES):					
Issuance of Long-Term Debt	101,665	170,970	68,570	19,270	40,000
Issuance of Special Assessment Debt	-	-	-	-	-
Issuance of Tax Notes	-	-	-	-	-
Issuance of Capital Leases	4,419	-	-	344	-
Construction Loans	-	-	18,443	46,865	37,356
Premium on Issuance	12,554	32,956	5,150	364	18,668
Proceeds from Disposal of Property	4,444	286	9,090	1,340	2,394
Issuance of Refunding Bonds	46,680	50,305	25,795	-	127,162
Payment to Bond Escrow Agent	(54,299)	(60,437)	(27,286)	-	(154,840)
Refunded Bonds Redeemed	(9,146)	-	-	-	-
Insurance Recoveries	-	-	-	-	-
Transfers In	161,129	470,463	109,939	143,754	162,071
Transfers Out	(156,383)	(446,236)	(52,730)	(181,450)	(102,400)
Total Other Financing Sources (Uses)	<u>111,063</u>	<u>218,307</u>	<u>156,971</u>	<u>30,487</u>	<u>130,411</u>
Net Change in Fund Balances	<u>\$ 20,327</u>	<u>\$ 134,176</u>	<u>\$ (4,250)</u>	<u>\$ (187,450)</u>	<u>\$ (3,325)</u>
Debt Service as a Percentage of Noncapital Expenditures					
	10.80 %	11.38 %	14.41 %	14.16 %	12.00 %

Source: Comprehensive Annual Financial Report for the respective years.

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

TABLE 4

	2016	2017	2018	2019	2020
\$	424,458	\$ 452,843	\$ 485,959	\$ 518,525	\$ 562,695
	234,500	250,023	265,833	279,864	272,528
	49,031	50,078	51,934	50,494	48,365
	37,588	39,864	38,940	50,760	46,106
	15,325	16,881	17,045	16,966	18,095
	18,056	17,062	16,058	11,781	4,426
	15,715	12,432	15,495	13,051	11,294
	3,601	6,952	9,186	34,245	31,967
	72,493	63,364	90,861	81,484	121,744
	18,485	9,063	9,267	6,646	3,237
	33,138	31,879	35,549	39,452	23,497
	13,928	11,515	12,871	17,425	34,642
	<u>936,318</u>	<u>961,956</u>	<u>1,048,998</u>	<u>1,120,693</u>	<u>1,178,596</u>
	124,281	103,325	89,891	128,270	133,690
	443,730	465,575	496,233	492,841	517,018
	56,759	47,146	49,860	62,956	70,622
	102,239	132,014	246,322	135,859	125,999
	6,716	10,843	10,091	10,773	34,670
	51,470	60,093	81,595	81,427	101,692
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	184,317	175,367	190,441	160,895	137,352
	70,484	79,491	100,723	90,370	116,467
	32,265	36,566	43,129	41,028	45,579
	<u>1,072,261</u>	<u>1,110,420</u>	<u>1,308,285</u>	<u>1,204,419</u>	<u>1,283,089</u>
	<u>(135,943)</u>	<u>(148,464)</u>	<u>(259,287)</u>	<u>(83,726)</u>	<u>(104,493)</u>
	103,000	226,880	62,220	106,595	109,065
	-	12,685	5,155	-	-
	-	32,605	12,590	8,565	25,115
	-	575	-	-	-
	40,373	26,637	19,106	7,185	9,436
	21,131	11,192	4,416	9,995	22,705
	533	15,619	26,012	2,482	146
	27,500	-	-	-	42,325
	(47,650)	-	-	-	(48,810)
	-	-	-	-	-
	7,477	-	-	1,303	6
	162,483	389,685	144,348	171,072	178,036
	<u>(115,764)</u>	<u>(360,244)</u>	<u>(103,896)</u>	<u>(134,333)</u>	<u>(144,518)</u>
	<u>199,083</u>	<u>355,634</u>	<u>169,951</u>	<u>172,864</u>	<u>193,506</u>
\$	<u>63,140</u>	<u>\$ 207,170</u>	<u>\$ (89,336)</u>	<u>\$ 89,138</u>	<u>\$ 89,013</u>
	11.47 %	12.41 %	12.87 %	12.59 %	14.14 %

CITY OF FORT WORTH, TEXAS
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE
OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS (Unaudited)
(in 000's)

TABLE 5

Fiscal Year	Net Assessed Valuation^(a)			Total Direct Tax Rate^(d)
	Real^(b)	Personal^(c)	Total Taxable	
2011	\$ 32,195,274	\$ 8,826,794	\$ 41,022,068	0.8550
2012	33,932,556	8,053,487	41,986,043	0.8550
2013	35,892,406	7,805,257	43,697,663	0.8550
2014	34,792,449	7,628,240	42,420,689	0.8550
2015	37,644,135	8,286,957	45,931,092	0.8550
2016	40,839,940	8,819,802	49,659,742	0.8550
2017	41,193,832	8,511,146	49,704,978	0.8350
2018	48,854,255	12,095,772	60,950,027	0.8050
2019	54,591,566	12,993,405	67,584,971	0.7850
2020	62,563,206	14,430,958	76,994,164	0.7475

Source: Tarrant County Appraisal District, Denton County Appraisal District, Parker County Appraisal District and Wise County Appraisal District.

(a) The Assessed Value is 100%. Valuation shown for 2011 to 2020 are from Tarrant, Denton, Parker and Wise County.

(b) Real properties include: residential, commercial and industrial.

(c) Includes personal properties such as; billboards, oil, gas, minerals, utilities, aircraft/mobile home

(d) Tax rate per \$100 of valuation.

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

CITY OF FORT WORTH, TEXAS
PROPERTY TAX RATES - ALL DIRECT AND
OVERLAPPING TAX RATES
LAST TEN FISCAL YEARS (Unaudited)
(Per \$100 of Assessed Value)

TABLE 6

Fiscal Year Ended Sept. 30	City Direct Rates ^(a)			Overlapping Rates ^(a)			
	Operating General Rates	General Obligation Debt Service	Total	Fort Worth ISD	Tarrant County	Tarrant County Hospital District	Tarrant County College District
2011	\$ 0.7109	\$ 0.1441	\$ 0.8550	\$ 1.3220	\$ 0.2640	\$ 0.2279	\$ 0.1490
2012	0.7009	0.1541	0.8550	1.3220	0.2640	0.2279	0.1490
2013	0.6859	0.1691	0.8550	1.3220	0.2640	0.2279	0.1490
2014	0.6759	0.1791	0.8550	1.3220	0.2640	0.2279	0.1495
2015	0.6759	0.1791	0.8550	1.3220	0.2640	0.2279	0.1495
2016	0.6759	0.1791	0.8550	1.3520	0.2640	0.2279	0.1495
2017	0.6615	0.1735	0.8350	1.3520	0.2540	0.2279	0.1447
2018	0.6415	0.1635	0.8050	1.3520	0.2440	0.2244	0.1401
2019	0.6300	0.1550	0.7850	1.3520	0.2340	0.2244	0.1361
2020	0.5950	0.1525	0.7475	1.2820	0.2340	0.2244	0.1302

(a) Source - Tarrant County Appraisal District.

CITY OF FORT WORTH, TEXAS
PROPERTY TAXES LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS (Unaudited)
(in 000's)

TABLE 7

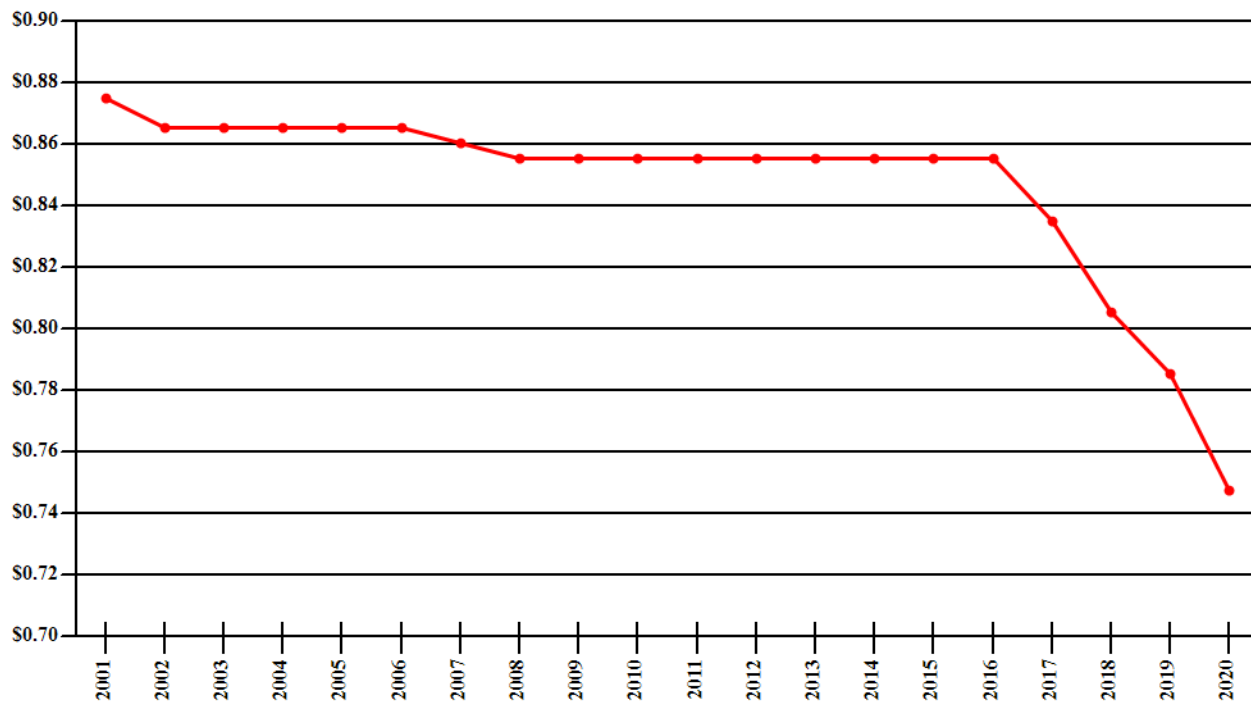
Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Current Tax Collections	Percentage of Levy		Total Tax Collections	Percentage of Levy
2011	\$ 350,050	\$ 343,622	98.16%	\$ 4,283	\$ 347,905	99.39%
2012	358,954	352,784	98.28%	4,316	357,100	99.48%
2013	366,361	359,890	98.23%	2,710	362,600	98.97%
2014	377,584	370,904	98.23%	2,757	373,661	98.96%
2015	402,370	393,691	97.84%	3,889	397,580	98.81%
2016	424,203	416,304	98.14%	3,201	419,505	98.89%
2017	453,954	444,015	97.81%	3,070	447,085	98.49%
2018	488,093	477,778	97.89%	1,052	478,830	98.10%
2019	527,508	515,308	97.69%	1,313	516,621	97.94%
2020	570,801	556,459	97.49%	-	556,459	97.49%

Source: Tarrant County Tax Office

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

TABLE 8

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
\$ 0.8750	\$ 0.8650	\$ 0.8650	\$ 0.8650	\$ 0.8650	\$ 0.8650	\$ 0.8600	\$ 0.8550	\$ 0.8550	\$ 0.8550
2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
\$ 0.8550	\$ 0.8550	\$ 0.8550	\$ 0.8550	\$ 0.8550	\$ 0.8550	\$ 0.8350	\$ 0.8050	\$ 0.7850	\$ 0.7475



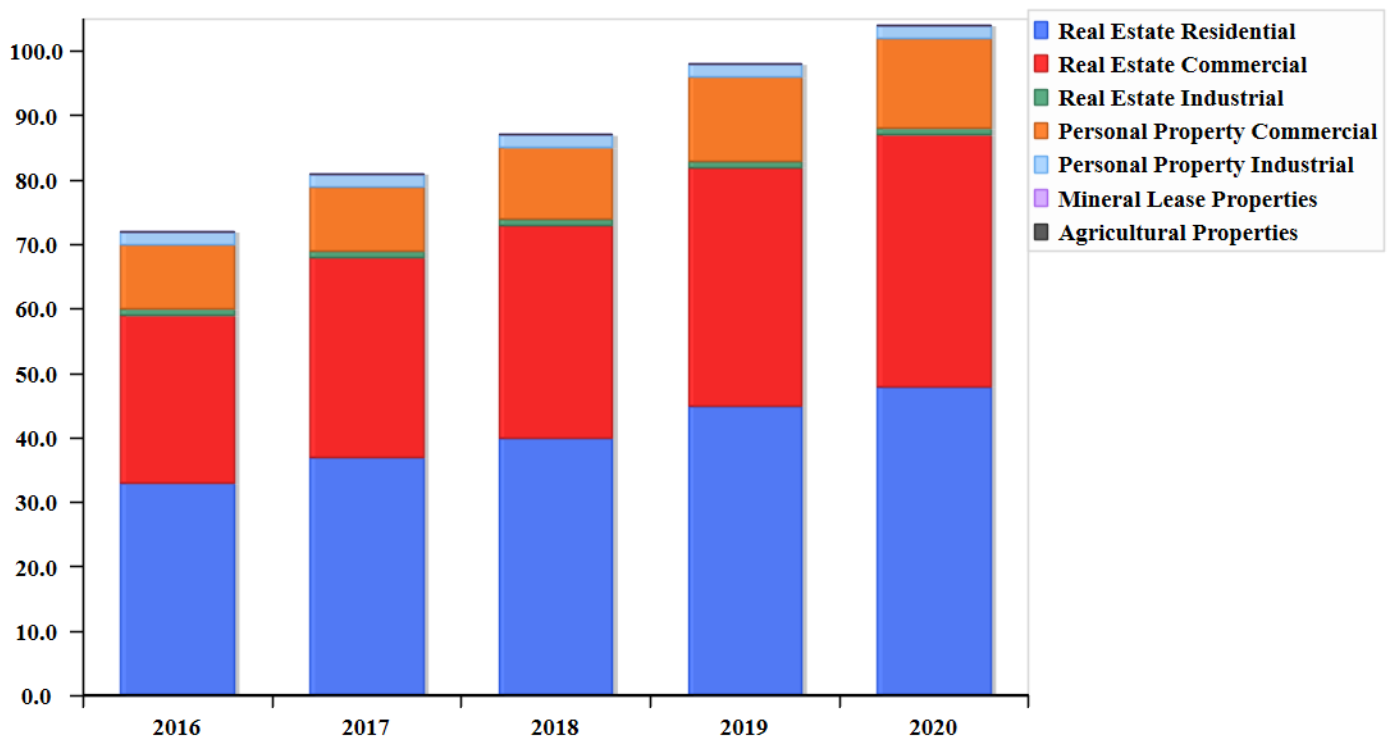
Source: Data Analytics Division, FMS, City of Fort Worth
Tax rate per \$100 of Assessed Value

*Y-Axis adjusted for reader clarity.

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

TABLE 9

Appraisal Year	2016	2017	2018	2019	2020
TAD Value By Type					
Real Estate Residential	\$ 32,960,279,993	\$ 36,684,054,659	\$ 40,416,373,511	\$ 45,419,396,758	\$ 47,901,575,417
Real Estate Commercial ^(a)	26,237,285,606	30,561,203,577	33,159,724,072	37,401,217,704	39,261,858,918
Real Estate Industrial	764,749,581	716,000,835	774,566,170	880,356,252	892,401,448
Personal Property Commercial ^(a)	10,274,347,397	10,485,835,883	11,374,286,496	13,280,195,431	13,913,031,378
Personal Property Industrial	2,330,591,133	2,381,273,287	2,412,169,819	2,305,884,521	2,415,565,805
Mineral Lease Properties	280,114,160	270,687,240	311,440,940	325,587,510	213,152,263
Agricultural Properties	13,590,832	6,042,630	6,223,003	13,312,851	3,343,212
Total TAD Value	\$ 72,860,958,702	\$ 81,105,098,111	\$ 88,454,784,011	\$ 99,625,951,027	\$104,600,928,441
Total CFW Value	\$ 74,906,924,377	\$ 83,712,155,148	\$ 91,126,027,911	\$103,261,553,977	\$109,064,258,429
% of CFW Value	97.3 %	96.9 %	97.1 %	96.5 %	95.9 %



Source: Tarrant Appraisal District Certified Tax Report.

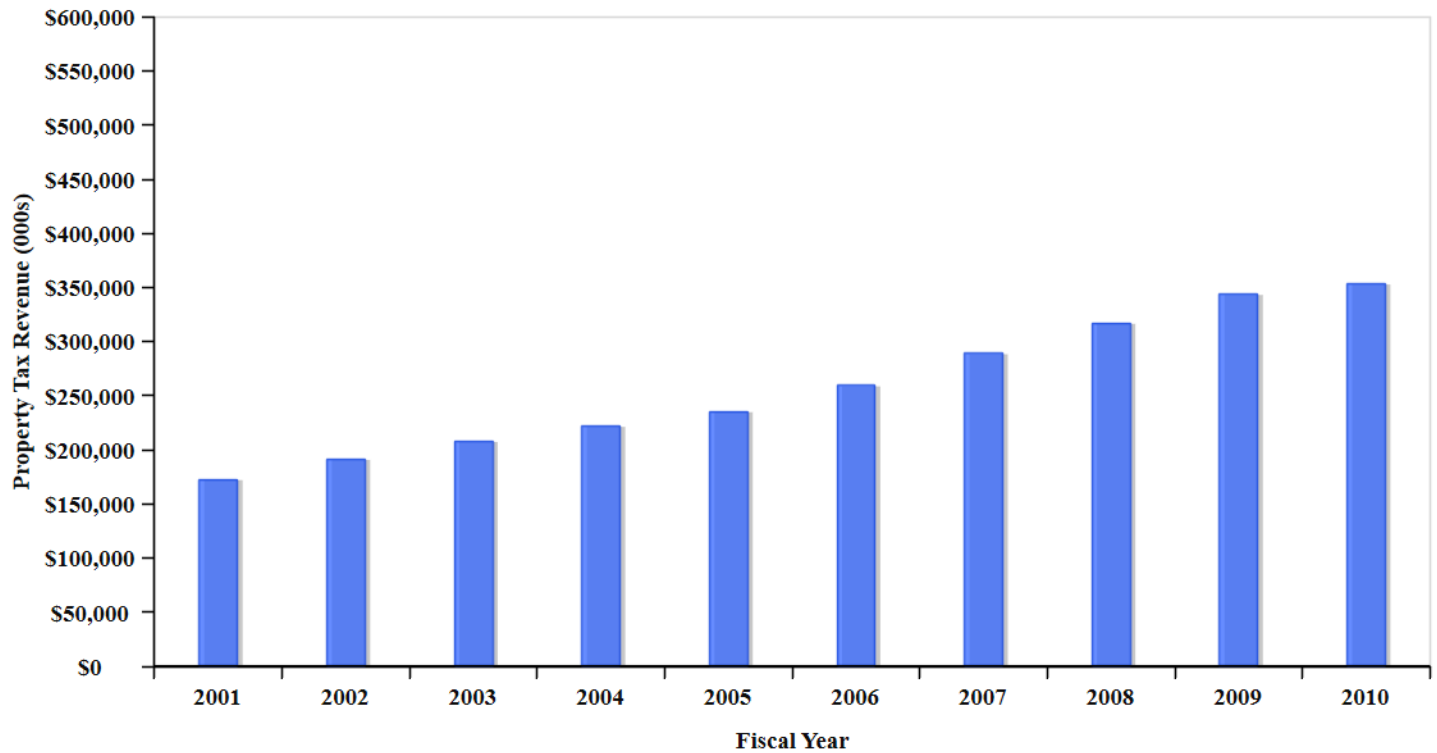
Values reported are for Tarrant County only.

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



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

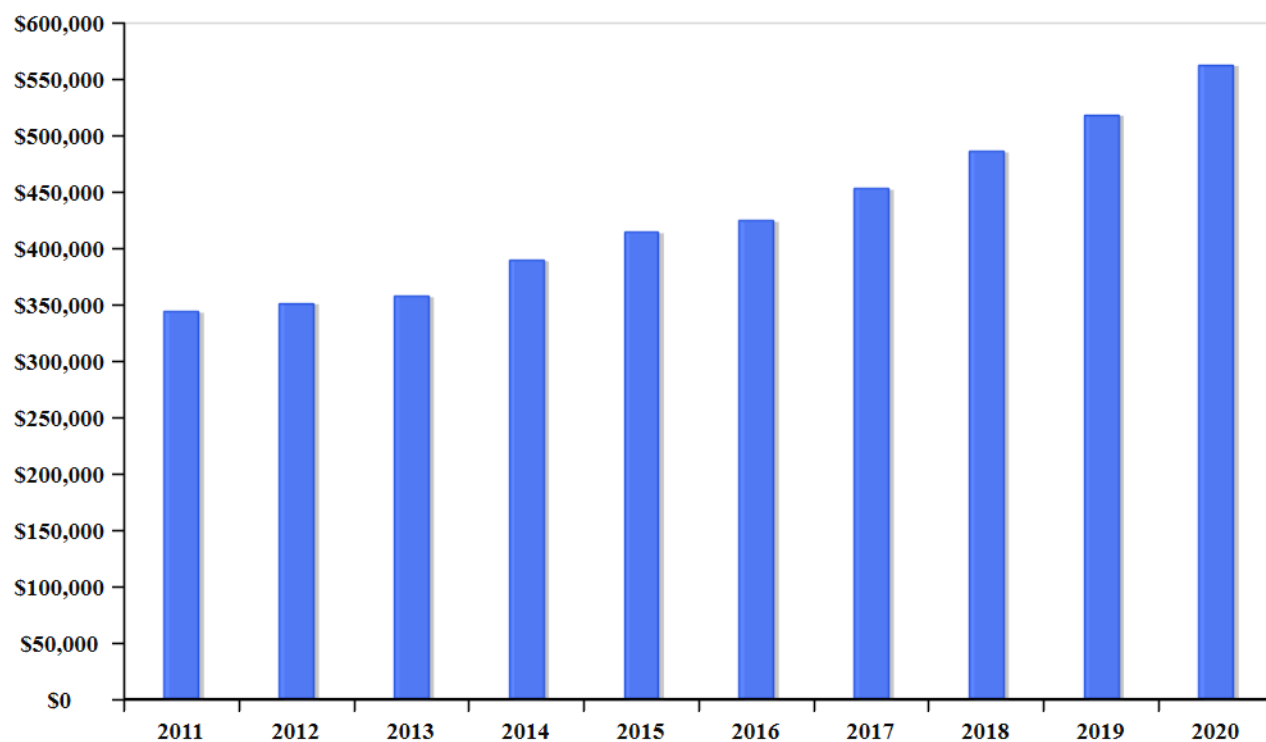
Fiscal Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Value (000s)	\$ 172,908	\$ 191,563	\$ 208,112	\$ 222,111	\$ 235,643	\$ 259,483	\$ 289,177	\$ 317,290	\$ 343,973	\$ 353,606
Percent Change	9.83 %	10.79 %	8.64 %	6.73 %	6.09 %	10.12 %	11.44 %	9.72 %	8.41 %	2.80 %



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

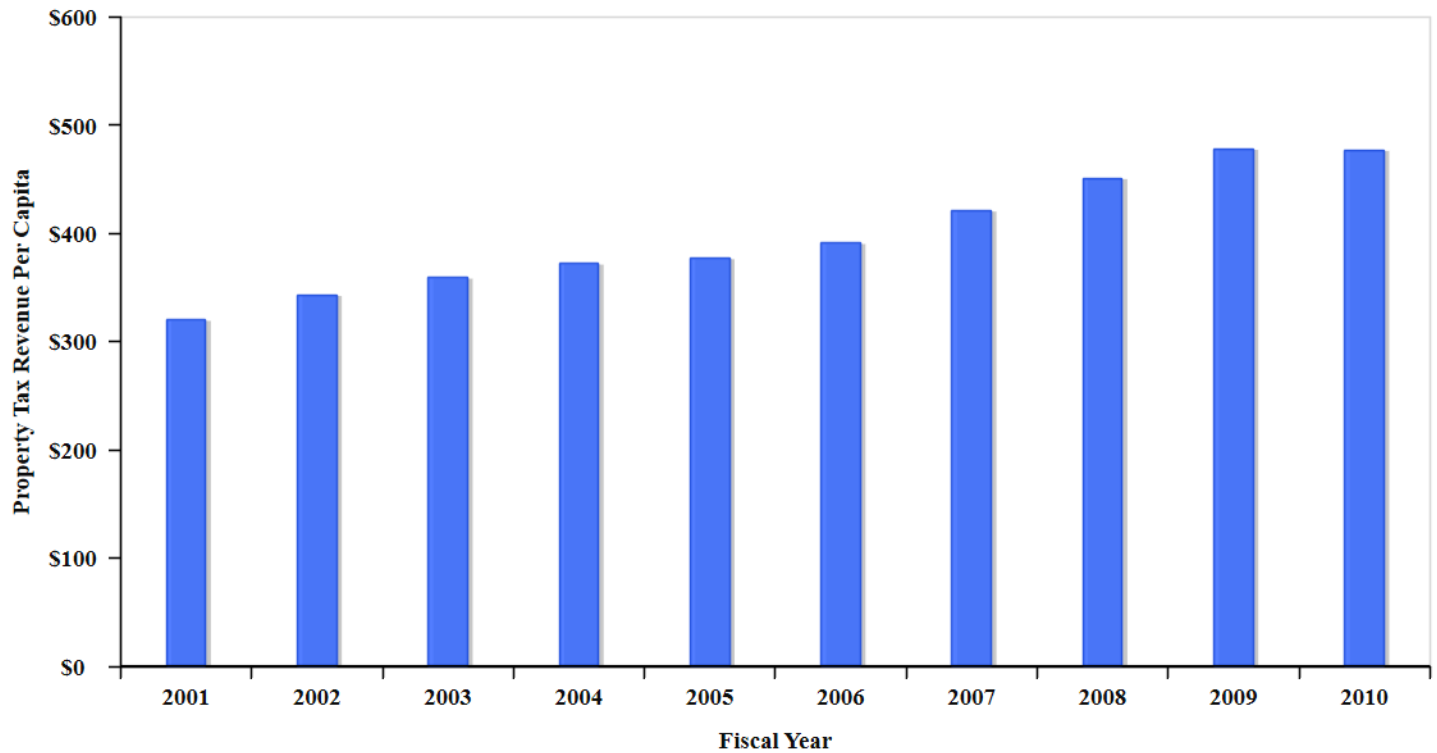
TABLE 10

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
\$ 343,954 (2.73)%	\$ 351,540 2.21 %	\$ 357,673 1.74 %	\$ 389,490 8.90 %	\$ 414,419 6.40 %	\$ 424,458 2.42 %	\$ 452,843 6.69 %	\$ 485,959 7.31 %	\$ 518,525 6.70 %	\$ 562,695 8.52 %



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

Fiscal Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Value (000s) ^(a)	\$ 172,908	\$ 191,563	\$ 208,112	\$ 222,111	\$ 235,643	\$ 259,483	\$ 289,177	\$ 317,290	\$ 343,973	\$ 353,606
Population ^(b)	540,950	557,750	579,250	597,150	624,850	664,100	686,850	702,850	720,250	741,206
Value Per Capita	\$ 320	\$ 343	\$ 359	\$ 372	\$ 377	\$ 391	\$ 421	\$ 451	\$ 478	\$ 477
Percent Change	8.84 %	7.19 %	4.66 %	3.62 %	1.34 %	3.71 %	7.67 %	7.13 %	5.99 %	(0.21)%

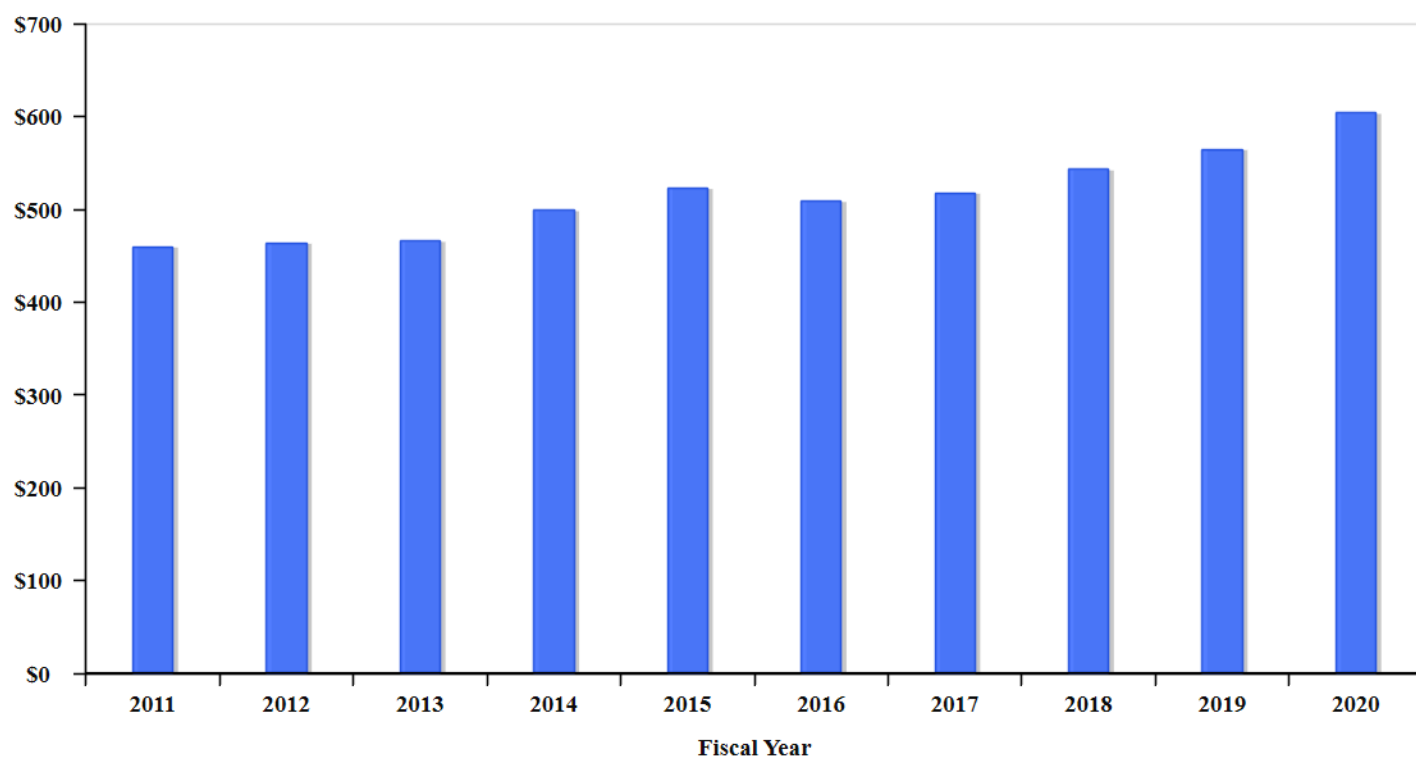


(a) Source: Financial Reporting Division, FMS, City of Fort Worth

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

TABLE 11

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
\$ 343,954	\$ 351,540	\$ 357,673	\$ 389,490	\$ 414,419	\$ 424,458	\$ 452,843	\$ 485,959	\$ 518,525	\$ 562,695
748,450	757,810	767,560	781,100	792,720	833,319	874,168	895,121	917,050	930,971
\$ 460	\$ 464	\$ 466	\$ 499	\$ 523	\$ 509	\$ 518	\$ 543	\$ 565	\$ 604
(3.56)%	0.87 %	0.43 %	7.08 %	4.81 %	(2.68)%	1.77 %	4.83 %	4.05 %	6.90 %



CITY OF FORT WORTH, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO (Unaudited)
(in 000's)

TABLE 12

Name of Taxpayer	Nature of Property	2020 ^(a)		2011 ^(b)	
		2019 Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation	2010 Taxable Assessed Valuation
Winner LLC	Commercial Real Estate	\$ 1,574,939	1	2.05 %	\$ -
AMR Corp/American Airlines, Inc.	Air Travel/Airlines	767,297	2	1.00 %	173,420
Oncor Electric Delivery Co LLC	Electric Utility	489,134	3	0.64 %	-
Bell Helicopter Textron Inc	Aircraft Manufacturing	392,987	4	0.51 %	323,958
Alcon Laboratories	Pharmaceuticals	356,633	5	0.46 %	181,227
DDR/DTC City Investments LP	Real Estate	288,872	6	0.38 %	197,509
Walmart Real Estate Trust	Real Estate	296,241	7	0.38 %	-
At Industrial Owner1 LLC	Real Estate	260,065	8	0.34 %	-
Atmos Energy/Mid Tex Division	Electric Utility	185,419	9	0.24 %	-
Behringer Harvard Burnett PLZ	Real Estate	183,244	10	0.24 %	-
TXU Electric/Oncor Electric Delivery Co, LLC	Electric Utility				348,188
XTO Energy Inc	Oil/Gas Producer				280,520
Chesapeake Operating	Natrual Gas Producer				218,163
Mercantile Partners	Land Subdivider Developer				154,204
Southwestern Bell	Telephone Utility				150,925
Quicksilver Resources, Inc.	Oil/Gas Producer				142,984
		<u>\$ 4,794,831</u>		<u>6.24 %</u>	<u>\$ 2,171,098</u>
					<u>5.29 %</u>

(a) Source: Tarrant Appraisal District Supplemental Certification Report

(b) Source: Comprehensive Annual Financial Report for the respective year



CITY OF FORT WORTH, TEXAS
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS (Unaudited)
(in 000's)

	2011	2012	2013	2014	2015 ^(c)
Governmental:					
General Obligation Bonds	\$ 371,760	\$ 458,800	\$ 463,488	\$ 440,617	\$ 452,412
Certificates of Obligation	202,880	247,600	302,985	299,441	242,290
Special Tax Revenue Debt	-	-	-	-	-
Special Assessment Debt	-	-	-	-	-
Tax Notes	-	-	-	-	-
Installment Obligation	4,405	3,770	3,080	2,370	1,620
Equipment Notes Payable	58,005	54,450	46,860	39,145	-
HUD Installment Obligation	6,761	6,034	5,282	4,504	3,699
Service Center Obligation	20,030	19,515	18,980	-	-
Fort Worth Housing Corp Obligation	9,161	9,073	-	-	-
Fort Worth Sports Authority	15,337	8,476	8,386	6,868	2,495
Lone Star Local Govt Corp Obligation	31,617	31,617	31,617	31,617	31,617
Central City Local Govt Corp Obligation	1,376	872	347	-	-
State Obligations	-	-	-	10,931	10,285
TRWD Obligation	-	-	-	91,998	124,349
State Energy Conservation Loan Phase I & II	2,580	1,925	1,249	553	-
State Energy Conservation Loan Phase III	3,598	3,102	2,590	2,064	1,528
ESPC Phase IV	8,352	7,820	-	-	-
ESPC Phase VII	-	-	18,443	18,064	17,426
Wells Fargo Loan	144	78	-	-	-
Beechwood Bridge Obligation	333	-	-	-	-
Capital Leases	4,319	4,096	3,816	1,482	1,122
Southwest Bank Loan (LDC SW Building)	-	-	-	2,545	2,200
Lancaster Corridor Construction Loan	-	-	-	-	1,774
Unamortized Prem/Disc	-	-	-	-	57,073
Business-type:					
General Obligation Bonds	-	-	-	-	-
Revenue Bonds	855,310	884,010	858,985	950,107	882,395
Certificates of Obligation	57,560	56,035	55,238	53,092	48,428
Equipment Notes Payable	2,049	750	-	-	-
Trinity River Authority	7,150	6,656	6,100	5,500	4,885
ESPC Phase V	15,365	15,365	14,691	13,355	11,938
Unamortized Prem/Disc	-	-	-	-	61,263
Total Primary Government	\$ 1,678,092	\$ 1,820,044	\$ 1,842,137	\$ 1,974,253	\$ 1,958,799
 Personal Income ^(a)	 \$ 20,399,090	 \$ 18,827,032	 \$ 18,934,769	 \$ 19,128,358	 \$ 19,600,795
Debt as a Percentage of Personal Income	8 %	10 %	10 %	10 %	10 %
 Population ^(b)	 748	 758	 768	 781	 793
Debt Per Capita	\$ 2,249	\$ 2,313	\$ 2,399	\$ 2,528	\$ 2,470

(a) Personal Income calculated using the population and the per capita personal income (source: U. S. Bureau of Census 2010 and estimates)

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

(c) Unamortized premium and discounts are included in the General Obligation, Certificate of Obligation, Special Tax Revenue Debt, Special Assessment Debt and Revenue Bonds where applicable.

Source: Comprehensive Annual Financial Report for the respective years and other sources listed above.

TABLE 13

2016 ^(c)		2017 ^(c)		2018 ^(c)		2019 ^(c)		2020 ^(c)	
\$	499,217	\$	452,570	\$	475,520	\$	520,545	\$	576,670
	221,565		201,945		167,785		152,745		99,425
	-		226,880		226,550		226,115		225,675
	-		12,685		17,840		17,840		17,840
	-		26,130		35,010		38,300		56,890
	825		-		-		-		-
	-		-		-		-		-
	2,865		2,000		1,368		702		-
	-		-		-		-		-
	-		-		-		-		-
	-		-		-		-		-
	31,617		31,617		31,617		31,617		31,617
	-		-		-		-		-
	9,638		8,992		8,346		7,700		7,054
	153,853		171,391		186,654		188,857		191,712
	-		-		-		-		-
	971		397		-		-		-
	-		-		-		-		-
	16,472		15,474		14,302		12,650		10,961
	-		-		-		-		-
	-		-		-		-		-
	836		1,167		837		476		1,473
	1,844		1,477		1,099		710		309
	10,276		16,500		-		-		-
	68,272		69,218		55,951		55,342		64,359
	38,428		37,365		35,580		33,740		31,700
	870,315		910,685		953,415		979,470		1,045,815
	4,225		2,515		1,400		230		-
	-		-		-		-		-
	4,250		3,600		2,930		2,240		1,520
	10,463		8,955		7,411		5,830		4,212
	68,508		69,036		52,814		52,784		61,941
<u>\$</u>	<u>2,014,440</u>	<u>\$</u>	<u>2,270,599</u>	<u>\$</u>	<u>2,276,429</u>	<u>\$</u>	<u>2,327,893</u>	<u>\$</u>	<u>2,429,173</u>
\$	20,604,646	\$	22,772,813	\$	25,219,139	\$	31,024,719	\$	33,209,598
	10 %		10 %		9 %		8 %		7 %
	833		875		895		917		931
\$	2,418	\$	2,595	\$	2,543	\$	2,539	\$	2,609

CITY OF FORT WORTH, TEXAS
PERCENT OF TOTAL GENERAL DEBT OUTSTANDING
TO ASSESSED VALUE AND TOTAL GENERAL DEBT
OUTSTANDING PER CAPITA
LAST TEN FISCAL YEARS (Unaudited)
(in 000's)

TABLE 14

Fiscal Year	General Bonded Debt Outstanding			Total Net Bonded Debt	Net Assessed Value ^(b)	Percent Outstanding General Debt to Assessed Value	Estimated Population ^(c)	Outstanding General Debt Per Capita
	General Obligation Bonds ^(a)	Certification of Obligation ^(a)	Less Restricted for Debt Service ^(d)					
2011	\$ 371,760	\$ 202,880	\$ -	\$ 574,640	\$ 41,022,067	1.40 %	748	\$ 0.768
2012	458,800	247,600	-	706,400	41,986,043	1.68 %	758	0.932
2013	463,488	302,985	-	766,473	43,697,663	1.75 %	768	0.998
2014	440,617	299,441	-	740,058	42,420,689	1.74 %	781	0.948
2015	497,821	303,035	830	800,026	45,931,092	1.74 %	793	0.936
2016	601,791	235,932	1,245	836,478	49,659,742	1.68 %	833	0.915
2017	544,861	213,082	1,196	756,747	49,704,978	1.52 %	875	0.793
2018	555,525	173,590	37,061	692,054	60,950,027	1.14 %	895	0.773
2019	598,605	156,174	55,685	699,094	67,584,971	1.03 %	917	0.762
2020	659,889	101,387	51,523	709,753	76,994,164	0.92 %	931	0.762

(a) Includes Business-Type Activities debt and all bond related unamortized premiums and discounts.

(b) Assessed value is 100%

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

(d) Amount available for Governmental & Business-type payments.



**CITY OF FORT WORTH, TEXAS
LEGAL DEBT MARGIN INFORMATION
SEPTEMBER 30, 2020 (Unaudited)
(in Millions)**

	2011*	2012*	2013*	2014	2015
Total Assessed Valuation	<u>\$ 39,836</u>	<u>\$ 41,986</u>	<u>\$ 43,698</u>	<u>\$ 42,421</u>	<u>\$ 45,931</u>
Overall Debt Limitation - 10% of Assessed Valuation	3,984	4,199	4,370	4,242	4,593
Net Debt Subject to Limitation	<u>575</u>	<u>706</u>	<u>727</u>	<u>695</u>	<u>695</u>
Legal Debt Margin Within 10% Limitation	<u>3,409</u>	<u>3,493</u>	<u>3,643</u>	<u>3,547</u>	<u>3,898</u>
Legal Debt Margin as a Percentage of the Debt Limit	86 %	83 %	83 %	84 %	85 %

Notes:

*Government Code Sec. 1331.051 of the State of Texas Constitution and Statutes limits cities with a population of seven hundred fifty thousand or more to incur a total bonded indebtedness by the issuance of tax-supported bonds in an amount not exceeding ten (10%) percent of the total appraised value of property listed on the most recent appraisal roll for the City. Prior to FY2011, per Article 835p of the State of Texas Civil Statutes, the limit was based upon a population of six hundred thousand according to the last federal census. According to the 2000 Federal Census, the City of Fort Worth had a population of over 516 thousand; therefore the 10% limitation does not apply to 2010 and before. According to the 2010 Federal Census, the City of Fort Worth had a population of over 758 thousand; therefore, the 10% limitation does apply after 2010.

Assessed Value is the appraised value of property net of exemptions, deferrals, incomplete and protested properties.

Net Debt Subject to Limitation includes governmental activities tax-supported general obligation bonds, certificates of obligations, and tax notes. Also, the Net Debt includes business-type activities, tax-supported general obligation bonds, and certificates of obligations.

**CITY OF FORT WORTH, TEXAS
CITY TAX RATE DISTRIBUTION
LAST TEN FISCAL YEARS (Unaudited)
(Per \$100 of Assessed Value)**

	2011	2012	2013	2014	2015
General Fund	<u>\$ 0.711</u>	<u>\$ 0.701</u>	<u>\$ 0.686</u>	<u>\$ 0.676</u>	<u>\$ 0.676</u>
Debt Service Fund	<u>0.144</u>	<u>0.154</u>	<u>0.169</u>	<u>0.179</u>	<u>0.179</u>
Total City Tax Rate	<u><u>\$ 0.855</u></u>	<u><u>\$ 0.855</u></u>	<u><u>\$ 0.855</u></u>	<u><u>\$ 0.855</u></u>	<u><u>\$ 0.855</u></u>

Source: Tarrant Appraisal District

TABLE 15

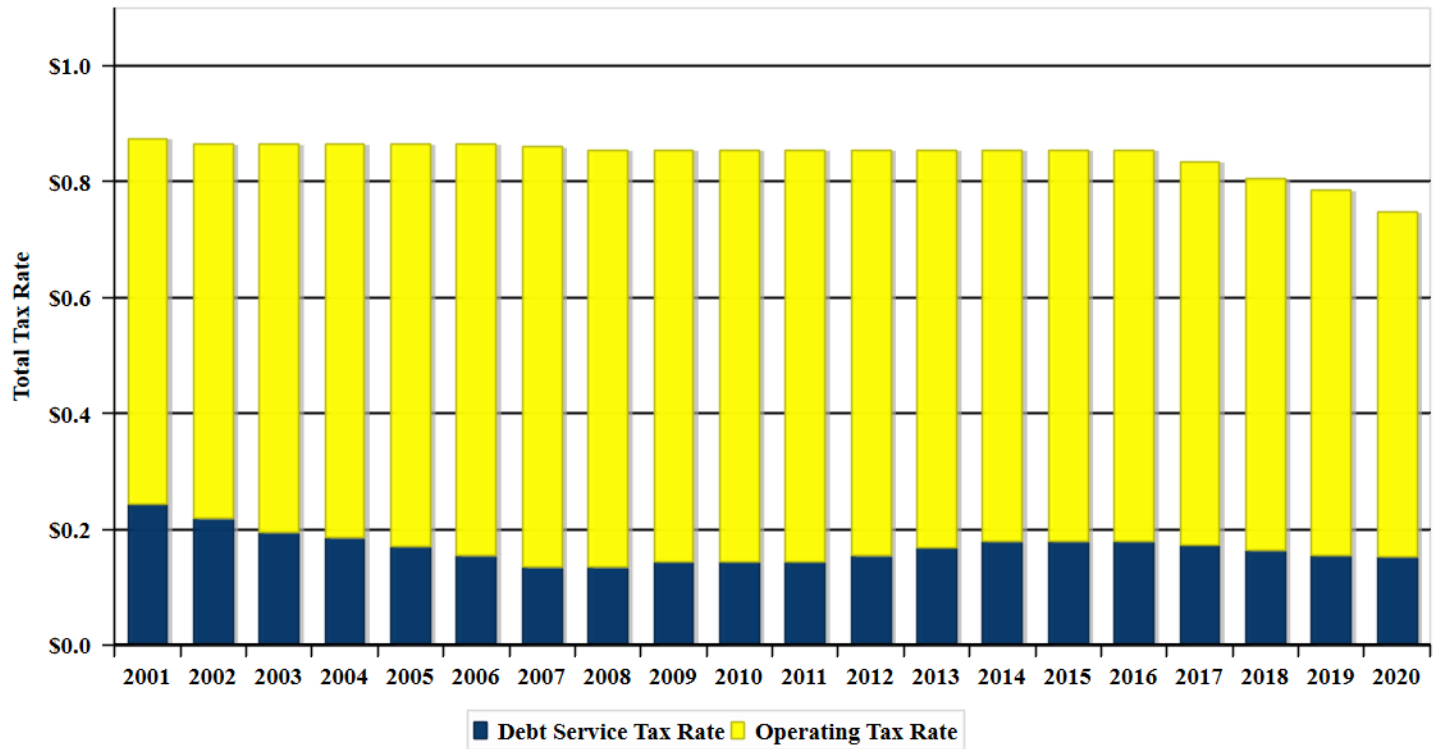
2016	2017	2018	2019	2020
<u>\$ 49,660</u>	<u>\$ 49,705</u>	<u>\$ 60,950</u>	<u>\$ 67,585</u>	<u>\$ 76,994</u>
4,966	4,971	6,095	6,759	7,699
<u>721</u>	<u>721</u>	<u>715</u>	<u>746</u>	<u>765</u>
<u>\$ 4,245</u>	<u>\$ 4,250</u>	<u>\$ 5,380</u>	<u>\$ 6,013</u>	<u>\$ 6,934</u>
85 %	85 %	88 %	89 %	90 %

2016	2017	2018	2019	2020
<u>\$ 0.676</u>	<u>\$ 0.662</u>	<u>\$ 0.642</u>	<u>\$ 0.630</u>	<u>\$ 0.595</u>
<u>0.179</u>	<u>0.173</u>	<u>0.163</u>	<u>0.155</u>	<u>0.153</u>
<u>\$ 0.855</u>	<u>\$ 0.835</u>	<u>\$ 0.805</u>	<u>\$ 0.785</u>	<u>\$ 0.748</u>

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

TABLE 16

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt Service Tax Rate	\$ 0.2438	\$ 0.2183	\$ 0.1943	\$ 0.1851	\$ 0.1704	\$ 0.1543	\$ 0.1341	\$ 0.1341	\$ 0.1441	\$ 0.1441
Operating Tax Rate	\$ 0.6312	\$ 0.6467	\$ 0.6707	\$ 0.6799	\$ 0.6946	\$ 0.7107	\$ 0.7259	\$ 0.7209	\$ 0.7109	\$ 0.7109
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Service Tax Rate	\$ 0.1441	\$ 0.1541	\$ 0.1691	\$ 0.1791	\$ 0.1791	\$ 0.1791	\$ 0.1735	\$ 0.1635	\$ 0.1550	\$ 0.1525
Operating Tax Rate	\$ 0.7109	\$ 0.7009	\$ 0.6859	\$ 0.6759	\$ 0.6759	\$ 0.6759	\$ 0.6615	\$ 0.6415	\$ 0.6300	\$ 0.5950



Source: Planning and Data Analytics, FMS, City of Fort Worth

CITY OF FORT WORTH, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL
ACTIVITIES DEBT(Unaudited)
YEAR ENDED SEPTEMBER 30, 2020
(in 000's)

TABLE 17

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable^(a)	Estimated Share of Overlapping Debt
Aledo ISD	\$ 286,308	1.98%	\$ 5,669
Arlington Independent School District	978,887	0.02%	196
Azle Independent School District	78,790	2.54%	2,001
Birdville Independent School District	440,975	5.38%	23,724
Burleson Independent School District	318,562	21.63%	68,905
Castleberry Independent School District	35,870	48.72%	17,476
Crowley Independent School District	672,498	76.58%	514,999
Denton County	611,835	2.86%	17,498
Eagle Mountain-Saginaw Independent School District	720,684	69.08%	497,848
Everman Independent School District	117,450	65.95%	77,458
Fort Worth Independent School District	1,083,040	89.07%	964,664
Grapevine-Colleyville Independent School District	399,400	-%	-
Hurst-Euless-Bedford Independent School District	364,720	29.34%	107,009
Keller Independent School District	992,714	50.08%	497,151
Kennedale Independent School District	27,040	0.36%	97
Lake Worth Independent School District	63,939	50.87%	32,526
Mansfield Independent School District	895,790	0.01%	90
Northwest Independent School District	1,065,295	44.38%	472,778
Parker County	144,375	1.07%	1,545
Parker County JCD	3,030	1.07%	32
Tarrant County	240,445	39.18%	94,206
Tarrant County College District	264,175	39.18%	103,504
Tarrant County Hospital District	16,135	39.18%	6,322
White Settlement Independent School District	151,219	49.35%	74,626
Wise County	9,045	0.01%	1
Subtotal, overlapping debt			<u>3,580,325</u>
General Obligations Bonds	576,670		576,670
Certificates of Obligation	99,425		99,425
Special Tax Revenue Debt	225,675		225,675
Special Assessment Debt	17,840		17,840
Tax Notes	56,890		56,890
Lone Star Local Government Corp Obligation	31,617		31,617
State Obligation - City	5,081		5,081
State Obligation - CCPD	1,973		1,973
TRWD Obligation	191,712		191,712
ESPC Phase VII	10,961		10,961
Capital Leases	1,473		1,473
Southwest Bank Loan (LDC SW Building)	309		309
Net Unamortized Bond Premium/Discount	64,359		64,359
City of Fort Worth Net Direct Debt	1,283,985	100.00 %	<u>1,283,985</u>
Total direct and overlapping debt			<u>\$ 4,864,310</u>

All debt figures of the overlapping subdivisions reflect the gross bonded debt of each entity, with the exception of the City of Fort Worth. Net direct debt includes all long-term debt instruments of the governmental activities, which currently includes general obligation bonds, certificates of obligation, tax notes, loans, capital leases, and Net Unamortized Bond Premium/Discount.

(a) The estimated percentage is based on a formula using assessed values of the property.

Source: Municipal Advisory Council of Texas, and Note G.1. Changes in Long-Term Debt Obligations and Other Liabilities.

CITY OF FORT WORTH, TEXAS
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS (Unaudited)
(in 000's)

TABLE 18

	Revenues			Debt Service Requirements ^(a)			
	Total	Less: Operating				Annual	Bond
Fiscal Year	Revenues ^(b)	Expense ^(c)	Net Revenue	Principal	Interest	Requirement	Coverage ^(d)
Water and Sewer ^(e)							
2011	\$ 351,712	\$ 196,478	\$ 155,234	\$ 57,195	\$ 30,702	\$ 87,897	1.77
2012	349,112	217,978	131,134	62,210	33,592	95,802	1.37
2013	353,223	211,493	141,730	59,725	31,162	90,887	1.56
2014	364,660	226,719	137,941	61,800	29,551	91,351	1.51
2015	391,225	253,114	138,111	65,055	30,201	95,256	1.45
2016	419,469	252,368	167,101	61,635	28,852	90,487	1.85
2017	427,521	239,642	187,879	63,175	29,396	92,571	2.03
2018	475,816	257,354	218,462	63,285	31,429	94,714	2.31
2019	467,508	253,860	213,648	59,840	31,510	91,350	2.34
2020	489,124	259,237	229,887	59,955	31,354	91,309	2.52
Municipal Parking ^(f)							
2011	7,800	2,448	5,352	640	2,704	3,344	1.60
2012	7,808	2,775	5,033	955	2,667	3,622	1.39
2013	7,117	2,891	4,226	1,005	2,620	3,625	1.17
2014	7,127	2,703	4,424	1,495	2,561	4,056	1.09
2015	7,345	3,140	4,205	1,565	2,490	4,055	1.04
2016	7,856	3,176	4,680	1,640	1,328	2,968	1.58
2017	7,906	3,184	4,722	2,305	1,735	4,040	1.17
2018	8,789	3,418	5,371	2,430	1,624	4,054	1.32
2019	8,600	3,794	4,806	2,550	1,500	4,050	1.19
2020	4,966	3,368	1,598	1,820	1,388	3,208	0.50
Solid Waste ^(g)							
2011	55,418	42,945	12,473	1,704	333	2,037	6.12
2012	54,449	45,023	9,426	1,734	285	2,019	4.67
2013	56,325	47,669	8,656	1,185	235	1,420	6.10
2014	55,819	47,128	8,691	435	207	642	13.54
2015	58,622	51,689	6,933	435	152	587	11.81
2016	59,447	52,283	7,164	480	98	578	12.39
2017	60,651	54,650	6,001	468	87	555	10.81
2018	62,151	54,718	7,433	470	76	546	13.61
2019	62,947	57,871	5,076	460	66	526	9.65
2020	67,248	62,569	4,679	450	55	505	9.27
Stormwater ^(h)							
2011	30,340	16,522	13,818	1,515	2,858	4,373	3.16
2012	34,130	17,929	16,201	3,860	5,426	9,286	1.74
2013	35,208	17,446	17,762	3,715	5,663	9,378	1.89
2014	36,439	17,141	19,298	3,825	5,522	9,347	2.06
2015	36,799	20,706	16,093	3,960	5,380	9,340	1.72
2016	37,283	14,377	22,906	4,130	4,847	8,977	2.55
2017	37,301	15,797	21,504	4,300	4,824	9,124	2.36
2018	39,615	14,695	24,920	4,460	4,678	9,138	2.73
2019	41,416	16,237	25,179	4,640	4,326	8,966	2.81
2020	44,257	17,483	26,774	4,705	4,090	8,795	3.04

(a) Principal and Interest does not include general obligation bonds reported in enterprise funds.

(b) Through FY2017 total revenues is exclusive of other expenses and contributions, gas lease revenue, and includes interest income. Beginning in FY2018 total revenues is cash based and includes interest income

(c) Through FY2017 Water and Sewer and Stormwater operating expense are cash based. All other funds operating expense are exclusive of depreciation charges. Beginning in FY2018 operating expense for all funds is cash based.

(d) Bond Coverage is computed by dividing Net Revenue by Annual Requirements.

(e) Secured by revenues of the City's Water and Sewer System.

(f) Secured by revenues of the City's Will Rogers Memorial Center Parking Facilities.

(g) Secured by revenues of the City's Solid Waste Services Program.

(h) Secured by revenue collected to maintain the stormwater system.

**CITY OF FORT WORTH, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS (Unaudited)**

TABLE 19

<u>Fiscal Year</u>	<u>Population^(a)</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>	<u>Unemployment^(b)</u>	<u>Unemployment Rate^(c)</u>
2011	748,450	\$ 18,594,491,800	\$ 24,844 ^(d)	31.1 ^(d)	29,813	8.7%
2012	757,810	18,827,031,640	24,844 ^(d)	31.1 ^(d)	22,632	6.4%
2013	767,560	17,998,514,440	23,449 ^(e)	31.9 ^(e)	22,566	6.1%
2014	781,100	19,128,357,900	24,489 ^(f)	31.5 ^(f)	18,699	5.0%
2015	792,720	19,600,794,720	24,726 ^(g)	31.8 ^(h)	15,594	4.0%
2016	833,319	20,604,645,594	24,726 ^(g)	31.9 ^(h)	16,600	4.1%
2017	874,168	22,772,813,280	26,051 ^(h)	32.0 ^(h)	12,823	3.1%
2018	895,121	25,219,139,054	28,174 ^(h)	32.9 ^(h)	15,011	3.5%
2019	917,050	31,024,718,550	33,831 ^(h)	38.2 ^(h)	14,108	3.2%
2020	930,971	33,209,597,512	35,672	38.5	36,271	8.1%

(a) Source: Years prior to 2016: North Central Texas Council of Governments (NCTCOG). Beginning in year 2016: U.S. Bureau of Census 2010 and estimates. Beginning 2017, estimate revised to July 1 estimate for historical years.

(b) Source: BLS Local Area Unemployment Statistics.

(c) Source: U.S. Census Bureau 2000

(d) Source: U.S. Census Bureau 2010

(e) Source: U.S. Census Bureau 2012

(f) Source: U.S. Census Bureau 2013 Estimate

(g) Source: U.S. Census Bureau 2014 Estimate

(h) Source: U.S. Census Bureau, American Community Survey

**CITY OF FORT WORTH, TEXAS
PRINCIPAL EMPLOYERS
FORT WORTH METROPOLITAN AREA
CURRENT YEAR AND NINE YEARS AGO (Unaudited)
(in 000's)**

TABLE 20

Name of Employers	2020			2011		
	Employees	Rank	Percentage of Total Employment^(a)	Employees^(b)	Rank	Percentage of Total Employment^(c)
AMR Corp. /American Airlines	25.0	1	6.11 %	6.5	4	1.20 %
Lockheed Martin Tactical Aircraft Systems	13.7	2	3.35 %	13.5	1	2.49 %
Fort Worth Independent School District	12.0	3	2.93 %	10.1	3	1.86 %
NAS Fort Worth Joint Reserve Base	10.0	4	2.44 %	11.4	2	2.10 %
JPS Health Network/John Peter Smith Hospital	6.5	5	1.59 %	4.3	6	0.79 %
City of Fort Worth	6.2	6	1.52 %	6.1	5	1.13 %
Cook Children's Health Care System	6.0	7	1.47 %	3.1	10	0.57 %
Tarrant County College	6.0	8	1.47 %	-	-	- %
Alcon Laboratories Inc.	5.4	9	1.32 %	3.3	9	0.61 %
Bell Helicopter-Textron, Inc.	5.0	10	1.22 %	3.8	8	0.70 %
Harris Methodist Hospital				4.0	7	0.74 %
	<u>95.8</u>		<u>23.42 %</u>	<u>66.1</u>		<u>12.19 %</u>

(a) Estimated total employment of 409,103 for 2020 per U.S. Bureau of Labor Statistics

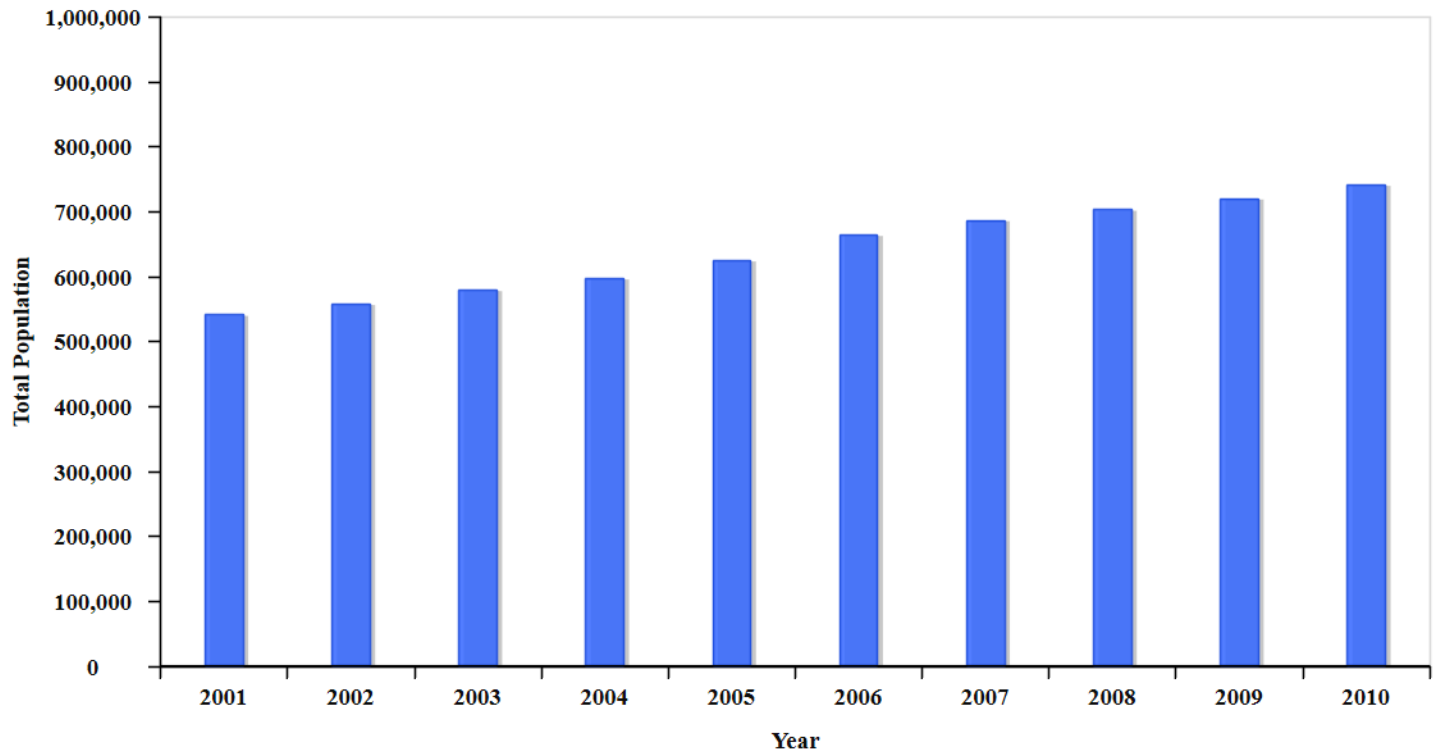
(b) Source: City of Fort Worth, Texas CAFR For the Fiscal Year Ended September 30, 2011

(c) Estimated total employment of 542,452 for 2011 per North Central Texas Council of Governments



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

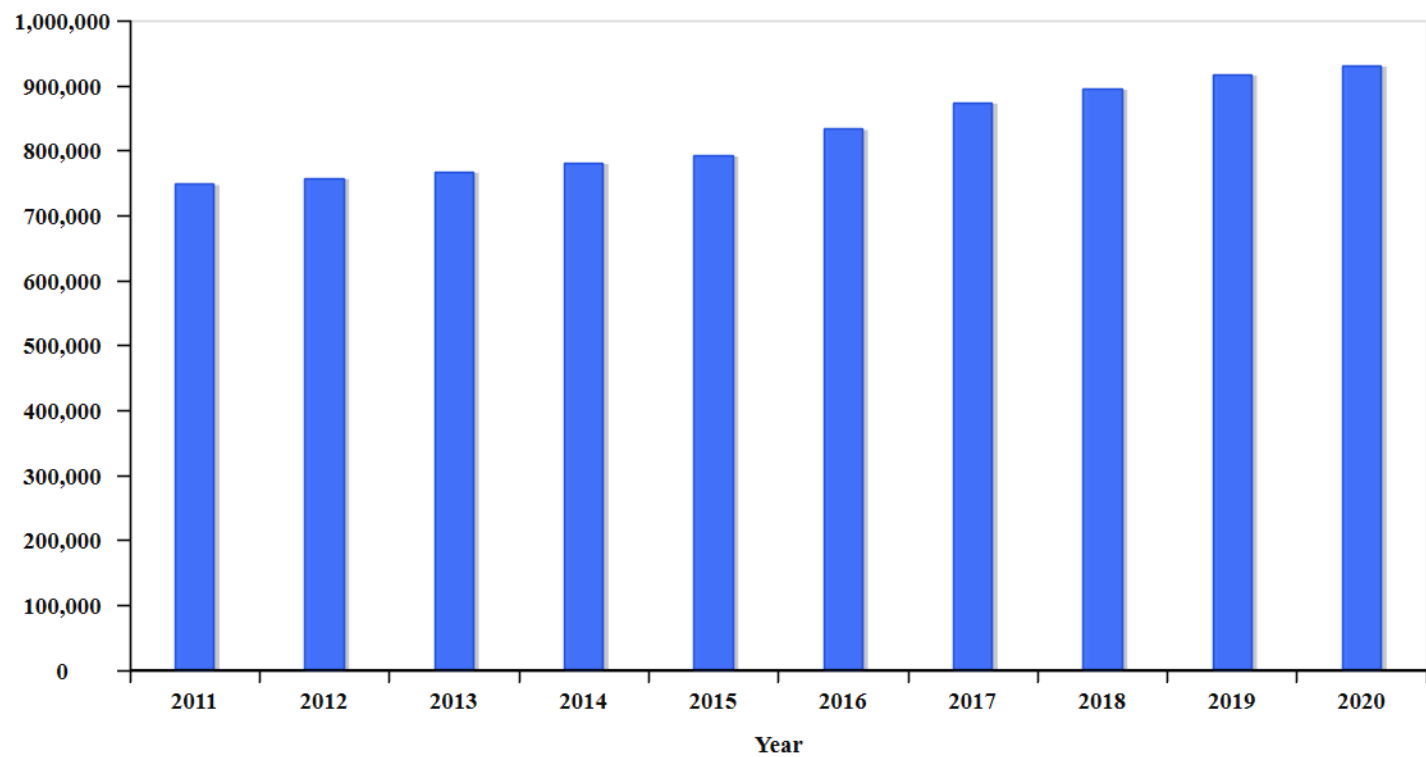
Fiscal Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Population	540,950	557,750	579,250	597,150	624,850	664,100	686,850	702,850	720,250	741,206
Percent Change		3.11 %	3.85 %	3.09 %	4.64 %	6.28 %	3.43 %	2.33 %	2.48 %	2.91 %



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

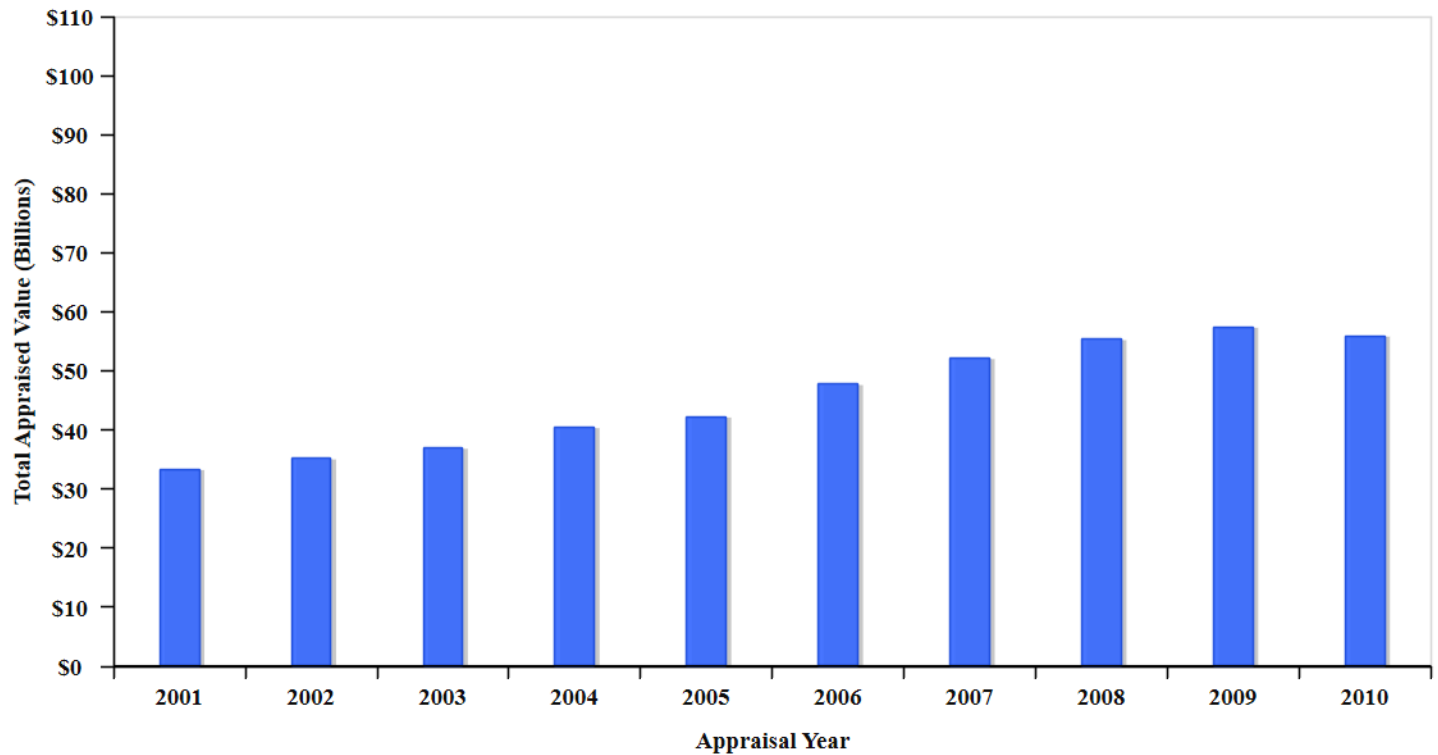
TABLE 21

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
748,450	757,810	767,560	781,100	792,720	833,319	874,168	895,121	917,050	930,971
0.98 %	1.25 %	1.29 %	1.76 %	1.49 %	5.12 %	4.90 %	2.40 %	2.45 %	1.52 %



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

Appraisal Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Value (Billions)	\$ 33.4	\$ 35.2	\$ 37.0	\$ 40.5	\$ 42.3	\$ 47.8	\$ 52.2	\$ 55.4	\$ 57.5	\$ 56.0
Percent Change		5.39 %	5.11 %	9.46 %	4.44 %	13.00 %	9.21 %	6.13 %	3.79 %	(2.61)%

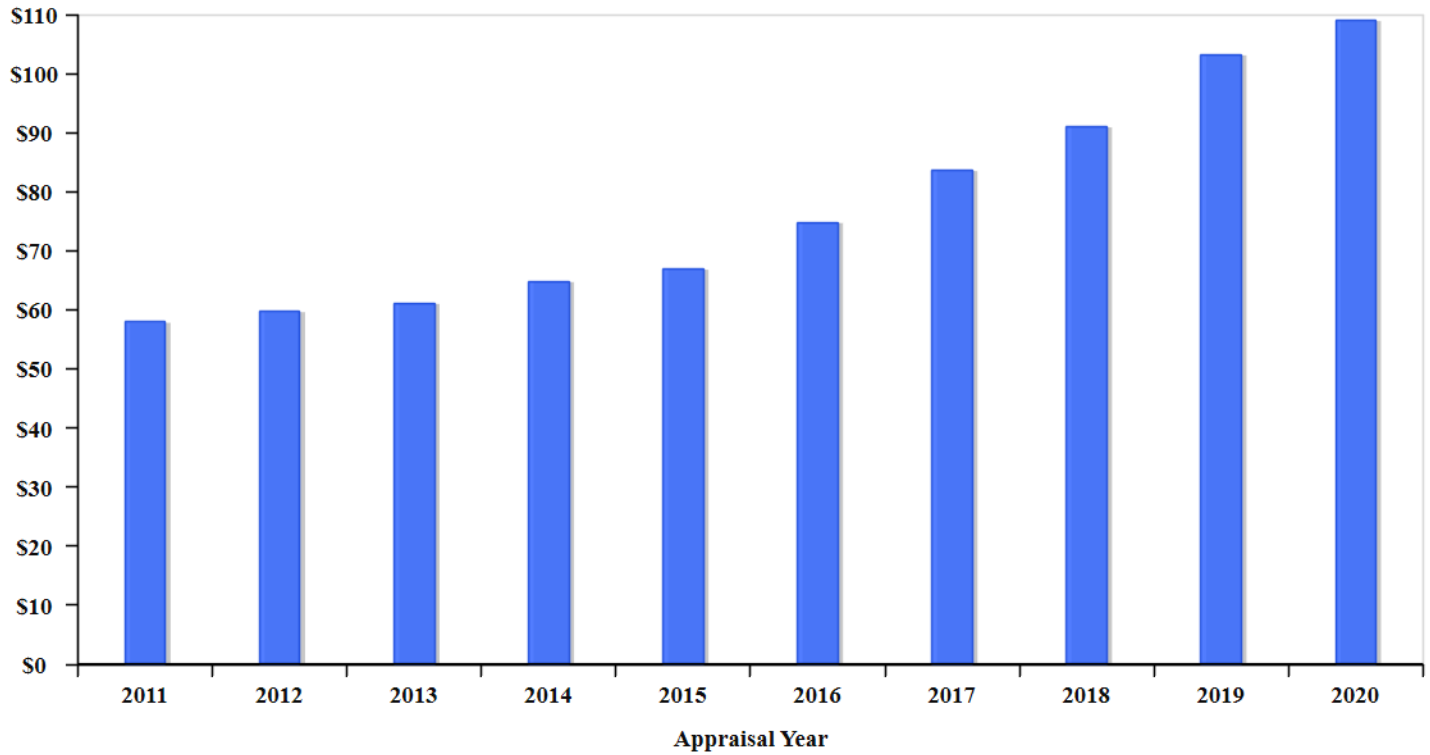


Source: Tarrant, Denton, Wise, Parker Appraisal District Certified Tax Report.

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

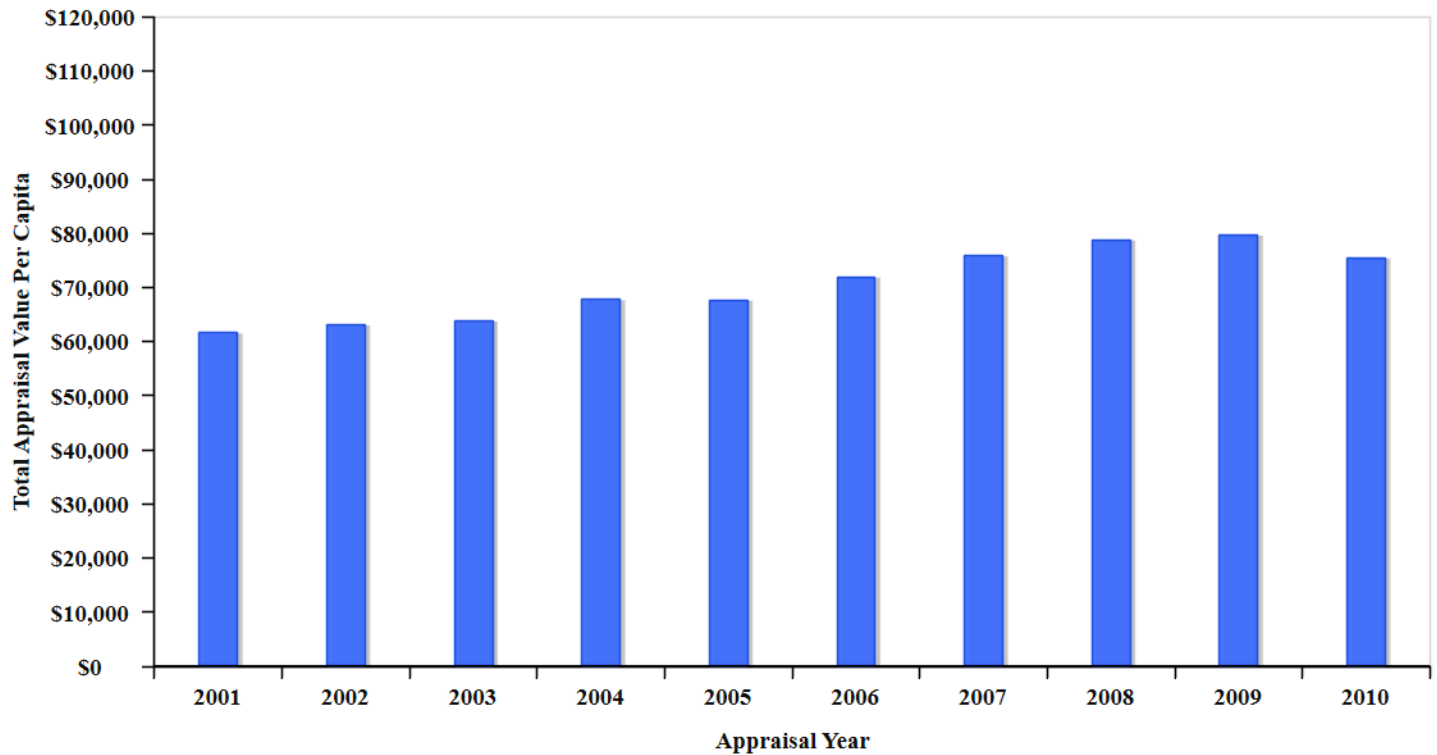
TABLE 22

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
\$ 58.0	\$ 59.8	\$ 61.2	\$ 64.9	\$ 67.0	\$ 74.9	\$ 83.7	\$ 91.1	\$ 103.3	\$ 109.1
3.57 %	3.10 %	2.34 %	6.05 %	3.24 %	11.79 %	11.75 %	8.84 %	13.39 %	5.61 %



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

Appraisal Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Value (Billions)	\$ 33.4	\$ 35.2	\$ 37.0	\$ 40.5	\$ 42.3	\$ 47.8	\$ 52.2	\$ 55.4	\$ 57.5	\$ 56.0
Population	540,950	557,750	579,250	597,150	624,850	664,100	686,850	702,850	720,250	741,206
Value Per Capita	\$ 61,667	\$ 63,171	\$ 63,884	\$ 67,815	\$ 67,737	\$ 71,999	\$ 75,929	\$ 78,869	\$ 79,766	\$ 75,528
Percent Change		2.44 %	1.13 %	6.15 %	(0.12)%	6.29 %	5.46 %	3.87 %	1.14 %	(5.31)%



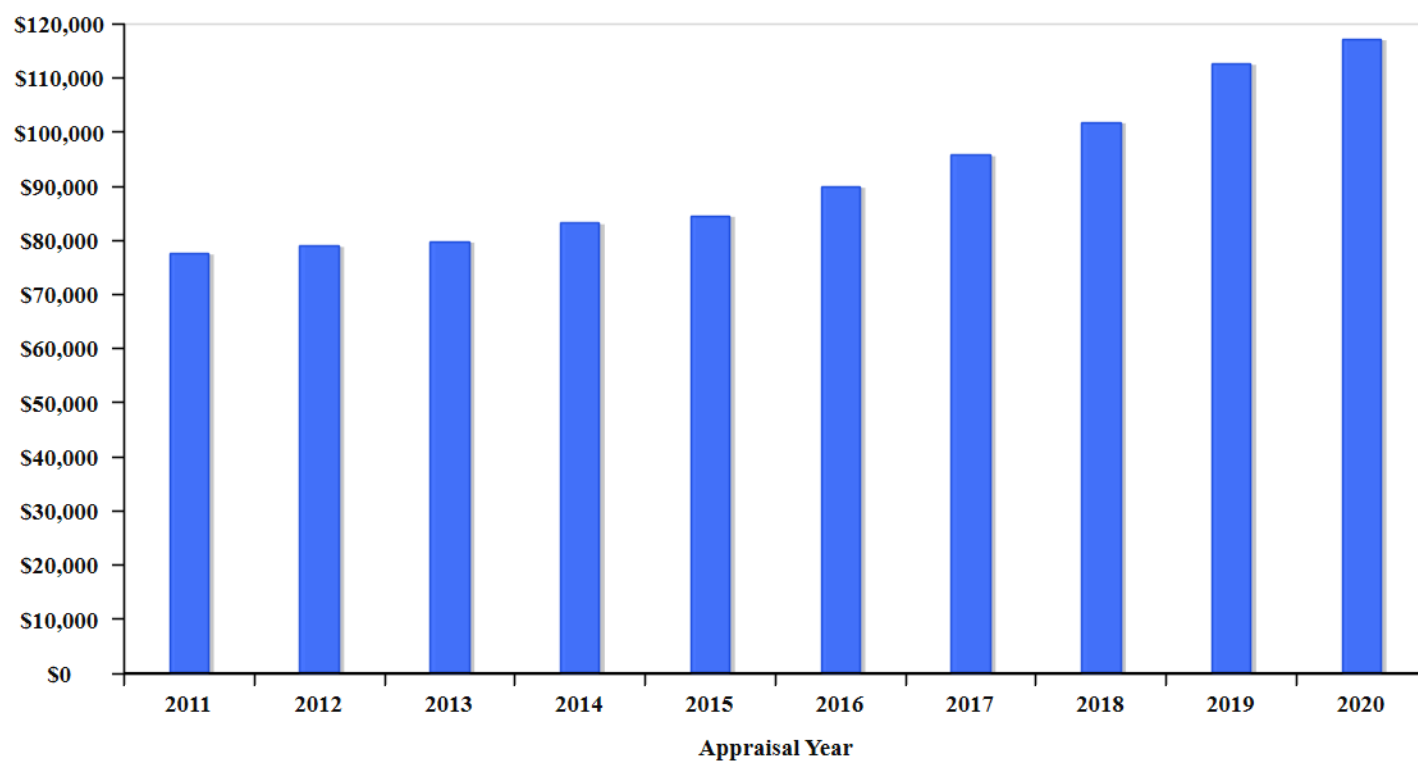
Source: Tarrant, Denton, Wise, Parker Appraisal District Certified Tax Report.

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

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

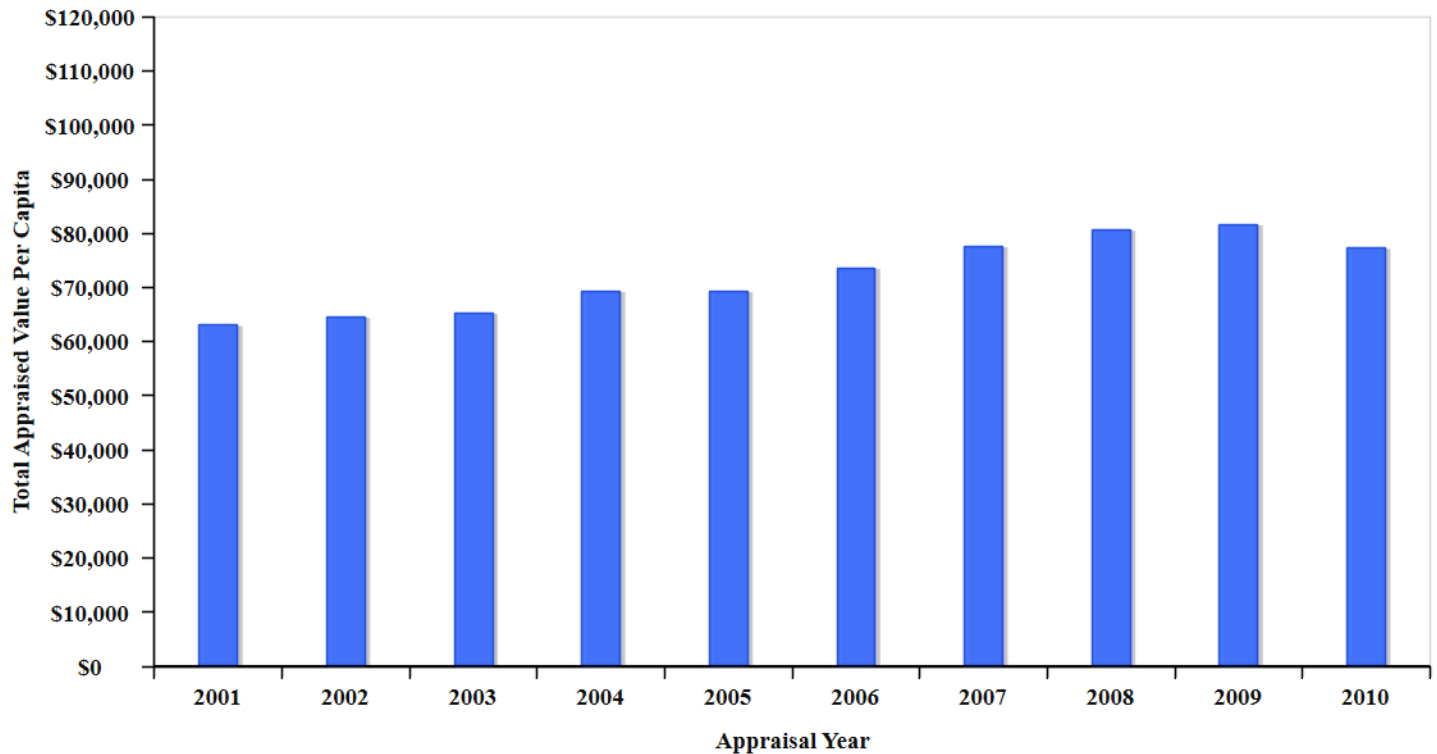
TABLE 23

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
\$ 58.0	\$ 59.8	\$ 61.2	\$ 64.9	\$ 67.0	\$ 74.9	\$ 83.7	\$ 91.1	\$ 103.3	\$ 109.1
748,450	757,810	767,560	781,100	792,720	833,319	874,168	895,121	917,050	930,971
\$ 77,558	\$ 78,954	\$ 79,759	\$ 83,143	\$ 84,530	\$ 89,882	\$ 95,722	\$ 101,803	\$ 112,602	\$ 117,151
2.69 %	1.80 %	1.02 %	4.24 %	1.67 %	6.33 %	6.50 %	6.35 %	10.61 %	4.04 %



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

Appraisal Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Value	\$ 33,359	\$ 35,234	\$ 37,005	\$ 40,496	\$ 42,325	\$ 47,815	\$ 52,152	\$ 55,433	\$ 57,452	\$ 55,982
Adj Value (Billions)	\$ 34.1	\$ 36.0	\$ 37.8	\$ 41.4	\$ 43.3	\$ 48.9	\$ 53.3	\$ 56.7	\$ 58.8	\$ 57.3
Population	540,950	557,750	579,250	597,150	624,850	664,100	686,850	702,850	720,250	741,206
Value Per Capita	\$ 63,037	\$ 64,545	\$ 65,257	\$ 69,329	\$ 69,297	\$ 73,633	\$ 77,601	\$ 80,672	\$ 81,638	\$ 77,306
Percent Change		2.39 %	1.10 %	6.24 %	(0.05)%	6.26 %	5.39 %	3.96 %	1.20 %	(5.31)%



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

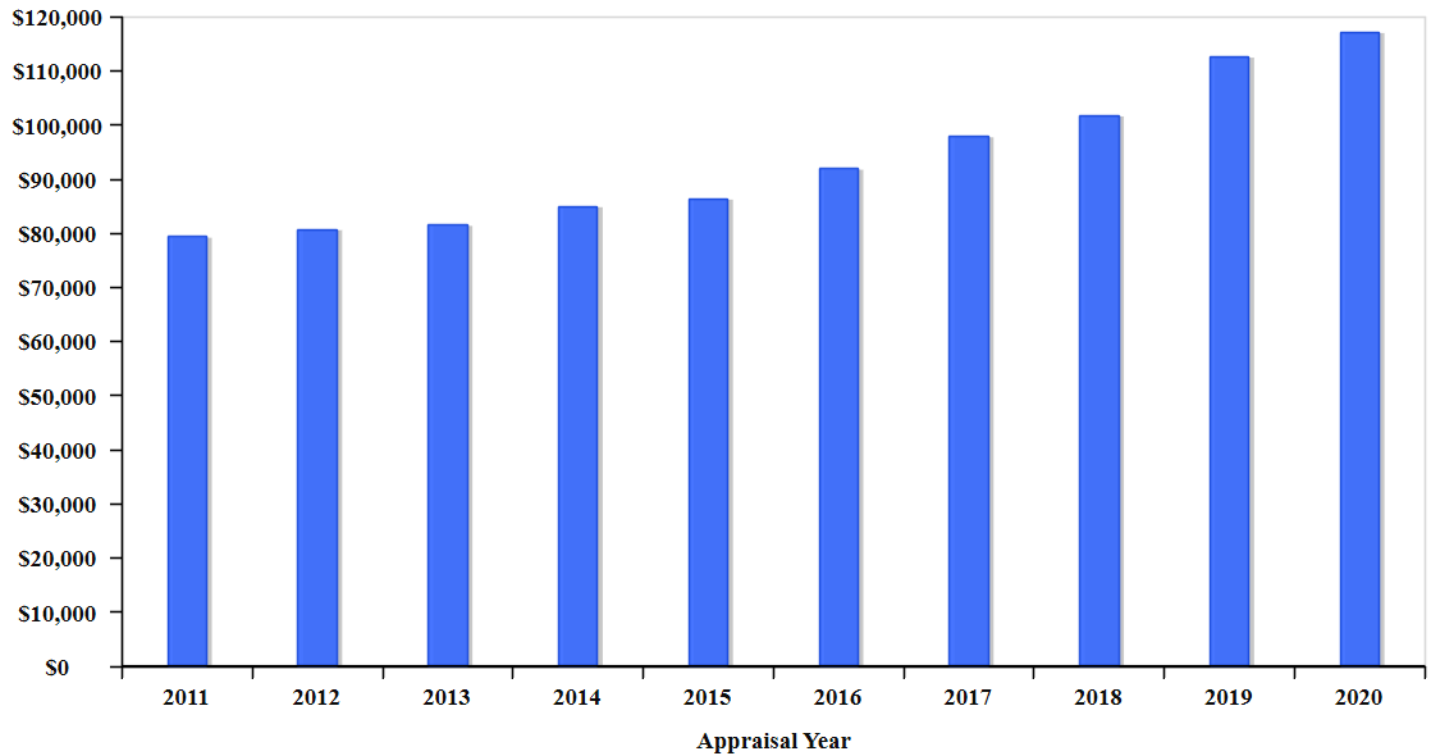
Population prior to 2016 source is NCTCOG. Population beginning 2016 source is U.S. Bureau of Census 2010 and estimates.

Appraisal values adjusted for inflation based on CPI data available at <http://www.usinflationcalculator.com>

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

TABLE 24

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
\$ 58,049	\$ 59,832	\$ 61,220	\$ 64,935	\$ 67,008	\$ 74,907	\$ 83,712	\$ 91,126	\$ 103,262	109,064
\$ 59.4	\$ 61.2	\$ 62.6	\$ 66.4	\$ 68.5	\$ 76.6	\$ 85.6	\$ 91.1	\$ 103.3	\$ 109.1
748,450	757,810	767,560	781,100	792,720	833,319	874,168	895,121	917,050	930,971
\$ 79,364	\$ 80,759	\$ 81,557	\$ 85,008	\$ 86,411	\$ 91,922	\$ 97,922	\$ 101,774	\$ 112,644	\$ 117,189
2.66 %	1.76 %	0.99 %	4.23 %	1.65 %	6.38 %	6.53 %	3.93 %	10.68 %	4.03 %

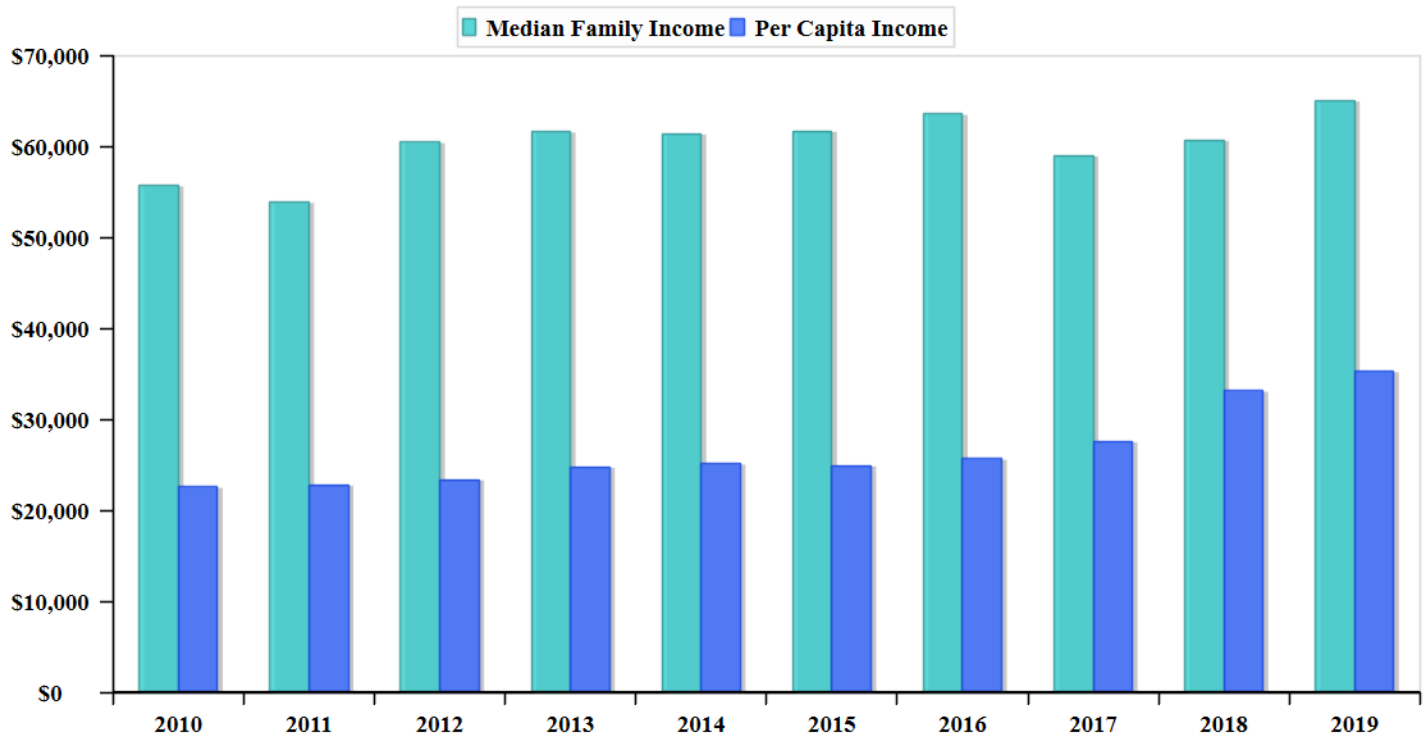


CITY OF FORT WORTH, TEXAS
MEDIAN FAMILY AND PER CAPITA INCOME (Unaudited)
(Unadjusted for Inflation)

TABLE 25

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Median Family Income	\$ 55,727	\$ 53,900	\$ 60,489	\$ 61,651	\$ 61,433	\$ 61,728	\$ 63,585	\$ 59,025	\$ 60,723	\$ 65,061
Percent Change		(3.28)%	12.22 %	1.92 %	(0.35)%	0.48 %	3.01 %	(7.17)%	2.88 %	7.14 %

Fort Worth Per Capita Income (Unadjusted for Inflation)										
Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Per Capita Income	\$ 22,613	\$ 22,868	\$ 23,449	\$ 24,836	\$ 25,186	\$ 24,975	\$ 25,706	\$ 27,622	\$ 33,168	\$ 35,319
Percent Change		1.13 %	2.54 %	5.91 %	1.41 %	(0.84)%	2.93 %	7.45 %	20.08 %	6.49 %



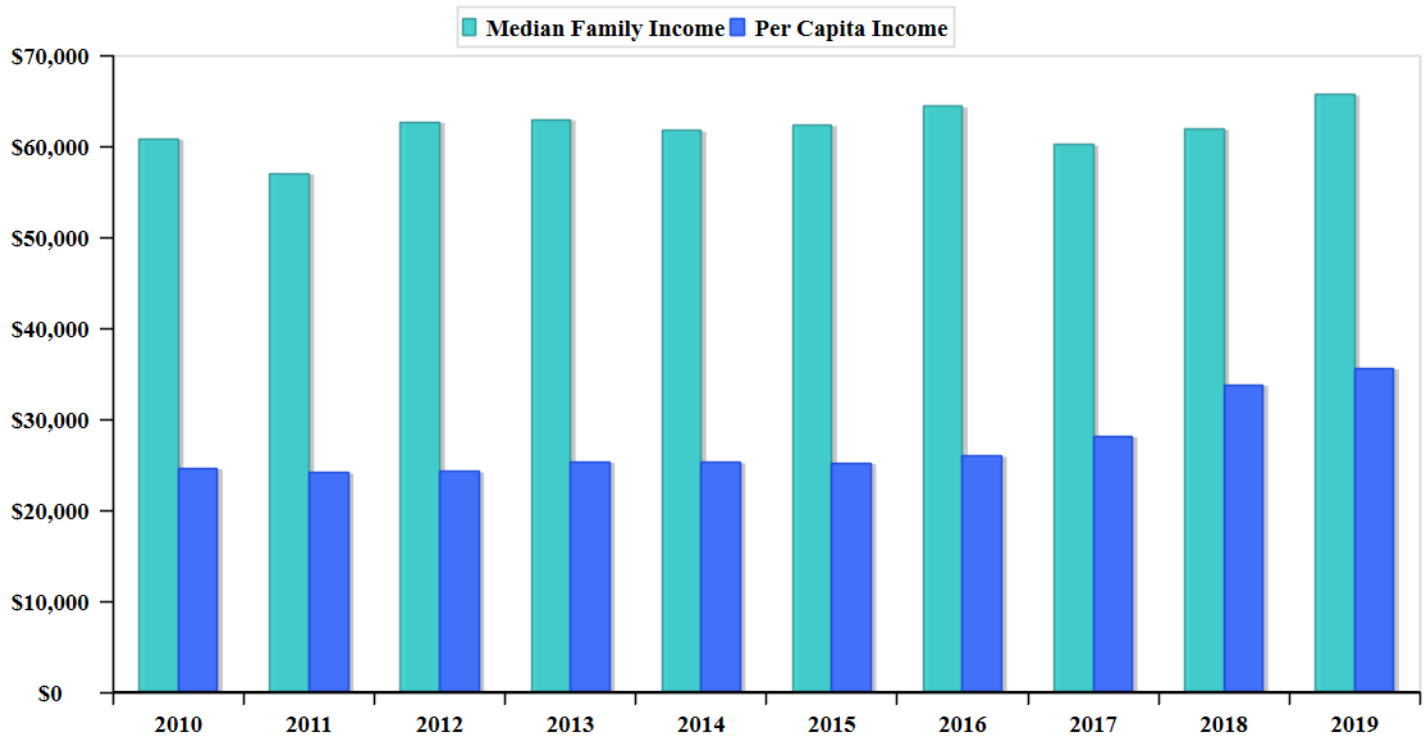
Source: U.S. Census Bureau, American Community Survey

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

TABLE 26

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Median Family Income	\$ 60,832	\$ 57,037	\$ 62,712	\$ 62,994	\$ 61,747	\$ 62,345	\$ 64,412	\$ 60,205	\$ 61,937	\$ 65,712
Percent Change		(6.24)%	9.95 %	0.45 %	(1.98)%	0.97 %	3.32 %	(6.53)%	2.88 %	6.09 %

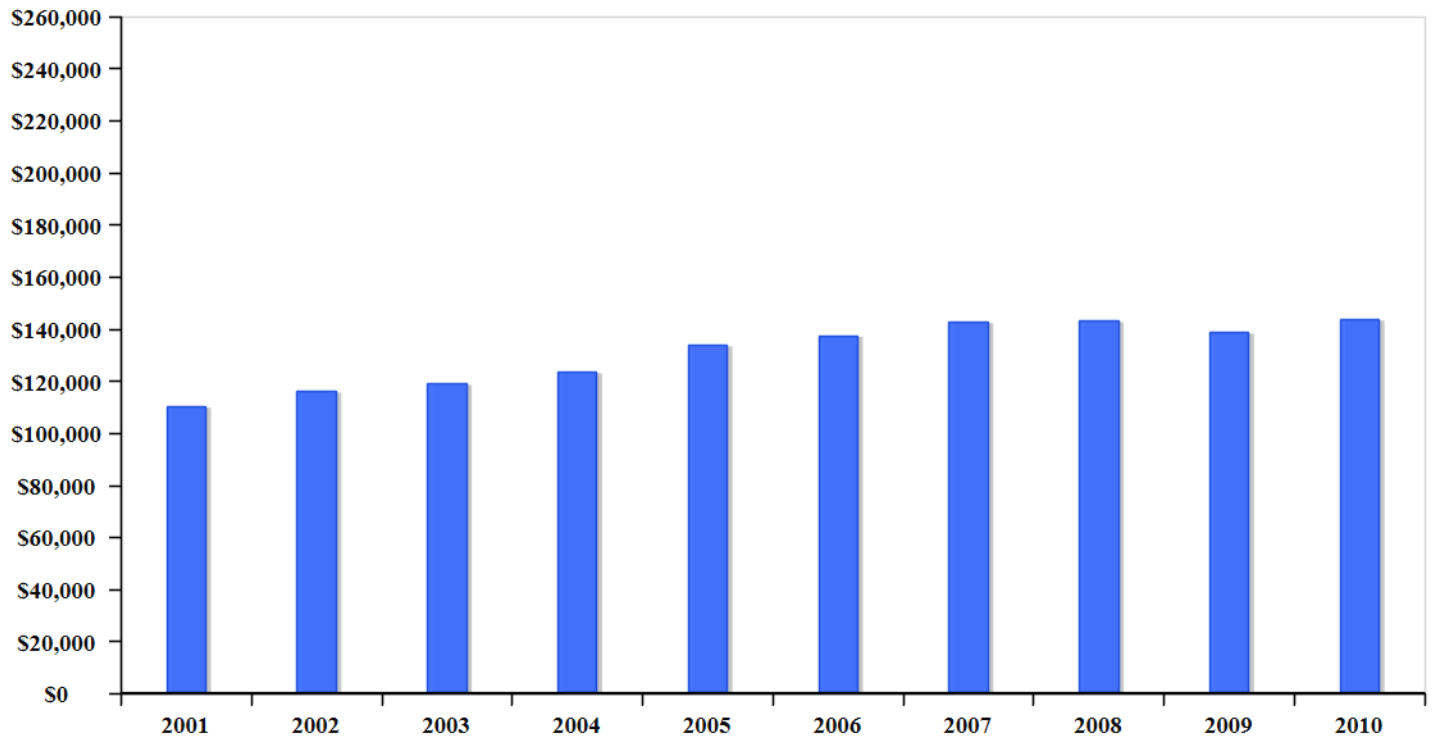
Fort Worth Per Capita Income (Adjusted for Inflation)										
Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Per Capita Income	\$ 24,685	\$ 24,199	\$ 24,310	\$ 25,376	\$ 25,315	\$ 25,225	\$ 26,040	\$ 28,174	\$ 33,831	\$ 35,672
Percent Change		(1.97)%	0.46 %	4.39 %	(0.24)%	(0.36)%	3.23 %	8.20 %	20.08 %	5.44 %



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

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

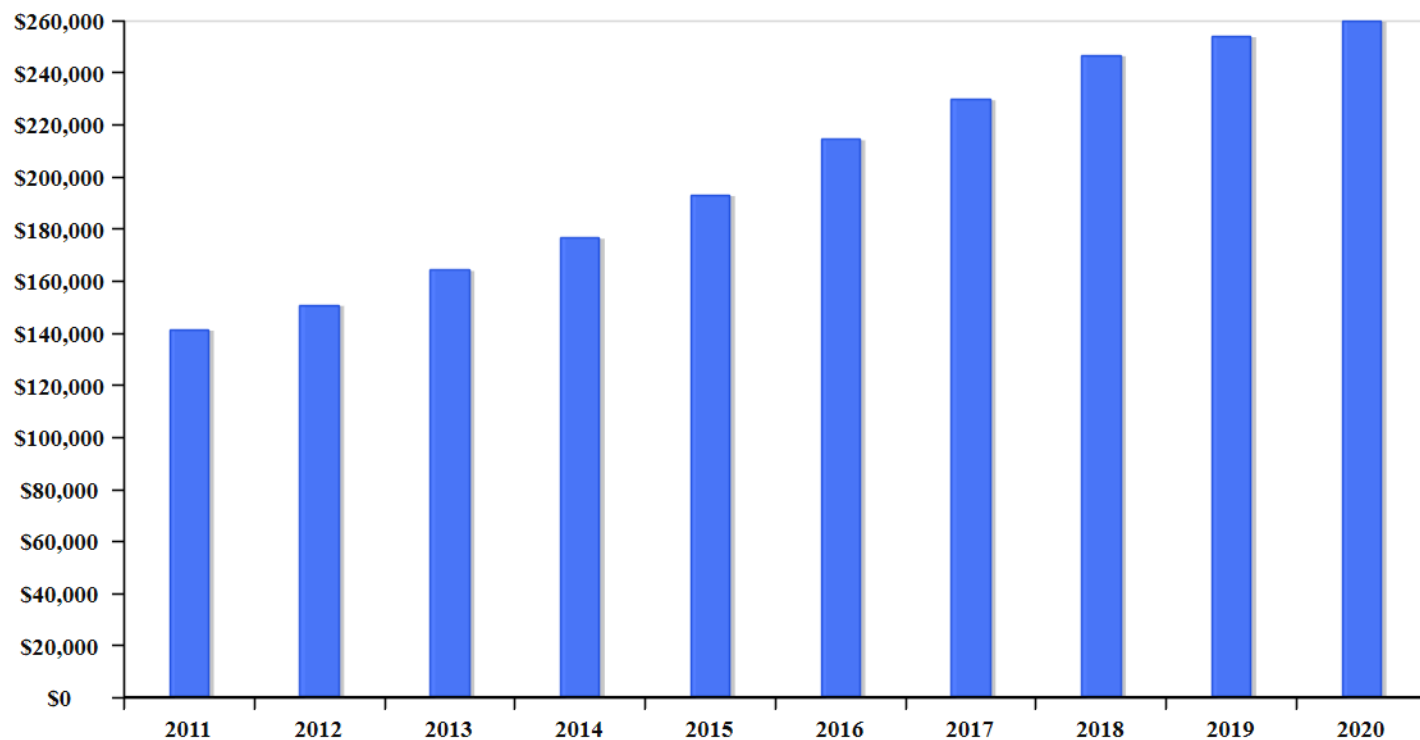
Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Average Home Value	\$ 110,300	\$ 116,100	\$ 119,000	\$ 123,500	\$ 133,800	\$ 137,500	\$ 142,700	\$ 143,100	\$ 138,700	\$ 143,700
% Change		5.26 %	2.50 %	3.78 %	8.34 %	2.77 %	3.78 %	0.28 %	(3.07)%	3.60 %



Source: Texas A&M University, Real Estate Center. For years prior to 2016, figures are MLS described geography. Beginning in 2016, figures are geographical for better accuracy. For FY17, the source is the same; data used is based on a monthly average and not the annual.

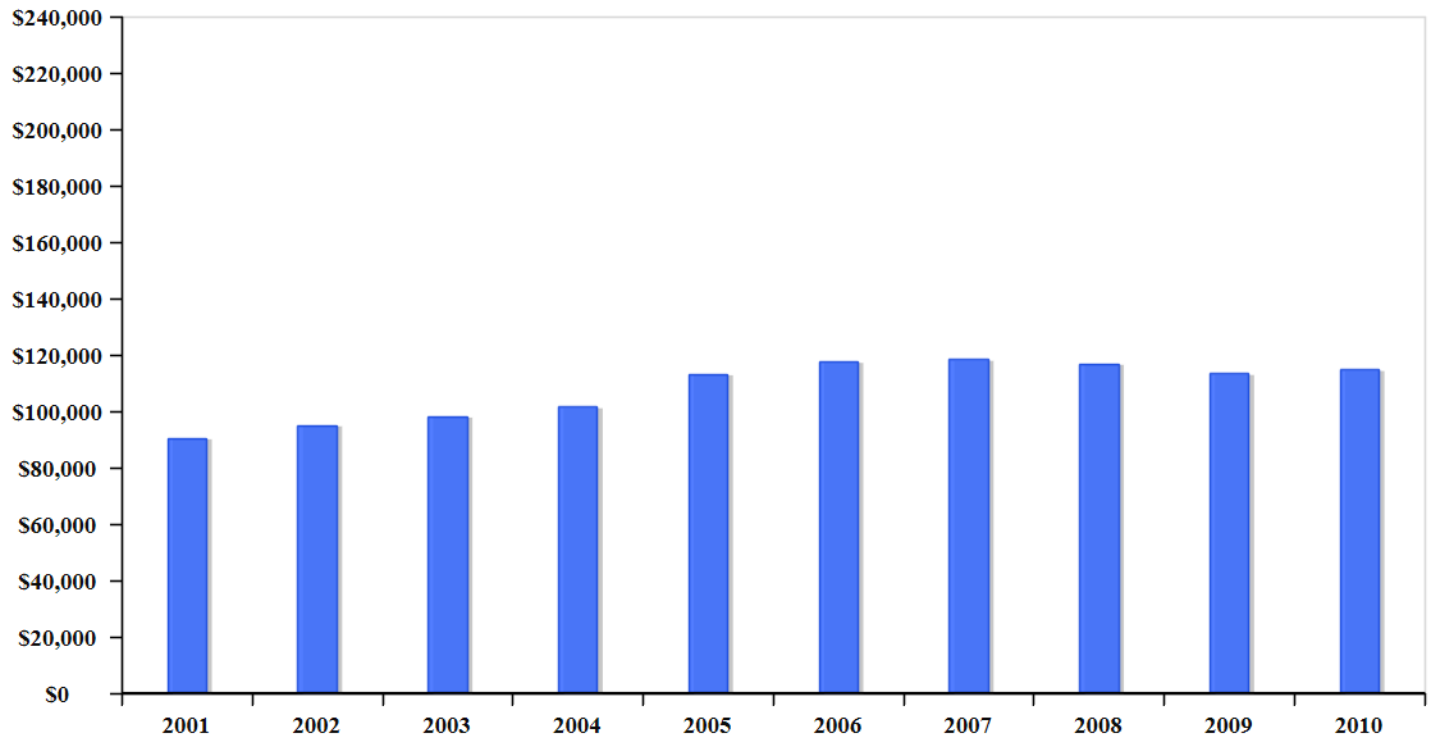
TABLE 27

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
\$ 141,400	\$ 150,900	\$ 164,300	\$ 176,700	\$ 193,100	\$ 214,506	\$ 229,864	\$ 246,797	\$ 254,107	\$ 264,701
(1.60)%	6.72 %	8.88 %	7.55 %	9.28 %	11.09 %	7.16 %	7.37 %	2.96 %	4.17 %



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

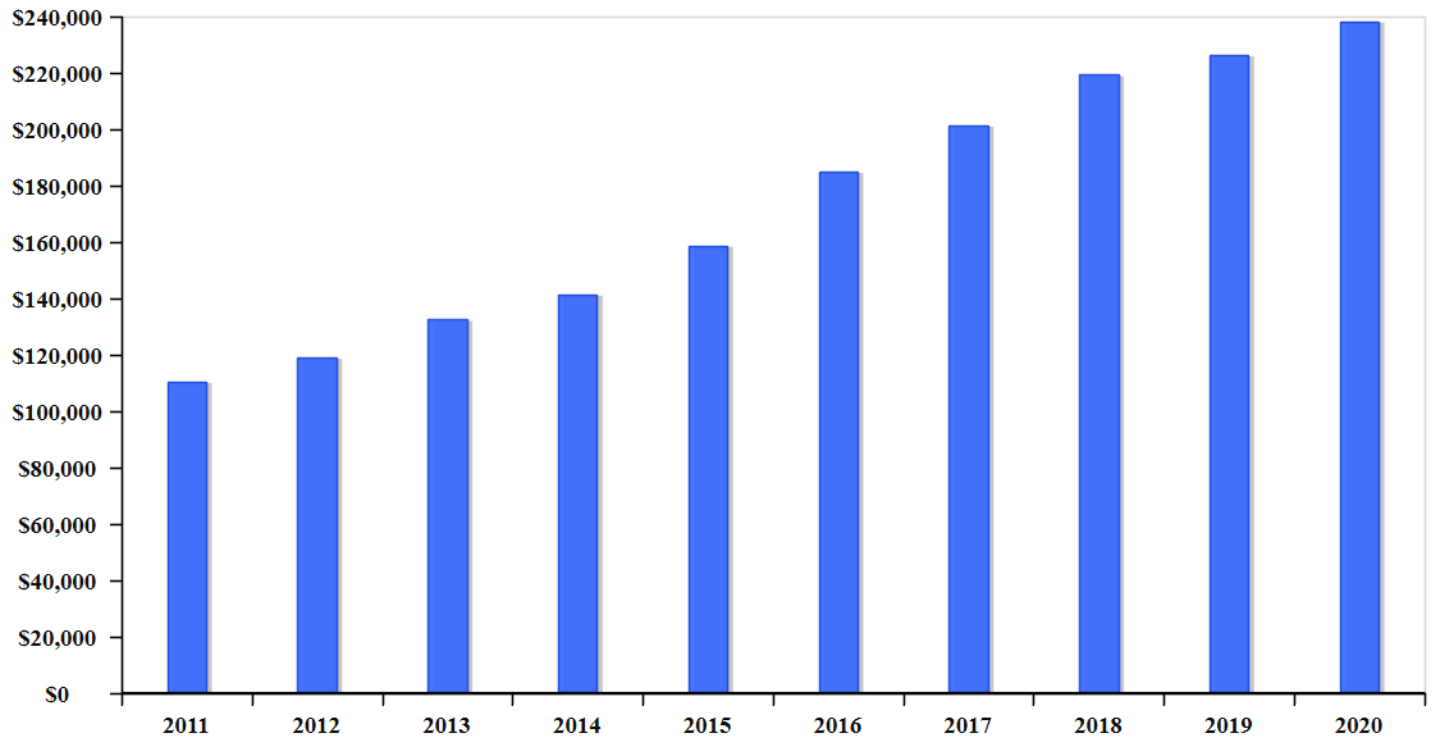
Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Median Home Value	\$ 90,600	\$ 95,200	\$ 98,300	\$ 101,600	\$ 113,300	\$ 117,700	\$ 118,400	\$ 117,000	\$ 113,400	\$ 114,800
% Change		5.08 %	3.26 %	3.36 %	11.52 %	3.88 %	0.59 %	(1.18)%	(3.08)%	1.23 %



Source: Texas A&M University, Real Estate Center. For years prior to 2016, figures are MLS described geography. Beginning in 2016, figures are geographical for better accuracy. For FY17, the source is the same; data used is based on a monthly median and not the annual.

TABLE 28

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
\$ 110,600	\$ 119,100	\$ 132,500	\$ 141,500	\$ 158,800	\$ 185,000	\$ 201,396	\$ 219,276	\$ 226,329	\$ 238,300
(3.66)%	7.69 %	11.25 %	6.79 %	12.23 %	16.50 %	8.86 %	8.88 %	3.22 %	5.29 %



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

Function/Program	2011	2012	2013	2014	2015
General Government					
City Manager	90	89	58	53	64
Performance and Budget ^(b)	-	-	-	-	-
IT Solutions ^(g)	-	-	-	-	-
Housing and Community Development ^(c)	75	57	71	68	76
Planning and Development	135	147	155	146	143
Community and Public Engagement ^(a)	-	-	-	-	-
Diversity & Inclusion ^(h)	-	-	-	-	-
Internal Audit	14	16	15	15	15
City Secretary	10	11	12	11	11
Legal	46	51	53	53	51
Financial Management Services	72	90	88	101	104
Human Resources	104	107	52	51	50
Economic Development ^(c)	-	-	-	-	-
Neighborhood Services ^(c)	-	-	-	-	-
Transportation and Public Works	588	564	617	589	591
Property Management ^(e)	-	-	-	-	-
Code Compliance	272	284	289	286	310
Public Events	127	123	132	133	133
Municipal Court	191	195	198	191	184
Park and Recreation ^(d)	727	690	396	392	397
Library	286	271	220	220	216
Subtotal	2,737	2,695	2,356	2,309	2,345
Enterprise Fund					
Water/Wastewater	892	901	934	940	937
Aviation	24	21	24	24	24
Subtotal	916	922	958	964	961
Internal Service Fund					
IT Solutions ^(g)	100	111	127	133	139
Equipment Services ^(e)	97	96	106	106	106
Subtotal	197	207	233	239	245
Public Safety					
Police ^(f)	-	-	-	-	-
Police-Uniform	1,534	1,539	1,594	1,549	1,549
Police-Civilian	647	677	448	445	453
Fire ^(f)	-	-	-	-	-
Fire-Uniform	894	897	908	884	884
Fire-Civilian	44	60	47	47	47
Subtotal	3,119	3,173	2,997	2,925	2,933
Total	6,969	6,997	6,544	6,437	6,484

(a) Mayor and Council Office is included in City Manager's Office since 2011. In FY18, Community Relations separated from the City Managers Office and the name changed to Community and Public Engagement

(b) Performance and Budget moved to City Manager's Office in FY11, and in FY13 moved back to Financial Management Services. In FY17, the Budget Division was transferred to the newly created Performance and Budget Office.

(c) Economic and Community Development was combined with Housing in 2009, and dissolved in FY16 into Economic Development and Neighborhood Services.

(d) Parks and Community Services is referred to as Park and Recreation beginning FY16.

(e) Property Management was established in FY16 and was overstated due to the inclusion of Equipment Services. 2016 data has been corrected.

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

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

(h) Diversity & Inclusion was established in FY20.

Source: Approved Budgets 2011-2020

TABLE 29

2016	2017	2018	2019	2020
63	55	35	36	23
-	25	25	25	26
-	-	-	160	160
-	-	-	-	-
132	140	153	162	162
-	-	41	42	42
-	-	-	-	14
15	15	16	16	18
11	11	14	14	15
50	51	51	51	51
100	91	89	89	87
59	59	58	60	60
22	22	20	23	23
155	150	170	172	179
441	442	490	485	493
88	93	97	102	215
353	370	326	355	398
133	133	137	142	142
184	182	168	161	151
362	391	473	493	481
213	213	237	236	244
2,381	2,443	2,600	2,824	2,984
937	949	967	993	996
24	24	26	26	27
961	973	993	1,019	1,023
138	136	158	-	-
106	114	117	115	-
244	250	275	115	-
-	-	2,222	2,229	2,163
1,599	1,635	-	-	-
455	458	-	-	-
-	-	1,004	1,016	1,000
911	925	-	-	-
60	61	-	-	-
3,025	3,079	3,226	3,245	3,163
6,611	6,745	7,094	7,203	7,170

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

Function/Program	2011	2012	2013	2014	2015
Public Safety					
Fire					
Calls for Service - Fire	12,392	10,111	10,158	10,439	10,333
Calls for Service - EMS	65,190	58,770	71,511	76,438	79,059
Calls for Service - Other ^(c)	28,863	28,775	29,529	32,514	35,557
Police					
Calls for Service	299,750	299,793	266,169	296,561	292,047
Municipal Courts					
Citations Entered	327,779	277,672	246,378	232,596	205,553
Warrants Issued	318,720	219,478	167,764	115,840	195,718
Jail Cases Prepared	136,312	152,874	141,888	126,739	127,925
Transportation and Public Works					
Streets - Lane Miles Maintained Annually	7,325	7,341	7,382	7,420	7,437
Lane Miles - Resurfaced	177	169	143	110	139
Library					
Books and audio/visual materials (millions) ^(a)	1.1	1.1	1.1	1.2	1.2
Average Monthly Circulation	375,965	369,450	355,877	339,860	309,730
Building Permits					
Permits issued (in thousands)	9.8	10.0	10.1	10.8	11.3
Estimated Value (in thousands)	1,352,438	1,454,917	1,214,680	2,143,490	2,118,305
Aviation					
Airport Operations (Takeoffs and Landings)	260,059	248,650	252,989	257,944	300,013
Total Fuel Flowage, gallons	7,828,177	7,742,014	8,260,693	7,457,850	8,371,920
Total Fuel Flowage, revenue	910,116	908,212	926,437	893,647	1,088,113
Water & Sewer					
Number of Water Accounts (in thousands)	223	225	228	234	238
Peak Day Water Consumption (million gallons)	368	346	324	297	329
Average Daily Water Consumption (million gallons)	205	265	186	179	179
Water System Storage Capacity (million gallons)	93	93	90	89	90
Actual Annual Water Pumpage (million gallons)	74,997	69,469	67,929	65,485	65,119
Infrastructure Leakage Index ^(b)	4.59	4.12	3.67	5.21	5.42
Number of Sewer Accounts (in thousands)	214	216	219	225	229
Average daily sewage treatment (million gallons)	105	110	95	95	114
Municipal Parking					
Parking tickets issued	52,261	47,211	60,354	44,932	42,667

(a) Number does not include approximately 1 million governmental documents for the years 2008-2010.

(b) Number based on the calendar year per state requirements - Information N/A (Not Available).

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

Source: Respective City of Fort Worth departments.

TABLE 30

2016	2017	2018	2019	2020
2,340	2,398	2,960	2,130	2,440
66,712	72,176	72,277	73,423	72,023
36,995	37,160	42,305	44,639	43,087
289,058	286,373	269,714	278,467	258,330
175,559	155,027	154,277	146,415	78,814
150,281	112,060	147,782	150,701	60,405
104,637	88,610	74,134	33,953	21,080
7,518	7,617	7,775	7,907	8,115
165	149	108	30	32
1.2	1.1	1.2	1.2	1.2
322,724	369,120	330,488	336,898	227,971
12.3	13.4	14.0	14.0	15.0
2,753,962	3,935,427	3,510,592	3,451,308	4,943,751
310,811	331,714	345,944	358,672	654,228
7,845,963	8,822,258	9,545,622	9,906,966	8,031,446
1,016,484	1,231,311	1,434,661	1,586,871	1,472,103
241	247	254	260	270
312	263	356	315	335
173	177	194	176	187
95	95	96	96	97
63,162	64,751	71,069	64,131	68,394
7.07	4.33	5.71	3.64	N/A
231	237	243	249	258
124	104	117	132	111
36,753	31,251	30,742	43,213	22,557

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

Function/Program	2011	2012	2013	2014	2015
Library					
Library Facilities Owned	14	14	14	14	14
Library Facilities Leased	2	2	2	2	2
Neighborhood Services ^(a)					
Community and C.A.P. Centers	-	-	-	-	-
Park and Recreation					
Parks and Public Spaces	257	260	260	263	271
Parks Acres	11,609	11,663	11,663	11,722	11,781
Miles of Trails (Jogging, Hiking & Biking) (paved trails)	66	66	71	71	77
Swimming Pools	7	7	7	2	2
Athletic Fields (Soccer, Football, Baseball & Rugby)	181	184	188	186	186
Tennis Centers	1	1	1	1	1
Number of Tennis Courts	16	16	16	16	16
Neighborhood Tennis Courts	82	82	87	87	88
Multi-use Courts	107	107	107	107	113
Golf Courses	5	5	4	4	4
Community and C.A.P Centers	22	22	22	23	23
Public Safety					
Police Stations Owned	10	12	12	14	17
Police Stations Leased	8	11	11	10	11
Fire Stations	42	42	42	42	42
Public Works					
Streets - Lane Miles	7,325	7,341	7,382	7,420	7,437
Traffic Signals	644 ^(b)	649 ^(c)	667 ^(c)	649 ^(d)	667 ^(e)
Street Lights	63,007	64,175	64,721	65,489	65,894
Stormwater					
Miles of Channels - Improved	330	212	212	212	214
Miles of Storm Pipes	900	930	1,163	943	955
Water					
Water Mains (Miles)	3,480	3,513	3,553	3,596	3,386
Fire Hydrants	18,388	18,616	18,879	19,136	18,709
Wastewater					
Miles of Sanitary Sewers	3,527	3,569	3,610	3,643	3,289

(a) Neighborhood Services became a separate department of Park and Recreation in FY2016.

(b) The City also maintains 97 Traffic Signals owned by TXDOT not included in the number noted above.

(c) The City also maintains 100 Traffic Signals owned by TXDOT not included in the number noted above.

(d) The City also maintains 118 Traffic Signals owned by TXDOT not included in the number noted above.

(e) The City also maintains 114 Traffic Signals owned by TXDOT not included in the number noted above.

(f) The City also maintains 193 Traffic Signals owned by TXDOT not included in the number noted above. In FY2016, traffic signal counts were standardized to use intersections within a site as measurement. Prior to FY2016 counts were based on site.

(g) The city also maintains 204 signalized intersections owned by TXDOT not included in the number noted above. A total number of Traffic Signals maintained by the City is 884. In FY2016, traffic signal counts were standardized to use intersections within a site as measurement, prior to FY2016 counts were based on site. An example includes I-20 @ James/Crowley is measured as four intersections, and I-30 @ Summit measured as two intersections.

(h) The City also maintains 190 Traffic Signals owned by TXDOT not included in the number noted above.

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

Source: Respective City of Fort Worth departments.

TABLE 31

2016	2017	2018	2019	2020
14	14	14	14	15
2	2	2	3	1
9	9	9	9	9
274	278	283	289	291
11,878	11,988	12,065	12,323	12,337
120	78	79	79	210
2	2	3	3	3
192	188	227	227	254
1	1	1	1	1
16	16	16	16	14
86	88	64	62	62
113	130	47	47	105
4	4	4	4	3
14	22	22	14	14
17	17	15	15	15
11	11	9	9	9
42	42	43	43	43
7,518	7,617	7,775	7,907	8,115
697 ^(f)	680 ^(g)	693 ^(h)	701 ⁽ⁱ⁾	710
66,182	67,032	67,237	69,527	69,527
214	214	214	214	230
970	973	998	994	997
3,420	3,503	3,503	3,629	3,687
19,182	22,320	22,778	23,420	23,946
3,313	3,459	3,508	3,565	3,624

