



CITY OF FORT WORTH, TEXAS

FY2023

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended
September 30, 2023

Annual Comprehensive Financial Report

For the Fiscal Year Ended September 30, 2023

City of Fort Worth, Texas



Elected Officials

2023 City Council

Mattie Parker, Mayor

Carlos E. Flores, District 2	Macy Hill, District 7
Michael D. Crain, District 3	Chris Nettles, District 8
Charles Lauersdorf, District 4	Elizabeth M. Beck, District 9
Gyna Bivens, District 5	Alan Blaylock, District 10
Jared Williams, District 6	Jeanette Martinez, District 11

City Manager

David Cooke

Chief Financial Officer

Reginald Zeno

Prepared by the Department of Financial Management Services

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Yan Hillman, CPA
Elida Torres

Accounting

Stephen C. Nesbitt, CPA
Catherine Perry
Kristy Allen
Eliezer Cartagena Melendez
Ramona Nails
Bianca Lord
Accounting Staff

Treasury

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

Purchasing

Jo Ann Gunn, J.D., NIGP-CPP
John Padinj, CPPB, CPPO, NIGP-CPP
Cristina Camarillo
Brandy M Hazel, NIGP-CPP, CPPB
Michelle Green
Purchasing Staff

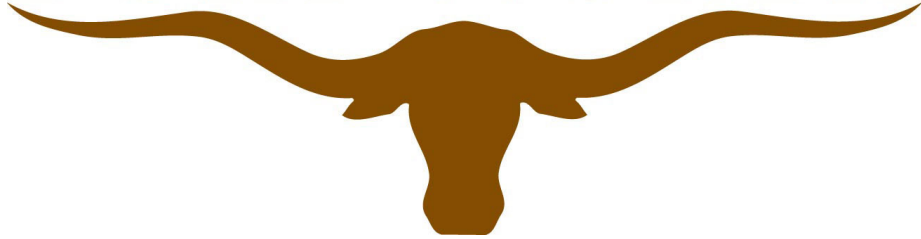
Administration

Charissa Williams

Financial Systems

Cathy Simpson
Alexis Rivas
Financial Systems Staff

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CITY OF FORT WORTH, TEXAS

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INTRODUCTORY SECTION



February 29, 2024

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

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Fort Worth, Texas (the “City” or “Fort Worth”), for the fiscal year ended September 30, 2023. The Department of Financial Management Services prepared this report to present the financial position of the City. The ACFR describes the financial results of our operations and the cash flow of our proprietary fund types. Additionally, it conveys changes in plan net positions of our pension and other postemployment 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 furnished to the Mayor and each member of the City Council, the City Manager and to each resident 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. The report also contains 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.

FORVIS, LLP issued unmodified opinions on the City's financial statements for the year ended September 30, 2023. 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
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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 359 square miles and serves a population of nearly 957,000, according to the 2023 Census estimate.

Fort Worth operates under a Council/Manager form of government with a City Council comprised of the Mayor and ten Council members. The Mayor is elected at large and the ten 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.

Services provided by the City under general governmental functions include public safety (municipal courts and police/fire protection), streets and highways, 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, risk financing, and information systems 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 2023, there was one discretely presented component unit and seven blended component units. One of the blended component units (Fort Worth Housing Finance Corporation) also has thirteen Limited Liability Corporations (LLCs), which are reported as blended component units, and one Limited Liability Partnership that is discretely presented. Additionally, the City's defined benefit pension plan and two other postemployment benefit plans are reported as fiduciary component units.

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 recommended budget for the ensuing fiscal year. The City Manager's recommended 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.

Local Economy

Fort Worth continues to sustain a multi-year trend of broad-based growth across multiple sectors. Much of this business growth has been fueled by Fort Worth's reputation of being one of the fastest growing cities in the U.S, one of the best places to do business in, and one of the top places in the nation to live, work, and play. With a growing workforce, the expansion of top educational facilities, low cost of doing business, high quality of life, and prime location and climate, the City is an attractive choice for companies looking to expand in or move their operations.

Major employers in Fort Worth include AMR/American Airlines, Lockheed Martin, Fort Worth Independent School District, JPS Health Network/John Peter Smith Hospital, City of Fort Worth, NAS Fort Worth Joint Reserve Base, Alcon Laboratories, Tarrant County College, Bell Helicopter-Textron, Inc., and Burlington Northern Santa Fe, LLC.



Manufacturing and distribution remain an important part of the Fort Worth economy. The list of companies in distribution and manufacturing operations includes Acme Brick, Alcon Labs, Allied Electronics, ATC Logistics & Electronics, Haggar Clothing, Federal Express, J.C. Penney's, Mother Parker's Tea and Coffee, Coca-Cola Enterprises, Ben E. Keith Co., Molson Coors Beverage Company, Williamson-Dickie, Pratt Industries USA, Inc., NGC Renewables, LLC, Carolina Beverage Group, LLC, GE Manufacturing Solutions, and Danone North America. Adding to that list are commitments secured in 2023 for major new facilities in Fort Worth by Beauty Manufacturing Solutions Corp (BMSC), Carhartt, McMaster-Carr, and DrinkPak (photo above).

The City's industry clusters remain diverse with finance, trade, transportation, and utilities making up the largest percentage of the Fort Worth-Arlington Metropolitan Division (MD) industry composition at 40%. Since 2017, trade, transportation, and utilities companies have grown considerably adding over 23,800 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 387,000 people employed.

Local Economy (continued)

The City's Economic Development Department recently updated its strategic plan. The 2022 updated plan identified key emerging economic sections 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 31,800 registered business firms in the City of Fort Worth. About 99.5% of these businesses are small to mid-size firms that employ anywhere from one to 249 individuals. The remaining 0.5% of businesses are firms that employ greater than 250 employees (Database USA, via EMSI).

The Fort Worth-Arlington MD boasts a strong labor force of 1.36 million that continues to grow. The Fort Worth-Arlington MD has experienced positive annual employment growth since the summer of 2010, up until the COVID-19 pandemic in early 2020. In the wake of the crisis, the city's unemployment rate of 7.90% was slightly higher than the 6.80% state unemployment rate, but below the 8.40% national unemployment rate through August 2020. In 2023, the City's unemployment rate decreased to 3.84%, which is higher than the state unemployment rate of 3.80% and the national unemployment rate of 3.60% (not-adjusted).

Fort Worth continues to see significant success in efforts to attract investment and strengthen target industries. Moreover, that activity accelerated in 2023, with the City of Fort Worth and its partners securing twice the number of projects as in 2022, with six times the number of jobs to be created and average salaries that are 21% higher than those of projects secured in 2022. In total, approximately \$2 billion in new capital expenditure was secured in association with 2023 City of Fort Worth economic development projects along with the creation of more than 4,000 new jobs. Efforts focused not only on deal flow but also on deal quality as can be seen in an increase to average wage commitments which rose to \$84,000 in 2023, up from \$69,000 the year before.

The number of projects in target industries increased from 50% to 73%, with projects in Mobility, Aerospace & Defense, and Energy industries. Highlights include a project by Siemens who is investing \$143 million in a new electric switch manufacturing facility that will employ 715 people at an average salary of \$70,000 and will serve customers in smart buildings and data center industries.

Other target industry projects include Probably Monsters, a software company bringing \$2 million in capital expenditure to downtown and 300 jobs at an average salary of \$150,000, along with projects by Gulfstream, Volvo Autonomous Solutions, and electric vehicle supplier JCNA. Additionally, high-value manufacturing and distribution projects continue to be a source of strength for Fort Worth, with projects by BMSC, Carhartt, McMaster-Carr, and DrinkPak bringing more than \$1.1 billion in combined investment and 2,250 new jobs. The City also saw success in the attraction of projects with significant research and development components, including GKN Aerospace who selected Fort Worth for a new Global Technology Center and home-grown Sinclair Digital who is expanding into new markets for low-voltage and smart buildings technologies. Together, these two projects are projected to invest approximately \$128 million in research and development in Fort Worth over the next ten years.

Medical innovation is also on the rise as the Medical Innovation District, south of Downtown, grows with the expansion of Cook Children's Medical Center. Further growth in this district is anticipated with the announcement of the TEXRail expansion to the proposed Medical District station, which will spur further investment. Plans are currently underway and expect to be completed by 2026.

Local Economy (continued)

Downtown Fort Worth continues to see its share of development, including the approved expansion of the Omni Hotel. The newly expanded Omni Hotel (photo below), located in south Downtown, will add at least 400 rooms (creating a strategically important 1,000 rooms under one property), and will engage Lancaster Avenue by incorporating an active restaurant use. The project adds to the building momentum along the southern portion of downtown along Lancaster Avenue and near the Fort Worth Convention Center. Construction is expected to be completed by fall 2026.



The Central City Flood Control Project built on the major events of 2022 that included the announced allocation of \$403 million in funding from the federal government and the extension of the Tax Increment Financing (TIF) District 9 (Trinity River Vision) that will facilitate long-term financing of the project. With such significant funding and financing for the Central City Flood Control Project secured, local partners were able to turn their attention in 2023 towards efforts to promote the development of Panther Island. In 2023, the City of Fort Worth, Tarrant County, the Tarrant Regional Water District (TRWD), Tarrant County College, Real Estate Council of Greater Fort Worth, Downtown Fort Worth, Inc., and Streams & Valleys partnered to engage HR&A Advisors to prepare zoning analysis, real estate strategies, and economic development recommendations for Panther Island. The findings and recommendations will enable updates to existing zoning and regulatory tools and will provide new strategies for promoting real estate development in the present market.

South of downtown, the Near Southside continues to attract a wide variety of development projects and new businesses of all types and sizes. As with previous years over the last decade, 2023 delivered hundreds of new housing units, with major multifamily projects continuing to drive the district's population growth. As notable examples, Willow & Wise by Maverick Development — located in the heart of South Main Village — was near completion at the end of the year, and construction was soon to begin on The Vickery by Trademark Properties, located at Vickery and Hemphill. Those large developments join a mix of smaller infill projects scattered across the district, with Magnolia Highline standing out as a model “affordable by design” community completed in Magnolia Village. Calendar year 2023 also saw the district's first new hotel construction kick off in South Main Village, as The Nobleman Hotel made great progress.

Local Economy (continued)

All of the Near Southside's new residents and visitors will benefit from major public transit improvements in the works, as design commenced on the extension of the TEXRail commuter rail line. The extension will connect to a new station serving the Near Southside Medical Innovation District, which continues to attract major investment. The most notable and transformative of those investments is Texas Christian University's (TCU) Burnett School of Medicine, which is near completion at the center of the district, at Rosedale and Henderson, immediately adjacent to the district's major hospitals, which are the medical school's key partners and the primary driver behind its location in the Near Southside.

Additionally, the Economic Development Department has been focused on community revitalization this past year. For Berry/Stalcup, the City continues to work with Legacy Construction Solutions and Innovan Neighborhoods on a revised site plan for the property. Staff anticipates bringing an updated site plan and financials for consideration to the Local Development Corporation in Q4 of 2023.

The City's Fort Worth Local Development Corporation (FWLDC) launched the Fort Worth Main Street Pilot Program to build the capacity for place-based community organization to revitalize historic, commercial corridors as economic and community vitality hubs. The program is targeted at historic business corridors in the City's Neighborhood Empowerment Zones, Urban Villages, and Revitalization Target Areas. In August 2022, the City announced the two awardees of the pilot program: Fort Worth Hispanic Chamber of Commerce for a Northside District and Southeast Fort Worth, Inc. for a Polytechnic District. Each entity and associated community will receive \$50,000 worth of revitalization training and develop a transformation strategy and work plan with Main Street America's UrbanMain and receive \$270,000 worth of grants for both operational support and new program and project implementation.

With the completion of year one, the districts accomplished multiple trainings and education sessions within the community, a new summer concert series was established, additional grant funds secured, national recognition in Main Street America publications and podcasts, beautification efforts, and great participation from the local communities. With continued success, the City hopes to roll out this framework across the City to other historic commercial districts and potentially become the first city in Texas, and only one in five in the nation, with a Main Street City-Coordinating Program.



Local Economy (continued)

In October 2021, the City Council approved an allocation of up to \$3 million from the American Rescue Plan Act (ARPA) funds to enter into a contract with CDFI Friendly America, LLC to bring financing from one or more community development financial institutions (CDFI) to the City. The contract includes engaging the consultant to provide consulting services in assessing the potential roles of CDFI financing in the community, organizing potential CDFI Friendly strategies, developing an actionable CDFI Friendly business plan, and providing the City with consultative capacity-building support for the implementation of that business plan in collaboration with the Economic Development Department and the Department of Diversity and Inclusion. Since its kickoff on January 26, 2022, CDFI Friendly Fort Worth has closed on more than 193 loans for over \$23.2 million.

City staff continues to work closely with neighborhoods in the City's Revitalization Target Areas to develop and implement initiatives that align with the Full-Strength Fort Worth revitalization strategy, helping create economic vitality and resiliency while also empowering the community and preserving each area's quality of place. More information on the City's revitalization strategy can be found at <https://www.fortworthtexas.gov/departments/econdev/revitalization>.

Entrepreneurship and innovation have become focal points for the department in recent years as well. The City of Fort Worth established the Fort Worth Medical Innovation District (MID) in 2023 (photo below). Located in Near Southside Fort Worth, the MID is intended to serve as the epicenter of medical-related industry and innovative commercial activity in Fort Worth within a purpose-built environment that fosters growth, value, and creativity in medical innovation. The formation of the district builds upon a multi-decade public-private partnership between the City of Fort Worth and Near Southside, Inc. that resulted in the creation of TIF District 4. The MID is intended to expand on that success through strategic collaboration and direct participation of public, private, and institutional entities working individually and in partnership to advance the district.



Local Economy (continued)

Fort Worth's Techstars program (photo below) completed its second year in 2023, supporting a new cohort of entrepreneurs. Techstars is a global investment business that provides access to capital, one-on-one mentorship and customized programming for early-stage entrepreneurs. Fort Worth's Techstars program is a three-year initiative spearheaded by the University of North Texas Health Science Center (HSC), along with the City of Fort Worth, Tarrant County and Goff Capital. Ten companies received a combined \$2.4 million in ARPA funding in Year 2 of the program, including Brilliantly, ComeBack Mobility, Comma, Hera Fertility, LUBU Technologies, Maya AI, Pulse Charter Connect, Somos, Vessl Prosthetics, and Xplosion Technology.



In 2023, we also saw the opening of the CreateFW Fort Worth Entrepreneur Center, located at 400 Bryan Ave., made possible by a two-year \$500,000 grant (\$250,000 per year) that was approved in March by the Fort Worth Local Development Corporation (FWLDC). The center provides a place for entrepreneurs to go where they can get access to the tools, resources, mentorship, funding, and support to help them effectively start, build, and grow their businesses.

The City of Fort Worth also pursued concerted activities relating to Smart Cities through a joint, interdepartmental effort to better align and promote the City of Fort Worth's various smart cities activities and assets. These activities and other opportunities relating to Smart Cities were presented to a targeted international audience at the Smart Cities Expo in Barcelona. The City's entrepreneurship and innovation efforts were supported by regular meetings of the City's Entrepreneurship & Innovation Committee (EIC) – a Councilmember-led, issue-focused committee advocating for activities and organizations that will drive E&I forward in Fort Worth. The EIC focuses on policies and partnerships that will enhance entrepreneurship and Fort Worth's business environment and look to data to help improve upon policies around permitting, small business success, and strategic development. This committee is supported by an advisory group of business leaders.

A commitment to improvement continues in education projects to serve the City's growing population. Just recently, a \$1.2 billion school bond package was approved to help fund several updates to area schools in the Fort Worth Independent School District (FWISD).

Local Economy (continued)

In addition to public schools, two new charter schools recently opened in Fort Worth. IDEA Southeast opened on Seminary Drive and IDEA Rise opened on Cherry Lane. These charter schools will focus on college preparation, while giving Fort Worth families alternative school options for educating their children.

Area institutions of higher education have likewise shown their commitment to growth by recently announcing plans for expansion, including TCU's expansion of its medical school and Texas A&M's expansion of its nationally-ranked law school (photo below). These two historical expansions will help propel the quality of life and higher education in Fort Worth, and will likewise become attractive to outside companies and corporations looking for a highly educated workforce. Please visit the City's website at <https://www.fortworthtexas.gov/departments/ecodev/edplan> for a copy of the 2022 Updated Economic Development Strategic Plan.



While all eligible applications will be considered for the City's economic development incentive programs, the City is especially interested in supporting projects that produce a meaningful impact on the City and its economy and result in one or 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, like 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

Local Economy (continued)

The City's Economic Development Department completes five-year financial projections to determine the potential impact of the program and an annual review of all awards. In 2023, eight (8) tax abatement and thirty-five (35) economic development program (Chapter 380 Grant) agreements were reviewed for performance. These include two newly completed projects or project phases.

After payment of the grants and abatements, projects with active economic development agreements in 2022 provided \$22.7 million in new net tax revenue to the City in Tax Year 2022. This represents approximately 2.67% of the City's total property, sales, and hotel occupancy tax revenues. The private investment leveraged by the economic development program totaled \$5.8 billion, making the City's total incentive participation 0.67%, resulting in a private to public investment ratio of 149:1. The net new tax revenues to the City generated by these projects represented a 58.33% return on the annual cost of incentives used to secure them.

See Note L 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 debt is rated 'Aa3' by Moody's, 'AA' by both S&P and Fitch, and 'AA+' by Kroll. 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 'Aa1' by Moody's, and '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 credit ratings are complimentary of strong financial performance, maintaining reserves and strong financial governance. The City's credit strengths are somewhat offset by the city's unfunded pension liability and fixed cost burden.

COVID-19 and Future Challenges

In December 2019, the coronavirus now designated as COVID-19 was detected in China. By March 2020 a worldwide pandemic had been declared by the World Health Organization (WHO), and a COVID-19 Emergency Declaration was enacted in the United States.

On January 21, 2021, the City received approximately \$27.5 million under the Consolidated Appropriations Act, 2021 for the provision of financial assistance and housing stability services to eligible households. This program provides relief for rent, utility, and other housing expenses related to housing and negatively affected by COVID-19. In April 2022, \$10 million in additional funding was reallocated from Tarrant County to the City, resulting in a total of approximately \$37.5 million available for community assistance. As of September 30, 2023, these funds have been fully expended through several social service Non-Governmental Organizations in the community.

On May 19, 2021, the City received approximately \$86.8 million under the American Rescue Plan Act of 2021 (ARPA), representing one half of the total amount of \$173.7 million in State and Local Fiscal Recovery Funds (SLFRF) allocated to the City of Fort Worth. On June 22, 2021, City Council approved an initial framework of priority needs identified within the City and community including continued pandemic response, tourism industry recovery, affordable and permanent supportive housing initiatives, cybersecurity and broadband projects, majority minority area infrastructure projects, minority business enterprise capacity building, City projects delayed because of the pandemic, and matching funds for use in joint projects with other entities. The remaining half of the ARPA SLFRF funding, in the approximate amount of \$86.9 million, was received from the US Treasury on June 6, 2022. A variety of individual projects have been approved by the City Manager's Office and City Council to address both community and City needs within the approved framework and ARPA guidelines. As of September 30, 2023, \$39.3 million in ARPA SLFRF funding has been expended. ARPA SLFRF funds are required to be fully spent by December 31, 2026.

COVID-19 and Future Challenges (continued)

Additionally, on May 24, 2021 the City received approximately \$11.6 million under ARPA, representing an advance equaling 40% of the total amount of \$29.1 million allocated for the provision of financial assistance and housing stability services to eligible households in the same manner as the funding under the Consolidated Appropriations Act of 2021. As of September 30, 2023, \$29.0 million has been expended, and an additional \$17.5 million has been reimbursed for expenditures under the program. More information on the City's use of ARPA funding can be found at <https://www.fortworthtexas.gov/arpa>.

Finally, approximately \$1.9 million in additional funds related to COVID-19 pandemic relief were expended during fiscal year 2023, including Emergency Solution Grants, Airport Assistance Grants, and Home Partnership and Housing Opportunities for Persons with AIDS Grants.

The United States Government declared the end of the COVID-19 public health emergency on May 11, 2023. The City maintains a positive outlook on long-range financial planning. Strong economic growth is expected to continue long term, but we recognize the pandemic rebound may result in fluctuating revenue streams in the near-term. Financial planning will focus on existing land use, capital infrastructure development and maintenance, and operating within the bounds of anticipated revenues.

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 three top-priority strategic challenges and opportunities for Fiscal Year 2023. 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:

- Create an environment where businesses and individuals have what they need to thrive
- Build Community trust through enhanced transparency, communication and responsiveness
- Proactively plan for growth, using community-driven long-range plans to guide decisions

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.

Long-term Financial Planning and Major Initiatives (continued)

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

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

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

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

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 ACFR for the fiscal year ended September 30, 2022. This was the 13th 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 ACFR. 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. City management believes that this 2023 ACFR conforms to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA for review.

The City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning October 1, 2022. 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 December 31, 2025.

Acknowledgments

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 residents of Fort Worth. In addition, we acknowledge the thorough, professional, and timely manner in which our independent auditors, FORVIS, LLP, 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

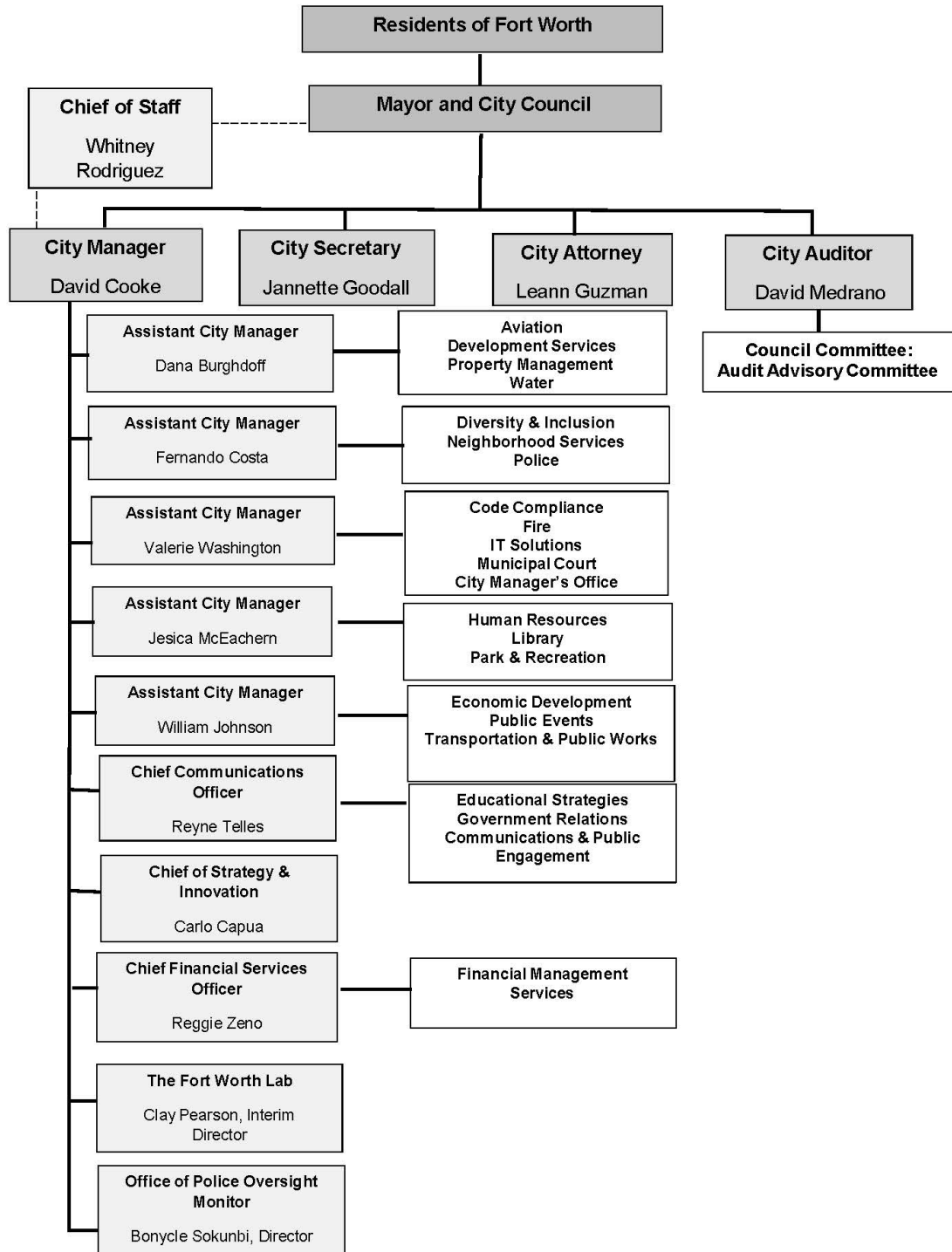
**City of Fort Worth
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morill

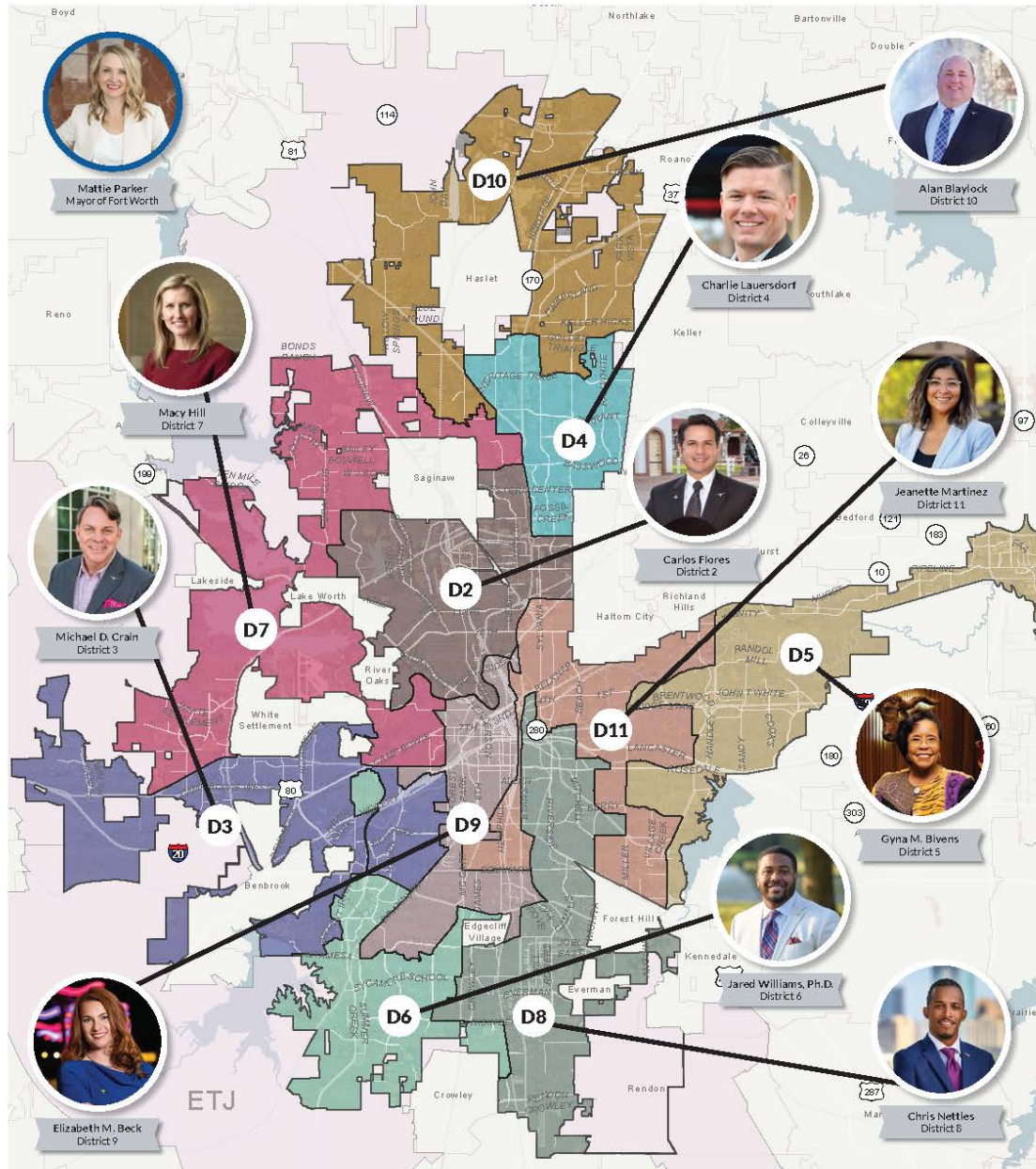
Executive Director/CEO



CITY OF FORT WORTH, TEXAS

ELECTED OFFICIALS

MAYOR AND CITY COUNCIL MEMBERS



CITY OF FORT WORTH
Council Districts

- 2 - Carlos Flores
- 3 - Michael D. Crain
- 4 - Charlie Lauersdorf
- 5 - Gyna M. Bivens
- 6 - Jared Williams, Ph.D.

- 7 - Macy Hill
- 8 - Chris Nettles
- 9 - Elizabeth M. Beck
- 10 - Alan Blaylock
- 11 - Jeanette Martinez

FINANCIAL SECTION



14241 Dallas Parkway, Suite 1100 / Dallas, TX 75254

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forvis.com

Independent Auditor's Report

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

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Fort Worth, Texas (City), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2023, 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.

We did not audit the financial statements of the Employees' Retirement Fund of the City of Fort Worth, Texas, a fiduciary component unit of the City and the Fort Worth Housing Finance Corporation, a blended component unit of the City, which represent approximately 73% of the total assets, 74% of fund balance/net position, and 40% of the total revenues/additions of the aggregate remaining fund information of the City. We also did not audit the financial statements of Terrell Homes, Ltd., the discretely presented component unit of the City, which represents 100% of the total assets, net position, and total revenues of the discretely presented component unit of the City. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions on the discretely presented component unit and the aggregate remaining fund information, insofar as they relate to the amounts included for Terrell Homes, Ltd., the Fort Worth Housing Finance Corporation, and the Employees' Retirement Fund of the City of Fort Worth, Texas are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters

Correction of a Misstatement

As discussed in Note A.15 to the financial statements, the 2022 financial statements of the Fort Worth Housing Finance Corporation, a blended component unit of the City, which were audited by other auditors, have been restated to correct a misstatement. Our opinions are not modified with respect to this matter.

Substantial Doubt About the Discretely Presented Component Unit's Ability to Continue as a Going Concern

As discussed in Note A.16 to the financial statements, the 2022 financial statements of Terrell Homes, Ltd., the discretely presented component unit of the City, which were audited by other auditors, have been prepared assuming that Terrell Homes, Ltd. will continue as a going concern. Terrell Homes, Ltd. suffered operating losses and experienced cash flows issues and has stated that substantial doubt exists about its ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note A.16. Our opinions are not modified with respect to this matter.

Adoption of New Accounting Standards

As discussed in Note A.17 to the financial statements, effective October 1, 2022, the City adopted Governmental Accounting Standards Board Statements No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* and No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule-general fund, and pension and other postemployment benefit information as listed on the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information including the combining and individual fund financial statements and schedules is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory section and the statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

FORVIS, LLP

**Dallas, Texas
February 29, 2024**

CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023
(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, 2023 (FY2023). 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 Annual Comprehensive Financial Report (ACFR) on pages v-xvii of this report.

Effective October 1, 2022, the City adopted Governmental Accounting Standards Board Statements No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* and No. 96, *Subscription Based Information Technology Arrangements*. 2022 comparative information contained herein has not been restated for the adoption of GASB 94 or GASB 96.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows as of September 30, 2023, by \$4,761,619,000 (net position). For FY2023, the City reported an unrestricted net deficit of \$1,208,065,000 which was a decrease in unrestricted net deficit of \$278,936,000 compared to the previous fiscal year. This decrease was primarily driven by a \$176,116,000 increase in investment income (this includes \$13,110,000 of unrealized gain on investments), \$75,053,000 increase of property tax revenue, and a \$60,821,000 decrease in expenses.
- The City's total net position increased by \$601,305,000 from FY2022. This increase can be attributed to a good year where Program and General revenues exceeded expenses. This can be seen in the change in Charges for Services, Property Tax, Sales Tax, Other local Taxes, Gas Lease Royalties, and Other Revenues. These increases were offset by a decrease in Operating Grants.
- As of September 30, 2023, the City's governmental funds reported combined ending fund balances of \$1,598,001,000, an increase of \$297,393,000, including correction of an error of \$(22,479,000), compared to the FY2022 ending balance. Approximately 50.8 percent of the fund balance of \$812,179,000 is available for spending at the government's discretion, as follows: \$400,518,000 of committed fund balance; \$225,662,000 of assigned fund balance; and \$185,999,000 of unassigned fund balance.
- The City's total long-term liabilities increased by \$416,452,000 in comparison with FY2022. A key factor in this increase was the increase in net pension liability of \$472,610,000 and a decrease in OPEB liability in the amount of \$383,578,000. During the year, long-term liabilities were reduced by principal payments of \$136,995,000 in governmental activities and \$69,896,000 in business-type activities. This decrease was offset by the debt issuance of \$262,405,000 for governmental activity and \$216,000,000 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, and combining and individual fund financial statements and schedules.

CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023
(000's omitted in tables)
(Unaudited) (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, lease and SBITA 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's (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, 2023
(000's omitted in tables)
(Unaudited) (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 eighteen individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds 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 fourteen 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 s 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, risk financing and information systems. 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 five 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, 2023
(000's omitted in tables)
(Unaudited) (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 account for the assets of the City's pension plan and postemployment healthcare plan and firefighters' employment and postemployment healthcare benefit plan. In addition, there is one custodial fund for Rock Creek PID fiduciary activities. 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 36-128 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 129-139.

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 schedules for other governmental funds with annual appropriated budget are included as supplementary information in the combining and individual fund statements and schedules which can be found on pages 143-174 of this report.

CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023
(000's omitted in tables)
(Unaudited) (continued)

Government-Wide Financial Analysis

As of September 30, 2023, total assets of the City were \$11,276,830,000 and deferred outflows were \$593,425,000 while total liabilities were \$6,654,236,000 and deferred inflows were \$454,400,000, resulting in a net position of \$4,761,619,000.

The City's net investment in capital assets was \$5,575,103,000. The City uses these assets to provide services to its residents; 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, \$394,581,000 represents resources that are subject to external restrictions on how they may be used. The City has an unrestricted net deficit of \$1,208,065,000.

Condensed Schedule of Net Position (Deficit)

	Governmental Activities		Business-Type Activities		Total	
	2022	2023	2022	2023	2022	2023
Current and Other Assets	\$ 1,720,048	\$ 2,014,887	\$ 1,377,366	\$ 1,594,407	\$ 3,097,414	\$ 3,609,294
Capital Assets	3,350,123	3,544,705	3,893,331	4,122,831	7,243,454	7,667,536
Total Assets	<u>5,070,171</u>	<u>5,559,592</u>	<u>5,270,697</u>	<u>5,717,238</u>	<u>10,340,868</u>	<u>11,276,830</u>
Deferred Outflows of Resources	<u>455,218</u>	<u>515,368</u>	<u>71,668</u>	<u>78,057</u>	<u>526,886</u>	<u>593,425</u>
Other Liabilities	358,296	274,048	95,824	122,319	454,120	396,367
Long-term Liabilities Outstanding	<u>4,156,608</u>	<u>4,414,806</u>	<u>1,684,809</u>	<u>1,843,063</u>	<u>5,841,417</u>	<u>6,257,869</u>
Total Liabilities	<u>4,514,904</u>	<u>4,688,854</u>	<u>1,780,633</u>	<u>1,965,382</u>	<u>6,295,537</u>	<u>6,654,236</u>
Deferred Inflows of Resources	<u>351,747</u>	<u>393,590</u>	<u>60,156</u>	<u>60,810</u>	<u>411,903</u>	<u>454,400</u>
Net Position:						
Net Investment in Capital Assets	2,493,914	2,542,223	2,868,449	3,032,880	5,362,363	5,575,103
Restricted	121,777	181,250	163,175	213,331	284,952	394,581
Unrestricted (Deficit)	<u>(1,956,953)</u>	<u>(1,730,957)</u>	<u>469,952</u>	<u>522,892</u>	<u>(1,487,001)</u>	<u>(1,208,065)</u>
Total Net Position	<u>\$ 658,738</u>	<u>\$ 992,516</u>	<u>\$ 3,501,576</u>	<u>\$ 3,769,103</u>	<u>\$ 4,160,314</u>	<u>\$ 4,761,619</u>

As of September 30, 2023, 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 the reconciliation of the statement of revenues, expenditures, and change in fund balances of governmental funds to the statement of activities. The governmental activities' unrestricted deficit balance decreased by \$225,996,000, due to the increase in property tax, sales tax, investment income, the sale of capital assets and a decrease in expenses.

CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023
(000's omitted in tables)
(Unaudited) (continued)
Government-Wide Financial Analysis (continued)

Condensed Schedule of Changes in Net Position

	Governmental Activities		Business -Type Activities		Total	
	2022	2023	2022	2023	2022	2023
Revenues:						
Program Revenues:						
Charges for Services	\$ 102,125	\$ 114,684	\$ 701,289	\$ 721,983	\$ 803,414	\$ 836,667
Operating Grants and Contributions	145,939	146,978	—	—	145,939	146,978
Capital Grants and Contributions	186,426	146,922	156,752	139,148	343,178	286,070
General Revenues:						
General Property Taxes	619,190	694,243	—	—	619,190	694,243
Sales Taxes	324,889	348,817	—	—	324,889	348,817
Other Local Taxes	51,210	61,744	—	—	51,210	61,744
Franchise Fees	53,331	52,308	—	—	53,331	52,308
Grants and contributions not restricted to specific programs	—	11,867	—	—	—	11,867
Gas Leases and Royalties	13,339	5,167	7,198	2,109	20,537	7,276
Investment Income	(33,558)	74,439	(10,513)	57,606	(44,071)	132,045
Other	33,785	39,437	4,415	7,914	38,200	47,351
<i>Total revenues</i>	<u>1,496,676</u>	<u>1,696,606</u>	<u>859,141</u>	<u>928,760</u>	<u>2,355,817</u>	<u>2,625,366</u>
Expenses:						
General Government	203,814	117,253	—	—	203,814	117,253
Public Safety	721,920	720,018	—	—	721,920	720,018
Highways and Streets	181,362	173,056	—	—	181,362	173,056
Culture and Recreation	185,163	183,497	—	—	185,163	183,497
Health and Welfare	25,086	26,244	—	—	25,086	26,244
Urban Redevelopment and Housing	155,320	154,446	—	—	155,320	154,446
Interest and Service Charges	31,875	37,309	—	—	31,875	37,309
Water and Sewer	—	—	442,863	453,010	442,863	453,010
Stormwater Utility	—	—	37,835	38,185	37,835	38,185
Municipal Airports	—	—	27,014	43,783	27,014	43,783
Municipal Parking	—	—	7,260	7,466	7,260	7,466
Solid Waste	—	—	65,370	69,794	65,370	69,794
<i>Total expenses</i>	<u>1,504,540</u>	<u>1,411,823</u>	<u>580,342</u>	<u>612,238</u>	<u>2,084,882</u>	<u>2,024,061</u>
Insurance Recoveries	2,225	—	—	—	2,225	—
Excess (Deficiency) of Revenues Over (Under) Expenses	(5,639)	284,783	278,799	316,522	273,160	601,305
Transfers	38,491	48,995	(38,491)	(48,995)	—	—
Changes in Net Position	32,852	333,778	240,308	267,527	273,160	601,305
Net Position, Beginning of Year	625,886	658,738	3,261,268	3,501,576	3,887,154	4,160,314
Net Position, End of Year	<u>\$ 658,738</u>	<u>\$ 992,516</u>	<u>\$ 3,501,576</u>	<u>\$ 3,769,103</u>	<u>\$ 4,160,314</u>	<u>\$ 4,761,619</u>

CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023
(000's omitted in tables)
(Unaudited) (continued)
Government-Wide Financial Analysis (continued)

Overall, the governmental activities increase in net position was \$333,778,000 as a result of current fiscal year activity. This was primarily the result of strong property tax and sales tax revenue performance, an increase in investment income and a net decrease in expenses.

Governmental activities expenses decreased by \$92,717,000 when compared to FY2022. This decrease was primarily due to moving the Information Technology Systems department from General Government expenses to an Internal Service Fund in FY2023. In addition, there was a cumulative net decrease in Net Pension Liability and Net OPEB Liability related expenses for FY2023 in the General Government expenses.

Business-type activities net position increased \$267,527,000 during the current fiscal year which is \$27,219,000 more than the previous year's increase. Key factors that contributed to the business-type activities net position increase were due to the decrease in Net Pension Liability and Net Other Post Employment Liability.

Financial Analysis of the Governmental 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 \$1,598,001,000. This was an increase of \$297,393,000 compared to the prior year. This increase in fund balance is primarily due to an increase in property tax assessed values, increases in sales tax, other local taxes, and investment income (unrealized gain).

The General Fund is approximately 19.9 percent or \$317,883,000 of total Government's fund balance, which is an increase from FY2022 by \$74,753,000 primarily due to an increase in property tax, sales tax and intergovernmental revenues. As of September 30, 2023, the General Fund's nonspendable fund balance includes \$3,711,938 for inventories and \$231,813 for prepaids, deposits, and other. The General Fund's restricted fund balance includes \$10,016,000 for park improvements. The committed fund balance includes amounts of \$13,031,000 for repayment of State loans, \$3,827,000 for park improvements, \$2,352,000 in contractual commitments carried over from FY2022, and \$15,929,000 for general needs such as public art or facilities, and \$15,000,000 for the support of local museums. The assigned fund balance includes \$15,960,000 for library capital projects and \$38,380,000 capital projects shortfalls. As of September 30, 2023, the General Fund had an unassigned fund balance of \$199,444,000.

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 \$199,444,000, represents 24.8 percent of total General Fund expenditures. The total fund balance of \$317,883,000 represents 39.5 percent of total General Fund expenditures. Fund balance in the General Fund increased by 74,753,000, over the previous fiscal year.

The Debt Service Fund has a fund balance of \$– or 4.0 percent of total governmental fund balance of which all is committed fund balance. Debt Service Fund's fund balance increased by \$15,496,000 when compared to FY2022. This increase in fund balance was due to the issuance of debt as planned.

CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023
(000's omitted in tables)
(Unaudited) (continued)

Financial Analysis of the Governmental Funds (continued)

The Capital Projects Fund has a fund balance of \$947,295,000 or 59.3 percent of total governmental fund balance of which \$741,000 is nonspendable fund balance, \$505,321,000 is restricted fund balance, \$335,597,000 is committed fund balance, and \$105,636,000 is assigned fund balance. The Capital Projects Fund's fund balance increased by \$183,780,000 when compared to FY2022. This increase in fund balance was due to new bond proceeds offset by additional capital outlay.

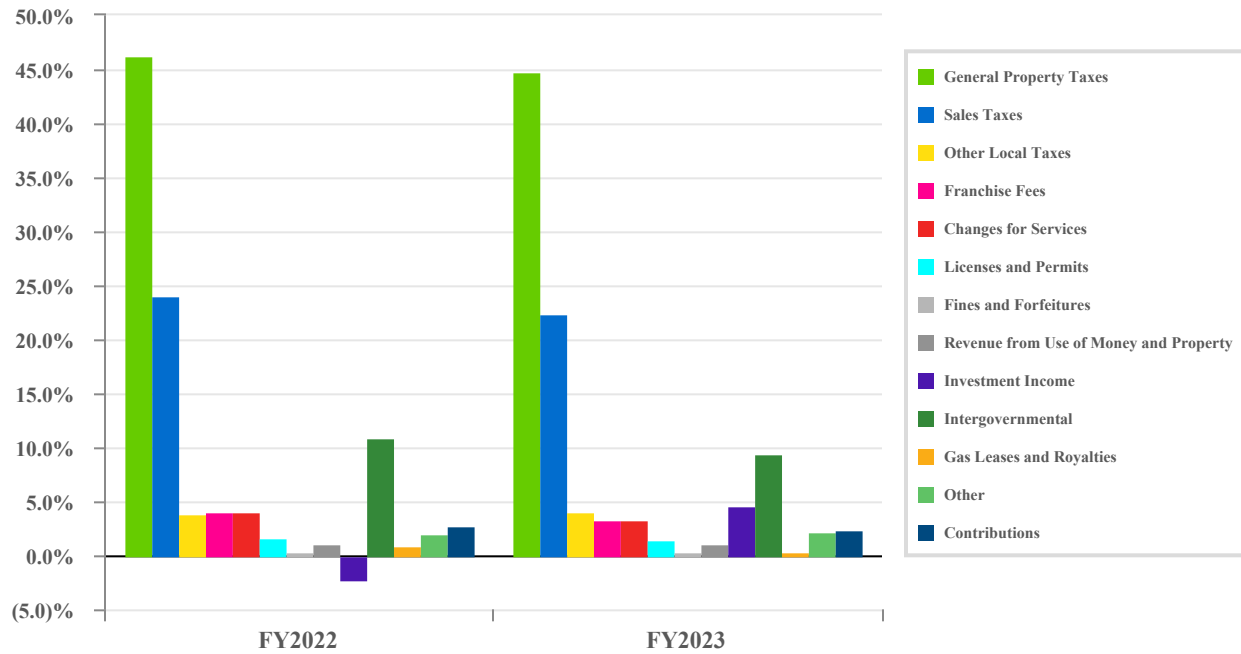
The Grants Fund has a fund balance of \$8,700,000 or 0.54 percent of total governmental fund balance of which \$32,000 is nonspendable fund balance, \$5,628,000 is restricted fund balance and \$3,040,000 is committed fund balance. The Grants Fund's fund balance increased by 2,605,000 when compared to FY2022. This increase in fund balance was primarily due to intergovernmental revenues.

The Nonmajor Governmental Funds' fund balance of \$259,510,000 is 16.2 percent of total governmental fund balance and includes nonspendable fund balance of \$2,382,000, restricted fund balance of \$193,145,000, committed fund balance of \$11,742,000, and assigned fund balance of \$65,686,000. Nonmajor Governmental Fund's fund balance increased by \$43,238,000 when compared to FY2022. This increase is primarily due to overall increases in total revenues offset by decreases in expenditures.

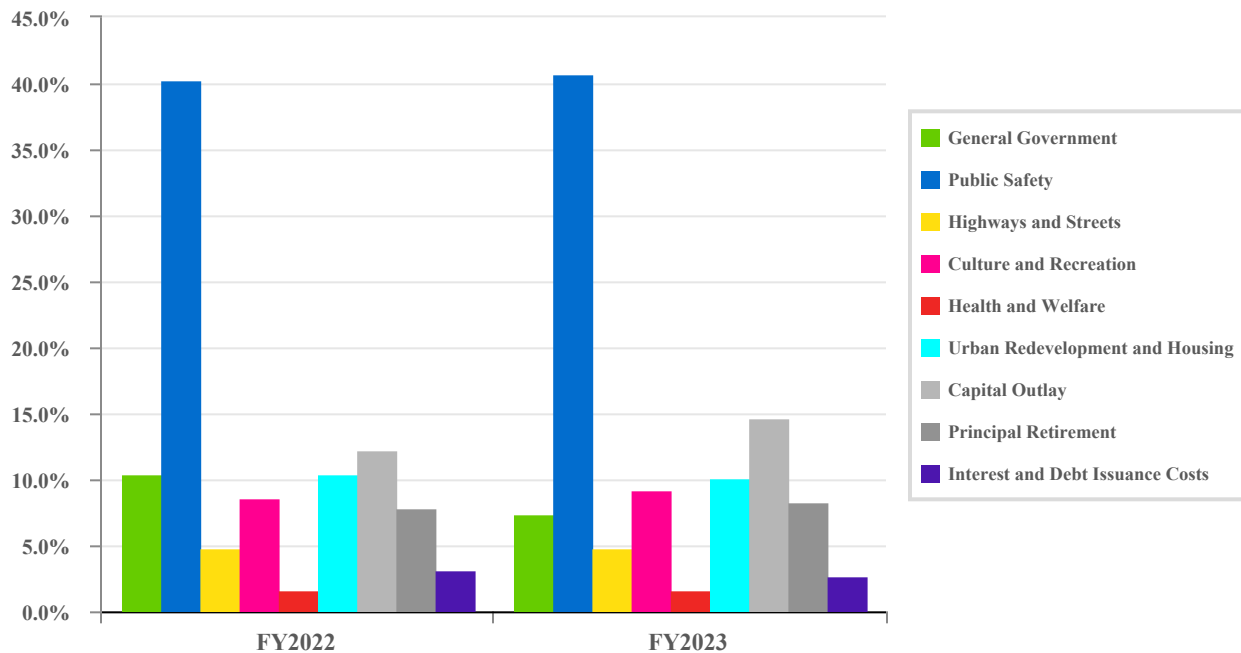
As shown in the following charts (on the next page) for governmental funds for FY2022 and FY2023, general property taxes and sales taxes were the primary sources of revenue for both years, while public safety and capital outlay were the largest expenditures by function. The General Fund is the primary operating fund of the City.

CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023
(000's omitted in tables)
(Unaudited) (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, 2023
(000's omitted in tables)
(Unaudited) (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 by \$252,723,000, when compared to FY2022, Stormwater Utility Fund increased by \$8,477,000, and Nonmajor business-type activities increased by \$6,327,000 when compared to FY2022. This increase in net position in Proprietary Funds is primarily due to operating and nonoperating revenues offset by nonoperating expenses which returned to normal activity levels as well as seasonal impacts to water usage.

General Fund Budgetary Highlights

Differences between the original expenditure budget and the final amended budget resulted in a \$36,988,313 increase in appropriations and is briefly summarized as follows:

Significant activities which necessitated these increases included:

- \$435,000 for FWLab's (previously Planning and Data Analytics) work on Panther Island flood plan, funded by the U.S. Army Corps of Engineers (USACE)
- \$1,667,525 to reflect a roll over and reappropriation of previously unspent authorized amount into FY2023
 - \$300,000 for business equity programs in the Diversity and Inclusion Department
 - \$109,000 for software implementation and consulting contract in Financial Management Services
 - \$683,897 for the Economic Development Department for Chapter 380 Agreement payments
 - \$574,628 for supplies used in the line of duty by the Fort Worth Police Department
- \$2,124,106 for citywide budgets for information technology needs: Radio Refresh program and Public Safety Payroll Project
- \$1,500,000 for the Transportation and Public Works Department to complete the Intermodal Parkway Improvements Project
- \$4,000,000 for Fire Station 43 (Fire Department project)
- \$1,098,190 for Property Management Department to renovate a major suite in New City Hall
- \$19,130,000 following fiscal month 8 forecast for mid-year appropriations intended to keep City departments from exceeding their budgets:
 - \$80,000 for FWLab consulting contracts supporting budget strategy and philosophy
 - \$250,000 for the City Secretary's Office to pay election costs for regular election and runoff
 - \$40,000 for personnel costs in the City Attorney's Office, especially including separation leave for senior personnel
 - \$12,474,097 for contributions to the Risk Financing Fund deductible reserve
 - \$104,000 for audit expenses and separation leave costs in the Human Resources Department
 - \$7,000,000 for the Neighborhood Services Department to provide a loan to an affiliated organization
 - \$756,000 for separation leave costs in the Transportation and Public Works department
 - \$717,000 for vehicle maintenance costs and a major contract for a staffing study of the Fort Worth Police Department

CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023
(000's omitted in tables)
(Unaudited) (continued)
General Fund Budgetary Highlights (continued)

- \$10,250,000 for separation leave expenses and other personnel costs in the Fort Worth Fire Department
- A reduction of (\$12,541,097) from Non-Departmental reserve budgets for the above items
- \$5,000,000 in the City Manager's Office budget for a one-time donation to the Museum of Science and History
- \$1,958,492 for the Park and Recreation Department's work on a City pool
- \$75,000 for the build out of a new library

Capital, Lease and SBITA Assets and Debt Administration

Capital, Lease and SBITA Assets – The City's investment in capital, lease and SBITA assets for its governmental and business-type activities as of September 30, 2023, amounted to \$7,667,536,000 (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, intangibles, and right-to-use lease assets. The total increase in the City's right-to-use assets for the current fiscal year was \$12,251,000. 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 \$175,446,000 to capital assets, while governmental capital contributions were \$146,922,000.
- The acquisition of assets and development of water and sewer projects throughout the City added \$72,553,000 to capital assets, while water and sewer capital contributions were \$120,048,000.
- The acquisition of assets and development of drainage projects throughout the City added \$18,961,000 to capital assets.
- These additions were offset by depreciation/amortization of \$341,539,000 and retirements during the year.

Capital, Lease and SBITA Assets, net of Accumulated Depreciation/Amortization

	Governmental Activities		Business-Type Activities		Total	
	2022	2023	2022	2023	2022	2023
Land/Right of Way	\$ 329,133	\$ 364,108	\$ 220,477	\$ 224,013	\$ 549,610	\$ 588,121
Construction in Progress	176,423	247,509	528,790	644,113	705,213	891,622
Intangibles	28,139	30,190	1,525	1,525	29,664	31,715
Buildings	810,558	788,994	91,118	90,131	901,676	879,125
Vehicles, Machinery and Equipment	116,942	118,837	96,048	86,208	212,990	205,045
Infrastructure	1,866,645	1,963,022	2,953,760	3,073,253	4,820,405	5,036,275
Amortizable Intangibles	18,066	9,497	361	293	18,427	9,790
Right-to-Use Assets	4,217	22,548	1,252	3,295	5,469	25,843
Total	<u>\$ 3,350,123</u>	<u>\$ 3,544,705</u>	<u>\$ 3,893,331</u>	<u>\$ 4,122,831</u>	<u>\$ 7,243,454</u>	<u>\$ 7,667,536</u>

CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023
(000's omitted in tables)
(Unaudited) (continued)

Capital, Lease and SBITA Assets and Debt Administration (continued)

Long-term Liabilities – At the end of the current fiscal year, the City had total long-term liabilities of \$6,257,869,000. Of this amount, \$928,310,000 comprises debt backed by the full faith and credit of the government, and \$1,928,318,000 represents self-supported debt issues.

Long-Term Liabilities Outstanding

	Governmental Activities		Business-Type Activities		Total	
	2022	2023	2022	2023	2022	2023
General Obligation Bonds	\$ 688,200	\$ 765,665	\$ 27,389	\$ 25,110	\$ 715,589	\$ 790,775
Revenue Bonds	–	–	1,181,130	1,330,375	1,181,130	1,330,375
Certificates of Obligation	70,420	137,535	–	–	70,420	137,535
Special Tax Revenue Debt	214,870	209,210	–	–	214,870	209,210
Tax Notes	121,945	116,585	–	–	121,945	116,585
Lone Star Local Government Corp Obligation	31,617	31,617	–	–	31,617	31,617
State Obligation - City	15,916	13,032	–	–	15,916	13,032
State Obligation - CCPD	7,452	6,062	–	–	7,452	6,062
TRWD Obligation	192,927	190,857	–	–	192,927	190,857
ESPC Phase VII	7,467	5,661	–	–	7,467	5,661
Leases	5,087	9,381	1,243	1,147	6,330	10,528
SBITA	–	12,445	–	1,946	–	14,391
ESPC Phase V	–	–	862	–	862	–
Net Unamortized Bond Premium/ Discount	56,740	68,436	60,006	58,571	116,746	127,007
Compensated Absences	153,473	157,214	13,427	13,542	166,900	170,756
Risk Management Estimated Claims Payable	48,862	66,290	–	–	48,862	66,290
Arbitrage	–	2,433	–	2,284	–	4,717
Landfill Closure and Postclosure Liability	–	–	13,609	14,664	13,609	14,664
Pollution Remediation Liability	2,331	2,331	–	–	2,331	2,331
Net OPEB Liability	750,044	419,774	113,964	60,656	864,008	480,430
Net Pension Liability	1,789,257	2,200,278	273,179	334,768	2,062,436	2,535,046
Total	\$ 4,156,608	\$ 4,414,806	\$ 1,684,809	\$ 1,843,063	\$ 5,841,417	\$ 6,257,869

The City's total long-term liabilities increased by \$416,452,000 when compared to FY2022, mainly due to a increase in Net Pension Liability. Key changes for the year include: the City's Net OPEB Liability decreased, Net Pension Liability increased, and new issues of General Obligations, Certificates of Obligations, Water and Sewer Revenue Bonds and Stormwater Utility Revenue Bonds. For governmental activities, the City made principal payments for bonded debt on its General Obligation Bonds and Tax Notes. For business-type activities, the City made principal payments for revenue bond debt for Water and Sewer Revenue Bonds and Stormwater Revenue Bonds.

**CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

(000's omitted in tables)

(Unaudited) (continued)

Capital, Lease and SBITA Assets and Debt Administration (continued)

Long-term Liabilities (continued)

In FY2023, 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 debt is rated 'Aa3' by Moody's, 'AA' by both S&P and Fitch, and 'AA+' by Kroll. 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 'Aa1' by Moody's, and '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 \$2.50 per \$100 of assessed value for all purposes, with the portion dedicated to debt service limited to \$1.50. 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

In FY2024, Fort Worth is expecting a positive economic outlook with property and sales tax revenue, along with fee income, continuing to grow. The overall economic outlook for the City remains positive. Sales taxes have climbed steadily since the recession ended in late 2010. The City receives the majority of its revenues from property taxes assessed on real and personal property. City staff works with appraisal districts from Tarrant, Denton, Wise, and Parker Counties to prepare property tax revenue projections. By State law, each appraisal district is responsible for the valuation of all property within its jurisdiction. The certified property tax rolls received from all four districts in July 2023 showed an increase in the City's property tax base. In comparison to the July 2022 certified property tax roll, the July 2023 certified property tax roll reflected a 15.6 percent growth in adjusted net taxable property value, mostly due to increases in taxable value.

The City continues to work towards a lower property tax rate to encourage commercial development and decrease the tax burden to residents and businesses. To that end the City of Fort Worth property tax rate is being lowered 4 cents, or 5.6 percent, to \$0.6725 per \$100 of assessed value, with the collection rate remaining at 98.5 percent. There is still a slight increase in levy of 9.2% based on the increase in property values, with 33% of that increase attributable to new construction growth. The City maintains and purchases capital items through the use of PAYGo capital funding. While the property tax rate committed to PAYGo remains the same for FY2024, the rise in new construction and property values allows the City to increase the funding dedicated to capital while limiting the funding available for operations. PAYGo capital funding increases by an additional appropriation of \$12.3 million in FY2024.

When updating the seven-year financial forecast and preparing the budget for City Council consideration staff also evaluated the allocation of the levy amount, and resulting availability of revenue for operations and maintenance (O&M), as compared to the amount available to repay the City's debt. Based on the O&M levy rate of \$0.5250 per \$100 of assessed valuation, the General Fund portion of the property tax rate is expected to yield approximately \$574 million in revenue for FY2024. The debt service levy rate of \$0.1475 per \$100 of assessed valuation is expected to yield approximately \$161 million, which will allow the repayment of all current and proposed debt obligations.

CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023
(000's omitted in tables)
(Unaudited) (continued)

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

The FY2024 budgeted sales tax is shown with a fairly significant increase as compared to last year. In addition to the rise in recent collections over the original expectations, Fort Worth is leading the way in population growth as the 13th largest city in the United States and one of the fastest growing among large cities. In developing the FY2023 budget last year, the City took a cautious approach to formulating sales tax projections. Fort Worth has continued to show resiliency where consumers have sustained spending which generate sales tax receipts.

This consumer behavior pushed sales and use tax collections to exceed the original assumptions for last fiscal year. Sales tax collections were evaluated using recent activity, historical trends, and many other economic indicators for the local economy to determine tax revenue. Based on this evaluation and FY2023 year-end budget projections of \$235,300,000, tax revenue is expected to increase in FY2024 by 17.9%, or \$37,900,000, from budgeted FY2023 sales tax and is budgeted at \$250,000,000.

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 \$250 million, an increase of \$37.9 million or 17.9 percent from the FY2023 budget. This revenue is dependent on the level of wholesale and retail sales as well as the economic strength of the local economy. Over the past ten years, the City of Fort Worth sales tax collection has grown from \$125,500,000 in 2014 to the estimated amount of \$250,000,000 for FY2024, which represents a 99.2% growth over the last ten years.

Going forward, long-range planning includes expectations of an eventual downturn in property tax revenues, despite rising property values, due to the legislative revenue caps and the governing body's desire to minimize the financial burden on taxpayers. We remain one of the fastest-growing cities in the nation, as well as one of the most livable communities. During FY2023, two new districts were added to the governing body as a reflection of the enormous growth that has marked Fort Worth as the thirteenth largest city in the country. We continue to believe the future is bright in Fort Worth. We anticipate job and population growth to continue as more companies and people move to Fort Worth. In FY2024, the City plans to meet our responsibilities, address our challenges, improve our services, and ensure appropriate equitable investments toward infrastructure while maintaining quality services and addressing the demands of a growing city

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, 2023
(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	\$ 1,819,254	\$ 250,957	\$ 2,070,211	\$ 20
Receivables, Net of Allowance for Uncollectible:				
Taxes	2,102	—	2,102	—
Grants and Other Governments	71,403	—	71,403	—
Loans	18,388	—	18,388	—
Interest	3,417	263	3,680	—
Accounts and Other	38,712	90,305	129,017	25
Leases	17,512	8,939	26,451	—
Internal Balances	(1,470)	1,470	—	—
Inventories (at Cost)	6,689	5,247	11,936	—
Prepays, Deposits, and Other	3,193	711	3,904	557
Long-Term Loans Receivable	1,235	1,068	2,303	—
Restricted Assets:				
Cash, Cash Equivalents, & Investments	2,108	1,145,873	1,147,981	295
Cash, Cash Equivalents, & Investments Held by Trustees	32,109	83,163	115,272	—
Grants Receivable	—	5,671	5,671	—
Interest Receivable	—	740	740	—
Prepaid Bond Insurance	235	—	235	—
Capital, Lease and SBITA Assets, Net of Accumulated Depreciation/Amortization:				
Non-Depreciable	641,807	869,651	1,511,458	—
Depreciable	2,902,898	3,253,180	6,156,078	6,215
Total Assets	5,559,592	5,717,238	11,276,830	7,112
Deferred Outflows of Resources	515,368	78,057	593,425	—
Total Assets and Deferred Outflows of Resources	6,074,960	5,795,295	11,870,255	7,112
LIABILITIES, AND DEFERRED INFLOWS OF RESOURCES				
Liabilities				
Accounts Payable	21,711	19,487	41,198	429
Escrow Accounts Payable	26,706	—	26,706	—
Accrued Payroll	13,317	1,860	15,177	—
Other	154	—	154	—
Unearned Revenue	140,757	—	140,757	2
Payables from Restricted Assets:				
Construction Payable	37,757	61,876	99,633	—
Escrow Accounts Payable	—	5,212	5,212	—
Customer Deposits	—	26,181	26,181	17
Accrued Interest Payable	33,646	6,636	40,282	101
Unearned Revenue	—	1,067	1,067	—
Long-Term Liabilities:				
Due Within One Year	195,821	77,648	273,469	35
Due in More Than One Year	4,218,985	1,765,415	5,984,400	3,038
Total Liabilities	4,688,854	1,965,382	6,654,236	3,622
Deferred Inflows of Resources	393,590	60,810	454,400	—
NET POSITION				
Net Investment in Capital Assets	2,542,223	3,032,880	5,575,103	3,552
Restricted for:				
Debt Service	64,613	94,956	159,569	—
Capital Projects	116,637	118,375	235,012	—
Partnership Equity	—	—	—	(62)
Unrestricted (Deficit)	(1,730,957)	522,892	(1,208,065)	—
Total Net Position	\$ 992,516	\$ 3,769,103	\$ 4,761,619	\$ 3,490

See accompanying notes to the basic financial statements.

CITY OF FORT WORTH, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(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	\$ 117,253	\$ 13,850	\$ 6,362	\$ 18,021
Public Safety	720,018	21,338	22,067	169
Highways and Streets	173,056	241	1,323	126,313
Culture and Recreation	183,497	32,569	32,959	6,503
Health and Welfare	26,244	—	28,182	(4,084)
Urban Redevelopment and Housing	154,446	46,686	56,085	—
Interest and Service Charges	37,309	—	—	—
Total Governmental Activities	<u>1,411,823</u>	<u>114,684</u>	<u>146,978</u>	<u>146,922</u>
Business-Type Activities:				
Water and Sewer	453,010	572,126	—	120,048
Stormwater Utility	38,185	50,200	—	—
Municipal Airports	43,783	15,249	—	19,100
Municipal Parking	7,466	7,585	—	—
Solid Waste	69,794	76,823	—	—
Total Business-Type Activities	<u>612,238</u>	<u>721,983</u>	<u>—</u>	<u>139,148</u>
Total Primary Government	<u>\$ 2,024,061</u>	<u>\$ 836,667</u>	<u>\$ 146,978</u>	<u>\$ 286,070</u>
Discretely Presented Component Unit:				
Terrell Homes, Ltd.	\$ 1,144	\$ 567	\$ —	\$ —
Total Discretely Presented Component Unit	<u>\$ 1,144</u>	<u>\$ 567</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

Grants and contributions not restricted to specific programs

Gas Leases and Royalties

Investment Income

Other

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position, Beginning of Year

Net Position, End of Year

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	
\$ (79,020)	\$ —	\$ (79,020)	\$ —
(676,444)	—	(676,444)	—
(45,179)	—	(45,179)	—
(111,466)	—	(111,466)	—
(2,146)	—	(2,146)	—
(51,675)	—	(51,675)	—
(37,309)	—	(37,309)	—
(1,003,239)	—	(1,003,239)	—
—	239,164	239,164	—
—	12,015	12,015	—
—	(9,434)	(9,434)	—
—	119	119	—
—	7,029	7,029	—
—	248,893	248,893	—
(1,003,239)	248,893	(754,346)	—
			577
			577
694,243	—	694,243	—
348,817	—	348,817	—
53,759	—	53,759	—
7,985	—	7,985	—
52,308	—	52,308	—
11,867	—	11,867	—
5,167	2,109	7,276	—
74,439	57,606	132,045	—
39,437	7,914	47,351	14
48,995	(48,995)	—	—
1,337,017	18,634	1,355,651	14
333,778	267,527	601,305	(563)
658,738	3,501,576	4,160,314	4,053
\$ 992,516	\$ 3,769,103	\$ 4,761,619	\$ 3,490

CITY OF FORT WORTH, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023
(in 000's)

	General	Debt Service	Capital Projects	Grants	Nonmajor Governmental Funds	Total
ASSETS						
Cash, Cash Equivalents, & Investments	\$ 247,030	\$ 64,244	\$ 1,007,996	\$ 141,846	\$ 265,043	\$ 1,726,159
Cash, Cash Equivalents, & Investments Held by Trustees	29,582	—	170	—	2,357	32,109
Receivables, Net of Allowance for Uncollectible:						
Taxes	1,730	372	—	—	—	2,102
Grants and Other Governments	40,285	—	3,729	7,513	19,876	71,403
Leases	8,360	—	—	—	9,152	17,512
Loans	—	—	—	18,388	—	18,388
Interest	110	686	209	—	2,331	3,336
Accounts and Other	15,714	—	436	—	22,340	38,490
Inventories (at Cost)	3,712	—	—	—	2,358	6,070
Advances to Other Funds	7,000	—	—	—	—	7,000
Prepays, Deposits, and Other	232	—	741	32	24	1,029
Long-Term Loans Receivable	—	—	—	871	364	1,235
Total Assets	<u>\$ 353,755</u>	<u>\$ 65,302</u>	<u>\$ 1,013,281</u>	<u>\$ 168,650</u>	<u>\$ 323,845</u>	<u>\$ 1,924,833</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts Payable	\$ 8,218	\$ —	\$ —	\$ 2,332	\$ 6,825	\$ 17,375
Construction Payable	—	—	37,739	18	—	37,757
Escrow Accounts Payable	3,766	—	22,859	46	35	26,706
Accrued Payroll	10,940	—	1	169	1,365	12,475
Other	70	—	—	—	85	155
Advances from Other Funds	—	—	—	—	7,000	7,000
Unearned Revenue	815	—	2,266	135,868	1,808	140,757
Total Liabilities	<u>23,809</u>	<u>—</u>	<u>62,865</u>	<u>138,433</u>	<u>17,118</u>	<u>242,225</u>
Deferred Inflows of Resources						
Unavailable Revenue	4,057	689	3,121	21,517	9,943	39,327
Lease Related	8,006	—	—	—	37,274	45,280
Total Deferred Inflows of Resources	<u>12,063</u>	<u>689</u>	<u>3,121</u>	<u>21,517</u>	<u>47,217</u>	<u>84,607</u>
Total Liabilities and Deferred Inflows of Resources	<u>35,872</u>	<u>689</u>	<u>65,986</u>	<u>159,950</u>	<u>64,335</u>	<u>326,832</u>
Fund Balances:						
Nonspendable	3,944	—	741	32	2,382	7,099
Restricted	10,016	64,613	505,321	5,628	193,145	778,723
Committed	50,139	—	335,597	3,040	11,742	400,518
Assigned	54,340	—	105,636	—	65,686	225,662
Unassigned	199,444	—	—	—	(13,445)	185,999
Total Fund Balances	<u>317,883</u>	<u>64,613</u>	<u>947,295</u>	<u>8,700</u>	<u>259,510</u>	<u>1,598,001</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 353,755</u>	<u>\$ 65,302</u>	<u>\$ 1,013,281</u>	<u>\$ 168,650</u>	<u>\$ 323,845</u>	<u>\$ 1,924,833</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, 2023
(in 000's)

Total fund balances--governmental funds \$ 1,598,001

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

Capital, Lease and SBITA 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 \$50,884) consist of:

Land/right of way	\$ 364,108	
Construction in progress	247,509	
Intangibles	30,190	
Buildings	1,136,620	
Vehicles, machinery and equipment	277,616	
Infrastructure	4,502,032	
Amortizable intangibles	50,737	
Right-to-Use Assets	28,041	
Accumulated depreciation/amortization	(3,092,148)	
Total capital, lease and SBITA assets	<u>3,544,705</u>	3,544,705

Some revenues in the governmental funds are not recognized because they are not collected within the prescribed period after year-end and are deferred in the funds statements. On the accrual basis, however, those revenues would be recognized, regardless of when they are collected. 39,327

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 \$50,884, Internal Balance Elimination \$1,470, Accrued Interest Payable \$(384), Lease Liability \$(381), SBITA Liability \$(11,676) and compensated absences of \$(5,701)). 25,352

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

Pension (See Note I for detailed breakdown)	459,054	
Other postemployment benefits (See Note J for detailed breakdown)	55,396	
Deferred charges on debt refundings	918	
Total deferred outflows of resources	<u>515,368</u>	515,368

Some long-term assets and liabilities are either not available for current period expenditures or 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 \$(5,701)) consist of:

Prepaid bond insurance	235	
Long-term compensated absences	(157,214)	
Pollution remediation liability	(2,331)	
Lease/SBITA liability	(21,826)	
Other postemployment benefits obligation	(419,774)	
Net pension liability	(2,200,278)	
Accrued interest payable	(33,646)	
Long-term debt, including premium/discount	(1,547,093)	
Total long-term assets and liabilities	<u>(4,381,927)</u>	(4,381,927)

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

Pension (See Note I for detailed breakdown)	(29,308)	
Other postemployment benefits (See Note J for detailed breakdown)	(319,002)	
Total deferred inflows of resources	<u>(348,310)</u>	(348,310)

Net position of governmental activities \$ 992,516

CITY OF FORT WORTH, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(in 000's)

	General	Debt Service	Capital Projects	Grants	Nonmajor Governmental Funds	Total
REVENUES:						
General Property Taxes	\$ 529,689	\$ 138,059	\$ —	\$ —	\$ 24,027	\$ 691,775
Sales Taxes	233,231	—	—	—	111,311	344,542
Other Local Taxes	7,985	—	—	—	53,676	61,661
Franchise Fees	51,710	—	—	—	—	51,710
Charges for Services	18,069	—	4,866	—	28,761	51,696
Licenses and Permits	21,662	—	—	—	22	21,684
Fines and Forfeitures	6,034	—	—	—	—	6,034
Revenue from Use of Money and Property	3,303	—	2,953	242	11,130	17,628
Investment Income	34,045	19,283	8,686	295	8,216	70,525
Intergovernmental	612	—	6,486	94,159	44,446	145,703
Gas Leases and Royalties	1,301	—	3,397	—	469	5,167
Other	6,351	—	1,358	—	26,117	33,826
Contributions	379	—	35,002	273	1,731	37,385
Total Revenues	914,371	157,342	62,748	94,969	309,906	1,539,336
EXPENDITURES:						
Current:						
General Government	83,819	—	22,807	861	8,528	116,015
Public Safety	526,805	—	13,781	9,233	92,266	642,085
Highways and Streets	36,806	—	39,345	16	—	76,167
Culture and Recreation	82,349	—	8,721	169	54,613	145,852
Health and Welfare	—	—	1,915	23,731	—	25,646
Urban Redevelopment and Housing	73,284	—	126	43,553	43,201	160,164
Capital Outlay	—	—	228,285	3,075	—	231,360
Debt Service:						
Principal Retirement	2,082	122,805	—	—	8,110	132,997
Interest and Debt Issuance Costs	220	43,038	1,002	—	—	44,260
Total Expenditures	805,365	165,843	315,982	80,638	206,718	1,574,546
Excess (Deficiency) of Revenues Over (Under) Expenditures	109,006	(8,501)	(253,234)	14,331	103,188	(35,210)
OTHER FINANCING SOURCES (USES):						
Issuance of Long-Term Debt	—	—	239,410	—	—	239,410
Issuance of Tax Notes	—	—	16,955	—	—	16,955
Issuance of Refunding Bonds	—	—	—	—	—	—
Issuance of Leases/SBITA	7,659	—	—	—	—	7,659
Issuance of Construction Loans	—	—	—	—	6,040	6,040
Premium on Issuance	—	1,102	24,732	—	—	25,834
Proceeds from Disposal of Property	17,213	—	217	5	169	17,604
Transfers In	50,942	22,895	157,264	907	9,917	241,925
Transfers Out	(110,067)	—	(1,564)	(12,638)	(76,076)	(200,345)
Total Other Financing Sources (Uses)	(34,253)	23,997	437,014	(11,726)	(59,950)	355,082
Net Change in Fund Balances	74,753	15,496	183,780	2,605	43,238	319,872
Fund Balance, Beginning of Year, As Previously Reported	243,130	49,117	763,515	6,095	238,751	1,300,608
Correction of Error (A.15)	—	—	—	—	(22,479)	(22,479)
Fund Balances, Beginning of Year, As Restated	243,130	49,117	763,515	6,095	216,272	1,278,129
Fund Balances, End of Year	\$ 317,883	\$ 64,613	\$ 947,295	\$ 8,700	\$ 259,510	\$ 1,598,001

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, 2023
(in 000's)

Net change in fund balances--total governmental funds \$ 319,872

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 and contributed assets exceeded depreciation in the current period.

Contributed assets	\$ 124,760	
Capital outlay expenditures	231,360	
Depreciation and amortization expense (excluding internal service fund depreciation of \$6,994)	(168,891)	
Net adjustment	<u>187,229</u>	187,229

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 an other financing source. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets. (50,999)

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. 26,044

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	(154,325)	
Certificates of Obligation	(85,085)	
Tax notes	(16,955)	
Other obligations	(6,040)	
Total proceeds	<u>(262,405)</u>	
Premium on debt issued	(25,834)	
Repayments:		
To bondholders	132,997	
To escrow for refunding	—	
Total repayments	<u>132,997</u>	
Amortization of premiums and discounts	14,138	
Amortization of prepaid bond insurance	(11)	
Net adjustment	<u>(141,115)</u>	(141,115)

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	(4,033)	
Increase in net pension liability	(411,021)	
Decrease in other postemployment benefits obligation	330,270	
Increase in compensated absences liability (excluding internal service fund increase of \$2,908)	(833)	
Increase in pollution remediation liability	—	
Net adjustment	<u>(85,617)</u>	(85,617)

(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, 2023
(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	\$	124,391	
Deferred inflows of resources		<u>(78,299)</u>	
Net adjustment		<u>46,092</u>	\$ 46,092

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. 28,986

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. 4,392

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. (1,106)

Change in net position of governmental activities \$ 333,778



CITY OF FORT WORTH, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023
(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	\$ 202,161	\$ 12,395	\$ 36,401	\$ 250,957	\$ 93,095
Interest Receivable	201	11	51	263	81
Accounts and Other Receivables, Net of Allowance for Uncollectible	76,194	4,469	9,642	90,305	222
Lease Receivable	–	–	8,939	8,939	–
Inventories (at Cost)	5,247	–	–	5,247	619
Prepays, Deposits, and Other	711	–	–	711	2,164
Restricted Assets:					
Cash & Cash Equivalents	93,120	5,455	2,397	100,972	–
Total Current Assets	377,634	22,330	57,430	457,394	96,181
Noncurrent Assets:					
Long-Term Loans Receivable	–	–	1,068	1,068	–
Restricted Assets:					
Cash & Cash Equivalents	855,283	142,883	46,735	1,044,901	2,108
Cash, Cash Equivalents, & Investments Held by Trustees	27,231	–	55,932	83,163	–
Grants and Other Receivables	4,178	–	1,493	5,671	–
Interest Receivable	494	64	182	740	–
Total Restricted Assets	887,186	142,947	104,342	1,134,475	2,108
Capital, Lease and SBITA Assets:					
Land/Right of Way	39,351	19,261	165,401	224,013	1,123
Buildings	67,965	8,409	102,680	179,054	4,656
Infrastructure	4,079,581	199,134	382,575	4,661,290	1,897
Vehicles, Machinery and Equipment	368,880	13,466	8,471	390,817	41,836
Construction in Progress	598,111	29,419	16,583	644,113	–
Intangibles - Depreciable	–	–	677	677	201
Lease/SBITA Assets	4,379	–	–	4,379	16,226
Intangibles - Non-Depreciable	–	–	1,525	1,525	–
Accumulated Depreciation/Amortization	(1,611,165)	(93,139)	(278,733)	(1,983,037)	(15,055)
Net Capital, Lease and SBITA Assets	3,547,102	176,550	399,179	4,122,831	50,884
Total Noncurrent Assets	4,434,288	319,497	504,589	5,258,374	52,992
Total Assets	4,811,922	341,827	562,019	5,715,768	149,173
Deferred Outflows of Resources					
	61,145	7,595	9,317	78,057	–
Total Assets and Deferred Outflows of Resources	\$ 4,873,067	\$ 349,422	\$ 571,336	\$ 5,793,825	\$ 149,173

(continued)

CITY OF FORT WORTH, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023
(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	\$ 12,807	\$ 292	\$ 6,388	\$ 19,487	\$ 4,336
Accrued Payroll	1,494	173	193	1,860	842
Current Portion of Long-Term Liabilities	68,390	6,393	2,865	77,648	44,088
Payables from Restricted Assets:					
Construction Payable	56,627	4,622	627	61,876	—
Escrow Accounts Payable	5,212	—	—	5,212	—
Customer Deposits	25,210	—	971	26,181	—
Accrued Interest Payable	5,711	833	92	6,636	384
Unearned Revenue	360	—	707	1,067	—
Total Current Liabilities	175,811	12,313	11,843	199,967	49,650
Long-Term Liabilities:					
Long-Term Liabilities Due in More Than One Year	1,480,801	210,086	74,528	1,765,415	39,962
Total Long-Term Liabilities	1,480,801	210,086	74,528	1,765,415	39,962
Total Liabilities	1,656,612	222,399	86,371	1,965,382	89,612
Deferred Inflows of Resources					
	48,824	477	11,509	60,810	—
Total Liabilities and Deferred Inflows of Resources	1,705,436	222,876	97,880	2,026,192	89,612
NET POSITION					
Net Investment in Capital Assets	2,594,857	64,925	373,098	3,032,880	50,884
Restricted for:					
Debt Service	82,063	10,468	2,425	94,956	—
Capital Projects	118,375	—	—	118,375	—
Unrestricted	372,336	51,153	97,933	521,422	8,677
Total Net Position	\$ 3,167,631	\$ 126,546	\$ 473,456	\$ 3,767,633	\$ 59,561
Adjustment to Reflect the Consolidation of Internal Service Funds Activities Related to Enterprise Funds				1,470	
Net Position of Business-Type Activities				<u>\$ 3,769,103</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, 2023
(in 000's)

	Business-Type Activities- Enterprise Funds			Governmental Activities
	Water and Sewer	Stormwater Utility	Nonmajor Enterprise Funds	Internal Service Funds
			Total	
OPERATING REVENUES				
Charges for Services	\$ 572,126	\$ 50,200	\$ 99,657	\$ 721,983
Other	1,455	1	3,173	4,629
Total Operating Revenues	573,581	50,201	102,830	726,612
OPERATING EXPENSES				
Personnel Services	87,560	11,040	10,686	109,286
Supplies and Materials	46,343	1,385	1,216	48,944
Contractual Services	197,128	10,879	90,224	298,231
Landfill Closure and Postclosure Cost	—	—	1,055	1,055
Depreciation and Amortization	89,507	10,405	14,625	114,537
Total Operating Expenses	420,538	33,709	117,806	572,053
Operating Income (Loss)	153,043	16,492	(14,976)	154,559
NONOPERATING REVENUES (EXPENSES)				
Investment Income	44,448	5,454	7,704	57,606
Gain (Loss) on Sale of Property and Equipment	259	16	(2,347)	(2,072)
Interest and Service Charges	(32,731)	(4,492)	(890)	(38,113)
Lease Interest Income	—	—	205	205
Gas Leases and Royalties	869	—	1,240	2,109
Other	74	—	3,006	3,080
Total Nonoperating Revenues (Expenses)	12,919	978	8,918	22,815
Income Before Transfers and Contributions	165,962	17,470	(6,058)	177,374
Transfers In	3,164	60	581	3,805
Transfers Out	(36,451)	(9,053)	(7,296)	(52,800)
Capital Contributions	84,682	—	19,100	103,782
Capital Contributions - Impact Fees	35,366	—	—	35,366
Changes in Net Position	252,723	8,477	6,327	267,527
Total Net Position, Beginning of Year	2,914,908	118,069	467,129	3,500,106
Total Net Position, End of Year	\$ 3,167,631	\$ 126,546	\$ 473,456	\$ 3,767,633

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, 2023
(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	\$ 567,438	\$ 50,490	\$ 97,754	\$ 715,682	\$ –
Receipts from Other Funds	–	–	–	–	188,068
Receipts from Other Operating Sources	1,455	–	3,173	4,628	12,942
Payments to Employees	(87,711)	(10,001)	(10,390)	(108,102)	(13,664)
Payments to Vendors	(244,261)	(12,576)	(82,950)	(339,787)	(29,014)
Payments for Benefits	–	–	–	–	(141,437)
Net Cash Provided by Operating Activities	236,921	27,913	7,587	272,421	16,895
Cash Flows from Noncapital Financing Activities:					
Transfers In from Other Funds	3,164	60	581	3,805	9,630
Transfers Out to Other Funds	(36,451)	(9,053)	(7,296)	(52,800)	(2,215)
Net Cash Provided by (Used) for Noncapital Financing Activities	(33,287)	(8,993)	(6,715)	(48,995)	7,415
Cash Flows from Capital and Related Financing Activities:					
Bond Principal Received	173,470	42,530	–	216,000	–
Bond Premium Received	9,145	1,766	–	10,911	–
Proceeds from Sale of Property and Equipment	259	16	1	276	27
Interest Income from Leases	–	–	205	205	–
Contributions	33,882	1,558	22,066	57,506	–
Contributions - Impact Fees	35,366	–	–	35,366	–
Acquisition and Construction of Capital Assets	(243,279)	(18,174)	(7,823)	(269,276)	(16,411)
Principal Paid on Long-Term Debt	(62,371)	(5,245)	(2,280)	(69,896)	–
Principal Paid on Leases/SBITA	(1,036)	–	–	(1,036)	–
Interest Paid on Long-Term Obligations	(41,587)	(4,976)	(1,149)	(47,712)	–
Net Cash Provided by (Used) for Capital and Related Financing Activities	(96,151)	17,475	11,020	(67,656)	(16,384)
Cash Flows from Investing Activities:					
Receipts from Gas Leases and Royalties	869	–	1,240	2,109	–
Purchases of Investments	(746)	–	(6,931)	(7,677)	–
Sales of Investments	4,884	–	9,041	13,925	–
Investment Income Received	42,041	4,932	5,427	52,400	3,865
Net Cash Provided by Investing Activities	47,048	4,932	8,777	60,757	3,865
Net Increase in Cash and Cash Equivalents	154,531	41,327	20,669	216,527	11,791
Cash and Cash Equivalents, Beginning of Year	1,023,264	119,406	120,796	1,263,466	83,412
Cash and Cash Equivalents, End of Year	\$ 1,177,795	\$ 160,733	\$ 141,465	\$ 1,479,993	\$ 95,203

(continued)

CITY OF FORT WORTH, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(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 Operating Activities:					
Operating Income (Loss)	\$ 153,043	\$ 16,492	\$ (14,976)	\$ 154,559	\$ (21,095)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Depreciation	89,507	10,405	14,625	114,537	6,994
Changes in Assets, Liabilities, and Deferrals:					
Accounts and Other Receivables	(4,128)	289	(349)	(4,188)	(99)
Lease Receivable	—	—	(1,464)	(1,464)	—
Inventories	(842)	—	—	(842)	(1)
Prepays, Deposits, and Other Assets	(436)	—	—	(436)	(2,111)
Long Term Loans Receivable	—	—	75	75	—
Deferred Outflows of Resources (Pension)	(20,906)	(2,501)	(2,540)	(25,947)	—
Deferred Outflows of Resources (OPEB)	(853)	6	10	(837)	—
Accounts Payable	52	(312)	8,490	8,230	319
Escrow Accounts Payable	(1,613)	—	—	(1,613)	—
Accrued Payroll and Compensation	848	47	(423)	472	34,977
Customer Deposits	1,489	—	(8)	1,481	—
Unearned Revenue	—	—	83	83	—
Accrued Benefits	—	—	—	—	(2,089)
Landfill Closure and Postclosure Liability	—	—	1,055	1,055	—
Net Pension Liability	48,417	5,968	7,206	61,591	—
Net OPEB Liability	(50,224)	(528)	(2,556)	(53,308)	—
Deferred Inflows of Resources (Pension)	(16,452)	(1,952)	(2,434)	(20,838)	—
Deferred Inflows of Resources (OPEB)	39,019	(1)	1,033	40,051	—
Deferred Inflows of Resources (Service Concession Agreement)	—	—	(240)	(240)	—
Total Adjustments	83,878	11,421	22,563	117,862	37,990
Net Cash Provided by Operating Activities	\$ 236,921	\$ 27,913	\$ 7,587	\$ 272,421	\$ 16,895
The Cash and Cash Equivalents are reported in the Statement of Net Position as follows:					
Current - Cash, Cash Equivalents, & Investments	\$ 202,161	\$ 12,395	\$ 36,401	\$ 250,957	\$ 93,095
Current Restricted - Cash & Cash Equivalents	93,120	5,455	2,397	100,972	—
Noncurrent Restricted - Cash & Cash Equivalents	855,283	142,883	46,735	1,044,901	2,108
Noncurrent Restricted - Cash, Cash Equivalents, & Investments Held by Trustees	27,231	—	55,932	83,163	—
Total Cash and Cash Equivalents	\$ 1,177,795	\$ 160,733	\$ 141,465	\$ 1,479,993	\$ 95,203
Noncash Investing, Capital, and Financing Activities:					
Capital Asset Contributions from Developers	\$ 52,529	\$ (1,558)	\$ —	\$ 50,971	\$ —
Right-to-Use Assets	2,886	—	—	2,886	16,226
Net Recovery of Prior Years Expenses	—	—	(11,006)	(11,006)	—
Amortization of Bond Premium/Discount	10,347	—	449	10,796	—
Amortization of Bond Defeasement Loss	(389)	(96)	(199)	(684)	—

(concluded)

See accompanying notes to the basic financial statements.

CITY OF FORT WORTH, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2023
(in 000's)

	Pension (and Other Employee Benefit) Trust Funds	Rock Creek Custodial Fund
ASSETS		
Current Assets:		
Cash & Cash Equivalents	\$ 13,996	\$ 1,999
Cash & Investments Held by Trustees:		
Asset and Mortgage Backed Obligations	43,030	—
Corporate Obligations	89,638	—
Government Agency Obligations	162,139	—
International Obligations	16,497	—
Securities Lending Collateral	164,526	—
U.S. Treasuries	95,066	—
Short-Term Mutual Fund Investments	670,093	—
Corporate Stock	264,777	—
Alternative Investments	583,529	—
Commingled Funds	798,070	—
Total Cash & Investments Held by Trustees	2,887,365	—
Prepays	21	—
Accrued Income	4,831	—
Other Receivables	2,202	—
Due from Broker Securities Sold	195,812	—
Total Current Assets	3,104,227	1,999
Capital Assets:		
Land	404	—
Buildings	3,731	—
Machinery and Equipment	5,570	—
Accumulated Depreciation	(2,164)	—
Net Capital Assets	7,541	—
Total Assets	3,111,768	1,999
LIABILITIES		
Current Liabilities:		
Accrued Liabilities	3,697	—
Obligations Under Securities Lending	164,526	—
Due to Broker Securities Purchased	241,699	—
Escrow Accounts Payable	—	1,999
Total Current Liabilities	409,922	1,999
NET POSITION		
Restricted for:		
Pensions	2,604,616	—
Postemployment Benefits Other Than Pensions	97,230	—
Total Net Position	\$ 2,701,846	\$ —

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, 2023
(in 000's)

	Pension (and Other Employee Benefit) Trust Funds	Rock Creek Custodial Fund
ADDITIONS		
Interest, Dividend, and Securities Lending Income	\$ 35,313	\$ 176
Less: Investment Management Fees and Interest Expense	(4,223)	—
Net Gain in Fair Value of Investments	181,666	—
Other Income	13,064	—
Employer Contributions	183,313	—
Employee/Retiree Contributions	78,117	—
Contributions from Property Owners	—	1,657
Total Additions	<u>487,250</u>	<u>1,833</u>
DEDUCTIONS		
Benefit Payments	364,511	—
Refunds	6,150	—
Administrative Expenses	9,673	—
Payments on Behalf of Property Owners	—	1,833
Total Deductions	<u>380,334</u>	<u>1,833</u>
Change in Net Position	106,916	—
Net Position, Beginning of Year	<u>2,594,930</u>	<u>—</u>
Net Position, End of Year	<u><u>\$ 2,701,846</u></u>	<u><u>\$ —</u></u>

See accompanying notes to the basic financial statements.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023
(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, Lease and SBITA Assets

Note G: Long-Term Obligations

Note H: Deferred Outflows/Inflows or Resources

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

Note J: Other Employee Benefits

Note K: Commitments and Contingencies

Note L: Tax Abatements

Note M: Segment Financial Information

Note N: Subsequent Events

Note O: New Accounting Standards

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023
(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, 2023, 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 2023 the Fort Worth Housing and Finance Corporation prepared and published separate financial statements. The seven 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. No separate financial statements are available.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. Worthington Point FWHFC Partner LLC, Clifton Riverside GP, LLC; Northhill Manor Housing Partners, LLC; Tobias Place GP, LLC; PFW Oak Grove 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; Terrell Homes, Ltd; Worthington Point Apartments LP; OPG Clifton Riverside Partners, LP; Northhill Manor Housing Partners, LP; Tobias Place, LP; and Palladium Oak Groves, 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 Special Revenue Fund. Reported 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.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Central City Local Government Corporation - The Central City Local Government Corporation (CCLGC) was created pursuant to the provisions of Subchapter D, Chapter 431 of the Texas Transportation Code. The CCLGC 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 and is used to construct parking garages. Although it is legally separate from the City, the members of the Board of the CCLGC 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 CCLGC 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.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, of which FWHFC is the sole member, is the General Partner of Terrell Homes, Ltd. noted in the paragraph 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, 2022, the Partnership's financial information is presented in a separate column in the government-wide financial statements. Separate audited financial statements can be obtained by contacting the Fort Worth Housing Finance Corporation at 200 Texas Street, Fort Worth, Texas 76102.

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* which was amended by GAAP.

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 pension 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 Retirement Fund is reported as a fiduciary component unit. The Staff Plan was established through Administrative Rules in 2007, and both single employer 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.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A.1 FINANCIAL REPORTING ENTITY (CONTINUED)

For purposes of measuring the net pension liability, deferred outflow of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Retirement Fund and additions to/deductions from the Retirement Fund's fiduciary net position have been determined on the same basis as they are reported by the Retirement Fund. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Retiree Healthcare Trust Fund of the City of Fort Worth - The single-employer defined benefit retiree health care trust, an other postemployment benefit (OPEB) plan reported as a fiduciary component unit 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. For the purpose of measuring the total other OPEB liability, OPEB-related deferred outflows and inflows of resources, and OPEB expense in the City's defined benefit health plan (Plan) have been determined on the same basis as they are reported by the plan. For this purpose, plan benefits are recognized when due and payable in accordance with the benefit terms. No separate financial statements are available.

Fort Worth Firefighters Healthcare Trust - The Fort Worth Firefighters Healthcare Trust (the "Trust"), an OPEB 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 fiduciary 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.

Rock Creek Custodial Fund - Rock Creek Ranch Public Improvement District (PID) No. 17 issued special assessment revenue bonds for major capital improvements. These bonds will be paid from the special assessments levied by the PID on property owners within the PID's geographical boundaries. The City collects the special assessment payments and makes the debt service payments for the PID. The debt service transactions of a special assessment for which the government is not obligated in any manner are reported in a custodial fund rather than a debt service fund, to reflect the fact that the government's duties are limited to acting as a custodian of funds for the assessed property owners and the bondholders. No separate financial statements are available.

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.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A.1 FINANCIAL REPORTING ENTITY (CONTINUED)

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.

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, 2023, was \$10,117,153 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, who have representatives appointed by the City. 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, 1407 Texas St, 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 statements for Trinity Metro can be obtained by contacting: The Chief Financial Officer, 801 Grove Street, Fort Worth, Texas 76102.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, 2022) 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 presented for governmental funds, proprietary funds, and fiduciary funds. Governmental funds and proprietary fund financial 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 debt holders) 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.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A.2 BASIS OF PRESENTATION (CONTINUED)

- (3) Additional funds considered important by the City but not meeting the criteria of a major fund (i.e., Stormwater Utility Fund).

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 Park 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 and reports financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The City accounts for the accumulation of these expenditures from taxes levied by the City. The fund balance of the Debt Service Fund is restricted or committed exclusively for debt service operations.

Capital Projects Fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for capital outlays. This 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 nonmajor capital projects and special revenue governmental funds.

Special Revenue Funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. These funds require separate accounting because of legal or regulatory provisions or administrative action.

Proprietary Funds

Proprietary funds, which include enterprise and internal service 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.

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

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A.2 BASIS OF PRESENTATION (CONTINUED)

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.

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 five internal service funds, which include: Equipment Services, Information Systems, 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 custodian 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.

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

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A.2 BASIS OF PRESENTATION (CONTINUED)

The Rock Creek Custodial Fund accounts for the assets held by the City for repayment of special assessment debt that the City is not obligated to pay from its own assets.

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.

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.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A.3 MEASUREMENT FOCUS/BASIS OF ACCOUNTING (CONTINUED)

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.

A.4. PROPERTY TAXES

The City's property taxes are levied each October 1 on the assessed value as of the previous January 1 for all real and personal property. Property taxes attach as an enforceable lien on property as of January 1. Taxes are due October 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 2022 have been recorded as receivables, net of allowance for refunds, and uncollectible amount. The net receivables collected during 2023 and those considered "available" at FY2023 (i.e., property taxes collected within 60 days of year-end) have been recognized as revenues in 2023. The remaining receivables have been reflected as deferred inflows of resources. In the government-wide financial statements, tax revenue is recognized in the year for which the taxes are levied, which is the year they 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 2023 was \$0.7125 per \$100 of valuation.

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

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 with maturities of three months or less at the time of purchase."

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.

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.

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

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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, 2023. 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 FY2023 represents trades pending settlement and amounts due on foreign currency contracts.

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, 2023, were converted to the City Plan's functional currency at the foreign exchange rates quoted at September 30, 2023. 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.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Valuation of Investments - Investments are stated at fair value as of September 30, 2023, 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.

A.7 CAPITAL, LEASE AND SBITA ASSETS

Capital, lease and Subscription-Based Information Technology Arrangements (SBITA) assets, which include land, buildings, infrastructure, vehicles, machinery and equipment, intangibles, lease assets, SBITA assets, 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. Lease assets and SBITA assets are recorded at the amount of the initial measurement of the lease or SBITA liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Donated capital assets, and donated works of art and similar items are recorded at acquisition value at date of donation. Capital assets received in a service concession arrangement, if any, are reported at acquisition value. Repairs and maintenance are recorded as expenses. Under GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, 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) 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

CITY OF FORT WORTH, TEXAS
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NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A.7 CAPITAL, LEASE AND SBITA ASSETS (CONTINUED)

- Primary use is on public streets and the unit is street legal
- (g) Intangible assets must be capitalized when the useful life is 3 years or greater and the cost is \$100,000 or more with the exception of works of art and historical treasures, which are capitalized regardless of life or cost.
- (h) Bulk machinery and equipment per lease contract will be capitalized if the amount is over \$500,000 for the life of the lease.

Depreciation and amortization for capital and lease assets are recorded on each class of depreciable property and intangibles using the straight-line method over the estimated useful lives of the assets. A leased asset will be amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. The amortization of a leased asset will be reported as an inflow or outflow of resources which may be combined with depreciation expense related to other capital assets for financial reporting purposes. Estimated useful lives are as follows:

Water and Sewer Meters and Equipment	5-30 years
Water and Sewer Infrastructure	25-70 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 avigation 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
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(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, such as automobile, general, employment practices and law enforcement liabilities. The undiscounted total estimated claims payable is \$72,221,000, (\$64,763,000 Risk Financing Fund, \$7,458,000 Group Health and Life Insurance Fund).

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

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A.10.A RISK FINANCING (CONTINUED)

The total discounted estimated claims payable for the Group Health and Life Insurance Fund and the Risk Financing Fund at September 30, 2023, is \$66,290,000, of which \$28,000,000 represents workers' compensation case reserve losses, and is reported as long-term liabilities in the Internal Service Funds statements.

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

	FY2022	FY2023
Unpaid Claims, October 1st	\$ 34,681	\$ 48,862
Provisions for current year's events and changes in provision for prior years' events	117,845	128,659
Claims payments	(103,664)	(111,231)
Unpaid Claims, September 30th	<u>\$ 48,862</u>	<u>\$ 66,290</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, cyber 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. The City also has a \$10,000,000 aggregate deductible for wind and hail.

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 \$3,000,000 per occurrence for Police Officers and Firefighters and \$2,000,000 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 retirees; and (2) the Health Center Plan with deductibles and co-pays. 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.

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

A.10.E GROUP HEALTH AND LIFE INSURANCE (CONTINUED)

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.

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.

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 a consumption of net assets that applies to future periods 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 OPEB items.

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 assets that applies to future periods, 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 postemployment benefits.

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:

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

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A.12 FUND BALANCE/NET POSITION (CONTINUED)

- 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.

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:

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

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A.12 FUND BALANCE/NET POSITION (CONTINUED)

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.

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.

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 months (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 (Risk Financing)

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

- A goal of Working Capital in Risk Financing equivalent to 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.

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

A.12 FUND BALANCE/NET POSITION (CONTINUED)

Internal Service Funds Insurance Funds (Non-Risk Financing)

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

- A goal of Working Capital in Non-Risk Financing 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 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.

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

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

CITY OF FORT WORTH, TEXAS
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NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 deferred outflows of resources and deferred inflows of resources 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 CORRECTION OF ERROR

During the year ended September 30, 2023, FWHFC determined there were errors in amounts previously reported in the 2022 financial statements as the result of GASB 87 not being implemented at the required date. The unearned revenue from its ground lease agreements was required to be reported as a deferred inflow pursuant to the requirement of GASB 87. This resulted in a restatement of FWHFC's financial statements as shown below:

Below are the changes in fund balances.

	Fund Balance
Fund Balance (deficit), beginning of the period as previously reported	\$ 17,650
Increase (decrease)	(22,479)
Restated Fund Balance Oct. 1st, 2022 (deficit), beginning of the period, as restated	<u>\$ (4,829)</u>

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

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A.16 TERRELL HOMES, LTD.

The financial statements for Terrell Homes, Ltd. ("Partnership"), a discretely presented component unit of the City, have been prepared on a going concern basis. The Partnership is experiencing cash flow difficulties and negative operating results due to various factors including vacancy and collection issues, as well as increased operating expenses. The Partnership has deferred payment of operating costs due to the management agent, an affiliate, and is therefore dependent upon the affiliate to meet its monthly obligations. These factors raise substantial doubt regarding the Partnership's ability to continue as a going concern. Management is taking measures to improve occupancy and collections, as well as reduce operating expenses.

The Partnership can provide no assurances that these initiatives will succeed, therefore substantial doubt continues to exist regarding the Partnership's ability to continue as a going concern for the 12-month period beginning May 19, 2023. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

A.17 IMPLEMENTATION OF NEW GASB STANDARD

During the year, the City implemented GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, and GASB Statement No.96, *Subscription-Based Information Technology Arrangements*. Additional information on the implementation of these statements is noted below.

GASB 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 No. 87, as amended (as clarified by this Statement). The Statement also provides guidance for the recognition of availability payment arrangements. Information about PPPs can be found within Note H. Adoption of GASB 94 had no effect on beginning net position/fund balance at October 1, 2022, the date of implementation.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*. The objective of this Statement is to better meet the information needs of financial statement users by (a) Establishing uniform accounting and financial reporting for SBITAs; (b) improving the comparability of financial statement among governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. Information about long term obligations regarding SBITA assets can be found in Note F and SBITA liabilities can be found in Note G. Adoption of GASB 96 had no effect on beginning net position/fund balance at October 1, 2022, the date of implementation.

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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, 2023, the carrying and fair value of securities on loan were \$500,592,154 and the fair value of collateral held against the loaned securities was \$510,548,924.

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, 2023, the City's demand and time deposits totaled \$396,730,954. Of the \$396,730,954 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, 2023, all funds were insured or collateralized as required under state law.

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

B.1 POOLED CASH AND INVESTMENTS (CONTINUED)

As of September 30, 2023, 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, 2023, interest earned of \$12,647,568 on investments in the Capital Projects Fund was assigned to and reported as investment income in the Debt Service Fund for future debt service payments.

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

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

Maturity	Cash to 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4+ years
Targeted Portfolio %	40.00%	15.00%	15.00%	15.00%	15.00%
Actual %	77.01%	8.53%	7.95%	4.76%	1.75%

As of September 30, 2023, the Portfolio included:

- no holdings with a stated maturity date beyond July 01, 2028;
- holdings maturing beyond one year represented 22.99%; and
- the WAM was 228.15 days or 0.63 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, 2023, the Portfolio contained no callable debentures.

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.

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

B.1 POOLED CASH AND INVESTMENTS (CONTINUED)

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

As of September 30, 2023, the Portfolio consisted of:

- U.S. Treasury Notes and Bills represented 77.35%;
- U.S. Obligations represented 14.46%; and
- Municipal Obligations represented 8.19%

See Note B.3. for a detailed listing of investments as of September 30, 2023.

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, 2023, 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.

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

B.1 POOLED CASH AND INVESTMENTS (CONTINUED)

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 \$68,804,000 and \$73,564,000, respectively.

The GLI Policy sets maximum maturity limits for each authorized investment type. The maximum stated maturity for fixed income securities is 20 years. As of September 30, 2023, no holdings have a stated maturity date beyond July 1, 2028. 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	\$ 1,787	\$ 5,623	\$ –	\$ 7,410
Mortgage Backed Securities	–	207	–	207
Corporate Obligations	2,138	7,812	–	9,950
Domestic Mutual Funds	5,395	–	–	5,395
International Mutual Funds	3,030	–	–	3,030
Total Fixed Income Securities	<u>\$ 12,350</u>	<u>\$ 13,642</u>	<u>\$ –</u>	<u>\$ 25,992</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

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, 2023:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by Fair Value Level				
Investments Managed by the City				
Federal Farm Credit Bank (FFCB)	\$ 43,010	\$ —	\$ 43,010	\$ —
Federal Home Loan Mortgage Corporation (FHLMC)	21,798	—	21,798	—
Federal National Mortgage Association (FNMA)	41,282	—	41,282	—
U.S. Treasury Notes	567,500	567,500	—	—
Municipal Obligations - Short Term	60,077	—	60,077	—
Total Investments Managed by the City	<u>733,667</u>	<u>567,500</u>	<u>166,167</u>	<u>—</u>
Investments Held by Trustees for the City				
Gas Lease Revenue - Fixed Income	17,567	—	17,567	—
Gas Lease Revenue - Fixed Income - Domestic and International Mutual Fund	8,425	8,425	—	—
Gas Lease Revenue - Equities - Domestic and International Mutual Fund	34,329	34,329	—	—
Gas Lease Revenue - Real Assets Funds	2,879	2,879	—	—
Gas Lease Revenue - Complementary Strategies Funds	5,604	5,604	—	—
Total Investments Held by Trustees for the City	<u>68,804</u>	<u>51,237</u>	<u>17,567</u>	<u>—</u>
Total Investments by Fair Value Level	<u>\$ 802,471</u>	<u>\$ 618,737</u>	<u>\$ 183,734</u>	<u>\$ —</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

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

The City held the following cash, cash equivalents, & investments as of September 30, 2023:

	Fair Value	WAM by Days	Moody's Credit Rating
Pooled Cash, Cash Equivalents, & Investments Managed by the City			
Cash	\$ 2,448,937	N/A	N/A
Cash in Bank - Blended Component Units	35,589	N/A	N/A
Federal Farm Credit Bank (FFCB)	43,010	474	Aaa
Federal Home Loan Mortgage Corporation (FHLMC)	21,798	579	Aaa
Federal National Mortgage Association (FNMA)	41,282	226	Aaa
U.S. Treasury Notes	567,500	724	Aaa
Municipal Obligations - Short Term	60,077	721	Aa1-Aaa
Total Cash, Cash Equivalents, & Investments Managed by the City	<u>3,218,193</u>		
Cash, Cash Equivalents, & Investments Held by Trustees for the City			
Gas Lease Revenue - Cash	10,508	N/A	N/A
Gas Lease Revenue - Fixed Income	17,567	N/A	Note B.1.
Gas Lease Revenue - Fixed Income - Domestic and International Mutual Fund	8,425	N/A	Note B.1.
Gas Lease Revenue - Equities - Domestic and International Mutual Fund	34,329	N/A	N/A
Gas Lease Revenue - Real Assets Funds	2,879	N/A	N/A
Gas Lease Revenue - Complementary Strategies Funds	5,604	N/A	N/A
Cash Held by Trustee - TWDB 2010B	5,993	N/A	N/A
Cash Held by Trustee - Rock Creek	2,175	N/A	N/A
Cash Held by Trustee - CWSRF2015	4,613	N/A	N/A
Cash Held by Trustee - CWSRF2017	9,971	N/A	N/A
Cash Held by Trustee - TWDB 2020	1,844	N/A	N/A
Cash Held by Trustee - Southeast Landfill	11,363	N/A	N/A
Total Cash, Cash Equivalents, & Investments Held by Trustees for the City	<u>115,271</u>		
Total Cash, Cash Equivalents, & Investments - Primary Government	<u>\$ 3,333,464</u>		
Cash & Cash Equivalents Managed by the Employees' Retirement Fund			
Cash in Bank	269	N/A	N/A
Investments Managed by the Employees' Retirement Fund			
Investments	<u>2,804,792</u>	See Note B.5.	
Total Cash, Cash Equivalents, & Investments - Employees' Retirement Fund	<u>2,805,061</u>		
Cash & Cash Equivalents Managed by the Retiree Healthcare Trust Fund			
Cash in Bank	7,139	N/A	N/A
Investments Managed by the Retiree Healthcare Trust Fund			
Investments	<u>82,573</u>	See Note B.4.	
Total Cash, Cash Equivalents, & Investments - Retiree Healthcare Trust Fund	<u>89,712</u>		
Cash & Cash Equivalents Managed by the Fort Worth Firefighters Healthcare Trust Fund			
Cash in Bank	<u>6,588</u>	N/A	N/A
Total Cash & Cash Equivalents - Fort Worth Firefighters Healthcare Trust Fund	<u>6,588</u>	0	
Cash & Cash Equivalents Managed by the Discretely Presented Component Unit			
Cash in Bank	<u>315</u>	N/A	N/A
Total Cash & Cash Equivalents - Discretely Presented Component Unit	<u>315</u>		
Total Cash, Cash Equivalents, & Investments	<u>\$ 6,235,140</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

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	\$	3,333,464
Employees' Retirement Fund		2,805,061
Retiree Healthcare Trust Fund		89,712
Fort Worth Firefighters Healthcare Trust Fund		6,588
Discretely Presented Component Unit		315
Total, per Note	\$	<u>6,235,140</u>
Cash, Cash Equivalents, & Investments, per Basic Financial Statements		
Statement of Net Position - Primary Government	\$	2,070,211
Statement of Net Position - Primary Government Restricted		1,263,253
Statement of Net Position - Discretely Presented Component Unit		315
Statement of Fiduciary Net Position - Cash and Cash Equivalents		13,996
Statement of Fiduciary Net Position - Cash and Investments Held by Trustees		2,887,365
Total, per Basic Financial Statements	\$	<u>6,235,140</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

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, 2023, 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, 2023, are shown below:

Investment Type	Rating	Fair Value*
Issues:		
US Government Issues	N/A	\$ 33,054
Corporate Issues	N/A	20,765
Foreign Issues	N/A	2,783
Municipal Issues	N/A	628
Total Issues		<u>57,230</u>
Fixed Income Mutual Funds:		
Pimco Total Return II Instl	N/A	332
Total Fixed Income Mutual Funds	N/A	<u>332</u>
Equity Mutual Funds:		
Ishares S&P 500 ETF	N/A	7,089
Ishares S&P 500 Growth ETF	N/A	2,622
Ishares S&P 500 Value ETF	N/A	3,452
Ishares Msci Eafe ETF	N/A	3,019
Ishares Russell Midcap Value ETF	N/A	2,808
Ishares Russell 2000 Value Index ETF	N/A	1,752
Ishares Russell 2000 Growth ETF	N/A	1,716
Vanguard Emerg Mkt	N/A	1,725
Vanguard Reit ETF	N/A	828
Total Equity Mutual Funds	N/A	<u>25,011</u>
Total Investments		<u><u>\$ 82,573</u></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, 2023, the OPEB Trust's investments were all registered in the Trust's name.

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

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NOTE B: CASH, CASH EQUIVALENTS, & INVESTMENTS

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 tracks the investment results of the Russell 1000 Growth Index, composed of large-and mid-capitalization U.S. equities that exhibit growth characteristic. 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.

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NOTE B: CASH, CASH EQUIVALENTS, & INVESTMENTS

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

Real Asset 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 an investment 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 redeemable on a quarterly basis. Equity Long/Short funds include investments in two funds. 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. Event driven funds include investments in three funds. 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. Multi-Strategy funds invest in multiple strategies in order to diversify risks and reduce volatility. The three of the four funds in this category have been redeemed, with the remaining assets either audit holdback or side pocketed assets waiting for liquidation.

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 91 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 is 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 17 partnerships in this category and these partnerships are typically structured with a life from 7-12 years and are considered illiquid. As properties are sold out of the partnership, assets are returned to the investors. These funds' fair value are determined using net asset values one quarter in arrears and adjusted for cash flows of the most recent quarter.

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NOTE B: CASH, CASH EQUIVALENTS, & INVESTMENTS

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, 2023:

	Fair Value	Level 1	Level 2	Level 3
Investments by Fair Value Level				
Short Term Securities	\$ 355,682	\$ 15,107	\$ 340,575	\$ –
Debt Securities				
Collateralized Debt Obligations	24,023	–	17,017	7,006
Commercial Mortgage-Backed Securities	19,150	–	15,505	3,645
Corporates	68,473	–	68,472	1
Debt Other	–	–	–	–
Exchange Traded Funds (ETF)	28,052	28,052	–	–
Municipals	2,587	–	2,587	–
Non U.S. Government	13,760	–	13,760	–
U.S. Government Agencies	138,950	–	137,056	1,894
U.S. Treasuries	83,363	83,363	–	–
Total Debt Securities	<u>378,358</u>	<u>111,415</u>	<u>254,397</u>	<u>12,546</u>
Equity Securities				
Communication Services	5,603	5,603	–	–
Consumer Discretionary	23,026	23,026	–	–
Consumer Staples	6,921	6,921	–	–
Energy	19,463	19,463	–	–
Equity Other	17,994	17,994	–	–
Exchange Traded Funds (ETF)	428,203	428,203	–	–
Financials	31,571	31,571	–	–
Health Care	25,681	25,681	–	–
Industrials	37,442	37,350	–	92
Information Technology	32,074	32,074	–	–
Materials	9,426	9,426	–	–
Real Estate	2,194	2,194	–	–
Utilities	2,808	2,808	–	–
Total Equity Securities	<u>642,406</u>	<u>642,314</u>	<u>–</u>	<u>92</u>
Investments Measured at Net Asset Value*				
Equity Investments				
Commingled Global Equity Fund	\$ 445,804			
Commingled Emerging Market Equity Fund	51,460			
Total Equity Investments	<u>497,264</u>			
Absolute Return	<u>192,885</u>			
Alternative Investments				
Private Equity	357,184			
Private Credit	35,410			
Real Estate - Core	166,631			
Real Estate	188,303			
Total Alternative Investments	<u>747,528</u>			
Total Investments Measured at Net Asset Value	<u>\$ 1,437,677</u>			
Total Investments by Fair Value Level	<u>\$ 2,814,123</u>	<u>\$ 768,836</u>	<u>\$ 594,972</u>	<u>\$ 12,638</u>
Less: Investments in Non-City Funded Staff Plan	<u>(9,331)</u>			
Total Investments by Fair Value Level in City Plan	<u>\$ 2,804,792</u>			
Investment Derivative Instruments				
Forward Contracts	(7)	–	(7)	–
Swap Agreements	547	547	–	–
Rights and Warrants	18	18	–	–
Futures	(6)	(6)	–	–
Total Investment Derivative Instruments	<u>\$ 552</u>	<u>\$ 559</u>	<u>\$ (7)</u>	<u>\$ –</u>

*Investments measured at Net Asset Value have total Unfunded Commitments of \$449,395,227, the Plan's investments at NAV offer redemption frequencies ranging from daily to three (3) years on redeemable investments; with a total of \$580,897,769 of alternative investments that are ineligible for redemption and a redemption notice period of one (1) day to 90 days on eligible assets.

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NOTE B: CASH, CASH EQUIVALENTS, & INVESTMENTS

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.

Governmental Accounting Standards Board (GASB) Statement No.40 "*Deposit and Investment Risk Disclosures - an amendment to GASB Statement No. 3*"(GASB 40) 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, 2023, 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. GASB 40, *Deposit and Investment Risk Disclosures*, does not require disclosure of U.S. government obligations explicitly guaranteed.

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NOTE B: CASH, CASH EQUIVALENTS, & INVESTMENTS

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

Credit Risk of Debt Securities — The Plan's investments as of September 30, 2023, are shown below:

Investment Type	S&P Rating	Fair Value
Asset & Mortgage Backed Obligations	AAA	\$ 26,114
Asset & Mortgage Backed Obligations	AA	2,127
Asset & Mortgage Backed Obligations	A	4,594
Asset & Mortgage Backed Obligations	BBB	1,192
Asset & Mortgage Backed Obligations	BB	843
Asset & Mortgage Backed Obligations	B	5
Asset & Mortgage Backed Obligations	CCC	247
Asset & Mortgage Backed Obligations	NR	8,051
Total Asset & Mortgage Backed Obligations		43,173
Corporate Obligations	AAA	44
Corporate Obligations	AA	1,466
Corporate Obligations	A	29,934
Corporate Obligations	BBB	33,963
Corporate Obligations	BB	1,936
Corporate Obligations	NR	1,130
Total Corporate Obligations		68,473
Government Agency Obligations	AAA	136,541
Government Agency Obligations	AA	3,158
Government Agency Obligations	A	1,485
Government Agency Obligations	BBB	353
Total Government Agency Obligations		141,537
International Obligations	AAA	10,340
International Obligations	AA	1,045
International Obligations	A	357
International Obligations	BBB	378
International Obligations	BB	1,553
International Obligations	NR	88
Total International Obligations		13,761
Securities Lending Collateral	AA	17,725
Securities Lending Collateral	A	142,467
Securities Lending Collateral	NR	4,839
Total Securities Lending Collateral		165,031
Total Fixed Income Subject to Credit Risk		431,975
U.S. Treasuries (Not Subject to Credit Risk)		83,363
Short-Term Marketable Securities		190,650
Corporate Stock		265,662
Alternative Investments		585,480
Commingled Funds		800,738
Exchange Traded Funds (ETF)		456,255
Less: Investments in Non-City Funded Staff Plan		(9,331)
Total Investments in City Plan		\$ 2,804,792

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NOTE B: CASH, CASH EQUIVALENTS, & INVESTMENTS

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, 2023, 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	\$ 61	\$ 2,760	\$ 5,667	\$ 34,685	\$ 43,173
Corporate Obligations	3,083	25,184	25,056	15,150	68,473
Government Agency Obligations	—	5,078	909	135,551	141,538
International Obligations	—	10,660	1,604	1,497	13,761
Securities Lending Collateral	165,031	—	—	—	165,031
U.S. Treasuries	5,154	14,373	27,633	36,202	83,362
Total Interest Rate Risk Debt Securities	<u>\$ 173,329</u>	<u>\$ 58,055</u>	<u>\$ 60,869</u>	<u>\$ 223,085</u>	<u>\$ 515,338</u>

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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, 2023, is presented below:

Currency	Debt	Equity	Alternatives	Total
Argentine Peso	\$ 2	\$ —	\$ —	\$ 2
Australian Dollar	1,747	—	—	1,747
Brazilian Real	203	1,643	—	1,846
British Pound Sterling	94	27,009	—	27,103
Canadian Dollar	(646)	4,716	—	4,070
Chilean Peso	1,503	—	—	1,503
Columbian Peso	(1,507)	—	—	(1,507)
Danish Krone	—	7,696	—	7,696
Euro Currency Unit	(832)	40,965	65,623	105,756
HK Offshore Chinese Yuan Renminbi	(517)	879	—	362
Hong Kong Dollar	—	6,069	—	6,069
Hungarian Forint	1	—	—	1
Indonesian Rupiah	205	—	—	205
Indian Rupee	206	—	—	206
Japanese Yen	1,076	17,183	—	18,259
Mexican New Peso	(1,292)	—	—	(1,292)
New Israeli Shekel	1,555	—	—	1,555
New Taiwan Dollar	(478)	3,856	—	3,378
New Zealand Dollar	715	—	—	715
Norwegian Krone	205	1,855	—	2,060
South African Rand	24	—	—	24
South Korean Won	—	2,954	—	2,954
Swedish Krona	(1,578)	4,036	—	2,458
Swiss Franc	2	11,225	—	11,227
Thai Baht	206	1,805	—	2,011
Total Securities Subject to Foreign Currency Risk	<u>\$ 894</u>	<u>\$ 131,891</u>	<u>\$ 65,623</u>	<u>\$ 198,408</u>

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

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 \$(6,860) as of September 30, 2023, 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. As of September 30, 2023, the fair value of these contracts is included in due to/from broker.

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 Standard & Poor's (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 as of September 30, 2023:

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 preset 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 counterparty bears the risk of an unfavorable change in the price of the financial instrument underlying the option.

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NOTE B: CASH, CASH EQUIVALENTS, & INVESTMENTS

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

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.

The Investment Derivatives schedule listed below reports the fair value, changes in fair value and notional amounts of derivatives outstanding as of September 30, 2023, 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>	\$ 129	\$ (6)	\$ 87,304
Forward Contracts	<i>Investment Income</i>	(885)	(7)	78,621
Swap Agreements	<i>Investment Income</i>	729	547	58,231
Rights and Warrants	<i>Investment Income</i>	(1)	18	18
	Total	<u>\$ (28)</u>	<u>\$ 552</u>	<u>\$ 224,174</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, 2023. 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.

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

As of September 30, 2023, 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	\$ —	\$ —	\$ —	\$ (6)	\$ (6)
Forward Contracts	—	—	—	(7)	(7)
Swap Agreements	—	(109)	—	656	547
Rights and Warrants	—	—	—	18	18
Total	<u>\$ —</u>	<u>\$ (109)</u>	<u>\$ —</u>	<u>\$ 661</u>	<u>\$ 552</u>

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, 2023, are disclosed in the following table:

Derivative Type	Total Notional Value	Total Fair Value
Interest Rate Swaps	\$ 48,931	\$ 624
Swaptions	9,300	(78)
Total	<u>\$ 58,231</u>	<u>\$ 546</u>

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

The net exposure column of the schedule below indicates the Plan's net foreign currency risk related to derivatives as of September 30, 2023:

Currency	Forward Contracts	Swap Agreements	Net Exposure
Australian Dollar	\$ 10		\$ 10
Brazilian Real	(2)		(2)
British Pound Sterling	141		141
Canadian Dollar	(15)	(123)	(138)
Chilean Peso	(18)		(18)
Chinese Yuan Offshore	(1)		(1)
Colombian Peso	(4)		(4)
Czech Koruna	(5)		(5)
Euro Currency Unit	79	2	81
Hungarian Forint	(26)		(26)
Indonesian Rupiah	(2)		(2)
Japanese Yen	(39)	335	296
Mexican Peso	(18)		(18)
New Taiwan Dollar	8		8
New Zealand Dollar	(93)		(93)
Norwegian Krone	(4)		(4)
Polish Zloty	17		17
South African Rand	(1)		(1)
Swedish Krona	(30)		(30)
Thai Baht	(4)		(4)
Total	<u>\$ (7)</u>	<u>\$ 214</u>	<u>\$ 207</u>

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NOTE B: CASH, CASH EQUIVALENTS, & INVESTMENTS

B.5 INVESTMENTS OF THE EMPLOYEES' RETIREMENT FUND

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, 2023, 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.

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, 2023.

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, 2023, the value of the collateral held was \$165,031,454 and the value of securities on loan at September 30, 2023, was \$160,952,882. The Plan earned \$598,554, net, on its securities lending activity for the fiscal year ended September 30, 2023.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023
(000's omitted in tables)

NOTE C: RECEIVABLES AND INTERFUND BALANCES

C.1 RECEIVABLES

Receivables as of September 30, 2023, 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	\$ 22,860	\$ 5,780	\$ —	\$ —	\$ —	\$ —	\$ 28,640
Grants and Other Governments	40,285	—	3,729	7,513	19,876	—	71,403
Loans	—	—	—	18,388	—	—	18,388
Long-Term Loans	—	—	—	871	364	—	1,235
Interest	110	686	209	—	2,331	81	3,417
Accounts and Other	24,761	—	436	—	22,395	222	47,814
Leases	8,360	—	—	—	9,152	—	17,512
Total Gross Receivables	<u>96,376</u>	<u>6,466</u>	<u>4,374</u>	<u>26,772</u>	<u>54,118</u>	<u>303</u>	<u>188,409</u>
Less Allowance for Uncollectible Accounts:							
Taxes	(21,130)	(5,408)	—	—	—	—	(26,538)
Accounts and Other	<u>(9,047)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(55)</u>	<u>—</u>	<u>(9,102)</u>
Total Allowance	<u>(30,177)</u>	<u>(5,408)</u>	<u>—</u>	<u>—</u>	<u>(55)</u>	<u>—</u>	<u>(35,640)</u>
Total Receivables, Net	<u>\$ 66,199</u>	<u>\$ 1,058</u>	<u>\$ 4,374</u>	<u>\$ 26,772</u>	<u>\$ 54,063</u>	<u>\$ 303</u>	<u>\$ 152,769</u>

Receivables at September 30, 2023, 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	\$ 201	\$ 11	\$ 51	\$ 263
Leases	—	—	8,939	8,939
Accounts and Other	77,608	5,294	9,949	92,851
Grants and Other - Restricted	4,178	—	1,493	5,671
Interest - Restricted	494	64	182	740
Long-Term Loans	—	—	1,068	1,068
Total Gross Receivables	<u>82,481</u>	<u>5,369</u>	<u>21,682</u>	<u>109,532</u>
Less Allowance for Uncollectible Accounts:				
Accounts and Other	<u>(1,414)</u>	<u>(825)</u>	<u>(307)</u>	<u>(2,546)</u>
Total Allowance	<u>(1,414)</u>	<u>(825)</u>	<u>(307)</u>	<u>(2,546)</u>
Total Receivables, Net	<u>\$ 81,067</u>	<u>\$ 4,544</u>	<u>\$ 21,375</u>	<u>\$ 106,986</u>

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023
(000's omitted in tables)

NOTE C: RECEIVABLES AND INTERFUND BALANCES

C.1 RECEIVABLES (CONTINUED)

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, lease related and unearned revenue reported in the governmental funds were as follows:

Description	Unavailable and Lease Related	Unearned
Property Taxes	\$ 4,063	\$ –
Grants and Other Governments	26,332	139,844
Lease Related	45,280	–
Other	8,932	913
	<u>\$ 84,607</u>	<u>\$ 140,757</u>
Total Unavailable/ Lease Related/ Unearned Revenues		<u><u>\$ 225,364</u></u>

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

Description	Water and Sewer	Nonmajor Enterprise Funds	Total Business-Type Activities
Deposits and Rents	\$ 360	\$ –	\$ 360
Grants and Other	–	707	707
Total Unearned Revenues	<u>\$ 360</u>	<u>\$ 707</u>	<u>\$ 1,067</u>

The City, as lessor, leases City-owned properties such as buildings, land, office space, and parking space. The related receivables are presented in the Statement of Net Position for the amounts equal to the present value of lease payments expected to be received during the lease term. Revenue recognized under GASB 87 lease contracts during the year ended September 30, 2023 was \$3,253,715, which includes both lease revenue and interest.

The City recognized no variable payments within its lease arrangements as the lessor. The City did not have revenue related to residual value guarantees or lease termination penalties. It also does not currently have agreements that include sale-leaseback and lease-lease back transactions.

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

C.1 RECEIVABLES (CONTINUED)

The following are schedules by year of minimum payment to be received under lease contracts that are included in the measurement of the lease receivable as of September 30, 2023:

Governmental Activities Year Ending September, 30,	Principal	Interest	Total
2024	\$ 1,186	\$ 239	\$ 1,425
2025	1,054	608	1,662
2026	733	717	1,450
2027	726	697	1,423
2028	967	472	1,439
2029-2033	4,588	1,802	6,390
2034-2038	4,881	1,044	5,925
2039-2043	3,371	298	3,669
2044-2048	4	—	4
2049-2053	2	—	2
Present Value of Minimum Lease Receivables	<u>\$ 17,512</u>	<u>\$ 5,877</u>	<u>\$ 23,389</u>

Business-Type Activities Year Ending September, 30,	Principal	Interest	Total
2024	\$ 506	\$ 212	\$ 718
2025	436	200	636
2026	408	188	596
2027	405	177	582
2028	388	167	555
2029-2033	1,588	697	2,285
2034-2038	1,588	474	2,062
2039-2043	1,165	310	1,475
2044-2048	705	202	907
2049-2053	341	159	500
2054-2058	377	123	500
2059-2063	416	84	500
2064-2068	460	40	500
2069-2073	156	3	159
Present Value of Minimum Lease Receivables	<u>\$ 8,939</u>	<u>\$ 3,036</u>	<u>\$ 11,975</u>

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023
(000's omitted in tables)

NOTE C: RECEIVABLES AND INTERFUND BALANCES

C.1 RECEIVABLES (CONTINUED)

The Municipal Airports Department does not recognize a lease receivable and a deferred inflow of resources for regulated leases. Regulated leases are certain leases that are subject to external laws, regulations, or legal rulings, e.g. the U.S. Department of Transportation and the Federal Aviation Administration, between airports and air carriers and other aeronautical users.

The following is a schedule by year of minimum payment to be received under regulated leases for building and land contracts that are not included in the measurement of the lease receivable as of September 30, 2023:

Regulated Leases September, 30,	Total
2024	\$ 3,154
2025	3,039
2026	2,882
2027	2,631
2028	2,496
2029-2033	9,649
2034-2038	6,758
2039-2043	5,581
2044-2048	3,584
2049-2053	2,319
2054-2058	367
2059-2063	179
Total	<u>\$ 42,639</u>

C.2 ADVANCES

Advances from/to other funds at September 30, 2023, were as follows:

Receivable Fund	Payable Fund	Total
General	Nonmajor Governmental	\$ 7,000
Total		<u>\$ 7,000</u>

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

The payable to General Fund from Nonmajor Governmental Fund was to provide a short-term loan of \$7,000,000 to Fort Worth Housing Finance Corporation for the purchase of property from the Southwestern Baptist Theological Seminary.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023
(000's omitted in tables)

NOTE C: RECEIVABLES AND INTERFUND BALANCES

C.3 TRANSFERS

Transfers made during the year were as follows:

	Transfers In:									Total
	General	Debt Service	Capital Projects	Grants	NMG Funds ^(a)	Water and Sewer	Stormwater Utility	NME Funds ^(b)	IS Funds ^(c)	
Transfers Out:										
General	\$ —	\$ —	\$ 93,209	\$ 90	\$ 6,647	\$ —	\$ —	\$ 491	\$ 9,630	\$110,067
Capital Projects	112	383	—	—	979	—	—	90	—	1,564
Grants	16	—	12,573	—	49	—	—	—	—	12,638
NMG Funds ^(a)	2,013	22,512	48,997	817	1,242	495	—	—	—	76,076
Water and Sewer	36,148	—	303	—	—	—	—	—	—	36,451
Stormwater Utility	6,733	—	51	—	1,000	1,269	—	—	—	9,053
NME Funds ^(b)	5,843	—	53	—	—	1,400	—	—	—	7,296
IS Funds ^(c)	77	—	2,078	—	—	—	60	—	—	2,215
Total	<u>\$ 50,942</u>	<u>\$ 22,895</u>	<u>\$157,264</u>	<u>\$ 907</u>	<u>\$ 9,917</u>	<u>\$ 3,164</u>	<u>\$ 60</u>	<u>\$ 581</u>	<u>\$ 9,630</u>	<u>\$255,360</u>

^(a) NMG Funds - Nonmajor Governmental Funds

^(b) NME Funds - Nonmajor Enterprise Funds

^(c) IS Funds - Internal Service Funds

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 \$93,209,000 to the Capital Projects Fund, of which \$87,842,000 was for the capital improvement plan, \$5,367,000 was for vehicle and equipment replacement.

The General Fund transferred \$6,647,000 to the Nonmajor Governmental Funds, of which \$3,276,000 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. The Golf Fund received a subsidy in the amount of \$320,000 from the General Fund to assist with the operational costs. The Economic Incentives fund received \$2,000,000 for grants authorized by the Chapter 380, Texas Local Government Code. The Fort Worth Public Improvement Districts (PID) received \$1,044,000 and the Tax Increment Reinvestment Zones (TIRZ) Funds received \$7,000 in lieu of services and assessments.

The General Fund transferred \$9,630,000 to the Internal Service Funds for the purpose of establishing a reserve for unfunded property and liability claims/settlements.

The Grants Operating Federal Fund transferred \$12,573,000 of American Rescue Plan Act funds to the Grants Capital Projects Federal Fund for the purpose of funding capital projects at tourism venues postponed due to the COVID-19 pandemic, affordable housing projects and City infrastructure projects.

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

C.3 TRANSFERS (CONTINUED)

The Nonmajor Governmental Funds transferred \$2,013,000 to the General Fund, of which \$944,000 was from the Culture and Tourism Fund energy savings debt service, \$317,000 was from Fort Worth LDC, \$245,000 was from Fort Worth Public Improvement Districts Funds, \$440,000 was from Taxes Increment Reinvestment Zones Funds, and \$67,000 was from other Nonmajor Governmental funds.

The Nonmajor Governmental Funds transferred \$22,512,000 to the Debt Service Fund, of which \$18,531,000 was from the Culture and Tourism Fund, \$1,325,000 was from TIRZ#14 Trinity Lakes, and \$2,656,000 was from the Crime Control and Prevention District Fund.

The Nonmajor Governmental Funds transferred \$48,997,000 to the Capital Projects Fund, of which \$24,585,000 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 Program. The Culture and Tourism Capital Projects Fund and Public Events Capital Fund received \$9,594,000 from Culture and Tourism Operating Funds for capital improvement. The Tax Increment Reinvestment Zones Funds transferred \$4,226,000 to the TIRZ General Capital Fund to pay for various projects. The Municipal Golf Fund transferred \$245,000 to fund current Golf capital projects. The Environmental Protection Fund transferred \$4,682,000 for hazard removal projects. The Alliance Maintenance Facility fund transferred \$750,000, DFW Rev Sharing fund transferred \$4,050,000, Special Purpose fund transferred \$731,000 and Community Tree Planting Program Fund transferred \$134,000.

The Water and Sewer Fund transferred \$36,148,000 to the General Fund, of which includes \$24,038,000 for Street Rental Fees, \$5,792,000 for Payment in Lieu of Taxes (PILOT), and \$6,318,000 for other operating expenses.

The Stormwater Utility Fund transferred \$6,733,000 to the General Fund, of which \$2,477,000 was for Street Rental Fees, \$1,209,000 was for PILOT, and \$3,047,000 was for the operating expenses. The Stormwater Utility Fund also transferred \$1,269,000 to the Water and Sewer Fund for billing services.

The Nonmajor Enterprise Funds transferred \$5,843,000 to the General Fund, of which the Solid Waste Fund transferred \$5,710,000 for Street Maintenance. The General Fund also received \$9,000 from the Municipal Parking Fund, \$60,000 for the Municipal Airport Fund for program services and \$64,000 for the Aviation Gas Lease. The Nonmajor Governmental Fund also transferred \$1,400,000 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.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE D: FUND EQUITY

D.1 UNRESTRICTED DEFICIT

Risk Financing, an internal service fund, has an unrestricted deficit of \$18,749,000 as of September 30, 2023. Commercial insurance premiums have increased, and lawsuit and settlement claims exceeded original estimates due to increased activity that was delayed in courts processing from the COVID pandemic. There was also an increase of \$19,061,000 in expenses/liabilities recorded at year end based on actuarial studies and the City's legal exposure. Self-Insurance Claim Payable increased by \$16,764,000 and Workers Compensation Claims Payable increased by \$1,826,000. Claims estimates will be closely monitored for changes to be included into future budget forecasts.

D.2 FUND BALANCE

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 and Other	\$ 3,712	\$ —	\$ —	\$ —	\$ 2,358	\$ 6,070
Prepays and Deposits	232	—	741	32	24	1,029
Total Nonspendable	3,944	—	741	32	2,382	7,099
Restricted						
Park Improvements	10,016	—	—	—	—	10,016
Crime Control and Prevention	—	—	—	—	44,885	44,885
Debt Service	—	64,613	—	—	—	64,613
Environmental Management	—	—	—	—	1,648	1,648
Construction of Multi-Purpose Arena	—	—	8,963	—	—	8,963
2014 Bond Program	—	—	44,891	—	—	44,891
2018 Bond Program	—	—	31,701	—	—	31,701
2022 Bond Program	—	—	170,734	—	—	170,734
Transportation Impact Fees	—	—	65,380	—	—	65,380
Community Facility Agreements	—	—	15,713	—	—	15,713
Community Park Projects	—	—	391	—	—	391
Street Improvements	—	—	3,394	—	—	3,394
Future City Hall	—	—	91,104	—	—	91,104
Police Facility Renovation	—	—	33,372	—	—	33,372
Will Rogers Memorial Center	—	—	39,678	—	—	39,678
Other	—	—	—	5,628	146,612	152,240
Total Restricted	10,016	64,613	505,321	5,628	193,145	778,723
(continued)						

(continued)

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023
(000's omitted in tables)

NOTE D: FUND EQUITY

D.2 FUND BALANCE (CONTINUED)

Fund Balance	Fund Balance Categories and Classifications						Total Fund Balance
	General	Debt Service	Capital Projects*	Grants	Nonmajor Governmental Funds**		
Committed							
Public Events and Facilities	\$ 15,929	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 15,929
Park Improvements	3,827	—	—	—	—	—	3,827
Street Improvements	—	—	120,210	—	—	—	120,210
Community Facility Agreements	—	—	5,510	—	—	—	5,510
Community Park Projects	—	—	39,498	—	—	—	39,498
Fort Worth Public Art	—	—	5,560	—	—	—	5,560
Police Facility Renovation	—	—	2,447	—	—	—	2,447
Police Equipment	—	—	8,810	—	—	—	8,810
Police Vehicles Replacement	—	—	8,369	—	—	—	8,369
Fire Apparatus Replacement	—	—	3,328	—	—	—	3,328
Fire Station	—	—	8,271	—	—	—	8,271
Fire Equipment	—	—	41	—	—	—	41
Multi Purpose Arena	—	—	14,711	—	—	—	14,711
Traffic System	—	—	8,058	—	—	—	8,058
WRMC	—	—	19,651	—	—	—	19,651
IT Software and Computers	—	—	4,016	—	—	—	4,016
General Vehicle Replacements	—	—	17,744	—	—	—	17,744
State Sales Tax Agreement	13,031	—	—	—	6,062	—	19,093
Juneteenth Museum	15,000	—	—	—	—	—	15,000
Future City Hall	—	—	4,067	—	—	—	4,067
Other	2,352	—	65,306	3,040	5,680	—	76,378
Total Committed	50,139	—	335,597	3,040	11,742	—	400,518
Assigned							
Culture and Tourism	—	—	—	—	26,600	—	26,600
Police Vehicle Replacement	—	—	19	—	—	—	19
Library Capital Projects	15,960	—	—	—	—	—	15,960
Capital Project Shortfalls	38,380	—	—	—	—	—	38,380
Community Park Projects	—	—	49,240	—	1,915	—	51,155
WRMC	—	—	36	—	—	—	36
Multi Purpose Arena	—	—	5	—	—	—	5
Fire Station	—	—	209	—	—	—	209
Other	—	—	56,127	—	37,171	—	93,298
Total Assigned	54,340	—	105,636	—	65,686	—	225,662
Unassigned	199,444	—	—	—	(13,445)	—	185,999
Total Fund Balance	\$ 317,883	\$ 64,613	\$ 947,295	\$ 8,700	\$ 259,510	\$ —	\$ 1,598,001

(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, 2023, the City committed \$15,000,000 towards the Juneteenth Museum project and \$2,352,000 for budget rollovers to the City Manager's Office, Communication and Public Engagement, Diversity and Inclusion, Development Services, Economic Development, Financial Management Services, FWLab, Human Resources, Library, Neighborhood Services, Parks and Recreation and Police departments. In addition, the City has assigned \$54,340,000 of which \$15,960,000 will go towards Library capital projects and \$38,380,000 will go towards capital project shortfalls.

Fort Worth Housing Finance Corporation, a Nonmajor Special Revenue fund, has a fund deficit of \$11,307,000 as of September 30, 2023. This is due to unearned revenue from its ground lease agreements which were required to be reported as deferred inflow in the special revenue fund balance sheet pursuant to the requirements of GASB 87 and will recover through time. See Note A.15 for more details.

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

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	\$ 85,471	\$ 11,237	\$ 2,508	\$ –	\$ 99,216
Cash and Cash Equivalents Held by Trustees	1,896	–	–	–	1,896
Interest Receivable	364	64	8	–	436
	<u>87,731</u>	<u>11,301</u>	<u>2,516</u>	<u>–</u>	<u>101,548</u>
Capital Improvements:					
Cash and Cash Equivalents	833,571	137,101	43,259	201	1,014,132
Cash and Cash Equivalents Held by Trustees	20,524	–	–	–	20,524
Grants and Other Receivables	4,178	–	148	–	4,326
Interest Receivable	112	–	15	–	127
	<u>858,385</u>	<u>137,101</u>	<u>43,422</u>	<u>201</u>	<u>1,039,109</u>
Other Restrictions:					
Cash and Cash Equivalents	29,361	–	3,365	1,907	34,633
Cash and Cash Equivalents Held by Trustees	4,811	–	55,932	–	60,743
Grants and Other Receivables	–	–	1,345	–	1,345
Interest Receivable	18	–	159	–	177
	<u>34,190</u>	<u>–</u>	<u>60,801</u>	<u>1,907</u>	<u>96,898</u>
Total	<u>\$ 980,306</u>	<u>\$ 148,402</u>	<u>\$ 106,739</u>	<u>\$ 2,108</u>	<u>\$ 1,237,555</u>

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023
(000's omitted in tables)

NOTE F: CAPITAL, LEASE AND SBITA ASSETS

Capital, Lease and SBITA assets activity for Governmental Activities for the year ended September 30, 2023, was as follows:

	Balance at October 1, 2022*	Increases	Decreases	CIP Placed In Service	Balance at September 30, 2023
Governmental Activities					
Capital Assets, Not Being Depreciated:					
Land/Right of Way	\$ 329,133	\$ 35,378	\$ (403)	\$ —	\$ 364,108
Construction in Progress	176,423	198,283	(5,927)	(121,270)	247,509
Intangibles	28,139	—	(10)	2,061	30,190
Total Capital Assets, Not Being Depreciated	533,695	233,661	(6,340)	(119,209)	641,807
Capital, Lease and SBITA Assets, Being Depreciated/Amortized:					
Buildings	1,140,090	—	(18,992)	15,522	1,136,620
Vehicles, Machinery and Equipment	283,094	51,623	(59,481)	2,380	277,616
Infrastructure	4,288,615	113,892	(2,513)	102,038	4,502,032
Intangibles	57,913	—	(7,176)	—	50,737
Right-to-Use Assets	18,119	10,158	(236)	—	28,041
Total Capital, Lease and SBITA Assets, Being Depreciated/Amortized	5,787,831	175,673	(88,398)	119,940	5,995,046
Less Accumulated Depreciation/Amortization for:					
Buildings	329,532	31,380	(13,286)	—	347,626
Vehicles, Machinery and Equipment	166,152	14,814	(22,187)	—	158,779
Infrastructure	2,421,970	121,178	(4,138)	—	2,539,010
Intangibles	39,847	3,719	(2,326)	—	41,240
Right-to-Use Assets	935	4,794	(236)	—	5,493
Total Accumulated Depreciation/Amortization	2,958,436	175,885	(42,173)	—	3,092,148
Total Capital, Lease and SBITA Assets, Being Depreciated/Amortized, Net	2,829,395	(212)	(46,225)	119,940	2,902,898
Governmental Activities Capital, Lease and SBITA Assets, Net	<u>\$ 3,363,090</u>	<u>\$ 233,449</u>	<u>\$ (52,565)</u>	<u>\$ 731</u>	<u>\$ 3,544,705</u>

*The October 1, 2022 balance has been restated due to the implementation of GASB96 in the current year, which includes the addition of SBITA assets.

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NOTE F: CAPITAL, LEASE AND SBITA ASSETS

Capital, Lease and SBITA assets activity for Business-Type Activities for the year ended September 30, 2023, was as follows:

	Balance at October 1, 2022*	Increases	Decreases	CIP Placed In Service	Balance at September 30, 2023
Business-Type Activities Capital Assets, Not Being Depreciated:					
Land/Right of Way	\$ 220,477	\$ 12,522	\$ (8,986)	\$ –	\$ 224,013
Construction in Progress	528,790	287,653	(21,700)	(150,630)	644,113
Intangibles	1,525	–	–	–	1,525
Total Capital Assets, Not Being Depreciated	750,792	300,175	(30,686)	(150,630)	869,651
Capital, Lease and SBITA Assets, Being Depreciated/Amortized:					
Buildings	178,617	6,104	(8,855)	3,188	179,054
Vehicles, Machinery and Equipment	392,148	5,548	(7,461)	582	390,817
Infrastructure	4,447,048	83,444	(16,062)	146,860	4,661,290
Intangibles	677	677	(677)	–	677
Right-to-Use Assets	2,286	2,093	–	–	4,379
Total Capital, Lease and SBITA Assets, Being Depreciated/ Amortized	5,020,776	97,866	(33,055)	150,630	5,236,217
Less Accumulated Depreciation/Amortization for:					
Buildings	87,499	5,791	(4,367)	–	88,923
Vehicles, Machinery and Equipment	296,100	12,400	(3,891)	–	304,609
Infrastructure	1,493,288	95,435	(686)	–	1,588,037
Intangibles	316	68	–	–	384
Right-to-Use Assets	241	843	–	–	1,084
Total Accumulated Depreciation and Amortization	1,877,444	114,537	(8,944)	–	1,983,037
Total Capital, Lease and SBITA Assets, Being Depreciated/ Amortized, Net	3,143,332	(16,671)	(24,111)	150,630	3,253,180
Business-Type Activities Capital, Lease and SBITA Assets, Net	\$ 3,894,124	\$ 283,504	\$ (54,797)	\$ –	\$ 4,122,831

*The October 1, 2022 balance has been restated due to the implementation of GASB96 in the current year, which includes the addition of SBITA assets.

Depreciation and amortization expense was charged as follows for the year ended September 30, 2023:

	Depreciation and Amortization Expense
Governmental Activities	
General Government	\$ 20,605
Public Safety	11,534
Highways and Streets	107,021
Culture and Recreation	35,627
Urban Redevelopment and Housing	1,098
Total Governmental Depreciation and Amortization	175,885
Major Business-Type Activities	
Water and Sewer	89,507
Stormwater Utility	10,405
Nonmajor Business-Type Activities	
Municipal Airports	11,986
Municipal Parking	1,850
Solid Waste	789
Total Business-Type Depreciation and Amortization	114,537
Total Depreciation and Amortization Expense	\$ 290,422

The governmental activities depreciation and amortization expense above includes \$6,994,000 of depreciation expense from the Internal Service Funds.

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(000's omitted in tables)

NOTE G: LONG-TERM 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, 2023:

	Balance at October 1, 2022*	Increases	Decreases	Balance at September 30, 2023	Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 688,200	\$ 154,325	\$ 76,860	\$ 765,665	\$ 81,305
Certificates of Obligation	70,420	85,085	17,970	137,535	7,930
Special Tax Revenue Debt	214,870	—	5,660	209,210	5,845
Tax Notes	121,945	16,955	22,315	116,585	23,405
Lone Star Local Government Corp Obligation	31,617	—	—	31,617	—
State Obligation - City	15,916	—	2,884	13,032	1,500
State Obligation - CCPD	7,452	—	1,390	6,062	698
TRWD Obligation	192,927	6,040	8,110	190,857	—
ESPC Phase VII	7,467	—	1,806	5,661	1,847
Net Unamortized Bond Premium/ Discount	56,740	25,834	14,138	68,436	—
Leases	5,087	4,356	62	9,381	1,437
SBITA	12,788	3,303	3,646	12,445	3,212
Compensated Absences	153,473	33,027	29,286	157,214	29,286
Arbitrage	—	2,433	—	2,433	—
Pollution Remediation Liability	2,331	—	—	2,331	—
Risk Management Estimated Claims Payable	48,862	128,659	111,231	66,290	39,356
Net OPEB Liability	750,044	—	330,270	419,774	—
Net Pension Liability	1,789,257	411,021	—	2,200,278	—
Total Governmental Activities	4,169,396	871,038	625,628	4,414,806	195,821
Business-Type Activities:					
Water and Sewer - Revenue Bonds	1,041,040	173,470	61,510	1,153,000	64,095
Water and Sewer - ESPC Phase V	862	—	862	—	—
Stormwater Utility - Revenue Bonds	140,090	42,530	5,245	177,375	5,920
Municipal Parking - General Obligation Bonds	26,130	—	1,850	24,280	1,950
Solid Waste - General Obligation Bonds	1,259	—	429	830	420
Net Unamortized Bond Premium/ Discount	60,006	10,911	12,346	58,571	—
Leases	1,243	169	265	1,147	265
SBITA	792	1,925	771	1,946	655
Compensated Absences	13,427	4,458	4,343	13,542	4,343
Arbitrage	—	2,284	—	2,284	—
Landfill Closure and Postclosure Liability	13,609	1,055	—	14,664	—
Net OPEB Liability	113,964	—	53,308	60,656	—
Net Pension Liability	273,179	61,589	—	334,768	—
Total Business-Type Activities	1,685,601	298,391	140,929	1,843,063	77,648
Total Long-Term Liabilities	\$ 5,854,997	\$ 1,169,429	\$ 766,557	\$ 6,257,869	\$ 273,469

* The Beginning Balance includes a restatement for GASB96, see Note A.17.

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

NOTE G: LONG-TERM OBLIGATIONS

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

Governmental Activities long-term debt obligations and other liabilities are summarized as follows:						
	Interest Rate %	Year of Issue	Year of Maturity	Original Amount	Amount Outstanding	
General Obligation Bonds:						
Series 2013 Refunding	2.0-4.5	2013	2033	\$ 37,130	\$ 5,650	
Series 2015 Refunding	2.33	2015	2025	3,955	735	
Series 2015A Refunding	3.25-5.0	2015	2035	127,725	54,840	
Series 2016 Refunding	3.0-5.0	2016	2036	130,500	77,515	
Series 2018	3.0-5.0	2018	2038	62,220	33,725	
Series 2019	3.0-5.0	2019	2039	106,595	72,360	
Series 2020 Refunding	2.0-5.0	2020	2040	151,390	99,750	
Series 2021A Refunding	2.0-5.0	2021	2041	152,105	116,640	
Series 2021B Refunding	2.0-5.0	2021	2041	26,175	24,015	
Series 2022A Refunding	4.0-5.0	2022	2042	130,770	104,770	
Series 2022B Refunding	4.0	2022	2031	21,340	21,340	
Series 2023	4.0-5.0	2023	2043	154,325	154,325	
Total General Obligation Bonds					765,665	
Certificates of Obligation:						
Series 2012	3.0-5.0	2012	2032	85,790	36,940	
Series 2013C	3.0-5.0	2013	2034	19,270	920	
Series 2021	3.0-4.375	2021	2033	16,100	14,590	
Series 2023	4.0-5.0	2023	2043	85,085	85,085	
Total Certificates of Obligation					137,535	
Special Tax Revenue Debt:						
Series 2017A	2.0-5.25	2017	2043	86,170	79,500	
Series 2017B	1.719-4.238	2017	2047	140,710	129,710	
Total Special Tax Revenue Debt					209,210	
Tax Notes:						
Series 2017	1.97	2017	2024	23,080	2,715	
Series 2018	4.0-5.0	2018	2025	12,590	4,065	
Series 2019	3.0-5.0	2019	2026	8,565	4,065	
Series 2020	4.0-5.0	2020	2027	25,115	15,365	
Series 2021C	5.0	2021	2028	14,620	11,020	
Series 2022	1.73	2022	2029	72,185	62,400	
Series 2023	5.0	2023	2030	16,955	16,955	
Total Tax Notes					116,585	
						(continued)

CITY OF FORT WORTH, TEXAS
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NOTE G: LONG-TERM OBLIGATIONS

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

Governmental Activities long-term debt obligations and other liabilities are 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					
State Obligation - City	0.0	2014	2031	9,307	4,072
State Obligation - City	0.0	2021	2033	12,414	8,960
Total State Obligation - City					13,032
State Obligation - CCPD					
State Obligation - CCPD	0.0	2014	2031	3,616	1,582
State Obligation - CCPD	0.0	2021	2033	6,207	4,480
Total State Obligation - CCPD					6,062
TRWD Obligation	0.0	2010	2031	226,000	190,857
ESPC Phase VII	2.236	2013	2026	18,443	5,661
Net Unamortized Bond Premium/ Discount	N/A	N/A	N/A	—	68,436
Leases	2.01-4.23	2022	2033	—	9,381
SBITA	3.39-4.23	2023	2033	—	12,445
Compensated Absences	N/A	N/A	N/A	—	157,214
Arbitrage	N/A	N/A	N/A	—	2,433
Pollution Remediation Liability	N/A	N/A	N/A	—	2,331
Risk Management Estimated Claims Payable	N/A	N/A	N/A	—	66,290
Net OPEB Liability	N/A	N/A	N/A	—	419,774
Net Pension Liability	N/A	N/A	N/A	—	2,200,278
Total Governmental Activities Long-Term Debt Obligations and Other Liabilities				\$	4,414,806

(concluded)

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

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

NOTE G: LONG-TERM OBLIGATIONS

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

Business-Type long-term debt obligations and other liabilities are summarized as follows:					
	Interest Rate %	Year of Issue	Year of Maturity	Original Amount	Amount Outstanding
Water and Sewer:					
Revenue Bonds:					
Series 2009 TWDB*	0.0	2009	2030	\$ 16,265	\$ 5,585
Series 2014 Refunding	2.0-5.0	2014	2034	171,415	88,620
Series 2015 Revenue (Clean Water SRF) TWDB*	0.0-2.04	2015	2035	39,000	24,255
Series 2015A Refunding	3.125-5.0	2015	2035	126,615	76,210
Series 2015B Refunding TWDB*	0.19-2.20	2016	2030	13,000	6,470
Series 2016 Refunding	2.0-5.0	2016	2046	75,890	48,485
Series 2017 Revenue (Clean Water SRF) TWDB*	0.0-1.7	2017	2047	16,045	13,195
Series 2017A Refunding	3.125-5.0	2017	2047	111,600	85,005
Series 2017B Revenue TWDB*	0.58-2.05	2018	2032	63,000	39,340
Series 2018	3.25-5.0	2018	2048	47,475	43,480
Series 2019	3.0-5.0	2019	2049	93,340	87,120
Series 2020 TWDB*	0.0-0.54	2020	2040	62,725	53,380
Series 2020A Refunding	2.0-5.0	2020	2050	167,800	137,600
Series 2021 Refunding	2.0-5.0	2021	2051	154,720	126,450
Series 2022	4.0-5.0	2022	2052	145,740	144,335
Series 2023	4.0-5.0	2023	2053	173,470	173,470
Total Water and Sewer					<u>1,153,000</u>
Stormwater Utility:					
Revenue Bonds:					
Series 2016 Refunding	2.0-5.0	2016	2033	17,505	12,220
Series 2019 Refunding	3.0-5.0	2019	2035	31,015	25,415
Series 2020 Refunding	3.0-5.0	2021	2045	103,210	97,210
Series 2023 Refunding	4.0-6.0	2023	2053	42,530	42,530
Total Stormwater Utility					<u>177,375</u>
Municipal Parking:					
General Obligation Bonds:					
Series 2016 Refunding	4.0-5.0	2016	2033	34,445	24,280
Total Municipal Parking					<u>24,280</u>
Solid Waste:					
General Obligation, Series 2015 Refunding	2.33	2015	2025	4,465	830
Net Unamortized Bond Premium/Discount	N/A	N/A	N/A	—	58,571
Leases	2.01-4.23	2022	2033	—	1,147
SBITA	3.39-4.23	2023	2027	—	1,946
Compensated Absences	N/A	N/A	N/A	—	13,542
Arbitrage	N/A	N/A	N/A	—	2,284
Landfill Closure and Postclosure Liability	N/A	N/A	N/A	—	14,664
Net OPEB Liability	N/A	N/A	N/A	—	60,656
Net Pension Liability	N/A	N/A	N/A	—	334,768
Total Business-Type Long-Term Debt Obligation and Other Liabilities					<u>\$ 1,843,063</u>

*Texas Water Development Board

CITY OF FORT WORTH, TEXAS
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NOTE G: LONG-TERM OBLIGATIONS

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. As of September 30, 2023, the Debt Service Fund held \$58,632,705 and \$5,610,849 of cash and investments to service General Obligation Bonds/Certificates of Obligation and for Special Tax Revenue Debt, respectively, for governmental activities.

On March 21, 2023, the City had a partial cash defeasance of Combination Tax and Revenue Certificates of Obligation, Series 2013C of \$9,155,000. The City utilized excess debt service fund balance to establish an escrow agent for the outstanding tax supported debt. The cash defeasance resulted in an economic gain of \$876,988 and a book loss of \$92,127. At September 30, 2023, \$920,000 remains outstanding.

On June 8, 2023, the City issued \$16,955,000 of Tax Notes, Series 2023 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 2024 to 2030 in installments ranging from \$1,905,000 to \$2,830,000. Interest is payable on March 1 and September 1 of each year commencing March 2024, with interest rate of 5.0 percent.

On June 8, 2023, the City issued \$154,325,000 of General Purpose Bonds, Series 2023 for the purpose of funding projects within the 2018 bond program, funding projects within the 2022 bond program, and paying the costs of issuance for the bonds. These bonds will mature beginning March 1 of each year from 2024 to 2043 in installments ranging from \$7,125,000 to \$18,890,000. Interest is payable on March 1 and September 1 of each year commencing March 2024, with interest rate range from 4.0-5.0 percent.

On June 8, 2023, the City issued \$85,085,000 of Combination Tax and Revenue Certificates of Obligation, Series 2023 for the purpose of paying the contractual obligations incurred or to be incurred for the financing of improvements to City Hall and for the financing of Phase I improvements to the Convention Center. These bonds will mature beginning March 1 of each year from 2024 to 2043 in installments ranging from \$1,665,000 to \$6,490,000. Interest is payable on March 1 and September 1 of each year commencing March 2024, with interest rate range from 4.0-5.0 percent.

In FY2011, Taxing Increment Reinvestment Zone No. 9 (TIRZ #9) entered into an agreement with the Tarrant Regional Water District (TRWD) for the work related to the Trinity River Vision project. This agreement stipulates that the City's total liability is capped at \$320,000,000, but this liability cannot exceed \$226,000,000 during any given year. During FY2023, TIRZ #9 made repayments of \$8,110,000, and borrowed an additional \$6,040,000 from TRWD. As of September 30, 2023, \$190,857,000 remains outstanding.

CITY OF FORT WORTH, TEXAS
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NOTE G: LONG-TERM OBLIGATIONS

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, 2023, the City's liability was \$2,330,577 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.

As of September 30, 2023, the following bonds were authorized but not issued:

General Obligation Bonds	Date Authorized	Amount Authorized	Amount Unissued
2022 Bond Program Total	5/7/2022	\$ 560,000	\$ 474,400

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. On February 14, 2023, the City authorized an extended and expanded callable commercial paper program for the Water Department with a final issuance date no later than February 14, 2043, in an aggregate outstanding principal amount not to exceed \$225,000,000 at any one time, with an annual cost of \$20,500.

On August 23, 2022, the City authorized the ordinance implementing a 20-year extendable commercial paper (ECP) program with Loop Capital Markets LLC, in an aggregate outstanding principal amount not to exceed \$300,000,000, as a liquidity and appropriation facility for the implementation of City general obligation debt projects. The ECP may be issued without the need for bank liquidity support and is structured in a manner that upon initial issuance, the ECP will have a maturity date not to exceed 270 days, including any extensions. Under this structure, if the City were to issue commercial paper and its maturity date were approaching, the City would have several options at the stated maturity date: a) to replace the ECP with new ECP notes similarly structured or b) to issue long-term debt. The extendable feature would be used in the instance that the dealer cannot successfully remarket the ECP on a stated maturity date. If that happens, the ECP notes will begin to accrue interest at a penalty rate until the extended maturity date. At the extended maturity date, the City may attempt another remarketing of the ECP or issue long-term debt to refund the ECP notes. The current intent is to utilize the ECP program as appropriation authority only.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE G: LONG-TERM OBLIGATIONS

G.3 COMMERCIAL PAPER PROGRAM (CONTINUED)

On June 27, 2023, the City authorized the ordinance implementing a 20-year extendable commercial paper (ECP) program with JP Morgan Securities LLC in an aggregate outstanding principal amount not to exceed \$100,000,000 at any one time and with an annual cost of \$20,500, as a liquidity and appropriation facility for the implementation of Stormwater capital projects. The ECP may be issued without the need for bank liquidity support and is structured in a manner that upon initial issuance, the ECP will have a maturity date not to exceed 270 days, including any extensions. Under this structure, if the City were to issue commercial paper and its maturity date were approaching, the City would have several options at the stated maturity date: a) to replace the ECP with new ECP notes similarly structured or b) to issue long-term debt. The extendable feature would be used in the instance that the dealer cannot successfully remarket the ECP on a stated maturity date. If that happens, the ECP notes will begin to accrue interest at a penalty rate until the extended maturity date. At the extended maturity date, the City may attempt another remarketing of the ECP or issue long-term debt to refund the ECP notes.

G.4 ENTERPRISE FUND 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. As of September 30, 2023, \$101,747,763 of cash and investments was available for principal and interest payments on all Enterprise Fund debt.

On June 15, 2023, the City issued Water and Sewer System Revenue Bonds, Series 2023 in the amount of \$173,470,000 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 2024 to 2053 in installments ranging from \$1,405,000 to \$10,260,000. Interest is payable on February 15 and August 15 of each year commencing February 2024 at interest rates ranging from 4.0 to 5.0 percent.

On June 15, 2023, the City issued Drainage Utility System Revenue Improvement Bonds, Series 2023 in the amount of \$42,530,000 to fund new capital projects in alignment with the Drainage Utility System's Capital Improvement plan. These bonds will mature on February 15 of each year from 2024 to 2053 in installments ranging from \$400,000 to \$2,460,000. Interest is payable on February 15 and August 15 of each year commencing February 2024 with interest rates ranging from 4.0 to 6.0 percent.

Net revenues of some of the City's Enterprise Funds - defined as operating income (loss), plus investment income under nonoperating revenues (expenses) 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.

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NOTE G: LONG-TERM OBLIGATIONS

G.4 ENTERPRISE FUND DEBT (CONTINUED)

As of September 30, 2023, net pledged revenue by fund was as follows:

Fund	2023 Net Pledged Revenues	2023 Debt Service	Purpose of Debt
Water and Sewer Fund	\$ 197,491	\$ 98,501	<i>Extending and improving water and sewer system</i>
Stormwater Utility Fund	21,946	9,501	<i>Improvements to storm drains, roadways, and erosion protection</i>
Municipal Parking Fund	1,202	2,975	<i>Construction of City-owned parking garages</i>
Solid Waste Fund	12,885	454	<i>Improvements to the eastside landfill</i>
Total	<u>\$ 233,524</u>	<u>\$ 111,431</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.

CITY OF FORT WORTH, TEXAS
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NOTE G: LONG-TERM OBLIGATIONS

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

The annual requirements to amortize all Governmental Activities bonded and contractual debt outstanding as of September 30, 2023, is as follows:

Governmental Activities:								
Year Ending September 30,	General Obligation Bonds		Certificates of Obligation		Special Tax Revenue Debt		Tax Notes	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 81,305	\$ 31,455	\$ 7,930	\$ 6,669	\$ 5,845	\$ 9,078	\$ 23,405	\$ 3,503
2025	63,130	26,256	8,085	5,377	6,070	8,854	21,605	2,570
2026	58,795	17,755	8,265	5,036	6,310	8,614	20,170	1,859
2027	56,020	20,526	8,470	4,694	6,570	8,356	19,365	1,211
2028	47,365	18,077	8,670	4,362	6,845	8,080	15,660	681
2029-2033	199,975	63,509	42,700	16,513	38,835	35,781	16,380	374
2034-2038	168,385	29,803	23,515	9,596	48,125	26,284	—	—
2039-2043	90,690	6,315	29,900	3,207	59,750	13,839	—	—
2044-2048	—	—	—	—	30,860	2,685	—	—
	<u>\$ 765,665</u>	<u>\$ 213,696</u>	<u>\$ 137,535</u>	<u>\$ 55,454</u>	<u>\$ 209,210</u>	<u>\$ 121,571</u>	<u>\$ 116,585</u>	<u>\$ 10,198</u>

Governmental Activities: (continued)					
Year Ending September 30,	State Obligation - City		State Obligation - CCPD		
	Principal	Interest	Principal	Interest	
2024	\$ 1,500	\$ —	\$ 698	\$ —	
2025	1,500	—	698	—	
2026	1,500	—	698	—	
2027	1,500	—	698	—	
2028	1,500	—	698	—	
2029-2033	5,532	—	2,572	—	
	<u>\$ 13,032</u>	<u>\$ —</u>	<u>\$ 6,062</u>	<u>\$ —</u>	

Governmental Activities: (concluded)					
Year Ending September 30,	ESPC Phase VII		Total Governmental Activities		
	Principal	Interest	Principal	Interest	
2024	\$ 1,847	\$ 111	\$ 122,530	\$ 50,816	
2025	1,880	70	102,968	43,127	
2026	1,934	16	97,672	33,280	
2027	—	—	92,623	34,787	
2028	—	—	80,738	31,200	
2029-2033	—	—	305,994	116,177	
2034-2038	—	—	240,025	65,683	
2039-2043	—	—	180,340	23,361	
2044-2048	—	—	30,860	2,685	
	<u>\$ 5,661</u>	<u>\$ 197</u>	<u>\$ 1,253,750</u>	<u>\$ 401,116</u>	

CITY OF FORT WORTH, TEXAS
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NOTE G: LONG-TERM OBLIGATIONS

G.5 ANNUAL REQUIREMENTS TO AMORTIZE BONDED AND CONTRACTUAL DEBT OBLIGATIONS (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, 2023, is \$28,561,665 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, 2023, is as follows:

Major Business-Type Activities:						
Year Ending September 30,	Water and Sewer Revenue Bonds		Stormwater Utility Revenue Bonds		Total Major Business-Type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 64,095	\$ 42,768	\$ 5,920	\$ 6,201	\$ 70,015	\$ 48,969
2025	62,260	38,910	6,540	5,579	68,800	44,489
2026	60,720	36,408	6,865	5,253	67,585	41,661
2027	61,165	33,911	7,200	4,922	68,365	38,833
2028	50,790	31,660	7,550	4,568	58,340	36,228
2029-2033	243,705	128,492	42,755	17,840	286,460	146,332
2034-2038	176,515	89,696	34,905	11,831	211,420	101,527
2039-2043	159,920	63,227	33,755	7,726	193,675	70,953
2044-2048	171,460	34,296	20,540	3,588	192,000	37,884
2049-2053	102,370	8,407	11,345	1,216	113,715	9,623
	<u>\$ 1,153,000</u>	<u>\$ 507,775</u>	<u>\$ 177,375</u>	<u>\$ 68,724</u>	<u>\$ 1,330,375</u>	<u>\$ 576,499</u>

The annual requirements to amortize all Nonmajor Fund Business-Type Activities bonded and contractual debt outstanding as of September 30, 2023, 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
2024	\$ 1,950	\$ 1,030	\$ 420	\$ 14	\$ 2,370	\$ 1,044
2025	2,050	930	410	5	2,460	935
2026	2,150	825	—	—	2,150	825
2027	2,265	715	—	—	2,265	715
2028	2,380	599	—	—	2,380	599
2029-2033	13,485	1,391	—	—	13,485	1,391
	<u>\$ 24,280</u>	<u>\$ 5,490</u>	<u>\$ 830</u>	<u>\$ 19</u>	<u>\$ 25,110</u>	<u>\$ 5,509</u>

CITY OF FORT WORTH, TEXAS
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NOTE G: LONG-TERM OBLIGATIONS

G.6 ARBITRAGE

The City frequently issues bonds for capital construction projects. These bonds are subject to the arbitrage regulations. As of September 30, 2023, the liabilities for rebates of arbitrage were \$2,284,000 for business-type activities and \$2,433,000 for governmental activities. These amounts are included in the "Long-Term Liabilities Due in More Than One Year" on the Statement of Net Position.

G.7 LEASES AND SBITA

A lease, as described in GASB Statement No. 87, is defined as a contractual agreement that conveys control of the right to use another entity's nonfinancial asset, for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction. The City, as a lessee, has entered into lease agreements involving office buildings, equipment and facility space. The related obligations are presented in the amounts equal to the present value of lease payments, payable during the remaining lease term. As the lessee, a lease liability and the associated lease asset is recognized on the Government-wide Statement of Net Position.

The City recognized no variable payments within its lease arrangements as the lessee. Payments that are fixed in substance are included in the measurement of the lease liability presented in the table below. The City did not incur expenses related to its leasing activities related to residual value guarantees, lease termination penalties or losses due to impairment. As a lessee, there are currently no agreements that include sale-leaseback and lease-leaseback transactions.

As of September 30, 2023, the City had minimum principal and interest payment requirements for its leasing activities, with a remaining term more than one year, as follows:

Governmental Activities			
Year Ending September 30,	Principal	Interest	Total
2024	\$ 1,437	\$ 313	\$ 1,750
2025	1,485	264	1,749
2026	1,463	216	1,679
2027	1,248	167	1,415
2028	763	130	893
2029-2033	2,985	246	3,231
Totals	<u>\$ 9,381</u>	<u>\$ 1,336</u>	<u>\$ 10,717</u>

Business-Type Activities			
Year Ending September 30,	Principal	Interest	Total
2024	\$ 265	\$ 26	\$ 291
2025	271	20	291
2026	279	14	293
2027	243	8	251
2028	29	3	32
2029-2033	60	7	67
Totals	<u>\$ 1,147</u>	<u>\$ 78</u>	<u>\$ 1,225</u>

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

NOTE G: LONG-TERM OBLIGATIONS

G.7 LEASES AND SBITA (CONTINUED)

A SBITA, as described in GASB Statement No. 96, is a contract that conveys control of the right to use information technology (IT) software alone or in combination with tangible capital assets (underlying IT assets) for a minimal contractual period greater than one year, in an exchange or exchange-like transaction. The City has entered into SBITA involving project management software, data center management systems, call center voice and billing systems, network hosting, cybersecurity software, water infrastructure management software, communications services software, budgeting systems, risk management, human resources management, financial systems and training systems software. The related obligations are presented in the amounts equal to the present value of SBITA payments, payable during the remaining SBITA term. A SBITA liability and associated SBITA asset is recognized on the Government-wide Statement of Net Position.

The City recognized no variable payments within its SBITA. Payments that are fixed in substance are included in the measurement of the SBITA liability presented in the table below. The City did not incur expenses related to its SBITA activities related to termination penalties or losses due to impairment.

As of September 30, 2023, the City had minimum principal and interest payment requirements for its SBITA activities, with a remaining term more than one year, as follows:

Governmental Activities			
Year Ending September 30,	Principal	Interest	Total
2024	\$ 3,212	\$ 518	\$ 3,730
2025	2,923	394	3,317
2026	1,785	267	2,052
2027	1,446	191	1,637
2028	1,508	130	1,638
2029-2033	1,571	67	1,638
Totals	<u>\$ 12,445</u>	<u>\$ 1,567</u>	<u>\$ 14,012</u>

Business-Type Activities			
Year Ending September 30,	Principal	Interest	Total
2024	\$ 655	\$ 72	\$ 727
2025	606	48	654
2026	415	24	439
2027	270	9	279
Totals	<u>\$ 1,946</u>	<u>\$ 153</u>	<u>\$ 2,099</u>

CITY OF FORT WORTH, TEXAS
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NOTE G: LONG-TERM OBLIGATIONS

G.8 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 2022, interest expense was \$130,476. As of December 31, 2022, the unpaid principal balance was \$1,762,545, 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 2022, interest expense was \$9,000. As of December 31, 2022, the outstanding principal balance was \$900,000, and there was accrued interest of \$101,426.

G.9 SPECIAL ASSESSMENT DEBT

Rock Creek Public Improvement District special assessment debt; as of September 30, 2023 the outstanding debt was \$15,630,000 and the City is in no way liable for repayment but is only acting as a custodian for the property owners in collecting the assessments and forwarding the collection to the bondholders.

NOTE H: DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

The City reports \$918,000 as a deferred outflow of resources for unamortized loss on debt refunding in the governmental activities and \$3,377,000 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 \$526,939,000 for pension-related items which consists of \$459,054,000 of governmental activities and \$67,885,000 of business-type activities. The City also recorded \$62,191,000 of other postemployment benefit-related items which consists of \$55,396,000 of governmental activities and \$6,795,000 in the business-type activities as of September 30, 2023, in accordance with GAAP.

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 was amortized over the 20-year contract term. As of September 30, 2023, the City recognized deferred inflows of resources in the amount of \$333,000 in the Solid Waste Fund, which is related to prepaid landfill lease revenue for FY2024.

The City reports \$54,786,000 of deferred inflows related to leases which consists of \$45,280,000 for governmental activities and \$9,506,000 for business-type activities in accordance with GASB 87.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE H: DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

The City recorded deferred inflows of resources of \$33,733,000 for pension-related items which consists of \$29,308,000 of governmental activities and \$4,425,000 of business-type activities.. The City also recorded \$365,548,000 for other postemployment benefit-related items which consists of \$319,002 of governmental activities and \$46,546 of business-type activities as of September 30, 2023, in accordance with GAAP.

	Governmental Funds					Total
	General	Debt Service	Capital Projects	Grants	Nonmajor Governmental Funds	
Deferred Inflows of Resources:						
Property Tax	\$ 3,374	\$ 689	\$ —	\$ —	\$ —	\$ 4,063
Accounts Receivable	—	—	—	—	829	829
Grants and Other Governments	—	—	3,121	21,517	1,694	26,332
Lease Related	8,006	—	—	—	37,274	45,280
Other	683	—	—	—	7,420	8,103
Total	<u>\$ 12,063</u>	<u>\$ 689</u>	<u>\$ 3,121</u>	<u>\$ 21,517</u>	<u>\$ 47,217</u>	<u>\$ 84,607</u>

	Business-Type Activities				Total
	Governmental Activities	Water and Sewer	Stormwater Utility	Nonmajor Enterprise Funds	
Deferred Outflows of Resources:					
Unamortized Loss on Debt Refunding	918	845	\$ 1,141	\$ 1,391	\$ 4,295
Pension Related	459,054	53,721	6,443	7,721	526,939
OPEB Related	55,396	6,579	11	205	62,191
Total	<u>\$ 515,368</u>	<u>\$ 61,145</u>	<u>\$ 7,595</u>	<u>\$ 9,317</u>	<u>\$ 593,425</u>
Deferred Inflows of Resources:					
Service Concession Arrangement		\$ —	\$ —	\$ 333	\$ 333
Lease Related	45,280	—	—	9,506	54,786
Pension Related	29,308	3,640	370	415	33,733
OPEB Related	319,002	45,184	107	1,255	365,548
Total	<u>\$ 393,590</u>	<u>\$ 48,824</u>	<u>\$ 477</u>	<u>\$ 11,509</u>	<u>\$ 454,400</u>

CITY OF FORT WORTH, TEXAS
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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 pension plan comprised of two separate single-employer defined benefit pension 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).

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 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. 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).

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.

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.

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

Plan Description (continued)

As of September 30, 2022, the measurement date, 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:	
	September 30, 2022
Inactive employees or beneficiaries currently receiving benefits	4,906
Inactive employees entitled to, but not yet receiving benefits	1,488
Total Inactive Members	6,394
Active members	6,626
Total	13,020

Contributions

The City contributed 26.64% of retirement-eligible wages to the Employees' Retirement Fund for General employees and Firefighters and 27.36% for Police Officers. General employees, Firefighters and Police Officers contribute 10.95%, 13.65% and 14.73%, 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. For the year ended September 30, 2023 the City contributed \$148,282,000 to the plan.

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

	Previous Rate	January 2023	January 2024
General*	10.15%	10.95%	10.95%
Police	13.93%	14.73%	14.73%
Fire	12.85%	13.65%	13.65%

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

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

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

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

<p>Early Retirement:</p> <p><i>Age and Service Requirements</i></p> <p><i>Amount</i></p>	<p><i>Age 50 (Age 55 for Tier II General Employees) and five years of Credited Service</i></p> <p><i>2.75% of Final Average Compensation multiplied by years of Blue Credited Service plus</i> <i>2.25% of Final Average Compensation multiplied by years of Orange Credited Service</i> <i>2.25% of Final Average Compensation multiplied by years of Gray Credited Service</i></p> <p><i>5/12% for each month the commencement date precedes the member's projected Normal Retirement date</i></p>
<p>Disability (in the line of duty):</p> <p><i>Age and Service Requirements</i></p> <p><i>Amount</i></p> <p><i>Minimum</i></p>	<p><i>None</i></p> <p><u>Tier I:</u> <i>2.75% of Final Average Compensation multiplied by total years of Credited Service projected to member's Normal Retirement date</i></p> <p><u>Tier II:</u> <i>2.25% of Final Average Compensation multiplied by total years of Credited Service projected to member's Normal Retirement date</i></p> <p><i>\$250 per month</i></p>
<p>Disability (not in the line of duty):</p> <p><i>Age and Service Requirements</i></p> <p><i>Amount</i></p> <p><i>Minimum</i></p>	<p><i>Five years of credited service</i></p> <p><i>2.75% of Final Average Compensation multiplied by years of Blue Credited Service plus</i> <i>2.25% of Final Average Compensation multiplied by years of Orange Credited Service</i> <i>2.25% of Final Average Compensation multiplied by years of Gray Credited Service</i></p> <p><i>None</i></p>
<p>Vesting:</p> <p><i>Age Requirement</i></p> <p><i>Service Requirement</i></p> <p><i>Amount</i></p> <p><i>Normal Retirement Age</i></p>	<p><i>None</i></p> <p><i>Five years of Credited Service</i></p> <p><i>Normal pension accrued, based on Credited Service at termination</i></p> <p><i>Age 65, or age plus years of Credited Service projected to Normal Retirement date equal to 80 points</i></p>

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

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>
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. <i>\$250 per month</i> <i>Each dependent child under 18 receives \$100 per month; if there is no surviving spouse, the children share equally in the 75% survivor amount (not less than \$250 per child)</i>
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 <i>\$150 per month</i> <i>Each dependent child under 18 receives \$100 per month; if there is no surviving spouse, the children share equally in the 75% survivor amount (not less than \$150 per child)</i>
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>

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(000's omitted in tables)

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

Contributions: <i>Member contributions</i>	<table><tr><th></th><th><i>Prior January 2023</i></th><th><i>January, 2023</i></th><th><i>January, 2024</i></th></tr><tr><td><i>General*</i></td><td>10.15%</td><td>10.95%</td><td>10.95%</td></tr><tr><td><i>Police</i></td><td>13.93%</td><td>14.73%</td><td>14.73%</td></tr><tr><td><i>Fire</i></td><td>12.85%</td><td>13.65%</td><td>13.65%</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> <i>The City contributed 25.44% of retirement-eligible wages to the Employees' Retirement Fund for General employees and Firefighters and 26.16% for Police Officers. General employees, Firefighters and Police Officers contribute 10.95%, 13.65% and 14.73%, respectively, of retirement-eligible wages.</i>		<i>Prior January 2023</i>	<i>January, 2023</i>	<i>January, 2024</i>	<i>General*</i>	10.15%	10.95%	10.95%	<i>Police</i>	13.93%	14.73%	14.73%	<i>Fire</i>	12.85%	13.65%	13.65%
	<i>Prior January 2023</i>	<i>January, 2023</i>	<i>January, 2024</i>														
<i>General*</i>	10.15%	10.95%	10.95%														
<i>Police</i>	13.93%	14.73%	14.73%														
<i>Fire</i>	12.85%	13.65%	13.65%														
<i>City contributions</i>																	
Overtime Contribution Account:	<i>Only available for General Employees hired after July 1, 2011, and prior to January 1, 2013. Member contributions made for overtime worked in that period are credited to the Overtime Contribution Account. Upon retirement, the member is entitled to a refund of this account with 5.25% interest, compounded annually. The City will match 100% of the balance of the account. Upon termination, the member is entitled to a refund of this account with 5.25% interest, compounded annually.</i>																
Cost-of-Living Adjustments (COLA): <i>Ad-Hoc COLA Program</i>	<p><i>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.</i></p> <p><i>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:</i></p> <table><tr><th>Tier</th><th>Funding Period</th><th>COLA Percentage Increase</th></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><i>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 re-calculated. 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.</i></p>	Tier	Funding Period	COLA Percentage Increase	#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%	
Tier	Funding Period	COLA Percentage Increase															
#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

<p><i>2% Guarantee</i></p> <p><i>None</i></p>	<p><i>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.</i></p> <p><i>Tier II participants are not eligible for a COLA.</i></p>
<p>Deferred Retirement Option Program (DROP):</p> <p><i>Eligibility</i></p> <p><i>DROP Enrollment</i></p> <p><i>Amount</i></p> <p><i>Contributions</i></p>	<p><i>Participants eligible for Normal Retirement may elect to enroll in DROP.</i></p> <p><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></p> <p><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></p> <p><i>Member and employer contributions continue during the DROP period but are not credited to the member's DROP account.</i></p>
<p>Changes in Plan Provisions:</p>	<p><i>There have been no changes in plan provisions since the last valuation.</i></p>

Summary of Plan Provisions (continued)

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

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

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

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

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

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:

Year Ended September 30,	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency	Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	\$ 174,315 *	\$ 137,012	\$ 37,303	\$ 539,844	25.38 %
2023	\$ 175,059	\$ 148,282	\$ 26,777	\$ 557,870	26.58 %

*The actuarially determined calculations for City of Fort Worth 2022 were updated to incorporate a 2022 contribution rate change.

Net Pension Liability

The City's net pension liability was measured as of September 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date.

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

Actuarial Methods and Assumptions

The following are the significant actuarial assumptions used for the December 31, 2021, actuarial valuation:

Valuation date	<i>December 31, 2021, rolled forward to September 30, 2022</i>
Actuarial cost method	<i>Entry Age Normal</i>
Amortization method	<i>Level Percentage of Payroll, Open</i>
Remaining amortization period	<i>27 years as of January 1, 2022</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>2.50%</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
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(000's omitted in tables)

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

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, 2022, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Global Equity	42%	5.70%
Fixed income	16%	2.20%
Real return	3%	6.60%
Real estate	10%	6.50%
Absolute return	10%	3.80%
Private equity	18%	10.50%
Cash	1%	0.80%
Total	100%	

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

Discount Rate

A single discount rate of 7.00% was used to measure the total pension liability as of September 30, 2021 and September 30, 2022. This single discount rate was based on an expected rate of return on pension plan investments of 7.00%. Based on the stated assumptions and the projection of cash flows, the pension plan's fiduciary net position and future contributions were sufficient to finance all future benefit payments of current plan members. As a result, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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.

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

Pension Expense for the year ended September 30, 2023, was as follows:

Service cost	\$	73,041
Interest on total pension liability (TPL)		338,326
Employee contributions		(65,594)
Administrative expenses		6,855
Expected return on assets		(195,694)
Expensed portion of current year period differences between expected and actual experience in TPL		41
Expensed portion of current year period differences between projected and actual investment earnings		90,492
Current year recognition of deferred inflows and outflows established in prior years		10,949
Total pension expense	\$	<u>258,416</u>

As of September 30, 2023, 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	\$ 132,728	\$ 19,040	\$ 151,768
Differences between expected and actual experience	16,057	2,463	18,520
Net difference between projected and actual earnings on pension plan investments	160,783	23,133	183,916
Changes in assumptions	149,486	23,249	172,735
Total Deferred Outflows of Resources	<u>\$ 459,054</u>	<u>\$ 67,885</u>	<u>\$ 526,939</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ 5,352	\$ 831	\$ 6,183
Changes in assumptions	23,956	3,594	27,550
Total Deferred Inflows of Resources	<u>\$ 29,308</u>	<u>\$ 4,425</u>	<u>\$ 33,733</u>
Net Pension Liability	\$ 2,200,278	\$ 334,768	\$ 2,535,046

\$151,768,000 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, 2024. Other deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30:		
2024	\$	119,486
2025		109,466
2026		20,600
2027		91,862
2028		24
Total	\$	<u>341,438</u>

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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at October 1, 2022	\$ 4,892,875	\$ 2,830,439	\$ 2,062,436
Changes for the year:			
Service cost	73,041	—	73,041
Interest	338,326	—	338,326
Differences between expected and actual experience	230	—	230
Contributions - employer	—	137,012	(137,012)
Contributions - employee	—	65,594	(65,594)
Net investment income	—	(256,764)	256,764
Benefit payments, including refunds of employee contributions	(265,366)	(265,366)	—
Administrative expenses	—	(6,855)	6,855
Net Changes	146,231	(326,379)	472,610
Balances at September 30, 2023	\$ 5,039,106	\$ 2,504,060	\$ 2,535,046

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%)
\$ 3,146,635	\$ 2,535,046	\$ 2,027,061

Note: The balances as of September 30, 2022, constitute measurements of the Net Pension Liability for the fiscal year ended September 30, 2023.

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

NOTE J: OTHER 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 benefit other postemployment benefit plans: Retiree Healthcare Trust Fund of the City of Fort Worth 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 of and for the year ended September 30, 2023 as it does not issue separate audited GAAP basis financial statements:

Retiree Healthcare Trust Fund	
Condensed Schedule of Fiduciary Net Position	
Assets	
Current Assets	\$ 7,678
Investments	82,573
Total Assets	90,251
Liabilities	
Current Liabilities	214
Net Position	
Postemployment Healthcare Plan	90,037
Total Net Position	<u>\$ 90,037</u>
Condensed Schedule of Changes in Fiduciary Net Position	
Additions	\$ 27,907
Deductions	26,238
Change in Net Position	1,669
Net Position, Beginning of Year	88,368
Net Position, End of Year	<u>\$ 90,037</u>

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

NOTE J: OTHER EMPLOYEE BENEFITS

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 until the end of the month in which they terminate. At that time the former employee has continuation rights to health insurance coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985. The City performs actuarial studies each year. The actuarial information presented in Note J and the required supplementary information represent the September 30, 2022 valuation.

As of September 30, 2022 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, 2022	
	Medical	Death Benefit
Inactive employees or beneficiaries currently receiving benefits	3,080	3,080
Active members	2,329	6,636
Total	<u>5,409</u>	<u>9,716</u>

CITY OF FORT WORTH, TEXAS
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NOTE J: OTHER EMPLOYEE BENEFITS

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 FY2023, 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 FY2023, the cost of health care benefits for retirees, dependents, and surviving spouses was \$24,604,000 and the death benefit payments totaled \$382,500.

Actuarial Methods and Assumptions

The following are the significant actuarial assumptions (both trusts) used for the September 30, 2022, actuarial valuation:

Actuarial Valuation Date	<i>September 30, 2022</i>
Actuarial Cost Method	<i>Entry Age Normal</i>
Amortization Period	<i>Level Percent of Payroll, Open</i>
Remaining Amortization Period	<i>25 years as of September 30, 2022</i>
Asset Valuation Method	<i>Market Value</i>
Actuarial Assumptions:	
Investment rate of return	<i>5.50%, 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>3.25%-10.00%</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 PUB-2010 Public Retirement Plans Mortality Tables using the MP- 2020 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.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE J: OTHER EMPLOYEE BENEFITS

Actuarial Methods and Assumptions (continued)

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, 2022, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Equity	30%	6.0%
Fixed income	65%	2.0%
Cash and Cash Equivalents	5%	—%
Total	100%	

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

Discount Rate

The single discount rate used to measure the total OPEB liability is 5.50%. 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. The long-term expected rate of return on Retiree Healthcare Trust Fund's investments was applied to the projected benefit payments for all periods to determine the total OPEB liability.

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.

Reduction of OPEB Expense for the year ended September 30, 2023, was as follows:

Service cost	\$	38,070
Interest on total OPEB liability (TOL)		21,423
Administrative expenses		2,221
Return on investments		(5,837)
Expensed portion of current year period differences between expected and actual experience in TOL		(33,015)
Expensed portion of current year assumption changes		(59,004)
Expensed portion of current year period differences between projected and actual investment earnings		3,623
Total Reduction of OPEB expense	\$	(32,519)

CITY OF FORT WORTH, TEXAS
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NOTE J: OTHER EMPLOYEE BENEFITS

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

As of September 30, 2023, 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	\$ 31,698	\$ 3,251	\$ 34,949
Net difference between projected and actual earnings on OPEB plan investments	10,804	1,563	12,367
Differences between expected and actual experience	17	2	19
Changes in assumptions	12,877	1,979	14,856
Total Deferred Outflows of Resources	<u>\$ 55,396</u>	<u>\$ 6,795</u>	<u>\$ 62,191</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ 87,527	\$ 13,084	\$ 100,611
Changes in assumptions	231,475	33,462	264,937
Total Deferred Inflows of Resources	<u>\$ 319,002</u>	<u>\$ 46,546</u>	<u>\$ 365,548</u>
Net OPEB Liability	\$ 419,774	\$ 60,656	\$ 480,430

\$34,949,000 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, 2024. Other amounts reported as Deferred Outflows/(Inflows) of Resources will be recognized in OPEB expense as follows:

Year ending September 30:		
2024	\$	(88,804)
2025		(89,404)
2026		(80,606)
2027		(79,811)
2028		157
Thereafter		162
Total	<u>\$</u>	<u>(338,306)</u>

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023
(000's omitted in tables)

NOTE J: OTHER EMPLOYEE BENEFITS

Changes in the Net OPEB Liability

	Total OPEB Liability (a)	OPEB Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Beginning balances at October 1, 2022	\$ 970,644	\$ 106,636	\$ 864,008
Changes for the year:			
Service cost	38,070	—	38,070
Interest	21,423	—	21,423
Differences between expected and actual experience	(87,053)	—	(87,053)
Change in assumptions	(331,153)	—	(331,153)
Contributions - Employer	—	33,912	(33,912)
Contributions - Retiree	—	5,695	(5,695)
Net investment loss	—	(14,368)	14,368
Other Income	—	1,847	(1,847)
Benefit Payments	(40,632)	(40,632)	—
Administrative expenses	—	(2,221)	2,221
Net Changes	(399,345)	(15,767)	(383,578)
Balances at September 30, 2023	<u>\$ 571,299</u>	<u>\$ 90,869</u>	<u>\$ 480,430</u>
Money-weighted rate of return			(13.56%)
Plan Fiduciary Net Position as a % of the Total OPEB Liability			15.91%

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 5.50%, 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 (4.50%) or one-percentage-point higher (6.50%) than the current discount rate:

1 % Decrease (4.50%)	Current Discount Rate (5.50%)	1 % Increase (6.50%)
\$ 557,110	\$ 480,430	\$ 425,829

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 (7.0% to 3.5%)	Healthcare Cost Trend Rate (8.0% to 4.5%)	1% Increase (9.0% to 5.5%)
\$ 412,433	\$ 480,430	\$ 575,977

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023
(000's omitted in tables)

NOTE J: OTHER EMPLOYEE BENEFITS

Deferred Compensation Plan

The City offers its employees a Deferred Compensation Plan (DCP) created in accordance with Internal Revenue Code Section 457(b); the City makes no contributions to the plan. 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 an interest rate of prime 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.

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 FY2023 payments to the District under the agreement were \$88,035,990. 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., as of September 30, 2023, the City has recorded pollution remediation liabilities in the amounts of \$2,330,577 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 \$654,277,143 as of September 30, 2023.

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 \$8,000,000 as of September 30, 2023.

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.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023
(000's omitted in tables)

NOTE K: COMMITMENTS AND CONTINGENCIES

The City reported \$14,663,981 as landfill closure and postclosure care liability in the Solid Waste Fund as of September 30, 2023. This represents the cumulative amount reported to date based on the use of 58.3 percent of the estimated current permitted capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$10,482,789 as the remaining estimated capacity is filled. The City expects to close the landfill in 11.7 years from the end of the current fiscal year, the year 2035. The total closure and postclosure cost are an estimate and is subject to changes resulting from inflation, deflation, technology changes, or changes in applicable laws and regulations.

Furthermore, as of September 30, 2023, the City reported cash and cash equivalents of \$3,301,248 as restricted assets for closure and postclosure care and has \$11,362,733 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 Allied will maintain and monitor the landfill during the postclosure care period.

NOTE L: TAX ABATEMENTS

As of September 30, 2023, 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:

	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 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>
			<i>(continued)</i>

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023
(000's omitted in tables)

NOTE L: TAX ABATEMENTS

	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>	<i>A business or entity shall be eligible to participate in the Chapter 380 Economic Development Program on terms and conditions established by the City Council on a case-by-case basis if: (a) the business or entity enters into a binding contract with the City under which (i) the business or entity is required to make specific and verifiable employment and other commitments that serve the public purposes overseen by the City's Economic Development Department and that the City Council deems appropriate under the circumstances and (ii) the City is able to cease and/or recapture payment of Chapter 380 incentives or to terminate the contract in the event that the public purposes specified in the contract are not met; or (b) the business or entity enters into a binding contract with the City under which (i) the business or entity commits to conduct or sponsor, in whole or in part, an event to which the general public has access, including, but not limited to, sporting events; events that focus on the history of the City and the region; and events that promote instrumental and vocal music, dance, drama, folk art, creative writing, architecture, design and allied fields, painting, sculpture, photography, and graphic and craft arts, and (ii) as part of such event and as specified in the contract, the business or entity is required to promote and publicize the City and attractions within the City in a manner that is likely to attract visitors from locations outside the City.</i>	<i>Municipal property tax abatements, fee waivers and release of city liens are available to property owners who build or rehabilitate property within a NEZ.</i>

(continued)

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023
(000's omitted in tables)

NOTE L: TAX ABATEMENTS

	Tax Abatement Agreements	Economic Development Program Grant Agreements	Neighborhood Empowerment Zones (NEZ)																											
5) How recipients' taxes are reduced:	1. The property tax abatement is refunded after the taxpayer pays the property tax. 2. The business personal tax abatement is refunded after the taxpayer pays the business personal tax.	1. The property tax due is net of the abated amount, or the property tax may be paid by the taxpayer and subsequently refunded by the city. 2. All other taxes to be abated are refunded after the taxpayer pays the associated tax.	The property tax due is net of the abated amount.																											
6) How the amount of abatement is determined:	The taxes may be abated up to 100 percent of the property tax paid depending on the type of agreements.	The taxes may be abated up to 100 percent of the property, sale, and hotel occupancy tax paid depending on the type of agreements.	The taxes may be abated up to 100 percent of the property tax paid depending on the type of agreements.																											
7) Provisions for recapturing abated taxes:	If the recipient of a Chapter 312 Tax Abatement breaches any of the terms or conditions of the Tax Abatement Agreement and fails to cure such breach in accordance with the Tax Abatement Agreement, the City shall have the right to terminate the Tax Abatement Agreement.	If the recipient of a Chapter 380 award breaches any of the terms or conditions of the Economic Development Program Agreement and fails to cure such breach in accordance with the Economic Development Program Grant Agreement, the City shall have the right to terminate the Agreement.	If the recipient of a Chapter 378 Tax Abatement breaches any of the terms or conditions of the Tax Abatement Agreement and fails to cure such breach in accordance with the Tax Abatement Agreement, the City shall have the right to terminate the Tax Abatement Agreement.																											
8) Types of commitments made by the City other than to reduce taxes:	No additional commitments were made by the City as part of these agreements.	No additional commitments were made by the City as part of these agreements	No additional commitments were made by the City as part of these agreements.																											
9) Gross dollar amount, on accrual basis, by which the City's tax revenues were reduced as a result of abatement agreement:	<table><tr><td>Real Property</td><td>\$</td><td>544</td></tr><tr><td>B/P* Property</td><td></td><td>326</td></tr><tr><td>Total</td><td>\$</td><td><u>870</u></td></tr></table> <i>*B/P = Business Personal</i>	Real Property	\$	544	B/P* Property		326	Total	\$	<u>870</u>	<table><tr><td>Real Property</td><td>\$</td><td>13,644</td></tr><tr><td>B/P* Property</td><td></td><td>12,233</td></tr><tr><td>Sales</td><td></td><td>7,998</td></tr><tr><td>Hotel Occupancy</td><td></td><td>4,046</td></tr><tr><td>Total</td><td>\$</td><td><u>37,921</u></td></tr></table>	Real Property	\$	13,644	B/P* Property		12,233	Sales		7,998	Hotel Occupancy		4,046	Total	\$	<u>37,921</u>	<table><tr><td>Real Property</td><td>\$</td><td><u>1,847</u></td></tr></table> <i>(concluded)</i>	Real Property	\$	<u>1,847</u>
Real Property	\$	544																												
B/P* Property		326																												
Total	\$	<u>870</u>																												
Real Property	\$	13,644																												
B/P* Property		12,233																												
Sales		7,998																												
Hotel Occupancy		4,046																												
Total	\$	<u>37,921</u>																												
Real Property	\$	<u>1,847</u>																												

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023
(000's omitted in tables)

NOTE M: 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		
September 30, 2023		
Assets		
Current Assets	\$ 6,424	\$ 34,039
Other Assets	1,483	21,278
Capital Assets	44,974	19,184
Deferred Outflows of Resources	2,208	5,392
Total Assets and Deferred Outflows of Resources	55,089	79,893
Liabilities		
Current Liabilities	2,226	7,685
Noncurrent Liabilities	26,961	39,789
Deferred Inflows of Resources	3,748	1,504
Total Liabilities and Deferred Inflows of Resources	32,935	48,978
Net Position		
Net Investment in Capital Assets	20,350	18,240
Restricted	927	1,498
Unrestricted	877	11,177
Total Net Position	\$ 22,154	\$ 30,915
Condensed Statement of Revenues, Expenses, and Change in Net Position		
Year Ended September 30, 2023		
Operating Revenues	\$ 7,587	\$ 79,875
Operating Expenses	4,751	68,304
Depreciation Expenses	1,850	789
Operating Income	986	10,782
Nonoperating Revenues (Expenses):		
Investment Income	216	2,103
Gain (Loss) on Sale of Property and Equipment	1	(677)
Interest and Service Charges	(866)	(24)
Lease Interest Income	62	-
Transfers Out	(19)	(7,139)
Transfers In	432	89
Change in Net Position	812	5,134
Beginning Net Position	21,342	25,781
Ending Net Position	\$ 22,154	\$ 30,915
Condensed Statement of Cash Flows, Net Cash Provided (Used) by:		
Year Ended September 30, 2023		
Operating Activities	\$ 2,947	\$ 12,428
Noncapital Financing Activities	413	(7,049)
Capital and Related Financing Activities	(2,983)	(1,546)
Investing Activities	120	2,079
Net Increase	497	5,912
Beginning Cash and Cash Equivalents	4,367	40,199
Ending Cash and Cash Equivalents	\$ 4,864	\$ 46,111

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023
(000's omitted in tables)

NOTE N: SUBSEQUENT EVENTS

On November 14, 2023, The Central City Local Government Corporation, a component unit of the City, issued Lease Appropriation Revenue Bonds, Taxable Series 2023 in the amount of \$25,295,000 to fund the City of Fort Worth Crescent Garage Project. These bonds will mature beginning March 1 of each year from 2025 to 2043 in installments ranging from \$440,000 to \$2,620,000. Interest is payable on March 1 and September 1 of each year commencing September 2024 with interest rates ranging from 5.976 to 6.708 percent.

On November 21, 2023, the City issued Water and Sewer System Revenue Refunding Bonds, Series 2023A in the amount of \$77,805,000 to current refund \$82,375,000 of existing Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2014. The bonds will mature beginning February of each year from 2024 to 2034 in installments ranging from \$1,105,000 to \$10,200,000. Interest is payable on February 15 and August 15 of each year commencing February 2024, with interest rates ranging from 5.0 to 7.0 percent. The City deposited the refunding proceeds in the BOKF, N.A. Escrow Fund to defease the debt, which covered the \$82,375,000 principal and \$1,311,741 in interest. The current refunding resulted in a reduction of principal and interest payments of \$5,327,220 over the life of the bonds.

On November 28, 2023, the City issued Texas Special Tax Revenue Bonds, (Tax-Exempt) Series 2023A in the amount of \$29,085,000 for the project improvement at the Will Rogers Memorial Center as an Adjacent Support Facilities project as part of the Venue project. The bonds will mature on March 1 of each year from 2024 to 2053 in installments ranging from \$450,000 to \$1,825,000. Interest is payable on March 1 and September 1 of each year commencing March 2024 at interest rates ranging from 5.00 to 5.25 percent.

On November 28, 2023, the City issued Texas Special Tax Revenue Bonds, Taxable Series 2023B in the amount of \$40,385,000 for the project improvement at the Will Rogers Memorial Center, including improvements to the Sheep and Swine Barn as an Adjacent Support Facilities project as part of the Venue project. The bonds will mature on March 1 of each year from 2024 to 2053 in installments ranging from \$505,000 to \$2,960,000. Interest is payable on March 1 and September 1 of each year commencing March 2024 with interest rates ranging from 5.503 to 6.618 percent.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023
(000's omitted in tables)

NOTE O: NEW ACCOUNTING STANDARDS

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

- Classification and reporting of derivative instruments within the scope of Statement No. 53 *Accounting and Financial Reporting for Derivative Instruments* that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument.
- Clarification of provisions in Statement No. 87, *Leases*.
- Clarification of provisions in Statement No. 94, *Public-Private and Public Partnerships and Availability Payment Arrangements*.
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*.
- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt.
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP).
- Disclosures related to nonmonetary transactions.
- Pledges of future revenues when resources are not received by the pledging government.
- Clarification of provisions in Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.
- Terminology updates related to certain provisions of Statement No. 63 *Financial Reporting of Deferred Outflows or Resources, Deferred Inflows of Resources, and Net Position*.
- Terminology used in Statement No. 53 to refer to resource flows statements.

GASB Statement 99 is effective for the City's financial periods beginning at various dates depending on the significant matter.

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections*-an amendment of GASB Statement No. 62. The objective of this Statement is to enhance accounting and financial reporting requirement for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement is effective for the City's financial periods beginning October 1, 2023.

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. Governments commonly provide benefits to employees in the form of compensated absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This statement is effective for the City's financial periods beginning October 1, 2024.

REQUIRED SUPPLEMENTARY
INFORMATION
(UNAUDITED)

CITY OF FORT WORTH, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(in 000's)
(Unaudited)

	Budgeted Amounts		Budgetary Basis / Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues and Other Financing Sources:				
Revenues:				
General Property Taxes	\$ 531,786	\$ 531,786	\$ 529,689	\$ (2,097)
Sales Taxes	212,147	212,147	233,231	21,084
Other Local Taxes	54,147	54,147	59,638	5,491
Charges for Services	33,887	33,887	31,810	(2,077)
Licenses and Permits	20,687	20,687	21,662	975
Fines and Forfeitures	7,311	7,311	6,034	(1,277)
Revenue from Use of Money and Property	2,931	22,496	30,789	8,293
Intergovernmental	505	505	710	205
Other	3,260	4,358	5,046	688
Total Revenues	866,661	887,324	918,609	31,285
Expenditures:				
Departmental:				
City Attorney's Office	7,937	8,057	8,053	4
City Auditor's Office	2,338	2,338	1,831	507
City Manager's Office	10,740	10,790	9,150	1,640
City Secretary's Office	2,518	2,768	2,572	196
Code Compliance	27,156	27,156	26,987	169
Communication and Public Engagement	5,514	5,514	4,820	694
Development Services	29,332	29,062	26,234	2,828
Diversity and Inclusion	2,435	3,140	2,685	455
Economic Development	38,513	38,897	37,339	1,558
Financial Management Services	13,759	14,212	13,734	478
Fire	193,214	203,408	200,663	2,745
Planning and Data Analytics/FWLab	8,750	9,990	9,131	859
Human Resources	6,283	6,387	6,348	39
Library	26,075	26,075	25,874	201
Municipal Court	14,708	14,708	14,059	649
Neighborhood Services	10,412	17,412	17,277	135
Non-Departmental	21,085	6,761	2	6,759
Park and Recreation	57,499	57,499	56,470	1,029
Police	298,552	299,809	299,453	356
Property Management	21,318	21,168	19,396	1,772
Transportation and Public Works	37,497	38,253	36,925	1,328
Total Expenditures	835,635	843,404	819,003	24,401
Other Financing Sources (Uses):				
Proceeds from Disposal of Property	713	788	18,585	17,797
Transfers In	47,967	47,967	52,243	4,276
Transfers Out	(79,706)	(108,926)	(108,623)	303
Total Other Financing Sources (Uses)	(31,026)	(60,171)	(37,795)	22,376

(continued)

See accompanying notes to the required supplementary information.

CITY OF FORT WORTH, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(in 000's)
(Unaudited)

	Budgeted Amounts		Budgetary	Variance with
	Original	Final	Basis / Actual	Final Budget -
				Positive
				(Negative)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	—	(16,251)	61,811	29,260
Fund Balance, Beginning of Year	—	—	181,319	64,709
Fund Balance, End of Year	<u>\$ —</u>	<u>\$ (16,251)</u>	<u>\$ 243,130</u>	<u>\$ 93,969</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) **\$ 61,811**

Differences - Budgetary to GAAP:

Current year non-budgeted transfers treated as revenues for financial reporting purposes but not as budgetary inflows.	2,327
Current year non-budgeted transfers treated as expenditures for financial reporting purposes but not as budgetary outflows.	(2,887)
Current year non-budgeted revenues treated as revenues for financial reporting purposes (due to perspective difference) but not as budgetary inflows.	(200)
Current year non-budgeted expenditures treated as expenditures for financial reporting purposes (due to perspective difference) but not as budgetary outflows.	
Current year non-budgeted revenue treated as other financing sources for financial reporting (due to perspective differences) purposes but not as budgetary inflows.	21,587
Current year non-budgeted expenditures treated as other financing uses for financial reporting (due to perspective difference) purpose but not as budgetary outflows.	<u>(7,885)</u>

Net Change in Fund Balance (GAAP Basis) **\$ 74,753**

(concluded)

See accompanying notes to the required supplementary information.

CITY OF FORT WORTH, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2023
(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, and the Golf Fund, 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 Grants Fund and the Capital Projects Fund in accordance with the City's *Five-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, and Lancaster Corridor LLC. 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, lease, and SBITA 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, 2023
(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 for 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 \$36,988,313 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 CITY CONTRIBUTIONS TO THE RETIREMENT FUND
– LAST TEN FISCAL YEARS
SEPTEMBER 30, 2023
(000's omitted in tables)

Year Ended September 30,	Actuarially Determined Contributions*	Contributions in Relation to the Actuarially Determined Contributions	Contributions Deficiency (Excess)	Covered Payroll**	Contributions as a Percentage of Covered Payroll
2014	\$ 82,938	\$ 78,165	\$ 4,773	\$ 390,128	20.04%
2015	93,563	80,821	12,742	403,772	20.02%
2016	101,340	84,747	16,593	422,977	20.04%
2017	112,185	89,408	22,777	448,313	19.94%
2018	131,766	93,504	38,262	468,803	19.95%
2019	136,168	113,110	23,058	481,898	23.47%
2020	160,159	124,744	35,415	524,728	23.77%
2021	165,707	128,046	37,661	523,064	24.48%
2022	***174,315	137,012	37,303	539,844	25.38%
2023	175,059	148,282	26,777	557,870	26.58%

* 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.

***The actuarially determined calculations for City of Fort Worth 2022 were updated to incorporate a 2022 contribution rate change.

CITY OF FORT WORTH, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
EMPLOYEES' RETIREMENT FUND
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
– LAST TEN FISCAL YEARS
SEPTEMBER 30, 2023
(in 000's)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service Cost	\$73,041	\$69,157	\$70,650	\$111,951	\$113,947	\$123,793	\$98,173	\$85,593	\$92,189
Interest	338,326	327,263	316,898	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	230	12,410	(477)	(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	(265,366)	(243,982)	(230,965)	(227,239)	(217,802)	(198,612)	(185,820)	(167,066)	(161,158)
Net Change in Total Pension Liability	146,231	164,848	156,106	(850,692)	67,913	36,393	1,190,964	516,669	168,969
Total Pension Liability - Beginning	4,892,875	4,728,027	4,571,921	5,422,613	5,354,700	5,318,307	4,127,343	3,610,674	3,441,705
Total Pension Liability - Ending (a)	<u>\$5,039,106</u>	<u>\$4,892,875</u>	<u>\$4,728,027</u>	<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	137,012	128,046	124,744	113,110	93,504	89,408	84,747	80,820	78,165
Contributions - Employee	65,594	60,282	56,251	40,635	37,618	35,963	33,977	32,542	31,929
Net Investment Income	(256,764)	524,024	110,571	67,729	145,408	250,913	166,306	(20,635)	159,994
Benefit Payments, Including Refunds of Employee	(265,366)	(243,982)	(230,965)	(227,239)	(217,802)	(198,612)	(185,820)	(167,066)	(161,159)
Administrative Expense	(6,855)	(6,092)	(5,303)	(5,707)	(4,915)	(4,867)	(4,522)	(3,823)	(3,738)
Other	–	–	–	–	–	–	(241)	(143)	(131)
Net Change in Plan Fiduciary Net Position	(326,379)	462,278	55,298	(11,472)	53,813	172,805	94,447	(78,305)	105,060
Plan Fiduciary Net Position - Beginning	2,830,439	2,368,161	2,312,863	2,324,335	2,270,522	2,097,717	2,003,270	2,081,575	1,976,515
Plan Fiduciary Net Position - Ending (b)	<u>\$2,504,060</u>	<u>\$2,830,439</u>	<u>\$2,368,161</u>	<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>\$2,535,046</u>	<u>\$2,062,436</u>	<u>\$2,359,866</u>	<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	49.69%	57.85%	50.09%	50.59%	42.86%	42.40%	39.44%	48.54%	57.65%
Covered Payroll	\$539,844	\$523,064	\$524,728	\$481,898	\$468,803	\$448,313	\$422,977	\$403,772	\$390,128
Net Pension Liability as a % of Covered Payroll	469.59%	394.30%	449.73%	468.78%	660.89%	687.95%	761.41%	526.06%	391.95%

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. As of FY2020, the blended discount rate was discontinued and a single discount was included in the assumptions at 7.00%.

**CITY OF FORT WORTH, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
EMPLOYEES' RETIREMENT FUND
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
– LAST TEN FISCAL YEARS
SEPTEMBER 30, 2023
(in 000's)**

Notes to Schedule: (continued)

Benefits changes:

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.

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%.

CITY OF FORT WORTH, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
EMPLOYEES' RETIREMENT FUND
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
– LAST TEN FISCAL YEARS
SEPTEMBER 30, 2023
(in 000's)

Notes to Schedule: (continued)

- 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 changes were:

- 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 changes were:

- The single 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 POST EMPLOYMENT BENEFITS
SCHEDULE OF CITY CONTRIBUTIONS TO THE OPEB FUND
– LAST TEN FISCAL YEARS
(000's omitted in tables)

	Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
(a)	2016					
(b)	2017	\$ –	\$ 26,641	\$ (26,641)	\$ 302,434	8.81 %
(b)	2018	–	25,297	(25,297)	294,960	8.58 %
(b)	2019	–	33,144	(33,144)	276,075	12.01 %
(b)	2020	–	32,856	(32,856)	275,316	11.93 %
	2021	58,967	35,076	23,891	267,753	13.10 %
	2022	75,942	33,912	42,030	261,114	12.99 %

(a) Historical information prior to implementation of GASB 74/75 is not required

(b) Actuarially Determined Contribution not shown in actuarially valuation report

CITY OF FORT WORTH, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFITS
SCHEDULE OF CHANGES IN THE CITY'S NET OPEB LIABILITY AND RELATED RATIOS
– LAST TEN FISCAL YEARS
SEPTEMBER 30, 2023
(in 000's)

	2022	2021	2020	2019	2018	2017	2016*
Total OPEB Liability							
Service Cost	\$ 38,070	\$ 19,118	\$ 26,584	\$ 26,165	\$ 29,287	\$ 33,369	
Interest	21,423	24,132	28,858	32,803	33,005	30,961	
Differences Between Expected and Actual Experience	(87,053)	(61,337)	(139,352)	10,083	(84,468)	(28,736)	
Change of Assumptions	(331,153)	27,404	64,232	151,407	(44,046)	(64,270)	
Benefit Payments, Including Refunds of Employee Contributions	(40,632)	(36,257)	(39,954)	(30,222)	(18,956)	(27,064)	
Net Change in Total OPEB Liability	(399,345)	(26,940)	(59,632)	190,236	(85,178)	(55,740)	
Total OPEB Liability - Beginning	970,644	997,584	1,057,216	866,980	952,158	1,007,898	
Total OPEB Liability - Ending (a)	<u>\$571,299</u>	<u>\$970,644</u>	<u>\$997,584</u>	<u>\$1,057,216</u>	<u>\$866,980</u>	<u>\$952,158</u>	
OPEB Plan Fiduciary Net Position							
Contributions - Employer	\$ 33,912	\$ 35,076	\$ 32,856	\$ 33,144	\$ 25,297	\$ 26,641	
Contributions - Retiree	5,695	5,703	5,420	3,814	–	–	
Net Investment Income/(Loss)	(14,368)	7,955	5,909	5,588	1,908	3,488	
Benefit Payments, Including Refunds of Employee Contributions	(40,632)	(36,257)	(39,954)	(30,222)	(18,956)	(27,064)	
Administrative Expense	(2,221)	(2,248)	(2,217)	(1,711)	(1,352)	(1,351)	
Other	1,847	2,718	5,337	–	–	–	
Net Change in Plan Fiduciary Net Position	(15,767)	12,947	7,351	10,613	6,897	1,714	
OPEB Plan Fiduciary Net Position - Beginning	106,636	93,689	86,338	75,725	68,828	67,114	
OPEB Plan Fiduciary Net Position - Ending (b)	<u>\$ 90,869</u>	<u>\$106,636</u>	<u>\$ 93,689</u>	<u>\$ 86,338</u>	<u>\$ 75,725</u>	<u>\$ 68,828</u>	
Net OPEB Liability - Ending (a) - (b)	<u>\$480,430</u>	<u>\$864,008</u>	<u>\$903,895</u>	<u>\$970,878</u>	<u>\$791,255</u>	<u>\$883,330</u>	
Plan Fiduciary Net Position as a % of the Total OPEB Liability	15.91%	10.99%	9.39%	8.17%	8.73%	7.23%	
Covered Payroll	\$261,114	\$267,753	\$275,316	\$276,075	\$294,960	\$302,434	
Net OPEB Liability as a % of Covered Payroll	183.99%	322.69%	328.31%	351.67%	268.26%	292.07%	

* Historical information prior to implementation of GASB 74/75 is not required.

Notes to Schedule:

Allocation of City funds to pay postemployment benefits other than pensions is determined on an annual basis by the City Council as part of the budget approval process on a pay-as-you-go basis.

Changes of assumptions each year include the change in the blended discount rate. The discount rates for measurement date September 30, 2018, 2019, 2020, 2021, and 2022 were 3.86%, 2.75%, 2.44% , 2.21% and 5.50% respectively. As of 01/01/2019, the firefighters' union local 440 split 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 three funds: General Debt Service Fund, Culture and Tourism Debt Service Fund, and Venue 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, 2023
(in 000's)

	Budgeted Amounts		Budgetary Basis Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues and Other Financing Sources:				
Revenues:				
General Property Taxes	\$ 138,509	\$ 138,509	\$ 138,059	\$ (450)
Revenue from Use of Money and Property	3,450	3,450	18,779	15,329
Total Revenues	141,959	141,959	156,838	14,879
Expenditures:				
Departmental:				
Financial Management Services	164,760	176,823	165,843	10,980
Total Expenditures	164,760	176,823	165,843	10,980
Other Financing Sources:				
Issuance of Bonds/Premium	—	11,835	1,102	(10,733)
Transfers In	22,895	22,895	22,895	—
Transfers Out	—	—	—	—
Total Other Financing Sources	22,895	34,730	23,997	(10,733)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	94	(134)	14,992	(6,834)
Fund Balance, Beginning of Year	—	—	34,125	4,673
Fund Balance, End of Year	\$ 94	\$ (134)	\$ 49,117	\$ (2,161)

Explanation of Differences Between Contribution to / (Use of) Fund Balance and GAAP Net Change in Fund Balance

Contribution to / (Use of) Fund Balance \$ 14,992

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.	—
Current year non-budgeted expenditures treated as other financing uses for financial reporting purposes (due to perspective difference) but not as budgetary outflows.	—
Current year non-budgeted revenues treated as revenues for financial reporting purposes (due to perspective difference) but not as budgetary inflows.	504

Net Change in Fund Balance (GAAP Basis) \$ 15,496



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 Sports Authority (used to purchase the Texas Motor Speedway and spur economic growth), and Lone Star Local Development Corporation (used for the construction of a museum, exhibition space, and certain public infrastructure in the vicinity of Cabala's retail facility).

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.

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

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, 2023
(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	\$ 35,676	\$ 469	\$ 18,673	\$ 9,064	\$ 14,773	\$ 63,489
Cash, Cash Equivalents, & Investments Held by Trustees	—	—	—	—	352	—
Receivables, Net of Allowance for Uncollectible:						
Grants and Other Governments	18,327	—	—	—	—	173
Lease	—	—	—	—	—	—
Interest	76	5	1,916	—	6	—
Accounts and Other	1,380	1,566	7,382	—	—	9,253
Inventories (at Cost)	—	—	2,136	145	—	—
Prepays, Deposits, and Other	—	—	2	—	—	—
Long-Term Loans Receivable	—	—	—	—	—	—
Total Assets	<u>\$ 55,459</u>	<u>\$ 2,040</u>	<u>\$ 30,109</u>	<u>\$ 9,209</u>	<u>\$ 15,131</u>	<u>\$ 72,915</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICIT)						
Liabilities						
Accounts Payable	\$ 1,244	\$ 297	\$ 44	\$ 3	\$ 566	\$ 1,867
Escrow Accounts Payable	—	—	—	—	—	—
Accrued Payroll	1,024	95	—	—	7	182
Other	—	—	—	—	—	1
Advance from Other Funds	—	—	7,000	—	—	—
Unearned Revenue	—	—	—	—	—	1,710
Total Liabilities	<u>2,268</u>	<u>392</u>	<u>7,044</u>	<u>3</u>	<u>573</u>	<u>3,760</u>
Deferred Inflows of Resources						
Unavailable Revenue	313	—	5,840	—	—	1,172
Lease Related	—	—	28,532	—	—	—
Total Deferred Inflows of Resources	<u>313</u>	<u>—</u>	<u>34,372</u>	<u>—</u>	<u>—</u>	<u>1,172</u>
Total Liabilities and Deferred Inflows of Resources	<u>2,581</u>	<u>392</u>	<u>41,416</u>	<u>3</u>	<u>573</u>	<u>4,932</u>
Fund Balances (Deficit):						
Nonspendable	—	—	2,138	145	—	—
Restricted	44,885	1,648	—	—	6,995	40,883
Committed	6,062	—	—	—	1,180	500
Assigned	1,931	—	—	9,061	6,383	26,600
Fund Balance - Unassigned (Deficit)	—	—	(13,445)	—	—	—
Total Fund Balances	<u>52,878</u>	<u>1,648</u>	<u>(11,307)</u>	<u>9,206</u>	<u>14,558</u>	<u>67,983</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit)	<u>\$ 55,459</u>	<u>\$ 2,040</u>	<u>\$ 30,109</u>	<u>\$ 9,209</u>	<u>\$ 15,131</u>	<u>\$ 72,915</u>

Special Revenue Funds						Capital Project Funds	Total Nonmajor Governmental Funds
Other Blended Component Units	Other Special Revenue	Public Improvement Districts	Taxing Increment Reinvestment Zones	Golf	Special Revenue Funds Subtotal	Other Blended Component Units	
\$ 6,055	\$ 12,382	\$ 10,690	\$ 90,392	\$ 2,044	\$ 263,707	\$ 1,336	\$ 265,043
–	–	2,005	–	–	2,357	–	2,357
–	–	4	1,372	–	19,876	–	19,876
984	8,168	–	–	–	9,152	–	9,152
31	217	3	77	–	2,331	–	2,331
48	2,053	658	–	–	22,340	–	22,340
–	–	–	–	77	2,358	–	2,358
–	–	–	–	9	11	13	24
–	–	–	364	–	364	–	364
<u>\$ 7,118</u>	<u>\$ 22,820</u>	<u>\$ 13,360</u>	<u>\$ 92,205</u>	<u>\$ 2,130</u>	<u>\$ 322,496</u>	<u>\$ 1,349</u>	<u>\$ 323,845</u>
\$ –	\$ 1,113	\$ 1,500	\$ 118	\$ 72	\$ 6,824	\$ 1	\$ 6,825
35	–	–	–	–	35	–	35
–	–	–	–	57	1,365	–	1,365
–	84	–	–	–	85	–	85
–	–	–	–	–	7,000	–	7,000
25	73	–	–	–	1,808	–	1,808
<u>60</u>	<u>1,270</u>	<u>1,500</u>	<u>118</u>	<u>129</u>	<u>17,117</u>	<u>1</u>	<u>17,118</u>
–	1,242	4	1,372	–	9,943	–	9,943
<u>926</u>	<u>7,816</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>37,274</u>	<u>–</u>	<u>37,274</u>
<u>926</u>	<u>9,058</u>	<u>4</u>	<u>1,372</u>	<u>–</u>	<u>47,217</u>	<u>–</u>	<u>47,217</u>
<u>986</u>	<u>10,328</u>	<u>1,504</u>	<u>1,490</u>	<u>129</u>	<u>64,334</u>	<u>1</u>	<u>64,335</u>
–	–	–	–	86	2,369	13	2,382
–	4,317	10,687	83,730	–	193,145	–	193,145
–	4,000	–	–	–	11,742	–	11,742
6,132	4,175	1,169	6,985	1,915	64,351	1,335	65,686
–	–	–	–	–	(13,445)	–	(13,445)
<u>6,132</u>	<u>12,492</u>	<u>11,856</u>	<u>90,715</u>	<u>2,001</u>	<u>258,162</u>	<u>1,348</u>	<u>259,510</u>
<u>\$ 7,118</u>	<u>\$ 22,820</u>	<u>\$ 13,360</u>	<u>\$ 92,205</u>	<u>\$ 2,130</u>	<u>\$ 322,496</u>	<u>\$ 1,349</u>	<u>\$ 323,845</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, 2023
(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	111,311	—	—	—	—	—
Other Local Taxes	—	—	—	—	—	53,676
Charges for Services	—	12,689	843	—	1,787	7,473
Licenses and Permits	—	—	—	—	—	22
Revenue from Use of Money and Property	—	—	—	162	—	8,423
Investment Income (Loss)	3,297	219	525	1	243	305
Intergovernmental	7,118	—	—	—	848	25,090
Gas Leases and Royalties	—	—	147	65	—	—
Other	122	7	1,670	—	711	2,563
Contributions	—	—	—	—	690	799
Total Revenues	121,848	12,915	3,185	228	4,279	98,351
EXPENDITURES:						
Current:						
General Government	—	—	—	—	345	—
Public Safety	79,670	10,632	—	—	1,964	—
Culture and Recreation	1,229	—	—	—	863	47,064
Urban Redevelopment and Housing	649	—	9,663	985	382	—
Capital Outlay	—	—	—	—	—	—
Debt Service:						
Principal Retirement	—	—	—	—	—	—
Interest and Debt Issuance Costs	—	—	—	—	—	—
Total Expenditures	81,548	10,632	9,663	985	3,554	47,064
Excess (Deficiency) of Revenues Over (Under) Expenditures	40,300	2,283	(6,478)	(757)	725	51,287
OTHER FINANCING SOURCES (USES):						
Issuance of Construction Loans	—	—	—	—	—	—
Proceeds from Disposal of Property	153	—	—	—	—	15
Transfers In	—	1,049	—	—	779	3,276
Transfers Out	(27,882)	(5,373)	—	(317)	(911)	(33,121)
Total Other Financing Sources (Uses)	(27,729)	(4,324)	—	(317)	(132)	(29,830)
Net Change in Fund Balances (Deficit)	12,571	(2,041)	(6,478)	(1,074)	593	21,457
Fund Balances, Beginning of Year, As Previously Reported	40,307	3,689	17,650	10,280	13,965	46,526
Correction of Error (A.15)	—	—	(22,479)	—	—	—
Fund Balances, Beginning of Year, As Restated	40,307	3,689	(4,829)	10,280	13,965	46,526
Fund Balances, End of Year	\$ 52,878	\$ 1,648	\$ (11,307)	\$ 9,206	\$ 14,558	\$ 67,983

Special Revenue Funds						Capital Project Funds	Total Nonmajor Governmental Funds
Other Blended Component Units	Other Special Revenue	Public Improvement Districts	Taxing Increment Reinvestment Zones	Golf	Special Revenue Funds Subtotal	Other Blended Component Units	
\$ -	\$ -	\$ -	\$ 24,027	\$ -	\$ 24,027	\$ -	\$ 24,027
-	-	-	-	-	111,311	-	111,311
-	-	-	-	-	53,676	-	53,676
-	403	-	-	5,566	28,761	-	28,761
-	-	-	-	-	22	-	22
315	2,230	-	-	-	11,130	-	11,130
-	331	191	3,104	-	8,216	-	8,216
-	-	-	11,390	-	44,446	-	44,446
256	-	-	-	-	468	1	469
-	4,740	16,291	-	6	26,110	7	26,117
-	-	150	-	-	1,639	92	1,731
571	7,704	16,632	38,521	5,572	309,806	100	309,906
-	7,352	831	-	-	8,528	-	8,528
-	-	-	-	-	92,266	-	92,266
47	-	-	-	5,410	54,613	-	54,613
-	-	15,100	16,331	-	43,110	91	43,201
-	-	-	-	-	-	-	-
-	-	-	8,110	-	8,110	-	8,110
-	-	-	-	-	-	-	-
47	7,352	15,931	24,441	5,410	206,627	91	206,718
524	352	701	14,080	162	103,179	9	103,188
-	-	-	6,040	-	6,040	-	6,040
-	-	-	-	1	169	-	169
1,242	2,000	1,044	207	320	9,917	-	9,917
-	(750)	(245)	(7,232)	(245)	(76,076)	-	(76,076)
1,242	1,250	799	(985)	76	(59,950)	-	(59,950)
1,766	1,602	1,500	13,095	238	43,229	9	43,238
4,366	10,890	10,356	77,620	1,763	237,412	1,339	238,751
-	-	-	-	-	(22,479)	-	(22,479)
4,366	10,890	10,356	77,620	1,763	214,933	1,339	216,272
\$ 6,132	\$ 12,492	\$ 11,856	\$ 90,715	\$ 2,001	\$ 258,162	\$ 1,348	\$ 259,510

CITY OF FORT WORTH, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - OTHER BLENDED COMPONENT UNITS
SEPTEMBER 30, 2023
(in 000's)

	Special Revenue Funds		
	Fort Worth Sports Authority, Inc.	Lone Star Local Government Corporation	Total
ASSETS			
Cash, Cash Equivalents, & Investments	\$ 4,813	\$ 1,242	\$ 6,055
Receivables, Net of Allowance for Uncollectibles:			
Leases	984	—	984
Interest	31	—	31
Accounts and Other	48	—	48
Total Assets	<u>5,876</u>	<u>1,242</u>	<u>7,118</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Escrow Accounts Payable	35	—	35
Unearned Revenue	25	—	25
Total Liabilities	<u>60</u>	<u>—</u>	<u>60</u>
Deferred Inflows of Resources			
Lease Related	926	—	926
Total Deferred Inflows of Resources	<u>926</u>	<u>—</u>	<u>926</u>
Total Liabilities and Deferred Inflows of Resources	<u>986</u>	<u>—</u>	<u>986</u>
Fund Balances (Deficit):			
Assigned	4,890	1,242	6,132
Total Fund Balances	<u>4,890</u>	<u>1,242</u>	<u>6,132</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit)	<u>\$ 5,876</u>	<u>\$ 1,242</u>	<u>\$ 7,118</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, 2023
(in 000's)

	Special Revenue Funds		
	Fort Worth Sports Authority, Inc.	Lone Star Local Government Corporation	Total
REVENUES:			
Intergovernmental	\$ —	\$ —	\$ —
Gas Leases and Royalties	256	—	256
Revenue from Use of Money and Property	315	—	315
Other	—	—	—
Total Revenues	571	—	571
EXPENDITURES:			
Current:			
Culture and Recreation	47	—	47
Interest and Debt Issuance Costs	—	—	—
Total Expenditures	47	—	47
Excess (Deficiency) of Revenues Over (Under) Expenditures	524	—	524
OTHER FINANCING SOURCES (USES):			
Proceeds from Disposal of Property	—	—	—
Transfers In	—	1,242	1,242
Total Other Financing Sources (Uses)	—	1,242	1,242
Net Change in Fund Balances (Deficit)	524	1,242	1,766
Fund Balances, Beginning of Year	4,366	—	4,366
Fund Balances, End of Year	\$ 4,890	\$ 1,242	\$ 6,132

CITY OF FORT WORTH, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - OTHER BLENDED COMPONENT UNITS
SEPTEMBER 30, 2023
(in 000's)

	Capital Project Funds		
	Lancaster Corridor Redevelopment, LLC	Central City Local Government Corporation	Total
ASSETS			
Cash, Cash Equivalents, & Investments	\$ 1,300	\$ 36	\$ 1,336
Prepays, Deposits, and Other	—	13	13
Total Assets	<u>1,300</u>	<u>49</u>	<u>1,349</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	—	1	1
Total Liabilities	<u>—</u>	<u>1</u>	<u>1</u>
Fund Balances:			
Fund Balance - Nonspendable	—	13	13
Assigned	<u>1,300</u>	<u>35</u>	<u>1,335</u>
Total Fund Balances	<u>1,300</u>	<u>48</u>	<u>1,348</u>
Total Liabilities and Fund Balances	<u>\$ 1,300</u>	<u>\$ 49</u>	<u>\$ 1,349</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, 2023
(in 000's)

	Capital Project Funds		
	Lancaster Corridor Redevelopment, LLC	Central City Local Government Corporation	Total
REVENUES:			
Gas Leases and Royalties	\$ —	\$ 1	\$ 1
Contributions	—	92	92
Other	—	7	7
Total Revenues	—	100	100
EXPENDITURES:			
Current:			
Urban Redevelopment and Housing	—	91	91
Total Expenses	—	91	91
Excess (Deficiency) of Revenues Over (Under) Expenditures	—	9	9
Net Change in Fund Balances	—	9	9
Fund Balance (Deficit), Beginning of Year	1,300	39	1,339
Fund Balance, End of Year	\$ 1,300	\$ 48	\$ 1,348

CITY OF FORT WORTH, TEXAS
BUDGETARY COMPARISON SCHEDULE
CRIME CONTROL AND PREVENTION DISTRICT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(in 000's)

	Budgeted Amounts		Budgetary Basis Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues and Other Financing Sources:				
Revenues:				
Sales Taxes	\$ 102,074	\$ 102,074	\$ 111,311	\$ 9,237
Revenue from Use of Money and Property	106	106	3,055	2,949
Intergovernmental	6,241	6,241	7,118	877
Other	239	239	122	(117)
Total Revenues	108,660	108,660	121,606	12,946
Expenditures:				
Departmental:				
Neighborhood Services	915	915	649	266
Transportation and Public Works	3,675	3,675	2,600	287
Park and Recreation	1,393	1,393	1,229	164
Police	81,891	84,796	77,070	7,726
Total Expenditures	87,086	89,991	81,548	8,443
Other Financing Sources:				
Proceeds from Disposal of Property	159	159	153	(6)
Transfers In	—	—	2,735	2,735
Transfers Out	(30,617)	(30,617)	(30,617)	—
Total Other Financing Sources	(30,458)	(30,458)	(27,729)	2,729
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(8,884)	(11,789)	12,329	24,118
Fund Balance, Beginning of Year	—	—	40,307	64,709
Fund Balance, End of Year	\$ (8,884)	\$ (11,789)	\$ 40,307	\$ 88,827

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) \$ 12,329

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.

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Net Change in Fund Balance (GAAP Basis) \$ 12,571

CITY OF FORT WORTH, TEXAS
BUDGETARY COMPARISON SCHEDULE
ENVIRONMENTAL MANAGEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(in 000's)

	Budgeted Amounts		Budgetary Basis Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Revenues:				
Charges for Services	\$ 15,075	\$ 15,075	\$ 12,689	\$ (2,386)
Revenue from Use of Money and Property	56	56	163	107
Other	—	—	7	7
Total Revenues	15,131	15,131	12,859	(2,272)
Expenditures:				
Departmental:				
Code Compliance	13,068	13,571	10,632	2,939
Total Expenditures	13,068	13,571	10,632	2,939
Other Financing Sources:				
Transfers In	1,000	1,000	1,000	—
Transfers Out	(5,397)	(5,397)	(5,325)	(72)
Total Other Financing Sources	(4,397)	(4,397)	(4,325)	(72)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,334)	(2,837)	(2,098)	(5,283)
Fund Balance, Beginning of Year	—	—	5,787	364
Fund Balance, End of Year	\$ (2,334)	\$ (2,837)	\$ 3,689	\$ (4,919)

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) \$ (2,098)

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.

57

Net Change in Fund Balance (GAAP Basis) \$ (2,041)

CITY OF FORT WORTH, TEXAS
BUDGETARY COMPARISON SCHEDULE
CULTURE AND TOURISM FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(in 000's)

	Budgeted Amounts		Budgetary Basis Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues and Other Financing Sources:				
Revenues:				
Other Local Taxes	\$ 41,759	\$ 48,123	\$ 53,676	\$ 5,553
Charges for Services	5,043	6,925	7,473	548
Licenses and Permits	6	22	22	–
Revenue from Use of Money and Property	7,585	8,210	8,423	213
Intergovernmental	15,527	16,690	25,090	8,400
Other	2,941	3,247	3,362	115
Total Revenues	72,861	83,217	98,046	14,829
Expenditures:				
Departmental:				
Public Events and Facilities	42,432	47,901	47,057	844
Total Expenditures	42,432	47,901	47,057	844
Other Financing Sources:				
Proceeds from Disposal of Property	–	15	15	–
Transfers In	2,927	3,047	3,276	229
Transfers Out	(25,827)	(33,120)	(33,120)	–
Total Other Financing Sources	(22,900)	(30,058)	(29,829)	229
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	7,529	5,258	21,160	14,214
Fund Balance, Beginning of Year	–	–	\$ 25,366	20,942
Fund Balance, End of Year	\$ 7,529	\$ 5,258	\$ 46,526	\$ 35,156

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) \$ 21,160

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.

297

Net Change in Fund Balance (GAAP Basis)

\$ 21,457

CITY OF FORT WORTH, TEXAS
BUDGETARY COMPARISON SCHEDULE
OTHER SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(in 000's)

	Budgeted Amounts		Budgetary Basis Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Revenues:				
Charges for Services	\$ 379	\$ 379	\$ 403	\$ 24
Revenue from Use of Money and Property	2,112	2,112	1,705	(407)
Investment Income	—	—	331	331
Other	1,932	2,792	4,766	1,974
Total Revenues	4,423	5,283	7,205	1,922
Expenditures:				
Departmental:				
Economic Development	2,000	2,000	—	2,000
Property Management	6,149	7,998	7,998	—
Total Expenditures	8,149	9,998	7,998	2,000
Other Financing Sources				
Transfers In	2,000	2,000	2,000	—
Transfers Out	(1,280)	(750)	(750)	—
Total Other Financing Sources (Uses)	720	1,250	1,250	—
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(3,006)	(3,465)	457	(78)
Fund Balance, Beginning of Year	—	—	10,433	2,224
Fund Balance, End of Year	\$ (3,006)	\$ (3,465)	\$ 10,890	\$ 2,146

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)	\$ 457
Differences - Budgetary to GAAP:	
Current year non-budgeted expenditures treated as expenditures for financial reporting purposes (due to perspective difference) but not as budgetary inflows.	645
Current year non-budgeted revenues treated as other financing sources for financial reporting (due to perspective difference) purposes but not as budgetary inflows.	500
Net Change in Fund Balance (GAAP Basis)	\$ 1,602

CITY OF FORT WORTH, TEXAS
BUDGETARY COMPARISON SCHEDULE
PUBLIC IMPROVEMENT DISTRICTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(in 000's)

	Budgeted Amounts		Budgetary Basis Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Revenues:				
Revenue from Use of Money and Property	\$ —	\$ —	\$ —	\$ —
Investment Income	—	—	193	193
Other	16,639	19,534	16,441	(3,093)
Total Revenues	16,639	19,534	16,634	(2,900)
Expenditures:				
Departmental:				
Financial Management Services	2,641	2,971	833	2,138
Economic Development	15,082	16,278	15,100	1,178
Total Expenditures	17,723	19,249	15,933	3,316
Other Financing Sources:				
Transfers In	891	1,044	1,044	—
Transfers Out	(245)	(245)	(245)	—
Total Other Financing Sources (Uses)	646	799	799	—
Excess (Deficiency) or Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(438)	1,084	1,500	(6,216)
Fund Balance, Beginning of Year	—	—	8,856	2,629
Fund Balance, End of Year	\$ (438)	\$ 1,084	\$ 10,356	\$ (3,587)

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)	\$ 1,500
Differences - Budgetary to GAAP:	—
Net Change in Fund Balance (GAAP Basis)	\$ 1,500

CITY OF FORT WORTH, TEXAS
BUDGETARY COMPARISON SCHEDULE
GOLF FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(in 000's)

	Budgeted Amounts		Budgetary Basis Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Revenues:				
Charges for Services	\$ 6,070	\$ 6,070	\$ 5,566	\$ (504)
Other	4	4	6	2
Total Revenues	6,074	6,074	5,572	(502)
Expenditures:				
Departmental:				
Park and Recreation	6,149	6,149	5,409	740
Total Expenditures	6,149	6,149	5,409	740
Other Financing Sources:				
Transfers In	320	320	320	—
Transfers Out	(245)	(245)	(245)	—
Total Other Financing Sources (Uses)	75	75	75	—
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	—	—	238	(1,242)
Fund Balance, Beginning of Year	—	—	1,525	574
Fund Balance, End of Year	\$ —	\$ —	\$ 1,763	\$ (668)

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)	\$ 238
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.	—
Current year non-budgeted expenditures treated as other financing uses for financial reporting purposes (due to perspective difference) but not as a budgetary outflows.	—
Net Change in Fund Balance (GAAP Basis)	\$ 238



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, and Perot Field Fort Worth Alliance 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, 2023
(in 000's)

	Municipal Airports	Municipal Parking	Solid Waste	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Assets				
Current Assets:				
Cash, Cash Equivalents, & Investments	\$ 9,356	\$ 3,292	\$ 23,753	\$ 36,401
Interest Receivable	24	3	24	51
Accounts and Other Receivables, Net of Allowance for Uncollectible	464	3	9,175	9,642
Lease Receivable	5,903	3,036	—	8,939
Restricted Assets:				
Cash & Cash Equivalents	1,220	90	1,087	2,397
Total Current Assets	16,967	6,424	34,039	57,430
Noncurrent Assets:				
Long-Term Loans Receivable	1,068	—	—	1,068
Restricted Assets:				
Cash & Cash Equivalents	35,345	1,482	9,908	46,735
Cash, Cash Equivalents, & Investments Held by Trustees	44,569	—	11,363	55,932
Grants Receivable	1,493	—	—	1,493
Interest Receivable	174	1	7	182
Total Restricted Assets	81,581	1,483	21,278	104,342
Capital Assets (at Cost):				
Land/Right of Way	155,610	4,096	5,695	165,401
Buildings	40,493	56,572	5,615	102,680
Infrastructure	355,370	8,134	19,071	382,575
Vehicles, Machinery and Equipment	3,665	1,520	3,286	8,471
Construction in Progress	16,555	—	28	16,583
Intangibles - Depreciable	—	—	677	677
Intangibles - Non-Depreciable	1,525	—	—	1,525
Accumulated Depreciation	(238,197)	(25,348)	(15,188)	(278,733)
Net Capital Assets	335,021	44,974	19,184	399,179
Total Noncurrent Assets	417,670	46,457	40,462	504,589
Total Assets	434,637	52,881	74,501	562,019
Deferred Outflows of Resources				
	1,717	2,208	5,392	9,317
Total Assets and Deferred Outflows of Resources	\$ 436,354	\$ 55,089	\$ 79,893	\$ 571,336

(continued)

CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2023
(in 000's)

	Municipal Airports	Municipal Parking	Solid Waste	Total
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
Liabilities				
Current Liabilities:				
Accounts Payable	\$ 477	\$ 107	\$ 5,804	\$ 6,388
Accrued Payroll	45	22	126	193
Current Portion of Long-Term Liabilities	190	2,007	668	2,865
Payables from Restricted Assets:				
Construction Payable	513	–	114	627
Customer Deposits	–	–	971	971
Accrued Interest Payable	–	90	2	92
Unearned Revenue	707	–	–	707
Total Current Liabilities	<u>1,932</u>	<u>2,226</u>	<u>7,685</u>	<u>11,843</u>
Long-Term Liabilities:				
Long-Term Liabilities Due in More Than One Year	<u>7,778</u>	<u>26,961</u>	<u>39,789</u>	<u>74,528</u>
Total Long-Term Liabilities	<u>7,778</u>	<u>26,961</u>	<u>39,789</u>	<u>74,528</u>
Total Liabilities	<u>9,710</u>	<u>29,187</u>	<u>47,474</u>	<u>86,371</u>
Deferred Inflows of Resources				
	<u>6,257</u>	<u>3,748</u>	<u>1,504</u>	<u>11,509</u>
Total Liabilities and Deferred Inflows of Resources	<u>15,967</u>	<u>32,935</u>	<u>48,978</u>	<u>97,880</u>
NET POSITION				
Net Investment in Capital Assets	334,508	20,350	18,240	373,098
Restricted for:				
Debt Service	–	927	1,498	2,425
Unrestricted	<u>85,879</u>	<u>877</u>	<u>11,177</u>	<u>97,933</u>
Total Net Position	<u>\$ 420,387</u>	<u>\$ 22,154</u>	<u>\$ 30,915</u>	<u>\$ 473,456</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, 2023
(in 000's)

	Municipal Airports	Municipal Parking	Solid Waste	Total
OPERATING REVENUES				
Charges for Services	\$ 15,249	\$ 7,585	\$ 76,823	\$ 99,657
Other	119	2	3,052	3,173
Total Operating Revenues	15,368	7,587	79,875	102,830
OPERATING EXPENSES				
Personnel Services	2,911	1,490	6,285	10,686
Supplies and Materials	406	71	739	1,216
Contractual Services	26,809	3,190	60,225	90,224
Landfill Closure and Postclosure Cost	—	—	1,055	1,055
Depreciation	11,986	1,850	789	14,625
Total Operating Expenses	42,112	6,601	69,093	117,806
Operating Income (Loss)	(26,744)	986	10,782	(14,976)
NONOPERATING REVENUES (EXPENSES)				
Investment	5,385	216	2,103	7,704
Gain (Loss) on Sale of Property and Equipment	(1,671)	1	(677)	(2,347)
Interest and Service Charges	—	(866)	(24)	(890)
Lease Interest Income	143	62	—	205
Gas Leases and Royalties	1,240	—	—	1,240
Other	3,006	—	—	3,006
Total Nonoperating Revenues (Expenses)	8,103	(587)	1,402	8,918
Income (Loss) Before Transfers and Contributions	(18,641)	399	12,184	(6,058)
Transfers In	60	432	89	581
Transfers Out	(138)	(19)	(7,139)	(7,296)
Capital Contributions	19,100	—	—	19,100
Changes in Net Position	381	812	5,134	6,327
Total Net Position, Beginning of Year	420,006	21,342	25,781	467,129
Total Net Position, End of Year	\$ 420,387	\$ 22,154	\$ 30,915	\$ 473,456



CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(in 000's)

	Municipal Airports	Municipal Parking	Solid Waste	Total
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 14,272	\$ 7,636	\$ 75,846	\$ 97,754
Receipts from Other Operating Sources	119	2	3,052	3,173
Payments to Employees	(2,909)	(1,300)	(6,181)	(10,390)
Payments to Vendors	(19,270)	(3,391)	(60,289)	(82,950)
Net Cash Provided by (Used for) Operating Activities	(7,788)	2,947	12,428	7,587
Cash Flows from Noncapital Financing Activities:				
Transfers In from Other Funds	60	432	89	581
Transfers Out to Other Funds	(139)	(19)	(7,138)	(7,296)
Net Cash Provided by (Used for) Noncapital Financing Activities	(79)	413	(7,049)	(6,715)
Cash Flows from Capital and Related Financing Activities:				
Proceeds from Sale of Property and Equipment	–	1	–	1
Interest Income Leases	143	62	–	205
Contributions	22,066	–	–	22,066
Acquisition and Construction of Capital Assets	(6,660)	(71)	(1,092)	(7,823)
Principal Paid on Long-Term Debt	–	(1,850)	(430)	(2,280)
Interest Paid on Long-Term Obligations	–	(1,125)	(24)	(1,149)
Net Cash Provided by (Used for) Capital and Related Financing Activities	15,549	(2,983)	(1,546)	11,020
Cash Flows from Investing Activities:				
Receipts from Gas Leases and Royalties	1,240	–	–	1,240
Purchases of Investments	(6,931)	–	–	(6,931)
Sales of Investments	9,041	–	–	9,041
Investment Income Received	3,228	120	2,079	5,427
Net Cash Provided by (Used for) Investing Activities	6,578	120	2,079	8,777
Net Increase in Cash and Cash Equivalents	14,260	497	5,912	20,669
Cash and Cash Equivalents, Beginning of Year	76,230	4,367	40,199	120,796
Cash and Cash Equivalents, End of Year	<u>\$ 90,490</u>	<u>\$ 4,864</u>	<u>\$ 46,111</u>	<u>\$ 141,465</u>

(continued)

CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(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)	\$ (26,744)	\$ 986	\$ 10,782	\$ (14,976)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	11,986	1,850	789	14,625
Changes in Assets and Liabilities:				
Accounts and Other Receivables	419	—	(768)	(349)
Lease Receivable	(1,532)	68	—	(1,464)
Long Term Loans Receivable	75	—	—	75
Deferred Outflows of Resources (Pension)	(731)	(351)	(1,458)	(2,540)
Deferred Outflows of Resources (OPEB)	(2)	—	12	10
Accounts Payable	7,945	(130)	675	8,490
Accrued Payroll and Compensation	32	9	(464)	(423)
Customer Deposits	—	—	(8)	(8)
Unearned Revenue	61	(17)	39	83
Landfill Closure and Postclosure Liability	—	—	1,055	1,055
Net Pension Liability	1,527	741	4,938	7,206
Net OPEB Liability	(684)	—	(1,872)	(2,556)
Deferred Inflows of Resources (Pension)	(480)	(209)	(1,745)	(2,434)
Deferred Inflows of Resources (OPEB)	340	—	693	1,033
Deferred Inflows of Resources (Service Concession Agreement)	—	—	(240)	(240)
Total Adjustments	18,956	1,961	1,646	22,563
Net Cash Provided by Operating Activities	\$ (7,788)	\$ 2,947	\$ 12,428	\$ 7,587
The Cash and Cash Equivalents are reported in the Statement of Net Position as follows:				
Current - Cash, Cash Equivalents, & Investments	\$ 9,356	\$ 3,292	\$ 23,753	\$ 36,401
Current Restricted - Cash & Cash Equivalents	1,220	90	1,087	2,397
Noncurrent Restricted - Cash & Cash Equivalents	35,345	1,482	9,908	46,735
Noncurrent Restricted - Cash, Cash Equivalents, & Investments Held by Trustees	44,569	—	11,363	55,932
Total Cash and Cash Equivalents	\$ 90,490	\$ 4,864	\$ 46,111	\$ 141,465
Noncash Investing, Capital, and Financing Activities:				
Capitalized Interest	\$ —	\$ —	\$ —	\$ —
Net Recovery of Prior Years Expenses	(11,006)	—	—	(11,006)
Amortization of Bond Premium	—	449	—	449
Amortization of Bond Defeasement Loss	—	(199)	—	(199)

(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 and legal support 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 Risk Financing fund administrates 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.

Information Systems Fund

The Information Systems fund is used to account for the management of the City's audio, visual, and computer related equipment services, including application development, implementation of software systems, information technology project management, database and geographic information systems support, and desktop, software, and hardware support.

CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2023
(in 000's)

	Equipment Services	Capital Project Services	Group Health and Life Insurance	Risk Financing	Information Systems	Total
ASSETS						
Current Assets:						
Cash, Cash Equivalents, & Investments	\$ 7,337	\$ 6,131	\$ 40,580	\$ 38,991	\$ 56	\$ 93,095
Interest Receivable	7	5	35	34	—	81
Accounts and Other Receivables, Net of Allowance for Uncollectible	77	—	—	138	7	222
Inventories (at Cost)	619	—	—	—	—	619
Prepays, Deposits, and Other	—	34	—	—	2,130	2,164
Total Current Assets	8,040	6,170	40,615	39,163	2,193	96,181
Noncurrent Assets:						
Restricted Assets:						
Cash & Cash Equivalents	201	—	—	1,907	—	2,108
Total Restricted Assets	201	—	—	1,907	—	2,108
Capital Assets (at Cost):						
Land/Right of Way	1,119	4	—	—	—	1,123
Buildings	4,656	—	—	—	—	4,656
Infrastructure	1,051	91	—	—	755	1,897
Vehicles, Machinery and Equipment	2,258	944	—	—	38,634	41,836
Intangibles - Depreciable	201	—	—	—	—	201
Lease/SBITA Assets	—	—	—	215	16,011	16,226
Accumulated Depreciation	(7,288)	(1,036)	—	(55)	(6,676)	(15,055)
Net Capital Assets	1,997	3	—	160	48,724	50,884
Total Noncurrent Assets	2,198	3	—	2,067	48,724	52,992
Total Assets	10,238	6,173	40,615	41,230	50,917	149,173
LIABILITIES						
Current Liabilities:						
Accounts Payable	1,981	46	716	669	924	4,336
Accrued Payroll	146	231	18	38	409	842
Accrued Interest Payable	—	—	—	1	383	384
Current Portion of Long-Term Liabilities	345	420	7,499	32,066	3,758	44,088
Total Current Liabilities	2,472	697	8,233	32,774	5,474	49,650
Long-Term Liabilities:						
Long-Term Liabilities Due in More Than One Year	616	1,082	28	27,045	11,191	39,962
Total Long-Term Liabilities	616	1,082	28	27,045	11,191	39,962
Total Liabilities	3,088	1,779	8,261	59,819	16,665	89,612
NET POSITION						
Net Investment in Capital Assets	1,997	3	—	160	48,724	50,884
Unrestricted	5,153	4,391	32,354	(18,749)	(14,472)	8,677
Total Net Position	\$ 7,150	\$ 4,394	\$ 32,354	\$ (18,589)	\$ 34,252	\$ 59,561

CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(in 000's)

	Equipment Services	Capital Project Services	Group Health and Life Insurance	Risk Financing	Information Systems	Total
OPERATING REVENUES						
Charges for Services	\$ 36,669	\$ 16,345	\$ 66,308	\$ 25,101	\$ 45,855	\$ 190,278
Other	60	—	9,230	3,295	357	12,942
Total Operating Revenues	<u>36,729</u>	<u>16,345</u>	<u>75,538</u>	<u>28,396</u>	<u>46,212</u>	<u>203,220</u>
OPERATING EXPENSES						
Personnel Services	9,273	12,925	1,035	2,112	23,296	48,641
Supplies and Materials	10,426	466	16	32	243	11,183
Contractual Services	15,805	2,059	77,058	42,566	20,009	157,497
Depreciation	261	—	—	55	6,678	6,994
Total Operating Expenses	<u>35,765</u>	<u>15,450</u>	<u>78,109</u>	<u>44,765</u>	<u>50,226</u>	<u>224,315</u>
Operating Income	<u>964</u>	<u>895</u>	<u>(2,571)</u>	<u>(16,369)</u>	<u>(4,014)</u>	<u>(21,095)</u>
NONOPERATING REVENUES (EXPENSES)						
Investment (Loss)	338	257	1,828	1,494	1	3,918
Gain (Loss) on Sale of Property and Equipment	(124)	10	—	—	1	(113)
Other	<u>—</u>	<u>—</u>	<u>—</u>	<u>(1)</u>	<u>(527)</u>	<u>(528)</u>
Total Nonoperating Revenues (Expenses)	<u>214</u>	<u>267</u>	<u>1,828</u>	<u>1,493</u>	<u>(525)</u>	<u>3,277</u>
Income (Loss) Before Transfers and Contributions	<u>1,178</u>	<u>1,162</u>	<u>(743)</u>	<u>(14,876)</u>	<u>(4,539)</u>	<u>(17,818)</u>
Transfers In	—	—	—	9,630	—	9,630
Transfers Out	(97)	(548)	—	(972)	(598)	(2,215)
Capital Contributions	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>39,389</u>	<u>39,389</u>
Changes in Net Position	1,081	614	(743)	(6,218)	34,252	28,986
Total Net Position, Beginning of Year	<u>6,069</u>	<u>3,780</u>	<u>33,097</u>	<u>(12,371)</u>	<u>—</u>	<u>30,575</u>
Total Net Position, End of Year	<u>\$ 7,150</u>	<u>\$ 4,394</u>	<u>\$ 32,354</u>	<u>\$ (18,589)</u>	<u>\$ 34,252</u>	<u>\$ 59,561</u>

CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(in 000's)

	Equipment Services	Capital Project Services	Group Health and Life Insurance	Risk Financing	Information Systems	Total
Cash Flows from Operating Activities:						
Receipts from Other Funds	\$ 36,592	\$ 16,364	\$ 66,308	\$ 25,086	\$ 43,718	\$ 188,068
Receipts from Other Operating Sources	60	—	9,230	3,295	357	12,942
Payments to Employees	(9,292)	(12,834)	(1,067)	17,467	(7,938)	(13,664)
Payments to Vendors	(26,062)	(2,661)	(16)	(32)	(243)	(29,014)
Payments for Benefits	—	—	(76,897)	(45,455)	(19,085)	(141,437)
Net Cash Provided by (Used for) Operating Activities	<u>1,298</u>	<u>869</u>	<u>(2,442)</u>	<u>361</u>	<u>16,809</u>	<u>16,895</u>
Cash Flows from Noncapital Financing Activities:						
Transfers In from Other Funds	—	—	—	9,630	—	9,630
Transfers Out to Other Funds	(97)	(548)	—	(972)	(598)	(2,215)
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(97)</u>	<u>(548)</u>	<u>—</u>	<u>8,658</u>	<u>(598)</u>	<u>7,415</u>
Cash Flows from Capital and Related Financing Activities:						
Proceeds from Sale of Property and Equipment	16	10	—	—	1	27
Acquisition and Construction of Capital Assets	(40)	—	—	(215)	(16,156)	(16,411)
Net Cash Provided by (Used for) Capital Related Financing Activities	<u>(24)</u>	<u>10</u>	<u>—</u>	<u>(215)</u>	<u>(16,155)</u>	<u>(16,384)</u>
Cash Flows from Investing Activities:						
Investment Income Received	331	255	1,808	1,471	—	3,865
Net Cash Provided by (Used for) Investing Activities	<u>331</u>	<u>255</u>	<u>1,808</u>	<u>1,471</u>	<u>—</u>	<u>3,865</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>1,508</u>	<u>586</u>	<u>(634)</u>	<u>10,275</u>	<u>56</u>	<u>11,791</u>
Cash and Cash Equivalents, Beginning of Year	<u>6,030</u>	<u>5,545</u>	<u>41,214</u>	<u>30,623</u>	<u>—</u>	<u>83,412</u>
Cash and Cash Equivalents, End of Year	<u>\$ 7,538</u>	<u>\$ 6,131</u>	<u>\$ 40,580</u>	<u>\$ 40,898</u>	<u>\$ 56</u>	<u>\$ 95,203</u>

(continued)

CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(in 000's)

	Equipment Services	Capital Project Services	Group Health and Life Insurance	Risk Financing	Information Systems	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:						
Operating Income (Loss)	\$ 964	\$ 895	\$ (2,571)	\$ (16,369)	\$ (4,014)	\$ (21,095)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:						
Depreciation	261	—	—	55	6,678	6,994
Changes in Assets and Liabilities:						
Accounts and Other Receivables	(77)	—	—	(15)	(7)	(99)
Inventories	(1)	—	—	—	—	(1)
Prepays, Deposits, and Other Assets	—	19	—	—	(2,130)	(2,111)
Accounts Payable	170	(136)	(154)	(485)	924	319
Accrued Payroll and Compensation	(19)	91	(32)	19,579	15,358	34,977
Accrued Benefits	—	—	315	(2,404)	—	(2,089)
Total Adjustments	334	(26)	129	16,730	20,823	37,990
Net Cash Provided by (Used for) Operating Activities	1,298	869	(2,442)	361	16,809	16,895
The Cash and Cash Equivalents are reported in the Statement of Net Position as follows:						
Current - Cash, Cash Equivalents, & Investments	7,337	6,131	40,580	38,991	56	93,095
Noncurrent Restricted - Cash & Cash Equivalents	201	—	—	1,907	—	2,108
Noncurrent Restricted - Cash, Cash Equivalents, & Investments Held by Trustees	—	—	—	—	—	—
Total Cash and Cash Equivalents	7,538	6,131	40,580	40,898	56	95,203
Noncash Investing, Capital, and Financing Activities:						
Right-to-Use Assets	\$ —	\$ —	\$ —	\$ 215	\$ 16,011	\$ 16,226

(concluded)



Pension (and Other Employee Benefit) Trust Funds

Fiduciary funds are used to account for resources held by the City as a trustee or agent. Fiduciary Funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The City reports the following fiduciary funds:

Retirement Pension Trust Fund

For accounting measurement purposes, the Retirement Pension Trust Fund is accounted for in essentially the same manner as proprietary funds. The Retirement Pension Trust Fund accounts for the assets of the City's employees and employees of the Employees' Retirement Fund and issues separately audited financial statements. Those statements can be obtained by contacting the Employee's Retirement Plan of the City of Fort Worth, 3801 Hulen St., Suite 101, Fort Worth, Texas, 76107.

Retiree Healthcare Trust Fund

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

Fort Worth Firefighters Healthcare Trust Fund

For accounting measurement purposes, the Fort Worth Firefighters Healthcare Trust Fund is accounted for in essentially the same manner as proprietary funds. The Fort Worth Firefighters Healthcare Trust Fund accounts for the assets of the City's firefighters' employment and postemployment healthcare benefit. Those statements can be obtained by contacting the Fort Worth Firefighters Healthcare Trust Fund, 3855 Tulsa Way, Fort Worth, Texas 76107.

CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS
SEPTEMBER 30, 2023
(in 000's)

	Retirement Pension Trust Fund	Retiree Healthcare Trust Fund	Fort Worth Firefighters Healthcare Trust Fund	Total
ASSETS				
Current Assets:				
Cash & Cash Equivalents	\$ 269	\$ 7,139	\$ 6,588	\$ 13,996
Cash & Investments Held by Trustees:				
Assets and Mortgage Backed Obligations	43,030	—	—	43,030
Corporate Obligations	68,245	21,393	—	89,638
Government Agency Obligations	141,066	21,073	—	162,139
International Obligations	13,714	2,783	—	16,497
Securities Lending Collateral	164,526	—	—	164,526
U.S. Treasuries	83,085	11,981	—	95,066
Short-Term Mutual Fund Investments	644,750	25,343	—	670,093
Corporate Stock	264,777	—	—	264,777
Alternative Investments	583,529	—	—	583,529
Commingled Funds	798,070	—	—	798,070
Total Cash & Investments Held by Trustees	2,804,792	82,573	—	2,887,365
Prepays	21	—	—	21
Accrued Income	4,293	538	—	4,831
Other Receivables	10	1	2,191	2,202
Due From Broker Securities Sold	195,812	—	—	195,812
Total Current Assets	3,005,197	90,251	8,779	3,104,227
Capital Assets (at Cost):				
Land	404	—	—	404
Buildings	3,731	—	—	3,731
Machinery and Equipment	5,570	—	—	5,570
Accumulated Depreciation	(2,164)	—	—	(2,164)
Net Capital Assets	7,541	—	—	7,541
Total Assets	3,012,738	90,251	8,779	3,111,768
LIABILITIES				
Current Liabilities:				
Accrued Liabilities	1,897	214	1,586	3,697
Obligations Under Securities Lending	164,526	—	—	164,526
Due to Broker Securities Purchased	241,699	—	—	241,699
Total Current Liabilities	408,122	214	1,586	409,922
NET POSITION				
Restricted for:				
Pensions	2,604,616	—	—	2,604,616
Postemployment Benefits Other Than Pensions	—	90,037	7,193	97,230
Total Net Position	\$ 2,604,616	\$ 90,037	\$ 7,193	\$ 2,701,846

CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(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	\$ 35,460	\$ (147)	\$ –	\$ 35,313
Less: Investment Management Fees and Interest Expense	(4,010)	(213)	–	(4,223)
Net Gain (Loss) in Fair Value of Investments	177,113	4,553	–	181,666
Other Income	10,002	2,410	652	13,064
Employer Contributions	148,282	21,304	13,727	183,313
Employee/Retiree Contributions	72,323	–	5,794	78,117
Total Additions	<u>439,170</u>	<u>27,907</u>	<u>20,173</u>	<u>487,250</u>
DEDUCTIONS				
Benefit Payments	325,138	24,987	14,386	364,511
Refunds	6,150	–	–	6,150
Administrative Expenses	7,327	1,251	1,095	9,673
Total Deductions	<u>338,615</u>	<u>26,238</u>	<u>15,481</u>	<u>380,334</u>
Change in Net Position	100,555	1,669	4,692	106,916
Net Position, Beginning of Year	<u>2,504,061</u>	<u>88,368</u>	<u>2,501</u>	<u>2,594,930</u>
Net Position, End of Year	<u>\$ 2,604,616</u>	<u>\$ 90,037</u>	<u>\$ 7,193</u>	<u>\$ 2,701,846</u>



STATISTICAL SECTION
(UNAUDITED)

STATISTICAL SECTION

(Unaudited)

The City of Fort Worth annual comprehensive 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)

	2014	2015 ^(a)	2016	2017	2018^(a)
Governmental Activities:					
Net Investment in Capital Assets	\$ 1,092,890	\$ 1,228,012	\$ 1,302,450	\$ 1,392,113	\$ 1,451,492
Restricted for Debt Service	2,616	6,585	10,977	29,259	25,609
Restricted for Capital Projects	33,367	45,773	42,877	57,721	63,125
Unrestricted (Deficit) ^(a)	(214,634)	(1,552,115)	(1,677,201)	(1,995,603)	(2,600,878)
Total Governmental Activities Net Position (Deficit)	<u>914,239</u>	<u>(271,745)</u>	<u>(320,897)</u>	<u>(516,510)</u>	<u>(1,060,652)</u>
Business-Type Activities:					
Net Investment in Capital Assets	1,864,396	1,990,723	2,052,536	2,242,924	2,278,993
Restricted for Debt Service	27,641	3,852	10,576	13,146	46,026
Restricted for Capital Projects	33,276	26,070	15,221	26,028	28,739
Unrestricted (Deficit)	<u>290,454</u>	<u>117,473</u>	<u>181,027</u>	<u>127,082</u>	<u>172,722</u>
Total Business-Type Activities Net Position	<u>2,215,767</u>	<u>2,138,118</u>	<u>2,259,360</u>	<u>2,409,180</u>	<u>2,526,480</u>
Primary Government:					
Net Investment in Capital Assets	2,957,286	3,218,735	3,354,986	3,635,037	3,730,485
Restricted for Debt Service	30,257	10,437	21,553	42,405	71,635
Restricted for Capital Projects	66,643	71,843	58,098	83,749	91,864
Unrestricted (Deficit)	<u>75,820</u>	<u>(1,434,642)</u>	<u>(1,496,174)</u>	<u>(1,868,521)</u>	<u>(2,428,156)</u>
Total Primary Government Net Position	<u>\$ 3,130,006</u>	<u>\$ 1,866,373</u>	<u>\$ 1,938,463</u>	<u>\$ 1,892,670</u>	<u>\$ 1,465,828</u>

Source: Annual Comprehensive Financial Report for the respective years.

^(a) For FY2015, decrease due to GASB 68 Implementation. For FY2018, decrease due to GASB 75 implementation.

^(b) For FY2021, beginning net position was restated by \$5,919 due to correction of error.

TABLE 1

2019	2020	2021 ^(b)	2022	2023
\$ 1,641,806	\$ 2,286,781	\$ 2,370,496	\$ 2,493,914	\$ 2,542,223
36,341	30,324	18,749	19,504	64,613
75,663	89,029	98,978	102,273	116,637
(2,830,558)	(1,770,206)	(1,862,337)	(1,956,953)	(1,730,957)
<u>\$ (1,076,748)</u>	<u>\$ 635,928</u>	<u>\$ 625,886</u>	<u>\$ 658,738</u>	<u>\$ 992,516</u>
\$ 2,498,815	\$ 2,597,318	\$ 2,670,886	\$ 2,868,449	\$ 3,032,880
58,513	56,825	67,590	60,671	94,956
53,732	93,842	73,711	102,504	118,375
85,747	311,453	449,081	469,952	522,892
<u>\$ 2,696,807</u>	<u>\$ 3,059,438</u>	<u>\$ 3,261,268</u>	<u>\$ 3,501,576</u>	<u>\$ 3,769,103</u>
\$ 4,140,621	\$ 4,884,099	\$ 5,041,382	\$ 5,362,363	\$ 5,575,103
94,854	87,149	86,339	80,175	159,569
129,395	182,871	172,689	204,777	235,012
(2,744,811)	(1,458,753)	(1,413,256)	(1,487,001)	(1,208,065)
<u>\$ 1,620,059</u>	<u>\$ 3,695,366</u>	<u>\$ 3,887,154</u>	<u>\$ 4,160,314</u>	<u>\$ 4,761,619</u>

CITY OF FORT WORTH, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS (Unaudited)
(Accrual Basis of Accounting)
(in 000's)

	2014	2015 ^(a)	2016	2017	2018 ^(a)
Expenses					
Governmental Activities:					
General Government	\$ 173,634	\$ 202,450	\$ 160,124	\$ 152,609	\$ 149,942
Public Safety	424,289	529,188	551,562	698,059	687,036
Highways and Streets	—	131,535	154,346	157,108	158,652
Culture and Recreation	62,167	129,115	128,444	174,426	284,181
Health and Welfare	—	3,548	6,863	11,076	11,104
Urban Redevelopment and Housing	—	36,544	68,782	76,190	92,183
Transportation and Public Works	147,429	—	—	—	—
Public Library	20,842	—	—	—	—
Public Events and Facilities	32,876	—	—	—	—
Planning and Development	12,382	—	—	—	—
Housing and Economic Development	18,402	—	—	—	—
Interest and Service Charges	31,522	26,448	30,493	31,636	30,844
Total Governmental Activities	923,543	1,058,828	1,100,614	1,301,104	1,413,942
Business-Type Activities:					
Water and Sewer	317,526	340,113	358,053	376,755	375,603
Stormwater Utility	23,745	28,198	24,365	30,238	29,690
Municipal Airports	23,089	14,194	20,519	14,628	18,694
Municipal Parking	6,649	7,602	7,387	6,699	6,744
Solid Waste	48,420	52,586	53,089	59,292	57,654
Municipal Golf ^(a)	5,396	—	—	—	—
Total Business-Type Activities	424,825	442,693	463,413	487,612	488,385
Total Primary Government Expenses	1,348,368	1,501,521	1,564,027	1,788,716	1,902,327
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government	6,575	19,229	22,900	25,075	14,850
Public Safety	23,023	9,984	13,110	12,463	11,488
Highways and Streets	—	13,884	12,549	12,952	12,244
Culture and Recreation	4,021	20,266	19,491	17,137	28,657
Urban Redevelopment and Housing	—	13,344	20,824	18,356	24,814
Transportation and Public Works	14,683	—	—	—	—
Public Library	608	—	—	—	—
Public Events and Facilities	11,421	—	—	—	—
Planning and Development	11,308	—	—	—	—
Housing and Economic Development	1,998	—	—	—	—
Operating Grants and Contributions	43,700	37,810	61,189	54,497	65,082
Capital Grants and Contributions	69,149	62,794	76,667	123,816	97,698
Total Governmental Activities	186,486	177,311	226,730	264,296	254,833
Business-Type Activities:					
Charges for Services:					
Water and Sewer	361,853	389,188	415,125	424,078	466,462
Stormwater Utility	35,409	36,185	36,887	37,016	38,621
Municipal Airports	5,074	5,437	6,078	6,480	7,359
Municipal Parking	7,082	7,310	7,815	7,863	8,577
Solid Waste	50,338	52,373	54,003	54,705	57,746
Municipal Golf ^(a)	3,621	—	—	—	—
Capital Grants and Contributions	42,682	88,617	87,851	121,769	101,120
Total Business-Type Activities	506,059	579,110	607,759	651,911	679,885
Total Primary Government Program Revenues	\$ 692,545	\$ 756,421	\$ 834,489	\$ 916,207	\$ 934,718

TABLE 2

2019	2020 ^(b)	2021 ^(c)	2022	2023
\$ 166,338	\$ 14,398	\$ 155,727	\$ 203,814	\$ 117,253
671,224	(167,533)	812,332	721,920	720,018
167,258	125,762	168,720	181,362	173,056
171,710	73,767	143,584	185,163	183,497
11,017	29,132	100,856	25,086	26,244
82,821	67,747	91,550	155,320	154,446
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
32,715	33,443	30,753	31,875	37,309
1,303,083	176,716	1,503,522	1,504,540	1,411,823
365,414	245,882	411,742	442,863	453,010
31,960	20,012	37,683	37,835	38,185
19,424	16,812	22,943	27,014	43,783
7,030	4,406	6,850	7,260	7,466
62,407	50,923	61,098	65,370	69,794
—	—	—	—	—
486,235	338,035	540,316	580,342	612,238
\$ 1,789,318	\$ 514,751	\$ 2,043,838	\$ 2,084,882	\$ 2,024,061
\$ 24,044	\$ 22,895	\$ 24,609	\$ 26,064	\$ 13,850
12,689	16,328	10,081	14,059	21,338
8,921	2,290	313	426	241
26,871	21,252	22,526	30,889	32,569
20,731	19,728	23,736	30,687	46,686
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
76,267	662,064	191,057	145,939	146,978
170,497	172,337	201,959	186,426	146,922
340,020	916,894	474,281	434,490	408,584
452,989	477,948	486,106	558,595	572,126
40,037	43,313	47,082	48,489	50,200
8,032	9,141	12,165	15,189	15,249
8,501	4,918	4,945	6,282	7,585
59,771	63,904	67,710	72,734	76,823
—	—	—	—	—
88,757	111,419	141,318	156,752	139,148
658,087	710,643	759,326	858,041	861,131
\$ 998,107	\$ 1,627,537	\$ 1,233,607	\$ 1,292,531	\$ 1,269,715

(continued)

CITY OF FORT WORTH, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS (Unaudited)
(Accrual Basis of Accounting)
(in 000's)

	2014	2015^(a)	2016	2017	2018^(a)
Net (Expense) and Revenue					
Governmental Activities	\$ (737,057)	\$ (881,517)	\$ (873,884)	\$ (1,036,808)	\$ (1,159,109)
Business-Type Activities	81,234	136,417	144,346	164,299	191,500
Total Primary Government Net Expense	<u>(655,823)</u>	<u>(745,100)</u>	<u>(729,538)</u>	<u>(872,509)</u>	<u>(967,609)</u>
General Revenues and Changes in Net Position (Deficit)					
Governmental Activities:					
Taxes:					
General Property Taxes	\$ 389,118	\$ 413,687	\$ 426,247	\$ 452,357	\$ 486,418
Other Local Taxes	217,799	226,028	235,146	250,669	266,479
Franchise Fees	51,205	53,129	49,031	50,078	51,934
Grants and contributions not restricted to specific programs	—	—	—	—	—
Gas Leases and Royalties	16,500	15,717	18,485	9,063	9,267
Investment Income	8,622	6,025	3,703	7,239	8,902
Gain on Debt Defeasance	—	—	—	—	—
Other	20,582	37,594	33,410	38,160	13,358
Insurance Recoveries	—	—	7,477	—	—
Transfers	21,913	55,535	51,233	33,629	37,681
Special Items	—	31,490	—	—	—
Gain (Loss) on Disposal of Capital Assets	—	—	—	—	—
Total Governmental Activities	<u>725,739</u>	<u>839,205</u>	<u>824,732</u>	<u>841,195</u>	<u>874,039</u>
Business-Type Activities:					
Gas Leases and Royalties	\$ 12,989	\$ 8,372	\$ 15,869	\$ 6,504	\$ 4,754
Investment Income	6,077	3,475	2,809	5,240	7,270
Other	5,861	6,087	9,451	7,406	6,349
Insurance Recoveries	—	—	—	—	—
Transfers	(21,913)	(55,535)	(51,233)	(33,629)	(37,681)
Total Business-Type Activities	<u>3,014</u>	<u>(37,601)</u>	<u>(23,104)</u>	<u>(14,479)</u>	<u>(19,308)</u>
Total Primary Government	<u>728,753</u>	<u>801,604</u>	<u>801,628</u>	<u>826,716</u>	<u>854,731</u>
Changes in Net Position (Deficit)					
Governmental Activities	(11,318)	(42,312)	(49,152)	(195,613)	(285,070)
Business-Type Activities	84,248	98,816	121,242	149,820	172,192
Total Primary Government	<u>72,930</u>	<u>56,504</u>	<u>72,090</u>	<u>(45,793)</u>	<u>(112,878)</u>
Implementation of New Accounting Standard and Change in Accounting	<u>\$ (31,111)</u>	<u>\$ (1,320,137)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (313,964)</u>

Source: Annual Comprehensive 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

2019	2020 ^(b)	2021	2022	2023
\$ (963,063)	\$ 740,178	\$ (1,029,241)	\$ (1,070,050)	\$ (1,003,239)
171,852	372,608	219,010	277,699	248,893
<u>\$ (791,211)</u>	<u>\$ 1,112,786</u>	<u>\$ (810,231)</u>	<u>\$ (792,351)</u>	<u>\$ (754,346)</u>
\$ 517,382	\$ 562,687	\$ 593,721	\$ 619,190	\$ 694,243
280,510	273,258	309,769	376,099	410,561
50,494	48,365	48,484	53,331	52,308
—	—	—	—	11,867
6,646	3,236	4,483	13,339	5,167
38,090	34,644	4,778	(33,558)	74,439
—	79	—	—	—
15,394	13,495	12,060	33,785	39,437
1,303	6	2,634	2,225	—
37,148	36,728	37,352	38,491	48,995
—	—	—	—	—
—	—	—	—	—
<u>946,967</u>	<u>972,498</u>	<u>1,013,281</u>	<u>1,102,902</u>	<u>1,337,017</u>
\$ 4,356	\$ 2,362	\$ 3,118	\$ 7,198	\$ 2,109
27,885	19,969	10,081	(10,513)	57,606
3,382	4,420	6,792	4,415	7,914
—	—	180	—	—
(37,148)	(36,728)	(37,352)	(38,491)	(48,995)
(1,525)	(9,977)	(17,181)	(37,391)	18,634
<u>\$ 945,442</u>	<u>\$ 962,521</u>	<u>\$ 996,100</u>	<u>\$ 1,065,511</u>	<u>\$ 1,355,651</u>
\$ (16,096)	\$ 1,712,676	\$ (15,960)	\$ 32,852	\$ 333,778
170,327	362,631	201,829	240,308	267,527
<u>\$ 154,231</u>	<u>\$ 2,075,307</u>	<u>\$ 185,869</u>	<u>\$ 273,160</u>	<u>\$ 601,305</u>
<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</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)

	2014	2015	2016	2017	2018
General Fund					
Nonspendable	\$ 5,180	\$ 5,427	\$ 27,823	\$ 2,953	\$ 5,029
Restricted	3,045	12,153	12,738	9,886	10,495
Committed	11,768	22,508	22,924	29,009	27,360
Assigned	8,755	193	—	—	2,545
Unassigned	57,294	84,280	68,436	93,601	107,272
Total General Fund	86,042	124,561	131,921	135,449	152,701
All Other Governmental Funds					
Nonspendable, reported in:					
Capital Projects	752	601	531	412	382
Grants ^(a)	—	—	—	—	—
Nonmajor Governmental Funds	2,930	3,891	5,294	2,674	5,189
Restricted, reported in:					
Debt Service	8,263	17,497	22,680	38,018	29,250
Capital Projects	211,029	160,074	235,075	313,630	272,368
Grants ^(a)	—	—	—	—	—
Nonmajor Governmental Funds	90,328	95,981	74,775	70,935	92,287
Committed, reported in:					
Debt Service	11,436	7,993	8,583	10,333	8,602
Capital Projects	126,850	149,945	129,279	218,254	122,521
Grants ^(a)	—	—	—	—	—
Nonmajor Governmental Funds	30,240	4,372	6,458	4,128	2,690
Assigned, reported in:					
Debt Service	107	199	107	3,945	13,115
Capital Projects	35,414	44,104	62,372	74,194	71,434
Nonmajor Governmental Funds	43,919	33,932	30,224	41,843	53,556
Unassigned (Deficit), reported in:					
Grants ^(a)	—	—	—	—	—
Nonmajor Governmental Funds	(1,620)	(785)	(1,794)	(1,140)	(756)
Total All Other Governmental Funds	559,648	517,804	573,584	777,226	670,638
Total All Governmental Funds	\$ 645,690	\$ 642,365	\$ 705,505	\$ 912,675	\$ 823,339

Source: Annual Comprehensive Financial Report for the respective years.

^(a) The Grants Fund was reported as a Nonmajor Governmental Fund prior to Fiscal Year 2020

TABLE 3

2019	2020 ^(a)	2021	2022	2023
\$ 4,717	\$ 7,970	\$ 5,374	\$ 5,624	\$ 3,944
10,644	9,041	10,578	9,898	10,016
29,833	29,952	37,955	36,717	50,139
—	4,500	22,600	31,583	54,340
128,603	152,698	163,866	159,308	199,444
173,797	204,161	240,373	243,130	317,883
1,040	483	681	472	741
—	32	32	32	32
4,631	2,644	2,509	2,366	2,382
20,273	7,896	1,777	—	64,613
246,955	322,827	297,948	371,361	505,321
—	—	1,109	3,765	5,628
115,197	102,650	138,262	150,419	193,145
8,602	1,614	44,936	49,117	—
140,784	166,437	269,563	295,249	335,597
—	—	450	2,298	3,040
2,569	3,278	9,028	11,434	11,742
33,494	47,029	—	—	—
112,393	87,312	86,279	96,433	105,636
52,742	55,296	64,929	74,532	65,686
—	(169)	—	—	—
—	—	—	—	(13,445)
738,680	797,329	917,503	1,057,478	1,280,118
\$ 912,477	\$ 1,001,490	\$ 1,157,876	\$ 1,300,608	\$ 1,598,001

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)

	2014	2015	2016	2017	2018
REVENUES:					
General Property Taxes	\$ 389,490	\$ 414,419	\$ 424,458	\$ 452,843	\$ 485,959
Other Local Taxes	217,153	225,382	234,500	250,023	265,833
Franchise Fees	51,205	53,129	49,031	50,078	51,934
Charges for Services	18,284	22,306	37,588	39,864	38,940
Licenses and Permits	12,771	12,750	15,325	16,881	17,045
Fines and Forfeitures	26,968	25,325	18,056	17,062	16,058
Revenue from Use of Money and Property	15,614	16,326	15,715	12,432	15,495
Investment Income	8,200	5,131	3,601	6,952	9,186
Intergovernmental	79,239	61,403	72,493	63,364	90,861
Gas Leases and Royalties	16,500	15,717	18,485	9,063	9,267
Other	22,315	30,407	33,138	31,879	35,549
Contributions	9,840	12,177	13,928	11,515	12,871
Total Revenues	867,579	894,472	936,318	961,956	1,048,998
EXPENDITURES:					
Current:					
General Government	163,945	177,549	124,281	103,325	89,891
Public Safety	389,058	393,715	443,730	465,575	496,233
Highways and Streets	—	40,750	56,759	47,146	49,860
Culture and Recreation	54,711	100,930	102,239	132,014	246,322
Health and Welfare	—	3,109	6,716	10,843	10,091
Urban Redevelopment and Housing	—	31,125	51,470	60,093	81,595
Transportation and Public Works	71,106	—	—	—	—
Public Library	18,763	—	—	—	—
Public Events and Facilities	28,324	—	—	—	—
Planning and Development	11,656	—	—	—	—
Housing and Economic Development	17,536	—	—	—	—
Capital Outlay	206,450	178,970	184,317	175,367	190,441
Debt Service:					
Principal Retirement	88,923	70,939	70,484	79,491	100,723
Interest and Debt Issuance Costs	35,044	31,121	32,265	36,566	43,129
Total Expenditures	1,085,516	1,028,208	1,072,261	1,110,420	1,308,285
Excess (Deficiency) of Revenues Over (Under) Expenditures	(217,937)	(133,736)	(135,943)	(148,464)	(259,287)
OTHER FINANCING SOURCES (USES):					
Issuance of Long-Term Debt	19,270	40,000	103,000	226,880	62,220
Issuance of Special Assessment Debt	—	—	—	12,685	5,155
Issuance of Tax Notes	—	—	—	32,605	12,590
Issuance of Leases/SBITA	344	—	—	575	—
Construction Loans	46,865	37,356	40,373	26,637	19,106
Premium on Issuance	364	18,668	21,131	11,192	4,416
Proceeds from Disposal of Property	1,340	2,394	533	15,619	26,012
Issuance of Refunding Bonds	—	127,162	27,500	—	—
Payment to Bond Escrow Agent	—	(154,840)	(47,650)	—	—
Insurance Recoveries	—	—	7,477	—	—
Transfers In	143,754	162,071	162,483	389,685	144,348
Transfers Out	(181,450)	(102,400)	(115,764)	(360,244)	(103,896)
Total Other Financing Sources (Uses)	30,487	130,411	199,083	355,634	169,951
Net Change in Fund Balances	\$ (187,450)	\$ (3,325)	\$ 63,140	\$ 207,170	\$ (89,336)
Debt Service as a Percentage of Noncapital Expenditures					
	14.10 %	12.02 %	11.57 %	12.41 %	12.87 %

Source: Comprehensive Annual Financial Report for the respective years.

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

Fiscal Year 2014, 2015, and 2016 Debt Service percentages were updated to reflect proper data.

TABLE 4

2019	2020	2021	2022	2023
\$ 518,525	\$ 562,695	\$ 595,246	\$ 622,071	\$ 691,775
279,864	272,528	309,611	373,894	406,203
50,494	48,365	48,484	53,273	51,710
50,760	46,106	46,344	55,278	51,696
16,966	18,095	19,336	23,268	21,684
11,781	4,426	4,553	5,837	6,034
13,051	11,294	13,086	15,516	17,628
34,245	31,967	5,210	(31,323)	70,525
81,484	121,744	196,865	147,301	145,703
6,646	3,237	4,483	13,340	5,167
39,452	23,497	25,632	28,173	33,826
17,425	34,642	45,417	35,955	37,385
1,120,693	1,178,596	1,314,267	1,342,583	1,539,336
128,270	133,690	132,036	150,199	116,015
492,841	517,018	545,069	574,541	642,085
62,956	70,622	65,208	68,518	76,167
135,859	125,999	105,636	124,048	145,852
10,773	34,670	100,849	24,143	25,646
81,427	101,692	90,542	149,912	160,164
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
160,895	137,352	232,212	175,446	231,360
90,370	116,467	121,688	113,023	132,997
41,028	45,579	42,438	45,302	44,260
1,204,419	1,283,089	1,435,678	1,425,132	1,574,546
(83,726)	(104,493)	(121,411)	(82,549)	(35,210)
106,595	109,065	92,705	81,380	239,410
—	—	—	—	—
8,565	25,115	114,620	72,185	16,955
—	—	—	2,495	7,659
7,185	9,436	—	11,513	6,040
9,995	22,705	19,361	5,951	25,834
2,482	146	12,335	8,635	17,604
—	42,325	101,675	70,730	—
—	(48,810)	(108,160)	(73,595)	—
1,303	6	2,634	2,225	—
171,072	178,036	157,544	224,723	241,925
(134,333)	(144,518)	(117,137)	(180,961)	(200,345)
172,864	193,506	275,577	225,281	355,082
\$ 89,138	\$ 89,013	\$ 154,166	\$ 142,732	\$ 319,872
12.59 %	14.14 %	13.64 %	12.67 %	13.20 %

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	
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
2021	62,119,300	17,758,887	79,878,187	0.7475
2022	70,618,706	16,755,223	87,373,929	0.7325
2023	81,238,767	18,834,773	100,073,540	0.7125

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 2012 to 2021 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
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
2021	0.5950	0.1525	0.7475	1.3784	0.2340	0.2244	0.1302
2022	0.5850	0.1475	0.7325	1.3432	0.2290	0.2244	0.1302
2023	0.5650	0.1475	0.7125	1.2816	0.2240	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
2014	\$ 377,584	\$ 370,904	98.23 %	\$ 2,848	\$ 373,752	98.99 %
2015	402,370	393,691	97.84 %	3,984	397,675	98.83 %
2016	424,203	416,304	98.14 %	3,333	419,637	98.92 %
2017	453,954	444,015	97.81 %	3,267	447,282	98.53 %
2018	488,093	477,778	97.89 %	1,445	479,223	98.18 %
2019	527,508	515,308	97.69 %	2,275	517,583	98.12 %
2020	570,801	556,459	97.49 %	112	556,571	97.51 %
2021	606,080	590,141	97.37 %	(568)	589,573	97.28 %
2022	633,952	617,586	97.42 %	1,673	619,259	97.68 %
2023	708,681	688,754	97.19 %	—	688,754	97.19 %

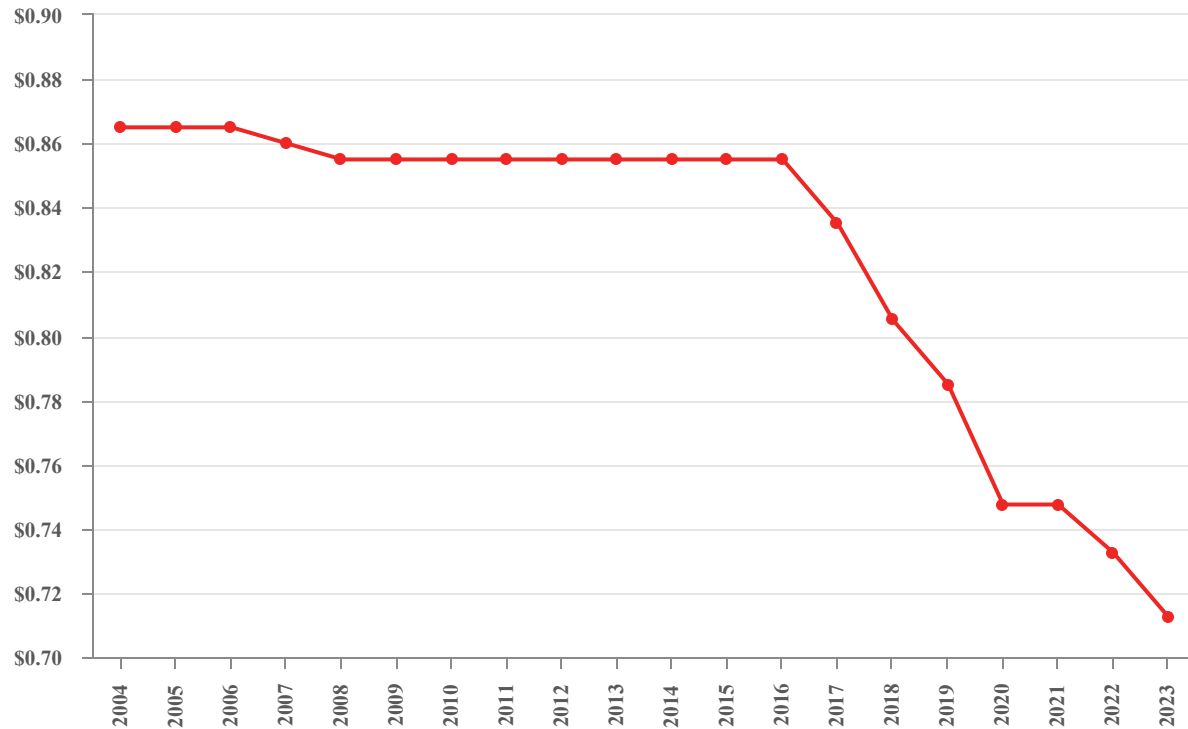
Source: Tarrant County Tax Office

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

TABLE 8

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
\$ 0.8650	\$ 0.8650	\$ 0.8650	\$ 0.8600	\$ 0.8550	\$ 0.8550	\$ 0.8550	\$ 0.8550	\$ 0.8550	\$ 0.8550

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
\$ 0.8550	\$ 0.8550	\$ 0.8550	\$ 0.8350	\$ 0.8050	\$ 0.7850	\$ 0.7475	\$ 0.7475	\$ 0.7325	\$ 0.7125



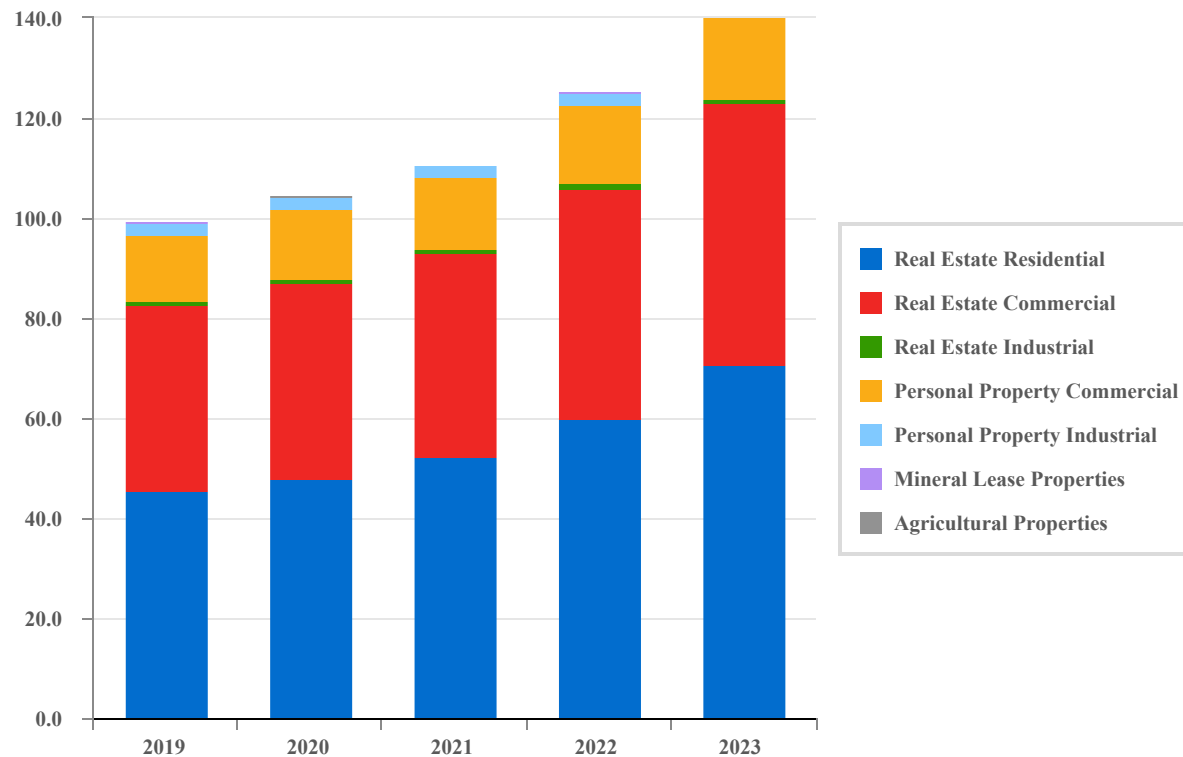
Source: Planning and Data Analytics Division/FW Lab, FMS, City of Fort Worth
Tax rate per \$100 of Assessed Value

*Y-Axis adjusted for reader clarity.

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

TABLE 9

Appraisal Year	2019	2020	2021	2022	2023
TAD Value By Type					
Real Estate Residential	\$ 45,419,396,758	\$ 47,901,575,417	\$ 52,282,526,896	\$ 60,057,606,553	\$ 70,993,438,586
Real Estate Commercial	37,401,217,704	39,261,858,918	40,898,023,066	46,069,619,052	52,018,670,275
Real Estate Industrial	880,356,252	892,401,448	893,461,513	941,667,239	1,033,869,133
Personal Property Commercial	13,280,195,431	13,913,031,378	14,277,890,706	15,770,736,421	18,291,975,845
Personal Property Industrial	2,305,884,521	2,415,565,805	2,271,863,115	2,254,943,981	2,515,750,151
Mineral Lease Properties	325,587,510	213,152,263	208,906,283	486,824,582	1,024,441,890
Agricultural Properties	13,312,851	3,343,212	15,266,915	4,027,290	5,650,464
Total TAD Value	\$ 99,625,951,027	\$104,600,928,441	\$110,847,938,494	\$125,585,425,118	\$145,883,796,344
Total CFW Value	\$103,261,553,977	\$109,064,258,429	\$116,859,799,095	\$133,380,967,414	\$156,237,829,814
% of CFW Value	96.5 %	95.9 %	94.9 %	94.2 %	93.4 %



Source: Tarrant Appraisal District Certified Tax Report.

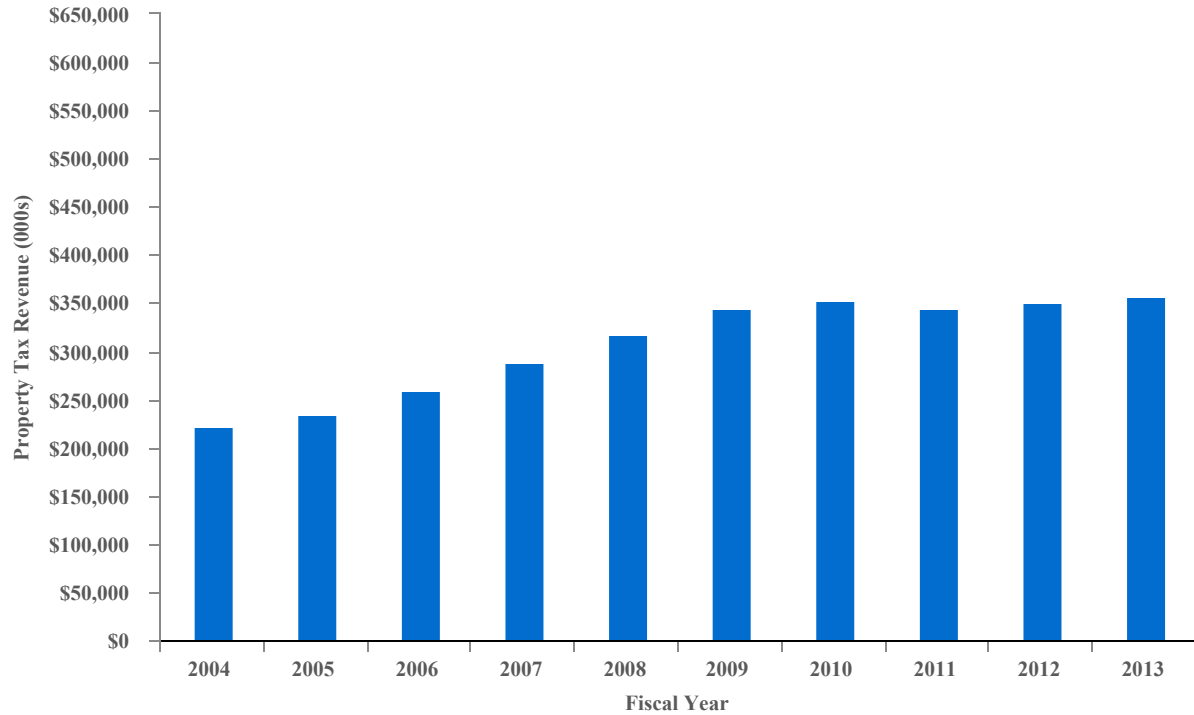
Values reported are for Tarrant County only.

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



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

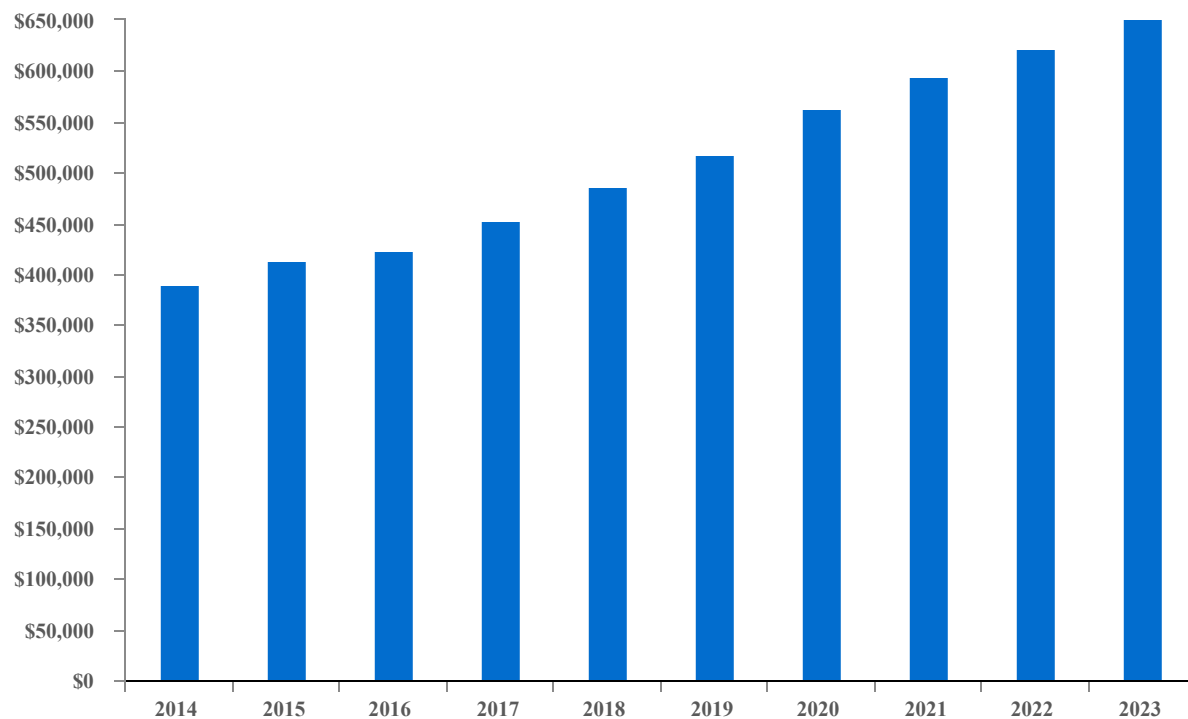
Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Value (000s)	\$222,111	\$235,643	\$259,483	\$289,177	\$317,290	\$343,973	\$353,606	\$343,954	\$351,540	\$357,673
Percent Change	6.73 %	6.09 %	10.12 %	11.44 %	9.72 %	8.41 %	2.80 %	(2.73)%	2.21 %	1.74 %



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

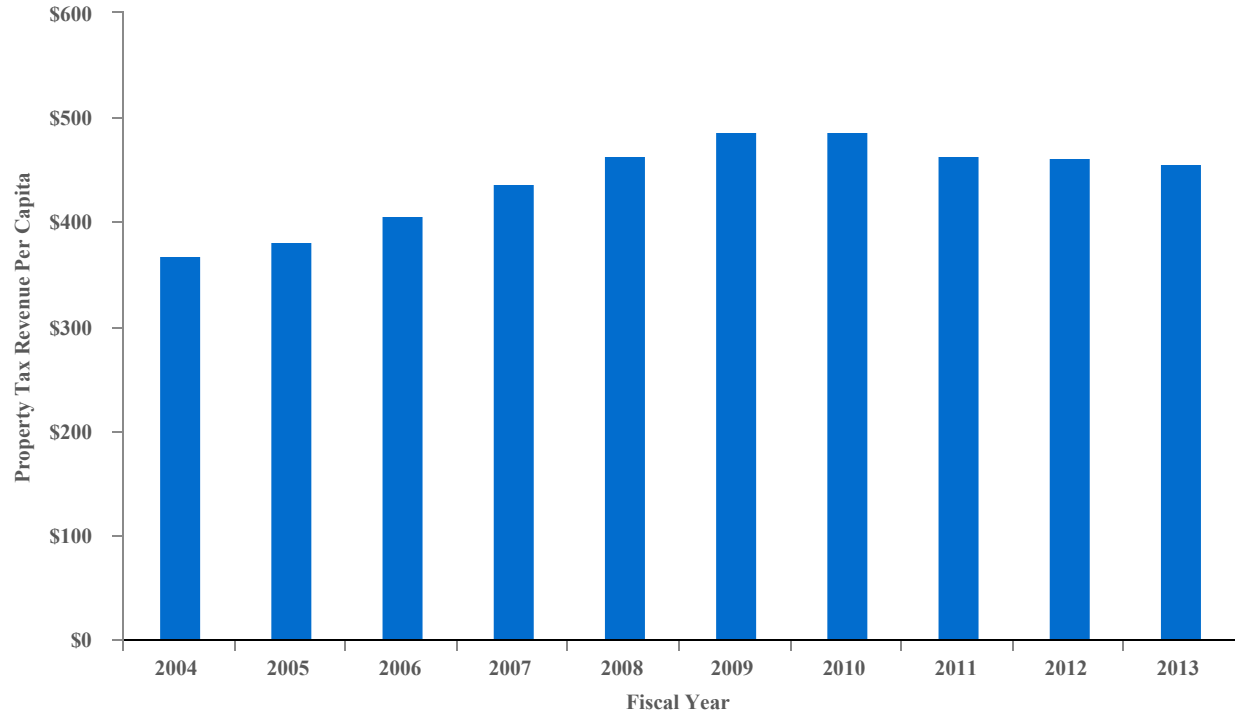
TABLE 10

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
\$389,490	\$414,419	\$424,458	\$452,843	\$485,959	\$518,525	\$562,695	\$595,246	\$622,071	\$691,775
8.90 %	6.40 %	2.42 %	6.69 %	7.31 %	6.70 %	8.52 %	5.78 %	4.51 %	11.21 %



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

Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Value (000s) ^(a)	\$222,111	\$235,643	\$259,483	\$289,177	\$317,290	\$343,973	\$353,606	\$343,954	\$351,540	\$ 357,673
Population ^(b)	602,759	619,117	637,346	662,346	685,762	706,526	727,257	741,206	760,758	782,027
Value Per Capita	\$ 368	\$ 381	\$ 407	\$ 437	\$ 463	\$ 487	\$ 486	\$ 464	\$ 462	\$ 457
Percent Change	3.66 %	3.53 %	6.82 %	7.37 %	5.95 %	5.18 %	(0.21)%	(4.53)%	(0.43)%	(1.08)%

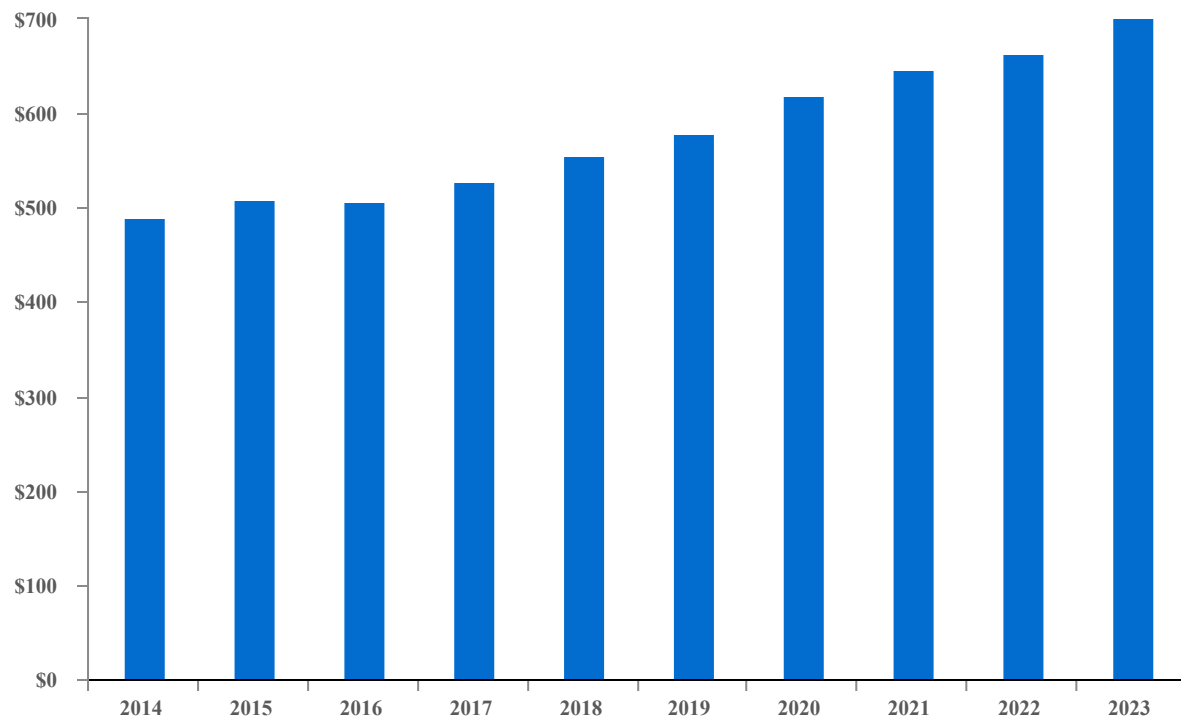


^(a) Source: Financial Reporting Division, FMS, City of Fort Worth

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

TABLE 11

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
\$389,490	\$414,419	\$424,458	\$452,843	\$485,959	\$518,525	\$562,695	\$595,246	\$622,071	\$691,775
794,189	812,553	836,969	855,897	876,060	895,008	909,585	918,915	935,508	956,709
\$ 490	\$ 510	\$ 507	\$ 529	\$ 555	\$ 579	\$ 619	\$ 648	\$ 665	\$ 723
7.22 %	4.08 %	(0.59)%	4.34 %	4.91 %	4.32 %	6.91 %	4.68 %	2.62 %	8.72 %



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	2023 ^(a)			2014 ^(b)		
		2022 Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation	2013 Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation
Winner LLC	Commercial Real Estate	\$2,083,530	1	2.38 %			
Oncor Electric Delivery Co LLC	Electric Utility	1,608,230	2	1.84 %	365,328	1	0.86 %
American Airlines	Airlines	1,471,937	3	1.68 %			
General Motors LLC/General Motors CO	Automotive	1,100,091	4	1.26 %			
Atmos Energy/Mid Tex Division	Natural Gas Producer	690,906	5	0.79 %			
Bell Helicopter Textron Inc	Air Craft Manufacturing	450,721	6	0.52 %	210,091	3	0.50 %
Alcon Laboratories	Pharmaceuticals	411,059	7	0.47 %	175,993	6	0.41 %
Amazon.com Services LLC	Delivery and Logistics	391,931	8	0.45 %			
Walmart Real Estate Trust	Real Estate	377,761	9	0.43 %	151,345	8	0.36 %
United Parcel Services INC	Shipping Couriers	363,060	10	0.42 %			
DDR/DTC City Investments, LP	Real Estate				217,491	2	0.51 %
XTO Energy Inc	Oil/Gas Producer				199,124	4	0.47 %
Chesapeake Operating (WI)	Natural Gas Producer				196,646	5	0.46 %
AMR Corp/ American Airlines, Inc.	Airline				172,481	7	0.41 %
Mercantile Partners	Land Subdividers and Developers				141,525	9	0.33 %
Behringer Harvard Burnett PLZ	Investment Company				137,904	10	0.33 %
		<u>\$8,949,226</u>		<u>10.24 %</u>	<u>\$1,967,928</u>		<u>4.64 %</u>

^(a) Source: Tarrant Appraisal District Supplemental Certification Report

^(b) Source: Annual Comprehensive 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)

	2014	2015	2016	2017	2018
Governmental:					
General Obligation Bonds	\$ 440,617	\$ 452,412	\$ 499,217	\$ 452,570	\$ 475,520
Certificates of Obligation	299,441	242,290	221,565	201,945	167,785
Special Tax Revenue Debt	—	—	—	226,880	226,550
Special Assessment Debt	—	—	—	12,685	17,840
Tax Notes	—	—	—	26,130	35,010
Installment Obligation	2,370	1,620	825	—	—
Equipment Notes Payable	39,145	—	—	—	—
HUD Installment Obligation	4,504	3,699	2,865	2,000	1,368
Fort Worth Sports Authority	6,868	2,495	—	—	—
Lone Star Local Govt Corp Obligation	31,617	31,617	31,617	31,617	31,617
State Obligations	10,931	10,285	9,638	8,992	8,346
Project Finance Zone 1	—	—	—	—	—
TRWD Obligation	91,998	124,349	153,853	171,391	186,654
State Energy Conservation Loan Phase I & II	553	—	—	—	—
State Energy Conservation Loan Phase III	2,064	1,528	971	397	—
ESPC Phase VII	18,064	17,426	16,472	15,474	14,302
Leases	1,482	1,122	836	1,167	837
SBITA	—	—	—	—	—
Southwest Bank Loan (LDC SW Building)	2,545	2,200	1,844	1,477	1,099
Lancaster Corridor Construction Loan	—	1,774	10,276	16,500	—
Unamortized Prem/Disc	—	57,073	68,272	69,218	55,951
Business-type:					
General Obligation Bonds	—	—	38,428	37,365	35,580
Revenue Bonds	950,107	882,395	870,315	910,685	953,415
Certificates of Obligation	53,092	48,428	4,225	2,515	1,400
Trinity River Authority	5,500	4,885	4,250	3,600	2,930
ESPC Phase V	13,355	11,938	10,463	8,955	7,411
Leases	—	—	—	—	—
SBITA	—	—	—	—	—
Unamortized Prem/Disc	—	61,263	68,508	69,036	52,814
Total Primary Government	\$ 1,974,253	\$ 1,958,799	\$ 2,014,440	\$ 2,270,599	\$ 2,276,429
Personal Income ^(a)	\$ 19,128,358	\$ 19,600,795	\$ 20,604,646	\$ 22,772,813	\$ 25,219,139
Debt as a Percentage of Personal Income	10 %	10%	10%	10%	9%
Population ^(b)	781	793	833	875	895
Debt Per Capita	\$ 2,528	\$ 2,470	\$ 2,418	\$ 2,595	\$ 2,543

^(a) Personal Income calculated using the population and the per capita personal income (source: U. S. Bureau of Census 2010, 2020 and estimates)

^(b) Years prior to 2016: North Central Texas Council of Governments (NCTCOG). Beginning in year 2016: U.S. Bureau of Census 2010, 2020 and estimates.

^(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: Annual Comprehensive Financial Report for the respective years and other sources listed above.

CITY OF FORT WORTH, TEXAS
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS (Unaudited)
(in 000's)

TABLE 13

	2019	2020	2021	2022	2023
\$	520,545	\$ 576,670	\$ 665,220	\$ 688,200	\$ 765,665
	152,745	99,425	100,540	70,420	137,535
	226,115	225,675	220,350	214,870	209,210
	17,840	17,840	—	—	—
	38,300	56,890	61,730	121,945	116,585
	—	—	—	—	—
	—	—	—	—	—
	702	—	—	—	—
	—	—	—	—	—
	31,617	31,617	31,617	31,617	31,617
	7,700	7,054	25,567	23,368	19,094
	—	—	1,357	—	—
	188,857	191,712	188,643	192,927	190,857
	—	—	—	—	—
	—	—	—	—	—
	12,650	10,961	9,233	7,467	5,661
	476	1,473	1,109	5,087	9,381
	—	—	—	—	12,445
	710	309	—	—	—
	—	—	—	—	—
	55,342	64,359	69,417	56,740	68,436
	33,740	31,700	29,585	27,389	25,110
	979,470	1,045,815	1,114,000	1,181,130	1,330,375
	230	—	—	—	—
	2,240	1,520	775	—	—
	5,830	4,212	2,557	862	—
	—	—	—	—	1,147
	—	—	—	—	1,946
	52,784	61,941	68,336	60,006	58,571
\$	<u>2,327,893</u>	<u>\$ 2,429,173</u>	<u>\$ 2,590,036</u>	<u>\$ 2,682,028</u>	<u>\$ 2,983,635</u>
\$	31,024,719	\$ 33,209,598	\$ 33,972,475	\$ 35,859,893	\$ 33,458,027
	8%	7%	8%	7%	9%
	917	931	952	936	957
\$	2,539	\$ 2,609	\$ 2,721	\$ 2,865	\$ 3,118

**PERCENT OF TOTAL GENERAL DEBT OUTSTANDING TO ASSESSED
VALUE AND TOTAL GENERAL DEBT OUTSTANDING PER CAPITA
LAST TEN FISCAL YEARS (Unaudited)
(in 000's)**

Fiscal Year	General Bonded Debt Outstanding		Less Restricted for Debt Service ^(d)	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)						
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	1,245	756,698	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
2021	748,871	104,300	51,523	801,648	79,878,187	1.00 %	952	0.842
2022	760,339	72,793	51,523	781,609	87,373,929	0.89 %	936	0.835
2023	839,594	147,864	65,232	922,226	100,073,540	0.92 %	957	0.964

^(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, 2020 and estimates.

^(d) Amount available for Governmental & Business-type payments.



CITY OF FORT WORTH, TEXAS
LEGAL DEBT MARGIN INFORMATION
SEPTEMBER 30, 2023 (Unaudited)
(in Millions)

	2014*	2015*	2016*	2017*	2018*
Total Assessed Valuation	\$ 42,421	\$ 45,931	\$ 49,660	\$ 49,705	\$ 60,950
Overall Debt Limitation - 10% of Assessed Valuation	4,242	4,593	4,966	4,971	6,095
Net Debt Subject to Limitation	695	695	721	721	715
Legal Debt Margin Within 10% Limitation	\$ 3,547	\$ 3,898	\$ 4,245	\$ 4,250	\$ 5,380
Legal Debt Margin as a Percentage of the Debt Limit	84 %	85 %	85 %	85 %	88 %

Notes:

*Government Code Sec. 1331.051 of the State of Texas Constitution and Statutes, effective September 2023, limits cities with a population of nine hundred fifty thousand or more, through the issuance of bonds payable from taxes, may incur total bonded debt in an amount not to exceed 10 percent of the total appraised value of property listed on the most recent appraisal roll for the municipality notwithstanding that the municipal charter limits the total dollar amount of bonded debt to a lesser amount. Prior to FY2023, the limit was based upon a population of seven hundred fifty thousand. According to the 2010 Federal Census, the City of Fort Worth had a population of over seven hundred fifty eight thousand; therefore, the 10% limitation applies to 2014 - 2022. According to Federal Census website, the City of Fort Worth had an estimated population of over nine hundred fifty seven thousand as of July 1, 2022; therefore the 10% limitation applies to 2023.

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)

	2014	2015	2016	2017	2018
General Fund	\$ 0.676	\$ 0.676	\$ 0.676	\$ 0.662	\$ 0.642
Debt Service Fund	0.179	0.179	0.179	0.173	0.163
Total City Tax Rate	\$ 0.855	\$ 0.855	\$ 0.855	\$ 0.835	\$ 0.805

Source: Tarrant Appraisal District

TABLE 15

2019*	2020*	2021*	2022*	2023*
\$ 67,585	\$ 76,994	\$ 79,878	\$ 87,374	\$ 100,074
6,759	7,699	7,988	8,737	10,007
746	765	858	858	1,046
\$ 6,013	\$ 6,934	\$ 7,130	\$ 7,879	\$ 8,961
89 %	90 %	89 %	90 %	90 %

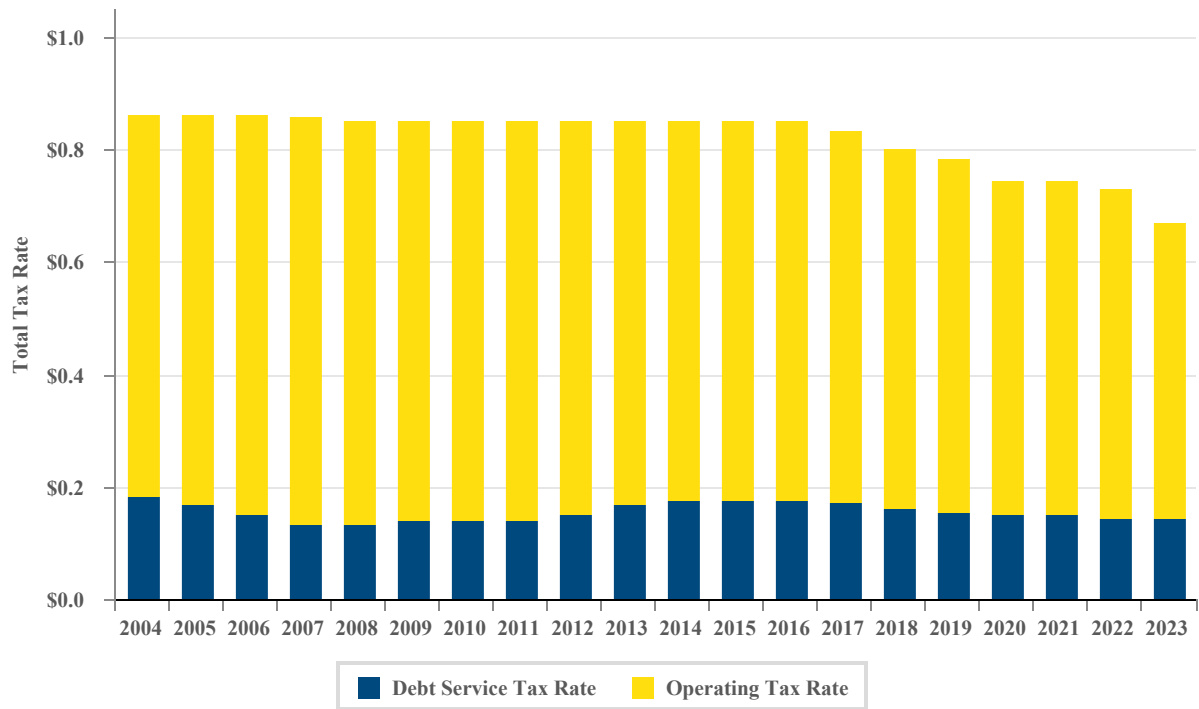
2019	2020	2021	2022	2023
\$ 0.630	\$ 0.595	\$ 0.595	\$ 0.585	\$ 0.565
0.155	0.153	0.153	0.148	0.148
\$ 0.785	\$ 0.748	\$ 0.748	\$ 0.733	\$ 0.713

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

TABLE 16

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt Service Tax Rate	\$ 0.1851	\$ 0.1704	\$ 0.1543	\$ 0.1341	\$ 0.1341	\$ 0.1441	\$ 0.1441	\$ 0.1441	\$ 0.1541	\$ 0.1691
Operating Tax Rate	\$ 0.6799	\$ 0.6946	\$ 0.7107	\$ 0.7259	\$ 0.7209	\$ 0.7109	\$ 0.7109	\$ 0.7109	\$ 0.7009	\$ 0.6859

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Service Tax Rate	\$ 0.1791	\$ 0.1791	\$ 0.1791	\$ 0.1735	\$ 0.1635	\$ 0.1550	\$ 0.1525	\$ 0.1525	\$ 0.1475	\$ 0.1475
Operating Tax Rate	\$ 0.6759	\$ 0.6759	\$ 0.6759	\$ 0.6615	\$ 0.6415	\$ 0.6300	\$ 0.5950	\$ 0.5950	\$ 0.5850	\$ 0.5250



Source: Planning and Data Analytics Division/FWLab, City of Fort Worth

CITY OF FORT WORTH, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL
ACTIVITIES DEBT(Unaudited)
YEAR ENDED SEPTEMBER 30, 2023
(in 000's)

TABLE 17

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable^(a)	Estimated Share of Overlapping Debt
Aledo ISD	\$ 376,053	7.80 %	\$ 29,332
Arlington Independent School District	1,225,555	0.00 %	—
Azle Independent School District	131,490	0.76 %	999
Birdville Independent School District	655,275	4.34 %	28,439
Burleson Independent School District	277,644	13.56 %	37,649
Castleberry Independent School District	27,395	49.85 %	13,656
Crowley Independent School District	936,034	77.26 %	723,180
Denton County	624,655	4.16 %	25,986
Eagle Mountain-Saginaw Independent School District	1,057,305	73.33 %	775,322
Everman Independent School District	106,785	67.07 %	71,621
Fort Worth Independent School District	1,504,885	87.37 %	1,314,818
Grapevine-Colleyville Independent School District	289,241	0.00 %	—
Hurst-Euless-Bedford Independent School District	295,350	30.00 %	88,605
Johnson Co	17,495	0.00 %	—
Keller Independent School District	782,925	50.89 %	398,431
Kennedale Independent School District	62,915	0.20 %	126
Lake Worth Independent School District	79,507	51.53 %	40,970
Mansfield Independent School District	761,995	0.01 %	76
Northwest Independent School District	1,807,155	49.14 %	888,036
Parker County	133,014	2.20 %	2,926
Parker County JCD	1,400	2.20 %	31
Tarrant County	376,120	39.09 %	147,025
Tarrant County College District	591,230	39.09 %	231,112
Tarrant County Hospital District	448,410	39.09 %	175,283
White Settlement Independent School District	250,385	50.54 %	126,544
Wise County	6,570	0.02 %	1
Subtotal, overlapping debt			5,120,168
General Obligations Bonds	765,665		765,665
Certificates of Obligation	137,535		137,535
Special Tax Revenue Debt	209,210		209,210
Tax Notes	116,585		116,585
Lone Star Local Government Corp Obligation	31,617		31,617
State Obligation - City	13,032		13,032
State Obligation - CCPD	6,062		6,062
TRWD Obligation	190,857		190,857
ESPC Phase VII	5,661		5,661
Net Unamortized Bond Premium/Discount	68,436		68,436
Leases	9,381		9,381
SBITA	12,445		12,445
City of Fort Worth Net Direct Debt	1,566,486	100.00 %	1,566,486
Total direct and overlapping debt			\$ 6,686,654

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, leases/SBITA, 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

Fiscal Year	Revenues			Debt Service Requirements ^(a)			Bond Coverage ^(d)
	Total Revenues ^(b)	Less: Operating Expense ^(c)	Net Revenue	Principal	Interest	Annual Requirement	
Water and Sewer ^(e)							
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
2021	494,174	275,191	218,983	61,150	32,474	93,624	2.34
2022	568,687	299,072	269,615	63,715	32,641	96,356	2.80
2023	618,029	420,538	197,491	61,510	36,991	98,501	2.00
Municipal Parking ^(f)							
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
2021	4,949	3,458	1,491	1,675	1,302	2,977	0.50
2022	6,339	4,232	2,107	1,760	1,216	2,976	0.71
2023	7,803	6,601	1,202	1,850	1,125	2,975	0.40
Solid Waste ^(g)							
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
2021	71,591	62,248	9,343	440	45	485	19.26
2022	78,583	64,457	14,126	435	34	469	30.12
2023	81,978	69,093	12,885	430	24	454	28.38
Stormwater ^(h)							
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
2021	47,915	19,181	28,734	5,550	5,044	10,594	2.71
2022	49,416	21,535	27,881	5,000	4,497	9,497	2.94
2023	55,655	33,709	21,946	5,245	4,256	9,501	2.31

^(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

Fiscal Year	Population^(a)	Per Capita Personal Income	Per Capita	Median Age	Unemployment^(b)	Unemployment Rate^(f)
2014	794,189	\$ 19,448,894,421	24,489 ^(c)	31.5 ^(c)	18,699	5.0%
2015	812,553	20,091,185,478	24,726 ^(d)	31.8 ^(c)	15,594	4.0%
2016	836,969	20,694,895,494	24,726 ^(d)	31.9 ^(c)	16,600	4.1%
2017	855,897	22,296,972,747	26,051 ^(c)	32.0 ^(c)	12,823	3.1%
2018	876,060	24,682,114,440	28,174 ^(c)	32.9 ^(c)	15,011	3.5%
2019	895,008	30,279,015,648	33,831 ^(c)	38.2 ^(c)	14,108	3.2%
2020	909,585	32,446,716,120	35,672 ^(c)	38.5 ^(c)	36,271	8.1%
2021	918,915	32,779,535,880	35,672 ^(c)	38.5 ^(c)	22,071	4.9%
2022	935,508	35,859,892,656	38,332 ^(c)	38.8 ^(c)	17,213	3.7%
2023	956,709	33,458,027,148	34,972 ^(c)	34.3 ^(c)	19,764	4.0%

^(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 2013 Estimate

^(d) Source: U.S. Census Bureau 2014 Estimate

^(e) Source: U.S. Census Bureau, American Community Survey

^(f) Source: U.S. Bureau of Labor Statistics

**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	2023			2014		
	Employees	Rank	Percentage of Total Employment ^(a)	Employees ^(b)	Rank	Percentage of Total Employment ^(c)
AMR Corp. /American Airlines	40.6 ^(d)	1	8.24 %	22.2	1	5.95 %
Lockheed Martin Tactical Aircraft Systems	23.0 ^(d)	2	4.67 %	13.7	2	3.67 %
Fort Worth Independent School District	11.3 ^(d)	3	2.29 %	9.8	4	2.63 %
JPS Health Network/John Peter Smith Hospital	7.2 ^(d)	4	1.46 %	7.0	6	1.88 %
City of Fort Worth	7.1 ^(d)	5	1.44 %	5.6	5	1.50 %
NAS Fort Worth Joint Reserve Base	5.2 ^(d)	6	1.05 %	11.4	3	3.06 %
Alcon Laboratories Inc.	5.1 ^(d)	7	1.03 %			
Tarrant County College	4.9 ^(d)	8	0.99 %			
Bell Helicopter-Textron, Inc.	3.8 ^(d)	9	0.77 %	3.8	10	1.02 %
Burlington Northern Santa Fe, LLC	2.5 ^(d)	10	0.51 %			
Cook Children's Healthcare System				4.8	7	1.29 %
Harris Methodist Hospital				1.0	9	1.07 %
Tarrant County Government				4.2	8	1.13 %
	<u>110.7</u>		<u>22.45 %</u>	<u>83.5</u>		<u>23.20 %</u>

^(a) Estimated total employment of 493,340 for 2023 per U.S. Bureau of Labor Statistics

^(b) Source: City of Fort Worth, Texas ACFR For the Fiscal Year Ended September 30, 2015

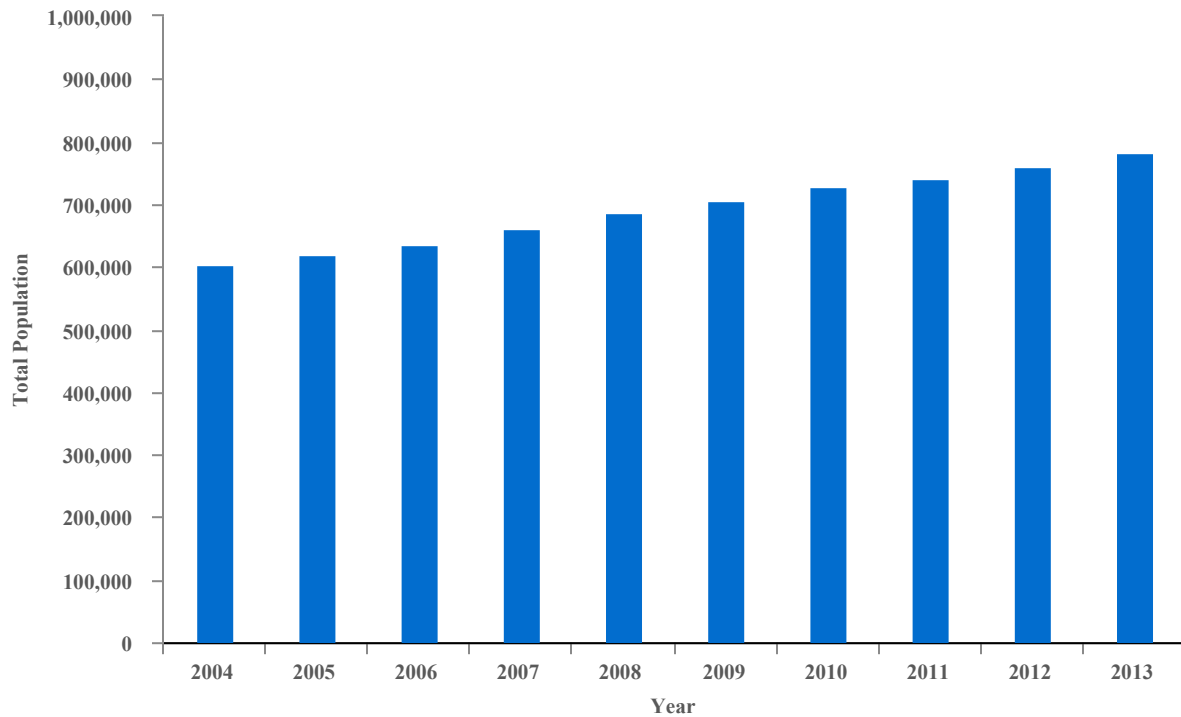
^(c) Estimated total employment of 373,406 for 2014 per U.S. Bureau of Labor Statistics

^(d) Source: Fort Worth Chamber of Commerce/Fort Worth Economic Development



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

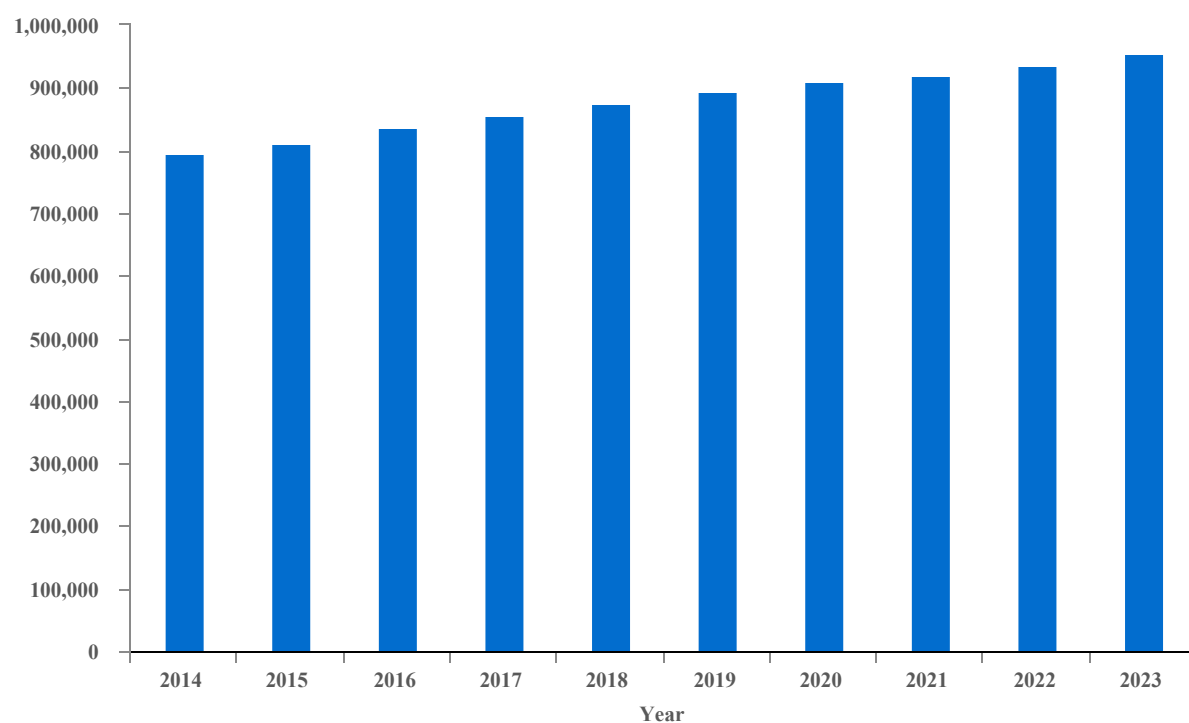
Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Population	602,759	619,117	637,346	662,346	685,762	706,526	727,257	741,206	760,758	782,027
Percent Change		2.71%	2.94%	3.92%	3.54%	3.03%	2.93%	1.92%	2.64%	2.80%



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

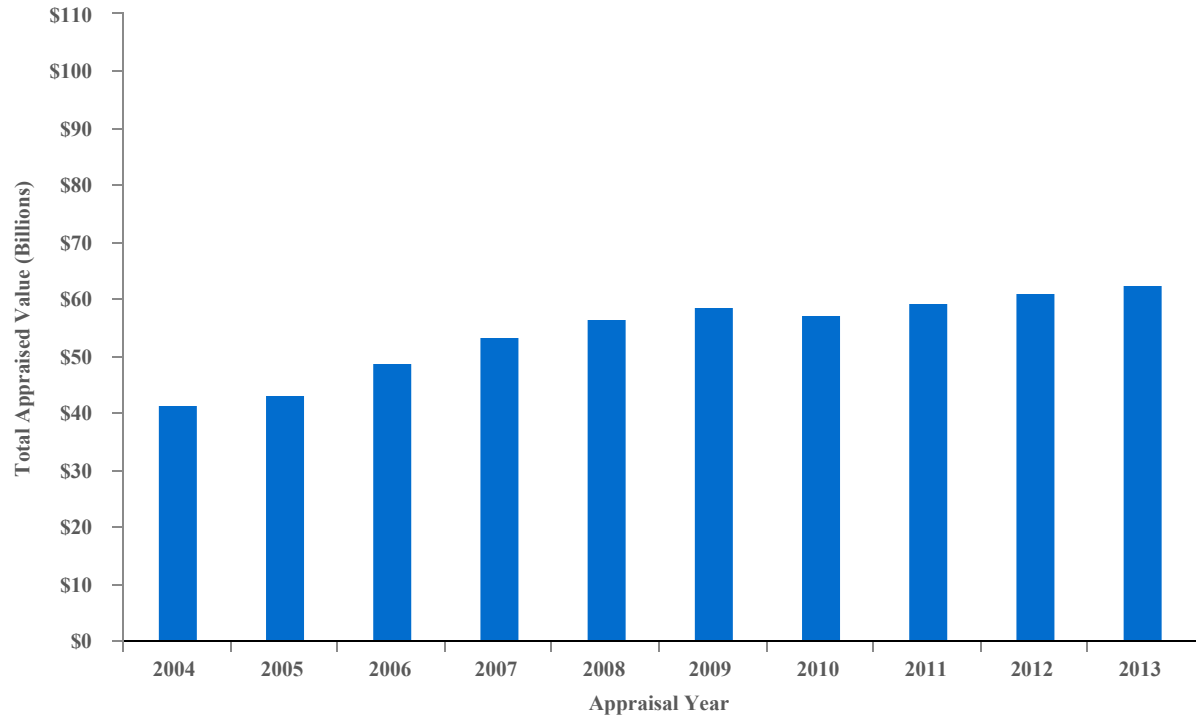
TABLE 21

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
794,189	812,553	836,969	855,897	876,060	895,008	909,585	918,915	935,508	956,709
1.56%	2.31%	3.00%	2.26%	2.36%	2.16%	1.63%	1.03%	1.81%	2.27%



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

Appraisal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Value (Billions)	\$ 41.4	\$ 43.3	\$ 48.9	\$ 53.3	\$ 56.7	\$ 58.8	\$ 57.3	\$ 59.4	\$ 61.2	\$ 62.6
Percent Change		4.59%	12.93%	9.00%	6.38%	3.70%	(2.55)%	3.66%	3.03%	2.29%

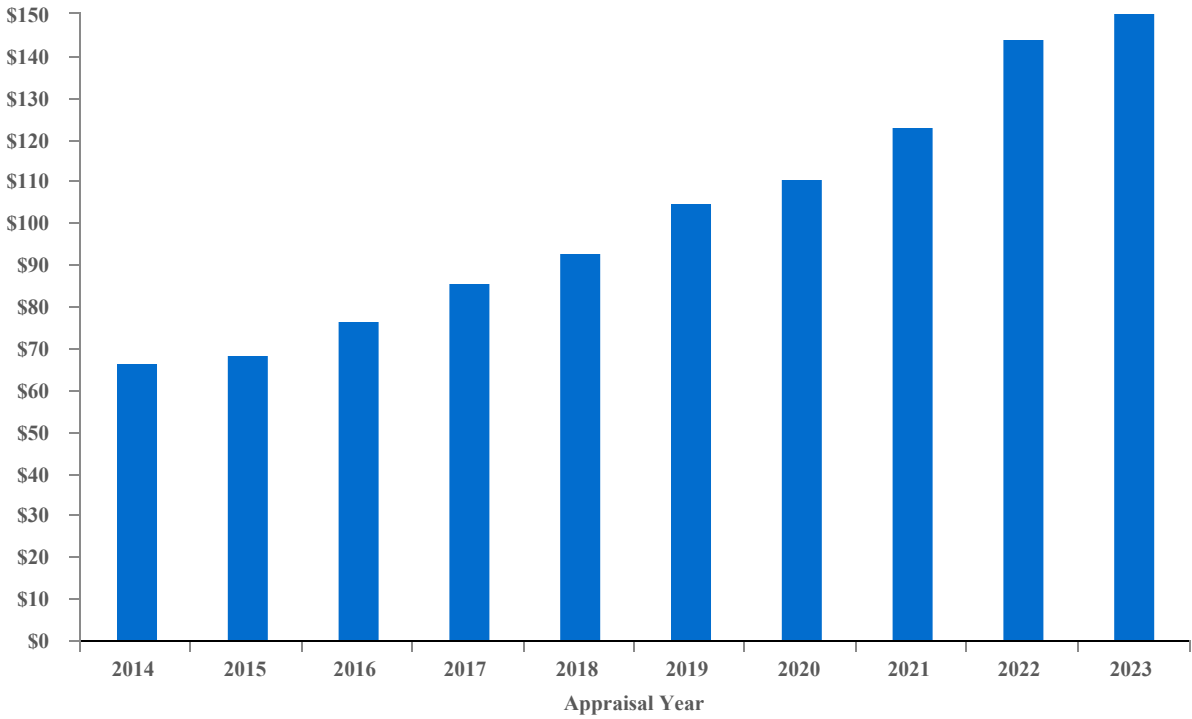


Source: Tarrant, Denton, Wise, Parker Appraisal District Certified Tax Report.

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

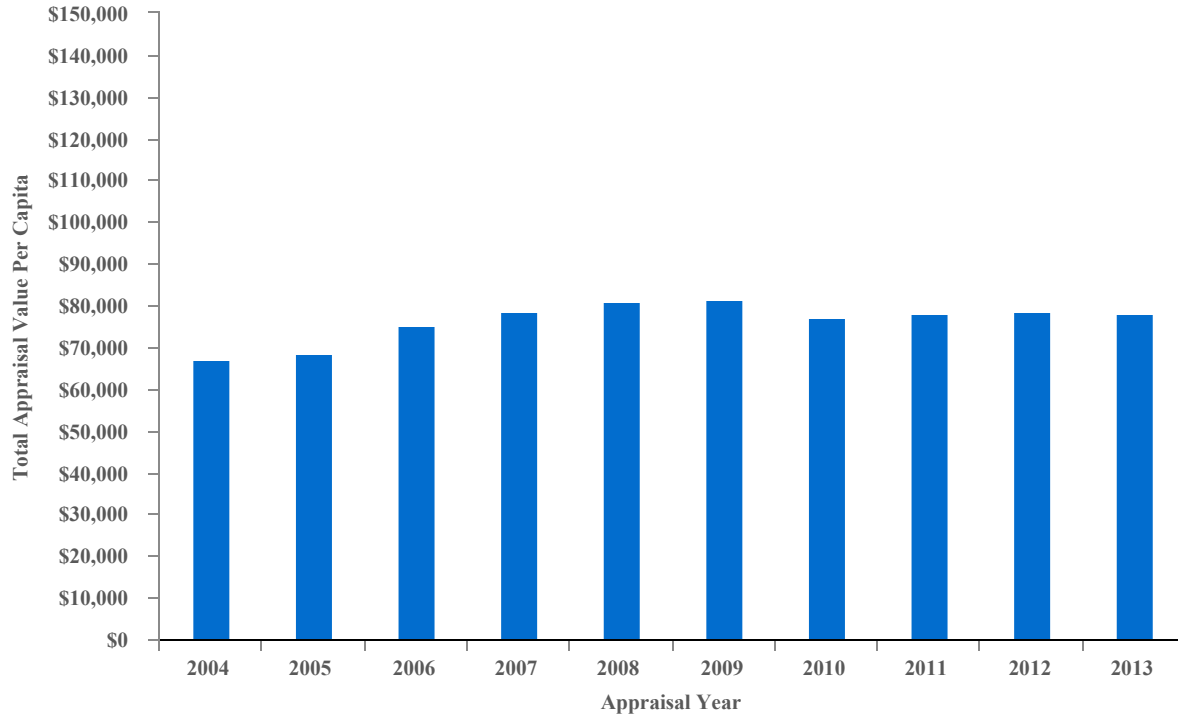
TABLE 22

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
\$ 66.4	\$ 68.5	\$ 76.6	\$ 85.6	\$ 93.2	\$ 105.0	\$ 110.6	\$ 123.2	\$ 144.3	\$ 162.0
6.07%	3.16%	11.82%	11.75%	8.88%	12.66%	5.33%	11.39%	17.13%	12.27%



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

Appraisal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Value (Billions)	\$ 40.5	\$ 42.3	\$ 47.8	\$ 52.2	\$ 55.4	\$ 57.5	\$ 56.0	\$ 58.0	\$ 59.8	\$ 61.2
Population	602,759	619,117	637,346	662,346	685,762	706,526	727,257	741,206	760,758	782,027
Value Per Capita	\$ 67,184	\$68,363	\$75,022	\$78,738	\$80,834	\$81,316	\$76,977	\$78,317	\$78,648	\$78,284
Percent Change		1.75 %	9.74 %	4.95 %	2.66 %	0.60 %	(5.34)%	1.74 %	0.42 %	(0.46)%



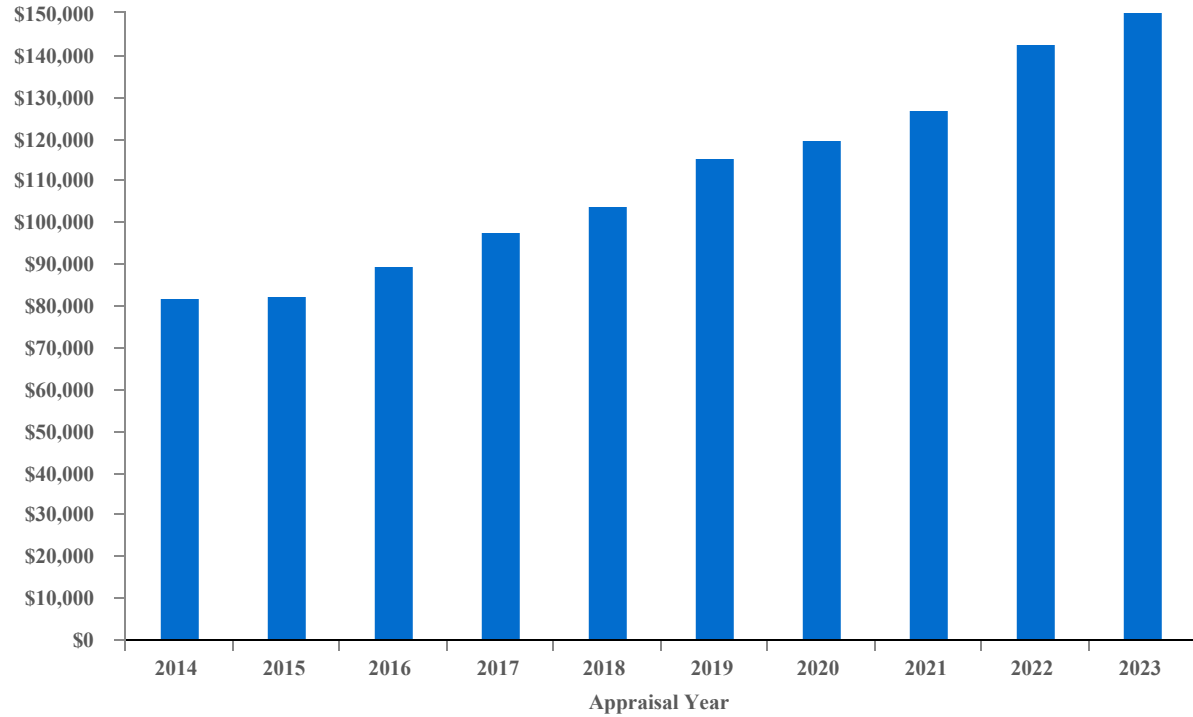
Source: Tarrant, Denton, Wise, Parker Appraisal District Certified Tax Report.

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.

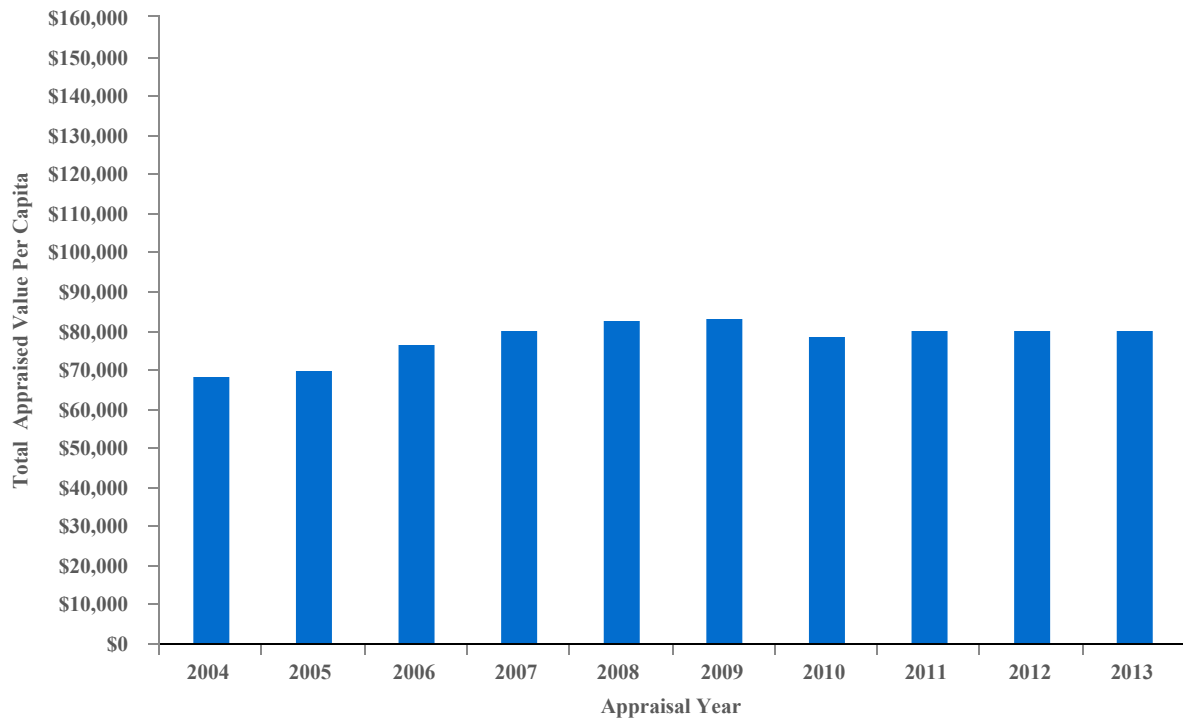
TABLE 23

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
\$ 64.9	\$ 67.0	\$ 74.9	\$ 83.7	\$ 91.1	\$ 103.3	\$ 109.1	\$ 116.9	\$ 133.4	\$ 156.2
794,189	812,553	836,969	855,897	876,060	895,008	909,585	918,915	935,508	956,709
\$ 81,763	\$ 82,466	\$ 89,498	\$ 97,806	\$104,018	\$115,376	\$119,905	\$127,171	\$142,576	\$163,308
4.44%	0.86%	8.53%	9.28%	6.35%	10.92%	3.93%	6.06%	12.11%	14.54%



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

Appraisal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Value	\$ 40,496	\$ 42,325	\$ 47,815	\$ 52,152	\$ 55,433	\$ 57,452	\$ 55,982	\$ 58,049	\$ 59,832	\$ 61,220
Adj Value (Billions)	\$ 41.4	\$ 43.3	\$ 48.9	\$ 53.3	\$ 56.7	\$ 58.8	\$ 57.3	\$ 59.4	\$ 61.2	\$ 62.6
Population	602,759	619,117	637,346	662,346	685,762	706,526	727,257	741,206	760,758	782,027
Value Per Capita	\$ 68,684	\$ 69,938	\$ 76,724	\$ 80,472	\$ 82,682	\$ 83,224	\$ 78,789	\$ 80,140	\$ 80,446	\$ 80,048
Percent Change		1.83%	9.70%	4.89%	2.75%	0.66%	(5.33)%	1.71%	0.38%	(0.49)%



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

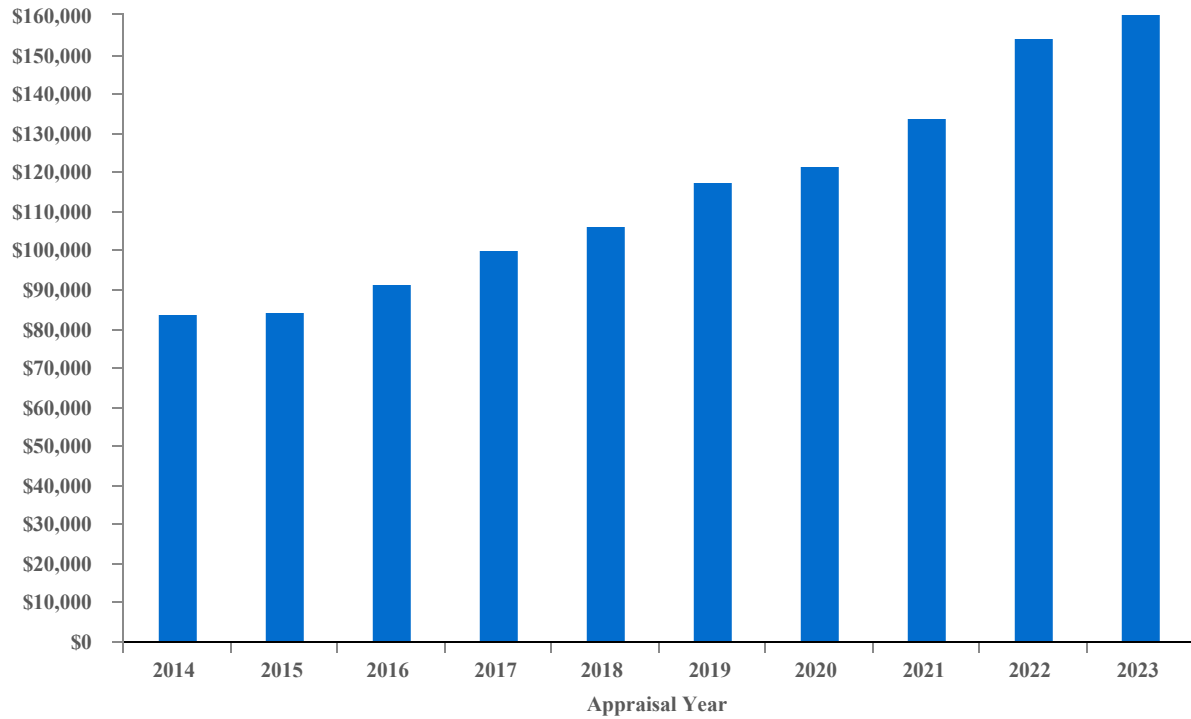
Population prior to 2016 source is NCTCOG. Population beginning 2016 source is U.S. Bureau of Census 2010 and estimates.

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

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
\$64,935	\$ 67,008	\$ 74,907	\$ 83,712	\$ 91,126	\$103,262	\$109,064	\$116,859	\$133,381	\$156,200
\$ 66.4	\$ 68.5	\$ 76.6	\$ 85.6	\$ 93.2	\$ 105.0	\$ 110.6	\$ 123.2	\$ 144.3	\$ 162.0
794,189	812,553	836,969	855,897	876,060	895,008	909,585	918,915	935,508	956,709
\$83,607	\$ 84,302	\$ 91,521	\$100,012	\$106,385	\$117,317	\$121,594	\$134,071	\$154,248	\$169,330
4.45 %	0.83%	8.56%	9.28%	6.37%	10.28%	3.65%	10.26%	15.05%	9.78%



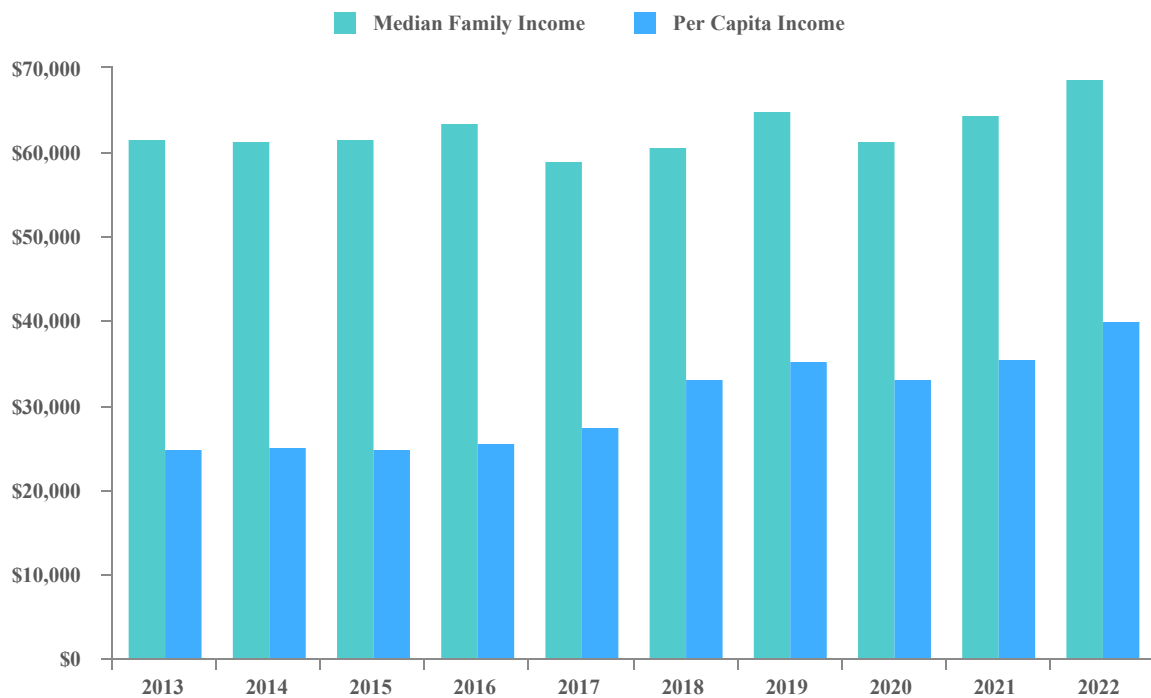
CITY OF FORT WORTH, TEXAS
MEDIAN FAMILY AND PER CAPITA INCOME (Unaudited)
(Unadjusted for Inflation)

TABLE 25

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Median Family Income	\$ 61,651	\$ 61,433	\$ 61,728	\$ 63,585	\$ 59,025	\$ 60,723	\$ 65,061	\$ 61,413	\$ 64,553	\$ 68,776
Percent Change		(0.35)%	0.48%	3.01%	(7.17)%	2.88%	7.14%	(5.61)%	5.11%	6.54%

Fort Worth Per Capita Income (Unadjusted for Inflation)

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Per Capita Income	\$ 24,836	\$ 25,186	\$ 24,975	\$ 25,706	\$ 27,622	\$ 33,168	\$ 35,319	\$ 33,338	\$ 35,493	\$ 40,196
Percent Change		1.41%	(0.84)%	2.93%	7.45%	20.08%	6.49%	(5.61)%	6.46%	13.25%



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

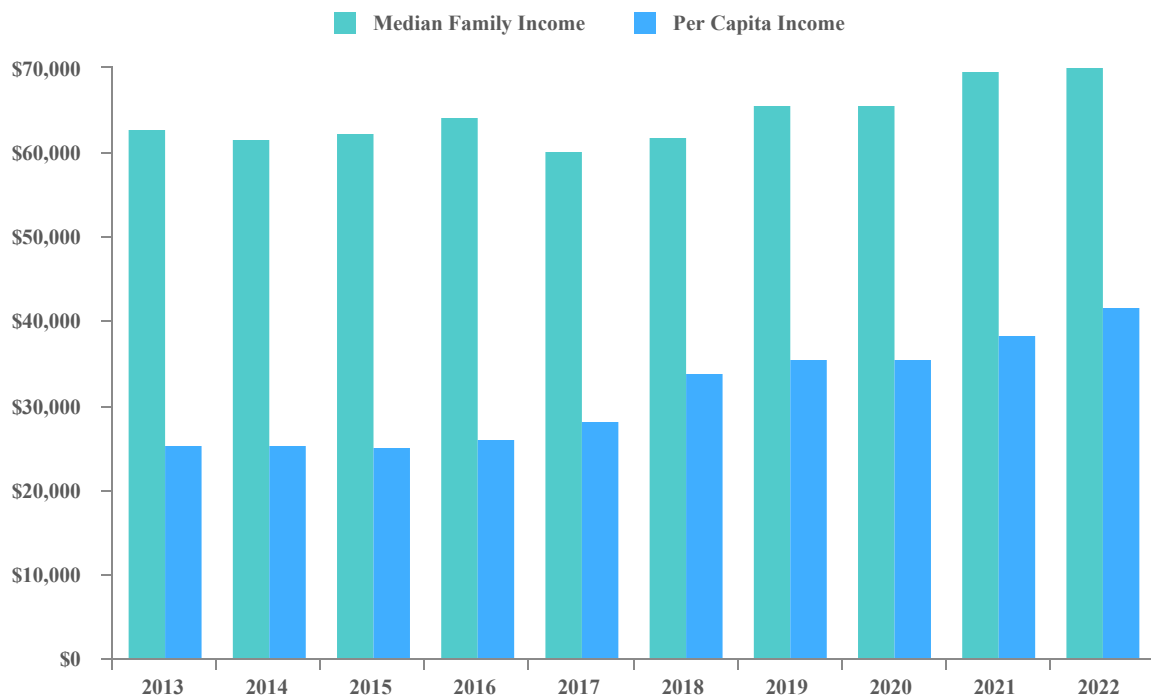
CITY OF FORT WORTH, TEXAS
MEDIAN FAMILY AND PER CAPITA INCOME (Unaudited)
(Adjusted for Inflation)

TABLE 26

Year	2013	2014	2015	2016	2017	2018	2019	2020 ^(a)	2021	2022
Median Family Income	\$ 62,994	\$61,747	\$62,345	\$64,412	\$60,205	\$61,937	\$65,712	\$65,712	\$69,717	\$71,527
Percent Change		(1.98)%	0.97%	3.32%	(6.53)%	2.88%	6.09%	0.00%	6.09%	2.60%

Fort Worth Per Capita Income (Adjusted for Inflation)

Year	2013	2014	2015	2016	2017	2018	2019	2020 ^(a)	2021	2022
Per Capita Income	\$ 25,376	\$25,315	\$25,225	\$26,040	\$28,174	\$33,831	\$35,672	\$35,672	\$38,332	\$41,804
Percent Change		(0.24)%	(0.36)%	3.23 %	8.20 %	20.08 %	5.44 %	0.00 %	7.46 %	9.06 %

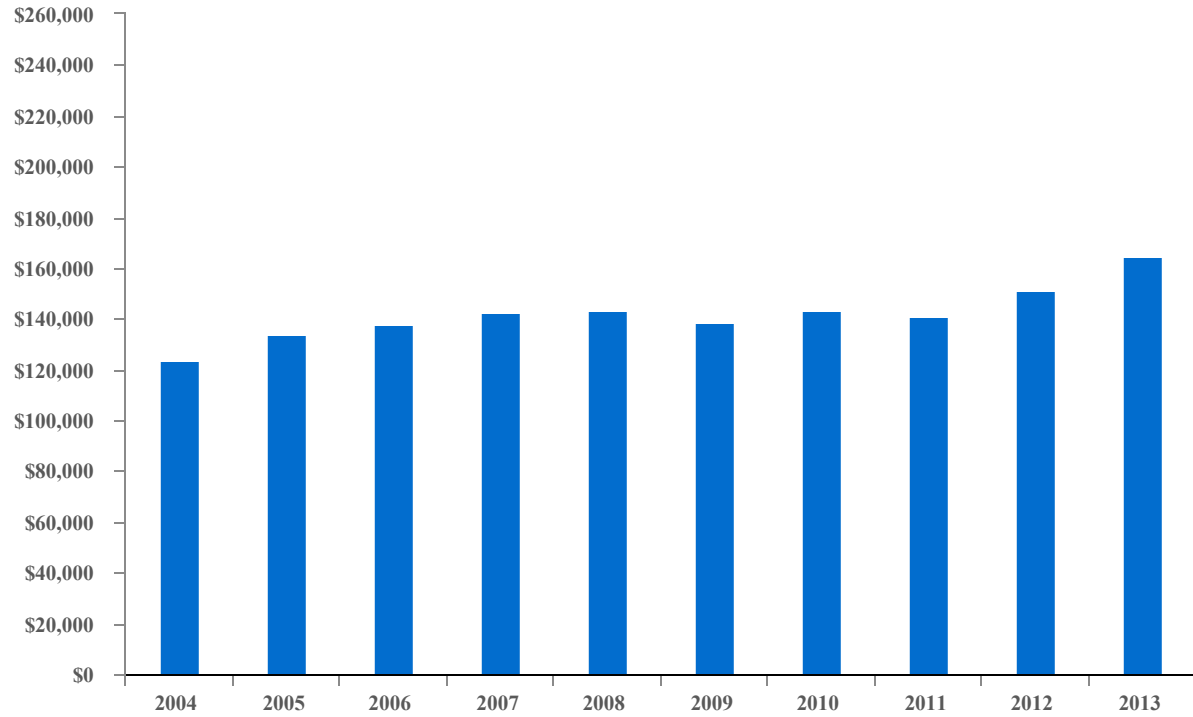


Source: U.S. Census Bureau, American Community Survey

(a)The 2020 Median Family Income and Per Capita Income data was not available from the U.S. Census Bureau.

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

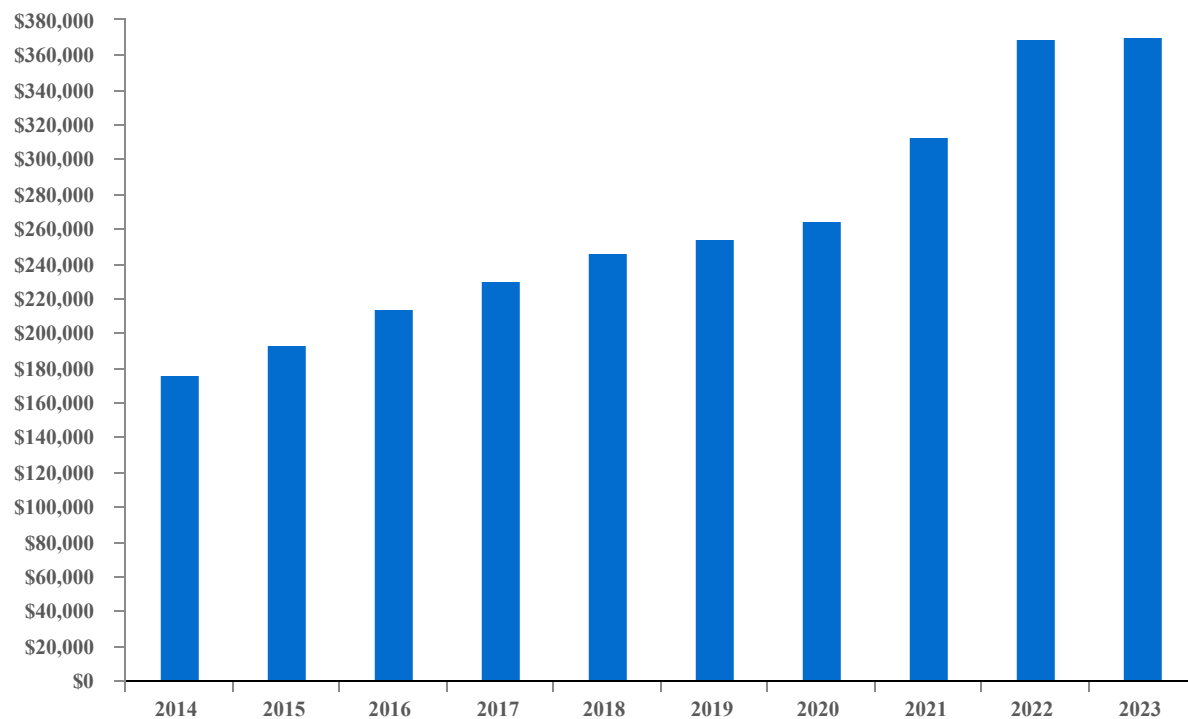
Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Average Home Value	\$123,500	\$133,800	\$137,500	\$142,700	\$143,100	\$138,700	\$143,700	\$141,400	\$150,900	\$164,300
% Change		8.34%	2.77%	3.78%	0.28%	(3.07)%	3.60%	(1.60)%	6.72%	8.88%



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. Data used is based on a monthly average and not the annual.

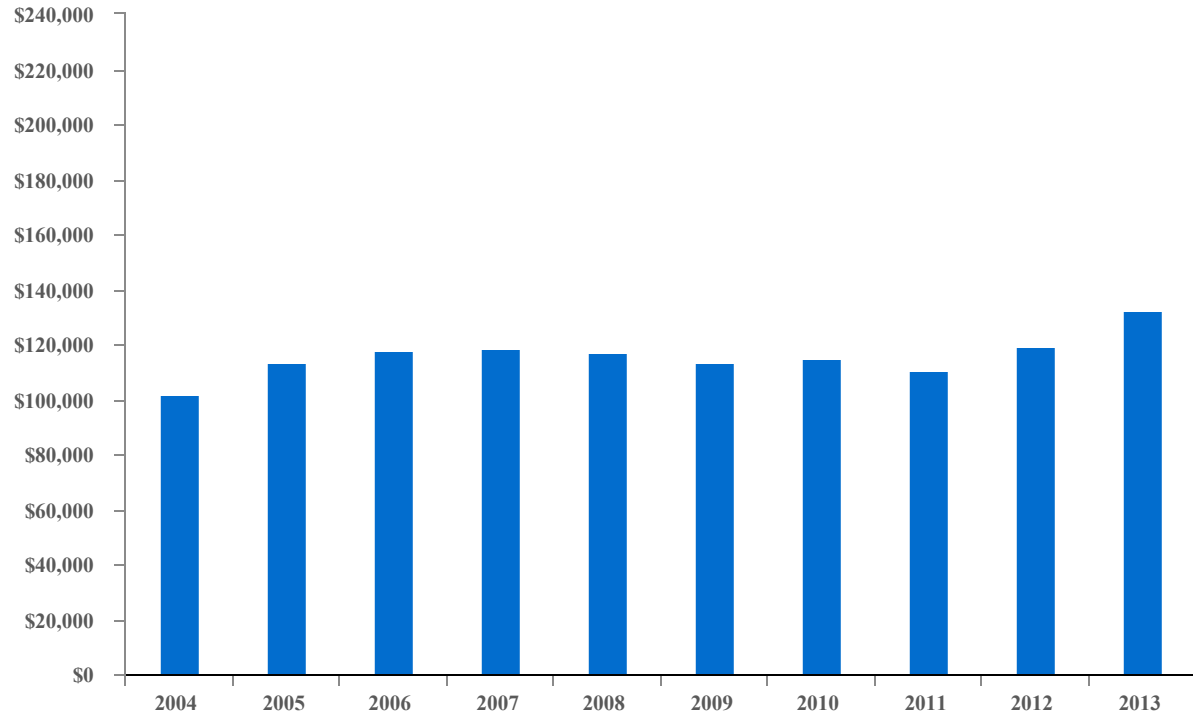
TABLE 27

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
\$176,700	\$193,100	\$214,506	\$229,864	\$246,797	\$254,107	\$264,701	\$313,171	\$369,960	\$370,977
7.55%	9.28%	11.09%	7.16%	7.37%	2.96%	4.17%	18.31%	18.13%	0.27%



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

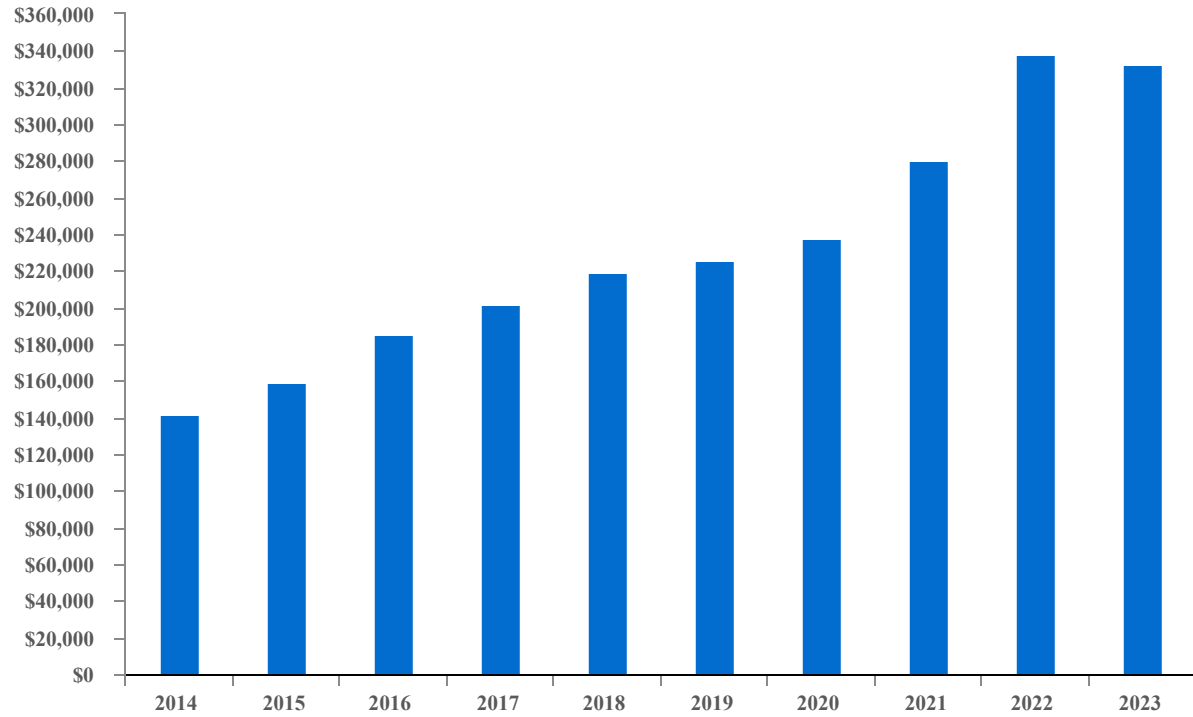
Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Median Home Value	\$101,600	\$113,300	\$117,700	\$118,400	\$117,000	\$113,400	\$114,800	\$110,600	\$119,100	\$132,500
% Change		11.52 %	3.88 %	0.59 %	(1.18)%	(3.08)%	1.23 %	(3.66)%	7.69 %	11.25 %



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. Data used is based on a monthly median and not the annual.

TABLE 28

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
\$141,500	\$158,800	\$185,000	\$201,396	\$219,276	\$226,329	\$238,300	\$279,829	\$338,374	\$333,040
6.79 %	12.23 %	16.50 %	8.86 %	8.88 %	3.22 %	5.29 %	17.43 %	20.92 %	(1.58)%



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

Function/Program	2014	2015	2016	2017	2018
General Government					
City Manager	53	64	63	55	35
Planning and Data Analytics/FWLab ^(b)	–	–	–	25	25
IT Solutions ^(g)	–	–	–	–	–
Housing and Community Development ^(c)	68	76	–	–	–
Planning and Development	146	143	132	140	153
Community and Public Engagement ^(a)	–	–	–	–	41
Diversity & Inclusion ^(h)	–	–	–	–	–
Internal Audit	15	15	15	15	16
City Secretary	11	11	11	11	14
Legal	53	51	50	51	51
Financial Management Services	101	104	100	91	89
Human Resources	51	50	59	59	58
Economic Development ^(c)	–	–	22	22	20
Neighborhood Services ^(c)	–	–	155	150	170
Transportation and Public Works	589	591	441	442	490
Property Management ^(e)	–	–	88	93	97
Code Compliance	286	310	353	370	326
Public Events	133	133	133	133	137
Municipal Court	191	184	184	182	168
Park and Recreation ^(d)	392	397	362	391	473
Library	220	216	213	213	237
Subtotal	2,309	2,345	2,381	2,443	2,600
Enterprise Fund					
Water/Wastewater	940	937	937	949	967
Aviation	24	24	24	24	26
Subtotal	964	961	961	973	993
Internal Service Fund					
IT Solutions ^(g)	133	139	138	136	158
Equipment Services ^(e)	106	106	106	114	117
Subtotal	239	245	244	250	275
Public Safety					
Police ^(f)	–	–	–	–	2,222
Police-Uniform	1,549	1,549	1,599	1,635	–
Police-Civilian	445	453	455	458	–
Fire ^(f)	–	–	–	–	1,004
Fire-Uniform	884	884	911	925	–
Fire-Civilian	47	47	60	61	–
Subtotal	2,925	2,933	3,025	3,079	3,226
Total	6,437	6,484	6,611	6,745	7,094

^(a) Mayor and Council Office is included in City Manager's Office since 2011. In FY18, Community Relations separated from the City Manager's 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. In FY21, Performance and Budget Office changed the name to Planning and Data Analytics Department. In FY23, Planning and Data Analytics Department changed the name to FWLab.

^(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, 2023, IT Solutions was incorporated into Internal Service Fund.

^(h) Diversity & Inclusion was established in FY20.

Source: Approved Budgets 2014-2023

TABLE 29

2019	2020	2021	2022	2023
36	23	24	27	52
25	26	27	28	26
160	160	158	157	–
–	–	–	–	–
162	162	174	184	240
42	42	42	42	46
–	14	21	21	22
16	18	18	18	18
14	15	15	15	17
51	51	50	54	55
89	87	91	91	94
60	60	59	60	64
23	23	17	17	19
172	179	176	174	177
485	493	471	472	492
102	215	208	214	214
355	398	398	390	424
142	142	135	135	138
161	151	140	133	132
493	481	414	427	455
236	244	234	228	240
2,824	2,984	2,872	2,887	2,925
993	996	999	999	1,002
26	27	26	27	29
1,019	1,023	1,025	1,026	1,031
–	–	–	–	159
115	–	–	–	–
115	–	–	–	159
2,229	2,163	2,219	2,241	2,331
–	–	–	–	–
–	–	–	–	–
1,016	1,000	1,013	1,025	1,048
–	–	–	–	–
–	–	–	–	–
3,245	3,163	3,232	3,266	3,379
7,203	7,170	7,129	7,179	7,494

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

Function/Program	2014	2015	2016	2017	2018
Public Safety					
Fire					
Calls for Service - Fire	10,439	10,333	2,340	2,398	2,960
Calls for Service - EMS	76,438	79,059	66,712	72,176	72,277
Calls for Service - Other ^(c)	32,514	35,557	36,995	37,160	42,305
Police					
Calls for Service	296,561	292,047	289,058	286,373	269,714
Municipal Courts					
Citations Entered	232,596	205,553	175,559	155,027	154,277
Warrants Issued	115,840	195,718	150,281	112,060	147,782
Jail Cases Prepared	126,739	127,925	104,637	88,610	74,134
Transportation and Public Works					
Streets - Lane Miles Maintained Annually	7,420	7,437	7,518	7,617	7,775
Lane Miles - Resurfaced	110	139	165	149	108
Library					
Books and audio/visual materials (millions) ^(a)	1.2	1.2	1.2	1.1	1.2
Average Monthly Circulation	339,860	309,730	322,724	369,120	330,488
Building Permits					
Permits issued (in thousands)	10.8	11.3	12.3	13.4	14.0
Estimated Value (in thousands)	2,143,490	2,118,305	2,753,962	3,935,427	3,510,592
Aviation					
Airport Operations (Takeoffs and Landings)	257,944	300,013	310,811	331,714	345,944
Total Fuel Flowage, gallons	7,457,850	8,371,920	7,845,963	8,822,258	9,545,622
Total Fuel Flowage, revenue	893,647	1,088,113	1,016,484	1,231,311	1,434,661
Water & Sewer					
Number of Water Accounts (in thousands)	234	238	241	247	254
Peak Day Water Consumption (million gallons)	297	329	312	263	356
Average Daily Water Consumption (million gallons)	179	179	173	177	194
Water System Storage Capacity (million gallons)	89	90	95	95	96
Actual Annual Water Pumpage (million gallons)	65,485	65,119	63,162	64,751	71,069
Infrastructure Leakage Index ^(b)	5.21	5.42	7.07	4.33	5.71
Number of Sewer Accounts (in thousands)	225	229	231	237	243
Average daily sewage treatment (million gallons)	95	114	124	104	117
Municipal Parking					
Parking tickets issued	44,932	42,667	36,753	31,251	30,742

^(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

2019	2020	2021	2022	2023
2,130	2,440	2,982	4,200	3,749
73,423	72,023	78,277	80,775	68,885
44,639	43,087	51,348	51,187	43,259
278,467	258,330	249,079	261,815	267,682
146,415	78,814	68,438	90,024	101,159
150,701	60,405	36,122	31,767	38,596
33,953	21,080	12,227	15,804	15,643
7,907	8,115	8,121	8,129	9,137
30	32	64	58	60
1.2	1.2	1.3	1.0	0.8
336,898	227,971	247,003	298,153	293,098
14.0	15.0	17.8	20.0	16.5
3,451,308	4,943,751	4,322,149	5,189,202	4,450,034
358,672	654,228	321,086	349,643	361,497
9,906,966	8,031,446	10,460,662	12,290,827	12,749,850
1,586,871	1,472,103	1,850,954	2,214,464	2,297,190
260	270	277	282	291
315	335	380	391	418
176	187	193	220	224
96	97	97	97	97
64,131	68,394	70,612	80,266	81,804
3.64	3.57	N/A	N/A	2.14
249	258	265	275	279
132	111	124	105	119
43,213	22,557	35,070	40,662	43,661

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

Function/Program	2014	2015	2016	2017	2018
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	–	–	9	9	9
Park and Recreation					
Parks and Public Spaces	263	271	274	278	283
Parks Acres	11,722	11,781	11,878	11,988	12,065
Miles of Trails (Jogging, Hiking & Biking) (paved)	71	77	120	78	79
Swimming Pools	2	2	2	2	3
Athletic Fields (Soccer, Football, Baseball & Rugby)	186	186	192	188	227
Tennis Centers	1	1	1	1	1
Number of Tennis Courts	16	16	16	16	16
Neighborhood Tennis Courts	87	88	86	88	64
Multi-use Courts	107	113	113	130	47
Golf Courses	4	4	4	4	4
Community and C.A.P Centers	23	23	14	22	22
Public Safety					
Police Stations Owned	14	17	17	17	15
Police Stations Leased	10	11	11	11	9
Fire Stations	42	42	42	42	43
Public Works					
Streets - Lane Miles	7,420	7,437	7,518	7,617	7,775
Traffic Signals	649 ^(a)	667 ^(b)	697 ^(c)	680 ^(d)	693 ^(e)
Street Lights	65,489	65,894	66,182	67,032	67,237
Stormwater					
Miles of Channels - Improved	212	214	214	214	214
Miles of Storm Pipes	943	955	970	973	998
Water					
Water Mains (Miles)	3,596	3,386	3,420	3,503	3,503
Fire Hydrants	19,136	18,709	19,182	22,320	22,778
Wastewater					
Miles of Sanitary Sewers	3,643	3,289	3,313	3,459	3,508

^(a) The City also maintains 118 Traffic Signals owned by TXDOT not included in the number noted above.

^(b) The City also maintains 114 Traffic Signals owned by TXDOT not included in the number noted above.

^(c) 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.

^(d) 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.

^(e) The City also maintains 190 Traffic Signals owned by TXDOT not included in the number noted above.

^(f) 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

2019	2020	2021	2022	2023
14	15	16	16	17
3	1	1	2	1
9	9	9	9	9
289	291	291	297	299
12,323	12,337	12,518	13,156	13,063
79	210	210	210	210
3	3	3	3	3
227	254	254	257	257
1	1	1	1	1
16	14	14	14	14
62	62	62	62	62
47	105	112	115	115
4	3	3	4	3
14	14	14	14	15
15	15	15	15	15
9	9	9	9	9
43	43	43	44	45
7,907	8,115	8,121	8,129	8,137
701 (f)	710	964	938	945
69,527	69,527	59,956	63,806	63,344
214	230	230	230	231
994	997	1,012	1,031	1,040
3,629	3,687	3,800	3,914	3,978
23,420	23,946	24,599	25,320	25,977
3,565	3,624	3,712	3,788	3,858

