

City of Fort Worth, Texas

FY 2021

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2021



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended
September 30, 2021

CITY OF FORT WORTH, TEXAS

ELECTED OFFICIALS

2021 CITY COUNCIL

Mattie Parker, Mayor

Carlos E. Flores
Cary Moon
Michael D. Crain
Leonard Firestone

Gyna Bivens
Jared Williams
Chris Nettles
Elizabeth M. Beck

CITY MANAGER

David Cooke

INTERIM ASSISTANT CITY MANAGER/CHIEF FINANCIAL OFFICER

Reginald Zeno

Prepared by the Department of Financial Management Services

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Accounting

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Brian Hemann
May Ma
Ramona Nails
Accounting Staff

Treasury

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Jay Rutledge, CTP
Kiphani Allen
Monica Arranaga
Vonda Coleman
Sharon Gunter
Alex Laufer
Treasury Staff

Financial Systems

Brad Cromer
Financial Systems Staff

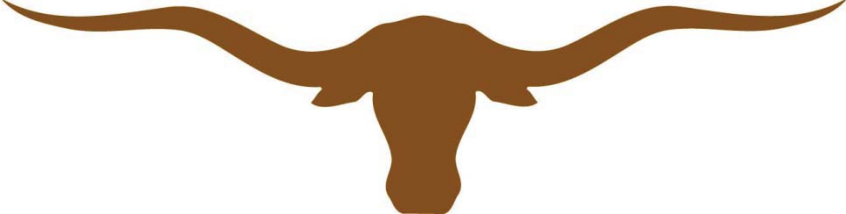
Administration

Charissa Williams

Purchasing

Cynthia Garcia
John Padinj, CPPO, NIGP-CPP
Cristina Camarillo
Purchasing Staff

FORT WORTH.[®]



CITY OF FORT WORTH, TEXAS

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INTRODUCTORY SECTION



February 25, 2022

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

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Fort Worth, Texas (the “City” or “Fort Worth”), for the fiscal year ended September 30, 2021. 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, the cash flow of our proprietary fund types, and 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 printed and furnished to the Mayor and each member of the City Council, the City Manager and to each citizen who requests a copy. This report is published to fulfill the aforementioned requirements for the most recent fiscal year. In addition, this report is used to communicate background information on the City and the environment which it operates, schedules that demonstrate compliance with finance-related legal and contractual provisions and statistical information that offers multi-year trend information, along with relevant economic and demographic information.

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

BKD, LLP issued an unmodified opinion on the City’s financial statements for the year ended September 30, 2021. 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.

City of Fort Worth Profile

Fort Worth, incorporated in 1873, is a political subdivision and municipal corporation of the State of Texas, located in Tarrant, Denton, Parker, Wise, and Johnson Counties. The City covers approximately 353 square miles and serves a population of nearly 940,000 according to the 2021 Census estimate.

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

Services provided by the City under general governmental functions include public safety (municipal courts, and police/fire protection), 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, and risk financing are provided through internal service funds.

As required by generally accepted accounting principles in the United States of America (GAAP), the financial reporting entity includes all funds of the primary government (the City), as well as the City's component units. Component units are legally separate entities for which the primary government is financially accountable. Organizations that do not meet the financial accountability criteria for inclusion as a component unit could be included based upon management's determination that it would be misleading to exclude them. During Fiscal Year 2021, there was one discretely presented component unit and eight blended component units. One of the blended component units (Fort Worth Housing Finance Corporation) also has nine Limited Liability Corporations (LLCs), which are reported as blended component units, and one Limited Liability Partnership that is discretely presented. 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 proposed budget for the ensuing fiscal year. The City Manager's proposed budget provides a complete financial plan of all City funds and activities for the upcoming fiscal year. The budget is prepared by fund, organization unit or department, program, purpose or activity, and object. As required by the City Charter, the auditors completed a separate review of the City's budget adoption process. The City Manager may transfer resources within a department. Transfers between departments, however, require approval from the City Council. Delegated authority has been provided by the Mayor and City Council to the City Manager to complete certain and specific budgeted transfers between departments and to utilize Non-Departmental appropriations as anticipated.

Local Economy

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

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

The City's industry clusters remain diverse with trade, transportation, and utilities making up the largest percentage of the Fort Worth-Arlington Metropolitan Division (MD) industry composition at 25%. Excluding Government Services, Education & Healthcare, Professional & Business Services, Leisure & Hospitality and Manufacturing make up the top established sectors that play a key role in the Fort Worth economy (U.S. Bureau of Labor Statistics). As a group, these established sectors account for over two thirds of employment in the Fort Worth-Arlington MD with over 715,000 people employed. The City's Economic Development Department has identified key emerging economic sectors including aerospace manufacturing and design, life sciences delivery and innovation, geotechnical engineering, international business, corporate and regional headquarters, professional services, financial services, and transportation innovation.

There are over 39,423 registered business firms in the City of Fort Worth. About 87% of these businesses are small to mid-size firms that employ anywhere from one to 249 individuals. The remaining 13% of businesses are firms that employ greater than 250 employees (Reference USA).

The Fort Worth-Arlington MD boasts a strong labor force of 1.3 million that continues to grow. The Fort Worth-Arlington MD has experienced positive annual employment growth since summer 2010 up until the COVID-19 pandemic in early 2020. In the wake of the crisis, the city's unemployment rate of 4.5% is lower than the 5.6% state unemployment rate and the 4.8% national unemployment rate through September 2020 (U.S. Bureau of Labor Statistics).

The Alliance Texas development in far north Fort Worth continued its growth through 2020 and has generated more than 63,000 direct jobs at over 533 businesses. Over 70 customers are from either the Fortune 500 (U.S. public), Global 500 (intl. public) or Forbes List of Top Private Companies (U.S. private). Overall, Alliance, Texas has had an estimated \$92 billion economic impact since 1980 with \$561 million in direct property tax being paid to the City of Fort Worth.

Local Economy (Continued)



Alliance is also home to the Mobility Innovation Zone (MIZ), a unique landscape built on collaboration and opportunity. That combination works to connect people, places and ideas that push innovation in surface and air mobility forward. By leveraging its one-of-a-kind infrastructure, the MIZ offers mobility visionaries full access to an unparalleled testing ecosystem, resources and partnerships essential to comprehensively test, scale, and commercialize technologies. The MIZ has two initial areas of focus: a holistic UAS Proving Grounds for aerial technologies and a set of Autonomous Trucking use cases expanding from short to long-haul.

The City's Tax Increment Financing (TIF) districts play a crucial role in supporting a strong and stable local economy and contribute to the growth and momentum seen throughout Fort Worth. They also encourage community vitality in strategically-targeted areas, accelerating business investment through public improvements, which in turn attracts new investment and activity within the district. Today, nearly half of all new private property value added within a Fort Worth TIF district can be directly tied back to support provided by the TIF in the form of public improvements. As a result, approximately \$2.06 billion of Fort Worth's current tax base has been created through these strategic TIF investments – providing a catalyst for city-wide growth, the revitalization of key neighborhoods, and boosting the city's regional competitiveness for FY 2021 and beyond.



A new 246-room AC Hotel opened at the start of FY21, notable not only for the addition to Fort Worth's growing hospitality offerings and the associated \$68.5 million investment, but also for the hotel's replacement of a narrow lot at the corner of 5th Street and Main Street which was long used for surface parking.

Local Economy (Continued)

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



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

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

Bell Flight, unveiled its new 140,000-square-foot Manufacturing Technology Center (MTC) in August 2020. The MTC is an innovative proving ground where Bell will test and refine technologies and processes—demonstrating manufacturing readiness and ability to successfully build and support Future Vertical Lift (FVL) aircraft. The facility provides capabilities that span all of Bell’s core manufacturing of rotor and drive systems, critical infrastructure and final assembly.

Clay Lacy Aviation, the world’s most experienced operator of private jets, opened an office at Meacham International Airport. The new office will provide local aircraft management services and support for individual owners and corporate flight departments. With the addition of new aircraft in the region, the office will expand to offer worldwide jet charter services and the Clay Lacy Preferred membership program.

EASi, a global services company specializing in engineering and sciences, announced the opening of a new aerospace and defense delivery center at 6100 Western Place. EASi was founded in 1981 and has grown to become a leading global services

Local Economy (Continued)

company specializing in engineering and sciences. EASi service offerings at the Fort Worth delivery center include managed services, full product development and delivery for clients within the aerospace and defense industry.

HomeGoods, which is part of The TJX Companies, Inc. family of brands and a national off-price home fashions retailer, announced the execution of a 20-year, approximately 1,000,000 square-foot build-to-suit lease at Carter Industrial Park East. The HomeGoods' building will encompass approximately 100 acres of land and will serve as a regional distribution center for HomeGoods and its sister brand, Homesense.

As the impacts of COVID-19 have continued to resonate across the business community, the past year has been one of repositioning and recovery for the James Guinn Entrepreneurial Campus. From pivoting in-person programs to online events, to providing grants to help keep many of Fort Worth's small businesses afloat throughout the worst of the pandemic, Fiscal Year 2021 has been all about meeting our small business owners where they are – both metaphorically and through online engagement – and helping them navigate a constantly-changing environment. Many stories have come out of the pandemic – many losses and challenges, but also quite a few successes. The first phase of Preserve the Fort grants, which launched in May 2020, provided \$6,157,500 in grant funding to 831 local small businesses. Almost 95% of applying businesses (94.77%) had less than ten employees – 71.80% of applicants had less than five employees. Additionally, the effort was successful in supporting minority-owned businesses and those businesses located in the city's targeted investment areas. By the time that the second phase of Preserve the Fort had been completed in December 2020, the City of Fort Worth had spent 34.6% of its CARES funding – a total of \$54.9 million – on grants to assist local businesses and nonprofits. This was the highest percentage of funds allocated towards small business grants out of the nation's 20 largest cities. A total of 1,640 grants were distributed, with 32% of grants going to minority-owned businesses and another 31% going to businesses located in the city's target areas. Another 35% of grants went to businesses across the city, and a combined total of 3% of funds went towards performing arts nonprofits and nonprofit reimbursement.

While this project was led by the City of Fort Worth's Economic Development Department, the strength of our partnerships with United Way of Tarrant County, North Texas Tarrant Small Business Development Center, the Fort Worth Chamber, the Fort Worth Metropolitan Black Chamber of Commerce, the Fort Worth Hispanic Chamber of Commerce, and Fort Worth Now were a major contributor to the success of this initiative.

Based on Chapter 312 of the Texas Local Government Code, the City may award development projects a Tax Abatement based on the value that the development adds to the property. The election to participate in a Tax Abatement Program and Policy is effective for a two-year period with the City last electing to be eligible to participate on January 29, 2021. The policy is effective through January 28, 2023.

On January 29, 2019, the City Council adopted a more detailed Economic Development Program under Chapter 380 of the Texas Local Government Code. This policy was amended by City Council on January 26, 2021.

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

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

Local Economy (Continued)

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

- Growth of business activity, employment, or investment in one of Fort Worth's target industries. These target industries include:
 - Established target industries, 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

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 2021, twelve (12) tax abatement and thirty-five (35) economic development program (Chapter 380 Grant) agreements were reviewed for performance. These include one relocation tax abatement and four newly completed projects or project phases.

After payment of the grants and abatements, projects with active economic development agreements in 2020 provided \$20.4 million in new net tax revenue to the City in Tax Year 2020. This represents approximately 3.20% of the City's total property, sales, and hotel occupancy tax revenues. The private investment leveraged by the economic development program totaled \$5.3 billion, making the City's total incentive participation 0.55%, resulting in a private to public investment ratio of 182:1. The net new tax revenues to the City generated by these projects represented a 69.17% return on the annual cost of incentives used to secure them.

See Note A.15 Tax Abatements for additional information.

Moody's Investors Services (Moody's), S&P Global Rating Services (S&P), Fitch Rating Services (Fitch), and Kroll Bond Rating Agency (Kroll) have all assigned ratings to the City of Fort Worth's outstanding debt. The city's general obligation 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 '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 and by March 2020 was declared a worldwide pandemic by the World Health Organization (WHO).

On April 29, 2020, the City received approximately \$158.7 million of federal grant funding under the Coronavirus Aid, Relief and Economic Security Act (CARES Act). Per guidance from the United States Treasury, such funds are restricted to expenditures which are necessary in response to the public health emergency, including medical expenses, public health and safety expenses, compliance costs of COVID-19 public health measures, and economic support to small businesses and were

COVID-19 and Future Challenges (Continued)

not budgeted for in the City's current Fiscal Year budget. State and Local Coronavirus Relief Fund allocations are not allowed to replace lost revenues due to the COVID-19 pandemic.

The \$158.7 million of federal CARES Act funding was allocated to provide: \$60.0 million in small business support (“Preserve the Fort”), \$10 million for household and housing stability (“FWCares”) and support for social services Non-Governmental Organizations (NGOs), \$9.3 million in permanent supportive housing for high-risk homeless population, \$5 million to improve community Wi-Fi access, and \$58.9 million for COVID prevention/mitigation, with the balance going to provide safe access to public facilities and services. These funds have been fully expended as of September 30, 2021.

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. As of September 30, 2021, approximately \$10.5 million has been expended through several social service NGOs 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 (SLSFRF) 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. Specific projects will require additional approval by the City Manager’s Office and Council. As of September 30, 2021, no ARPA SLSRF funding has been expended.

Additionally, on May 24, 2021 the City received approximately \$11.6 million under ARPA, representing 40% of the total amount of the \$29 million allocated for the provision of financial assistance and housing stability services to eligible households in the same manner as the funding under the Consolidate Appropriations Act of 2021. As of September 30, 2021, no funding has been expended.

The City maintains a positive outlook on long-range financial planning. Slightly slower revenue growth rate for the next several years is anticipated due to lingering impacts from COVID-19 and from changes at the legislative level. Strong economic growth is expected to continue, but we do not anticipate a return to pre-pandemic growth rates. 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 nine top-priority strategic challenges and opportunities for Fiscal Year 2020. These areas were identified to provide a clear and concise statement about where the Mayor and City Council want Fort Worth to focus over the next five years and to stimulate broader discussion of the important issues facing Fort Worth now and in the future. A number of ongoing administrative and community processes will make the goals reality.

Long-term Financial Planning and Major Initiatives (Continued)

The City Council's strategic challenges and opportunities:

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

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

Mission: Working together to build a strong community.

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

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

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

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, 2020. This was the 12th 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. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Awards (Continued)

The City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning October 1, 2020. To qualify for the Distinguished Budget Presentation Award, the City's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The City's General Portfolio Investment Policy received the Investment Policy Certification Award issued by the Government Treasurers' Organization of Texas (GTOT). This certification is awarded to governmental entities that develop a comprehensive investment policy that meets the requirements of the Public Funds Investment Act and the standards for prudent public investing established by the GTOT. The certification is good for two years and expires on March 31, 2023.

Acknowledgements

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

Sincerely,



David Cooke
City Manager



Reginald Zeno
Interim Assistant City Manager / Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Fort Worth
Texas**

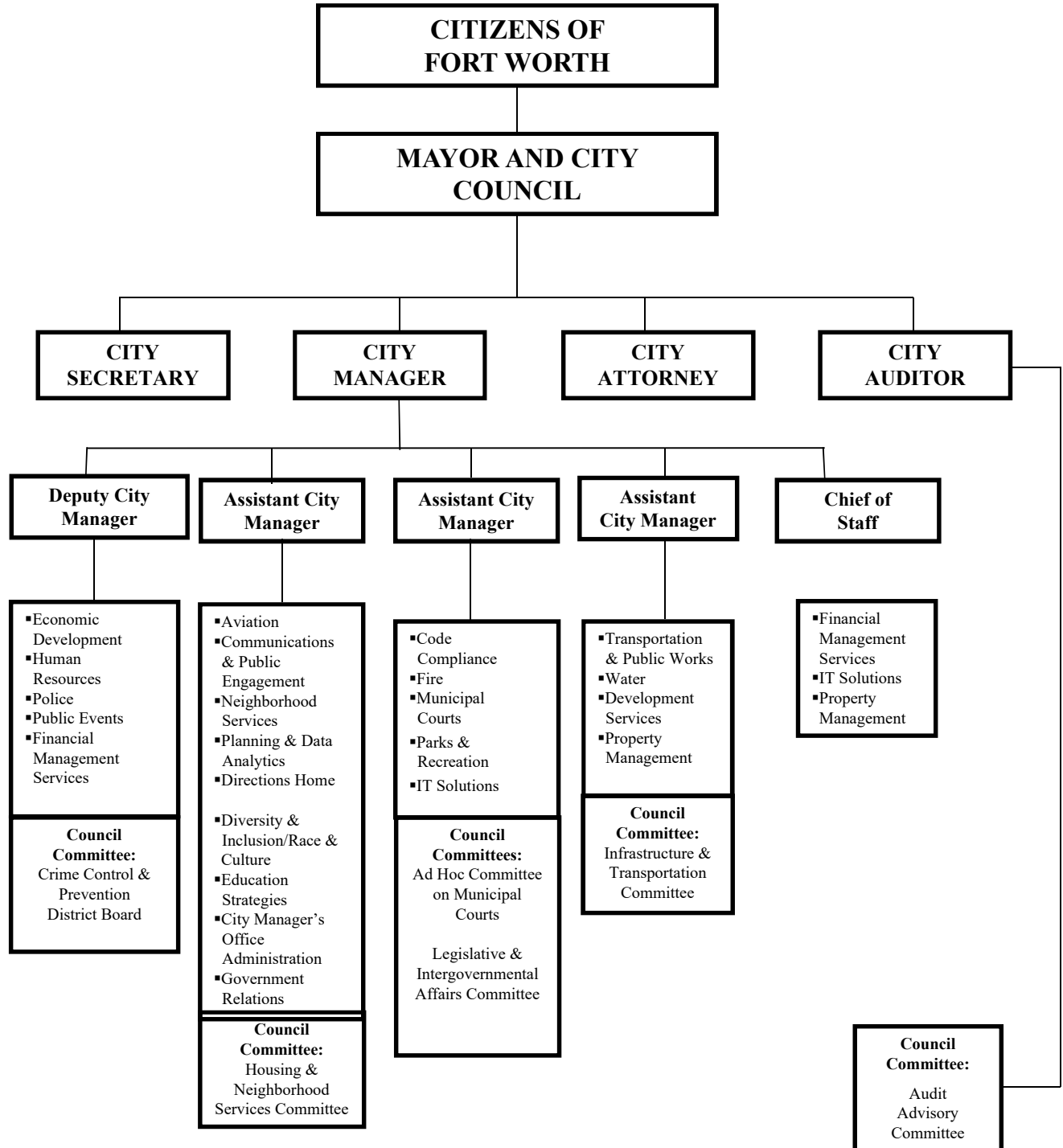
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO

**CITY OF FORT WORTH, TEXAS
ORGANIZATION OF CITY GOVERNMENT
SEPTEMBER 30, 2021**



**CITY OF FORT WORTH, TEXAS
ELECTED OFFICIALS
MAYOR AND CITY COUNCIL MEMBERS
FOR FISCAL YEAR 2021**



**Mattie Parker
Mayor**



**Carlos E. Flores
Council District 2**



**Michael D. Crain
Council District 3**



**Cary Moon
Council District 4**



**Gyna Bivens
Council District 5**



**Jared Williams
Council District 6**



**Leonard Firestone
Council District 7**



**Chris Nettles
Council District 8**



**Elizabeth M. Beck
Council District 9**



FINANCIAL SECTION

Independent Auditor's Report

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

We have audited the accompanying 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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of 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 77 percent of the total assets, 78 percent of fund balance/net position, and 59 percent 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 represent 100 percent of the total assets, 100 percent of net position, and 100 percent of the 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. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2021, 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.

Emphasis of Matters

As discussed in footnote A.17 to the financial statements, for the year ended September 30, 2021, the City adopted Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities* and Governmental Accounting Standards Board Statement No. 98, *The Annual Comprehensive Financial Report*. Our opinions are not modified with respect to this matter.

As discussed in footnote A.16 to the financial statements, beginning net position of the governmental activities and beginning fund balance of the debt service governmental fund have been adjusted to correct a misstatement. Our opinions are not modified with respect to this matter.

Other Matters

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 in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

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

BKD, LLP

Dallas, Texas
February 25, 2022



**CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021
(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, 2021 (FY2021). 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-xv of this report.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at September 30, 2021, by \$3,887,154,000 (net position). For FY2021, the City reported an unrestricted net deficit of \$1,413,256,000 which was a decrease in unrestricted net deficit of \$45,497,000 compared to the previous fiscal year. This decrease was primarily due to an increase in Net Pension Liability offset by a decrease in Net Other than Pension Liability and decreases in pension related deferred inflows and pension related deferred outflows.
- The City's total net position increased by \$185,869,000 in comparison with the corrected amount (see Note A.16.) from FY2020. 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, Capital Grants and Contributions, Property Tax, Sales Tax and Other local Taxes. These increases were offset by decrease in Operating Grants and Contributions and investment income (unrealized loss).
- At September 30, 2021, the City's governmental funds reported combined ending fund balances of \$1,157,876,000, an increase of \$158,275,000 after correction of FY2020 ending balance. Approximately 60.4 percent of ending fund balance of \$699,606,000 is available for spending at the government's discretion, as follows: \$361,932,000 of committed fund balance; \$173,808,000 of assigned fund balance; and \$163,866,000 of unassigned fund balance.
- The City's total long-term liabilities increased by \$208,797,000 in comparison with FY2020. The key factor in this increase was the borrowing for the purchase of the future City Hall. During the year, long-term liabilities were reduced by principal payments of \$229,956,000 and a 17,840,000 correction of FY2020 debt in governmental activities and \$194,261,000 in business-type activities. This decrease was offset by the debt issuance of \$333,537,000 for governmental activity and \$257,930,000 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, 2021
(000's omitted in tables)
(continued)**

Government-wide Financial Statements

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

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

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

The Statement of Net Position and the Statement of Activities divide the primary government'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 18-20 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, 2021
(000's omitted in tables)
(continued)**

Fund Financial Statements (continued)

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

The City maintains twenty 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 sixteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The basic governmental fund financial statements can be found on pages 21-25 of this report.

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

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

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

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

The basic proprietary fund financial statements can be found on pages 27-32 of this report.

**CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021
(000's omitted in tables)
(continued)**

Fund Financial Statements (continued)

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City reports three Trust Funds which account for the assets of the City's pension plan and postemployment healthcare plan and firefighters' employment and postemployment healthcare benefit. In addition, there is one custodial fund for Rock Creek PID debt service. 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 33-34 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 35-123 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 124-131.

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, internal service funds and pension (and other employee benefit) trust funds are presented immediately following the required supplementary information on pensions and OPEB. Individual budgetary comparison schedule for other governmental funds with annual appropriated budget is included as supplementary information in the combining and individual fund statements and schedules which can be found on pages 133-168 of this report.

**CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021
(000's omitted in tables)
(continued)**

Government-Wide Financial Analysis

At September 30, 2021, total assets of the City were \$9,678,101,000 and deferred outflows were \$970,873,000 while total liabilities were \$6,485,913,000 and deferred inflows were \$275,907,000, resulting in a net position of \$3,887,154,000.

The City's net investment in capital assets was \$5,041,382,000. The City uses these assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City reports net investment in capital assets, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$259,028,000 represents resources that are subject to external restrictions on how they may be used. The City has an unrestricted net deficit of \$1,413,256,000.

Condensed Schedule of Net Position (Deficit)

| | Governmental Activities | | Business-Type Activities | | Total | |
|-----------------------------------|-------------------------|-------------------|--------------------------|---------------------|---------------------|---------------------|
| | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 |
| Current and Other Assets | \$ 1,345,359 | \$ 1,536,432 | \$ 1,148,882 | \$ 1,229,758 | \$ 2,494,241 | \$ 2,766,190 |
| Capital Assets* | 2,986,948 | 3,195,781 | 3,478,348 | 3,716,130 | 6,465,296 | 6,911,911 |
| Total Assets | <u>4,332,307</u> | <u>4,732,213</u> | <u>4,627,230</u> | <u>4,945,888</u> | <u>8,959,537</u> | <u>9,678,101</u> |
| Deferred Outflows of Resources | 1,128,737 | 838,803 | 179,598 | 132,070 | 1,308,335 | 970,873 |
| Other Liabilities | 282,508 | 316,360 | 96,868 | 109,682 | 379,376 | 426,042 |
| Long-term Liabilities Outstanding | 4,246,407 | 4,390,031 | 1,604,667 | 1,669,840 | 5,851,074 | 6,059,871 |
| Total Liabilities | <u>4,528,915</u> | <u>4,706,391</u> | <u>1,701,535</u> | <u>1,779,522</u> | <u>6,230,450</u> | <u>6,485,913</u> |
| Deferred Inflows of Resources | 290,282 | 238,738 | 45,855 | 37,169 | 336,137 | 275,907 |
| Net Position: | | | | | | |
| Net Investment in Capital Assets* | 2,292,700 | 2,370,496 | 2,597,318 | 2,670,886 | 4,890,018 | 5,041,382 |
| Restricted | 119,353 | 117,727 | 150,667 | 141,301 | 270,020 | 259,028 |
| Unrestricted (Deficit) | (1,770,206) | (1,862,337) | 311,453 | 449,081 | (1,458,753) | (1,413,256) |
| Total Net Position | <u>\$ 641,847</u> | <u>\$ 625,886</u> | <u>\$ 3,059,438</u> | <u>\$ 3,261,268</u> | <u>\$ 3,701,285</u> | <u>\$ 3,887,154</u> |

*Capital Assets FY2020 Balance was restated, refer to Note A.16. for further information.

At September 30, 2021, the City of Fort Worth has a positive net position balance for the government as a whole. The governmental activities' increase in net investment in capital assets was mostly due to contributed assets received during the year as reported in Note F. The governmental activities' unrestricted net deficit balance increased by \$92,131,000, mostly due to a decrease in deferred outflows.

CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021
(000's omitted in tables)
(continued)

Government-Wide Financial Analysis (continued)

Condensed Schedule of Changes in Net Position (Deficit)

| | Governmental Activities | | Business -Type Activities | | Total | |
|---|-------------------------|-------------------|---------------------------|---------------------|---------------------|---------------------|
| | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | \$ 82,493 | \$ 81,265 | \$ 599,224 | \$ 618,008 | \$ 681,717 | \$ 699,273 |
| Operating Grants and Contributions | 662,064 | 191,057 | - | - | 662,064 | 191,057 |
| Capital Grants and Contributions* | 172,337 | 201,959 | 111,419 | 141,318 | 283,756 | 343,277 |
| General Revenues: | | | | | | |
| General Property Taxes | 562,687 | 593,721 | - | - | 562,687 | 593,721 |
| Sales Taxes | 245,627 | 278,062 | - | - | 245,627 | 278,062 |
| Other Local Taxes | 27,631 | 31,707 | - | - | 27,631 | 31,707 |
| Franchise Fees | 48,365 | 48,484 | - | - | 48,365 | 48,484 |
| Gas Leases and Royalties | 3,236 | 4,483 | 2,362 | 3,118 | 5,598 | 7,601 |
| Investment Income | 34,644 | 4,777 | 19,969 | 10,082 | 54,613 | 14,859 |
| Gain on Debt Defeasance | 79 | - | - | - | 79 | - |
| Other | 13,495 | 12,060 | 4,420 | 6,792 | 17,915 | 18,852 |
| <i>Total revenues</i> | <u>1,852,658</u> | <u>1,447,575</u> | <u>737,394</u> | <u>779,318</u> | <u>2,590,052</u> | <u>2,226,893</u> |
| Expenses: | | | | | | |
| General Government | 14,398 | 155,727 | - | - | 14,398 | 155,727 |
| Public Safety | (167,533) | 812,332 | - | - | (167,533) | 812,332 |
| Highways and Streets | 125,762 | 168,720 | - | - | 125,762 | 168,720 |
| Culture and Recreation | 73,767 | 143,584 | - | - | 73,767 | 143,584 |
| Health and Welfare | 29,132 | 100,856 | - | - | 29,132 | 100,856 |
| Urban Redevelopment and Housing | 67,747 | 91,550 | - | - | 67,747 | 91,550 |
| Interest and Service Charges | 33,443 | 30,753 | - | - | 33,443 | 30,753 |
| Water and Sewer | - | - | 245,882 | 411,742 | 245,882 | 411,742 |
| Stormwater Utility | - | - | 20,012 | 37,683 | 20,012 | 37,683 |
| Municipal Airports | - | - | 16,812 | 22,943 | 16,812 | 22,943 |
| Municipal Parking | - | - | 4,406 | 6,850 | 4,406 | 6,850 |
| Solid Waste | - | - | 50,923 | 61,098 | 50,923 | 61,098 |
| <i>Total expenses</i> | <u>176,716</u> | <u>1,503,522</u> | <u>338,035</u> | <u>540,316</u> | <u>514,751</u> | <u>2,043,838</u> |
| Insurance Recoveries | 6 | 2,634 | - | 180 | 6 | 2,814 |
| Excess (Deficiency) of Revenues | | | | | | |
| Over (Under) Expenses | 1,675,948 | (53,313) | 399,359 | 239,182 | 2,075,307 | 185,869 |
| Transfers | 36,728 | 37,352 | (36,728) | (37,352) | - | - |
| Changes in Net Position (Deficit) | <u>1,712,676</u> | <u>(15,961)</u> | <u>362,631</u> | <u>201,829</u> | <u>2,075,307</u> | <u>185,869</u> |
| Correction of Error (Note A.16) | - | 5,919 | - | - | - | 5,919 |
| Net Position (Deficit), Beginning of Year, As | | | | | | |
| Previously Reported | (1,076,748) | 635,928 | 2,696,807 | 3,059,438 | 1,620,059 | 3,695,366 |
| Net Position, End of Year | <u>\$ 635,928</u> | <u>\$ 625,886</u> | <u>\$ 3,059,438</u> | <u>\$ 3,261,268</u> | <u>\$ 3,695,366</u> | <u>\$ 3,887,154</u> |

*Capital Assets FY2020 Balance was restated, refer to Note A.16. for further information.

**CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021
(000's omitted in tables)
(continued)**

Government-Wide Financial Analysis (continued)

Overall, the governmental activities decrease in net position was \$15,961,000 as a result of current fiscal year activity. Factors that contributed to the governmental activities expenses returned to normal activity levels.

Governmental activities expenses increased by \$1,326,806,000 when compared to FY2020. This increase was primarily due to FY2020 expenses being deflated for the adjustment of the decrease in Net Pension Liability.

Business-type activities net position increased \$201,830,000 during the current fiscal year which is \$160,801,000 less than the previous year's increase. Key factors that contributed to the business-type activities net position increase were due to the prior year's decrease in Net Pension Liability.

Financial Analysis of the Government's Funds

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

As of the end of the current fiscal year, the City's governmental funds reported total fund balances of \$1,157,876,000. This was an increase of \$156,387,000 compared to the prior year after taking into consideration the correction of error (see Note A.16.). This increase in fund balance is primarily due to an increase in property tax assessed values, increases in sales tax, other local taxes, intergovernmental and other revenue sources offset by decreases in investment income (unrealized loss) as well as an increase in expenditures in Public Safety, Health and Welfare and Capital Outlay.

Approximately 20.8 percent or \$240,373,000 constitutes the General Fund's fund balance which is an increase from FY2020 by \$36,213,000 primarily due to increases in property tax, sales tax and intergovernmental revenues. As of September 30, 2021, the General Fund's nonspendable fund balance includes \$2,332,000 for inventories, \$514,000 for advances to other funds, and \$2,528,000 for prepaids, deposits, and other. The General Fund's restricted fund balance includes \$10,578,000 for park improvements. The committed fund balance includes amounts of \$17,414,000 for repayment of State loans, \$4,032,000 for park improvements, and \$15,173,000 for public events and facilities. The assigned fund balance includes \$5,000,000 for Nature Preserve Lake land addition, \$11,000,000 for street improvements and \$7,936,000 for general government purposes. As of September 30, 2021, the General Fund had an unassigned fund balance of \$163,866,000.

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 \$163,866,000, represents 23.6 percent of total General Fund expenditures. The total fund balance of \$240,373,000 represents 34.6 percent of total General Fund expenditures. Fund balance in the General Fund increased by \$36,212,000, over the previous fiscal year.

The Debt Service Fund has a fund balance of \$46,713,000 or 4.0 percent of total governmental fund balance of which \$1,777,000 is restricted fund balance, \$44,936,000 is committed fund balance. Debt Service Fund's fund balance decreased by \$7,937,000 when compared to FY2020. This decrease in fund balance was due to a cash defeasement of debt service payments during the year.

**CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021
(000's omitted in tables)
(continued)**

Financial Analysis of the Government's Funds (continued)

The Capital Projects Fund has a fund balance of \$654,471,000 or 56.5 percent of total governmental fund balance of which \$681,000 is nonspendable fund balance, \$297,948,000 is restricted fund balance, \$269,563,000 is committed fund balance, and \$86,279,000 is assigned fund balance. The Capital Projects Fund's fund balance increased by \$77,411,000 when compared to FY2020. This increase in fund balance was due to new bond proceeds offset by additional capital outlay.

The Grants Fund has a fund balance of \$1,591,000 or 0.0 percent of total governmental fund balance of which \$32,000 is nonspendable fund balance, \$1,109,000 is restricted fund balance and \$450,000 in committed fund balance. The Grants Fund's fund balance increased by \$1,728,000 when compared to FY2020. This increase in fund balance was primarily due to intergovernmental revenues.

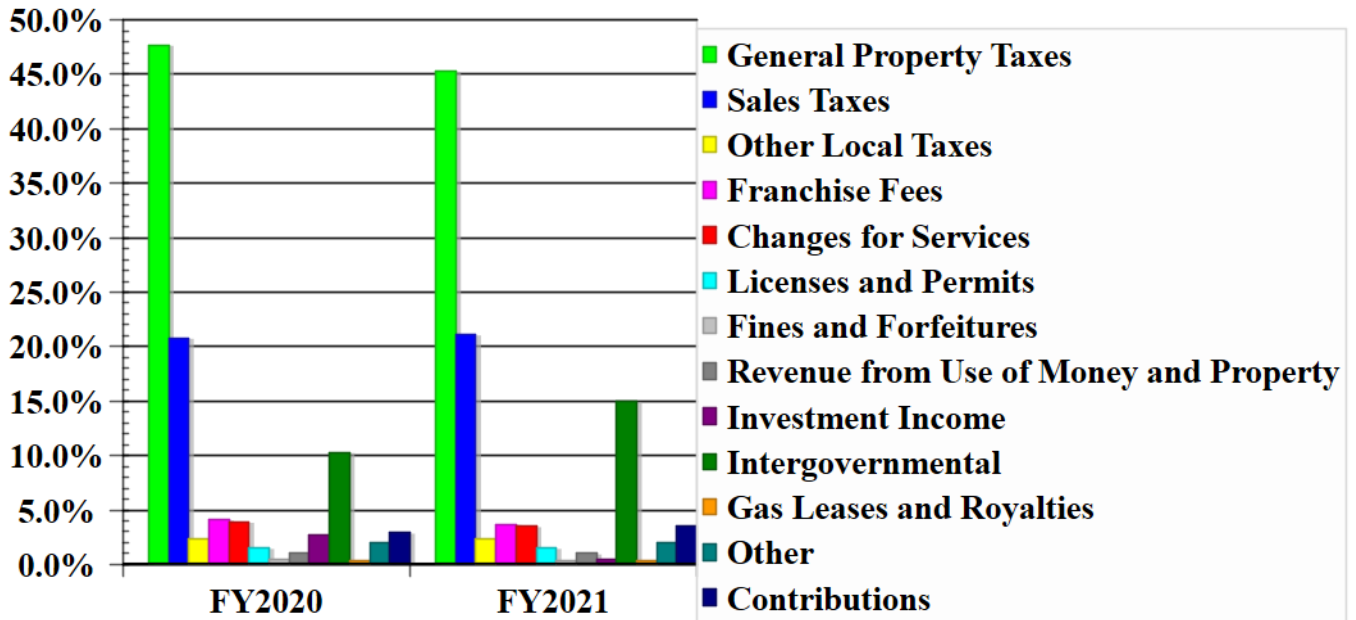
The Nonmajor Governmental Funds' fund balance of \$214,728,000 is 18.5 percent of total governmental fund balance and includes nonspendable fund balance of \$2,509,000, restricted fund balance of \$138,262,000, committed fund balance of \$9,028,000, and assigned fund balance of \$64,929,000. Nonmajor Governmental Fund's fund balance increased by \$50,860,000 when compared to FY2020. 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 FY2020 and FY2021, 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.

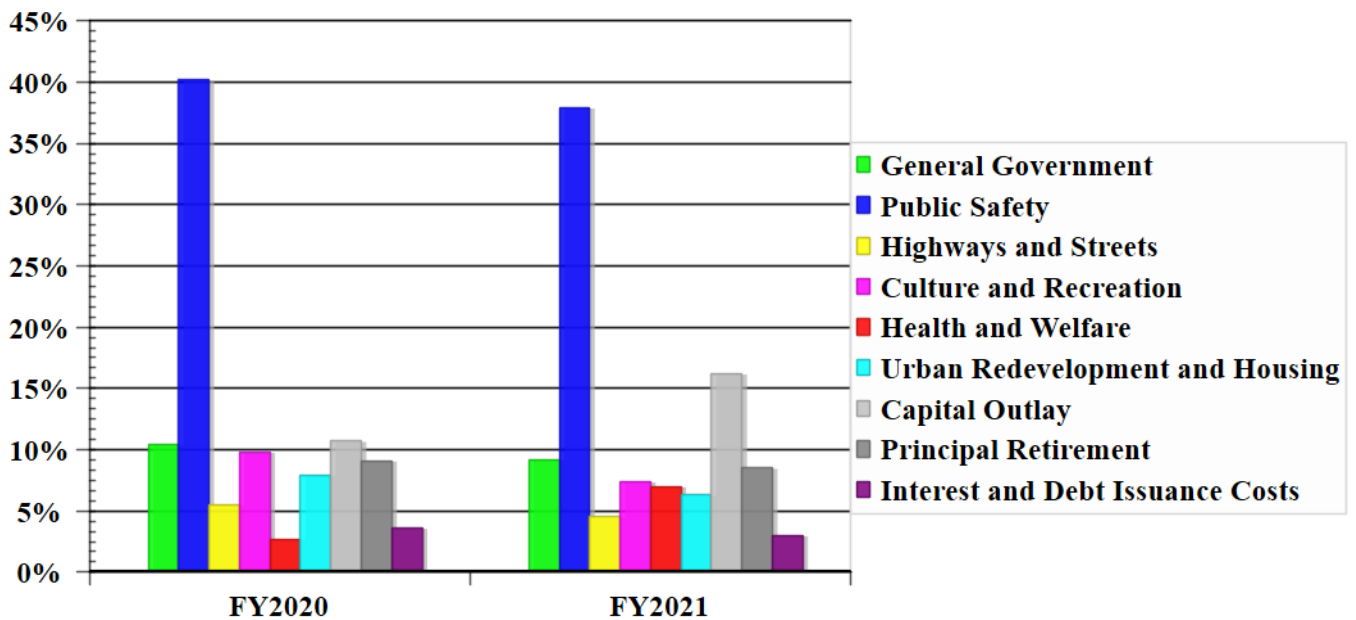
**CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021
(000's omitted in tables)
(continued)**

Revenues and Expenditures – Governmental Funds

Revenues by Source – Governmental Funds



Expenditures by Function - Governmental Funds



**CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021
(000's omitted in tables)
(continued)**

Financial Analysis of the Proprietary Funds

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

Total net position in the Water and Sewer Fund increased by \$181,247,000, when compared to FY2020, Stormwater Utility Fund increased by \$5,626,000, and Nonmajor business-type activities increased by \$14,957,000 when compared to FY2020. 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.

General Fund Budgetary Highlights

Differences between the original expenditure budget and the final amended budget resulted in a \$4,868,000 increase in appropriations and is briefly summarized as follows:

Significant activities which necessitated these increases included:

- \$415,893 to reflect a roll over and reappropriation of previously unspent authorized amount into FY2021
 - \$265,039 for contractual commitments for the police expert panel review
 - \$118,354 for a contractual commitment with The City University of New York Institute for State and Local Governance
 - \$32,500 a contractual obligation related to the City's external audit field work
- \$219,782 and 670,913 to reflect the acceptance and allocation of funds from the Tarrant County 9-1-1 District associated with the Public Safety Answering Points Assistance Program and Radio Assistance Program, respectively; and an additional \$4,924 in additional fire dispatching and station alerting
- \$1,743,000 to fund a Public Safety Payroll Solution project, recognizing additional sales tax revenue
- \$1,813,291 related to the assumed service contracts and related building expenses resulting from the acquisition of the Pier 1 building, which is planned to become the new city hall

Capital Assets and Debt Administration

Capital Assets – The City's investment in capital assets for its governmental and business-type activities as of September 30, 2021, amounted to \$6,916,554,000 (net of accumulated depreciation/amortization). This investment in capital assets includes land/right of way, construction in progress, intangibles, buildings, vehicles, machinery and equipment, infrastructure, and intangibles. The total increase in the City's capital assets for the current fiscal year was \$451,258,000 (7.0 percent). Major capital assets events during the current fiscal year included the following:

- The acquisition of assets and development of governmental projects throughout the City added \$232,212,000 to capital assets, while governmental capital contributions were \$149,449,000.
- The acquisition of assets and development of water and sewer projects throughout the City added \$230,018,000 to capital assets, while water and sewer capital contributions were \$91,261,000.
- The acquisition of assets and development of drainage projects throughout the City added \$10,971,000 to capital assets.
- These additions were offset by depreciation/amortization of \$274,891,000 and retirements during the year.

CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021
(000's omitted in tables)
(continued)

Capital Assets and Debt Administration (continued)

Capital Assets (continued)

Capital Assets, net of Accumulated Depreciation/Amortization

| | Governmental Activities | | Business-Type Activities | | Total | |
|-----------------------------------|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
| | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 |
| Land/Right of Way | \$ 278,430 | \$ 312,538 | \$ 215,534 | \$ 218,947 | \$ 493,964 | \$ 531,485 |
| Construction in Progress | 172,520 | 177,313 | 427,058 | 498,128 | 599,578 | 675,441 |
| Intangibles | 23,915 | 25,813 | 1,525 | 1,525 | 25,440 | 27,338 |
| Buildings | 783,018 | 829,269 | 97,183 | 94,592 | 880,201 | 923,861 |
| Vehicles, Machinery and Equipment | 120,178 | 123,531 | 109,055 | 105,470 | 229,233 | 229,001 |
| Infrastructure | 1,583,349 | 1,704,785 | 2,627,619 | 2,797,145 | 4,210,968 | 4,501,930 |
| Amortizable Intangibles | 25,538 | 27,175 | 374 | 323 | 25,912 | 27,498 |
| Total | <u>\$ 2,986,948</u> | <u>\$ 3,200,424</u> | <u>\$ 3,478,348</u> | <u>\$ 3,716,130</u> | <u>\$ 6,465,296</u> | <u>\$ 6,916,554</u> |

Additional information on the City's capital assets can be found in Note F. FY2020 balances have been restated, refer to Note A.16. for additional information.

Long-term Liabilities – At the end of the current fiscal year, the City had total long-term liabilities of \$6,059,871,000. Of this amount, \$795,344,000 comprises debt backed by the full faith and credit of the government, and \$1,656,938,000 represents self-supported debt issues.

Long-Term Liabilities Outstanding

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
| | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 |
| General Obligation Bonds | \$ 576,670 | \$ 665,220 | \$ 31,700 | \$ 29,584 | \$ 608,370 | \$ 694,804 |
| Revenue Bonds | - | - | 1,045,815 | 1,114,000 | 1,045,815 | 1,114,000 |
| Certificates of Obligation | 99,425 | 100,540 | - | - | 99,425 | 100,540 |
| Special Tax Revenue Debt | 225,675 | 220,350 | - | - | 225,675 | 220,350 |
| Tax Notes | 56,890 | 61,730 | - | - | 56,890 | 61,730 |
| Lone Star Local Government Corp Obligation | 31,617 | 31,617 | - | - | 31,617 | 31,617 |
| State Obligation - City | 5,081 | 17,417 | - | - | 5,081 | 17,417 |
| State Obligation - CCPD | 1,973 | 8,150 | - | - | 1,973 | 8,150 |
| Project Finance Zone 1 | - | 1,357 | - | - | - | 1,357 |
| TRWD Obligation | 191,712 | 188,643 | - | - | 191,712 | 188,643 |
| ESPC Phase VII | 10,961 | 9,233 | - | - | 10,961 | 9,233 |
| Capital Leases | 1,473 | 1,109 | - | - | 1,473 | 1,109 |
| Southwest Bank Loan (LDC SW Building) | 309 | - | - | - | 309 | - |
| Trinity River Authority Oblig. | - | - | 1,520 | 775 | 1,520 | 775 |
| ESPC Phase V | - | - | 4,212 | 2,557 | 4,212 | 2,557 |
| Net Unamortized Bond Premium/Discount | 64,245 | 69,417 | 61,941 | 68,336 | 126,186 | 137,753 |
| Compensated Absences | 147,990 | 143,111 | 12,876 | 12,899 | 160,866 | 156,010 |
| Risk Management Estimated Claims Payable | 32,438 | 34,681 | - | - | 32,438 | 34,681 |
| Arbitrage | 3 | 3 | - | - | 3 | 3 |
| Landfill Closure and Postclosure Liability | - | - | 11,497 | 12,368 | 11,497 | 12,368 |
| Pollution Remediation Liability | 5,115 | 3,013 | - | - | 5,115 | 3,013 |
| Net OPEB Liability | 835,539 | 787,823 | 135,339 | 116,072 | 970,878 | 903,895 |
| Net Pension Liability | 1,959,291 | 2,046,617 | 299,767 | 313,249 | 2,259,058 | 2,359,866 |
| Total | <u>\$ 4,246,407</u> | <u>\$ 4,390,031</u> | <u>\$ 1,604,667</u> | <u>\$ 1,669,840</u> | <u>\$ 5,851,074</u> | <u>\$ 6,059,871</u> |

**CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021
(000's omitted in tables)
(continued)**

Capital Assets and Debt Administration (continued)

Long-term Liabilities (continued)

The City's total long-term liabilities increased by \$208,797,000 when compared to FY2020, mainly due to the decrease in Net OPEB Liability that was offset by the issuance of bonds and notes in excess of principal payments made during the year. Key changes for the year include: the City's Net OPEB Liability decreased, Net Pension Liability increased, and new issues of Tax Notes and General Obligations. Also, the Water and Sewer Fund issued Revenue Bonds and Stormwater Utility Fund issued Revenue Bonds to current refund existing stormwater revenue debt. For governmental activities, the City made principal payments for bonded debt on its General Obligation Bonds and Certificates of Obligation. For business-type activities, the City made principal payments for revenue bond debt for Water and Sewer Revenue Bonds and Stormwater Revenue Bonds.

In FY2021, Moody's Investors Services (Moody's), S&P Global Rating Services (S&P), Fitch Rating Services (Fitch), and Kroll Bond Rating Agency (Kroll) have all assigned ratings to the City of Fort Worth's outstanding debt. The City's general obligation bonds are rated "Aa3" by Moody's, "AA+" by Kroll, and "AA" by both S&P and Fitch. The City's water and sewer system revenue bonds are rated "Aa1" by Moody's, "AA+" by S&P, and "AA" by Fitch. The City's drainage utility system revenue bonds are rated "AA+" by both S&P and Fitch. The City's special tax revenue bonds are rated "A1" by Moody's, and "AA" by Fitch.

The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to 1.90 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on the general obligation long-term debt. The current ratio of tax-supported debt to the assessed value of all taxable property is 1.00 percent (Statistical Section on Table 14).

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

Economic Factors and Next Year's Budgets and Rates

The overall economic outlook for the City remains positive. Sales taxes have climbed steadily since the recession ended in late 2010. Declining unemployment rates and continued population growth suggest these trends should continue well into 2022. Existing households are likely to continue spending at current rates, while new residents will add to the City's sales tax base. Population growth and steady strides in the residential real estate market support improved property tax revenues in the future, while the increasing volume of building permits continues to increase the overall tax base. Demand for existing homes supports the rising growth in values, which has allowed the City to reduce the property tax rate. Property tax revenues are characteristically slower to materialize than sales taxes, as homes built in 2021 are added to the tax roll in 2022 and do not begin paying taxes until fiscal year 2023. However, this revenue growth is more certain than other sources, as the lagging nature of the revenue buffers property tax revenue from short-term economic trends.

The FY2021 adopted budget maintained the City's property tax rate of \$0.7475 per \$100 net taxable valuation. The total appraised value of the City's property tax roll increased \$6 billion or 6.0 percent from the July 2019 certified roll to the July 2020 certified roll. Adjusted Net Taxable Value (which is the Net Taxable Value plus the value of incomplete properties and properties under protest), increased \$2.9 billion or 3.7 percent in the same period across all properties within the City. Adjusted Net Taxable Value is the basis for the City's property tax revenue calculation.

**CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021
(000's omitted in tables)
(continued)**

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

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

For FY2021, the City estimated a 98.25% collection rate of its property tax levy based on the certified rolls provided by the central appraisal districts of Tarrant, Denton, Wise and Parker Counties in July 2020. Based on the M&O levy rate of \$0.5950 per \$100 of assessed valuation, the General Fund portion of the property tax rate was expected to yield approximately \$443 million in revenue for FY2021. The debt service levy rate of \$0.1525 per \$100 of assessed valuation was expected to yield approximately \$114 million, which allowed the repayment of current and proposed general obligation debt for FY2021.

Revenue from the City's one percent of the sales tax, excluding the one-half percent special use tax for the Crime Control and Prevention District Fund, was projected to equal \$168.2 million, a decrease of \$4.8 million or 2.8 percent from the FY2020 budget. This revenue is dependent on the level of wholesale and retail sales. Over the past ten years, the City's sales tax collection grew from \$106 million in 2011 to the anticipated amount of \$168.2 million in 2021. This represents a 51.6% growth over the last ten years.

Requests for Information

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



BASIC FINANCIAL STATEMENTS

CITY OF FORT WORTH, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021
(in 000's)

| | <u>Primary Government</u> | | | Discretely Presented Component Unit |
|--|------------------------------------|-------------------------------------|---------------------|--|
| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> | |
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Assets | | | | |
| Cash, Cash Equivalents, & Investments | \$ 1,357,165 | \$ 218,740 | \$ 1,575,905 | \$ 32 |
| Receivables, Net of Allowance for Uncollectible: | | | | |
| Taxes | 4,654 | - | 4,654 | - |
| Grants and Other Governments | 64,159 | - | 64,159 | - |
| Loans | 17,840 | - | 17,840 | - |
| Interest | 6,360 | 512 | 6,872 | - |
| Accounts and Other | 29,678 | 73,426 | 103,104 | 21 |
| Internal Balances | (956) | 956 | - | - |
| Inventories (at Cost) | 5,040 | 4,215 | 9,255 | - |
| Prepays, Deposits, and Other | 3,440 | 496 | 3,936 | 561 |
| Long-Term Loans Receivable | 8,926 | 1,216 | 10,142 | - |
| Restricted Assets: | | | | |
| Cash, Cash Equivalents, & Investments | 3,042 | 836,184 | 839,226 | 279 |
| Cash, Cash Equivalents, & Investments Held by Trustees | 36,828 | 86,937 | 123,765 | - |
| Grants Receivable | - | 6,078 | 6,078 | - |
| Interest Receivable | - | 998 | 998 | - |
| Prepaid Bond Insurance | 256 | - | 256 | - |
| Capital Assets, Net of Accumulated Depreciation: | | | | |
| Non-Depreciable | 515,664 | 718,600 | 1,234,264 | - |
| Depreciable | 2,680,117 | 2,997,530 | 5,677,647 | 6,705 |
| Total Assets | <u>4,732,213</u> | <u>4,945,888</u> | <u>9,678,101</u> | <u>7,598</u> |
| Deferred Outflows of Resources | <u>838,803</u> | <u>132,070</u> | <u>970,873</u> | <u>-</u> |
| Total Assets and Deferred Outflows of Resources | <u>5,571,016</u> | <u>5,077,958</u> | <u>10,648,974</u> | <u>7,598</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES | | | | |
| Liabilities | | | | |
| Accounts Payable | 55,072 | 21,595 | 76,667 | 76 |
| Escrow Accounts Payable | 12,102 | - | 12,102 | - |
| Accrued Payroll | 20,703 | 3,097 | 23,800 | - |
| Other | 350 | - | 350 | - |
| Unearned Revenue | 172,249 | - | 172,249 | 2 |
| Payables from Restricted Assets: | | | | |
| Construction Payable | 27,920 | 51,534 | 79,454 | - |
| Escrow Accounts Payable | - | 3,360 | 3,360 | - |
| Customer Deposits | - | 22,887 | 22,887 | 20 |
| Accrued Interest Payable | 27,964 | 4,977 | 32,941 | 83 |
| Unearned Revenue | - | 2,232 | 2,232 | - |
| Long-Term Liabilities: | | | | |
| Due Within One Year | 154,488 | 77,755 | 232,243 | 29 |
| Due in More Than One Year | 4,235,543 | 1,592,085 | 5,827,628 | 3,064 |
| Total Liabilities | <u>4,706,391</u> | <u>1,779,522</u> | <u>6,485,913</u> | <u>3,274</u> |
| Deferred Inflows of Resources | <u>238,738</u> | <u>37,169</u> | <u>275,907</u> | <u>-</u> |
| NET POSITION | | | | |
| Net Investment in Capital Assets | 2,370,496 | 2,670,886 | 5,041,382 | - |
| Restricted for: | | | | |
| Debt Service | 18,749 | 67,590 | 86,339 | - |
| Capital Projects | 98,978 | 73,711 | 172,689 | - |
| Partnership Equity | - | - | - | 4,324 |
| Unrestricted (Deficit) | (1,862,337) | 449,081 | (1,413,256) | - |
| Total Net Position | <u>\$ 625,886</u> | <u>\$ 3,261,268</u> | <u>\$ 3,887,154</u> | <u>\$ 4,324</u> |

See accompanying notes to the basic financial statements.

CITY OF FORT WORTH, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(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 | \$ 155,727 | \$ 24,609 | \$ 2,152 | \$ 18,335 |
| Public Safety | 812,332 | 10,081 | 18,687 | 230 |
| Highways and Streets | 168,720 | 313 | 762 | 166,091 |
| Culture and Recreation | 143,584 | 22,526 | 5,849 | 17,303 |
| Health and Welfare | 100,856 | - | 121,984 | - |
| Urban Redevelopment and Housing | 91,550 | 23,736 | 41,623 | - |
| Interest and Service Charges | 30,753 | - | - | - |
| Total Governmental Activities | 1,503,522 | 81,265 | 191,057 | 201,959 |
| Business-Type Activities: | | | | |
| Water and Sewer | 411,742 | 486,106 | - | 127,895 |
| Stormwater Utility | 37,683 | 47,082 | - | 904 |
| Municipal Airports | 22,943 | 12,165 | - | 12,230 |
| Municipal Parking | 6,850 | 4,945 | - | - |
| Solid Waste | 61,098 | 67,710 | - | 289 |
| Total Business-Type Activities | 540,316 | 618,008 | - | 141,318 |
| Total Primary Government | \$ 2,043,838 | \$ 699,273 | \$ 191,057 | \$ 343,277 |
| Discretely Presented Component Unit: | | | | |
| Terrell Homes, Ltd. | \$ 843 | \$ 566 | \$ - | \$ - |
| Total Discretely Presented Component Unit | \$ 843 | \$ 566 | \$ - | \$ - |

Changes in Net Position (Deficit):

| |
|---|
| General Revenues: |
| Taxes: |
| General Property Taxes |
| Other Local Taxes: |
| Sales Taxes |
| Hotel/Motel Taxes |
| Other Taxes |
| Franchise Fees |
| Gas Leases and Royalties |
| Investment Income |
| Other |
| Transfers |
| Insurance Recoveries |
| Total General Revenues and Transfers |
| Changes in Net Position (Deficit) |
| Net Position, Beginning of Year, As Previously Reported |
| Correction of Error (Note A.16) |
| Net Position, Beginning of Year, As Restated |
| 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 | |
| \$ (110,631) | | \$ (110,631) | |
| (783,334) | | (783,334) | |
| (1,554) | | (1,554) | |
| (97,906) | | (97,906) | |
| 21,128 | | 21,128 | |
| (26,191) | | (26,191) | |
| (30,753) | | (30,753) | |
| <u>(1,029,241)</u> | | <u>(1,029,241)</u> | |
| | \$ 202,259 | 202,259 | |
| | 10,303 | 10,303 | |
| | 1,452 | 1,452 | |
| | (1,905) | (1,905) | |
| | <u>6,901</u> | <u>6,901</u> | |
| | 219,010 | 219,010 | |
| <u>(1,029,241)</u> | <u>219,010</u> | <u>(810,231)</u> | |
| | | | \$ <u>(277)</u> |
| | | | <u>(277)</u> |
| 593,721 | - | 593,721 | - |
| 278,062 | - | 278,062 | - |
| 26,529 | - | 26,529 | - |
| 5,178 | - | 5,178 | - |
| 48,484 | - | 48,484 | - |
| 4,483 | 3,118 | 7,601 | - |
| 4,778 | 10,081 | 14,859 | - |
| 12,060 | 6,792 | 18,852 | 16 |
| 37,352 | (37,352) | - | - |
| 2,634 | 180 | 2,814 | - |
| <u>1,013,281</u> | <u>(17,181)</u> | <u>996,100</u> | <u>16</u> |
| <u>(15,960)</u> | <u>201,829</u> | <u>185,869</u> | <u>(261)</u> |
| 635,928 | 3,059,438 | 3,695,366 | 4,585 |
| 5,919 | - | 5,919 | - |
| <u>641,847</u> | <u>3,059,438</u> | <u>3,701,285</u> | <u>4,585</u> |
| <u>\$ 625,886</u> | <u>\$ 3,261,268</u> | <u>\$ 3,887,154</u> | <u>\$ 4,324</u> |

CITY OF FORT WORTH, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021
(in 000's)

| | <u>General</u> | <u>Debt Service</u> | <u>Capital Projects</u> | <u>Grants</u> | <u>Nonmajor Governmental Funds</u> | <u>Total</u> |
|--|-------------------|---------------------|-------------------------|-------------------|--|---------------------|
| ASSETS | | | | | | |
| Cash, Cash Equivalents, & Investments | \$ 209,184 | \$ 45,300 | \$ 689,179 | \$ 124,590 | \$ 195,168 | \$ 1,263,421 |
| Cash, Cash Equivalents, & Investments Held by Trustees | 29,264 | - | 170 | - | 2,929 | 32,363 |
| Receivables, Net of Allowance for Uncollectible: | | | | | | |
| Taxes | 3,641 | 1,013 | - | - | - | 4,654 |
| Grants and Other Governments | 34,728 | - | 2,768 | 8,930 | 17,733 | 64,159 |
| Loans | - | - | - | 17,840 | - | 17,840 |
| Interest | 31 | 1,233 | 394 | - | 4,527 | 6,185 |
| Accounts and Other | 15,547 | - | 512 | - | 13,522 | 29,581 |
| Inventories (at Cost) | 2,332 | - | - | - | 2,362 | 4,694 |
| Advances to Other Funds | 514 | - | - | - | - | 514 |
| Prepays, Deposits, and Other | 2,528 | - | 681 | 32 | 147 | 3,388 |
| Long-Term Loans Receivable | - | - | - | 8,487 | 439 | 8,926 |
| Total Assets | <u>\$ 297,769</u> | <u>\$ 47,546</u> | <u>\$ 693,704</u> | <u>\$ 159,879</u> | <u>\$ 236,827</u> | <u>\$ 1,435,725</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | | |
| Liabilities | | | | | | |
| Accounts Payable | \$ 30,963 | \$ - | \$ - | \$ 9,043 | \$ 9,940 | \$ 49,946 |
| Construction Payable | - | - | 27,866 | 54 | - | 27,920 |
| Escrow Accounts Payable | 3,865 | - | 8,190 | 47 | - | 12,102 |
| Accrued Payroll | 17,481 | - | - | 445 | 2,081 | 20,007 |
| Other | 258 | - | - | - | 92 | 350 |
| Unearned Revenue | 967 | - | 1,614 | 145,504 | 1,443 | 149,528 |
| Total Liabilities | <u>53,534</u> | <u>-</u> | <u>37,670</u> | <u>155,093</u> | <u>13,556</u> | <u>259,853</u> |
| Deferred Inflows of Resources | <u>3,860</u> | <u>832</u> | <u>1,563</u> | <u>3,195</u> | <u>8,544</u> | <u>17,994</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>57,394</u> | <u>832</u> | <u>39,233</u> | <u>158,288</u> | <u>22,100</u> | <u>277,847</u> |
| Fund Balances: | | | | | | |
| Nonspendable | 5,374 | - | 681 | 32 | 2,509 | 8,596 |
| Restricted | 10,578 | 1,777 | 297,948 | 1,109 | 138,262 | 449,674 |
| Committed | 37,955 | 44,936 | 269,563 | 450 | 9,028 | 361,932 |
| Assigned | 22,600 | - | 86,279 | - | 64,929 | 173,808 |
| Unassigned | 163,866 | - | - | - | - | 163,866 |
| Total Fund Balances | <u>240,373</u> | <u>46,713</u> | <u>654,471</u> | <u>1,591</u> | <u>214,728</u> | <u>1,157,876</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 297,767</u> | <u>\$ 47,545</u> | <u>\$ 693,704</u> | <u>\$ 159,879</u> | <u>\$ 236,828</u> | <u>\$ 1,435,723</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, 2021
(in 000's)

Total fund balances--governmental funds \$ 1,157,876

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets (including internal service fund assets of \$2,455) consist of:

| | | | |
|---------------------------------------|----|--------------------|-----------|
| Land/right of way | \$ | 312,538 | |
| Construction in progress | | 177,313 | |
| Intangibles | | 25,813 | |
| Buildings | | 1,127,896 | |
| Vehicles, machinery and equipment | | 283,385 | |
| Infrastructure | | 4,014,281 | |
| Amortizable intangibles | | 57,913 | |
| Accumulated depreciation/amortization | | <u>(2,803,358)</u> | |
| Total capital assets | | <u>3,195,781</u> | 3,195,781 |

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. 17,994

Internal service funds are used by management to charge the costs of certain activities, such as; equipment services, capital project services, group health and life insurance, and risk financing to individual funds. A portion of the net position of the internal service funds is included in governmental activities in the Statement of Net Position (amount is net of capital assets of \$2,455 and compensated absences of (\$2,775)). 59,948

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

| | | | |
|---|--|----------------|---------|
| Pension (See Note I for detailed breakdown) | | 722,614 | |
| Other postemployment benefits (See Note J for detailed breakdown) | | 110,610 | |
| Deferred charges on debt refundings | | <u>5,579</u> | |
| Total deferred outflows of resources | | <u>838,803</u> | 838,803 |

Some long-term assets and liabilities are not due and payable in the current period and therefore are not reported in the funds. Those assets and liabilities (including allocated internal service fund compensated absences of \$2,775) consist of:

| | | | |
|--|--|--------------------|-------------|
| Prepaid bond insurance | | 256 | |
| Long-term compensated absences | | (143,111) | |
| Pollution remediation liability | | (3,013) | |
| Other postemployment benefits obligation | | (787,823) | |
| Net pension liability | | (2,046,618) | |
| Accrued interest payable | | (27,964) | |
| Long-term debt, including premium/discount | | <u>(1,374,785)</u> | |
| Total long-term liabilities | | <u>(4,383,058)</u> | (4,383,058) |

Unearned revenues are resources received in advance and should be reported as liabilities until the period of the exchange. This liability consists of a long-term land lease entered into by a blended component unit of the City. (22,721)

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

| | | | |
|---|--|------------------|-----------|
| Pension (See Note I for detailed breakdown) | | (177,684) | |
| Other postemployment benefits (See Note J for detailed breakdown) | | <u>(61,054)</u> | |
| Total deferred inflows of resources | | <u>(238,738)</u> | (238,738) |

Net position of governmental activities \$ 625,886

CITY OF FORT WORTH, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(in 000's)

| | General | Debt Service | Capital Projects | Grants | Nonmajor Governmental Funds | Total |
|--|-------------------|------------------|-------------------|-----------------|-----------------------------------|---------------------|
| REVENUES: | | | | | | |
| General Property Taxes | \$ 457,543 | \$ 117,134 | \$ - | \$ - | \$ 20,569 | \$ 595,246 |
| Sales Taxes | 188,175 | - | - | - | 89,779 | 277,954 |
| Other Local Taxes | 5,168 | - | - | - | 26,489 | 31,657 |
| Franchise Fees | 48,484 | - | - | - | - | 48,484 |
| Charges for Services | 28,329 | - | 1,921 | - | 16,094 | 46,344 |
| Licenses and Permits | 19,327 | - | - | - | 9 | 19,336 |
| Fines and Forfeitures | 4,553 | - | - | - | - | 4,553 |
| Revenue from Use of Money and Property | 2,389 | 99 | 1,462 | 219 | 8,917 | 13,086 |
| Investment Income (Loss) | (3,290) | 6,010 | 1,747 | 630 | 113 | 5,210 |
| Intergovernmental | 1,322 | - | 10,060 | 159,928 | 25,555 | 196,865 |
| Gas Leases and Royalties | 1,456 | - | 2,710 | - | 317 | 4,483 |
| Other | 4,188 | - | 57 | - | 21,387 | 25,632 |
| Contributions | 45 | - | 42,256 | 823 | 2,293 | 45,417 |
| Total Revenues | <u>757,689</u> | <u>123,243</u> | <u>60,213</u> | <u>161,600</u> | <u>211,522</u> | <u>1,314,267</u> |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| General Government | 97,813 | - | 14,138 | 2,544 | 17,541 | 132,036 |
| Public Safety | 444,029 | - | 8,464 | 28,478 | 64,098 | 545,069 |
| Highways and Streets | 32,272 | - | 32,168 | 768 | - | 65,208 |
| Culture and Recreation | 65,201 | - | 4,711 | 379 | 35,345 | 105,636 |
| Health and Welfare | - | - | - | 100,849 | - | 100,849 |
| Urban Redevelopment and Housing | 52,522 | - | 81 | 25,830 | 12,109 | 90,542 |
| Capital Outlay | - | - | 228,462 | 2,074 | 1,676 | 232,212 |
| Debt Service: | | | | | | |
| Principal Retirement | 1,962 | 111,660 | - | - | 8,066 | 121,688 |
| Interest and Debt Issuance Costs | 286 | 40,604 | 425 | - | 1,123 | 42,438 |
| Total Expenditures | <u>694,085</u> | <u>152,264</u> | <u>288,449</u> | <u>160,922</u> | <u>139,958</u> | <u>1,435,678</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>63,604</u> | <u>(29,021)</u> | <u>(228,236)</u> | <u>678</u> | <u>71,564</u> | <u>(121,411)</u> |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Issuance of Long-Term Debt | - | - | 92,705 | - | - | 92,705 |
| Issuance of Tax Notes | - | - | 114,620 | - | - | 114,620 |
| Issuance of Refunding Bonds | - | 101,675 | - | - | - | 101,675 |
| Proceeds from Construction Loans | - | - | - | - | 4,109 | 4,109 |
| Premium on Issuance | - | 7,786 | 11,575 | - | - | 19,361 |
| Payments to Refunding Bond Escrow Agent | - | (108,160) | - | - | - | (108,160) |
| Proceeds from Disposal of Property | 2 | - | 380 | 6 | 11,947 | 12,335 |
| Insurance Recoveries | - | - | 2,634 | - | - | 2,634 |
| Transfers In | 40,776 | 19,783 | 88,398 | 1,280 | 7,307 | 157,544 |
| Transfers Out | (68,170) | - | (4,664) | (236) | (44,067) | (117,137) |
| Total Other Financing Sources (Uses) | <u>(27,392)</u> | <u>21,084</u> | <u>305,648</u> | <u>1,050</u> | <u>(20,704)</u> | <u>279,686</u> |
| Net Change in Fund Balances | <u>36,212</u> | <u>(7,937)</u> | <u>77,412</u> | <u>1,728</u> | <u>50,860</u> | <u>158,275</u> |
| Total Fund Balance (Deficit), Beginning of Year, As Previously Reported | 204,161 | 56,539 | 577,059 | (137) | 163,868 | 1,001,490 |
| Correction of Error (Note A.16) | - | (1,889) | - | - | - | (1,889) |
| Fund Balance (Deficit), Beginning of Year, As Restated | 204,161 | 54,650 | 577,059 | (137) | 163,868 | 999,601 |
| Fund Balances, End of Year | <u>\$ 240,373</u> | <u>\$ 46,713</u> | <u>\$ 654,471</u> | <u>\$ 1,591</u> | <u>\$ 214,728</u> | <u>\$ 1,157,876</u> |

See accompanying notes to the basic financial statements.

**CITY OF FORT WORTH, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(in 000's)**

Net change in fund balances--total governmental funds \$ 158,275

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 | \$ | 149,449 | |
| Capital outlay expenditures | | 232,212 | |
| Depreciation and amortization expense (excluding internal service fund depreciation of \$270) | | <u>(165,091)</u> | |
| Net adjustment | | <u>216,570</u> | 216,570 |

In the Statement of Activities, the gain on sale of capital assets is reported. In the governmental funds, the proceeds from the disposal of assets were reported as another financing source. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets. (7,459)

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. (3,234)

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 | | (178,280) | |
| Certificates of Obligation | | (16,100) | |
| Tax notes | | (114,620) | |
| Other obligations | | <u>(19,361)</u> | |
| Total proceeds | | (328,361) | |
| Premium on debt issued | | (19,361) | |
| Repayments: | | | |
| To bondholders | | 121,688 | |
| To escrow for refunding | | <u>108,160</u> | |
| Total repayments | | 229,848 | |
| Amortization of premiums and discounts | | 14,189 | |
| Amortization of prepaid bond insurance | | <u>(11)</u> | |
| Net adjustment | | <u>(103,696)</u> | (103,696) |

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 | | (1,824) | |
| Increase in net pension liability | | (87,326) | |
| Decrease in other postemployment benefits obligation | | 47,716 | |
| Decrease in compensated absences liability (excluding internal service fund increase of \$23) | | 4,902 | |
| Decrease in pollution remediation liability | | <u>2,102</u> | |
| Net adjustment | | <u>(34,430)</u> | (34,430) |

(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, 2021
(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 | \$ (289,254) | |
| Deferred inflows of resources | <u>51,544</u> | |
| Net adjustment | <u>(237,710)</u> | \$ (237,710) |

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.

1,036

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.

(19,886)

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.

(680)

Change in net position of governmental activities

\$ (31,215)



CITY OF FORT WORTH, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2021
(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 | \$ 181,970 | \$ 14,155 | \$ 22,615 | \$ 218,740 | \$ 93,744 |
| Interest Receivable | 414 | 26 | 72 | 512 | 175 |
| Accounts and Other Receivables, Net of Allowance for Uncollectible | 58,742 | 4,538 | 10,146 | 73,426 | 97 |
| Inventories (at Cost) | 4,215 | - | - | 4,215 | 346 |
| Prepays, Deposits, and Other | 496 | - | - | 496 | 52 |
| Restricted Assets: | | | | | |
| Cash & Cash Equivalents | 72,397 | 3,550 | 9,043 | 84,990 | - |
| Total Current Assets | <u>318,234</u> | <u>22,269</u> | <u>41,876</u> | <u>382,379</u> | <u>94,414</u> |
| Noncurrent Assets: | | | | | |
| Long-Term Loans Receivable | - | - | 1,216 | 1,216 | - |
| Restricted Assets: | | | | | |
| Cash & Cash Equivalents | 615,744 | 102,446 | 33,004 | 751,194 | 3,042 |
| Cash, Cash Equivalents, & Investments Held by Trustees | 29,013 | - | 57,924 | 86,937 | 4,465 |
| Grants and Other Receivables | 1,703 | - | 4,375 | 6,078 | - |
| Interest Receivable | 792 | 106 | 100 | 998 | - |
| Total Restricted Assets | <u>647,252</u> | <u>102,552</u> | <u>95,403</u> | <u>845,207</u> | <u>7,507</u> |
| Capital Assets (at Cost): | | | | | |
| Land/Right of Way | 35,625 | 17,921 | 165,401 | 218,947 | 1,123 |
| Buildings | 67,965 | 8,409 | 99,495 | 175,869 | 4,656 |
| Infrastructure | 3,646,488 | 188,115 | 368,357 | 4,202,960 | 1,142 |
| Vehicles, Machinery and Equipment | 369,388 | 12,954 | 10,290 | 392,632 | 3,597 |
| Construction in Progress | 467,648 | 13,065 | 17,415 | 498,128 | - |
| Intangibles - Depreciable | - | - | 510 | 510 | 201 |
| Intangibles - Non-Depreciable | - | - | 1,525 | 1,525 | - |
| Accumulated Depreciation | (1,445,644) | (72,944) | (255,853) | (1,774,441) | (8,264) |
| Net Capital Assets | <u>3,141,470</u> | <u>167,520</u> | <u>407,140</u> | <u>3,716,130</u> | <u>2,455</u> |
| Total Noncurrent Assets | <u>3,788,722</u> | <u>270,072</u> | <u>503,759</u> | <u>4,562,553</u> | <u>9,962</u> |
| Total Assets | <u>4,106,956</u> | <u>292,341</u> | <u>545,635</u> | <u>4,944,932</u> | <u>104,376</u> |
| Deferred Outflows of Resources | <u>103,720</u> | <u>11,933</u> | <u>16,417</u> | <u>132,070</u> | <u>-</u> |
| Total Assets and Deferred Outflows of Resources | <u>4,210,676</u> | <u>304,274</u> | <u>562,052</u> | <u>5,077,002</u> | <u>104,376</u> |

(continued)

CITY OF FORT WORTH, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2021
(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 | \$ 12,076 | \$ 481 | \$ 9,038 | \$ 21,595 | \$ 5,126 |
| Accrued Payroll | 2,442 | 300 | 355 | 3,097 | 696 |
| Current Portion of Long-Term Liabilities | 69,672 | 5,415 | 2,668 | 77,755 | 17,542 |
| Payables from Restricted Assets: | | | | | |
| Construction Payable | 41,986 | 2,973 | 6,575 | 51,534 | - |
| Escrow Accounts Payable | 3,360 | - | - | 3,360 | - |
| Customer Deposits | 21,909 | - | 978 | 22,887 | - |
| Accrued Interest Payable | 4,292 | 577 | 108 | 4,977 | - |
| Unearned Revenue | 850 | - | 1,382 | 2,232 | - |
| Total Current Liabilities | <u>156,587</u> | <u>9,746</u> | <u>21,104</u> | <u>187,437</u> | <u>23,364</u> |
| Long-Term Liabilities: | | | | | |
| Advances from Other Funds | - | - | 514 | 514 | - |
| Long-Term Liabilities Due in More Than One Year | 1,331,558 | 178,476 | 82,051 | 1,592,085 | 19,914 |
| Total Long-Term Liabilities | <u>1,331,558</u> | <u>178,476</u> | <u>82,565</u> | <u>1,592,599</u> | <u>19,914</u> |
| Total Liabilities | <u>1,488,145</u> | <u>188,222</u> | <u>103,669</u> | <u>1,780,036</u> | <u>43,278</u> |
| Deferred Inflows of Resources | <u>29,894</u> | <u>2,632</u> | <u>4,643</u> | <u>37,169</u> | <u>-</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>1,518,039</u> | <u>190,854</u> | <u>108,312</u> | <u>1,817,205</u> | <u>43,278</u> |
| NET POSITION | | | | | |
| Net Investment in Capital Assets | 2,236,219 | 64,598 | 370,069 | 2,670,886 | 2,455 |
| Restricted for: | | | | | |
| Debt Service | 58,339 | 7,238 | 2,013 | 67,590 | - |
| Capital Projects | 73,711 | - | - | 73,711 | - |
| Unrestricted | 324,368 | 41,583 | 81,660 | 447,611 | 58,643 |
| Total Net Position | <u>\$ 2,692,637</u> | <u>\$ 113,419</u> | <u>\$ 453,742</u> | <u>\$ 3,259,798</u> | <u>\$ 61,098</u> |
| Adjustment to Reflect the Consolidation of Internal Service Funds Activities Related to Enterprise Funds | | | | <u>1,470</u> | |
| Net Position of Business-Type Activities | | | | <u>\$ 3,261,268</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, 2021
(in 000's)

| | Business-Type Activities-- Enterprise Funds | | | | Governmental Activities |
|---|--|-------------------------------|--|---------------------|------------------------------------|
| | Water and Sewer | Stormwater Utility | Nonmajor Enterprise Funds | Total | Internal Service Funds |
| OPERATING REVENUES | | | | | |
| Charges for Services | \$ 486,106 | \$ 47,082 | \$ 84,820 | \$ 618,008 | \$ 124,119 |
| Other | 1,144 | - | 4,362 | 5,506 | 8,503 |
| Total Operating Revenues | <u>487,250</u> | <u>47,082</u> | <u>89,182</u> | <u>623,514</u> | <u>132,622</u> |
| OPERATING EXPENSES | | | | | |
| Personnel Services | 116,071 | 12,971 | 8,101 | 137,143 | 22,804 |
| Supplies and Materials | 25,636 | 1,057 | 1,276 | 27,969 | 7,835 |
| Contractual Services | 164,979 | 8,894 | 64,161 | 238,034 | 97,208 |
| Landfill Closure and Postclosure Cost | - | - | 871 | 871 | - |
| Depreciation | 82,468 | 11,509 | 15,553 | 109,530 | 270 |
| Total Operating Expenses | <u>389,154</u> | <u>34,431</u> | <u>89,962</u> | <u>513,547</u> | <u>128,117</u> |
| Operating Income (Loss) | <u>98,096</u> | <u>12,651</u> | <u>(780)</u> | <u>109,967</u> | <u>4,505</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | | |
| Investment Income (Loss) | 3,725 | 8 | 6,349 | 10,082 | (429) |
| Gain (Loss) on Sale of Property and Equipment | (211) | (42) | 42 | (211) | 15 |
| Insurance Recoveries | 180 | - | - | 180 | - |
| Interest and Service Charges | (22,377) | (3,210) | (971) | (26,558) | - |
| Gas Leases and Royalties | 663 | - | 2,455 | 3,118 | - |
| Other | - | - | 1,286 | 1,286 | - |
| Total Nonoperating Revenues (Expenses) | <u>(18,020)</u> | <u>(3,244)</u> | <u>9,161</u> | <u>(12,103)</u> | <u>(414)</u> |
| Income Before Transfers and Contributions | <u>80,076</u> | <u>9,407</u> | <u>8,381</u> | <u>97,864</u> | <u>4,091</u> |
| Transfers In | 3,398 | - | 825 | 4,223 | - |
| Transfers Out | (30,122) | (4,685) | (6,768) | (41,575) | (3,055) |
| Capital Contributions | 93,889 | 904 | 12,519 | 107,312 | - |
| Capital Contributions - Impact Fees | 34,006 | - | - | 34,006 | - |
| Changes in Net Position | 181,247 | 5,626 | 14,957 | 201,830 | 1,036 |
| Total Net Position, Beginning of Year | <u>2,511,390</u> | <u>107,793</u> | <u>438,785</u> | <u>3,057,968</u> | <u>60,062</u> |
| Total Net Position, End of Year | <u>\$ 2,692,637</u> | <u>\$ 113,419</u> | <u>\$ 453,742</u> | <u>\$ 3,259,798</u> | <u>\$ 61,098</u> |

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, 2021
(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 | \$ 492,015 | \$ 46,959 | \$ 83,714 | \$ 622,688 | \$ - |
| Receipts from Other Funds | - | - | - | - | 124,095 |
| Receipts from Other Operating Sources | 1,144 | (3) | 4,362 | 5,503 | 8,503 |
| Payments to Employees | (84,598) | (9,429) | (11,472) | (105,499) | (22,963) |
| Payments to Vendors | (187,436) | (9,682) | (62,385) | (259,503) | (22,425) |
| Payments for Benefits | - | - | - | - | (80,145) |
| Net Cash Provided by Operating Activities | <u>221,125</u> | <u>27,845</u> | <u>14,219</u> | <u>263,189</u> | <u>7,065</u> |
| Cash Flows from Noncapital Financing Activities: | | | | | |
| Transfers In from Other Funds | 3,397 | - | 825 | 4,222 | - |
| Advances from Other Funds | - | - | (2,952) | (2,952) | - |
| Transfers Out to Other Funds | (30,122) | (4,684) | (6,767) | (41,573) | (3,054) |
| Due from Other Funds | 18 | - | 152 | 170 | - |
| Net Cash Used for Noncapital Financing Activities | <u>(26,707)</u> | <u>(4,684)</u> | <u>(8,742)</u> | <u>(40,133)</u> | <u>(3,054)</u> |
| Cash Flows from Capital and Related Financing Activities: | | | | | |
| Bond Principal Received | 116,180 | 49,845 | - | 166,025 | - |
| Refunding Principal Received | 38,540 | 53,365 | - | 91,905 | - |
| Bond Premium Received | 15,734 | 6,901 | - | 22,635 | - |
| Proceeds from Sale of Property and Equipment | (211) | (42) | 42 | (211) | 15 |
| Contributions | 2,695 | 135 | 8,422 | 11,252 | - |
| Contributions - Impact Fees | 34,006 | - | - | 34,006 | - |
| Acquisition and Construction of Capital Assets | (228,596) | (11,280) | (10,791) | (250,667) | - |
| Principal Paid on Long-Term Debt | (63,551) | (5,550) | (2,115) | (71,216) | - |
| Principal Paid to Escrow Agent | (67,715) | (55,330) | - | (123,045) | - |
| Interest Paid on Long-Term Obligations | (32,387) | (4,988) | (1,347) | (38,722) | - |
| Bond Issuance Cost Paid | (815) | (699) | - | (1,514) | - |
| Net Cash Provided by (Used for) Capital and Related Financing Activities | <u>(186,120)</u> | <u>32,357</u> | <u>(5,789)</u> | <u>(159,552)</u> | <u>15</u> |
| Cash Flows from Investing Activities: | | | | | |
| Receipts from Gas Leases and Royalties | 663 | - | 2,455 | 3,118 | - |
| Purchases of Investments | (424) | - | (11,476) | (11,900) | - |
| Sales of Investments | 2,999 | - | 9,060 | 12,059 | - |
| Investment Income Received | 3,836 | 18 | 6,348 | 10,202 | (419) |
| Net Cash Provided by (Used for) Investing Activities | <u>7,074</u> | <u>18</u> | <u>6,387</u> | <u>13,479</u> | <u>(419)</u> |
| Net Increase in Cash and Cash Equivalents | <u>15,372</u> | <u>55,536</u> | <u>6,075</u> | <u>76,983</u> | <u>3,607</u> |
| Cash and Cash Equivalents, Beginning of Year | <u>878,895</u> | <u>64,615</u> | <u>69,795</u> | <u>1,013,305</u> | <u>97,644</u> |
| Cash and Cash Equivalents, End of Year | <u>\$ 894,267</u> | <u>\$ 120,151</u> | <u>\$ 75,870</u> | <u>\$ 1,090,288</u> | <u>\$ 101,251</u> |

(continued)

CITY OF FORT WORTH, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(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) | \$ 98,096 | \$ 12,651 | \$ (780) | \$ 109,967 | \$ 4,505 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities: | | | | | |
| Depreciation | 82,468 | 11,509 | 15,553 | 109,530 | 270 |
| Changes in Assets, Liabilities, and Deferrals: | | | | | |
| Accounts and Other Receivables | 4,157 | (126) | 4 | 4,035 | (24) |
| Inventories | (330) | - | - | (330) | (34) |
| Prepays, Deposits, and Other Assets | (259) | - | - | (259) | - |
| Long Term Loans Receivable | - | - | (1,216) | (1,216) | - |
| Deferred Outflows of Resources (Pension) | 35,881 | 4,350 | 5,440 | 45,671 | - |
| Deferred Outflows of Resources (OPEB) | 2,303 | 66 | 791 | 3,160 | - |
| Accounts Payable | 3,509 | 269 | 3,052 | 6,830 | 263 |
| Escrow Accounts Payable | 1,004 | - | - | 1,004 | - |
| Accrued Payroll and Compensation | (629) | (25) | (10) | (664) | (159) |
| Customer Deposits | 1,007 | - | (5) | 1,002 | - |
| Unearned Revenue | - | - | 592 | 592 | - |
| Accrued Benefits | - | - | - | - | 2,244 |
| Landfill Closure and Postclosure Liability | - | - | 871 | 871 | - |
| Net Pension Liability | 10,600 | 1,297 | 1,584 | 13,481 | - |
| Net OPEB Liability | (9,098) | (848) | (9,320) | (19,266) | - |
| Deferred Inflows of Resources (Pension) | (10,835) | (1,299) | (1,699) | (13,833) | - |
| Deferred Inflows of Resources (OPEB) | 3,251 | 1 | (157) | 3,095 | - |
| Deferred Inflows of Resources (Service Concession Agreement) | - | - | (481) | (481) | - |
| Total Adjustments | 123,029 | 15,194 | 14,999 | 153,222 | 2,560 |
| Net Cash Provided by Operating Activities | \$ 221,125 | \$ 27,845 | \$ 14,219 | \$ 263,189 | \$ 7,065 |
| The Cash and Cash Equivalents are reported in the Statement of Net Position as follows: | | | | | |
| Current - Cash, Cash Equivalents, & Investments | \$ 181,970 | \$ 14,155 | \$ 22,615 | \$ 218,740 | \$ 93,744 |
| Current Restricted - Cash & Cash Equivalents | 72,397 | 3,550 | 9,043 | 84,990 | - |
| Noncurrent Restricted - Cash & Cash Equivalents | 615,744 | 102,446 | 33,004 | 751,194 | 3,042 |
| Noncurrent Restricted - Cash, Cash Equivalents, & Investments Held by Trustees | 29,013 | - | 57,924 | 86,937 | 4,465 |
| Less: Gas Well Investments Held by Trustees | (4,857) | - | (46,716) | (51,573) | - |
| Total Cash and Cash Equivalents | \$ 894,267 | \$ 120,151 | \$ 75,870 | \$ 1,090,288 | \$ 101,251 |
| Noncash Investing, Capital, and Financing Activities: | | | | | |
| Capital Asset Contributions from Developers | 90,612 | 50 | 1,929 | 92,591 | - |
| Change in Accrued Compensated Absences | - | - | - | - | 24 |
| Net Recovery of Prior Years Expenses | - | - | 1,286 | 1,286 | - |
| Amortization of Bond Premium/Discount | 12,430 | 1,777 | 554 | 14,761 | - |
| Amortization of Bond Defeasement Loss | (848) | (96) | (187) | (1,131) | - |
| Change in Fair Value on Pooled Investments | (3,645) | (820) | (855) | (5,320) | (1,253) |
| Change in Fair Value on Non-Pooled Investments | 448 | - | 3,630 | 4,078 | - |

(concluded)

See accompanying notes to the basic financial statements.

CITY OF FORT WORTH, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2021
(in 000's)

| | Pension (and Other Employee Benefit) Trust Funds | Custodial Fund |
|---|---|-----------------------------|
| | <u> </u> | <u> </u> |
| ASSETS | | |
| Current Assets: | | |
| Cash & Cash Equivalents | \$ 13,667 | \$ 1,548 |
| Cash & Investments Held by Trustees: | | |
| Asset and Mortgage Backed Obligations | 40,630 | - |
| Corporate Obligations | 209,175 | - |
| Government Agency Obligations | 111,730 | - |
| International Obligations | 15,899 | - |
| Securities Lending Collateral | 173,982 | - |
| U.S. Treasuries | 147,421 | - |
| Short-Term Mutual Fund Investments | 141,162 | - |
| Corporate Stock | 441,577 | - |
| Alternative Investments | 621,248 | - |
| Commingled Funds | 1,198,557 | - |
| Total Cash & Investments Held by Trustees | <u>3,101,381</u> | <u>-</u> |
| Prepays | 28 | - |
| Accrued Income | 5,956 | - |
| Other Receivables | 10,812 | - |
| Due from Broker Securities Sold | 154,680 | - |
| Total Current Assets | <u>3,286,524</u> | <u>1,548</u> |
| Capital Assets (at Cost): | | |
| Land | 404 | - |
| Buildings | 3,500 | - |
| Machinery and Equipment | 1,902 | - |
| Accumulated Depreciation | (1,292) | - |
| Net Capital Assets | <u>4,514</u> | <u>-</u> |
| Total Assets | <u>3,291,038</u> | <u>1,548</u> |
| LIABILITIES | | |
| Current Liabilities: | | |
| Accrued Liabilities | 2,586 | - |
| Obligations Under Securities Lending | 173,982 | - |
| Due to Broker Securities Purchased | 177,395 | - |
| Escrow Accounts Payable | - | 1,548 |
| Total Current Liabilities | <u>353,963</u> | <u>1,548</u> |
| NET POSITION | | |
| Restricted for: | | |
| Pensions | 2,830,440 | - |
| Postemployment Benefits Other Than Pensions | 106,636 | - |
| Total Net Position | <u>\$ 2,937,076</u> | <u>\$ -</u> |

See accompanying notes to the basic financial statements.

CITY OF FORT WORTH, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(in 000's)

| | Pension (and Other Employee Benefit) Trust Funds | Custodial Fund |
|---|---|---------------------------|
| ADDITIONS | | |
| Interest, Dividend, and Securities Lending Income | \$ 32,341 | \$ 1 |
| Less: Investment Management Fees and Interest Expense | (6,435) | - |
| Net Gain (Loss) in Fair Value of Investments | 489,728 | - |
| Other Income | 19,063 | - |
| Employer Contributions | 163,122 | - |
| Employee/Retiree Contributions | 65,985 | - |
| Contributions from Property Owners | - | 1,303 |
| Total Additions | <u>763,804</u> | <u>1,304</u> |
| DEDUCTIONS | | |
| Benefit Payments | 275,051 | - |
| Refunds | 5,188 | - |
| Administrative Expenses | 8,340 | - |
| Payments on Behalf of Property Owners | - | 1,304 |
| Total Deductions | <u>288,579</u> | <u>1,304</u> |
| Change in Net Position | 475,225 | - |
| Net Position, Beginning of Year | <u>2,461,851</u> | - |
| Net Position, End of Year | <u>\$ 2,937,076</u> | <u>\$ -</u> |

See accompanying notes to the basic financial statements.

Note A: Summary of Significant Accounting Policies

Note B: Cash, Cash Equivalents, & Investments

Note C: Receivables and Interfund Balances

Note D: Fund Equity

Note E: Restricted Assets

Note F: Capital Assets

Note G: Long-Term Obligations

Note H: Landfill Closure and Postclosure Care Costs

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

Note J: Employee Benefits

Note K: Commitments and Contingencies

Note L: Segment Financial Information

Note M: Uncertainties: COVID-19 Impact

Note N: Subsequent Events

Note O: New Accounting Standards

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(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, 2021, conform to accounting principles generally accepted in the United States of America (GAAP) for local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. A summary of the City's significant accounting policies applied in the preparation of the accompanying financial statements follows.

A.1. FINANCIAL REPORTING ENTITY

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

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

Blended Component Units

Blended component units, although legally separate entities, are reported as part of the primary government because they meet the criteria above and are so intertwined with the City that they are, in substance, the same as the City. In Fiscal Year 2020 the Fort Worth Housing and Finance Corporation prepared and published separate financial statements. The eight blended component units below are reported as part of the primary government:

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

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A.1. FINANCIAL REPORTING ENTITY (CONTINUED)

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

Terrell Homes, Ltd. is included in the FWHFC financial statements as a discretely presented component unit, which is discussed under the discretely presented component unit section. Separate FWHFC financial statements can be obtained by contacting the Fort Worth Housing Finance Corporation at 200 Texas Street, Fort Worth, Texas 76102.

Fort Worth Local Development Corporation - The Fort Worth Local Development Corporation (FWLDC) is a 501(c)(3) organization and a Texas nonprofit corporation formed in 1987 by the City Council. The original purpose of the FWLDC was to administer a low-interest rate program for business development in and around the Stockyards area in accordance with the Economic Development Administration Block Grant Program. However, the articles of incorporation are broad enough to allow involvement in almost any kind of city-wide economic development activities. Although it is legally separate entity from the City, the members of the Board of the FWLDC and members of the City Council are substantively the same. The City has financial accountability, and a financial benefit/burden relationship exists which allows the City to impose its will. Therefore, the FWLDC has been blended in the City's basic financial statements as a Nonmajor 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, 2021
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A.1. FINANCIAL REPORTING ENTITY (CONTINUED)

Alliance Airport Authority, Inc. - The Alliance Airport Authority, Inc. (the Authority) was created in 1989. It is an industrial development corporation created to benefit the City and to, among other things, issue bonds, promote and develop new and expanded business enterprises in the City, promote and encourage employment, and otherwise to benefit the public in accordance with the Development Corporation Act of 1979. Although it is legally separate entity from the City, the members of the Board of the Authority and members of the City Council are substantively the same. The City has financial accountability and a financial benefit/burden relationship exists which allows the City to impose its will. Therefore, the Authority has been blended into the City's basic financial statements as a Nonmajor Special Revenue Fund (reported with the Other Blended Component Units). The Alliance Airport Authority was dissolved in February 2021 as it had fulfilled its purpose. No separate financial statements are available.

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

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

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

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A.1. FINANCIAL REPORTING ENTITY (CONTINUED)

Discretely Presented Component Unit

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

Terrell Homes, Ltd. - Terrell Homes, Ltd. ("Partnership") is a Texas limited partnership formed on December 9, 2011, to construct, develop and operate 54 single-family houses, known as the Terrell Homes I Apartments located on scattered sites. The houses are rented to low-income tenants and operated in a manner necessary to qualify for federal low-income housing tax credits as provided in Internal Revenue Code Section 42. For the calendar year ended December 31, 2020, the Partnership's financial information is presented in a separate column in the government-wide financial statements.

The Fort Worth Housing Finance Corporation (blended component unit of the City) considered the organizations and activities of each of the LPs to determine if any of them meet the condition for inclusion as component units. The decision to include a potential component unit was made by applying the criteria set forth in GASB Statement No. 14, *The Financial Reporting Entity* which was amended by GASB Statement No. 90, *Majority Equity Interests*.

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

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 and 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. The decision to include a fiduciary component unit was amended by GASB Statement No. 84, *Fiduciary Activities*.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. The decision to include a fiduciary component unit was amended by GASB Statement No. 84, *Fiduciary Activities*.

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. The decision to include a fiduciary component unit was amended by GASB Statement No. 84, *Fiduciary Activities*.

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 should be reported in an agency fund rather than a debt service fund, to reflect the fact that the government's duties are limited to acting as an agent for the assessed property owners and the bondholders. Under the provisions of GASB Statement No. 84, *Fiduciary Activities*, the PID has been renamed and presented as a custodial fund.

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, 2021
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2021, was \$4,907,201 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, 1201 E. 13th Street, Fort Worth, Texas 76102.

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

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.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A.2. BASIS OF PRESENTATION (CONTINUED)

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, 2020) 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 cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

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

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

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:

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A.2. BASIS OF PRESENTATION (CONTINUED)

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 (PAR) 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 (PAR 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 specify 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.

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

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A.2. BASIS OF PRESENTATION (CONTINUED)

Enterprise Funds

The City reports the following major enterprise funds:

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

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

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

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

Internal Service Funds

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

Fiduciary Funds

Included in this fund type are trust funds which account for assets held by the City in a trustee capacity or 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.

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.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A.2. BASIS OF PRESENTATION (CONTINUED)

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, 2021
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The State Constitution limits the tax rate to \$2.50 per \$100 of assessed valuation, including debt service. However, the City Charter further limits the tax rate to \$1.90 per \$100 or \$19.00 per \$1,000 of assessed valuation including debt service. The property tax rate levied in fiscal year 2021 was \$0.7475 per \$100 of valuation.

A.5. CASH, CASH EQUIVALENTS, & INVESTMENTS

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

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

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

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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.

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, 2021. 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.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Due to/from Broker - The balance due to broker securities purchased and due from broker securities sold in FY2021 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, 2021, were converted to the City Plan's functional currency at the foreign exchange rates quoted at September 30, 2021. These foreign exchange gains and losses are included in a change to net gain (loss) in fair value of investments in the accompanying Statement of Changes in Fiduciary Net Position.

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

Valuation of Investments - Investments are stated at fair value as of September 30, 2021, for both reporting and actuarial purposes. The Retiree Healthcare Trust Fund is charged with receiving employee and employer contributions, paying medical and dental claims, and prudently investing money in the fund not immediately needed to pay claims.

A.6. INVENTORIES

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

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A.7. CAPITAL ASSETS

Capital assets, which include land, buildings, infrastructure, vehicles, machinery and equipment, intangibles, and construction in progress, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Capital assets are recorded at original cost. The donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value. Repairs and maintenance are recorded as expenses. 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) Betterments, improvements, machinery and equipment must be capitalized when the useful life is at least two years, and the cost is \$25,000 or more; and
- f) Vehicles must be capitalized when the useful life is 4 years or greater, the cost is \$5,000 or greater, and it meets both criteria:
 - Self-propelled
 - Primary use is on public streets and the unit is street legal

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

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

The City capitalizes customized computer software, works of art, and 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.

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.”

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 \$38,609,313.

The total discounted estimated claims payable for the Group Health and Life Insurance Fund and the Risk Financing Fund at September 30, 2021, is \$34,681,000, of which \$15,523,000 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):

| | <u>FY 2020</u> | <u>FY 2021</u> |
|---|------------------|------------------|
| Unpaid Claims, October 1st | \$ 32,012 | \$ 32,438 |
| Provisions for current year's events and changes in provision for priors years' events | 72,420 | 78,545 |
| Claims payments | <u>(71,994)</u> | <u>(76,302)</u> |
| Unpaid Claims, September 30th | <u>\$ 32,438</u> | <u>\$ 34,681</u> |

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A.10. RISK FINANCING (CONTINUED)

A.10.B. LIABILITY INSURANCE

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

A.10.C. PROPERTY AND CASUALTY INSURANCE

An "all risk" property policy is provided by multiple commercial insurance companies for losses in excess of \$250,000 per occurrence for all covered perils. The City self-insures most property losses less than \$250,000. Boiler and machinery insurance, and crime insurance are also maintained on a commercial insurance basis. The City also has a \$2,500,000 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 \$2,250,000 per occurrence for Police Officers and Firefighters and \$1,500,000 for any single occurrence for all other employees. Coverage limits for workers' compensation are the statutory limits required by the Texas Workers' Compensation Act.

A.10.E. GROUP HEALTH AND LIFE INSURANCE

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

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

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

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

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A.10. RISK FINANCING (CONTINUED)

A.10.F. UNEMPLOYMENT COMPENSATION

The City is a reimbursing agency for Unemployment Compensation. The Texas Workforce Commission (TWC) sends quarterly reports to a third party administrator who then forwards to the City concerning claims paid on behalf of the City to eligible former employees. A third party administrator reviews the claims but responds to TWC based on information the City provides.

A.11. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the Statement of Net Position presents a separate section for deferred outflows of resources. Deferred outflows of resources represent consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources reported in the government-wide and proprietary fund's Statement of Net Position relate to debt refunding, pension, and OPEB items.

The City reports \$5,579,000 as a deferred outflow of resources for unamortized loss on debt refunding in the governmental activities and \$4,883,000 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 \$834,247,000 for pension-related items which consists of \$722,614,000 of governmental activities and \$111,633,000 of business-type activities. The City also recorded \$126,164,000 of other postemployment benefit-related items as of September 30, 2021, in accordance with GAAP.

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

In 2003, the City entered into an agreement with Allied Waste Systems (D/B/A Trinity Waste Services) to operate the City's Southeast Landfill. As part of this agreement, Allied Waste Systems is compensated by third party users of the landfill. The City owns the land for the landfill and retains ownership (residual interest) in the land at the end of the 20-year agreement. In 2003, Allied Waste Systems made an initial payment of \$9,600,000 to the City. This up front payment is being amortized over the 20-year contract term. As of September 30, 2021, the City recognized deferred inflows of resources in the amount of \$720,000 in the Solid Waste Fund.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City recorded deferred inflows of resources of \$204,362,000 for pension-related items and \$70,824,000 for other postemployment benefit-related as of September 30, 2021, in accordance with GAAP.

| | Governmental Funds | | | | | |
|---------------------------------------|--------------------|---------------|------------------|-----------------|--------------------|------------------|
| | General | Debt Service | Capital Projects | Grants | Nonmajor | Total |
| | | | | | Governmental Funds | |
| Deferred Inflows of Resources: | | | | | | |
| Property Tax | \$ 3,267 | \$ 832 | \$ - | \$ - | \$ - | \$ 4,099 |
| Accounts Receivable | - | - | - | - | 4,283 | 4,283 |
| Grants and Other Governments | - | - | 1,563 | 3,195 | - | 4,758 |
| Other | 593 | - | - | - | 4,261 | 4,854 |
| Total | \$ 3,860 | \$ 832 | \$ 1,563 | \$ 3,195 | \$ 8,544 | \$ 17,994 |

| | Business-Type Activities | | | | |
|--|--------------------------|-------------------|--------------------|---------------------------|-------------------|
| | Governmental Activities | Water and Sewer | Stormwater Utility | Nonmajor Enterprise Funds | Total |
| | | | | | |
| Deferred Outflows of Resources: | | | | | |
| Unamortized Loss on Debt Refunding | \$ 5,579 | 1,774 | \$ 1,333 | \$ 1,776 | \$ 10,462 |
| Pension Related | 722,614 | 87,967 | 10,463 | 13,203 | 834,247 |
| OPEB Related | 110,610 | 13,979 | 137 | 1,438 | 126,164 |
| Total | \$ 838,803 | \$ 103,720 | \$ 11,933 | \$ 16,417 | \$ 970,873 |
| Deferred Inflows of Resources: | | | | | |
| Service Concession Arrangement | \$ - | \$ - | \$ - | \$ 721 | \$ 721 |
| Pension Related | 177,684 | 20,894 | 2,496 | 3,288 | 204,362 |
| OPEB Related | 61,054 | 9,000 | 136 | 634 | 70,824 |
| Total | \$ 238,738 | \$ 29,894 | \$ 2,632 | \$ 4,643 | \$ 275,907 |

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.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

a) **Nonspendable fund balance** (inherently nonspendable) include the:

- Portion of net resources that cannot be spent because of their form.
- Portion of net resources that cannot be spent because they must be maintained intact.

b) **Restricted fund balance** (externally enforceable limitations on use) include amounts subject to:

- Limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments.
- Limitations imposed by law through constitutional provision or enabling legislation.

c) **Committed fund balance** (self-imposed limitations set in place prior to the end of the period) include amounts subject to:

- Limitations imposed at the highest level of decision making that requires formal action (passage of City Ordinance) at the same level to remove. For the City, the City Council is the highest level of decision making.

d) **Assigned fund balance** (limitation resulting from intended use) consists of amounts where the:

- Intended use is established by the body designated for that purpose (City Council).
- Through Mayor and City Council ordinance, the City Manager has been delegated the authority to assign fund balances that are constrained by specific purposes that are neither restricted nor committed.

e) **Unassigned fund balance** (residual net resources) is the:

- Total fund balance in the General Fund in excess of nonspendable, restricted, committed, and assigned fund balance.
- Negative unassigned fund balance is the excess of nonspendable, restricted, and committed fund balance over total fund balance.

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
SEPTEMBER 30, 2021
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

General Debt Service Fund

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

Special Revenue Funds

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

Enterprise Funds

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

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

Internal Service Funds Insurance Funds (Risk Financing)

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

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

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

- A goal 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 Non-Insurance Fund shall have a negative unrestricted net position. This calculation shall be performed by using all of the funds for the respective reporting group of the specific non-insurance related internal service fund.

When Reserves are not met:

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

Excess of Reserves:

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

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

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

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

| Fund Balance Categories and Classifications | | | | | | |
|--|----------------|---------------------|--------------------------|---------------|--|-------------------------------|
| Fund Balance | General | Debt Service | Capital Projects* | Grants | Nonmajor Governmental Funds** | Total Fund Balance |
| Nonspendable | | | | | | |
| Inventory | \$ 2,332 | \$ - | \$ - | \$ - | \$ 2,371 | \$ 4,703 |
| Advances | 514 | - | - | - | - | 514 |
| Prepays, Deposits, and Other | 2,528 | - | 681 | 32 | 138 | 3,379 |
| Total Nonspendable | 5,374 | - | 681 | 32 | 2,509 | 8,596 |
| Restricted | | | | | | |
| Park Improvements | 10,578 | - | - | - | - | 10,578 |
| Debt Service | - | 1,777 | - | - | - | 1,777 |
| Crime Control and Prevention | - | - | - | - | 39,944 | 39,944 |
| Environmental Management | - | - | - | - | 3,399 | 3,399 |
| Construction of Multi-Purpose Arena | - | - | - | - | 7,928 | 7,928 |
| 2014 Bond Program | - | - | 53,612 | - | - | 53,612 |
| 2018 Bond Program | - | - | 90,221 | - | - | 90,221 |
| Transportation Impact Fees | - | - | 44,089 | - | - | 44,089 |
| Community Facility Agreements | - | - | 16,528 | - | - | 16,528 |
| Community Park Projects | - | - | 5,127 | - | - | 5,127 |
| Fort Worth Public Art | - | - | 1,893 | - | - | 1,893 |
| Fire Apparatus Replacement | - | - | 9,478 | - | - | 9,478 |
| Street Improvements | - | - | 44,843 | - | - | 44,843 |
| Future City Hall | - | - | 29,753 | - | - | 29,753 |
| Other | - | - | 2,404 | 1,109 | 86,991 | 90,504 |
| Total Restricted | 10,578 | 1,777 | 297,948 | 1,109 | 138,262 | 449,674 |

(continued)

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

| Fund Balance Categories and Classifications | | | | | | |
|---|-------------------|------------------|-------------------|-----------------|-------------------------------|---------------------|
| Fund Balance | General | Debt Service | Capital Projects* | Grants | Nonmajor Governmental Funds** | Total Fund Balance |
| Committed | | | | | | |
| Public Events and Facilities | \$ 15,173 | \$ - | \$ - | \$ - | \$ - | \$ 15,173 |
| Debt Service | - | 44,936 | - | - | - | 44,936 |
| Park Improvements | 4,032 | - | - | - | - | 4,032 |
| Street Improvements | - | - | 49,103 | - | - | 49,103 |
| Community Facility Agreements | - | - | 2,634 | - | - | 2,634 |
| Community Park Projects | - | - | 29,781 | - | - | 29,781 |
| Police Vehicle Replacement | - | - | 55,496 | - | - | 55,496 |
| Police Equipment | - | - | 5,329 | - | - | 5,329 |
| Fort Worth Public Art | - | - | 3,166 | - | - | 3,166 |
| Police Facility Renovation | - | - | 16,257 | - | - | 16,257 |
| Fire Apparatus Replacement | - | - | 4,498 | - | - | 4,498 |
| WRMC | - | - | 11,111 | - | - | 11,111 |
| IT Software and Computers | - | - | 9,746 | - | - | 9,746 |
| General Vehicle Replacements | - | - | 5,274 | - | - | 5,274 |
| State Sales Tax Agreement | 17,414 | - | - | - | 8,150 | 25,564 |
| Other | 1,336 | - | 77,168 | 450 | 878 | 79,832 |
| Total Committed | <u>37,955</u> | <u>44,936</u> | <u>269,563</u> | <u>450</u> | <u>9,028</u> | <u>361,932</u> |
| Assigned | | | | | | |
| Culture and Tourism | - | - | - | - | 18,608 | 18,608 |
| Traffic System | - | - | 140 | - | - | 140 |
| Vehicle Replacement | - | - | 50 | - | - | 50 |
| Community Park Projects | - | - | 37,408 | - | - | 37,408 |
| WRMC | - | - | 40 | - | - | 40 |
| Park and Recreation Programs | - | - | - | - | 1,338 | 1,338 |
| Street Improvements | 11,000 | - | - | - | - | 11,000 |
| Nature Preserve Lakeland Addition | 5,000 | - | - | - | - | 5,000 |
| Other | 6,600 | - | 48,641 | - | 44,983 | 100,224 |
| Total Assigned | <u>22,600</u> | <u>-</u> | <u>86,279</u> | <u>-</u> | <u>64,929</u> | <u>173,808</u> |
| Unassigned (Deficit) | 163,866 | - | - | - | - | 163,866 |
| Total Fund Balance | <u>\$ 240,373</u> | <u>\$ 46,713</u> | <u>\$ 654,471</u> | <u>\$ 1,591</u> | <u>\$ 214,728</u> | <u>\$ 1,157,876</u> |

(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, 2021, the City committed \$1,336,000 for budget rollovers, a police monitoring program and legal contracts. In addition, the City has set aside \$6,600,000, of which \$2,000,000 it to fund costs associated with the purchase, construction, and renovation of the Pier 1 Building, which the City intends to designate as the future City Hall facility. \$1,400,000 will go towards a new budget system to be operated by the Planning & Data Analytics department. \$1,200,000 will be used by the City to match for the Texas Military Preparedness Commission 's (TMPC) Defense Economic Adjustment Assistance Grant (DEAAG) program. \$1,000,000 will go towards a land purchase for Fire Station No. 26. \$1,000,000 will go towards a land purchase for a library near Sendera Ranch.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A.13. LONG-TERM OBLIGATIONS

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

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

A.14. USE OF ESTIMATES

The preparation of the basic financial statements in conformity with GAAP requires the City's management to make estimates and assumptions that affect the reported amounts of 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. TAX ABATEMENTS

As of September 30, 2021, the City provides tax abatements through three programs: Tax Abatement Agreements (Texas Tax Code 312), Economic Development Program Grant Agreements (Texas Local Government Code Chapter 380), and Neighborhood Empowerment Zones (Texas Tax Local Government Code Chapter 378). The table below and on the following pages explain each program and the numbers represented are not in thousands:

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

(continued)

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A.15. TAX ABATEMENTS (CONTINUED)

| | Tax Abatement Agreements | Economic Development Program Grant Agreements | Neighborhood Empowerment Zones (NEZ) |
|--|---|--|---|
| 3) Authority under which abatement agreements are entered into: | <i>Tax abatements are authorized under Chapter 312 of the Texas Tax Code.</i> | <i>Grants are authorized under Texas Local Government Code Chapter 380.</i> | <i>Tax abatements are authorized under Chapter 378 of the Texas Local Government Code.</i> |
| 4) Criteria to be eligible to receive abatement: | <i>A Tax Abatement can only be granted to persons or entities eligible for Tax Abatement pursuant to Section 312.204(a) of the Texas Tax Code, which persons or entities as of the effective date of this policy are the owner of taxable real property located in a Tax Abatement reinvestment zone; or the owner of a leasehold interest in real property located in a Tax Abatement reinvestment zone.</i> | <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, 2021
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A.15. TAX ABATEMENTS (CONTINUED)

| | Tax Abatement Agreements | Economic Development Program Grant Agreements | Neighborhood Empowerment Zones (NEZ) | | | | | | | | | | | | | | | | | | |
|--|--|--|--|---------------|----------------|-------|---------------------|--|---------------|---------------|---------------|------------|-------|-----------|-----------------|------------------|-------|----------------------|--|---------------|---------------------|
| 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 pay 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>\$ 468,775</td> </tr> <tr> <td>B/P* Property</td> <td><u>580,612</u></td> </tr> <tr> <td>Total</td> <td><u>\$ 1,049,387</u></td> </tr> </table> <p>*B/P = Business Personal</p> | Real Property | \$ 468,775 | B/P* Property | <u>580,612</u> | Total | <u>\$ 1,049,387</u> | <table> <tr> <td>Real Property</td> <td>\$ 10,864,086</td> </tr> <tr> <td>B/P* Property</td> <td>10,917,740</td> </tr> <tr> <td>Sales</td> <td>4,414,235</td> </tr> <tr> <td>Hotel Occupancy</td> <td><u>1,558,603</u></td> </tr> <tr> <td>Total</td> <td><u>\$ 27,754,664</u></td> </tr> </table> | Real Property | \$ 10,864,086 | B/P* Property | 10,917,740 | Sales | 4,414,235 | Hotel Occupancy | <u>1,558,603</u> | Total | <u>\$ 27,754,664</u> | <table> <tr> <td>Real Property</td> <td><u>\$ 1,117,276</u></td> </tr> </table> <p>(concluded)</p> | Real Property | <u>\$ 1,117,276</u> |
| Real Property | \$ 468,775 | | | | | | | | | | | | | | | | | | | | |
| B/P* Property | <u>580,612</u> | | | | | | | | | | | | | | | | | | | | |
| Total | <u>\$ 1,049,387</u> | | | | | | | | | | | | | | | | | | | | |
| Real Property | \$ 10,864,086 | | | | | | | | | | | | | | | | | | | | |
| B/P* Property | 10,917,740 | | | | | | | | | | | | | | | | | | | | |
| Sales | 4,414,235 | | | | | | | | | | | | | | | | | | | | |
| Hotel Occupancy | <u>1,558,603</u> | | | | | | | | | | | | | | | | | | | | |
| Total | <u>\$ 27,754,664</u> | | | | | | | | | | | | | | | | | | | | |
| Real Property | <u>\$ 1,117,276</u> | | | | | | | | | | | | | | | | | | | | |

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A.16. CORRECTION OF ERROR

During the year ended September 30, 2021, the City noted that the Rock Creek special assessment debt service fund was previously recorded as a Governmental debt service fund but should have been recorded in an agency fund and should not be reported as governmental activity in the government-wide statement of net position or the statement of activities. Due to an agency fund which is now a custodial fund under the provision of GASB Statement No. 84, *Fiduciary Activities*, not having any net position, the beginning balance within the custodial fund was not recorded. The City restated its beginning net position to reflect the impact of correcting this issue as summarized below.

| | Government-wide Statement of Net Position |
|-----------------------------------|--|
| | Governmental Activities |
| Rock Creek Debt Service Assets | \$ (1,889) |
| Accrued Interest Payables | 72 |
| Special Assessment Debt Liability | 17,954 |
| Total Rock Creek Correction | <u>\$ 16,137</u> |

During the year, the City made a prior period adjustment in capital assets due to a government-wide correction of an error that occurred between a system conversion between the asset management system and the general ledger. This amount decreased the total governmental activities assets by \$22,701,000 and decreased the accumulated depreciation by \$2,324,000. As a result, the beginning balance of the assets below have been corrected to reflect these changes. In addition, the construction in progress (CWIP) for the White Settlement Bridge Project was previously understated by \$10,159,000 which required a correction to increase the CWIP by this amount as shown below.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A.16. CORRECTION OF ERROR (CONTINUED)

| | Capital Asset FY2021 Governmental Activities Beginning Balances | |
|--------------------------------------|---|---------------------|
| | Original | Restated |
| Capital Assets Non Depreciable | | |
| Land/Right of Way | \$ 278,431 | \$ 278,430 |
| Intangibles | 37,949 | 23,915 |
| Construction in Progress | 162,361 | 172,520 |
| Total Capital Assets Non Depreciable | <u>478,741</u> | <u>474,865</u> |
| Capital Asset Depreciable | | |
| Buildings | 1,051,756 | 1,051,756 |
| Vehicles, Machinery and Equipment | 276,927 | 283,430 |
| Infrastructure | 3,803,598 | 3,780,994 |
| Intangibles | 49,145 | 56,580 |
| Total Capital Asset Depreciable | <u>5,181,426</u> | <u>5,172,760</u> |
| Accumulated Depreciation | | |
| Buildings | (268,738) | (268,738) |
| Vehicles, Machinery, and Equipment | (163,225) | (163,252) |
| Infrastructure | (2,197,659) | (2,197,645) |
| Intangibles | (33,379) | (31,042) |
| Total Net Accumulated Depreciation | <u>(2,663,001)</u> | <u>(2,660,677)</u> |
| Net Capital Assets | <u>\$ 2,997,166</u> | <u>\$ 2,986,948</u> |

Below is the total correction for the beginning of FY2021 which includes the Rock Creek corrected amount and the net changes in Capital assets totaling \$5,919,000.

| | Total Governmental Activities FY2021 |
|-----------------------------------|---|
| Beginning Net Position | <u>\$ 635,928</u> |
| Rock Creek Correction | 16,137 |
| Capital Asset Correction | (10,218) |
| Net Change | <u>5,919</u> |
| Restated Net Position Oct 1, 2020 | <u>\$ 641,847</u> |

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(000's omitted in tables)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A.17. IMPLEMENTATION OF NEW GASB STANDARDS

During the year, the City implemented GASB Statement No. 84, *Fiduciary Activities*, and GASB No. 98, *The Annual Comprehensive Financial Report*. Additional information on the implementation of these statements is noted below.

GASB Statement No. 84, *Fiduciary Activities*. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be recorded. The Statement establishes criteria for identifying fiduciary activities for state and local governments. The statement also changed the nomenclature for entities performing agency type functions from agency funds to custodial funds. Under the provisions of this statement, the Rock Creek PID has been reclassified from an agency fund to a custodial fund and had no other effect on the City's financial statements.

In October 2021, GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. The objective of this statement is to replace the term "Comprehensive Annual Financial Report" and its acronym. The change was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for "Comprehensive Annual Financial Report" sounds like a profoundly objectionable racial slur. The statement's introduction of the new term is founded on a commitment to promoting inclusiveness. The requirement of this statement is effective for fiscal years ending after December 15, 2021. The City has decided to early-implement this statement and the change will be effective for the year ended September 30, 2021.

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.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(000's omitted in tables)

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

B.1. POOLED CASH AND INVESTMENTS (CONTINUED)

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, 2021, the carrying and fair value of securities on loan were \$391,912,252 and the fair value of collateral held against the loaned securities was \$399,716,615.

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, 2021, the City’s demand and time deposits totaled \$493,653,397. Of the \$493,653,397 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, 2021, all funds were insured or collateralized as required under state law.

As of September 30, 2021, 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, 2021, interest earned of \$2,254,766 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 % | 62.21 | 13.74 | 9.75 | 6.96 | 7.34 |

As of September 30, 2021, the Portfolio included:

- no holdings with a stated maturity date beyond August 15, 2027;
- holdings maturing beyond one year represented 37.79 percent; and
- the WAM was 391 days or 1.1 years.

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

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

B.1. POOLED CASH AND INVESTMENTS (CONTINUED)

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, 2021, the Portfolio contained one time callable debentures totaling \$17,425,000.

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

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

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

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

As of September 30, 2021, the Portfolio consisted of:

- U.S. Treasury Notes and Bills represented 54.27%;
- U.S. Obligations represented 41.03%; and
- Municipal Obligations represented 4.70%

See Note B.3. for a detailed listing of investments as of September 30, 2021.

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.

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

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

B.1. POOLED CASH AND INVESTMENTS (CONTINUED)

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, 2021, the Portfolio contained no certificates of deposit and no repurchase agreements.

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

Gas Lease Portfolio

Section 2256.0202 of the PFIA authorizes municipal funds from the management and development of mineral rights to be invested in accordance with Texas Trust Code (Subtitle B, Title 9, Property Code). Texas Trust Code allows any security that a “Prudent Investor” would be willing to utilize. City Council has adopted a separate Gas Lease Investment Policy (GLI Policy) statement for these funds. The GLI Policy defines authorized investments and sets the objectives of security, liquidity, and diversification. In addition to the authorized investments allowed under the Investment Policy and Strategy, the GLI Policy authorizes: investments in municipal obligations rated A or better; prime banker’s acceptances; domestic and international bond mutual funds with a Morningstar rating of at least two stars; domestic and international equity, and preferred stock mutual funds; domestic and international stocks; real assets; real estate; complementary strategies (currently hedge funds); and corporate and asset-backed securities rated A or better. The fair value and cost basis of this Gas Lease Portfolio were \$79,404,000 and \$70,271,000, 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, 2021, no holdings have a stated maturity date beyond March 1, 2027. The following schedule details fair values and maturities for fixed income securities and mutual funds:

| Fixed Income Securities | Less Than 1 Year | 1 - 5 Years | 6 - 10 Years | Total |
|-------------------------------|---------------------|------------------|---------------|------------------|
| Government Obligations | \$ 664 | \$ 569 | \$ 85 | \$ 1,318 |
| Mortgage Backed Securities | - | 1,329 | - | 1,329 |
| Corporate Obligations | 1,516 | 10,372 | 267 | 12,155 |
| Domestic Mutual Funds | 10,868 | - | - | 10,868 |
| International Mutual Funds | 4,080 | - | - | 4,080 |
| Total Fixed Income Securities | <u>\$ 17,128</u> | <u>\$ 12,270</u> | <u>\$ 352</u> | <u>\$ 29,750</u> |

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

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

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

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

B.3. CASH, CASH EQUIVALENTS, & INVESTMENTS

Below are the City's investments measured at fair value as of September 30, 2021:

| | Fair Value | Level 1 | Level 2 | Level 3 |
|---|------------|------------|------------|---------|
| Investments by Fair Value Level | | | | |
| Investments Managed by the City | | | | |
| Federal Farm Credit Bank (FFCB) | \$ 52,507 | \$ - | \$ 52,507 | \$ - |
| Federal Home Loan Bank (FHLB) | 164,395 | - | 164,395 | - |
| Federal Home Loan Mortgage Corporation (FHLMC) | 23,560 | - | 23,560 | - |
| Federal National Mortgage Association (FNMA) | 124,577 | - | 124,577 | - |
| U.S. Treasury Notes | 482,881 | 482,881 | - | - |
| Municipal Obligations - Short Term | 41,838 | - | 41,838 | - |
| Total Investments Managed by the City | 889,758 | 482,881 | 406,877 | - |
| Investments Held by Trustees for the City | | | | |
| Gas Lease Revenue - Fixed Income | 14,802 | - | 14,802 | - |
| Gas Lease Revenue - Fixed Income - Domestic and International Mutual Fund | 14,949 | 14,949 | - | - |
| Gas Lease Revenue - Equities - Domestic and International Mutual Fund | 42,643 | 42,643 | - | - |
| Gas Lease Revenue - Real Assets Funds | 5,492 | 5,492 | - | - |
| Gas Lease Revenue - Complementary Strategies Funds | 1,518 | 1,518 | - | - |
| Total Investments Held by Trustees for the City | 79,404 | 64,602 | 14,802 | - |
| Total Investments by Fair Value Level | \$ 969,162 | \$ 547,483 | \$ 421,679 | \$ - |

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

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

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

The City held the following cash, cash equivalents, & investments as of September 30, 2021:

| | Fair Value | WAM by Days | Moody's Credit Rating |
|---|---------------------|----------------|--------------------------|
| Pooled Cash, Cash Equivalents, & Investments Managed by the City | | | |
| Cash | \$ 1,494,626 | N/A | N/A |
| Cash in Bank - Blended Component Units | 30,747 | N/A | N/A |
| Federal Farm Credit Bank (FFCB) | 52,507 | 840 | Aaa |
| Federal Home Loan Bank (FHLB) | 164,395 | 455 | Aaa |
| Federal Home Loan Mortgage Corporation (FHLMC) | 23,560 | 1,308 | Aaa |
| Federal National Mortgage Association (FNMA) | 124,577 | 591 | Aaa |
| U.S. Treasury Notes | 482,881 | 961 | Aaa |
| Municipal Obligations - Short Term | 41,838 | 1,425 | Aa1-Aaa |
| Total Cash, Cash Equivalents, & Investments Managed by the City | <u>2,415,131</u> | | |
| Cash, Cash Equivalents, & Investments Held by Trustees for the City | | | |
| Gas Lease Revenue - Cash | 4,685 | N/A | N/A |
| Gas Lease Revenue - Fixed Income | 14,802 | N/A | Note B.1. |
| Gas Lease Revenue - Fixed Income - Domestic and International Mutual Fund | 14,949 | N/A | Note B.1. |
| Gas Lease Revenue - Equities - Domestic and International Mutual Fund | 42,643 | N/A | N/A |
| Gas Lease Revenue - Real Assets Funds | 5,492 | N/A | N/A |
| Gas Lease Revenue - Complementary Strategies Funds | 1,518 | N/A | N/A |
| Cash Held by Trustee - United Healthcare | 2,566 | N/A | N/A |
| Cash Held by Trustee - York | 1,898 | N/A | N/A |
| Cash Held by Trustee - TWDB 2010B | 5,754 | N/A | N/A |
| Cash Held by Trustee - TWDB 2017B SWIRF | 1,590 | N/A | N/A |
| Cash Held by Trustee - Rock Creek | 2,175 | N/A | N/A |
| Cash Held by Trustee - CWSRF2015 | 4,429 | N/A | N/A |
| Cash Held by Trustee - CWSRF2017 | 10,455 | N/A | N/A |
| Cash Held by Trustee - TWDB 2020 | 1,765 | N/A | N/A |
| Cash Held by Trustee - Southeast Landfill | 9,044 | N/A | N/A |
| Total Cash, Cash Equivalents, & Investments Held by Trustees for the City | <u>123,765</u> | | |
| Total Cash, Cash Equivalents, & Investments - Primary Government | <u>\$ 2,538,896</u> | | |
| Cash & Cash Equivalents Managed by the Employees' Retirement Fund | | | |
| Cash in Bank | 107 | N/A | N/A |
| Investments Managed by the Employees' Retirement Fund | | | |
| Investments | <u>3,006,936</u> | See Note B.5. | |
| Total Cash, Cash Equivalents, & Investments - Employees' Retirement Fund | <u>3,007,043</u> | | |
| Cash & Cash Equivalents Managed by the Retiree Healthcare Trust Fund | | | |
| Cash in Bank | 8,958 | N/A | N/A |
| Investments Managed by the Retiree Healthcare Trust Fund | | | |
| Investments | <u>94,445</u> | See Note B.4. | |
| Total Cash, Cash Equivalents, & Investments - Retiree Healthcare Trust Fund | <u>103,403</u> | | |
| Cash & Cash Equivalents Managed by the Fort Worth Firefighters Healthcare Trust Fund | | | |
| Cash in Bank | <u>4,602</u> | N/A | N/A |
| Total Cash & Cash Equivalents - Fort Worth Firefighters Healthcare Trust Fund | <u>4,602</u> | 0 | |
| Cash & Cash Equivalents - Rock Creek Custodial Trust Fund | | | |
| Cash in Bank | <u>1,548</u> | | |
| Total Cash & Cash Equivalents- Rock Creek Custodial Trust Fund | <u>1,548</u> | | |
| Cash & Cash Equivalents Managed by the Discretely Presented Component Unit | | | |
| Cash in Bank | <u>311</u> | N/A | N/A |
| Total Cash & Cash Equivalents - Discretely Presented Component Unit | <u>311</u> | | |
| Total Cash, Cash Equivalents, & Investments | <u>\$ 5,655,803</u> | | |

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE B: CASH, CASH EQUIVALENTS, & INVESTMENTS (CONTINUED)

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

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

| | |
|---|---------------------|
| Cash, Cash Equivalents, & Investments, per Note | |
| Primary Government | \$ 2,538,896 |
| Employees' Retirement Fund | 3,007,043 |
| Retiree Healthcare Trust Fund | 103,403 |
| Fort Worth Firefighters Healthcare Trust Fund | 4,602 |
| Rock Creek Custodial Trust Fund | 1,548 |
| Discretely Presented Component Unit | 311 |
| Total, per Note | <u>\$ 5,655,803</u> |
| Cash, Cash Equivalents, & Investments, per Basic Financial Statements | |
| Statement of Net Position - Primary Government | \$ 1,575,905 |
| Statement of Net Position - Primary Government Restricted | 962,991 |
| Statement of Net Position - Discretely Presented Component Unit | 311 |
| Statement of Fiduciary Net Position - Cash and Cash Equivalents | 13,667 |
| Statement of Fiduciary Net Position - Cash and Cash Equivalent- Rock Creek Custodial Trust Fund | 1,548 |
| Statement of Fiduciary Net Position - Cash and Investments Held by Trustees | 3,101,381 |
| Total, per Basic Financial Statements | <u>\$ 5,655,803</u> |

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, 2021, 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.

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

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

Credit Risk of Debt Securities — The OPEB Trust investments as of September 30, 2021, are shown below:

| Investment Type | Rating | Fair Value* |
|--------------------------------------|--------|-------------|
| Issues: | | |
| US Government Issues | N/A | \$ 29,823 |
| Corporate Issues | N/A | 26,788 |
| Foreign Issues | N/A | 3,353 |
| Municipal Issues | N/A | 178 |
| Total Issues | | 60,142 |
| Fixed Income Mutual Funds: | | |
| Vanguard Short-Term Investment Grade | N/A | 1,923 |
| Pimco High Yield Instl | N/A | 1,939 |
| Pimco Total Return II Instl | N/A | 110 |
| Total Fixed Income Mutual Funds | N/A | 3,972 |
| Equity Mutual Funds: | | |
| Ishares S&P 500 ETF | N/A | 8,730 |
| Ishares S&P 500 Growth ETF | N/A | 3,268 |
| Ishares S&P 500 Value ETF | N/A | 3,542 |
| Ishares Msci Eafe ETF | N/A | 4,233 |
| Ishares Russell Midcap Value ETF | N/A | 2,557 |
| Ishares Russell 2000 Value Index ETF | N/A | 2,359 |
| Ishares Russell 2000 Growth ETF | N/A | 2,320 |
| Vanguard Emerg Mkt | N/A | 1,686 |
| Vanguard Reit ETF | N/A | 1,636 |
| Total Equity Mutual Funds | N/A | 30,331 |
| Total Investments | | \$ 94,445 |

**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, 2021, 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 (CONTINUED)

B.5. INVESTMENTS OF THE EMPLOYEES' RETIREMENT FUND

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

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

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

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

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

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

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

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

Alternative Assets — This category consists of limited partnership structures that invest in companies or real estate which allow for limited or no liquidity for the investor. Private Equity partnerships consist of funds that invest in buyouts, growth equity, venture capital, special situations, mezzanine and distressed debt. There are 85 partnerships in this category and these partnerships are typically structured with life from 7-12 years and are considered illiquid. As investments are sold out of the partnerships, assets are returned to the investors. These funds' fair value 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 23 partnerships in this category and these partnerships are typically structured with a life from 7-12 years and are considered illiquid. As properties are sold out of the partnership, assets are returned to the investors. These funds fair value are determined using net asset values one quarter in arrears and adjusted for cash flows of the most recent quarter.

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

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

Below are the Plan's investments and derivative instruments measured at fair value as of September 30, 2021:

| | Fair Value | Level 1 | Level 2 | Level 3 |
|---|---------------------|-------------------|-------------------|------------------|
| Investments by Fair Value Level | | | | |
| Short Term Securities | \$ 281,585 | \$ 27,805 | \$ 253,780 | \$ - |
| Debt Securities | | | | |
| Collateralized Debt Obligations | 28,932 | - | 16,735 | 12,197 |
| Commercial Mortgage-Backed Securities | 11,813 | 8,491 | 3,322 | - |
| Corporates | 182,369 | - | 181,952 | 417 |
| Debt Other | 99,813 | 99,455 | 358 | - |
| Municipals | 7,941 | - | 7,487 | 454 |
| Non U.S. Government | 12,582 | - | 12,582 | - |
| U.S. Government Agencies | 90,880 | - | 84,853 | 6,027 |
| U.S. Treasuries | 131,160 | 131,160 | - | - |
| Total Debt Securities | <u>565,490</u> | <u>239,106</u> | <u>307,289</u> | <u>19,095</u> |
| Equity Securities | | | | |
| Communication Services | 12,903 | 12,338 | 565 | - |
| Consumer Discretionary | 50,911 | 50,911 | - | - |
| Consumer Staples | 21,347 | 21,347 | - | - |
| Energy | 36,494 | 36,494 | - | - |
| Equity Other | 23,953 | 23,953 | - | - |
| Financials | 55,983 | 55,983 | - | - |
| Health Care | 26,928 | 26,928 | - | - |
| Industrials | 58,539 | 58,539 | - | - |
| Information Technology | 40,167 | 40,167 | - | - |
| Materials | 18,736 | 18,736 | - | - |
| Real Estate | 15,921 | 15,921 | - | - |
| Utilities | 9,487 | 9,487 | - | - |
| Total Equity Securities | <u>371,369</u> | <u>370,804</u> | <u>565</u> | <u>-</u> |
| Investments Measured at Net Asset Value* | | | | |
| Equity Investments | | | | |
| Commingled Global Equity Fund | \$ 786,854 | | | |
| Commingled Emerging Market Equity Fund | 71,463 | | | |
| Total Equity Investments | <u>858,317</u> | | | |
| Absolute Return | <u>265,552</u> | | | |
| Alternative Investments | | | | |
| Private Equity | 352,737 | | | |
| Private Credit | 4,725 | | | |
| Real Estate - Core | 151,272 | | | |
| Real Estate | 164,382 | | | |
| Total Alternative Investments | <u>673,116</u> | | | |
| Total Investments Measured at Net Asset Value | <u>\$ 1,796,985</u> | | | |
| Total Investments by Fair Value Level | <u>\$ 3,015,429</u> | <u>\$ 637,715</u> | <u>\$ 561,634</u> | <u>\$ 19,095</u> |
| Less: Investments in Non-City Funded Staff Plan | <u>(8,493)</u> | | | |
| Total Investments by Fair Value Level in City Plan | <u>\$ 3,006,936</u> | | | |
| Investment Derivative Instruments | | | | |
| Forward Contracts | (44) | - | (44) | - |
| Swap Agreements | 921 | - | 921 | - |
| Rights and Warrants | 55 | - | - | 55 |
| Options | (1) | - | (1) | - |
| Total Investment Derivative Instruments | <u>\$ 931</u> | <u>\$ -</u> | <u>\$ 876</u> | <u>\$ 55</u> |

*Investments measured at Net Asset Value have total Unfunded Commitments of \$208,673,270, the Plan's investments at NAV offer redemption frequencies ranging from daily to three (3) years on redeemable investments; with a total of \$521,843,401 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 (CONTINUED)

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

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

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

Custodial Credit Risk — Custodial credit risk is the risk that in the event of failure of the counterparty, the Plan would not be able to recover the value of its investments. The Plan does not have a formal policy for custodial credit risk. As of September 30, 2021, 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 does not require disclosure of U.S. government obligations explicitly guaranteed.

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

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

Credit Risk of Debt Securities—The Plan's investments as of September 30, 2021, are shown below:

| Investment Type | S&P Rating | Fair Value |
|---|-----------------------|---------------------|
| Asset & Mortgage Backed Obligations | AAA | \$ 28,681 |
| Asset & Mortgage Backed Obligations | AA | 768 |
| Asset & Mortgage Backed Obligations | A | 2,293 |
| Asset & Mortgage Backed Obligations | BBB | 1,685 |
| Asset & Mortgage Backed Obligations | BB | 956 |
| Asset & Mortgage Backed Obligations | B | 941 |
| Asset & Mortgage Backed Obligations | CCC | 509 |
| Asset & Mortgage Backed Obligations | NR | 4,913 |
| Total Asset & Mortgage Backed Obligations | | <u>40,746</u> |
| Corporate Obligations | AAA | 68 |
| Corporate Obligations | AA | 1,144 |
| Corporate Obligations | A | 37,729 |
| Corporate Obligations | BBB | 87,179 |
| Corporate Obligations | BB | 28,177 |
| Corporate Obligations | B | 20,011 |
| Corporate Obligations | CCC | 6,823 |
| Corporate Obligations | CC | 51 |
| Corporate Obligations | NR | 1,545 |
| Total Corporate Obligations | | <u>182,727</u> |
| Government Agency Obligations | AAA | 91,463 |
| Government Agency Obligations | AA | 5,588 |
| Government Agency Obligations | A | 1,315 |
| Government Agency Obligations | NR | 454 |
| Total Government Agency Obligations | | <u>98,820</u> |
| International Obligations | AA | 1,891 |
| International Obligations | A | 1,526 |
| International Obligations | BBB | 1,732 |
| International Obligations | BB | 449 |
| International Obligations | NR | 6,984 |
| Total International Obligations | | <u>12,582</u> |
| Securities Lending Collateral | AAA | 2,141 |
| Securities Lending Collateral | AA | 28,518 |
| Securities Lending Collateral | A | 121,042 |
| Securities Lending Collateral | BBB | 2,789 |
| Securities Lending Collateral | NR | 19,933 |
| Total Securities Lending Collateral | | <u>174,423</u> |
| Total Fixed Income Subject to Credit Risk | | <u>509,298</u> |
| U.S. Treasuries (Not Subject to Credit Risk) | | 131,160 |
| Short-Term Marketable Securities | | 107,162 |
| Corporate Stock | | 442,832 |
| Alternative Investments | | 623,014 |
| Commingled Funds | | 1,201,963 |
| Less: Investments in Non-City Funded Staff Plan | | (8,493) |
| Total Investments in City Plan | | <u>\$ 3,006,936</u> |

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

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

Concentration of Credit Risk — Concentration of credit risk is the risk of loss attributed to the magnitude of the Plan's investment in a single issuer. The Plan's investment policy addresses concentration limits on a manager basis. As of September 30, 2021, 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 | \$ - | \$ 6,284 | \$ 6,027 | \$ 28,435 | \$ 40,746 |
| Corporate Obligations | 4,474 | 80,573 | 72,402 | 25,278 | 182,727 |
| Government Agency Obligations | - | 7,183 | 10 | 91,627 | 98,820 |
| International Obligations | 6,984 | - | 2,898 | 2,700 | 12,582 |
| Securities Lending Collateral | 174,423 | - | - | - | 174,423 |
| Short-term Fixed Income | 107,162 | - | - | - | 107,162 |
| U.S. Treasuries | - | 57,409 | 29,908 | 43,843 | 131,160 |
| Total Interest Rate Risk Debt Securities | <u>\$ 293,043</u> | <u>\$ 151,449</u> | <u>\$ 111,245</u> | <u>\$ 191,883</u> | <u>\$ 747,620</u> |

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, 2021, is presented below:

| Currency | Debt | Equity | Alternatives | Total |
|---|-----------------|-------------------|---------------------|-------------------|
| Argentine Peso | \$ 5 | \$ - | \$ - | \$ 5 |
| Australian Dollar | 1,993 | - | - | 1,993 |
| Brazilian Real | 1,005 | 2,387 | - | 3,392 |
| British Pound Sterling | 682 | 23,639 | 870 | 25,191 |
| Canadian Dollar | 1 | 6,811 | - | 6,812 |
| Chilean Peso | 509 | - | - | 509 |
| Danish Krone | - | 2,617 | - | 2,617 |
| Euro Currency Unit | 653 | 55,903 | 67,961 | 124,517 |
| Hong Kong Dollar | - | 15,452 | - | 15,452 |
| Indonesian Rupiah | - | 738 | - | 738 |
| Japanese Yen | (20) | 39,072 | 26 | 39,078 |
| Mexican New Peso | 15 | - | - | 15 |
| New Israeli Shekel | - | 702 | - | 702 |
| New Taiwan Dollar | 36 | 11,541 | - | 11,577 |
| Norwegian Krone | - | 3,234 | - | 3,234 |
| Peruvian Nuevo Sol | (145) | - | - | (145) |
| Philippine Peso | - | 880 | - | 880 |
| South African Rand | 1 | - | - | 1 |
| South Korean Won | (158) | 5,172 | - | 5,014 |
| Swedish Krona | - | 7,165 | - | 7,165 |
| Swiss Franc | 1 | 13,773 | - | 13,774 |
| Thai Baht | (343) | 3,528 | - | 3,185 |
| Total Securities Subject to Foreign Currency Risk | <u>\$ 4,235</u> | <u>\$ 192,614</u> | <u>\$ 68,857</u> | <u>\$ 265,706</u> |

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

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 \$43,679 at September 30, 2021, which contractually obligates the Plan to deliver currencies at a specified date. The Plan could be exposed to the risk of loss if the counterparty is unable to meet the terms of a contract or if the value of currency changes unfavorably. At September 30, 2021, 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 S&P and Moody's, respectively. Substitution and risk control are the only strategies permitted; speculation is strictly prohibited. Derivatives are carried as a receivable when the fair value is positive and as payable when the fair value is negative. Fair value is determined based on quoted market prices, if available, or based on differences in cash flows between the fixed and variable rates in each contract as of the measurement date. Gains and losses from derivatives are included in net investment income.

The Plan was in possession of the following types of derivatives at September 30, 2021:

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

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

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

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

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

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 and changes in fair value and notional amounts of derivatives outstanding as of September 30, 2021, 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> | \$ - | \$ - | \$ 45,036 |
| Forward Contracts | <i>Investment Income</i> | (535) | (44) | 61,845 |
| Swap Agreements | <i>Investment Income</i> | 1,521 | 921 | 56,585 |
| Options | <i>Investment Income</i> | 7 | (1) | 1,700 |
| Rights and Warrants | <i>Investment Income</i> | 22 | 56 | 18 |
| | Total | <u>\$ 1,015</u> | <u>\$ 932</u> | <u>\$ 165,184</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, 2021. 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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NOTE B: CASH, CASH EQUIVALENTS, & INVESTMENTS (CONTINUED)

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

As of September 30, 2021, the Plan's credit risk to these investments is disclosed in the following table:

| Derivative Type | AA | A | BBB | Not Rated | Total Fair Value |
|------------------------|-------------|--------------|-------------|------------------|-------------------------|
| Futures Contracts | \$ - | \$ - | \$ - | \$ - | \$ - |
| Forward Contracts | - | - | - | (44) | (44) |
| Swap Agreements | - | 16 | - | 905 | 921 |
| Options | - | (1) | - | - | (1) |
| Rights and Warrants | - | - | - | 56 | 56 |
| Total | <u>\$ -</u> | <u>\$ 15</u> | <u>\$ -</u> | <u>\$ 917</u> | <u>\$ 932</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, 2021, are disclosed in the following table:

| Derivative Type | Total Notional Value | Total Fair Value |
|------------------------|-----------------------------|-------------------------|
| Interest Rate Swaps | \$ 56,585 | \$ 921 |
| Total | <u>\$ 56,585</u> | <u>\$ 921</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, 2021:

| Currency | Forward Contracts | Swap Agreements | Net Exposure |
|------------------------|--------------------------|------------------------|---------------------|
| Australian Dollar | \$ (8) | \$ - | \$ - |
| Brazilian Real | (290) | - | - |
| British Pound Sterling | 120 | 194 | - |
| Chilean Peso | (29) | - | - |
| Euro Currency Unit | 116 | 636 | - |
| Japanese Yen | 1 | (70) | - |
| Peruvian Solance | 46 | - | - |
| Total | <u>\$ (44)</u> | <u>\$ 760</u> | <u>\$ 716</u> |

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.

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

B.5. INVESTMENTS OF THE EMPLOYEES' RETIREMENT FUND (CONTINUED)
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, 2021, 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, 2021.

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, 2021, the value of the collateral held was \$174,422,862 and the value of securities on loan at September 30, 2021, was \$170,113,278. The Plan earned \$252,911, net, on its securities lending activity for the fiscal year ended September 30, 2021.

NOTE C: RECEIVABLES AND INTERFUND BALANCES

C.1. RECEIVABLES

Receivables at September 30, 2021, for governmental activities of the City's major funds and nonmajor funds and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, consist of the following:

| Receivables | General | Debt Service | Capital Projects | Grants | Nonmajor Governmental Funds | Internal Service Funds | Total Governmental Activities |
|--|------------------|-----------------|------------------|------------------|-----------------------------|------------------------|-------------------------------|
| Taxes | \$ 30,162 | \$ 8,388 | \$ - | \$ - | \$ - | \$ - | \$ 38,550 |
| Grants and Other Governments | 34,728 | - | 2,768 | 8,930 | 17,733 | - | 64,159 |
| Levied, Unbilled Assessments | - | - | 2,082 | - | - | - | 2,082 |
| Loans | - | - | - | 17,840 | - | - | 17,840 |
| Long-Term Loans | - | - | - | 8,487 | 439 | - | 8,926 |
| Interest | 31 | 1,233 | 394 | - | 4,527 | 175 | 6,360 |
| Accounts and Other | 28,515 | - | 512 | - | 13,553 | 97 | 42,677 |
| Total Gross Receivables | 93,436 | 9,621 | 5,756 | 35,257 | 36,252 | 272 | 180,594 |
| Less Allowance for Uncollectible Accounts: | | | | | | | |
| Taxes | (26,521) | (7,375) | - | - | - | - | (33,896) |
| Levied, Unbilled Assessments | - | - | (2,082) | - | - | - | (2,082) |
| Accounts and Other | (12,968) | - | - | - | (31) | - | (12,999) |
| Total Allowance | (39,489) | (7,375) | (2,082) | - | (31) | - | (48,977) |
| Total Receivables, Net | \$ 53,947 | \$ 2,246 | \$ 3,674 | \$ 35,257 | \$ 36,221 | \$ 272 | \$ 131,617 |

CITY OF FORT WORTH, TEXAS
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NOTE C: RECEIVABLES AND INTERFUND BALANCES (CONTINUED)

C.1. RECEIVABLES (CONTINUED)

Receivables at September 30, 2021, 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 | \$ 414 | \$ 26 | \$ 72 | \$ 512 |
| Accounts and Other | 60,496 | 5,337 | 10,458 | 76,291 |
| Grants and Other - Restricted | 1,703 | - | 4,375 | 6,078 |
| Interest - Restricted | 792 | 106 | 100 | 998 |
| Total Gross Receivables | <u>63,405</u> | <u>5,469</u> | <u>15,005</u> | <u>83,879</u> |
| Less Allowance for Uncollectible Accounts: | | | | |
| Accounts and Other | (1,754) | (799) | (311) | (2,864) |
| Total Allowance | <u>(1,754)</u> | <u>(799)</u> | <u>(311)</u> | <u>(2,864)</u> |
| Total Receivables, Net | <u>\$ 61,651</u> | <u>\$ 4,670</u> | <u>\$ 14,694</u> | <u>\$ 81,015</u> |

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

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

| Description | Unavailable | Unearned |
|---------------------------------------|------------------|-------------------|
| Property Taxes | \$ 4,099 | \$ - |
| Grants and Other Governments | 13,301 | 122,075 |
| Long-Term Loans | - | 26,326 |
| Other | 594 | 1,127 |
| | <u>\$ 17,994</u> | <u>149,528</u> |
| Total Unavailable / Unearned Revenues | | <u>\$ 167,522</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 | \$ 850 | \$ - | \$ 850 |
| Grants and Other | - | 1,382 | 1,382 |
| Total Unearned Revenues | <u>\$ 850</u> | <u>\$ 1,382</u> | <u>\$ 2,232</u> |

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NOTE C: RECEIVABLES AND INTERFUND BALANCES (CONTINUED)

C.2. ADVANCES

Advances from/to other funds at September 30, 2021, were as follows:

| Receivable Fund | Payable Fund | Total |
|-----------------|---------------------|---------------|
| General | Nonmajor Enterprise | \$ 514 |
| Total | | <u>\$ 514</u> |

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

The \$514,181 payable to the General Fund from the Nonmajor Enterprise Municipal Parking Fund was to cover a cash deficit within the fund.

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 | NME Funds ^b | |
| Transfers Out: | | | | | | | | |
| General | \$ - | \$ 186 | \$ 64,617 | \$ 443 | \$ 2,865 | \$ - | \$ 59 | \$ 68,170 |
| Capital Projects | 80 | 1,238 | - | 23 | 3,323 | - | - | 4,664 |
| Grants | - | - | - | - | - | 236 | - | 236 |
| NMG Funds ^a | 1,843 | 18,359 | 20,572 | 794 | 1,119 | 614 | 766 | 44,067 |
| Water and Sewer | 30,002 | - | 120 | - | - | - | - | 30,122 |
| Stormwater Utility | 3,442 | - | 13 | 20 | - | 1,210 | - | 4,685 |
| NME Funds ^b | 5,390 | - | 40 | - | - | 1,338 | - | 6,768 |
| IS Funds ^c | 19 | - | 3,036 | - | - | - | - | 3,055 |
| Total | <u>\$ 40,776</u> | <u>\$ 19,783</u> | <u>\$ 88,398</u> | <u>\$ 1,280</u> | <u>\$ 7,307</u> | <u>\$ 3,398</u> | <u>\$ 825</u> | <u>\$ 161,767</u> |

a) NMG Funds - Nonmajor Governmental Funds

b) NME Funds - Nonmajor Enterprise Funds

c) ISF 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 \$64,617,000 to the Capital Projects Fund, of which \$53,342,000 was for the capital improvement plan, \$3,075,000 was for vehicle and equipment replacements and \$8,200,000 was for purchase of land.

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NOTE C: RECEIVABLES AND INTERFUND BALANCES (CONTINUED)

C.3. TRANSFERS (CONTINUED)

The General Fund transferred \$2,865,000 to the Nonmajor Governmental Funds, of which \$1,695,000 was to the Culture and Tourism Fund for the purposes of operating the Fort Worth Convention Center, the Will Rogers Memorial Complex, and the Cowtown Coliseum, funding a contract with the Fort Worth Convention and Visitors Bureau, and to pay costs associated with construction and debt-financing of the Dickies Arena. The Golf Fund received a subsidy in the amount of \$395,000 from the General Fund to assist with the operational costs. The Fort Worth Public Improvement Districts (PID) received \$769,000 and the Tax Increment Reinvestment Zones (TIRZ) Funds received \$7,000 in lieu of services and assessments.

The Nonmajor Governmental Funds transferred \$1,843,000 to the General Fund, of which \$1,037,000 was from the Culture and Tourism Fund energy savings debt service, \$293,000 was from Fort Worth LDC, \$220,000 was from Fort Worth Public Improvement Districts Funds, \$289,000 was from Taxes Increment Reinvestment Zones Funds, and \$4,000 was from other Nonmajor Governmental funds.

The Nonmajor Governmental Funds transferred \$18,359,000 to the Debt Service Fund, of which \$15,588,000 was from the Culture and Tourism Fund, and \$2,771,000 was from the Crime Control and Prevention District Fund to pay for 2011 Tax Notes debt service.

The Nonmajor Governmental Funds transferred \$20,572,000 to the Capital Projects Fund, of which \$12,608,000 was made from the Crime Control and Prevention District Fund for construction commitments relating to facility renovation and maintenance, transportation maintenance, and community partnerships per the capital improvement plan. The Culture and Tourism Capital Projects Fund and Public Events Capital Fund received \$23,000 from Culture and Tourism Operating Funds for capital improvement. The Taxing Increment Reinvestment Zone transferred \$4,522,000 to the TIRZ General Capital Fund to pay for various projects. The Red Light Enforcement Program Fund transferred \$2,480,000 to the General Capital Projects Fund to pay for various projects. The Special Purpose Fund transferred \$500,000 for First Flight Park project. The Municipal Golf Fund transferred \$378,500 to fund current Golf capital projects. The Community Tree Planting Program Fund transferred \$57,000 for vehicle and equipment replacement. The Environmental Protection Fund transferred \$3,500 to fund current environmental capital projects.

The Water and Sewer Fund transferred \$30,002,000 to the General Fund, of which includes \$29,982,000 for Street Rental Fees and \$20,000 for other expenses.

The Stormwater Utility Fund transferred \$3,442,000 to the General Fund, of which \$2,260,000 was for Street Rental Fees and \$1,182,000 was for PILOT. The Stormwater Utility Fund also transferred \$1,182,000 to the Water and Sewer Fund for billing services.

The Stormwater Utility Fund transferred \$1,210,000 to the Water and Sewer Fund for which all was for stormwater services.

The Nonmajor Enterprise Funds transferred \$5,390,000 to the General Fund, of which the Solid Waste Fund transferred \$5,149,000 for Street Maintenance. The General Fund also received \$105,000 from the Municipal Parking Fund, \$59,000 for the Municipal Airport Fund for program services and \$77,000 for the Aviation Gas Lease.

The Nonmajor Enterprise Funds transferred \$1,338,000 to the Water and Sewer Fund, of which all was transferred from the Solid Waste Fund for solid waste services.

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NOTE C: RECEIVABLES AND INTERFUND BALANCES (CONTINUED)

C.3. TRANSFERS (CONTINUED)

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

NOTE D: FUND EQUITY

D.1. UNRESTRICTED DEFICIT

Municipal Parking, a nonmajor enterprise fund, has an unrestricted deficit of \$1,611,000 as of September 30, 2021. The COVID-19 pandemic has impacted Municipal Parking as people have chosen to work from home. Municipal Parking expects that normal operations will resolve the deficit as operations continue to recover.

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 | \$ 60,666 | \$ 7,709 | \$ 2,103 | \$ - | \$ 70,478 |
| Cash and Cash Equivalents Held by Trustees | 1,387 | - | - | - | 1,387 |
| Interest Receivable | 571 | 106 | 19 | - | 696 |
| | <u>62,624</u> | <u>7,815</u> | <u>2,122</u> | <u>-</u> | <u>72,561</u> |
| Capital Improvements: | | | | | |
| Cash and Cash Equivalents | 602,365 | 98,287 | 34,238 | 354 | 735,244 |
| Cash and Cash Equivalents Held by Trustees | 22,606 | - | - | - | 22,606 |
| Grants and Other Receivables | 1,679 | - | 197 | - | 1,876 |
| Interest Receivable | 216 | - | 31 | - | 247 |
| | <u>626,866</u> | <u>98,287</u> | <u>34,466</u> | <u>354</u> | <u>759,973</u> |
| Customer Deposits: | | | | | |
| Cash and Cash Equivalents | 21,909 | - | 978 | - | 22,887 |
| | <u>21,909</u> | <u>-</u> | <u>978</u> | <u>-</u> | <u>22,887</u> |
| Other Restrictions: | | | | | |
| Cash and Cash Equivalents | 3,201 | - | 4,728 | 2,688 | 10,617 |
| Cash and Cash Equivalents Held by Trustees | 5,020 | - | 57,924 | 4,465 | 67,409 |
| Grants and Other Receivables | 24 | - | 4,178 | - | 4,202 |
| Interest Receivable | 5 | - | 50 | - | 55 |
| | <u>8,250</u> | <u>-</u> | <u>66,880</u> | <u>7,153</u> | <u>82,283</u> |
| Total | <u>\$ 719,649</u> | <u>\$ 106,102</u> | <u>\$ 104,446</u> | <u>\$ 7,507</u> | <u>\$ 937,704</u> |

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NOTE F: CAPITAL ASSETS

Capital asset activity for Governmental Activities for the year ended September 30, 2021, was as follows:

| | Balance as Restated at October 1, 2020 | Increases | Decreases | CIP Placed In Service | Balance at September 30, 2021 |
|--|--|-------------------|--------------------|--------------------------|----------------------------------|
| Governmental Activities | | | | | |
| Capital Assets, Not Being Depreciated: | | | | | |
| Land/Right of Way* | \$ 278,430 | \$ 63,919 | \$ (29,811) | \$ - | \$ 312,538 |
| Construction in Progress* | 172,520 | 146,498 | (1,860) | (139,845) | 177,313 |
| Intangibles* | 23,915 | 250 | (34) | 1,682 | 25,813 |
| Total Capital Assets, Not Being Depreciated | <u>474,865</u> | <u>210,667</u> | <u>(31,705)</u> | <u>(138,163)</u> | <u>515,664</u> |
| Capital Assets, Being Depreciated: | | | | | |
| Buildings | 1,051,756 | 54,379 | (6,057) | 27,818 | 1,127,896 |
| Vehicles, Machinery and Equipment* | 283,430 | 7,889 | (22,163) | 14,229 | 283,385 |
| Infrastructure* | 3,780,994 | 149,200 | (10,696) | 94,783 | 4,014,281 |
| Intangibles* | 56,580 | - | - | 1,333 | 57,913 |
| Total Capital Assets, Being Depreciated | <u>5,172,760</u> | <u>211,468</u> | <u>(38,916)</u> | <u>138,163</u> | <u>5,483,475</u> |
| Less Accumulated Depreciation/Amortization for: | | | | | |
| Buildings | 268,738 | 31,525 | (1,636) | - | 298,627 |
| Vehicles, Machinery and Equipment* | 163,252 | 17,988 | (21,386) | - | 159,854 |
| Infrastructure* | 2,197,645 | 116,280 | (4,429) | - | 2,309,496 |
| Intangibles* | 31,042 | 4,369 | (4,673) | - | 30,738 |
| Total Accumulated Depreciation and Amortization | <u>2,660,677</u> | <u>170,162</u> | <u>(32,124)</u> | <u>-</u> | <u>2,798,715</u> |
| Total Capital Assets, Being Depreciated, Net | <u>2,512,083</u> | <u>41,306</u> | <u>(6,792)</u> | <u>138,163</u> | <u>2,684,760</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 2,986,948</u> | <u>\$ 251,973</u> | <u>\$ (38,497)</u> | <u>\$ -</u> | <u>\$ 3,200,424</u> |

*Beginning Balance includes a correction of error, see Note A.16.

Capital asset activity for Business-Type Activities for the year ended September 30, 2021, was as follows:

| | Balance at October 1, 2020 | Increases | Decreases | CIP Placed In Service | Balance at September 30, 2021 |
|--|-------------------------------|-------------------|-------------------|--------------------------|----------------------------------|
| Business-Type Activities | | | | | |
| Capital Assets, Not Being Depreciated: | | | | | |
| Land/Right of Way | \$ 215,534 | \$ 3,413 | \$ - | \$ - | \$ 218,947 |
| Construction in Progress | 427,058 | 242,907 | (1,783) | (170,054) | 498,128 |
| Intangibles | 1,525 | - | - | - | 1,525 |
| Total Capital Assets, Not Being Depreciated | <u>644,117</u> | <u>246,320</u> | <u>(1,783)</u> | <u>(170,054)</u> | <u>718,600</u> |
| Capital Assets, Being Depreciated: | | | | | |
| Buildings | 171,910 | 3,000 | - | 959 | 175,869 |
| Vehicles, Machinery and Equipment | 388,157 | 8,991 | (4,516) | - | 392,632 |
| Infrastructure | 3,949,200 | 92,522 | (7,857) | 169,095 | 4,202,960 |
| Intangibles | 510 | - | - | - | 510 |
| Total Capital Assets, Being Depreciated | <u>4,509,777</u> | <u>104,513</u> | <u>(12,373)</u> | <u>170,054</u> | <u>4,771,971</u> |
| Less Accumulated Depreciation/Amortization for: | | | | | |
| Buildings | 74,727 | 6,550 | - | - | 81,277 |
| Vehicles, Machinery and Equipment | 279,102 | 12,504 | (4,444) | - | 287,162 |
| Infrastructure | 1,321,581 | 90,425 | (6,191) | - | 1,405,815 |
| Intangibles | 136 | 51 | - | - | 187 |
| Total Accumulated Depreciation and Amortization | <u>1,675,546</u> | <u>109,530</u> | <u>(10,635)</u> | <u>-</u> | <u>1,774,441</u> |
| Total Capital Assets, Being Depreciated, Net | <u>2,834,231</u> | <u>(5,017)</u> | <u>(1,738)</u> | <u>170,054</u> | <u>2,997,530</u> |
| Business-Type Activities Capital Assets, Net | <u>\$ 3,478,348</u> | <u>\$ 241,303</u> | <u>\$ (3,521)</u> | <u>\$ -</u> | <u>\$ 3,716,130</u> |

Depreciation and amortization expense was charged as follows for the year ended September 30, 2021:

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NOTE F: CAPITAL ASSETS (CONTINUED)

| | Depreciation and Amortization Expense |
|--|--|
| Governmental Activities | |
| General Government | \$ 15,615 |
| Public Safety | 12,017 |
| Highways and Streets | 101,954 |
| Culture and Recreation | 34,428 |
| Urban Redevelopment and Housing | 1,347 |
| Total Governmental Depreciation and Amortization | <u>165,361</u> |
| Major Business-Type Activities | |
| Water and Sewer | 82,468 |
| Stormwater Utility | 11,509 |
| Nonmajor Business-Type Activities | |
| Municipal Airports | 12,924 |
| Municipal Parking | 1,997 |
| Solid Waste | 632 |
| Total Business-Type Depreciation and Amortization | <u>109,530</u> |
| Total Depreciation and Amortization Expense | <u><u>\$ 274,891</u></u> |

The governmental activities depreciation and amortization expense above includes \$270,000 of depreciation expense from the Internal Service Funds.

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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, 2021:

| | Balance as Restated October 1, 2020 | Increases | Decreases | Balance at September 30, 2021 | Due Within One Year |
|--|---|-------------------|-------------------|-------------------------------------|------------------------|
| Governmental Activities: | | | | | |
| General Obligation Bonds | \$ 576,670 | \$ 178,280 | \$ 89,730 | \$ 665,220 | \$ 76,585 |
| Certificates of Obligation | 99,425 | 16,100 | 14,985 | 100,540 | 9,070 |
| Special Tax Revenue Debt | 225,675 | - | 5,325 | 220,350 | 5,480 |
| Tax Notes* | 56,890 | 114,620 | 109,780 | 61,730 | 11,970 |
| Lone Star Local Government Corp Obligation | 31,617 | - | - | 31,617 | - |
| State Obligation - City | 5,081 | 12,414 | 78 | 17,417 | 1,500 |
| State Obligation - CCPD | 1,973 | 6,207 | 30 | 8,150 | 698 |
| Project Finance Zone 1 | - | 1,807 | 450 | 1,357 | 1,357 |
| TRWD Obligation | 191,712 | 4,109 | 7,178 | 188,643 | - |
| ESPC Phase VII | 10,961 | - | 1,728 | 9,233 | 1,766 |
| Capital Leases | 1,473 | - | 364 | 1,109 | 323 |
| Southwest Bank Loan (LDC SW Building) | 309 | - | 309 | - | - |
| Net Unamortized Bond Premium/Discount | 64,245 | 19,361 | 14,189 | 69,417 | - |
| Compensated Absences | 147,990 | 24,135 | 29,014 | 143,111 | 29,014 |
| Arbitrage | 3 | - | - | 3 | - |
| Pollution Remediation Liability | 5,115 | - | 2,102 | 3,013 | - |
| Risk Management Estimated Claims Payable | 32,438 | 78,545 | 76,302 | 34,681 | 16,725 |
| Net OPEB Liability | 835,539 | - | 47,716 | 787,823 | - |
| Net Pension Liability | 1,959,291 | 87,326 | - | 2,046,617 | - |
| Total Governmental Activities | <u>4,246,407</u> | <u>542,904</u> | <u>399,280</u> | <u>4,390,031</u> | <u>154,488</u> |
| Business-Type Activities: | | | | | |
| Water and Sewer - Revenue Bonds | 943,055 | 154,720 | 128,865 | 968,910 | 63,715 |
| Water and Sewer - Trinity River Authority Oblig. | 1,520 | - | 745 | 775 | 775 |
| Water and Sewer - ESPC Phase V | 4,212 | - | 1,655 | 2,557 | 1,694 |
| Stormwater Utility - Revenue Bonds | 102,760 | 103,210 | 60,880 | 145,090 | 5,000 |
| Municipal Parking - General Obligation Bonds | 29,565 | - | 1,675 | 27,890 | 1,760 |
| Solid Waste - General Obligation Bonds | 2,135 | - | 441 | 1,694 | 435 |
| Net Unamortized Bond Premium/Discount | 61,941 | 22,635 | 16,240 | 68,336 | - |
| Compensated Absences | 12,876 | 4,399 | 4,376 | 12,899 | 4,376 |
| Landfill Closure and Postclosure Liability | 11,497 | 871 | - | 12,368 | - |
| Net OPEB Liability | 135,339 | - | 183,695 | 116,072 | - |
| Net Pension Liability | 299,767 | 13,482 | - | 313,249 | - |
| Total Business-Type Activities | <u>1,604,667</u> | <u>299,317</u> | <u>398,572</u> | <u>1,669,840</u> | <u>77,755</u> |
| Total Long-Term Liabilities | <u>\$ 5,851,074</u> | <u>\$ 842,221</u> | <u>\$ 797,852</u> | <u>\$ 6,059,871</u> | <u>\$ 232,243</u> |

*Direct borrowings and direct placements.

The Beginning Balance includes a correction of error, see Note A.16.

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

NOTE G: LONG-TERM OBLIGATIONS (CONTINUED)

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

| Governmental Activities long-term debt is summarized as follows: | | | | | |
|--|--------------------|---------------|---------------------|--------------------|-----------------------|
| | Interest Rate % | Year of Issue | Year of Maturity | Original Amount | Amount Outstanding |
| General Obligation Bonds: | | | | | |
| Series 2012 Refunding | 2.0-5.0 | 2012 | 2032 | \$ 135,485 | \$ 61,835 |
| Series 2013 Refunding | 2.0-4.5 | 2013 | 2033 | 37,130 | 8,645 |
| Series 2014 Refunding | 2.2 | 2014 | 2023 | 35,480 | 7,880 |
| Series 2015 Refunding | 2.33 | 2015 | 2025 | 3,955 | 1,500 |
| Series 2015A Refunding | 3.25-5.0 | 2015 | 2035 | 127,725 | 75,735 |
| Series 2016 Refunding | 3.0-5.0 | 2016 | 2036 | 130,500 | 93,800 |
| Series 2018 | 3.0-5.0 | 2018 | 2038 | 62,220 | 38,225 |
| Series 2019 | 3.0-5.0 | 2019 | 2039 | 106,595 | 81,395 |
| Series 2020 Refunding | 2.0-5.0 | 2020 | 2040 | 151,390 | 117,925 |
| Series 2021A Refunding | 2.0-5.0 | 2021 | 2041 | 152,105 | 152,105 |
| Series 2021B Refunding | 2.0-5.0 | 2021 | 2041 | 26,175 | 26,175 |
| Total General Obligation Bonds | | | | | 665,220 |
| Certificates of Obligation: | | | | | |
| Series 2012 | 3.0-5.0 | 2012 | 2032 | 85,790 | 45,515 |
| Series 2013A | 2.0-5.0 | 2013 | 2033 | 46,095 | 26,010 |
| Series 2013B | 2.0-4.99 | 2013 | 2033 | 11,140 | 1,000 |
| Series 2013C | 3.0-5.0 | 2013 | 2034 | 19,270 | 11,915 |
| Series 2021 | 3.0-4.375 | 2021 | 2033 | 16,100 | 16,100 |
| Total Certificates of Obligation | | | | | 100,540 |
| Special Tax Revenue Debt: | | | | | |
| Series 2017A | 2.0-5.25 | 2017 | 2043 | 86,170 | 84,030 |
| Series 2017B | 1.719-4.238 | 2017 | 2047 | 140,710 | 136,320 |
| Total Special Tax Revenue Debt | | | | | 220,350 |
| Tax Notes*: | | | | | |
| Series 2016 | 1.44 | 2017 | 2023 | 9,525 | 2,850 |
| Series 2017 | 1.97 | 2017 | 2024 | 23,080 | 7,985 |
| Series 2018 | 4.0-5.0 | 2018 | 2025 | 12,590 | 7,740 |
| Series 2019 | 3.0-5.0 | 2019 | 2026 | 8,565 | 6,445 |
| Series 2020 | 4.0-5.0 | 2020 | 2027 | 25,115 | 22,090 |
| Series 2021C | 5.0 | 2021 | 2028 | 14,620 | 14,620 |
| Total Tax Notes | | | | | 61,730 |

(continued)

*Direct borrowings and direct placements

CITY OF FORT WORTH, TEXAS
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SEPTEMBER 30, 2021
(000's omitted in tables)

NOTE G: LONG-TERM OBLIGATIONS (CONTINUED)

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

| Governmental Activities long-term debt is summarized as follows: | | | | | |
|--|--------------------|---------------|---------------------|--------------------|-----------------------|
| | Interest Rate % | Year of Issue | Year of Maturity | Original Amount | Amount Outstanding |
| Lone Star Local Government Corp Obligation | 4.75 | 2006 | 2024 | 31,617 | 31,617 |
| State Obligation - City | | | | | |
| State Obligation - City | 0.0 | 2014 | 2031 | 9,307 | 5,003 |
| State Obligation - City | 0.0 | 2021 | 2033 | 12,414 | 12,414 |
| Total State Obligation - City | | | | | <u>17,417</u> |
| State Obligation - CCPD | | | | | |
| State Obligation - CCPD | 0.0 | 2014 | 2031 | 3,616 | 1,943 |
| State Obligation - CCPD | 0.0 | 2021 | 2033 | 6,207 | 6,207 |
| Total State Obligation - CCPD | | | | | <u>8,150</u> |
| Project Finance Zone 1 | 0.0 | 2021 | 2022 | 1,807 | 1,357 |
| TRWD Obligation | 0.0 | 2010 | 2031 | 226,000 | 188,643 |
| ESPC Phase VII | 2.236 | 2013 | 2026 | 18,443 | 9,233 |
| Capital Leases | 2.539-3.59 | 2010 | 2022 | | 1,109 |
| Southwest Bank Loan (LDC SW Building) | 2.93 | 2014 | 2021 | 2,689 | - |
| Net Unamortized Bond Premium/Discount | N/A | N/A | N/A | - | 69,417 |
| Compensated Absences | N/A | N/A | N/A | - | 143,111 |
| Arbitrage | N/A | N/A | N/A | - | 3 |
| Pollution Remediation Liability | N/A | N/A | N/A | - | 3,013 |
| Risk Management Estimated Claims Payable | N/A | N/A | N/A | - | 34,681 |
| Net OPEB Liability | N/A | N/A | N/A | - | 787,823 |
| Net Pension Liability | N/A | N/A | N/A | - | 2,046,617 |
| Total Governmental Activities Long-Term Debt | | | | | <u>\$ 4,390,031</u> |

(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.

The City's outstanding Tax notes from Direct Borrowings and Direct Placements related to Governmental Activities of \$61,730,000 contain a provision that in an event of default, outstanding amounts become immediately due if the City is unable to make payment.

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

NOTE G: LONG-TERM OBLIGATIONS (CONTINUED)

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

| Business-Type long-term debt is 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 | \$ 7,215 |
| Series 2012 Refunding | 2.0-5.0 | 2012 | 2025 | 31,155 | 12,960 |
| Series 2014 Refunding | 2.0-5.0 | 2014 | 2034 | 171,415 | 100,220 |
| Series 2015 Revenue (Clean Water SRF) TWDB* | 0.0-2.04 | 2015 | 2035 | 39,000 | 27,975 |
| Series 2015A Refunding | 3.125-5.0 | 2015 | 2035 | 126,615 | 96,750 |
| Series 2015B Refunding TWDB* | 0.19-2.20 | 2016 | 2030 | 13,000 | 8,185 |
| Series 2016 Refunding | 2.0-5.0 | 2016 | 2046 | 75,890 | 57,565 |
| Series 2017 Revenue (Clean Water SRF) TWDB* | 0.0-1.7 | 2017 | 2047 | 16,045 | 14,145 |
| Series 2017A Refunding | 3.125-5.0 | 2017 | 2047 | 111,600 | 87,635 |
| Series 2017B Revenue TWDB* | 0.58-2.05 | 2018 | 2032 | 63,000 | 47,495 |
| Series 2018 | 3.25-5.0 | 2018 | 2048 | 47,475 | 45,310 |
| Series 2019 | 3.0-5.0 | 2019 | 2049 | 93,340 | 90,535 |
| Series 2020 TWDB* | 0.0-0.54 | 2020 | 2040 | 62,725 | 59,610 |
| Series 2020A Refunding | 2.0-5.0 | 2020 | 2050 | 167,800 | 158,590 |
| Series 2021 Refunding | 2.0-5.0 | 2021 | 2051 | 154,720 | 154,720 |
| Total Revenue Bonds | | | | | <u>968,910</u> |
| Trinity River Authority Obligation: | | | | | |
| Series 2011 Refunding | 2.0-4.0 | 2011 | 2022 | 6,795 | 775 |
| ESPC Phase V | 2.34 | 2012 | 2023 | 15,365 | 2,557 |
| Total Water and Sewer | | | | | <u>972,242</u> |
| Stormwater Utility: | | | | | |
| Revenue Bonds: | | | | | |
| Series 2016 Refunding | 2.0-5.0 | 2016 | 2033 | 17,505 | 14,160 |
| Series 2019 Refunding | 3.0-5.0 | 2019 | 2035 | 31,015 | 28,335 |
| Series 2020 Refunding | 3.0-5.0 | 2021 | 2045 | 103,210 | 102,595 |
| Total Stormwater Utility | | | | | <u>145,090</u> |
| Municipal Parking: | | | | | |
| General Obligation Bonds: | | | | | |
| Series 2016 Refunding | 4.0-5.0 | 2016 | 2033 | 34,445 | 27,890 |
| Total Municipal Parking | | | | | <u>27,890</u> |
| Solid Waste: | | | | | |
| General Obligation, Series 2015 Refunding | 2.33 | 2015 | 2025 | 4,465 | 1,695 |
| Net Unamortized Bond Premium/Discount | N/A | N/A | N/A | - | 68,336 |
| Compensated Absences | N/A | N/A | N/A | - | 12,899 |
| Landfill Closure and Postclosure Liability | N/A | N/A | N/A | - | 12,368 |
| Net OPEB Liability | N/A | N/A | N/A | - | 116,072 |
| Net Pension Liability | N/A | N/A | N/A | - | 313,249 |
| Total Business-Type Long-Term Debt | | | | | <u>\$ 1,669,841</u> |

*Texas Water Development Board

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

G.2. GOVERNMENTAL ACTIVITIES' DEBT

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

General Obligation Bonds and Certificates of Obligation indentures require the City to levy the tax required to fund interest and principal at maturity or at least 2 percent of the outstanding principal, whichever is greater. At September 30, 2021, the Debt Service Fund held \$41,007,000 and \$4,293,000 of cash and investments to service General Obligation Bonds/Certificates of Obligation and for Special Tax Revenue Debt, respectively, for governmental activities.

On January 19, 2021, the City issued \$74,000,000 of Tax Notes, Series 2021A 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 2022 to 2026 in installments of \$14,800,000. Interest is payable on March 1 and September 1 of each year commencing September 2021, with an interest rate of 0.76 percent.

On January 19, 2021, the City issued \$26,000,000 of Tax Notes, Series 2021B 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 2022 to 2026 in installments of \$5,200,000. Interest is payable March 1 and September 1 of each year commencing September 2021, with an interest rate of 0.99 percent.

On July 1, 2021, the City issued \$16,100,000 of Combination Tax and Revenue Certificates of Obligation, Series 2021 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 2022 to 2033 in installments ranging from \$710,000 to \$1,700,000. Interest is payable March 1 and September 1 of each year commencing March 2022, with interest rate ranging from 2.0 to 4.375 percent.

On July 1, 2021, the City issued \$14,620,000 of Tax Notes, Series 2021C 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 2022 to 2028 in installments ranging from \$1,705,000 to \$2,430,000. Interest is payable March 1 and September 1 of each year commencing March 2022, with an interest rate of 5.0 percent.

On July 1, 2021, the City issued General Obligation Refunding Bonds, Series 2021 in the amount of \$152,105,000 to current refund \$82,625,000 of existing Tax Notes, Series 2021A and General Obligation Bonds, Series 2011 and to fund projects within the 2018 bond program to include: street and mobility infrastructure; parks and recreation; library; fire safety; animal care and control; and police facility. The bonds will mature beginning March 1 of each year from 2022 to 2041 in installments ranging from \$6,470,000 to \$25,500,000. Interest is payable on March 1 and September 1 of each year commencing March 2022, with interest rate ranging from 2.0 to 5.0 percent. The City deposited the refunding proceeds in the Bank of Texas Escrow Fund to defease the debt, which covered the \$82,625,000 principal and \$503,012 in interest. As a result, the refunded bonds are considered to be defeased, and the liability is not reflected in the Statement of Net Position. The current refunding resulted in an increase of interest payments of \$9,589,173 over the life of the bonds. This refunding resulted in an economic loss (the difference between the present value of the old and new debt service payments) of \$1,244,596 and a book loss of \$867,443.

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

G.2. GOVERNMENTAL ACTIVITIES' DEBT (CONTINUED)

On July 1, 2021, the City issued General Obligation Refunding Bonds, Taxable Series 2021 in the amount of \$26,175,000 to current refund \$25,660,000 of existing Tax Notes, Series 2021B and Certificates of Obligation, Taxable Series 2013B. The bonds will mature beginning March 1 of each year from 2022 to 2041 in installments ranging from \$950,000 to \$1,690,000. Interest is payable on March 1 and September 1 of each year commencing March 2022, with interest rate ranging from 0.39 to 2.57 percent. The City deposited the refunding proceeds in the Bank of Texas Escrow Fund to defease the debt, which covered the \$25,660,000 principal and \$658,435 in interest. As a result, the refunded bonds are considered to be defeased, and the liability is not reflected in the Statement of Net Position. The current refunding resulted in a reduction of interest payments of \$4,757,588 over the life of the bonds. This refunding resulted in an economic gain (the difference between the present value of the old and new debt service payments) of \$223,246 and a book loss of \$783,557.

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 FY2021, TIRZ #9 repayments \$7,179,000, and borrowed an additional \$1,807,000 from TRWD. At September 30, 2021, \$188,643,000 remains outstanding.

As of September 30, 2021, the following bonds were authorized but not issued:

| General Obligation Bonds | Date Authorized | Amount Authorized | Amount Unissued |
|---------------------------------|------------------------|--------------------------|------------------------|
| 2018 Bond Program | 5/5/2018 | \$ 399,500 | \$ 166,330 |

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, 2021, the City's liability was \$3,013,000 for the Environmental Protection Capital Project Fund. The City's estimated outlays for the cleanup were generated using the expected cash flows technique. The amount of the estimated pollution remediation liability is based on the assumption that there will be no significant additional cost for providing these cleanup services. These estimates are subject to changes as a result of price increases, changes in technology, and new laws and regulations.

G.3. COMMERCIAL PAPER PROGRAM

On December 5, 2017, the City authorized the ordinance and related agreements allowing the implementation of a replacement liquidity program offered through J.P. Morgan Securities LLC. In conjunction with the execution of the commercial paper (CP) program, a supplement ordinance authorized Water and Sewer System CP Notes with a maximum aggregate principal amount of \$150,000,000. The callable CP may be issued without the need for bank liquidity support and is structured in a manner that upon initial issuance, the callable CP will have an original call date between three and 120 business days. As is customary for commercial paper products, the maturity date will not be greater than 270 days from the date of issuance. The current intent is to utilize the CP program as appropriation authority only. No commercial paper was issued during the fiscal year ended September 30, 2021.

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NOTE G: LONG-TERM OBLIGATIONS (CONTINUED)

G.4. ENTERPRISE DEBT

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

In accordance with the revenue bond ordinances, a reserve for debt service is maintained. At September 30, 2021, \$71,415,111 of cash and investments was available for principal and interest payments on all Enterprise Fund debt. The substituted surety bonds Water and Sewer Fund were refunded on July 15, 2020, no longer outstanding, and did not require any reserve to be held in the event there are insufficient amounts on deposit to make debt service payments.

On May 13, 2021, the City had a partial cash defeasance of Water and Sewer System Revenue Bonds, Series 2011 of \$24,670,000. The City utilized excess debt service fund balance to establish an escrow account for the outstanding tax supported debt. The cash defeasance resulted in an economic gain (the difference between the present value of the old and new debt service payments) of \$6,122,984 and a book gain of \$746,703.

On November 10, 2020, the City issued Drainage Utility System Revenue Refunding and Improvement Bonds, Series 2020 in the amount of \$103,210,000 to current refund \$55,330,000 of existing Drainage Utility System Revenue Bonds, Series 2011 and 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 2021 to 2045 in installments ranging from \$615,000 to \$5,720,000. Interest is payable on February 15 and August 15 of each year commencing February 2021 with interest rates ranging from 2.00 to 5.00 percent. The City deposited the refunding proceeds in the Bank of Texas Escrow Fund to defease the debt which covered the \$55,330,000 principal and \$1,077,734 in interest. As a result, the refunded bonds are considered defeased, and the liability is not reflected in the Statement of Net Position. The current refunding resulted in a reduction of principal and interest payments of \$11,897,752 over the bonds' life. The refunding resulted in an economic gain (the difference between the present value of the old and new debt service payments) of \$10,588,382 and a book loss of \$875,745.

On July 2, 2021, the City issued Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2021 in the amount of \$154,720,000 to current refund \$43,045,000 of existing Water and Sewer System Revenue Bonds, Series 2011 and to fund new capital projects in alignment with the Water and Sewer System's Capital Improvement plan. These bonds will mature on February 15 of each year from 2022 to 2051 in installments ranging from \$2,450,000 to \$16,735,000. Interest is payable on February 15 and August 15 of each year commencing February 2022 with interest rates ranging from 2.00 to 5.00 percent. The City deposited the refunding proceeds in the Bank of Texas Escrow Fund to defease the debt which covered the \$43,045,000 principal and \$897,721 in interest. As a result, the refunded bonds are considered defeased, and the liability is not reflected in the Statement of Net Position. The current refunding resulted in a reduction of principal and interest payments of \$6,679,527 over the bonds' life. The refunding resulted in an economic gain (the difference between the present value of the old and new debt service payments) of \$6,439,759 and a book loss of \$875,745.

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NOTE G: LONG-TERM OBLIGATIONS (CONTINUED)

G.4. ENTERPRISE DEBT (CONTINUED)

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

For the year ended September 30, 2021, net pledged revenue by fund was as follows:

| Fund | 2021 Net Pledged Revenues | 2021 Debt Service | Purpose of Debt |
|-------------------------|--|------------------------------|---|
| Water and Sewer Fund | \$ 218,983 | \$ 93,624 | <i>Extending and improving water and sewer system</i> |
| Stormwater Utility Fund | 28,734 | 10,594 | <i>Improvements to storm drains, roadways, and erosion protection</i> |
| Municipal Parking Fund | 1,491 | 2,977 | <i>Construction of City-owned parking garages</i> |
| Solid Waste Fund | 9,343 | 485 | <i>Improvements to the eastside landfill</i> |
| Total | <u>\$ 258,551</u> | <u>\$ 107,680</u> | |

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

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

The City is responsible for the environmental cleanup of Riverside Park funded by the Water and Sewer Fund. The cleanup effort for this project has been completed and is awaiting final approval from Texas Commission on Environmental Quality. The City is required to report the estimated liability for pollution remediation activities in accordance with GAAP, and there is no outstanding liability as of September 30, 2021. The City’s estimated outlays for the cleanup were generated using the expected cash flows technique. The amount of the estimated pollution remediation liability assumes that there will be no major increases in the cost of providing these cleanup services. These estimates are subject to changes as a result of price increases, changes in technology, and new laws and regulations.

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NOTE G: LONG-TERM OBLIGATIONS (CONTINUED)

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, 2021, 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 | |
| 2022 | \$ 76,585 | \$ 25,869 | \$ 9,070 | \$ 3,928 | \$ 5,480 | \$ 9,445 | \$ 11,970 | \$ 2,519 | |
| 2023 | 60,150 | 22,010 | 8,815 | 3,461 | 5,660 | 9,269 | 12,530 | 1,974 | |
| 2024 | 53,500 | 19,367 | 8,370 | 3,079 | 5,845 | 9,078 | 11,545 | 1,514 | |
| 2025 | 53,750 | 16,774 | 8,405 | 2,713 | 6,070 | 8,854 | 9,270 | 1,053 | |
| 2026 | 50,735 | 14,242 | 8,440 | 2,374 | 6,310 | 8,614 | 7,545 | 632 | |
| 2027-2031 | 176,345 | 42,472 | 43,035 | 6,948 | 35,715 | 38,909 | 8,870 | 343 | |
| 2032-2036 | 121,860 | 17,319 | 14,405 | 541 | 44,225 | 30,387 | - | - | |
| 2037-2041 | 72,295 | 3,635 | - | - | 54,585 | 19,207 | - | - | |
| 2041-2045 | - | - | - | - | 48,245 | 6,347 | - | - | |
| 2046-2050 | - | - | - | - | 8,215 | 174 | - | - | |
| | <u>\$ 665,220</u> | <u>\$ 161,688</u> | <u>\$ 100,540</u> | <u>\$ 23,044</u> | <u>\$ 220,350</u> | <u>\$ 140,284</u> | <u>\$ 61,730</u> | <u>\$ 8,035</u> | |

| Governmental Activities: (continued) | | | | | | |
|--------------------------------------|------------------------|-------------|-------------------------|-------------|-------------------------|-------------|
| Year Ending September 30, | Project Finance Zone 1 | | State Obligation - City | | State Obligation - CCPD | |
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2022 | \$ 1,357 | \$ - | \$ 1,500 | \$ - | \$ 698 | \$ - |
| 2023 | - | - | 1,500 | - | 698 | - |
| 2024 | - | - | 1,500 | - | 698 | - |
| 2025 | - | - | 1,500 | - | 698 | - |
| 2026 | - | - | 1,500 | - | 698 | - |
| 2027-2031 | - | - | 7,500 | - | 3,490 | - |
| 2032-2036 | - | - | 2,417 | - | 1,170 | - |
| | <u>\$ 1,357</u> | <u>\$ -</u> | <u>\$ 17,417</u> | <u>\$ -</u> | <u>\$ 8,150</u> | <u>\$ -</u> |

| Governmental Activities: (concluded) | | | | |
|--------------------------------------|-----------------|---------------|-------------------------------|-------------------|
| Year Ending September 30, | ESPC Phase VII | | Total Governmental Activities | |
| | Principal | Interest | Principal | Interest |
| 2022 | \$ 1,766 | \$ 192 | \$ 108,426 | \$ 41,953 |
| 2023 | 1,806 | 152 | 91,159 | 36,866 |
| 2024 | 1,847 | 111 | 83,305 | 33,149 |
| 2025 | 1,880 | 70 | 81,573 | 29,464 |
| 2026 | 1,934 | 16 | 77,162 | 25,878 |
| 2027-2031 | - | - | 274,955 | 88,672 |
| 2032-2036 | - | - | 184,077 | 48,247 |
| 2037-2041 | - | - | 126,880 | 22,842 |
| 2040-2044 | - | - | 48,245 | 6,347 |
| 2045-2047 | - | - | 8,215 | 174 |
| | <u>\$ 9,233</u> | <u>\$ 541</u> | <u>\$ 1,083,997</u> | <u>\$ 333,592</u> |

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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(000's omitted in tables)

NOTE G: LONG-TERM OBLIGATIONS (CONTINUED)

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, 2021, is \$24,180,969 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, 2021, is as follows:

| Major Business-Type Activities: | | | | | | | | | | |
|---------------------------------|----------------------------------|-------------------|--|--------------|---------------------------------|--------------|-------------------------------------|------------------|---|-------------------|
| Year Ending September 30, | Water and Sewer Revenue Bonds | | Water and Sewer Trinity River Auth. | | Water and Sewer ESPC Phase V | | Stormwater Utility Revenue Bonds | | Total Major Business-Type Activities | |
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| 2022 | \$ 63,715 | \$ 32,821 | \$ 775 | \$ 12 | \$ 1,695 | \$ 45 | \$ 5,000 | \$ 4,497 | \$ 71,185 | \$ 37,375 |
| 2023 | 63,260 | 30,237 | - | - | 862 | 8 | 5,245 | 4,256 | 69,367 | 34,501 |
| 2024 | 63,540 | 27,838 | - | - | - | - | 5,520 | 4,000 | 69,060 | 31,838 |
| 2025 | 60,345 | 25,344 | - | - | - | - | 5,825 | 3,727 | 66,170 | 29,071 |
| 2026 | 55,075 | 23,032 | - | - | - | - | 6,130 | 3,444 | 61,205 | 26,476 |
| 2027-2031 | 230,590 | 86,007 | - | - | - | - | 35,125 | 12,769 | 265,715 | 98,776 |
| 2032-2036 | 166,085 | 49,901 | - | - | - | - | 34,950 | 6,878 | 201,035 | 56,779 |
| 2037-2041 | 102,495 | 31,956 | - | - | - | - | 25,165 | 3,764 | 127,660 | 35,720 |
| 2042-2046 | 104,880 | 16,884 | - | - | - | - | 22,130 | 1,006 | 127,010 | 17,890 |
| 2047-2051 | 58,925 | 2,823 | - | - | - | - | - | - | 58,925 | 2,823 |
| | <u>\$ 968,910</u> | <u>\$ 326,843</u> | <u>\$ 775</u> | <u>\$ 12</u> | <u>\$ 2,557</u> | <u>\$ 53</u> | <u>\$ 145,090</u> | <u>\$ 44,341</u> | <u>\$ 1,117,332</u> | <u>\$ 371,249</u> |

The annual requirements to amortize all Nonmajor Fund Business-Type Activities bonded and contractual debt outstanding as of September 30, 2021, 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 |
| 2022 | \$ 1,760 | \$ 1,216 | \$ 435 | \$ 35 | \$ 2,195 | \$ 1,251 |
| 2023 | 1,850 | 1,125 | 430 | 24 | 2,280 | 1,149 |
| 2024 | 1,950 | 1,030 | 420 | 14 | 2,370 | 1,044 |
| 2025 | 2,050 | 930 | 410 | 5 | 2,460 | 935 |
| 2026 | 2,150 | 826 | - | - | 2,150 | 826 |
| 2027-2031 | 12,415 | 2,474 | - | - | 12,415 | 2,474 |
| 2032-2036 | 5,715 | 231 | - | - | 5,715 | 231 |
| | <u>\$ 27,890</u> | <u>\$ 7,832</u> | <u>\$ 1,695</u> | <u>\$ 78</u> | <u>\$ 29,585</u> | <u>\$ 7,910</u> |

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

G.6. ARBITRAGE

The City frequently issues bonds for capital construction projects. These bonds are subject to the arbitrage regulations. At September 30, 2021, the liabilities for a rebate of arbitrage was \$3,443 for governmental activities. This amount is included in the “Long-Term Liabilities Due in More Than One Year” on the Statement of Net Position.

G.7. LEASES

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

The following is a summary of capital lease transactions of the City for the year ended September 30, 2021:

| | |
|--|-----------------|
| Capital Lease Obligation, October 1, 2020 | \$ 1,473 |
| Principal Payments | <u>(364)</u> |
| Capital Lease Obligation, September 30, 2021 | <u>\$ 1,109</u> |

Future minimum lease payments for the leases are as follows:

| Year Ending September 30, | Lease Payments |
|--|---------------------------|
| 2022 | \$ 323 |
| 2023 | 276 |
| 2024 | 299 |
| 2025 | 211 |
| Present Value of Minimum Leased Payments | <u>\$ 1,109</u> |

The following schedule provides an analysis of the City’s investment in capital assets under the lease arrangement as of September 30, 2021:

| | |
|---------------------------------------|-----------------|
| Building | \$ 1,351 |
| Equipment | 575 |
| Less: Accumulated Depreciation | <u>(854)</u> |
| Total Net Book Value of Leased Assets | <u>\$ 1,072</u> |

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(000's omitted in tables)

NOTE G: LONG-TERM OBLIGATIONS (CONTINUED)

G.7. LEASES (CONTINUED)

The City entered into operating lease agreements for the utilization of computers and related equipment, office space, vehicles, and golf carts. The lease terms range from 12 to 96 months. The following is a schedule by years of future minimum rental payments required under the operating leases as of September 30, 2021:

| <u>Year Ending</u> <u>September 30,</u> | | |
|--|----|---------------------|
| 2022 | \$ | 2,877 |
| 2023 | | 1,149 |
| 2024 | | 947 |
| 2025 | | 492 |
| 2026 | | 356 |
| 2027 - 2028 | | <u>246</u> |
| Total Future Minimum Rental Payments Required | \$ | <u><u>6,067</u></u> |

The total rental expense for the year ended September 30, 2021, was \$4,952,000.

G.8. DEFEASANCE OF PRIOR DEBT

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

At September 30, 2021, the following outstanding bonds are considered defeased.

| | |
|---|-------------------------|
| General Obligation Bonds and Certificates of Obligation | <u><u>\$ 26,865</u></u> |
|---|-------------------------|

G.9. DISCRETELY PRESENTED COMPONENT UNIT DEBT

On June 2, 2014, Terrell Homes, Ltd. (fiscal year ends December 31) obtained mortgage financing of \$2,000,000 for permanent financing of properties. The mortgage bears an interest rate of 7.0 percent. This mortgage requires monthly payments of principal and interest of \$13,306 based on a thirty-year amortization period and matures on June 2, 2029, at which time the entire unpaid principal balance and accrued interest will become due and payable. During 2020, interest expense was \$134,330. As of December 31, 2020, the unpaid principal balance was \$1,818,846, 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 2020, interest expense was \$9,000. As of December 31, 2020, the outstanding principal balance was \$900,000, and there was an accrued interest of \$83,426.

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 (CONTINUED)

G.10. SPECIAL ASSESSMENT DEBT

Rock Creek Public Improvement District special assessment debt, at September 30, 2021 the outstanding debt was \$17,090,000 and the City is in no way liable for repayment but is only acting as an agent for the property owners in collecting the assessments and forwarding the collection to the bondholders.

NOTE H: LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

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

The City reported \$12,368,120 as landfill closure and postclosure care liability in the Solid Waste Fund at September 30, 2021. This represents the cumulative amount reported to date based on the use of 51.7 percent of the estimated current permitted capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$11,573,663 as the remaining estimated capacity is filled. The City expects to close the landfill in 20 years from the end of the current fiscal year, the year 2041. 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, at September 30, 2021, the City reported cash and cash equivalents of \$3,324,576 as restricted assets for closure and postclosure care and has \$9,043,544 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.

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

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 authority to define or amend employer and employee contribution rates or benefits is given to the Mayor and the Fort Worth City Council (City Council).

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

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

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

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

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

Plan Description (continued)

As of September 30, 2020, the Plan's membership consisted of the following members (numbers in the following table are not in thousands):

Employees covered by benefit terms:

| Pension plan membership consisted of the following: | |
|--|-------------------------------------|
| | <u>September 30,</u> <u>2020</u> |
| Inactive employees or beneficiaries currently receiving benefits | 4,679 |
| Inactive employees entitled to, but not yet receiving benefits | <u>1,167</u> |
| Total Inactive Members | <u>5,846</u> |
| Active members | <u>6,709</u> |
| Total | <u><u>12,555</u></u> |

Contributions

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

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

| | <u>Previous Rate</u> | <u>January 2021</u> | <u>January 2022</u> |
|----------|----------------------|---------------------|---------------------|
| General* | 9.35% | 9.35% | 10.15% |
| Police | 12.53% | 13.13% | 13.93% |
| Fire | 12.05% | 12.05% | 12.85% |

* 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
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(000's omitted in tables)

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

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.

| | |
|---|--|
| <p>Plan Year: Fiscal Year: Plan Status:</p> | <p><i>January 1 through December 31</i> <i>October 1 through September 30</i> <i>Ongoing</i></p> |
| <p>Categories of Employees: <i>Tier I</i></p> <p><i>Tier II</i></p> | <p><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></p> <p><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></p> |
| <p>Categories of Benefits/Service: <i>Blue</i></p> <p><i>Orange</i></p> <p><i>Gray</i></p> | <p><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></p> <p><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></p> <p><i>Earned on or after July 20, 2019 for Tier I and II General Employees, Police Officers, and Firefighters</i></p> |
| <p>Normal Retirement: <i>Age and Service Requirements</i></p> <p><i>Amount</i></p> <p><i>Final Average Compensation</i></p> | <p><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></p> <p><i>Police Officers are also eligible at any age with 25 years of Credited Service.</i></p> <p><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></p> <p><u><i>Blue:</i></u> <i>Average of member's highest three calendar years' earnings, including overtime</i> <u><i>Orange:</i></u> <i>Average of member's highest five calendar years' earnings, excluding overtime</i> <u><i>Gray:</i></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></p> |

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

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

| | |
|---|--|
| <p>Early Retirement:</p> <p><i>Age and Service Requirements</i></p> <p><i>Amount</i></p> <p><i>Reduction</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
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(000's omitted in tables)

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

| | |
|---|---|
| <p>Termination Benefits: <i>Age and Service Requirements</i></p> <p><i>Amount</i></p> | <p>None</p> <p><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></p> |
| <p>Spouse's Pre-Retirement Death Benefit (death 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>Child Benefits</i></p> | <p>None</p> <p><u>Tier I:</u> <i>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.</i></p> <p><u>Tier II:</u> <i>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></p> <p><i>\$250 per month</i></p> <p><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></p> |
| <p>Spouse's Pre-Retirement Death Benefit (death 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>Child Benefits</i></p> | <p><i>Five years of Credited Service</i></p> <p><u>Tier I:</u> <i>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</i></p> <p><u>Tier II:</u> <i>75% of the accrued benefit at death, calculated as 2.25% of the Final Average Compensation Base multiplied by years of Credited Service</i></p> <p><i>\$150 per month</i></p> <p><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></p> |
| <p>Post-Retirement Death Benefit:</p> | <p><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></p> |

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

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

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

Funding Policy

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

| 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 |
|-------------------------------------|---|--|------------------------------------|------------------------|---|
| 2020 | \$ 160,159 | \$ 124,744 | \$ 35,415 | \$ 524,728 | 23.77% |
| 2021 | \$ 165,707 | \$ 128,046 | \$ 37,661 | \$ 537,134 | 23.84% |

Net Pension Liability

The City's net pension liability was measured as of September 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE I: EMPLOYEES' RETIREMENT FUND OF THE CITY OF FORT WORTH, TEXAS (CONTINUED)

Actuarial Methods and Assumptions

The following are the significant actuarial assumptions used for the December 31, 2019, actuarial valuation:

| | |
|--------------------------------------|---|
| Valuation date | <i>December 31, 2019</i> |
| Actuarial cost method | <i>Entry Age Normal</i> |
| Amortization method | <i>Level Percentage of Payroll, Open</i> |
| Remaining amortization period | <i>30 years as of January 1, 2020</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
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(000's omitted in tables)

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

Actuarial Methods and Assumptions (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2021, are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return* |
|--------------------|--------------------------|--|
| Global Equity | 45% | 6.81% |
| Fixed income | 19% | 1.51% |
| Real return | 2% | 5.25% |
| Real estate | 8% | 4.88% |
| Absolute return | 10% | 2.61% |
| Private equity | 15% | 8.00% |
| Cash | 1% | -0.50% |
| 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, 2019 and September 30, 2020. 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
SEPTEMBER 30, 2021
(000's omitted in tables)

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

Pension Expense for the year ended September 30, 2021, was as follows:

| | | |
|--|----|----------------|
| Service cost | \$ | 70,650 |
| Interest on total pension liability (TPL) | | 316,898 |
| Employee contributions | | (56,251) |
| Administrative expenses | | 5,303 |
| Expected return on assets | | (159,966) |
| Expensed portion of current year period differences between expected and actual experience in TPL | | (82) |
| Expensed portion of current year period assumption changes | | 90,914 |
| Expensed portion of current year period differences between projected and actual investment earnings | | 9,878 |
| Current year recognition of deferred inflows and outflows established in prior years | | 190,607 |
| Total pension expense | \$ | <u>467,951</u> |

As of September 30, 2021, 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 | \$ 110,684 | \$ 17,207 | \$ 127,891 |
| Differences between expected and actual experience | 81,787 | 12,251 | 94,038 |
| Net difference between projected and actual earnings on pension plan investments | 75,616 | 11,754 | 87,370 |
| Changes in assumptions | <u>454,527</u> | <u>70,421</u> | <u>524,948</u> |
| Total Deferred Outflows of Resources | \$ 722,614 | \$ 111,633 | \$ 834,247 |
| Deferred Inflows of Resources | | | |
| Differences between expected and actual experience | \$ 10,918 | \$ 1,697 | \$ 12,615 |
| Changes in assumptions | <u>166,766</u> | <u>24,981</u> | <u>191,747</u> |
| Total Deferred Inflows of Resources | \$ 177,684 | \$ 26,678 | \$ 204,362 |
| Net Pension Liability | \$ 2,046,617 | \$ 313,249 | \$ 2,359,866 |

\$127,891,000 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, 2022. 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: | |
|---------------------------|-------------------|
| 2022 | \$ 233,624 |
| 2023 | 80,816 |
| 2024 | 98,820 |
| 2025 | 88,800 |
| 2026 | (66) |
| Total | <u>\$ 501,994</u> |

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(000's omitted in tables)

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

Changes in Net Pension Liability

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) - (b) |
|---|--|--|--|
| Balances at October 1, 2020 | \$ 4,571,921 | \$ 2,312,863 | \$ 2,259,058 |
| Changes for the year: | | | |
| Service cost | 70,650 | - | 70,650 |
| Interest | 316,898 | - | 316,898 |
| Differences between expected and actual experience | (477) | - | (477) |
| Contributions - employer | - | 124,744 | (124,744) |
| Contributions - employee | - | 56,251 | (56,251) |
| Net investment income | - | 110,571 | (110,571) |
| Benefit payments, including refunds of employee contributions | (230,965) | (230,965) | - |
| Administrative expenses | - | (5,303) | 5,303 |
| Net changes | <u>156,106</u> | <u>55,298</u> | <u>100,808</u> |
| Balances at September 30, 2021 | <u>\$ 4,728,027</u> | <u>\$ 2,368,161</u> | <u>\$ 2,359,866</u> |

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

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

| 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|--------------------------------|--|--------------------------------|
| \$ 2,945,537 | \$ 2,359,866 | \$ 1,874,613 |

Note: The balances as of September 30, 2020, constitute measurements of the Net Pension Liability for the fiscal year ended September 30, 2021.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(000's omitted in tables)

NOTE J: EMPLOYEE BENEFITS

J.1. POSTEMPLOYMENT BENEFITS

Plan Descriptions

In addition to the pension benefits described in Note I, the City provides postemployment health care benefits, established under the legal authority of the City Charter and administered by the City. The City provides two single-employer defined 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 it does not issue separate audited GAAP basis financial statements:

| Retiree Healthcare Trust Fund | |
|--|--------------------------|
| Condensed Schedule of Fiduciary Net Position | |
| Assets | |
| Current Assets | \$ 9,230 |
| Investments | 94,445 |
| Total Assets | <u>103,675</u> |
| Liabilities | |
| Current Liabilities | <u>530</u> |
| Net Position | |
| Postemployment Healthcare Plan | <u>103,145</u> |
| Total Net Position | <u><u>\$ 103,145</u></u> |
| Condensed Schedule of Changes in Fiduciary Net Position | |
| Additions | \$ 32,546 |
| Deductions | 20,410 |
| Change in Net Position | <u>12,136</u> |
| Net Position, Beginning of Year | <u>91,009</u> |
| Net Position, End of Year | <u><u>\$ 103,145</u></u> |

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(000's omitted in tables)

NOTE J: EMPLOYEE BENEFITS (CONTINUED)

J.1 POSTEMPLOYMENT BENEFITS (CONTINUED)

Plan Descriptions (continued)

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

Retiree health care benefits cannot be accessed until the employee retires. However, for employees who terminated on or before September 30, 2014, and are vested in the City's retirement plan, health care benefits may continue, until the employee retires, by paying the full cost of coverage. For employees who terminated on or after October 1, 2014, and are vested in the City's retirement plan, health care benefits are only covered if the employee retires/begins receiving retirement benefits at the time of separation from the City (with exceptions noted above based on hire date). For all other employees who terminate without retirement, health care benefits continue 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, 2020 valuation.

As of September 30, 2020 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, 2020 | |
|--|--------------------|---------------|
| | Medical | Death Benefit |
| Inactive employees or beneficiaries currently receiving benefits | 3,184 | 3,184 |
| Active members | 2,822 | 6,510 |
| Total | 6,006 | 9,694 |

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(000's omitted in tables)

NOTE J: EMPLOYEE BENEFITS (CONTINUED)

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 FY2021, 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 FY2021, the cost of health care benefits for retirees, dependents, and surviving spouses was \$18,625,000 and the death benefit payments totaled \$641,000.

Actuarial Methods and Assumptions

The following are the significant actuarial assumptions (both trusts) used for the September 30, 2020, actuarial valuation:

| | |
|--------------------------------------|---|
| Actuarial Valuation Date | <i>September 30, 2020</i> |
| Actuarial Cost Method | <i>Entry Age Normal</i> |
| Amortization Period | <i>Level Percent of Payroll, Open</i> |
| Remaining Amortization Period | <i>30 years as of September 30, 2020</i> |
| Asset Valuation Method | <i>Market Value</i> |
| Actuarial Assumptions: | |
| Investment rate of return | <i>7.00%, including inflation, net of all expenses</i> |
| Healthcare cost trend rate | <i>4.50 - 8.00%</i> |
| Inflation rate | <i>2.75%</i> |
| Payroll growth rate | <i>3.00%</i> |
| Retirement rates | <i>The retirement rates were set by the Fund's actuary based on a study of experience for 2013-2015. The rates for all employees are age-related. General employees have some assumed probability of retirement prior to eligibility for an unreduced pension, whereas the public safety employees are assumed to wait until full benefits are payable.</i> |
| Mortality | <i>Mortality rates were based on the RP-2014 Dynamic Table using the MP-2014 projection scale.</i> |

The long-term expected rate of return on OPEB plan investments was determined using the building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of September 30, 2020, are summarized in the following table:

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(000's omitted in tables)

NOTE J: EMPLOYEE BENEFITS (CONTINUED)

Actuarial Methods and Assumptions (CONTINUED)

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return* |
|---------------------------|--------------------------|--|
| Equity | 30% | 7.47% |
| Fixed income | 65% | 3.09% |
| Cash and Cash Equivalents | 5% | 0.02% |
| Total | 100% | |

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

Discount Rate

The blended discount rate used to measure the total OPEB liability is 2.44%. The projection of cash flows used to determine the discount rate assumed City contributions equal to benefit payments as they are incurred. Based on these assumptions, the Retiree Healthcare Trust Fund's fiduciary net position was projected to be available to make projected future benefit payments for current plan members for 2.5 years. The long-term expected rate of return on Retiree Healthcare Trust Fund's investments was applied to the first 2.5 years of projected benefit payments and a 2.44% municipal bond rate was applied for all periods thereafter to determine the total OPEB liability. The 2.44% municipal bond rate is the rate for Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index". The rate is as of the last date available on or before the measurement date of September 30, 2020.

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

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

OPEB Expense for the year ended September 30, 2021, was as follows:

| | |
|--|------------------|
| Service cost | \$ 26,584 |
| Interest on total OPEB liability (TOL) | 28,858 |
| Administrative expenses | 2,217 |
| Return on investments | (6,044) |
| Expensed portion of current year period differences between expected and actual experience in TOL | (94,308) |
| Expensed portion of current year assumption changes | 67,252 |
| Expensed portion of current year period differences between projected and actual investment earnings | 1,085 |
| | <u>\$ 25,644</u> |

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(000's omitted in tables)

NOTE J: EMPLOYEE BENEFITS (CONTINUED)

As of September 30, 2021, 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 | \$ 33,822 | \$ 3,515 | \$ 37,337 |
| Net difference between projected and actual earnings on OPEB plan investments | <u>1,613</u> | <u>272</u> | <u>1,885</u> |
| Differences between expected and actual experience | 2,915 | 472 | 3,387 |
| Changes in assumptions | <u>72,260</u> | <u>11,293</u> | <u>83,553</u> |
| Total Deferred Outflows of Resources | \$ 110,610 | \$ 15,552 | \$ 126,162 |
| Deferred Inflows of Resources | | | |
| Differences between expected and actual experience | \$ 60,998 | \$ 9,228 | \$ 70,226 |
| Changes in assumptions | <u>55</u> | <u>542</u> | <u>597</u> |
| Total Deferred Inflows of Resources | \$ 61,053 | \$ 9,770 | \$ 70,823 |
| Net OPEB Liability | \$ 787,823 | \$ 116,072 | \$ 903,895 |

\$37,337,000 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, 2022. Other amounts reported as Deferred Outflows/(Inflows) of Resources will be recognized in OPEB expense as follows:

| Year ending September 30: | |
|----------------------------------|------------------|
| 2022 | \$ 16,400 |
| 2023 | 1,003 |
| 2024 | <u>599</u> |
| Total | <u>\$ 18,002</u> |

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(000's omitted in tables)

NOTE J: EMPLOYEE BENEFITS (CONTINUED)

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, 2020 | \$ 1,057,216 | \$ 86,338 | \$ 970,878 |
| Changes for the year:: | | | |
| Service cost | 26,584 | - | 26,584 |
| Interest | 28,858 | - | 28,858 |
| Differences between expected and actual experience | (139,352) | - | (139,352) |
| Change in assumptions | 64,232 | - | 64,232 |
| Contributions - employer | - | 32,856 | (32,856) |
| Contributions - employee | - | 5,420 | (5,420) |
| Net investment income | - | 5,909 | (5,909) |
| Other Income | - | 5,337 | (5,337) |
| Benefit payments | (39,954) | (39,954) | - |
| Administrative expense | - | (2,217) | 2,217 |
| Net Changes | <u>(59,632)</u> | <u>7,351</u> | <u>(66,983)</u> |
| Balances at September 30, 2021 | <u>\$ 997,584</u> | <u>\$ 93,689</u> | <u>\$ 903,895</u> |
| Money-weighted rate of return | | | 6.84 |
| Plan Fiduciary Net Position as a % of the Total OPEB Liability | | | 9.39 |

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

The following presents the Net OPEB Liability of the City, calculated using the discount rate of 2.44%, as well as what the City's Net OPEB Liability would be if it were calculated using a discount rate that is one-percentage-point lower (1.44%) or one-percentage-point higher (3.44%) than the current discount rate:

| 1 % Decrease (1.44%) | Current Discount Rate (2.44%) | 1 % Increase (3.44%) |
|---------------------------------|--|---------------------------------|
| \$ 1,074,527 | \$ 903,895 | \$ 733,476 |

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

| 1 % Decrease (7% to 3.5%) | Healthcare Cost Trend Rate (8% to 4.5%) | 1 % Increase (9% to 5.5%) |
|--------------------------------------|--|--------------------------------------|
| \$ 766,034 | \$ 903,895 | \$ 1,078,617 |

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(000's omitted in tables)

NOTE J: EMPLOYEE BENEFITS (CONTINUED)

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 a fixed interest of prime rate plus 1%. The City has no responsibility for investment losses of the DCP, but does have the fiduciary responsibilities usual to the sponsor of any retirement plan.

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 FY2021 payments to the District under the agreement were \$79,202,856. Future payments will be a direct result of future water usage.

The City is subject to extensive and rapidly changing Federal and State environmental regulations governing wastewater discharges, solid and hazardous waste management, and site remediation and restoration activities. The City's policy is to accrue environmental and related remediation costs when it is probable that a liability has been incurred and the amount can be reasonably estimated. As discussed in Note G.2. and Note G.4., as of September 30, 2021, the City has recorded pollution remediation liabilities in the amounts of \$3,012,377 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 \$395,724,196 as of September 30, 2021.

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 \$6,319,367 as of September 30, 2021.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(000's omitted in tables)

NOTE L: SEGMENT FINANCIAL INFORMATION

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

| | Municipal Parking Fund | Solid Waste Fund |
|---|-----------------------------------|-----------------------------|
| Condensed Statement of Net Position | | |
| September 30, 2021 | | |
| Assets | | |
| Current Assets | \$ 882 | \$ 27,784 |
| Other Assets | 1,703 | 19,137 |
| Capital Assets | 48,625 | 20,088 |
| Deferred Outflows of Resources | <u>2,973</u> | <u>10,710</u> |
| Total Assets and Deferred Outflows of Resources | <u>54,183</u> | <u>77,719</u> |
| Liabilities | | |
| Current Liabilities | 2,917 | 10,639 |
| Advances from Other Funds | 514 | - |
| Noncurrent Liabilities | <u>31,437</u> | <u>42,973</u> |
| Deferred Inflows of Resources | <u>233</u> | <u>3,703</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>35,101</u> | <u>57,315</u> |
| Net Position (Deficit) | | |
| Net Investment in Capital Assets | 19,821 | 18,043 |
| Restricted | 872 | 1,141 |
| Unrestricted (Deficit) | <u>(1,611)</u> | <u>1,221</u> |
| Total Net Position | <u>\$ 19,082</u> | <u>\$ 20,405</u> |
| Condensed Statement of Revenues, Expenses, and Changes in Net Position | | |
| Year Ended September 30, 2021 | | |
| Operating Revenues | \$ 4,946 | \$ 71,836 |
| Operating Expenses | 3,926 | 60,453 |
| Depreciation Expenses | <u>1,997</u> | <u>632</u> |
| Operating Income | (977) | 10,751 |
| Nonoperating Revenues (Expenses): | | |
| Investment Income (Loss) | (71) | (420) |
| Gain (Loss) on Sale of Property and Equipment | - | 31 |
| Interest and Service Charges | (927) | (44) |
| Transfers Out | (109) | (6,508) |
| Capital Contributions | <u>-</u> | <u>289</u> |
| Change in Net Position | (2,084) | 4,099 |
| Beginning Net Position | <u>21,166</u> | <u>16,306</u> |
| Ending Net Position | <u>\$ 19,082</u> | <u>\$ 20,405</u> |
| Condensed Statement of Cash Flows | | |
| Net Cash Provided (Used) by: | | |
| Year Ended September 30, 2021 | | |
| Operating Activities | \$ 1,613 | \$ 13,285 |
| Noncapital Financing Activities | 405 | (6,508) |
| Capital and Related Financing Activities | (2,977) | (1,690) |
| Investing Activities | <u>(66)</u> | <u>(425)</u> |
| Net Increase (Decrease) | (1,025) | 4,662 |
| Beginning Cash and Cash Equivalents | <u>3,606</u> | <u>34,092</u> |
| Ending Cash and Cash Equivalents | <u>\$ 2,581</u> | <u>\$ 38,754</u> |

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(000's omitted in tables)

NOTE M: UNCERTAINTIES: COVID-19 IMPACT

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

NOTE N: NEW ACCOUNTING STANDARDS

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

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

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(000's omitted in tables)

NOTE N: NEW ACCOUNTING STANDARDS (CONTINUED)

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

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

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

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

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(000's omitted in tables)

NOTE N: NEW ACCOUNTING STANDARDS (CONTINUED)

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

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

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

| Statement No. | Title | Effective for the City's Financial Periods Beginning | |
|---------------|---|--|-----------------|
| | | Original | Amended |
| 87 | Leases | October 1, 2020 | October 1, 2021 |
| 91 | Conduit Debt Obligations | October 1, 2021 | October 1, 2022 |
| 92 | Omnibus 2020 | October 1, 2020 | October 1, 2021 |
| 93 | Replacement of Interbank Offered Rates | October 1, 2020 | October 1, 2021 |

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

REQUIRED SUPPLEMENTARY
INFORMATION
(UNAUDITED)

**CITY OF FORT WORTH, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(in 000's)
(Unaudited)**

| | Budgeted Amounts | | Budgetary | Variance with |
|--|-------------------------|-----------------|------------------|-----------------------|
| | Original | Final | Basis | Final Budget - |
| | | | Actual | Positive |
| | | | | (Negative) |
| Revenues and Other Financing Sources: | | | | |
| Revenues: | | | | |
| General Property Taxes | \$ 448,905 | \$ 448,905 | \$ 457,543 | \$ 8,638 |
| Sales Taxes | 168,248 | 169,991 | 188,175 | 18,184 |
| Other Local Taxes | 54,280 | 54,280 | 53,652 | (628) |
| Charges for Services | 43,078 | 43,083 | 39,747 | (3,336) |
| Licenses and Permits | 17,653 | 17,653 | 19,248 | 1,595 |
| Fines and Forfeitures | 5,420 | 5,420 | 4,548 | (872) |
| Revenue from Use of Money and Property | 620 | 2,433 | 2,319 | (114) |
| Intergovernmental | 485 | 1,376 | 1,351 | (25) |
| Other | 3,122 | 3,122 | 4,179 | 1,057 |
| Total Revenues | <u>741,811</u> | <u>746,263</u> | <u>770,762</u> | <u>24,499</u> |
| Other Financing Sources: | | | | |
| Proceeds from Disposal of Property | - | - | 17 | 17 |
| Transfers In | 40,253 | 40,253 | 42,155 | 1,902 |
| Total Revenues and Other Financing Sources | <u>782,064</u> | <u>786,516</u> | <u>812,934</u> | <u>26,418</u> |
| Expenditures: | | | | |
| Departmental: | | | | |
| City Attorney's Office | 7,272 | 7,506 | 7,483 | 23 |
| City Auditor's Office | 2,037 | 2,037 | 1,934 | 103 |
| City Manager's Office | 9,621 | 9,886 | 9,340 | 546 |
| City Secretary's Office | 1,697 | 2,304 | 2,304 | - |
| Code Compliance | 24,041 | 23,984 | 20,717 | 3,267 |
| Communication and Public Engagement | 4,353 | 4,353 | 4,081 | 272 |
| Development Services | 19,486 | 20,183 | 19,166 | 1,017 |
| Diversity and Inclusion | 1,712 | 1,830 | 1,780 | 50 |
| Economic Development | 29,276 | 32,493 | 30,640 | 1,853 |
| Financial Management Services | 12,122 | 14,015 | 13,478 | 537 |
| Fire | 169,140 | 172,730 | 172,705 | 25 |
| Human Resources | 5,479 | 5,479 | 5,033 | 446 |
| Information Technology Solutions | 15,294 | 15,964 | 15,770 | 194 |
| Library | 22,295 | 22,295 | 20,478 | 1,817 |
| Municipal Court | 14,417 | 14,417 | 13,198 | 1,219 |
| Neighborhood Services | 10,382 | 10,382 | 9,610 | 772 |
| Non-Departmental | 10,478 | 1,145 | 1,145 | - |
| Park and Recreation | 54,383 | 54,791 | 53,201 | 1,590 |
| Planning and Data Analytics | 6,500 | 6,500 | 6,122 | 378 |
| Police | 272,989 | 273,209 | 269,049 | 4,160 |
| Property Management | 21,992 | 23,806 | 22,125 | 1,681 |
| Transportation and Public Works | 67,098 | 67,623 | 66,717 | 906 |
| Total Expenditures | <u>782,064</u> | <u>786,932</u> | <u>766,076</u> | <u>20,856</u> |
| Contribution to / (Use of) Fund Balance | <u>\$ -</u> | <u>\$ (416)</u> | <u>\$ 46,858</u> | <u>\$ 47,274</u> |

(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, 2021
(in 000's)
(Unaudited)

| | <u>Budgeted Amounts</u> | | <u>Budgetary</u> | <u>Variance with</u> |
|--|-------------------------|--------------|------------------|-----------------------|
| | <u>Original</u> | <u>Final</u> | <u>Basis</u> | <u>Final Budget -</u> |
| | | | <u>Actual</u> | <u>Positive</u> |
| | | | | <u>(Negative)</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) | \$ | 46,858 |
| Differences - Budgetary to GAAP: | | |
| Current year non-budgeted transfers treated as revenues for financial reporting purposes but not as budgetary inflows. | | 3,332 |
| Current year non-budgeted transfers treated as expenditures for financial reporting purposes but not as budgetary outflows. | | (10,157) |
| Current year non-budgeted revenues treated as revenues for financial reporting purposes (due to perspective difference) but not as budgetary inflows. | | (16,424) |
| Current year non-budgeted expenditures treated as expenditures for financial reporting purposes (due to perspective difference) but not as budgetary outflows. | | <u>12,604</u> |
| Net Change in Fund Balance (GAAP Basis) | \$ | <u>36,213</u> |

(Concluded)

CITY OF FORT WORTH, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2021
(000's omitted in tables)

ADOPTED BUDGET

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

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

Multi-year project length budgets are adopted for the City's governmental Capital Projects Fund and the Grants Fund in accordance with the City's *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, Lancaster Corridor LLC, and Alliance Airport Authority. Budgets for the Grants Fund are established pursuant to the terms of the related Federal, State, and local grant awards and are therefore considered a legally adopted budget once the specific appropriation is approved.

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

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

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

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

CITY OF FORT WORTH, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2021
(000's omitted in tables)

BUDGETARY CONTROL

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

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

The overall budget appropriation may be increased via a supplemental appropriation ordinance that allocates funds that are certified as being in excess of those included in the budget and as being otherwise unencumbered. These amendments shall be considered and adopted by the City Council at formal business meetings, except for specific adjustments when limited authority has been delegated to the City Manager as prescribed within the adopted budget ordinance.

The City Manager may transfer part or all of any unencumbered appropriation balance among programs within a department, division, or section upon compliance with such conditions as the City Council has established. Upon request of the City Manager, the City Council may by ordinance transfer part or all of any unencumbered appropriation balance from one department to another. No such transfers shall be made of revenues or earnings of any non-tax supported public entity to any other purpose.

For the General Fund, supplemental appropriations of \$4,868,000 were approved by the City Council. The reported budgetary data includes amendments made during the year. At the close of each fiscal year, any appropriated balance in the General Fund lapses to fund balance. Multi-year project length budget appropriations are automatically carried over into the next fiscal year.

BUDGET PROCESS

The City adheres to the following procedures for establishing the operating budget:

On or before August 15 of each year, the City Manager submits to the City Council a proposed budget for the fiscal year beginning the following October 1. The operating budget includes proposed expenditures and the means of financing them. Public hearing is conducted. The budget is legally enacted by the City Council through the passage of appropriations and the tax levying ordinances prior to September 30 and is published under a separate cover.

**CITY OF FORT WORTH, TEXAS
 REQUIRED SUPPLEMENTARY INFORMATION
 EMPLOYEES' RETIREMENT FUND
 SCHEDULE OF CITY CONTRIBUTIONS TO THE RETIREMENT FUND
 – LAST TEN FISCAL YEARS
 SEPTEMBER 30, 2021
 (in 000's)**

| Year Ended September 30, | Actuarially Determined Contributions* | Contributions in Relation to the Actuarially Determined Contributions | Contribution Deficiency (Excess) | Covered Payroll** | Contributions as a Percentage of Covered Payroll |
|-------------------------------------|--|--|---|------------------------------|---|
| 2012 | (Historical information prior to implementation of GASB 67/68 is not required) | | | | |
| 2013 | | | | | |
| 2014 | \$ 82,938 | \$ 78,165 | \$ 4,773 | \$ 390,128 | 20.0% |
| 2015 | 93,563 | 80,821 | 12,742 | 403,772 | 20.0% |
| 2016 | 101,340 | 84,747 | 16,593 | 422,977 | 20.0% |
| 2017 | 112,185 | 89,408 | 22,777 | 448,313 | 19.9% |
| 2018 | 131,766 | 93,504 | 38,262 | 468,803 | 19.9% |
| 2019 | 136,168 | 113,110 | 23,058 | 481,898 | 23.5% |
| 2020 | 160,159 | 124,744 | 35,415 | 524,728 | 23.8% |
| 2021 | 165,707 | 128,046 | 37,661 | 537,134 | 23.8% |

**The Actuarially Determined Contribution is equal to the total calculated contribution rate in the prior actuarial valuation, minus the portion expected to be covered by employee contributions, multiplied by the covered payroll. City and Member rates are established by ordinance.*

***Covered payroll is the actual payroll on which contributions are based.*

**CITY OF FORT WORTH, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
EMPLOYEES' RETIREMENT FUND
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
- LAST TEN FISCAL YEARS
SEPTEMBER 30, 2021
(IN 000'S)**

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014* |
|---|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Total Pension Liability | | | | | | | |
| Service Cost | 70,650 | 111,951 | 113,947 | 123,793 | 98,173 | 85,593 | 92,189 |
| Interest | 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 | (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 | (230,965) | (227,239) | (217,802) | (198,612) | (185,820) | (167,066) | (161,159) |
| Net Change in Total Pension Liability | 156,106 | (850,692) | 67,913 | 36,393 | 1,190,964 | 516,669 | 168,968 |
| Total Pension Liability - Beginning | 4,571,921 | 5,422,613 | 5,354,700 | 5,318,307 | 4,127,343 | 3,610,674 | 3,441,706 |
| Total Pension Liability - Ending (a) | 4,728,027 | 4,571,921 | 5,422,613 | 5,354,700 | 5,318,307 | 4,127,343 | 3,610,674 |
| Plan Fiduciary Net Pension | | | | | | | |
| Contributions - Employer | 124,744 | 113,110 | 93,504 | 89,408 | 84,747 | 80,820 | 78,165 |
| Contributions - Employee | 56,251 | 40,635 | 37,618 | 35,963 | 33,977 | 32,542 | 31,929 |
| Net Investment Income | 110,571 | 67,729 | 145,408 | 250,913 | 166,306 | (20,635) | 159,994 |
| Benefit Payments, Including Refunds of Employee Contributions | (230,965) | (227,239) | (217,802) | (198,612) | (185,820) | (167,066) | (161,159) |
| Administrative Expense | (5,303) | (5,707) | (4,915) | (4,867) | (4,522) | (3,823) | (3,739) |
| Other | - | - | - | - | (241) | (143) | (130) |
| Net Change in Plan Fiduciary Net Position | 55,298 | (11,472) | 53,813 | 172,805 | 94,447 | (78,305) | 105,060 |
| Plan Fiduciary Net Position - Beginning | 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) | 2,368,161 | 2,312,863 | 2,324,335 | 2,270,522 | 2,097,717 | 2,003,270 | 2,081,575 |
| Net Pension Liability - Ending (a) - (b) | 2,359,866 | 2,259,058 | 3,098,278 | 3,084,178 | 3,220,590 | 2,124,073 | 1,529,099 |
| Plan Fiduciary Net Position as a % of the Total Pension Liability | 50.09 | 50.59 | 42.86 | 42.40 | 39.44 | 48.54 | 57.65 |
| Covered Payroll | 524,728 | 481,898 | 468,803 | 448,313 | 422,977 | 403,772 | 390,128 |
| Net Pension Liability as a % of Covered Payroll | 449.73 | 468.78 | 660.89 | 687.95 | 761.41 | 526.06 | 391.95 |

*Historical information prior to implementation of GASB 67/68 is not required.

Notes to Schedule:

Changes of assumptions each year include the change in the blended discount rate. The blended discount rates for 2014, 2015, 2016, 2017, and 2018 were 6.98%, 6.25%, 4.71%, 5.13%, and 5.35% respectively. As of FY2020, the blended discount rate was discontinued and a single discount was included in the assumptions at 7.00%.

Benefits changes:

FY2014 - The benefits for Municipal Employees hired before July 1, 2011, and Police Officers hired before January 1, 2013 (Groups I and III) were bifurcated effective October 1, 2013. Prospectively, the benefit multiplier changed from 3.00% to 2.50% for standard pension benefits and from 2.75% to 2.25% for early retirement, non-duty death, and non-duty disability benefits. The compensation base was extended from the highest three years to the highest five years, and overtime earnings are now excluded. Benefits earned on or after October 1, 2013, are subject to an annual 2.00% simple COLA, rather than an ad-hoc COLA.

FY2015 - The benefits for Firefighters hired before January 10, 2015 (Group II) were bifurcated effective January 10, 2015. Prospectively, the benefit multiplier changed from 3.00% to 2.50% for standard pension benefits and from 2.75% to 2.25% for early retirement, non-duty death and non-duty disability benefits. The compensation base was extended from the highest three years to the highest five years, and overtime earnings are now excluded (except built-in overtime, assumed to be 6.50% of base pay). Benefits earned on or after January 10, 2015, are subject to an annual 2.00% simple COLA, rather than an ad-hoc COLA.

**CITY OF FORT WORTH, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
EMPLOYEES' RETIREMENT FUND
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
- LAST TEN FISCAL YEARS
SEPTEMBER 30, 2021
(IN 000'S)**

Notes to Schedule: (continued)

FY2016 - A comprehensive Actuarial Experience Review, covering the period January 1, 2013, through December 31, 2015, was completed in March 2016. As a result of that study, the following assumption changes were approved by the Retirement Board:

- The mortality assumption for active and inactive vested participants was changed from the RP-2000 Combined Healthy Mortality Table, set forward one year to the RP-2014 Employee Mortality Table.
- The post-retirement mortality assumption for healthy annuitants was changed from the RP-2000 Combined Healthy Mortality Table, set forward one year to the RP-2014 Healthy Annuitant Mortality Table, set forward three years.
- Coordinating with the mortality assumption for healthy lives, the mortality assumption for disabled retirees was changed from the RP-2000 Disabled Retiree Mortality Table, reduced by 20% for males and loaded by 50% for females to the RP-2014 Disabled Retiree Mortality Table.
- The generational projection scale was changed from Scale AA to the MP-2015 improvement scale.
- The assumption for deaths in the line of duty for Police Officers was reduced from 25% to 10% of all active deaths.
- The investment return assumption was lowered from 8.00% to 7.75%.
- Administrative expense assumption of \$3,000,000 was introduced and the inflation assumption was lowered from 3.00% to 2.75%.
- The payroll growth rate assumption (used for determining the amortization of the unfunded actuarial accrued liability) was lowered from 3.25% to 3.00%.
- While maintaining the existing service-based tables, the salary scale was adjusted to better match observed experience. The inflation component was lowered from 3.50% per year for all to 3.00% per year for General Employees and Firefighters and lowered to 2.75% per year for Police Officers.
- The retirement rates for General Employees who retire early with reduced benefits were adjusted to match observed experience.
- The unreduced retirement rates were restructured to be based on eligibility for Normal Retirement for all groups and the assumed retirement rates for non-DROP participants were updated.
- A retirement assumption for DROP participants was introduced to reflect that all DROP participants will enter at first eligibility and retire at the end of the assumed DROP period.
- The DROP utilization assumption was lowered by 5% for Police Officers and current disability rates were lowered by 50%.
- The gender-distinct five-year select-and-ultimate turnover tables were modified for General Employees with increased rates for non-vested and vested males only. The service-based withdrawal rates for Police Officers and Firefighters were lowered to reflect observed experience.
- The assumed marriage percentage assumption was lowered from 90% to 80% for males and to 60% for females.
- The spousal age difference was changed from assuming females are three years younger than males to the spouse being four years younger for male participants and the same age for female participants.
- The overtime and other payloads (Blue benefits only) were lowered for Police Officers by 1.00% and 1.25% for Firefighters.
- The load on final average salary for General Employees was eliminated. The load for Police Officers was lowered from 2.75% to 2.00% while the load for Firefighters was increased from 4.00% to 5.00%.
- The sick leave service conversion load for General Employees and Firefighters was increased by 0.50% and 1.0%, respectively.

FY2019 - The changed as follows:

- Increase to the City contribution rate by 4.50% of pay, effective January 2019,
- Increase to the member contribution rate by 1.1% of pay for all General Employees, effective July 2019,
- Increase to the member contribution rate by an additional 0.7% of pay for a period equal to the period of blue service for each individual General Employee, effective July, 2019,
- Extend maximum DROP period to six years, and new categories for Gray member benefits and services were introduced; please refer to Note I - Summary of Plan Provision for further details.

FY2020 - The changed as follows:

- The 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 POSTEMPLOYMENT BENEFITS
SCHEDULE OF CHANGES IN THE CITY'S NET OPEB LIABILITY AND RELATED RATIOS
-LAST TEN FISCAL YEARS
SEPTEMBER 30, 2021
(in 000's)

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016*</u> |
|--|-----------------------|-------------------------|-----------------------|-----------------------|--------------|
| Total OPEB Liability | | | | | |
| Service Cost | 26,584 | 26,165 | 29,287 | 33,369 | |
| Interest | 28,858 | 32,803 | 33,005 | 30,961 | |
| Differences Between Expected and Actual Experience | (139,352) | 10,083 | (84,468) | (28,736) | |
| Change of Assumptions | 64,232 | 151,407 | (44,046) | (64,270) | |
| Benefit Payments, Including Refunds of Employee Contributions | <u>(39,954)</u> | <u>(30,222)</u> | <u>(18,956)</u> | <u>(27,064)</u> | |
| Net Change in Total OPEB Liability | (59,632) | 190,236 | (85,178) | (55,740) | |
| Total OPEB Liability - Beginning | <u>1,057,216</u> | <u>866,980</u> | <u>952,158</u> | <u>1,007,898</u> | |
| Total OPEB Liability - Ending (a) | <u><u>997,584</u></u> | <u><u>1,057,216</u></u> | <u><u>866,980</u></u> | <u><u>952,158</u></u> | |
| OPEB Plan Fiduciary Net Position | | | | | |
| Contributions - Employer | 32,856 | 33,144 | 25,297 | 26,641 | |
| Contributions - Employee | 5,420 | 3,814 | | | |
| Net Investment Income | 5,909 | 5,588 | 1,908 | 3,488 | |
| Benefit Payments, Including Refunds of Employee Contributions | <u>(39,954)</u> | <u>(30,222)</u> | <u>(18,956)</u> | <u>(27,064)</u> | |
| Administrative Expense | <u>(2,217)</u> | <u>(1,711)</u> | <u>(1,352)</u> | <u>(1,351)</u> | |
| Other | 5,337 | | | | |
| Net Change in Plan Fiduciary Net Position | 7,351 | 10,613 | 6,897 | 1,714 | |
| OPEB Plan Fiduciary Net Position - Beginning | <u>86,338</u> | <u>75,725</u> | <u>68,828</u> | <u>67,114</u> | |
| OPEB Plan Fiduciary Net Position - Ending (b) | <u><u>93,689</u></u> | <u><u>86,338</u></u> | <u><u>75,725</u></u> | <u><u>68,828</u></u> | |
| Net OPEB Liability - Ending (a) - (b) | <u><u>903,895</u></u> | <u><u>970,878</u></u> | <u><u>791,255</u></u> | <u><u>883,330</u></u> | |
| Plan Fiduciary Net Position as a % of the Total OPEB Liability | 9.39 | 8.17 | 8.73 | 7.23 | |
| Covered Employee Payroll ** | 275,316 | 276,075 | 294,960 | 302,434 | |
| Net OPEB Liability as a % of Covered Employee Payroll | 328.31 | 351.67 | 268.26 | 292.07 | |

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

** Covered Employee Payroll - Payroll of employees that are provided with OPEB through the OPEB plan.

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 blended discount rates for measurement date September 30, 2017, 2018, 2019, and 2020 were 3.53%, 3.86%, 2.75%, and 2.44% respectively. As of 01/01/2019, the firefighters' union local 440 splits from the rest of the City and formed their own plan. All current and futures retirees are covered under that separate plan. However, because of the limited claims experience under that plan, their claims cost was assumed to be the same as the rest of the City. All other assumptions (mortality, turnovers, retirement rates, eligibility) was assumed to remain the same. Their numbers were valued separately and then rolled up into the City's.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Debt Service Fund

The Debt Service Fund accounts for the accumulation of financial resources for the payment of principal, interest and related costs on long-term obligations paid primarily from taxes levied by the City. The fund balance of the Debt Service Fund is reserved to signify the amounts that are restricted exclusively for debt service expenditures. It comprises four funds: General Debt Service Fund, Culture and Tourism Debt Service Fund, Venue Debt Service Fund, and Rock Creek PID Debt Service Fund. In addition, long-term obligations that are paid with special assessments or fund revenues are included in this fund.

**CITY OF FORT WORTH, TEXAS
 BUDGETARY COMPARISON SCHEDULE
 DEBT SERVICE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2021
 (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 | \$ 114,944 | \$ 114,944 | \$ 117,134 | \$ 2,190 |
| Revenue from Use of Money and Property | 4,397 | 4,397 | 6,941 | 2,544 |
| Total Revenues | <u>119,341</u> | <u>119,341</u> | <u>124,075</u> | <u>4,734</u> |
| Other Financing Sources: | | | | |
| Issuance of Bonds/Premium | - | 111,400 | 110,697 | (703) |
| Transfers In | 24,472 | 18,545 | 18,545 | - |
| Total Other Financing Sources | <u>24,472</u> | <u>129,945</u> | <u>129,242</u> | <u>(703)</u> |
| Total Revenues and Other Financing Sources | <u>143,813</u> | <u>249,286</u> | <u>253,317</u> | <u>4,031</u> |
| Expenditures: | | | | |
| Departmental: | | | | |
| Financial Management Services | <u>145,010</u> | <u>262,624</u> | <u>260,424</u> | <u>2,200</u> |
| Contribution to / (Use of) Fund Balance | <u>\$ (1,197)</u> | <u>\$ (13,338)</u> | <u>\$ (7,107)</u> | <u>\$ 6,231</u> |
| Explanation of Differences Between Contribution to / (Use of) Fund Balance and GAAP Net Change in Fund Balance | | | | |
| Contribution to / (Use of) Fund Balance | | | \$ (7,107) | |
| 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. | | | 2 | |
| 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. | | | <u>(832)</u> | |
| Net Change in Fund Balance (GAAP Basis) | | | <u>\$ (7,937)</u> | |



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), Lone Star Local Development Corporation (used for the construction of a museum, exhibition space, and certain public infrastructure in the vicinity of Cabela's retail facility), and Alliance Airport Authority, Inc. (which was created for the promotion and development of new and expanded business enterprises at Alliance Airport and to promote and encourage employment and public welfare). The Fort Worth Tourism PID Corporation (created to increase the economic impact and enhance competitiveness in tourism activities throughout the city that will benefit the participating hotels) was previously reported as an other blended component unit fund and was transferred to the Public Improvement Districts Funds in FY2021.

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, 2021
(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 | \$ 35,823 | \$ 3,145 | \$ 12,853 | \$ 10,961 | \$ 12,678 | \$ 25,933 |
| Cash, Cash Equivalents, & Investments Held by Trustees | - | - | - | - | 924 | - |
| Receivables, Net of Allowance for Uncollectible: | | | | | | |
| Grants and Other Governments | 16,286 | 186 | - | - | - | 41 |
| Interest | 67 | 7 | 4,289 | - | 13 | - |
| Accounts and Other | 1,363 | 289 | 2,210 | - | - | 5,249 |
| Inventories (at Cost) | - | - | 2,136 | 187 | - | - |
| Prepays, Deposits, and Other | - | - | 1 | - | - | 138 |
| Long-Term Loans Receivable | - | - | - | - | - | - |
| Total Assets | <u>\$ 53,539</u> | <u>\$ 3,627</u> | <u>\$ 21,489</u> | <u>\$ 11,148</u> | <u>\$ 13,615</u> | <u>\$ 31,361</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICIT) | | | | | | |
| Liabilities | | | | | | |
| Accounts Payable | \$ 1,854 | \$ 124 | \$ 637 | \$ - | \$ 1,111 | \$ 1,654 |
| Accrued Payroll | 1,572 | 105 | - | - | 14 | 297 |
| Other | - | - | - | - | - | 8 |
| Unearned Revenue | - | - | - | - | - | 1,283 |
| Total Liabilities | <u>3,426</u> | <u>229</u> | <u>637</u> | <u>-</u> | <u>1,125</u> | <u>3,242</u> |
| Deferred Inflows of Resources | <u>449</u> | <u>-</u> | <u>4,283</u> | <u>-</u> | <u>-</u> | <u>945</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>3,875</u> | <u>229</u> | <u>4,920</u> | <u>-</u> | <u>1,125</u> | <u>4,187</u> |
| Fund Balances (Deficit): | | | | | | |
| Nonspendable | - | - | 2,137 | 187 | - | 138 |
| Restricted | 39,944 | 3,398 | - | - | 5,807 | 7,928 |
| Committed | 8,150 | - | - | - | 378 | 500 |
| Assigned | 1,571 | - | 14,432 | 10,961 | 6,305 | 18,608 |
| Total Fund Balances | <u>49,665</u> | <u>3,398</u> | <u>16,569</u> | <u>11,148</u> | <u>12,490</u> | <u>27,174</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit) | <u>\$ 53,540</u> | <u>\$ 3,627</u> | <u>\$ 21,489</u> | <u>\$ 11,148</u> | <u>\$ 13,615</u> | <u>\$ 31,361</u> |

| Other Blended Component Units | Special Revenue Funds | | | | Golf | Special Revenue Funds Subtotal | Capital Project Funds | Total Nonmajor Governmental Funds |
|-------------------------------|-----------------------|------------------------------|-------------------------------------|-------------------------------|-------------------|--------------------------------|-----------------------|-----------------------------------|
| | Other Special Revenue | Public Improvement Districts | Taxing Increment Reinvestment Zones | Other Blended Component Units | | | | |
| \$ 1,984 | \$ 8,439 | \$ 8,324 | \$ 71,906 | \$ 1,791 | \$ 193,837 | \$ 1,331 | \$ 195,168 | |
| - | - | 2,005 | - | - | 2,929 | - | 2,929 | |
| - | - | - | 1,220 | - | 17,733 | - | 17,733 | |
| - | 12 | 7 | 132 | - | 4,527 | - | 4,527 | |
| 100 | 3,723 | 588 | - | - | 13,522 | - | 13,522 | |
| - | - | - | - | 39 | 2,362 | - | 2,362 | |
| - | - | - | - | 8 | 147 | - | 147 | |
| - | - | - | 439 | - | 439 | - | 439 | |
| <u>\$ 2,084</u> | <u>\$ 12,174</u> | <u>\$ 10,924</u> | <u>\$ 73,697</u> | <u>\$ 1,838</u> | <u>\$ 235,496</u> | <u>\$ 1,331</u> | <u>\$ 236,827</u> | |
| \$ 75 | \$ 1,517 | \$ 1,493 | \$ 1,240 | \$ 226 | \$ 9,931 | \$ 9 | \$ 9,940 | |
| - | - | - | - | 93 | 2,081 | - | 2,081 | |
| - | 84 | - | - | - | 92 | - | 92 | |
| 25 | 135 | - | - | - | 1,443 | - | 1,443 | |
| <u>100</u> | <u>1,736</u> | <u>1,493</u> | <u>1,240</u> | <u>319</u> | <u>13,547</u> | <u>9</u> | <u>13,556</u> | |
| - | 1,647 | - | 1,220 | - | 8,544 | - | 8,544 | |
| <u>100</u> | <u>3,383</u> | <u>1,493</u> | <u>2,460</u> | <u>319</u> | <u>22,091</u> | <u>9</u> | <u>22,100</u> | |
| - | - | - | - | 47 | 2,509 | - | 2,509 | |
| - | 4,976 | 8,451 | 67,758 | - | 138,262 | - | 138,262 | |
| - | - | - | - | - | 9,028 | - | 9,028 | |
| 1,984 | 3,815 | 980 | 3,479 | 1,472 | 63,607 | 1,322 | 64,929 | |
| <u>1,984</u> | <u>8,791</u> | <u>9,431</u> | <u>71,237</u> | <u>1,519</u> | <u>213,406</u> | <u>1,322</u> | <u>214,728</u> | |
| <u>\$ 2,084</u> | <u>\$ 12,174</u> | <u>\$ 10,924</u> | <u>\$ 73,697</u> | <u>\$ 1,838</u> | <u>\$ 235,497</u> | <u>\$ 1,331</u> | <u>\$ 236,828</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, 2021
(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 | 89,779 | - | - | - | - | - |
| Other Local Taxes | - | - | - | - | - | 26,489 |
| Charges for Services | - | 4,871 | - | - | 1,075 | 4,273 |
| Licenses and Permits | - | - | - | - | - | 9 |
| Revenue from Use of Money and Property | - | - | - | 687 | - | 6,515 |
| Investment Income (Loss) | (137) | (68) | 58 | 25 | 55 | (477) |
| Intergovernmental | 6,683 | - | - | - | 824 | 4,907 |
| Gas Leases and Royalties | - | - | 73 | 22 | 10 | - |
| Other | 58 | 46 | 1,747 | 249 | 60 | 1,803 |
| Contributions | 1 | - | - | - | 417 | 800 |
| Total Revenues | <u>96,384</u> | <u>4,849</u> | <u>1,878</u> | <u>983</u> | <u>2,441</u> | <u>44,319</u> |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| General Government | - | - | - | - | 299 | - |
| Public Safety | 60,018 | 3,340 | - | - | 740 | - |
| Culture and Recreation | 990 | - | - | - | 1,011 | 28,632 |
| Urban Redevelopment and Housing | 603 | - | 1,121 | 1,517 | 9 | - |
| Capital Outlay | - | - | - | - | - | - |
| Debt Service: | | | | | | |
| Principal Retirement | - | - | - | 309 | - | 450 |
| Interest and Debt Issuance Costs | - | - | - | - | - | - |
| Total Expenditures | <u>61,611</u> | <u>3,340</u> | <u>1,121</u> | <u>1,826</u> | <u>2,059</u> | <u>29,082</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>34,773</u> | <u>1,509</u> | <u>757</u> | <u>(843)</u> | <u>382</u> | <u>15,237</u> |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Proceeds from Construction Loans | - | - | - | - | - | - |
| Proceeds from Disposal of Property | 959 | 1 | - | 10,939 | 1 | 47 |
| Transfers In | 1,260 | - | - | - | - | 2,883 |
| Transfers Out | (15,965) | (779) | - | (293) | (607) | (16,647) |
| Total Other Financing Sources (Uses) | <u>(13,746)</u> | <u>(778)</u> | <u>-</u> | <u>10,646</u> | <u>(606)</u> | <u>(13,717)</u> |
| Net Change in Fund Balances (Deficit) | 21,027 | 731 | 757 | 9,803 | (224) | 1,520 |
| Fund Balances, Beginning of Year | 28,638 | 2,667 | 15,812 | 1,345 | 12,714 | 25,654 |
| Fund Balances, End of Year | <u>\$ 49,665</u> | <u>\$ 3,398</u> | <u>\$ 16,569</u> | <u>\$ 11,148</u> | <u>\$ 12,490</u> | <u>\$ 27,174</u> |

| Other Blended Component Units | Other Special Revenue | Special Revenue Funds | | | Special Revenue Funds Subtotal | Capital Project Funds | Total Nonmajor Governmental Funds |
|-------------------------------|-----------------------|------------------------------|-------------------------------------|-----------------|--------------------------------|-------------------------------|-----------------------------------|
| | | Public Improvement Districts | Taxing Increment Reinvestment Zones | Golf | | Other Blended Component Units | |
| \$ - | \$ - | \$ - | \$ 20,569 | \$ - | \$ 20,569 | \$ - | \$ 20,569 |
| - | - | - | - | - | 89,779 | - | 89,779 |
| - | - | - | - | - | 26,489 | - | 26,489 |
| - | 412 | - | - | 5,463 | 16,094 | - | 16,094 |
| - | - | - | - | - | 9 | - | 9 |
| - | 1,715 | - | - | - | 8,917 | - | 8,917 |
| - | 49 | 44 | 560 | 4 | 113 | - | 113 |
| 100 | - | - | 13,041 | - | 25,555 | - | 25,555 |
| 210 | - | - | - | - | 315 | 2 | 317 |
| - | 3,704 | 13,511 | 185 | 14 | 21,377 | 10 | 21,387 |
| - | 1,000 | - | - | - | 2,218 | 75 | 2,293 |
| <u>310</u> | <u>6,880</u> | <u>13,555</u> | <u>34,355</u> | <u>5,481</u> | <u>211,435</u> | <u>87</u> | <u>211,522</u> |
| - | 5,325 | 11,917 | - | - | 17,541 | - | 17,541 |
| - | - | - | - | - | 64,098 | - | 64,098 |
| - | - | - | - | 4,711 | 35,344 | - | 35,344 |
| 80 | - | - | 8,692 | - | 12,022 | 87 | 12,109 |
| - | 1,676 | - | - | - | 1,676 | - | 1,676 |
| - | - | - | 7,179 | 129 | 8,067 | - | 8,067 |
| 1,119 | - | - | - | 4 | 1,123 | - | 1,123 |
| <u>1,199</u> | <u>7,001</u> | <u>11,917</u> | <u>15,871</u> | <u>4,844</u> | <u>139,871</u> | <u>87</u> | <u>139,958</u> |
| <u>(889)</u> | <u>(121)</u> | <u>1,638</u> | <u>18,484</u> | <u>637</u> | <u>71,564</u> | <u>-</u> | <u>71,564</u> |
| - | - | - | 4,109 | - | 4,109 | - | 4,109 |
| - | - | - | - | - | 11,947 | - | 11,947 |
| 1,119 | - | 3,471 | 881 | 395 | 10,009 | - | 10,009 |
| (3,468) | (2,480) | (220) | (5,931) | (379) | (46,769) | - | (46,769) |
| <u>(2,349)</u> | <u>(2,480)</u> | <u>3,251</u> | <u>(941)</u> | <u>16</u> | <u>(20,704)</u> | <u>-</u> | <u>(20,704)</u> |
| (3,238) | (2,601) | 4,889 | 17,543 | 653 | 50,860 | - | 50,860 |
| 5,222 | 11,392 | 4,542 | 53,694 | 866 | 162,546 | 1,322 | 163,868 |
| <u>\$ 1,984</u> | <u>\$ 8,791</u> | <u>\$ 9,431</u> | <u>\$ 71,237</u> | <u>\$ 1,519</u> | <u>\$ 213,406</u> | <u>\$ 1,322</u> | <u>\$ 214,728</u> |

**CITY OF FORT WORTH, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - OTHER BLENDED COMPONENT UNITS
SEPTEMBER 30, 2021
(in 000's)**

| | Special Revenue Funds | | | | Total |
|---|---|--|---|---|-----------------|
| | Fort Worth Tourism PID Corporation | Fort Worth Sports Authority, Inc. | Lone Star Local Government Corporation | Alliance Airport Authority | |
| ASSETS | | | | | |
| Cash, Cash Equivalents, & Investments | \$ - | \$ 1,984 | \$ - | \$ - | \$ 1,984 |
| Receivables, Net of Allowance for Uncollectibles: | | | | | |
| Accounts and Other | - | 100 | - | - | 100 |
| Total Assets | \$ - | \$ 2,084 | \$ - | \$ - | \$ 2,084 |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities | | | | | |
| Accounts Payable | \$ - | \$ 75 | \$ - | \$ - | \$ 75 |
| Unearned Revenue | - | 25 | - | - | 25 |
| Total Liabilities | - | 100 | - | - | 100 |
| Total Liabilities | - | 100 | - | - | 100 |
| Fund Balances: | | | | | |
| Assigned | - | 1,984 | - | - | 1,984 |
| Total Fund Balances | - | 1,984 | - | - | 1,984 |
| Total Liabilities and Fund Balances | \$ - | \$ 2,084 | \$ - | \$ - | \$ 2,084 |

**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, 2021
(in 000's)**

| | Special Revenue Funds | | | | Total |
|--|---|--|---|---|-----------------|
| | Fort Worth Tourism PID Corporation | Fort Worth Sports Authority, Inc. | Lone Star Local Government Corporation | Alliance Airport Authority | |
| REVENUES: | | | | | |
| Intergovernmental | \$ - | \$ 100 | \$ - | \$ - | \$ 100 |
| Gas Leases and Royalties | - | 181 | - | 29 | 210 |
| Total Revenues | <u>-</u> | <u>281</u> | <u>-</u> | <u>29</u> | <u>310</u> |
| EXPENDITURES: | | | | | |
| Current: | | | | | |
| Urban Redevelopment and Housing | - | 80 | - | - | 80 |
| Interest and Debt Issuance Costs | - | - | 1,119 | - | 1,119 |
| Total Expenditures | <u>-</u> | <u>80</u> | <u>1,119</u> | <u>-</u> | <u>1,199</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>-</u> | <u>201</u> | <u>(1,119)</u> | <u>29</u> | <u>(889)</u> |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Transfers In | - | - | 1,119 | - | 1,119 |
| Transfers Out | <u>(2,702)</u> | <u>-</u> | <u>-</u> | <u>(766)</u> | <u>(3,468)</u> |
| Total Other Financing Sources (Uses) | <u>(2,702)</u> | <u>-</u> | <u>1,119</u> | <u>(766)</u> | <u>(2,349)</u> |
| Net Change in Fund Balances (Deficit) | <u>(2,702)</u> | <u>201</u> | <u>-</u> | <u>(737)</u> | <u>(3,238)</u> |
| Fund Balances, Beginning of Year | <u>2,702</u> | <u>1,783</u> | <u>-</u> | <u>737</u> | <u>5,222</u> |
| Fund Balances, End of Year | <u>\$ -</u> | <u>\$ 1,984</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,984</u> |

**CITY OF FORT WORTH, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS - OTHER BLENDED COMPONENT UNITS
 SEPTEMBER 30, 2021
 (in 000's)**

| | <u>Capital Project Funds</u> | | |
|--|--|---|-----------------|
| | <u>Lancaster Corridor Redevelopment, LLC</u> | <u>Fort Worth Central City Local Government Corporation</u> | <u>Total</u> |
| ASSETS | | | |
| Cash, Cash Equivalents, & Investments | \$ 1,300 | \$ 31 | \$ 1,331 |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts Payable | \$ - | \$ 9 | \$ 9 |
| Fund Balances: | | | |
| Assigned | 1,300 | 22 | 1,322 |
| Total Liabilities and Fund Balances | <u>\$ 1,300</u> | <u>\$ 31</u> | <u>\$ 1,331</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, 2021
 (in 000's)**

| | <u>Capital Project Funds</u> | | |
|---|--|---|-----------------|
| | <u>Lancaster Corridor Redevelopment, LLC</u> | <u>Fort Worth Central City Local Government Corporation</u> | <u>Total</u> |
| REVENUES: | | | |
| Gas Leases and Royalties | \$ - | \$ 2 | \$ 2 |
| Other | - | 10 | 10 |
| Contributions | - | 75 | 75 |
| Total Revenues | <u>-</u> | <u>87</u> | <u>87</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| Urban Redevelopment and Housing | - | 87 | 87 |
| Total Expenses | <u>-</u> | <u>87</u> | <u>87</u> |
| Fund Balance (Deficit), Beginning of Year | <u>1,300</u> | <u>22</u> | <u>1,322</u> |
| Fund Balance, End of Year | <u>\$ 1,300</u> | <u>\$ 22</u> | <u>\$ 1,322</u> |

**CITY OF FORT WORTH, TEXAS
 BUDGETARY COMPARISON SCHEDULE
 CRIME CONTROL AND PREVENTION DISTRICT FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2021
 (in 000's)**

| | Budgeted Amounts | | Budgetary Basis Actual | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|---------------|---------------------------------------|---|
| | Original | Final | | |
| Revenues and Other Financing Sources: | | | | |
| Revenues: | | | | |
| Sales Taxes | \$ 79,214 | \$ 79,214 | \$ 89,779 | \$ 10,565 |
| Revenue from Use of Money and Property | 130 | 130 | 263 | 133 |
| Intergovernmental | 6,798 | 6,798 | 6,683 | (115) |
| Other | 147 | 147 | 59 | (88) |
| Total Revenues | <u>86,289</u> | <u>86,289</u> | <u>96,784</u> | <u>10,495</u> |
| Other Financing Sources: | | | | |
| Proceeds from Disposal of Property | 281 | 281 | 959 | 678 |
| Total Revenues and Other Financing Sources | <u>86,570</u> | <u>86,570</u> | <u>97,743</u> | <u>11,173</u> |
| Expenditures: | | | | |
| Departmental: | | | | |
| Neighborhood Services | 848 | 848 | 603 | 245 |
| Park and Recreation | 1,278 | 1,278 | 1,154 | 124 |
| Police | 84,444 | 84,444 | 75,819 | 8,625 |
| Total Expenditures | <u>86,570</u> | <u>86,570</u> | <u>77,576</u> | <u>8,994</u> |
| Contribution to / (Use of) Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 20,167</u> | <u>\$ 20,167</u> |
| Explanation of Differences Between Contribution to / (Use of) Fund Balance and GAAP Net Change in Fund Balance | | | | |
| Contribution to / (Use of) Fund Balance (Budgetary Basis) | | | \$ 20,167 | |
| 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. | | | 1,260 | |
| Current year non-budgeted revenues treated as revenues for financial reporting purposes (due to perspective difference) but not as budgetary inflows. | | | <u>(400)</u> | |
| Net Change in Fund Balance (GAAP Basis) | | | <u>\$ 21,027</u> | |

**CITY OF FORT WORTH, TEXAS
 BUDGETARY COMPARISON SCHEDULE
 ENVIRONMENTAL MANAGEMENT FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2021
 (in 000's)**

| | Budgeted Amounts | | Budgetary Basis Actual | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|---------------|---------------------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Revenues: | | | | |
| Charges for Services | \$ 4,352 | \$ 4,352 | \$ 4,871 | \$ 519 |
| Revenue from Use of Money and Property | 56 | 56 | 29 | (27) |
| Other | - | - | 46 | 46 |
| Total Revenues | <u>4,408</u> | <u>4,408</u> | <u>4,946</u> | <u>538</u> |
| Expenditures: | | | | |
| Departmental: | | | | |
| Code Compliance | <u>4,168</u> | <u>4,168</u> | <u>4,119</u> | <u>49</u> |
| Contribution to / (Use of) Fund Balance | <u>\$ 240</u> | <u>\$ 240</u> | <u>\$ 827</u> | <u>\$ 587</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) | \$ 827 |
| Differences - Budgetary to GAAP: | |
| Current year non-budgeted revenues treated as revenues for financial reporting purposes (due to perspective difference) but not as budgetary inflows. | <u>(96)</u> |
| Net Change in Fund Balance (GAAP Basis) | <u>\$ 731</u> |

**CITY OF FORT WORTH, TEXAS
 BUDGETARY COMPARISON SCHEDULE
 CULTURE AND TOURISM FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2021
 (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 | \$ 32,465 | \$ 26,752 | \$ 26,674 | \$ (78) |
| Charges for Services | 3,991 | 3,714 | 4,273 | 559 |
| Licenses and Permits | 16 | 16 | 9 | (7) |
| Revenue from Use of Money and Property | 7,644 | 7,215 | 7,383 | 168 |
| Intergovernmental | 8,160 | 1,500 | 4,907 | 3,407 |
| Other | 1,767 | 1,323 | 1,805 | 482 |
| Total Revenues | <u>54,043</u> | <u>40,520</u> | <u>45,051</u> | <u>4,531</u> |
| Other Financing Sources: | | | | |
| Transfers In | <u>2,400</u> | <u>2,400</u> | <u>2,883</u> | <u>483</u> |
| Total Revenues and Other Financing Sources | <u>56,443</u> | <u>42,920</u> | <u>47,934</u> | <u>5,014</u> |
| Expenditures: | | | | |
| Departmental: | | | | |
| Public Events and Facilities | <u>60,505</u> | <u>51,655</u> | <u>45,729</u> | <u>5,926</u> |
| Contribution to / (Use of) Fund Balance | <u>\$ (4,062)</u> | <u>\$ (8,735)</u> | <u>\$ 2,205</u> | <u>\$ 10,940</u> |
| Explanation of Differences Between Contribution to / (Use of) Fund Balance and GAAP Net Change in Fund Balance | | | | |
| Contribution to / (Use of) Fund Balance (Budgetary Basis) | | | \$ 2,205 | |
| Differences - Budgetary to GAAP: | | | | |
| Current year non-budgeted revenues treated as revenues for financial reporting purposes (due to perspective difference) but not as budgetary inflows. | | | | |
| | | | <u>(685)</u> | |
| Net Change in Fund Balance (GAAP Basis) | | | <u>\$ 1,520</u> | |

**CITY OF FORT WORTH, TEXAS
 BUDGETARY COMPARISON SCHEDULE
 OTHER SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2021
 (in 000's)**

| | Budgeted Amounts | | Budgetary Basis Actual | Variance with Final Budget - Positive (Negative) |
|---|-------------------------|-------------------|---------------------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Revenues: | | | | |
| Charges for Services | \$ 237 | \$ 237 | \$ 412 | \$ 175 |
| Revenue from Use of Money and Property | 1,739 | 2,739 | 2,764 | 25 |
| Other | 2,874 | 2,875 | 3,705 | 830 |
| Total Revenues | 4,850 | 5,851 | 6,881 | 1,030 |
| Expenditures: | | | | |
| Departmental: | | | | |
| Property Management | 5,452 | 7,720 | 7,002 | 718 |
| Transportation and Public Works | - | 2,480 | 2,480 | - |
| Contribution to / (Use of) Fund Balance | \$ (602) | \$ (4,349) | \$ (2,601) | \$ 1,748 |
| 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) | | | \$ (2,601) | |
| Differences - Budgetary to GAAP: | | | | |
| Net Change in Fund Balance (GAAP Basis) | | | \$ (2,601) | |

**CITY OF FORT WORTH, TEXAS
 BUDGETARY COMPARISON SCHEDULE
 PUBLIC IMPROVEMENT DISTRICTS FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2021
 (in 000's)**

| | Budgeted Amounts | | Budgetary Basis Actual | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|---------------|---------------------------------------|---|
| | Original | Final | | |
| Revenues and Other Financing Resources: | | | | |
| Revenues: | | | | |
| Other | \$ 11,963 | \$ 15,134 | \$ 13,541 | \$ (1,593) |
| Other Financing Sources: | | | | |
| Transfers In | 769 | 769 | 3,471 | 2,702 |
| Total Revenues and Other Financing Sources | 12,732 | 15,903 | 17,012 | 1,109 |
| Expenditures: | | | | |
| Departmental: | | | | |
| Financial Management Services | 13,459 | 15,617 | 12,137 | 3,480 |
| Contribution to / (Use of) Fund Balance | \$ (727) | \$ 286 | \$ 4,875 | \$ 4,589 |
| Explanation of Differences Between Contribution to / (Use of) Fund Balance and GAAP Net Change in Fund Balance | | | | |
| Contribution to / (Use of) Fund Balance (Budgetary Basis) | | | \$ 4,875 | |
| 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. | | | 44 | |
| Net Change in Fund Balance (GAAP Basis) | | | \$ 4,919 | |

**CITY OF FORT WORTH, TEXAS
 BUDGETARY COMPARISON SCHEDULE
 GOLF FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2021
 (in 000's)**

| | Budgeted Amounts | | Budgetary Basis Actual | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|-----------------|---------------------------------------|---|
| | Original | Final | | |
| Revenues and Other Financing Sources: | | | | |
| Revenues: | | | | |
| Charges for Services | \$ 4,633 | \$ 4,633 | \$ 5,463 | \$ 830 |
| Other | 4 | 4 | 14 | 10 |
| Total Revenues | <u>4,637</u> | <u>4,637</u> | <u>5,477</u> | <u>840</u> |
| Other Financing Sources: | | | | |
| Transfers In | <u>395</u> | <u>395</u> | <u>395</u> | <u>-</u> |
| Total Revenues and Other Financing Sources | <u>5,032</u> | <u>5,032</u> | <u>5,872</u> | <u>840</u> |
| Expenditures: | | | | |
| Departmental: | | | | |
| Park and Recreation | <u>5,032</u> | <u>5,382</u> | <u>5,224</u> | <u>158</u> |
| Contribution to / (Use of) Fund Balance | <u>\$ -</u> | <u>\$ (350)</u> | <u>\$ 648</u> | <u>\$ 998</u> |

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

| | |
|---|---------------|
| Contribution to / (Use of) Fund Balance (Budgetary Basis) | \$ 648 |
| Differences - Budgetary to GAAP: | |
| Current year non-budgeted revenues treated as revenues for financial reporting purposes (due to perspective difference) but not as budgetary inflows. | 4 |
| Current year non-budgeted expenditures treated as expenditures for financial reporting purposes (due to perspective difference) but not as budgetary outflows. | <u>1</u> |
| Net Change in Fund Balance (GAAP Basis) | <u>\$ 653</u> |



Nonmajor Enterprise Funds

Nonmajor Enterprise Funds are used to account for the acquisition, operation, and maintenance of governmental facilities and services, which are entirely or predominantly self-supported by user charges. The operations of Proprietary Funds are accounted for in such manner as to show a profit or loss similar to comparable private enterprises.

Municipal Airports Fund

The Municipal Airports Fund is used to account for the Meacham, Spinks (South Fort Worth), and Alliance (North Fort Worth) Airport operations. Revenues are derived principally from the hangar and terminal building rental, landing fees, and fuel surcharges.

Municipal Parking Fund

The Municipal Parking Fund is used to account for the operation of the Will Rogers Memorial Center parking system, Taylor Street garage, Convention Center garage, Houston Street garage, Western Heritage garage, 15th Street garage, and several surface lots located in the downtown area, as well as parking meters and parking compliance personnel. The Fund's operations are financed by parking activities and office space rentals.

Solid Waste Fund

The Solid Waste Fund is used to account for solid waste services provided to the residents of the City. The Fund's operations are financed by trash collection utility fees and cart rentals.

CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2021
(in 000's)

| | <u>Municipal Airports</u> | <u>Municipal Parking</u> | <u>Solid Waste</u> | <u>Total</u> |
|--|-------------------------------|------------------------------|------------------------|-------------------|
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Assets | | | | |
| Current Assets: | | | | |
| Cash, Cash Equivalents, & Investments | \$ 4,313 | \$ - | \$ 18,302 | \$ 22,615 |
| Interest Receivable | 31 | - | 41 | 72 |
| Accounts and Other Receivables, Net of Allowance for Uncollectible | 2,036 | 1 | 8,110 | 10,147 |
| Restricted Assets: | | | | |
| Cash & Cash Equivalents | 6,831 | 881 | 1,331 | 9,043 |
| Total Current Assets | <u>13,211</u> | <u>882</u> | <u>27,784</u> | <u>41,877</u> |
| Noncurrent Assets: | | | | |
| Long-Term Loans Receivable | 1,216 | - | - | 1,216 |
| Restricted Assets: | | | | |
| Cash & Cash Equivalents | 21,227 | 1,700 | 10,077 | 33,004 |
| Cash, Cash Equivalents, & Investments Held by Trustees | 48,880 | - | 9,044 | 57,924 |
| Grants Receivable | 4,375 | - | - | 4,375 |
| Interest Receivable | 81 | 3 | 16 | 100 |
| Total Restricted Assets | <u>74,563</u> | <u>1,703</u> | <u>19,137</u> | <u>95,403</u> |
| Capital Assets (at Cost): | | | | |
| Land/Right of Way | 155,610 | 4,096 | 5,695 | 165,401 |
| Buildings | 40,146 | 56,572 | 2,777 | 99,495 |
| Infrastructure | 342,778 | 8,134 | 17,445 | 368,357 |
| Vehicles, Machinery and Equipment | 3,930 | 1,455 | 4,905 | 10,290 |
| Construction in Progress | 13,179 | - | 4,236 | 17,415 |
| Intangibles - Depreciable | - | - | 510 | 510 |
| Intangibles - Non-Depreciable | 1,525 | - | - | 1,525 |
| Accumulated Depreciation | (218,741) | (21,632) | (15,480) | (255,853) |
| Net Capital Assets | <u>338,427</u> | <u>48,625</u> | <u>20,088</u> | <u>407,140</u> |
| Total Noncurrent Assets | <u>414,206</u> | <u>50,328</u> | <u>39,225</u> | <u>503,759</u> |
| Total Assets | <u>427,417</u> | <u>51,210</u> | <u>67,009</u> | <u>545,636</u> |
| Deferred Outflows of Resources | <u>2,734</u> | <u>2,973</u> | <u>10,710</u> | <u>16,417</u> |
| Total Assets and Deferred Outflows of Resources | <u>\$ 430,151</u> | <u>\$ 54,183</u> | <u>\$ 77,719</u> | <u>\$ 562,053</u> |

(continued)

CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2021
(in 000's)

| | <u>Municipal Airports</u> | <u>Municipal Parking</u> | <u>Solid Waste</u> | <u>Total</u> |
|---|-------------------------------|------------------------------|------------------------|-------------------|
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION | | | | |
| Liabilities | | | | |
| Current Liabilities: | | | | |
| Accounts Payable | \$ 550 | \$ 184 | \$ 8,304 | \$ 9,038 |
| Accrued Payroll | 78 | 39 | 238 | 355 |
| Current Portion of Long-Term Liabilities | 89 | 1,813 | 766 | 2,668 |
| Payables from Restricted Assets: | | | | |
| Construction Payable | 6,222 | 3 | 350 | 6,575 |
| Customer Deposits | - | - | 978 | 978 |
| Accrued Interest Payable | - | 105 | 3 | 108 |
| Unearned Revenue | 609 | 773 | - | 1,382 |
| Total Current Liabilities | <u>7,548</u> | <u>2,917</u> | <u>10,639</u> | <u>21,104</u> |
| Long-Term Liabilities: | | | | |
| Advances from Other Funds | - | 514 | - | 514 |
| Long-Term Liabilities Due in More Than One Year | 7,641 | 31,437 | 42,973 | 82,051 |
| Total Long-Term Liabilities | <u>7,641</u> | <u>31,951</u> | <u>42,973</u> | <u>82,565</u> |
| Total Liabilities | <u>15,189</u> | <u>34,868</u> | <u>53,612</u> | <u>103,669</u> |
| Deferred Inflows of Resources | <u>707</u> | <u>233</u> | <u>3,703</u> | <u>4,643</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>15,896</u> | <u>35,101</u> | <u>57,315</u> | <u>108,312</u> |
| NET POSITION (DEFICIT) | | | | |
| Net Investment in Capital Assets | 332,205 | 19,821 | 18,043 | 370,069 |
| Restricted for: | | | | |
| Debt Service | - | 872 | 1,141 | 2,013 |
| Unrestricted (Deficit) | 82,050 | (1,611) | 1,221 | 81,660 |
| Total Net Position | <u>\$ 414,255</u> | <u>\$ 19,082</u> | <u>\$ 20,405</u> | <u>\$ 453,742</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, 2021
(in 000's)

| | <u>Municipal Airports</u> | <u>Municipal Parking</u> | <u>Solid Waste</u> | <u>Total</u> |
|---|-------------------------------|------------------------------|------------------------|-------------------|
| OPERATING REVENUES | | | | |
| Charges for Services | \$ 12,165 | \$ 4,945 | \$ 67,710 | \$ 84,820 |
| Other | 235 | 1 | 4,126 | 4,362 |
| Total Operating Revenues | <u>12,400</u> | <u>4,946</u> | <u>71,836</u> | <u>89,182</u> |
| OPERATING EXPENSES | | | | |
| Personnel Services | 1,205 | 1,611 | 5,285 | 8,101 |
| Supplies and Materials | 524 | 88 | 664 | 1,276 |
| Contractual Services | 8,301 | 2,227 | 53,633 | 64,161 |
| Landfill Closure and Postclosure Cost | - | - | 871 | 871 |
| Depreciation | 12,924 | 1,997 | 632 | 15,553 |
| Total Operating Expenses | <u>22,954</u> | <u>5,923</u> | <u>61,085</u> | <u>89,962</u> |
| Operating Income (Loss) | <u>(10,554)</u> | <u>(977)</u> | <u>10,751</u> | <u>(780)</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Investment Income (Loss) | 6,839 | (71) | (420) | 6,348 |
| Gain on Sale of Property and Equipment | 11 | - | 31 | 42 |
| Interest and Service Charges | - | (927) | (44) | (971) |
| Gas Leases and Royalties | 2,455 | - | - | 2,455 |
| Other | 1,286 | - | - | 1,286 |
| Total Nonoperating Revenues (Expenses) | <u>10,591</u> | <u>(998)</u> | <u>(433)</u> | <u>9,160</u> |
| Income (Loss) Before Transfers and Contributions | <u>37</u> | <u>(1,975)</u> | <u>10,318</u> | <u>8,380</u> |
| Transfers In | 825 | - | - | 825 |
| Transfers Out | (150) | (109) | (6,508) | (6,767) |
| Capital Contributions | 12,230 | - | 289 | 12,519 |
| Changes in Net Position | 12,942 | (2,084) | 4,099 | 14,957 |
| Total Net Position, Beginning of Year | 401,313 | 21,166 | 16,306 | 438,785 |
| Total Net Position, End of Year | <u>\$ 414,255</u> | <u>\$ 19,082</u> | <u>\$ 20,405</u> | <u>\$ 453,742</u> |



CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(in 000's)

| | <u>Municipal Airports</u> | <u>Municipal Parking</u> | <u>Solid Waste</u> | <u>Total</u> |
|--|-------------------------------|------------------------------|------------------------|------------------|
| Cash Flows from Operating Activities: | | | | |
| Receipts from Customers | \$ 9,875 | \$ 4,980 | \$ 68,859 | \$ 83,714 |
| Receipts from Other Operating Sources | 235 | 1 | 4,126 | 4,362 |
| Payments to Employees | (2,292) | (1,150) | (8,030) | (11,472) |
| Payments to Vendors | (8,497) | (2,218) | (51,670) | (62,385) |
| Net Cash Provided by (Used for) Operating Activities | <u>(679)</u> | <u>1,613</u> | <u>13,285</u> | <u>14,219</u> |
| Cash Flows from Noncapital Financing Activities: | | | | |
| Transfers In from Other Funds | 825 | - | - | 825 |
| Advances from Other Funds | (3,466) | 514 | - | (2,952) |
| Transfers Out to Other Funds | (150) | (109) | (6,508) | (6,767) |
| Due from Other Funds | 152 | - | - | 152 |
| Net Cash Provided by (Used for) Noncapital Financing Activities | <u>(2,639)</u> | <u>405</u> | <u>(6,508)</u> | <u>(8,742)</u> |
| Cash Flows from Capital and Related Financing Activities: | | | | |
| Proceeds from Sale of Property and Equipment | 11 | - | 31 | 42 |
| Contributions | 8,422 | - | - | 8,422 |
| Acquisition and Construction of Capital Assets | (9,555) | (1) | (1,235) | (10,791) |
| Principal Paid on Long-Term Debt | - | (1,675) | (440) | (2,115) |
| Interest Paid on Long-Term Obligations | - | (1,301) | (46) | (1,347) |
| Net Cash Provided by (Used for) Capital and Related Financing Activities | <u>(1,122)</u> | <u>(2,977)</u> | <u>(1,690)</u> | <u>(5,789)</u> |
| Cash Flows from Investing Activities: | | | | |
| Receipts from Gas Leases and Royalties | 2,455 | - | - | 2,455 |
| Purchases of Investments | (11,476) | - | - | (11,476) |
| Sales of Investments | 9,060 | - | - | 9,060 |
| Investment Income Received | 6,839 | (66) | (425) | 6,348 |
| Net Cash Provided by (Used for) Investing Activities | <u>6,878</u> | <u>(66)</u> | <u>(425)</u> | <u>6,387</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 2,438 | (1,025) | 4,662 | 6,075 |
| Cash and Cash Equivalents, Beginning of Year | 32,097 | 3,606 | 34,092 | 69,795 |
| Cash and Cash Equivalents, End of Year | <u>\$ 34,535</u> | <u>\$ 2,581</u> | <u>\$ 38,754</u> | <u>\$ 75,870</u> |

(continued)

**CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(in 000's)**

| | <u>Municipal Airports</u> | <u>Municipal Parking</u> | <u>Solid Waste</u> | <u>Total</u> |
|--|-------------------------------|------------------------------|------------------------|------------------|
| Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities: | | | | |
| Operating Income (Loss) | \$ (10,554) | \$ (977) | \$ 10,751 | \$ (780) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities: | | | | |
| Depreciation | 12,924 | 1,997 | 632 | 15,553 |
| Changes in Assets and Liabilities: | | | | |
| Accounts and Other Receivables | (1,683) | 52 | 1,635 | 4 |
| Long Term Loans Receivable | (1,216) | - | - | (1,216) |
| Deferred Outflows of Resources (Pension) | 997 | 424 | 4,019 | 5,440 |
| Deferred Outflows of Resources (OPEB) | 135 | - | 656 | 791 |
| Accounts Payable | 328 | 97 | 2,627 | 3,052 |
| Accrued Payroll and Compensation | 78 | (7) | (81) | (10) |
| Customer Deposits | - | - | (5) | (5) |
| Unearned Revenue | 609 | (17) | - | 592 |
| Landfill Closure and Postclosure Liability | - | - | 871 | 871 |
| Net Pension Liability | 312 | 162 | 1,110 | 1,584 |
| Net OPEB Liability | (2,220) | - | (7,100) | (9,320) |
| Deferred Inflows of Resources (Pension) | (322) | (118) | (1,259) | (1,699) |
| Deferred Inflows of Resources (OPEB) | (67) | - | (90) | (157) |
| Deferred Inflows of Resources (Service Concession Agreement) | - | - | (481) | (481) |
| Total Adjustments | <u>9,875</u> | <u>2,590</u> | <u>2,534</u> | <u>14,999</u> |
| Net Cash Provided by (Used for) Operating Activities | <u>\$ (679)</u> | <u>\$ 1,613</u> | <u>\$ 13,285</u> | <u>\$ 14,219</u> |
| The Cash and Cash Equivalents are reported in the Statement of Net Position as follows: | | | | |
| Current - Cash, Cash Equivalents, & Investments | \$ 4,313 | \$ - | \$ 18,301 | \$ 22,614 |
| Current Restricted - Cash & Cash Equivalents | 6,831 | 881 | 1,332 | 9,044 |
| Noncurrent Restricted - Cash & Cash Equivalents | 21,227 | 1,700 | 10,077 | 33,004 |
| Noncurrent Restricted - Cash, Cash Equivalents, & Investments Held by Trustees | 48,880 | - | 9,044 | 57,924 |
| Less: Gas Well Investments Held by Trustees | (46,716) | - | - | (46,716) |
| Total Cash and Cash Equivalents | <u>\$ 34,535</u> | <u>\$ 2,581</u> | <u>\$ 38,754</u> | <u>\$ 75,870</u> |
| Noncash Investing, Capital, and Financing Activities: | | | | |
| Capital Asset Contributions from Developers | \$ 1,640 | \$ - | \$ 289 | \$ 1,929 |
| Net Recovery of Prior Years Expenses | 1,286 | - | - | 1,286 |
| Amortization of Bond Premium | - | 554 | - | 554 |
| Amortization of Bond Defeasement Loss | - | (187) | - | (187) |
| Change in Fair Value on Pooled Investments | (107) | (88) | (660) | (855) |
| Change in Fair Value on Non-Pooled Investments | 3,630 | - | - | 3,630 |

(concluded)



Internal Service Funds

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

Equipment Services Fund

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

Capital Project Services Fund

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

Group Health and Life Insurance

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

Risk Financing

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

CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2021
(in 000's)

| | <u>Equipment Services</u> | <u>Capital Project Services</u> | <u>Group Health and Life Insurance</u> | <u>Risk Financing</u> | <u>Total</u> |
|---|-------------------------------|---|--|---------------------------|-------------------|
| ASSETS | | | | | |
| Current Assets: | | | | | |
| Cash, Cash Equivalents, & Investments | \$ 5,908 | \$ 7,783 | \$ 44,530 | \$ 35,523 | \$ 93,744 |
| Interest Receivable | 6 | 19 | 83 | 67 | 175 |
| Accounts and Other Receivables, Net of Allowance for Uncollectible | - | - | - | 97 | 97 |
| Inventories (at Cost) | 346 | - | - | - | 346 |
| Prepays, Deposits, and Other | - | 52 | - | - | 52 |
| Total Current Assets | <u>6,260</u> | <u>7,854</u> | <u>44,613</u> | <u>35,687</u> | <u>94,414</u> |
| Noncurrent Assets: | | | | | |
| Restricted Assets: | | | | | |
| Cash & Cash Equivalents | 354 | - | - | 2,688 | 3,042 |
| Cash, Cash Equivalents, & Investments Held by Trustees | - | - | 2,566 | 1,899 | 4,465 |
| Total Restricted Assets | <u>354</u> | <u>-</u> | <u>2,566</u> | <u>4,587</u> | <u>7,507</u> |
| Capital Assets (at Cost): | | | | | |
| Land/Right of Way | 1,119 | 4 | - | - | 1,123 |
| Buildings | 4,656 | - | - | - | 4,656 |
| Infrastructure | 1,051 | 91 | - | - | 1,142 |
| Vehicles, Machinery and Equipment | 2,503 | 1,094 | - | - | 3,597 |
| Intangibles - Depreciable | 201 | - | - | - | 201 |
| Accumulated Depreciation | (7,079) | (1,185) | - | - | (8,264) |
| Net Capital Assets | <u>2,451</u> | <u>4</u> | <u>-</u> | <u>-</u> | <u>2,455</u> |
| Total Noncurrent Assets | <u>2,805</u> | <u>4</u> | <u>2,566</u> | <u>4,587</u> | <u>9,962</u> |
| Total Assets | <u>9,065</u> | <u>7,858</u> | <u>47,179</u> | <u>40,274</u> | <u>104,376</u> |
| LIABILITIES | | | | | |
| Current Liabilities: | | | | | |
| Accounts Payable | 1,964 | 153 | 1,672 | 1,337 | 5,126 |
| Accrued Payroll | 244 | 368 | 33 | 51 | 696 |
| Current Portion of Long-Term Liabilities | 336 | 367 | 5,937 | 10,902 | 17,542 |
| Total Current Liabilities | <u>2,544</u> | <u>888</u> | <u>7,642</u> | <u>12,290</u> | <u>23,364</u> |
| Long-Term Liabilities: | | | | | |
| Long-Term Liabilities Due in More Than One Year | 662 | 1,134 | 55 | 18,063 | 19,914 |
| Total Long-Term Liabilities | <u>662</u> | <u>1,134</u> | <u>55</u> | <u>18,063</u> | <u>19,914</u> |
| Total Liabilities | <u>3,206</u> | <u>2,022</u> | <u>7,697</u> | <u>30,353</u> | <u>43,278</u> |
| NET POSITION | | | | | |
| Net Position Before Breakdown | 5,859 | 5,836 | 39,482 | 9,921 | 61,098 |
| Net Investment in Capital Assets | 2,451 | 4 | - | - | 2,455 |
| Unrestricted | 3,408 | 5,832 | 39,482 | 9,921 | 58,643 |
| Total Net Position | <u>\$ 5,859</u> | <u>\$ 5,836</u> | <u>\$ 39,482</u> | <u>\$ 9,921</u> | <u>\$ 61,098</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 9,065</u> | <u>\$ 7,858</u> | <u>\$ 47,179</u> | <u>\$ 40,274</u> | <u>\$ 104,376</u> |

**CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(in 000's)**

| | Equipment Services | Capital Project Services | Group Health and Life Insurance | Risk Financing | Total |
|---|-------------------------------|---|--|---------------------------|------------------|
| OPERATING REVENUES | | | | | |
| Charges for Services | \$ 28,076 | \$ 15,069 | \$ 62,356 | \$ 18,618 | \$ 124,119 |
| Other | 132 | 3 | 6,925 | 1,443 | 8,503 |
| Total Operating Revenues | <u>28,208</u> | <u>15,072</u> | <u>69,281</u> | <u>20,061</u> | <u>132,622</u> |
| OPERATING EXPENSES | | | | | |
| Personnel Services | 8,779 | 11,184 | 1,155 | 1,686 | 22,804 |
| Supplies and Materials | 7,448 | 357 | 13 | 17 | 7,835 |
| Contractual Services | 10,928 | 2,721 | 63,788 | 19,771 | 97,208 |
| Depreciation | 267 | 3 | - | - | 270 |
| Total Operating Expenses | <u>27,422</u> | <u>14,265</u> | <u>64,956</u> | <u>21,474</u> | <u>128,117</u> |
| Operating Income (Loss) | <u>786</u> | <u>807</u> | <u>4,325</u> | <u>(1,413)</u> | <u>4,505</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | | |
| Investment Income | (94) | 27 | (72) | (291) | (430) |
| Gain (Loss) on Sale of Property and Equipment | 2 | 13 | - | - | 15 |
| Total Nonoperating Revenues (Expenses) | <u>(92)</u> | <u>40</u> | <u>(72)</u> | <u>(291)</u> | <u>(415)</u> |
| Income (Loss) Before Transfers | <u>694</u> | <u>847</u> | <u>4,253</u> | <u>(1,704)</u> | <u>4,090</u> |
| Transfers Out | <u>(14)</u> | <u>(2,783)</u> | <u>-</u> | <u>(257)</u> | <u>(3,054)</u> |
| Changes in Net Position | 680 | (1,936) | 4,253 | (1,961) | 1,036 |
| Total Net Position, Beginning of Year | 5,179 | 7,772 | 35,229 | 11,882 | 60,062 |
| Total Net Position, End of Year | <u>\$ 5,859</u> | <u>\$ 5,836</u> | <u>\$ 39,482</u> | <u>\$ 9,921</u> | <u>\$ 61,098</u> |

CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(in 000's)

| | Equipment Services | Capital Project Services | Group Health and Life Insurance | Risk Financing | Total |
|--|-------------------------------|---|--|---------------------------|-------------------|
| Cash Flows from Operating Activities: | | | | | |
| Receipts from Other Funds | \$ 28,076 | \$ 15,069 | \$ 62,356 | \$ 18,594 | \$ 124,095 |
| Receipts from Other Operating Sources | 132 | 3 | 6,925 | 1,443 | 8,503 |
| Payments to Employees | (8,832) | (11,192) | (1,210) | (1,729) | (22,963) |
| Payments to Vendors | (19,400) | (2,995) | (13) | (17) | (22,425) |
| Payments for Benefits | - | - | (62,823) | (17,322) | (80,145) |
| Net Cash Provided by (Used for) Operating Activities | <u>(24)</u> | <u>885</u> | <u>5,235</u> | <u>969</u> | <u>7,065</u> |
| Cash Flows from Noncapital Financing Activities: | | | | | |
| Transfers Out to Other Funds | (14) | (2,783) | - | (257) | (3,054) |
| Net Cash Provided by (Used for) Noncapital Financing Activities | <u>(14)</u> | <u>(2,783)</u> | <u>-</u> | <u>(257)</u> | <u>(3,054)</u> |
| Cash Flows from Capital and Related Financing Activities: | | | | | |
| Proceeds from Sale of Property and Equipment | 2 | 13 | - | - | 15 |
| Net Cash Provided by (Used for) Capital Related Financing Activities | <u>2</u> | <u>13</u> | <u>-</u> | <u>-</u> | <u>15</u> |
| Cash Flows from Investing Activities: | | | | | |
| Investment Income Received | (91) | 29 | (76) | (281) | (419) |
| Net Cash Provided by (Used for) Investing Activities | <u>(91)</u> | <u>29</u> | <u>(76)</u> | <u>(281)</u> | <u>(419)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (127) | (1,856) | 5,159 | 431 | 3,607 |
| Cash and Cash Equivalents, Beginning of Year | 6,389 | 9,639 | 41,937 | 39,679 | 97,644 |
| Cash and Cash Equivalents, End of Year | <u>\$ 6,262</u> | <u>\$ 7,783</u> | <u>\$ 47,096</u> | <u>\$ 40,110</u> | <u>\$ 101,251</u> |

**CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(in 000's)**

| | <u>Equipment Services</u> | <u>Capital Project Services</u> | <u>Group Health and Life Insurance</u> | <u>Risk Financing</u> | <u>Total</u> |
|--|-------------------------------|---|--|---------------------------|-------------------|
| Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities: | | | | | |
| Operating Income (Loss) | \$ 786 | \$ 807 | \$ 4,325 | \$ (1,413) | \$ 4,505 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities: | | | | | |
| Depreciation | 267 | 3 | - | - | 270 |
| Changes in Assets and Liabilities: | | | | | |
| Accounts and Other Receivables | - | - | - | (24) | (24) |
| Inventories | (34) | - | - | - | (34) |
| Accounts Payable | (990) | 83 | 459 | 711 | 263 |
| Accrued Payroll and Compensation | (53) | (8) | (55) | (43) | (159) |
| Accrued Benefits | - | - | 506 | 1,738 | 2,244 |
| Total Adjustments | <u>(810)</u> | <u>78</u> | <u>910</u> | <u>2,382</u> | <u>2,560</u> |
| Net Cash Provided by (Used for) Operating Activities | <u>\$ (24)</u> | <u>\$ 885</u> | <u>\$ 5,235</u> | <u>\$ 969</u> | <u>\$ 7,065</u> |
| The Cash and Cash Equivalents are reported in the Statement of Net Position as follows: | | | | | |
| Current - Cash, Cash Equivalents, & Investments | \$ 5,908 | \$ 7,783 | \$ 44,530 | \$ 35,523 | \$ 93,744 |
| Noncurrent Restricted - Cash & Cash Equivalents | 354 | - | - | 2,688 | 3,042 |
| Noncurrent Restricted - Cash, Cash Equivalents, & Investments Held by Trustees | - | - | 2,566 | 1,899 | 4,465 |
| Total Cash and Cash Equivalents | <u>\$ 6,262</u> | <u>\$ 7,783</u> | <u>\$ 47,096</u> | <u>\$ 40,110</u> | <u>\$ 101,251</u> |
| Noncash Investing, Capital, and Financing Activities: | | | | | |
| Change in Accrued Compensated Absences | - | - | - | 24 | 24 |
| Change in Fair Value on Pooled Investments | \$ (134) | \$ (59) | \$ (463) | \$ (597) | \$ (1,253) |

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.

CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS
SEPTEMBER 30, 2021
(in 000's)

| | Retirement Pension Trust Fund | Retiree Healthcare Trust Fund | Fort Worth Firefighters Healthcare Trust Fund | Total |
|---|--|--|--|---------------------|
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash & Cash Equivalents | \$ 107 | \$ 8,958 | \$ 4,602 | \$ 13,667 |
| Cash & Investments Held by Trustees: | | | | |
| Assets and Mortgage Backed Obligations | 40,630 | - | - | 40,630 |
| Corporate Obligations | 182,209 | 26,966 | - | 209,175 |
| Government Agency Obligations | 98,540 | 13,190 | - | 111,730 |
| International Obligations | 12,546 | 3,353 | - | 15,899 |
| Securities Lending Collateral | 173,982 | - | - | 173,982 |
| U.S. Treasuries | 130,788 | 16,633 | - | 147,421 |
| Short-Term Mutual Fund Investments | 106,859 | 34,303 | - | 141,162 |
| Corporate Stock | 441,577 | - | - | 441,577 |
| Alternative Investments | 621,248 | - | - | 621,248 |
| Commingled Funds | 1,198,557 | - | - | 1,198,557 |
| Total Cash & Investments Held by Trustees | <u>3,006,936</u> | <u>94,445</u> | <u>-</u> | <u>3,101,381</u> |
| Prepays | 28 | - | - | 28 |
| Accrued Income | 5,685 | 271 | - | 5,956 |
| Other Receivables | 10,073 | 1 | 738 | 10,812 |
| Due From Broker Securities Sold | 154,680 | - | - | 154,680 |
| Total Current Assets | <u>3,177,509</u> | <u>103,675</u> | <u>5,340</u> | <u>3,286,524</u> |
| Capital Assets (at Cost): | | | | |
| Land | 404 | - | - | 404 |
| Buildings | 3,500 | - | - | 3,500 |
| Machinery and Equipment | 1,902 | - | - | 1,902 |
| Accumulated Depreciation | (1,292) | - | - | (1,292) |
| Net Capital Assets | <u>4,514</u> | <u>-</u> | <u>-</u> | <u>4,514</u> |
| Total Assets | <u>3,182,023</u> | <u>103,675</u> | <u>5,340</u> | <u>3,291,038</u> |
| LIABILITIES | | | | |
| Current Liabilities: | | | | |
| Accrued Liabilities | 206 | 530 | 1,850 | 2,586 |
| Obligations Under Securities Lending | 173,982 | - | - | 173,982 |
| Due to Broker Securities Purchased | 177,395 | - | - | 177,395 |
| Total Current Liabilities | <u>351,583</u> | <u>530</u> | <u>1,850</u> | <u>353,963</u> |
| NET POSITION | | | | |
| Restricted for: | | | | |
| Pensions | 2,830,440 | - | - | 2,830,440 |
| Postemployment Benefits Other Than Pensions | - | 103,145 | 3,491 | 106,636 |
| Total Net Position | <u>\$ 2,830,440</u> | <u>\$ 103,145</u> | <u>\$ 3,491</u> | <u>\$ 2,937,076</u> |

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, 2021
(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 | \$ 25,819 | \$ 6,522 | \$ - | \$ 32,341 |
| Less: Investment Management Fees and Interest Expense | (6,168) | (267) | - | (6,435) |
| Net Gain (Loss) in Fair Value of Investments | 488,028 | 1,700 | - | 489,728 |
| Other Income | 16,345 | 2,226 | 492 | 19,063 |
| Employer Contributions | 128,046 | 22,365 | 12,711 | 163,122 |
| Employee/Retiree Contributions | 60,282 | - | 5,703 | 65,985 |
| Total Additions | <u>712,352</u> | <u>32,546</u> | <u>18,906</u> | <u>763,804</u> |
| DEDUCTIONS | | | | |
| Benefit Payments | 238,794 | 19,266 | 16,991 | 275,051 |
| Refunds | 5,188 | - | - | 5,188 |
| Administrative Expenses | 6,092 | 1,144 | 1,104 | 8,340 |
| Total Deductions | <u>250,074</u> | <u>20,410</u> | <u>18,095</u> | <u>288,579</u> |
| Change in Net Position | 462,278 | 12,136 | 811 | 475,225 |
| Net Position, Beginning of Year | <u>2,368,162</u> | <u>91,009</u> | <u>2,680</u> | <u>2,461,851</u> |
| Net Position, End of Year | <u>\$ 2,830,440</u> | <u>\$ 103,145</u> | <u>\$ 3,491</u> | <u>\$ 2,937,076</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)

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Governmental Activities: | | | | | |
| Net Investment in Capital Assets | \$ 1,005,900 | \$ 1,053,547 | \$ 1,092,890 | \$ 1,228,012 | \$ 1,302,450 |
| Restricted for Debt Service | 9,047 | 1,660 | 2,616 | 6,585 | 10,977 |
| Restricted for Capital Projects | 17,350 | 23,512 | 33,367 | 45,773 | 42,877 |
| Unrestricted (Deficit) ^(a) | <u>(53,101)</u> | <u>(128,038)</u> | <u>(214,634)</u> | <u>(1,552,115)</u> | <u>(1,677,201)</u> |
| Total Governmental Activities Net Position (Deficit) | <u>\$ 979,196</u> | <u>\$ 950,681</u> | <u>\$ 914,239</u> | <u>\$ (271,745)</u> | <u>\$ (320,897)</u> |
| Business-Type Activities: | | | | | |
| Net Investment in Capital Assets | \$ 1,715,508 | \$ 1,850,152 | \$ 1,864,396 | \$ 1,990,723 | \$ 2,052,536 |
| Restricted for Debt Service | 29,919 | 34,513 | 27,641 | 3,852 | 10,576 |
| Restricted for Capital Projects | 39,715 | 35,852 | 33,276 | 26,070 | 15,221 |
| Unrestricted (Deficit) | <u>261,406</u> | <u>216,989</u> | <u>290,454</u> | <u>117,473</u> | <u>181,027</u> |
| Total Business-Type Activities Net Position | <u>\$ 2,046,548</u> | <u>\$ 2,137,506</u> | <u>\$ 2,215,767</u> | <u>\$ 2,138,118</u> | <u>\$ 2,259,360</u> |
| Primary Government: | | | | | |
| Net Investment in Capital Assets | \$ 2,721,408 | \$ 2,903,699 | \$ 2,957,286 | \$ 3,218,735 | \$ 3,354,986 |
| Restricted for Debt Service | 38,966 | 36,173 | 30,257 | 10,437 | 21,553 |
| Restricted for Capital Projects | 57,065 | 59,364 | 66,643 | 71,843 | 58,098 |
| Unrestricted (Deficit) | <u>208,305</u> | <u>88,951</u> | <u>75,820</u> | <u>(1,434,642)</u> | <u>(1,496,174)</u> |
| Total Primary Government Net Position | <u>\$ 3,025,744</u> | <u>\$ 3,088,187</u> | <u>\$ 3,130,006</u> | <u>\$ 1,866,373</u> | <u>\$ 1,938,463</u> |

Source: Comprehensive Annual Financial Report for the respective years.

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

(b) For FY2021, beginning net position was restated by \$5,919 due to correction of error. Refer to Note A.16 for further information.

TABLE 1

| 2017 | 2018 | 2019 | 2020 | 2021^(b) |
|---------------------|-----------------------|-----------------------|---------------------|---------------------------|
| \$ 1,392,113 | \$ 1,451,492 | \$ 1,641,806 | \$ 2,286,781 | \$ 2,370,496 |
| 29,259 | 25,609 | 36,341 | 30,324 | 18,749 |
| 57,721 | 63,125 | 75,663 | 89,029 | 98,978 |
| <u>(1,995,603)</u> | <u>(2,600,878)</u> | <u>(2,830,558)</u> | <u>(1,770,206)</u> | <u>(1,862,337)</u> |
| <u>\$ (516,510)</u> | <u>\$ (1,060,652)</u> | <u>\$ (1,076,748)</u> | <u>\$ 635,928</u> | <u>\$ 625,886</u> |
| | | | | |
| \$ 2,242,924 | \$ 2,278,993 | \$ 2,498,815 | \$ 2,597,318 | \$ 2,670,886 |
| 13,146 | 46,026 | 58,513 | 56,825 | 67,590 |
| 26,028 | 28,739 | 53,732 | 93,842 | 73,711 |
| <u>127,082</u> | <u>172,722</u> | <u>85,747</u> | <u>311,453</u> | <u>449,081</u> |
| <u>\$ 2,409,180</u> | <u>\$ 2,526,480</u> | <u>\$ 2,696,807</u> | <u>\$ 3,059,438</u> | <u>\$ 3,261,268</u> |
| | | | | |
| \$ 3,635,037 | \$ 3,730,485 | \$ 4,140,621 | \$ 4,884,099 | \$ 5,041,382 |
| 42,405 | 71,635 | 94,854 | 87,149 | 86,339 |
| 83,749 | 91,864 | 129,395 | 182,871 | 172,689 |
| <u>(1,868,521)</u> | <u>(2,428,156)</u> | <u>(2,744,811)</u> | <u>(1,458,753)</u> | <u>(1,413,256)</u> |
| <u>\$ 1,892,670</u> | <u>\$ 1,465,828</u> | <u>\$ 1,620,059</u> | <u>\$ 3,695,366</u> | <u>\$ 3,887,154</u> |

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

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Expenses | | | | | |
| Governmental Activities: | | | | | |
| General Government | \$ 108,632 | \$ 114,575 | \$ 173,634 | \$ 202,450 | \$ 160,124 |
| Public Safety | 422,626 | 431,362 | 424,289 | 529,188 | 551,562 |
| Highways and Streets | - | - | - | 131,535 | 154,346 |
| Culture and Recreation | 60,089 | 62,626 | 62,167 | 129,115 | 128,444 |
| Health and Welfare | - | - | - | 3,548 | 6,863 |
| Urban Redevelopment and Housing | - | - | - | 36,544 | 68,782 |
| Transportation and Public Works | 133,691 | 129,820 | 147,429 | - | - |
| Public Library | 22,102 | 21,736 | 20,842 | - | - |
| Public Events and Facilities | 33,152 | 35,545 | 32,876 | - | - |
| Planning and Development | 13,156 | 14,145 | 12,382 | - | - |
| Housing and Economic Development | 24,382 | 20,388 | 18,402 | - | - |
| Interest and Service Charges | 31,130 | 34,366 | 31,522 | 26,448 | 30,493 |
| Total Governmental Activities | <u>848,960</u> | <u>864,563</u> | <u>923,543</u> | <u>1,058,828</u> | <u>1,100,614</u> |
| Business-Type Activities: | | | | | |
| Water and Sewer | 306,476 | 302,447 | 317,526 | 340,113 | 358,053 |
| Stormwater Utility | 20,773 | 22,531 | 23,745 | 28,198 | 24,365 |
| Municipal Airports | 14,912 | 18,768 | 23,089 | 14,194 | 20,519 |
| Municipal Parking | 6,580 | 6,621 | 6,649 | 7,602 | 7,387 |
| Solid Waste | 46,415 | 48,903 | 48,420 | 52,586 | 53,089 |
| Municipal Golf ^(a) | 7,723 | 5,614 | 5,396 | - | - |
| Total Business-Type Activities | <u>402,879</u> | <u>404,884</u> | <u>424,825</u> | <u>442,693</u> | <u>463,413</u> |
| Total Primary Government Expenses | <u>\$ 1,251,839</u> | <u>\$ 1,269,447</u> | <u>\$ 1,348,368</u> | <u>\$ 1,501,521</u> | <u>\$ 1,564,027</u> |
| Program Revenues | | | | | |
| Governmental Activities: | | | | | |
| Charges for Services: | | | | | |
| General Government | \$ 5,436 | \$ 5,933 | \$ 6,575 | \$ 19,229 | \$ 22,900 |
| Public Safety | 22,722 | 25,339 | 23,023 | 9,984 | 13,110 |
| Highways and Streets | - | - | - | 13,884 | 12,549 |
| Culture and Recreation | 3,165 | 2,990 | 4,021 | 20,266 | 19,491 |
| Urban Redevelopment and Housing | - | - | - | 13,344 | 20,824 |
| Transportation and Public Works | 14,738 | 14,984 | 14,683 | - | - |
| Public Library | 670 | 629 | 608 | - | - |
| Public Events and Facilities | 8,822 | 10,814 | 11,421 | - | - |
| Planning and Development | 10,336 | 11,497 | 11,308 | - | - |
| Housing and Economic Development | 2,683 | 4,845 | 1,998 | - | - |
| Operating Grants and Contributions | 47,644 | 45,173 | 43,700 | 37,810 | 61,189 |
| Capital Grants and Contributions | 55,075 | 52,682 | 69,149 | 62,794 | 76,667 |
| Total Governmental Activities | <u>171,291</u> | <u>174,886</u> | <u>186,486</u> | <u>177,311</u> | <u>226,730</u> |
| Business-Type Activities: | | | | | |
| Charges for Services: | | | | | |
| Water and Sewer | 345,373 | 352,005 | 361,853 | 389,188 | 415,125 |
| Stormwater Utility | 32,615 | 34,973 | 35,409 | 36,185 | 36,887 |
| Municipal Airports | 4,755 | 4,662 | 5,074 | 5,437 | 6,078 |
| Municipal Parking | 7,725 | 7,105 | 7,082 | 7,310 | 7,815 |
| Solid Waste | 48,502 | 50,344 | 50,338 | 52,373 | 54,003 |
| Municipal Golf ^(a) | 4,388 | 3,859 | 3,621 | - | - |
| Capital Grants and Contributions | 27,578 | 35,910 | 42,682 | 88,617 | 87,851 |
| Total Business-Type Activities | <u>470,936</u> | <u>488,858</u> | <u>506,059</u> | <u>579,110</u> | <u>607,759</u> |
| Total Primary Government Program Revenues | <u>\$ 642,227</u> | <u>\$ 663,744</u> | <u>\$ 692,545</u> | <u>\$ 756,421</u> | <u>\$ 834,489</u> |

TABLE 2

| | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020^(b)</u> | <u>2021^(c)</u> |
|----|------------------|------------------|------------------|---------------------------|---------------------------|
| \$ | 152,609 | \$ 149,942 | \$ 166,338 | \$ 14,398 | \$ 155,727 |
| | 698,059 | 687,036 | 671,224 | (167,533) | 812,332 |
| | 157,108 | 158,652 | 167,258 | 125,762 | 168,720 |
| | 174,426 | 284,181 | 171,710 | 73,767 | 143,584 |
| | 11,076 | 11,104 | 11,017 | 29,132 | 100,856 |
| | 76,190 | 92,183 | 82,821 | 67,747 | 91,550 |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | 31,636 | 30,844 | 32,715 | 33,443 | 30,753 |
| | <u>1,301,104</u> | <u>1,413,942</u> | <u>1,303,083</u> | <u>176,716</u> | <u>1,503,522</u> |
| | 376,755 | 375,603 | 365,414 | 245,882 | 411,742 |
| | 30,238 | 29,690 | 31,960 | 20,012 | 37,683 |
| | 14,628 | 18,694 | 19,424 | 16,812 | 22,943 |
| | 6,699 | 6,744 | 7,030 | 4,406 | 6,850 |
| | 59,292 | 57,654 | 62,407 | 50,923 | 61,098 |
| | - | - | - | - | - |
| | 487,612 | 488,385 | 486,235 | 338,035 | 540,316 |
| \$ | <u>1,788,716</u> | <u>1,902,327</u> | <u>1,789,318</u> | <u>514,751</u> | <u>2,043,838</u> |
| \$ | 25,075 | \$ 14,850 | \$ 24,044 | \$ 22,895 | \$ 24,609 |
| | 12,463 | 11,488 | 12,689 | 16,328 | 10,081 |
| | 12,952 | 12,244 | 8,921 | 2,290 | 313 |
| | 17,137 | 28,657 | 26,871 | 21,252 | 22,526 |
| | 18,356 | 24,814 | 20,731 | 19,728 | 23,736 |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | 54,497 | 65,082 | 76,267 | 662,064 | 191,057 |
| | 123,816 | 97,698 | 170,497 | 172,337 | 201,959 |
| | <u>264,296</u> | <u>254,833</u> | <u>340,020</u> | <u>916,894</u> | <u>474,281</u> |
| | 424,078 | 466,462 | 452,989 | 477,948 | 486,106 |
| | 37,016 | 38,621 | 40,037 | 43,313 | 47,082 |
| | 6,480 | 7,359 | 8,032 | 9,141 | 12,165 |
| | 7,863 | 8,577 | 8,501 | 4,918 | 4,945 |
| | 54,705 | 57,746 | 59,771 | 63,904 | 67,710 |
| | - | - | - | - | - |
| | 121,769 | 101,120 | 88,757 | 111,419 | 141,318 |
| | <u>651,911</u> | <u>679,885</u> | <u>658,087</u> | <u>710,643</u> | <u>759,326</u> |
| \$ | <u>916,207</u> | <u>934,718</u> | <u>998,107</u> | <u>1,627,537</u> | <u>1,233,607</u> |

(continued)

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

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|---|---------------------|---------------------|---------------------|-----------------------|---------------------|
| Net (Expense) and Revenue | | | | | |
| Governmental Activities | \$ (677,669) | \$ (689,677) | \$ (737,057) | \$ (881,517) | \$ (873,884) |
| Business-Type Activities | 68,057 | 83,974 | 81,234 | 136,417 | 144,346 |
| Total Primary Government Net Expense | <u>\$ (609,612)</u> | <u>\$ (605,703)</u> | <u>\$ (655,823)</u> | <u>\$ (745,100)</u> | <u>\$ (729,538)</u> |
| General Revenues and Changes in Net Position (Deficit) | | | | | |
| Governmental Activities: | | | | | |
| Taxes: | | | | | |
| General Property Taxes | \$ 351,277 | \$ 361,568 | \$ 389,118 | \$ 413,687 | \$ 426,247 |
| Other Local Taxes | 188,884 | 203,417 | 217,799 | 226,028 | 235,146 |
| Franchise Fees | 47,190 | 49,489 | 51,205 | 53,129 | 49,031 |
| Gas Leases and Royalties | 15,758 | 10,834 | 16,500 | 15,717 | 18,485 |
| Investment Income | 7,795 | 3,149 | 8,622 | 6,025 | 3,703 |
| Gain on Debt Defeasance | - | - | - | - | - |
| Other | 16,593 | 16,069 | 20,582 | 37,594 | 33,410 |
| Transfers | 28,427 | 29,282 | 21,913 | 55,535 | 51,233 |
| Insurance Recoveries | - | - | - | - | 7,477 |
| Special Items | - | - | - | 31,490 | - |
| Gain (Loss) on Disposal of Capital Assets | - | 1,316 | - | - | - |
| Total Governmental Activities | <u>655,924</u> | <u>675,124</u> | <u>725,739</u> | <u>839,205</u> | <u>824,732</u> |
| Business-Type Activities: | | | | | |
| Gas Leases and Royalties | 7,440 | 12,377 | 12,989 | 8,372 | 15,869 |
| Investment Income | 6,666 | 1,661 | 6,077 | 3,475 | 2,809 |
| Other | 5,936 | 22,228 | 5,861 | 6,087 | 9,451 |
| Transfers | (28,427) | (29,282) | (21,913) | (55,535) | (51,233) |
| Total Business-Type Activities | <u>(8,385)</u> | <u>6,984</u> | <u>3,014</u> | <u>(37,601)</u> | <u>(23,104)</u> |
| Total Primary Government | <u>\$ 647,539</u> | <u>\$ 682,108</u> | <u>\$ 728,753</u> | <u>\$ 801,604</u> | <u>\$ 801,628</u> |
| Changes in Net Position (Deficit) | | | | | |
| Governmental Activities | \$ (21,745) | \$ (14,553) | \$ (11,318) | \$ (42,312) | \$ (49,152) |
| Business-Type Activities | 59,672 | 90,958 | 84,248 | 98,816 | 121,242 |
| Total Primary Government | <u>\$ 37,927</u> | <u>\$ 76,405</u> | <u>\$ 72,930</u> | <u>\$ 56,504</u> | <u>\$ 72,090</u> |
| Correction of Error (Note A.16) | - | - | - | - | - |
| Implementation of New Accounting Standard and Change in Accounting | <u>\$ -</u> | <u>\$ (13,962)</u> | <u>\$ (31,111)</u> | <u>\$ (1,320,137)</u> | <u>\$ -</u> |

Source: Comprehensive Annual Financial Report for the respective years.

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

(a) The Municipal Golf Fund was transferred to Governmental Activities in Fiscal Year 2015.

(b) Expenses – Significant decrease of expenses in Fiscal Year 2020 when compared to previous years and negative expense balances were due to a decrease of \$839,220 in the City's Net Pension Liability allocated proportionately to Governmental Funds (\$726,265), Water and Sewer Fund (\$88,794), Stormwater Utility Fund (\$10,541), Municipal Airport (\$2,499), Municipal Parking (\$1,330), and Solid Waste Fund (\$9,791). See Note I for additional information.

(c) Beginning Net Position - FY2021 beginning net position was restated to \$641,847 due to Rock Creek Restatement \$16,137 and Capital Asset Restatement (\$10,218). Refer to note A.16 for additional information.

TABLE 2

| <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020^(b)</u> | <u>2021^(c)</u> |
|---------------------|---------------------|---------------------|---------------------------|---------------------------|
| \$ (1,036,808) | \$ (1,159,109) | \$ (963,063) | \$ 740,178 | \$ (1,029,241) |
| <u>164,299</u> | <u>191,500</u> | <u>171,852</u> | <u>372,608</u> | <u>219,010</u> |
| <u>\$ (872,509)</u> | <u>\$ (967,609)</u> | <u>\$ (791,211)</u> | <u>\$ 1,112,786</u> | <u>\$ (810,231)</u> |
| | | | | |
| \$ 452,357 | \$ 486,418 | \$ 517,382 | \$ 562,687 | \$ 593,721 |
| 250,669 | 266,479 | 280,510 | 273,258 | 309,769 |
| 50,078 | 51,934 | 50,494 | 48,365 | 48,484 |
| 9,063 | 9,267 | 6,646 | 3,236 | 4,483 |
| 7,239 | 8,902 | 38,090 | 34,644 | 4,778 |
| - | - | - | 79 | - |
| 38,160 | 13,358 | 15,394 | 13,495 | 12,060 |
| 33,629 | 37,681 | 37,148 | 36,728 | 37,352 |
| - | - | 1,303 | 6 | 2,634 |
| - | - | - | - | - |
| - | - | - | - | - |
| <u>841,195</u> | <u>874,039</u> | <u>946,967</u> | <u>972,498</u> | <u>1,013,281</u> |
| | | | | |
| 6,504 | 4,754 | 4,356 | 2,362 | 3,118 |
| 5,240 | 7,270 | 27,885 | 19,969 | 10,081 |
| 7,406 | 6,349 | 3,382 | 4,420 | 6,792 |
| <u>(33,629)</u> | <u>(37,681)</u> | <u>(37,148)</u> | <u>(36,728)</u> | <u>(37,352)</u> |
| <u>(14,479)</u> | <u>(19,308)</u> | <u>(1,525)</u> | <u>(9,977)</u> | <u>(17,361)</u> |
| <u>\$ 826,716</u> | <u>\$ 854,731</u> | <u>\$ 945,442</u> | <u>\$ 962,521</u> | <u>\$ 995,920</u> |
| | | | | |
| \$ (195,613) | \$ (285,070) | \$ (16,096) | \$ 1,712,676 | \$ (15,960) |
| 149,820 | 172,192 | 170,327 | 362,631 | 201,649 |
| <u>\$ (45,793)</u> | <u>\$ (112,878)</u> | <u>\$ 154,231</u> | <u>\$ 2,075,307</u> | <u>\$ 185,689</u> |
| | | | | |
| - | - | - | - | 5,919 |
| <u>\$ -</u> | <u>\$ (313,964)</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)

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| General Fund | | | | | |
| Nonspendable | \$ 10,910 | \$ 11,723 | \$ 5,180 | \$ 5,427 | \$ 27,823 |
| Restricted | 2,735 | 9,047 | 3,045 | 12,153 | 12,738 |
| Committed | 60,231 | 74,177 | 11,768 | 22,508 | 22,924 |
| Assigned | 38,789 | 8,005 | 8,755 | 193 | - |
| Unassigned | 55,760 | 58,383 | 57,294 | 84,280 | 68,436 |
| Total General Fund | <u>168,425</u> | <u>161,335</u> | <u>86,042</u> | <u>124,561</u> | <u>131,921</u> |
| All Other Governmental Funds | | | | | |
| Nonspendable, reported in: | | | | | |
| Capital Projects | 314 | 802 | 752 | 601 | 531 |
| Grants ^(a) | - | - | - | - | - |
| Nonmajor Governmental Funds | 2,854 | 1,671 | 2,930 | 3,891 | 5,294 |
| Restricted, reported in: | | | | | |
| Debt Service | 16,890 | 9,701 | 8,263 | 17,497 | 22,680 |
| Capital Projects | 336,582 | 323,970 | 211,029 | 160,074 | 235,075 |
| Grants ^(a) | - | - | - | - | - |
| Nonmajor Governmental Funds | 45,153 | 59,590 | 90,328 | 95,981 | 74,775 |
| Committed, reported in: | | | | | |
| Debt Service | 6,106 | 7,694 | 11,436 | 7,993 | 8,583 |
| Capital Projects | 126,653 | 130,655 | 126,850 | 149,945 | 129,279 |
| Grants ^(a) | - | - | - | - | - |
| Nonmajor Governmental Funds | 20,674 | 34,609 | 30,240 | 4,372 | 6,458 |
| Assigned, reported in: | | | | | |
| Debt Service | 92 | 24 | 107 | 199 | 107 |
| Capital Projects | 36,107 | 36,781 | 35,414 | 44,104 | 62,372 |
| Nonmajor Governmental Funds | 48,497 | 41,060 | 43,919 | 33,932 | 30,224 |
| Unassigned (Deficit), reported in: | | | | | |
| Grants ^(a) | - | - | - | - | - |
| Nonmajor Governmental Funds | - | (3,795) | (1,620) | (785) | (1,794) |
| Total All Other Governmental Funds | <u>639,922</u> | <u>642,762</u> | <u>559,648</u> | <u>517,804</u> | <u>573,584</u> |
| Total All Governmental Funds | <u>\$ 808,347</u> | <u>\$ 804,097</u> | <u>\$ 645,690</u> | <u>\$ 642,365</u> | <u>\$ 705,505</u> |

Source: Comprehensive Annual Financial Report for the respective years.

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

TABLE 3

| | 2017 | 2018 | 2019 | 2020 | 2021 |
|----|----------------|-------------------|-------------------|---------------------|---------------------|
| \$ | 2,953 | \$ 5,029 | \$ 4,717 | \$ 7,970 | \$ 5,374 |
| | 9,886 | 10,495 | 10,644 | 9,041 | 10,578 |
| | 29,009 | 27,360 | 29,833 | 29,952 | 37,955 |
| | - | 2,545 | - | 4,500 | 22,600 |
| | <u>93,601</u> | <u>107,272</u> | <u>128,603</u> | <u>152,698</u> | <u>163,866</u> |
| | <u>135,449</u> | <u>152,701</u> | <u>173,797</u> | <u>204,161</u> | <u>240,373</u> |
| | 412 | 382 | 1,040 | 483 | 681 |
| | - | - | - | 32 | 32 |
| | 2,674 | 5,189 | 4,631 | 2,644 | 2,509 |
| | 38,018 | 29,250 | 20,273 | 7,896 | 1,777 |
| | 313,630 | 272,368 | 246,955 | 322,827 | 297,948 |
| | - | - | - | - | 1,109 |
| | 70,935 | 92,287 | 115,197 | 102,650 | 138,262 |
| | 10,333 | 8,602 | 8,602 | 1,614 | 44,936 |
| | 218,254 | 122,521 | 140,784 | 166,437 | 269,563 |
| | - | - | - | - | 450 |
| | 4,128 | 2,690 | 2,569 | 3,278 | 9,028 |
| | 3,945 | 13,115 | 33,494 | 47,029 | - |
| | 74,194 | 71,434 | 112,393 | 87,312 | 86,279 |
| | 41,843 | 53,556 | 52,742 | 55,296 | 64,929 |
| | - | - | - | (169) | - |
| | <u>(1,140)</u> | <u>(756)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>777,226</u> | <u>670,638</u> | <u>738,680</u> | <u>797,329</u> | <u>917,503</u> |
| \$ | <u>912,675</u> | <u>\$ 823,339</u> | <u>\$ 912,477</u> | <u>\$ 1,001,490</u> | <u>\$ 1,157,876</u> |

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)

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|--|-------------------|-------------------|---------------------|-------------------|------------------|
| REVENUES: | | | | | |
| General Property Taxes | \$ 351,540 | \$ 357,673 | \$ 389,490 | \$ 414,419 | \$ 424,458 |
| Other Local Taxes | 188,884 | 203,417 | 217,153 | 225,382 | 234,500 |
| Franchise Fees | 47,190 | 49,489 | 51,205 | 53,129 | 49,031 |
| Charges for Services | 15,975 | 16,693 | 18,284 | 22,306 | 37,588 |
| Licenses and Permits | 12,011 | 12,179 | 12,771 | 12,750 | 15,325 |
| Fines and Forfeitures | 25,598 | 28,246 | 26,968 | 25,325 | 18,056 |
| Revenue from Use of Money and Property | 14,988 | 19,915 | 15,614 | 16,326 | 15,715 |
| Investment Income | 7,695 | 3,129 | 8,200 | 5,131 | 3,601 |
| Intergovernmental | 53,354 | 59,111 | 79,239 | 61,403 | 72,493 |
| Gas Leases and Royalties | 15,758 | 10,834 | 16,500 | 15,717 | 18,485 |
| Other | 16,554 | 16,069 | 22,315 | 30,407 | 33,138 |
| Contributions | 12,633 | 17,208 | 9,840 | 12,177 | 13,928 |
| Total Revenues | <u>762,180</u> | <u>793,963</u> | <u>867,579</u> | <u>894,472</u> | <u>936,318</u> |
| EXPENDITURES: | | | | | |
| Current: | | | | | |
| General Government | 99,112 | 106,907 | 163,945 | 177,549 | 124,281 |
| Public Safety | 368,224 | 381,513 | 389,058 | 393,715 | 443,730 |
| Highways and Streets | - | - | - | 40,750 | 56,759 |
| Culture and Recreation | 51,036 | 53,883 | 54,711 | 100,930 | 102,239 |
| Health and Welfare | - | - | - | 3,109 | 6,716 |
| Urban Redevelopment and Housing | - | - | - | 31,125 | 51,470 |
| Transportation and Public Works | 53,822 | 47,598 | 71,106 | - | - |
| Public Library | 19,209 | 18,991 | 18,763 | - | - |
| Public Events and Facilities | 28,058 | 30,528 | 28,324 | - | - |
| Planning and Development | 11,865 | 12,875 | 11,656 | - | - |
| Housing and Economic Development | 23,158 | 19,259 | 17,536 | - | - |
| Capital Outlay | 107,625 | 170,502 | 206,450 | 178,970 | 184,317 |
| Debt Service: | | | | | |
| Principal Retirement | 53,925 | 75,611 | 88,923 | 70,939 | 70,484 |
| Interest and Debt Issuance Costs | 30,277 | 37,517 | 35,044 | 31,121 | 32,265 |
| Total Expenditures | <u>846,311</u> | <u>955,184</u> | <u>1,085,516</u> | <u>1,028,208</u> | <u>1,072,261</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(84,131)</u> | <u>(161,221)</u> | <u>(217,937)</u> | <u>(133,736)</u> | <u>(135,943)</u> |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Issuance of Long-Term Debt | 170,970 | 68,570 | 19,270 | 40,000 | 103,000 |
| Issuance of Special Assessment Debt | - | - | - | - | - |
| Issuance of Tax Notes | - | - | - | - | - |
| Issuance of Capital Leases | - | - | 344 | - | - |
| Construction Loans | - | 18,443 | 46,865 | 37,356 | 40,373 |
| Premium on Issuance | 32,956 | 5,150 | 364 | 18,668 | 21,131 |
| Proceeds from Disposal of Property | 286 | 9,090 | 1,340 | 2,394 | 533 |
| Issuance of Refunding Bonds | 50,305 | 25,795 | - | 127,162 | 27,500 |
| Payment to Bond Escrow Agent | (60,437) | (27,286) | - | (154,840) | (47,650) |
| Insurance Recoveries | - | - | - | - | 7,477 |
| Transfers In | 470,463 | 109,939 | 143,754 | 162,071 | 162,483 |
| Transfers Out | (446,236) | (52,730) | (181,450) | (102,400) | (115,764) |
| Total Other Financing Sources (Uses) | <u>218,307</u> | <u>156,971</u> | <u>30,487</u> | <u>130,411</u> | <u>199,083</u> |
| Net Change in Fund Balances | <u>\$ 134,176</u> | <u>\$ (4,250)</u> | <u>\$ (187,450)</u> | <u>\$ (3,325)</u> | <u>\$ 63,140</u> |
| Debt Service as a Percentage of Noncapital Expenditures | | | | | |
| | 11.38 % | 14.41 % | 14.16 % | 12.00 % | 11.47 % |

Source: Comprehensive Annual Financial Report for the respective years.

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

TABLE 4

| | 2017 | 2018 | 2019 | 2020 | 2021 |
|----|------------------|------------------|------------------|------------------|------------------|
| \$ | 452,843 | \$ 485,959 | \$ 518,525 | \$ 562,695 | \$ 595,246 |
| | 250,023 | 265,833 | 279,864 | 272,528 | 309,611 |
| | 50,078 | 51,934 | 50,494 | 48,365 | 48,484 |
| | 39,864 | 38,940 | 50,760 | 46,106 | 46,344 |
| | 16,881 | 17,045 | 16,966 | 18,095 | 19,336 |
| | 17,062 | 16,058 | 11,781 | 4,426 | 4,553 |
| | 12,432 | 15,495 | 13,051 | 11,294 | 13,086 |
| | 6,952 | 9,186 | 34,245 | 31,967 | 5,210 |
| | 63,364 | 90,861 | 81,484 | 121,744 | 196,865 |
| | 9,063 | 9,267 | 6,646 | 3,237 | 4,483 |
| | 31,879 | 35,549 | 39,452 | 23,497 | 25,632 |
| | 11,515 | 12,871 | 17,425 | 34,642 | 45,417 |
| | <u>961,956</u> | <u>1,048,998</u> | <u>1,120,693</u> | <u>1,178,596</u> | <u>1,314,267</u> |
| | 103,325 | 89,891 | 128,270 | 133,690 | 132,036 |
| | 465,575 | 496,233 | 492,841 | 517,018 | 545,069 |
| | 47,146 | 49,860 | 62,956 | 70,622 | 65,208 |
| | 132,014 | 246,322 | 135,859 | 125,999 | 105,636 |
| | 10,843 | 10,091 | 10,773 | 34,670 | 100,849 |
| | 60,093 | 81,595 | 81,427 | 101,692 | 90,542 |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | 175,367 | 190,441 | 160,895 | 137,352 | 232,212 |
| | 79,491 | 100,723 | 90,370 | 116,467 | 121,688 |
| | 36,566 | 43,129 | 41,028 | 45,579 | 42,438 |
| | <u>1,110,420</u> | <u>1,308,285</u> | <u>1,204,419</u> | <u>1,283,089</u> | <u>1,435,678</u> |
| | <u>(148,464)</u> | <u>(259,287)</u> | <u>(83,726)</u> | <u>(104,493)</u> | <u>(121,411)</u> |
| | 226,880 | 62,220 | 106,595 | 109,065 | 92,705 |
| | 12,685 | 5,155 | - | - | - |
| | 32,605 | 12,590 | 8,565 | 25,115 | 114,620 |
| | 575 | - | - | - | - |
| | 26,637 | 19,106 | 7,185 | 9,436 | - |
| | 11,192 | 4,416 | 9,995 | 22,705 | 19,361 |
| | 15,619 | 26,012 | 2,482 | 146 | 12,335 |
| | - | - | - | 42,325 | 101,675 |
| | - | - | - | (48,810) | (108,160) |
| | - | - | 1,303 | 6 | 2,634 |
| | 389,685 | 144,348 | 171,072 | 178,036 | 157,544 |
| | <u>(360,244)</u> | <u>(103,896)</u> | <u>(134,333)</u> | <u>(144,518)</u> | <u>(117,137)</u> |
| | <u>355,634</u> | <u>169,951</u> | <u>172,864</u> | <u>193,506</u> | <u>275,577</u> |
| \$ | <u>207,170</u> | <u>(89,336)</u> | <u>89,138</u> | <u>89,013</u> | <u>154,166</u> |
| | 12.41 % | 12.87 % | 12.59 % | 14.14 % | 13.64 % |

**CITY OF FORT WORTH, TEXAS
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE
 OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS (Unaudited)
 (in 000's)**

TABLE 5

| <u>Fiscal Year</u> | <u>Net Assessed Valuation^(a)</u> | | | <u>Total Direct Tax Rate^(d)</u> |
|--------------------|---|-------------------------------|----------------------|--|
| | <u>Real^(b)</u> | <u>Personal^(c)</u> | <u>Total Taxable</u> | |
| 2012 | \$ 33,932,556 | \$ 8,053,487 | \$ 41,986,043 | 0.8550 |
| 2013 | 35,892,406 | 7,805,257 | 43,697,663 | 0.8550 |
| 2014 | 34,792,449 | 7,628,240 | 42,420,689 | 0.8550 |
| 2015 | 37,644,135 | 8,286,957 | 45,931,092 | 0.8550 |
| 2016 | 40,839,940 | 8,819,802 | 49,659,742 | 0.8550 |
| 2017 | 41,193,832 | 8,511,146 | 49,704,978 | 0.8350 |
| 2018 | 48,854,255 | 12,095,772 | 60,950,027 | 0.8050 |
| 2019 | 54,591,566 | 12,993,405 | 67,584,971 | 0.7850 |
| 2020 | 62,563,206 | 14,430,958 | 76,994,164 | 0.7475 |
| 2021 | 62,119,300 | 17,758,887 | 79,878,187 | 0.7475 |

Source: Tarrant County Appraisal District, Denton County Appraisal District, Parker County Appraisal District and Wise County Appraisal District.

(a) The Assessed Value is 100%. Valuation shown for 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 |
| 2012 | \$ 0.7009 | \$ 0.1541 | \$ 0.8550 | \$ 1.3220 | \$ 0.2640 | \$ 0.2279 | \$ 0.1490 |
| 2013 | 0.6859 | 0.1691 | 0.8550 | 1.3220 | 0.2640 | 0.2279 | 0.1490 |
| 2014 | 0.6759 | 0.1791 | 0.8550 | 1.3220 | 0.2640 | 0.2279 | 0.1495 |
| 2015 | 0.6759 | 0.1791 | 0.8550 | 1.3220 | 0.2640 | 0.2279 | 0.1495 |
| 2016 | 0.6759 | 0.1791 | 0.8550 | 1.3520 | 0.2640 | 0.2279 | 0.1495 |
| 2017 | 0.6615 | 0.1735 | 0.8350 | 1.3520 | 0.2540 | 0.2279 | 0.1447 |
| 2018 | 0.6415 | 0.1635 | 0.8050 | 1.3520 | 0.2440 | 0.2244 | 0.1401 |
| 2019 | 0.6300 | 0.1550 | 0.7850 | 1.3520 | 0.2340 | 0.2244 | 0.1361 |
| 2020 | 0.5950 | 0.1525 | 0.7475 | 1.2820 | 0.2340 | 0.2244 | 0.1302 |
| 2021 | 0.5950 | 0.1525 | 0.7475 | 1.3784 | 0.2340 | 0.2244 | 0.1302 |

(a) Source - Tarrant County Appraisal District.

CITY OF FORT WORTH, TEXAS
PROPERTY TAXES LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS (Unaudited)
(in 000's)

TABLE 7

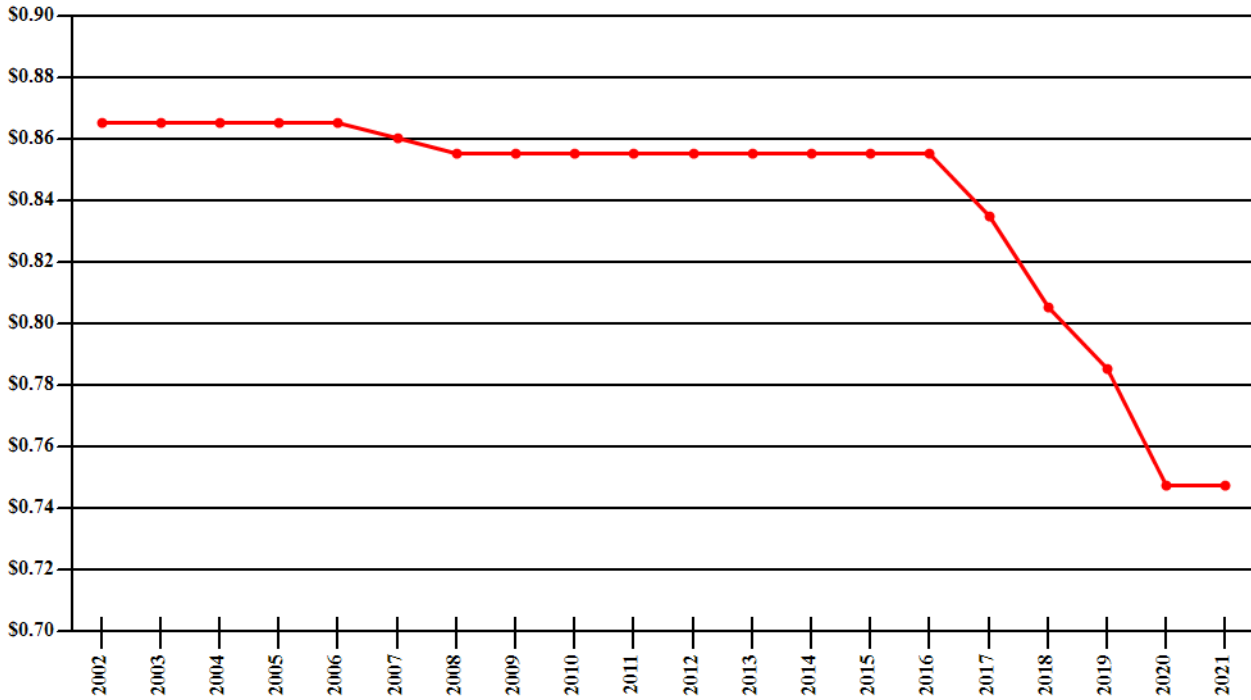
| Fiscal Year | Taxes Levied for the Fiscal Year | Collected Within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|--------------------|---|---|---------------------------|--|----------------------------------|---------------------------|
| | | Current Tax Collections | Percentage of Levy | | Total Tax Collections | Percentage of Levy |
| 2012 | \$ 358,954 | \$ 352,784 | 98.28% | \$ 4,316 | \$ 357,100 | 99.48% |
| 2013 | 366,361 | 359,890 | 98.23% | 2,710 | 362,600 | 98.97% |
| 2014 | 377,584 | 370,904 | 98.23% | 2,757 | 373,661 | 98.96% |
| 2015 | 402,370 | 393,691 | 97.84% | 3,889 | 397,580 | 98.81% |
| 2016 | 424,203 | 416,304 | 98.14% | 3,201 | 419,505 | 98.89% |
| 2017 | 453,954 | 444,015 | 97.81% | 3,070 | 447,085 | 98.49% |
| 2018 | 488,093 | 477,778 | 97.89% | 1,052 | 478,830 | 98.10% |
| 2019 | 527,508 | 515,308 | 97.69% | 1,313 | 516,621 | 97.94% |
| 2020 | 570,801 | 556,459 | 97.49% | (68) | 556,391 | 97.48% |
| 2021 | 606,080 | 590,141 | 97.37% | - | 590,141 | 97.37% |

Source: Tarrant County Tax Office

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

TABLE 8

| 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| \$ 0.8650 | \$ 0.8650 | \$ 0.8650 | \$ 0.8650 | \$ 0.8650 | \$ 0.8600 | \$ 0.8550 | \$ 0.8550 | \$ 0.8550 | \$ 0.8550 |
| 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| \$ 0.8550 | \$ 0.8550 | \$ 0.8550 | \$ 0.8550 | \$ 0.8550 | \$ 0.8350 | \$ 0.8050 | \$ 0.7850 | \$ 0.7475 | \$ 0.7475 |



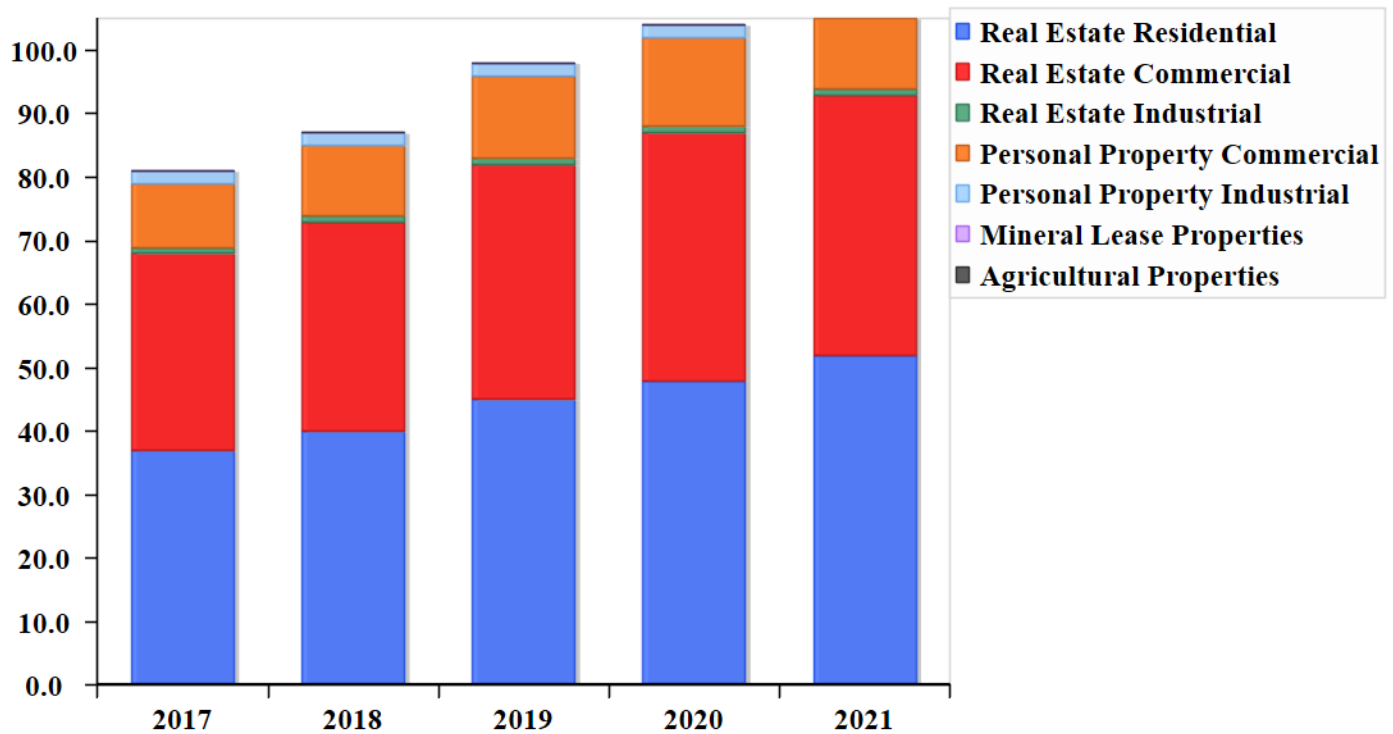
Source: Data Analytics Division, FMS, City of Fort Worth
Tax rate per \$100 of Assessed Value

*Y-Axis adjusted for reader clarity.

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

TABLE 9

| Appraisal Year | 2017 | 2018 | 2019 | 2020 | 2021 |
|------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| TAD Value By Type | | | | | |
| Real Estate Residential | \$ 36,684,054,659 | \$ 40,416,373,511 | \$ 45,419,396,758 | \$ 47,901,575,417 | \$ 52,282,526,896 |
| Real Estate Commercial | 30,561,203,577 | 33,159,724,072 | 37,401,217,704 | 39,261,858,918 | 40,898,023,066 |
| Real Estate Industrial | 716,000,835 | 774,566,170 | 880,356,252 | 892,401,448 | 893,461,513 |
| Personal Property Commercial | 10,485,835,883 | 11,374,286,496 | 13,280,195,431 | 13,913,031,378 | 14,277,890,706 |
| Personal Property Industrial | 2,381,273,287 | 2,412,169,819 | 2,305,884,521 | 2,415,565,805 | 2,271,863,115 |
| Mineral Lease Properties | 270,687,240 | 311,440,940 | 325,587,510 | 213,152,263 | 208,906,283 |
| Agricultural Properties | 6,042,630 | 6,223,003 | 13,312,851 | 3,343,212 | 15,266,915 |
| Total TAD Value | \$ 81,105,098,111 | \$ 88,454,784,011 | \$ 99,625,951,027 | \$104,600,928,441 | \$110,847,938,494 |
| Total CFW Value | \$ 83,712,155,148 | \$ 91,126,027,911 | \$103,261,553,977 | \$109,064,258,429 | \$116,859,799,095 |
| % of CFW Value | 96.9 % | 97.1 % | 96.5 % | 95.9 % | 94.9 % |



Source: Tarrant Appraisal District Certified Tax Report.

Values reported are for Tarrant County only.

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



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

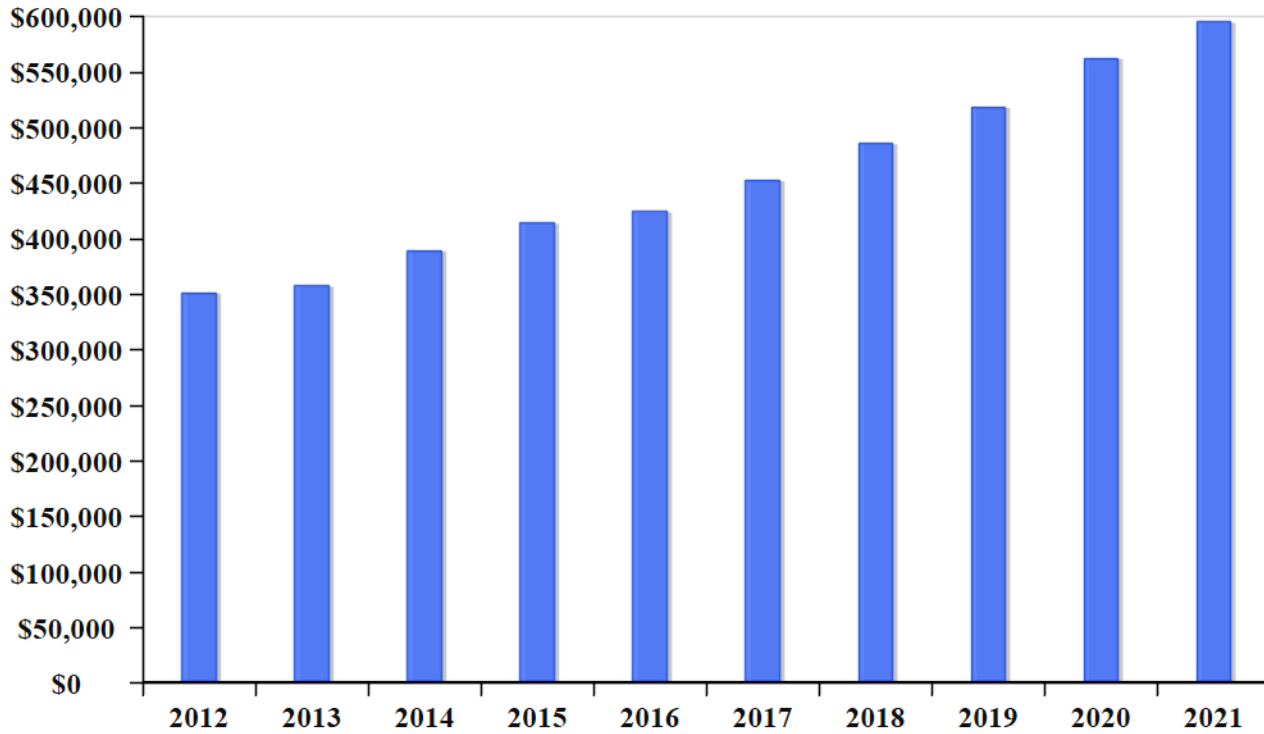
| Fiscal Year | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | |
|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|---------|
| Value (000s) | \$ 191,563 | \$ 208,112 | \$ 222,111 | \$ 235,643 | \$ 259,483 | \$ 289,177 | \$ 317,290 | \$ 343,973 | \$ 353,606 | \$ 343,954 | |
| Percent Change | | 9.83 % | 8.64 % | 6.73 % | 6.09 % | 10.12 % | 11.44 % | 9.72 % | 8.41 % | 2.80 % | (2.73)% |



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

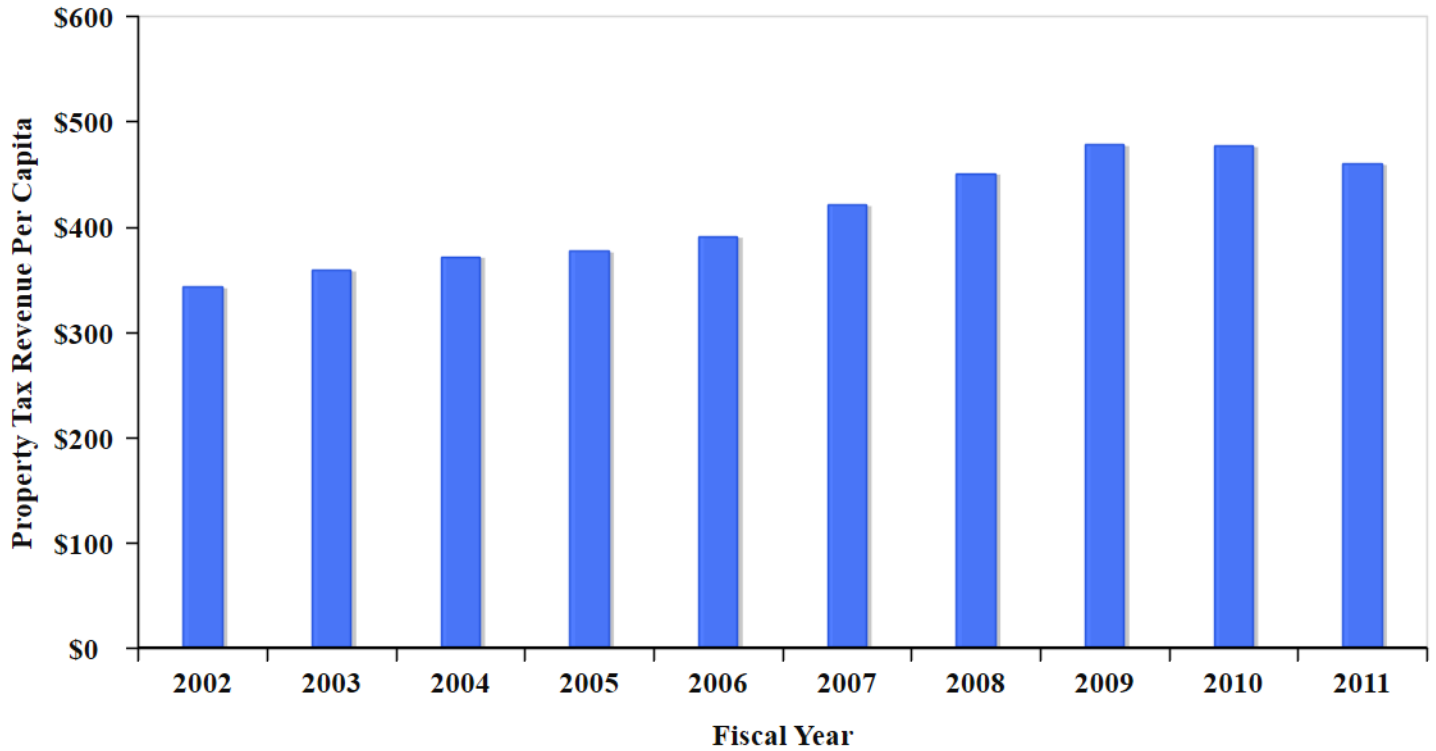
TABLE 10

| 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| \$ 351,540 | \$ 357,673 | \$ 389,490 | \$ 414,419 | \$ 424,458 | \$ 452,843 | \$ 485,959 | \$ 518,525 | \$ 562,695 | \$ 595,246 |
| 2.21 % | 1.74 % | 8.90 % | 6.40 % | 2.42 % | 6.69 % | 7.31 % | 6.70 % | 8.52 % | 5.78 % |



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

| Fiscal Year | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Value (000s) ^(a) | \$ 191,563 | \$ 208,112 | \$ 222,111 | \$ 235,643 | \$ 259,483 | \$ 289,177 | \$ 317,290 | \$ 343,973 | \$ 353,606 | \$ 343,954 |
| Population ^(b) | 557,750 | 579,250 | 597,150 | 624,850 | 664,100 | 686,850 | 702,850 | 720,250 | 741,206 | 748,450 |
| Value Per Capita | \$ 343 | \$ 359 | \$ 372 | \$ 377 | \$ 391 | \$ 421 | \$ 451 | \$ 478 | \$ 477 | \$ 460 |
| Percent Change | 8.84 % | 4.66 % | 3.62 % | 1.34 % | 3.71 % | 7.67 % | 7.13 % | 5.99 % | (0.21)% | (3.56)% |

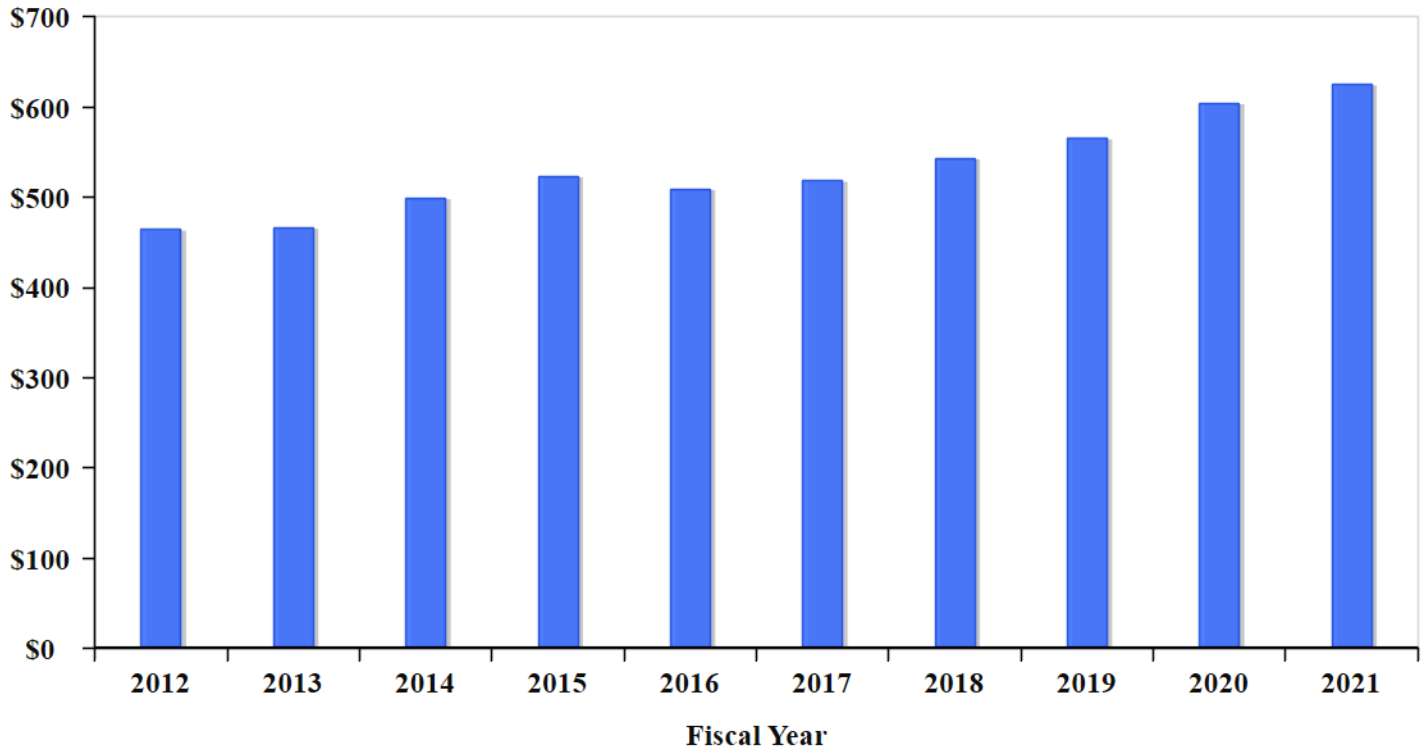


(a) Source: Financial Reporting Division, FMS, City of Fort Worth

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

TABLE 11

| 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| \$ 351,540 | \$ 357,673 | \$ 389,490 | \$ 414,419 | \$ 424,458 | \$ 452,843 | \$ 485,959 | \$ 518,525 | \$ 562,695 | \$ 595,246 |
| 757,810 | 767,560 | 781,100 | 792,720 | 833,319 | 874,168 | 895,121 | 917,050 | 930,971 | 952,357 |
| \$ 464 | \$ 466 | \$ 499 | \$ 523 | \$ 509 | \$ 518 | \$ 543 | \$ 565 | \$ 604 | \$ 625 |
| 0.87 % | 0.43 % | 7.08 % | 4.81 % | (2.68)% | 1.77 % | 4.83 % | 4.05 % | 6.90 % | 3.48 % |



**CITY OF FORT WORTH, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO (Unaudited)
(in 000's)**

TABLE 12

| <u>Name of Taxpayer</u> | <u>Nature of Property</u> | <u>2021^(a)</u> | | | <u>2012^(b)</u> | | |
|---|---------------------------|--|-------------|---|--|-------------|---|
| | | <u>2020 Taxable Assessed Valuation</u> | <u>Rank</u> | <u>Percentage of Total Taxable Assessed Valuation</u> | <u>2011 Taxable Assessed Valuation</u> | <u>Rank</u> | <u>Percentage of Total Taxable Assessed Valuation</u> |
| Winner LLC | Commercial Real Estate | \$ 1,938,352 | 1 | 2.43 % | \$ - | - | - % |
| AMR Corp/American Airlines, Inc. | Air Travel/Airlines | 964,327 | 2 | 1.21 % | 165,278 | 7 | 0.39 % |
| Oncor Electric Delivery Co LLC | Electric Utility | 608,613 | 3 | 0.76 % | - | - | - % |
| Bell Helicopter Textron Inc | Aircraft Manufacturing | 387,990 | 4 | 0.49 % | 257,876 | 3 | 0.61 % |
| DDR/DTC City Investments LP | Real Estate | 288,872 | 5 | 0.36 % | 207,501 | 6 | 0.49 % |
| Alcon Laboratories | Pharmaceuticals | 237,702 | 6 | 0.30 % | 261,368 | 2 | 0.62 % |
| Walmart Real Estate Trust | Real Estate | 233,398 | 7 | 0.29 % | 130,066 | 10 | 0.31 % |
| At Industrial Owner1 LLC | Real Estate | 209,882 | 8 | 0.26 % | - | - | - % |
| Atmos Energy/Mid Tex Division | Electric Utility | 204,063 | 9 | 0.26 % | - | - | - % |
| Behringer Harvard Burnett PLZ | Real Estate | 184,113 | 10 | 0.23 % | - | - | - % |
| TXU Electric/Oncor Electric Delivery Co, LLC | Electric Utility | | | | 348,008 | 1 | 0.83 % |
| XTO Energy Inc | Oil/Gas Producer | | | | 245,165 | 5 | 0.58 % |
| Chesapeake Operating | Natural Gas Producer | | | | 251,020 | 4 | 0.60 % |
| Mercantile Partners | Land Subdivider Developer | | | | 134,639 | 9 | 0.32 % |
| Devon Energy Prod Company | Oil/Gas Producer | | | | 140,099 | 8 | 0.33 % |
| | | <u>\$ 5,257,312</u> | | <u>6.59 %</u> | <u>\$ 2,141,020</u> | | <u>5.08 %</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)

| | 2012 | 2013 | 2014 | 2015 | 2016^(c) |
|---|---------------------|---------------------|---------------------|---------------------|---------------------------|
| Governmental: | | | | | |
| General Obligation Bonds | \$ 458,800 | \$ 463,488 | \$ 440,617 | \$ 452,412 | \$ 499,217 |
| Certificates of Obligation | 247,600 | 302,985 | 299,441 | 242,290 | 221,565 |
| Special Tax Revenue Debt | - | - | - | - | - |
| Special Assessment Debt | - | - | - | - | - |
| Tax Notes | - | - | - | - | - |
| Installment Obligation | 3,770 | 3,080 | 2,370 | 1,620 | 825 |
| Equipment Notes Payable | 54,450 | 46,860 | 39,145 | - | - |
| HUD Installment Obligation | 6,034 | 5,282 | 4,504 | 3,699 | 2,865 |
| Service Center Obligation | 19,515 | 18,980 | - | - | - |
| Fort Worth Housing Corp Obligation | 9,073 | - | - | - | - |
| Fort Worth Sports Authority | 8,476 | 8,386 | 6,868 | 2,495 | - |
| Lone Star Local Govt Corp Obligation | 31,617 | 31,617 | 31,617 | 31,617 | 31,617 |
| Central City Local Govt Corp Obligation | 872 | 347 | - | - | - |
| State Obligations | - | - | 10,931 | 10,285 | 9,638 |
| Project Finance Zone 1 | - | - | - | - | - |
| TRWD Obligation | - | - | 91,998 | 124,349 | 153,853 |
| State Energy Conservation Loan Phase I & II | 1,925 | 1,249 | 553 | - | - |
| State Energy Conservation Loan Phase III | 3,102 | 2,590 | 2,064 | 1,528 | 971 |
| ESPC Phase IV | 7,820 | - | - | - | - |
| ESPC Phase VII | - | 18,443 | 18,064 | 17,426 | 16,472 |
| Wells Fargo Loan | 78 | - | - | - | - |
| Capital Leases | 4,096 | 3,816 | 1,482 | 1,122 | 836 |
| Southwest Bank Loan (LDC SW Building) | - | - | 2,545 | 2,200 | 1,844 |
| Lancaster Corridor Construction Loan | - | - | - | 1,774 | 10,276 |
| Unamortized Prem/Disc | - | - | - | 57,073 | 68,272 |
| Business-type: | | | | | |
| General Obligation Bonds | - | - | - | - | 38,428 |
| Revenue Bonds | 884,010 | 858,985 | 950,107 | 882,395 | 870,315 |
| Certificates of Obligation | 56,035 | 55,238 | 53,092 | 48,428 | 4,225 |
| Equipment Notes Payable | 750 | - | - | - | - |
| Trinity River Authority | 6,656 | 6,100 | 5,500 | 4,885 | 4,250 |
| ESPC Phase V | 15,365 | 14,691 | 13,355 | 11,938 | 10,463 |
| Unamortized Prem/Disc | - | - | - | - | - |
| Total Primary Government | \$ 1,820,044 | \$ 1,842,137 | \$ 1,974,253 | \$ 1,958,799 | \$ 2,014,440 |
| Personal Income ^(a) | \$ 18,827,032 | \$ 18,934,769 | \$ 19,128,358 | \$ 19,600,795 | \$ 20,604,646 |
| Debt as a Percentage of Personal Income | 10 % | 10 % | 10 % | 10 % | 10 % |
| Population ^(b) | 758 | 768 | 781 | 793 | 833 |
| Debt Per Capita | \$ 2,313 | \$ 2,399 | \$ 2,528 | \$ 2,470 | \$ 2,418 |

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

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

(c) Unamortized premium and discounts are included in the General Obligation, Certificate of Obligation, Special Tax Revenue Debt, Special Assessment Debt and Revenue Bonds where applicable.

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

TABLE 13

| | 2017^(c) | 2018^(c) | 2019^(c) | 2020^(c) | 2021^(c) |
|-----------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| \$ | 452,570 | \$ 475,520 | \$ 520,545 | \$ 576,670 | \$ 665,220 |
| | 201,945 | 167,785 | 152,745 | 99,425 | 100,540 |
| | 226,880 | 226,550 | 226,115 | 225,675 | 220,350 |
| | 12,685 | 17,840 | 17,840 | 17,840 | - |
| | 26,130 | 35,010 | 38,300 | 56,890 | 61,730 |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | 2,000 | 1,368 | 702 | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | 31,617 | 31,617 | 31,617 | 31,617 | 31,617 |
| | - | - | - | - | - |
| | 8,992 | 8,346 | 7,700 | 7,054 | 25,567 |
| | - | - | - | - | 1,357 |
| | 171,391 | 186,654 | 188,857 | 191,712 | 188,643 |
| | - | - | - | - | - |
| | 397 | - | - | - | - |
| | - | - | - | - | - |
| | 15,474 | 14,302 | 12,650 | 10,961 | 9,233 |
| | - | - | - | - | - |
| | 1,167 | 837 | 476 | 1,473 | 1,109 |
| | 1,477 | 1,099 | 710 | 309 | - |
| | 16,500 | - | - | - | - |
| | 69,218 | 55,951 | 55,342 | 64,359 | 69,417 |
| | 37,365 | 35,580 | 33,740 | 31,700 | 29,585 |
| | 910,685 | 953,415 | 979,470 | 1,045,815 | 1,114,000 |
| | 2,515 | 1,400 | 230 | - | - |
| | - | - | - | - | - |
| | 3,600 | 2,930 | 2,240 | 1,520 | 775 |
| | 8,955 | 7,411 | 5,830 | 4,212 | 2,557 |
| | - | - | - | - | 68,341 |
| \$ | 2,270,599 | \$ 2,276,429 | \$ 2,327,893 | \$ 2,429,173 | \$ 2,590,041 |
| | | | | | |
| \$ | 22,772,813 | \$ 25,219,139 | \$ 31,024,719 | \$ 33,209,598 | \$ 33,972,475 |
| | 10 % | 9 % | 8 % | 7 % | 8 % |
| | | | | | |
| | 875 | 895 | 917 | 931 | 952 |
| \$ | 2,595 | \$ 2,543 | \$ 2,539 | \$ 2,609 | \$ 2,721 |

CITY OF FORT WORTH, TEXAS
PERCENT OF TOTAL GENERAL DEBT OUTSTANDING
TO ASSESSED VALUE AND TOTAL GENERAL DEBT
OUTSTANDING PER CAPITA
LAST TEN FISCAL YEARS (Unaudited)
(in 000's)

TABLE 14

| Fiscal Year | General Bonded Debt Outstanding | | | Total Net Bonded Debt | Net Assessed Value ^(b) | Percent Outstanding General Debt to Assessed Value | Estimated Population ^(c) | Outstanding General Debt Per Capita |
|-------------|---|--|---|-----------------------|-----------------------------------|--|-------------------------------------|-------------------------------------|
| | General Obligation Bonds ^(a) | Certification of Obligation ^(a) | Less Restricted for Debt Service ^(d) | | | | | |
| 2012 | \$ 458,800 | \$ 247,600 | \$ - | \$ 706,400 | \$ 41,986,043 | 1.68 % | 758 | \$ 0.932 |
| 2013 | 463,488 | 302,985 | - | 766,473 | 43,697,663 | 1.75 % | 768 | 0.998 |
| 2014 | 440,617 | 299,441 | - | 740,058 | 42,420,689 | 1.74 % | 781 | 0.948 |
| 2015 | 497,821 | 303,035 | 830 | 800,026 | 45,931,092 | 1.74 % | 793 | 0.936 |
| 2016 | 601,791 | 235,932 | 1,245 | 836,478 | 49,659,742 | 1.68 % | 833 | 0.915 |
| 2017 | 544,861 | 213,082 | 1,196 | 756,747 | 49,704,978 | 1.52 % | 875 | 0.793 |
| 2018 | 555,525 | 173,590 | 37,061 | 692,054 | 60,950,027 | 1.14 % | 895 | 0.773 |
| 2019 | 598,605 | 156,174 | 55,685 | 699,094 | 67,584,971 | 1.03 % | 917 | 0.762 |
| 2020 | 659,889 | 101,387 | 51,523 | 709,753 | 76,994,164 | 0.92 % | 931 | 0.762 |
| 2021 | 748,871 | 104,300 | 51,523 | 801,648 | 79,878,187 | 1.00 % | 952 | 0.842 |

(a) Includes Business-Type Activities debt and all bond related unamortized premiums and discounts.

(b) Assessed value is 100%

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

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



**CITY OF FORT WORTH, TEXAS
LEGAL DEBT MARGIN INFORMATION
SEPTEMBER 30, 2021 (Unaudited)
(in Millions)**

| | <u>2012*</u> | <u>2013*</u> | <u>2014*</u> | <u>2015</u> | <u>2016</u> |
|---|--------------|--------------|--------------|--------------|--------------|
| Total Assessed Valuation | \$ 41,986 | \$ 43,698 | \$ 42,421 | \$ 45,931 | \$ 49,660 |
| Overall Debt Limitation - 10% of Assessed Valuation | 4,199 | 4,370 | 4,242 | 4,593 | 4,966 |
| Net Debt Subject to Limitation | 706 | 727 | 695 | 695 | 721 |
| Legal Debt Margin Within 10% Limitation | <u>3,493</u> | <u>3,643</u> | <u>3,547</u> | <u>3,898</u> | <u>4,245</u> |
| Legal Debt Margin as a Percentage of the Debt Limit | 83 % | 83 % | 84 % | 85 % | 85 % |

Notes:

*Government Code Sec. 1331.051 of the State of Texas Constitution and Statutes limits cities with a population of seven hundred fifty thousand or more to incur a total bonded indebtedness by the issuance of tax-supported bonds in an amount not exceeding ten (10%) percent of the total appraised value of property listed on the most recent appraisal roll for the City. Prior to FY2011, per Article 835p of the State of Texas Civil Statutes, the limit was based upon a population of six hundred thousand according to the last federal census. According to the 2000 Federal Census, the City of Fort Worth had a population of over 516 thousand; therefore the 10% limitation does not apply to 2010 and before. According to the 2010 Federal Census, the City of Fort Worth had a population of over 758 thousand; therefore, the 10% limitation does apply after 2010.

Assessed Value is the appraised value of property net of exemptions, deferrals, incomplete and protested properties.

Net Debt Subject to Limitation includes governmental activities tax-supported general obligation bonds, certificates of obligations, and tax notes. Also, the Net Debt includes business-type activities, tax-supported general obligation bonds, and certificates of obligations.

**CITY OF FORT WORTH, TEXAS
CITY TAX RATE DISTRIBUTION
LAST TEN FISCAL YEARS (Unaudited)
(Per \$100 of Assessed Value)**

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|---------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| General Fund | \$ 0.701 | \$ 0.686 | \$ 0.676 | \$ 0.676 | \$ 0.676 |
| Debt Service Fund | 0.154 | 0.169 | 0.179 | 0.179 | 0.179 |
| Total City Tax Rate | <u>\$ 0.855</u> | <u>\$ 0.855</u> | <u>\$ 0.855</u> | <u>\$ 0.855</u> | <u>\$ 0.855</u> |

Source: Tarrant Appraisal District

TABLE 15

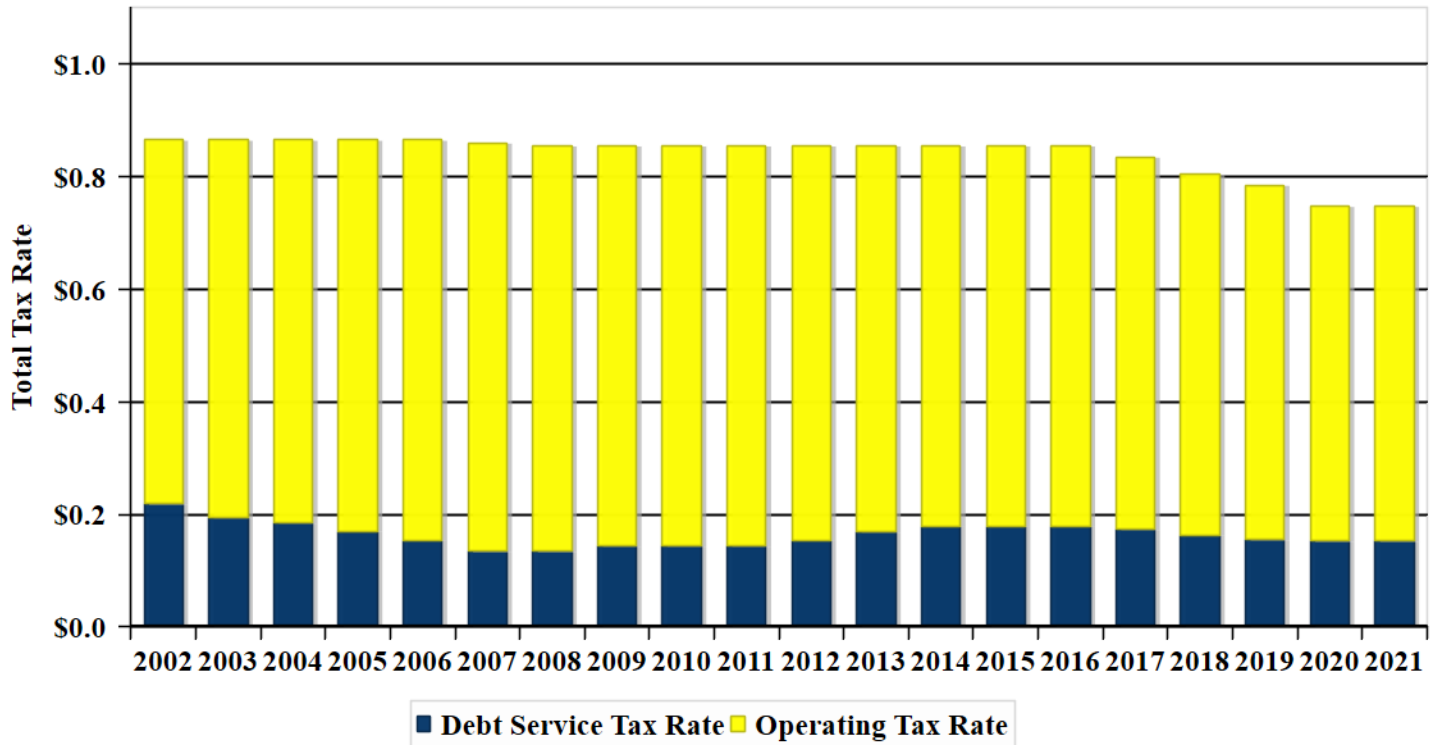
| 2017 | 2018 | 2019 | 2020 | 2021 |
|-------------|-------------|-------------|-------------|-------------|
| \$ 49,705 | \$ 60,950 | \$ 67,585 | \$ 76,994 | \$ 79,878 |
| 4,971 | 6,095 | 6,759 | 7,699 | 7,988 |
| 721 | 715 | 746 | 765 | 858 |
| \$ 4,250 | \$ 5,380 | \$ 6,013 | \$ 6,934 | \$ 7,130 |
| 85 % | 88 % | 89 % | 90 % | 89 % |

| 2017 | 2018 | 2019 | 2020 | 2021 |
|-------------|-------------|-------------|-------------|-------------|
| \$ 0.662 | \$ 0.642 | \$ 0.630 | \$ 0.595 | \$ 0.595 |
| 0.173 | 0.163 | 0.155 | 0.153 | 0.153 |
| \$ 0.835 | \$ 0.805 | \$ 0.785 | \$ 0.748 | \$ 0.748 |

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

TABLE 16

| | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> |
|-----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Debt Service Tax Rate | \$ 0.2183 | \$ 0.1943 | \$ 0.1851 | \$ 0.1704 | \$ 0.1543 | \$ 0.1341 | \$ 0.1341 | \$ 0.1441 | \$ 0.1441 | \$ 0.1441 |
| Operating Tax Rate | \$ 0.6467 | \$ 0.6707 | \$ 0.6799 | \$ 0.6946 | \$ 0.7107 | \$ 0.7259 | \$ 0.7209 | \$ 0.7109 | \$ 0.7109 | \$ 0.7109 |
| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
| Debt Service Tax Rate | \$ 0.1541 | \$ 0.1691 | \$ 0.1791 | \$ 0.1791 | \$ 0.1791 | \$ 0.1735 | \$ 0.1635 | \$ 0.1550 | \$ 0.1525 | \$ 0.1525 |
| Operating Tax Rate | \$ 0.7009 | \$ 0.6859 | \$ 0.6759 | \$ 0.6759 | \$ 0.6759 | \$ 0.6615 | \$ 0.6415 | \$ 0.6300 | \$ 0.5950 | \$ 0.5950 |



Source: Planning and Data Analytics, FMS, City of Fort Worth

**CITY OF FORT WORTH, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL
ACTIVITIES DEBT(Unaudited)
YEAR ENDED SEPTEMBER 30, 2021
(in 000's)**

TABLE 17

| Governmental Unit | Debt Outstanding | Estimated Percentage Applicable^(a) | Estimated Share of Overlapping Debt |
|--|-----------------------------|--|--|
| Aledo ISD | \$ 278,389 | 4.50% | \$ 12,528 |
| Arlington Independent School District | 1,081,250 | 0.01% | 108 |
| Azle Independent School District | 117,215 | 1.91% | 2,239 |
| Birdville Independent School District | 440,840 | 5.48% | 24,158 |
| Burleson Independent School District | 310,562 | 11.80% | 36,646 |
| Castleberry Independent School District | 34,200 | 50.66% | 17,326 |
| Crowley Independent School District | 520,570 | 76.58% | 398,653 |
| Denton County | 571,605 | 2.56% | 14,633 |
| Eagle Mountain-Saginaw Independent School District | 924,256 | 72.43% | 669,438 |
| Everman Independent School District | 113,760 | 67.00% | 76,219 |
| Fort Worth Independent School District | 1,249,965 | 89.02% | 1,112,719 |
| Grapevine-Colleyville Independent School District | 362,389 | -% | - |
| Hurst-Euless-Bedford Independent School District | 343,375 | 29.65% | 101,811 |
| Keller Independent School District | 877,565 | 50.93% | 446,944 |
| Kennedale Independent School District | 23,305 | 0.35% | 82 |
| Lake Worth Independent School District | 77,500 | 55.08% | 42,687 |
| Mansfield Independent School District | 853,615 | 0.01% | 85 |
| Northwest Independent School District | 1,223,982 | 48.51% | 593,753 |
| Parker County | 145,659 | 1.36% | 1,981 |
| Parker County JCD | 2,315 | 1.36% | 31 |
| Tarrant County | 213,675 | 39.23% | 83,825 |
| Tarrant County College District | 255,995 | 39.23% | 100,427 |
| Tarrant County Hospital District | 14,495 | 39.23% | 5,686 |
| White Settlement Independent School District | 145,894 | 49.16% | 71,722 |
| Subtotal, overlapping debt | | | <u>3,813,701</u> |
| General Obligations Bonds | 665,220 | | 665,220 |
| Certificates of Obligation | 100,540 | | 100,540 |
| Special Tax Revenue Debt | 220,350 | | 220,350 |
| Tax Notes | 61,730 | | 61,730 |
| Lone Star Local Government Corp Obligation | 31,617 | | 31,617 |
| State Obligation - City | 17,417 | | 17,417 |
| State Obligation - CCPD | 8,150 | | 8,150 |
| TRWD Obligation | 188,643 | | 188,643 |
| ESPC Phase VII | 9,233 | | 9,233 |
| Capital Leases | 1,109 | | 1,109 |
| Net Unamortized Bond Premium/Discount | 69,417 | | 69,417 |
| City of Fort Worth Net Direct Debt | 1,374,783 | 100.00 % | <u>1,373,426</u> |
| Total direct and overlapping debt | | | <u>\$ 5,187,127</u> |

All debt figures of the overlapping subdivisions reflect the gross bonded debt of each entity, with the exception of the City of Fort Worth. Net direct debt includes all long-term debt instruments of the governmental activities, which currently includes general obligation bonds, certificates of obligation, tax notes, loans, capital leases, and Net Unamortized Bond Premium/Discount.

(a) The estimated percentage is based on a formula using assessed values of the property.

Source: Municipal Advisory Council of Texas, and Note G.1. Changes in Long-Term Debt Obligations and Other Liabilities.

**CITY OF FORT WORTH, TEXAS
 PLEDGED-REVENUE COVERAGE
 LAST TEN FISCAL YEARS (Unaudited)
 (in 000's)**

TABLE 18

| 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) | | | | | | | |
| 2012 | \$ 349,112 | \$ 217,978 | \$ 131,134 | \$ 62,210 | \$ 33,592 | \$ 95,802 | 1.37 |
| 2013 | 353,223 | 211,493 | 141,730 | 59,725 | 31,162 | 90,887 | 1.56 |
| 2014 | 364,660 | 226,719 | 137,941 | 61,800 | 29,551 | 91,351 | 1.51 |
| 2015 | 391,225 | 253,114 | 138,111 | 65,055 | 30,201 | 95,256 | 1.45 |
| 2016 | 419,469 | 252,368 | 167,101 | 61,635 | 28,852 | 90,487 | 1.85 |
| 2017 | 427,521 | 239,642 | 187,879 | 63,175 | 29,396 | 92,571 | 2.03 |
| 2018 | 475,816 | 257,354 | 218,462 | 63,285 | 31,429 | 94,714 | 2.31 |
| 2019 | 467,508 | 253,860 | 213,648 | 59,840 | 31,510 | 91,350 | 2.34 |
| 2020 | 489,124 | 259,237 | 229,887 | 59,955 | 31,354 | 91,309 | 2.52 |
| 2021 | 494,174 | 275,191 | 218,983 | 61,150 | 32,474 | 93,624 | 2.34 |
| Municipal Parking^(f) | | | | | | | |
| 2012 | 7,808 | 2,775 | 5,033 | 955 | 2,667 | 3,622 | 1.39 |
| 2013 | 7,117 | 2,891 | 4,226 | 1,005 | 2,620 | 3,625 | 1.17 |
| 2014 | 7,127 | 2,703 | 4,424 | 1,495 | 2,561 | 4,056 | 1.09 |
| 2015 | 7,345 | 3,140 | 4,205 | 1,565 | 2,490 | 4,055 | 1.04 |
| 2016 | 7,856 | 3,176 | 4,680 | 1,640 | 1,328 | 2,968 | 1.58 |
| 2017 | 7,906 | 3,184 | 4,722 | 2,305 | 1,735 | 4,040 | 1.17 |
| 2018 | 8,789 | 3,418 | 5,371 | 2,430 | 1,624 | 4,054 | 1.32 |
| 2019 | 8,600 | 3,794 | 4,806 | 2,550 | 1,500 | 4,050 | 1.19 |
| 2020 | 4,966 | 3,368 | 1,598 | 1,820 | 1,388 | 3,208 | 0.50 |
| 2021 | 4,949 | 3,458 | 1,491 | 1,675 | 1,302 | 2,977 | 0.50 |
| Solid Waste^(g) | | | | | | | |
| 2012 | 54,449 | 45,023 | 9,426 | 1,734 | 285 | 2,019 | 4.67 |
| 2013 | 56,325 | 47,669 | 8,656 | 1,185 | 235 | 1,420 | 6.10 |
| 2014 | 55,819 | 47,128 | 8,691 | 435 | 207 | 642 | 13.54 |
| 2015 | 58,622 | 51,689 | 6,933 | 435 | 152 | 587 | 11.81 |
| 2016 | 59,447 | 52,283 | 7,164 | 480 | 98 | 578 | 12.39 |
| 2017 | 60,651 | 54,650 | 6,001 | 468 | 87 | 555 | 10.81 |
| 2018 | 62,151 | 54,718 | 7,433 | 470 | 76 | 546 | 13.61 |
| 2019 | 62,947 | 57,871 | 5,076 | 460 | 66 | 526 | 9.65 |
| 2020 | 67,248 | 62,569 | 4,679 | 450 | 55 | 505 | 9.27 |
| 2021 | 71,591 | 62,248 | 9,343 | 440 | 45 | 485 | 19.26 |
| Stormwater^(h) | | | | | | | |
| 2012 | 34,130 | 17,929 | 16,201 | 3,860 | 5,426 | 9,286 | 1.74 |
| 2013 | 35,208 | 17,446 | 17,762 | 3,715 | 5,663 | 9,378 | 1.89 |
| 2014 | 36,439 | 17,141 | 19,298 | 3,825 | 5,522 | 9,347 | 2.06 |
| 2015 | 36,799 | 20,706 | 16,093 | 3,960 | 5,380 | 9,340 | 1.72 |
| 2016 | 37,283 | 14,377 | 22,906 | 4,130 | 4,847 | 8,977 | 2.55 |
| 2017 | 37,301 | 15,797 | 21,504 | 4,300 | 4,824 | 9,124 | 2.36 |
| 2018 | 39,615 | 14,695 | 24,920 | 4,460 | 4,678 | 9,138 | 2.73 |
| 2019 | 41,416 | 16,237 | 25,179 | 4,640 | 4,326 | 8,966 | 2.81 |
| 2020 | 44,257 | 17,483 | 26,774 | 4,705 | 4,090 | 8,795 | 3.04 |
| 2021 | 47,915 | 19,181 | 28,734 | 5,550 | 5,044 | 10,594 | 2.71 |

(a) Principal and Interest does not include general obligation bonds reported in enterprise funds.

(b) Through FY2017 total revenues is exclusive of other expenses and contributions, gas lease revenue, and includes interest income. Beginning in FY2018 total revenues is cash based and includes interest income

(c) Through FY2017 Water and Sewer and Stormwater operating expense are cash based. All other funds operating expense are exclusive of depreciation charges. Beginning in FY2018 operating expense for all funds is cash based.

(d) Bond Coverage is computed by dividing Net Revenue by Annual Requirements.

(e) Secured by revenues of the City's Water and Sewer System.

(f) Secured by revenues of the City's Will Rogers Memorial Center Parking Facilities.

(g) Secured by revenues of the City's Solid Waste Services Program.

(h) Secured by revenue collected to maintain the stormwater system.

**CITY OF FORT WORTH, TEXAS
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS (Unaudited)**

TABLE 19

| <u>Fiscal Year</u> | <u>Population^(a)</u> | <u>Personal Income</u> | <u>Per Capita Personal Income</u> | <u>Median Age</u> | <u>(b)</u> | <u>Unemployment Rate^(c)</u> |
|--------------------|---------------------------------|------------------------|---------------------------------------|---------------------|------------|--|
| 2012 | 757,810 | \$ 18,827,031,640 | \$ 24,844 ^(d) | 31.1 ^(d) | 22,632 | 6.4% |
| 2013 | 767,560 | 17,998,514,440 | 23,449 ^(e) | 31.9 ^(e) | 22,566 | 6.1% |
| 2014 | 781,100 | 19,128,357,900 | 24,489 ^(f) | 31.5 ^(f) | 18,699 | 5.0% |
| 2015 | 792,720 | 19,600,794,720 | 24,726 ^(g) | 31.8 ^(h) | 15,594 | 4.0% |
| 2016 | 833,319 | 20,604,645,594 | 24,726 ^(g) | 31.9 ^(h) | 16,600 | 4.1% |
| 2017 | 874,168 | 22,772,813,280 | 26,051 ^(h) | 32.0 ^(h) | 12,823 | 3.1% |
| 2018 | 895,121 | 25,219,139,054 | 28,174 ^(h) | 32.9 ^(h) | 15,011 | 3.5% |
| 2019 | 917,050 | 31,024,718,550 | 33,831 ^(h) | 38.2 ^(h) | 14,108 | 3.2% |
| 2020 | 930,971 | 33,209,597,512 | 35,672 ^(h) | 38.5 ^(h) | 36,271 | 8.1% |
| 2021 | 952,357 | 33,972,474,687 | 35,672 ^(h) | 38.5 ^(h) | 22,071 | 4.9% |

(a) Source: Years prior to 2016: North Central Texas Council of Governments (NCTCOG). Beginning in year 2016: U.S. Bureau of Census 2010 and estimates. Beginning 2017, estimate revised to July 1 estimate for historical years.

(b) Source: BLS Local Area Unemployment Statistics.

(c) Source: U.S. Census Bureau 2000

(d) Source: U.S. Census Bureau 2010

(e) Source: U.S. Census Bureau 2012

(f) Source: U.S. Census Bureau 2013 Estimate

(g) Source: U.S. Census Bureau 2014 Estimate

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

**CITY OF FORT WORTH, TEXAS
PRINCIPAL EMPLOYERS
FORT WORTH METROPOLITAN AREA
CURRENT YEAR AND NINE YEARS AGO (Unaudited)
(in 000's)**

TABLE 20

| Name of Employers | 2021 | | | 2012 | | |
|--|---------------------|------|---|--------------------------|------|---|
| | Employees | Rank | Percentage of Total Employment ^(a) | Employees ^(b) | Rank | Percentage of Total Employment ^(c) |
| AMR Corp. /American Airlines | 41.0 ^(d) | 1 | 9.01 % | 9.0 | 4 | 2.70 % |
| Lockheed Martin Tactical Aircraft Systems | 23.0 ^(d) | 2 | 5.05 % | 15.0 | 1 | 4.50 % |
| Fort Worth Independent School District | 11.0 ^(d) | 3 | 2.42 % | 11.0 | 3 | 3.30 % |
| NAS Fort Worth Joint Reserve Base | 11.0 ^(d) | 4 | 2.42 % | 11.4 | 2 | 3.42 % |
| JPS Health Network/John Peter Smith Hospital | 7.0 ^(d) | 5 | 1.54 % | 4.9 | 6 | 1.47 % |
| City of Fort Worth | 7.0 ^(d) | 6 | 1.54 % | 7.0 | 5 | 2.10 % |
| Burlington Northern Santa Fe LLC | 7.0 ^(d) | 7 | 1.54 % | - | - | - % |
| Tarrant County College | 6.0 ^(d) | 8 | 1.32 % | - | - | - % |
| Alcon Laboratories Inc. | 5.0 ^(d) | 9 | 1.10 % | - | - | - % |
| Bell Helicopter-Textron, Inc. | 5.0 ^(d) | 10 | 1.10 % | 3.8 | 10 | 1.14 % |
| Cook Children's Healthcare System | | | | 4.8 | 7 | 1.44 % |
| Harris Methodist Hospital | | | | 4.0 | 9 | 1.20 % |
| Tarrant County Government | | | | 4.2 | 8 | 1.26 % |
| | <u>123.0</u> | | <u>27.04 %</u> | <u>75.1</u> | | <u>22.53 %</u> |

(a) Estimated total employment of 455,011 for 2021 per U.S. Bureau of Labor Statistics

(b) Source: City of Fort Worth, Texas ACFR For the Fiscal Year Ended September 30, 2012

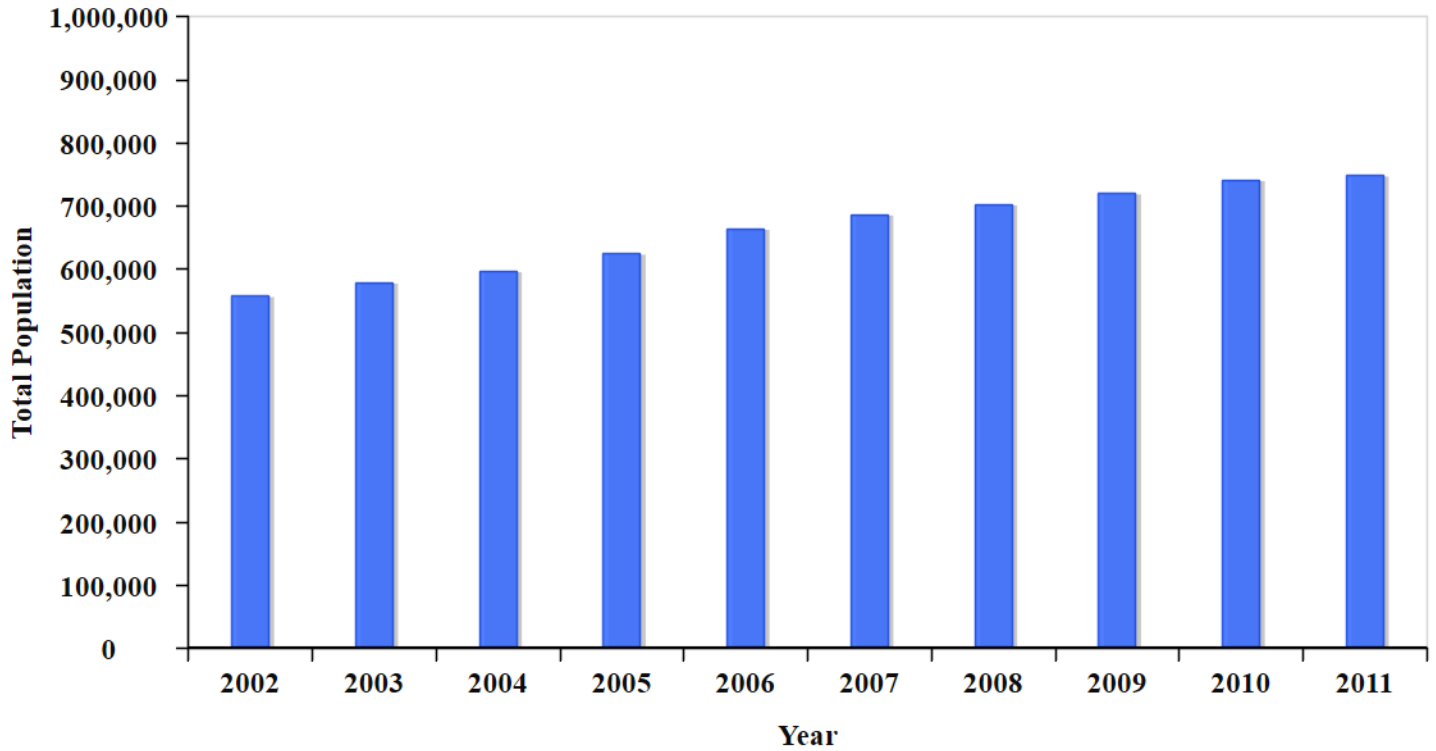
(c) Estimated total employment of 332,625 for 2012 per U.S. Bureau of Labor Statistics

(d) Source: Fort Worth Chamber of Commerce



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

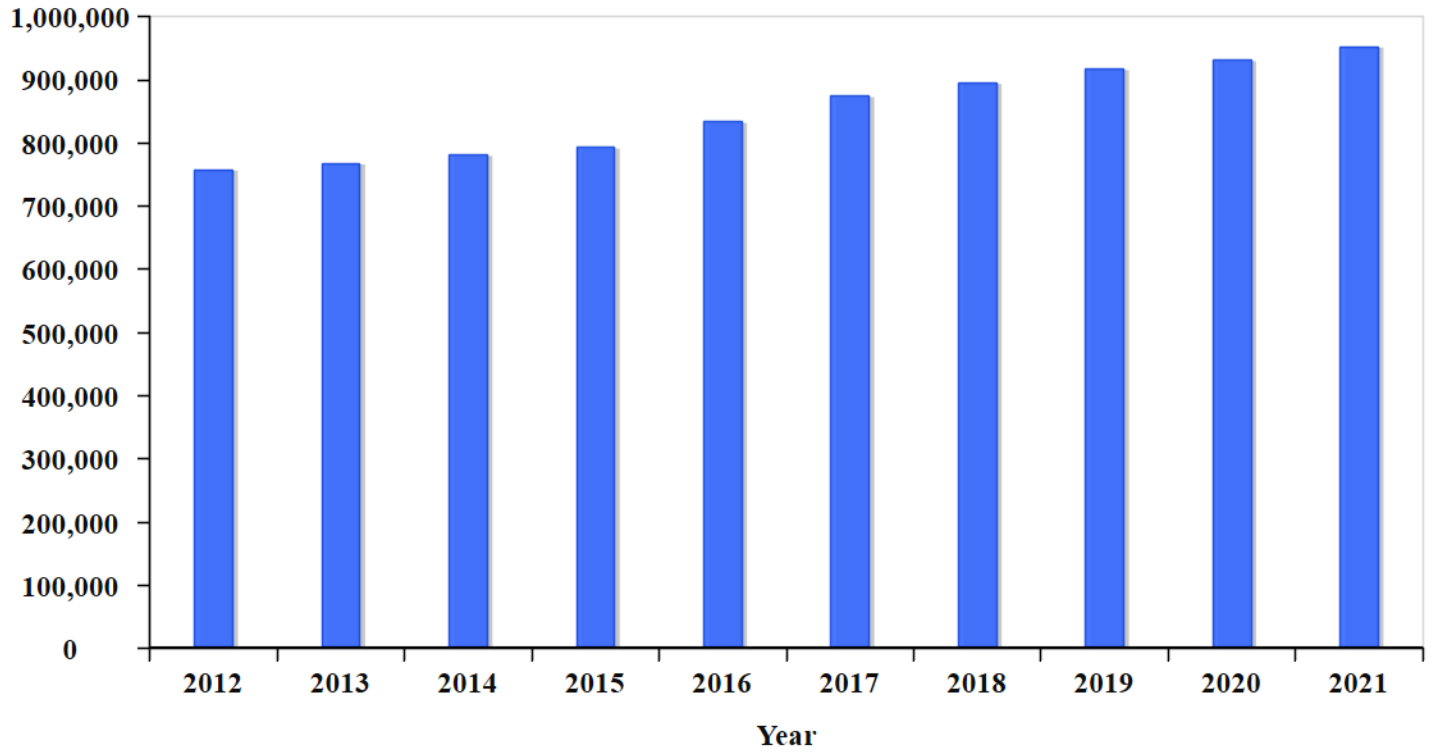
| Fiscal Year | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Population | 557,750 | 579,250 | 597,150 | 624,850 | 664,100 | 686,850 | 702,850 | 720,250 | 741,206 | 748,450 |
| Percent Change | | 3.85 % | 3.09 % | 4.64 % | 6.28 % | 3.43 % | 2.33 % | 2.48 % | 2.91 % | 0.98 % |



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

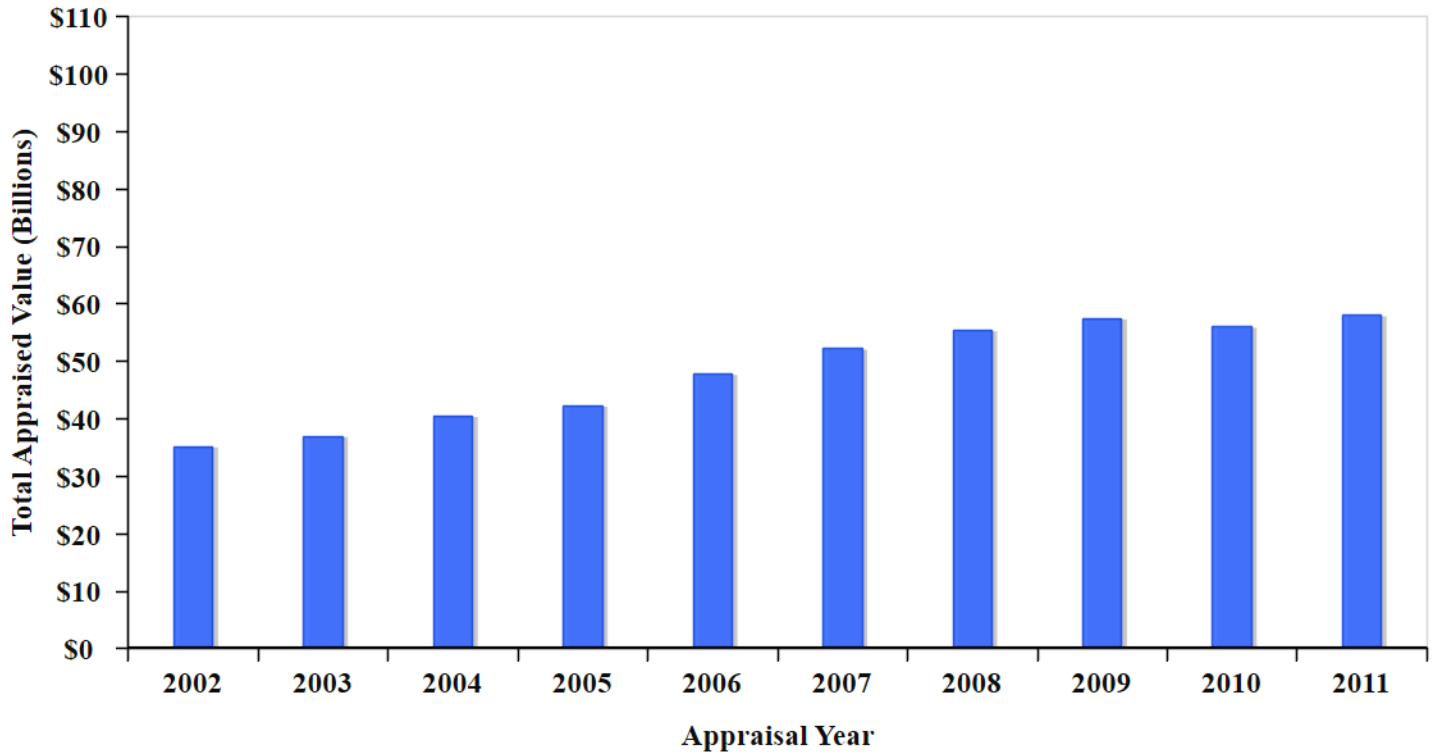
TABLE 21

| 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 757,810 | 767,560 | 781,100 | 792,720 | 833,319 | 874,168 | 895,121 | 917,050 | 930,971 | 952,357 |
| 1.25 % | 1.29 % | 1.76 % | 1.49 % | 5.12 % | 4.90 % | 2.40 % | 2.45 % | 1.52 % | 2.30 % |



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

| Appraisal Year | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|-----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Value (Billions) | \$ 35.2 | \$ 37.0 | \$ 40.5 | \$ 42.3 | \$ 47.8 | \$ 52.2 | \$ 55.4 | \$ 57.5 | \$ 56.0 | \$ 58.0 |
| Percent Change | | 5.11 % | 9.46 % | 4.44 % | 13.00 % | 9.21 % | 6.13 % | 3.79 % | (2.61)% | 3.57 % |

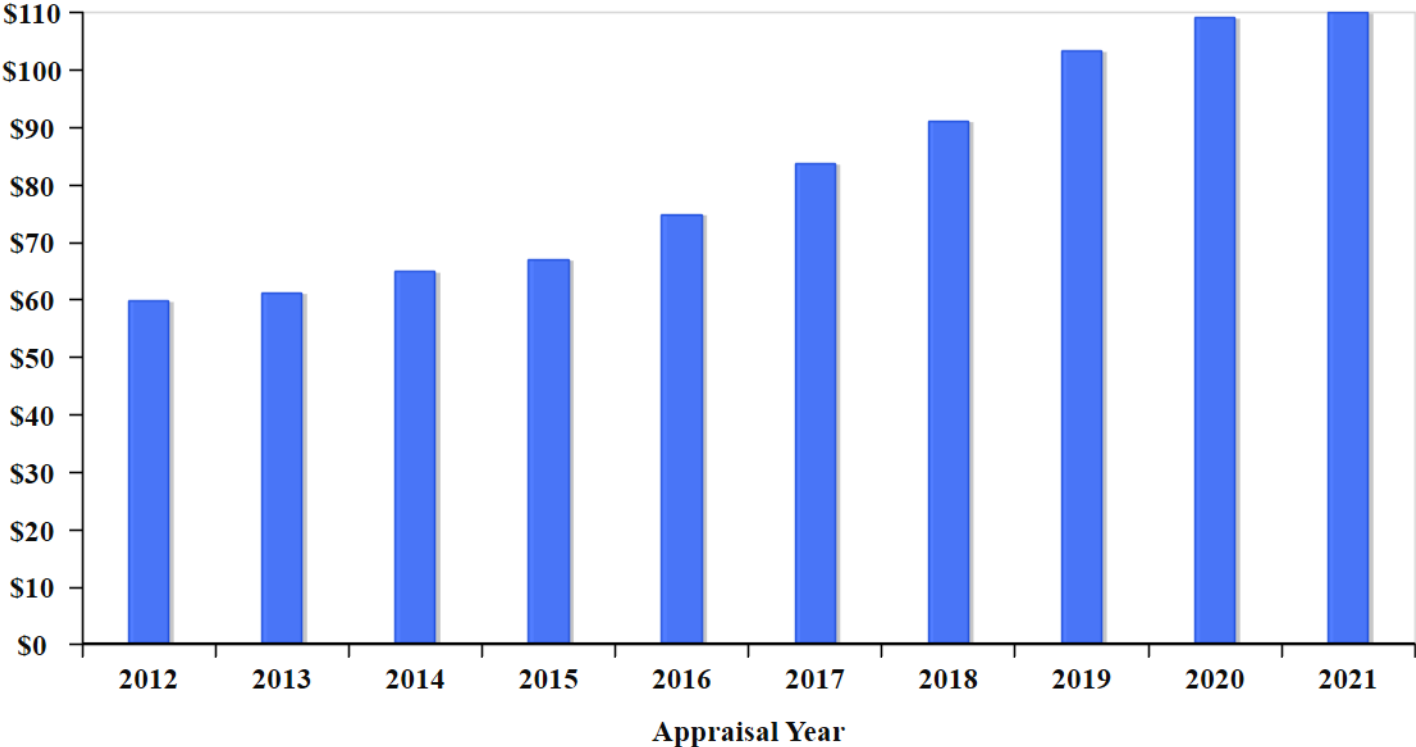


Source: Tarrant, Denton, Wise, Parker Appraisal District Certified Tax Report.

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

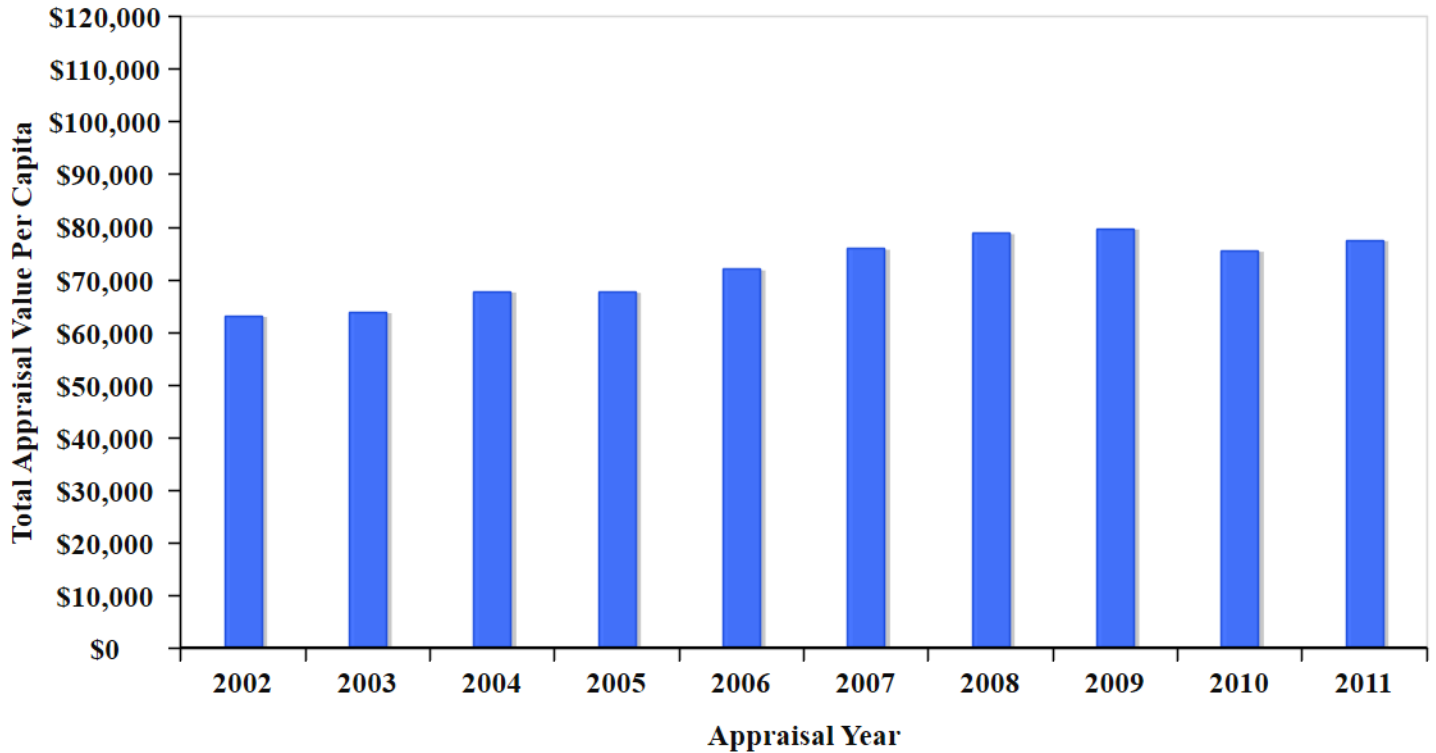
TABLE 22

| 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| \$ 59.8 | \$ 61.2 | \$ 64.9 | \$ 67.0 | \$ 74.9 | \$ 83.7 | \$ 91.1 | \$ 103.3 | \$ 109.1 | \$ 116.9 |
| 3.10 % | 2.34 % | 6.05 % | 3.24 % | 11.79 % | 11.75 % | 8.84 % | 13.39 % | 5.61 % | 7.15 % |



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

| Appraisal Year | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|-----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Value (Billions) | \$ 35.2 | \$ 37.0 | \$ 40.5 | \$ 42.3 | \$ 47.8 | \$ 52.2 | \$ 55.4 | \$ 57.5 | \$ 56.0 | \$ 58.0 |
| Population | 557,750 | 579,250 | 597,150 | 624,850 | 664,100 | 686,850 | 702,850 | 720,250 | 741,206 | 748,450 |
| Value Per Capita | \$ 63,171 | \$ 63,884 | \$ 67,815 | \$ 67,737 | \$ 71,999 | \$ 75,929 | \$ 78,869 | \$ 79,766 | \$ 75,528 | \$ 77,558 |
| Percent Change | | 1.13 % | 6.15 % | (0.12)% | 6.29 % | 5.46 % | 3.87 % | 1.14 % | (5.31)% | 2.69 % |



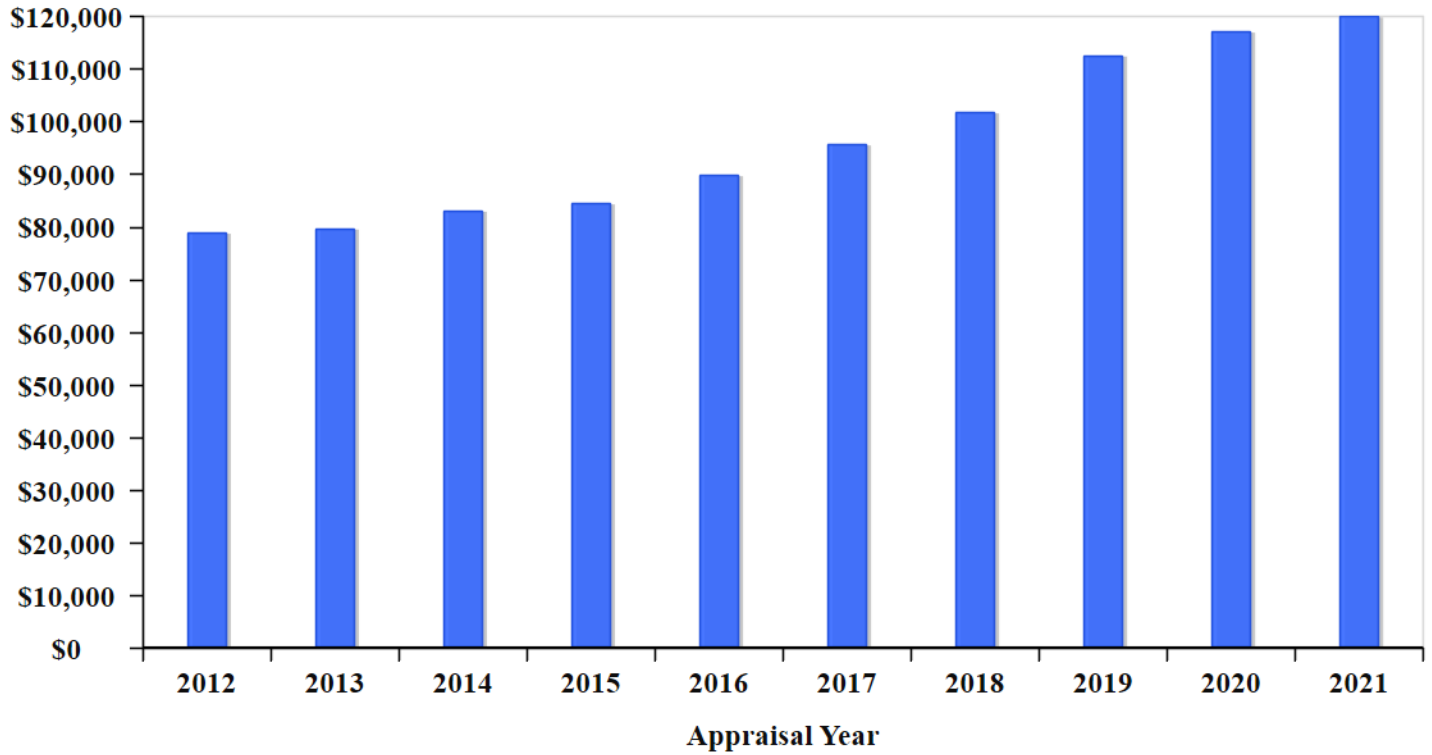
Source: Tarrant, Denton, Wise, Parker Appraisal District Certified Tax Report.

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.

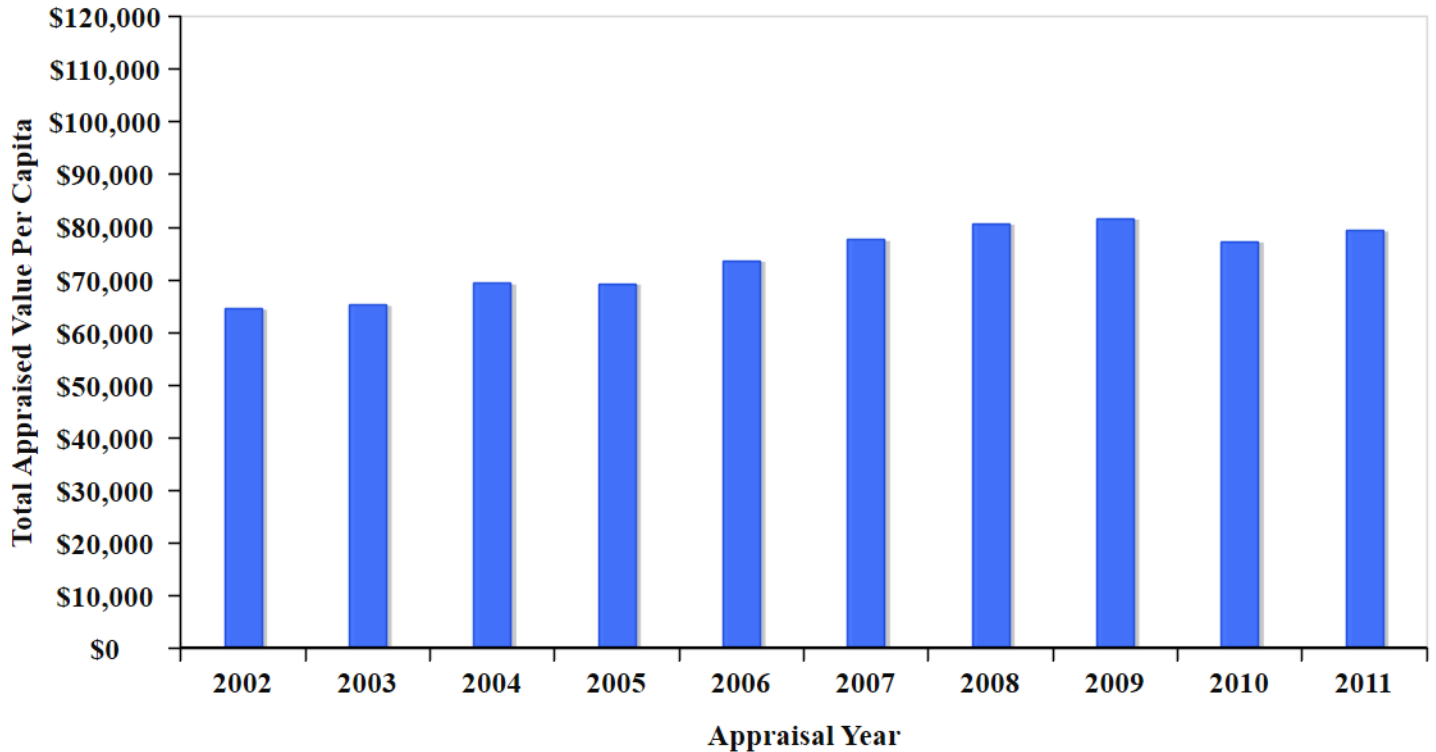
TABLE 23

| 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|------------|
| \$ 59.8 | \$ 61.2 | \$ 64.9 | \$ 67.0 | \$ 74.9 | \$ 83.7 | \$ 91.1 | \$ 103.3 | \$ 109.1 | \$ 116.9 |
| 757,810 | 767,560 | 781,100 | 792,720 | 833,319 | 874,168 | 895,121 | 917,050 | 930,971 | 952,357 |
| \$ 78,954 | \$ 79,759 | \$ 83,143 | \$ 84,530 | \$ 89,882 | \$ 95,722 | \$ 101,803 | \$ 112,602 | \$ 117,151 | \$ 122,706 |
| 1.80 % | 1.02 % | 4.24 % | 1.67 % | 6.33 % | 6.50 % | 6.35 % | 10.61 % | 4.04 % | 4.74 % |



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

| Appraisal Year | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|-----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Value | \$ 35,234 | \$ 37,005 | \$ 40,496 | \$ 42,325 | \$ 47,815 | \$ 52,152 | \$ 55,433 | \$ 57,452 | \$ 55,982 | \$ 58,049 |
| Adj Value (Billions) | \$ 36.0 | \$ 37.8 | \$ 41.4 | \$ 43.3 | \$ 48.9 | \$ 53.3 | \$ 56.7 | \$ 58.8 | \$ 57.3 | \$ 59.4 |
| Population | 557,750 | 579,250 | 597,150 | 624,850 | 664,100 | 686,850 | 702,850 | 720,250 | 741,206 | 748,450 |
| Value Per Capita | \$ 64,545 | \$ 65,257 | \$ 69,329 | \$ 69,297 | \$ 73,633 | \$ 77,601 | \$ 80,672 | \$ 81,638 | \$ 77,306 | \$ 79,364 |
| Percent Change | | 1.10 % | 6.24 % | (0.05)% | 6.26 % | 5.39 % | 3.96 % | 1.20 % | (5.31)% | 2.66 % |



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

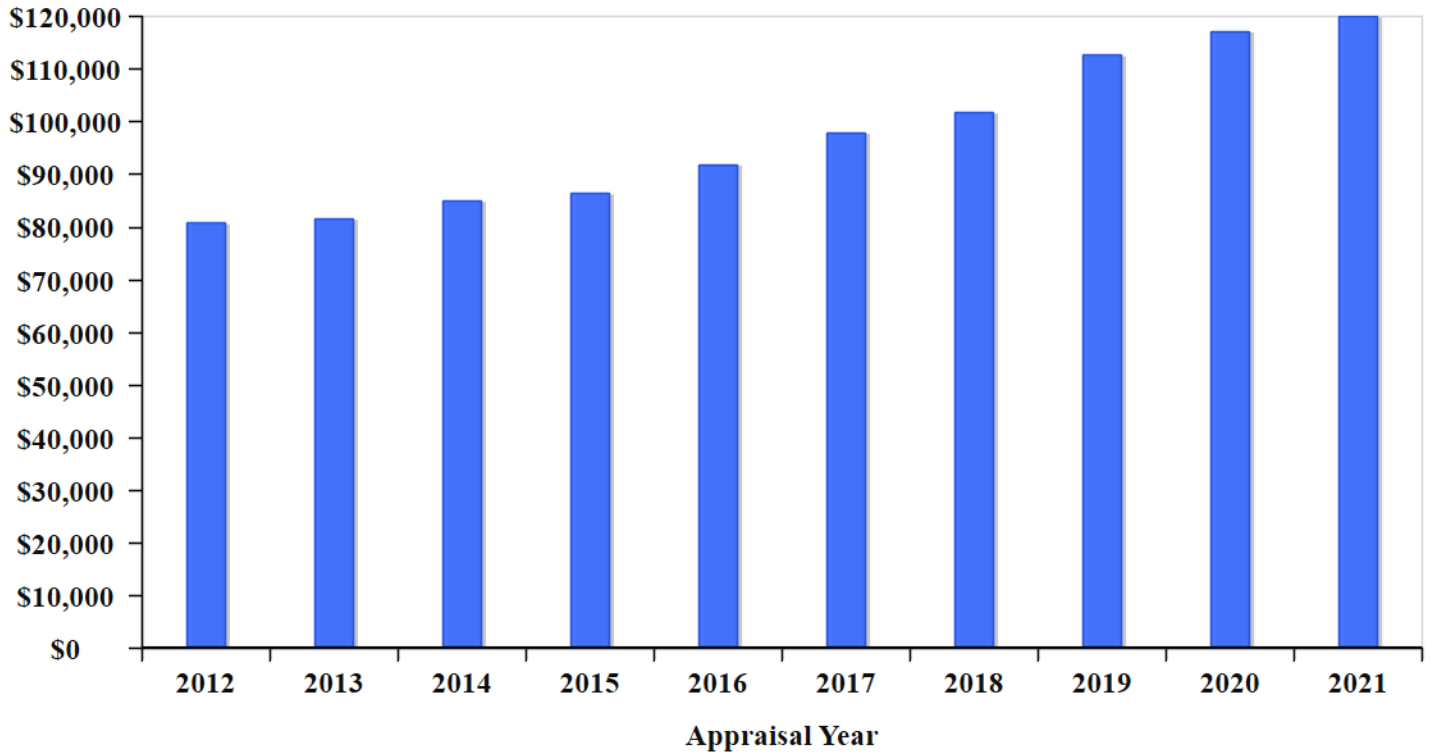
Population prior to 2016 source is NCTCOG. Population beginning 2016 source is U.S. Bureau of Census 2010 and estimates.

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

| 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| \$ 59,832 | \$ 61,220 | \$ 64,935 | \$ 67,008 | \$ 74,907 | \$ 83,712 | \$ 91,126 | \$ 103,262 | \$ 109,064 | 116,860 |
| \$ 61.2 | \$ 62.6 | \$ 66.4 | \$ 68.5 | \$ 76.6 | \$ 85.6 | \$ 91.1 | \$ 103.3 | \$ 109.1 | \$ 116.9 |
| 757,810 | 767,560 | 781,100 | 792,720 | 833,319 | 874,168 | 895,121 | 917,050 | 930,971 | 952,357 |
| \$ 80,759 | \$ 81,557 | \$ 85,008 | \$ 86,411 | \$ 91,922 | \$ 97,922 | \$ 101,774 | \$ 112,644 | \$ 117,189 | \$ 122,748 |
| 1.76 % | 0.99 % | 4.23 % | 1.65 % | 6.38 % | 6.53 % | 3.93 % | 10.68 % | 4.03 % | 4.74 % |

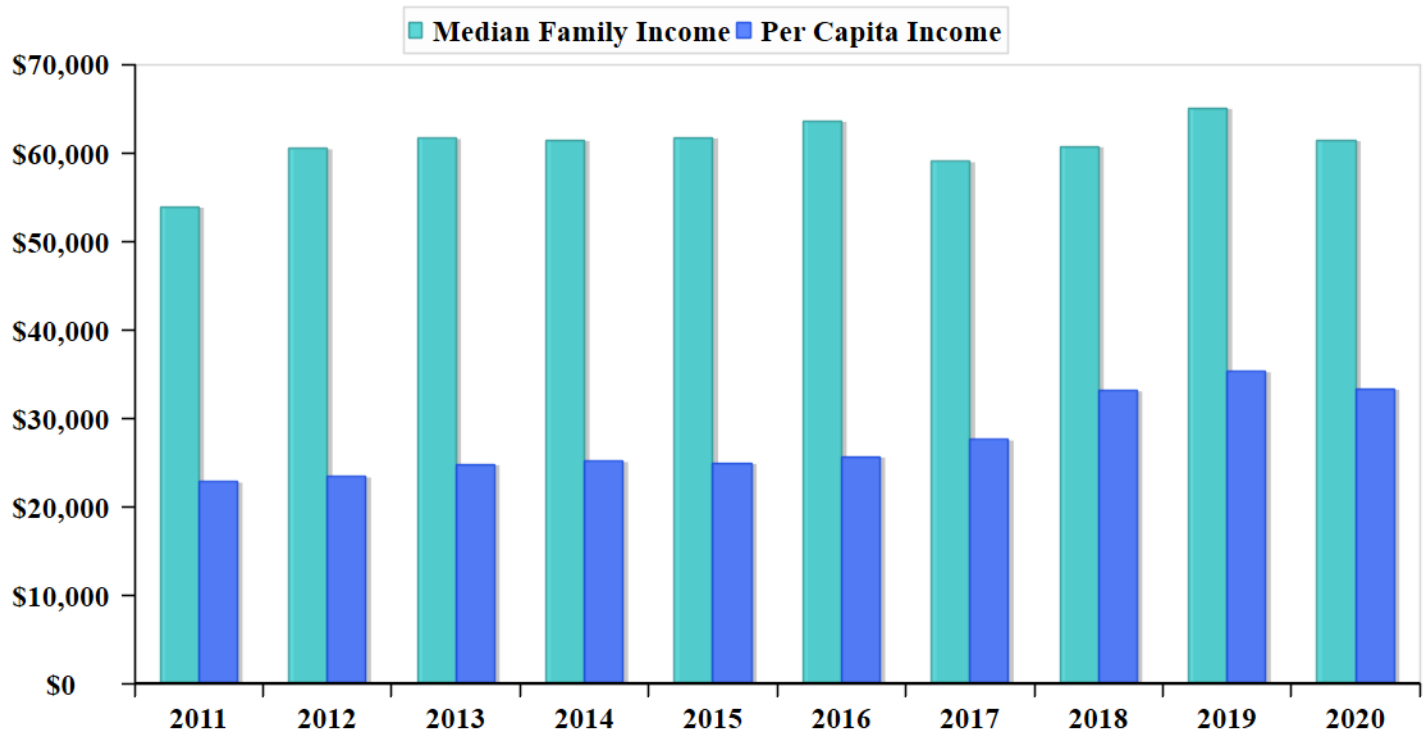


CITY OF FORT WORTH, TEXAS
MEDIAN FAMILY AND PER CAPITA INCOME (Unaudited)
(Unadjusted for Inflation)

TABLE 25

| Year | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|----------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Median Family Income | \$ 53,900 | \$ 60,489 | \$ 61,651 | \$ 61,433 | \$ 61,728 | \$ 63,585 | \$ 59,025 | \$ 60,723 | \$ 65,061 | \$ 61,413 |
| Percent Change | | 12.22 % | 1.92 % | (0.35)% | 0.48 % | 3.01 % | (7.17)% | 2.88 % | 7.14 % | (5.61)% |

| Fort Worth Per Capita Income (Unadjusted for Inflation) | | | | | | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Year | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Per Capita Income | \$ 22,868 | \$ 23,449 | \$ 24,836 | \$ 25,186 | \$ 24,975 | \$ 25,706 | \$ 27,622 | \$ 33,168 | \$ 35,319 | \$ 33,338 |
| Percent Change | | 2.54 % | 5.91 % | 1.41 % | (0.84)% | 2.93 % | 7.45 % | 20.08 % | 6.49 % | (5.61)% |



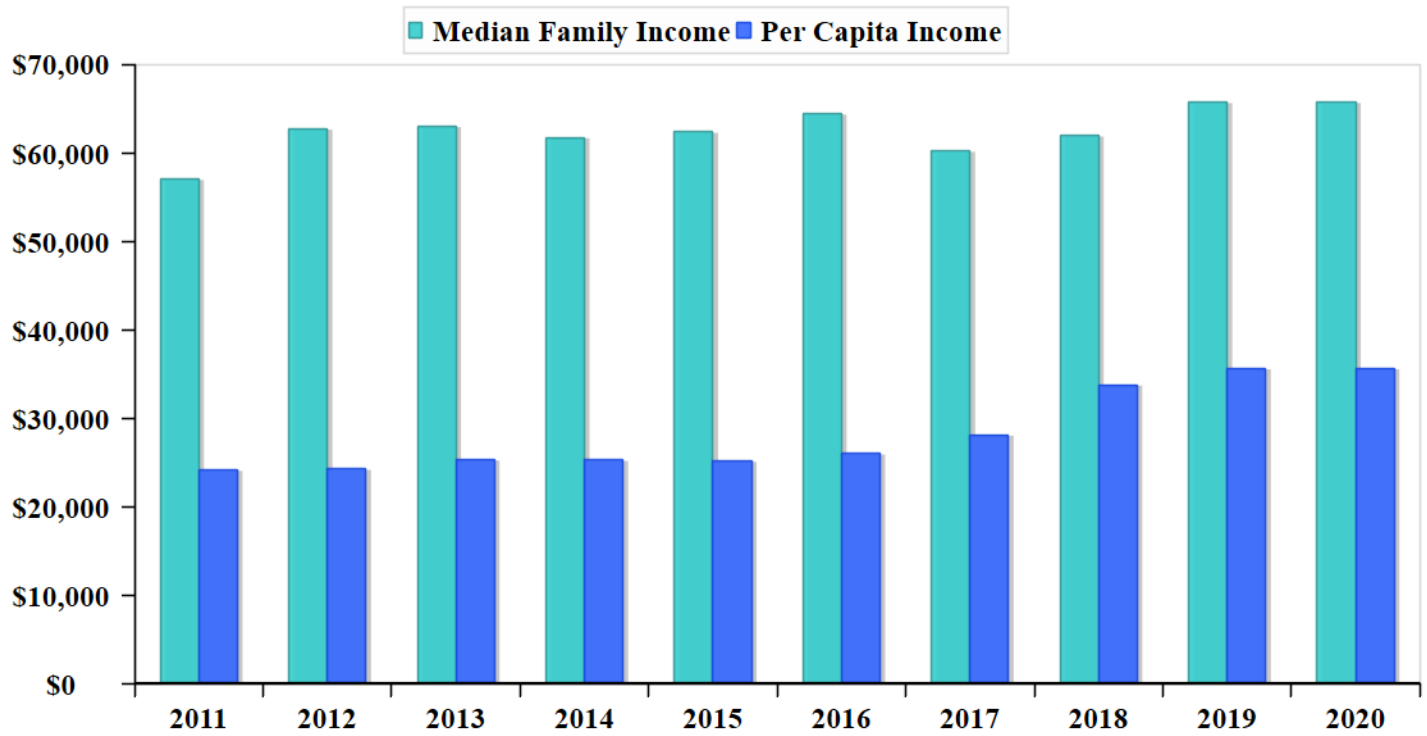
Source: U.S. Census Bureau, American Community Survey

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

TABLE 26

| Year | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|----------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Median Family Income | \$ 57,037 | \$ 62,712 | \$ 62,994 | \$ 61,747 | \$ 62,345 | \$ 64,412 | \$ 60,205 | \$ 61,937 | \$ 65,712 | \$ 65,712 |
| Percent Change | | 9.95 % | 0.45 % | (1.98)% | 0.97 % | 3.32 % | (6.53)% | 2.88 % | 6.09 % | - % |

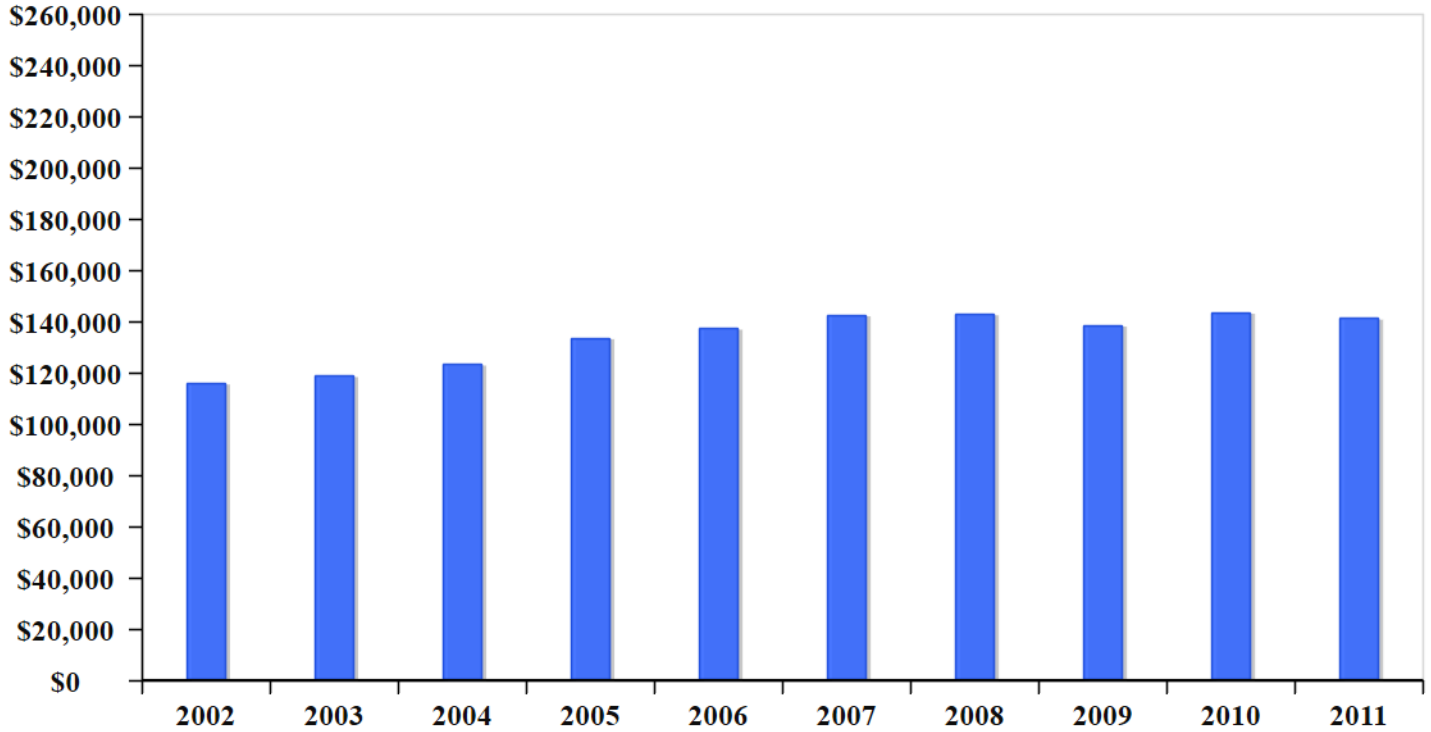
| Fort Worth Per Capita Income (Adjusted for Inflation) | | | | | | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Year | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Per Capita Income | \$ 24,199 | \$ 24,310 | \$ 25,376 | \$ 25,315 | \$ 25,225 | \$ 26,040 | \$ 28,174 | \$ 33,831 | \$ 35,672 | \$ 35,672 |
| Percent Change | | 0.46 % | 4.39 % | (0.24)% | (0.36)% | 3.23 % | 8.20 % | 20.08 % | 5.44 % | - % |



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

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

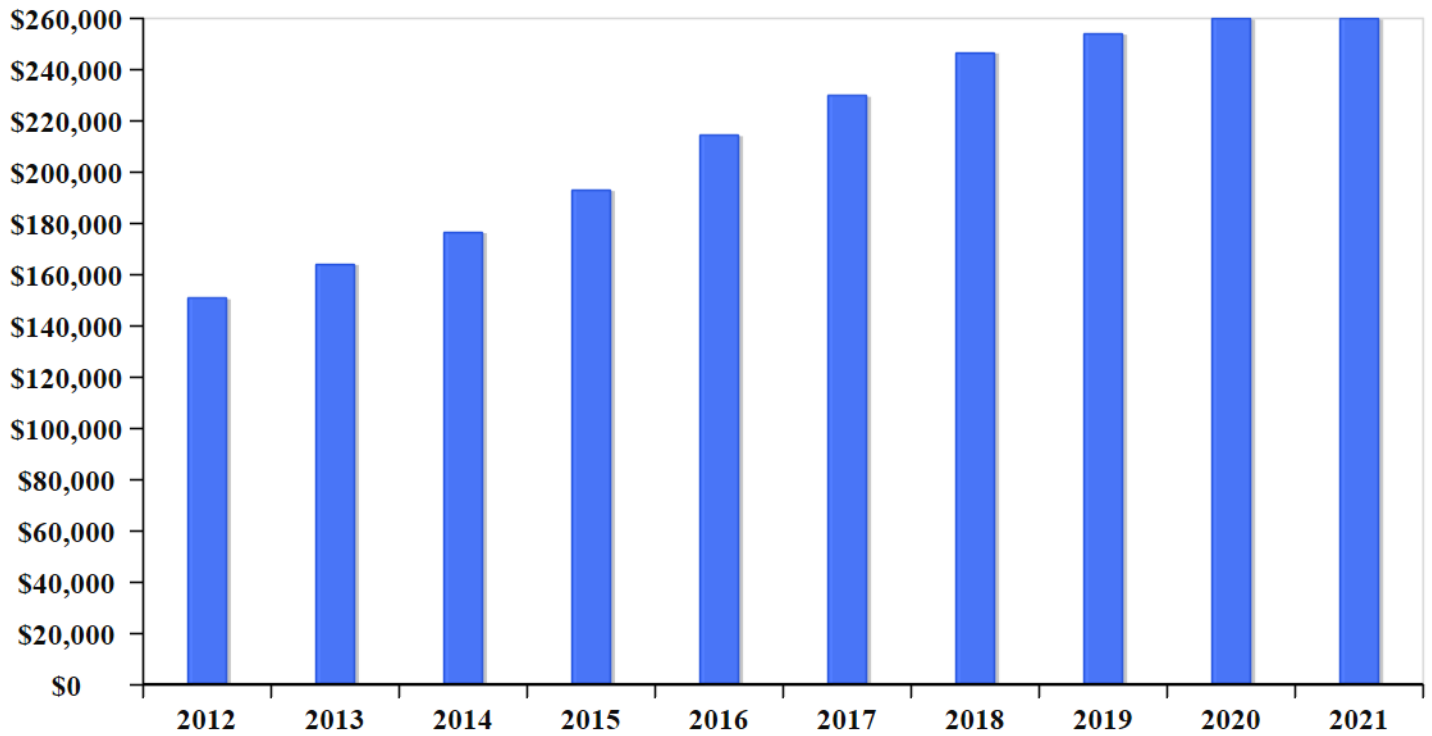
| Year | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Average Home Value | \$ 116,100 | \$ 119,000 | \$ 123,500 | \$ 133,800 | \$ 137,500 | \$ 142,700 | \$ 143,100 | \$ 138,700 | \$ 143,700 | \$ 141,400 |
| % Change | | 2.50 % | 3.78 % | 8.34 % | 2.77 % | 3.78 % | 0.28 % | (3.07)% | 3.60 % | (1.60)% |



Source: Texas A&M University, Real Estate Center. For years prior to 2016, figures are MLS described geography. Beginning in 2016, figures are geographical for better accuracy. For FY17, the source is the same; data used is based on a monthly average and not the annual.

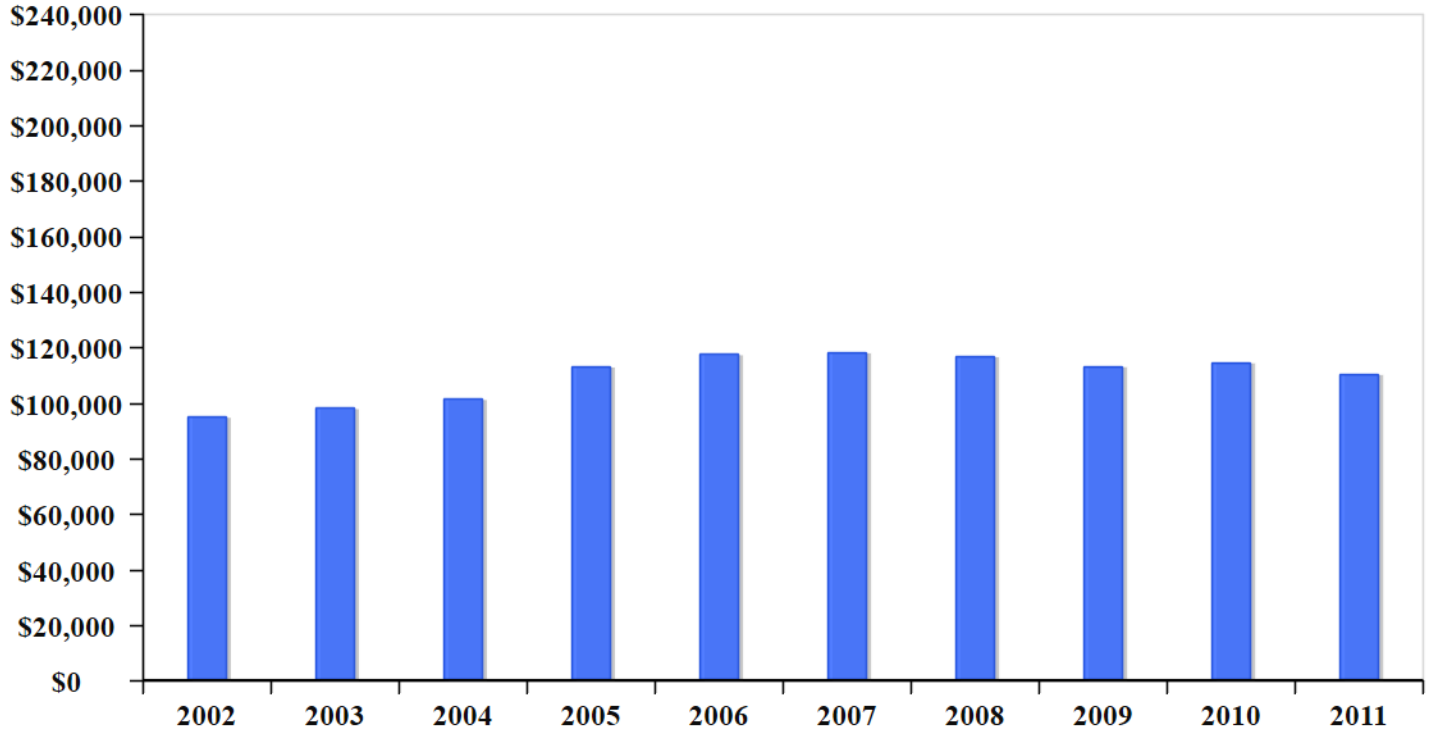
TABLE 27

| <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| \$ 150,900 | \$ 164,300 | \$ 176,700 | \$ 193,100 | \$ 214,506 | \$ 229,864 | \$ 246,797 | \$ 254,107 | \$ 264,701 | \$ 313,171 |
| 6.72 % | 8.88 % | 7.55 % | 9.28 % | 11.09 % | 7.16 % | 7.37 % | 2.96 % | 4.17 % | 18.31 % |



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

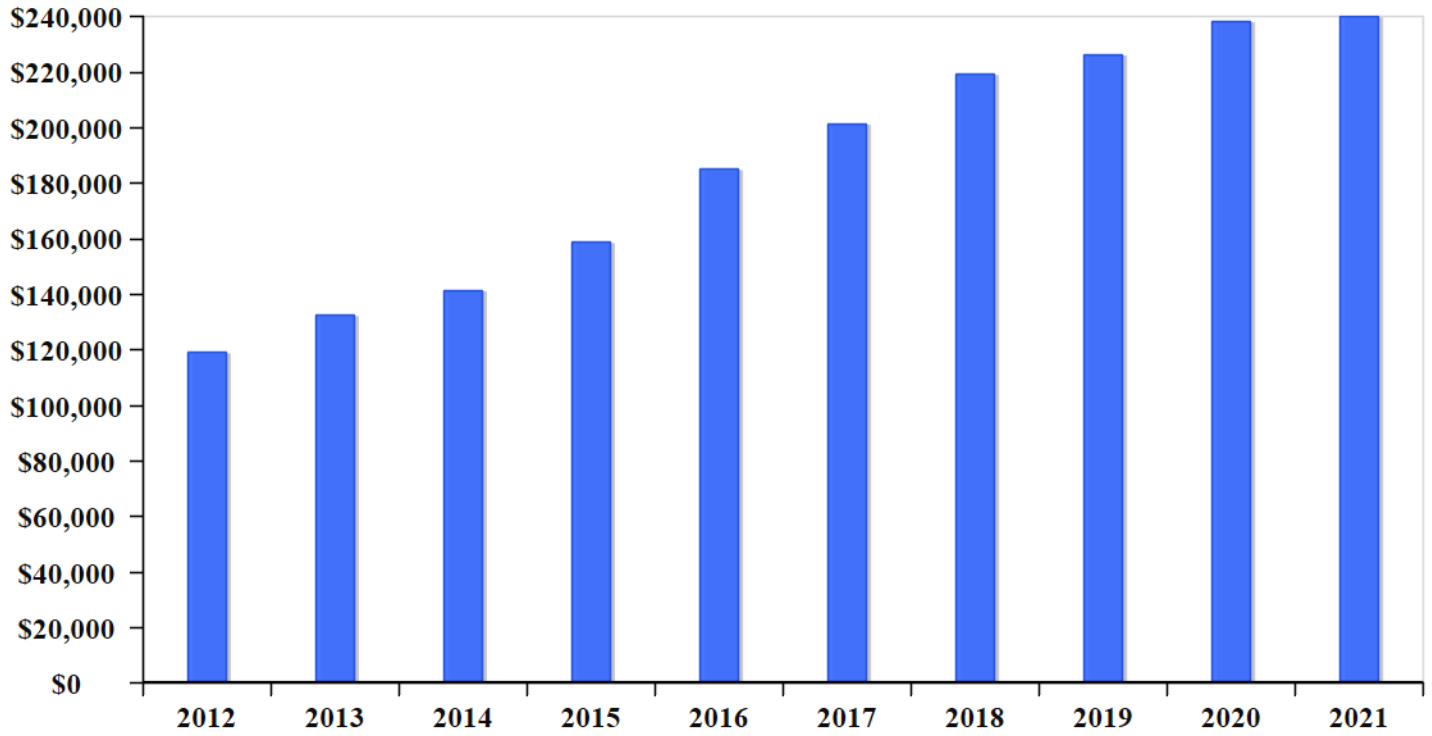
| Year | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|-------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Median Home Value | \$ 95,200 | \$ 98,300 | \$ 101,600 | \$ 113,300 | \$ 117,700 | \$ 118,400 | \$ 117,000 | \$ 113,400 | \$ 114,800 | \$ 110,600 |
| % Change | | 3.26 % | 3.36 % | 11.52 % | 3.88 % | 0.59 % | (1.18)% | (3.08)% | 1.23 % | (3.66)% |



Source: Texas A&M University, Real Estate Center. For years prior to 2016, figures are MLS described geography. Beginning in 2016, figures are geographical for better accuracy. For FY17, the source is the same; data used is based on a monthly median and not the annual.

TABLE 28

| <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| \$ 119,100 | \$ 132,500 | \$ 141,500 | \$ 158,800 | \$ 185,000 | \$ 201,396 | \$ 219,276 | \$ 226,329 | \$ 238,300 | \$ 279,829 |
| 7.69 % | 11.25 % | 6.79 % | 12.23 % | 16.50 % | 8.86 % | 8.88 % | 3.22 % | 5.29 % | 17.43 % |



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

| Function/Program | 2012 | 2013 | 2014 | 2015 | 2016 |
|--|--------------|--------------|--------------|--------------|--------------|
| General Government | | | | | |
| City Manager | 89 | 58 | 53 | 64 | 63 |
| Performance and Budget ^(b) | - | - | - | - | - |
| IT Solutions ^(g) | - | - | - | - | - |
| Housing and Community Development ^(c) | 57 | 71 | 68 | 76 | - |
| Planning and Development | 147 | 155 | 146 | 143 | 132 |
| Community and Public Engagement ^(a) | - | - | - | - | - |
| Diversity & Inclusion ^(h) | - | - | - | - | - |
| Internal Audit | 16 | 15 | 15 | 15 | 15 |
| City Secretary | 11 | 12 | 11 | 11 | 11 |
| Legal | 51 | 53 | 53 | 51 | 50 |
| Financial Management Services | 90 | 88 | 101 | 104 | 100 |
| Human Resources | 107 | 52 | 51 | 50 | 59 |
| Economic Development ^(c) | - | - | - | - | 22 |
| Neighborhood Services ^(c) | - | - | - | - | 155 |
| Transportation and Public Works | 564 | 617 | 589 | 591 | 441 |
| Property Management ^(e) | - | - | - | - | 88 |
| Code Compliance | 284 | 289 | 286 | 310 | 353 |
| Public Events | 123 | 132 | 133 | 133 | 133 |
| Municipal Court | 195 | 198 | 191 | 184 | 184 |
| Park and Recreation ^(d) | 690 | 396 | 392 | 397 | 362 |
| Library | 271 | 220 | 220 | 216 | 213 |
| Subtotal | 2,695 | 2,356 | 2,309 | 2,345 | 2,381 |
| Enterprise Fund | | | | | |
| Water/Wastewater | 901 | 934 | 940 | 937 | 937 |
| Aviation | 21 | 24 | 24 | 24 | 24 |
| Subtotal | 922 | 958 | 964 | 961 | 961 |
| Internal Service Fund | | | | | |
| IT Solutions ^(g) | 111 | 127 | 133 | 139 | 138 |
| Equipment Services ^(e) | 96 | 106 | 106 | 106 | 106 |
| Subtotal | 207 | 233 | 239 | 245 | 244 |
| Public Safety | | | | | |
| Police ^(f) | - | - | - | - | - |
| Police-Uniform | 1,539 | 1,594 | 1,549 | 1,549 | 1,599 |
| Police-Civilian | 677 | 448 | 445 | 453 | 455 |
| Fire ^(f) | - | - | - | - | - |
| Fire-Uniform | 897 | 908 | 884 | 884 | 911 |
| Fire-Civilian | 60 | 47 | 47 | 47 | 60 |
| Subtotal | 3,173 | 2,997 | 2,925 | 2,933 | 3,025 |
| Total | 6,997 | 6,544 | 6,437 | 6,484 | 6,611 |

(a) Mayor and Council Office is included in City Manager's Office since 2011. In FY18, Community Relations separated from the City Managers Office and the name changed to Community and Public Engagement

(b) Performance and Budget moved to City Manager's Office in FY11, and in FY13 moved back to Financial Management Services. In FY17, the Budget Division was transferred to the newly created Performance and Budget Office.

(c) Economic and Community Development was combined with Housing in 2009, and dissolved in FY16 into Economic Development and Neighborhood Services.

(d) Parks and Community Services is referred to as Park and Recreation beginning FY16.

(e) Property Management was established in FY16 and was overstated due to the inclusion of Equipment Services. 2016 data has been corrected.

(f) The Police and Fire Uniform and Civilian FTEs are not reported separately beginning FY18.

(g) As of September 30, 2018, IT Solutions was incorporated into General Government

(h) Diversity & Inclusion was established in FY20.

Source: Approved Budgets 2011-2021

TABLE 29

| 2017 | 2018 | 2019 | 2020 | 2021 |
|--------------|--------------|--------------|--------------|--------------|
| 55 | 35 | 36 | 23 | 24 |
| 25 | 25 | 25 | 26 | 27 |
| - | - | 160 | 160 | 158 |
| - | - | - | - | - |
| 140 | 153 | 162 | 162 | 174 |
| - | 41 | 42 | 42 | 42 |
| - | - | - | 14 | 21 |
| 15 | 16 | 16 | 18 | 18 |
| 11 | 14 | 14 | 15 | 15 |
| 51 | 51 | 51 | 51 | 50 |
| 91 | 89 | 89 | 87 | 91 |
| 59 | 58 | 60 | 60 | 59 |
| 22 | 20 | 23 | 23 | 17 |
| 150 | 170 | 172 | 179 | 176 |
| 442 | 490 | 485 | 493 | 471 |
| 93 | 97 | 102 | 215 | 208 |
| 370 | 326 | 355 | 398 | 398 |
| 133 | 137 | 142 | 142 | 135 |
| 182 | 168 | 161 | 151 | 140 |
| 391 | 473 | 493 | 481 | 414 |
| 213 | 237 | 236 | 244 | 234 |
| 2,443 | 2,600 | 2,824 | 2,984 | 2,872 |
| 949 | 967 | 993 | 996 | 999 |
| 24 | 26 | 26 | 27 | 26 |
| 973 | 993 | 1,019 | 1,023 | 1,025 |
| 136 | 158 | - | - | - |
| 114 | 117 | 115 | - | - |
| 250 | 275 | 115 | - | - |
| - | 2,222 | 2,229 | 2,163 | 2,219 |
| 1,635 | - | - | - | - |
| 458 | - | - | - | - |
| - | 1,004 | 1,016 | 1,000 | 1,013 |
| 925 | - | - | - | - |
| 61 | - | - | - | - |
| 3,079 | 3,226 | 3,245 | 3,163 | 3,232 |
| 6,745 | 7,094 | 7,203 | 7,170 | 7,129 |

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

| Function/Program | 2012 | 2013 | 2014 | 2015 | 2016 |
|--|-------------|-------------|-------------|-------------|-------------|
| Public Safety | | | | | |
| Fire | | | | | |
| Calls for Service - Fire | 10,111 | 10,158 | 10,439 | 10,333 | 2,340 |
| Calls for Service - EMS | 58,770 | 71,511 | 76,438 | 79,059 | 66,712 |
| Calls for Service - Other ^(c) | 28,775 | 29,529 | 32,514 | 35,557 | 36,995 |
| Police | | | | | |
| Calls for Service | 299,793 | 266,169 | 296,561 | 292,047 | 289,058 |
| Municipal Courts | | | | | |
| Citations Entered | 277,672 | 246,378 | 232,596 | 205,553 | 175,559 |
| Warrants Issued | 219,478 | 167,764 | 115,840 | 195,718 | 150,281 |
| Jail Cases Prepared | 152,874 | 141,888 | 126,739 | 127,925 | 104,637 |
| Transportation and Public Works | | | | | |
| Streets - Lane Miles Maintained Annually | 7,341 | 7,382 | 7,420 | 7,437 | 7,518 |
| Lane Miles - Resurfaced | 169 | 143 | 110 | 139 | 165 |
| Library | | | | | |
| Books and audio/visual materials (millions) ^(a) | 1.1 | 1.1 | 1.2 | 1.2 | 1.2 |
| Average Monthly Circulation | 369,450 | 355,877 | 339,860 | 309,730 | 322,724 |
| Building Permits | | | | | |
| Permits issued (in thousands) | 10.0 | 10.1 | 10.8 | 11.3 | 12.3 |
| Estimated Value (in thousands) | 1,454,917 | 1,214,680 | 2,143,490 | 2,118,305 | 2,753,962 |
| Aviation | | | | | |
| Airport Operations (Takeoffs and Landings) | 248,650 | 252,989 | 257,944 | 300,013 | 310,811 |
| Total Fuel Flowage, gallons | 7,742,014 | 8,260,693 | 7,457,850 | 8,371,920 | 7,845,963 |
| Total Fuel Flowage, revenue | 908,212 | 926,437 | 893,647 | 1,088,113 | 1,016,484 |
| Water & Sewer | | | | | |
| Number of Water Accounts (in thousands) | 225 | 228 | 234 | 238 | 241 |
| Peak Day Water Consumption (million gallons) | 346 | 324 | 297 | 329 | 312 |
| Average Daily Water Consumption (million gallons) | 265 | 186 | 179 | 179 | 173 |
| Water System Storage Capacity (million gallons) | 93 | 90 | 89 | 90 | 95 |
| Actual Annual Water Pumpage (million gallons) | 69,469 | 67,929 | 65,485 | 65,119 | 63,162 |
| Infrastructure Leakage Index ^(b) | 4.12 | 3.67 | 5.21 | 5.42 | 7.07 |
| Number of Sewer Accounts (in thousands) | 216 | 219 | 225 | 229 | 231 |
| Average daily sewage treatment (million gallons) | 110 | 95 | 95 | 114 | 124 |
| Municipal Parking | | | | | |
| Parking tickets issued | 47,211 | 60,354 | 44,932 | 42,667 | 36,753 |

(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

| 2017 | 2018 | 2019 | 2020 | 2021 |
|-------------|-------------|-------------|-------------|-------------|
| 2,398 | 2,960 | 2,130 | 2,440 | 2,982 |
| 72,176 | 72,277 | 73,423 | 72,023 | 78,277 |
| 37,160 | 42,305 | 44,639 | 43,087 | 51,348 |
| 286,373 | 269,714 | 278,467 | 258,330 | 249,079 |
| 155,027 | 154,277 | 146,415 | 78,814 | 68,438 |
| 112,060 | 147,782 | 150,701 | 60,405 | 36,122 |
| 88,610 | 74,134 | 33,953 | 21,080 | 12,227 |
| 7,617 | 7,775 | 7,907 | 8,115 | 8,121 |
| 149 | 108 | 30 | 32 | 64 |
| 1.1 | 1.2 | 1.2 | 1.2 | 1.3 |
| 369,120 | 330,488 | 336,898 | 227,971 | 247,003 |
| 13.4 | 14.0 | 14.0 | 15.0 | 17.8 |
| 3,935,427 | 3,510,592 | 3,451,308 | 4,943,751 | 4,322,149 |
| 331,714 | 345,944 | 358,672 | 654,228 | 321,086 |
| 8,822,258 | 9,545,622 | 9,906,966 | 8,031,446 | 10,460,662 |
| 1,231,311 | 1,434,661 | 1,586,871 | 1,472,103 | 1,850,954 |
| 247 | 254 | 260 | 270 | 277 |
| 263 | 356 | 315 | 335 | 380 |
| 177 | 194 | 176 | 187 | 193 |
| 95 | 96 | 96 | 97 | 97 |
| 64,751 | 71,069 | 64,131 | 68,394 | 70,612 |
| 4.33 | 5.71 | 3.64 | 3.57 | N/A |
| 237 | 243 | 249 | 258 | 265 |
| 104 | 117 | 132 | 111 | 124 |
| 31,251 | 30,742 | 43,213 | 22,557 | 35,070 |

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

| Function/Program | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| 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 |
| Park and Recreation | | | | | |
| Parks and Public Spaces | 260 | 260 | 263 | 271 | 274 |
| Parks Acres | 11,663 | 11,663 | 11,722 | 11,781 | 11,878 |
| Miles of Trails (Jogging, Hiking & Biking) (paved trails) | 66 | 71 | 71 | 77 | 120 |
| Swimming Pools | 7 | 7 | 2 | 2 | 2 |
| Athletic Fields (Soccer, Football, Baseball & Rugby) | 184 | 188 | 186 | 186 | 192 |
| Tennis Centers | 1 | 1 | 1 | 1 | 1 |
| Number of Tennis Courts | 16 | 16 | 16 | 16 | 16 |
| Neighborhood Tennis Courts | 82 | 87 | 87 | 88 | 86 |
| Multi-use Courts | 107 | 107 | 107 | 113 | 113 |
| Golf Courses | 5 | 4 | 4 | 4 | 4 |
| Community and C.A.P. Centers | 22 | 22 | 23 | 23 | 14 |
| Public Safety | | | | | |
| Police Stations Owned | 12 | 12 | 14 | 17 | 17 |
| Police Stations Leased | 11 | 11 | 10 | 11 | 11 |
| Fire Stations | 42 | 42 | 42 | 42 | 42 |
| Public Works | | | | | |
| Streets - Lane Miles | 7,341 | 7,382 | 7,420 | 7,437 | 7,518 |
| Traffic Signals | 649 ^(c) | 667 ^(c) | 649 ^(d) | 667 ^(e) | 697 ^(f) |
| Street Lights | 64,175 | 64,721 | 65,489 | 65,894 | 66,182 |
| Stormwater | | | | | |
| Miles of Channels - Improved | 212 | 212 | 212 | 214 | 214 |
| Miles of Storm Pipes | 930 | 1,163 | 943 | 955 | 970 |
| Water | | | | | |
| Water Mains (Miles) | 3,513 | 3,553 | 3,596 | 3,386 | 3,420 |
| Fire Hydrants | 18,616 | 18,879 | 19,136 | 18,709 | 19,182 |
| Wastewater | | | | | |
| Miles of Sanitary Sewers | 3,569 | 3,610 | 3,643 | 3,289 | 3,313 |

(a) Neighborhood Services became a separate department of Park and Recreation in FY2016.

(b) The City also maintains 97 Traffic Signals owned by TXDOT not included in the number noted above.

(c) The City also maintains 100 Traffic Signals owned by TXDOT not included in the number noted above.

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

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

(f) The City also maintains 193 Traffic Signals owned by TXDOT not included in the number noted above. In FY2016, traffic signal counts were standardized to use intersections within a site as measurement. Prior to FY2016 counts were based on site.

(g) The city also maintains 204 signalized intersections owned by TXDOT not included in the number noted above. A total number of Traffic Signals maintained by the City is 884. In FY2016, traffic signal counts were standardized to use intersections within a site as measurement, prior to FY2016 counts were based on site. An example includes I-20 @ James/Crowley is measured as four intersections, and I-30 @ Summit measured as two intersections.

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

(i) The City also maintains 196 Traffic Signals owned by TXDOT not included in the number noted above.

Source: Respective City of Fort Worth departments.

TABLE 31

| <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|--------------------|--------------------|--------------------|-------------|-------------|
| 14 | 14 | 14 | 15 | 16 |
| 2 | 2 | 3 | 1 | 1 |
| 9 | 9 | 9 | 9 | 9 |
| 278 | 283 | 289 | 291 | 291 |
| 11,988 | 12,065 | 12,323 | 12,337 | 12,518 |
| 78 | 79 | 79 | 210 | 210 |
| 2 | 3 | 3 | 3 | 3 |
| 188 | 227 | 227 | 254 | 254 |
| 1 | 1 | 1 | 1 | 1 |
| 16 | 16 | 16 | 14 | 14 |
| 88 | 64 | 62 | 62 | 62 |
| 130 | 47 | 47 | 105 | 112 |
| 4 | 4 | 4 | 3 | 3 |
| 22 | 22 | 14 | 14 | 14 |
| 17 | 15 | 15 | 15 | 15 |
| 11 | 9 | 9 | 9 | 9 |
| 42 | 43 | 43 | 43 | 43 |
| 7,617 | 7,775 | 7,907 | 8,115 | 8,121 |
| 680 ^(g) | 693 ^(h) | 701 ⁽ⁱ⁾ | 710 | 964 |
| 67,032 | 67,237 | 69,527 | 69,527 | 59,956 |
| 214 | 214 | 214 | 230 | 230 |
| 973 | 998 | 994 | 997 | 1,012 |
| 3,503 | 3,503 | 3,629 | 3,687 | 3,800 |
| 22,320 | 22,778 | 23,420 | 23,946 | 24,599 |
| 3,459 | 3,508 | 3,565 | 3,624 | 3,712 |

