

**CITY OF FORT WORTH
FINANCIAL MANAGEMENT SERVICES DEPARTMENT**



**RESPONSES TO PROSPECTIVE PARTICIPATING FIRM'S QUESTIONS
TO THE RFQ FOR EXTERNAL AUDIT SERVICES**

1. Please provide the prior year Report on compliance with Annual Appropriations Ordinance.

Response: Refer to Appendix pdf page numbers 7-8.

2. Please provide the prior year Report on compliance with the City's Investment Policy and PFIA.

Response: Refer to Appendix pdf page numbers 9-11.

3. Please provide the prior year Report on compliance with the City's local government financial test requirements under TAC Title 30, Chapter 37, Rule 37.271.

Response: Refer to Appendix pdf page numbers 12-14.

4. Please provide the prior year Report on compliance with the City's Water and Sewer System Master Ordinance 10968, Section 4(J) related to its Water and Sewer Revenue refinancing program requirements.

Response: Refer to Appendix pdf page numbers 15-16.

5. Please provide the prior year Report on compliance with the City's Water and Sewer System Master Ordinance 10968, Section 4(J) related to its Water and Sewer Excess Pledged Revenues calculation.

Response: Refer to Appendix pdf page numbers 17-20.

6. Please provide the prior two year's Federal single audit reports under Uniform Guidance as required by 2 CFR 200 and State single audit reports as required under Texas Uniform Grants Management Standards.

Response: Refer to <https://www.fortworthtexas.gov/departments/finance/financial-reports>

7. If you had any special assessments in the prior year for the component units (Central City Local Government Corporation, Fort Worth Housing Finance Corporation, Fort Worth Local Development Corporation or Fort Worth Sports Authority) please provide any related reports.

Response: There were no special assessments performed in the prior year. Refer to Appendix pdf page numbers 21-22 for Fort Worth Local Development Corporation's agreed-upon procedures.

8. Please provide the past two year's Report to Management (deficiencies report) if any.

Response: Refer to Appendix pdf page numbers 23-43.

9. Please provide the audit adjustments both passed and posted for the past year.

Response: Refer to Appendix pdf page numbers 23-43.

10. What are your financially significant IT systems in place?

Response: PeopleSoft Financials and Supply Chain Management, PeopleSoft Human Capital Management, CourtView (Municipal Courts), Sungard (Water & Sewer), ActiveNet (Parks), iNovah (billing and receipts), Automatic Invoice Management System, Accela (mostly Development Services Department), Hyperion (Budget), Caseware (Financial Reporting only) and Active Directory (first level of control to a lot of the systems above since they use single sign-on)

11. Do you have any new systems implementations planned over the next 5 years?

Response: Fire Department is moving to Accela for their commercial permit inspection/billings. Billings will feed to PeopleSoft, but the data will be coming from Accela. In addition, the City plans to evaluate a potential replacement for its Payroll system (which is currently a module of the City's PeopleSoft ERP system) and/or the possibility of partially or fully outsourcing payroll processing to a third-party provider. This payroll system evaluation will likely move forward during the latter part of this fiscal year and may ultimately involve a formal RFP process.

12. Have you had any recent turnover in the Finance department in the last year, or expect any turnover in the next 5 years?

Response: In the past 5 fiscal years, Finance department has an average employee turnover rate of 17.95% (16 out of 91 total employees on average). However, in FY2020, the turnover rate was 8.05% (7 out of 87 total employees).

13. What were your total external audit fees for the prior year? Does that include extra billings if any?

Response: \$880,000 excluding AUPs for Water and Sewer Excess Pledge Revenues and Insurance System

14. What steps have been taken to evaluate and prepare for GASB 84, which is required to be implemented during FY2021?

Response: Reviewed GASB 84 Standard and prepared a template for documenting the review of potential fiduciary activities. Potential fiduciary activities have been identified and documentation is in the process of being collected and reviewed.

15. What steps have been taken to evaluate and prepare for GASB87 (required to be implemented in FY2022)? Where is the City in their GASB 87, Leases, implementation process?

Response:

- The City has prepared a plan for implementation
- Contracted with Weaver and Tidwell, LLP as consultants on the implementation
- Mapped out the accounting for lessee and lessor transactions
- Determined that the PeopleSoft Asset Management module can be used for the lessee transactions and documented how to set up that module
- Created a template for documenting the review of leases to determine if they fall in the scope of GASB 87 and ran some existing leases through that documentation process
- Provided GL data from September 1, 2018 through August 31, 2020 to the consultants who ran analysis to identify potential leases

16. What impact has COVID-19 had on your internal control structure?

Response: No significant impact

17. Is your Finance team working remotely?

Response: We are working back in the office with limited telecommuting option offered to employees.

18. Does the Finance department prepare the financial statements? If so, when are they provided to the auditor?

Response: Financial Reporting Division within Financial Management Services department prepares the financial statements. Drafts are provided to the Firm based on the dates agreed and as listed on the Prepared by Clients list.

19. What percentage of the prior year's Business Equity Goal (or its equivalent if under a different name or program previously) did the incumbent auditor achieve?

Response: 15.19%

20. What financially significant service providers do you use and do you receive SOC reports from them?

Response:

Public Trust Advisors, LLC (Investment Advisor Services for the City's General Investment Portfolio), JP Morgan Chase Bank, N.A. (Depository Services), Wells Fargo Bank, N.A. (Trustee for the City's Permanent Fund Trust), SOC reports - Optum RX (Pharmacy Benefits), United Healthcare (Benefits Processing), Sedgwick Claims Management (Workers Comp), CitiBank, N.A. (Securities Lending Program), JP Morgan Chase Paymentech, LLC (Merchant Services), Hilltop Securities, Inc. (Financial Advisor Services), Estrada Hinojosa & Company, Inc.

(Financial Advisor Services), HTS Disclosure Services, a Division of Hilltop Securities (Continuing Disclosure Services), Hilltop Securities Asset Management, LLC (Arbitrage Rebate Compliance Services), MuniCap, Inc. (Capital Public Improvement District Administrative Services), BOKF, N.A. (Paying Agent Services), Brinks, Inc. (Armored Car Services). The City uses Public Agency Retirement Services "PARS" to administrate the City's OPEB Trust. The plan assets are held in Trust with U.S. Bank with the investments managed by Highmark Capital Management through a City approved investment strategy. Please note that the list of providers stated above is not all inclusive, and not all providers are required to provide an SOC report (some service providers are strictly advisors).

21. What is the preferred timeline for the City? (i.e. interim, work before 12/31 versus after)

Response: The City's goal is to issue the Annual Comprehensive Financial Report within 130 days after our September 30 fiscal year end. We will work with the selected firm to develop an appropriate timeline to meet this goal. We have generally had auditors on site for interim work in the summer.

22. Aside from new standards and incoming federal funding, are there other significant challenges the City anticipates in the coming years?

Response: The Travel & Tourism industries have been severely impacted as a result of COVID. It remains to be seen how quickly that sector of the economy returns to pre-COVID levels.

APPENDIX



INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by the City Council and management of the City of Fort Worth, Texas (the City), solely to apply procedures in accordance with Chapter X, Section 11 of the City Charter (Independent Audit) related to the City's compliance with Chapter X, Section 2 of the City Charter (Annual Budget) for the year ended September 30, 2020. The City of Fort Worth's management is responsible for the City's compliance with these requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed with respect to the City's compliance with the Annual Budget for the year ended September 30, 2020 and our findings were as follows:

- 1) Procedure: We obtained copies of the City Council agendas and minutes for August and September 2020 and read the ordinances for the following:
 - a. The date of the City Council meeting in which a public hearing was first held on the proposed budget for the year ended September 30, 2021;
 - b. The date of the City Council meeting in which a public hearing was first held on the proposed ad valorem tax rate for the year ended September 30, 2021.
 - c. The date the ad valorem tax levy ordinance was first considered for approval by City Council; and
 - d. The date the Annual Appropriations Ordinance was first considered for approval by City Council.
 - e. Determine that the date of item "a" above is different than the dates of items "c" and "d".

Finding: No exceptions were found as a result of applying the procedure.

- 2) Procedure: We obtained and read the Fort Worth Star-Telegram for August 30, 2020 and September 2, 2020 when the notice of hearings for the Annual Budget and ad valorem tax rate was published for the year ended September 30, 2021.

Finding: No exceptions were found as a result of applying the procedure.

- 3) Procedure: We obtained and read the Fort Worth Star Telegram on September 27, 2020 when the caption of the Annual Appropriations Ordinance and ad valorem tax rate for the fiscal year ended September 30, 2021 was published and was in accordance with the Annual Budget provision.

Finding: No exceptions were found as a result of applying the procedure.

- 4) Procedure: We obtained and read the Fort Worth Star-Telegram for September 27, 2020 and September 30, 2020, for the dates when the caption and penalty provision of the ad valorem tax ordinance for the fiscal year ended September 30, 2021 were published in accordance of the Annual Budget provision.

Finding: No exceptions were found as a result of applying the procedure.

- 5) Procedure: We reviewed the City of Fort Worth website and saw the final approved budget and full text of the Annual Appropriations Ordinance and the ad valorem tax ordinance were posted to the City's website and filed in the City Secretary's office and available for public inspection in accordance with the Annual Budget provision.

Finding: No exceptions were found as a result of applying the procedure.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the City's compliance with Chapter X Section 2 of the City Charter (Annual Budget). Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management and City Council of the City of Fort Worth, Texas and is not intended to be and should not be used by anyone other than those specified parties.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
February 5, 2021

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

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

We have performed the procedures enumerated below, which were agreed to by the City Council and management of the City of Fort Worth, Texas (the City), solely to assist you in evaluating the City's compliance with the Public Funds Investment Act, Chapter 2256, Texas Government Code (the Act) for the year ended September 30, 2020. The City's management is responsible for the City's compliance with the Act. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed with respect to the City's compliance with the Act for the year ended September 30, 2020 and our findings were as follows:

- 1) Procedure: We obtained a copy of the City's Investment Policy in place as of September 30, 2020 and determined the following:
- a. That the investment policy was approved by City Council.
 - b. That the investment policy:
 - i. Was written
 - ii. Primarily emphasized the safety of principal and liquidity
 - iii. Addressed investment diversification, yield, and maturity
 - iv. Included:
 1. A list of authorized investments
 2. Maximum allowable stated maturity of any individual investment
 3. Maximum dollar-weighted average maturity for pooled fund groups
 4. Methods to monitor the market price of investments acquired
 5. A requirement for settlement of all transactions, except investment pool and mutual funds, on a delivery versus payment basis.
 6. Procedures to monitor rating changes in investments.
 - v. Specified that bids for the certificate of deposits, if applicable, be solicited orally, in writing, electronically or in any combination of these methods.

Finding: No exceptions were found as a result of applying these procedures.

- 2) Procedure: We determined that the City Council adopted a separate, written investment strategy for the funds under its control addressing the following objectives:
- a. Understanding the suitability of the investment to the financial requirements of the City.
 - b. Preservation and safety of principal.
 - c. Liquidity.
 - d. Marketability if the need arises to liquidate the investment prior to maturity
 - e. Diversification of the investment portfolio.
 - f. Yield.

- Finding: No exceptions were found as a result of applying the procedures.
- 3) Procedure: We determined that the City Council reviewed its investment policy and investment strategy at least annually.
- Finding: No exceptions were found as a result of applying the procedure.
- 4) Procedure: We determined that the City has designated one or more investment officers to be responsible for the investment of the City's funds in compliance with the adopted investment policy.
- Finding: No exceptions were found as a result of applying the procedure.
- 5) Procedure: We determined that if an investment officer has a personal business relationship with a business organization offering to engage in an investment transaction with the City, they have filed a statement disclosing the conflict of interest.
- Finding: No personal business relationships were identified during the performance of our procedures.
- 6) Procedure: We determined, via inquiry, that a written copy of the investment policy was presented to any person or business organization offering to engage in an investment transaction or investment management with the City.
- a. We selected one person or business organization and determined that the person or business organization executed an acknowledgment of receipt of the City's investment policy.
- Finding: No exceptions were found as a result of applying the procedure.
- 7) Procedure: We determined that each of the City's investment officers, the Treasurer, and Chief Financial Officer completed the required investment training required by section 2256.008 of the Act.
- Finding: No exceptions were found as a result of applying the procedure.
- 8) Procedure: We reviewed the investments authorized by the City's investment policy and determined that all investments were authorized under sections 2256.009 through 2256.0205 of the Act.
- Finding: No exceptions were found as a result of applying the procedure.
- 9) Procedure: We determined that the Investment Officers prepare and submit a quarterly report to the City Council containing the following information:
- a. Description of the investment positions of the City on the date of the report
- b. Documentation that the report was prepared and signed by each Investment Officer of the City
- c. The beginning market value, ending market value and fully accrued interest of the portfolio for the period of the report value

- d. The book value and market value of each separately invested asset
- e. The maturity of each invested asset with a maturity date
- f. The fund or pooled fund group in the City for which each investment was acquired
- g. Statement that the City's portfolio was in compliance with regards to the City's investment policy and the Act.

Finding: No exceptions were found as a result of applying the procedure.

10) Procedure: We determined that, at least annually, the City Council or its designee reviewed and adopted a list of qualified brokers authorized to engage in investment activity with the City.

Finding: No exceptions were found as a result of applying the procedure.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the City's compliance with the Act. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management and City Council of the City of Fort Worth, Texas, and is not intended to be and should not be used by anyone other than those specified parties.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
February 5, 2021



Independent Accountants' Report on Applying Agreed – Upon Procedures

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

We have performed the procedures included in Texas Administrative Code Title 30, Chapter 37, Rule 37.271 which were agreed to by the City of Fort Worth, Texas (the City), solely to assist the City and the Texas Commission on Environmental Quality in evaluating management's assertion about the City's compliance with the financial test requirements as of September 30, 2020, included in the accompanying letter dated February 12, 2021 from Reginald Zeno, Chief Financial Officer, of the City. The City's management is responsible for compliance with the financial test requirements as of September 30, 2020. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures that we performed and related findings are as follows:

1. We obtained and read the City's audited financial statements for the year ended September 30, 2020.
2. We noted that the City's financial statements for the fiscal year ended September 30, 2020 were audited by an independent certified public accountant and that the auditor's report on the financial statements expressed an unmodified opinion that the financial statements were fairly presented in all material respects in accordance with accounting principles generally accepted in the United States of America.
3. We calculated the difference between the total annual revenues [total governmental funds revenues plus enterprise funds operating revenues plus enterprise funds non-operating revenues (net) plus internal service funds non-operating revenues (net)] and total annual expenditures [total governmental funds expenditures, other than capital project funds expenditures, plus enterprise funds operating expenses before depreciation plus enterprise funds non-operating expenses (net) plus internal service funds non-operating expenses (net)] as defined in section 37.271 (1)(D) of the Texas Administrative Code for the fiscal year ended September 30, 2020, and noted that the City did not operate at a deficit (total annual revenues minus total annual expenditures) equal to 5.0% or more of total annual revenues for the fiscal year then ended.

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

- We reconciled the amount included in item 4 in the caption Bond Rating Indicator of Financial Strength in the letter referred to above with the corresponding amounts in the audited financial statements of the City as of and for the year ended September 30, 2020, on which we issued our report dated February 5, 2021, and noted that all such amounts were in agreement, reconciled as follows:

Bond Rating Indicator of Financial Strength - Item 4:

Total annual revenue:

Amounts per the audited financial statements:

General Fund total revenues	\$ 722,229,000
Debt Service Fund total revenues	122,987,000
Capital Projects Fund total revenues	50,250,000
Grants Fund total revenues	84,727,000
Nonmajor Funds total revenues	198,403,000
Enterprise Funds total operating revenues	603,644,000
Enterprise Funds total non-operating revenues	-
Internal Service Funds total non-operating revenues	2,693,000
revenues (net)	<u>2,693,000</u>

Total: \$ 1,784,933,000

Amount per the letter referred to above: \$ 1,784,933,000

- We reconciled the amount included in items 1 and 3 in the caption Bond Rating Indicator of Financial Strength in the letter referred to above with the corresponding amounts in the audited financial statements of the City as of and for the year ended September 30, 2020, on which we issued our report dated February 5, 2021, and noted that all such amounts reconciled as follows:

Bond Rating Indicator of Financial Strength - Items 1 and 3:

Sum of current closure, postclosure, and/or corrective
 action cost estimates:

Amounts per the audited financial statements: \$ 28,730,307

Total: \$ 28,730,307

Amount per the letter referred to above: \$ 28,730,307

- We recomputed from the audited financial statements amounts above, or reconciled to, the information included in item 5 in the Bond Rating Indicator of Financial Strength in the letter referred to above and noted no changes in responses submitted by the City.
- We read the City's financial statements for the year ended September 30, 2020, and noted that the City was not in default on its general obligation bonds.

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

8. We noted that the City does not have outstanding general obligations rated less than Baa as issued by Moody's or BBB as issued by Standard and Poor's. We obtained from the City official statements for each type of bonds in item 2 and agreed the ratings for each bond type to those indicated on item 2 in the Bond Rating Indicator of Financial Strength. The dates of the official statements obtained were June 9, 2020 for General Obligation Bonds; June 20, 2017 for Special Tax Revenue Bonds; June 10, 2020 for Water and Sewer Revenue Bonds; and February 7, 2019 for Drainage Utility System Revenue Bonds.
9. We noted that the City did not receive an adverse opinion, disclaimer of opinion, or other modified opinion from the independent auditor auditing its financial statements for the fiscal year ended September 30, 2020.

This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not perform, an examination, the objective of which would be the expression of an opinion on the accompanying letter dated February 12, 2021. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Honorable Mayor, City Council, and management of the City, and the Texas Commission on Environmental Quality, and should not be used by anyone other than these specified parties.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
February 12, 2021



INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by the City Council and management of the City of Fort Worth, Texas, (the City) solely to assist you in evaluating the City's compliance with Section 4(j) of Ordinance number 10968, Master Ordinance Establishing the City of Fort Worth, Texas Water and Sewer System (the System) Revenue Financing Program (the Ordinance) for the year ended September 30, 2020. The City of Fort Worth's management is responsible for compliance with the Ordinance. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed with respect to the City's compliance with Section 4(j) of the Ordinance for the year ended September 30, 2020, our results and findings were as follows:

- 1) Procedure: We obtained an understanding of the types of insurance required to be maintained by the City for the System per Section 4(j) of the Ordinance.

Finding: The City is required to carry the following types of insurances: casualty, property, fire, extended coverage, flood damage, use/occupancy, public liability, and property damage.
- 2) Procedure: For each type of insurance described above, we obtained an understanding as to whether the insurance was purchased commercially or if the City was self-insured.

Finding: The City commercially purchases the following types of insurances: property, fire, extended coverage, flood damage, and use/occupancy. The City is self-insured for the following types of insurances: casualty, public liability, and property damage.
- 3) Procedure: For all policies for which the City purchased commercial insurance coverage, we determined that the premium covering the period of September 30, 2020 was paid.

Finding: No exceptions were found as a result of applying this procedure.
- 4) Procedure: We obtained a listing for the areas of coverage for which the City was self-insured against risks.

Finding: The City is self-insured against the following risks: casualty, public liability and property damage. No exceptions were found as a result of applying this procedure.

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

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We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the City's compliance with the Ordinance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management and City Council of the City of Fort Worth, Texas, and is not intended to be and should not be used by anyone other than those specified parties.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
February 5, 2021



INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the City Council and City Manager of
City of Fort Worth, Texas

We have performed the procedures enumerated below, which were agreed to by the City Council and management of the City of Fort Worth, Texas (the City) solely to apply procedures in accordance with Section 4(K) of Water Master Ordinance 10968 (Audit) related to the City's compliance with Water Sewer System (the System) excess pledged revenues for the year ended September 30, 2020. The financial information utilized in calculating the excess pledged revenues of the water and sewer system was obtained from the 2020 Comprehensive Annual Financial Report of the City.

This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described herein for the purpose for which this report has been requested or for any other purpose.

The procedures performed in calculating the City's Excess Pledged Revenues were as follows:

1. Obtain a copy of the Water Master ordinance (Master Ordinance) and the City's policy "Payments from Water and Sewer Fund to Other Funds" (the Policy).
2. Using final audited balances from the City of Fort Worth Comprehensive Annual Report for the year ended September 30, 2020, performed the following:
 - a. Calculate Net Revenues for the Water and Sewer Fund as defined in the Master Ordinance.
 - b. Calculate Excess Pledged Revenues as defined in the Master Ordinance and the Policy.
 - c. Deduct from Excess Pledged Revenues calculated in step 2b above, the amount of transfers from Water and Sewer operating funds to capital project funds to calculate Adjusted Excess Pledged Revenues.
 - d. Determine the amount paid by the Water and Sewer Fund for street rental, payment in lieu of taxes (PILOT) and the public art program for the year ended September 30, 2020 and include the total of these amounts as a footnote to the calculation with text indicating this amount is paid from Adjusted Excess Pledged Revenues.
3. Provide copies of our calculations to the Financial Management Services Department for their certification as required by M&C G-18879 approved on November 15, 2016.

The calculation of the Excess Pledged Revenues and Adjusted Excess Pledged Revenues of the System for the fiscal year ended September 30, 2020, is presented on Schedule A.

The City Council and City Manager of
City of Fort Worth, Texas

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the City's Excess Pledged Revenues. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention and would have been reported to you.

This report is issued solely for the information and use of management and City Council of the City of Fort Worth, Texas, and is not intended to be and should not be used by anyone other than these specified parties.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
February 5, 2021

Schedule A

Excess Pledged Revenues For the City of Fort Worth, Texas Water and Sewer System

	For the year ended September 30, 2020
REVENUES:	
Charges for services	\$ 477,948,000
Other	940,000
Investment income	14,535,000
	493,423,000
Gross revenues	
	493,423,000
OPERATING EXPENSES:	
Personnel services	(40,490,000)
Supplies and materials	26,517,000
Contractual services	152,900,000
Depreciation	78,834,000
	217,761,000
Total operating expenses	
	217,761,000
NON-CASH OPERATING EXPENSES:	
Depreciation	(78,834,000)
Compensated absences	(1,036,000)
Net pension liability	122,361,000
OPEB liability	(2,069,000)
Other	(47,000)
Supplies and materials	(24,000)
	258,112,000
Total net operating expenses	
	258,112,000
NET REVENUES	
	235,311,000
ADDITIONAL REVENUES:	
Gas leases	530,000
Transfers in	3,070,000
Cash proceeds from PPE disposals	344,000
	3,944,000
Total additional revenues	
	3,944,000
PLEDGED REVENUES	
	239,255,000
DEBT SERVICE:	
Payments on bonds	62,293,000
Interest	32,574,000
	94,867,000
Total debt service	
	94,867,000
EXCESS PLEDGED REVENUES	
	144,388,000
TRANSFERS FOR INTERNALLY FUNDED CAPITAL PROJECTS:	
Transfers to Water and Sewer Capital Projects Funds	73,630,831
	73,630,831
ADJUSTED EXCESS PLEDGED REVENUES	
	\$ 70,757,169

Excess Pledged Revenues
For the City of Fort Worth, Texas
Water and Sewer System

Notes to Schedule A:

Amounts paid by the Water and Sewer Fund for Street Rental, payment in lieu of taxes (PILOT), and the Public Art Program for the year ended September 30, 2020 totaled \$28,030,681. These amounts are paid from Adjusted Excess Pledged Revenues.



Independent Accountant's Report on Applying Agreed-Upon Procedures

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

We have performed the procedures enumerated below, which were agreed to by the City Council and management of the City of Fort Worth, Texas (the City,) solely to apply procedures related to the Fort Worth Local Development Corporation and Lancaster Corridor Redevelopment, LLC, (collectively, the Corporation) for the year ended September 30, 2020. This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described herein for the purpose for which this report has been requested or for any other purpose.

The procedures performed and our findings were as follows:

1. Procedure: We obtained a detail of expenditures for the year ended September 30, 2020 for the Corporation and selected a sample size of the lessor of 10% or 25 for Fort Worth Local Development Corporation and Lancaster Corridor Redevelopment, LLC. For the expenditures sampled, we obtained and reviewed the supporting invoices and check copies and agreed the amount recorded in the accounting records to these supporting documents.

Finding: Based on the number of expenditure transactions, a sample of 11 items for Fort Worth Local Development Corporation, and 1 item for Lancaster Corridor Redevelopment, LLC, was chosen. No exceptions were found as a result of applying the procedure.

2. Procedure: We summarized the expenditure detail obtained in step 1 above for all expenditures by vendor. For expenditures incurred to individual vendors in excess of \$50,000 during the year ended September 30, 2020, we selected a sample of 25% of the vendors to determine if competitive bidding is required, and if required, determined whether procurement requirements were performed.

Finding: Based on the number of vendors with expenditures incurred in excess of \$50,000, a sample of 2 vendors was chosen for Fort Worth Local Development Corporation. For Lancaster Corridor Redevelopment, LLC no vendors received greater than \$50,000 in payments during the year ended September 30, 2020. No exceptions were found as a result of applying the procedure.

3. Procedure: We obtained a detail of leases for the Corporation and selected a sample of the lessor of 10% or 5 of the number of leases in place and reviewed for escalating payment terms to determine if deferred rent is being properly calculated under accounting principles generally accepted in the United States (US GAAP).

Finding: Based on the number of leases, a sample size of 1 was chosen. No exceptions were found as a result of applying the procedure.

Weaver and Tidwell, L.L.P.
2821 West 7th Street, Suite 700 / Fort Worth, Texas 76107
Main: 817.332.7905

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

This report is intended solely for the information and use of management and City Council of the City of Fort Worth, Texas and is not intended to be and should not be used by anyone other than those specified parties.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
March 26, 2021

February 7, 2020

Weaver and Tidwell, L.L.P.
2821 West 7th Street, Suite 700,
Fort Worth, Texas 76107

This representation letter is provided in connection with your audit of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Fort Worth, Texas ("the City") as of and for the year then ended September 30, 2019, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of City of Fort Worth, Texas in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of February 7, 2020:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated December 27, 2019, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements summarized in the attached schedule and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.

DEPARTMENT OF FINANCE

- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
 - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
 - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
- With respect to tax preparation for various City of Fort Worth, TX component units and assistance with the Self-Assessment Questionnaire for PCI, we have performed the following:
 - Made all management decisions and performed all management functions;
 - Assigned a competent individual to oversee the services;
 - Evaluated the adequacy of the services performed;
 - Evaluated and accepted responsibility for the result of the service performed; and
 - Established and maintained internal controls, including monitoring ongoing activities.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have provided to you our analysis of the entity's ability to continue as a going concern, including significant conditions and events present, and if necessary, our analysis of management's plans, and our ability to achieve those plans.

DEPARTMENT OF FINANCE

- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- We have disclosed to you all communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- The City has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which the City is contingently liable.
- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
- For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
 - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

Federal and State Award Programs

With respect to federal and state award programs:

- We are responsible for understanding and complying with and have complied with the requirements of Title 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (the Uniform Guidance), and the State of Texas Uniform Grant Management Standards (UGMS) including requirements relating to preparation of the schedule of expenditures of federal and state awards, or we acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) and state awards (SESA) in accordance with the requirements of the Uniform Guidance and UGMS and we believe the SEFA and SESA, including its form and content, is fairly presented in accordance with the Uniform Guidance and UGMS. The methods of measurement or presentation of the SEFA and SESA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA and SESA.
- We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance and UGMS and included in the SEFA and SESA made during the audit period for all awards provided by federal and state agencies in the form of grants, federal or state cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- We are responsible for understanding and complying with, and have complied with, the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal and state programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major program.
- We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance requirements applicable to federal programs that provides reasonable assurance that we are managing our federal and state awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal and state programs. We believe the internal control system is adequate and is functioning as intended.
- We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal and state agencies or pass-through entities relevant to federal and state programs and related activities.
- We have received no requests from a federal or state agencies to audit one or more specific programs as a major program.
- We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement* and UGMS, relating to federal and state awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the requirements of federal and state awards.
- We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- Amounts claimed or used for matching were determined in accordance with relevant guidelines in the Uniform Guidance and UGMS.
- We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.

- We have made available to you all documentation related to compliance with the direct material compliance requirements, including information related to federal and state program financial reports and claims for advances and reimbursements.
- We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies in internal control over compliance (including material weaknesses in internal control over compliance), subsequent to the date as of which compliance was audited.
- Federal and state program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- The copies of federal and state program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal or state agency or pass-through entity, as applicable.
- We have charged costs to federal and state awards in accordance with applicable cost principles.
- We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance and UGMS and we have provided you with all information on the status of the follow-up on prior audit findings by federal and state awarding agencies and pass-through entities, including all management decisions.
- We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- We are responsible for preparing and implementing a corrective action plan for each audit finding.



David Cooke, City Manager



Reginald Zeno, Chief Financial Officer

DEPARTMENT OF FINANCE

City of Fort Worth, Texas
 Passed Adjustments Analysis
 9/30/2019
 (in 000's)

Capital Projects Fund	Debits	Credits	Assets	Deferred Outflows	Liabilities	Deferred Inflows	Fund Balance	Revenue/OFS	Expense/OFU	Changes in Fund Balance
CPF 2019-1 <i>To record adjustments to accounts payable and unearned revenue for classification of projects C00459 & C02143</i>										
Unearned Revenue	1,891									
Accounts Payable		(1,891)			1,891 (1,891)					
CPF 2019-2 <i>To record adjustments to revenue and expense balances for project C01894</i>										
Revenue	775							775		775
Expenditures		(775)							(775)	(775)
CPF 2019-3 <i>To adjust project 101314 to record revenues that have been earned</i>										
Unearned Revenue	2,280				2,280			(2,280)		(2,280)
Revenue		(2,280)								
CPF 2019-4 <i>To adjust accounts payable for liabilities that were over-recorded at year end</i>										
Accounts Payable	1,329				1,329				(1,329)	(1,329)
Capital Outlay		(1,329)								
Total P/Y differences										
Total differences					3,609			(1,505)	(2,104)	(3,609)
Post to fund balance										
Total effect					3,609		(3,609)	(1,505)	(2,104)	(3,609)
Balance per audit			554,500		(50,543)	(2,785)	(501,172)	(275,049)	240,582	(34,467)
As a percent	0.00%	0.00%	0.00%	0.00%	-7.14%	0.00%	0.72%	0.55%	-0.87%	0.00%

City of Fort Worth, Texas
 Passed Adjustments Analysis
 9/30/2019
 (in 000's)

Debt Service Fund	Debits	Credits	Assets	Deferred Outflows	Liabilities	Deferred Inflows	Fund Balance	Revenue/OFS	Expense/OFU	Changes in Fund Balance
DSF 2019-1										
To record the Rock Creek PID in an agency fund rather than Debt Service	2,755	(2,755)	(2,755)				2,755			
Fund Balance										
Cash			(2,755)				2,755			
Total P/Y differences			(2,755)				2,755			
Total Differences										
Post to fund balance			(2,755)				2,755			
Total Effect										
Balance per audit			63,563			(1,194)	(62,369)	(133,644)	122,242	(11,402)
As a percent			-4.33%	0.00%	0.00%	0.00%	-4.42%	0.00%	0.00%	0.00%

City of Fort Worth, Texas
 Passed Adjustments Analysis
 9/30/2019
 (in 000's)

Governmental Activities	Debits	Credits	Assets	Deferred Outflows	Liabilities	Deferred Inflows	Net Position	Revenue/OFS	Expense/OFU	Changes in Net Position
GW 2019-1 <i>To adjust beginning net position for historical corrections made to capital assets.</i>										
Net Position	20,022	(20,022)					20,022		(20,022)	(20,022)
GW 2019-2 <i>To adjust beginning net position for corrections made to compensated absences liability</i>										
Employee Expenses	18,810	(18,810)					18,810		(18,810)	(18,810)
Net Position										
GW 2019-3 <i>To record the Rock Creek PID in an agency fund rather than Debt Service</i>										
Long-Term Liabilities	17,840	(17,840)			17,840		(17,840)			
Net Position										
GW 2019-4 <i>To record capital asset contributions received from developers in the correct period.</i>										
Developer Contributions	17,846							17,846		17,846
Depreciable Capital Assets	7,937	(25,783)	7,937				(25,783)			
Net Position										
GW 2019-6 <i>To pass on capitalizing an intangible asset and building costs that were expensed</i>										
Depreciable Capital Assets	3,130	(3,130)	3,130						(3,130)	(3,130)
Expenses										
Total impact from fund passed adjustments										
Debt Service Fund			(2,755)				2,755			
Capital Projects Fund					3,609		(3,609)	(1,505)	(2,104)	(3,609)
Remaining Aggregate			2,755		(2,755)		(795)	795		795
	11,067		11,067		18,694		(6,440)	17,136	(44,066)	(26,930)
Total P/Y differences										
Total Differences	11,067		11,067		18,694		(6,440)	17,136	(44,066)	(26,930)
Post to Net Position							(26,930)			
Total Effect	11,067		11,067		18,694		(33,370)	17,136	(44,066)	(26,930)
Balance per audit	3,503,558		836,683		(4,988,154)		1,076,748	(1,286,987)	1,303,083	16,096
As a percent	0.32%	0.00%	0.00%		-0.37%	0.00%	-3.10%	-1.33%	-3.38%	-167.31%

City of Fort Worth, Texas
 Passed Adjustments Analysis
 9/30/2019
 (in 000's)

Remaining Aggregate Fund Information	Debits	Credits	Assets	Deferred Outflows	Liabilities	Deferred Inflows	Fund Balance / Net Position	Revenue/OFS	Expense/OFU	Changes in Fund Balance/Net Position
NME 2019-1 <i>To pass on adjustments of accounts payable and accrued liabilities for classification of project</i>										
Unearned Revenue Accounts Payable	1,993	(1,993)			1,993 (1,993)					
NME 2019-2 <i>To adjust beginning net position for historical corrections made to capital asset</i>										
Gain on Sale of Property and Equipment Net Position	795	(795)					(795)	795		795
AGY 2019-1 <i>To record the Rock Creek PID in an agency fund rather than Debt Service</i>										
Cash Special Assessment Debt Payable	2,755	(2,755)	2,755		(2,755)					
Total P/Y differences	2,755	(2,755)	2,755	-	(2,755)	-	(795)	795	-	795
Total Differences										
Post to Fund Balance / Net Position			2,755	-	(2,755)	-	(795)	795	(1,758)	(1,758)
Total Effect										
Balance per audit			2,755	-	(2,755)	-	(963)	-	(1,758)	(963)
As a percent			3,670,756	16,891	(620,281)	(19,087)	3,048,279	(801,520)	756,124	(45,396)
	0.08%	0.00%	0.44%	0.00%	-0.06%	-0.10%	-0.25%			2.12%

City of Fort Worth, Texas
 Passed Adjustments Analysis
 9/30/2019
 (in 000's)

Water Sewer Fund	Debits	Credits	Assets	Deferred Outflows	Liabilities	Deferred Inflows	Net Position	Revenue	Expense	Changes in Net Position
Water 2019-1										
To correct beginning net position for corrections made to compensated absences liabilities	4,012	(4,012)					(4,012)		4,012	4,012
Employee Expenses Net Position										
Total PY differences										
Total Differences										
Post to Net Position										
Total Effect										
Balance per audit			3,553,242	105,232	(1,424,425)	(52,912)	(2,181,137)	(551,429)	394,997	(156,432)
As a percent			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.02%	-2.56%

February 5, 2021

Weaver and Tidwell, L.L.P.
2821 West 7th Street, Suite 700,
Fort Worth, Texas 76107

This representation letter is provided in connection with your audit of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Fort Worth, Texas ("the City") as of and for the year then ended September 30, 2020, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of City of Fort Worth, Texas in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of February 5, 2021:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 21, 2021, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements summarized in the attached schedule and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
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- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
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 - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
 - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
- With respect to tax preparation for various City of Fort Worth, TX component units and assistance with the Self-Assessment Questionnaire for PCI, we have performed the following:
 - Made all management decisions and performed all management functions;
 - Assigned a competent individual to oversee the services;
 - Evaluated the adequacy of the services performed;
 - Evaluated and accepted responsibility for the result of the service performed; and
 - Established and maintained internal controls, including monitoring ongoing activities.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have provided to you our analysis of the entity's ability to continue as a going concern, including significant conditions and events present, and if necessary, our analysis of management's plans, and our ability to achieve those plans.

- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- We have disclosed to you all communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- The City has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which the City is contingently liable.
- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
- For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
 - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

Federal and State Award Programs

With respect to federal and state award programs:

- We are responsible for understanding and complying with and have complied with the requirements of Title 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (the Uniform Guidance), and the State of Texas Uniform Grant Management Standards (UGMS) including requirements relating to preparation of the schedule of expenditures of federal and state awards, or we acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) and state awards (SESA) in accordance with the requirements of the Uniform Guidance and UGMS and we believe the SEFA and SESA, including its form and content, is fairly presented in accordance with the Uniform Guidance and UGMS. The methods of measurement or presentation of the SEFA and SESA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA and SESA.
- We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance and UGMS and included in the SEFA and SESA made during the audit period for all awards provided by federal and state agencies in the form of grants, federal or state cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- We are responsible for understanding and complying with, and have complied with, the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal and state programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major program.
- We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance requirements applicable to federal programs that provides reasonable assurance that we are managing our federal and state awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal and state programs. We believe the internal control system is adequate and is functioning as intended.
- We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal and state agencies or pass-through entities relevant to federal and state programs and related activities.
- We have received no requests from a federal or state agencies to audit one or more specific programs as a major program.
- We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement* and UGMS, relating to federal and state awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the requirements of federal and state awards.
- We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- Amounts claimed or used for matching were determined in accordance with relevant guidelines in the Uniform Guidance and UGMS.
- We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.

- We have made available to you all documentation related to compliance with the direct material compliance requirements, including information related to federal and state program financial reports and claims for advances and reimbursements.
- We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies in internal control over compliance (including material weaknesses in internal control over compliance), subsequent to the date as of which compliance was audited.
- Federal and state program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- The copies of federal and state program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal or state agency or pass-through entity, as applicable.
- We have charged costs to federal and state awards in accordance with applicable cost principles.
- We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance and UGMS and we have provided you with all information on the status of the follow-up on prior audit findings by federal and state awarding agencies and pass-through entities, including all management decisions.
- We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- We are responsible for preparing and implementing a corrective action plan for each audit finding.



David Cooke, City Manager



Reginald E. Zeno, Chief Financial Officer

City of Fort Worth, Texas
 Passed Adjustments Analysis
 9/30/2020
 (in 000's)

Capital Projects Fund	Debits	Credits	Assets	Deferred Outflows	Liabilities	Deferred Inflows	Fund Balance	Revenue/OFS	Expense/OFU	Changes in Fund Balance
CPF 2020-1	772	(772)					(772)	772		772
To pass on adjustment of prior year revenue corrections recorded in FY 2020.										
Revenue										
Fund Balance										
Total P/Y differences							(772)	772	-	772
Total differences							(3,609)	2,280	1,329	3,609
Post to fund balance							(4,381)	3,052	1,329	4,381
Total effect							4,381	-	-	-
Balance per audit							-	3,052	1,329	4,381
As a percent							(577,059)	(300,037)	224,150	(75,887)
							0.00%	-1.02%	0.59%	-5.77%

City of Fort Worth, Texas
 Passed Adjustments Analysis
 9/30/2020
 (in 000's)

Debt Service Fund	Debits	Credits	Assets	Deferred Outflows	Liabilities	Deferred Inflows	Fund Balance	Revenue/OFS	Expense/OFU	Changes in Fund Balance
DSF 2020-1	1,889	(1,889)								
To record the Rock Creek PID in an agency fund rather than Debt Service										
Fund Balance										
Cash										
Total P/Y differences							1,889	-	-	-
Total Differences							1,889	-	-	-
Post to fund balance							-	-	-	-
Total Effect							1,889	-	-	-
Balance per audit							(56,539)	(196,249)	202,079	5,830
As a percent							-3.27%	0.00%	0.00%	0.00%
							-3.34%	0.00%	0.00%	0.00%

City of Fort Worth, Texas
 Passed Adjustments Analysis
 9/30/2020
 (in 000's)

Grants Fund	Assets	Deferred Outflows	Liabilities	Deferred Inflows	Fund Balance	Revenue/OFS	Expense/OFU	Changes in Fund Balance
GRANTS 2020-1 <i>To record revenue earned in previous years recorded in FY 2020</i>								
Accounts Receivable	599				(599)			
Fund Balance								(599)
GRANTS 2020-2 <i>To correct revenue adjustment that was recorded in FY 2020 which related to FY 2019.</i>								
Fund Balance					147			147
Grant Revenue						(147)		(147)
Total PY differences	599	-	-	-	(452)	(147)	-	(147)
Total Differences	599	-	-	-	(452)	(147)	-	(147)
Post to fund balance	599	-	-	-	(147)			(147)
Total Effect	146,007	-	(143,260)	(2,884)	(599)	(147)	-	1,499
Balance per audit					137	(85,432)	86,931	1,499
As a percent	0.41%	0.00%	0.00%	0.00%	-437.23%	0.17%	0.00%	-9.81%

City of Fort Worth, Texas
 Passed Adjustments Analysis
 9/30/2020
 (in 000's)

Remaining Aggregate Fund Information	Debits	Credits	Assets	Deferred Outflows	Liabilities	Deferred Inflows	Fund Balance / Net Position	Revenue/OFS	Expense/OFU	Changes in Fund Balance/Net Position
FID 2020-1										
To pass on adjustment of FMV of pension investments due to timing of balances reported										
Net Position	10,500						10,500			
Investments	31,400		31,400							
Investment Income		(20,900)						(20,900)		(20,900)
			31,400				10,500			
							(20,900)			
Total P/Y differences										
Total Differences			31,400				10,500			(20,900)
Post to Fund Balance / Net Position							(20,900)			
Total Effect			31,400				(10,400)			(20,900)
Balance per audit			3,620,595	22,519	(504,422)	(14,127)	3,124,565	(790,411)	712,762	(77,649)
As a percent			0.87%	0.00%	0.00%	0.00%	-0.33%	2.64%	0.00%	26.92%

City of Fort Worth, Texas
 Passed Adjustments Analysis
 9/30/2020
 (in 000's)

Governmental Activities	Debits	Credits	Assets	Deferred Outflows	Liabilities	Deferred Inflows	Net Position	Revenue/OFS	Expense/OFU	Changes in Net Position
GW 2020-1 <i>To record the Rock Creek PID in an agency fund rather than Debt Service</i>	17,840	(17,840)			17,840		(17,840)			
Long-Term Liabilities Net Position										
GW 2020-2 <i>To adjust beginning net position for historical corrections made to capital assets.</i>										
Net Position Gain on Sale of Property and Equipment	6,028	(6,028)					6,028	(6,028)		(6,028)
GW 2020-3 <i>To reclassify allowance for doubtful accounts recorded in unavailable revenue</i>	3,002	(3,002)								
Unavailable Revenue Allowance for Doubtful Accounts										
GW 2020-4 <i>To pass on capitalizing an intangible asset and building costs that were expensed</i>	8,339 1,197	(9,536)		8,339			(9,536)		1,197	1,197
Deferred Outflows of Resources Net OPEB Liability Expense Net Position										
Total impact from fund passed adjustments										
Debt Service Fund			(1,889)	-	-	-	1,889	-	-	-
Capital Projects Fund			-	-	-	-	-	3,052	1,329	4,381
Grants Fund			599	-	-	-	(599)	(147)	-	(147)
General Fund			(3,002)	-	3,002	-	-	-	-	-
Remaining Aggregate			31,400	-	-	-	10,500	(20,900)	-	(20,900)
Total P/Y differences			27,108	8,339	20,842	-	(9,558)	(24,023)	2,526	(21,497)
Total Differences Post to Net Position			27,108	8,339	20,842	-	(9,558)	(24,023)	2,526	(21,497)
Total Effect			27,108	8,339	20,842	-	(31,055)	(24,023)	2,526	(21,497)
Balance per audit			4,344,414	1,128,737	(4,546,941)	(290,282)	(635,928)	(1,869,392)	176,716	(1,712,676)
As a percent	0.62%	0.74%	-0.46%	0.00%	4.88%	1.27%	1.43%	1.26%		

City of Fort Worth, Texas
 Passed Adjustments Analysis
 9/30/2020
 (in 000's)

	Debits	Credits	Assets	Deferred Outflows	Liabilities	Deferred Inflows	Net Position	Revenue	Expense	Changes in Net Position
Water Sewer Fund										
Water 2020-1										
<i>To adjust beginning net position for historical corrections made to capital assets.</i>										
Net Position	6,689	(6,689)					6,689		(6,689)	(6,689)
Gain on Sale of Property and Equipment							6,689		(6,689)	(6,689)
Total P/Y differences										
Total Differences							6,689		(6,689)	(6,689)
Post to Net Position							(6,689)			
Total Effect										
Balance per audit			3,860,775	141,750	(1,455,636)	(35,499)	(2,511,390)	(604,921)	274,668	(330,253)
As a percent	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-2.44%	2.03%