



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
For the Fiscal Year Ended  
September 30, 2013  
**CITY OF FORT WORTH, TEXAS**



photo courtesy of Brian Luenser and Sundance Square



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended  
September 30, 2013

## CITY OF FORT WORTH, TEXAS

### ELECTED OFFICIALS

#### 2013 CITY COUNCIL

Betsy Price, Mayor

Salvador Espino  
W.B. "Zim" Zimmerman  
Danny Scarth  
Gyna Bivens

Jungus Jordan  
Dennis Shingleton  
Kelly Allen Gray  
Joel Burns

### CITY MANAGER

Thomas Higgins

### CHIEF FINANCIAL OFFICER

Aaron J. Bovos

### INDEPENDENT AUDITORS

Deloitte & Touche LLP

Prepared by the Financial Management Services Department



**CITY OF FORT WORTH, TEXAS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED SEPTEMBER 30, 2013**  
**TABLE OF CONTENTS**

	<b>Page</b>
<b>INTRODUCTORY SECTION: (unaudited)</b>	
Transmittal Letter .....	v
Certificate of Achievement for Excellence in Financial Reporting.....	xi
Organization of City Government .....	xii
Elected Officials .....	xiii
 <b>FINANCIAL SECTION:</b>	
Independent Auditors' Report.....	1
Management's Discussion and Analysis (unaudited).....	5
 <b>Basic Financial Statements</b>	
Government-wide Financial Statements:	
Statement of Net Position .....	17
Statement of Activities .....	18
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	21
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	23
Statement of Net Position – Proprietary Funds .....	24
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds .....	27
Statement of Cash Flows – Proprietary Funds .....	28
Statement of Fiduciary Net Position – Fiduciary Funds .....	30
Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	31
Notes to the Basic Financial Statements.....	32
 <b>Required Supplementary Information (unaudited)</b>	
Budgetary Comparison Schedule – General Fund.....	102
Notes to the Required Supplementary Information .....	104
Employees' Retirement Fund – Schedule of Funding Progress .....	105
Employees' Retirement Fund – Schedule of Employer Contributions.....	105
Other Postemployment Benefits – Schedule of Funding Progress .....	106
Other Postemployment Benefits – Schedule of Employer Contributions .....	106
 <b>Combining and Individual Fund Financial Statements and Schedules</b>	
Nonmajor Governmental Funds:	
Combining Balance Sheet .....	108
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	110
Other Blended Component Units:	
Combining Balance Sheet .....	112
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances ..	113
Budgetary Comparison Schedule – Crime Control and Prevention District Fund .....	114
Budgetary Comparison Schedule – Culture and Tourism Fund.....	115

# TABLE OF CONTENTS

(continued)

	<b>Page</b>
<b>Combining and Individual Fund Financial Statements and Schedules (continued)</b>	
Nonmajor Enterprise Funds:	
Combining Statement of Net Position .....	118
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position....	121
Combining Statement of Cash Flows .....	122
Internal Service Funds:	
Combining Statement of Net Position .....	126
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position....	127
Combining Statement of Cash Flows .....	128
Fiduciary Funds:	
Combining Statement of Fiduciary Net Position .....	130
Combining Statement of Changes in Fiduciary Net Position .....	131
Discretely Presented Component Units:	
Combining Statement of Net Position.....	136
Combining Statement of Revenues, Expenditures, and Changes in Net Position.....	138
 <b>STATISTICAL SECTION: (unaudited)</b>	
	<b>Table      Page</b>
Financial Trends: (unaudited)	
Net Position by Component .....	1      142
Change in Net Position .....	2      144
Fund Balances, Governmental Funds .....	3      148
Changes in Fund Balances of Governmental Funds .....	4      150
Revenue Capacity: (unaudited)	
Assessed Value and Estimated Actual Value of Taxable Property .....	5      151
Property Tax Rates - All Direct and Overlapping Tax Rates.....	6      153
Property Tax Levies and Collections .....	7      154
Principal Property Taxpayers .....	8      155
Debt Capacity: (unaudited)	
Ratio of Outstanding Debt by Type .....	9      156
Percent of Total General Debt Outstanding to Assessed Value and Total General Debt Outstanding per Capita .....	10      159
Legal Debt Margin Information .....	11      160
Direct and Overlapping Governmental Activities Debt .....	12      162
Pledged Revenue Coverage .....	13      163
Demographic & Economic Information: (unaudited)	
Demographic and Economic Statistics .....	14      164
Principal Employers Fort Worth Metropolitan Area .....	15      165
Operating Information: (unaudited)	
Full-Time Equivalent City Government Employees by Function/Program .....	16      166
Operating Indicators by Function/Program .....	17      168
Capital Asset Statistics by Function/Program .....	18      170

# INTRODUCTORY SECTION



March 18, 2014

Honorable Mayor, City Council, Citizens, and Stakeholders  
City of Fort Worth, Texas

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Fort Worth, Texas (City), for the year ended September 30, 2013. 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. This report is published to fulfill that requirement for the most recent fiscal year.

Management assumes full responsibility for the completeness 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.

Deloitte & Touche LLP has issued an unmodified (“clean”) opinion on the City’s financial statements for the year ended September 30, 2013. The Independent Auditors’ Report is located in the beginning of the financial section of this report.

Management’s Discussion and Analysis (MD&A) immediately follows the Independent Auditors’ 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 350 square miles and serves a population of 767,560.

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. In turn, the Mayor and City Council appoint the City Manager, City Attorney, City Secretary, City Auditor, and the municipal judges.

Services provided by the City under general governmental functions include public safety (police and fire protection), municipal courts, housing and economic development, planning and development, street maintenance, traffic control, code compliance, parks operation and maintenance, recreation, library services, public events, and general administrative services.

Water and sewer services, solid waste collection, golf courses, airports, city owned parking garages, and storm water utility services 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

---

## **FINANCIAL MANAGEMENT SERVICES DEPARTMENT**

CITY OF FORT WORTH \* 1000 THROCKMORTON STREET \* FORT WORTH, TEXAS 76102  
817-392-8500 \* Fax 817-392-8966

addition, the City provides water and wastewater treatment for several neighboring jurisdictions. Equipment maintenance, office services, temporary labor, information systems, and engineering services are provided through internal service funds.

As required by accounting principles generally accepted 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. During Fiscal Year 2013, there were eight blended component units and twenty-four discretely presented 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 budget shall provide a complete financial plan of all city funds and activities for the ensuing fiscal year. The budget is prepared by fund, organization unit or department, program, purpose or activity, and object. The City Manager may transfer resources within a department. Transfers between departments, however, require approval from the City Council.

### **Local Economy**

Fort Worth is a Sunbelt city marked by its steady growth and diverse economy. Relocation of major firms to the greater Fort Worth area, renovation of many historical landmarks, shopping areas, and a host of public-private cooperative development ventures comprise Fort Worth's economic past. For the future, the ground has already been broken for ambitious commercial, retail, and residential developments. Fort Worth is one of two major cities in the Dallas/Fort Worth metropolitan area. The Dallas/Fort Worth metropolitan area contains a population of more than 6.7 million people.

Fort Worth continues to be a strong draw for new residents and businesses as shown by being named one of the country's fastest-growing cities according to 2010 census figures released by the United States (U.S.) Census Bureau. Fort Worth grew 38.6% to 741,206 residents from 2000 to 2010. Fort Worth is consistently ranked among the top places in the nation to live, work, and play. With a growing workforce, top educational facilities, low cost of doing business, high quality of life, and prime location and climate, the City is an attractive choice for companies looking to relocate or expand their operations. According to the U.S. Census Bureau, the median family income of Fort Worth was \$60,489; Texas was \$59,765, while the United States was \$62,527.

The Fort Worth-Arlington Metropolitan Division (MD) boasts a strong labor force of over one million that continues to grow. Although the recession has slowed growth across the United States, the Fort Worth-Arlington MD has experienced positive annual employment growth since the summer of 2010. The unemployment rate of 6.1% is still less than the 6.3% unemployment rate of Texas, and the 7.2% unemployment rate of the United States.

There are over 37,000 registered businesses in the Fort Worth-Arlington MD. Almost 50% of these entities are small to mid-size firms that employ anywhere from 1 to 249 individuals which highlights the continued importance of small business development. Large business firms with over 1,000 employees make up 28% of the area's workforce.

Manufacturing and distribution remains an important part of the Fort Worth economy. Over the last year, manufacturing has increased by 6.6%, adding over 6,100 jobs to the area. Oil and gas production, driven by the Barnett Shale, has provided a number of economic benefits from exploration, drilling, and related activity. Emerging economic sectors include financial services, semiconductor manufacturing, communications equipment manufacturing, corporate offices, and distribution. The City's industry clusters remain diverse with trade, transportation, and utilities making up the largest percentage of the

Fort Worth-Arlington MD industry composition at 23%. Government, education and health services, professional, business services, leisure, and hospitality are also large sectors, comprising 13%, 13%, and 12% of the workforce, respectively. Tourism is an important contributor to the local economy with over 5.5 million visitors per year. Coordinated efforts by Sundance Square and Downtown Fort Worth, Inc. have resulted in new entertainment, housing, and retail facilities throughout downtown Fort Worth. The Alliance Texas development in north Fort Worth continued its growth by adding more than 4,500 jobs over the past 18 months, one of its largest increases since the 2008 recession.

Due to a strong and healthy local economy and improved financial reporting, Fort Worth's general obligation bond rating was upgraded in 2010 to Aa1 from Moody's Investor Service, Inc. and AA+ by Fitch Ratings, and has continued to maintain those high marks.

### **Long-term Financial Planning and Major Initiatives**

In February of each year, the City begins financial planning activities – a process designed to proactively deal with the many opportunities and challenges facing the community. This planning helps guide the activities of council and staff for the next five years. From this, a guide has been developed that we call “Fort Worth Strategic Goals.”

The Mayor and Council strategic goals are:

- Make Fort Worth the nation's **safest major city**
- Improve **mobility** and **air quality**
- Create and maintain a **clean, attractive city**
- Strengthen the **economic base**, develop the **future workforce** and create **quality job opportunities**
- Promote **orderly** and **sustainable development**

The City continues to focus major efforts on our strategic goals. These goals drive decision-making and help the City Council further the City's mission and vision, and then translate 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 goals and address community issues are numerous and varied. However, the City continually addresses community issues through the best, most appropriate methods available.

Unrestricted fund balance (the total of the assigned, and unassigned components of fund balance) in the General Fund at the end of the fiscal year was \$66.4 million or 11.9% of total General Fund expenditures. This amount was higher than the policy guidelines set by the City Council (10% of the expenditures).

As expressed in the City's 2013 Comprehensive Plan, the City Council envisions that, *“By the year 2020, Fort Worth will be commonly recognized as the most livable city in Texas. Residents will be able to enjoy Fort Worth's friendly atmosphere and the opportunities that are associated with a growing economy and diverse community. Fort Worth's public schools will produce well-rounded citizens and a skilled workforce to fill high-paying jobs in local businesses. Fort Worth's environmental quality will also be superior, meeting the highest national standards.”* Several values were also identified that refine the City vision. These values are preserved as part of the 2013 Comprehensive Plan: *“Preservation of western heritage, a friendly small town atmosphere, quality and ethnic diversity of cultural life, the arts, neighborhood vitality, preservation of historic buildings and districts, efficiency and equity in delivery of quality public services, educational and economic opportunity, aviation history and technology, can-do attitude, promotion of free enterprise, protection of property rights, mobility, children and youth, conservation of natural resources, and inclusiveness and cooperation: ‘The Fort Worth Way.’”*

In developing the 2013 Comprehensive Plan to reflect these common values and to help the City realize its vision, five major themes emerged: promoting economic growth, meeting the needs of an expanding population, revitalizing the central city, developing multiple growth centers, and celebrating the Trinity River. These five themes, which influence various elements of the Plan, guide the City in its decisions about the future.

The City develops a multi-year blueprint annually for planning the City's future capital expenditures, which coordinates and integrates community planning, development and financial capacity. This blueprint is the Capital Improvement Plan (CIP). The CIP's goal is to plan, program and implement the high priority, high quality capital improvements necessary to address infrastructure and facility issues related to city growth and increased service demands, facility age and condition, efficiency improvements, and/or risk issues. This strategic capital plan ensures that infrastructure needs projected over the next 20 years are identified, prioritized and addressed as funds or other business opportunities are available. To help in needs identification and plan development, a variety of planning documents and master plans developed in the various departments/funds are integrated to the maximum extent possible into the CIP planning process.

Over \$425 million in capital projects are planned for fiscal year 2014. The top four capital program areas (based on estimated costs for the fiscal year) include: Street and Transportation Infrastructure projects, totaling \$146 million; Aviation projects, totaling \$93 million; Water and Wastewater projects, totaling \$84 million; and Stormwater projects, totaling \$48 million.

#### **Relevant Financial Policies**

The City has adopted a comprehensive set of Financial Management Policy Statements to help ensure that the City's financial resources are managed in a prudent manner. The City shall strive to maintain the General Fund unassigned fund balance at 10% of the current year's budget appropriation for operations and maintenance. At the conclusion of the fiscal year, if the unassigned fund balance exceeds 10%, the excess must be specifically assigned for subsequent year expenditures or transferred to the Capital Projects Fund. The use of funds within the Capital Projects Fund shall be guided by the Capital Expenditures and Improvements Policy Statements.

#### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended September 30, 2012. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized CAFR that satisfied both U.S. GAAP and applicable program requirements.

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

The City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning October 1, 2013. 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, operations guide, and a communications device.

## 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 staff of the Financial Management Services Department 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, Deloitte & Touche LLP, conducted the audit. Finally, we express appreciation to the Mayor and City Council for their unfailing support for maintaining the highest standard and professionalism in the management of the City's finances.

Sincerely,



Tom Higgins  
City Manager



Aaron J. Bovos  
Chief Financial Officer





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

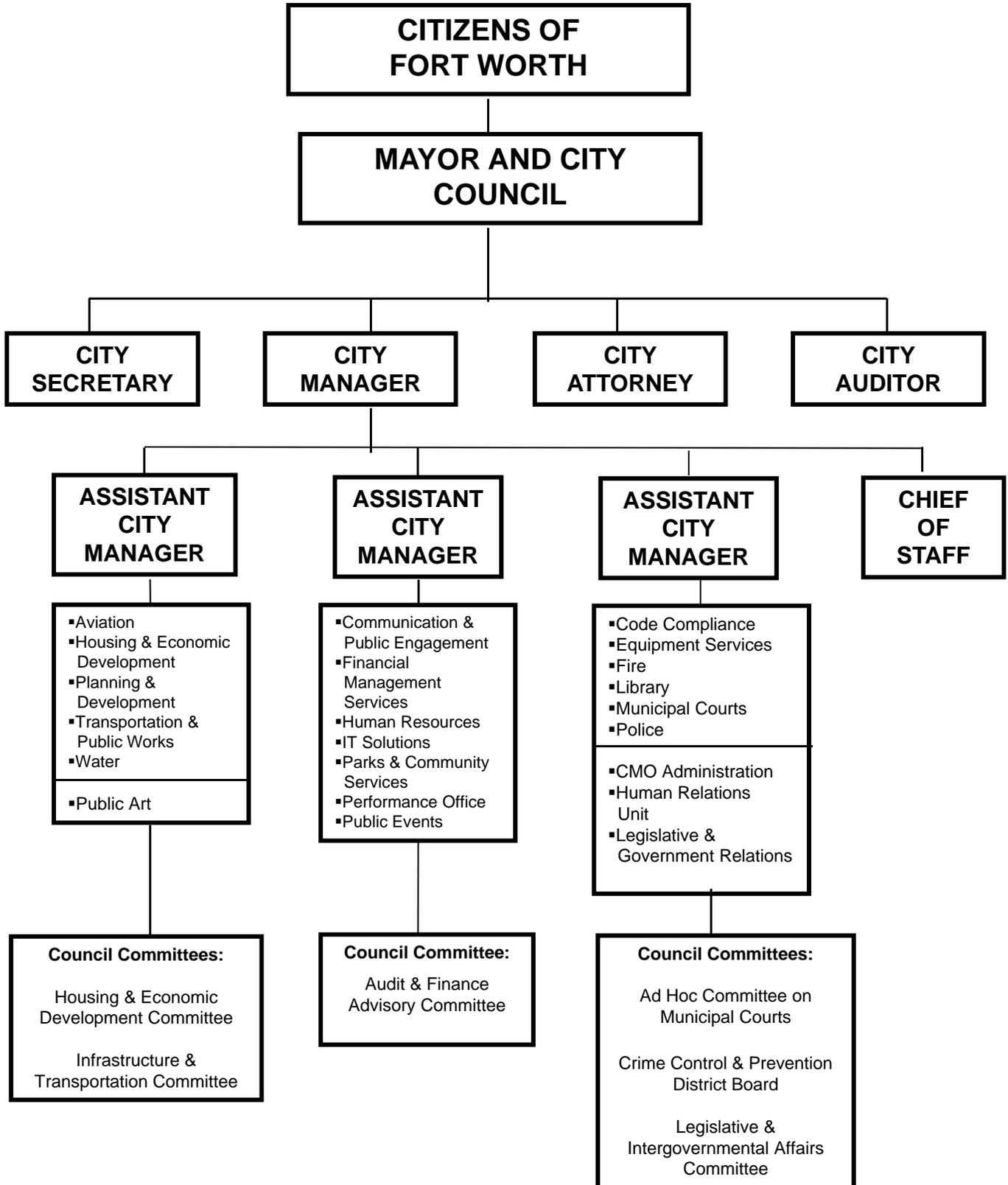
**City of Fort Worth  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2012**

Executive Director/CEO

**CITY OF FORT WORTH, TEXAS  
ORGANIZATION OF CITY GOVERNMENT  
September 30, 2013**



**Elected Officials  
City of Fort Worth, Texas  
Mayor and Council Members for Fiscal Year 2013**



**Betsy Price  
Mayor**



**Salvador Espino  
Council District 2**



**W.B. Zimmerman  
Council District 3**



**Danny Scarth  
Council District 4**



**Gyna Bivens  
Council District 5**



**Jungus Jordan  
Council District 6**



**Dennis Shingleton  
Council District 7**



**Kelly Allen Gray  
Council District 8**



**Joel Burns  
Council District 9**



# FINANCIAL SECTION

## **Independent Auditor's Report**

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

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the City of Fort Worth, Texas (the "City"), as of and for the year ended September 30, 2013, 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 as of and for the year ended September 30, 2013, (which comprises 99% of the net assets of the trust funds of the City). Those financial statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as they related to the amounts included for the Employees' Retirement Fund of the City of Fort Worth, are based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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.

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

### ***Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the City, as of September 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

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

#### *Other Information*

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

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

The introductory and statistical sections listed in the foregoing table of contents 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.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

*Deloitte & Touche LLP*

March 18, 2014



**CITY OF FORT WORTH, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2013  
(in 000's)  
(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, 2013. The MD&A is offered here by the management of the City to the readers of its financial statements. Readers should use the information presented here in conjunction with additional information furnished in our letter of transmittal, which can be found in the Introductory Section of this Comprehensive Annual Financial Report (CAFR).

**Financial Highlights**

The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at September 30, 2013, by \$3,088,187 (net position). Of this amount, \$88,951 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

The City's total net position increased by \$76,405. This increase can be attributed to increases in property tax revenue, other local taxes, franchise fees, and charges for services for both governmental activities and business-type activities. These were offset by a decrease in operating grants and contributions and investment income.

At September 30, 2013, the City's governmental funds reported combined ending fund balances of \$804,097, a decrease of \$4,250 in comparison with 2012. Approximately 48.2 percent of this amount, \$387,593 is available for spending at the government's discretion (\$247,135 committed fund balance, \$85,870 assigned fund balance and \$54,588 unassigned fund balance).

The City's total long-term liabilities increased by \$8,925 during the current fiscal year. The key factors in this increase occurred in Other Post Employment Benefits Obligation of \$56,455, the issuance of \$57,235 of certificates of obligation, \$37,130 of general obligation bonds, and \$18,443 of governmental energy effective loans. The City also made authorized draws on revenue bonds of \$9,765 during fiscal year 2013. During the year, long-term liabilities were reduced by principal payments of \$134,216. The City issued \$37,130 of general obligation bonds to refund \$27,065 of existing debt. The City issued \$18,443 of governmental energy effective loans to refund \$7,488 of previous governmental energy effective loans. Additionally, the City issued \$14,691 of business-type energy effective loans to refund the same amount of existing loans.

**Overview of the Financial Statements**

This discussion and analysis is 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 four components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements and 4) required supplementary information. This report also contains other supplementary information in addition to the basic financial statements themselves.

***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.

**CITY OF FORT WORTH, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2013**  
**(in 000's)**  
**(unaudited)**  
**(continued)**

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 City's activities into two types:

*Governmental activities* – Most of the City's basic services are reported here, including general administration, debt service, public safety, municipal courts, transportation and public works, parks and community services, public library, public events and facilities, planning and development, finance, and housing and economic development. 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, municipal airports, solid waste collection and disposal, municipal parking, municipal golf courses, and stormwater utility.

***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.

The focus of the governmental funds 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

**CITY OF FORT WORTH, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2013**  
**(in 000's)**  
**(unaudited)**  
**(continued)**

differences between the government's activities as reported in the government-wide statements and the information presented in the governmental funds financial statements.

The City maintains eighteen individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, the Debt Service Fund, and the Capital Projects Fund, which are considered to be major funds. Data for the other governmental funds are combined into a single, aggregated presentation.

**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, municipal airports, solid waste, municipal parking, municipal golf courses, and stormwater utility. 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 office services, equipment services, temporary labor pool, information systems and engineering services.

Proprietary funds financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds 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 nonmajor enterprise funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

**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 one Trust Fund which accounts for the assets of the City's pension plan and post employment healthcare plan. Separate audited financial statements are available for the City's pension plan.

### **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.

### **Government-Wide Financial Analysis**

Total assets of the City at September 30, 2013, were \$5,913,873 while total liabilities were \$2,807,930 and total deferred inflows of resources were \$17,756, resulting in a net position of \$3,088,187.

**CITY OF FORT WORTH, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2013**  
**(in 000's)**  
**(unaudited)**  
**(continued)**

The largest portion of the City's net position, \$2,903,699 or 94.0 percent, reflects its net investment in capital assets. 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, \$95,537 or 3.1 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position, \$88,951, may be used to meet the City's ongoing obligations to citizens and creditors.

**Condensed Schedule of Net Position**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>
Current and other assets	\$ 966,522	\$ 936,103	\$ 683,011	\$ 619,346	\$ 1,649,533	\$ 1,555,449
Capital assets	<u>1,586,628</u>	<u>1,663,699</u>	<u>2,587,791</u>	<u>2,694,725</u>	<u>4,174,419</u>	<u>4,358,424</u>
Total assets	<u>2,553,150</u>	<u>2,599,802</u>	<u>3,270,802</u>	<u>3,314,071</u>	<u>5,823,952</u>	<u>5,913,873</u>
Long-term liabilities						
outstanding	1,449,570	1,514,853	1,079,570	1,023,212	2,529,140	2,538,065
Other liabilities	<u>124,384</u>	<u>121,081</u>	<u>144,684</u>	<u>148,784</u>	<u>269,068</u>	<u>269,865</u>
Total liabilities	<u>1,573,954</u>	<u>1,635,934</u>	<u>1,224,254</u>	<u>1,171,996</u>	<u>2,798,208</u>	<u>2,807,930</u>
Deferred inflows	<u>-</u>	<u>13,187</u>	<u>-</u>	<u>4,569</u>	<u>-</u>	<u>17,756</u>
Net position:						
Net investment in						
capital assets	1,005,900	1,053,547	1,715,508	1,850,152	2,721,408	2,903,699
Restricted	26,397	25,172	69,634	70,365	96,031	95,537
Unrestricted	<u>(53,101)</u>	<u>(128,038)</u>	<u>261,406</u>	<u>216,989</u>	<u>208,305</u>	<u>88,951</u>
Total net position	<u>\$ 979,196</u>	<u>\$ 950,681</u>	<u>\$ 2,046,548</u>	<u>\$ 2,137,506</u>	<u>\$ 3,025,744</u>	<u>\$ 3,088,187</u>

At September 30, 2013, the City of Fort Worth is able to report positive balances in net position, both for the government as a whole, as well as for its separate governmental and business-type activities. There was a decrease in restricted net position reported in the City's governmental activities of \$1,225, which resulted from an increase in debt service payments of \$11,398. The governmental activities' unrestricted net position balance decreased by \$74,937, mostly due operating expenditures exceeding revenues by \$43,835 and the affect from the implemenation of a new accounting standard of \$13,962.

**CITY OF FORT WORTH, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2013**  
**(in 000's)**  
**(unaudited)**  
**(continued)**

**Condensed Schedule of Changes in Net Position**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>
<b>Revenues:</b>						
Program Revenues:						
Charges for services	\$ 68,572	\$ 77,031	\$ 443,358	\$ 452,948	\$ 511,930	\$ 529,979
Operating grants and contributions	47,644	45,173	-	-	47,644	45,173
Capital grants and contributions	55,075	52,682	27,578	35,910	82,653	88,592
General revenues:						
Property taxes	351,277	361,568	-	-	351,277	361,568
Sales Taxes	161,247	173,220	-	-	161,247	173,220
Other local taxes	27,637	30,197	-	-	27,637	30,197
Franchise Fees	47,190	49,489	-	-	47,190	49,489
Gas Lease and Royalties	15,758	10,834	7,440	12,377	23,198	23,211
Investment income	7,793	3,149	6,666	1,661	14,459	4,810
Gain (Loss) disposal of capital assets	-	1,316	-	-	-	1,316
Other	16,595	16,069	5,936	22,228	22,531	38,297
<i>Total revenues</i>	<u>798,788</u>	<u>820,728</u>	<u>490,978</u>	<u>525,124</u>	<u>1,289,766</u>	<u>1,345,852</u>
<b>Expenses:</b>						
General Administration	108,632	114,575	-	-	108,632	114,575
Public Safety	422,626	431,362	-	-	422,626	431,362
Transportation and Public Works	133,691	129,820	-	-	133,691	129,820
Parks and Community Service	60,089	62,626	-	-	60,089	62,626
Public Library	22,102	21,736	-	-	22,102	21,736
Public Events and Facilities	33,152	35,545	-	-	33,152	35,545
Planning and Development	13,156	14,145	-	-	13,156	14,145
Housing and Economic Development	24,382	20,388	-	-	24,382	20,388
Interest and Service Charges	31,130	34,366	-	-	31,130	34,366
Water & Sewer	-	-	306,476	302,447	306,476	302,447
Municipal Airport	-	-	14,912	18,768	14,912	18,768
Solid Waste	-	-	46,415	48,903	46,415	48,903
Municipal Parking	-	-	6,580	6,621	6,580	6,621
Municipal Golf	-	-	7,723	5,614	7,723	5,614
Stormwater Utility	-	-	20,773	22,531	20,773	22,531
<i>Total expenses</i>	<u>848,960</u>	<u>864,563</u>	<u>402,879</u>	<u>404,884</u>	<u>1,251,839</u>	<u>1,269,447</u>
Excess (Deficiency) of Revenues Over						
(Under) Expenditures	(50,172)	(43,835)	88,099	120,240	37,927	76,405
Transfers	28,427	29,282	(28,427)	(29,282)	-	-
Changes in net position	(21,745)	(14,553)	59,672	90,958	37,927	76,405
Implementation of New Accounting Standard	-	(13,962)	-	-	-	(13,962)
Net position - Beginning of Year	<u>1,000,941</u>	<u>979,196</u>	<u>1,986,876</u>	<u>2,046,548</u>	<u>2,987,817</u>	<u>3,025,744</u>
Net position - End of Year	<u>\$ 979,196</u>	<u>\$ 950,681</u>	<u>\$ 2,046,548</u>	<u>\$ 2,137,506</u>	<u>\$ 3,025,744</u>	<u>\$ 3,088,187</u>

**CITY OF FORT WORTH, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2013**  
**(in 000's)**  
**(unaudited)**  
**(continued)**

Overall, per the Condensed Schedule of Changes in Net Position, the governmental activities changes in net position totaled a decrease of \$14,553 as a result of current fiscal year activity, which is \$7,192 less than the decrease in fiscal year 2012. Factors that contributed to the governmental activities net position decrease from the prior year were reductions in operating grants and contributions, capital grants and contributions, gas lease and royalties, and investment income totalling \$14,433. Operating grants and contributions and capital grants and contributions decreased largely due to \$4,865 of closed grants or grant projects nearing completion in fiscal year 2013. Gas lease and royalties decreased \$4,924 mainly due to decreased production of natural gas because retail gas prices were lower during the year. These decreases were offset by increases in revenue from property taxes and sales taxes of \$22,265. The property tax revenue increase of \$10,291 was due to an increase in taxable property values, while the increase in sales taxes of \$11,974 was due to increased consumer spending.

Business-type activities net position increased \$90,958 during the current fiscal year, which is \$31,286 more than the increase in fiscal year 2012. The major factors that contributed to the business-type activities net position increase were an \$8,332 increase in capital grants and contributions, a \$9,590 change in charges for services, and a 16,292 increase in other revenue. The increase in capital grants and contributions was due to an increase in the Municipal Airport Fund grant money received for several projects during fiscal year 2013. The increase in charges for services was due to utility services provided to new customers due to the City's population increase. The increase in other revenue was due to recoveries of prior year expense. This increase in business-type activities revenue was offset by an increase in expenses of \$2,005, the majority of which resulted from increased cost for Municipal Airport contractual services.

**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 spending at the end of the fiscal year.

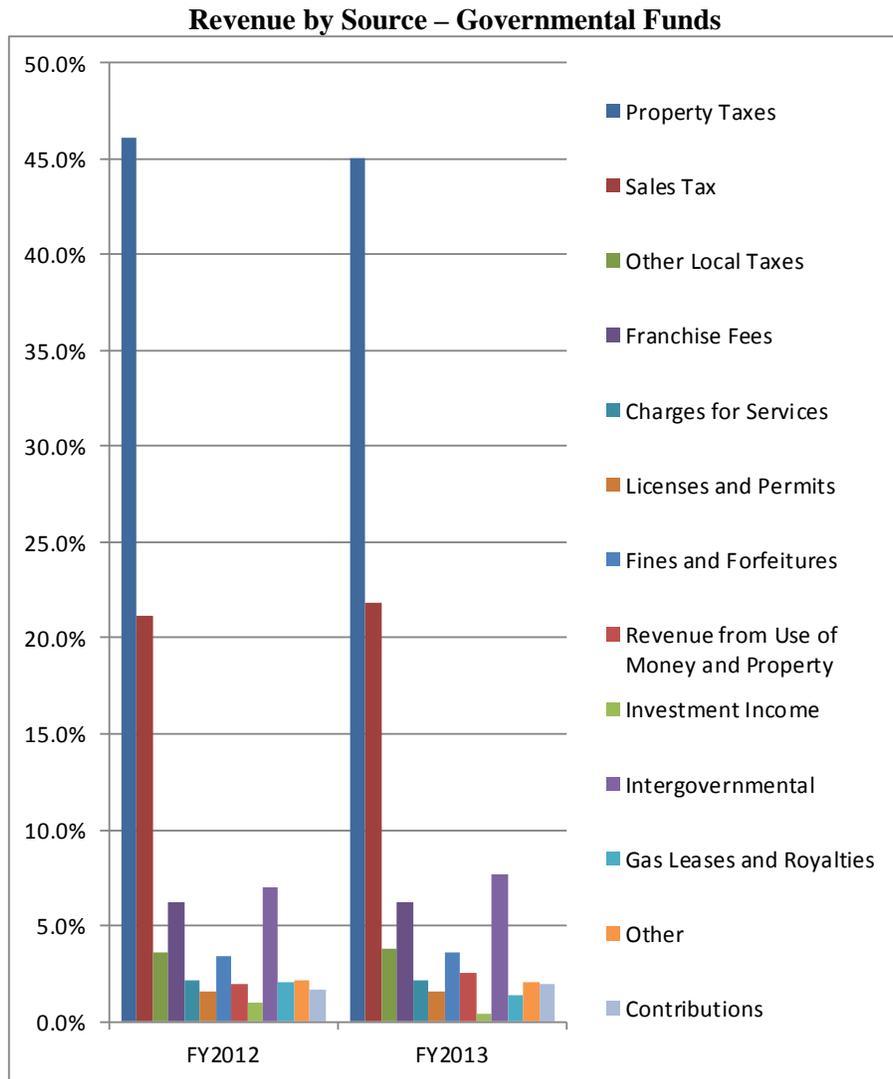
As of the end of the current fiscal year, the City's governmental funds reported total fund balances of \$804,097. Approximately 20.1 percent or \$161,335 constitutes the General Fund fund balance. As of September 30, 2013, the General Fund's nonspendable fund balance includes \$9,182 for advances to other funds and \$2,541 for inventories. The restricted fund balance of \$9,047 includes \$6,660 of certificates of obligation proceeds restricted for the purchase of fire equipment and construction of a new public safety training facility, \$1,600 for the Collective Bargaining Agreement between the City and the Fort Worth Professional Firefighters Association, and \$787 for risk financing. The committed fund balance includes amounts for risk financing of \$63,286, \$375 for purchase of new equipment, and \$10,516 for funding purchases in the next fiscal year totaling \$74,177. The assigned fund balance of \$8,005 includes amounts for subsequent year expenditures and capital projects. As of September 30, 2013, the General Fund had an unassigned fund balance of \$58,383.

The nonmajor governmental fund balance of \$133,135 is 16.6 percent of total governmental fund balance and includes nonspendable fund balance of \$1,671, restricted fund balance of \$59,590, committed fund balance of \$34,609, assigned fund balance of \$41,060, and an unassigned deficit of \$3,795. The Debt Service fund has a fund balance of \$17,419 or 2.2 percent of total governmental fund balance of which \$9,701 is restricted fund balance, \$7,694 is committed fund balance and \$24 is assigned fund balance. The Capital Projects fund has a fund balance of \$492,208 or 61.2 percent of total governmental fund balance of which \$802 is nonspendable fund balance, \$323,970 is restricted fund balance, \$130,655 is committed fund balance and \$36,781 is assigned fund balance.

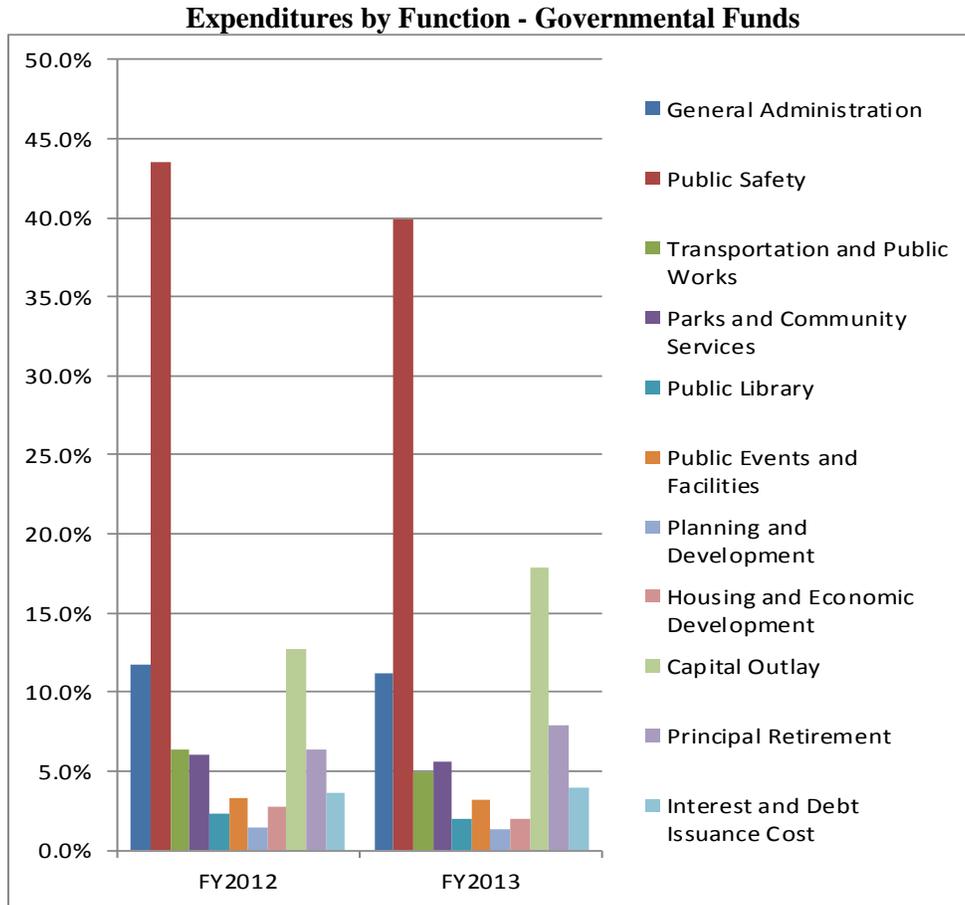
**CITY OF FORT WORTH, TEXAS**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2013**  
(in 000's)  
(unaudited)  
(continued)

As shown in the following charts for governmental funds for fiscal years 2012 and 2013, property taxes and sales tax were the primary sources of revenue for both years, while public safety and capital outlay were the largest expenditures by function. The General Fund is the primary operating fund of the City. At the end of the current fiscal year, fund balance of the General Fund was \$161,335. 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 \$58,383, represents 10.5 percent of total General Fund expenditures. The total fund balance of \$161,335 represents 28.9 percent of total General Fund expenditures. Fund balance in the General Fund decreased by \$7,090. The significant change in the General Fund was an increase in general administrative expenditures of \$8,075, or 8.5 percent.

**Revenues and Expenditures – Governmental Funds**



**CITY OF FORT WORTH, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2013**  
(in 000's)  
(unaudited)  
(continued)



**Financial Analysis of the Proprietary Funds**

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

Unrestricted net position for the City's major Proprietary Funds, the Water and Sewer Fund and Stormwater Utility Fund, were \$121,728 and \$22,770, respectively, at the end of the fiscal year. Total net position in the Water and Sewer Fund increased \$66,528. The increase in net position was primarily due to water charges for services of \$352,005, which exceeded operating expenses by \$70,106. Total net position in the Stormwater Utility Fund increased \$9,486. The increase in net position from operations was primarily due to utility charges for services of \$34,973, which exceeded operating expenses by \$13,824. Other business-type activities increased the City's net position by \$15,494.

**CITY OF FORT WORTH, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2013  
(in 000's)  
(unaudited)  
(continued)**

**General Fund Budgetary Highlights**

Differences between the original expenditure budget and the final amended budget resulted in a \$14,747 increase in appropriations and is briefly summarized as follows:

- Budget carryforwards of encumbrances resulted in an \$6,772 increase. Significant increases included \$3,911 in Transportation and Public Works, \$652 in Planning and Development, \$876 in Parks and Community Services, \$225 in Internal Audit, and \$516 in Nondepartmental.
- Other appropriation increases to the original budget were made in the amount of \$3,366 during the fiscal year. Significant activities which necessitated these increases included \$640 for delinquent fines and collection efforts, \$484 for the public art program, \$848 for emergency communications services, \$317 for a performance management program and \$294 for a Lake Worth watershed study.
- At fiscal year end, \$4,609 of budget increases were approved for departments which had an excess of actual expenditures over their approved budget.

The City also increased budgeted revenues and other financing sources by a total of \$3,149. Of this amount \$1,550 was for increased transfers in that included \$484 for the public arts program and \$294 for the watershed study from capital project funds and \$317 for the performance management program from non-budgeted General funds. The total increase also included \$600 for increased fines and forfeitures revenues, and \$999 for other revenues, which included \$848 of contributions for emergency communication services and \$151 of other contributions and donations.

There were no significant variances between the final amended budget and actual expenditures. Actual expenditures were \$15,665, or 2.62 percent less than the final amended budget primarily due to salary savings.

**Capital Asset and Debt Administration**

**Capital Assets** – The City's investment in capital assets for its governmental and business-type activities as of September 30, 2013, amounted to \$4,358,424 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, infrastructure and construction in progress. The total increase in the City's capital assets for the current fiscal year was \$184,005 (4.4 percent). Major capital assets events during the current fiscal year included the following:

- The completion of various street and drainage projects throughout the City added \$155,704 to capital assets, while governmental capital contributions were \$17,948.
- Construction in progress in business-type activities increased due to the continued expansion and enhancements of utilities throughout the City.
- Several street projects were initiated during the fiscal year that contributed to the increase in governmental construction in progress.

**CITY OF FORT WORTH, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2013**  
(in 000's)  
(unaudited)  
(continued)

**Capital Assets, net of Accumulated Depreciation**

	Governmental activities		Business-type activities		Total	
	2012	2013	2012	2013	2012	2013
Land/Right of Way	\$ 156,910	\$ 169,206	\$ 101,209	\$ 97,260	\$ 258,119	\$ 266,466
Construction in Progress	271,713	298,152	425,045	412,449	696,758	710,601
Buildings	201,001	185,260	71,123	68,487	272,124	253,747
Machinery and Equipment	55,954	51,115	179,787	168,001	235,741	219,116
Infrastructure	901,050	959,966	1,810,627	1,948,528	2,711,677	2,908,494
<b>Total</b>	<b>\$ 1,586,628</b>	<b>\$ 1,663,699</b>	<b>\$ 2,587,791</b>	<b>\$ 2,694,725</b>	<b>\$ 4,174,419</b>	<b>\$ 4,358,424</b>

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

**Long-term Liabilities**— At the end of the current fiscal year, the City had total long-term liabilities of \$2,538,065. Of this amount, \$781,165 comprises debt backed by the full faith and credit of the government, and \$992,361 represents self-supported debt issues.

**Long-Term Liabilities Outstanding**

	Governmental activities		Business-type activities		Total	
	2012	2013	2012	2013	2012	2013
General Obligation Bonds	\$ 458,800	\$ 439,080	\$ -	\$ -	\$ 458,800	\$ 439,080
Revenue Bonds	-	-	884,010	830,920	884,010	830,920
Certificates of Obligation	247,600	287,630	56,035	54,455	303,635	342,085
Installment Obligation	3,770	3,080	-	-	3,770	3,080
HUD Installment Obligation	6,034	5,282	-	-	6,034	5,282
Equipment Notes Payable	54,450	46,860	750	-	55,200	46,860
Service Center	19,515	18,980	-	-	19,515	18,980
Fort Worth Housing Corp	9,073	-	-	-	9,073	-
Fort Worth Sports Authority	8,476	8,386	-	-	8,476	8,386
Lone Star Local Govt Corp	31,617	31,617	-	-	31,617	31,617
Central City Local Govt Corp	872	347	-	-	872	347
State Energy Conserv Loan I & II	1,925	1,249	-	-	1,925	1,249
State Energy Conserv Loan III	3,102	2,590	-	-	3,102	2,590
ESPC Phase IV	7,820	-	-	-	7,820	-
ESPC Phase VII	-	18,443	-	-	-	18,443
Wells Fargo Loan	78	-	-	-	78	-
Capital Leases	4,096	3,816	-	-	4,096	3,816
Trinity River Authority	-	-	6,656	6,100	6,656	6,100
ESPC Phase V	-	-	15,365	14,691	15,365	14,691
Unamort. Bond Discounts, Refundings, Premiums, net	39,703	39,763	33,583	28,848	73,286	68,611
Retainage Payable	2,104	3,519	-	-	2,104	3,519
Compensated Absenses	114,926	114,813	9,923	9,962	124,849	124,775
Claims Payable	37,528	39,707	-	-	37,528	39,707
Landfill Postclosure Cost	-	-	4,164	4,482	4,164	4,482
Pollution Remediation Liability	-	-	6,939	3,409	6,939	3,409
Other Post Employment Benefits Obligation	346,447	395,144	53,914	61,672	400,361	456,816
Net Pension Obligation	51,634	54,547	8,231	8,673	59,865	63,220
<b>Total</b>	<b>\$ 1,449,570</b>	<b>\$ 1,514,853</b>	<b>\$ 1,079,570</b>	<b>\$ 1,023,212</b>	<b>\$ 2,529,140</b>	<b>\$ 2,538,065</b>

**CITY OF FORT WORTH, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2013**  
**(in 000's)**  
**(unaudited)**  
**(continued)**

The City's indebtedness increased by \$8,925 during fiscal year 2013 mainly due to the issuance of bonds and notes in excess of principal payments made during the year. Also, the City's Other Post Employment Benefits Obligation increased \$56,455. For governmental activities, the City made payments of principal balances for bonded debt of \$29,785 and \$17,205 on its Certificates of Obligation. For business-type activities, the City made payments of principal for revenue bond debt of \$62,855, which included \$59,140 for Water and Sewer revenue bonds and \$3,715 for Stormwater revenue bonds.

In fiscal year 2013, the outstanding ad valorem tax supported debts of the City of Fort Worth are rated "Aa1" by Moody's Investors Service, Inc. ("Moody's") and "AA+" by Fitch Ratings ("Fitch"). The water and sewer system revenue debts are rated "Aa1" by Moody's and "AA" by Fitch.

The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The current ratio of tax-supported debt to the assessed value of all taxable property is 1.66 percent.

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

**Economic Factors and Next Year's Budgets and Rates**

The overall economic outlook for the City is positive. Sales taxes have climbed steadily. Declining unemployment rates and continued population growth suggest these trends should continue well into 2014. Existing households are likely to continue spending at current rates, while new residents will add to the City's sales tax base. Population growth also supports improved property tax revenues. Property tax revenues will be slower to materialize than sales taxes, as homes built in 2013 are added to the tax roll in 2014 and actually do not begin paying taxes until 2015. However, this revenue growth is more certain than other sources.

The fiscal year 2014 budget maintains the City's property tax rate at \$0.8550 per \$100 net taxable valuation. The total appraised value of the City's property tax roll increased \$1.4 billion or 2.3 percent from the July 2012 certified roll to the July 2013 certified roll. Adjusted Net Taxable Value (which is the Net Taxable Value plus the value of incomplete properties and properties under protest), increased \$1.2 billion or 2.7 percent in the same time period across all properties in the City. Adjusted Net Taxable Value is the basis for the City's property tax revenue calculation.

In an effort to address the growing deficiency in capital budgeting, the decision was made to shift one additional cent (\$0.01) from the operating and maintenance (O&M) tax rate to the interest and sinking (I&S) rate, which supports long-term debt. This will result in a shift of \$4.2 million in revenue from O&M to I&S for fiscal year 2014. Subsequent to the reallocation of the one cent, the General Fund portion is expected to yield approximately \$286.3 million in fiscal year 2014 and is based on a levy amount of \$0.6759 per \$100 of assessed valuation. The debt service amount is expected to yield approximately \$75.9 million, which will allow the repayment of all current and proposed debt obligations, and is based on a levy amount of \$0.1791 per \$100 of assessed valuation.

Revenue from the City's one percent sales tax, exclusive of the one-half percent special use tax for the Crime Control and Prevention District Fund, is projected to equal \$120,934, an increase of \$12,136 or 11.2 percent from the fiscal year 2013 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 \$76 million in 2004 to the anticipated amount of \$121 million in 2014. This represents a 60 percent growth over the last ten years.

**CITY OF FORT WORTH, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2013**  
**(in 000's)**  
**(unaudited)**  
**(continued)**

Revenue from the Use of Money and Property consists primarily of interest on investments and sales of abandoned vehicles. Revenue in this category is projected to increase by \$724 or 19.8 percent from the fiscal year 2013 budget. The increase is primarily due to higher sales of abandoned vehicles. This increase is based on higher volume of abandoned vehicles at the new auto pound.

Service Charges mainly consist of administrative service charges, housing and building related permits, auto pound fees, mowing fees, athletic fees and library charges. Revenues in this category are projected to increase by \$1,270 or 5.3 percent from the fiscal year 2013 budget due mainly to increased building permit activities and Gateway Park site reservation fees.

Other Local Taxes include revenue from communications providers, taxes on beverage sales and bingo game receipts. Revenues in this category are anticipated to increase by \$659 or 8.2 percent from the fiscal year 2013 adopted budget.

**Requests for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an 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, 1000 Throckmorton Street, 3rd Floor Finance Department, Fort Worth, Texas 76102.

# BASIC FINANCIAL STATEMENTS

**CITY OF FORT WORTH, TEXAS**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2013**  
(in 000's)

	<b>Primary Government</b>			
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Component Units</b>
<b>Assets</b>				
Cash, Cash Equivalents, & Investments	\$ 808,312	\$ 115,002	\$ 923,314	\$ 30,104
Receivables, Net of Allowance for Uncollectibles:				
Taxes	7,186	-	7,186	-
Grants and Other Governments	48,963	-	48,963	-
Loans	5,823	-	5,823	-
Interest	1,257	208	1,465	28
Accounts and Other	17,057	61,524	78,581	321
Internal Balances	(10,772)	10,772	-	-
Inventories (at Cost)	4,373	3,389	7,762	-
Prepays, Deposits, and Other	1,502	4	1,506	-
Long-Term Loans Receivable	12,482	-	12,482	-
Restricted Assets:				
Cash, Cash Equivalents, & Investments	90	361,776	361,866	-
Cash, Cash Equivalents, & Investments Held by Trustees	35,303	57,088	92,391	-
Grants Receivable	-	62	62	-
Interest Receivable	-	607	607	-
Capitalized Bond Issue Costs	4,527	8,914	13,441	-
Capital Assets, Net of Accumulated Depreciation:				
Non-Depreciable	467,358	509,709	977,067	-
Depreciable	1,196,341	2,185,016	3,381,357	-
Total Assets	<u>2,599,802</u>	<u>3,314,071</u>	<u>5,913,873</u>	<u>30,453</u>
<b>Liabilities</b>				
Accounts Payable	26,371	14,490	40,861	1,410
Escrow Accounts Payable	5,522	2,817	8,339	-
Accrued Payroll	12,954	2,098	15,052	-
Other	218	-	218	-
Unearned Revenue	40,136	1,674	41,810	-
Construction Payable	18,902	26,730	45,632	-
Accrued Interest Payable	16,978	4,692	21,670	-
Payable from Restricted Assets:				
Customer Deposits	-	14,344	14,344	-
Unearned Revenue	-	81,939	81,939	-
Long-Term Liabilities:				
Due Within One Year	126,342	73,430	199,772	-
Due in More Than One Year	1,388,511	949,782	2,338,293	50,933
Total Liabilities	<u>1,635,934</u>	<u>1,171,996</u>	<u>2,807,930</u>	<u>52,343</u>
<b>Deferred Inflows of Resources</b>				
Deferred Service Concession Arrangement Receipts	13,187	4,569	17,756	-
Total Deferred Inflows of Resources	<u>13,187</u>	<u>4,569</u>	<u>17,756</u>	<u>-</u>
<b>Net Position</b>				
Net Investment in Capital Assets	1,053,547	1,850,152	2,903,699	-
Restricted for:				
Debt Service	1,660	34,513	36,173	-
Capital Projects	23,512	35,852	59,364	-
Unrestricted	(128,038)	216,989	88,951	(21,890)
Total Net Position	<u>\$ 950,681</u>	<u>\$ 2,137,506</u>	<u>\$ 3,088,187</u>	<u>\$ (21,890)</u>

See accompanying notes to the basic financial statements.

**CITY OF FORT WORTH, TEXAS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**  
(in 000's)

Function/Program Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
Governmental Activities:				
General Administration	\$ 114,575	\$ 5,933	\$ 1,953	\$ 1,875
Public Safety	431,362	25,339	15,025	1,150
Transportation and Public Works	129,820	14,984	2,042	36,115
Parks and Community Services	62,626	2,990	13,020	4,937
Public Library	21,736	629	20	99
Public Events and Facilities	35,545	10,814	-	-
Planning and Development	14,145	11,497	232	4,491
Housing and Economic Development	20,388	4,845	12,881	4,015
Interest and Service Charges	34,366	-	-	-
<b>Total Governmental Activities</b>	<b>864,563</b>	<b>77,031</b>	<b>45,173</b>	<b>52,682</b>
Business-Type Activities:				
Water and Sewer	302,447	352,005	-	19,627
Municipal Airports	18,768	4,662	-	16,034
Solid Waste	48,903	50,344	-	29
Municipal Parking	6,621	7,105	-	-
Municipal Golf	5,614	3,859	-	35
Stormwater Utility	22,531	34,973	-	185
<b>Total Business-Type Activities</b>	<b>404,884</b>	<b>452,948</b>	<b>-</b>	<b>35,910</b>
<b>Total Primary Government</b>	<b>\$ 1,269,447</b>	<b>\$ 529,979</b>	<b>\$ 45,173</b>	<b>\$ 88,592</b>
<b>Component Units:</b>				
Public Improvement Districts	\$ 5,364	\$ -	\$ -	\$ -
Taxing Increment Reinvestment Zones	52,763	-	-	7
<b>Total Component Units</b>	<b>\$ 58,127</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7</b>

Changes in Net Position:

General Revenues:

Taxes:

General Property Taxes

Other Local Taxes:

Sales Taxes

Hotel/Motel Taxes

Other Taxes

Franchise Fees

Gas Leases and Royalties

Investment Income

Gain on Disposal of Capital Assets

Other

Transfers

Total General Revenues and Transfers

Change in Net Position

Implementation of New Accounting Standard (Note A.15)

Net Position, Beginning of Year

Net Position, End of Year

See accompanying notes to the basic financial statements.

**Net (Expense) Revenue and Changes in Net Position**

**Primary Government**

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Component Units</b>
\$ (104,814)		\$ (104,814)	
(389,848)		(389,848)	
(76,679)		(76,679)	
(41,679)		(41,679)	
(20,988)		(20,988)	
(24,731)		(24,731)	
2,075		2,075	
1,353		1,353	
<u>(34,366)</u>		<u>(34,366)</u>	
<u>(689,677)</u>		<u>(689,677)</u>	
	\$ 69,185	69,185	
	1,928	1,928	
	1,470	1,470	
	484	484	
	(1,720)	(1,720)	
	<u>12,627</u>	<u>12,627</u>	
	<u>83,974</u>	<u>83,974</u>	
<u>(689,677)</u>	<u>83,974</u>	<u>(605,703)</u>	
			\$ (5,364)
			<u>(52,756)</u>
			<u>(58,120)</u>
361,568	-	361,568	21,064
173,220	-	173,220	-
22,032	-	22,032	-
8,165	-	8,165	-
49,489	-	49,489	-
10,834	12,377	23,211	-
3,149	1,661	4,810	74
1,316	-	1,316	-
16,069	22,228	38,297	5,677
29,282	<u>(29,282)</u>	<u>-</u>	<u>-</u>
<u>675,124</u>	<u>6,984</u>	<u>682,108</u>	<u>26,815</u>
(14,553)	90,958	76,405	(31,305)
(13,962)	-	(13,962)	-
979,196	2,046,548	3,025,744	9,415
<u>\$ 950,681</u>	<u>\$ 2,137,506</u>	<u>\$ 3,088,187</u>	<u>\$ (21,890)</u>

**CITY OF FORT WORTH, TEXAS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2013**  
**(in 000's)**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>					
Cash, Cash Equivalents, & Investments	\$ 146,379	\$ 17,060	\$ 521,556	\$ 115,718	\$ 800,713
Cash, Cash Equivalents, & Investments Held by Trustees	787	-	9	34,507	35,303
Receivables, Net of Allowance for Uncollectibles:					
Taxes	5,610	1,576	-	-	7,186
Grants and Other Governments	21,680	-	-	27,283	48,963
Loans	-	-	-	5,823	5,823
Interest	254	739	112	136	1,241
Accounts and Other	12,843	-	666	3,535	17,044
Due from Other Funds	200	-	-	-	200
Inventories (at Cost)	2,541	-	-	888	3,429
Advances to Other Funds	9,182	-	-	-	9,182
Prepays, Deposits, and Other	-	-	802	39	841
Long-Term Loans Receivable	-	-	-	12,482	12,482
Total Assets	<u>\$ 199,476</u>	<u>\$ 19,375</u>	<u>\$ 523,145</u>	<u>\$ 200,411</u>	<u>\$ 942,407</u>
<b>Liabilities and Fund Balance</b>					
Accounts Payable	\$ 17,735	\$ 231	\$ 11	\$ 5,721	\$ 23,698
Construction Payable	-	-	12,230	6,623	18,853
Escrow Accounts	4,720	-	-	802	5,522
Accrued Payroll	10,839	-	93	1,253	12,185
Accrued Interest	38	408	284	489	1,219
Other	147	-	-	71	218
Advances from Other Funds	-	-	18,319	-	18,319
Unearned Revenue	189	-	-	39,947	40,136
Unavailable Revenue	4,473	1,317	-	12,370	18,160
Total Liabilities	<u>38,141</u>	<u>1,956</u>	<u>30,937</u>	<u>67,276</u>	<u>138,310</u>
<b>Fund Balances:</b>					
Nonspendable	11,723	-	802	1,671	14,196
Restricted	9,047	9,701	323,970	59,590	402,308
Committed	74,177	7,694	130,655	34,609	247,135
Assigned	8,005	24	36,781	41,060	85,870
Unassigned (deficit)	58,383	-	-	(3,795)	54,588
Total Fund Balance	<u>161,335</u>	<u>17,419</u>	<u>492,208</u>	<u>133,135</u>	<u>804,097</u>
Total Liabilities and Fund Balances	<u>\$ 199,476</u>	<u>\$ 19,375</u>	<u>\$ 523,145</u>	<u>\$ 200,411</u>	<u>\$ 942,407</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, 2013**  
**(in 000's)**

Total fund balances--governmental funds \$ 804,097

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 \$5,327) consist of:

Land	\$	169,206	
Construction in progress		298,152	
Buildings		369,506	
Machinery and equipment		202,817	
Infrastructure		2,472,505	
Accumulated depreciation		<u>(1,848,487)</u>	
Total capital assets		<u>1,663,699</u>	1,663,699

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

18,160

Internal service funds are used by management to charge the costs of certain activities, such as office services, equipment services, temporary labor, information systems, and capital project services, 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.

3,997

Deferred inflows of resources related to service concession arrangements are not reported in the governmental funds.

(13,187)

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 \$3,773) consist of:

Long-term claims payable		(39,707)	
Long-term compensated absences		(114,813)	
Net pension obligation		(54,547)	
Other post employment benefits obligation		(395,144)	
Accrued interest payable		(15,759)	
Unamortized bond issue costs		4,527	
Long-term debt, including premium/discount/loss on refunding		<u>(910,642)</u>	
Total long-term liabilities		<u>(1,526,085)</u>	(1,526,085)

Net position of governmental activities \$ 950,681

See accompanying notes to the basic financial statements.

**CITY OF FORT WORTH, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**  
**(in 000's)**

	General	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
General Property Taxes	\$ 287,112	\$ 70,561	\$ -	\$ -	\$ 357,673
Sales Tax	118,646	-	-	54,574	173,220
Other Local Taxes	3,201	-	-	26,996	30,197
Franchise Fees	49,489	-	-	-	49,489
Charges for Services	10,112	-	1,117	5,464	16,693
Licenses and Permits	12,179	-	-	-	12,179
Fines and Forfeitures	18,233	-	-	10,013	28,246
Revenue from Use of Money and Property	2,181	190	338	17,206	19,915
Investment Income	815	1,268	493	553	3,129
Intergovernmental	457	-	4,441	54,213	59,111
Gas Leases and Royalties	1,165	-	5,868	3,801	10,834
Other	5,482	-	7,509	3,078	16,069
Contributions	134	-	10,055	7,019	17,208
Total Revenue	<u>509,206</u>	<u>72,019</u>	<u>29,821</u>	<u>182,917</u>	<u>793,963</u>
<b>Expenditures:</b>					
Current:					
General Administration	102,865	-	1,546	2,496	106,907
Public Safety	335,819	-	-	45,694	381,513
Transportation and Public Works	30,089	-	782	16,727	47,598
Parks and Community Services	40,609	-	28	13,246	53,883
Public Library	18,971	-	-	20	18,991
Public Events and Facilities	-	-	-	30,528	30,528
Planning and Development	11,309	-	1,019	547	12,875
Housing and Economic Development	4,753	-	-	14,506	19,259
Capital Outlay	3,353	-	142,419	24,730	170,502
Debt Service:					
Principal Retirement	9,139	55,022	117	11,333	75,611
Interest and Debt Issuance Costs	800	33,407	263	3,047	37,517
Total Expenditures	<u>557,707</u>	<u>88,429</u>	<u>146,174</u>	<u>162,874</u>	<u>955,184</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(48,501)</u>	<u>(16,410)</u>	<u>(116,353)</u>	<u>20,043</u>	<u>(161,221)</u>
<b>Other Financing Sources (Uses):</b>					
Proceeds from Long-Term Debt Issued	4,000	345	64,225	-	68,570
Proceeds from Refunding Bonds Issued	-	25,795	-	-	25,795
Premium on Issuance	-	1,980	3,170	-	5,150
Proceeds from Loans	7,488	-	-	10,955	18,443
Payment to Refunding Bond Escrow Agent	-	(27,286)	-	-	(27,286)
Proceeds from Disposal of Property	122	-	-	8,968	9,090
Transfers In	46,925	9,907	49,445	3,662	109,939
Transfers Out	(17,124)	-	(7,935)	(27,671)	(52,730)
Total Other Financing Sources (Uses)	<u>41,411</u>	<u>10,741</u>	<u>108,905</u>	<u>(4,086)</u>	<u>156,971</u>
Net Change in Fund Balance	(7,090)	(5,669)	(7,448)	15,957	(4,250)
Fund Balance, Beginning of Year	168,425	23,088	499,656	117,178	808,347
Fund Balance, End of Year	<u>\$ 161,335</u>	<u>\$ 17,419</u>	<u>\$ 492,208</u>	<u>\$ 133,135</u>	<u>\$ 804,097</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, 2013  
(in 000's)**

Net change in fund balances--total governmental funds \$ (4,250)

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

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

Contributed assets	\$ 17,948	
Capital outlay expenditures	169,962	
Transfer from internal service funds	2,183	
Transfer from enterprise funds	110	
Depreciation expense	(103,989)	
Net adjustment	<u>86,214</u>	86,214

In the statement of activities, the gain on sale of capital assets is reported. In the governmental funds, the proceeds from the disposal of assets were reported as an other financing source. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets. (7,814)

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. 6,706

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	(37,130)	
Certificates of obligation	(57,235)	
Other obligations	(18,443)	
Total proceeds	<u>(112,808)</u>	
Premium on debt issued	(5,150)	
Bond issuance costs	<u>952</u>	
Repayments:		
To bondholders	77,222	
To escrow for refunding	27,286	
Total repayments	<u>104,508</u>	
Amortization of refunding, premiums, discounts and issue costs	2,581	
Net adjustment	<u>(9,917)</u>	(9,917)

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 general obligation bonds & certificates of obligation	(1,718)	
Decrease in net pension obligation	(2,913)	
Increase in other post employment benefits obligation	(48,697)	
Decrease in estimated claims obligations	(2,179)	
Increase in compensated absences liability	(48)	
Net adjustment	<u>(55,555)</u>	(55,555)

Increases in revenues reported in the statement of activities related to service concession arrangements do not increase current financial resources and therefore are not reported as revenue in the governmental funds. 775

Internal service funds are used by management to charge the costs of certain activities, such office services, equipment services, temporary labor, information systems, and capital project services, to individual funds. A portion of the net revenue (expense) of the internal service funds is reported with governmental activities. (30,712)

Change in net position of governmental activities \$ (14,553)

See accompanying notes to the basic financial statements.

**CITY OF FORT WORTH, TEXAS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2013**  
**(in 000's)**

	<b>Enterprise Funds</b>				<b>Internal Service Funds</b>
	<b>Water and Sewer</b>	<b>Stormwater Utility</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	
<b>ASSETS</b>					
Current Assets:					
Cash, Cash Equivalents, & Investments	\$ 56,756	\$ 26,436	\$ 31,810	\$ 115,002	\$ 7,599
Interest Receivable	115	40	53	208	16
Accounts and Other Receivables, Net of Allowance for Uncollectibles	49,577	3,350	8,597	61,524	13
Inventories (at Cost)	3,269	-	120	3,389	944
Prepays, Deposits, and Other	-	-	4	4	661
Restricted Assets:					
Cash & Cash Equivalents	13,470	-	82,813	96,283	-
Total Current Assets	<u>123,187</u>	<u>29,826</u>	<u>123,397</u>	<u>276,410</u>	<u>9,233</u>
Noncurrent Assets:					
Restricted Assets:					
Cash & Cash Equivalents	151,875	85,913	27,705	265,493	90
Cash, Cash Equivalents, & Investments Held by Trustees	37,150	-	19,938	57,088	-
Grants Receivable	62	-	-	62	-
Interest Receivable	311	180	116	607	-
Total Restricted Assets	<u>189,398</u>	<u>86,093</u>	<u>47,759</u>	<u>323,250</u>	<u>90</u>
Advances to Other Funds	-	-	20,509	20,509	-
Capitalized Bond Issue Costs	7,587	464	863	8,914	-
Capital Assets (at Cost):					
Land	23,222	9,829	64,209	97,260	1,123
Buildings	41,209	63	65,369	106,641	5,250
Improvements Other Than Buildings	2,483,887	43,827	235,467	2,763,181	1,054
Machinery and Equipment	361,088	10,139	10,134	381,361	17,946
Construction in Progress	314,758	52,894	44,797	412,449	-
Accumulated Depreciation	(884,751)	(12,472)	(168,944)	(1,066,167)	(20,046)
Net Capital Assets	<u>2,339,413</u>	<u>104,280</u>	<u>251,032</u>	<u>2,694,725</u>	<u>5,327</u>
Total Noncurrent Assets	<u>2,536,398</u>	<u>190,837</u>	<u>320,163</u>	<u>3,047,398</u>	<u>5,417</u>
Total Assets	<u>2,659,585</u>	<u>220,663</u>	<u>443,560</u>	<u>3,323,808</u>	<u>14,650</u>

(continued)

**CITY OF FORT WORTH, TEXAS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2013**  
**(in 000's)**

	Enterprise Funds			Total	Internal Service Funds
	Water and Sewer	Stormwater Utility	Nonmajor Enterprise Funds		
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts Payable	\$ 5,863	\$ 1,453	\$ 7,174	\$ 14,490	\$ 2,673
Escrow Accounts Payable	2,817	-	-	2,817	-
Accrued Payroll	1,651	188	259	2,098	769
Due to Other Funds	-	-	200	200	-
Unearned Revenue	1,422	-	252	1,674	-
Construction Payable	17,719	5,266	3,745	26,730	49
Current Portion of Long-Term Liabilities	66,642	4,212	2,576	73,430	1,848
Accrued Interest Payable	3,473	980	239	4,692	-
Payable from Restricted Assets:					
Customer Deposits	13,470	-	874	14,344	-
Unearned Revenue	-	-	81,939	81,939	-
Total Current Liabilities	<u>113,057</u>	<u>12,099</u>	<u>97,258</u>	<u>222,414</u>	<u>5,339</u>
Long-Term Liabilities:					
Advances from Other Funds	-	2,190	7,996	10,186	1,186
Long-Term Liabilities Due in More Than One Year	741,586	141,174	67,022	949,782	1,925
Total Long-Term Liabilities	<u>741,586</u>	<u>143,364</u>	<u>75,018</u>	<u>959,968</u>	<u>3,111</u>
Total Liabilities	<u>854,643</u>	<u>155,463</u>	<u>172,276</u>	<u>1,182,382</u>	<u>8,450</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Service Concession Arrangement Receipts	-	-	4,569	4,569	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>4,569</u>	<u>4,569</u>	<u>-</u>
<b>NET POSITION</b>					
Net Investment in Capital Assets	1,615,321	41,409	193,422	1,850,152	5,327
Restricted for:					
Debt Service	32,041	1,021	1,451	34,513	-
Capital Projects	35,852	-	-	35,852	90
Unrestricted	121,728	22,770	71,842	216,340	783
Total Net Position	<u>\$ 1,804,942</u>	<u>\$ 65,200</u>	<u>\$ 266,715</u>	<u>\$ 2,136,857</u>	<u>\$ 6,200</u>
Adjustment to Reflect the Consolidation of Internal Service Funds Activities Related to Enterprise Funds				649	
Net Position of Business-Type Activities				<u>\$ 2,137,506</u>	

(concluded)

See accompanying notes to the basic financial statements.



**CITY OF FORT WORTH, TEXAS  
STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013  
(in 000's)**

	Enterprise Funds			Total	Internal Service Funds
	Water and Sewer	Stormwater Utility	Nonmajor Enterprise Funds		
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 352,005	\$ 34,973	\$ 65,970	\$ 452,948	\$ 64,607
Other	154	12	7,357	7,523	40
Total Operating Revenues	<u>352,159</u>	<u>34,985</u>	<u>73,327</u>	<u>460,471</u>	<u>64,647</u>
<b>OPERATING EXPENSES</b>					
Personnel Services	69,118	7,408	10,946	87,472	29,668
Supplies and Materials	20,234	1,385	2,466	24,085	15,265
Contractual Services	122,141	8,653	48,619	179,413	19,575
Landfill Closure and Postclosure Cost	-	-	318	318	-
Depreciation	70,406	3,703	12,639	86,748	1,241
Total Operating Expenses	<u>281,899</u>	<u>21,149</u>	<u>74,988</u>	<u>378,036</u>	<u>65,749</u>
Operating Income	<u>70,260</u>	<u>13,836</u>	<u>(1,661)</u>	<u>82,435</u>	<u>(1,102)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment Income	516	223	922	1,661	20
Gain (Loss) on Sale of Property and Equipment	(2,120)	36	(2,305)	(4,389)	40
Interest and Service Charges	(17,878)	(1,418)	(2,613)	(21,909)	-
Gas Leases and Royalties	548	-	11,829	12,377	-
Other Expense	-	-	(110)	(110)	(2,183)
Other Revenue	14,705	-	-	14,705	-
Total Nonoperating Revenues (Expenses)	<u>(4,229)</u>	<u>(1,159)</u>	<u>7,723</u>	<u>2,335</u>	<u>(2,123)</u>
Income Before Transfers and Contributions	<u>66,031</u>	<u>12,677</u>	<u>6,062</u>	<u>84,770</u>	<u>(3,225)</u>
Transfers In	6,706	525	308	7,539	61
Transfers Out	(25,836)	(3,901)	(6,974)	(36,711)	(28,098)
Capital Contributions	11,924	185	16,098	28,207	-
Capital Contributions - Impact Fees	7,703	-	-	7,703	-
Change in Net Position	66,528	9,486	15,494	91,508	(31,262)
Total Net Position, Beginning of Year	<u>1,738,414</u>	<u>55,714</u>	<u>251,221</u>	<u>2,045,349</u>	<u>37,462</u>
Total Net Position, Ending of Year	<u>\$ 1,804,942</u>	<u>\$ 65,200</u>	<u>\$ 266,715</u>	<u>\$ 2,136,857</u>	<u>\$ 6,200</u>
Adjustment to Reflect the Consolidation of Internal Service Funds Activities Related to Enterprise Funds				<u>(550)</u>	
Change in Net Position of Business-Type Activities				<u>\$ 90,958</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, 2013**  
**(in 000's)**

	<b>Business-type Activities--</b>				<b>Internal Service Funds</b>
	<b>Enterprise Funds</b>				
	<b>Water and Sewer</b>	<b>Stormwater Utility</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	
<b>Cash Flows from Operating Activities:</b>					
Receipts from Customers	\$ 350,483	\$ 34,586	\$ 63,763	\$ 448,832	\$ 63,984
Receipts from Other Operating Sources	154	12	6,650	6,816	40
Receipts from Gas Leases and Royalties	548	-	11,829	12,377	-
Other Receipts	14,705	-	-	14,705	-
Payments to Employees	(62,370)	(6,602)	(9,869)	(78,841)	(29,693)
Payments to Suppliers	(20,307)	(1,385)	(2,478)	(24,170)	(15,184)
Payments for Contractual Services	(125,344)	(8,450)	(46,289)	(180,083)	(20,881)
Net Cash Provided by (Used for) Operating Activities	<u>157,869</u>	<u>18,161</u>	<u>23,606</u>	<u>199,636</u>	<u>(1,734)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>					
Transfers In from Other Funds	6,706	525	308	7,539	48
Receipts from (Repayments to) Other Funds	-	(2,859)	6,566	3,707	-
Advances from Other Funds	-	2,190	7,996	10,186	476
Transfers Out to Other Funds	(25,836)	(3,901)	(6,974)	(36,711)	(40,152)
Advances to Other Funds	-	-	(9,986)	(9,986)	-
Net Cash Used for Noncapital Financing Activities	<u>(19,130)</u>	<u>(4,045)</u>	<u>(2,090)</u>	<u>(25,265)</u>	<u>(39,628)</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Bond Principal Received	24,486	-	-	24,486	13
Proceeds from Sale of Machinery and Equipment	125	36	50	211	40
Contributions	1,055	185	15,916	17,156	-
Contributions - Impact Fees	7,703	-	-	7,703	-
Acquisition and Construction of Property, Plant and Equipment	(119,120)	(25,523)	(22,362)	(167,005)	(649)
Principal Paid on Long-Term Debt	(75,090)	(3,715)	(2,330)	(81,135)	-
Interest Paid on Long-Term Obligations	(31,648)	(5,646)	(2,951)	(40,245)	-
Bond Issuance Cost Paid	(62)	-	-	(62)	-
Net Cash Used for Capital and Related Financing Activities	<u>(192,551)</u>	<u>(34,663)</u>	<u>(11,677)</u>	<u>(238,891)</u>	<u>(596)</u>
<b>Cash Flows from Investing Activities:</b>					
Purchases of Investments	(2,644)	-	(10,389)	(13,033)	-
Sales of Investments	2	-	9	11	-
Investment Income Received	497	236	809	1,542	22
Net Cash Provided by Investing Activities	<u>(2,145)</u>	<u>236</u>	<u>(9,571)</u>	<u>(11,480)</u>	<u>22</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>(55,957)</u>	<u>(20,311)</u>	<u>268</u>	<u>(76,000)</u>	<u>(41,936)</u>
Cash and Cash Equivalents, Beginning of Year	312,516	132,660	151,429	596,605	49,625
Cash and Cash Equivalents, End of Year	<u>\$ 256,559</u>	<u>\$ 112,349</u>	<u>\$ 151,697</u>	<u>\$ 520,605</u>	<u>\$ 7,689</u>

(continued)

**CITY OF FORT WORTH, TEXAS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**  
**(in 000's)**

	Business-type Activities-- Enterprise Funds			Total	Internal Service Funds
	Water and Sewer	Stormwater Utility	Nonmajor Enterprise Funds		
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>					
Operating Income (Loss)	\$ 70,260	\$ 13,836	\$ (1,661)	\$ 82,435	\$ (1,102)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation	70,406	3,703	12,639	86,748	1,241
Gas Leases and Royalties Receipts	548	-	11,829	12,377	-
Other Receipts (Payments)	14,705	-	(707)	13,998	-
Change in Assets and Liabilities:					
Accounts and Other Receivables	(2,505)	(387)	(1,309)	(4,201)	38
Inventories	(73)	-	(12)	(85)	81
Prepays, Deposits, and Other Assets	-	-	1	1	(661)
Accounts Payable	327	203	2,330	2,860	(1,306)
Escrow Accounts Payable	(87)	-	-	(87)	-
Accrued Payroll	6,748	806	1,077	8,631	(25)
Customer Deposits	1,070	-	62	1,132	-
Unearned Revenue	-	-	(961)	(961)	-
Landfill Closure Costs	-	-	318	318	-
Pollution Remediation Costs	(3,530)	-	-	(3,530)	-
Total Adjustments	<u>87,609</u>	<u>4,325</u>	<u>25,267</u>	<u>117,201</u>	<u>(632)</u>
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>\$ 157,869</u>	<u>\$ 18,161</u>	<u>\$ 23,606</u>	<u>\$ 199,636</u>	<u>\$ (1,734)</u>
<b>The Cash and Cash Equivalents are reported in the Statement of Net Position as follows:</b>					
Current - Cash, Cash Equivalents, and Investments	\$ 56,756	\$ 26,436	\$ 31,810	\$ 115,002	\$ 7,599
Current Restricted - Cash and Cash Equivalents	13,470	-	82,813	96,283	-
Noncurrent Restricted - Cash and Equivalents	151,875	85,913	27,705	265,493	90
Noncurrent Restricted - Cash Held by Trustees	37,150	-	19,938	57,088	-
Less Gas Well Investments Held by Trustees	(2,692)	-	(10,569)	(13,261)	-
<b>Total Cash and Cash Equivalents</b>	<u>\$ 256,559</u>	<u>\$ 112,349</u>	<u>\$ 151,697</u>	<u>\$ 520,605</u>	<u>\$ 7,689</u>
<b>Noncash Investing, Capital, and Financing Activities:</b>					
Capitalized Interest	\$ 9,313	\$ 4,159	\$ 305	\$ 13,777	\$ -
Amortization of Bond Premium	6,212	198	67	6,477	-
Capital Asset Contributions from Developers	10,876	-	29	10,905	-
Intra-Government Net Capital Assets Transfers	-	-	(110)	(110)	(2,183)
Transfer of Construction Payable to Governmental	-	-	-	-	12,054
Amortization of Bond Defeasement Loss	(1,742)	-	-	(1,742)	-

See accompanying notes to the basic financial statements.

(concluded)

**CITY OF FORT WORTH, TEXAS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2013**  
**(in 000's)**

	<b>Pension and Other Employee Benefits Trust Funds</b>
	<u>                    </u>
<b>ASSETS</b>	
Current Assets:	
Cash & Cash Equivalents	\$ 15,050
Cash & Investments Held by Trustees:	
Asset and Mortgage Backed Obligations	35,308
Corporate Obligations	83,391
Government Agency Obligations	72,531
International Obligations	63,351
Securities Lending Collateral	206,041
U.S. Treasuries	78,091
Short-Term Mutual Fund Investments	194,878
Corporate Stock	716,857
Alternative Investments	519,461
Commingled Funds	318,496
Less: Investments in Non-City Funded Staff Plan	(2,345)
Total Cash & Investments Held by Trustees	<u>2,286,060</u>
Prepays	12
Other Receivables	12,167
Due from Broker Securities Sold	144,357
Total Current Assets	<u>2,457,646</u>
Capital Assets (at Cost):	
Land	405
Buildings	3,422
Machinery and Equipment	314
Accumulated Depreciation	(605)
Net Capital Assets	<u>3,536</u>
Total Assets	<u>2,461,182</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accrued Payable	129
Obligations under Securities Lending	205,830
Due to Broker Securities Purchased	239,731
Total Current Liabilities	<u>445,690</u>
<b>NET POSITION</b>	
Net Assets Held in Trust for Pension and Other Employee Benefits:	
Benefit Pension Plans	1,976,515
Postemployment Healthcare Plans	38,977
Total Net Position	<u>\$ 2,015,492</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, 2013**  
**(in 000's)**

	<b>Pension and Other Employee Benefits Trust Funds</b>
<b>ADDITIONS</b>	
Interest and Dividend Income	\$ 32,717
Less: Investment Management Fees and Interest Expense	(6,578)
Net Gain (Loss) in Fair Value of Investments	159,804
Other Income	7,468
Employer Contributions	113,426
Employee Contributions	33,634
Total Additions	<u>340,471</u>
<b>DEDUCTIONS</b>	
Benefit Payments	165,358
Refunds	3,995
Administrative Expenses	3,714
Total Deductions	<u>173,067</u>
<b>CHANGE IN NET POSITION</b>	
Benefit Pension Plans	152,560
Postemployment Healthcare Plans	14,844
Total Change in Net Position	<u>167,404</u>
<b>NET POSITION - BEGINNING OF YEAR</b>	
Benefit Pension Plans	1,823,955
Postemployment Healthcare Plans	24,133
Total Beginning Net Position	<u>1,848,088</u>
<b>NET POSITION - END OF YEAR</b>	
Benefit Pension Plans	1,976,515
Postemployment Healthcare Plans	38,977
Total Ending Net Position	<u>\$ 2,015,492</u>

See accompanying notes to the basic financial statements.

**City of Fort Worth, Texas**  
**Notes to the Basic Financial Statements**  
**September 30, 2013**

- Note A:** Summary of Significant Accounting Policies
- Note B:** Cash, Cash Equivalents & Investments
- Note C:** Receivables and Interfund Balances
- Note D:** Fund Equity
- Note E:** Restricted Assets
- Note F:** Capital Assets
- Note G:** Debt Obligations
- Note H:** Landfill Closure and Postclosure Care Costs
- Note I:** D/FW International Airport
- Note J:** Employees' Retirement Plan of the City of Fort Worth, Texas
- Note K:** Employee Benefits
- Note L:** Commitments and Contingencies
- Note M:** Condensed Financial Information for Component Units and Nonmajor Enterprise Funds
- Note N:** Subsequent Events
- Note O:** New Accounting Standards

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the City of Fort Worth, Texas (City) as reflected in the accompanying financial statements for the year ended September 30, 2013, 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. The decision to include a potential component unit in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14, *The Financial Reporting Entity*, GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* and GASB Statement No. 61, *Financial Reporting Entity-Omnibus*. Organizations are included if they are financially accountable to the City, or the nature and significance of their relationship with the City are such that exclusion would cause the financial statements to be misleading. Inclusion is determined on the basis of 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.

**Blended Component Units**

Blended component units, although legally separate entities, are reported as part of the primary government because they meet the criteria above, as well as serve or benefit the City exclusively. The following blended component units 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 in 2000, 2005 and 2010. The vote for the next renewal will be on May 10, 2014; if approved the renewal will start in 2015. The CCPD is funded from sales taxes. Although it is legally separate from the City, the members of the board of the CCPD and the members of the City Council are substantively the same. Therefore, the CCPD has been blended in the City's basic financial statements as a Nonmajor Special Revenue Fund.

***Fort Worth Housing Finance Corporation***—The Fort Worth Housing Finance Corporation (FWHFC) was created pursuant to the Texas Housing Finance Corporations Act. The FWHFC was organized for the purpose of financing the cost of residential ownership and development of single-family dwellings for persons of low and moderate income. Although it is legally separate from the City, the members of the Board of the FWHFC and the members of the City Council are substantively the same. Therefore, the FWHFC has been blended in the City's basic financial statements as a Nonmajor Special Revenue Fund. Included in the FWHFC are its component units, The Villas of Eastwood Terrace, LLC and Race Street Lofts GP, LLC.

***The Villas of Eastwood Terrace, LLC***—The Villas of Eastwood Terrace, LLC (the Company), a Texas limited liability company, acting pursuant to Article 3.09 of the Texas Limited Liability Company Act, is owned solely by the Fort Worth Housing Finance Corporation. The Company was organized to provide decent, safe and affordable housing to very low-income, low-income, and moderate income residents of the City, by developing, owning, leasing, operating, renovating, financing and disposing of the Eastwood Terrace senior housing project, and doing all things incident to the ownership of the project. The Company

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

has a December 31 year-end and its financial information as of the previous December 31 is included in this document. Separate financial statements can be obtained by contacting the Villas of Eastwood Terrace at 4700 East Berry Street, Fort Worth, Texas 76105. The Fort Worth Housing and Finance Corporation (FWHFC) sold The Villas of Eastwood Terrace, LLC in August, 2013.

***Race Street Lofts GP, LLC***— Race Streets Lofts GP, LLC (the Company), a Texas limited liability company, acting pursuant to Article 3.09 of the Texas Limited Liability Company Act, was created by the Fort Worth Housing Finance Corporation to be the general partner in the development of multifamily affordable housing. The Company was created for the purpose of (i) owning, developing, managing, and otherwise dealing with affordable housing apartment projects located in Tarrant County, Texas, under the low-income housing tax credit program of the Texas Department of Housing and Community Affairs; and (ii) becoming a partner or member of a partnership or limited liability company formed for such purposes. The resolution also authorizes a development agreement with NRP Holdings, LLC to act as a co-developer of the properties. The development was awarded tax credits by The Texas Department of Housing and Community Affairs (TDHCA). The company has a December 31 year-end. Separate financial statements can be obtained by contacting Novogradac & Company, LLP at 1110 Superior Avenue, Suite 900, Cleveland, Ohio 44114. The financial information of Race Street Lofts GP, LLC is blended into that of the Fort Worth Housing Finance Corporation.

***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 proposed 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 a legally separate entity from the City, the members of the Board of the FWLDC and the members of the City Council are substantively the same. Therefore, the FWLDC has been blended in the City's basic financial statements as a Nonmajor Special Revenue Fund.

***Lancaster Corridor Redevelopment, LLC***— Lancaster Corridor Redevelopment, LLC (the Company), a Texas limited liability company, was created as a subsidiary of Fort Worth Local Development Corporation (FWLDC) pursuant to the Texas Limited Liability Company Act for the purpose of supporting mixed use redevelopment along the Lancaster Corridor. The financial information of the Lancaster Corridor Redevelopment, LLC is blended into that of the Fort Worth Local Development Corporation.

***Alliance Airport Authority, Inc.*** —The Alliance Airport Authority, Inc. was created in 1989. It is an industrial development corporation created to benefit the City and to, among other things, issue bond, 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.

***Service Center Relocation, Inc.***—The Service Center Relocation, Inc. was established under the provision of Chapter 431, Texas Transportation Code, and the general laws of the State of Texas, to aid, assist, and act on behalf of the City in the performance of the City's governmental functions and to provide a means of financing certain project costs in connection with the undertaking of certain public improvements within specified geographical areas of the City in furtherance of the promotion, development, encouragement and maintenance of employment, commerce, economic development and public facility development in the City. Although it is legally separate from the City, the members of the board of the Service Center and the members of the City Council are substantively

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

the same. Therefore, the Service Center has been blended in the City's basic financial statements as a Nonmajor Special Revenue Fund (reported with the Other Blended Component Units).

**Fort Worth Sports Authority, Inc.**—The Fort Worth Sports Authority, Inc. (Sports Authority) was created pursuant to the provisions Section 4B of 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. Due to the Sports Authority 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).

**Lone Star Local Government Corporation**—The Lone Star Local Government Corporation 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 Lone Star Local Government Corporation 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 Lone Star Local Government Corporation and the members of the City Council are substantively the same. Therefore, the Lone Star Local Government Corporation has been blended in the City's basic financial statements as a Nonmajor Special Revenue Fund (reported with the Other Blended Component Units).

**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 implementation of project plans for the Magnolia Green Development, including the construction of a parking garage to support the development of the area. Although it is legally separate from the City, the members of the board of the FWCCLGC and the members of the City Council are substantively the same. Therefore, the FWCCLGC has been blended in the City's basic financial statements as a Nonmajor Special Revenue Fund (reported with the Other Blended Component Units).

**Discretely Presented Component Units**

The following legally separate entities are reported as discretely presented component units of the City in a separate column in the government-wide financial statements because they are legally separate from the City, the City is financially accountable for them, and their relationships with the City are such that exclusion would be misleading. They are each designed to benefit the citizens of Fort Worth in specific areas but do not function as an integral part of the primary government.

**Fort Worth Public Improvement District No. 1**—The Fort Worth Public Improvement District No. 1 was created by resolution of the City Council pursuant to Texas Local Government Code, Chapter 372. In June 2004, the City Council approved the re-establishment of the District to include an area to the west of the District in addition to the area of District No. 10 which is to the east of downtown District No. 1. The purpose of the re-establishment of the District is to furnish additional security, landscaping, marketing and promotion of the District. Special assessments are levied on property within the District to pay for these improvements and services. Fort Worth Public Improvement District No. 10 is now accounted for with District No. 1.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

***Fort Worth Public Improvement District No. 6***—The Fort Worth Public Improvement District No. 6 was created in 1998 for a life term by resolution of the City Council pursuant to Chapter 372, Local Government Code. The purpose of the District is to provide supplemental improvements and services, including security patrol services in the Park Glen area. Special assessments are levied on property within the District to pay for these services.

***Fort Worth Public Improvement District No. 7***—The Fort Worth Public Improvement District No. 7 was created in 2000 for a life term by resolution of the City Council pursuant to Chapter 372, Local Government Code. The purpose of the District is to provide supplemental improvements and services, including security patrol services in the Heritage area. Special assessments are levied on property within the District to pay for these services.

***Fort Worth Public Improvement District No. 8***—The Fort Worth Public Improvement District No. 8 was created in 2000 by resolution of the City Council pursuant to Chapter 372, Local Government Code. On December 16, 2008, the City Council approved the re-establishment of the District for another ten (10) year term. The District is just outside the Cultural District along the Camp Bowie Boulevard corridor. It is a nine-mile commercial stretch along Camp Bowie Boulevard from University Drive to Loop 820 South. Funds are utilized for marketing and promotion of special events, communication and information programs, planned coordination of capital improvements, clean up, and beautification.

***Fort Worth Public Improvement District No. 11***—The Fort Worth Public Improvement District No. 11 was created in 2003 for a life term by resolution of the City Council pursuant to Chapter 372, Local Government Code. The purpose of the District is to provide maintenance and landscaping, promotions and marketing, security, transportation and parking, street and sidewalk sweeping, and related activities for the Stockyards area.

***Fort Worth Public Improvement District No. 12***—The Fort Worth Public Improvement District No. 12 was created in 2004 for a life term by resolution of the City Council pursuant to Chapter 372, Local Government Code. The district known as the Chapel Hill area includes 1,358.02 acres bounded by West Bonds Ranch Road, Business Highway 287 North and Boat Club Road. The purpose of the district is to provide additional services and improvements in this area to include maintenance, landscaping, promotions, marketing, security, transportation, parking, and street sweeping.

***Fort Worth Public Improvement District No. 14***—The Fort Worth Public Improvement District No. 14 was created on June 16, 2009 for a twenty (20) year term by resolution of the City Council pursuant to Chapter 372, Local Government Code. The purpose of the District is to provide management and improvement services for Trinity Bluff. Initial improvements and services to be provided include a maintenance program, a security enhancement program and a district management program.

***Fort Worth Public Improvement District No. 15***—The Fort Worth Public Improvement District No. 15 was created on August 21, 2012 for a twenty (20) year term by resolution of the City Council pursuant to Chapter 372, Local Government Code. The district known as Sun Valley includes 130.14 acres of land bounded by David Strickland Road on the north, area to the south of and along Mosson Road, area to the west of and along Marie Jones Road and east by Interstate Highway East Loop 820 South. The purpose of the district is the establishment of a security patrol program.

***Taxing Increment Reinvestment Zone No. 2A***—The Taxing Increment Reinvestment Zone Number Two A was created on December 19, 1995 pursuant to the Texas Tax Increment Financing Act, Tax Code, Sections 311.001 through 311.017, as amended. The Zone is set to expire on December 31, 2025. The purpose of the Zone is to promote the development of the Texas Motor Speedway.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

***Taxing Increment Reinvestment Zone No. 2B***—The Taxing Increment Reinvestment Zone Number Two B was created on December 19, 1995 pursuant to the Texas Tax Increment Financing Act, Tax Code, Sections 311.001 through 311.017, as amended. The Zone is set to expire on December 31, 2025. It is contiguous to the original speedway Taxing Increment Reinvestment Zone (TIRZ). The purpose of the Zone is to promote the development of the Texas Motor Speedway.

***Taxing Increment Reinvestment Zone No. 3***—The Taxing Increment Reinvestment Zone Number Three was created on December 19, 1995 pursuant to the Texas Tax Increment Financing Act, Tax Code, Sections 311.001 through 311.017, as amended. This Zone was previously Taxing Increment Reinvestment Zone Number One from January 1995 until December 1995 which was dissolved due to a lack of fiscal activity. The zone is set to expire on December 31, 2025. The purpose of the Zone is to finance public improvements to the downtown area such as construction of an underground parking garage and central park, as well as streetscape improvements along heavily traveled pedestrian corridors.

***Taxing Increment Reinvestment Zone No. 3A***—The Taxing Increment Reinvestment Zone Number Three A was created on December 19, 1995 pursuant to the Texas Tax Increment Financing Act, Tax Code, Sections 311.001 through 311.017, as amended. This Zone is an expansion of Taxing Increment Reinvestment Zone No. 3. The Zone is set to expire on December 31, 2025. The purpose of the Zone is to finance public improvements to the downtown area such as construction of an underground parking garage and central park, as well as streetscape improvements along heavily traveled pedestrian corridors.

***Taxing Increment Reinvestment Zone No. 4***—The Taxing Increment Reinvestment Zone Number Four was created on November 25, 1997 pursuant to the Texas Tax Increment Financing Act, Tax Code, Sections 311.001 through 311.017, as amended. The Zone is set to expire on December 31, 2022. The purpose of the Zone is to promote the development of the Southside Medical District.

***Taxing Increment Reinvestment Zone No. 6***—The Taxing Increment Reinvestment Zone Number Six was created on November 12, 2002 pursuant to the Texas Tax Increment Financing Act, Tax Code, Sections 311.001 through 311.017, as amended. The Zone is set to expire on November 11, 2036. This Zone encompasses the property that is home to Tarrant County College and the Tarrant County Courthouse. The purpose of the Zone is to provide infrastructure support for Tarrant County College and other private investment in this Riverfront Taxing Increment Reinvestment Zone (TIRZ).

***Taxing Increment Reinvestment Zone No. 7***— The Taxing Increment Reinvestment Zone Number Seven was created on December 9, 2003 pursuant to the Texas Tax Increment Financing Act, Tax Code, Sections 311.001 through 311.017, as amended. The Zone is set to expire on December 31, 2019. The purpose of this Zone is to support the completion of the North Tarrant Parkway interchange, ramps, frontage roads and extension to Rainy Lake Road.

***Taxing Increment Reinvestment Zone No. 7A***—The Taxing Increment Reinvestment Zone Number Seven A was created on December 9, 2003 pursuant to the Texas Tax Increment Financing Act, Tax Code, Sections 311.001 through 311.017, as amended. The Zone is set to expire on December 31, 2019. This Zone is an expansion of Taxing Increment Reinvestment Zone No. 7. The purpose of the Zone is to support the completion of the North Tarrant Parkway interchange, ramps, frontage roads and extension to Rainy Lake Road.

***Taxing Increment Reinvestment Zone No. 8***—The Taxing Increment Reinvestment Zone Number Eight was created on December 9, 2003 pursuant to the Texas Tax Increment Financing Act, Tax Code, Sections 311.001 through 311.017, as amended. The Zone is set to expire on December 31, 2024. The purpose of this Zone is to provide support for redevelopment efforts along the Lancaster Corridor in the southern portion of downtown.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

***Taxing Increment Reinvestment Zone No. 9***—The Taxing Increment Reinvestment Zone Number Nine was created on December 9, 2003 pursuant to the Texas Tax Increment Financing Act, Tax Code, Sections 311.001 through 311.017, as amended. The Zone is set to expire on December 31, 2044. This Zone was created to provide infrastructure support for the Trinity River Vision, which is a plan for redevelopment of the portion of the Trinity River in the downtown area into an urban lake.

***Taxing Increment Reinvestment Zone No. 9A***—The Taxing Increment Reinvestment Zone Number Nine A was created on December 15, 2009 pursuant to the Texas Tax Increment Financing Act, Tax Code, Sections 311.001 through 311.017, as amended. The Zone is set to expire on December 31, 2044. It is contiguous to the original development in Tax Increment Financing No. 9. This Zone was created to provide infrastructure support for the Trinity River Vision, which is a plan for redevelopment of the portion of the Trinity River in the downtown area into an urban lake.

***Taxing Increment Reinvestment Zone No. 10***—The Taxing Increment Reinvestment Zone Number Ten was created on June 15, 2004 pursuant to the Texas Tax Increment Financing Act, Tax Code, Sections 311.001 through 311.017, as amended. The Zone is set to expire on December 31, 2025. This Zone was created to provide infrastructure and public space support for a private investment by Cabela's Retail, Inc. mega store.

***Taxing Increment Reinvestment Zone No. 10A***—The Taxing Increment Reinvestment Zone Number Ten A was created on December 9, 2008 pursuant to the Texas Tax Increment Financing Act, Tax Code, Sections 311.001 through 311.017, as amended. The Zone is set to expire on December 31, 2025. It is contiguous to the original development in Tax Increment Financing No. 10. This Zone was created to provide infrastructure and public space support for a private investment by Cabela's Retail, Inc. mega store.

***Taxing Increment Reinvestment Zone No. 12***—The Taxing Increment Reinvestment Zone Number Twelve was created on July 18, 2006 pursuant to the Texas Tax Increment Financing Act, Tax Code, Sections 311.001 through 311.017, as amended. The Zone is set to expire on December 31, 2027. This Zone was created to provide infrastructure improvements (e.g. water, sewer, drainage, roads, sidewalks, etc.) associated with new development and redevelopment projects for the East Berry Renaissance along the East Berry Street corridor.

***Taxing Increment Reinvestment Zone No. 13***—The Taxing Increment reinvestment Zone Number Thirteen was created on November 27, 2007 pursuant to the Texas Tax Increment Financing Act, Tax Code, Sections 311.001 through 311.017, as amended. The Zone is set to expire on December 31, 2028. This zone was created to help fund infrastructure improvements (e.g. water, sewer, drainage, roads, sidewalks, etc.) associated with new development and redevelopment projects in the Woodhaven Area.

No separate audited financial statements are available for these component units. Unaudited financial statements for the individual component units may be obtained at the City's offices located at 1000 Throckmorton Street, Fort Worth, Texas 76102.

**Pension and Retiree Healthcare Trust Funds**

***Employees' Retirement Pension Trust Fund of the City of Fort Worth***—The single-employer defined benefit retirement system was established under legal authority of the City Charter and is administered by the City. As disclosed in Note J, this fiduciary fund of the City issues separate audited financial statements which are publicly available and can be obtained by contacting the Employees' Retirement Fund at 3801 Hulen Street, Suite 101, Fort Worth, Texas 76107.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

**Retiree Healthcare Trust Fund of the City of Fort Worth**—The single-employer defined benefit retirement health care system was established under legal authority of the City Charter and is administered by the City. No separate audited financial statements are available for this fiduciary fund of the City.

**Related Entities**

The following related entities 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: 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 do not extend beyond making appointments.

**Dallas/Fort Worth International Airport**—Dallas/Fort Worth International Airport (DFW Airport) is a local government located between the cities of Fort Worth and Dallas. DFW 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 from each of the neighboring cities of Irving, Grapevine, Euless, and Coppell. Refer to further information in Note I regarding the City's initial contribution to the infrastructure of the DFW Airport.

**Fort Worth Housing Authority**—The Fort Worth Housing Authority (Authority) is an independent organization, which has a scope of public service within the geographic boundaries of the City. Under Texas State Statutes, the responsibility for the administration and operations of the Authority is vested solely with the Authority's Board of Commissioners. The Authority is dependent on Federal funds from the 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 incurred and has no fiscal management control.

**Fort Worth Transportation Authority**—The Fort Worth Transportation Authority (Transportation Authority) 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 Transportation Authority is vested solely with the Authority's Board of Directors which is composed of nine-members appointed by the Fort Worth City Council and Tarrant County Commissioners Court. The Transportation Authority 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.

**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, 2013**  
**(000's omitted)**

(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 clearly 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 properly excluded from program revenues are reported as general revenues.

**Fund Financial Statements**

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

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

- (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 of the total fund type **and** at least 5% of assets and deferred outflows, liabilities and deferred inflows, revenues or expenses of total governmental and enterprise funds.
- (3) Additional funds deemed important by the City but not meeting the criteria of a major 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 financial resources while the modified accrual is used for the basis of accounting. The City reports the following major governmental funds.

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

**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.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

*Capital Projects Fund* accounts for the City's purchase or construction of major capital facilities, which are not financed by other funds.

In addition to the major funds mentioned above, the City uses the following governmental fund types.

*Special Revenue Funds* - Special Revenue Funds are used to account for the proceeds of specific revenue sources requiring separate accounting because of legal or regulatory provisions or administrative action.

**Proprietary Funds**

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

*Water and Sewer Fund* accounts for the provision of water and sewer services to the residents of the City. Activities of the funds include administration, billing and collection activities, and the operations, maintenance, and construction of the systems. The fund also accounts for the accumulation of resources for and the payment of long-term principal and interest for water and sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if 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 in order to reduce stormwater related pollutants from entering the City's waterways. The fund also accounts for the accumulation of resources for and the payment of long-term principal and interest for the stormwater debt.

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

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.

**Internal Service Funds**

Internal service funds are used to account for the financing of goods or services provided by one department to other departments within the City, on a cost-reimbursement basis. The City has five internal service funds, which include: Office Services Fund, Equipment Services Fund, Temporary Labor Fund, Information Systems Fund, and Capital Project Services Fund.

**Fiduciary Funds**

The Trust 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 fund type:

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

***Pension and Other Employee Benefit Trust Funds***—For accounting measurement purposes, Pension and Other Employee Benefit Trust Funds are accounted for in essentially the same manner as proprietary funds. The Pension and Other Employee Benefit Trust Funds account for the assets of the City's retirement and post employment healthcare benefit plans. The Fort Worth Employees' Retirement Fund issues separately audited financial statements. Those statements can be obtained by contacting the Fort Worth Employee's Retirement Fund, 3801 Hulen Street, Suite 101, Fort Worth, Texas, 76107.

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 asset and liability 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 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 either included on the statement of net position or on the statement of fiduciary 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, for example, sales taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from sales taxes are 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 in accordance with the terms of the Plan.

The governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. This focus is on the determination of and changes in financial position. Revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current fiscal period. Revenues from taxes are generally 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

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

generally 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 generally 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 GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements—an interpretation of NCGA Statements 1, 4, and 5; NCGA Interpretation 8; and GASB Statements No. 10, 16, and 18.*

**A. 4. PROPERTY TAXES**

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

Property taxes levied for 2013 have been recorded as receivables, net of allowance for refunds and uncollectible amount. The net receivables collected during 2013 and those considered "available" at September 30, 2013, (i.e., property taxes collected within 60 days of year-end) have been recognized as revenues in 2013. The remaining receivables have been reflected as unearned revenue. In the government-wide financial statements, tax revenue is recognized in the year in which 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 (amounts are not in thousands). The property tax rate currently levied by the City is 0.8550 per \$100 of valuation.

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

The City pools cash from all funds (excluding the Pension and Other Employee Benefit Trust Funds) for the purpose of increasing income through investment activities. Investments are carried at fair value based on quoted market prices in accordance with GASB Statement No. 31. Interest earnings are allocated based on cash and investment amounts in individual funds in a manner consistent with budgetary and legal requirements.

Investments purchased with pooled cash are classified as cash, cash equivalents, and 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," as all investments of the fund are regarded as cash equivalents.

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

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

*Valuation of Investments*—Investments are stated at fair value. Quoted market prices are used to value investments. 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,

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

adjustments for cash receipts, cash disbursements and securities distributions through September 30, 2013. 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.

The Plan's investment in limited partnerships are valued at estimated fair value based on the Plan's proportionate share of the partnerships' fair value as recorded in the partnerships' audited financial statements. 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 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, securities lending income, and investment expense. Investment expense includes custodian and management fees, securities lending expense and all other significant investment-related costs.

***Due to/from Broker***—The balance due to broker securities purchased and due from broker securities sold in 2013 represents trades pending settlement and amounts due to foreign currency contracts.

***Foreign Currency Transactions***—The 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 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. Notional, face, or contract amounts often are used to express the volume of these transactions, but the amounts potentially subject to credit risk are smaller.

Gains and losses resulting from foreign exchange contracts (transactions denominated in a currency other than the 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 statements of changes in plan net position and are included in net investment income. The 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, 2013 were converted to the Plan's functional currency at the foreign exchange rates quoted at September 30, 2013. These foreign exchange gains and losses are included in net appreciation in fair value of investments in the accompanying statements of changes in net position.

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

***Valuation of Investments***—Investments are stated at fair value. Quoted market prices are used to value investments.

**A. 6. INVENTORIES**

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

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

**A. 7. CAPITAL ASSETS**

Capital assets, which include land, buildings, infrastructure, vehicles, machinery and equipment, 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 or estimated fair market value as of the date of acquisition or donation for contributed assets. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has been capitalized during the construction period 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 is capitalized regardless of the value or cost;
- b) Buildings, infrastructure and intangible assets must be capitalized when the useful life is at least 3 years and the cost is \$100 or more;
- c) Vehicles, Machinery and Equipment must be capitalized when the useful life is at least 2 years and the cost is \$5 or more.

Depreciation is recorded on each class of depreciable property 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	5-20 years
Water and Sewer Infrastructure	25-75 years
Buildings	30-60 years
Vehicles, Machinery and Equipment	2-20 years
Runways and Taxiways	20-30 years
Infrastructure	10-40 years

Included with the City's equipment capital assets, the City has capitalized an intangible asset: computer software. The City follows the same capitalization policy and estimated useful life for its intangible asset as it does for its equipment capital assets. The City also amortizes the intangible asset utilizing the straight-line method.

**A. 8. INTERFUND TRANSACTIONS**

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

**A. 9. COMPENSATED ABSENCES**

City employees earn personal leave, which may either be taken or accumulated until paid upon termination or retirement. Unused sick leave, accrued holidays, and compensated time may be accumulated to a specific maximum amount and is paid upon termination, retirement or death for Civil Service employees. All other employees are paid up to an established limit for personal leave upon retirement or death. Accumulated vacation and sick leave is accrued when incurred in the government-wide statement of net position and the 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 GASB Interpretation No. 6. For accrued amounts that are paid through proprietary funds, an expense and liability for the total future liability is recorded.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

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. The compensated absence portion of general long term debt amounts to \$111,039 and the balance of compensated absence included in proprietary funds is \$13,736.

**A. 10. A. RISK MANAGEMENT**

The General Fund accounts for the administration of risk management activities and programs in accordance with GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*. These 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 General 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. The budgeted premiums are recognized as reductions of claim expenditures in the General Fund and as expenditures or expenses in the governmental and proprietary funds, as appropriate under requirements of GASB Statement No. 10. However, if the total amount charged to the other funds exceeds total expenditures and liabilities, the excess amounts are reported as transfers. An accrual for unpaid claims and claims incurred but not reported is reflected in the government-wide financial statements as estimated claims payable. Claims expenditures 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 GASB Statement No. 10, the estimated claims payables are based on the estimated ultimate cost of settling the claims.

The total estimated claims payable at September 30, 2013, is \$39,707, of which \$23,949 represents workers' compensation case reserve losses, and is reported as long-term liabilities in the government-wide financial statements.

	Balance at October 1, 2011	Additions	Deletions	Balance at September 30, 2012	Additions	Deletions	Balance at September 30, 2013
Judgments and Claims	\$ 38,284	\$ 93,078	\$ (93,834)	\$ 37,528	\$ 104,772	\$ (102,593)	\$ 39,707

Provisions under each type of insurance are presented below:

**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: aircraft and airport liability, liquor liability, pollution legal liability, 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 per occurrence for all covered perils. The City self-insures most property losses less than \$250. Boiler and machinery insurance, and crime insurance are also maintained on a commercial insurance basis. There were no significant changes in coverage limits for property and casualty insurance.

**CITY OF FORT WORTH, TEXAS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013  
(000's omitted)**

(continued)

**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 \$750 for any single occurrence. Coverage limits for workers' compensation are the statutory limits required by the Texas Workers' Compensation Act. In addition, the policy provides Employer's Liability coverage with limits of insurance set at \$1,000 per occurrence. The policy also provides General Liability coverage with limits of insurance set at \$1,000 per occurrence and an aggregate limit of \$3,000.

**A. 10. E. GROUP HEALTH AND LIFE INSURANCE**

The City maintains a group health insurance plan for active and retired employees and their eligible dependents through a self-insured point of service (POS II), a self-insured indemnity-type plan, a fully insured Medicare Advantage Preferred Provider Organization (PPO) or Health Maintenance organization (HMO) plan of benefits. In 2013, the self-insured POS II plan was added. This is a high deductible health plan (HDHP) with a Health Savings Account (HSA). Contributions to the fund are provided by both the City and participating employees and retirees. The group life insurance and Accidental Death and Dismemberment insurance (AD&D) plans only cover active employees for \$10 and is provided by a commercial carrier. The specific stop loss insurance assumes the risk for claims on any individual in excess of \$750 paid during a calendar year.

**A. 10. F. UNEMPLOYMENT COMPENSATION**

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. A third party administrator reviews the claims and files reports to TWC accordingly. There were no significant changes in coverage levels for unemployment compensation.

**A. 11. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a 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 that time. The City does not have any items reported as a deferred outflow of resources in the current fiscal year.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents 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 City reports a \$4,569 Deferred Inflow of Resources in its Business-Type Activities and a \$13,187 Deferred Inflow of Resources in its Governmental Activities in the Statement of Net Position. The Deferred Inflow of Resources results from the City's two service concession arrangements (SCAs) for the Southeast landfill and the Fort Worth zoo. The City's SCAs are briefly described below:

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 to the City. This upfront payment is being amortized over the 20 year contract term. As of September 30, 2013, the City recognized a Deferred Inflow of Resources in the amount of \$4,569.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

In 2011, the City entered into an agreement with the Zoological Association of Fort Worth (Association) to operate the City's zoo. As part of this agreement, the Association is compensated by third party users of the zoo. The City owns the land and fixed capital assets and will retain ownership (residual interest) in the land and fixed capital assets at the end of the 20 year agreement. In 2011, the Association made a large capital contribution in the amount of \$15,514 to the City. This upfront contribution is being amortized over the 20 year contract term. As of September 30, 2013, the City recognized a Deferred Inflow of Resources in the amount of \$13,187.

**A. 12. FUND BALANCE/NET POSITION**

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

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

- a) **Nonspendable fund balance** (inherently nonspendable) include the:
  - Portion of net resources that cannot be spent because of their form.
  - Portion of net resources that cannot be spent because they must be maintained intact.
- b) **Restricted fund balance** (externally enforceable limitations on use) include amounts subject to:
  - Limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments.
  - Limitations imposed by law through constitutional provision or enabling legislation.
- c) **Committed fund balance** (self-imposed limitations set in place prior to the end of the period):
  - Limitation 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).
  - Intended use is established by official designated for that purpose. The City's Financial Management Policy Statements establish the City Manager as the official designated for assigning fund balance.
- 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.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

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:

*A. General Fund Unassigned Fund Balance*

The City shall strive to maintain the General Fund unassigned fund balance at 10 percent of the current year's budget appropriation for operations and maintenance. After completion of the annual audit, if the unassigned fund balance exceeds 10 percent, the excess must be specifically designated for subsequent year expenditures or transferred to the Capital Projects Reserve Fund. (The use of the Capital Projects Reserve Fund shall be guided by the Capital Expenditures and Improvements Policy Statements.)

*B. Net Position of Enterprise Operating Funds*

In enterprise operating funds, the City shall strive to maintain positive net positions to provide sufficient reserves for emergencies, revenue shortfalls and operations. Specifically, in the Water and Sewer Enterprise Fund, Solid Waste Fund, Municipal Parking, Municipal Golf Fund and Storm Water Utility Fund, an operating reserve will be established and maintained at 20 percent of the current year's budget appropriation for operation and maintenance, which is defined as the total budget less debt service and capital project expenditures.

*C. Use of Fund Balance/Net Position*

Fund Balance/Net Position shall be used only for emergencies, non-recurring expenditures, or major capital purchases that cannot be accommodated through current year savings. Should such use reduce the balance below the appropriate level set as the objective for that fund, restoration recommendations will accompany the decision to utilize said balance.

*D. Net Position of Internal Service Funds*

The City shall not regularly maintain positive net position in excess of 20 percent of the current year's operation and maintenance expense in any internal service fund. Normally, when an internal service fund's net position exceeds 20 percent, the City shall reduce the charges for services provided by the internal service fund to other City operating funds.

*E. Culture and Tourism Fund Assigned Fund Balance*

The City shall strive to maintain the Culture and Tourism Fund assigned fund balance at 20 percent of the current year's budget appropriation, which is defined as the total budget less the annual transfer to the debt service funds, to pay for operations and maintenance costs during that fiscal year. If the unassigned balance exceeds 20 percent, the excess shall be designated exclusively for improvements and maintenance to the Public Events Department Venues and related Public Events Department responsibilities in either the current or any future fiscal year.

*F. Debt Service Funds*

The City shall maintain sufficient reserves in its debt service funds, which shall equal or exceed the requirements dictated by its bond ordinances.

*G. Benefit and Insurance Funds*

The City shall seek to maintain reserves in its benefit and insurance funds at the following levels:

1. Risk Management Fund—25 percent of projected annual operating expenditures.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

2. Worker's Compensation Fund—25 percent of projected annual operating expenditures.
3. Group Health and Life Insurance Fund—20 percent of projected annual operating expenditures.
4. Unemployment Compensation Fund—25 percent of projected annual operating expenditures.

Please see the following table for 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 is also shown.

<b>Fund Balance Categories and Classification</b>					
<b>Fund Balance</b>	<b>General Fund</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Fund Balance</b>
<b>Nonspendable</b>					
General Administration	\$ 11,723	\$ -	\$ 802	\$ -	\$ 12,525
Housing and Economic Development	-	-	-	1,671	1,671
Total Nonspendable	11,723	-	802	1,671	14,196
<b>Restricted</b>					
General Administration	2,387	9,701	45,756	1,733	59,577
Public Safety	6,660	-	63,839	33,997	104,496
Transportation and Public Works	-	-	182,145	20,070	202,215
Parks and Community Services	-	-	10,569	1,449	12,018
Public Library	-	-	508	384	892
Public Events and Facilities	-	-	21,153	125	21,278
Planning and Development	-	-	-	9	9
Housing and Economic Development	-	-	-	1,823	1,823
Total Restricted	9,047	9,701	323,970	59,590	402,308
<b>Committed</b>					
General Administration	64,834	7,694	36,317	900	109,745
Public Safety	2,041	-	10,139	7,344	19,524
Transportation and Public Works	5,491	-	57,464	1,472	64,427
Parks and Community Services	991	-	25,111	9,044	35,146
Public Library	50	-	247	967	1,264
Public Events and Facilities	-	-	1,377	3,170	4,547
Planning and Development	770	-	-	11,171	11,941
Housing and Economic Development	-	-	-	541	541
Total Committed	74,177	7,694	130,655	34,609	247,135

(continued)

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

<b>Fund Balance Categories and Classification</b>					
<b>Fund Balance</b>	<b>General Fund</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Fund Balance</b>
Assigned					
General Administration	\$ 8,005	\$ 24	\$ 15,514	\$ 5,573	\$ 29,116
Public Safety	-	-	227	365	592
Transportation and Public Works	-	-	15,250	2,623	17,873
Parks and Community Services	-	-	5,565	1,278	6,843
Public Library	-	-	25	930	955
Public Events and Facilities	-	-	200	9,616	9,816
Planning and Development	-	-	-	196	196
Housing and Economic Development	-	-	-	20,479	20,479
Total Assigned	8,005	24	36,781	41,060	85,870
Unassigned					
General Administration	58,383	-	-	871	59,254
Public Safety	-	-	-	(3,416)	(3,416)
Transportation and Public Works	-	-	-	(1,295)	(1,295)
Parks and Community Services	-	-	-	(175)	(175)
Planning and Development	-	-	-	(1,690)	(1,690)
Housing and Economic Development	-	-	-	1,910	1,910
Total Unassigned	58,383	-	-	(3,795)	54,588
Total Fund Balance	\$ 161,335	\$ 17,419	\$ 492,208	\$ 133,135	\$ 804,097

(concluded)

The City set aside funds restricted for retiree health benefits as identified in the Collective Bargaining Agreement between the City and the Fort Worth Professional Firefighters Association. These funds are restricted but are not yet deposited into a formal trust. These funds total \$1,600 of the \$2,387 that is restricted for General Administration.

**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 in 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 average bond balance method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are deferred and amortized on a straight-line basis over the term of the related debt. In addition, gains and

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

losses on bond refundings are amortized over the term of the lesser of the new bonds or the refunded bonds life using the straight-line method. In governmental funds, all bond related items are recognized in the current period.

**A. 14. USE OF ESTIMATES**

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

**A. 15. CHANGE IN ACCOUNTING PRINCIPLE FOR IMPLEMENTATION OF NEW GASB STATEMENTS**

During fiscal year 2013, the City implemented the requirements of GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. Statement 60 addresses how to account for and report service concession arrangements (SCAs), a type of public-private or public-public partnership entered into by state and local governments.

During fiscal year 2013, the City implemented the requirements of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Statement 63 provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (which is the net residual amount of the other elements). This Statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. This Statement also amends certain provisions of GASB Statement No. 34, *Basic Financial Statements -- and Management's Discussion and Analysis -- for State and Local Governments*, and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets. As such, the City modified its government-wide financial statement presentation to incorporate these requirements.

As a result of the implementation of GASB 60 and 63, the City identified two SCAs, the Southeast Landfill operated by Allied Waste Systems (D/B/A Trinity Waste Services) which resulted in the reclassification of \$4,569 from an Unearned Revenue to a Deferred Inflow of Resources in the Statement of Net Position and the Fort Worth Zoo operated by The Zoological Association of Fort Worth which resulted in a restatement of beginning Net Position for Governmental Activities due to a change in accounting principle in the amount of \$13,962.

**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 funds except the Employees' Retirement Fund and the OPEB Trust Fund. Each fund's portion of this pool is displayed on the Statement of Net Position as "Cash, Cash Equivalents, & Investments." The cash and investments of the Employees' Retirement Fund and the Retiree Healthcare Fund are managed and accounted for separately from those of the City.

The investment policies of the City (exclusive of the Employees' Retirement Fund and Retiree Healthcare Fund) are governed by State statute and Council adopted City Investment Policies, which include depository contract provisions and custodial contract provisions. Major controls stipulated in the Investment Policies include: depository limitations require FDIC insurance or 102 percent collateralization; depositories are limited to Texas banking institutions; repurchase agreements are restricted to primary dealers; all collateral for repurchase

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

agreements and deposits are held by independent third party trustees; all settlement is delivery versus payment; all authorized investments are defined; and diversification guidelines are set as maximum maturity, maximum weighted average maturity, and maximum concentrations by both issuer and security type.

The City, as authorized by the City Council, engages in securities lending contract with Citibank whereby all of the U.S. Treasury securities and agency securities are available to be lent to an authorized primary dealer. The City receives defined collateral of at least 105 percent of market value of the underlying securities for Municipal securities and 102 percent for other securities. At no time is ownership on underlying securities transferred to the dealer. The City does not have the ability to pledge or sell collateral securities without borrower default. Therefore, in accordance with GASB Statement No. 28, *Accounting and Financial Reporting for Securities Lending Transactions*, securities on loan are not presented on the City's financial statements. As of September 30, 2013, the fair value of securities on loan was \$447,281 and the fair value of collateral held against the loaned securities was \$456,226.

State statutes require all time and demand deposits to be fully insured or collateralized. At September 30, 2013, the carrying amount of the City's demand and time deposits and cash on hand was \$273,777. Of the \$269,928 bank balance, \$250 in each bank and the entire balance of each non-interest bearing account was covered by FDIC deposit insurance with the remainder being collateralized with securities pledged by the City's agent in the City's name. As of September 30, 2013, the City had no funds which were uninsured or uncollateralized.

State statutes and the City's Policies 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 public funds investment pools, and SEC-registered money market mutual funds. State statutes require that securities underlying repurchase agreements are limited to federal government securities having a market value of at least 102 percent of the cost of the repurchase agreement.

Section 2256.0202 of the Public Funds Investment Act, Chapter 2256, Texas Government Code (PFIA) allows for municipal funds from the management and development of mineral rights to be invested in accordance with The Texas Trust Code (Subtitle B, Title 9, Property Code). The Texas Trust Code allows for any security that a "prudent investor" would be willing to utilize. The City has adopted a separate investment policy statement for these funds which defines what constitutes an eligible investment and also reinforces the security of funds via diversification and maturity (when applicable) guidelines. In addition to the authorized investments allowed under the City's standard investment policy listed above, this separate policy allows these funds from mineral rights revenue to be invested in municipal obligations rated A or better, 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, U.S. and international stocks, real assets, complementary strategies, and corporate and asset backed securities rated A or better. The balance of these gas well revenue investment funds was \$26,221, comprising 2.23 percent of the total investment portfolio. Credit ratings for the fixed income portion of these investments are as follows:

Fixed Income Securities	Standard and Poor's Ratings				Total
	AAA	AA	A	N/A	
Government Obligations	\$ -	\$ 2,473	\$ -	\$ -	\$ 2,473
Mortgage Backed Securities	754	-	-	-	754
Municipal Bonds	280	-	-	-	280
Corporate Obligations	208	490	948	-	1,646
Domestic Mutual Funds	-	-	-	1,971	1,971
International Mutual Funds	-	-	-	557	557
Total Fixed Income	\$ 1,242	\$ 2,963	\$ 948	\$ 2,528	\$ 7,681

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

As of September 30, 2013, the City's investment portfolio including the discretely presented component units' investment portfolios (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 money market mutual funds and pools are invested in a Wells Fargo 100 percent Treasury Money Fund. The balance of this account was \$39,814, comprising 3.39 percent of the total investment portfolio. All these funds strive to maintain a one dollar net asset value. The funds are rated AAA by Standard and Poor's.

All security investments are reported monthly at fair value priced by an independent source. Investments in local government investment pools and money market funds are reported at book value. The City generally holds all investments to maturity for investment and income, not speculation.

Interest Rate Risk—In order to limit interest and market rate risk from changes in interest rates, the City's adopted Investment Policy (excluding gas well revenue) sets general guidelines for maximum maturity dates and maximum weighted average maturity limits. The weighted average maturity (WAM) of the total investment portfolio is targeted to be a maximum weighted average maturity of two and one half (2½) years. The targeted maximum stated maturity of any security is five (5) years.

<u>Maturity</u>	<u>Cash to 1 year</u>	<u>1 - 2 years</u>	<u>2 - 3 years</u>	<u>3 - 4 years</u>	<u>4 - 5 years</u>
<b>Day Range</b>	0-364	365-730	731-1,095	1,096-1,460	1,461-1,825
<b>Targeted Portfolio %</b>	40.00	15.00	15.00	15.00	15.00
<b>Actual %</b>	33.05	20.33	15.35	16.13	15.14

As of September 30, 2013, in the City's Investment Portfolio (excluding gas well revenue),

- no holding had a stated maturity date beyond September 27, 2018;
- holdings maturing beyond one year represented 67 percent of the total investment portfolio; and
- the weighted average of the combined investment portfolio was 749 days on the total investment portfolio.

The gas well revenue Investment Policy sets guidelines for maximum maturity dates for each authorized investment type. The overall allowable maximum stated maturity is 20 years. As of September 30, 2013, no holding within the gas well revenue investment portfolio had a stated maturity date beyond December 21, 2026. The following schedule reports the fair values and maturities (using the segmented time distribution method) for the City's gas well revenue fixed income investments at September 30, 2013:

<b>Fixed Income Securities</b>	<b>Less than 1 Year</b>	<b>1 - 5 Years</b>	<b>6 - 10 Years</b>	<b>More Than 10 Years</b>	<b>Total</b>
Government Obligations	\$ 151	\$ 1,644	\$ 223	\$ 455	\$ 2,473
Mortgage Backed Securities	-	251	503	-	754
Municipal Bonds	-	280	-	-	280
Corporate Obligations	51	1,460	135	-	1,646
Domestic Mutual Funds	1,971	-	-	-	1,971
International Mutual Funds	557	-	-	-	557
<b>Total Fixed Income</b>	<b>\$ 2,730</b>	<b>\$ 3,635</b>	<b>\$ 861</b>	<b>\$ 455</b>	<b>\$ 7,681</b>

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

As of September 30, 2013, the investment portfolio managed by the City contained structured notes totaling \$573,134 as follows (the gas well revenue investment portfolio did not contain any structured notes):

<b>Security</b>	<b>Coupon Range</b>	<b>Call Date Range</b>	<b>Maturity Date Range</b>	<b>Structure</b>	<b>Fair Value</b>	<b>WAM<sup>*</sup></b>
<b>Discretely callable securities:</b>						
Federal Home Loan Mortgage Corp (FHLMC)	0.350% - 1.400%	10/09/2013-01/13/2014	11/26/2014-08/30/2018	Quarterly, One-Time Call	\$ 109,938	36
Federal National Mortgage Assoc. (FNMA)	0.500% - 1.875%	03/09/2011-03/06/2014	08/20/2015-02/21/2018	Quarterly, One-Time Call	232,988	41
Federal Home Loan Bank (FHLB)	0.375% - 0.960%	10/28/2013-01/10/2014	07/30/2015-09/27/2018	Monthly, Quarterly	159,244	39
<b>Continuously callable securities:</b>						
Federal Farm Credit Bank (FFCB)	0.280% - 0.930%	01/02/2013-09/17/2013	09/02/2014-11/27/2017	Continuous	46,196	24
Federal Home Loan Bank (FHLB)	0.625% - 0.900%	01/23/2013-10/24/2013	10/24/16-10/23/17	Continuous	24,768	42
<b>Total Structured Notes</b>					<u>\$ 573,134</u>	

\* Weighted Average Maturity by Months

Credit Risk—The primary stated objective of the City of Fort Worth’s adopted Investment Policy is the safety of principal and avoidance of principal loss. Investments are made primarily in obligations of the U.S. Government, its agencies or instrumentalities.

State statutes and the City of Fort Worth's adopted Investment Policies restrict both time and demand deposits, including certificates of deposit (CD), to those banks doing business in the State of Texas and further requires full FDIC insurance or collateralization from these depositories. Certificates of deposit are limited to a stated maturity of three (3) years. Collateral with a 102 percent margin is required and collateral is limited to obligations of the U.S. Government, its agencies or instrumentalities. Independent safekeeping at the Federal Reserve is required with monthly reporting. Securities are priced at market value on a daily basis as a contractual responsibility of the bank.

State statutes and the City’s adopted Investment Policies limit repurchase agreements with defined termination dates executed with a Texas bank or a primary dealer (as defined by the Federal Reserve). The agreements require an industry standard, written master repurchase agreement and a minimum 100 percent margin on collateral as well as delivery versus payment settlement and independent safekeeping.

State statutes and the City’s adopted Investment Policies restrict investment in commercial paper to dual rated, A1/P1 commercial paper. The City’s Investment Policies also states that the maximum maturity for commercial paper is not to exceed 90 days.

Local government investment pools in Texas are required to be rated AAA, or equivalent, by at least one nationally recognized rating agency. The City Policy restricts investment in pools to AAA-rated local government investment pools.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

As of September 30, 2013, in the Primary Government and Discretely Presented Component Units investment portfolio:

- investment in six AAAM-rated, SEC-registered money market funds managed by the City and held with Trustee represented 3.39 percent of the total investment portfolio;
- investment in collateralized certificates of deposit represented 3.41 percent of the investment portfolio;
- investment in equities represented 1.00 percent of the investment portfolio;
- investment in fixed income represented 0.65 percent of the investment portfolio;
- investment in real assets represented 0.26 percent of the investment portfolio;
- investment in complementary strategies represented 0.32 percent of the investment portfolio;
- investment in Municipal Obligations represented 1.01 percent of the investment portfolio; and
- the remainder of the investment portfolio (89.96 percent) was in United States Government or United States Government Agency securities rated AAA by Moody's and Fitch. On August 5, 2011 Standard and Poors, one of three nationally recognized raters of U.S. debt and securities, downgraded the rating of long-term U.S. and government sponsored entities sovereign debt from AAA to AA+ for the first time since 1941 with a negative outlook. The two other national raters, Moody's and Fitch, continue to have the highest ratings, but also have the debt on their watch lists.

See note B.3 for a listing of investments held by the City with weighted average maturity and credit rating information as of September 30, 2013.

Concentration of Credit Risk - The City of Fort Worth recognizes over-concentration of assets by market sector or maturity as a risk to the investment portfolio. The City's adopted Investment Policy establishes diversification as a major objective of the investment program and sets diversification limits and strategy percentage directives for all authorized investment types 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. A policy defined maturity diversification schedule serves as a general guideline for making investment decisions. In this way, the investment portfolio will be able to take advantage of rising interest rates by re-investing maturing securities at higher yields. In falling rate environments, it will profit from having investments that were made at higher interest rates.

Custodial Credit Risk - To control custody and safekeeping risk, State statutes and the City adopted Investment Policy require collateral for all time and demand deposits, as well as collateral for repurchase agreements and security lending positions, be transferred delivery versus payment and held by an independent party approved by the City and held in the City of Fort Worth's name. The custodian is required to provide original safekeeping receipts and monthly reporting of positions with position descriptions including market value for both type transactions. All repurchase agreements and deposits must be collateralized to 102 percent (with the exception of collateral under one year at 101 percent) and agreements must be executed in writing. Depository agreements are executed under the terms of Financial Institutions Resource and Recovery Enforcement Act. The counter-party of each type transaction is held contractually liable for monitoring and maintaining the required collateral margins on a daily basis.

As of September 30, 2013, the investment portfolio contained certificates of deposit (\$40,000) but no repurchase agreements. All pledged bank collateral for demand deposits was held by the Federal Reserve and all positions in the security lending program were held at Citibank.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

**B. 2. CASH, CASH EQUIVALENTS, AND INVESTMENTS HELD BY TRUSTEES**

Reserve Fund Investments - Water and Sewer Reserve Fund assets are insured and registered with the securities held by the City's agent in the City's name.

**B.3. CASH, CASH EQUIVALENTS, AND INVESTMENTS**

The City held the following cash, cash equivalents, and investments as of September 30, 2013:

<b>Pooled Cash, Cash Equivalents, &amp; Investments Managed by the City</b>	<b>Fair Value</b>	<b>Weighted Average Maturity by Days</b>	<b>Credit Rating</b>
Cash	\$ 202,105	N/A	N/A
Cash in Bank - Blended Component Units	5,316	N/A	N/A
Federal Farm Credit Bank (FFCB)	103,117	453	AAA
Federal Home Loan Bank (FHLB)	280,767	827	AAA
Federal Home Loan Mortgage Corp. (FHLMC)	227,590	704	AAA
Federal National Mortgage Assoc. (FNMA)	284,184	1,123	AAA
U. S. Treasury Notes	130,263	137	AAA
Municipal Obligations	11,838	724	AA
Certificates of Deposits	40,000	213	N/A
Total Cash, Cash Equivalents, & Investments Managed by the City	1,285,180		
<b>Cash, Cash Equivalents, &amp; Investments Held by Trustees for the City</b>			
Gas Well Revenue - Cash	13,728	N/A	N/A
Gas Well Revenue - Fixed Income Funds	7,681	1,172	see Note B.1
Gas Well Revenue - Equities Funds	11,713	N/A	N/A
Gas Well Revenue - Real Assets Funds	3,044	N/A	N/A
Gas Well Revenue - Complementary Strategies Funds	3,783	N/A	N/A
Workers Compensation / CorVel	796	N/A	N/A
Department of Justice Grant - Cash	1,475	N/A	N/A
Energy Savings Performance Contract - Phase 7 - Cash	10,357	N/A	N/A
Water and Sewer Reserve Fund - Money Market Mutual Funds	14,802	N/A	AAA
2010B City of Fort Worth Escrow - Money Market Mutual Funds	18,506	N/A	AAA
2007B City of Fort Worth Escrow - Money Market Mutual Funds	18	N/A	AAA
Fort Worth Local Development Corp - Money Market Mutual Funds	3,629	N/A	AAA
SE Landfill - Money Market Mutual Funds	2,859	N/A	AAA
Total Cash, Cash Equivalents, and Investments Held by Trustees for the City	92,391		
<b>Total Cash, Cash Equivalents, &amp; Investments - Primary Government</b>	1,377,571		
<b>Cash &amp; Cash Equivalents Managed by the Employees' Retirement Fund</b>			
Cash in Bank	286	N/A	N/A
<b>Investments Managed by the Employees' Retirement Fund</b>			
Investments	2,261,847	see Note B.5	
<b>Total Cash, Cash Equivalents, &amp; Investments - Employees' Retirement Fund</b>	2,262,133		
<b>Cash &amp; Cash Equivalents Managed by the Retiree Healthcare Fund</b>			
Cash in Bank	14,764	N/A	N/A
<b>Investments Managed by the Retiree Healthcare Fund</b>			
Investments	24,213	see Note B.4	
<b>Total Cash, Cash Equivalents, &amp; Investments - Retiree Healthcare Fund</b>	38,977		(continued)

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

<b>Cash Equivalents &amp; Investments – Discretely Presented Component Units</b>			
Federal Farm Credit Bank (FFCB)	\$	3,466	453 AAA
Federal Home Loan Bank (FHLB)		9,437	827 AAA
Federal Home Loan Mortgage Corp. (FHLMC)		7,649	704 AAA
Federal National Mortgage Assoc. (FNMA)		9,552	1,123 AAA
<b>Total Cash Equivalents &amp; Investments – Discretely Presented Component Units</b>		<u>30,104</u>	
<b>Total Cash, Cash Equivalents, &amp; Investments</b>		<u>\$ 3,708,785</u>	(concluded)

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

<b>Cash, Cash Equivalents, &amp; Investments, per note</b>	
Primary Government	\$ 1,377,571
Employees' Retirement Fund	2,262,133
Retiree Healthcare Fund	38,977
Discretely Presented Component Units	<u>30,104</u>
Total, per note	<u>\$ 3,708,785</u>
<b>Cash, Cash Equivalents, &amp; Investments, per Basic Financial Statements</b>	
Statement of Net Position - Primary Government	\$ 923,314
Statement of Net Position - Primary Government Restricted	454,257
Statement of Net Position - Discretely Presented Component Units	30,104
Statement of Fiduciary Net Position - Cash & Cash Equivalents	15,050
Statement of Fiduciary Net Position - Cash & Investments Held by Trustees	<u>2,286,060</u>
<b>Total, per Basic Financial Statements</b>	<u>\$ 3,708,785</u>

**B. 4. INVESTMENTS OF THE RETIREE HEALTHCARE FUND (THE “OPEB PLAN”)**

**INVESTMENTS**

Substantially all of the OPEB Plan’s investments are held by its trustee/custodian. The City of Fort Worth authorizes U.S. Bank to manage investments within certain policies as set forth by the City Council through the City’s Investment Policy. These policies mandate a diversified portfolio, which includes investments, either directly or in commingled accounts, in real estate, fixed income securities, and equity securities.

GASB Statement No. 40, *Deposit and Investment Risk Disclosures—an amendment to GASB Statement No. 3*, addresses common deposit and investment risks including custodial credit risk, credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. Required disclosures related to these risks are presented below:

**Custodial Credit Risk**—Custodial credit risk is the risk that in the event of failure of the counterparty, the OPEB Plan would not be able to recover the value of its investments. The OPEB Plan does not have a formal policy for custodial credit risk. As of September 30, 2013, all investments are registered in the name of the City of Fort Worth PARS Post-Retirement Health Care Plan or in the name of the OPEB Plan’s custodian established through a master trust custodial agreement.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

**Credit Risk of Debt Securities**—Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Below are the OPEB Plan’s investments as of September 30, 2013:

<u>Investment Type</u>	<u>Rating</u>	<u>Fair Value</u>
Fixed Income Mutual Funds:		
Barclays Fund	B	\$ 627
Core Fund	A	12,690
Vanguard Short-Term Investment	A	3,873
Total Fixed Income Mutual Funds		<u>17,190</u>
Equity Mutual Funds:		
MSCI Eafe Idx	N/A	901
Vanguard Emerg Mkt	N/A	506
TR Russell MCP GR	N/A	465
TR Russell MCP VL	N/A	352
S&P SMLCP Growth	N/A	474
S&P SMLCP Value	N/A	335
S&P 500 Index	N/A	1,411
S&P 500 Value	N/A	1,098
S&P 500 Growth	N/A	1,481
Total Equity Mutual Funds		<u>7,023</u>
Total Investments		<u>\$ 24,213</u>

**Concentration of Credit Risk**—Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The OPEB Plan’s investment policy addresses concentration limits on a manager basis. As of September 30, 2013, the OPEB Plan did not have any investments in commingled funds, where the underlying assets were not registered in the Fund’s name that totaled more than 5% of assets of the Fund.

**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 OPEB 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.

**B.5. INVESTMENTS OF THE EMPLOYEES’ RETIREMENT FUND (THE “PLAN”)**  
**INVESTMENTS**

Substantially all of the Plan’s investments are held by its trustee/custodian. The Retirement Fund Board of Directors authorizes various portfolio 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.

GASB Statement No. 40, *Deposit and Investment Risk Disclosures—an amendment to GASB Statement No. 3*, addresses common deposit and investment risks including custodial credit risk, credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. Required disclosures related to these risks are presented below:

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

**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, 2013, 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 is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Plan’s investment 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 Statement No. 40 does not require disclosure of U.S. government obligations explicitly guaranteed.

Below are the Plan’s investments as of September 30, 2013:

<b>Investment Type</b>	<b>S &amp; P Rating</b>	<b>Fair Value</b>
Asset & Mortgage Backed Obligations	AAA	\$ 22,669
Asset & Mortgage Backed Obligations	AA	2,650
Asset & Mortgage Backed Obligations	A	1,104
Asset & Mortgage Backed Obligations	BBB	3,338
Asset & Mortgage Backed Obligations	BB	1,054
Asset & Mortgage Backed Obligations	B	802
Asset & Mortgage Backed Obligations	CCC	2,126
Asset & Mortgage Backed Obligations	CC	235
Asset & Mortgage Backed Obligations	D	152
Asset & Mortgage Backed Obligations	NR	1,178
Total Asset & Mortgage Backed Obligations		<u>35,308</u>
Corporate Obligations	AAA	4,321
Corporate Obligations	AA	7,829
Corporate Obligations	A	19,528
Corporate Obligations	BBB	37,992
Corporate Obligations	BB	8,483
Corporate Obligations	B	2,162
Corporate Obligations	CCC	1,551
Corporate Obligations	CC	133
Corporate Obligations	C	35
Corporate Obligations	NR	1,357
Total Corporate Obligations		<u>83,391</u>
Government Agency Obligations	AAA	62,785
Government Agency Obligations	AA	6,260
Government Agency Obligations	A	2,110
Government Agency Obligations	BBB	616
Government Agency Obligations	B	75
Government Agency Obligations	NR	685
Total Government Agency Obligations		<u>72,531</u>

(continued)

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

<u>Investment Type</u>	<u>S &amp; P Rating</u>	<u>Fair Value</u>
International Obligations	AAA	\$ 11,710
International Obligations	AA	16,548
International Obligations	A	29,556
International Obligations	BBB	2,793
International Obligations	BB	2,229
International Obligations	NR	515
Total International Obligations		<u>63,351</u>
Securities Lending Collateral	AAA	18,725
Securities Lending Collateral	AA	40,435
Securities Lending Collateral	A	143,031
Securities Lending Collateral	NR	3,850
Total Securities Lending Collateral		<u>206,041</u>
Total Fixed Income Subject to Credit Risk		460,622
U.S. Treasuries (Not Subject to Credit Risk)		78,091
Short-Term Marketable Securities		170,665
Corporate Stock		716,857
Alternative Investments		519,461
Commingled Funds		318,496
Less: Investments in Non-City Funded Staff Plan		(2,345)
Total Investments		<u>\$ 2,261,847</u>

(concluded)

**Concentration of Credit Risk**—Concentration of credit risk is the risk of loss attributed to the Plan’s investment in a single issuer. The Plan’s investment policy addresses concentration limits on a manager basis. As of September 30, 2013, the Plan did not have any investments in commingled funds, where the underlying assets were not registered in the Fund’s name that totaled more than 5% of assets of the Fund.

**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:

<u>Investment Type</u>	<u>Less Than 1 Year</u>	<u>1 - 5 Years</u>	<u>6 - 10 Years</u>	<u>More Than 10 Years</u>	<u>Total Fair Value</u>
Asset & Mortgage Backed Obligations	\$ -	\$ 10,429	\$ 1,028	\$ 23,851	\$ 35,308
Corporate Obligations	1,778	35,282	23,869	22,462	83,391
Government Agency Obligations	415	1,487	1,971	68,658	72,531
International Obligations	8,784	22,639	11,250	20,678	63,351
Securities Lending Collateral	206,041	-	-	-	206,041
Total Interest Rate Risk Debt Securities	<u>\$ 217,018</u>	<u>\$ 69,837</u>	<u>\$ 38,118</u>	<u>\$ 135,649</u>	<u>\$ 460,622</u>

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

**Foreign Currency Risk** - Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. The Plan has no formal investment policy with regard to foreign currency risk as it is considered an intrinsic risk associated with the investment strategy. The Plan's exposure to foreign currency risk at September 30, 2013, is presented below:

Currency	Debt	Equity	Total
Australian Dollar	\$ 624	\$ 5,650	\$ 6,274
Brazilian Real	2,296	3,021	5,317
British Pound Sterling	5,131	46,026	51,157
Canadian Dollar	1,306	13,292	14,598
Chilean Peso	2,147	-	2,147
Danish Krone	-	5,768	5,768
Euro Currency Unit	18,751	70,969	89,720
Hong Kong Dollar	(9)	18,366	18,357
Hungarian Forint	960	-	960
Indian Rupee	2,128	-	2,128
Japanese Yen	(7,802)	35,693	27,891
Mexican New Peso	10,871	927	11,798
New Zealand Dollar	508	-	508
Norwegian Krone	-	4,329	4,329
Philippine Peso	598	986	1,584
Polish Zloty	48	-	48
Singapore Dollar	1	1,480	1,481
South African Rand	1,732	741	2,473
South Korean Won	33	6,893	6,926
Swedish Krona	1	3,678	3,679
Swiss Franc	-	19,448	19,448
Thai Baht	6	1,869	1,875
Turkish Lira	677	-	677
Total securities subject to foreign currency risk	\$ 40,007	\$ 239,136	\$ 279,143

**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 Fund's derivative positions are marked to market daily and managers may only trade with counterparties with a credit rating of A-/A3 as defined by Standard & Poor's (S&P) and Moody's, respectively. Substitution and risk control are the only strategies permitted; speculation is strictly prohibited. Derivatives are carried as assets when the fair value is positive and as liabilities 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. For financial reporting purposes, all Fund derivatives are classified as investment derivatives. The Fund was in possession of the following types of derivatives at September 30, 2013:

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

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.

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 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, 2013, classified by type:

Derivative Type	Changes in Fair Value		Fair Value	
	Classification	Amount	Amount	Notional
Fiduciary Funds				
Investment Derivatives				
Futures Contracts	Investment Income	\$ -	\$ -	\$ 65,595
Forward Contracts	Investment Income	(775)	(1,054)	90,078
Swap Agreements	Investment Income	(930)	(163)	81,499
Rights and Warrants	Investment Income	(54)	6	51
	Totals	\$ (1,759)	\$ (1,211)	\$ 237,223

Credit Risk—The Fund 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 Fund’s managers monitor the credit ratings of the counterparties. Should there be a counterparty failure, the Fund 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 Fund with a right of setoff in the event of bankruptcy or default by the counterparty. The Fund would be exposed to loss of collateral provided to the counterparty. Collateral provided by the counterparty reduces the Fund’s credit risk exposure.

The following Credit Risk Analysis schedule discloses the counterparty credit ratings of the Fund’s investment derivatives by type, as of September 30, 2013. 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

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

netting arrangement. The schedule displays the fair value of the investments by credit rating in increasing magnitude of risk. Investments are classified by S&P rating. If the investment does not have an S&P rating, the Moody's rating that corresponds to the S&P rating is used.

As of September 30, 2013, the Fund has a net exposure to credit risk of (\$1,211).

Derivative Type	AA	A	Not Rated	Total Fair Value
Forward Contracts	\$ -	\$ -	\$ (1,055)	\$ (1,055)
Rights and Warrants	-	-	7	7
Swap Agreements	16	(302)	123	(163)
Total	\$ 16	\$ (302)	\$ (925)	\$ (1,211)

**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, 2013, are disclosed in the following table:

Derivative Type	Notional Amount	Total Fair Value
Interest Rate Swaps	\$ 55,308	\$ (142)
Swaptions	26,191	(21)
Total	\$ 81,499	\$ (163)

**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 Fund's net foreign currency risk related to derivatives as of September 30, 2013.

Currency	Forward Contracts	Swap Agreements	Net Exposure
Australian Dollar	\$ 24	\$ -	\$ 24
Brazilian Real	93	(445)	(352)
British Pound Sterling	-	(2)	(2)
Chilean Peso	26	-	26
Euro Currency Unit	258	(10)	248
Hungarian Forint	15	-	15
Japanese Yen	43	-	43
Indian Rupee	70	-	70
Mexican Peso	1	129	130
South Korean Won	27	-	27
Turkish Lira	7	-	7
Totals	\$ 564	\$ (328)	\$ 236

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

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

**SECURITIES LENDING**

The Plan is authorized to contractually lend securities to borrowers in accordance with policy established by the Board of Trustees. 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. 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 market 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 collateral held exceeds the value of the assets on loan at September 30, 2013.

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, 2013, the value of the collateral held was \$206,041 and the value of securities out on loan at September 30, 2013, was \$200,639. The Plan earned \$788 (prior to payment for collateral losses discussed below) on its securities lending activity for the fiscal year ended September 30, 2013.

**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 fair value of approximately (\$1,054) at September 30, 2013, which contractually obligates the Plan to deliver currencies at a specified date. The Plan could be exposed to 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, 2013, the fair value of these contracts is included in due to/from broker.

**NOTE C: RECEIVABLES AND INTERFUND BALANCES**

**C.1. RECEIVABLES**

Receivables at September 30, 2013 for governmental activities of the City's individual major funds and nonmajor and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, consist of the following:

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

<u>Receivables</u>	Total					
	General	Debt Service	Capital Projects	Nonmajor Governmental	Internal Service	Governmental Activities
Taxes	\$ 31,045	\$ 8,952	\$ -	\$ -	\$ -	\$ 39,997
Grants and Other Governments	21,680	-	-	27,283	-	48,963
Levied, Unbilled Assessments	-	-	2,082	-	-	2,082
Loans	-	-	-	5,823	-	5,823
Long-Term Loans	-	-	-	12,482	-	12,482
Interest	254	739	112	136	16	1,257
Accounts and Other	53,838	-	666	3,622	13	58,139
<b>Total Gross Receivables</b>	<b>106,817</b>	<b>9,691</b>	<b>2,860</b>	<b>49,346</b>	<b>29</b>	<b>168,743</b>
Less Allowance for Doubtful Accounts:						
Taxes	(25,435)	(7,376)	-	-	-	(32,811)
Levied, Unbilled Assessments	-	-	(2,082)	-	-	(2,082)
Accounts and Other	(40,995)	-	-	(87)	-	(41,082)
<b>Total Allowance</b>	<b>(66,430)</b>	<b>(7,376)</b>	<b>(2,082)</b>	<b>(87)</b>	<b>-</b>	<b>(75,975)</b>
<b>Total Receivables, Net</b>	<b>\$ 40,387</b>	<b>\$ 2,315</b>	<b>\$ 778</b>	<b>\$ 49,259</b>	<b>\$ 29</b>	<b>\$ 92,768</b>

Receivables at September 30, 2013 for business-type activities of the City's individual major enterprise funds and nonmajor enterprise funds in the aggregate, including the applicable allowances for uncollectible accounts, consist of the following:

<u>Receivables</u>	Water and Sewer	Stormwater Utility	Nonmajor Enterprise	Total Business-type Activities
	Interest	\$ 115	\$ 40	\$ 53
Accounts and Other	50,759	3,974	8,932	63,665
Grants - Restricted	62	-	-	62
Interest - Restricted	311	180	116	607
<b>Total Gross Receivables</b>	<b>51,247</b>	<b>4,194</b>	<b>9,101</b>	<b>64,542</b>
Less Allowance for Doubtful Accounts:				
Accounts and Other	(1,182)	(624)	(335)	(2,141)
<b>Total Allowance</b>	<b>(1,182)</b>	<b>(624)</b>	<b>(335)</b>	<b>(2,141)</b>
<b>Total Receivables, Net</b>	<b>\$ 50,065</b>	<b>\$ 3,570</b>	<b>\$ 8,766</b>	<b>\$ 62,401</b>

Governmental funds report a liability, *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:

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

<u>Description</u>	<u>Unavailable</u>	<u>Unearned</u>
Property Taxes	\$ 5,790	\$ -
Grants and Other Governments	12,370	21,527
Loans	-	5,822
Long-Term Loans	-	11,433
Other	-	1,354
Total Unavailable/Unearned Revenues	<u>\$ 18,160</u>	<u>40,136</u>
Total Deferred Revenue for Governmental Funds		<u>\$ 58,296</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:

<u>Description</u>	<u>Water and Sewer</u>	<u>Nonmajor Enterprise</u>	<u>Total Business-type Activities</u>
Deposits and Rents	\$ 1,422	\$ 252	\$ 1,674
Grants	-	81,939	81,939
Total Unearned Revenues	<u>\$ 1,422</u>	<u>\$ 82,191</u>	<u>\$ 83,613</u>

**C.2. INTERFUND RECEIVABLES AND PAYABLES**

Interfund receivable and payable balances at September 30, 2013, were as follows:

<b>Receivable Fund</b>	<b>Payable Fund</b>	<b>Total</b>
General Fund	Nonmajor Enterprise	<u>\$ 200</u>

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

The \$200 receivable in the General Fund from the Nonmajor Enterprise Funds is due from the Municipal Golf Fund for interim financing for golf turf maintenance.

**C.3. ADVANCES**

Advances from/to other funds at September 30, 2013, are as follows:

<b>Receivable Fund</b>	<b>Payable Fund</b>	<b>Total</b>
General	Nonmajor Enterprise	\$ 7,996
General	Internal Service	1,186
Nonmajor Enterprise	Stormwater Utility	2,190
Nonmajor Enterprise	Capital Projects	10,523
Nonmajor Enterprise	Capital Projects	7,796
Total:		<u>\$ 29,691</u>

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

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

The \$7,996 payable to the General Fund from the Nonmajor Enterprise Funds is due from the Municipal Golf Fund to cover a cash deficit. This advance will be repaid from future operating revenues.

The \$2,190 payable to the Nonmajor Enterprise Funds from the Stormwater Utility Fund consists of an advance to the Municipal Airport Fund for the construction of storm drain improvements.

The \$10,523 payable to the Nonmajor Enterprise Funds from the Capital Projects Fund is due to the Solid Waste Fund for Construction costs.

The \$7,796 payable to the Nonmajor Enterprise Funds from the Capital Projects Fund is due to the Municipal Airport Fund for road improvements.

**C. 4. TRANSFERS**

Transfers made during the year are as follows:

	<b>Transfers In:</b>								<b>Total</b>
	<b>General Fund</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Nonmajor Gov't</b>	<b>Water and Sewer</b>	<b>Stormwater Utility</b>	<b>Nonmajor Enterprise</b>	<b>Internal Service</b>	
<b>Transfers Out:</b>									
General Fund	\$ -	\$ 2,659	\$ 14,101	\$ 252	\$ 83	\$ 5	\$ -	\$ 24	\$ 17,124
Capital Projects	1,896	-	-	1,760	3,595	519	165	-	7,935
Nonmajor									
Governmental Funds	11,927	7,248	4,962	1,059	2,437	1	-	37	27,671
Water and Sewer Fund	24,719	-	1,010	107	-	-	-	-	25,836
Stormwater Utility	2,223	-	1,287	-	391	-	-	-	3,901
Nonmajor									
Enterprise Funds	5,461	-	686	484	200	-	143	-	6,974
Internal Service Funds	699	-	27,399	-	-	-	-	-	28,098
<b>Total</b>	<b>\$ 46,925</b>	<b>\$ 9,907</b>	<b>\$ 49,445</b>	<b>\$ 3,662</b>	<b>\$ 6,706</b>	<b>\$ 525</b>	<b>\$ 308</b>	<b>\$ 61</b>	<b>\$ 117,539</b>

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, 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 \$2,659 to the Debt Service Fund for 2011 Tax Notes.

The General Fund transferred \$14,101 to the Capital Projects Fund of which \$13,472 was used to finance street maintenance programs.

The Capital Projects Fund transferred \$3,595 to the Water and Sewer Fund of which \$2,996 was used for dredging and sediment disposal of Phase 2 areas at Lake Worth.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

The Nonmajor Governmental Funds transferred \$11,927 to the General Fund of which \$7,997 was from the Crime Control and Prevention District Fund for the monthly crime control allocation.

The Culture and Tourism Fund transferred \$7,248 to the Debt Service Fund to pay principal and interest on Convention Center Debt.

The Culture and Tourism Fund transferred \$4,962 to the Capital Projects Fund of which \$2,054 was used to renovate the Richardson-Bass building at the Will Rogers Memorial Center.

The Special Trust Fund transferred \$2,437 to the Water and Sewer Fund of which \$2,137 was used for water and sewer main relocations for the Trinity River Vision.

The Water and Sewer Fund transferred \$24,719 to the General Fund of which \$17,972 was for street rentals and \$5,246 for the PILOT (Payments in Lieu of Taxes) program.

The Stormwater Fund transferred \$2,223 to the General Fund of which \$1,720 was for street rentals and \$354 was for the PILOT (Payments in Lieu of Taxes) program.

The Solid Waste Fund transferred \$5,461 to the General Fund of which \$4,682 was for the solid waste allocation.

The Internal Service Funds transferred \$27,399 to the Capital Projects Fund of which \$27,253 was to finance capital purchases.

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

**NOTE D: FUND EQUITY**

**D.1 FUND DEFICITS**

*Municipal Golf Fund*—Current year decrease in net position of \$581 increased the deficit from \$5,757 to \$6,338. This deficit will be offset by revenues in future years.

*Office Services Internal Services Fund*—Current year decrease in net position of \$50 resulted in an increase in the deficit from \$664 to \$714. This deficit will be offset by user fee increases in future years.

*Capital Project Services Internal Services Fund*—Current year decrease in net position of \$1,409 resulted in a deficit of \$1,221. This deficit will be offset by user fee increases in future years.

*Discretely Presented Component Units, Taxing Increment Reinvestment Zone No. 9*—Current year decrease in net position of \$28,276 was due to an inter-local agreement with Tarrant Regional Water District to fund work performed on the Trinity River Vision project and resulted in a deficit of \$50,924. This deficit will be offset by property tax revenues received in future years.

**D.2 UNASSIGNED FUND BALANCE**

In non-major governmental funds, the Grants Fund has a deficit \$2,830 in unassigned fund balance because revenues were unavailable (collectible during the current period or soon after) to be used to pay liabilities of the current period.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

**D.3 GENERAL FUND BALANCE**

The City has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which identifies the portions of fund balance that are recognized as Nonspendable, Restricted, Committed, Assigned, and Unassigned. As of September 30, 2013, the General Fund's nonspendable fund balance includes \$9,182 for advances to other funds and \$2,541 for inventories. The restricted fund balance of \$9,047 includes \$6,660 of certificates of obligation proceeds restricted for the purchase of fire equipment and construction of a new public safety training facility, \$1,600 for the Collective Bargaining Agreement between the City and the Fort Worth Professional Firefighters Association, and \$787 for risk financing. The committed fund balance includes amounts for risk financing of \$63,286, \$375 for purchase of new equipment, and \$10,516 for funding purchases in the next fiscal year totaling \$74,177. The assigned fund balance of \$8,005 includes amounts for subsequent year expenditures and capital projects. As of September 30, 2013, the General Fund had an unassigned fund balance of \$58,383.

**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	Storm Water Utility	Nonmajor Enterprise Funds	Internal Service Funds	Total
<b>Debt Service:</b>					
Cash and Cash Equivalents	\$ 35,369	\$ 1,713	\$ 1,649	\$ -	\$ 38,731
Cash and Cash Equivalents Held by Trustees	90	-	-	-	90
Interest Receivable	240	6	14	-	260
	<u>35,699</u>	<u>1,719</u>	<u>1,663</u>	<u>-</u>	<u>39,081</u>
<b>Capital Improvements:</b>					
Cash and Cash Equivalents	116,506	84,200	106,372	90	307,168
Cash and Cash Equivalents Held by Trustees	33,236	-	17,079	-	50,315
Grant Receivables	62	-	-	-	62
Interest Receivable	64	174	102	-	340
	<u>149,868</u>	<u>84,374</u>	<u>123,553</u>	<u>90</u>	<u>357,885</u>
<b>Customer Deposits:</b>					
Cash and Cash Equivalents	13,470	-	874	-	14,344
	<u>13,470</u>	<u>-</u>	<u>874</u>	<u>-</u>	<u>14,344</u>
<b>Other Restrictions:</b>					
Cash and Cash Equivalents	-	-	1,623	-	1,623
Cash and Cash Equivalents Held by Trustees	3,824	-	2,859	-	6,683
Interest Receivable	7	-	-	-	7
	<u>3,831</u>	<u>-</u>	<u>4,482</u>	<u>-</u>	<u>8,313</u>
<b>Total</b>	<u>\$ 202,868</u>	<u>\$ 86,093</u>	<u>\$ 130,572</u>	<u>\$ 90</u>	<u>\$ 419,623</u>

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

**NOTE F: CAPITAL ASSETS**

Capital asset activity for Governmental Activities for the year ended September 30, 2013, was as follows:

	<b>Beginning Balance October 1, 2012</b>	<b>Additions/ Transfers In</b>	<b>Decreases/ Transfers Out</b>	<b>Ending Balance September 30, 2013</b>
<b>Total Governmental Activities</b>				
Capital Assets, Not Being Depreciated:				
Land/Right of Way	\$ 156,910	\$ 12,558	\$ (262)	\$ 169,206
Construction in Progress	271,713	182,143	(155,704)	298,152
<b>Total Capital Assets, Not Being Depreciated</b>	<b>428,623</b>	<b>194,701</b>	<b>(155,966)</b>	<b>467,358</b>
Capital Assets, Being Depreciated:				
Buildings	379,639	207	(10,340)	369,506
Vehicles, Machinery, and Equipment	197,319	8,893	(3,395)	202,817
Infrastructure	2,336,106	142,294	(5,895)	2,472,505
<b>Total Capital Assets, Being Depreciated</b>	<b>2,913,064</b>	<b>151,394</b>	<b>(19,630)</b>	<b>3,044,828</b>
Less Accumulated Depreciation for:				
Buildings	178,638	9,014	(3,406)	184,246
Vehicles, Machinery, and Equipment	141,365	13,534	(3,197)	151,702
Infrastructure	1,435,056	82,958	(5,475)	1,512,539
<b>Total Accumulated Depreciation</b>	<b>1,755,059</b>	<b>105,506</b>	<b>(12,078)</b>	<b>1,848,487</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>1,158,005</b>	<b>45,888</b>	<b>(7,552)</b>	<b>1,196,341</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 1,586,628</b>	<b>\$ 240,589</b>	<b>\$ (163,518)</b>	<b>\$ 1,663,699</b>

Capital asset activity for Business-Type Activities for the year ended September 30, 2013, was as follows:

	<b>Beginning Balance October 1, 2012</b>	<b>Additions/ Transfers In</b>	<b>Decreases/ Transfers Out</b>	<b>Ending Balance September 30, 2013</b>
<b>Business-Type Activities</b>				
Capital Assets, Not Being Depreciated:				
Land/Right of Way	\$ 101,209	\$ 6,116	\$ (10,065)	\$ 97,260
Construction in Progress	425,045	194,049	(206,645)	412,449
<b>Total Capital Assets, Not Being Depreciated</b>	<b>526,254</b>	<b>200,165</b>	<b>(216,710)</b>	<b>509,709</b>
Capital Assets, Being Depreciated:				
Buildings	106,958	-	(317)	106,641
Vehicles, Machinery, and Equipment	381,920	4,165	(4,724)	381,361
Infrastructure	2,559,744	207,999	(4,562)	2,763,181
<b>Total Capital Assets, Being Depreciated</b>	<b>3,048,622</b>	<b>212,164</b>	<b>(9,603)</b>	<b>3,251,183</b>
Less Accumulated Depreciation for:				
Buildings	35,835	2,610	(291)	38,154
Vehicles, Machinery, and Equipment	202,133	15,878	(4,651)	213,360
Infrastructure	749,117	68,260	(2,724)	814,653
<b>Total Accumulated Depreciation</b>	<b>987,085</b>	<b>86,748</b>	<b>(7,666)</b>	<b>1,066,167</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>2,061,537</b>	<b>125,416</b>	<b>(1,937)</b>	<b>2,185,016</b>
<b>Business-Type Activities Capital Assets, Net</b>	<b>\$ 2,587,791</b>	<b>\$ 325,581</b>	<b>\$ (218,647)</b>	<b>\$ 2,694,725</b>

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

Depreciation expense was charged as follows for the year ended September 30, 2013:

	<b>Depreciation Expense</b>
<b>Governmental Activities</b>	
General Government	\$ 4,943
Public Safety	9,827
Transportation and Public Works	78,332
Parks and Community Services	6,136
Public Library	1,266
Public Events and Facilities	4,051
Planning and Development	82
Housing	593
Total Governmental Depreciation	<u>105,230</u>
<b>Major Business-Type Activities</b>	
Water	70,406
Stormwater Utility	3,703
<b>Nonmajor Business-Type Activities</b>	
Municipal Airports	9,612
Municipal Golf	555
Municipal Parking	1,446
Solid Waste	1,026
Total Business-Type Depreciation	<u>86,748</u>
<b>Total Depreciation</b>	<u><u>\$ 191,978</u></u>

The Governmental Activities depreciation expense includes \$1,241 of depreciation expense from the Internal Service Funds. Capital assets were transferred to governmental activities from business-type activities during fiscal year 2013 with related accumulated depreciation of \$276. This amount is included in the *Additions/Transfers In* amount included in the governmental activities capital asset activity schedule.

The City capitalizes interest during the construction period in proprietary fund capital projects. For the year ended September 30, 2013 interest was capitalized in the Water and Sewer Fund, Municipal Parking Fund, and Stormwater Utility Fund in the amounts of \$9,313, \$305, and \$4,159, respectively. The total amount of interest paid during fiscal year 2013 was \$77,981.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

**NOTE G: DEBT OBLIGATIONS**

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

The following is a summary of changes in long-term obligations for the year ended September 30, 2013:

	<b>Balance at October 1, 2012</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance at September 30, 2013</b>	<b>Due Within One Year</b>
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 458,800	\$ 37,130	\$ 56,850	\$ 439,080	\$ 30,115
Certificates of Obligation	247,600	57,235	17,205	287,630	20,440
Convention Center Installment Obligation	3,770	-	690	3,080	695
HUD Installment Obligations	6,034	-	752	5,282	778
Equipment Notes	54,450	-	7,590	46,860	7,715
Service Center Obligation	19,515	-	535	18,980	555
Fort Worth Housing Finance Corp Obligation	9,073	-	9,073	-	-
Fort Worth Sports Authority Obligation	8,476	-	90	8,386	-
Lone Star Local Government Corp Obligation	31,617	-	-	31,617	-
Central City Local Government Corp Obligation	872	-	525	347	-
State Energy Conservation Loan Phase I & II	1,925	-	676	1,249	702
State Energy Conservation Loan Phase III	3,102	-	512	2,590	517
ESPC Phase IV	7,820	-	7,820	-	-
ESPC Phase VII	-	18,443	-	18,443	379
Wells Fargo Loan	78	-	78	-	-
Capital Leases	4,096	-	280	3,816	337
Unamortized Bond Premium	53,471	5,150	6,452	52,169	-
Unamortized Loss on Refunding	(13,768)	(1,832)	(3,194)	(12,406)	-
Retainage Payable	2,104	2,011	596	3,519	-
Compensated Absences	114,926	38,606	38,719	114,813	38,719
Risk Management Estimated Claims Payable	37,528	104,772	102,593	39,707	25,390
Other Post Employment Benefits Obligation	346,447	48,697	-	395,144	-
Net Pension Obligation	51,634	2,913	-	54,547	-
Total Governmental Activities	<u>1,449,570</u>	<u>313,125</u>	<u>247,842</u>	<u>1,514,853</u>	<u>126,342</u>

(continued)

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

	<b>Balance at October 1, 2012</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance at September 30, 2013</b>	<b>Due Within One Year</b>
<b>Business-Type Activities:</b>					
Water and Sewer - Revenue Bonds	\$ 743,715	\$ 9,765	\$ 59,140	\$ 694,340	\$ 61,200
Water and Sewer - Trinity River Authority Oblig.	6,656	30	586	6,100	600
Water and Sewer - ESPC Phase V	15,365	14,691	15,365	14,691	1,336
Stormwater - Revenue Bonds	140,295	-	3,715	136,580	3,825
Solid Waste - Equipment Notes	750	-	750	-	-
Solid Waste - Certificates of Obligation	5,655	-	435	5,220	435
Municipal Parking - Certificates of Obligation	48,030	-	1,005	47,025	1,495
Municipal Golf - Certificates of Obligation	2,350	-	140	2,210	150
Unamortized Bond Premium	46,008	-	6,477	39,531	-
Unamortized Loss on Refunding	(12,425)	-	(1,742)	(10,683)	-
Compensated Absences	9,923	4,116	4,077	9,962	4,389
Landfill Closure and Postclosure Liability	4,164	318	-	4,482	-
Pollution Remediation Liability	6,939	1,348	4,878	3,409	-
Other Post Employment Benefits Obligation	53,914	7,758	-	61,672	-
Net Pension Obligation	8,231	442	-	8,673	-
Total Business-Type Activities	<u>1,079,570</u>	<u>38,468</u>	<u>94,826</u>	<u>1,023,212</u>	<u>73,430</u>
<b>Total Long-Term Liabilities</b>	<u><u>\$ 2,529,140</u></u>	<u><u>\$ 351,593</u></u>	<u><u>\$ 342,668</u></u>	<u><u>\$ 2,538,065</u></u>	<u><u>\$ 199,772</u></u>

(concluded)

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

Governmental Activities long-term debt is summarized as follows:					
	Interest Rate %	Year of Issue	Year of Maturity	Original Amount	Amount Outstanding
<b>General Obligation Bonds:</b>					
Series 2004 Refunding	3.0-5.0	2004	2021	\$ 46,230	\$ 24,575
Series 2007	4.48	2007	2027	50,000	35,000
Series 2007A	4.38-4.531	2007	2027	100,000	68,315
Series 2008	4.64	2008	2018	49,650	11,180
Series 2009	2.5-5.0	2009	2029	85,180	68,140
Series 2010	2.0-4.0	2010	2030	20,590	17,510
Series 2011 Refunding	2.0-5.0	2011	2023	46,680	46,000
Series 2012 Refunding	2.0-5.0	2012	2032	135,485	131,230
Series 2013 Refunding	2.0-4.5	2013	2033	37,130	37,130
Total General Obligation Bonds					<u>439,080</u>
<b>Certificates of Obligation:</b>					
Series 2005	5.0-6.0	2005	2025	7,200	665
Series 2005A	4.5	2005	2025	7,700	4,620
Series 2007	5.0-5.25	2007	2027	40,250	28,160
Series 2008	4.64	2008	2018	63,150	14,225
Series 2009	3.0-4.375	2009	2029	55,585	37,945
Series 2010	2.0-4.25	2010	2031	34,685	32,310
Series 2010A	3.0-5.0	2010	2030	38,025	31,150
Series 2012	3.0-5.0	2012	2032	85,790	81,320
Series 2013A	2.0-5.0	2013	2033	46,095	46,095
Series 2013B	2.0-4.99	2013	2033	11,140	11,140
Total Certificates of Obligation					<u>287,630</u>
<b>Convention Center Installment Obligation:</b>					
Series 1997	5.0-5.8	1997	2017	10,000	3,080
<b>HUD Installment Obligation:</b>					
Series 2000A	4.46-6.8	2000	2017	3,475	1,060
Series 2005	4.46-6.8	2005	2020	7,500	4,222
Total HUD Installment Obligation					<u>5,282</u>
<b>Equipment Notes:</b>					
Series 2008	2.66	2008	2015	25,000	7,725
Series 2011	2.24	2011	2018	43,050	39,135
Total Equipment Notes					<u>46,860</u>
<b>Service Center Obligation:</b>					
Series 2004	2.6-4.75	2004	2034	22,725	18,980
Fort Worth Sports Authority Obligation	n/a	1997	2026	20,000	8,386
Lone Star Local Gov't Corp. Obligation	4.75	2006	2024	31,617	31,617
<b>Central City Local Gov't Corp. Obligation:</b>					
Series 2006	4.75	2006	2016	3,574	347
<b>State Energy Conservation Loans:</b>					
Phase I & II	3.0	2004	2018	4,992	1,249
Phase III	3.0	2007	2019	5,000	2,590
Total State Energy Conservation Loans					<u>3,839</u>

(continued)

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

Governmental Activities long-term debt is summarized as follows:					
	Interest Rate %	Year of Issue	Year of Maturity	Original Amount	Amount Outstanding
ESPC VII	2.236	2013	2026	\$ 18,443	\$ 18,443
Capital Leases	9.675-11.0	2011	2021		3,816
Net Unamortized Bond Premium/Discount and Loss on Refunding				n/a	39,763
Retainage Payable	n/a	n/a	n/a	n/a	3,519
Compensated Absences	n/a	n/a	n/a	n/a	114,813
Estimated Claims Payable	n/a	n/a	n/a	n/a	39,707
Other Post Employment Benefits Obligation	n/a	n/a	n/a	n/a	395,144
Net Pension Obligation	n/a	n/a	n/a	n/a	54,547
Total Governmental Activities Long-Term Debt					\$ 1,514,853

(concluded)

The Debt Service Fund has been used to liquidate the general obligation bonds, certificates of obligations, convention center obligation, and the equipment notes. The General Fund and the nonmajor governmental funds have been used to liquidate all other governmental activities' long-term debt.

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 2003 Refunding	3.0-5.5	2003	2023	\$ 86,495	\$ 115
Series 2003A Refunding	2.0-5.25	2003	2015	50,370	13,345
Series 2005	3.0-5.25	2005	2025	120,400	45,910
Series 2005A Refunding	3.0-5.0	2005	2020	73,075	51,710
Series 2005 TWDB*	0.35-2.4	2005	2025	7,890	5,035
Series 2005A TWDB*	2.2-3.5	2005	2025	11,500	5,815
Series 2005B TWDB*	4.45-6.25	2005	2025	64,520	44,085
Series 2007	5.0	2007	2027	100,000	79,790
Series 2007A TWDB*	1.75-3.0	2007	2027	33,560	25,980
Series 2007B TWDB*	2.2-3.0	2007	2017	49,585	38,985
Series 2008 Refunding	3.88	2008	2024	44,085	33,120
Series 2009 TWDB*	-	2009	2026	16,265	13,715
Series 2010 Refunding	4.0-5.0	2010	2020	98,855	68,105
Series 2010A TWDB*	0.36-2.62	2010	2016	40,000	31,525
Series 2010B	0.15-2.85	2010	2030	28,000	24,185
Series 2010C	4.0-5.25	2010	2030	45,870	40,690
Series 2011 Refunding	4.0-5.25	2011	2031	151,160	141,210
Series 2012 Refunding	2.0-5.0	2012	2025	31,155	31,020
Total Revenue Bonds					694,340
Trinity River Authority Obligations:					
Series 2002	4.0-5.0	2011	2022	6,795	6,100
ESPC Phase V	3.68	2010	2018	15,365	14,691
Total Water and Sewer					715,131
Solid Waste:					
Certificate of Obligation, Series 2005A	4.5	2005	2025	7,400	5,220

\* Texas Water Development Board

(continued)

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

Business-Type long-term debt is summarized as follows:					
	Interest Rate %	Year of Issue	Year of Maturity	Original Amount	Amount Outstanding
Municipal Parking:					
Certificates of Obligation:					
Series 2007	5.0-5.25	2007	2033	\$ 20,935	\$ 19,020
Series 2009	5.0-5.25	2009	2033	27,135	26,555
Series 2010A	3.0-5.0	2010	2020	1,955	1,450
Total Municipal Parking					<u>47,025</u>
Municipal Golf:					
Certificates of Obligation:					
Series 2010A	3.0-5.0	2010	2025	2,615	<u>2,210</u>
Stormwater Utility:					
Revenue Bonds:					
Series 2007	4.25-5.0	2008	2033	24,430	21,270
Series 2009	2.0-4.3	2009	2035	45,190	41,305
Series 2011	2.0-5.0	2011	2036	78,325	74,005
Total Stormwater Utility					<u>136,580</u>
Net Unamortized Bond Premium/Discount and Loss on Refunding				n/a	28,848
Compensated Absences	n/a	n/a	n/a	n/a	9,962
Landfill Closure and Postclosure Liability	n/a	n/a	n/a	n/a	4,482
Pollution Remediation Liability	n/a	n/a	n/a	n/a	3,409
Other Postemployment Benefits Obligation	n/a	n/a	n/a	n/a	61,672
Net Pension Obligation	n/a	n/a	n/a	n/a	8,673
Total Business-Type long-term debt					<u>\$ 1,023,212</u>

(concluded)

**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 secured solely or in part by ad valorem taxes levied on all taxable property within the City.

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 principal, whichever is greater. At September 30, 2013, \$17,060 of cash and investments is available in the Debt Service Fund to service General Obligation Bonds and Certificates of Obligation for governmental activities.

In September 2013, the City issued Certificates of Obligation, Series 2013A, in the amount of \$46,095. Bond proceeds were used to fund projects from the 2007 Critical Capital Program, cost overruns from the 2004 and 2008 Bond Programs, purchase Fire Department equipment, fund additional arterial and bridge projects and pay costs related to the issuance of the bonds. The bonds will mature on March 1 of each year from 2014 to 2033 and are payable in installments ranging from \$2,700 to \$2,105. Interest is payable on March 1 and September 1 of each year commencing in March 2014 at interest rates ranging from 2.0 percent to 5.0 percent.

In September 2013, the City issued Certificates of Obligation, Series 2013B, in the amount of \$11,140 to fund design and construction of capital improvements to the Will Rogers Memorial Center and pay costs associated with the issuance of the bonds. The bonds will mature on March 1 of each year from 2014 to 2033 payable in

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

installments ranging from \$435 to \$820. Interest is payable on March 1 and September 1 of each year commencing in March 2014 at interest rates ranging from 2.0 percent to 4.99 percent.

In September 2013, the City issued General Purpose Refunding and Improvement Bonds, Series 2013, in the amount of \$37,130 to refund \$27,065 of existing General Obligation Bonds and Certificates of Obligation, to pay the cost associated with the bond issue, and to fund capital projects. The sale was authorized by voters in the 2004 and 2008 Bond Programs. These bonds will mature on March 1 of each year from 2014 to 2033 in installments ranging from \$2,325 to \$4,760. Interest is payable on March 1 and September 1 of each year commencing March 2014 with interest rates ranging from 2.0 percent to 4.5 percent. U.S. Government, State, and Local Government Series (SLGS) were purchased and placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded \$27,065 bonds. As a result, the refunded bonds are considered to be defeased and the liability is not reflected in the statement of net position. The advance refunding resulted in a reduction in principal and interest payments of \$3,795 over the life of the bonds. This refunding resulted in an economic gain (difference between the present value of the old and new debt service payments) of \$3,182.

In May 2013, the City entered into a Master Municipal Equipment Lease – Purchase agreement with All American Investment Group, LLC in the amount of \$18,443. This amount supports the refinance of Phase IV of the City's Energy Savings Performance Contract (ESPC) and to finance the implementation of Phase VII of the ESPC, in the amount of \$10,955 with Johnson Controls, Inc.

**G. 3. COMMERCIAL PAPER PROGRAM**

In July 1998, the City established a tax-exempt commercial paper program pursuant to which short-term notes with maturities of up to 270 days could be issued to finance projects approved by the voters of the City. The maximum amount of Commercial Paper Notes (Series B) the City may have outstanding, at any one time, cannot exceed \$125 million. There was no outstanding commercial paper at year-end. No commercial paper was issued during fiscal year 2013. The agreement with the liquidity provider for the commercial paper program, JPMorgan Chase, expired in April 2013.

In April 2013, The City entered into an agreement with Wells Fargo to provide for the sale of short-term notes in an aggregate principal amount not to exceed \$100,000. The maximum amount of Direct Purchase Notes the City may have outstanding, at any one time, cannot exceed \$100 million. The City issued Direct Purchase Notes of \$250 to establish program. There were no outstanding direct purchase notes at year end.

**G. 4. ENTERPRISE DEBT**

Water and Sewer Revenue Bonds and Stormwater 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 are recorded in the Municipal Parking Fund, the Municipal Golf Fund, and the Solid Waste Fund. These bonds have no specific claim against Municipal Parking, Municipal Golf, or Solid Waste revenues. However, debt service requirements are provided by the Water and Sewer Fund, Solid Waste Fund, Stormwater Fund, Municipal Golf Fund, and Municipal Parking Fund. Accordingly, the debt is reflected as a fund obligation.

In accordance with the revenue bond ordinances, a reserve for debt service is maintained. At September 30, 2013, \$38,821 of cash and investments was available for payments of principal and interest on all Enterprise Fund debt. The Water and Sewer Fund has substituted surety bonds in the amount of \$2,489 that are also held in reserve to

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

provide for payment of debt service obligations in the event there are insufficient amounts on deposit to make debt service payments.

During 2013 the City drew down 10 installments of Water and Sewer Revenue Bonds, Series 2010A, as follows: November 1<sup>st</sup> \$50; November 7<sup>th</sup> \$75; January 15<sup>th</sup> \$460; February 11<sup>th</sup> \$215; March 15<sup>th</sup> \$885; April 30<sup>th</sup> \$3,075; May 13<sup>th</sup> \$455; May 29<sup>th</sup> \$1,065; July 18<sup>th</sup> \$2,225; and September 30<sup>th</sup> \$1,260. These bonds were issued to fund improvements to the sewer system. The installments will mature on February 15 of each year from 2011 to 2016 payable in installments ranging from \$1,295 to \$1,810. Interest is payable on February 15<sup>th</sup> and August 15<sup>th</sup> of each year, commencing in February 2014 with an interest rate of 2.56 percent. The City has pledged future water and sewer customer revenues to repay the revenue bonds.

In May 2011 the Trinity River Authority issued Revenue Refunding Bonds (Series 2011) for \$6,795, refunding the Series 2002 bonds. The overall obligation to the City was increased by \$30.

Net revenues of the City’s enterprise funds—defined as net operating income, plus depreciation expense, plus investment income, plus gas lease revenues (only Municipal Golf Fund)—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, 2013, net pledged revenue by fund was as follows:

Fund	FY2013	FY2013	Purpose of Debt
	Net Pledged Revenues	Debt Service	
Water and Sewer Fund	\$ 141,730	\$ 90,887	Extending and improving water and sewer system
Solid Waste Fund	8,656	1,420	Landfill improvements
Stormwater Fund	17,762	9,378	Improvements of storm drains, roadways, and erosion protection
Municipal Parking	4,226	3,625	Construction of City-owned parking garage
Municipal Golf	64	233	Municipal Golf's portion of new financial management system
Total	<u>\$ 172,438</u>	<u>\$ 105,543</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 solid waste, storm water, and municipal parking net revenues to repay long-term bonded debt. The City reports the net revenues in nonmajor proprietary funds.

The City is responsible for environmental cleanup of Riverside Park funded by the Water and Sewer Fund and asbestos removal before environmental cleanup of City owned buildings paid from the Environmental Management Fund (nonmajor governmental). The City is required to report the estimated liability for pollution remediation activities in accordance with GASB Statement No. 49, *Reporting for Pollution Remediation Obligations*. As of September 30, 2013, the City’s liability was \$3,409 for the Water and Sewer 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 assumes that there will be no major increases in the cost of providing these cleanup services. These estimates are subject to changes as a result of price increases, changes in technology, and new laws and regulations.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

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

The annual requirements to amortize all bonded and contractual debt outstanding as of September 30, 2013, is disclosed by Governmental type as shown on the following pages:

<b>Governmental Activities:</b>								
<b>Year</b>			<b>Convention Center</b>					
<b>Ending</b>			<b>Certificates of</b>		<b>Installment</b>		<b>Equipment Notes</b>	
<b>September</b>	<b>General Obligations</b>		<b>Obligation</b>		<b>Obligation</b>			
<b>30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2014	\$ 30,115	\$ 20,468	\$ 20,440	\$ 12,795	\$ 695	\$ 178	\$ 7,715	\$ 1,026
2015	30,110	19,298	20,290	12,143	750	138	7,840	810
2016	32,035	17,929	20,030	11,366	795	95	3,915	657
2017	30,780	16,549	18,920	10,619	840	49	3,915	570
2018	30,365	14,671	19,030	9,205	-	-	23,475	263
2019-2023	154,275	48,396	80,260	31,806	-	-	-	-
2024-2028	105,225	17,852	68,750	14,621	-	-	-	-
2029-2033	26,175	2,163	39,910	3,242	-	-	-	-
	<u>\$ 439,080</u>	<u>\$ 157,326</u>	<u>\$ 287,630</u>	<u>\$ 105,797</u>	<u>\$ 3,080</u>	<u>\$ 460</u>	<u>\$ 46,860</u>	<u>\$ 3,326</u>

(continued)

<b>Governmental Activities:</b>								
<b>Year</b>			<b>State Energy</b>				<b>State Energy</b>	
<b>Ending</b>	<b>HUD Installment</b>		<b>Service Center</b>		<b>Conservation Loan</b>		<b>Conservation Loan</b>	
<b>September</b>	<b>Obligations</b>		<b>Obligation</b>		<b>Phase I &amp; II</b>		<b>Phase III</b>	
<b>30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2014	\$ 778	\$ 235	\$ 555	\$ 875	\$ 702	\$ 25	\$ 517	\$ 82
2015	805	207	580	851	547	5	533	66
2016	834	177	605	825	-	-	549	50
2017	865	145	635	798	-	-	566	33
2018	632	109	660	770	-	-	425	13
2019-2023	1,368	114	3,765	3,387	-	-	-	-
2024-2028	-	-	4,740	2,411	-	-	-	-
2029-2033	-	-	6,045	1,105	-	-	-	-
2034-2038	-	-	1,395	34	-	-	-	-
	<u>\$ 5,282</u>	<u>\$ 987</u>	<u>\$ 18,980</u>	<u>\$ 11,056</u>	<u>\$ 1,249</u>	<u>\$ 30</u>	<u>\$ 2,590</u>	<u>\$ 244</u>

(continued)

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

<b>Governmental Activities:</b>				
<b>Year</b>				
<b>Ending</b>	<b>ESPC Phase VII</b>		<b>Total Governmental</b>	
<b>September</b>			<b>Activities</b>	
<b>30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2014	\$ 379	\$ 411	\$ 61,896	\$ 36,095
2015	639	399	62,094	33,917
2016	976	382	59,739	31,481
2017	998	360	57,519	29,123
2018	1,172	336	75,759	25,367
2019-2023	8,641	1,150	248,309	84,853
2024-2028	5,638	197	184,353	35,081
2029-2033	-	-	72,130	6,510
2034-2038	-	-	1,395	34
	<u>\$ 18,443</u>	<u>\$ 3,235</u>	<u>\$ 823,194</u>	<u>\$ 282,461</u>

(concluded)

The City has three blended component units whose long-term debt is paid through revenues transferred from discretely presented component units or Tax Increment Reinvestment Zones (TIRZs). TIRZ #2A makes debt service payments on Fort Worth Sports Authority’s \$8,386 debt obligation. TIRZ #4 makes debt service payments on Central City Local Government Corp’s \$347 debt obligation. TIRZ #10 makes debt service payments on Lone Star Local Government Corp’s \$31,617 debt obligation. Debt payments by these TIRZs are determined based on the revenue that each TIRZ receives during the year. Therefore, no definitive payment schedule has been determined

The annual requirements to amortize all Major Fund Business-Type bonded and contractual debt outstanding as of September 30, 2013, is as follows:

<b>Major Business-Type Activities:</b>										
<b>Year</b>									<b>Total</b>	
<b>Ending</b>	<b>Water and Sewer</b>		<b>Water and Sewer</b>		<b>Water and Sewer</b>		<b>Stormwater</b>		<b>Major</b>	
<b>September</b>	<b>Revenue</b>		<b>TRA</b>		<b>ESPC V Loan</b>		<b>Utility Revenue</b>		<b>Business-Type</b>	
<b>30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2014	\$ 61,200	\$ 27,083	\$ 600	\$ 149	\$ 1,336	\$ 332	\$ 3,825	\$ 5,522	\$ 66,961	\$ 33,086
2015	62,775	26,082	615	136	1,418	300	3,960	5,381	68,768	31,899
2016	58,735	23,422	635	124	1,475	266	4,130	5,221	64,975	29,033
2017	59,930	20,779	650	111	1,508	232	4,300	5,072	66,388	26,194
2018	62,565	18,018	670	98	1,544	196	4,460	4,925	69,239	23,237
2019-2023	223,980	56,630	2,930	178	7,410	419	25,450	21,446	259,770	78,673
2024-2028	132,560	18,150	-	-	-	-	31,485	15,673	164,045	33,823
2029-2033	32,595	1,874	-	-	-	-	38,950	8,357	71,545	10,231
2034-2038	-	-	-	-	-	-	20,020	1,122	20,020	1,122
	<u>\$694,340</u>	<u>\$192,038</u>	<u>\$ 6,100</u>	<u>\$ 796</u>	<u>\$ 14,691</u>	<u>\$ 1,745</u>	<u>\$136,580</u>	<u>\$72,719</u>	<u>\$851,711</u>	<u>\$267,298</u>

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

The annual requirements to amortize all Nonmajor Fund Business-Type bonded and contractual debt outstanding as of September 30, 2013, is as follows:

<b>Nonmajor Business-Type Activities:</b>								
<b>Year</b>	<b>Municipal</b>		<b>Solid</b>		<b>Municipal</b>		<b>Total</b>	
<b>Ending</b>	<b>Parking</b>		<b>Waste</b>		<b>Golf</b>		<b>Non-Major</b>	
<b>September</b>	<b>CO</b>		<b>CO</b>		<b>CO</b>		<b>Business-Type</b>	
<b>30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2014	\$ 1,495	\$ 2,560	\$ 435	\$ 207	\$ 150	\$ 85	\$ 2,080	\$ 2,852
2015	1,565	2,490	435	189	155	79	2,155	2,758
2016	1,640	2,419	435	171	160	74	2,235	2,664
2017	1,710	2,344	435	153	165	70	2,310	2,567
2018	1,795	2,263	435	135	170	64	2,400	2,462
2019-2023	9,805	9,765	2,175	404	960	201	12,940	10,370
2024-2028	12,445	6,669	870	35	450	18	13,765	6,722
2029-2033	16,570	2,531	-	-	-	-	16,570	2,531
	<u>\$ 47,025</u>	<u>\$ 31,041</u>	<u>\$ 5,220</u>	<u>\$ 1,294</u>	<u>\$ 2,210</u>	<u>\$ 591</u>	<u>\$ 54,455</u>	<u>\$ 32,926</u>

**G.6. ARBITRAGE**

The City frequently issues bonds for capital construction projects. These bonds are subject to the arbitrage regulations. At September 30, 2013, the liability for rebate of arbitrage was \$2 for business-type activities. This amount is included in the “Current Portion of Long-Term Liabilities” on the statement of net assets.

**G. 7. LEASES**

Obligations under capital leases represent the remaining principal amounts under lease purchase agreements for the acquisition of two municipal buildings (the Southwest Municipal Court Building and the Armory Building). These leases are recorded as capital leases in the government-wide reporting. Amortization of the leased assets is included in depreciation expenditures in the government-wide reporting. The leased buildings had an original cost totaling \$4,419.

The following is a summary of capital lease transactions of the City for the year ended September 30, 2013:

Capital Lease Obligations, October 1, 2012	\$ 4,096
Principal Payments	<u>280</u>
Capital Lease Obligations, September 30, 2013	<u>\$ 3,816</u>

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

Future minimum lease payments for these leases are as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Lease</u> <u>Payments</u>
2014	\$ 695
2015	702
2016	709
2017	717
2018	725
2019-2023	<u>1,688</u>
Less: Amount Representing Interest	<u>(1,420)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 3,816</u></u>

The following schedule provides an analysis of the City's investment in capital assets under lease arrangements as of September 30, 2013:

Buildings	\$ 4,419
Less: Accumulated Depreciation	<u>(582)</u>
Total Net Book Value of Lease Assets	<u><u>\$ 3,837</u></u>

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 180 months. The following is a schedule by years of future minimum rental payments required under the operating leases as of September 30, 2013:

<u>Year Ending</u> <u>September 30,</u>	
2014	\$ 1,953
2015	1,267
2016	843
2017	617
2018	<u>164</u>
Total Minimum Payments Required	<u><u>\$ 4,844</u></u>

Total rental expense for the year was \$3,245.

The Fort Worth Sports Authority entered into a purchase contract to purchase the Texas Motor Speedway. Annual payments consist of a percentage of the tax increment revenues from Tax Increment Reinvestment Zone #2A and an additional percentage of tax increment revenues conditional upon the Texas Motor Speedway's contribution to economic development. The Fort Worth Sports Authority is obligated for tax increment revenues collected through 2026, with the total purchase price not to exceed \$20,000. The contract 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. Total principal remaining on the contract is \$8,386, payable through 2026. In fiscal year

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

2009 the City entered into an agreement with Texas Motor Speedway Corp. concerning gas bonus and lease revenues related to the racetrack. The agreement stated that upon the corporation initiating a gas lease agreement, the corporation would use this revenue to offset the amount the City owed for the racetrack. The gas lease agreement was entered into during fiscal year 2012 and in accordance with this agreement, Tax Increment Reinvestment Zone #2A debt payments are reduced to \$90 per year until the purchase contract is complete. The Texas Motor Speedway also has an agreement with Fort Worth Sports Authority to lease back the facility for \$50 to \$100 annually over the 30 year lease. The lease term extends to 2026 with renewal options to extend for an additional 10 years. The lease is accounted for by the City as an operating lease.

The Lone Star Local Government Corporation (a blended component unit) entered into an agreement with Cabela’s to finance a museum inside Cabela’s Fort Worth facility. Annual payments consist of property tax increment revenues from Tax 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. The contract 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. Total principal and interest remaining on the contract is \$31,617, payable through 2024. The interest rate for this agreement is 4.75 percent. The agreement also includes management fees charged by Cabela’s that are to be paid by giving the museum to Cabela’s at the end of the agreement.

**G. 8. DEFEASANCE OF PRIOR DEBT**

In prior years, the City defeased certain outstanding General Obligation, Certificates of Obligation, and Revenue Bonds 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, 2013, the following outstanding bonds are considered defeased:

General Obligation Bonds and Certificates of Obligation <i>Series 2003 through 2008</i>	\$ 82,465
Water and Sewer System Revenue Bonds <i>Series 2003 through 2005</i>	<u>33,230</u>
Bonds Defeased	<u>\$ 115,695</u>

**G.9. DISCRETELY PRESENTED COMPONENT UNIT DEBT**

During FY2011 Taxing Increment Reinvestment Zone No. 9 (TIRZ #9) entered into an agreement with Tarrant Regional Water District (TRWD) to reimburse TRWD for TIRZ #9’s share of the Trinity River Vision project’s cost. As of September 30, 2013, the unreimbursed amount due to TRWD was \$50,933. The reimbursement will be made from property tax collections for TIRZ #9. Debt payments by this TIRZ are determined based on revenues during the year; therefore, no definitive debt payment schedule has been determined.

**G. 10. CONDUIT DEBT**

On October 30, 1991, the Alliance Airport Authority, Inc. issued Special Facilities Revenue Bonds, Series 1991, in the amount of \$125,745, of which \$49,525 is outstanding as of September 30, 2013. The bonds do not constitute a debt of the Authority or of the City.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

On May 12, 2006, the Alliance Airport Authority, Inc., issued Special Facilities Revenue Refunding Bonds, Series 2006, in the amount of \$245,150 to defease the Special Facilities Revenue Bonds, Series 1996. As of September 30, 2013, \$245,150 is outstanding. The bonds do not constitute a debt of the Authority or of the City.

On March 22, 2007, the Alliance Airport Authority, Inc., issued Special Facilities Revenue Refunding Bonds, Series 2007, in the amount of \$357,130 to defease Special Facilities Revenue Bonds, Series 1990. As of September 30, 2013, \$357,130 is outstanding. The bonds do not constitute a debt of the Authority or of the City.

**NOTE H: LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS**

State and federal laws and regulations require the City to place a final cover on its Southeast landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only 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 as of each balance sheet date. 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 laws and regulations to provide financial assurance for closure and postclosure care. Through a standby letter of credit filed with the state, the City is in compliance with these requirements.

The City reported \$4,482 as landfill closure and postclosure care liability in the Solid Waste Fund at September 30, 2013. This represents the cumulative amount reported to date based on the use of 30.9 percent of the estimated current permitted capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$10,006 as the remaining estimated capacity is filled. The City expects to close the landfill in 46 years from the end of the current fiscal year, or the year 2059. The total cost of closure and postclosure is an estimate and is subject to changes resulting from inflation, deflation, technology changes, or changes in applicable laws and regulations.

Furthermore, at September 30, 2013, the City reported cash and cash equivalents of \$1,623 as restricted assets for closure and postclosure care and has \$2,859 in a trust instrument for these costs provided from its contractor (Allied Waste, Inc). The City expects that future closure and postclosure care costs and inflation costs will be completely covered by the trust instrument, in accordance with the contractual agreement with Allied Waste, Inc. Allied will operate and close the landfill once it has reached capacity, and maintain and monitor the landfill during the postclosure care period.

**NOTE I: D/FW INTERNATIONAL AIRPORT**

The Dallas/Fort Worth International Airport (Airport) is a local government entity located between the cities of Fort Worth and Dallas (Cities). The Airport's Board of Directors (the Board) comprises 12 members, 11 of whom are appointed by the city councils of the Airport's owner cities. Seven represent the City of Dallas and four represent the City of Fort Worth, in accordance with each city's ownership interest in the Airport. In order to facilitate communication between and among the Airport and its neighbors, a 12th, non-voting board position representing one of the Airport's four neighboring cities—Irving, Grapevine, Euless and Coppell—is filled on an annual, rotating basis. The Board must submit an expenditure budget for each fiscal year to the City Manager of each city by July 15<sup>th</sup>. The governing body of each city must approve the budget by September 1.

Joint Revenue Bonds were issued to construct the Airport. Concurrent Bond Ordinances require the Board to annually adopt a Schedule of Charges that is: (1) reasonably estimated to produce Gross Revenues in an amount sufficient to at least pay Operation and Maintenance Expenses plus 1.25 times Accrued Aggregate Debt Service

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

and (2) reasonably estimated to at least produce Current Gross Revenues in an amount sufficient to pay Operation and Maintenance Expenses plus 1.00 times Accrued Aggregate Debt Service. Outstanding debt and related debt service are accounted for by the Dallas/Fort Worth International Airport. The current portion of the Joint Revenue Bonds payable totaled \$91,915 and the long-term portion was \$6,166,739 as of September 30, 2013.

The following condensed financial information has been taken from the Airport's September 30, 2013, financial statements:

Total Assets	\$ 7,508,539
Total Liabilities	<u>6,558,829</u>
Net Position	<u>\$ 949,710</u>
Operating Revenues	\$ 577,481
Operating Expenses	637,546
Non-Operating Revenues (Expenses)	(79,647)
Capital Contributions	20,960
Special Item	<u>(32,283)</u>
Change in Net Position	<u>\$ (151,035)</u>

The Cities have executed covenants individually, by ordinance, to levy a maintenance tax if necessary to assure that the Airport will be efficiently operated and maintained. The amount of such tax is limited for each city in its respective ratio to the lesser of 5 cents per one hundred dollars of assessed valuation of the property in each city or the amount of the maintenance tax required. The Airport Board has entered into agreements with air carriers and other parties utilizing the Airport which provide for adjustments to rentals, fees and other charges which management believes preclude the need for a maintenance tax. To date, no maintenance tax has been levied by the Cities.

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, but they are available at the City's Financial Management Services Department. Separate audited financial statements, which are publicly available, can be obtained by contacting the Airport at 3200 East Airfield Drive, P.O. Box 619428, DFW Airport, Texas 75261.

**NOTE J: EMPLOYEES' RETIREMENT PLAN OF THE CITY OF FORT WORTH, TEXAS**

**Plan Description**

The Employees' Retirement Plan of the City of Fort Worth (Plan) is a single-employer defined benefit retirement system, established under legal authority of the City Charter and administered by the City, covering all regular fulltime employees of the City of Fort Worth. The Plan is administered by the Retirement Fund's Board of Directors, and it has an actuarial valuation completed each year. The funded status of the Plan is based on current and projected assets and liabilities. The Plan issues separate audited financial statements, which are publicly available and can be obtained by contacting the Pension Plan at 3800 Hulen Street, Suite 101, Fort Worth, Texas 76109.

The City has received a favorable letter of determination from the Internal Revenue Service (IRS) stating that its Plan is qualified under Section 401(a) of the Internal Revenue Code. The authority to define or amend employer and employee contribution rates or benefits is given to the Fort Worth City Council (the City Council). The Plan is considered part of the City's financial reporting entity and is included in the City's basic financial statements as

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

a pension trust fund. The City’s payroll for employees covered by the City Plan for the year ended September 30, 2013, was approximately \$387,000, and total payroll was approximately \$403,000.

Effective June 15, 2007, article 6243i of the Texas Revised Civil Statutes (Article 6243i)—a new state law governing the Plan—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 Plan. The administrative rules govern the administration and benefits of the plan. The Board may change the administrative operation of the Plan without the City’s approval, while any increases to the benefit structure must be approved by the City, following an actuarial assessment. A reduction in benefits must be proposed by the City, and the City must notify the Board 90 days in advance of such benefit reduction.

As of January 1, 2013, (date of most recent actuarial valuation) and January 1, 2012, the Plan’s membership consisted of the following members (numbers in table below are not in thousands):

	<b>January 1, 2013</b>	<b>January 1, 2012</b>
Retirees and Beneficiaries Currently Receiving Benefits	3,706	3,636
Terminated Employees Entitled to Benefits but Not Yet Paid	277	279
	3,983	3,915
Active Members	6,278	6,281
Total	10,261	10,196

**Vesting**

Members vest in the Plan after five years of credited service. Vested members are eligible for normal retirement on the last day of the month in which the earlier of the following occurs: the member’s age plus years of credited service equal 80 (“Rule of 80”), or the member reaches age 65. Service for municipal employees hired after July 1, 2011, and police officers hired after January 1, 2013, is not projected to normal retirement date. Vested members may elect early retirement at age 50 at a reduced pension. The City has adopted a 25-year-and-out program for police officers, which allows for full retirement after 25 years of service, regardless of age. Members terminating employment prior to vesting are entitled to receive their contributions plus interest (currently 5.25% annually). Members who are vested have the option of receiving their contributions plus interest or leaving their contributions in the fund and receiving retirement benefits as described above.

**Pension Benefits**

The major provisions of the Plan are as follows:

<b>Normal Retirement:</b>	
Age and Service Requirement	Age 65 or age plus years of service equal to 80 points; municipal employees hired after July 1, 2011, are subject to an age minimum of 55. Police officers are also eligible with 25 years of service.
Amount	3% of the compensation base multiplied by total years of service; 2.5% for municipal employees hired after July 1, 2011, and police officers hired after January 1, 2013.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

Compensation Base	Average of member's highest three calendar year's earnings (including overtime); average of member's highest five calendar year's earnings (excluding overtime) for municipal employees hired after July 1, 2011, and police officers hired after January 1, 2013.
-------------------	--

<b>Termination Benefits:</b>	
Age and Service Requirement	None
Amount	A member with less than five years of service who withdraws from the plan is eligible to receive a refund of contributions at 5.25% interest, compounded annually while an active member. A member who terminates with 5 or more years of service is entitled to a vested pension, but may receive a refund of contributions at 5.25% interest—compounded annually while an active member— instead of the vested pension.

During fiscal year 2008, the City of Fort Worth passed a new ad-hoc Cost of Living Adjustment (COLA) program effective January 1, 2008. All non-vested members as of December 31, 2007, are enrolled in the ad-hoc COLA program. All vested members and retired members were given the opportunity to select whether they wanted to change their current guaranteed 2% COLA to participate in the ad-hoc COLA. Members that did not make a selection were treated as if they chose the current 2% COLA. Members that selected the ad-hoc COLA and non-vested members will have their COLAs determined based on the funding status of the Plan based on the previous year's actuarial valuation. These COLAs are compounded based on the benefit received the previous calendar year, and they could be 0%, 2%, 3% or 4%. Retired members that selected the ad-hoc COLA received a 2% COLA on January 1, 2008. As allowed by GAAP, any future payments of ad-hoc COLA will not be included in the calculation of the unfunded actuarial liability until formally approved.

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 members that have entered the Deferred Retirement Option Program (DROP) to leave a part or all of their DROP balance with the Plan. Members that elect this option are credited the same earnings as the Plan on a monthly basis, and they are subject to losses if the Plan incurs negative earnings on Plan assets.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

<b>Death Benefits:</b>	<b>Spouse's Pre-Retirement Death Benefit (death in the line of duty):</b>
Age and Service Requirement	None
Amount	75% of the normal retirement benefit (based on a 3% multiplier) with years of service projected to the member's normal retirement date. Each child under 18 receives \$100 per month. For municipal employees hired after July 1, 2011, and police officers hired after January 1, 2013, the benefit is 75% of an actuarially equivalent 75% joint and survivor annuity (based on a 2.5% multiplier) with years of service projected to the member's normal retirement date.
Minimum	\$250 per month

<b>Death Benefits:</b>	<b>Spouse's Pre-Retirement Death Benefit (death not in the line of duty):</b>
Age and Service Requirement	5 years of service
Amount	75% of the accrued benefit (based on a 2.75% multiplier). Each child under 18 receives \$100 per month. For municipal employees hired after July 1, 2011, and police officers hired after January 1, 2013, the benefit is 75% of an actuarially equivalent 75% joint and survivor annuity (based on a 2.25% multiplier).
Minimum	\$150 per month

<b>Post-Retirement Death Benefit:</b>	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. Each child under 18 receives \$100 per month. The total benefit will not exceed the total amount of the member's pension. For municipal employees hired after July 1, 2011, and police officers hired after January 1, 2013, the benefit amount otherwise payable is reduced to reflect the joint and survivor coverage.
---------------------------------------	--

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

**Obligation to Contribute to the Plan**

The City contributes to the Plan an amount equal to 19.74% (20.46% for sworn police officers) of the salaries of members. The City Council, through its budget appropriation, has the right to contribute an additional amount over and above the members' contributions, in accordance with state law, plus the cost of administration of the Plan. No additional contributions were made during 2013. Employees of the City, as a condition of employment, commencing on the effective date of their membership in the Plan, shall contribute 8.25% (8.73% for sworn police officers) of their salary to the Plan until the date of their actual retirement or earlier termination of employment. The employer and employee contribution rates are not used when the actuary determines the annual required contributions to the Plan.

**Funding Status**

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 January 1, 2013, valuation shows that the unfunded accrued actuarial liability of the Plan increased by approximately \$299,200 from the valuation prepared as of January 1, 2012. The funded ratio of the Plan decreased from 71.4% to 63.9%, with a funding period of 35.8 years. This is a 7.4-year increase in the effective period, from 28.4 last year. Much of this increase in the effective period was already anticipated in last year's 30-year projection of valuation results, because 20% of the \$710 million market loss in 2008 remained to be recognized in the actuarial value of assets. The table below represents the most recent actuarially determined funding progress of the Plan (all amounts presented in 000's except percentages). A historical schedule of funding progress, which can be used to determine trend information about the funding status of the Plan, follows the financial statement notes in the required supplementary information.

<b>Valuation Date</b>	<b>Actuarial Value of Assets (AVA)</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Unfunded Actuarial Accrued Liability (UAAL)</b>	<b>Funded Ratio</b>	<b>Annual Covered Payroll</b>	<b>UAAL as % of Payroll</b>
			(3)-(2)	(2)/(3)		(4)/(6)
<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>(4)</u>	<u>(5)</u>	<u>(6)</u>	<u>(7)</u>
1/1/2013	\$ 1,854,900	\$ 2,902,300	\$ 1,047,400	63.9%	\$ 376,300	278.3%

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

**Actuarial Methods and Assumptions**

The following are the significant actuarial assumptions used for the January 1, 2013, actuarial valuation:

Valuation Date	January 1, 2013
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay, Open
Remaining Amortization Period	30 years
Assets Valuation Method	5-Year Smoothed Market
Actuarial assumptions:	
Investment Rate Return	8.00%
Payroll Growth Rate	3.25%
Projected Salary Increases	3.50%-18.00%
Cost-of-Living Adjustments	2.0%
Inflation Rate	3.0%

Annual pension cost and percentage of required contributions contributed are as follows:

	<u>September 30,</u> <u>2011</u>	<u>September 30,</u> <u>2012</u>	<u>September 30,</u> <u>2013</u>
Annual Required Contribution	\$ 60,042	\$ 67,652	\$ 79,485
Interest on Net Pension Obligation	6,827	5,807	5,112
Adjustment to Annual Required Contribution	(4,892)	(4,284)	(3,675)
Annual Pension Cost	61,977	69,175	80,922
Contributions Made	74,577	77,265	77,567
Increase (Decrease) in Net Pension Obligation	(12,600)	(8,090)	3,355
Net Pension Obligation, Beginning of Year	80,555	67,955	59,865
Net Pension Obligation, End of Year	<u>\$ 67,955</u>	<u>\$ 59,865</u>	<u>\$ 63,220</u>
Percentage of Annual Pension Cost			
Contributed	120.3%	111.7%	95.9%
Percentage of Annual Required Contribution			
Contributed	124.2%	114.2%	97.6%

The net pension obligation as of September 30, 2013, is reported in the Governmental Activities and Business-Type Activities statement of net position as \$54,547 and \$8,673, respectively.

**NOTE K: EMPLOYEE BENEFITS**

**K. 1. POSTEMPLOYMENT BENEFITS**

**Plan Descriptions**

In addition to the pension benefits described in Note J, the City of Fort Worth provides postemployment health care benefits, established under legal authority of the City Charter and administered by the City. The single-employer plan coverage is offered to all employees who retire from the City in accordance with criteria listed in Note J. However, some retirees elect not to continue the health coverage during their retirement. Currently 2,717 (not in thousands) retirees and beneficiaries meet those eligibility requirements. The City also provides a \$5 lump sum death benefit single-employer plan for beneficiaries of retired employees who retired on or after January 1, 1970. Neither of these plans issue stand-alone financial statements.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

Provided below are the statement of fiduciary net position and the statement of changes in fiduciary net position for the post Retiree Healthcare Plan as of and for the year ended September 30, 2013:

<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 14,764
Cash and Investments Held by Trustees:	
Short-Term Mutual Fund Investments	24,213
Total Current Assets	<u>38,977</u>
<b>NET POSITION HELD IN TRUST FOR PENSION AND OTHER EMPLOYEE BENEFITS</b>	
Postemployment Healthcare Plan	<u>\$ 38,977</u>
<b>ADDITIONS</b>	
Interest and Dividend Income	\$ 1,150
Less: Investment Management Fees and Interest Expense	(102)
Employer Contributions	35,433
Total Additions	<u>36,481</u>
<b>DEDUCTIONS</b>	
Benefit Payments	<u>21,637</u>
Total Deductions	<u>21,637</u>
Change in Net Position	14,844
Net Position, Beginning of Year	<u>24,133</u>
Net Position, End of Year	<u>\$ 38,977</u>

For those employees who terminate 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 all other employees who terminate without retirement, health care benefits continue for 30 days after termination. At that time the former employee has continuation rights to health insurance coverage under the Consolidated Omnibus Reconciliation Act of 1985. In accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the City will perform actuarial studies once every two years. The actuarial information presented in the notes and in the required supplementary section represent the January 1, 2013, actuarial valuation.

**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. During fiscal year 2013, 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 on the retiree's coverage election. The City paid for approximately 72 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 fiscal year 2013, the cost for health care benefits for

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

retirees, dependents, and surviving spouses was \$30,131. For fiscal year 2013, death benefit payments totaled \$418.

**Annual OPEB Costs**

The City's annual other postemployment benefit (OPEB) cost (expense) for each plan is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The City's annual OPEB cost for fiscal years ended September 30, 2011, September 30, 2012, and September 30, 2013, and the related information for each plan, are as follows (dollar amounts in thousands):

Funding Policy and Annual OPEB Cost	Healthcare			Death Benefit		
	9/30/2011	9/30/2012	9/30/2013	9/30/2011	9/30/2012	9/30/2013
Contribution Rates						
City		33% - 100% *			100%	
Plan Members		0% - 67% *			N/A	
Annual Required Contribution	\$ 110,705	\$ 105,502	\$ 98,334	\$ 984	\$ 1,435	\$ 943
Interest on Net OPEB Obligation	9,970	13,546	16,249	143	137	164
Adjustment to Annual Required Contribution	(14,270)	(19,339)	(23,198)	(127)	(195)	(234)
Annual OPEB Cost (Expense)	106,405	99,709	91,385	1,000	1,377	873
Contributions Made	(24,960)	(29,420)	(35,433)	(175)	(225)	(370)
Increase in Net OPEB Obligation	81,445	70,289	55,952	825	1,152	503
Net OPEB Obligation, Beginning of Year	243,174	324,619	394,908	3,476	4,301	5,453
Net OPEB Obligation, End of Year	\$ 324,619	\$ 394,908	\$ 450,860	\$ 4,301	\$ 5,453	\$ 5,956
Percentage of Annual OPEB Cost Contributed	23.5%	29.5%	38.8%	17.5%	16.3%	42.4%
Percentage of Annual Required Contribution						
Contributed	22.5%	27.9%	36.0%	17.8%	15.7%	39.2%

\* - The percentage paid by the City varies based on years of service.

At September 30, 2013, the total liability of \$456,816 for net OPEB obligation was \$395,144 for governmental activities and \$61,672 for business-type activities. The employer's required contribution rate as a percentage of payroll for fiscal year 2013 was 26.4%.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

**Funded Status and Funding Progress**

The funded status of the plan as of January 1, 2013, was as follows:

	<u>Healthcare</u>	<u>Death Benefit</u>
Actuarial Accrued Liability (a)	\$ 993,541	\$ 10,921
Actuarial Value of Plan Assets (b)	24,328	-
Unfunded Actuarial Accrued Liability (a) – (b)	<u>\$ 969,213</u>	<u>\$ 10,921</u>
Funded Ratio (b) / (a)	2.4%	0.0%
Covered Payroll (c)	\$ 376,317	\$ 376,317
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll [(a) – (b)] / (c)	258%	3%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**Actuarial Methods and Assumptions**

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Significant methods and assumptions were as follows:

	<u>Healthcare</u>	<u>Death Benefit</u>
Actuarial Valuation Date	1/1/2013	1/1/2013
Actuarial Cost Method	Unit Credit	Unit Credit
Amortization Method	Open, Level Dollar	Open, Level Dollar
Remaining Amortization Period	30	30
Asset Valuation Method	Market Value	Market Value
Actuarial Assumptions:		
Investment Rate of Return	4.1%	4.1%
Healthcare Cost Trend Rate	7.5% Initial, 5% Ultimate (in 2021)	N/A
Healthcare Inflation Rate	3%	N/A

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

**K. 2. DEFERRED COMPENSATION PLAN**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The City's Deferred Compensation Plan is administered by two trustees: International City Management Association Retirement Corporation (ICMARC) and Nationwide Retirement Solutions. In 1997, the City implemented the requirements of GASB Statement No. 32, *Accounting and Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. In accordance with this statement and recent tax law changes, the City amended its trust agreements, which establish that all assets and income of the trust are for the exclusive benefit of eligible employees and their beneficiaries. Due to the implementation of these changes, the City does not have any fiduciary responsibility or administrative duties relating to the deferred compensation plan other than remitting employees' contributions to the trustees. Accordingly, the City has not presented the assets and liabilities from the Deferred Compensation Plan in these basic financial statements. Deferred compensation investments are held by outside trustees. The City's Deferred Compensation Plan investments include mutual funds whose focus is on stocks, bonds, treasury securities, money-market-type investments, or a combination of these. The City's Deferred Compensation Plan, available to all permanent City employees, permits them to defer until future years up to \$17.5. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

**NOTE L: 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 fiscal year 2013 payments to the District under the agreement were \$61,590. 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.4., as of September 30, 2013, the City has recorded a pollution remediation liability of \$3,409 in accordance with GASB Statement No. 49, *Reporting for Pollution Remediation Obligations*. 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, if any, will not be significant.

The City has significant construction commitments at September 30, 2013, composed of the following:

	Project Authorization	Expended to September 30, 2013	Committed
Governmental Activities			
Capital Assets	\$ 2,776,068	\$ 2,225,245	\$ 550,823
Water and Sewer	2,345,095	2,092,635	252,460
Stormwater Utility	171,642	94,950	76,692
Total	<u>\$ 5,292,805</u>	<u>\$ 4,412,830</u>	<u>\$ 879,975</u>

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

Various other claims and lawsuits are pending against the City. At September 30, 2013, the City had potential losses from pending litigation that are reasonably possible totaling \$1,333 that have not been recorded. At September 30, 2013, the City recorded liabilities of \$39,707 for probable judgments and claims.

**NOTE M: CONDENSED FINANCIAL INFORMATION FOR COMPONENT UNITS AND NONMAJOR ENTERPRISE FUNDS**

**M.1. COMPONENT UNITS**

Taxing Increment Reinvestment Zone No. 3 (TIRZ #3), No. 3A (TIRZ #3A), No. 4 (TIRZ #4), No. 8 (TIRZ #8), and No. 9 (TIRZ #9) are the significant discretely presented component units. Fort Worth Public Improvement Districts No. 1, No. 6, No. 7, No. 8, No. 11, No. 12, No. 14 and No. 15, and Taxing Increment Reinvestment Zones No. 2A, 2B, 6, 7, 7A, 9A, 10, 10A, 12, and 13 are not significant discretely presented component units and are all included in the "Other" category.

Condensed financial information for all component units is presented below:

Condensed Schedule of Net Position:

	TIRZ #3	TIRZ #3A	TIRZ #4	TIRZ #8	TIRZ #9	OTHER	TOTAL
Current Assets	\$ 5,189	\$ 4,883	\$ 7,767	\$ 8,707	\$ 9	\$ 3,549	\$ 30,104
Receivables	3	3	12	8	-	323	349
Liabilities	(21)	-	(114)	-	(50,933)	(1,275)	(52,343)
Total Net Position	<u>\$ 5,171</u>	<u>\$ 4,886</u>	<u>\$ 7,665</u>	<u>\$ 8,715</u>	<u>\$ (50,924)</u>	<u>\$ 2,597</u>	<u>\$ (21,890)</u>

Condensed Schedule of Revenues, Expenses, and Changes in Net Position:

	TIRZ #3	TIRZ #3A	TIRZ #4	TIRZ #8	TIRZ #9	OTHER	TOTAL
Revenues	\$ 4,369	\$ 654	\$ 6,971	\$ 2,705	\$ 2,706	\$ 9,417	\$ 26,822
Expenses	<u>3,516</u>	<u>-</u>	<u>11,926</u>	<u>2,659</u>	<u>30,982</u>	<u>9,044</u>	<u>58,127</u>
Change in Net Position	853	654	(4,955)	46	(28,276)	373	(31,305)
Total Net Position, Beginning	<u>4,318</u>	<u>4,232</u>	<u>12,620</u>	<u>8,669</u>	<u>(22,648)</u>	<u>2,224</u>	<u>9,415</u>
Total Net Position, Ending	<u>\$ 5,171</u>	<u>\$ 4,886</u>	<u>\$ 7,665</u>	<u>\$ 8,715</u>	<u>\$ (50,924)</u>	<u>\$ 2,597</u>	<u>\$ (21,890)</u>

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

**M.2. NONMAJOR ENTERPRISE FUNDS**

Condensed financial information for the City's nonmajor enterprise funds is presented below:

	<b>Municipal Airports Fund</b>	<b>Municipal Parking Fund</b>	<b>Municipal Golf Fund</b>	<b>Solid Waste Fund</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>Condensed Schedule of Net Position</b>					
Assets					
Current Assets	\$ 86,351	\$ 811	\$ 160	\$ 36,075	\$ 123,397
Other Assets	46,492	4,794	2,063	15,782	69,131
Capital Assets	175,815	52,064	5,050	18,103	251,032
Total Assets	<u>308,658</u>	<u>57,669</u>	<u>7,273</u>	<u>69,960</u>	<u>443,560</u>
Liabilities					
Due to Other Funds	-	-	200	-	200
Other Current Liabilities	85,847	2,224	653	8,334	97,058
Advances from Other Funds	-	-	7,996	-	7,996
Other Noncurrent Liabilities	1,540	46,891	4,762	13,829	67,022
Total Liabilities	<u>87,387</u>	<u>49,115</u>	<u>13,611</u>	<u>22,163</u>	<u>172,276</u>
Deferred Inflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,569</u>	<u>4,569</u>
Net Position					
Net Investment in Capital Assets	172,488	5,413	2,638	12,883	193,422
Restricted	13	346	676	416	1,451
Unrestricted	48,770	2,795	(9,652)	29,929	71,842
Total Net Position	<u>\$ 221,271</u>	<u>\$ 8,554</u>	<u>\$ (6,338)</u>	<u>\$ 43,228</u>	<u>\$ 266,715</u>
<b>Condensed Schedule of Revenues, Expenses, and Changes in Net Position</b>					
Operating Revenues	\$ 5,413	\$ 7,106	\$ 4,579	\$ 56,229	\$ 73,327
Depreciation Expense	9,612	1,446	555	1,026	12,639
Other Operating Expenses	6,826	2,891	4,963	47,669	62,349
Operating Income (Loss)	<u>(11,025)</u>	<u>2,769</u>	<u>(939)</u>	<u>7,534</u>	<u>(1,661)</u>
Nonoperating Revenues (Expenses):					
Investment Income	811	11	4	96	922
Interest and Service Charges	-	(2,286)	(95)	(232)	(2,613)
Gas Leases and Royalties	11,385	-	444	-	11,829
Other Nonoperating Revenues (Expenses)	(2,330)	2	(111)	24	(2,415)
Capital Contributions	16,034	-	35	29	16,098
Transfers In	-	165	143	-	308
Transfers Out	(822)	(147)	(62)	(5,943)	(6,974)
Change in Net Position	14,053	514	(581)	1,508	15,494
Beginning Net Position	207,218	8,040	(5,757)	41,720	251,221
Ending Net Position (Deficit)	<u>\$ 221,271</u>	<u>\$ 8,554</u>	<u>\$ (6,338)</u>	<u>\$ 43,228</u>	<u>\$ 266,715</u>
<b>Condensed Schedule of Cash Flows</b>					
Net Cash Provided (Used) by:					
Operating Activities	\$ 9,620	\$ 3,952	\$ (394)	\$ 10,428	\$ 23,606
Noncapital Financing Activities	2,871	18	964	(5,943)	(2,090)
Capital and Related Financing Activities	(1,927)	(7,016)	(839)	(1,895)	(11,677)
Investing Activities	(9,676)	11	4	90	(9,571)
Net Increase (Decrease)	888	(3,035)	(265)	2,680	268
Beginning Cash and Cash Equivalents	109,279	7,651	2,321	32,178	151,429
Ending Cash and Cash Equivalents	<u>\$ 110,167</u>	<u>\$ 4,616</u>	<u>\$ 2,056</u>	<u>\$ 34,858</u>	<u>\$ 151,697</u>

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

**NOTE N: SUBSEQUENT EVENTS**

The City drew down the thirty fifth (October 31, 2013), thirty sixth (November 21, 2013), thirty seventh (January 13, 2014) and thirty eighth (February 27, 2014) installments of the Water and Sewer System Revenue Bonds, Series 2010A, totaling \$1,350. See Note G for interest and maturity date information.

On October 22, 2013, the City issued Combination TX and Revenue Certificates of Obligation Bonds, Series 2013C for the amount of \$19,270 to be used for the acquisition of the James Avenue Maintenance Facility currently leased by the City from Service Center Relocation (an LGC acting on behalf of the City) and to pay associated issuance costs.

On March 4, 2014, the City issued Water & Sewer System Revenue Refunding and Improvement Bonds, Series 2014 for the amount of \$171,415 to be used to fund projects in the Water and Wastewater Capital Improvement Program and to refund selected outstanding obligations.

The City adopted certain changes to the pension plan applicable to police and general employees that reduce certain benefits for future service of current employees and eliminate certain plan provisions for future employees. Concurrent with these changes, employees who had previously selected the ad hoc COLA were given the opportunity to select back into a standard COLA provision. These actions became the subject of certain lawsuits with the plan and employee groups. Because of the uncertainty of the outcome of the employee selections and the litigation, and because these changes were made to be effective as of October 1, 2013, the changes were not reflected in the January 1, 2013 pension actuarial study, but will be reflected in future studies.

**NOTE O: NEW ACCOUNTING STANDARDS**

In March 2012, GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations. This Statement is effective for the City's financial periods beginning October 1, 2013.

In March 2012, GASB issued Statement No. 66, *Technical Corrections – 2012, an amendment of GASB Statements No. 10 and No. 62*. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement amends Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and the internal service fund type. As a result, governments should base their decisions about fund type classification on the nature of the activity to be reported, as required in Statement 54 and Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. This Statement also amends Statement No. 62 by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes clarify how to apply Statement No. 13,

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

*Accounting for Operating Leases with Scheduled Rent Increases*, and result in guidance that is consistent with the requirements in Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, respectively. This Statement is effective for the City's financial periods beginning October 1, 2013.

In June 2012, GASB issued Statement 67, *Financial Reporting for Pension Plans*. This Statement replaces the requirements of Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and Statement No. 50 as they relate to pension plans that are administered through trusts or similar arrangements meeting certain criteria. The Statement builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. Statement No. 67 enhances note disclosures and RSI for both defined benefit and defined contribution pension plans. Statement No. 67 also requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules. This Statement is effective for the City's financial periods beginning October 1, 2013.

In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. Statement No. 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI). This Statement is effective for the City's financial periods beginning October 1, 2014.

In January 2013, GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. The objective of this Statement is to improve accounting and financial reporting for U.S. state and local governments' combinations and disposals of government operations. Government combinations include mergers, acquisitions, and transfers of operations. A disposal of government operations can occur through a transfer to another government or a sale. The new standard provides guidance for:

- Determining whether a specific government combination is a government merger, a government acquisition, or a transfer of operations;
- Using carrying values (generally, the amounts recognized in the pre-combination financial statements of the combining governments or operations) to measure the assets, deferred outflows of resources, liabilities, and deferred inflows of resources combined in a government merger or transfer of operations;
- Measuring acquired assets, deferred outflows of resources, liabilities, and deferred inflows of resources based upon their acquisition values in a government acquisition; and
- Reporting the disposal of government operations that have been transferred or sold.

This Statement is effective for the City's financial periods beginning October 1, 2014.

In April 2013, GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This liability should be reported until legally released as an obligor. This Statement also requires a

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**

(continued)

government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units by specifying the information required to be disclosed by governments that extend nonexchange financial guarantee as well as new information to be disclosed by governments that receive nonexchange financial guarantees. This Statement is effective for the City's financial periods beginning October 1, 2013, with earlier application being encouraged. Management has not determined what impact, if any, this GASB statement might have on its financial statements.

In November 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This Statement amends Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine *all* such amounts. This Statement is effective for the City's financial periods beginning October 1, 2014.

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  
GENERAL FUND - BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

(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>Actual</u>	<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
<b>Revenues and Other Financing Sources:</b>				
Revenues:				
General Property Taxes	\$ 289,297	\$ 289,297	\$ 287,112	\$ (2,185)
Sales Taxes	108,798	108,798	118,646	9,848
Other Local Taxes	8,008	8,008	8,566	558
Charges for Services	23,888	23,888	25,835	1,947
Licenses and Permits	46,965	46,965	47,659	694
Fines and Forfeitures	19,150	19,750	18,228	(1,522)
Revenue from Use of Money and Property	3,657	3,657	4,146	489
Intergovernmental	1,255	1,255	769	(486)
Other	253	1,252	3,381	2,129
<b>Total Revenue</b>	<u>501,271</u>	<u>502,870</u>	<u>514,342</u>	<u>11,472</u>
Other Financing Sources:				
Transfers In - Other Funds	41,773	43,006	43,715	709
Intrafund Transfer In - Other General	-	317	653	336
<b>Total Other Financing Sources</b>	<u>41,773</u>	<u>43,323</u>	<u>44,368</u>	<u>1,045</u>
<b>Total Revenue and Other Financing Sources</b>	<u>543,044</u>	<u>546,193</u>	<u>558,710</u>	<u>12,517</u>
<b>Expenditures:</b>				
Departmental:				
City Manager	6,720	6,787	6,460	327
Internal Audit	2,608	2,833	2,685	148
City Secretary	1,083	1,123	1,057	66
Legal	5,896	5,913	5,745	168
Financial Management Services	7,265	7,884	7,884	-
Human Resources	3,733	4,056	3,594	462
Code Compliance	17,570	17,788	16,733	1,055
Nondepartmental	73,881	74,913	74,203	710
Police	199,788	204,218	204,218	-
Fire	121,322	121,782	119,511	2,271
Municipal Court	17,239	17,944	16,800	1,144
Transportation and Public Works	48,099	51,699	45,743	5,956
Parks and Community Services	42,858	43,811	42,351	1,460
Public Library	18,516	19,052	19,052	-
Planning and Development	12,128	13,650	11,932	1,718
Housing and Economic Development	5,130	5,130	4,950	180
<b>Total Expenditures</b>	<u>583,836</u>	<u>598,583</u>	<u>582,918</u>	<u>15,665</u>
<b>Source / (Use) of Fund Balance</b>	<u>\$ (40,792)</u>	<u>\$ (52,390)</u>	<u>\$ (24,208)</u>	<u>\$ 28,182</u>

(continued)

See accompanying notes to the required supplementary information.

**CITY OF FORT WORTH, TEXAS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 GENERAL FUND - BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013**

**(in 000's)  
 (Unaudited)**

**Explanation of Differences Between Budgetary Source / (Use) of Fund Balance and GAAP Net Change in Fund Balance**

<b>Source / (Use) of Fund Balance (Budgetary Basis)</b>	<b>\$ (24,208)</b>
Differences - Budgetary to GAAP	
Current year non-budgeted activities treated as revenue for financial reporting purposes but not as a budgetary inflows.	2,450
Current year non-budgeted transfers treated as other financing sources for financial reporting purposes but not as a budgetary inflows.	14,748
Current year non-budgeted debt proceeds treated as other financing sources for financial reporting purposes but not as a budgetary inflows.	11,488
Current year non-budgeted activities treated as expenditures for financial reporting purposes but not as a budgetary outflows.	(10,797)
Current year non-budgeted transfers treated as other financing uses for financial reporting purposes but not as a budgetary outflows.	(771)
	<u>(771)</u>
<b>Net Change in Fund Balance (GAAP Basis)</b>	<b>\$ (7,090)</b>
	<u>(concluded)</u>

See accompanying notes to the required supplementary information.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**SEPTEMBER 30, 2013**  
**(000's omitted)**  
**(Unaudited)**

**ADOPTED BUDGET**

Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the actual financial progress of their governments over the course of the year. The City and many other governments revise their original budgets over the course of the year for a variety of reasons.

The City adheres to the following procedures in 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 hearings are conducted. The budget is legally enacted by the City Council through passage of appropriation and tax levying ordinances prior to September 30 and is published under a separate cover.

An annual budget, including debt service requirements, is legally adopted for the General Fund on a modified accrual basis consistent with generally accepted accounting principles. Certain revenues, expenditures, other financing sources, administrative costs, indirect costs, and transfers are not budgeted. Therefore a reconciliation is presented on the Budgetary Comparison Schedule to reconcile the Budgetary Basis Source/(Use) of Fund Balance to the GAAP Basis Net Change in Fund Balance. Management control and the legal level of control for the General Fund budget is maintained at the departmental level.

The City Council must approve any transfer of appropriation balances or portions thereof from one department to another. The City Manager has the authority, without City Council approval, to transfer appropriation balances from one expenditure account to another within a single department of the City. Supplemental appropriations of \$14,747 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.

Budgets for the Grant Special Revenue Fund are established pursuant to the terms of the related Federal and State grant awards and are therefore not considered a legally adopted budget. The Culture and Tourism Fund and the Crime Control and Prevention District Fund are included in the Special Revenue Funds and have legally adopted budgets that are reflected as supplemental information in the Combining Financial Statement section. These budgets must first be approved by the City Council and then is legally enacted by the City Council prior to September 30. For the Crime Control Fund, the Crime Control and Prevention District Board of Directors as well as the City Council must approve any supplement or transfer of appropriation balances or portions thereof from one department to another. At the close of each fiscal year the appropriated balance in both of these Special Revenue funds lapses. The other Special Revenue Funds and the Debt Service Fund do not have legally adopted budgets. Capital Projects have no binding annual budget. Accordingly, no comparison of budget to actual is presented in the financial statements for such funds.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**CITY OF FORT WORTH, TEXAS**  
**EMPLOYEES' RETIREMENT FUND**  
**SCHEDULE OF FUNDING PROGRESS**  
(Dollars in Thousands)  
(Unaudited)

<b>Valuation Date</b>	<b>Actuarial Value of Assets (AVA)</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Unfunded Actuarial Accrued Liability (UAAL) (3)-(2)</b>	<b>Funded Ratio (2)/(3)</b>	<b>Annual Covered Payroll (6)</b>	<b>UAAL as % of Payroll (4)/(6)</b>
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1/1/2008	\$ 1,821,700	\$ 2,059,200	\$ 237,500	88.5%	\$ 359,300	66.1%
1/1/2009	1,596,300	2,192,100	595,800	72.8%	372,900	159.8%
1/1/2010	1,868,800	2,300,500	431,700	81.2%	368,300	117.2%
1/1/2011	1,894,700	2,473,700	579,000	76.6%	367,600	157.5%
1/1/2012	1,869,700	2,617,900	748,200	71.4%	383,800	194.9%
1/1/2013	1,854,900	2,902,300	1,047,400	63.9%	376,300	278.3%

**REQUIRED SUPPLEMENTARY INFORMATION**  
**CITY OF FORT WORTH, TEXAS**  
**EMPLOYEES' RETIREMENT FUND**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
(Dollars in Thousands)  
(Unaudited)

Year Ended	Annual Required Contribution	Percentage Contributed	Net Pension Obligation
9/30/2008	\$ 70,369	82%	\$ 79,986
9/30/2009	50,266	118%	73,160
9/30/2010	71,154	92%	80,555
9/30/2011	60,042	124%	67,955
9/30/2012	67,652	114%	59,865
9/30/2013	79,485	98%	63,220

During fiscal year 2008, the City of Fort Worth passed a new ad-hoc Cost of Living Adjustment (COLA) program effective January 1, 2008. All non-vested members as of December 31, 2007, are enrolled in the ad-hoc COLA program. All vested members and retired members were given the opportunity to select whether they wanted to change their current guaranteed 2% COLA to participate in the ad-hoc COLA. Members that did not make a selection were treated as if they chose the current 2% COLA. Members that selected the ad-hoc COLA and non-vested members will have their COLAs determined based on the funding status of the Plan based on the previous year's actuarial valuation. These COLAs are compounded based on the benefit received the previous calendar year and could be 0%, 2%, 3%, or 4%. Retired members that selected the ad-hoc COLA received a 2% COLA January 1, 2008. As allowed by GAAP, any future payments of the ad-hoc COLA are not included in the calculation of the unfunded actuarial liability until formally approved.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**CITY OF FORT WORTH, TEXAS**  
**OTHER POSTEMPLOYMENT BENEFITS**  
**SCHEDULE OF FUNDING PROGRESS**  
**(Dollars in Thousands)**  
**(Unaudited)**

<b>Valuation Date</b>	<b>Actuarial</b>	<b>Actuarial</b>	<b>Unfunded</b>	<b>Funded Ratio</b>	<b>Annual Covered Payroll</b>	<b>UAAL as % of Payroll</b>
	<b>Value of Assets</b>	<b>Liability</b>	<b>Actuarial Liability</b>			
	<b>(AVA)</b>	<b>(AAL)</b>	<b>(UAAL)</b>			
	<b>(a)</b>	<b>(b)</b>	<b>(b - a)</b>	<b>(a / b)</b>	<b>(c)</b>	<b>((b - a) / c)</b>
<b>Healthcare</b>						
9/30/2008	\$ -	\$ 976,135	\$ 976,135	0%	\$ 359,308	272%
12/31/2009	5,000	989,851	984,851	1%	334,726	294%
12/31/2010	15,388	1,055,308	1,039,920	1%	334,726	311%
1/1/2012	16,000	942,238	926,238	2%	383,802	241%
1/1/2013	24,328	993,541	969,213	2%	376,317	258%
<b>Death Benefit</b>						
9/30/2008	\$ -	\$ 10,235	\$ 10,235	0%	\$ 359,308	3%
12/31/2009	-	10,631	10,631	0%	334,726	3%
12/31/2010	161	11,025	10,864	1%	334,726	3%
1/1/2012	-	11,589	11,589	0%	383,802	3%
1/1/2013	-	10,921	10,921	0%	376,317	3%

**REQUIRED SUPPLEMENTARY INFORMATION**  
**CITY OF FORT WORTH, TEXAS**  
**OTHER POSTEMPLOYMENT BENEFITS**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**(Dollars in Thousands)**  
**(Unaudited)**

<b>Year Ended</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>	<b>Net OPEB Obligation</b>
<b>Healthcare</b>			
9/30/2008	\$ 102,562	17%	\$ 84,842
9/30/2009	108,616	20%	171,808
9/30/2010	103,633	28%	243,174
9/30/2011	110,705	23%	324,619
9/30/2012	105,502	28%	394,908
9/30/2013	98,334	36%	450,860
<b>Death Benefit</b>			
9/30/2008	\$ 872	38%	\$ 540
9/30/2009	924	33%	1,132
9/30/2010	2,842	10%	3,476
9/30/2011	984	18%	4,301
9/30/2012	1,435	16%	5,453
9/30/2013	943	39%	5,956

Note: The City first implemented the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for the year ended September 30, 2008.

# COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

## 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 promote and enhance the feeling of safety for all citizens in all areas of the City, including neighborhoods, commercial areas, parks and public facilities.

*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. This fund also includes its component unit, Fort Worth Construction Company, LLC, which was organized to administer a proposed low-interest rate program for business development in and around the Stockyards area, in accordance with the Economic Development Administration Block Grant Program.

*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.

*HUD 108 Loan Fund* is used to record various Housing and Urban Development (HUD) Section 108 loans received from HUD to develop economically depressed areas within the City.

*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 for the purpose of promoting tourism.

*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.

*Other Blended Component Units Fund* is used to combine Service Center Relocation, Inc. (which was set up to build a new service center for Transportation and Public Works and Equipment Services), 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), 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) and Central City Local Government Corporation (organized for the purpose of aiding, assisting, and acting on behalf of the City in implementation of project plans for the Magnolia Green Development, including construction of a parking garage to support development).

*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.

*The Fort Worth Fund* is used to aggregate specific gas well revenues from the Parks and Community land and other governmental owned property for the purpose of establishing a fund that only the residual revenue will be spent for specific purposes.

**CITY OF FORT WORTH, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2013  
(in 000's)**

	<b>Special Revenue Funds</b>				
	<b>Crime Control and Prevention District</b>	<b>Environmental Management</b>	<b>Fort Worth Housing Finance Corporation</b>	<b>Fort Worth Local Development Corporation</b>	<b>HUD 108 Loan</b>
<b>ASSETS</b>					
Cash, Cash Equivalents, & Investments	\$ 22,040	\$ 7,710	\$ 11,888	\$ 2,168	\$ 915
Cash, Cash Equivalents, & Investments Held by Trustees	-	-	-	-	3,629
Receivables, Net of Allowance for Uncollectibles:					
Grants and Other Governments	10,074	-	-	-	-
Loans	-	-	19	-	-
Interest	20	13	10	2	1
Accounts and Other	-	374	6	435	-
Inventories (at Cost)	-	-	555	333	-
Prepays, Deposits, and Other	-	-	19	20	-
Long-Term Loans Receivable	-	-	-	-	744
Total Assets	<u>\$ 32,134</u>	<u>\$ 8,097</u>	<u>\$ 12,497</u>	<u>\$ 2,958</u>	<u>\$ 5,289</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 1,055	\$ 201	\$ 19	\$ -	\$ -
Construction Payable	-	15	24	-	-
Escrow Accounts	-	-	1	-	-
Accrued Payroll	680	49	3	-	-
Accrued Interest	-	18	-	-	-
Other	-	-	71	-	-
Unearned Revenue	-	-	19	-	-
Unavailable Revenue	-	-	-	-	-
Total Liabilities	<u>1,735</u>	<u>283</u>	<u>137</u>	<u>-</u>	<u>-</u>
<b>Fund Balances (Deficit):</b>					
Nonspendable	-	-	574	353	744
Restricted	24,140	5,115	359	-	-
Committed	7,224	1,040	-	-	84
Assigned	-	1,659	11,427	2,605	4,461
Unassigned	(965)	-	-	-	-
Total Fund Balances	<u>30,399</u>	<u>7,814</u>	<u>12,360</u>	<u>2,958</u>	<u>5,289</u>
Total Liabilities and Fund Balances	<u>\$ 32,134</u>	<u>\$ 8,097</u>	<u>\$ 12,497</u>	<u>\$ 2,958</u>	<u>\$ 5,289</u>

**Special Revenue Funds**

<b>Special Projects</b>	<b>Culture and Tourism</b>	<b>Grants</b>	<b>Other Blended Component Units</b>	<b>Other Special Revenue</b>	<b>The Fort Worth Fund</b>	<b>Total Nonmajor Governmental Funds</b>
\$ 24,206	\$ 14,481	\$ 22,370	\$ 3,645	\$ 6,047	\$ 248	\$ 115,718
10,357	-	1,475	-	21	19,025	34,507
-	-	17,209	-	-	-	27,283
-	-	5,804	-	-	-	5,823
17	29	9	-	13	22	136
205	1,788	-	385	-	342	3,535
-	-	-	-	-	-	888
-	-	-	-	-	-	39
-	-	11,738	-	-	-	12,482
<u>\$ 34,785</u>	<u>\$ 16,298</u>	<u>\$ 58,605</u>	<u>\$ 4,030</u>	<u>\$ 6,081</u>	<u>\$ 19,637</u>	<u>\$ 200,411</u>
\$ 103	\$ 1,617	\$ 27	\$ 95	\$ 2,604	\$ -	\$ 5,721
768	-	5,816	-	-	-	6,623
203	520	71	-	7	-	802
17	212	231	-	61	-	1,253
-	-	-	471	-	-	489
-	-	-	-	-	-	71
-	1,164	38,764	-	-	-	39,947
-	-	12,370	-	-	-	12,370
<u>1,091</u>	<u>3,513</u>	<u>57,279</u>	<u>566</u>	<u>2,672</u>	<u>-</u>	<u>67,276</u>
-	-	-	-	-	-	1,671
23,882	-	4,081	-	2,013	-	59,590
2,326	3,170	75	1,012	431	19,247	34,609
7,486	9,615	-	2,452	965	390	41,060
-	-	(2,830)	-	-	-	(3,795)
<u>33,694</u>	<u>12,785</u>	<u>1,326</u>	<u>3,464</u>	<u>3,409</u>	<u>19,637</u>	<u>133,135</u>
<u>\$ 34,785</u>	<u>\$ 16,298</u>	<u>\$ 58,605</u>	<u>\$ 4,030</u>	<u>\$ 6,081</u>	<u>\$ 19,637</u>	<u>\$ 200,411</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, 2013**

(in 000's)

	Special Revenue Funds				
	Crime Control and Prevention District	Environmental Management	Fort Worth Housing Finance Corporation	Fort Worth Local Development Corporation	HUD 108 Loan
<b>Revenues:</b>					
Sales Tax	\$ 54,574	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-	-
Charges for Services	-	4,130	-	-	-
Fines and Forfeitures	-	-	-	-	-
Revenue from Use of Money and Property	-	2	2,263	35	201
Investment Income	63	25	29	6	3
Intergovernmental	3,910	-	24	-	-
Gas Leases and Royalties	-	-	31	337	-
Other Revenue	520	26	134	756	-
Contributions	-	-	-	-	-
Total Revenue	59,067	4,183	2,481	1,134	204
<b>Expenditures:</b>					
Current:					
General Administration	-	-	-	-	-
Public Safety	38,226	-	-	-	-
Transportation and Public Works	-	3,516	-	-	-
Parks and Community Services	1,036	-	-	-	-
Public Library	-	-	-	-	-
Public Events and Facilities	-	-	-	-	-
Planning and Development	-	-	-	-	-
Housing	-	-	1,767	900	-
Capital Outlay	2,612	40	40	-	-
Debt Service:					
Principal Retirement	46	312	9,073	-	752
Interest and Service Charges	69	30	884	-	261
Total Expenditures	41,989	3,898	11,764	900	1,013
Excess (Deficiency) of Revenues Over (Under) Expenditures	17,078	285	(9,283)	234	(809)
<b>Other Financing Sources (Uses):</b>					
Proceeds from Loans	-	-	-	-	-
Proceeds from Disposal of Property	52	-	8,913	-	-
Transfers In	120	373	134	-	735
Transfers Out	(8,205)	(496)	(1)	(134)	-
Total Other Financing Sources (Uses)	(8,033)	(123)	9,046	(134)	735
Net Change in Fund Balances	9,045	162	(237)	100	(74)
Fund Balances, Beginning of Year	21,354	7,652	12,597	2,858	5,363
Fund Balances, End of Year	\$ 30,399	\$ 7,814	\$ 12,360	\$ 2,958	\$ 5,289

**Special Revenue Funds**

<b>Special Projects</b>	<b>Culture &amp; Tourism</b>	<b>Grants</b>	<b>Other Blended Component Units</b>	<b>Other Special Revenue</b>	<b>The Fort Worth Fund</b>	<b>Total Nonmajor Governmental Funds</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,574
-	26,996	-	-	-	-	26,996
1,334	-	-	-	-	-	5,464
873	-	-	-	9,140	-	10,013
260	10,813	149	3,483	-	-	17,206
62	72	39	3	29	222	553
2,374	-	47,636	269	-	-	54,213
-	-	-	127	-	3,306	3,801
1,630	7	1	-	4	-	3,078
3,273	-	31	3,715	-	-	7,019
<u>9,806</u>	<u>37,888</u>	<u>47,856</u>	<u>7,597</u>	<u>9,173</u>	<u>3,528</u>	<u>182,917</u>
219	-	2,277	-	-	-	2,496
1,465	-	6,003	-	-	-	45,694
1,037	-	2,172	-	10,002	-	16,727
625	-	11,582	-	-	3	13,246
-	-	20	-	-	-	20
1	30,527	-	-	-	-	30,528
-	-	339	208	-	-	547
335	-	11,063	422	-	19	14,506
734	76	18,684	2,527	17	-	24,730
-	-	-	1,150	-	-	11,333
-	-	-	1,803	-	-	3,047
<u>4,416</u>	<u>30,603</u>	<u>52,140</u>	<u>6,110</u>	<u>10,019</u>	<u>22</u>	<u>162,874</u>
<u>5,390</u>	<u>7,285</u>	<u>(4,284)</u>	<u>1,487</u>	<u>(846)</u>	<u>3,506</u>	<u>20,043</u>
10,955	-	-	-	-	-	10,955
3	-	-	-	-	-	8,968
190	-	2,099	-	11	-	3,662
<u>(7,708)</u>	<u>(9,816)</u>	<u>(792)</u>	<u>-</u>	<u>(426)</u>	<u>(93)</u>	<u>(27,671)</u>
<u>3,440</u>	<u>(9,816)</u>	<u>1,307</u>	<u>-</u>	<u>(415)</u>	<u>(93)</u>	<u>(4,086)</u>
8,830	(2,531)	(2,977)	1,487	(1,261)	3,413	15,957
24,864	15,316	4,303	1,977	4,670	16,224	117,178
<u>\$ 33,694</u>	<u>\$ 12,785</u>	<u>\$ 1,326</u>	<u>\$ 3,464</u>	<u>\$ 3,409</u>	<u>\$ 19,637</u>	<u>\$ 133,135</u>

**CITY OF FORT WORTH, TEXAS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS - OTHER BLENDED COMPONENT UNITS  
 SEPTEMBER 30, 2013  
 (in 000's)**

	Special Revenue Funds					Total
	Service Center Relocation, Inc. (James Street)	Fort Worth Sports Authority	Lone Star Local Development Corporation	Central City Local Government Corporation	Alliance Airport Authority	Other Blended Component Units
<b>ASSETS</b>						
Cash, Cash Equivalents & Investments	\$ -	\$ 92	\$ 472	\$ 635	\$ 2,446	\$ 3,645
Receivables:						
Accounts and Other	-	385	-	-	-	385
Total Assets	<u>\$ -</u>	<u>\$ 477</u>	<u>\$ 472</u>	<u>\$ 635</u>	<u>\$ 2,446</u>	<u>\$ 4,030</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts Payable	\$ -	\$ -	\$ -	\$ 3	\$ 92	\$ 95
Accrued Interest	-	-	471	-	-	471
Total Liabilities	<u>-</u>	<u>-</u>	<u>471</u>	<u>3</u>	<u>92</u>	<u>566</u>
Fund Balances:						
Assigned	-	477	1	632	2,354	3,464
Total Fund Balance	<u>-</u>	<u>477</u>	<u>1</u>	<u>632</u>	<u>2,354</u>	<u>3,464</u>
Total Liabilities and Fund Balance	<u>\$ -</u>	<u>\$ 477</u>	<u>\$ 472</u>	<u>\$ 635</u>	<u>\$ 2,446</u>	<u>\$ 4,030</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, 2013  
(in 000's)**

	Special Revenue Funds					Total Other Blended Component Units
	Service Center Relocation, Inc. (James Street)	Fort Worth Sports Authority	Lone Star Local Government Corporation	Central City Local Government Corporation	Alliance Airport Authority	
<b>Revenues:</b>						
Revenue from Use of Money and Property	\$ 1,432	\$ 70	\$ -	\$ -	\$ 1,981	\$ 3,483
Investment Income	-	1	-	2	-	3
Intergovernmental	-	269	-	-	-	269
Gas Leases and Royalties	-	-	-	1	126	127
Contributions	-	115	471	3,129	-	3,715
Total Revenue	<u>1,432</u>	<u>455</u>	<u>471</u>	<u>3,132</u>	<u>2,107</u>	<u>7,597</u>
<b>Expenditures:</b>						
†Current:						
Planning and Development	-	-	-	-	208	208
Housing	-	358	-	64	-	422
Capital Outlay	-	-	-	2,527	-	2,527
‡Debt Service:						
Principal Retirement	535	90	-	525	-	1,150
Interest and Service Charges	897	-	884	22	-	1,803
Total Expenditures	<u>1,432</u>	<u>448</u>	<u>884</u>	<u>3,138</u>	<u>208</u>	<u>6,110</u>
Net Change in Fund Balances	-	7	(413)	(6)	1,899	1,487
Fund Balance, Beginning of Year	-	470	414	638	455	1,977
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 477</u>	<u>\$ 1</u>	<u>\$ 632</u>	<u>\$ 2,354</u>	<u>\$ 3,464</u>

**CITY OF FORT WORTH, TEXAS  
 BUDGETARY COMPARISON SCHEDULE  
 CRIME CONTROL AND PREVENTION DISTRICT FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013  
 (in 000's)**

	Budgeted Amounts		Actual	Variance with Final Budget-- Positive (Negative)
	Original	Final		
<b>Revenues and Other Financing Sources:</b>				
Revenues:				
Sales Taxes	\$ 49,796	\$ 49,796	\$ 54,574	\$ 4,778
Use of Money and Property	331	331	115	(216)
Intergovernmental	3,917	3,917	3,910	(7)
Other	668	668	520	(148)
Total Revenue	<u>54,712</u>	<u>54,712</u>	<u>59,119</u>	<u>4,407</u>
Other Financing Sources:				
Transfers in	-	-	120	120
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>120</u>	<u>120</u>
<b>Total Revenues and Other Financing Sources</b>	<u>54,712</u>	<u>54,712</u>	<u>59,239</u>	<u>4,527</u>
<b>Expenditures:</b>				
Department:				
Police	53,483	60,443	49,158	11,285
Parks and Community Services	1,229	1,229	1,036	193
<b>Total Expenditures</b>	<u>54,712</u>	<u>61,672</u>	<u>50,194</u>	<u>11,478</u>
<b>Source / (Use) of Fund Balance</b>	<u>\$ -</u>	<u>\$ (6,960)</u>	<u>\$ 9,045</u>	<u>\$ 16,005</u>

**CITY OF FORT WORTH, TEXAS  
 BUDGETARY COMPARISON SCHEDULE  
 CULTURE AND TOURISM FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013  
 (in 000's)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget-- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Other Local Taxes	\$ 24,364	\$ 24,364	\$ 26,996	\$ 2,632
Revenue from Use of Money and Property	9,094	9,094	10,885	1,791
Other	-	-	7	7
<b>Total Revenues</b>	<b>33,458</b>	<b>33,458</b>	<b>37,888</b>	<b>4,430</b>
<b>Expenditures:</b>				
Department:				
Public Events and Facilities	33,458	44,044	40,419	3,625
<b>Total Expenditures</b>	<b>33,458</b>	<b>44,044</b>	<b>40,419</b>	<b>3,625</b>
<b>Source / (Use) of Fund Balance</b>	<b>\$ -</b>	<b>\$ (10,586)</b>	<b>\$ (2,531)</b>	<b>\$ 8,055</b>



## **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, and proceeds from the sale of Great Southwest International Airport. Revenues are derived principally from 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 Equestrian Center garage, a six story municipal parking garage, Convention Center parking garage, Houston Street parking garage, Western Heritage parking garage and several surface lots located in the downtown area. The fund's operations are financed by parking and office space rentals and concession fees.

### **Municipal Golf Fund**

The Municipal Golf Fund is used to account for the operation of five municipal golf courses. The fund's operations are financed by course fees, golf equipment rentals and merchandise and concession sales to the public. The City resumed management of the Z Boaz and Rockwood golf courses in 1998. During April 2012, the City elected to close the Z Boaz golf course and convert the land to a municipal park.

### **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, 2013**  
**(in 000's)**

	<u>Municipal Airports</u>	<u>Municipal Parking</u>	<u>Municipal Golf</u>	<u>Solid Waste</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>ASSETS</b>					
Current Assets:					
Cash, Cash Equivalents, & Investments	\$ 2,357	\$ 675	\$ 4	\$ 28,774	\$ 31,810
Interest Receivable	7	1	-	45	53
Accounts and Other Receivables, Net of Allowance for Uncollectibles	2,015	135	32	6,415	8,597
Inventories (at Cost)	-	-	120	-	120
Prepays, Deposits, and Other	-	-	4	-	4
Restricted Assets:					
Cash & Cash Equivalents	81,972	-	-	841	82,813
Total Current Assets	<u>86,351</u>	<u>811</u>	<u>160</u>	<u>36,075</u>	<u>123,397</u>
Noncurrent Assets:					
Restricted Assets:					
Cash & Cash Equivalents	19,328	3,941	2,052	2,384	27,705
Cash, Cash Equivalents, & Investments Held by Trustees	17,079	-	-	2,859	19,938
Interest Receivable	99	13	3	1	116
Total Restricted Assets	<u>36,506</u>	<u>3,954</u>	<u>2,055</u>	<u>5,244</u>	<u>47,759</u>
Advances to Other Funds	9,986	-	-	10,523	20,509
Capitalized Bond Issue Costs	-	840	8	15	863
Capital Assets (at Cost)					
Land	56,597	1,561	356	5,695	64,209
Buildings	12,125	48,944	1,523	2,777	65,369
Improvements Other than Buildings	206,358	1,802	10,047	17,260	235,467
Machinery and Equipment	3,815	748	2,054	3,517	10,134
Construction in Progress	37,491	5,918	1,347	41	44,797
Accumulated Depreciation	(140,571)	(6,909)	(10,277)	(11,187)	(168,944)
Net Capital Assets	<u>175,815</u>	<u>52,064</u>	<u>5,050</u>	<u>18,103</u>	<u>251,032</u>
Total Noncurrent Assets	<u>222,307</u>	<u>56,858</u>	<u>7,113</u>	<u>33,885</u>	<u>320,163</u>
Total Assets	<u>308,658</u>	<u>57,669</u>	<u>7,273</u>	<u>69,960</u>	<u>443,560</u>

(continued)

**CITY OF FORT WORTH, TEXAS**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**SEPTEMBER 30, 2013**  
**(in 000's)**

	<u>Municipal Airports</u>	<u>Municipal Parking</u>	<u>Municipal Golf</u>	<u>Solid Waste</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts Payable	\$ 174	\$ 251	\$ 125	\$ 6,624	\$ 7,174
Accrued Payroll	44	19	66	130	259
Due to Other Funds	-	-	200	-	200
Unearned Revenue	252	-	-	-	252
Construction Payable	3,327	216	202	-	3,745
Current Portion of Long-Term Liabilities	78	1,524	253	721	2,576
Accrued Interest Payable	-	214	7	18	239
Payable from Restricted Assets:					
Customer Deposits	33	-	-	841	874
Unearned Revenue	81,939	-	-	-	81,939
Total Current Liabilities	<u>85,847</u>	<u>2,224</u>	<u>853</u>	<u>8,334</u>	<u>97,258</u>
Long-Term Liabilities:					
Advances from Other Funds	-	-	7,996	-	7,996
Long-Term Liabilities Due in More Than One Year	1,540	46,891	4,762	13,829	67,022
Total Long-Term Liabilities	<u>1,540</u>	<u>46,891</u>	<u>12,758</u>	<u>13,829</u>	<u>75,018</u>
Total Liabilities	<u>87,387</u>	<u>49,115</u>	<u>13,611</u>	<u>22,163</u>	<u>172,276</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Service Concession					
Arrangement Receipts	-	-	-	4,569	4,569
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,569</u>	<u>4,569</u>
<b>NET POSITION (DEFICIT)</b>					
Net Investment in Capital Assets	172,488	5,413	2,638	12,883	193,422
Restricted for:					
Debt Service	13	346	676	416	1,451
Unrestricted	48,770	2,795	(9,652)	29,929	71,842
Total Net Position (Deficit)	<u>\$ 221,271</u>	<u>\$ 8,554</u>	<u>\$ (6,338)</u>	<u>\$ 43,228</u>	<u>\$ 266,715</u>

(concluded)



**CITY OF FORT WORTH, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**  
**(in 000's)**

	<b>Municipal Airports</b>	<b>Municipal Parking</b>	<b>Municipal Golf</b>	<b>Solid Waste</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 4,662	\$ 7,105	\$ 3,859	\$ 50,344	\$ 65,970
Other	751	1	720	5,885	7,357
Total Operating Revenues	<u>5,413</u>	<u>7,106</u>	<u>4,579</u>	<u>56,229</u>	<u>73,327</u>
<b>OPERATING EXPENSES</b>					
Personnel Services	1,762	737	2,766	5,681	10,946
Supplies and Materials	192	116	838	1,320	2,466
Contractual Services	4,872	2,038	1,359	40,350	48,619
Landfill Closure and Postclosure Cost	-	-	-	318	318
Depreciation	9,612	1,446	555	1,026	12,639
Total Operating Expenses	<u>16,438</u>	<u>4,337</u>	<u>5,518</u>	<u>48,695</u>	<u>74,988</u>
Operating Income (Loss)	<u>(11,025)</u>	<u>2,769</u>	<u>(939)</u>	<u>7,534</u>	<u>(1,661)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment Income	811	11	4	96	922
Gain (Loss) on Sale of Equipment	(2,330)	2	(1)	24	(2,305)
Interest and Service Charges	-	(2,286)	(95)	(232)	(2,613)
Gas Leases and Royalties	11,385	-	444	-	11,829
Other Expense	-	-	(110)	-	(110)
Total Nonoperating Revenues (Expenses)	<u>9,866</u>	<u>(2,273)</u>	<u>242</u>	<u>(112)</u>	<u>7,723</u>
Income (Loss) Before Transfers and Contributions	(1,159)	496	(697)	7,422	6,062
Transfers In	-	165	143	-	308
Transfers Out	(822)	(147)	(62)	(5,943)	(6,974)
Capital Contributions	16,034	-	35	29	16,098
Change in Net Position (Deficit)	<u>14,053</u>	<u>514</u>	<u>(581)</u>	<u>1,508</u>	<u>15,494</u>
Total Net Position, Beginning of Year	<u>207,218</u>	<u>8,040</u>	<u>(5,757)</u>	<u>41,720</u>	<u>251,221</u>
Total Net Position (Deficit), End of Year	<u>\$ 221,271</u>	<u>\$ 8,554</u>	<u>\$ (6,338)</u>	<u>\$ 43,228</u>	<u>\$ 266,715</u>

**CITY OF FORT WORTH, TEXAS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**  
**(in 000's)**

	<u>Municipal Airports</u>	<u>Municipal Parking</u>	<u>Municipal Golf</u>	<u>Solid Waste</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>Cash Flows from Operating Activities:</b>					
Receipts from Customers	\$ 4,439	\$ 6,996	\$ 3,899	\$ 48,429	\$ 63,763
Receipts from Other Operating Sources	751	1	13	5,885	6,650
Receipts from Gas Leases and Royalties	11,385	-	444	-	11,829
Payments to Employees	(1,604)	(654)	(2,509)	(5,102)	(9,869)
Payments to Suppliers	(192)	(116)	(850)	(1,320)	(2,478)
Payments for Contractual Services	(5,159)	(2,275)	(1,391)	(37,464)	(46,289)
Net Cash Provided by (Used for) Operating Activities	<u>9,620</u>	<u>3,952</u>	<u>(394)</u>	<u>10,428</u>	<u>23,606</u>
<b>Cash Flows from Noncapital Financing Activities:</b>					
Transfers In from Other Funds	-	165	143	-	308
Receipts from (Repayments to) Other Funds	13,679	-	(7,113)	-	6,566
Advances from Other Funds	-	-	7,996	-	7,996
Transfers Out to Other Funds	(822)	(147)	(62)	(5,943)	(6,974)
Advances to Other Funds	(9,986)	-	-	-	(9,986)
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>2,871</u>	<u>18</u>	<u>964</u>	<u>(5,943)</u>	<u>(2,090)</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Proceeds from Sale of Machinery and Equipment	-	2	24	24	50
Contributions	15,881	-	35	-	15,916
Acquisition and Construction of Property, Plant, and Equipment	(17,808)	(3,393)	(663)	(498)	(22,362)
Principal Paid on Long-Term Debt	-	(1,005)	(140)	(1,185)	(2,330)
Interest Paid on Long-Term Obligations	-	(2,620)	(95)	(236)	(2,951)
Net Cash Used for Capital and Related Financing Activities	<u>(1,927)</u>	<u>(7,016)</u>	<u>(839)</u>	<u>(1,895)</u>	<u>(11,677)</u>
<b>Cash Flows from Investing Activities:</b>					
Purchases of Investments	(10,389)	-	-	-	(10,389)
Sales of Investments	9	-	-	-	9
Investment Income Received	704	11	4	90	809
Net Cash Provided by Investing Activities	<u>(9,676)</u>	<u>11</u>	<u>4</u>	<u>90</u>	<u>(9,571)</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	888	(3,035)	(265)	2,680	268
Cash and Cash Equivalents, Beginning of Year	109,279	7,651	2,321	32,178	151,429
Cash and Cash Equivalents, End of Year	<u>\$ 110,167</u>	<u>\$ 4,616</u>	<u>\$ 2,056</u>	<u>\$ 34,858</u>	<u>\$ 151,697</u>

(continued)

**CITY OF FORT WORTH, TEXAS  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

(in 000's)

	<u>Municipal Airports</u>	<u>Municipal Parking</u>	<u>Municipal Golf</u>	<u>Solid Waste</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</b>					
Operating Income (Loss)	\$ (11,025)	\$ 2,769	\$ (939)	\$ 7,534	\$ (1,661)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Depreciation	9,612	1,446	555	1,026	12,639
Gas Leases and Royalties Receipts	11,385	-	444	-	11,829
Other Payments	-	-	(707)	-	(707)
Change in Assets and Liabilities:					
Accounts and Other Receivables	(220)	(109)	39	(1,019)	(1,309)
Inventories	-	-	(12)	-	(12)
Prepays, Deposits, and Other Assets	-	-	1	-	1
Accounts Payable	(287)	(237)	(32)	2,886	2,330
Accrued Compensation	158	83	257	579	1,077
Customer Deposits	(3)	-	-	65	62
Unearned Revenue	-	-	-	(961)	(961)
Landfill Closure Costs	-	-	-	318	318
Total Adjustments	20,645	1,183	545	2,894	25,267
Net Cash Provided by (Used for) Operating Activities	<u>\$ 9,620</u>	<u>\$ 3,952</u>	<u>\$ (394)</u>	<u>\$ 10,428</u>	<u>\$ 23,606</u>

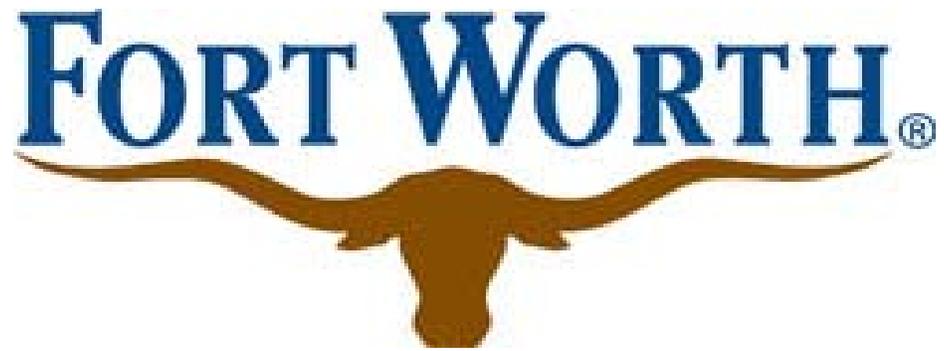
**The Cash and Cash Equivalents are reported in the Statement  
of Net Position as follows:**

Current - Cash, Cash Equivalents & Investments	\$ 2,357	\$ 675	\$ 4	\$ 28,774	\$ 31,810
Current Restricted - Cash & Cash Equivalents	81,972	-	-	841	82,813
Noncurrent Restricted - Cash & Cash Equivalents	19,328	3,941	2,052	2,384	27,705
Noncurrent Restricted - Cash Held by Trustees	17,079	-	-	2,859	19,938
Less Gas Well Investments Held by Trustees	(10,569)	-	-	-	(10,569)
<b>Total Cash and Cash Equivalents</b>	<u>\$ 110,167</u>	<u>\$ 4,616</u>	<u>\$ 2,056</u>	<u>\$ 34,858</u>	<u>\$ 151,697</u>

(concluded)

**Noncash Investing, Capital, and Financing Activities:**

Capitalized Interest	\$ -	\$ 305	\$ -	\$ -	\$ 305
Amortization of Bond Premium	-	67	-	-	67
Capital Asset Contribution from Developers	-	-	-	29	29
Intra-Government Capital Assets Transfers Out	-	-	(110)	-	(110)



## **INTERNAL SERVICE FUNDS**

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

### **Office Services Fund**

The Office Services Fund is used to account for the City's mailroom, motor pool, copy machines, print shop and graphics activities.

### **Equipment Services Fund**

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

### **Temporary Labor Fund**

The Temporary Labor Fund is used to account for in-house temporary labor services.

### **Information Systems Fund**

The Information Systems Fund is used to account for the management of the City's mainframe and telecommunications equipment and services.

### **Capital Project Services Fund**

The Capital Project Services Fund (formerly the Engineering Services Fund) is used to account for general engineering services provided to various City departments.

**CITY OF FORT WORTH, TEXAS**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**SEPTEMBER 30, 2013**  
**(in 000's)**

	<u>Office Services</u>	<u>Equipment Services</u>	<u>Temporary Labor</u>	<u>Information Systems</u>	<u>Capital Project Services</u>	<u>Total</u>
<b>ASSETS</b>						
Current Assets:						
Cash, Cash Equivalents, & Investments	\$ -	\$ 1	\$ 619	\$ 6,710	\$ 269	\$ 7,599
Interest Receivable	-	-	2	11	3	16
Accounts and Other Receivables	-	-	-	13	-	13
Inventories (at Cost)	158	706	-	80	-	944
Prepays, Deposits, and Other	-	-	-	661	-	661
Total Current Assets	<u>158</u>	<u>707</u>	<u>621</u>	<u>7,475</u>	<u>272</u>	<u>9,233</u>
Noncurrent Assets:						
Restricted Assets:						
Cash & Cash Equivalents	-	-	-	90	-	90
Capital Assets (at Cost):						
Land	-	1,119	-	-	4	1,123
Buildings	-	4,656	-	594	-	5,250
Improvements Other than Buildings	-	963	-	-	91	1,054
Machinery and Equipment	181	2,200	-	12,985	2,580	17,946
Accumulated Depreciation	(181)	(5,971)	-	(11,712)	(2,182)	(20,046)
Net Capital Assets	<u>-</u>	<u>2,967</u>	<u>-</u>	<u>1,867</u>	<u>493</u>	<u>5,327</u>
Total Noncurrent Assets	<u>-</u>	<u>2,967</u>	<u>-</u>	<u>1,957</u>	<u>493</u>	<u>5,417</u>
Total Assets	<u>158</u>	<u>3,674</u>	<u>621</u>	<u>9,432</u>	<u>765</u>	<u>14,650</u>
<b>LIABILITIES</b>						
Current Liabilities:						
Accounts Payable	83	1,538	6	830	216	2,673
Accrued Payroll	13	171	23	284	278	769
Construction Payable	-	-	-	49	-	49
Current Portion of Long-Term Liabilities	<u>38</u>	<u>383</u>	<u>7</u>	<u>703</u>	<u>717</u>	<u>1,848</u>
Total Current Liabilities	<u>134</u>	<u>2,092</u>	<u>36</u>	<u>1,866</u>	<u>1,211</u>	<u>5,339</u>
Long-Term Liabilities:						
Advances from Other Funds	726	460	-	-	-	1,186
Long-Term Liabilities Due in More Than One Year	<u>12</u>	<u>390</u>	<u>1</u>	<u>747</u>	<u>775</u>	<u>1,925</u>
Total Long-Term Liabilities	<u>738</u>	<u>850</u>	<u>1</u>	<u>747</u>	<u>775</u>	<u>3,111</u>
Total Liabilities	<u>872</u>	<u>2,942</u>	<u>37</u>	<u>2,613</u>	<u>1,986</u>	<u>8,450</u>
<b>NET POSITION (DEFICIT)</b>						
Net Investment in Capital Assets	-	2,967	-	1,867	493	5,327
Restricted	-	-	-	90	-	90
Unrestricted	(714)	(2,235)	584	4,862	(1,714)	783
Total Net Position (Deficit)	<u>\$ (714)</u>	<u>\$ 732</u>	<u>\$ 584</u>	<u>\$ 6,819</u>	<u>\$ (1,221)</u>	<u>\$ 6,200</u>

**CITY OF FORT WORTH, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**  
**(in 000's)**

	<u>Office Services</u>	<u>Equipment Services</u>	<u>Temporary Labor</u>	<u>Information Systems</u>	<u>Capital Project Services</u>	<u>Total</u>
<b>OPERATING REVENUES</b>						
Charges for Services	\$ 1,653	\$ 26,318	\$ 826	\$ 23,814	\$ 11,996	\$ 64,607
Other	-	40	-	-	-	40
Total Operating Revenues	<u>1,653</u>	<u>26,358</u>	<u>826</u>	<u>23,814</u>	<u>11,996</u>	<u>64,647</u>
<b>OPERATING EXPENSES</b>						
Personnel Services	635	7,260	771	10,519	10,483	29,668
Supplies and Materials	216	14,269	-	431	349	15,265
Contractual Services	855	4,642	16	12,039	2,023	19,575
Depreciation	-	219	-	754	268	1,241
Total Operating Expenses	<u>1,706</u>	<u>26,390</u>	<u>787</u>	<u>23,743</u>	<u>13,123</u>	<u>65,749</u>
Operating Income (Loss)	<u>(53)</u>	<u>(32)</u>	<u>39</u>	<u>71</u>	<u>(1,127)</u>	<u>(1,102)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Investment Income (Loss)	-	(1)	2	20	(1)	20
Gain (Loss) on Sale of Equipment	14	16	-	2	8	40
Other Expense	-	-	-	(2,183)	-	(2,183)
Total Nonoperating Revenues (Expenses)	<u>14</u>	<u>15</u>	<u>2</u>	<u>(2,161)</u>	<u>7</u>	<u>(2,123)</u>
Income (Loss) Before Transfers and Contributions	(39)	(17)	41	(2,090)	(1,120)	(3,225)
Transfers In	-	36	-	13	12	61
Transfers Out	(11)	(261)	(1)	(27,524)	(301)	(28,098)
Change in Net Position (Deficit)	(50)	(242)	40	(29,601)	(1,409)	(31,262)
Total Net Position (Deficit), Beginning	(664)	974	544	36,420	188	37,462
Total Net Position (Deficit), Ending	<u>\$ (714)</u>	<u>\$ 732</u>	<u>\$ 584</u>	<u>\$ 6,819</u>	<u>\$ (1,221)</u>	<u>\$ 6,200</u>

**CITY OF FORT WORTH, TEXAS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**  
**(in 000's)**

	Office Services	Equipment Services	Temporary Labor	Information Systems	Capital Project Services	Total
<b>Cash Flows from Operating Activities:</b>						
Receipts from Customers	\$ 1,653	\$ 26,318	\$ 826	\$ 23,191	\$ 11,996	\$ 63,984
Receipts from Other Operating Sources	-	40	-	-	-	40
Payments to Employees	(636)	(7,249)	(767)	(10,349)	(10,692)	(29,693)
Payments to Suppliers	(215)	(14,180)	-	(440)	(349)	(15,184)
Payments for Contractual Services	(821)	(5,320)	(16)	(12,761)	(1,963)	(20,881)
Net Cash Provided by (Used for) Operating Activities	(19)	(391)	43	(359)	(1,008)	(1,734)
<b>Cash Flows from Noncapital Financing Activities:</b>						
Transfers In from Other Funds	-	36	-	-	12	48
Advances from Other Funds	16	460	-	-	-	476
Transfers Out to Other Funds	(11)	(261)	(1)	(39,578)	(301)	(40,152)
Net Cash Used for Noncapital Financing Activities	5	235	(1)	(39,578)	(289)	(39,628)
<b>Cash Flows from Capital and Related Financing Activities:</b>						
Governmental Bond Proceeds	-	-	-	13	-	13
Proceeds from Sale of Machinery and Equipment	14	16	-	2	8	40
Acquisition of Property, Plant, and Equipment	-	(115)	-	(273)	(261)	(649)
Net Cash Provided by (Used for) Capital and Related Financing Activities	14	(99)	-	(258)	(253)	(596)
<b>Cash Flows from Investing Activities:</b>						
Investment Income Received	-	(1)	2	21	-	22
Net Cash Provided by Investing Activities	-	(1)	2	21	-	22
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>						
Cash and Cash Equivalents, Beginning of Year	-	257	575	46,974	1,819	49,625
Cash and Cash Equivalents, End of Year	\$ -	\$ 1	\$ 619	\$ 6,800	\$ 269	\$ 7,689
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>						
Operating Income (Loss)	\$ (53)	\$ (32)	\$ 39	\$ 71	\$ (1,127)	\$ (1,102)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:						
Depreciation	-	219	-	754	268	1,241
Change in Assets and Liabilities:						
Accounts and Other Receivables	-	-	-	38	-	38
Inventories	1	89	-	(9)	-	81
Prepays, Deposits and Other	-	-	-	(661)	-	(661)
Accounts Payable	34	(678)	-	(722)	60	(1,306)
Accrued Payroll	(1)	11	4	170	(209)	(25)
Total Adjustments	34	(359)	4	(430)	119	(632)
Net Cash Provided by (Used for) Operating Activities	\$ (19)	\$ (391)	\$ 43	\$ (359)	\$ (1,008)	\$ (1,734)
<b>The Cash and Cash Equivalents are reported in the Statement of Net Position as follows:</b>						
Current - Cash, Cash Equivalents, & Investments	\$ -	\$ 1	\$ 619	\$ 6,710	\$ 269	\$ 7,599
Noncurrent Restricted -						
Cash & Cash Equivalents	-	-	-	90	-	90
<b>Total Cash and Cash Equivalents</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ 619</b>	<b>\$ 6,800</b>	<b>\$ 269</b>	<b>\$ 7,689</b>
<b>Noncash Investing, Capital, and Financing Activities:</b>						
Intra-Government Net Capital Assets Transfers	\$ -	\$ -	\$ -	\$ (2,183)	\$ -	\$ (2,183)
Transfer of Construction Payable to Governmental	-	-	-	12,054	-	12,054

## **FIDUCIARY FUNDS**

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

### **Employees' Retirement Pension Trust Fund**

For accounting measurement purposes, the Employees' Retirement Pension Fund is accounted for in essentially the same manner as proprietary funds. The Employees' Retirement Pension Fund accounts for the assets of the City's retirement plan 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 post employment healthcare benefit.

**CITY OF FORT WORTH, TEXAS**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS**  
**SEPTEMBER 30, 2013**  
**(in 000's)**

	<b>Employees' Retirement Pension Trust Fund</b>	<b>Retiree Healthcare Trust Fund</b>	<b>Total</b>
<b>ASSETS</b>			
Current Assets:			
Cash & Cash Equivalents	\$ 286	\$ 14,764	\$ 15,050
Cash & Investments Held by Trustees:			
Asset and Mortgage Backed Obligations	35,308	-	35,308
Corporate Obligations	83,391	-	83,391
Government Agency Obligations	72,531	-	72,531
International Obligations	63,351	-	63,351
Securities Lending Collateral	206,041	-	206,041
U.S. Treasuries	78,091	-	78,091
Short-Term Mutual Fund Investments	170,665	24,213	194,878
Corporate Stock	716,857	-	716,857
Alternative Investments	519,461	-	519,461
Commingled Funds	318,496	-	318,496
Less: Investments in Non-City Funded Staff Plan	(2,345)	-	(2,345)
Total Cash & Investments Held by Trustees	<u>2,261,847</u>	<u>24,213</u>	<u>2,286,060</u>
Prepaid Expenses	12	-	12
Other Receivables	12,167	-	12,167
Due from Broker Securities Sold	144,357	-	144,357
Total Current Assets	<u>2,418,669</u>	<u>38,977</u>	<u>2,457,646</u>
Capital Assets (at Cost):			
Land	405	-	405
Buildings	3,422	-	3,422
Machinery and Equipment	314	-	314
Accumulated Depreciation	(605)	-	(605)
Net Capital Assets	<u>3,536</u>	<u>-</u>	<u>3,536</u>
Total Assets	<u>2,422,205</u>	<u>38,977</u>	<u>2,461,182</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accrued Payable	129	-	129
Obligations Under Securities Lending	205,830	-	205,830
Due to Broker Securities Purchased	239,731	-	239,731
Total Current Liabilities	<u>445,690</u>	<u>-</u>	<u>445,690</u>
<b>NET POSITION</b>			
Net Position Held in Trust for Pension and Other Employee Benefits:			
Benefit Pension Plans	1,976,515	-	1,976,515
Postemployment Healthcare Plans	-	38,977	38,977
Total Net Position	<u>\$ 1,976,515</u>	<u>\$ 38,977</u>	<u>\$ 2,015,492</u>

**CITY OF FORT WORTH, TEXAS**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**  
**(in 000's)**

	<b>Employees' Retirement Pension Trust Fund</b>	<b>Retiree Healthcare Trust Fund</b>	<b>Total</b>
<b>ADDITIONS</b>			
Interest and Dividend Income	\$ 31,567	\$ 1,150	\$ 32,717
Less: Investment Management Fees and Interest Expense	(6,476)	(102)	(6,578)
Net Gain (Loss) in Fair Value of Investments	159,804	-	159,804
Other Income	7,468	-	7,468
Employer Contributions	77,993	35,433	113,426
Employee Contributions	33,634	-	33,634
Total Additions	<u>303,990</u>	<u>36,481</u>	<u>340,471</u>
<b>DEDUCTIONS</b>			
Benefit Payments	143,721	21,637	165,358
Refunds	3,995	-	3,995
Administrative Expenses	3,714	-	3,714
Total Deductions	<u>151,430</u>	<u>21,637</u>	<u>173,067</u>
Change in Net Position	152,560	14,844	167,404
Net Position, Beginning of the Year	1,823,955	24,133	1,848,088
Net Position, End of the Year	<u>\$ 1,976,515</u>	<u>\$ 38,977</u>	<u>\$ 2,015,492</u>



## **DISCRETELY PRESENTED COMPONENT UNITS**

The following discretely presented component units are entities that are legally separate from the City, but for which the City is financially accountable and whose relationships with the City are such that exclusion would be misleading or incomplete. They are each designed to benefit the citizens of Fort Worth in specific areas.

### **FORT WORTH PUBLIC IMPROVEMENT DISTRICT NO. 1**

The Fort Worth Public Improvement District No. 1 was created by resolution of the City Council pursuant to Texas Local Government Code, Chapter 372. In June 2004, the City Council approved the re-establishment of the District to include an area to the west of the District in addition to the area of District No. 10 which is to the east of downtown District No. 1. The purpose of the re-establishment of the District is to furnish additional security, landscaping, marketing and promotion of the District. Special assessments are levied on property within the District to pay for these improvements and services. Fort Worth Public Improvement District No. 10 is now accounted for with District No. 1.

### **FORT WORTH PUBLIC IMPROVEMENT DISTRICT NO. 6**

The Fort Worth Public Improvement District No. 6 was created by resolution of the City Council pursuant to Chapter 372, Local Government Code. The purpose of the District is to provide supplemental improvements and services, including security patrol services in the Park Glen area. Special assessments are levied on property within the District to pay for these services.

### **FORT WORTH PUBLIC IMPROVEMENT DISTRICT NO. 7**

The Fort Worth Public Improvement District No. 7 was created by resolution of the City Council pursuant to Chapter 372, Local Government Code. The purpose of the District is to provide supplemental improvements and services, including security patrol services in the Heritage area. Special assessments are levied on property within the District to pay for these services.

### **FORT WORTH PUBLIC IMPROVEMENT DISTRICT NO. 8**

The Fort Worth Public Improvement District No. 8 was created by resolution of the City Council pursuant to Chapter 372, Local Government Code. The District is just outside the Cultural District along the Camp Bowie Boulevard corridor. It is a nine-mile commercial stretch along Camp Bowie Boulevard from University Drive to Loop 820 South. Funds are utilized for marketing and promotion of special events and communication and information programs, planned coordination of capital improvements, clean up and beautification. Special assessments are levied on property within the District to pay for these services.

### **FORT WORTH PUBLIC IMPROVEMENT DISTRICT NO. 11**

The Fort Worth Public Improvement District No. 11 was created by resolution of the City Council pursuant to Chapter 372, Local Government Code. The purpose of the District is to provide maintenance and landscaping, promotions and marketing, security, transportation and parking, street and sidewalk sweeping, etc. for the Stockyards area. Special assessments are levied on property within the District to pay for these services.

### **FORT WORTH PUBLIC IMPROVEMENT DISTRICT NO. 12**

The Fort Worth Public Improvement District No. 12 was created by resolution of the City Council pursuant to Chapter 372, Local Government Code. The district known as the Chapel Hill area includes 1,358.02 acres bounded by West Bonds Ranch Road, Business Highway 287 North and Boat Club Road. The purpose of the district is to provide additional services and improvements in this area to include maintenance, landscaping, promotions, marketing, security, transportation, parking, and street sweeping. Special assessments are levied on property within the District to pay for these services.

#### **FORT WORTH PUBLIC IMPROVEMENT DISTRICT NO. 14**

The Fort Worth Public Improvement District No. 14 was created by resolution of the City Council pursuant to Chapter 372, Local Government Code. The purpose of the District is to provide management and improvement services for Trinity Bluff. Improvements and services to be provided include a maintenance program, a security enhancement program and a district management program. Special assessments are levied on property within the District to pay for these services.

#### **FORT WORTH PUBLIC IMPROVEMENT DISTRICT NO. 15**

The Fort Worth Public Improvement District No. 15 was created by resolution of the City Council pursuant to Chapter 372, Local Government Code. The district know as Sun Valley includes 130.14 acres of land bounded by David Strickland Road on the north, area to the south of and along Mosson Road, area to the west of and along Marie Jones Road and east by Interstate Highway East Loop 820 South. The purpose of the district is the establishment of a security patrol program.

#### **TAXING INCREMENT REINVESTMENT ZONE NO. 2A**

The Taxing Increment Reinvestment Zone Number Two A was created pursuant to the Texas Tax Increment Financing Act, Tax Code, Sections 311.001 through 311.017, as amended. The purpose of the Zone is to promote the development of the Texas Motor Speedway.

#### **TAXING INCREMENT REINVESTMENT ZONE NO. 2B**

The Taxing Increment Reinvestment Zone Number Two B was created pursuant to the Texas Tax Increment Financing Act, Tax Code, Sections 311.001 through 311.017, as amended. It is contiguous to the original speedway Tax Increment Financing (TIF). The purpose of the Zone is to promote the development of the Texas Motor Speedway.

#### **TAXING INCREMENT REINVESTMENT ZONE NO. 3**

The Taxing Increment Reinvestment Zone Number Three was created pursuant to the Texas Tax Increment Financing Act, Tax Code, Sections 311.001 through 311.017, as amended. This Zone was previously Taxing Increment Reinvestment Zone Number One from January 1995 until December 1995 when it was dissolved due to a lack of fiscal activity. The purpose of the Zone is to finance public improvements to the downtown area such as construction of an underground parking garage and central park, as well as streetscape improvements along heavily traveled pedestrian corridors.

#### **TAXING INCREMENT REINVESTMENT ZONE NO. 3A**

The Taxing Increment Reinvestment Zone Number Three A was created pursuant to the Texas Tax Increment Financing Act, Tax Code, Sections 311.001 through 311.017, as amended. This Zone is an expansion of Taxing Increment Reinvestment Zone No. Three. The purpose of the Zone is to finance public improvements to the downtown area such as construction of an underground parking garage and central park, as well as streetscape improvements along heavily traveled pedestrian corridors.

#### **TAXING INCREMENT REINVESTMENT ZONE NO. 4**

The Taxing Increment Reinvestment Zone Number Four was created pursuant to the Texas Tax Increment Financing Act, Tax Code, Sections 311.001 through 311.017, as amended. The purpose of the Zone is to promote the development of the Southside Medical District.

#### **TAXING INCREMENT REINVESTMENT ZONE NO. 6**

The Taxing Increment Reinvestment Zone Number Six was created pursuant to the Texas Tax Increment Financing Act, Tax Code, Sections 311.001 through 311.017, as amended. This Zone encompasses the property that is home to Tarrant County College and the Tarrant County Courthouse. The purpose of the Zone is to provide infrastructure support for private investment in this Riverfront TIF area.

### **TAXING INCREMENT REINVESTMENT ZONE NO. 7**

The Taxing Increment Reinvestment Zone Number Seven was created pursuant to the Texas Tax Increment Financing Act, Tax Code, Sections 311.001 through 311.017, as amended. The purpose of this Zone is to support the completion of the North Tarrant Parkway interchange, ramps, frontage roads and extension to Rainy Lake Road.

### **TAXING INCREMENT REINVESTMENT ZONE NO. 7A**

The Taxing Increment Reinvestment Zone Number Seven A was created on December 9, 2003 pursuant to the Texas Tax Increment Financing Act, Tax Code, Sections 311.001 through 311.017, as amended. The Zone is set to expire on December 31, 2019. This Zone is an expansion of Taxing Increment Reinvestment Zone No. 7. The purpose of the Zone is to support the completion of the North Tarrant Parkway interchange, ramps, frontage roads and extension to Rainy Lake Road.

### **TAXING INCREMENT REINVESTMENT ZONE NO. 8**

The Taxing Increment Reinvestment Zone Number Eight was created pursuant to the Texas Tax Increment Financing Act, Tax Code, Sections 311.001 through 311.017, as amended. The purpose of this Zone is to provide support for redevelopment efforts along the Lancaster Corridor in the southern portion of downtown.

### **TAXING INCREMENT REINVESTMENT ZONE NO. 9**

The Taxing Increment Reinvestment Zone Number Nine was created pursuant to the Texas Tax Increment Financing Act, Tax Code, Sections 311.001 through 311.017, as amended. This Zone was created to provide infrastructure support for the Trinity River Vision, which is a plan for redevelopment of the portion of the Trinity River in the downtown area into an urban lake.

### **TAXING INCREMENT REINVESTMENT ZONE NO. 9A**

The Taxing Increment Reinvestment Zone Number Nine A was created pursuant to the Texas Tax Increment Financing Act, Tax Code, Sections 311.001 through 311.017, as amended. This Zone was created to expand the boundaries of TIF 9.

### **TAXING INCREMENT REINVESTMENT ZONE NO. 10**

The Taxing Increment Reinvestment Zone Number Ten was created pursuant to the Texas Tax Increment Financing Act, Tax Code, Sections 311.001 through 311.017, as amended. This Zone was created to provide infrastructure and public space support for a private investment by Cabela's Retail, Inc. mega store.

### **TAXING INCREMENT REINVESTMENT ZONE NO. 10A**

The Taxing Increment Reinvestment Zone Number Ten A was created pursuant to the Texas Tax Increment Financing Act, Tax Code, Sections 311.001 through 311.017, as amended. This Zone was created expand the boundaries of TIF 10.

### **TAXING INCREMENT REINVESTMENT ZONE NO. 12**

The Taxing Increment Reinvestment Zone Number Twelve was created pursuant to the Texas Tax Increment Financing Act, Tax Code, Sections 311.001 through 311.017, as amended. This Zone was created to provide infrastructure improvements (e.g. water, sewer, drainage, roads, sidewalks, etc.) associated with new development and redevelopment projects for the East Berry Renaissance along the East Berry Street corridor.

### **TAXING INCREMENT REINVESTMENT ZONE NO. 13**

The Taxing Increment reinvestment Zone Number Thirteen was created pursuant to the Texas Tax Increment Financing Act, Tax Code, Sections 311.001 through 311.017, as amended. This zone was created to help fund infrastructure improvements (e.g. water, sewer, drainage, roads, sidewalks, etc.) associated with new development and redevelopment projects in the Woodhaven Area.

**CITY OF FORT WORTH, TEXAS**  
**COMBINING STATEMENT OF NET POSITION**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**SEPTEMBER 30, 2013**  
(in 000's)

	<b>FWPID</b>	<b>FWPID</b>	<b>FWPID</b>	<b>FWPID</b>	<b>FWPID</b>	<b>FWPID</b>	<b>FWPID</b>	<b>FWPID</b>	<b>TIRZ</b>	<b>TIRZ</b>	<b>TIRZ</b>
	<b>#1</b>	<b>#6</b>	<b>#7</b>	<b>#8</b>	<b>#11</b>	<b>#12</b>	<b>#14</b>	<b>#15</b>	<b>#2A</b>	<b>#2B</b>	<b>#3</b>
<b>ASSETS</b>											
Cash, Cash Equivalents, & Investments	\$ 306	\$ 791	\$ 396	\$ 105	\$ 25	\$ 22	\$ 31	\$ 43	\$ 767	\$ 174	\$ 5,189
Interest Receivable	1	-	-	-	-	-	-	-	1	-	3
Accounts and Other Receivables	79	82	106	23	10	-	-	21	-	-	-
Total Assets	<u>386</u>	<u>873</u>	<u>502</u>	<u>128</u>	<u>35</u>	<u>22</u>	<u>31</u>	<u>64</u>	<u>768</u>	<u>174</u>	<u>5,192</u>
<b>LIABILITIES</b>											
Accounts Payable	278	161	188	34	5	6	7	27	454	115	21
Due in More Than One Year	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>278</u>	<u>161</u>	<u>188</u>	<u>34</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>27</u>	<u>454</u>	<u>115</u>	<u>21</u>
<b>NET POSITION (DEFICIT)</b>											
Unreserved	108	712	314	94	30	16	24	37	314	59	5,171
Total Net Position (Deficit) - Unrestricted	<u>\$ 108</u>	<u>\$ 712</u>	<u>\$ 314</u>	<u>\$ 94</u>	<u>\$ 30</u>	<u>\$ 16</u>	<u>\$ 24</u>	<u>\$ 37</u>	<u>\$ 314</u>	<u>\$ 59</u>	<u>\$ 5,171</u>

<u>TIRZ #3A</u>	<u>TIRZ #4</u>	<u>TIRZ #6</u>	<u>TIRZ #7</u>	<u>TIRZ #7A</u>	<u>TIRZ #8</u>	<u>TIRZ #9</u>	<u>TIRZ #9A</u>	<u>TIRZ #10</u>	<u>TIRZ #10A</u>	<u>TIRZ #12</u>	<u>TIRZ #13</u>	<u>Total</u>
\$ 4,883 3	\$ 7,767 12	\$ - -	\$ 523 -	\$ 10 -	\$ 8,707 8	\$ 9 -	\$ 2 -	\$ - -	\$ - -	\$ 206 -	\$ 148 -	\$ 30,104 28
-	-	-	-	-	-	-	-	-	-	-	-	321
<u>4,886</u>	<u>7,779</u>	<u>-</u>	<u>523</u>	<u>10</u>	<u>8,715</u>	<u>9</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>206</u>	<u>148</u>	<u>30,453</u>
-	114	-	-	-	-	-	-	-	-	-	-	1,410
-	-	-	-	-	-	50,933	-	-	-	-	-	50,933
-	114	-	-	-	-	50,933	-	-	-	-	-	52,343
4,886	7,665	-	523	10	8,715	(50,924)	2	-	-	206	148	(21,890)
<u>\$ 4,886</u>	<u>\$ 7,665</u>	<u>\$ -</u>	<u>\$ 523</u>	<u>\$ 10</u>	<u>\$ 8,715</u>	<u>\$ (50,924)</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 206</u>	<u>\$ 148</u>	<u>\$ (21,890)</u>

**CITY OF FORT WORTH, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**SEPTEMBER 30, 2013**  
(in 000's)

	<b>FWPID #1</b>	<b>FWPID #6</b>	<b>FWPID #7</b>	<b>FWPID #8</b>	<b>FWPID #11</b>	<b>FWPID #12</b>	<b>FWPID #14</b>	<b>FWPID #15</b>	<b>TIRZ #2A</b>	<b>TIRZ #2B</b>	<b>TIRZ #3</b>
<b>Revenues:</b>											
General Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 628	\$ 346	\$ 4,357
Investment Income	4	4	3	-	-	-	(1)	-	2	-	12
Other	2,005	1,401	1,613	405	77	56	28	92	-	-	-
Contributions	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	<u>2,009</u>	<u>1,405</u>	<u>1,616</u>	<u>405</u>	<u>77</u>	<u>56</u>	<u>27</u>	<u>92</u>	<u>630</u>	<u>346</u>	<u>4,369</u>
<b>Expenses:</b>											
General Administration	2,110	1,233	1,329	503	63	48	23	55	813	346	3,516
Transportation and Public Works	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	<u>2,110</u>	<u>1,233</u>	<u>1,329</u>	<u>503</u>	<u>63</u>	<u>48</u>	<u>23</u>	<u>55</u>	<u>813</u>	<u>346</u>	<u>3,516</u>
Change in Net Position (Deficit)	(101)	172	287	(98)	14	8	4	37	(183)	-	853
Total Net Position - Beginning of Year	209	540	27	192	16	8	20	-	497	59	4,318
Total Net Position (Deficit) - End of Year	<u>\$ 108</u>	<u>\$ 712</u>	<u>\$ 314</u>	<u>\$ 94</u>	<u>\$ 30</u>	<u>\$ 16</u>	<u>\$ 24</u>	<u>\$ 37</u>	<u>\$ 314</u>	<u>\$ 59</u>	<u>\$ 5,171</u>

<b>TIRZ #3A</b>	<b>TIRZ #4</b>	<b>TIRZ #6</b>	<b>TIRZ #7</b>	<b>TIRZ #7A</b>	<b>TIRZ #8</b>	<b>TIRZ #9</b>	<b>TIRZ #9A</b>	<b>TIRZ #10</b>	<b>TIRZ #10A</b>	<b>TIRZ #12</b>	<b>TIRZ #13</b>	<b>Total</b>
\$ 643	\$ 6,946	\$ 205	\$ 1,829	\$ 10	\$ 2,692	\$ 2,702	\$ 88	\$ 399	\$ 70	\$ 149	\$ -	\$ 21,064
11	18	-	5	-	13	4	-	-	-	(1)	-	74
-	-	-	-	-	-	-	-	-	-	-	-	5,677
-	7	-	-	-	-	-	-	-	-	-	-	7
<u>654</u>	<u>6,971</u>	<u>205</u>	<u>1,834</u>	<u>10</u>	<u>2,705</u>	<u>2,706</u>	<u>88</u>	<u>399</u>	<u>70</u>	<u>148</u>	<u>-</u>	<u>26,822</u>
-	11,926	206	1,597	-	2,659	2,723	86	400	70	162	-	29,868
-	-	-	-	-	-	28,259	-	-	-	-	-	28,259
<u>-</u>	<u>11,926</u>	<u>206</u>	<u>1,597</u>	<u>-</u>	<u>2,659</u>	<u>30,982</u>	<u>86</u>	<u>400</u>	<u>70</u>	<u>162</u>	<u>-</u>	<u>58,127</u>
654	(4,955)	(1)	237	10	46	(28,276)	2	(1)	-	(14)	-	(31,305)
4,232	12,620	1	286	-	8,669	(22,648)	-	1	-	220	148	9,415
<u>\$ 4,886</u>	<u>\$ 7,665</u>	<u>\$ -</u>	<u>\$ 523</u>	<u>\$ 10</u>	<u>\$ 8,715</u>	<u>\$ (50,924)</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 206</u>	<u>\$ 148</u>	<u>\$ (21,890)</u>



# STATISTICAL SECTION (UNAUDITED)

# STATISTICAL SECTION

(Unaudited)

The City of Fort Worth comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

		<b>Tables</b>
<b>Financial Trends</b>	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
<b>Revenue Capacity</b>	These schedules present information to help the reader assess the City's most significant local revenue source, the property tax.	5-8
<b>Debt Capacity</b>	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.	9-13
<b>Demographic &amp; Economic Information</b>	These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	14-15
<b>Operating information</b>	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.	16-18

**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>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental Activities:					
Net Investment in Capital Assets	\$ 592,052	\$ 709,290	\$ 891,173	\$ 967,070	\$ 986,163
Restricted for Capital Projects	5,691	9,539	-	-	-
Restricted for Debt Service	31,318	36,055	45,988	7,376	15,974
Restricted for Other	9,447	15,560	-	-	-
Unrestricted (Deficit)	<u>45,622</u>	<u>8,572</u>	<u>32,168</u>	<u>55,154</u>	<u>28,762</u>
 Total Governmental Activities					
Net Position	<u>\$ 684,130</u>	<u>\$ 779,016</u>	<u>\$ 969,329</u>	<u>\$ 1,029,600</u>	<u>\$ 1,030,899</u>
 Business-type Activities:					
Net Investment in Capital Assets	\$ 1,066,225	\$ 1,129,489	\$ 1,272,031	\$ 1,416,439	\$ 1,459,733
Restricted for Debt Service	269	88	225	29,668	35,859
Restricted for Capital Projects	-	-	-	-	-
Unrestricted	<u>121,748</u>	<u>191,719</u>	<u>219,651</u>	<u>189,885</u>	<u>258,686</u>
 Total Business-type Activities					
Net Position	<u>\$ 1,188,242</u>	<u>\$ 1,321,296</u>	<u>\$ 1,491,907</u>	<u>\$ 1,635,992</u>	<u>\$ 1,754,278</u>
 Primary Government:					
Net Investment in Capital Assets	\$ 1,658,277	\$ 1,838,779	\$ 2,163,204	\$ 2,383,509	\$ 2,445,896
Restricted for Capital Projects	5,691	9,539	-	-	-
Restricted for Debt Service	31,587	36,143	46,213	37,044	51,833
Restricted for Other	9,447	15,560	-	-	-
Unrestricted	<u>167,370</u>	<u>200,291</u>	<u>251,819</u>	<u>245,039</u>	<u>287,448</u>
 Total Primary Government					
Net Position	<u>\$ 1,872,372</u>	<u>\$ 2,100,312</u>	<u>\$ 2,461,236</u>	<u>\$ 2,665,592</u>	<u>\$ 2,785,177</u>

\*Source: Comprehensive Annual Financial Report for the respective years.

**TABLE 1**

<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
\$ 979,581	\$ 943,984	\$ 1,015,491	\$ 1,005,900	\$ 1,053,547
-	8,393	12,818	17,350	23,512
15,613	16,437	5,478	9,047	1,660
-	-	-	-	-
19,795	32,197	(32,846)	(53,101)	(128,038)
<u>\$ 1,014,989</u>	<u>\$ 1,001,011</u>	<u>\$ 1,000,941</u>	<u>\$ 979,196</u>	<u>\$ 950,681</u>
\$ 1,560,269	\$ 1,594,876	\$ 1,569,470	\$ 1,715,508	\$ 1,850,152
41,532	37,739	42,407	29,919	34,513
-	67,661	47,464	39,715	35,852
232,086	224,958	327,535	261,406	216,989
<u>\$ 1,833,887</u>	<u>\$ 1,925,234</u>	<u>\$ 1,986,876</u>	<u>\$ 2,046,548</u>	<u>\$ 2,137,506</u>
\$ 2,539,850	\$ 2,538,860	\$ 2,584,961	\$ 2,721,408	\$ 2,903,699
-	76,054	60,282	57,065	59,364
57,145	54,176	47,885	38,966	36,173
-	-	-	-	-
251,881	257,155	294,689	208,305	88,951
<u>\$ 2,848,876</u>	<u>\$ 2,926,245</u>	<u>\$ 2,987,817</u>	<u>\$ 3,025,744</u>	<u>\$ 3,088,187</u>

**CITY OF FORT WORTH, TEXAS**  
**CHANGE IN NET POSITION**  
**LAST TEN FISCAL YEARS (Unaudited)**  
**(accrual basis of accounting)**  
**(in 000's)**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Expenses</b>					
Governmental Activities:					
General Administration	\$ 67,455	\$ 87,687	\$ 94,239	\$ 110,802	\$ 161,180
Public Safety	240,176	263,491	292,220	319,561	359,813
Transportation and Public Works	76,757	75,631	100,626	106,543	100,276
Parks and Community Services	33,768	35,898	41,291	44,533	51,145
Public Library	15,220	16,440	17,843	19,493	18,633
Public Health	9,665	11,532	10,791	11,707	11,077
Public Events and Facilities	23,213	22,445	23,937	28,167	27,453
Planning and Development	9,594	9,126	11,303	13,106	11,751
Finance	5,096	4,519	-	-	-
Housing and Economic Development	11,562	10,192	10,613	15,437	14,733
Interest on Long-term Debt	16,080	15,150	15,793	22,216	20,689
Total Governmental Activities	<u>508,586</u>	<u>552,111</u>	<u>618,656</u>	<u>691,565</u>	<u>776,750</u>
Business-type activities:					
Water and Sewer	185,491	177,071	237,405	221,774	240,960
Municipal Airports	7,783	10,197	11,942	10,623	12,480
Solid Waste	30,988	35,173	36,647	39,389	41,478
Municipal Parking	428	410	314	1,035	586
Municipal Golf	4,338	4,614	5,437	5,119	6,174
Stormwater Utility	-	-	483	4,735	11,339
Total Business-type Activities	<u>229,028</u>	<u>227,465</u>	<u>292,228</u>	<u>282,675</u>	<u>313,017</u>
Total Primary Government Expenses	<u>\$ 737,614</u>	<u>\$ 779,576</u>	<u>\$ 910,884</u>	<u>\$ 974,240</u>	<u>\$ 1,089,767</u>
<b>Program Revenues</b>					
Governmental Activities:					
Charges for Services					
General Government	\$ 50,858	\$ 12,425	\$ 16,384	\$ 16,133	\$ 17,549
Public Safety	23,328	23,301	18,667	21,252	21,374
Transportation and Public Works	1,635	2,266	3,022	3,140	4,415
Parks and Community Services	812	2,253	763	1,047	1,392
Public Library	495	527	629	644	724
Public Health	2,341	2,715	3,077	3,284	3,300
Public Events and Facilities	6,689	7,359	6,833	5,772	6,861
Planning and Development	6,500	9,268	9,128	10,422	11,659
Finance	961	749	-	-	-
Housing and Economic Development	239	883	2,275	2,244	1,608
Operating Grants and Contributions	38,735	44,766	52,702	47,334	34,014
Capital Grants and Contributions	77,184	103,477	86,145	90,172	63,088
Total Governmental Activities	<u>209,777</u>	<u>209,989</u>	<u>199,625</u>	<u>201,444</u>	<u>165,984</u>
Business-type Activities:					
Charges for Services:					
Water and Sewer	221,939	247,255	293,792	257,989	298,118
Municipal Airports	3,275	3,432	3,003	2,948	3,157
Solid Waste	26,966	35,581	37,259	40,632	44,095
Municipal Parking	589	625	3,645	3,683	4,099
Municipal Golf	4,084	3,630	4,542	4,337	5,169
Stormwater Utility	-	-	3,670	15,165	17,753
Capital Grants and Contributions	57,516	78,833	118,749	87,818	44,127
Total Business-type Activities	<u>314,369</u>	<u>369,356</u>	<u>464,660</u>	<u>412,572</u>	<u>416,518</u>
Total Primary Government Program Revenues	<u>\$ 524,146</u>	<u>\$ 579,345</u>	<u>\$ 664,285</u>	<u>\$ 614,016</u>	<u>\$ 582,502</u>

**TABLE 2**

<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
\$ 111,114	\$ 112,638	\$ 118,104	\$ 108,632	\$ 114,575
379,865	391,755	407,601	422,626	431,362
117,540	108,481	128,611	133,691	129,820
55,110	55,022	57,815	60,089	62,626
20,200	20,531	22,348	22,102	21,736
1,292	-	-	-	-
32,204	28,020	32,844	33,152	35,545
14,654	12,520	13,534	13,156	14,145
-	-	-	-	-
27,558	37,944	35,699	24,382	20,388
26,910	29,220	31,472	31,130	34,366
<u>786,447</u>	<u>796,131</u>	<u>848,028</u>	<u>848,960</u>	<u>864,563</u>
260,544	269,723	288,452	306,476	302,447
12,238	12,656	13,356	14,912	18,768
44,296	39,241	44,247	46,415	48,903
2,067	3,552	5,851	6,580	6,621
6,126	5,949	5,864	7,723	5,614
14,265	19,961	18,972	20,773	22,531
<u>339,536</u>	<u>351,082</u>	<u>376,742</u>	<u>402,879</u>	<u>404,884</u>
<u>\$ 1,125,983</u>	<u>\$ 1,147,213</u>	<u>\$ 1,224,770</u>	<u>\$ 1,251,839</u>	<u>\$ 1,269,447</u>
\$ 19,213	\$ 16,903	\$ 14,701	\$ 5,436	\$ 5,933
22,506	18,306	19,925	22,722	25,339
4,381	6,469	10,627	14,738	14,984
1,826	1,988	2,750	3,165	2,990
668	601	666	670	629
312	-	-	-	-
8,515	8,838	9,749	8,822	10,814
10,262	10,776	11,673	10,336	11,497
-	-	-	-	-
2,334	1,979	3,028	2,683	4,845
35,532	56,798	56,825	47,644	45,173
40,063	35,987	54,686	55,075	52,682
<u>145,612</u>	<u>158,645</u>	<u>184,630</u>	<u>171,291</u>	<u>174,886</u>
303,111	304,831	348,650	345,373	352,005
3,406	3,987	4,800	4,755	4,662
45,465	46,710	48,314	48,502	50,344
4,533	6,394	7,635	7,725	7,105
5,072	4,374	4,260	4,388	3,859
20,803	26,530	29,397	32,615	34,973
54,827	31,186	18,846	27,578	35,910
<u>437,217</u>	<u>424,012</u>	<u>461,902</u>	<u>470,936</u>	<u>488,858</u>
<u>\$ 582,829</u>	<u>\$ 582,657</u>	<u>\$ 646,532</u>	<u>\$ 642,227</u>	<u>\$ 663,744</u>

(continued)

**CITY OF FORT WORTH, TEXAS**  
**CHANGE IN NET POSITION**  
**LAST TEN FISCAL YEARS (Unaudited)**  
**(accrual basis of accounting)**  
**(in 000's)**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Net (Expense) Revenue</b>					
Governmental Activities	\$ (342,122)	\$ (419,031)	\$ (490,121)	\$ (610,766)	\$ (640,835)
Business-type Activities	141,891	172,432	129,897	103,501	97,681
Total Primary Government Net Expense	<u>\$ (200,231)</u>	<u>\$ (246,599)</u>	<u>\$ (360,224)</u>	<u>\$ (507,265)</u>	<u>\$ (543,154)</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental Activities:					
Taxes:					
General Property Taxes	\$ 223,615	\$ 235,874	\$ 256,630	\$ 288,725	\$ 317,517
Other Local Taxes	134,240	145,514	162,076	172,621	183,833
Franchise Fees	-	31,741	34,764	33,316	36,749
Gas Lease and Royalties	-	-	5,143	12,154	28,684
Assessments	357	426	1	868	30
Investment Income	9,612	8,939	12,191	19,974	18,615
Change in Fair Value of Investments	(3,930)	(2,342)	-	-	-
Other	230	100	6,384	8,376	6,896
Gain (Loss) on Disposal of Capital Assets	(17)	(20)	1,227	63	401
Transfers	7,352	16,776	19,420	14,295	19,340
Total Governmental Activities	<u>371,459</u>	<u>437,008</u>	<u>497,836</u>	<u>550,392</u>	<u>612,065</u>
Business-type Activities:					
Investment Income	3,760	3,858	9,279	14,638	18,647
Gas Lease and Royalties	-	-	4,197	8,542	21,424
Other	2,933	4,078	5,185	6,582	7,857
Gain (Loss) on Disposal of Capital Assets	(41)	3	(1,062)	(1,279)	(13,803)
Transfers	(7,352)	(16,776)	(19,420)	(14,295)	(19,340)
Total Business-type Activities	<u>(700)</u>	<u>(8,837)</u>	<u>(1,821)</u>	<u>14,188</u>	<u>14,785</u>
Total Primary Government	<u>\$ 370,759</u>	<u>\$ 428,171</u>	<u>\$ 496,015</u>	<u>\$ 564,580</u>	<u>\$ 626,850</u>
<b>Change in Net Position</b>					
Governmental Activities	\$ 29,337	\$ 17,977	\$ 7,715	\$ (60,374)	\$ (28,770)
Business-type Activities	141,191	163,595	128,076	117,689	112,466
Total Primary Government	<u>\$ 170,528</u>	<u>\$ 181,572</u>	<u>\$ 135,791</u>	<u>\$ 57,315</u>	<u>\$ 83,696</u>
<b>Implementation of New Accounting Standard</b>	<u>\$ -</u>				

\*Source: Comprehensive Annual Financial Report for the respective years.

TABLE 2

2009	2010	2011	2012	2013
\$ (637,486)	\$ (637,486)	\$ (663,398)	\$ (677,669)	\$ (689,677)
72,930	72,930	85,160	68,057	83,974
<u>\$ (564,556)</u>	<u>\$ (564,556)</u>	<u>\$ (578,238)</u>	<u>\$ (609,612)</u>	<u>\$ (605,703)</u>

\$ 344,172	\$ 354,815	\$ 341,820	\$ 351,277	\$ 361,568
173,559	174,092	179,802	188,884	203,417
34,717	35,148	45,178	47,190	49,489
13,866	13,963	23,506	15,758	10,834
13	11	-	-	-
15,746	11,572	8,601	7,795	3,149
-	-	-	-	-
14,465	14,688	13,744	16,593	16,069
430	352	3,508	-	1,316
27,957	18,867	47,169	28,427	29,282
<u>624,925</u>	<u>623,508</u>	<u>663,328</u>	<u>655,924</u>	<u>675,124</u>

9,605	7,687	5,283	6,666	1,661
5,540	23,708	11,298	7,440	12,377
4,202	5,889	7,070	5,936	22,228
(237)	-	-	-	-
(27,957)	(18,867)	(47,169)	(28,427)	(29,282)
<u>(8,847)</u>	<u>18,417</u>	<u>(23,518)</u>	<u>(8,385)</u>	<u>6,984</u>
<u>\$ 616,078</u>	<u>\$ 641,925</u>	<u>\$ 639,810</u>	<u>\$ 647,539</u>	<u>\$ 682,108</u>

\$ (12,561)	\$ (13,978)	\$ (70)	\$ (21,745)	\$ (14,553)
64,083	91,347	61,642	59,672	90,958
<u>\$ 51,522</u>	<u>\$ 77,369</u>	<u>\$ 61,572</u>	<u>\$ 37,927</u>	<u>\$ 76,405</u>

<u>\$ (9,225)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,962)</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>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund					
Reserved	\$ 3,767	\$ 16,827	\$ 29,859	\$ 16,755	\$ 16,384
Unreserved	76,056	82,886	74,002	85,271	106,271
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total General Fund	<u>79,823</u>	<u>99,713</u>	<u>103,861</u>	<u>102,026</u>	<u>122,655</u>
All Other Governmental Funds					
Reserved	40,765	51,558	73,133	24,086	37,620
Unreserved, designated for authorized expenditures	122,129	122,491	113,271	286,250	252,744
Unreserved, undesignated special revenue funds	-	-	(29,445)	2,155	16,695
Nonspendable, reported in:					
Special Revenue	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted, reported in:					
Debt service	-	-	-	-	-
Special Revenue	-	-	-	-	-
Capital projects	-	-	-	-	-
Committed, reported in:					
Debt service	-	-	-	-	-
Special Revenue	-	-	-	-	-
Capital projects	-	-	-	-	-
Assigned, reported in:					
Debt service	-	-	-	-	-
Special Revenue	-	-	-	-	-
Capital projects	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all Other Governmental Funds	<u>162,894</u>	<u>174,049</u>	<u>156,959</u>	<u>312,491</u>	<u>307,059</u>
Total all Governmental Funds	<u>\$ 242,717</u>	<u>\$ 273,762</u>	<u>\$ 260,820</u>	<u>\$ 414,517</u>	<u>\$ 429,714</u>

Source: Comprehensive Annual Financial Report for the respective years.

\* In fiscal year 2011, the City implemented GASB 54. The amounts prior to 2011 above have not been restated for the implementation of GASB 54.

**TABLE 3**

<b>2009</b>	<b>2010</b>	<b>2011*</b>	<b>2012</b>	<b>2013</b>
\$ 15,885	\$ 23,114	\$ -	\$ -	\$ -
127,656	139,779	-	-	-
-	-	10,194	10,910	11,723
-	-	646	2,735	9,047
-	-	54,183	60,231	74,177
-	-	45,447	38,789	8,005
-	-	53,137	55,760	58,383
<u>143,541</u>	<u>162,893</u>	<u>163,607</u>	<u>168,425</u>	<u>161,335</u>
44,371	51,485	-	-	-
443,043	422,310	-	-	-
33,296	17,156	-	-	-
-	-	11,119	2,854	1,671
-	-	12,422	314	802
-	-	10,599	16,890	9,701
-	-	44,663	45,153	59,590
-	-	189,432	336,582	323,970
-	-	6,393	6,106	7,694
-	-	19,974	20,674	34,609
-	-	127,787	126,653	130,655
-	-	478	92	24
-	-	51,999	48,497	41,060
-	-	36,163	36,107	36,781
-	-	(465)	-	(3,795)
<u>520,710</u>	<u>490,951</u>	<u>510,564</u>	<u>639,922</u>	<u>642,762</u>
<u>\$ 664,251</u>	<u>\$ 653,844</u>	<u>\$ 674,171</u>	<u>\$ 808,347</u>	<u>\$ 804,097</u>

**CITY OF FORT WORTH, TEXAS**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS (Unaudited)**  
**(modified accrual basis)**  
**(in 000's)**

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>REVENUES:</b>					
General Property Tax	\$ 222,111	\$ 235,643	\$ 259,483	\$ 289,177	\$ 317,920
Other Local Taxes	134,240	145,514	162,076	172,621	183,833
Franchise Fees	-	-	-	-	-
Assessments	357	426	1	868	30
Charges for Services	19,471	22,765	19,546	20,231	22,323
Licenses and Permits	44,588	38,026	49,642	49,552	52,475
Fines and Forfeitures	14,894	14,099	11,690	12,512	15,513
Revenue from Use of Money and Property	11,928	13,805	16,088	14,784	14,319
Investment Income	8,372	7,488	12,108	19,902	18,449
Change in Fair Value Investments	(3,902)	(2,342)	51,167	-	-
Intergovernmental	27,375	53,845	5,142	53,854	32,204
Gas Leases and Royalties	-	-	-	12,150	28,658
Other	3,023	7,015	6,233	8,040	6,815
Contributions	16,527	23,356	25,436	24,513	12,213
<b>Total Revenues</b>	<b>498,984</b>	<b>559,640</b>	<b>618,612</b>	<b>678,204</b>	<b>704,752</b>
<b>EXPENDITURES:</b>					
<b>Current</b>					
General Administration	64,484	77,883	86,908	104,662	105,942
Public Safety	224,543	244,857	265,353	281,149	308,374
Transportation and Public Works	33,341	32,181	36,039	35,284	35,420
Parks and Community Services	29,089	30,886	36,690	38,090	41,507
Public Library	14,055	14,725	15,849	17,369	17,626
Public Health	9,436	11,180	10,164	10,837	10,706
Public Events and Facilities	15,379	16,466	17,764	19,529	22,806
Planning and Development	9,197	8,762	10,765	12,151	11,768
Finance	4,846	4,343	-	-	-
Housing and Economic Development	11,236	9,694	9,981	14,497	14,461
Capital Outlay	55,823	149,894	115,783	111,127	103,778
<b>Debt Service:</b>					
Principal Retirement	34,281	31,466	36,954	85,409	38,368
Interest and Service Charges	17,723	15,063	16,477	20,329	24,542
<b>Total Expenditures</b>	<b>523,433</b>	<b>647,400</b>	<b>658,727</b>	<b>750,433</b>	<b>735,298</b>
Excess (deficiency) of revenues over expenditures	(24,449)	(87,760)	(40,115)	(72,229)	(30,546)
<b>OTHER FINANCING SOURCES (USES):</b>					
Long-Term Debt Issued	-	99,237	3,574	200,910	-
Proceeds from Capital Leases	988	615	1,781	6,409	26,241
Proceeds from Owner Advance	-	279	-	1,923	-
Proceeds from Disposal of Property	-	-	1,350	-	336
Refunding Bonds Issued	42,700	46,230	-	-	-
Premium on Issuance of Bonds	2,262	4,460	-	2,239	-
Refunded Bonds Redeemed	-	-	-	-	-
Payment to Bond Escrow Agent	(44,518)	(50,209)	-	-	-
Transfers In	80,027	92,413	113,815	120,646	117,591
Transfers Out	(73,386)	(74,220)	(93,347)	(106,201)	(98,425)
<b>Total Other Financing Sources (Uses)</b>	<b>8,073</b>	<b>118,805</b>	<b>27,173</b>	<b>225,926</b>	<b>45,743</b>
<b>Net Change in Fund Balances</b>	<b>\$ (16,376)</b>	<b>\$ 31,045</b>	<b>\$ (12,942)</b>	<b>\$ 153,697</b>	<b>\$ 15,197</b>

Debt service as a percentage of noncapital expenditures                      11.25%                      9.43%                      9.87%                      16.54%                      9.96%

Source: Comprehensive Annual Financial Report for the respective years.

**TABLE 4**

<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
\$ 343,973	\$ 353,606	\$ 343,954	\$ 351,540	\$ 357,673
173,559	174,092	179,802	188,884	203,417
-	-	45,178	47,190	49,489
13	11	-	-	-
20,494	13,313	14,390	15,975	16,693
49,870	52,429	18,447	12,011	12,179
18,738	19,652	24,705	25,598	28,246
15,821	15,612	15,577	14,988	19,915
15,364	11,385	8,502	7,695	3,129
-	-	-	-	-
46,691	65,753	70,276	53,354	59,111
13,866	13,963	23,506	15,758	10,834
12,592	14,610	13,696	16,554	16,069
12,263	12,594	12,154	12,633	17,208
<u>723,244</u>	<u>747,020</u>	<u>770,187</u>	<u>762,180</u>	<u>793,963</u>
103,235	105,557	109,265	99,112	106,907
320,527	331,529	348,165	368,224	381,513
46,083	36,414	46,853	53,822	47,598
46,195	46,115	48,544	51,036	53,883
17,151	17,593	19,355	19,209	18,991
1,199	-	-	-	-
26,116	22,033	26,692	28,058	30,528
12,926	10,871	12,074	11,865	12,875
-	-	-	-	-
26,282	36,445	34,073	23,158	19,259
114,595	129,407	137,100	107,625	170,502
46,160	46,397	47,351	53,925	75,611
25,301	29,169	31,451	30,277	37,517
<u>785,770</u>	<u>811,530</u>	<u>860,923</u>	<u>846,311</u>	<u>955,184</u>
<u>(62,526)</u>	<u>(64,510)</u>	<u>(90,736)</u>	<u>(84,131)</u>	<u>(161,221)</u>
253,565	34,685	101,665	170,970	68,570
9,066	-	4,419	-	-
-	-	-	-	18,443
1,049	386	4,444	286	9,090
-	-	46,680	50,305	25,795
9,792	-	12,554	32,956	5,150
-	-	(9,146)	-	-
-	-	(54,299)	(60,437)	(27,286)
87,407	86,864	161,129	470,463	109,939
<u>(63,816)</u>	<u>(67,832)</u>	<u>(156,383)</u>	<u>(446,236)</u>	<u>(52,730)</u>
<u>297,063</u>	<u>54,103</u>	<u>111,063</u>	<u>218,307</u>	<u>156,971</u>
<u>\$ 234,537</u>	<u>\$ (10,407)</u>	<u>\$ 20,327</u>	<u>\$ 134,176</u>	<u>\$ (4,250)</u>
10.64%	11.10%	10.80%	11.38%	14.41%

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

**TABLE 5**

<b>Fiscal Year</b>	<b>Net Assessed Valuation <sup>(a)</sup></b>			<b>Total Direct Tax Rate <sup>(d)</sup></b>
	<b>Real <sup>(b)</sup></b>	<b>Personal <sup>(c)</sup></b>	<b>Total Taxable</b>	
2004	\$ 20,912,940	\$ 4,051,797	\$ 24,964,737	\$ 0.8650
2005	21,583,075	5,290,362	26,873,437	0.8650
2006	23,781,759	5,484,162	29,265,921	0.8650
2007	27,269,005	6,387,383	33,656,388	0.8600
2008	29,566,579	8,065,831	37,632,410	0.8550
2009	32,915,645	7,954,958	40,870,603	0.8550
2010	33,504,557	8,346,458	41,851,015	0.8550
2011	32,195,274	8,826,794	41,022,068	0.8550
2012	33,932,556	8,053,487	41,986,043	0.8550
2013	35,892,406	7,805,257	43,697,663	0.8550

(a) The Assessed Value is 100%. Valuation shown for 2004 to 2007 include Tarrant County only, for 2008 to 2013 valuation shown are from the Tarrant, Denton, Parker and Wise County.

(b) Includes real all properties: 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.

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

**CITY OF FORT WORTH, TEXAS  
PROPERTY TAX RATES - ALL DIRECT AND  
OVERLAPPING TAX RATES  
(PER \$100 OF ASSESSED VALUE)  
LAST TEN FISCAL YEARS (Unaudited)**

**TABLE 6**

Fiscal Year Ended Sept. 30	City Direct Rates			Fort Worth ISD <sup>(b)</sup>	Overlapping Rates <sup>(b)</sup>		
	Operating General Rates	General Obligation Debt Service	Total Direct		Tarrant County District <sup>(a)</sup>	Hospital District	Junior College District
2004	\$ 0.6799	\$ 0.1851	\$ 0.8650	\$ 1.6580	\$ 0.2730	\$ 0.2350	\$ 0.1390
2005	0.7107	0.1543	0.8650	1.6540	0.2730	0.2350	0.1390
2006	0.7107	0.1543	0.8650	1.6540	0.2730	0.2350	0.1390
2007	0.7259	0.1341	0.8600	1.5140	0.2720	0.2350	0.1390
2008	0.7209	0.1341	0.8550	1.1900	0.2665	0.2300	0.1390
2009	0.7109	0.1441	0.8550	1.2570	0.2640	0.2279	0.1380
2010	0.7109	0.1441	0.8550	1.3220	0.2640	0.2279	0.1376
2011	0.7109	0.1441	0.8550	1.3220	0.2640	0.2279	0.1490
2012	0.7009	0.1541	0.8550	1.3220	0.2640	0.2279	0.1490
2013	0.6859	0.1691	0.8550	1.3220	0.2640	0.2279	0.1490

(a) Includes rate for "right of way" (road & highway improvement).

(b) Source - Tarrant County Appraisal District.

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

**TABLE 7**

Fiscal Year	Taxes Levied for the Fiscal Year	Collection 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
2004	\$ 221,999	\$ 216,524	97.53%	\$ 4,180	\$ 220,704	99.42%
2005	235,296	230,241	97.85%	3,714	233,955	99.43%
2006	257,957	253,028	98.09%	3,233	256,261	99.34%
2007	292,466	286,805	98.06%	3,096	289,901	99.12%
2008	320,668	315,147	98.28%	3,791	318,938	99.46%
2009	350,946	343,530	97.89%	4,489	348,019	99.17%
2010	362,551	354,605	97.81%	2,763	357,368	97.81%
2011	350,050	343,622	98.16%	2,756	346,378	98.95%
2012	358,954	352,784	98.28%	2,152	354,936	98.88%
2013	366,361	359,890	98.23%	-	359,890	98.23%

Source: Tarrant County Tax Office

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

**TABLE 8**

Name of Taxpayer	Nature of Property	2013			2004		
		Taxable Assessed	Rank	Percentage of Total Taxable Assessed	Taxable Assessed	Rank	Percentage of Total Taxable Assessed
		Valuation		Valuation	Valuation		Valuation
TU Elect./Oncor Elect. Deliv. Co, LLC	Electric Utility	\$ 365,328	1	0.87%	\$ 321,798	1	1.29%
DDR/DTC City Investments, LP	Real Estate	217,491	2	0.51%			
Bell Helicopter Inc.	Aircraft Manufacturing	210,091	3	0.50%	129,854	5	0.52%
XTO Energy Inc	Oil/Gas Producer	199,124	4	0.47%			
Chesapeake Operating (WI)	Natural Gas Producer	196,646	5	0.46%			
Alcon Laboratories, Inc.	Pharmaceuticals	175,993	6	0.41%	226,472	3	0.90%
AMR Corp/American Airlines, Inc.	Airline	172,481	7	0.41%	247,984	2	0.99%
Wal-Mart Real Estate Bus. Trust/Stores	Retailer	151,345	8	0.36%			
Mercantile Partners Lp	Land Subdividers and Devel.	141,525	9	0.34%			
Behringer Harvard Burnett PLZ	Investment Company	137,904	10	0.33%			
Southwestern Bell	Telephone Utility				190,860	4	0.76%
City Center Development	Developer				129,111	6	0.52%
Sprint Communications Co.	Telephone Utility				102,424	10	0.41%
Burlington Northern Santa Fe	Railroad Transportation				107,168	9	0.43%
Miller Brewing	Beer Brewing				119,323	7	0.48%
Albertson, Inc.	Grocery Retailer				110,437	8	0.44%
		<u>\$ 1,967,928</u>		<u>4.66%</u>	<u>\$ 1,685,431</u>		<u>6.74%</u>

Source: Tarrant Appraisal District Supplemental Certification Report

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Governmental:</b>					
General Obligation Bonds	\$ 246,271	\$ 235,486	\$ 212,909	\$ 322,296	\$ 295,925
Certificates of Obligation	73,350	69,960	62,610	67,605	60,230
Installment Obligation	8,050	7,605	7,135	6,645	6,130
Equipment Notes Payable	6,070	7,150	5,030	3,160	26,600
HUD Installment Obligation	8,600	15,560	14,656	9,449	8,808
Service Center Obligation	-	22,725	22,315	21,890	21,450
Helicopter Installment Obligation	895	706	512	312	105
Fort Worth Housing Corp Obligation	-	9,588	9,528	9,464	9,395
Fort Worth Housing Fannie Mae Loan	-	-	-	1,000	1,000
Villas of Eastwood Terrace	-	894	-	-	-
Fort Worth Sports Authority	-	9,265	8,077	16,359	15,903
Lone Star Local Govt Corp Obligation	-	31,617	31,617	31,617	31,617
Central City Local Govt Corp Obligation	-	-	3,074	2,933	2,596
State Energy Conservation Loan Phase I & II	-	-	3,200	4,610	4,433
State Energy Conservation Loan Phase III	-	-	-	3,794	5,000
ESPC Phase IV	-	-	-	-	-
ESPC Phase VII	-	-	-	-	-
Wells Fargo Loan	-	-	306	296	269
Beechwood Bridge Obligation	-	-	-	1,449	1,287
Capital Leases	-	-	-	-	-
<b>Business-type:</b>					
General Obligation Bonds	1,488	1,448	706	284	140
Revenue Bonds	645,328	658,528	653,690	737,480	757,885
Certificates of Obligation	4,760	3,800	10,940	31,165	30,905
Municipal Golf Capital Lease	-	-	246	187	132
Equipment Notes Payable	10,383	16,650	8,081	6,875	5,730
Trinity River Authority	15,415	14,800	14,150	8,895	8,490
ESPC Phase V	-	-	-	-	-
Total Primary Government	<u>\$ 1,020,610</u>	<u>\$ 1,105,782</u>	<u>\$ 1,068,782</u>	<u>\$ 1,287,765</u>	<u>\$ 1,294,030</u>
Personal Income (a)	\$ 11,334,992	\$ 11,834,034	\$ 12,577,390	\$ 13,008,252	\$ 13,311,276
Debt as a Percentage of Personal Income	9%	9%	8%	10%	10%
Population (b)	599	625	664	687	703
Debt Per Capita	\$ 1,704	\$ 1,769	\$ 1,610	\$ 1,875	\$ 1,841

(a) Personal Income calculated using the population and the per capita personal income (source: U. S. Bureau of Census 2000 and 2012)

(b) Estimate by North Central Texas Council of Governments, Arlington, Texas.

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

**TABLE 9**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$	406,006	\$ 380,125	\$ 371,760	\$ 458,800	\$ 463,488
	166,215	188,655	202,880	247,600	302,985
	5,585	5,010	4,405	3,770	3,080
	22,634	18,852	58,005	54,450	46,860
	8,147	7,465	6,761	6,034	5,282
	20,995	20,520	20,030	19,515	18,980
	-	-	-	-	-
	9,322	9,244	9,161	9,073	-
	-	-	-	-	-
	-	-	-	-	-
	15,903	15,442	15,337	8,476	8,386
	31,617	31,617	31,617	31,617	31,617
	2,219	1,809	1,376	872	347
	3,730	3,216	2,580	1,925	1,249
	4,397	4,080	3,598	3,102	2,590
	9,066	8,795	8,352	7,820	-
	-	-	-	-	18,443
	245	196	144	78	-
	1,127	724	333	-	-
	-	-	4,319	4,096	3,816
	65	-	-	-	-
	710,675	745,155	855,310	884,010	858,985
	57,240	54,195	57,560	56,035	55,238
	69	5	-	-	-
	4,545	3,319	2,049	750	-
	8,065	7,620	7,150	6,656	6,100
	-	15,365	15,365	15,365	14,691
\$	<u>1,487,867</u>	<u>\$ 1,521,409</u>	<u>\$ 1,678,092</u>	<u>\$ 1,820,044</u>	<u>\$ 1,842,137</u>
\$	13,640,815	\$ 17,334,565	\$ 20,399,090	\$ 18,827,032	\$ 18,934,769
	11%	9%	8%	10%	10%
	720	736	748	758	768
\$	2,066	\$ 2,067	\$ 2,249	\$ 2,313	\$ 2,399



**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 10**

<b>Fiscal Year</b>	<b>General Bonded Debt Outstanding</b>			<b>Assessed Value <sup>(b)</sup></b>	<b>Percent Outstanding General Debt to Assessed Value</b>	<b>Estimated Population <sup>(c)</sup></b>	<b>Outstanding General Debt Per Capita</b>
	<b>General Obligation Bonds <sup>(a)</sup></b>	<b>Certificates of Obligation <sup>(a)</sup></b>	<b>Total</b>				
2004	\$ 246,271	\$ 73,350	\$ 319,621	\$ 24,964,737	1.28%	599	\$ 0.534
2005	235,486	69,960	305,446	26,873,437	1.14%	625	0.489
2006	212,909	62,610	275,519	29,265,921	0.94%	664	0.415
2007	322,296	67,605	389,901	33,656,388	1.16%	687	0.568
2008	295,925	60,230	356,155	37,632,410	0.95%	687	0.518
2009	406,006	166,215	572,221	40,870,603	1.40%	702	0.815
2010	380,125	188,655	568,780	41,851,015	1.36%	741	0.768
2011	371,760	202,880	574,640	41,022,067	1.40%	748	0.768
2012	458,800	247,600	706,400	41,986,043	1.68%	758	0.932
2013	463,488	302,985	766,473	43,697,663	1.75%	768	0.998

(a) The Business Type Activities debt is not General Bonded Debt and therefore is not included.

(b) Assessed value is 100%

(c) Source: North Central Texas Council of Governments, Arlington Texas.

**CITY OF FORT WORTH, TEXAS  
 LEGAL DEBT MARGIN INFORMATION  
 SEPTEMBER 30, 2013 (Unaudited)  
 (in Million)**

	<u>2004*</u>	<u>2005*</u>	<u>2006*</u>	<u>2007*</u>	<u>2008*</u>
Total Assessed Valuation	\$ 24,965	\$ 26,873	\$ 29,266	\$ 33,656	\$ 37,471
Overall Debt Limitation - 10% of Assessed Valuation					
Net Debt Subject to Limitation					
Legal Debt Margin Within 10% Limitation					
Legal Debt Margin as a Percentage of the Debt Limit					

Notes:

\*Article 835p of the State of Texas Civil Statutes limits cities with a population of six hundred thousand or more according to the last federal census to incur a total bonded indebtedness by the issuance of tax-supported bonds in an amount not exceeding ten (10%) percent of the total assessed valuation of property shown by the last assessment roll of the city. 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 for 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.

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund	\$ 0.680	\$ 0.711	\$ 0.711	\$ 0.726	\$ 0.721
Debt Service Fund	0.185	0.154	0.154	0.134	0.134
Total City Tax Rate	<u>\$ 0.865</u>	<u>\$ 0.865</u>	<u>\$ 0.865</u>	<u>\$ 0.860</u>	<u>\$ 0.855</u>

Source: Tarrant Appraisal District

**TABLE 11**

<u>2009*</u>	<u>2010*</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 38,357	\$ 39,725	\$ 39,836	\$ 41,986	\$ 43,698
		3,984	4,199	4,370
		<u>575</u>	<u>706</u>	<u>727</u>
		<u>\$ 3,409</u>	<u>\$ 3,493</u>	<u>\$ 3,643</u>
		86%	83%	83%

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 0.711	\$ 0.711	\$ 0.711	\$ 0.701	\$ 0.686
<u>0.144</u>	<u>0.144</u>	<u>0.144</u>	<u>0.154</u>	<u>0.169</u>
<u>\$ 0.855</u>				

**CITY OF FORT WORTH, TEXAS**  
**DIRECT AND OVERLAPPING GOVERNMENTAL**  
**ACTIVITIES DEBT**  
**YEAR ENDED SEPTEMBER 30, 2013**  
**(in 000's)**  
**(Unaudited)**

**TABLE 12**

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable <sup>(b)</sup></b>	<b>Estimated Share of Overlapping Debt</b>
Aledo ISD	\$ 143,481	1.35%	\$ 1,937
Arlington Independent School District	445,145	0.04%	178
Azle Independent School District	18,750	2.39%	448
Birdville Independent School District	199,360	5.97%	11,902
Burleson Independent School District	307,662	15.10%	46,457
Castleberry Independent School District	47,600	42.15%	20,063
Crowley Independent School District	311,663	73.62%	229,446
Denton County	596,245	2.16%	12,879
Eagle Mountain-Saginaw Independent School District	569,718	62.12%	353,909
Everman Independent School District	87,845	64.76%	56,888
Fort Worth Independent School District	672,515	86.05%	578,699
Hurst-Euless-Bedford Independent School District	302,123	27.16%	82,057
Keller Independent School District	681,493	45.73%	311,647
Kennedale Independent School District	44,931	0.48%	216
Lake Worth Independent School District	72,762	48.01%	34,933
Mansfield Independent School District	740,530	0.01%	74
Northwest Independent School District	626,684	38.59%	241,837
Parker County	94,010	0.36%	338
Tarrant County	336,635	37.75%	127,080
Tarrant County College District	15,485	37.75%	5,846
Tarrant County Hospital District	25,375	37.75%	9,579
White Settlement Independent School District	165,653	51.62%	85,510
Wise County	3,180	0.04%	1
Subtotal, overlapping debt			<u>2,211,925</u>
City of Fort Worth Net Direct Debt	889,704	100.00 %	<u>889,704</u>
Total direct and overlapping debt			<u><u>\$ 3,101,629</u></u>

<sup>(a)</sup> 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 is General Obligation Bonds plus Certificates of Obligation, Notes, Loans, and Capital Leases less amount available in the Debt Service Fund.

<sup>(b)</sup> The estimated percentage is based on a formula using

Source: Municipal Advisory Council of Texas

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

**TABLE 13**

Fiscal Year	Revenues			Debt Service Requirements			Bond Coverage <sup>(c)</sup>
	Total Revenues <sup>(a)</sup>	Less: Operating Expense <sup>(b)</sup>	Net Revenue	Principal	Interest	Annual Requirement	
<b>Water and Sewer<sup>(d)</sup></b>							
2004	\$ 237,243	\$ 131,852	\$ 105,391	\$ 43,071	\$ 31,498	\$ 74,569	1.41
2005	265,569	124,389	141,180	43,472	31,344	74,816	1.89
2006	303,144	151,940	151,204	42,480	30,514	72,994	2.07
2007	276,263	151,982	124,281	43,395	29,865	73,260	1.70
2008	313,388	170,069	143,319	46,198	34,353	80,551	1.78
2009	310,122	183,311	126,811	51,831	32,018	83,849	1.51
2010	321,366	189,329	132,037	51,025	28,592	79,617	1.66
2011	351,712	196,478	155,234	57,195	30,702	87,897	1.77
2012	349,112	217,978	131,134	62,210	33,592	95,802	1.37
2013	353,223	211,493	141,730	68,610	31,226	99,836	1.42
<b>Municipal Parking<sup>(e)</sup></b>							
2004	795	227	568	103	284	387	1.47
2005	654	208	446	-	-	-	-
2006	3,728	225	3,503	88	199	287	12.21
2007	4,601	339	4,262	-	599	599	7.12
2008	5,404	445	4,959	-	1,150	1,150	4.31
2009	5,133	1,423	3,710	100	1,895	1,995	1.86
2010	6,543	2,189	4,354	300	2,651	2,951	1.48
2011	7,800	2,448	5,352	640	2,704	3,344	1.60
2012	7,808	2,775	5,033	955	2,667	3,622	1.39
2013	7,117	2,891	4,226	1,005	2,620	3,625	1.17
<b>Solid Waste<sup>(f)</sup></b>							
2004	29,897	30,138	(241)	1,099	361	1,460	(0.17)
2005	39,011	33,812	5,199	1,133	363	1,496	3.48
2006	41,019	35,578	5,441	1,169	601	1,770	3.07
2007	45,727	38,267	7,460	1,206	578	1,784	4.18
2008	52,243	40,343	11,900	1,145	535	1,680	7.08
2009	49,442	42,976	6,466	1,625	484	2,109	3.07
2010	52,787	37,966	14,821	1,661	491	2,152	6.89
2011	55,418	42,945	12,473	1,704	333	2,037	6.12
2012	54,449	45,023	9,426	1,734	285	2,019	4.67
2013	56,325	47,669	8,656	1,185	1,110	2,295	3.77
<b>Stormwater<sup>(g)</sup></b>							
2008	18,968	10,024	8,944	310	907	1,217	7.35
2009	21,675	12,711	8,964	520	1,158	1,678	5.34
2010	27,786	17,737	10,049	1,445	2,752	4,197	2.39
2011	30,340	16,522	13,818	1,515	2,858	4,373	3.16
2012	34,130	17,929	16,201	3,860	5,426	9,286	1.74
2013	35,244	17,446	17,798	3,715	5,663	9,378	1.90

<sup>(a)</sup> Exclusive of other expenses and contributions and includes interest income.

<sup>(b)</sup> Exclusive of depreciation charges.

<sup>(c)</sup> Bond Coverage is computed by dividing Net Revenue by Annual Requirements.

<sup>(d)</sup> Secured by revenues of the City's Water and Sewer System.

<sup>(e)</sup> Secured by revenues of the City's Will Rogers Memorial Center Parking Facilities.

<sup>(f)</sup> Secured by revenues of the City's Solid Waste Services Program.

<sup>(g)</sup> Secured by revenue collected to maintain the stormwater system.

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

**TABLE 14**

<b>Fiscal Year</b>	<b>Population <sup>(a)</sup></b>	<b>Personal Income</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>Unemployment <sup>(b)</sup></b>	<b>Unemployment Rate <sup>(b)</sup></b>
2004	597,150	\$ 11,309,423,850	\$ 18,939 <sup>(c)</sup>	31.2 <sup>(c)</sup>	19,582	6.9%
2005	624,850	11,834,034,150	18,939 <sup>(c)</sup>	31.2 <sup>(c)</sup>	16,065	5.4%
2006	664,100	12,577,389,900	18,939 <sup>(c)</sup>	31.2 <sup>(c)</sup>	15,061	4.9%
2007	686,850	13,008,252,150	18,939 <sup>(c)</sup>	31.2 <sup>(c)</sup>	14,485	4.6%
2008	702,850	13,311,276,150	18,939 <sup>(c)</sup>	31.2 <sup>(c)</sup>	17,154	5.3%
2009	720,250	13,640,814,750	18,939 <sup>(c)</sup>	31.2 <sup>(c)</sup>	26,982	8.1%
2010	741,206	18,414,521,864	24,844 <sup>(d)</sup>	31.1 <sup>(d)</sup>	28,044	8.3%
2011	748,450	18,594,491,800	24,844 <sup>(d)</sup>	31.1 <sup>(d)</sup>	29,813	8.7%
2012	757,810	18,827,031,640	24,844 <sup>(d)</sup>	31.1 <sup>(d)</sup>	22,632	6.4%
2013	767,560	17,998,514,440	23,449 <sup>(e)</sup>	31.9 <sup>(e)</sup>	22,566	6.1%

(a) Estimate by North Central Texas Council of Governments, Arlington, Texas and City of Fort Worth Planning and Development Department.

(b) Source: BLS Local Area Unemployment Statistics.

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

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

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

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

**TABLE 15**

<b>Name of Employers</b>	<b>2013</b>			<b>2004</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Employment <sup>(d)</sup></b>	<b>Employees <sup>(e)</sup></b>	<b>Rank</b>	<b>Percentage of Total Employment <sup>(f)</sup></b>
AMR Corp./American Airlines	22.2 <sup>(b)</sup>	1	0.64%	17.0	2	0.64%
Lockheed Martin Tactical Aircraft Systems	15.0 <sup>(a)</sup>	2	0.43%	16.8	1	0.64%
NAS Fort Worth Joint Reserve Base	11.4 <sup>(a)</sup>	3	0.33%	3.9	7	0.15%
Fort Worth Independent School District	11.0 <sup>(a)</sup>	4	0.32%	10.4	3	0.39%
City of Fort Worth	7.0 <sup>(c)</sup>	5	0.20%	5.7	5	0.22%
JPS Health Network/John Peter Smith Hospital	4.9 <sup>(a)</sup>	6	0.14%	3.4	10	0.13%
Cook Children's Health Care System	4.8 <sup>(a)</sup>	7	0.14%	3.7	8	0.14%
Tarrant County Government	4.2 <sup>(a)</sup>	8	0.12%	4.2	6	0.16%
Texas Health Harris Methodist	4.0 <sup>(a)</sup>	9	0.12%	7.8	4	0.29%
Bell Helicopter-Textron, Inc.	3.8 <sup>(a)</sup>	10	0.11%	4.9	11	0.19%
	<u>88.3</u>		<u>2.55%</u>	<u>77.8</u>		<u>2.95%</u>

<sup>(a)</sup> Source: Fort Worth Chamber of Commerce

<sup>(b)</sup> Source: AMR Corporation

<sup>(c)</sup> Source: City of Fort Worth Human Resources Department

<sup>(d)</sup> Estimated total employment of 344,972 for 2013 per U.S. Bureau of Labor Statistics

<sup>(e)</sup> Source: City of Fort Worth, Texas CAFR For the Fiscal Year Ended September 30, 2004.

<sup>(f)</sup> Total employment in the year 2004 equals 264,428 per U.S. Bureau of Labor Statistics

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

<b>Function/Program</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
General Government					
Mayor and Council <sup>(a)</sup>	25	25	29	28	28
City Manager	125	111	111	106	103
Budget and Management Services <sup>(b)</sup>	-	21	19	16	17
Housing and Community Development <sup>(c)</sup>	48	47	50	49	50
Development	88	89	119	151	136
Community Relations	29	24	24	35	29
Internal Audit	15	14	16	16	16
City Secretary	7	7	8	7	8
Legal	40	42	44	46	46
Finance	61	63	60	68	67
Human Resources	128	162	166	143	101
Economic and Community Development <sup>(c)</sup>	26	30	29	35	38
Transportation Public Works <sup>(d)</sup>	398	400	400	443	426
Planning	22	21	22	-	-
Code Compliance <sup>(e)</sup>	99	110	103	110	116
Public Events	132	135	132	135	126
Municipal Court	172	167	166	173	174
Public Health	129	137	144	149	130
Environmental Management <sup>(e)</sup>	118	113	124	123	115
Parks and Community Services	812	846	860	714	809
Zoo (Contract) <sup>(f)</sup>	4	3	2	-	-
Library	261	258	273	283	259
Retirement <sup>(g)</sup>	6	7	8	-	-
<b>Subtotal</b>	<b>2,745</b>	<b>2,832</b>	<b>2,909</b>	<b>2,830</b>	<b>2,794</b>
Enterprise Fund					
Water/Wastewater	766	807	805	833	812
Aviation	37	34	33	28	27
<b>Subtotal</b>	<b>803</b>	<b>841</b>	<b>838</b>	<b>861</b>	<b>839</b>
Internal Service Fund					
IT Solutions	102	115	114	123	118
Equipment Services	124	116	121	126	120
Engineering	153	168	170	161	171
<b>Subtotal</b>	<b>379</b>	<b>399</b>	<b>405</b>	<b>410</b>	<b>409</b>
Public Safety					
Police-Uniform	1,350	1,381	1,399	1,470	1521
Police-Civilian	581	625	653	647	658
Fire-Uniform	812	799	828	892	923
Fire-Civilian	47	52	45	49	48
<b>Subtotal</b>	<b>2,790</b>	<b>2,857</b>	<b>2,925</b>	<b>3,058</b>	<b>3,150</b>
<b>Total</b>	<b>6,717</b>	<b>6,929</b>	<b>7,077</b>	<b>7,159</b>	<b>7,192</b>

<sup>(a)</sup> Mayor and Council Office is included in City Manager's Office since 2011.

<sup>(b)</sup> Budget and management Services established in FY05, previously a division of City Manager office. In FY09 merged into Financial management Services. In FY11 moved to City Manager's office.

<sup>(c)</sup> Economic and Community Development was combined with Housing in 2009.

<sup>(d)</sup> Street services is a division of Transportation Public Works Department.

<sup>(e)</sup> Environmental Management is combined with Code Compliance since 2011.

<sup>(f)</sup> Fort Worth Zoo management is contracted out to Fort Worth Zoo Association since 2007.

<sup>(g)</sup> Employee for Retirement Department is transferred to Fort Worth Retirement Systems (separate entity) since 2007.

Source: Approved Budgets 2004-2013

**TABLE 16**

<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
26	26	-	-	-
41	52	90	89	58
9	8	-	-	-
83	85	75	57	71
140	137	135	147	155
72	45	-	-	-
14	14	14	16	15
11	12	10	11	12
51	52	46	51	53
70	71	72	90	88
126	103	104	107	52
-	-	-	-	-
559	550	588	564	617
-	-	-	-	-
173	173	272	284	289
132	127	127	123	132
180	177	191	195	198
-	-	-	-	-
107	113	-	-	-
756	705	727	690	396
-	-	-	-	-
260	275	286	271	220
-	-	-	-	-
<b>2,810</b>	<b>2,725</b>	<b>2,737</b>	<b>2,695</b>	<b>2,356</b>
880	891	892	901	934
24	22	24	21	24
<b>904</b>	<b>913</b>	<b>916</b>	<b>922</b>	<b>958</b>
99	90	100	111	127
119	104	97	96	106
-	-	-	-	-
<b>218</b>	<b>194</b>	<b>197</b>	<b>207</b>	<b>233</b>
1538	1,524	1,534	1,539	1,594
675	660	647	677	448
891	869	894	897	908
57	55	44	60	47
<b>3,161</b>	<b>3,108</b>	<b>3,119</b>	<b>3,173</b>	<b>2,997</b>
<b>7,093</b>	<b>6,940</b>	<b>6,969</b>	<b>6,997</b>	<b>6,544</b>

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

Function/Program	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Public Safety</b>					
Fire					
Calls for Service - Fire	2,723	3,825	2,906	2,287	3,486
Calls for Service - EMS	38,580	37,725	37,819	49,892	51,401
Police					
Calls for Service	303,159	310,056	317,446	314,132	312,219
<b>Municipal Courts</b>					
Citations Entered	410,161	382,280	404,393	439,393	447,949
Warrants Issued	254,992	244,714	55,030	177,729	198,000
Jail Cases Prepared	61,837	74,220	44,647	43,124	62,405
<b>Transportation and Public Works</b>					
Streets - Linear Miles Maintained Annually	6,638	6,830	7,000	7,173	7,218
Lane Miles - Resurfaced	269	274	219	152	177
<b>Library</b>					
Books and audio/visual materials (millions)	2.4	2.3	1.1 <sup>(a)</sup>	1.1 <sup>(a)</sup>	1.1
Average Monthly Circulation	286,317	302,096	311,050	320,791	337,768
<b>Building Permits</b>					
Permits issued (in thousands)	16.1	13.8	17.0	12.0	12.0
Estimated Value (in thousands)	\$ 1,778,279	\$ 1,809,740	\$ 2,444,399	\$ 2,216,067	\$ 2,186,348
<b>Aviation</b>					
Airport Operations (Takeoffs and Landings)	265,917	223,873	230,068	257,983	312,799
Total Fuel Flowage, gallons	N/A	N/A	8,156,853	7,917,256	7,674,724
Total Fuel Flowage, revenue	N/A	N/A	\$ 716,424	\$ 715,791	\$ 728,683
<b>Water &amp; Sewer</b>					
Number of Water Accounts (in thousands)	166	176	186	212	216
Peak Day Water Consumption (million gallons)	266	304	344	271	335
Average Daily Water Consumption (million gallons)	159	174	208	172	183
Water System Storage Capacity (million gallons)	75	75	75	75	88
Actual Annual Water Pumpage (million gallons)	58,121	63,593	75,723	62,749	66,914
Number of Sewer Accounts (in thousands)	179	189	197	204	208
Average daily sewage treatment (million gallons)	108	109	94	122	107
<b>Municipal Parking</b>					
Parking tickets issued	61,327	55,103	40,287	56,368	61,130

N/A = Information not available

<sup>(a)</sup> Number does not include approximately 1 million governmental documents.

**TABLE 17**

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
2,776	2,281	12,392	10,111	10,158
52,566	53,837	65,190	58,770	71,511
314,942	312,061	299,750	299,793	266,169
451,938	415,008	327,779	277,672	246,378
273,951	274,833	318,720	219,478	167,764
73,566	81,522	136,312	152,874	141,888
7,291	7,317	7,325	7,341	7,382
208	164	177	169	143
(a) 1.1 (a)	1.1 (a)	1.1 (a)	1.1	1.1 (a)
349,247	342,697	375,965	369,450	355,877
9.7	10.0	9.8	10.0	1.10
\$ 1,487,296	\$ 1,678,179	\$ 1,352,438	\$ 1,454,917	\$1,214,680
263,077	229,845	260,059	248,650	252,989
7,099,019	6,656,640	7,828,177	7,742,014	8,260,693
\$ 632,715	\$ 770,510	\$ 910,116	\$ 908,212	\$926,437
220	221	223	225	228
323	313	368	346	324
178	170	205	265	186
92	93	93	93	90
64,984	62,131	74,997	69,469	67,929
210	212	214	216	219
106	135	105	110	95
64,061	61,715	52,261	47,211	60,354

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

<b>Function/Program</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<u>Library</u>					
Library Facilities Owned	13	13	13	13	13
Library Facilities Leased	2	2	2	2	2
<u>Parks and Recreation</u>					
Parks and Public Spaces	223	227	231	236	243
Parks Acres	10,595	10,715	10,762	10,832	10,929
Miles of Trails (Jogging, Hiking & Biking) (paved trails)	58	59	60	58	60
Swimming Pools	7	7	7	7	7
Athletic Fields (Soccer, Football, Baseball & Rugby)	175	175	178	184	181
Tennis Centers	1	1	1	1	1
Number of Tennis Courts	16	16	16	16	16
Neighborhood Tennis Courts	82	82	82	82	82
Multi-use Courts	105	105	105	106	107
Golf Courses	5	5	5	5	5
Community and C.A.P. Centers	21	21	21	21	21
<u>Public Safety</u>					
Police Stations Owned	9	9	9	9	10
Police Stations Leased	10	10	10	10	11
Fire Stations	39	40	41	40	40
<u>Public Works</u>					
Streets - Linear Miles	6,638	6,830	7,000	7,173	7,218
Traffic Signals	628	653	696	603 (a)	588
Street Lights	55,300	56,592	58,565	60,026	60,950
<u>Stormwater</u>					
Miles of Channels - Improved	191	236	281	327	326
Miles of Storm Pipes	648	700	750	680	700
<u>Water</u>					
Water Mains (Miles)	2,767	2,837	3,177	3,292	3,395
Fire Hydrants	14,002	14,803	16,929	17,040	17,580
<u>Wastewater</u>					
Miles of Sanitary Sewers	2,726	2,804	3,218	3,315	3,380

(a) The City also maintains 97 Traffic Signals owned by TXDOT not included in the number noted above.

(b) The City also maintains 100 Traffic Signals owned by TXDOT not included in the number noted above.

N/A= Information not available

Source: Respective City of Fort Worth departments.

**TABLE 18**

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
13	13	14	14	14
2	2	2	2	2
249	253	257	260	260
11,094	11,292	11,609	11,663	11,663
63	64	66	66	71
7	7	7	7	7
181	181	181	184	188
1	1	1	1	1
16	16	16	16	16
82	82	82	82	87
107	107	107	107	107
5	5	5	5	4
21	21	21	21	21
11	11	10	12	12
10	9	8	11	11
42	42	42	42	42
7,291	7,317	7,325	7,341	7,382
(a) 620	(a) 635	(a) 644	(a) 649	(b) 667
61,593	62,075	63,007	64,175	64,721
333	327	330	212	212
714	800	900	930	1,163
3,449	3,469	3,480	3,513	3,553
17,947	18,275	18,388	18,616	18,879
3,421	3,454	3,527	3,569	3,610







2012



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**CITY OF FORT WORTH**  
**FINANCIAL MANAGEMENT SERVICES DEPARTMENT**  
**1000 THROCKMORTON STREET**  
**FORT WORTH, TEXAS 76102**  
**[www.fortworthtexas.gov](http://www.fortworthtexas.gov)**