



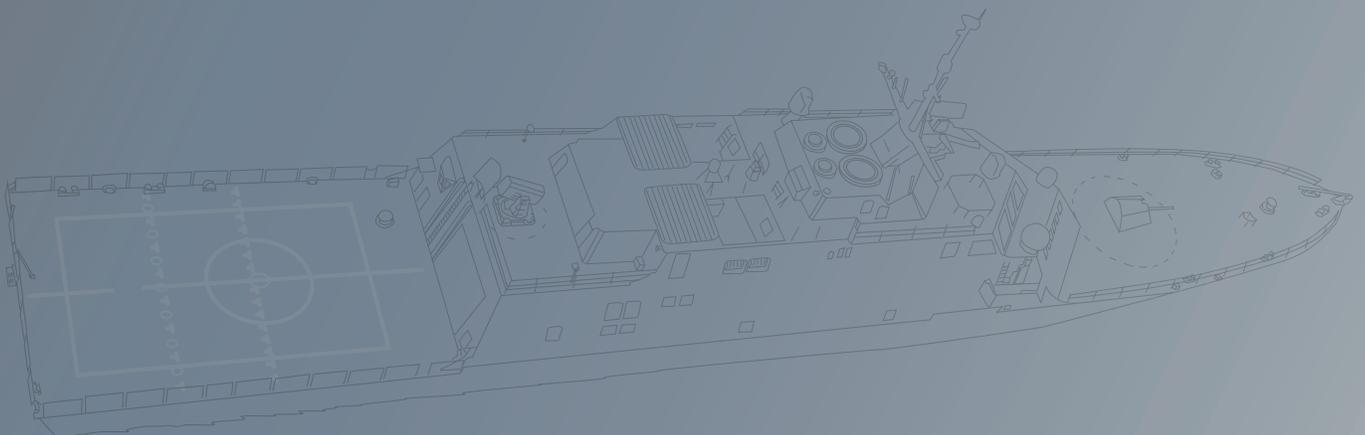
# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended  
September 30, 2014

CITY OF FORT WORTH, TEXAS



The USS Fort Worth, commissioned in Galveston, September 22, 2012



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended  
September 30, 2014

## CITY OF FORT WORTH, TEXAS

### ELECTED OFFICIALS

#### 2014 CITY COUNCIL

Betsy Price, Mayor

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

Jungus Jordan  
Dennis Shingleton  
Kelly Allen Gray  
Ann Zadeh

### CITY MANAGER

David Cooke

### CHIEF FINANCIAL OFFICER

Aaron J. Bovos

### INDEPENDENT AUDITORS

Deloitte & Touche LLP

Prepared by the Department of Finance



**CITY OF FORT WORTH, TEXAS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED SEPTEMBER 30, 2014**  
**TABLE OF CONTENTS**

	<b>Page</b>
<b>INTRODUCTORY SECTION:</b>	
Transmittal Letter .....	vii
Certificate of Achievement for Excellence in Financial Reporting.....	xiii
Organization of City Government .....	xiv
Elected Officials .....	xv
<b>FINANCIAL SECTION:</b>	
Independent Auditors' Report.....	1
Management's Discussion and Analysis .....	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.....	33
<b>Required Supplementary Information</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 .....	110
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	112
Other Blended Component Units:	
Combining Balance Sheet .....	114
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances ..	115
Budgetary Comparison Schedule – Crime Control and Prevention District Fund .....	116
Budgetary Comparison Schedule – Culture and Tourism Fund.....	117

# 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 .....	120
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position....	123
Combining Statement of Cash Flows .....	124
Internal Service Funds:	
Combining Statement of Net Position .....	128
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position....	130
Combining Statement of Cash Flows .....	132
Fiduciary Funds:	
Combining Statement of Fiduciary Net Position .....	136
Combining Statement of Changes in Fiduciary Net Position .....	137
 <b>STATISTICAL SECTION:</b>	
	<b>Table      Page</b>
Financial Trends:	
Net Position by Component .....	1      140
Change in Net Position .....	2      142
Fund Balances, Governmental Funds .....	3      146
Changes in Fund Balances of Governmental Funds .....	4      148
Revenue Capacity:	
Assessed Value and Estimated Actual Value of Taxable Property .....	5      150
Property Tax Rates - All Direct and Overlapping Tax Rates.....	6      151
Property Tax Levies and Collections .....	7      152
Property Tax Rate Trend .....	8      153
Appraised Values By Type .....	9      154
Property Tax Revenue .....	10      156
Property Tax Revenue (Per Capita) .....	11      158
Principal Property Taxpayers .....	12      160
Debt Capacity:	
Ratio of Outstanding Debt by Type .....	13      162
Percent of Total General Debt Outstanding to Assessed Value and Total General Debt Outstanding per Capita .....	14      164
Legal Debt Margin Information .....	15      166
Tax Rate Allocation .....	16      168
Direct and Overlapping Governmental Activities Debt .....	17      169
Pledged Revenue Coverage .....	18      170
Demographic & Economic Information:	
Demographic and Economic Statistics .....	19      171
Principal Employers Fort Worth Metropolitan Area .....	20      172
Population Growth .....	21      174
Total Appraised Value .....	22      176
Appraised Value Per Capita .....	23      178
Appraised Value Per Capita (Inflation Adjusted) .....	24      180
Median Family and Per Capita Income (Unadjusted for Inflation) .....	25      182
Median Family and Per Capita Income (Adjusted for Inflation) .....	26      183
Average Home Value .....	27      184

**TABLE OF CONTENTS**

(continued)

		<b>Page</b>
Median Home Value .....	28	186
Operating Information:		
Full-Time Equivalent City Government Employees by Function/Program .....	29	188
Operating Indicators by Function/Program .....	30	190
Capital Asset Statistics by Function/Program .....	31	192



# INTRODUCTORY SECTION



March 20, 2015

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 (the City or Fort Worth), for the year ended September 30, 2014. The City Charter Chapter X, Section 11 requires that an annual audit of all accounts of the City be made by an independent certified public accountant and an annual financial report be published by the City. The annual financial report of the fiscal year shall be printed and furnished to each member of the council, the city manager and to each citizen who requests a copy. This report is published to fulfill the aforementioned requirements for the most recent fiscal year.

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 opinion on the City's financial statements for the year ended September 30, 2014. 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 781,000.

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.

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## **DEPARTMENT OF FINANCE**

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

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 addition, the City provides water and wastewater treatment for several neighboring jurisdictions. Equipment maintenance, office services, temporary labor (closed during the fiscal year (FY), information systems, and engineering services are provided through internal service funds. During FY2014, the City transferred the risk financing functions from the general fund to 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. Organizations that do not meet the financial accountability criteria for inclusion as a component unit would be included based upon management's determination that it would be misleading to exclude them. During Fiscal Year 2014, there were eight blended 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 6.9 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 2013 census figures released by the United States (U.S.) Census Bureau. Fort Worth grew 48.2% to an estimated population of 792,727 residents from 2000 to 2013. 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 \$59,738; Texas was \$61,066, while the United States was \$64,719.

The Fort Worth-Arlington Metropolitan Division (MD) boasts a strong labor force of over one million that continues to grow. As impacts from the recession continue to decrease, the Fort Worth-Arlington MD has maintained positive annual employment growth since the summer of 2010. The unemployment rate reached a low of 4.0% at the end of 2014, compared to the 4.1% unemployment rate of Texas, and the 5.4% 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 28.6% of the area's workforce.

Manufacturing and professional business services remain an important part of the Fort Worth economy. Over the last year, manufacturing remained stable with over 93,000 jobs in the area, while growth in professional business services topped 8%. 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 24%. Government, education & health services, professional & business services, leisure & hospitality are also large sectors, comprising 13%, 13%, 12% and 11% of the workforce, respectively. Tourism is an important contributor to the local economy with over 5.5 million visitors per year contributing \$900 million annually to the city's economy. 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 with an estimated economic impact to the North Texas region of \$4.75 billion and nearly 3,000 jobs created during the year, which includes a growing workforce in the medical district at Alliance Town Center. The 18,000-acre development, started in 1989 with the opening of the industrial airport, has had a total economic impact of \$55.3 billion over the life of the development.

Due to favorable financial performance, exceeding minimum fund balance goals, implementing cost control measures and improved financial reporting, the general obligation and water and sewer bond ratings were Aa1 from Moody's Investor Service, Inc. and AA+ by Standard and Poor Ratings (S&P).

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

Each year, the Fort Worth City Council participates in financial planning activities 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 and is referred to as "Fort Worth Strategic Goals."

The Mayor and Council strategic goals include:

- 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 these strategic goals which drive decision-making and help the City Council further the City's mission and vision translating that vision into an action plan. The City's limited resources are then prioritized to achieve that plan. The City's actions to implement the established strategic goals and address community issues are numerous and varied. However, the City continually addresses community issues through the best, most appropriate methods available.

The assigned balance in the General Fund at the end of the fiscal year was \$9 million or 1.6% of total General Fund expenditures. The unassigned balance in the General fund at the end of the fiscal year was \$57 million or 10.4% of total General Fund expenditures.

As expressed in the City's 2014 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 2014 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 2014 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, can guide the City in its decisions about the future.

### **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%, it 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, 2013. 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, 2014. 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 Department of Finance 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 standards and professionalism in the management of the City's finances.

Sincerely,



David Cooke  
City Manager



Aaron J. Bovos  
Chief Financial Officer





Government Finance Officers Association

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

Presented to

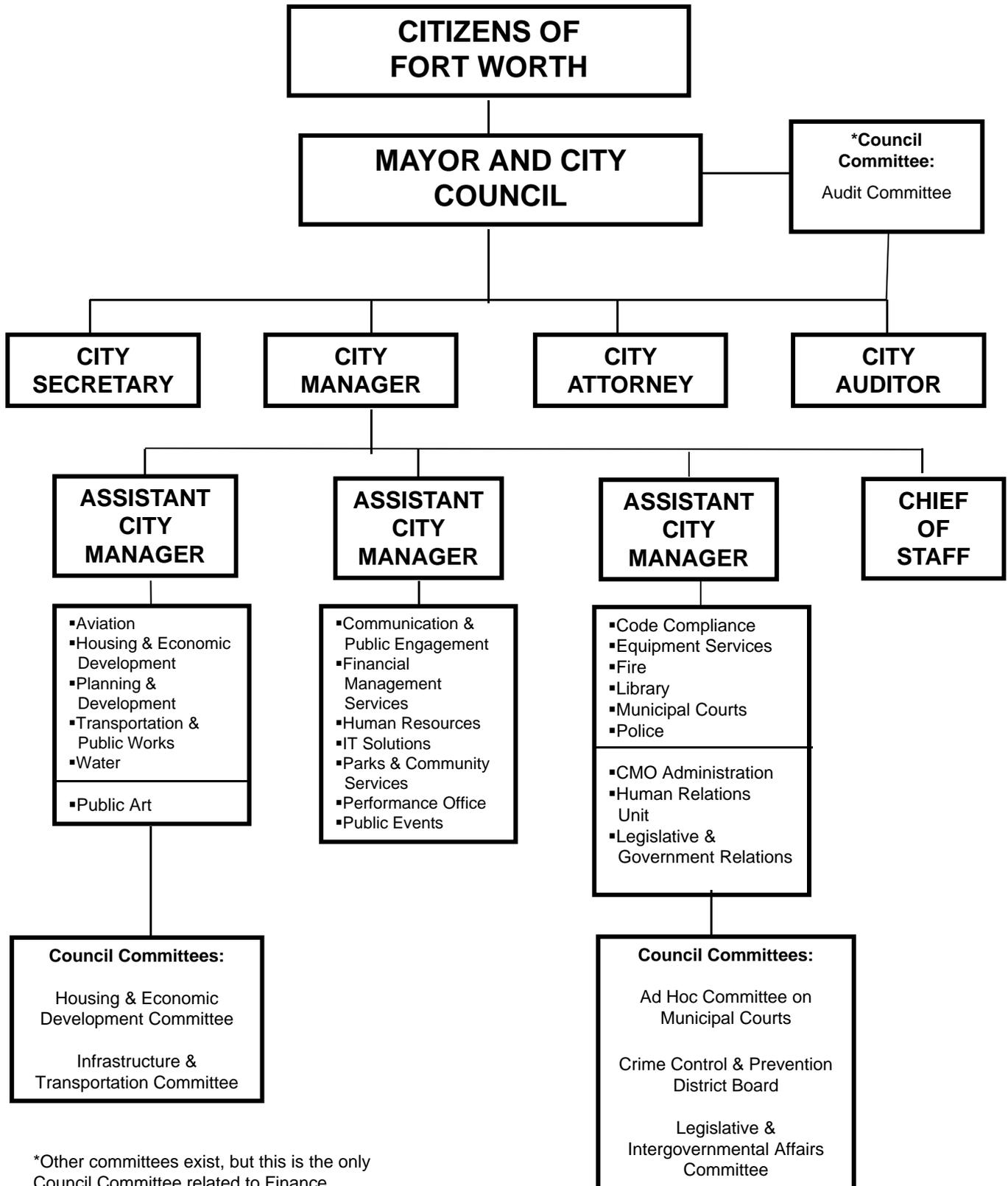
**City of Fort Worth  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2013**

Executive Director/CEO

**CITY OF FORT WORTH, TEXAS  
ORGANIZATION OF CITY GOVERNMENT  
September 30, 2014**



\*Other committees exist, but this is the only Council Committee related to Finance.

**Elected Officials  
City of Fort Worth, Texas  
Mayor and Council Members for Fiscal Year 2014**



**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**



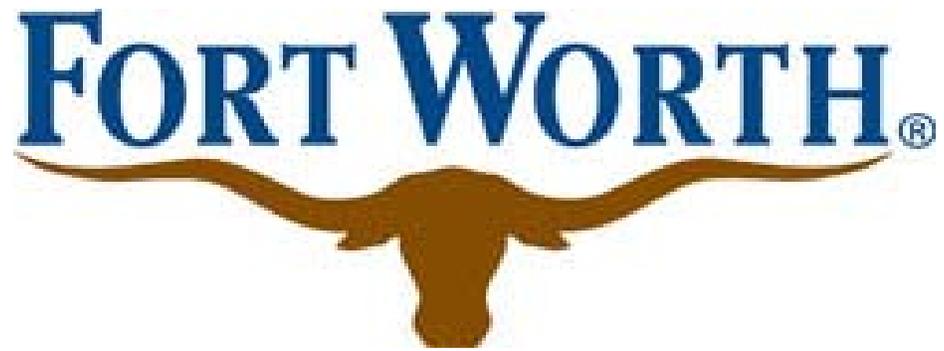
**Dennis Shingleton  
Council District 7**



**Kelly Allen Gray  
Council District 8**



**Ann Zadeh  
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 remaining fund information of the City of Fort Worth, Texas (the "City"), as of and for the year ended September 30, 2014, 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, which represents 98 percent, 97 percent, and 85 percent, respectively, of the assets, net position, and additions to net position of the fiduciary trust funds of the City. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Employees' Retirement Fund of the City of Fort Worth, is based solely on the report of the other auditors. The financial statements of the Employees' Retirement Fund of the City of Fort Worth were not audited in accordance with Government Auditing Standards. 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 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 remaining fund information of the City of Fort Worth, Texas, as of September 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note A to the financial statements, the City restated its beginning net position and fund balances as of October 1, 2013, to reflect the impact of implementation of Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the change in presentation of the Public Improvement Districts and Tax Increment Reinvestment Zones, and to report the risk management activities in internal service funds. Our opinions are not modified with respect to these changes.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management discussion and analysis, the budgetary comparison schedule for the General Fund, the schedule 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 financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with 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 financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

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

The combining and individual nonmajor fund financial statements is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements is fairly stated, in all material respects, in relation to the financial statements as a whole.

The other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2015 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 20, 2015



**CITY OF FORT WORTH, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2014  
(in 000's)**

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, 2014. 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, 2014, by \$3,130,006 (net position). Of this amount, \$75,820 (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 \$72,930 in comparison with Fiscal Year 2013, as restated. This increase can be attributed to increases in property tax revenue, gas lease revenue, investment income, and grants and contributions for both governmental activities and business-type activities.

At September 30, 2014, the City's governmental funds reported combined ending fund balances of \$645,690, a decrease of \$187,450 in comparison with Fiscal Year 2013, as restated. Approximately 50.2 percent of ending fund balances (\$324,163) is available for spending at the government's discretion (\$180,294 committed fund balance, \$88,195 assigned fund balance and \$55,674 unassigned fund balance).

The City's total long-term liabilities increased by \$179,014 during the current fiscal year. The key factors in this increase occurred in Other Postemployment Benefits Obligation of \$41,158, the issuance of \$19,270 of certificates of obligation, \$11,577 of State obligation loans, and \$44,176 of Trinity River Water District loans. During the year, long-term liabilities were reduced by principal payments of \$89,698 in governmental activities and \$69,041 in business-type activities. Additionally, the City issued \$173,410 of revenue bonds and refunded \$40,435 of existing debt.

**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.

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

**CITY OF FORT WORTH, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2014**  
**(in 000's)**  
**(continued)**

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

**CITY OF FORT WORTH, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2014  
(in 000's)  
(continued)**

The City maintains twenty-one individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, 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, information systems, capital projects, risk management, group healthcare and life insurance, worker's compensation insurance, and unemployment insurance.

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 postemployment 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, 2014, were \$6,083,582 and deferred outflows were \$20,999 while total liabilities were \$2,970,487 and total deferred inflows of resources were \$4,088, resulting in a net position of \$3,130,006.

The largest portion of the City's net position, \$2,979,621 or 95.2 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

**CITY OF FORT WORTH, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2014**  
**(in 000's)**  
**(continued)**

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, \$96,900 or 3.1 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position, \$53,485, may be used to meet the City's ongoing obligations to citizens and creditors.

**Condensed Schedule of Net Position**

	Governmental Activities		Business-type Activities		Total	
	2013	2014	2013	2014	2013	2014
Current and other assets	\$ 936,103	\$ 828,573	\$ 619,346	\$ 698,855	\$1,555,449	\$1,527,428
Capital assets	<u>1,663,699</u>	<u>1,791,941</u>	<u>2,694,725</u>	<u>2,764,213</u>	<u>4,358,424</u>	<u>4,556,154</u>
Total assets	<u>2,599,802</u>	<u>2,620,514</u>	<u>3,314,071</u>	<u>3,463,068</u>	<u>5,913,873</u>	<u>6,083,582</u>
Deferred outflows	-	11,538	-	9,461	-	20,999
Long-term liabilities						
outstanding	1,514,853	1,600,645	1,023,212	1,116,434	2,538,065	2,717,079
Other liabilities	<u>121,081</u>	<u>117,168</u>	<u>148,784</u>	<u>136,240</u>	<u>269,865</u>	<u>253,408</u>
Total liabilities	<u>1,635,934</u>	<u>1,717,813</u>	<u>1,171,996</u>	<u>1,252,674</u>	<u>2,807,930</u>	<u>2,970,487</u>
Deferred inflows	<u>13,187</u>	-	<u>4,569</u>	<u>4,088</u>	<u>17,756</u>	<u>4,088</u>
Net position:						
Net investment in						
capital assets	1,053,547	1,092,890	1,850,152	1,864,396	2,903,699	2,957,286
Restricted	25,172	35,983	70,365	60,917	95,537	96,900
Unrestricted	<u>(128,038)</u>	<u>(214,634)</u>	<u>216,989</u>	<u>290,454</u>	<u>88,951</u>	<u>75,820</u>
Total net position	<u>\$ 950,681</u>	<u>\$ 914,239</u>	<u>\$2,137,506</u>	<u>\$2,215,767</u>	<u>\$3,088,187</u>	<u>\$3,130,006</u>

At September 30, 2014, 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 an increase in restricted net position reported in the City's governmental activities of \$10,811, which resulted from the reallocation of one cent of the property tax rate (\$0.8550 per \$100 of assessed valuation) from the General Fund to debt service per the City Council's previous commitment to build capacity for future capital projects. The governmental activities' unrestricted net position balance decreased by \$86,596, mostly due to increase in other postemployment benefit and pension liabilities and the increase in the liability to Trinity River Water District.

**CITY OF FORT WORTH, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2014**  
**(in 000's)**  
**(continued)**

**Condensed Schedule of Changes in Net Position**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>
<b>Revenues:</b>						
Program Revenues:						
Charges for services	\$ 77,031	\$ 73,637	\$ 452,948	\$ 463,377	\$ 529,979	\$ 537,014
Operating grants and contributions	45,173	43,700	-	-	45,173	43,700
Capital grants and contributions	52,682	69,149	35,910	42,682	88,592	111,831
General revenues:						
Property taxes	361,568	389,118	-	-	361,568	389,118
Sales Taxes	173,220	184,360	-	-	173,220	184,360
Other local taxes	30,197	33,439	-	-	30,197	33,439
Franchise Fees	49,489	51,205	-	-	49,489	51,205
Gas Lease and Royalties	10,834	16,500	12,377	12,989	23,211	29,489
Investment income	3,149	8,622	1,661	6,077	4,810	14,699
Gain disposal of capital assets	1,316	-	-	-	1,316	-
Other	16,069	20,582	22,228	5,861	38,297	26,443
<i>Total revenues</i>	<u>820,728</u>	<u>890,312</u>	<u>525,124</u>	<u>530,986</u>	<u>1,345,852</u>	<u>1,421,298</u>
<b>Expenses:</b>						
General Administration	114,575	173,634	-	-	114,575	173,634
Public Safety	431,362	424,289	-	-	431,362	424,289
Transportation and Public Works	129,820	147,429	-	-	129,820	147,429
Parks and Community Service	62,626	62,167	-	-	62,626	62,167
Public Library	21,736	20,842	-	-	21,736	20,842
Public Events and Facilities	35,545	32,876	-	-	35,545	32,876
Planning and Development	14,145	12,382	-	-	14,145	12,382
Housing and Economic Development	20,388	18,402	-	-	20,388	18,402
Interest and Service Charges	34,366	31,522	-	-	34,366	31,522
Water & Sewer	-	-	302,447	317,526	302,447	317,526
Municipal Airport	-	-	18,768	23,089	18,768	23,089
Solid Waste	-	-	48,903	48,420	48,903	48,420
Municipal Parking	-	-	6,621	6,649	6,621	6,649
Municipal Golf	-	-	5,614	5,396	5,614	5,396
Stormwater Utility	-	-	22,531	23,745	22,531	23,745
<i>Total expenses</i>	<u>864,563</u>	<u>923,543</u>	<u>404,884</u>	<u>424,825</u>	<u>1,269,447</u>	<u>1,348,368</u>
Excess (Deficiency) of Revenues Over						
(Under) Expenditures	(43,835)	(33,231)	-	120,240	76,405	72,930
Transfers	29,282	21,913	(29,282)	(21,913)	-	-
Change in net position	(14,553)	(11,318)	90,958	84,248	76,405	72,930
Restatements	(13,962)	(25,124)	-	(5,987)	(13,962)	(31,111)
Net position - Beginning 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>
Net position - End of Year	<u>\$ 950,681</u>	<u>\$ 914,239</u>	<u>\$ 2,137,506</u>	<u>\$ 2,215,767</u>	<u>\$ 3,088,187</u>	<u>\$ 3,130,006</u>

**CITY OF FORT WORTH, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2014**  
**(in 000's)**  
**(continued)**

Overall, the governmental activities change in net position totaled a decrease of \$11,318 as a result of current fiscal year activity. Factors that contributed to the governmental activities net position decrease from the prior year were reductions in transfers in from the business-type activities of \$7,369. In addition, general administrative and transportation and public works expenses increased by \$76,668 due mainly to the change in presentation of the City's tax increment reinvestment zones in the current year. This expense increase was offset by increases in revenues in capital grants and contributions, property taxes, sales taxes, gas lease and royalties, and investment income of \$66,296.

Business-type activities net position increased \$84,248 during the current fiscal year. The major factors that contributed to the business-type activities net position increase were an increase of \$10,429 in charges for services and a \$6,772 increase in capital grants and contributions. This was offset by an increase in operating expense of \$19,941. The increase in capital grants and contributions was due to increases in the Water and Sewer fund for developer contributions and in the Municipal Airport Fund for grant money received for several projects during fiscal year 2014. The increase in charges for services was due to utility services provided to new customers due to the City's population increase.

**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.

During Fiscal Year 2014, the City had changes in accounting principles and reporting entity that affected the governmental funds beginning balances (See Note A.16 for further information). The change in principles was due to reclassifying the risk financing funds from previously reported in the General Fund to Internal Service Funds. This change reduced the General Fund's fund balance by \$64,073. The change in reporting entity was due to reclassifying previously reported discretely presented entities to nonmajor governmental funds. This change increased the governmental fund balance by \$29,043. In addition, this change was offset by an increase in general administration expenditures for Fiscal Year 2014 by \$57,038.

As of the end of the current fiscal year, the City's governmental funds reported total fund balances of \$645,690. Approximately 13.3 percent or \$86,042 constitutes the General Fund's fund balance. As of September 30, 2014, the General Fund's nonspendable fund balance includes \$3,104 for advances to other funds, \$1,947 for inventories, and \$129 for prepaids, deposits and other. The restricted fund balance of \$3,045 includes \$1,600 for the Collective Bargaining Agreement between the City and the Fort Worth Professional Firefighters Association, and \$1,445 to purchase property under a U.S Housing and Urban Development grant. The committed fund balance includes amounts \$3,296 for funding purchases in the next fiscal year, \$7,872 for repayment of State loans, and \$600 for City Council designated spending totaling \$11,768. The assigned fund balance of \$8,755 includes amounts for subsequent year expenditures and capital projects. As of September 30, 2014, the General Fund had an unassigned fund balance of \$57,294.

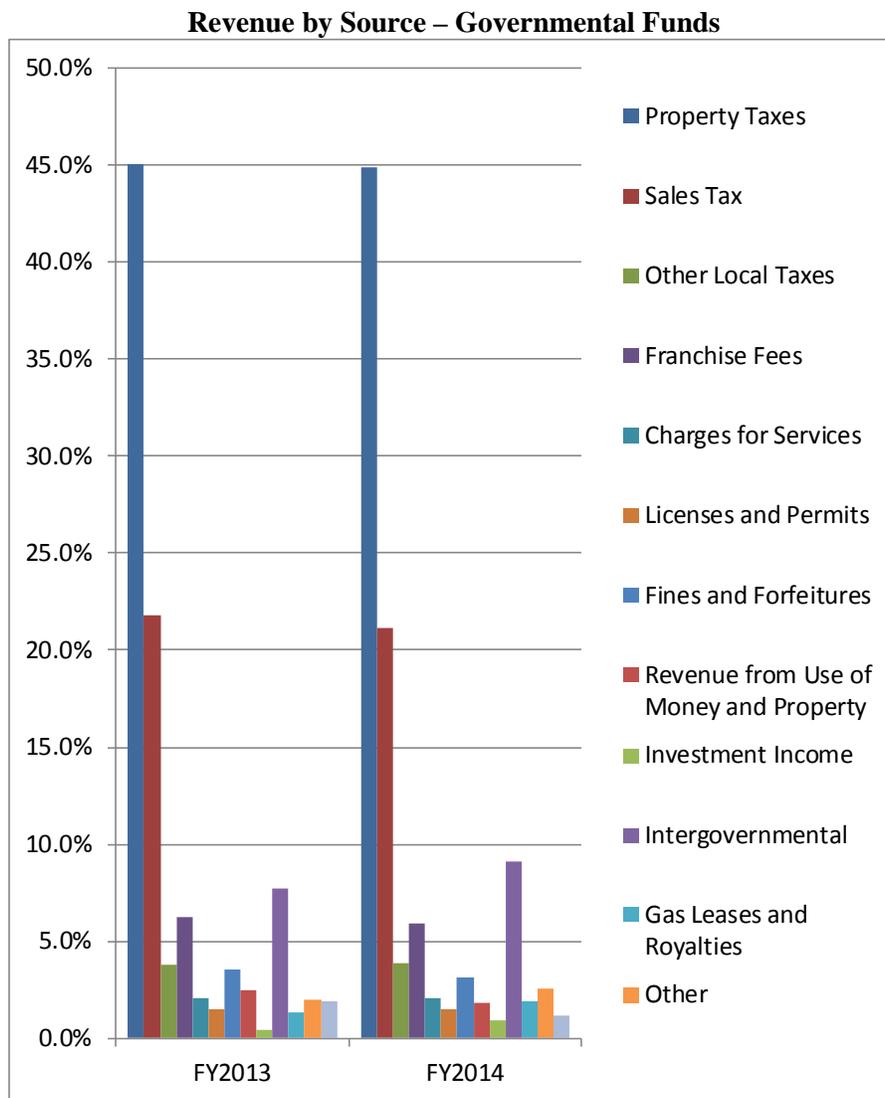
The nonmajor governmental fund balance of \$165,797 is 25.7 percent of total governmental fund balance and includes nonspendable fund balance of \$2,930, restricted fund balance of \$90,328, committed fund balance of \$30,240, assigned fund balance of \$43,919, and an unassigned deficit of \$1,620. The Debt Service fund has a fund balance of \$19,806 or 3.1 percent of total governmental fund balance of which \$8,263 is restricted fund balance, \$11,436 is committed fund balance and \$107 is assigned fund balance. The Capital Projects fund has a fund balance of \$374,045 or 57.9 percent of total governmental fund balance of which \$752 is nonspendable fund

**CITY OF FORT WORTH, TEXAS  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2014  
(in 000's)  
(continued)**

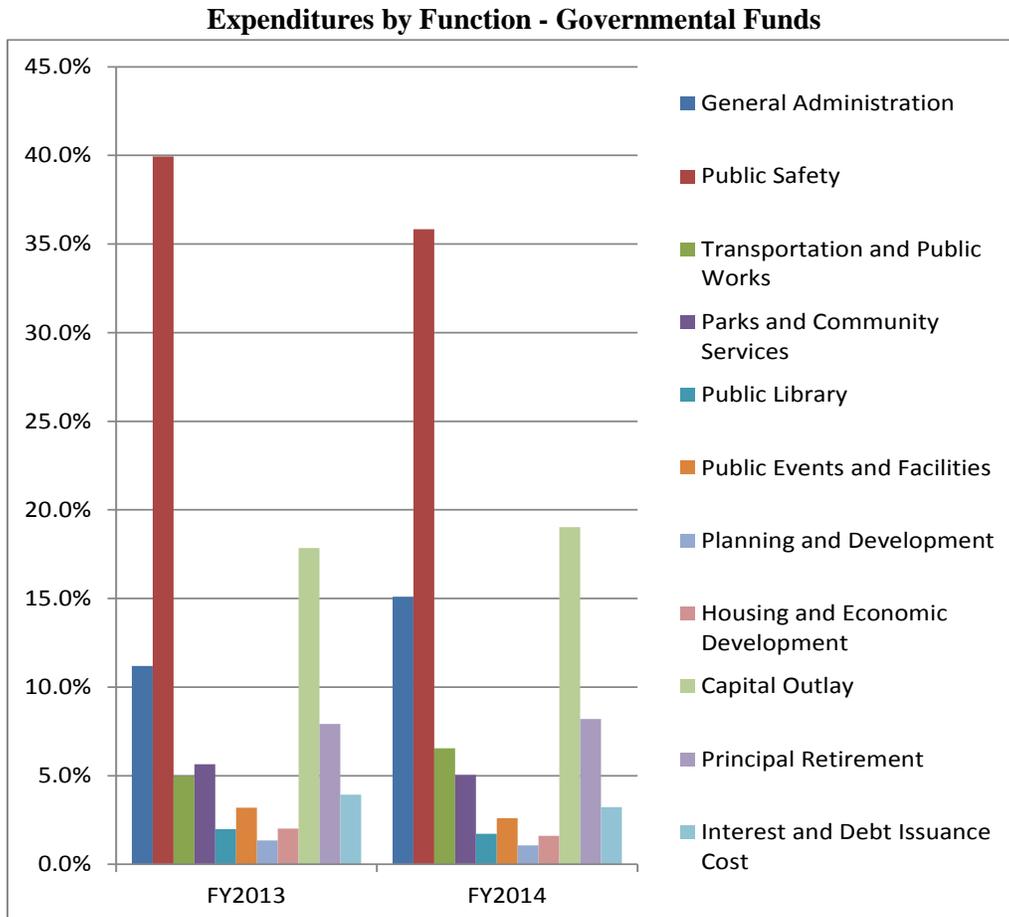
balance, \$211,029 is restricted fund balance, \$126,850 is committed fund balance and \$35,414 is assigned fund balance.

As shown in the following charts for governmental funds for fiscal years 2013 and 2014, 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 \$86,042. 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 \$57,294, represents 10.4 percent of total General Fund expenditures. The total fund balance of \$86,042 represents 15.5 percent of total General Fund expenditures. Fund balance in the General Fund decreased by \$75,285. The significant change in the General Fund was the transfer of risk financing funds beginning balances to stand alone internal service funds in the amount of \$64,073.

**Revenues and Expenditures – Governmental Funds**



**CITY OF FORT WORTH, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2014**  
(in 000's)  
(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 \$171,623 and \$26,511, respectively, at the end of the fiscal year. Total net position in the Water and Sewer Fund increased \$49,924. The increase in net position was primarily due to water charges for services of \$361,853, which exceeded operating expenses by \$67,880. Total net position in the Stormwater Utility Fund increased \$9,003. The increase in net position from operations was primarily due to utility charges for services of \$35,409, which exceeded operating expenses by \$14,493. Other business-type activities increased the City's net position by \$24,500.

**CITY OF FORT WORTH, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2014  
(in 000's)  
(continued)**

**General Fund Budgetary Highlights**

Differences between the original expenditure budget and the final amended budget resulted in a \$26,885 increase in appropriations and is briefly summarized as follows:

- Budget carryforwards of encumbrances resulted in an increase of \$9,915. Significant increases included \$5,491 in Transportation and Public Works, \$1,316 in Fire, \$991 in Parks and Community Services, and \$770 in Planning and Development.
- Other appropriation increases to the original budget were made in the amount of \$12,881. Significant activities which necessitated these increases included \$8,798 to fund the Golf Fund deficit, \$1,521 for the Tarrant County 911 District Radio Assistance Program, \$734 for transfers to the Asset Forfeiture Fund, and \$489 for the public art program.
- At fiscal year end, \$4,089 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 \$3,550. Of this amount, \$1,619 was for increased transfers in that included \$653 for the Tarrant County 911 District Radio Assistance Program, \$489 for the public arts program, and \$250 for the next generation integrated library system. The total increase also included additional funding of \$868 for the Tarrant County 911 District Radio Assistance Program.

There were no significant variances between the final amended budget and actual expenditures. Actual expenditures were \$12,243, or 2.04 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, 2014, amounted to \$4,556,154 (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 \$197,730 (4.5 percent). Major capital assets events during the current fiscal year included the following:

- The completion of Water and Sewer projects throughout the City added \$164,956 to capital assets.
- The completion of governmental projects throughout the City added \$89,622 to capital assets, while governmental capital contributions were \$31,689.
- The completion of drainage projects added \$9,402 to capital assets.
- These additions were offset by depreciation or retirement during the year.

**CITY OF FORT WORTH, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2014**  
**(in 000's)**  
**(continued)**

**Capital Assets, net of Accumulated Depreciation**

	Governmental activities		Business-type activities		Total	
	2013	2014	2013	2014	2013	2014
Land/Right of Way	\$ 169,206	\$ 174,733	\$ 97,260	\$ 101,832	\$ 266,466	\$ 276,565
Construction in Progress	298,152	412,392	412,449	348,380	710,601	760,772
Buildings	185,260	181,058	68,487	93,320	253,747	274,378
Machinery and Equipment	51,115	54,766	168,001	150,607	219,116	205,373
Infrastructure	959,966	968,992	1,948,528	2,070,074	2,908,494	3,039,066
<b>Total</b>	<b>\$ 1,663,699</b>	<b>\$ 1,791,941</b>	<b>\$ 2,694,725</b>	<b>\$ 2,764,213</b>	<b>\$ 4,358,424</b>	<b>\$ 4,556,154</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 \$2,717,079. Of this amount, \$746,885 comprises debt backed by the full faith and credit of the government, and \$1,129,866 represents self-supported debt issues.

**Long-Term Liabilities Outstanding**

	Governmental Activities		Business-type Activities		Total	
	2013	2014	2013	2014	2013	2014
General Obligation Bonds	\$ 439,080	\$ 408,965	\$ -	\$ -	\$ 439,080	\$ 408,965
Revenue Bonds	-	-	830,920	898,870	830,920	898,870
Certificates of Obligation	287,630	285,545	54,455	52,375	342,085	337,920
Installment Obligation	3,080	2,370	-	-	3,080	2,370
HUD Installment Obligation	5,282	4,504	-	-	5,282	4,504
Equipment Notes Payable	46,860	39,145	-	-	46,860	39,145
Service Center	18,980	-	-	-	18,980	-
TRWD Obligation	-	91,998	-	-	-	91,998
Fort Worth Sports Authority	8,386	6,868	-	-	8,386	6,868
Lone Star Local Govt Corp	31,617	31,617	-	-	31,617	31,617
Central City Local Govt Corp	347	-	-	-	347	-
State Energy Conserv Loan I & II	1,249	553	-	-	1,249	553
State Energy Conserv Loan III	2,590	2,064	-	-	2,590	2,064
State Obligation - City	-	7,873	-	-	-	7,873
State Obligation - CCPD	-	3,058	-	-	-	3,058
ESPC Phase VII	18,443	18,064	-	-	18,443	18,064
Southwest Bank Loan (LDC SW Bldg.)	-	2,545	-	-	-	2,545
Capital Leases	3,816	1,482	-	-	3,816	1,482
Trinity River Authority	-	-	6,100	5,500	6,100	5,500
ESPC Phase V	-	-	14,691	13,355	14,691	13,355
Unamort. Bond Discounts, Premiums, net	39,763	45,548	28,848	51,954	68,611	97,502
Retainage Payable	3,519	5,974	-	-	3,519	5,974
Compensated Absences	114,813	114,752	9,962	10,280	124,775	125,032
Claims Payable	39,707	38,893	-	-	39,707	38,893
Arbitrage	-	-	-	-	-	-
Landfill Postclosure Cost	-	-	4,482	4,762	4,482	4,762
Pollution Remediation Liability	-	-	3,409	3,131	3,409	3,131
Other Postemployment Benefits Obligation	395,144	430,774	61,672	67,200	456,816	497,974
Net Pension Obligation	54,547	58,053	8,673	9,007	63,220	67,060
<b>Total</b>	<b>\$ 1,514,853</b>	<b>\$ 1,600,645</b>	<b>\$ 1,023,212</b>	<b>\$ 1,116,434</b>	<b>\$ 2,538,065</b>	<b>\$ 2,717,079</b>

**CITY OF FORT WORTH, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2014  
(in 000's)  
(continued)**

The City's indebtedness increased by \$179,014 during Fiscal Year 2014 mainly due to the issuance of bonds and notes in excess of principal payments made during the year. Also, the City's Other Postemployment Benefits Obligation increased by \$41,158, the City added a \$44,176 loan from Trinity River Water District and \$11,576 loan from the State. For governmental activities, the City made payments of principal balances for bonded debt of \$30,115 and \$21,355 on its General Obligation Bonds and its Certificates of Obligation, respectively. For business-type activities, the City made payments of principal for revenue bond debt of \$65,025, which included \$61,200 for Water and Sewer revenue bonds and \$3,825 for Stormwater revenue bonds.

In fiscal year 2014, 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 Standard and Poor Ratings (S&P). The water and sewer system revenue debts are rated "Aa1" by Moody's and "AA" by S&P.

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 1.6 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 remains positive. Sales taxes have climbed steadily since the recession ended in late 2010. Declining unemployment rates and continued population growth suggest these trends should continue well into 2015. Existing households are likely to continue spending at current rates, while new residents will add to the City's sales tax base. Population growth and steady strides in the residential real estate market support improved property tax revenues in the future while the increasing volume of building permits continues to increase the overall tax base. Demand for existing homes supports the slow but steady growth in values, which also yields more property tax revenues. Property tax revenues will be slower to materialize than sales taxes, as homes built in 2014 are added to the tax roll in 2015 and actually do not begin paying taxes until 2016. However, this revenue growth is more certain than other sources, as the lagging nature of the revenue buffers property tax revenue from short-term economic trends. Although the City faces budget challenges, current economic trends continue to offer reasons for optimism.

The Fiscal Year 2015 adopted 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 \$3.7 billion or 6.1 percent from the July 2013 certified roll to the July 2014 certified roll. Adjusted Net Taxable Value (which is the Net Taxable Value plus the value of incomplete properties and properties under protest), increased \$2.8 billion or 6.3 percent in the same time period across all properties within the City. Adjusted Net Taxable Value is the basis for the City's property tax revenue calculation.

City staff analyzed many of the factors affecting property tax revenue, including anticipated population growth, historical change in values for residential and commercial properties, current and projected permitting data, the impact of foreclosures, as well as exemptions and protests. Staff also evaluated the allocation of the levy amount, and resulting availability of revenue for operations and maintenance (O&M), as compared to the amount available to repay the City's debt. In previous years, the City Council abided by its commitment to build capacity for capital projects by shifting a portion of the City's property tax from O&M to debt service. The City's ability to defer shifting an additional cent from O&M to debt for Fiscal Year 2015 until Fiscal Year 2016 is supported by:

**CITY OF FORT WORTH, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2014  
(in 000's)  
(continued)**

- Multiple transfers to debt service from residual project funds
- Reimbursements from other funds in an aggregate amount equivalent to one penny of tax rate

For Fiscal Year 2015, the City's combined property tax rate remains at \$0.8550 per \$100 of assessed valuation with a 98.5% collection rate. Based on the O&M levy rate of \$0.6759 per \$100 of assessed valuation, the General Fund portion of the property tax rate is expected to yield approximately \$304.3 million in revenue for Fiscal Year 2015. The debt service levy rate of \$0.1791 per \$100 of assessed valuation is expected to yield approximately \$80.6 million, which will allow the repayment of all current and proposed debt obligations.

Revenue from the City's one percent of the sales tax, exclusive of the one-half percent special use tax for the Crime Control and Prevention District Fund, is projected to equal \$126,014, an increase of \$5,079 or 4.2 percent from the Fiscal Year 2014 budget. This revenue is dependent on the level of wholesale and retail sales. Over the past ten years, sales tax collection grew from \$83 million in 2005 to the anticipated amount of \$126 million in 2015. This represents a 52% growth over the last ten years.

Service Charges are mainly made up 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 \$2,308 or 9.2 percent from the Fiscal Year 2014 budget due mainly to increased service fees proposed by the Planning and Development Department and the Parks and Community Services Department. The increase is also attributable to a new contract to provide fire suppression and other fire protection services to the city of Westworth Village by the Fort Worth Fire Department. This increase is partially offset by decreases due to lower Water and Sewer administrative charges as well as lower towage and storage fees based on a lower volume of impounds at the auto pound.

Licenses and Permits are primarily made up of gas, electric, telecom and cable franchise fees and health permit fees. Revenues in this category are anticipated to increase by \$1,844 or 4.0 percent from the Fiscal Year 2014 budget. The increase is primarily due to higher Cable Street Rental fees which are calculated as a percentage of cable revenue. Cable utility revenue increases are attributable to an increasing number of cable subscribers coupled with higher rates charged to consumers. Over the last three years the cable rate has increased between 7% and 10%. An additional increase is projected in franchise fees charged to electric utilities due to population growth.

### **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, 2014**  
(in 000's)

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
<b>Assets</b>			
Cash, Cash Equivalents, & Investments	\$ 709,224	\$ 126,552	\$ 835,776
Receivables, Net of Allowance for Uncollectibles:			
Taxes	6,812	-	6,812
Grants and Other Governments	53,137	-	53,137
Loans	7,047	-	7,047
Interest	2,557	431	2,988
Accounts and Other	17,570	61,582	79,152
Internal Balances	(17,850)	17,850	-
Inventories (at Cost)	5,283	3,583	8,866
Prepays, Deposits, and Other	1,275	5	1,280
Long-Term Loans Receivable	11,443	-	11,443
Restricted Assets:			
Cash, Cash Equivalents, & Investments	10	429,565	429,575
Cash, Cash Equivalents, & Investments Held by Trustees	32,065	55,213	87,278
Grants Receivable	-	2,180	2,180
Interest Receivable	-	1,353	1,353
Capitalized Bond Prepaid Insurance	-	541	541
Capital Assets, Net of Accumulated Depreciation:			
Non-Depreciable	587,125	450,212	1,037,337
Depreciable	1,204,816	2,314,001	3,518,817
Total Assets	<u>2,620,514</u>	<u>3,463,068</u>	<u>6,083,582</u>
<b>Deferred Outflows of Resources</b>	<u>11,538</u>	<u>9,461</u>	<u>20,999</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>2,632,052</u>	<u>3,472,529</u>	<u>6,104,581</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</b>			
<b>Liabilities</b>			
Accounts Payable	30,094	13,283	43,377
Escrow Accounts Payable	5,195	3,144	8,339
Accrued Payroll	10,523	1,687	12,210
Other	230	-	230
Unearned Revenue	30,544	236	30,780
Accrued Interest Payable	18,403	5,108	23,511
Payable from Restricted Assets:			
Construction Payable	22,179	19,309	41,488
Customer Deposits	-	14,854	14,854
Unearned Revenue	-	78,619	78,619
Long-Term Liabilities:			
Due Within One Year	118,252	77,897	196,149
Due in More Than One Year	1,482,393	1,038,537	2,520,930
Total Liabilities	<u>1,717,813</u>	<u>1,252,674</u>	<u>2,970,487</u>
<b>Deferred Inflows of Resources</b>	<u>-</u>	<u>4,088</u>	<u>4,088</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	1,092,890	1,864,396	2,957,286
Restricted for:			
Debt Service	2,616	27,641	30,257
Capital Projects	33,367	33,276	66,643
Unrestricted	(214,634)	290,454	75,820
Total Net Position	<u>\$ 914,239</u>	<u>\$ 2,215,767</u>	<u>\$ 3,130,006</u>

See accompanying notes to the basic financial statements.

**CITY OF FORT WORTH, TEXAS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2014  
(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	\$ 173,634	\$ 6,575	\$ 1,001	\$ 3,740
Public Safety	424,289	23,023	14,197	-
Transportation and Public Works	147,429	14,683	4,719	58,180
Parks and Community Services	62,167	4,021	12,408	4,529
Public Library	20,842	608	85	112
Public Events and Facilities	32,876	11,421	-	-
Planning and Development	12,382	11,308	2,101	1,695
Housing and Economic Development	18,402	1,998	9,189	893
Interest and Service Charges	31,522	-	-	-
<b>Total Governmental Activities</b>	<b>923,543</b>	<b>73,637</b>	<b>43,700</b>	<b>69,149</b>
Business-Type Activities:				
Water and Sewer	317,526	361,853	-	21,015
Municipal Airports	23,089	5,074	-	21,667
Solid Waste	48,420	50,338	-	-
Municipal Parking	6,649	7,082	-	-
Municipal Golf	5,396	3,621	-	-
Stormwater Utility	23,745	35,409	-	-
<b>Total Business-Type Activities</b>	<b>424,825</b>	<b>463,377</b>	<b>-</b>	<b>42,682</b>
<b>Total Primary Government</b>	<b>\$ 1,348,368</b>	<b>\$ 537,014</b>	<b>\$ 43,700</b>	<b>\$ 111,831</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

Other

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position, Beginning of Year,  
as restated (Note A.16)

Net Position, End of Year

See accompanying notes to the basic financial statements.

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

**Primary Government**

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (162,318)		\$ (162,318)
(387,069)		(387,069)
(69,847)		(69,847)
(41,209)		(41,209)
(20,037)		(20,037)
(21,455)		(21,455)
2,722		2,722
(6,322)		(6,322)
(31,522)		(31,522)
<u>(737,057)</u>		<u>(737,057)</u>
	\$ 65,342	65,342
	3,652	3,652
	1,918	1,918
	433	433
	(1,775)	(1,775)
	11,664	11,664
	<u>81,234</u>	<u>81,234</u>
<u>(737,057)</u>	<u>81,234</u>	<u>(655,823)</u>
389,118	-	389,118
184,360	-	184,360
23,803	-	23,803
9,636	-	9,636
51,205	-	51,205
16,500	12,989	29,489
8,622	6,077	14,699
20,582	5,861	26,443
21,913	(21,913)	-
<u>725,739</u>	<u>3,014</u>	<u>728,753</u>
(11,318)	84,248	72,930
925,557	2,131,519	3,057,076
<u>\$ 914,239</u>	<u>\$ 2,215,767</u>	<u>\$ 3,130,006</u>

**CITY OF FORT WORTH, TEXAS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2014**  
(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	\$ 72,513	\$ 18,826	\$406,692	\$ 137,095	\$ 635,126
Cash, Cash Equivalents, & Investments Held by Trustees	-	-	-	31,195	31,195
Receivables, Net of Allowance for Uncollectibles:					
Taxes	5,489	1,323	-	-	6,812
Grants and Other Governments	23,105	-	-	30,032	53,137
Loans	-	-	-	7,047	7,047
Interest	349	1,283	278	421	2,331
Accounts and Other	12,222	-	923	4,264	17,409
Due from Other Funds	134	-	-	-	134
Inventories (at Cost)	1,947	-	-	2,468	4,415
Advances to Other Funds	3,104	-	-	-	3,104
Prepays, Deposits, and Other	129	-	752	394	1,275
Long-Term Loans Receivable	-	-	-	11,443	11,443
Total Assets	<u>\$ 118,992</u>	<u>\$ 21,432</u>	<u>\$408,645</u>	<u>\$ 224,359</u>	<u>\$ 773,428</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 15,299	\$ 1	\$ 192	\$ 9,444	\$ 24,936
Construction Payable	-	-	17,553	4,626	22,179
Escrow Accounts	4,191	-	-	1,004	5,195
Accrued Payroll	8,766	-	57	1,047	9,870
Accrued Interest	38	408	284	483	1,213
Other	230	-	-	-	230
Advances from Other Funds	-	-	16,514	-	16,514
Unearned Revenue	225	-	-	30,319	30,544
Total Liabilities	<u>28,749</u>	<u>409</u>	<u>34,600</u>	<u>46,923</u>	<u>110,681</u>
<b>Deferred Inflows of Resources</b>					
Unavailable Revenue	4,201	1,217	-	11,639	17,057
Total Deferred Inflows of Resources	<u>4,201</u>	<u>1,217</u>	<u>-</u>	<u>11,639</u>	<u>17,057</u>
<b>Fund Balances (Deficits):</b>					
Nonspendable	5,180	-	752	2,930	8,862
Restricted	3,045	8,263	211,029	90,328	312,665
Committed	11,768	11,436	126,850	30,240	180,294
Assigned	8,755	107	35,414	43,919	88,195
Unassigned (deficit)	57,294	-	-	(1,620)	55,674
Total Fund Balance	<u>86,042</u>	<u>19,806</u>	<u>374,045</u>	<u>165,797</u>	<u>645,690</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 118,992</u>	<u>\$ 21,432</u>	<u>\$408,645</u>	<u>\$ 224,359</u>	<u>\$ 773,428</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, 2014**  
**(in 000's)**

Total fund balances--governmental funds \$ 645,690

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 \$4,889) consist of:

Land	\$	174,733	
Construction in progress		412,392	
Buildings		374,168	
Machinery and equipment		212,137	
Infrastructure		2,562,111	
Accumulated depreciation		<u>(1,943,600)</u>	
Total capital assets		<u>1,791,941</u>	1,791,941

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. 17,057

Internal service funds are used by management to charge the costs of certain activities, such as office services, equipment services, risk management, 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. 26,955

Deferred outflows of resources related to loss refunding on debt defeasance is not reported in the governmental funds. 11,538

Some long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities (including allocated internal service fund compensated absences of \$3,773) consist of:

Long-term compensated absences		(114,752)	
Net pension obligation		(58,053)	
Other postemployment benefits obligation		(430,774)	
Accrued interest payable		(17,190)	
Long-term debt, including premium/discount		<u>(958,173)</u>	
Total long-term liabilities		<u>(1,578,942)</u>	(1,578,942)

Net position of governmental activities \$ 914,239

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, 2014**  
**(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>Revenues:</b>					
General Property Taxes	\$ 290,663	\$ 76,644	\$ -	\$ 22,183	\$ 389,490
Sales Tax	125,547	-	-	58,167	183,714
Other Local Taxes	4,131	-	-	29,308	33,439
Franchise Fees	51,205	-	-	-	51,205
Charges for Services	11,049	-	1,078	6,157	18,284
Licenses and Permits	12,756	-	-	15	12,771
Fines and Forfeitures	15,928	-	-	11,040	26,968
Revenue from Use of Money and Property	1,932	108	388	13,186	15,614
Investment Income	1,207	3,764	1,017	2,212	8,200
Intergovernmental	1,103	-	21,107	57,029	79,239
Gas Leases and Royalties	1,157	-	8,454	6,889	16,500
Other	1,332	-	12,356	8,627	22,315
Contributions	27	-	6,857	2,956	9,840
Total Revenue	<u>518,037</u>	<u>80,516</u>	<u>51,257</u>	<u>217,769</u>	<u>867,579</u>
<b>Expenditures:</b>					
Current:					
General Administration	99,007	-	361	64,577	163,945
Public Safety	344,759	-	43	44,256	389,058
Transportation and Public Works	30,289	-	19,499	21,318	71,106
Parks and Community Services	40,803	-	174	13,734	54,711
Public Library	18,638	-	-	125	18,763
Public Events and Facilities	-	-	-	28,324	28,324
Planning and Development	10,985	-	25	646	11,656
Housing and Economic Development	4,889	-	-	12,647	17,536
Capital Outlay	1,997	-	165,239	39,214	206,450
Debt Service:					
Principal Retirement	1,384	59,895	-	27,644	88,923
Interest and Debt Issuance Costs	847	32,942	-	1,255	35,044
Total Expenditures	<u>553,598</u>	<u>92,837</u>	<u>185,341</u>	<u>253,740</u>	<u>1,085,516</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(35,561)</u>	<u>(12,321)</u>	<u>(134,084)</u>	<u>(35,971)</u>	<u>(217,937)</u>
<b>Other Financing Sources (Uses):</b>					
Issuance of Long-Term Debt	-	19,270	-	-	19,270
Premium on Issuance	-	364	-	-	364
Issuance of Capital Leases	344	-	-	-	344
Proceeds from Loans	-	-	-	46,865	46,865
Proceeds from Disposal of Property	455	-	-	885	1,340
Transfers In	57,713	14,497	38,438	33,106	143,754
Transfers Out	(98,244)	(19,423)	(22,517)	(41,266)	(181,450)
Total Other Financing Sources (Uses)	<u>(39,732)</u>	<u>14,708</u>	<u>15,921</u>	<u>39,590</u>	<u>30,487</u>
Net Change in Fund Balance	(75,293)	2,387	(118,163)	3,619	(187,450)
Fund Balance, Beginning of Year, as restated (Note A.16)	161,335	17,419	492,208	162,178	833,140
Fund Balance, End of Year	<u>\$ 86,042</u>	<u>\$ 19,806</u>	<u>\$ 374,045</u>	<u>\$ 165,797</u>	<u>\$ 645,690</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, 2014  
(in 000's)**

Net change in fund balances--total governmental funds \$ (187,450)

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	\$ 24,501	
Capital outlay expenditures	210,110	
Depreciation expense	(103,566)	
Net adjustment	<u>131,045</u>	131,045

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. (4,720)

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. (1,103)

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

Debt issued:		
Certificates of obligation	(19,270)	
Other obligations	(47,553)	
Premium on debt issued	(364)	
Repayments:		
To bondholders	89,052	
Amortization of premiums and discounts	6,985	
Net adjustment	<u>28,850</u>	28,850

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	(1,431)	
Increase in net pension obligation	(3,507)	
Increase in other postemployment benefits obligation	(35,630)	
Decrease in estimated claims obligations	814	
Decrease in compensated absences liability	140	
Net adjustment	<u>(39,614)</u>	(39,614)

Revenue on statement of activities includes current recognition for Service Concession Agreement which had been a deferred inflow. This amount was offset by a reduction to sales tax revenue on the statement of activities for a liability included in the statement of Net Position for the State Tax Agreement. 1,610

Internal service funds are used by management to charge the costs of certain activities, such as office services, equipment services, risk management, 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. 62,225

Governmental Funds report the amount of refinance debt as a current resource and do not calculate a gain or loss on the defeasance of the extinguished debt. This adjustment represents the amount of amortization for the current year of the Deferred Outflow of Refunding Loss. (2,161)

Change in net position of governmental activities \$ (11,318)

See accompanying notes to the basic financial statements.

**CITY OF FORT WORTH, TEXAS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2014**  
**(in 000's)**

	Business-type Activities-- Enterprise Funds			Total	Governmental
	Water and Sewer	Stormwater Utility	Nonmajor Enterprise Funds		Internal Service Funds
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>					
<b>Assets</b>					
Current Assets:					
Cash, Cash Equivalents, & Investments	\$ 61,929	\$ 29,131	\$ 35,492	\$ 126,552	\$ 74,098
Interest Receivable	220	92	119	431	226
Accounts and Other Receivables, Net of Allowance for Uncollectibles	49,951	3,331	8,300	61,582	161
Inventories (at Cost)	3,480	-	103	3,583	868
Prepays, Deposits, and Other	-	-	5	5	-
Restricted Assets:					
Cash & Cash Equivalents	33,462	3,977	80,451	117,890	-
Total Current Assets	<u>149,042</u>	<u>36,531</u>	<u>124,470</u>	<u>310,043</u>	<u>75,353</u>
Noncurrent Assets:					
Restricted Assets:					
Cash & Cash Equivalents	226,792	56,577	28,306	311,675	10
Cash, Cash Equivalents, & Investments Held by Trustees	29,154	-	26,059	55,213	870
Grants and Other Receivables	16	-	2,164	2,180	-
Interest Receivable	752	282	319	1,353	-
Total Restricted Assets	<u>256,714</u>	<u>56,859</u>	<u>56,848</u>	<u>370,421</u>	<u>880</u>
Advances to Other Funds	-	-	18,006	18,006	-
Capitalized Prepaid Insurance	541	-	-	541	-
Capital Assets (at Cost):					
Land	24,528	12,267	65,037	101,832	1,123
Buildings	62,504	8,472	65,716	136,692	5,250
Improvements Other Than Buildings	2,650,887	55,602	245,461	2,951,950	1,039
Machinery and Equipment	346,047	11,053	10,482	367,582	17,976
Construction in Progress	246,035	57,465	44,880	348,380	-
Accumulated Depreciation	(947,005)	(16,083)	(179,135)	(1,142,223)	(20,499)
Net Capital Assets	<u>2,382,996</u>	<u>128,776</u>	<u>252,441</u>	<u>2,764,213</u>	<u>4,889</u>
Total Noncurrent Assets	<u>2,640,251</u>	<u>185,635</u>	<u>327,295</u>	<u>3,153,181</u>	<u>5,769</u>
Total Assets	<u>2,789,293</u>	<u>222,166</u>	<u>451,765</u>	<u>3,463,224</u>	<u>81,122</u>
<b>Deferred Outflows of Resources</b>					
Deferred Outflows of Resources	9,461	-	-	9,461	-
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 2,798,754</u>	<u>\$ 222,166</u>	<u>\$ 451,765</u>	<u>\$3,472,685</u>	<u>\$ 81,122</u>

(continued)

**CITY OF FORT WORTH, TEXAS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2014**  
(in 000's)

	Business-type Activities-- Enterprise Funds			Total	Governmental Activities
	Water and Sewer	Stormwater Utility	Nonmajor Enterprise Funds		Internal Service Funds
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>					
<b>Liabilities</b>					
Current Liabilities:					
Accounts Payable	\$ 4,595	\$ 871	\$ 7,817	\$ 13,283	\$ 5,158
Escrow Accounts Payable	3,144	-	-	3,144	-
Accrued Payroll	1,312	158	217	1,687	653
Due to Other Funds	-	-	134	134	-
Unearned Revenue	-	-	236	236	-
Current Portion of Long-Term Liabilities	70,775	4,391	2,731	77,897	18,660
Payable from Restricted Assets:					
Construction Payable	14,364	2,917	2,028	19,309	1
Customer Deposits	13,968	-	886	14,854	-
Accrued Interest Payable	3,818	1,060	230	5,108	-
Unearned Revenue	1,312	-	77,307	78,619	-
Total Current Liabilities	<u>113,288</u>	<u>9,397</u>	<u>91,586</u>	<u>214,271</u>	<u>24,472</u>
Long-Term Liabilities:					
Advances from Other Funds	-	1,492	-	1,492	3,104
Long-Term Liabilities Due in More Than One Year	835,260	137,538	65,739	1,038,537	24,326
Total Long-Term Liabilities	<u>835,260</u>	<u>139,030</u>	<u>65,739</u>	<u>1,040,029</u>	<u>27,430</u>
Total Liabilities	<u>948,548</u>	<u>148,427</u>	<u>157,325</u>	<u>1,254,300</u>	<u>51,902</u>
<b>Deferred Inflows of Resources</b>					
Deferred Service Concession Arrangement	-	-	4,088	4,088	-
Deferred inflows of Resources	-	-	4,088	4,088	-
<b>NET POSITION</b>					
Net Investment in Capital Assets	1,620,087	46,175	198,134	1,864,396	4,889
Restricted for:					
Debt Service	25,220	1,053	1,368	27,641	-
Capital Projects	33,276	-	-	33,276	-
Unrestricted	171,623	26,511	90,850	288,984	24,331
Total Net Position	<u>\$ 1,850,206</u>	<u>\$ 73,739</u>	<u>\$ 290,352</u>	<u>\$2,214,297</u>	<u>\$ 29,220</u>
Adjustment to Reflect the Consolidation of Internal Service Funds Activities Related to Enterprise Funds				1,470	
Net Position of Business-Type Activities				<u>\$2,215,767</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, 2014  
(in 000's)**

	Business-type Activities-- Enterprise Funds			Total	Governmental Activities
	Water and Sewer	Stormwater Utility	Nonmajor Enterprise Funds		Internal Service Funds
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 361,853	\$ 35,409	\$ 66,115	\$ 463,377	\$ 145,206
Other	126	123	5,612	5,861	2,623
Total Operating Revenues	<u>361,979</u>	<u>35,532</u>	<u>71,727</u>	<u>469,238</u>	<u>147,829</u>
<b>OPERATING EXPENSES</b>					
Personnel Services	68,702	7,543	11,099	87,344	31,678
Supplies and Materials	20,711	1,173	1,695	23,579	14,463
Contractual Services	137,306	8,425	57,461	203,192	97,784
Landfill Closure and Postclosure Cost	-	-	280	280	-
Depreciation	67,254	3,775	10,279	81,308	930
Total Operating Expenses	<u>293,973</u>	<u>20,916</u>	<u>80,814</u>	<u>395,703</u>	<u>144,855</u>
Operating Income (Loss)	<u>68,006</u>	<u>14,616</u>	<u>(9,087)</u>	<u>73,535</u>	<u>2,974</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment Income	2,681	907	2,489	6,077	426
Gain (Loss) on Sale of Property and Equipment	(4,745)	220	1	(4,524)	37
Interest and Service Charges	(19,629)	(3,049)	(2,741)	(25,419)	-
Gas Leases and Royalties	4,039	-	8,950	12,989	-
Total Nonoperating Revenues (Expenses)	<u>(17,654)</u>	<u>(1,922)</u>	<u>8,699</u>	<u>(10,877)</u>	<u>463</u>
Income Before Transfers and Contributions	<u>50,352</u>	<u>12,694</u>	<u>(388)</u>	<u>62,658</u>	<u>3,437</u>
Transfers In	5,157	96	9,577	14,830	64,079
Transfers Out	(26,600)	(3,787)	(6,356)	(36,743)	(4,470)
Capital Contributions	13,296	-	21,667	34,963	-
Capital Contributions - Impact Fees	7,719	-	-	7,719	-
Change in Net Position	<u>49,924</u>	<u>9,003</u>	<u>24,500</u>	<u>83,427</u>	<u>63,046</u>
Total Net Position, Beginning of Year, as restated (Note A.16)	<u>1,800,282</u>	<u>64,736</u>	<u>265,852</u>	<u>2,130,870</u>	<u>(33,826)</u>
Total Net Position, Ending of Year	<u>\$ 1,850,206</u>	<u>\$ 73,739</u>	<u>\$ 290,352</u>	<u>\$ 2,214,297</u>	<u>\$ 29,220</u>
Adjustment to Reflect the Consolidation of Internal Service Funds Activities Related to Enterprise Funds				821	
Change in Net Position of Business-Type Activities				<u>\$ 84,248</u>	

**CITY OF FORT WORTH, TEXAS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**  
**(in 000's)**

	Business-type Activities-- Enterprise Funds			Total	Governmental
	Water and Sewer	Stormwater Utility	Nonmajor Enterprise Funds		Internal Service Funds
<b>Cash Flows from Operating Activities:</b>					
Receipts from Customers	\$ 362,304	\$ 35,428	\$ 65,942	\$ 463,674	\$ -
Receipts from Other Funds	-	-	-	-	145,719
Receipts from Other Operating Sources	126	123	5,612	5,861	2,623
Payments to Employees	(54,897)	(5,944)	(9,070)	(69,911)	(32,607)
Payments to Vendors	(151,072)	(9,444)	(57,189)	(217,705)	(36,181)
Payments to Other Funds	(17,964)	(1,805)	(2,640)	(22,409)	-
Payments for Benefits	-	-	-	-	(73,504)
Net Cash Provided by Operating Activities	<u>138,497</u>	<u>18,358</u>	<u>2,655</u>	<u>159,510</u>	<u>6,050</u>
<b>Cash Flows from Noncapital Financing Activities:</b>					
Transfers In from Other Funds	5,157	96	9,577	14,830	64,079
Receipts from (Repayments to) Other Funds	-	(2,190)	1,924	(266)	-
Advances from Other Funds	-	1,492	-	1,492	1,918
Transfers Out to Other Funds	(26,600)	(3,787)	(6,356)	(36,743)	(4,470)
Advances to Other Funds	-	-	(7,483)	(7,483)	-
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(21,443)</u>	<u>(4,389)</u>	<u>(2,338)</u>	<u>(28,170)</u>	<u>61,527</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Bond Principal Received	135,140	-	-	135,140	-
Refunding Principal Received	38,270	-	-	38,270	-
Bond Premium and Issue Cost Received	19,927	-	-	19,927	-
Proceeds from Sale of Machinery and Equipment	221	220	1	442	37
Contributions	2,508	-	14,855	17,363	-
Contributions - Impact Fees	7,719	-	-	7,719	-
Acquisition and Construction of Property, Plant and Equipment	(99,827)	(28,253)	(13,364)	(141,444)	(541)
Principal Paid on Long-Term Debt	(62,836)	(3,825)	(2,080)	(68,741)	-
Principal Paid to Escrow Agent	(40,735)	-	-	(40,735)	-
Interest Paid on Long-Term Obligations	(30,263)	(5,527)	(2,857)	(38,647)	-
Bond Issuance Cost Paid	(1,265)	-	-	(1,265)	-
Net Cash Used for Capital and Related Financing Activities	<u>(31,141)</u>	<u>(37,385)</u>	<u>(3,445)</u>	<u>(71,971)</u>	<u>(504)</u>
<b>Cash Flows from Investing Activities:</b>					
Receipts from Gas Leases and Royalties	4,039	-	8,950	12,989	-
Purchases of Investments	(1,985)	-	(10,906)	(12,891)	-
Sales of Investments	364	-	1,479	1,843	-
Investment Income Received	2,046	752	1,874	4,672	216
Net Cash Provided by Investing Activities	<u>4,464</u>	<u>752</u>	<u>1,397</u>	<u>6,613</u>	<u>216</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	90,377	(22,664)	(1,731)	65,982	67,289
Cash and Cash Equivalents, Beginning of Year	256,559	112,349	151,697	520,605	7,689
Cash and Cash Equivalents, End of Year	<u>\$ 346,936</u>	<u>\$ 89,685</u>	<u>\$ 149,966</u>	<u>\$ 586,587</u>	<u>\$ 74,978</u>

(continued)

**CITY OF FORT WORTH, TEXAS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**  
(in 000's)

	Business-type Activities-- Enterprise Funds			Total	Governmental
	Water and Sewer	Stormwater Utility	Nonmajor Enterprise Funds		Internal Service Funds
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</b>					
Operating Income (Loss)	\$ 68,006	\$ 14,616	\$ (9,087)	\$ 73,535	\$ 2,974
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation	67,254	3,775	10,279	81,308	930
Change in Assets and Liabilities:					
Accounts and Other Receivables	(374)	19	297	(58)	(148)
Inventories	(211)	-	17	(194)	76
Prepays, Deposits, and Other Assets	-	-	(1)	(1)	661
Accounts Payable	(1,268)	(582)	643	(1,207)	2,486
Escrow Accounts Payable	327	-	-	327	-
Accrued Payroll	4,543	530	696	5,769	(929)
Customer Deposits	498	-	12	510	-
Unearned Revenue	-	-	(481)	(481)	-
Landfill Closure Costs	-	-	280	280	-
Pollution Remediation Costs	(278)	-	-	(278)	-
Total Adjustments	<u>70,491</u>	<u>3,742</u>	<u>11,742</u>	<u>85,975</u>	<u>3,076</u>
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 138,497</u>	<u>\$ 18,358</u>	<u>\$ 2,655</u>	<u>\$ 159,510</u>	<u>\$ 6,050</u>
<b>The Cash and Cash Equivalents are reported in the Statement of Net Position as follows:</b>					
Current - Cash, Cash Equivalents, and Investments	\$ 61,929	\$ 29,131	\$ 35,492	\$ 126,552	\$ 74,098
Current Restricted - Cash and Cash Equivalents	33,462	3,977	80,451	117,890	-
Noncurrent Restricted - Cash and Equivalents	226,792	56,577	28,306	311,675	10
Noncurrent Restricted - Cash, Cash Equivalents, and Investments Held by Trustees	29,154	-	26,059	55,213	870
Less Gas Well Investments Held by Trustees	(4,401)	-	(20,342)	(24,743)	-
<b>Total Cash and Cash Equivalents</b>	<u>\$ 346,936</u>	<u>\$ 89,685</u>	<u>\$ 149,966</u>	<u>\$ 586,587</u>	<u>\$ 74,978</u>
<b>Noncash Investing, Capital, and Financing Activities:</b>					
Capitalized Interest	\$ 8,906	\$ 2,366	\$ 41	\$ 11,313	\$ -
Amortization of Bond Premium	4,928	192	66	5,186	-
Capital Asset Contributions from Developers	10,724	-	-	10,724	-
Amortization of Bond Defeasement Loss	(1,405)	-	-	(1,405)	-

See accompanying notes to the basic financial statements.

(concluded)

**CITY OF FORT WORTH, TEXAS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2014**  
**(in 000's)**

	<b>Pension and Other Employee Benefits Trust Funds</b>
	<u>                    </u>
<b>ASSETS</b>	
Current Assets:	
Cash & Cash Equivalents	\$ 1,671
Cash & Investments Held by Trustees:	
Asset and Mortgage Backed Obligations	35,778
Corporate Obligations	95,620
Government Agency Obligations	61,744
International Obligations	62,613
Securities Lending Collateral	198,173
U.S. Treasuries	74,508
Short-Term Mutual Fund Investments	160,320
Corporate Stock	675,486
Alternative Investments	594,300
Commingled Funds	385,520
Less: Investments in Non-City Funded Staff Plan	(3,046)
Total Cash & Investments Held by Trustees	<u>2,341,016</u>
Prepays	12
Other Receivables	8,223
Due from Broker Securities Sold	58,233
Total Current Assets	<u>2,409,155</u>
Capital Assets (at Cost):	
Land	405
Buildings	3,450
Machinery and Equipment	319
Accumulated Depreciation	(736)
Net Capital Assets	<u>3,438</u>
Total Assets	<u>2,412,593</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accrued Payable	68
Obligations under Securities Lending	197,914
Due to Broker Securities Purchased	77,411
Total Current Liabilities	<u>275,393</u>
<b>NET POSITION</b>	
Net Position Held in Trust for Pension and Other Employee Benefits:	
Benefit Pension Plans	2,081,575
Postemployment Healthcare Plans	55,625
Total Net Position	<u>\$ 2,137,200</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, 2014**  
**(in 000's)**

	<b>Pension and Other Employee Benefits Trust Funds</b>
	<u>                    </u>
<b>ADDITIONS</b>	
Interest and Dividend Income	\$ 31,350
Less: Investment Management Fees and Interest Expense	(8,500)
Net Gain (Loss) in Fair Value of Investments	128,444
Other Income	11,554
Employer Contributions	118,761
Employee Contributions	38,714
Total Additions	<u>320,323</u>
<b>DEDUCTIONS</b>	
Benefit Payments	182,627
Refunds	5,092
Administrative Expenses	10,896
Total Deductions	<u>198,615</u>
<b>CHANGE IN NET POSITION</b>	
Benefit Pension Plans	105,060
Postemployment Healthcare Plans	16,648
Total Change in Net Position	<u>121,708</u>
<b>NET POSITION - BEGINNING OF YEAR</b>	
Benefit Pension Plans	1,976,515
Postemployment Healthcare Plans	38,977
Total Beginning Net Position	<u>2,015,492</u>
<b>NET POSITION - END OF YEAR</b>	
Benefit Pension Plans	2,081,575
Postemployment Healthcare Plans	55,625
Total Ending Net Position	<u>\$ 2,137,200</u>

See accompanying notes to the basic financial statements.

**City of Fort Worth, Texas**  
**Notes to the Basic Financial Statements**  
**September 30, 2014**

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

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(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, 2014, 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 the City is financially accountable for them, or the nature and significance of their relationship with the City are such that exclusion would cause the financial statements to be misleading. 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. The City also is financially accountable if an organization is fiscally dependent on the City and potentially provides specific financial benefits to, or imposes specific financial burdens on the City.

**Blended Component Units**

Blended component units, although legally separate entities, are reported as part of the primary government because they meet the criteria above, and are so intertwined with the City that they are, in substance, the same as the City. 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, 2010 and 2014. The CCPD is funded from sales tax which serves a role in providing the necessary resources to effectively implement crime control strategies. Although it is legally separate from the City, the members of the board of the CCPD and members of the City Council are substantially the same. 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 members of the City Council are substantially 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 is its component unit: Race Street Lofts GP, LLC.

***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

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

FWHFC 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 (TDHCA); 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 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.

**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 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. Included in FWLDC is its component unit: Lancaster Corridor Redevelopment, LLC:

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

**Alliance Airport Authority, Inc.**—The Alliance Airport Authority, Inc. (the Authority) was created in 1989. It is an industrial development corporation created to benefit the City and to, among other things, issue bonds, promote and develop new and expanded business enterprises in the City, promote and encourage employment, and otherwise to benefit the public in accordance with the Development Corporation Act of 1979. Although it is a legally separate entity from the City, the members of the Board of the Authority and members of the City Council are substantively the same. Therefore the Authority has been blended into the City's basic financial statements as a Nonmajor Special Revenue Fund (reported with Other Blended Component Units).

**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 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 of Section 4B, Article 5190.6, Vernon's Texas Civil Statutes, which authorizes the Sports Authority to jointly assist and act on behalf of the City and to engage in activities in furtherance of the purposes for its creation. The Sports Authority is organized for the purpose of aiding, assisting, and acting on

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

behalf of the City in the performance of its governmental functions to promote the common good and general welfare of the City and in the construction of projects on behalf of the City. The Sports Authority financed the purchase of the Texas Motor Speedway (Speedway) and the infrastructure in and around that property; however, it does not operate the Speedway. Although, it is legally separate from the City, the City Council appoints all the Board of Directors of the Sports Authority. Due to the Sports Authority benefiting and providing services almost exclusively to the City, the Sports Authority has been blended in the City's basic financial statements as a Nonmajor Special Revenue Fund (reported with the Other Blended Component Units).

***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 the 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).

**Pension and Retiree Healthcare Trust Funds**

***Employees' Retirement Pension Trust Fund of the City of Fort Worth***—The multi-employer defined benefit retirement system providing benefits for City of Fort Worth employees and employees of the Employees' Retirement Fund was established under legal authority of the City Charter and is administered by the Retirement Fund Board of Directors. The authority to define or amend employer and employee contribution rates or benefits is given to the Fort Worth City Council. 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.

***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: Area Metropolitan Ambulance Authority, Fort Worth Zoological Association, Fort Worth Botanical Society, Inc., Friends of the Fort Worth Public Library, certain Fort Worth library trusts, the Business Assistance Center Foundation, Inc., Fort Worth South, Inc., and the Trinity River Vision Project.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

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) was created by the contract and Agreement between the City of Fort Worth and the City of Dallas for the purpose of developing and operating an airport as joint venture between the two Cities. 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. The audited financial statement for the DFW Airport can be obtained by contacting: the Office of the Executive Vice President and Chief Financial Officer, 3200 East Airfield Drive, P. O. Box 619428, DFW Airport, Texas 75261. Refer to further information in Note I.

***Fort Worth Housing Authority***—The Fort Worth Housing Authority (Housing 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 Housing Authority is vested solely with the Housing Authority's Board of Commissioners. The Housing 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. The audited financial statement for the Housing Authority can be obtained by contacting: Riza Nolasco, Vice President and Chief Financial Officer, 1201 E. 13<sup>th</sup> Street, Fort Worth, Texas 76102.

***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 Transportation 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. The audited financial statement for the Transportation Authority can be obtained by contacting: the Chief Financial Officer, 1600 East Lancaster Avenue, Fort Worth, Texas 76102.

## **A. 2. BASIS OF PRESENTATION**

### **Government-Wide Statements**

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

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 are properly excluded from program revenues and reported as general revenues.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

**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:

- (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 governmental or enterprise funds type and at least 5% of assets and deferred outflows, liabilities and deferred inflows, revenues or expenses of the aggregate amount for all governmental and enterprise funds are considered major funds.
- (3) Additional funds considered important by 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.

**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.

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

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

**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.

**Enterprise Funds:**

The City reports the following major enterprise funds:

*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.

*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.

*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.

**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 nine internal service funds, which include: Office Services Fund, Equipment Services Fund, Temporary Labor Fund (Closed in Fiscal Year 2014), Information Systems Fund, Capital Projects Fund, Risk Management, Workers Compensation Insurance, Group Health Insurance and Unemployment Compensation.

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.

**Fiduciary Funds**

Included in this fund type are trust funds which account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The City reports the following fiduciary funds:

*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 postemployment

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

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, deferred outflows of resources, liability and deferred inflows of resources 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 included on the statement of net position. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of the related cash flows. Nonexchange transactions, in which the City either gives or receives value without directly receiving or giving equal value in exchange include, sales taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from sales taxes 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 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

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

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 2014 have been recorded as receivables, net of allowance for refunds and uncollectible amount. The net receivables collected during 2014 and those considered "available" at September 30, 2014, (i.e., property taxes collected within 60 days of year-end) have been recognized as revenues in 2014. The remaining receivables have been reflected as Unavailable 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 AND 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.

Unrestricted 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 and investments," because all investments are regarded as cash equivalents.

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

**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, adjustments for cash receipts, cash disbursements and securities distributions through September 30, 2014. 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.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

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 2014 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, 2014 were converted to the Plan's functional currency at the foreign exchange rates quoted at September 30, 2014. 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.

**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

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

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	5-30 years
Water and Sewer Infrastructure	25-75 years
Buildings (Includes portable structures)	10-60 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.

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.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

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

The Risk Financing Internal Services Funds 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 Risk Financing Internal Services Fund based on estimates of the amounts needed to pay prior and current-year claims and to establish a reserve for catastrophic losses. Since the City is primarily self-insured, settlement amounts have not exceeded coverage in any of the prior three fiscal years. An accrual for unpaid claims and claims incurred but not reported is reflected in the internal service funds and government-wide financial statements as estimated claims payable. Claims expenses and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The provision for claims incurred but not reported which are probable and reasonably estimable is based on City experience since the inception of the insurance programs. In accordance with GASB Statement No. 10, the estimated claims payables are based on the estimated ultimate cost of settling the claims. The total estimated claims payable includes estimates of allocated loss adjustment expenses. A discount rate of 3% has been applied to some estimated claims payable. The undiscounted total estimated claims payable is \$43,051.

The total estimated claims payable for workers compensation, group health and risk management at September 30, 2014, is \$38,893, of which \$23,432 represents workers' compensation case reserve losses, and is reported as long-term liabilities in the Internal Service Funds statements.

	Balance at October 1, 2012	Additions	Deletions	Balance at September 30, 2013	Additions	Deletions	Balance at September 30, 2014
Judgments and Claims	\$ 37,528	\$ 104,772	\$ (102,593)	\$ 39,707	\$ 96,583	\$ (97,397)	\$ 38,893

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, 2014**  
**(\$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 \$2,500 per occurrence for police officers and fire fighters and \$1,750 for any single occurrence for all other employees. Coverage limits for workers' compensation are the statutory limits required by the Texas Workers' Compensation Act.

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

The City maintains a group health insurance plan for active and retired employees and their eligible dependents through a self-insured point of service (POS II) plan which consists of three plans, one being 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; a self-insured indemnity-type plan for Medicare Retirees; a self-insured Medicare Part D Prescription Drug Plan (PDP); and two fully insured MAPDs – a Medicare Advantage Preferred Provider Organization (PPO) Prescription Drug Plan or a Medicare Advantage Health Maintenance Organization (HMO) Prescription Drug Plan. Effective January 1, 2014, the City terminated the self-insured indemnity-type plan for Medicare Retirees and the fully-insured MAPD and replaced them with a fully-insured Medicare Advantage (MA) PPO Plan.

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. Effective April 1, 2014, the specific stop loss insurance was increased to \$1,000; the specific stop loss insurance assumes the risk for claims on any individual in excess of \$1,000 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 presents a separate section for deferred outflows of resources. Deferred outflows of resources represent 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 then.

As a result of the implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liability*; the City reports as deferred outflow of resources for unamortized loss on debt refunding of \$11,538 in the Government Activities and \$9,461 in the Business-Type Activities in the Statement of Net Position. The unamortized loss on debt refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position presents a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Deferred Inflow of Resources in the governmental funds results from the City's unavailable revenue which are receivables for revenue that are not considered available to liquidate liabilities in the current period. The City reports a Deferred Inflow of Resources

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

in its Business-Type Activities in the Statement of Net Position. This amount represents the service concession arrangement (SCA) for the Southeast landfill. The City's SCA is 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, 2014, the City recognized a Deferred Inflow of Resources in the amount of \$4,088.

**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 debt related to the acquisition, construction, or improvements of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

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

- a) **Nonspendable fund balance** (inherently nonspendable) include the:
  - Portion of net resources that cannot be spent because of their form.
  - Portion of net resources that cannot be spent because they must be maintained intact.
  - The nonspendable fund balance of \$8,862 is classified as such because it cannot be spent because of its form.
- 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. For the City, the City Manager is the designated official.
- 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.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

- Negative unassigned fund balance is the excess of nonspendable, restricted, and committed fund balance over total fund balance.

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

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

*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. Specifically, in the Water and Sewer Enterprise 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. 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.

*E. 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.

*F. Net Position of Internal Service Funds Other than Benefit and Insurance 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 the following Internal Services Funds: Office Services, Equipment Services, Information Systems and Capital Project Services Funds. Normally, when any of the 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.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

*G. Benefit and Insurance Internal Service 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.
2. Workers 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	\$ 5,180	\$ -	\$ 752	\$ -	\$ 5,932
Public Safety				1	1
Public Events and Facilities				387	387
Housing and Economic Development	-	-	-	2,542	2,542
Total Nonspendable	5,180	-	752	2,930	8,862
<b>Restricted</b>					
General Administration	1,600	8,263	22,812	38,733	71,408
Public Safety	-	-	25,435	31,131	56,566
Transportation and Public Works	-	-	135,732	14,804	150,536
Parks and Community Services	-	-	9,959	2,252	12,211
Public Library	-	-	508	2,036	2,544
Public Events and Facilities	-	-	16,583	125	16,708
Planning and Development	-	-	-	63	63
Housing and Economic Development	1,445	-	-	1,184	2,629
Total Restricted	3,045	8,263	211,029	90,328	312,665
<b>Committed</b>					
General Administration	8,787	11,436	39,136	1,088	60,447
Public Safety	12	-	2,189	5,354	7,555
Transportation and Public Works	2,292	-	53,326	681	56,299
Parks and Community Services	63	-	25,624	9,013	34,700
Public Library	250	-	247	-	497
Public Events and Facilities	-	-	6,328	248	6,576
Planning and Development	364	-	-	13,775	14,139
Housing and Economic Development	-	-	-	81	81
Total Committed	11,768	11,436	126,850	30,240	180,294

(continued)

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$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	\$ 8,755	\$ 107	\$ 15,583	\$ 5,758	\$ 30,203
Public Safety	-	-	114	840	954
Transportation and Public Works	-	-	13,530	2,837	16,367
Parks and Community Services	-	-	5,888	3,055	8,943
Public Library	-	-	25	-	25
Public Events and Facilities	-	-	274	10,998	11,272
Planning and Development	-	-	-	500	500
Housing and Economic Development	-	-	-	19,931	19,931
Total Assigned	8,755	107	35,414	43,919	88,195
Unassigned	57,294	-	-	(1,620)	55,674
Total Fund Balance	\$ 86,042	\$ 19,806	\$ 374,045	\$ 165,797	\$ 645,690

(concluded)

The City sets 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. The amount set aside as of September 30, 2014 was \$1,600 and is presented as restricted for general administration purposes.

**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 expensed as incurred apart from prepaid bond insurance which is classified as an asset and amortized on a straight-line basis over the term of the related debt. In addition, gains and losses on bond refundings are reported as deferred outflows/inflows of resources and are amortized over the term of the lesser of the life of the new bonds or the life of the refunded bonds using the straight-line method. In governmental funds, all bond related items are recognized in the current period.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

**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. IMPLEMENTATION OF NEW GASB STATEMENTS**

In March 2012, GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This statement improves financial reporting by reclassifying certain items that were previously reported as assets and liabilities as deferred outflows or resources or deferred inflows of resources or as outflows or inflows of resources. The requirements of this statement were effective for financial statements for periods beginning after December 15, 2012. The City has implemented GASB Statement No. 65 in fiscal year 2014, see Note A.16.

In March 2012, GASB issued Statement No. 66, *Technical Corrections-2012*. This statement improves financial reporting 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*. The requirements of this statement were effective for financial statements for periods beginning after December 15, 2012. The City has implemented GASB Statement No. 66 in fiscal year 2014; however, the implementation of this standard did not have an impact on the City's financial statements.

The Fort Worth Employees Retirement Fund has implemented GASB Statement No. 67 *Financial Reporting for Pension Plans*. This statement is effective for financial reporting periods beginning after June 15, 2013. This standard replaces the requirement of GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and GASB Statement No. 50, *Pension Disclosures*. GASB Statement No. 67 introduced the concepts of total pension liability (TPL) and net pension liability (NPL) and established new accounting and reporting requirements for pension plans. The requirement for GASB Statement No. 67 involves changes in presentation of the financial statements, notes to the financial statements, and required supplementary information. It also includes comprehensive footnote disclosure with regard to the pension liability, and sensitivity of the net pension liability to the discount rate. Because the City has not yet implemented GASB Statement No. 68, the footnotes included in this CAFR are based on GASB Statement No. 27.

In April 2013, GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. This statement improves accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. The requirements of this statement were effective for financial statements for period beginning after June 15, 2013. The City has implemented GASB Statement No. 70 in fiscal year 2014; however, the implementation of this standard did not have an impact on the City's financial statements.

**A.16. RESTATEMENT**

The City restated its beginning net position and fund balances to reflect the impact of implementation of GASB Statement No. 65, to reflect change in the presentation of Public Improvement Districts and Taxing Increment Reinvestment Zones, and to report the risk management activities that were previously reported in the General Fund in the Internal Service Funds.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

The impact of these changes on the City's beginning net position and fund balances is summarized below:

	Government-wide Statement of Activities		Fund Level					Discretely Presented Component Units
	Governmental Activities	Business- Type Activities	Nonmajor Governmental Funds	Water and Sewer	Stormwater	Nonmajor Enterprise Funds	Internal Services Funds	
Net Position/Fund Balance, September 30, 2013 as originally reported	\$ 950,681	\$ 2,137,506	\$ 133,135	\$ 1,804,942	\$ 65,200	\$ 266,715	\$ 6,200	\$ (21,890)
Implementation of GASB 65	(3,234)	(5,987)	-	(4,660)	(464)	(863)	-	-
Change in Reporting Entity	(21,890)	-	29,043 *	-	-	-	-	21,890
Impact of Reporting Risk Management activity in the Internal Service	-	-	-	-	-	-	(40,026)	-
Net Position/ Fund Balance September 30, 2013 as restated.	<u>\$ 925,557</u>	<u>\$ 2,131,519</u>	<u>\$ 162,178</u>	<u>\$ 1,800,282</u>	<u>\$ 64,736</u>	<u>\$ 265,852</u>	<u>\$ (33,826)</u>	<u>\$ -</u>

\* Does not include the \$50,933 debt that is now recorded as part of Governmental Activities in the Government-Wide Statement of Activities

**Implementation of GASB Statement No. 65**

The implementation of GASB Statement No. 65 resulted in restatement of beginning net position at October 1, 2013. Unamortized losses on bond refundings, which were previously reported as a contra liability, are now shown on the face of the Statement of Net Position as a deferred outflow of resources. The adoption of GASB Statement No. 65 required the bond issuance cost (excluding the portion related to prepaid insurance) to be expensed as incurred. As a result, the City wrote off prior deferred cost of \$3,234 in Governmental Activities and \$5,987 in the Business-Type Activities.

**Change in Reporting Entity for the Classifications of Component Units**

As a result of our desire to continuously review and improve financial reporting practices, the City completed a comprehensive review of how Public Improvement Districts (PIDs) and Taxing Increment Reinvestment Zones (TIRZs) are classified in the basic financial statements. As part of this evaluation, the City obtained insights from legal counsel, researched financial reporting practices of other Texas municipalities, and considered the structure and purpose of PIDs and TIRZs to form a professional judgment of whether these are legally separate entities as defined in GASB Statement No. 14, *The Financial Reporting Entity*, as amended. Based on these considerations, the City believes that, it is preferable to view and present PIDs and TIRZs as part of the City in special revenue funds rather than as legally separate discretely presented component units. This change in reporting entity resulted in a decrease of beginning net position for government activities and an increase in nonmajor governmental funds balance of \$21,890 and \$29,043, respectively, as shown above.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

**Change in Reporting Risk Management Activities**

On October 1, 2013, the City reclassified the Risk Management, Worker's Compensation Insurance, Group Health Insurance, and Unemployment Compensation activities, previously reported under the General Fund, to now stand alone as Internal Service Funds for financial reporting purposes. These funds were previously separated for budgetary purposes from the budgeted General Fund. The long term claims liabilities for self-insurance, previously reported in general government long term liabilities, of \$40,026 as of September 30, 2013 are reported as a restatement to beginning net position in accordance with GASB Codification C50.131.

**NOTE B: CASH, CASH EQUIVALENTS, AND 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 Gas Lease Portfolio, Retirement Fund and the OPEB Trust Fund. Each fund's portion of this pool is displayed separately on the Statement of Net Position as "Cash, Cash Equivalents, and Investments." The cash and investments of the Employees' Retirement Fund and the OPEB Trust Fund are managed and accounted for separately from those of the City. In response to GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, common deposit and investment risks including custodial credit risk, credit risk, concentration of credit risk, interest rate risk, and foreign currency risk are disclosed in this Note.

**Pooled Portfolio**

The investment policies of the City are governed by State statute and a Council adopted City Investment Policy. Major controls stipulated in the Investment Policy include: depository limitations, FDIC insurance and collateralization; repurchase agreements restriction to primary dealers; independent third party custody for all collateral; settlement by delivery versus payment; defined authorized investments; and diversification guidelines. Maximum maturity and maximum weighted average maturity limits are set.

State statutes and the City's Policy authorize investment in obligations of the U.S. Government, its agencies and instrumentalities, municipal obligations rated AA or better, repurchase agreements, A1/P1 commercial paper, AAA-rated constant dollar public funds investment pools, and SEC-registered money market mutual funds. State statutes require that repurchase agreement collateral be limited to federal government securities with a market value with a 102 percent margin.

The City, as authorized by the City Council, engages in securities lending through a contract with Citibank whereby all of the U.S. Treasury securities and agency securities are available to be lent to an authorized primary dealer. All securities loaned can be terminated on demand by either party. The State law indirectly addresses reinvestment of collateral through the reverse repurchase agreement requirements. The law requires that funds received "must mature not later than the expiration date" of the loan (Section 2256.011d of the Public Funds Investment Act). The City receives defined collateral of at least 102 percent of fair value. At no time is ownership on the underlying securities transferred to the primary dealer. The City does not have the ability to pledge or sell collateral securities outside of borrower default. Therefore, in accordance with 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, 2014, the carrying and fair value of securities on loan was \$850,938 and the fair value of collateral held against the loaned securities was \$868,180.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

The Public Funds Investment Act, Chapter 2256, Texas Government Code (the PFIA) directs authorized investments of the City. State statutes and City Policy require all time and demand deposits to be fully FDIC insured or collateralized. As of September 30, 2014, the City's demand and time deposits totaled \$166,283. Of the \$164,594 bank balance, \$250 in each bank account was insured by FDIC deposit insurance with the remainder collateralized with pledged securities held by an independent custodian. As of September 30, 2014, all funds were insured or collateralized.

As of September 30, 2014, the City's 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 City generally holds all pooled investments to maturity for investment and income, not speculation. For the year ended September 30, 2014, interest earned of \$3,722 on investments in the Capital Projects Fund was assigned to and reported as investment income in the Debt Service Fund for future debt service payments.

**Interest Rate Risk**—In order to limit interest and market rate risk, the City's Pooled Portfolio Investment Policy sets specific maximum maturity dates and maximum weighted average maturity. The weighted average maturity (WAM) of the total portfolio is two and one half (2½) years. The maximum stated maturity is five (5) years.

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

<u>Maturity</u>	<u>Cash to 1 year</u>	<u>1 - 2 years</u>	<u>2 - 3 years</u>	<u>3 - 4 years</u>	<u>4 - 5 years</u>
<b>Targeted Portfolio %</b>	40.00	15.00	15.00	15.00	15.00
<b>Actual %</b>	32.97	22.19	14.54	17.32	12.97

As of September 30, 2014, the Pooled Investment Portfolio included:

- no holding with a stated maturity date beyond July 30, 2019,
- holdings maturing beyond one year represented 67 percent of the total investment portfolio; and
- the weighted average of the combined investment portfolio was 746 days.

The Pooled Portfolio invests in agency debentures which are based on the credit of the agency. The Portfolio does not invest in any agency mortgage-backed securities. Certain debentures have embedded call options which are exercised dependent upon the type of call creating a unique "structure" for that security. Calls are normally scheduled on a one-time, quarterly, or continuous call basis. As of September 30, 2014, the Pooled Portfolio contained U.S. Government notes (debentures) with various callable structures totaling \$543,658. The callable debentures included \$34,852 in monthly callable notes, \$149,564 in quarterly callable notes, \$54,032 in continuously callable notes, and \$305,210 in step-up callables. The step-up callable will *step-up* in coupon rate if it is not called on the call date.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

**Credit Risk**—The primary stated objective of the City of Fort Worth’s adopted Investment Policy is the safety of principal. State statutes and the City Pooled Investment Policy restrict time and demand deposits to banks doing business in Texas and require FDIC insurance or collateralization. Certificates of deposit are limited to a stated maturity of five (5) years. A 102 percent margin on collateral is required and collateral is limited to obligations of the U.S. Government, its agencies or instrumentalities with less than ten years to maturity. Independent safekeeping is at the Federal Reserve. Securities are priced at fair value on a daily basis as a contractual responsibility of the bank.

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

Pooled Investment Policy restricts investments in commercial paper to dual rated, A1/P1 commercial paper. The Policy also states maximum maturity for commercial paper is 90 days.

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

As of September 30, 2014, the Pooled investment portfolio consisted of:

- Collateralized certificates of deposit represented 0.89% of the investment portfolio;
- U.S. Treasury Notes and Bills represented 31.50% of the investment portfolio;
- U.S. Obligations represented 60.24% of the investment portfolio
- Municipal obligations represented 7.37% of the investment portfolio

See note B.3 for a detailed listing of investments as of September 30, 2014.

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

**Concentration of Credit Risk** - The City recognizes over-concentration of assets by market sector or maturity as a market risk. The Pooled Investment Policy establishes diversification as a major objective and sets diversification limits and strategy percentage directives which are monitored on at least a monthly basis.

The City’s balances and investment horizon are managed in accordance with cash flow needs, prevailing market conditions, and general economic factors. The investment portfolio takes advantage of interest rate fluctuations.

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

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

As of September 30, 2014, the investment portfolio contained certificates of deposit (\$10,000) but no repurchase agreements.

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

**Gas Lease Portfolio**

Section 2256.0202 of the PFIA authorizes municipal funds from the management and development of mineral rights to be invested in accordance with the Texas Trust Code (Subtitle B, Title 9, Property Code). The Texas Trust Code allows any security that a “Prudent Investor” would be willing to utilize. The City Council has adopted a separate Gas Lease Investment Policy statement for these funds. This Policy defines authorized investments and sets the objectives of security, liquidity, and diversification. In addition to the authorized investments allowed under the Pooled Investment Policy, the Gas Lease Policy authorizes investment in municipal obligations rated A or better, prime banker’s acceptances, domestic and international bond mutual funds with a Morningstar rating of at least two stars, domestic and international equity and preferred stock mutual funds, domestic and international stocks, real assets, real estate, complementary strategies (currently hedge funds), and corporate and asset backed securities rated A or better. The balance of this Gas Lease portfolio was \$46,667.

The Gas Lease Investment Policy sets maximum maturity limits for each authorized investment type. The maximum stated maturity for fixed income securities is 20 years. As of September 30, 2014, one portfolio holding had a stated maturity date of December 15, 2041. The following schedule details fair values and maturities for fixed income securities and mutual funds:

<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	\$ 276	\$ 2,662	\$ -	\$ 810	\$ 3,748
Mortgage Backed Securities	-	607	349	779	1,735
Municipal Bonds	-	1,113	201	-	1,314
Corporate Obligations	206	4,153	166	-	4,525
Domestic Mutual Funds	2,610	-	-	-	2,610
International Mutual Funds	2,115	-	-	-	2,115
<b>Total Fixed Income</b>	<b>\$ 5,207</b>	<b>\$ 8,535</b>	<b>\$ 716</b>	<b>\$ 1,589</b>	<b>\$ 16,047</b>

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

All cash equivalents held by Trustee are held in SEC-registered money market funds.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

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

The City held the following cash, cash equivalents, and investments as of September 30, 2014:

<b>Pooled Cash, Cash Equivalents and Investments Managed by the City</b>	<b>Fair Value</b>	<b>Weighted Average Maturity by Days</b>	<b>Moody's Credit Rating</b>
Cash	\$ 141,824	N/A	N/A
Cash in Bank - Blended Component Units	5,591	N/A	N/A
Federal Farm Credit Bank (FFCB)	49,226	483	Aaa
Federal Home Loan Bank (FHLB)	285,092	1,033	Aaa
Federal Home Loan Mortgage Corp. (FHLMC)	163,014	837	Aaa
Federal National Mortgage Assoc. (FNMA)	176,113	1,078	Aaa
U. S. Treasury Notes	352,151	335	Aaa
Municipal Obligations - Short Term	3,920	10	SP-1+*
Municipal Obligations - Short Term	10,735	35	MIG 1
Municipal Obligations	67,685	682	Aaa-Aa2
Certificates of Deposits	10,000	61	N/A
Total Cash, Cash Equivalents and Investments Managed by the City	1,265,351		
<b>Cash, Cash Equivalents and Investments Held by Trustees for the City</b>			
Gas Lease Revenue - Cash	4,427	N/A	N/A
Gas Lease Revenue - Fixed Income Funds	11,322	1,332	See Note B.1
Gas Lease Revenue - Fixed Income - Domestic and International Mutual Fund	4,725	943	See Note B.1
Gas Lease Revenue - Equities Funds	19,583	N/A	N/A
Gas Lease Revenue - Real Assets Funds	5,357	N/A	N/A
Gas Lease Revenue - Complementary Strategies Funds	5,679	N/A	N/A
Workers Compensation / Other Cash	1,615	N/A	N/A
Department of Justice Grant - Cash	833	N/A	N/A
Energy Savings Performance Contract - Phase 7 - Cash	1,993	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	9,466	N/A	Aaa
Fort Worth Local Development Corp - Money Market Mutual Funds	4,028	N/A	Aaa
SE Landfill - Money Market Mutual Funds	3,448	N/A	Aaa
Total Cash and Cash Equivalents Held by Trustees for the City	87,278		
<b>Total Cash, Cash Equivalents and Investments - Governmental and Business-Type Activities</b>	\$ 1,352,629		
<b>Cash and Cash Equivalents Managed by the Employees' Retirement Fund</b>			
Cash in Bank	\$ 242	N/A	N/A
<b>Investments Managed by the Employees' Retirement Fund</b>			
Investments	2,286,820	see Note B.5	
<b>Total Cash, Cash Equivalents and Investments - Employees' Retirement Fund</b>	2,287,062		
<b>Cash and Cash Equivalents Managed by the Retiree Healthcare Fund</b>			
Cash in Bank	1,429	N/A	N/A
<b>Investments Managed by the Retiree Healthcare Fund</b>			
Investments	54,196	see Note B.4	
<b>Total Cash, Cash Equivalents and Investments - Retiree Healthcare Fund</b>	55,625		
Total Cash, Cash Equivalents, and Investments - Fiduciary Funds	2,342,687		
<b>Total Cash, Cash Equivalents, and Investments - Primary Government</b>	\$ 3,695,316		

\*The risk disclosed above is measured by the assignment of ratings by nationally recognized ratings agency such as S&P

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

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

<b>Cash, Cash Equivalents, and Investments, per note</b>	
Governmental and Business Type Activities	\$ 1,352,629
Employees' Retirement Fund	2,287,062
Retiree Healthcare Fund	55,625
Total, per note	<u>\$ 3,695,316</u>
<b>Cash, Cash Equivalents, and Investments, per Basic Financial Statements</b>	
Statement of Net Position - Primary Government	\$ 835,776
Statement of Net Position - Primary Government Restricted	516,853
Statement of Fiduciary Net Position - Cash and Cash Equivalents	1,671
Statement of Fiduciary Net Position - Cash and Investments Held by Trustees	2,341,016
<b>Total, per Basic Financial Statements</b>	<u><u>\$ 3,695,316</u></u>

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

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

**Custodial Credit Risk**—The OPEB Trust does not have a formal policy for custodial credit risk, but as of September 30, 2014, all investments are registered in the name of the City of Fort Worth PARS Post-Retirement Health Care Plan Trust in a master trust custodial agreement.

**Credit Risk of Debt Securities**—The OPEB Trust investments as of September 30, 2014 are shown below:

<b>Investment Type</b>	<b>Rating</b>	<b>Fair Value</b>
Fixed Income Mutual Funds:		
Ishares (US Bond Market)	N/A	\$ 28,138
Vanguard Short-Term Investment Fund	N/A	9,401
Total Fixed Income Mutual Funds		<u>37,539</u>
Equity Mutual Funds:		
MSCI Eafe Idx	N/A	2,929
Vanguard Emerg Mkt	N/A	1,152
TR Russell MCP GR	N/A	945
TR Russell MCP VL	N/A	943
S&P SMLCP Growth	N/A	773
S&P SMLCP Value	N/A	773
Spdr Euro	N/A	887
S&P 500 Index	N/A	3,402
S&P 500 Value	N/A	2,392
S&P 500 Growth	N/A	2,461
Total Equity Mutual Funds		<u>16,657</u>
Total Investments		<u><u>\$ 54,196</u></u>

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

**Concentration of Credit Risk**—The OPEB Trust Policy addresses concentration limits on a manager basis. As of September 30, 2014, the OPEB Trust's investments were all registered in the Trust's name. The Trust did not own more than 5% of assets in any fund.

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

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

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

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 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, 2014, 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.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

Below are the Plan's investments as of September 30, 2014:

<u>Investment Type</u>	<u>S&amp;P Rating</u>	<u>Fair Value</u>
Asset & Mortgage Backed Obligations	AAA	\$ 22,718
Asset & Mortgage Backed Obligations	AA	1,591
Asset & Mortgage Backed Obligations	A	2,238
Asset & Mortgage Backed Obligations	BBB	3,757
Asset & Mortgage Backed Obligations	BB	692
Asset & Mortgage Backed Obligations	B	755
Asset & Mortgage Backed Obligations	CCC	1,678
Asset & Mortgage Backed Obligations	D	327
Asset & Mortgage Backed Obligations	NR	2,022
Total Asset & Mortgage Backed Obligations		<u>35,778</u>
Corporate Obligations	AAA	4,317
Corporate Obligations	AA	5,227
Corporate Obligations	A	24,375
Corporate Obligations	BBB	43,351
Corporate Obligations	BB	12,949
Corporate Obligations	B	2,822
Corporate Obligations	CCC	704
Corporate Obligations	NR	1,875
Total Corporate Obligations		<u>95,620</u>
Government Agency Obligations	AAA	50,334
Government Agency Obligations	AA	6,614
Government Agency Obligations	A	2,640
Government Agency Obligations	BBB	667
Government Agency Obligations	B	78
Government Agency Obligations	NR	1,411
Total Government Agency Obligations		<u>61,744</u>
		(continued)

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

<u>Investment Type</u>	<u>S&amp;P Rating</u>	<u>Fair Value</u>
International Obligations	AAA	\$ 8,679
International Obligations	AA	17,057
International Obligations	A	14,946
International Obligations	BBB	17,587
International Obligations	BB	2,723
International Obligations	NR	1,621
Total International Obligations		<u>62,613</u>
Securities Lending Collateral	AAA	3,161
Securities Lending Collateral	AA	76,667
Securities Lending Collateral	A	112,295
Securities Lending Collateral	NR	6,050
Total Securities Lending Collateral		<u>198,173</u>
Total Fixed Income Subject to Credit Risk		453,928
U.S. Treasuries (Not Subject to Credit Risk)		74,508
Short-Term Marketable Securities		106,124
Corporate Stock		675,486
Alternative Investments		594,300
Commingled Funds		385,520
Less: Investments in Non-City Funded Staff Plan		<u>(3,046)</u>
Total Investments		<u>\$ 2,286,820</u>
		(concluded)

**Concentration of Credit Risk**—Concentration of credit risk is the risk of loss attributed to the magnitude of the Plan’s investment in a single issuer. The Plan’s investment policy addresses concentration limits on a manager basis. As of September 30, 2014, the Plan did not have any investments, where the underlying assets were 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	\$ 29	\$ 10,633	\$ 727	\$ 24,389	\$ 35,778
Corporate Obligations	10,437	28,780	29,786	26,617	95,620
Government Agency Obligations	1,023	26,646	5,063	29,012	61,744
International Obligations	7,636	21,503	15,992	17,482	62,613
Securities Lending Collateral	<u>198,173</u>	-	-	-	<u>198,173</u>
Total Interest Rate Risk Debt Securities	<u>\$ 217,298</u>	<u>\$ 87,562</u>	<u>\$ 51,568</u>	<u>\$ 97,500</u>	<u>\$ 453,928</u>

**Foreign Currency Risk** - Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. The Plan has no formal investment policy with regard to foreign currency

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**

(continued)

risk as it is considered an intrinsic risk associated with the investment strategy. The Plan's exposure to foreign currency risk at September 30, 2014, is presented below:

Currency	Debt	Equity	Total
Australian Dollar	\$ 3,718	\$ 4,322	\$ 8,040
Brazilian Real	4,234	2,739	6,973
British Pound Sterling	8,470	44,173	52,643
Canadian Dollar	155	10,320	10,475
Chilean Peso	3,625	-	3,625
Danish Krone	-	4,381	4,381
Euro Currency Unit	46,534	68,403	114,937
Hong Kong Dollar	1	20,506	20,507
Hungarian Forint	1,224	-	1,224
Indian Rupee	464	-	464
Indonesian Rupiah	454	-	454
Japanese Yen	(1,785)	31,036	29,251
Malaysian Ringgit	1,628	-	1,628
Mexican New Peso	11,369	235	11,604
New Taiwan Dollar	-	2,333	2,333
New Zealand Dollar	771	-	771
Norwegian Krone	-	3,530	3,530
Philippine Peso	568	1,203	1,771
Polish Zloty	1,178	-	1,178
Singapore Dollar	-	1,553	1,553
South African Rand	1,534	1,237	2,771
South Korean Won	2,030	6,537	8,567
Swedish Krona	(43)	5,098	5,055
Swiss Franc	-	18,852	18,852
Thai Baht	-	1,941	1,941
Total securities subject to foreign currency risk	<u>\$ 86,129</u>	<u>\$ 228,399</u>	<u>\$ 314,528</u>

**FOREIGN CURRENCY EXCHANGE TRANSACTIONS**

To manage the foreign currency exchange risks associated with foreign investments, the Plan enters into forward currency contracts. The plan had a net foreign currency contracts with fair value of approximately \$878 at September 30, 2014, 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, 2014, the fair value of these contracts is included in due to/from broker.

**DERIVATIVE FINANCIAL INSTRUMENTS**

The Plan's investment managers are permitted to invest in derivatives subject to guidelines established by the Plan Board. Derivatives are financial instruments that derive their value, usefulness, and marketability from an underlying instrument which represents direct ownership of an asset or an obligation of an issuer. The Plan's

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

derivative positions are marked to market daily and managers may only trade with counterparties with a credit rating of A-/A3 as defined by Standard & Poor's (S&P) and Moody's, respectively. Substitution and risk control are the only strategies permitted; speculation is strictly prohibited. Derivatives are carried as a receivable when the fair value is positive and as payable when the fair value is negative. Fair value is determined based on quoted market prices, if available, or based on differences in cash flows between the fixed and variable rates in each contract as of the measurement date. Gains and losses from derivatives are included in net investment income.

The Plan was in possession of the following types of derivatives at September 30, 2014:

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

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

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

**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.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

The Investment Derivatives schedule listed below reports the fair value and changes in fair value and notional amounts of derivatives outstanding as of September 30, 2014, classified by type:

Derivative Type	Changes in Fair Value		Fair Value	
	Classification	Amount	Amount	Notional
Fiduciary Funds				
Investment Derivatives				
Futures Contracts	Investment Income	\$ -	\$ -	\$ 20,976
Forward Contracts	Investment Income	1,932	878	60,142
Swap Agreements	Investment Income	447	284	19,578
Rights and Warrants	Investment Income	7	14	244
	Totals	\$ 2,386	\$ 1,176	\$ 100,940

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

The following Credit Risk Analysis schedule discloses the counterparty credit ratings of the Fund’s investment derivatives by type, as of September 30, 2014. These amounts represent the maximum loss that would be recognized if all counterparties fail to perform as contracted, without respect to any collateral or other security or netting arrangement. The schedule displays the fair value of the investments by credit rating in increasing magnitude of risk. Investments are classified by S&P rating. If the investment does not have an S&P rating, the Moody’s rating that corresponds to the S&P rating is used.

As of September 30, 2014, the Fund has a net exposure to credit risk of \$1,176.

Derivative Type	AA	A	Not Rated	Total Fair Value
Forward Contracts	\$ -	\$ -	\$ 878	\$ 878
Rights and Warrants	-	-	14	14
Swap Agreements	788	(119)	402	284
Total	\$ 788	\$ (119)	\$ 1,294	\$ 1,176

**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, 2014, are disclosed in the following table:

Derivative Type	Notional Amount	Total Fair Value
Interest Rate Swaps	\$ 16,278	\$ 292
Swaptions	3,300	(8)
Total	\$ 19,578	\$ 284

**Foreign Currency Risk**—For those forward contracts and swap agreements that are securities issued by foreign

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**

(continued)

countries and foreign businesses there is an exposure to foreign currency risk. Currency forward contracts represent foreign exchange contracts that are used to control currency exposure and facilitate the settlement of international security purchase and sale transactions.

The net exposure column of the schedule below indicates the Plan's net foreign currency risk related to derivatives as of September 30, 2014.

Currency	Forward Contracts	Swap Agreements	Net Exposure
Australian Dollar	\$ (53)	\$ -	\$ (53)
Brazilian Real	(99)	(99)	(198)
British Pound Sterling	(1)	-	(1)
Chilean Peso	(184)	-	(184)
Euro Currency Unit	(100)	7	(93)
Japanese Yen	(23)	(46)	(69)
Indian Rupee	(8)	-	(8)
Indonesian Rupiah	(16)	-	(16)
Mexican Peso	(25)	(9)	(34)
Totals	\$ (509)	\$ (147)	\$ (656)

The values shown are for the positions that the Plan holds directly. The Plan may also have an indirect exposure to derivatives via its commingled funds and its alternative investments. The Plan owns an interest in 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, 2014.

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, 2014, the value of the collateral held was \$198,173 and the value of securities on loan at September 30, 2014, was \$192,524. The Plan earned \$900 on its securities lending activity for the fiscal year ended September 30, 2014.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

**NOTE C: RECEIVABLES AND INTERFUND BALANCES**

**C.1. RECEIVABLES**

Receivables at September 30, 2014 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:

<u>Receivables</u>	General	Debt Service	Capital Projects	Nonmajor Governmental	Internal Service	Total Governmental Activities
Taxes	\$ 30,785	\$ 8,959	\$ -	\$ -	\$ -	\$ 39,744
Grants and Other Governments	23,105	-	-	30,032	-	53,137
Levied, Unbilled Assessments	-	-	2,082	-	-	2,082
Loans	-	-	-	7,047	-	7,047
Long-Term Loans	-	-	-	11,443	-	11,443
Interest	349	1,283	278	421	226	2,557
Accounts and Other	49,684	-	923	4,355	1,351	56,313
<b>Total Gross Receivables</b>	<b>103,923</b>	<b>10,242</b>	<b>3,283</b>	<b>53,298</b>	<b>1,577</b>	<b>172,323</b>
Less Allowance for Doubtful Accounts:						
Taxes	(25,296)	(7,636)	-	-	-	(32,932)
Levied, Unbilled Assessments	-	-	(2,082)	-	-	(2,082)
Accounts and Other	(37,462)	-	-	(91)	(1,190)	(38,743)
<b>Total Allowance</b>	<b>(62,758)</b>	<b>(7,636)</b>	<b>(2,082)</b>	<b>(91)</b>	<b>(1,190)</b>	<b>(73,757)</b>
<b>Total Receivables, Net</b>	<b>\$ 41,165</b>	<b>\$ 2,606</b>	<b>\$ 1,201</b>	<b>\$ 53,207</b>	<b>\$ 387</b>	<b>\$ 98,566</b>

Receivables at September 30, 2014 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	\$ 220	\$ 92	\$ 119	\$ 431
Accounts and Other	51,131	3,976	8,625	63,732
Grants - Restricted	16	-	2,164	2,180
Interest - Restricted	752	282	319	1,353
<b>Total Gross Receivables</b>	<b>52,119</b>	<b>4,350</b>	<b>11,227</b>	<b>67,696</b>
Less Allowance for Doubtful Accounts:				
Accounts and Other	(1,180)	(645)	(325)	(2,150)
<b>Total Allowance</b>	<b>(1,180)</b>	<b>(645)</b>	<b>(325)</b>	<b>(2,150)</b>
<b>Total Receivables, Net</b>	<b>\$ 50,939</b>	<b>\$ 3,705</b>	<b>\$ 10,902</b>	<b>\$ 65,546</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.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

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

<u>Description</u>	<u>Unavailable</u>	<u>Unearned</u>
Property Taxes	\$ 5,418	\$ -
Grants and Other Governments	11,639	10,684
Loans	-	7,047
Long-Term Loans	-	11,375
Other	-	1,438
	<u>\$ 17,057</u>	<u>30,544</u>
Total Unavailable / Unearned Revenues		<u><u>\$ 47,601</u></u>

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

<u>Description</u>	<u>Water and Sewer</u>	<u>Nonmajor Enterprise</u>	<u>Total Business-type Activities</u>
Deposits and Rents	\$ 1,312	\$ -	\$ 1,312
Grants	-	77,543	77,543
Total Unearned Revenues	<u>\$ 1,312</u>	<u>\$ 77,543</u>	<u>\$ 78,855</u>

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

Interfund receivable and payable balances at September 30, 2014, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Total</u>
General Fund	Nonmajor Enterprise	<u><u>\$ 134</u></u>

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

The \$134 receivable in the General Fund from the Nonmajor Enterprise Funds is due from the Municipal Golf Fund for interim financing for golf turf maintenance.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(000's omitted)**

**C.3. ADVANCES**

Advances from/to other funds at September 30, 2014 are as follows:

<b>Receivable Fund</b>	<b>Payable Fund</b>	<b>Total</b>
General	Internal Service	3,104
Nonmajor Enterprise	Stormwater Utility	1,492
Nonmajor Enterprise	Capital Projects	5,991
Nonmajor Enterprise	Capital Projects	10,523
Total:		<u>\$ 21,110</u>

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

The \$5,991 payable to the Nonmajor Enterprise Funds from the Capital Projects Fund is due from the Specially Funded Capital Projects Fund to the Aviation Endowment Gas Lease Fund for road improvements.

The \$10,523 payable to the Nonmajor Enterprise Funds from the Capital Projects Fund is due from the Public Safety Training Facility Fund to the Solid Waste Fund for construction costs.

**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	\$ -	\$ 2,572	\$ 21,589	\$ 1,212	\$ -	\$ -	\$ 8,798	\$ 64,073	\$ 98,244
Debt Service	-	-	-	19,423	-	-	-	-	19,423
Capital Projects	7,585	1,719	-	10,104	2,329	96	684	-	22,517
Nonmajor									
Governmental Funds	15,114	10,206	12,382	1,969	1,589	-	-	6	41,266
Water and Sewer Fund	23,034	-	3,456	15	-	-	95	-	26,600
Stormwater Utility	2,444	-	499	5	839	-	-	-	3,787
Nonmajor									
Enterprise Funds	5,071	-	512	373	400	-	-	-	6,356
Internal Service Funds	4,465	-	-	5	-	-	-	-	4,470
<b>Total</b>	<u>\$ 57,713</u>	<u>\$ 14,497</u>	<u>\$ 38,438</u>	<u>\$ 33,106</u>	<u>\$ 5,157</u>	<u>\$ 96</u>	<u>\$ 9,577</u>	<u>\$ 64,079</u>	<u>\$ 222,663</u>

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

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(000's omitted)**

Significant transfers included the following:

The General Fund transferred \$2,572 to the Debt Service Fund for the payment of 2011 Tax Notes.

The General Fund transferred \$21,589 to the Capital Projects Fund of which \$7,035 was for the balance of the new equipment purchase fund and \$11,264 was used to fund a portion of the Fiscal 2014 Contract Street Maintenance Program.

The General Fund transferred \$8,798 to the Nonmajor Enterprise Fund to eliminate the net deficit position of the Municipal Golf Fund.

The Internal Service Funds received a transfer in of \$64,073 from the General Fund for the beginning balances of the Risk Management, Worker's Compensation Insurance, Group Health Insurance, and Unemployment Compensation Fund of \$19,718, \$5,655, \$37,970, and \$730 respectively. More information on the reclassification of the internal service funds is discussed in Note A.16.

The Debt Service Fund transferred \$19,423 to the Nonmajor Governmental Fund for the purchase of James Street Center.

The Capital Projects Fund transferred \$7,585 to the General Fund of which \$3,469 was used to reimburse costs previously funded by the General Fund for the Enterprise Resource Planning Phase II Project, and \$2,163 to return unused dollars that had previously been provided from the General Fund for capital projects.

The Capital Projects Fund transferred \$10,104 to the Nonmajor Governmental Fund of which \$5,522 was for the construction of Altamesa Blvd from Granbury Road to Chisholm Trail Parkway.

The Capital Projects Fund transferred \$2,329 to the Water and Sewer Fund for the Casino Beach and Watercress Drive Water and Sewer Improvements Project, Phase I.

The Nonmajor Governmental Fund transferred \$15,114 to the General Fund of which \$11,472 was from the Crime Control District Fund for Police Administration.

The Nonmajor Governmental Fund transferred \$10,206 to the Debt Service Fund of which \$8,007 was for the monthly debt service transfer.

The Nonmajor Governmental Fund transferred \$12,382 to the Capital Project Fund of which \$4,880 was used to construct the Police Air Support Hangar at Fort Worth Meacham International Airport, and \$4,005 for the construction of the Tower Drive/Cattle Drive barn 2 renovations at Will Rogers Memorial Center. Another \$2,124 was for the Stormwater and Franchise Utility Relocations for the Trinity River Vision-Central City Project and Uptown Service Area.

The Water and Sewer Fund transferred \$23,034 to the General Fund for the monthly transfer of funds to Finance Administration.

The Water and Sewer Fund transferred \$3,456 to the Capital Projects Fund of which \$2,414 was used to fund a portion of the Enterprise Resource Planning Phase II Project, and \$1,042 was used to support the Fort Worth Public Arts Program.

The Stormwater Fund transferred \$2,444 to the General Fund of which \$2,413 was for the monthly transfer of funds to Finance Administration.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

The Nonmajor Enterprise Fund transferred \$5,071 to the General Fund of which \$2,216 was for the monthly transfer of funds to Finance Administration, \$1,362 for Solid Waste Administration, and \$1,071 for the Environmental Investigation Unit under Code Compliance.

The Internal Service Funds transferred \$4,465 to the General Fund of which \$101 was for the monthly transfer of funds to the City Attorney's Office and \$30 was for Housing and Economic Development. By City Ordinance, \$500 was transferred from the Worker's Compensation Fund, \$250 was transferred from the Unemployment Compensation Fund, and \$3,000 was transferred from the Risk Management Fund to help strengthen the General Fund Balance. Due to the closure of the Temporary Labor Fund, the fund balance of \$584 was transferred to the General Fund.

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**

*Office Services Fund*—Current year increase in net position of \$419 resulted in a decrease in the deficit from \$714 to \$295. This deficit will be offset by user fee increases in future years.

*Capital Project Services Fund*—Current year decrease in net position of \$1,652 resulted in an increase in the deficit from \$1,221 to \$2,873. This deficit will be offset by user fee increases in future years.

*Workers' Compensation Insurance Fund* – Current year increase in net position of \$2,005 was offset by net transfers of long-term liability from the government-wide statements and for beginning balance from the General Fund of \$19,199 that resulted in a deficit of \$17,194. This deficit will be offset by user fee increases in future years.

**D.2. UNASSIGNED FUND BALANCE**

In nonmajor funds, the Grants Fund has a deficit \$1,620 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, 2014**  
**(000's omitted)**

**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	\$ 28,592	\$ 1,727	\$ 1,536	\$ -	\$ 31,855
Cash and Cash Equivalents Held by Trustees	88	-	-	-	88
Interest Receivable	-	8	20	-	28
	<u>28,680</u>	<u>1,735</u>	<u>1,556</u>	<u>-</u>	<u>31,971</u>
<b>Capital Improvements:</b>					
Cash and Cash Equivalents	216,381	58,827	105,020	10	380,238
Cash and Cash Equivalents Held by Trustees	24,180	-	22,611	-	46,791
Grant Receivables	16	-	2,164	-	2,180
Interest Receivable	738	274	299	-	1,311
	<u>241,315</u>	<u>59,101</u>	<u>130,094</u>	<u>10</u>	<u>430,520</u>
<b>Customer Deposits:</b>					
Cash and Cash Equivalents	13,968	-	887	-	14,855
	<u>13,968</u>	<u>-</u>	<u>887</u>	<u>-</u>	<u>14,855</u>
<b>Other Restrictions:</b>					
Cash and Cash Equivalents	1,313	-	1,314	-	2,627
Cash and Cash Equivalents Held by Trustees	4,886	-	3,448	870	9,204
Interest Receivable	14	-	-	-	14
	<u>6,213</u>	<u>-</u>	<u>4,762</u>	<u>870</u>	<u>11,845</u>
Total	<u>\$ 290,176</u>	<u>\$ 60,836</u>	<u>\$ 137,299</u>	<u>\$ 880</u>	<u>\$ 489,191</u>

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

**NOTE F: CAPITAL ASSETS**

Capital asset activity for Governmental Activities for the year ended September 30, 2014, was as follows:

	<b>Beginning Balance October 1, 2013</b>	<b>Additions/ Transfers In</b>	<b>Decreases/ Transfers Out</b>	<b>Ending Balance September 30, 2014</b>
<b>Total Governmental Activities</b>				
Capital Assets, Not Being Depreciated:				
Land/Right of Way	\$ 169,206	\$ 6,557	\$ (1,030)	\$ 174,733
Construction in Progress	298,152	212,938	(98,698)	412,392
<b>Total Capital Assets, Not Being Depreciated</b>	<b>467,358</b>	<b>219,495</b>	<b>(99,728)</b>	<b>587,125</b>
Capital Assets, Being Depreciated:				
Buildings	369,506	7,864	(3,202)	374,168
Vehicles, Machinery, and Equipment	202,817	19,205	(9,886)	212,136
Infrastructure	2,472,505	90,646	(1,039)	2,562,112
<b>Total Capital Assets, Being Depreciated</b>	<b>3,044,828</b>	<b>117,715</b>	<b>(14,127)</b>	<b>3,148,416</b>
Less Accumulated Depreciation for:				
Buildings	184,246	8,987	(123)	193,110
Vehicles, Machinery, and Equipment	151,702	14,590	(8,922)	157,370
Infrastructure	1,512,539	80,921	(340)	1,593,120
<b>Total Accumulated Depreciation</b>	<b>1,848,487</b>	<b>104,498</b>	<b>(9,385)</b>	<b>1,943,600</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>1,196,341</b>	<b>13,217</b>	<b>(4,742)</b>	<b>1,204,816</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 1,663,699</b>	<b>\$ 232,712</b>	<b>\$ (104,470)</b>	<b>\$ 1,791,941</b>

Capital asset activity for Business-Type Activities for the year ended September 30, 2014, was as follows:

	<b>Beginning Balance October 1, 2013</b>	<b>Additions/ Transfers In</b>	<b>Decreases/ Transfers Out</b>	<b>Ending Balance September 30, 2014</b>
<b>Business-Type Activities</b>				
Capital Assets, Not Being Depreciated:				
Land/Right of Way	\$ 97,260	\$ 5,343	\$ (771)	\$ 101,832
Construction in Progress	412,449	149,894	(213,963)	348,380
<b>Total Capital Assets, Not Being Depreciated</b>	<b>509,709</b>	<b>155,237</b>	<b>(214,734)</b>	<b>450,212</b>
Capital Assets, Being Depreciated:				
Buildings	106,641	31,851	(1,800)	136,692
Vehicles, Machinery, and Equipment	381,362	5,958	(19,738)	367,582
Infrastructure	2,763,181	198,029	(9,260)	2,951,950
<b>Total Capital Assets, Being Depreciated</b>	<b>3,251,184</b>	<b>235,838</b>	<b>(30,798)</b>	<b>3,456,224</b>
Less Accumulated Depreciation for:				
Buildings	38,154	5,218	-	43,372
Vehicles, Machinery, and Equipment	213,360	8,867	(5,252)	216,975
Infrastructure	814,653	67,223	-	881,876
<b>Total Accumulated Depreciation</b>	<b>1,066,167</b>	<b>81,308</b>	<b>(5,252)</b>	<b>1,142,223</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>2,185,017</b>	<b>154,530</b>	<b>(25,546)</b>	<b>2,314,001</b>
<b>Business-Type Activities Capital Assets, Net</b>	<b>\$ 2,694,726</b>	<b>\$ 309,767</b>	<b>\$ (240,280)</b>	<b>\$ 2,764,213</b>

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

Depreciation expense was charged as follows for the year ended September 30, 2014:

	<b>Depreciation Expense</b>
<b>Governmental Activities</b>	
General Government	\$ 4,537
Public Safety	11,413
Transportation and Public Works	76,605
Parks and Community Services	6,060
Public Library	1,270
Public Events and Facilities	4,007
Planning and Development	25
Housing	581
<b>Total Governmental Depreciation</b>	<b>104,498</b>
<b>Major Business-Type Activities</b>	
Water	67,254
Stormwater Utility	3,775
<b>Nonmajor Business-Type Activities</b>	
Municipal Airports	7,204
Municipal Golf	492
Municipal Parking	1,498
Solid Waste	1,085
<b>Total Business-Type Depreciation</b>	<b>81,308</b>
<b>Total Depreciation</b>	<b>\$ 185,806</b>

The Governmental Activities depreciation expense above includes \$930 of depreciation expense from the Internal Service Funds.

The City capitalizes interest during the construction period in proprietary fund capital projects. For the year ended September 30, 2014 interest was capitalized in the Water and Sewer Fund, Municipal Parking Fund, and Stormwater Utility Fund in the amounts of \$8,906, \$42, and \$4,250, respectively.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$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, 2014:

	Balance at		Balance at		Due Within
	October 1, 2013, as restated	Increases	Decreases	September 30, 2014	
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 439,080	\$ -	\$ 30,115	\$ 408,965	\$ 30,110
Certificates of Obligation	287,630	19,270	21,355	285,545	21,210
Convention Center Installment Obligation	3,080	-	710	2,370	750
HUD Installment Obligations	5,282	-	778	4,504	805
Equipment Notes	46,860	-	7,715	39,145	7,840
Service Center Obligation	18,980	-	18,980	-	-
Fort Worth Sports Authority Obligation	8,386	-	1,518	6,868	90
Lone Star Local Government Corp Obligation	31,617	-	-	31,617	-
Central City Local Government Corp Obligation	347	-	347	-	-
State Obligation - City	-	8,338	465	7,873	465
State Obligation - CCPD	-	3,239	181	3,058	181
*TRWD Obligation	50,933	44,176	3,111	91,998	-
State Energy Conservation Loan Phase I & II	1,249	-	696	553	553
State Energy Conservation Loan Phase III	2,590	-	526	2,064	532
ESPC Phase VII	18,443	-	379	18,064	639
Capital Leases	3,816	344	2,678	1,482	255
Southwest Bank Loan (LDC SW Building)	-	2,689	144	2,545	345
Unamortized Bond Premium	52,169	364	6,985	45,548	-
Retainage Payable	3,519	4,960	2,505	5,974	-
Compensated Absences	114,813	37,967	38,028	114,752	38,028
Risk Management Estimated Claims Payable	39,707	96,583	97,397	38,893	16,449
Other Postemployment Benefits Obligation	395,144	35,630	-	430,774	-
Net Pension Obligation	54,547	3,506	-	58,053	-
Total Governmental Activities	1,578,192	257,066	234,613	1,600,645	118,252

\*Restatement from Discretely Presented Component Unit debt

(continued)

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

	Balance at October 1, 2013	Increases	Decreases	Balance at September 30, 2014	Due Within One Year
<b>Business-Type Activities:</b>					
Water and Sewer - Revenue Bonds	\$ 694,340	\$ 173,410	\$ 101,635	\$ 766,115	\$ 65,055
Water and Sewer - Trinity River Authority Oblig.	6,100	-	600	5,500	615
Water and Sewer - ESPC Phase V	14,691	-	1,336	13,355	1,418
Stormwater - Revenue Bonds	136,580	-	3,825	132,755	3,960
Solid Waste - Certificates of Obligation	5,220	-	435	4,785	435
Municipal Parking - Certificates of Obligation	47,025	-	1,495	45,530	1,565
Municipal Golf - Certificates of Obligation	2,210	-	150	2,060	155
Unamortized Bond Premium	39,531	19,927	7,504	51,954	-
Compensated Absences	9,962	4,707	4,389	10,280	4,694
Landfill Closure and Postclosure Liability	4,482	280	-	4,762	-
Pollution Remediation Liability	3,409	138	416	3,131	-
Other Postemployment Benefits Obligation	61,672	5,528	-	67,200	-
Net Pension Obligation	8,673	334	-	9,007	-
Total Business-Type Activities	<u>1,033,895</u>	<u>204,324</u>	<u>121,785</u>	<u>1,116,434</u>	<u>77,897</u>
<b>Total Long-Term Liabilities</b>	<u>\$ 2,612,087</u>	<u>\$ 461,390</u>	<u>\$ 356,398</u>	<u>\$ 2,717,079</u>	<u>\$ 196,149</u>

(concluded)

\*The balance at Oct. 1, 2013 was restated to reflect adoption of GASB 65 and change in accounting to discrete component unit, see Note A.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$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	\$ 20,235
Series 2007	4.48	2007	2027	50,000	32,500
Series 2007A	4.38-4.531	2007	2027	100,000	63,435
Series 2008	4.64	2008	2018	49,650	8,940
Series 2009	2.5-5.0	2009	2029	85,180	63,880
Series 2010	2.0-4.0	2010	2030	20,590	16,480
Series 2011 Refunding	2.0-5.0	2011	2023	46,680	42,710
Series 2012 Refunding	2.0-5.0	2012	2032	135,485	126,975
Series 2013 Refunding	2.0-4.5	2013	2033	37,130	33,810
Total General Obligation Bonds					<u>408,965</u>
<b>Certificates of Obligation:</b>					
Series 2005	5.0-6.0	2005	2025	7,200	340
Series 2005A	4.5	2005	2025	7,700	4,235
Series 2007	5.0-5.25	2007	2027	40,250	26,145
Series 2008	4.64	2008	2018	63,150	11,380
Series 2009	3.0-4.375	2009	2029	55,585	34,310
Series 2010	2.0-4.25	2010	2031	34,685	31,050
Series 2010A	3.0-5.0	2010	2030	38,025	28,790
Series 2012	3.0-5.0	2012	2032	85,790	76,840
Series 2013A	2.0-5.0	2013	2033	46,095	43,395
Series 2013B	2.0-4.99	2013	2033	11,140	10,705
Series 2013C	1.0-4.375	2014	2034	19,270	18,355
Total Certificates of Obligation					<u>285,545</u>
<b>Convention Center Installment Obligation:</b>					
Series 1997	5.0-5.8	1997	2017	10,000	2,370
<b>HUD Installment Obligation:</b>					
Series 2000A	4.46-6.8	2000	2017	3,475	795
Series 2005	4.46-6.8	2005	2020	7,500	3,709
Total HUD Installment Obligation					<u>4,504</u>
<b>Equipment Notes:</b>					
Series 2008	2.66	2008	2015	25,000	3,925
Series 2011	2.24	2011	2018	43,050	35,220
Total Equipment Notes					<u>39,145</u>
Fort Worth Sports Authority Obligation	0.0	1997	2026	20,000	6,868
Lone Star Local Gov't Corp. Obligation	4.75	2006	2024	31,617	31,617
State Obligation - City	0.0	2014	2031	8,338	7,873
State Obligation - CCPD	0.0	2014	2031	3,239	3,058
TRWD Obligation	0.0	2014	2031	50,933	91,998
<b>State Energy Conservation Loans:</b>					
Phase I & II	3.0	2004	2018	4,992	553
Phase III	3.0	2007	2019	5,000	2,064
Total State Energy Conservation Loans					<u>2,617</u>

(continued)

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$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	\$ 18,064
Capital Leases	9.675-11.0	2011	2017		1,482
Southwest Bank Loan (LDC SW Building)	2.93	2014	2021	2,689	2,545
Net Unamortized Bond Premium/Discount				n/a	45,548
Retainage Payable	n/a	n/a	n/a	n/a	5,974
Compensated Absences	n/a	n/a	n/a	n/a	114,752
Estimated Claims Payable	n/a	n/a	n/a	n/a	38,893
Other Postemployment Benefits Obligation	n/a	n/a	n/a	n/a	430,774
Net Pension Obligation	n/a	n/a	n/a	n/a	58,053
<b>Total Governmental Activities Long-Term Debt</b>					<b>\$ 1,600,645</b>

(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
<b>Water and Sewer:</b>					
<b>Revenue Bonds:</b>					
Series 2005A Refunding	3.0-5.0	2005	2020	\$ 73,075	\$ 48,710
Series 2005 TWDB*	0.35-2.4	2005	2025	7,890	4,660
Series 2005A TWDB*	2.2-3.5	2005	2025	11,500	5,260
Series 2005B TWDB*	4.45-6.25	2005	2025	64,520	40,915
Series 2007	5.0	2007	2027	100,000	75,755
Series 2007A TWDB*	1.75-3.0	2007	2027	33,560	24,380
Series 2007B TWDB*	2.2-3.0	2007	2017	49,585	36,655
Series 2008 Refunding	3.88	2008	2024	44,085	30,660
Series 2009 TWDB*	-	2009	2026	16,265	12,905
Series 2010 Refunding	4.0-5.0	2010	2020	98,855	58,275
Series 2010A TWDB*	0.36-2.62	2010	2016	40,000	31,710
Series 2010B	0.15-2.85	2010	2030	28,000	22,930
Series 2010C	4.0-5.25	2010	2030	45,870	38,945
Series 2011 Refunding	4.0-5.25	2011	2031	151,160	131,920
Series 2012 Refunding	2.0-5.0	2012	2025	31,155	31,020
Series 2014 Refunding	2.0-5.0	2014	2034	171,415	171,415
<b>Total Revenue Bonds</b>					<b>766,115</b>
<b>Trinity River Authority Obligations:</b>					
Series 2002	4.0-5.0	2011	2022	6,795	5,500
ESPC Phase V	3.68	2010	2018	15,365	13,355
<b>Total Water and Sewer</b>					<b>784,970</b>
<b>Solid Waste:</b>					
Certificate of Obligation, Series 2005A	4.5	2005	2025	7,400	4,785

\* Texas Water Development Board

(continued)

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$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	\$ 18,465
Series 2009	5.0-5.25	2009	2033	27,135	25,800
Series 2010A	3.0-5.0	2010	2020	1,955	1,265
Total Municipal Parking					45,530
Municipal Golf:					
Certificates of Obligation:					
Series 2010A	3.0-5.0	2010	2025	2,615	2,060
Stormwater Utility:					
Revenue Bonds:					
Series 2007	4.25-5.0	2008	2033	24,430	20,620
Series 2009	2.0-4.3	2009	2035	45,190	40,210
Series 2011	2.0-5.0	2011	2036	78,325	71,925
Total Stormwater Utility					132,755
Net Unamortized Bond Premium/Discount and Loss on Refunding				n/a	51,954
Compensated Absences	n/a	n/a	n/a	n/a	10,280
Landfill Closure and Postclosure Liability	n/a	n/a	n/a	n/a	4,762
Pollution Remediation Liability	n/a	n/a	n/a	n/a	3,131
Other Postemployment Benefits Obligation	n/a	n/a	n/a	n/a	67,200
Net Pension Obligation	n/a	n/a	n/a	n/a	9,007
Total Business-Type long-term debt					\$ 1,116,434

(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, 2014, \$18,826 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 2014, the City issued Certificates of Obligation, Series 2013C, in the amount of \$19,270. Bond proceeds were used to acquire the James Avenue maintenance facility from Service Center Relocation, Inc. Service Center Relocation, Inc. used this amount to pay off their Wells Fargo loan. The bonds will mature on March 1 of each year from 2014 to 2034 and are payable in installments ranging from \$915 to \$920. Interest is payable on March 1 and September 1 of each year commencing in March 2014 at interest rates ranging from 1.0 percent to 4.375%.

During Fiscal Year 2011, the City entered into an agreement with the Comptroller of the State of Texas to repay the State for the refund of sales and use tax to various taxpayers. The refunds were due to a court ruling that was the result of a prior court finding in the case of *Carole Keeton Strayhorn, Comptroller of Public Accounts v. Raytheon E-Systems, Inc.* from 2003 which was a reaffirmation of a previous decision made in 1975. The Fiscal Year 14 beginning balances were \$8,338 for the General Fund and \$3,239 for Crime Control and Prevention District (CCPD).

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

In July 2014, the capital lease for the Southwest Municipal Courthouse building was retired and a loan agreement with Southwest Bank was entered into for \$2,689. The FWLDC is responsible for repayment of the loan.

In Fiscal Year 2011 Taxing Increment Reinvestment Zone No. 9 (TIRZ #9) entered into an agreement with the Tarrant Regional Water District (TRWD) for work related to the Trinity River Vision project. The agreement stipulated that TIRZ #9 would share in the cost of the project related to the river up to \$320,000. TIRZ #9 agreed to reimburse TRWD from the incremental property taxes the TIRZ receives annually until the debt is repaid, or the term of the TIRZ expires. During Fiscal Year 2014, the TIRZ obligation to TRWD under this agreement increased by \$44,176. The advances from TRWD to the City to fund the project are repayable without interest from future taxes.

**G. 3. DIRECT PURCHASE NOTES**

In March 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. 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 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, 2014, \$31,943 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 provide for payment of debt service obligations in the event there are insufficient amounts on deposit to make debt service payments.

During 2014 the City withdrew 5 installments of Water and Sewer Revenue Bonds, Series 2010A, as follows: October 25<sup>th</sup> \$40; November 21<sup>st</sup> \$20; January 13<sup>th</sup> \$695; February 27<sup>th</sup> \$595; and April 16<sup>th</sup> \$645. These bonds were issued to fund improvements to the sewer system. The installments will mature on February 15 of each year from 2014 to 2030 payable in installments ranging from \$1,810 to \$2,340. 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 2.62 percent. The City has pledged future water and sewer customer revenues to repay the revenue bonds.

In August 2014, the City issued Water and Sewer Revenue Refunding and Improvement Bonds, Series 2014 in the amount of \$171,415 to refund \$40,435 of existing Water and Sewer System Revenue Refunding and Improvement Bonds Series 2003A and Series 2005, to pay the cost associated with the bond issue, and \$130,980 to fund water and sewer improvements. These bonds will mature on February 15 of each year from 2015 to 2034 and are payable in installments ranging from \$10,200 to \$18,200. Interest is payable on February 15 and August 15 of each year commencing in August 2014 at interest rates ranging from 2.0 percent to 5.0 percent. The City has pledged future water and sewer customer revenues to repay the revenue bonds. 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 \$40,435 of water and sewer bonds. As a result, the refunded bonds are considered to be defeased and the liability is not reflected in the statement of net position.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

This current refunding was undertaken due to the lower interest rates available under the current market condition and resulted in a reduction of principal and interest payments of \$3,402 over the life of the bonds. This refunding resulted in an economic gain of \$3,304 and a book loss of \$1,349.

Net revenues of some of the City’s enterprise funds—defined as net operating income, plus depreciation expense, plus investment income—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, 2014, net pledged revenue by fund was as follows:

<b>Fund</b>	<b>2014 Net Pledged Revenues</b>	<b>2014 Debt Service</b>	<b>Purpose of Debt</b>
Water and Sewer Fund	\$ 137,941	\$ 91,351	Extending and improving water and sewer system
Stormwater Fund	19,298	9,347	Improvements of storm drains, roadways, and erosion protection
Municipal Parking	4,424	4,056	Construction of City-owned parking garage
<b>Total</b>	<b>\$ 161,663</b>	<b>\$ 104,754</b>	

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 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, 2014, the City’s liability was \$3,131 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, 2014**  
**(\$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, 2014, is disclosed by Governmental type as shown on the following pages:

<b>Governmental Activities:</b>								
<b>Year Ending</b>			<b>Certificates of</b>		<b>Convention Center</b>			
<b>September</b>	<b>General Obligations</b>		<b>Obligation</b>		<b>Installment Obligation</b>		<b>Equipment Notes</b>	
<b>30,</b>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 30,110	\$ 19,298	\$ 21,210	\$ 12,768	\$ 750	\$ 138	\$ 7,840	\$ 810
2016	32,035	17,929	20,950	11,974	795	95	3,915	657
2017	30,780	16,549	19,840	11,206	825	49	3,915	570
2018	30,365	14,671	19,950	9,765	-	-	23,475	263
2019	33,270	12,668	17,260	8,331	-	-	-	-
2020-2024	143,530	41,412	84,270	30,459	-	-	-	-
2025-2029	92,810	13,151	68,810	13,256	-	-	-	-
2030-2034	16,065	1,180	33,255	2,357	-	-	-	-
	<u>\$ 408,965</u>	<u>\$ 136,858</u>	<u>\$ 285,545</u>	<u>\$ 100,116</u>	<u>\$ 2,370</u>	<u>\$ 282</u>	<u>\$ 39,145</u>	<u>\$ 2,300</u>

(continued)

<b>Governmental Activities:</b>								
<b>Year Ending</b>			<b>State Energy</b>		<b>State Energy</b>			
<b>September</b>	<b>HUD Installment</b>		<b>Conservation Loan</b>		<b>Conservation Loan</b>		<b>State Obligation -</b>	
<b>30,</b>	<b>Obligations</b>		<b>Phase I &amp; II</b>		<b>Phase III</b>		<b>City</b>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 805	\$ 207	\$ 553	\$ 6	\$ 532	\$ 67	\$ 465	\$ -
2016	834	177	-	-	547	53	465	-
2017	865	145	-	-	563	36	465	-
2018	632	109	-	-	422	16	465	-
2019	666	75	-	-	-	-	465	-
2020-2024	702	39	-	-	-	-	2,327	-
2025-2029	-	-	-	-	-	-	2,327	-
2030-2034	-	-	-	-	-	-	894	-
	<u>\$ 4,504</u>	<u>\$ 752</u>	<u>\$ 553</u>	<u>\$ 6</u>	<u>\$ 2,064</u>	<u>\$ 172</u>	<u>\$ 7,873</u>	<u>\$ -</u>

(continued)

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

<b>Governmental Activities:</b>						
<b>Year Ending</b>					<b>Total Governmental</b>	
<b>September</b>	<b>State Obligation - CCPD</b>		<b>ESPC Phase VII</b>		<b>Activities</b>	
<b>30,</b>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 181	\$ -	\$ 639	\$ 399	\$ 63,085	\$ 33,693
2016	181	-	976	382	60,698	31,267
2017	181	-	998	360	58,432	28,915
2018	181	-	1,172	336	76,662	25,160
2019	181	-	1,652	306	53,494	21,380
2020-2024	904	-	8,836	954	240,569	72,864
2025-2029	904	-	3,791	86	168,642	26,493
2030-2034	345	-	-	-	50,559	3,537
	-	-				
	<u>\$ 3,058</u>	<u>\$ -</u>	<u>\$ 18,064</u>	<u>\$ 2,823</u>	<u>\$ 772,141</u>	<u>\$ 243,309</u>

(concluded)

The City has two blended component units whose long-term debt is paid through revenues transferred from Tax Increment Reinvestment Zones (TIRZs). TIRZ #2A makes debt service payments on Fort Worth Sports Authority's outstanding debt obligation of \$6,868. TIRZ #10 makes debt service payments on Lone Star Local Government Corp's outstanding debt obligation of \$31,617. 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, 2014, 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>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 65,055	\$ 30,154	\$ 615	\$ 136	\$ 1,418	\$ 300	\$ 3,960	\$ 5,381	\$ 71,048	\$ 35,971
2016	64,750	27,879	635	124	1,475	266	4,130	5,221	70,990	33,490
2017	63,965	25,346	650	111	1,508	232	4,300	5,072	70,423	30,761
2018	66,720	22,593	670	98	1,544	196	4,460	4,925	73,394	27,812
2019	59,645	19,919	690	77	1,580	160	4,640	4,745	66,555	24,901
2020-2024	231,320	68,494	2,240	101	5,830	259	26,590	20,317	265,980	89,171
2025-2029	148,000	29,491	-	-	-	-	32,835	14,369	180,835	43,860
2030-2034	66,660	6,794	-	-	-	-	39,185	6,711	105,845	13,505
2035-2039	-	-	-	-	-	-	12,655	456	12,655	456
	<u>\$ 766,115</u>	<u>\$ 230,670</u>	<u>\$ 5,500</u>	<u>\$ 647</u>	<u>\$ 13,355</u>	<u>\$ 1,413</u>	<u>\$ 132,755</u>	<u>\$ 67,197</u>	<u>\$ 917,725</u>	<u>\$ 299,927</u>

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

The annual requirements to amortize all Nonmajor Fund Business-Type bonded and contractual debt outstanding as of September 30, 2014, is as follows:

<b>Nonmajor Business-Type Activities:</b>									
<b>Year Ending</b>	<b>Municipal</b>		<b>Solid</b>		<b>Municipal</b>		<b>Total</b>		
	<b>Parking</b>		<b>Waste</b>		<b>Golf</b>		<b>Nonmajor</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>	
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	1,885	2,169	435	117	175	57	2,495	2,343	
2020-2024	10,135	9,204	2,175	314	1,005	158	13,315	9,676	
2025-2029	13,175	5,940	435	8	230	4	13,840	5,952	
2030-2034	13,625	1,651	-	-	-	-	13,625	1,651	
	<u>\$ 45,530</u>	<u>\$ 28,480</u>	<u>\$ 4,785</u>	<u>\$ 1,087</u>	<u>\$ 2,060</u>	<u>\$ 506</u>	<u>\$ 52,375</u>	<u>\$ 30,073</u>	

**G.6. ARBITRAGE**

The City frequently issues bonds for capital construction projects. These bonds are subject to the arbitrage regulations. At September 30, 2014, the liability for rebate of arbitrage was \$5 for business-type activities. This amount is included in the “Current Portion of Long-Term Liabilities” on the statement of net position.

**G. 7. LEASES**

The City is also committed under capital leases for the acquisition of one municipal building, the Armory Building, and heavy equipment. In Fiscal Year 2014 the Southwest Municipal Court Building was sold and is no longer under a capital lease. 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, 2014:

Capital Lease Obligations, October 1, 2013	\$ 3,816
New capital leases	344
Principal Payments	<u>2,678</u>
Capital Lease Obligations, September 30, 2014	<u>\$ 1,482</u>

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

Future minimum lease payments for these leases are as follows:

Year Ending <u>September 30,</u>	Lease <u>Payments</u>
2015	\$ 364
2016	372
2017	379
2018	266
2019	274
2020-2024	162
Less: Amount Representing Interest	(335)
Present Value of Minimum Lease Payments	<u>\$ 1,482</u>

The following schedule provides an analysis of the City's investment in capital assets under lease arrangements as of September 30, 2014:

Buildings	\$ 1,484
Equipment	\$ 344
Less: Accumulated Depreciation	(664)
Total Net Book Value of Lease Assets	<u>\$ 1,164</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, 2014:

Year Ending <u>September 30,</u>	
2015	\$ 1,666
2016	1,406
2017	1,112
2018	602
2019	64
Total Minimum Payments Required	<u>\$ 4,850</u>

Total rental expense for the year was \$2,785.

The Fort Worth Sports Authority (a blended component unit) 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 original contract was 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

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

\$6,868, payable through 2026. In fiscal year 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 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.

**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, 2014, the following outstanding bonds are considered defeased:

General Obligation Bonds and Certificates of Obligation <i>Service Center Series 2005, and 2008</i>	\$ 55,400
Water and Sewer System Revenue Bonds <i>Series 2005</i>	67,285

**G. 9. CONDUIT DEBT**

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, 2014, \$245,150 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.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

The City reported \$4,762 as landfill closure and postclosure care liability in the Solid Waste Fund at September 30, 2014. This represents the cumulative amount reported to date based on the use of 32.3 percent of the estimated current permitted capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$9,958 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 2058. 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, 2014, the City reported cash and cash equivalents of \$1,314 as restricted assets for closure and postclosure care and has \$3,448 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. 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 \$83,345 and the long-term portion was \$6,655,985 as of September 30, 2014.

The following condensed financial information has been taken from the Airport's September 30, 2014, financial statements:

Total Assets	\$ 7,767,057
Total Liabilities	7,066,105
Net Position	<u>\$ 700,952</u>
Operating Revenues	\$ 624,662
Operating Expenses	667,660
Non-Operating Revenues (Expenses)	(91,907)
Capital Contributions	15,984
Special Item	(12,281)
Change in Accounting Principle	(117,556)
Change in Net Position	<u>\$ (248,758)</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

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

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 Fund of the City of Fort Worth (the Plan) is a defined benefit retirement system providing benefits for City employees. The assets of the Plan are comingled for investment purposes with the assets of the retirement plan of the Employees' Retirement Fund, and both plans are administered by the thirteen member Retirement Fund Board of Trustees. Each plan has a separate actuarial valuation completed each year to determine each funded status based on current and projected assets and liabilities. All further references to the Plan and information provided about the Plan are strictly limited to information about the City employees.

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

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

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

Effective June 15, 2007, Article 6243i of the Texas Revised Civil Statutes (Article 6243i) changed the structure of the Board and how benefits could be changed by the plan sponsor. Article 6243i also permitted the Board to create administrative rules that govern the 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.

The Plan undergoes an annual actuarial valuation, and the funded status of the Plan is based on current and projected assets and liabilities. As of the January 1, 2014 (date of most recent actuarial valuation), and January 1, 2013, actuarial valuations, the Plan's membership consisted of the following members (numbers in table following on the next page are not in thousands):

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

	<b>January 1, 2014</b>	<b>January 1, 2013</b>
Retirees and beneficiaries currently receiving benefits	3,820	3,706
Terminated members entitled to, but not yet receiving benefits	296	277
	<u>4,116</u>	<u>3,983</u>
Active members	6,199	6,278
Total	<u>10,315</u>	<u>10,261</u>

**Summary of Plan Provisions**

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

<b>Plan Year:</b>	January 1 through December 31
<b>Fiscal Year:</b>	October 1 through September 30
<b>Plan Status:</b>	Ongoing
<b>Categories of Employees:</b>	
<i>Group I</i>	Municipal Employees hired prior to July 1, 2011
<i>Group II</i>	Municipal Employees hired on or after July 1, 2011
<i>Group III</i>	Police Officers hired prior to January 1, 2013
<i>Group IV</i>	Police Officers hired on or after January 1, 2013
<i>Firefighters</i>	All Firefighters, regardless of hire date
<b>Normal Retirement:</b>	
<i>Age and Service Requirements</i>	Age 65 and five years of participation, or age plus years of Credited Service equal to 80 points ("Rule of 80"). Group II employees have a minimum retirement age of 55.  Groups III and IV (Police Officers) are also eligible with 25 years of Credited Service.
<i>Amount</i>	<u>Groups I and III:</u> 3.00% of the Compensation Base multiplied by years of Credited Service before October 1, 2013, plus 2.50% of the Compensation Base multiplied by years of Credited Service on or after October 1, 2013  <u>Groups II and IV:</u> 2.50% of the Compensation Base multiplied by years of Credited Service  <u>Firefighters:</u> 3.00% of the Compensation Base multiplied by total years of Credited Service
<i>Compensation Base</i>	<u>Firefighters, and Groups I and III for service prior to October 1, 2013:</u> Average of member's highest three calendar years' earnings, including overtime  <u>Groups II and IV, and Groups I and III for service on or after October</u>

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

	<u>1, 2013</u> : Average of member's highest five calendar years' earnings, excluding overtime
<b>Early Retirement:</b> <i>Age and Service Requirements</i>	Age 50 (Age 55 for Group II) and five years of credited service
<i>Amount</i>	<u>Groups I and III</u> : 2.75% of the Compensation Base multiplied by years of Credited Service before October 1, 2013, plus 2.25% of the Compensation Base multiplied by years of Credited Service on or after October 1, 2013  <u>Groups II and IV</u> : 2.25% of the Compensation Base multiplied by total years of Credited Service  <u>Firefighters</u> : 2.75% of the Compensation Base multiplied by total years of Credited Service
<i>Reduction</i>	5/12% for each month the commencement date proceeds the member's projected Normal Retirement date
<b>Disability (in the line of duty):</b> <i>Age and Service Requirements</i>	None
<i>Amount</i>	<u>Groups I and III, and Firefighters</u> : 2.75% of the Compensation Base multiplied by years of Credited Service projected to member's Normal Retirement date  <u>Groups II and IV</u> : 2.25% of the Compensation Base multiplied by total years of Credited Service projected to member's Normal Retirement date
<i>Minimum</i>	\$250 per month
<b>Disability (not in the line of duty):</b> <i>Age and Service Requirements</i>	Five years of credited service
<i>Amount</i>	<u>Groups I and III</u> : 2.75% of the Compensation Base multiplied by years of Credited Service before October 1, 2013, plus 2.25% of the Compensation Base multiplied by years of Credited Service on or after October 1, 2013  <u>Groups II and IV</u> : 2.25% of the Compensation Base multiplied by

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
(\$000's omitted)  
(continued)

	years of Credited Service  <u>Firefighters:</u> 2.75% of the Compensation Base multiplied by total years of Credited Service
<i>Minimum</i>	None
<b>Vesting:</b> <i>Age Requirement</i>	None
<i>Service Requirement</i>	Five years of credited service
<i>Amount</i>	Normal pension accrued, based on Credited Service at termination
<i>Normal Retirement Age</i>	Age 65, or age plus years of Credited Service projected to Normal Retirement date equal to 80 points
<b>Termination Benefits:</b> <i>Age &amp; Service Requirement</i>	None
<i>Amount</i>	A member with fewer than five years of participation who withdraws from the plan is eligible to receive a refund of contributions accumulated with 5.25% interest, compounded annually while an active member. A member who terminates with five or more years of participation is entitled to a Vested Pension, but may receive a refund of contributions with 5.25% interest, compounded annually while an active member, instead of the Vested Pension.
<b>Spouse's Pre-Retirement Death Benefit (death in the line of duty):</b> <i>Age &amp; Service Requirement</i>	None
<i>Amount</i>	<u>Groups I and III, and Firefighters:</u> 75% of the Normal Retirement benefit, based on a 3.00% multiplier and with years of Credited Service projected to the member's Normal Retirement date.  <u>Groups II and IV:</u> 75% of the Normal Retirement benefit, based on a 2.50% multiplier and with years of Credited Service projected to the member's Normal Retirement date.
<i>Minimum</i>	\$250 per month
<i>Child Benefits</i>	Each dependent child under 18 receives \$100 per month; if there is no surviving spouse, the children share equally in the 75% survivor

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
(\$000's omitted)  
(continued)

	amount.
<b>Spouse's Pre-Retirement Death Benefit (death not in the line of duty):</b> <i>Age &amp; Service Requirement</i>	Five years of credited service
<i>Amount</i>	<u>Groups I and III:</u> 75% of the accrued benefit at death, calculated as 2.75% of the Compensation Base multiplied by years of Credited Service before October 1, 2013, plus 2.25% of the Compensation Base multiplied by years of Credited Service on or after October 1, 2013  <u>Groups II and IV:</u> 75% of the accrued benefit at death, calculated as 2.25% of the Compensation Base multiplied by years of Credited Service  <u>Firefighters:</u> 75% of the accrued benefit at death, calculated as 2.75% of the Compensation Base multiplied by total years of Credited Service
<i>Minimum</i>	\$150 per month
<i>Child Benefits</i>	Each dependent child under 18 receives \$100 per month; if there is no surviving spouse, the children share equally in the 75% survivor amount.
<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.  For Groups II and IV the retirement benefit is a voluntary benefit and retirement is actuarially reduced to reflect the joint and survivor coverage.
<b>Contributions:</b> <i>Member contributions</i>	8.25% for Municipal Employees and Firefighters 8.73% for Police Officers
<i>City contributions:</i>	19.74% for Municipal Employees and Firefighters 20.46% for Police Officers
<b>Overtime Contribution Account:</b>	Only available for municipal employees hired after July 1, 2011, and prior to January 1, 2013. Member contributions made for overtime worked in that period are credited to the Overtime Contribution

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

	<p>Account. Upon retirement, the member is entitled to a refund of this account with 5.25% interest, compounded annually. The Plan will match 100% of the balance of the account. Upon termination the member is only entitled to a refund of the employee contribution in this account with 5.25% interest, compounded annually.</p>												
<p><b>Cost-of-Living Adjustments (COLA)</b>  <i>Ad-Hoc COLA Program</i></p>	<p>The Ad Hoc COLA is applicable to the following:</p> <ol style="list-style-type: none"> <li>1. Credited service until 9/30/13 for Group I Members who were vested as of 12/31/2007, who selected the Ad Hoc COLA in the 2007 selection process, who were not receiving a retirement benefit prior to 10/1/13; and who did not select the 2% COLA in the 2013 selection process</li> <li>2. Credited service until 9/30/13 for Group III Members who were vested as of 12/31/07, who selected the Ad Hoc COLA in the 2007 selection process, who were not receiving a retirement benefit prior to 10/1/13; and who did not select the 2% COLA in the 2013 selection process;</li> <li>3. Firefighters who began service after 12/31/07, Firefighters hired prior to 12/31/07 who were not vested as of 12/31/07, and Firefighters who were vested as of 12/31/07 who selected the Ad Hoc COLA;</li> <li>4. Members and Beneficiaries who were receiving benefits under this Article under the Ad Hoc COLA and who did not elect to return to the 2% COLA.</li> </ol> <p>Participants in the program who retire prior to September 30 of the preceding year may receive a compound COLA on pension benefits. The amount of the COLA percentage is determined by selecting the appropriate percentage from the following table based on the Plan's Funding Period:</p> <table border="1" data-bbox="609 1543 1429 1774"> <thead> <tr> <th><u>Tier</u></th> <th><u>Funding Period</u></th> <th><u>COLA Percentage Increase</u></th> </tr> </thead> <tbody> <tr> <td><u>#2</u></td> <td><u>24.1 to 28.0</u></td> <td><u>2.0%</u></td> </tr> <tr> <td><u>#3</u></td> <td><u>18.1 to 24.0</u></td> <td><u>3.0%</u></td> </tr> <tr> <td><u>#4</u></td> <td><u>18.0 or less</u></td> <td><u>4.0%</u></td> </tr> </tbody> </table> <p>Next, the initial COLA percentage is applied to the benefits of the participants of the program to determine the increase in the liability. Using the new liability, the Funding Period is recalculated. If the tier of the Funding Period does not change, then the initial COLA</p>	<u>Tier</u>	<u>Funding Period</u>	<u>COLA Percentage Increase</u>	<u>#2</u>	<u>24.1 to 28.0</u>	<u>2.0%</u>	<u>#3</u>	<u>18.1 to 24.0</u>	<u>3.0%</u>	<u>#4</u>	<u>18.0 or less</u>	<u>4.0%</u>
<u>Tier</u>	<u>Funding Period</u>	<u>COLA Percentage Increase</u>											
<u>#2</u>	<u>24.1 to 28.0</u>	<u>2.0%</u>											
<u>#3</u>	<u>18.1 to 24.0</u>	<u>3.0%</u>											
<u>#4</u>	<u>18.0 or less</u>	<u>4.0%</u>											

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

	percentage will be the proposed percentage for the following January 1. However, if the tier does change, then the COLA percentage is changed to the percentage shown in the new tier. Then the liability and Funding period are recalculated to check that the tier does not change. This process is repeated until the proposed COLA percentage does not change the Tier of the Funding Period.
<i>2.0% Guaranteed COLA</i>	Vested members hired before January 1, 2008, who elected the 2% Guaranteed COLA, those who elected to opt out of the Ad-Hoc COLA program during the fourth quarter of 2013 selection process, all service on or after October 1, 2013 for Group I and III members who did not elect to return to the 2% COLA, will receive a simple COLA of 2% of their Base Pension Amount every January 1.
<i>None</i>	Groups II and IV are not eligible for a COLA.
<b>Deferred Retirement Option Program (DROP):</b> <i>Eligibility</i>	Participants eligible for Normal Retirement may elect to enroll in DROP.
<i>Amount</i>	Enrollment in DROP freezes a member's Credited Service (except for major medical and accumulated sick leave) and Final Average Compensation for purposes of calculating the monthly pension annuity. The DROP provides a lump sum payment for the number of months enrolled based on the monthly annuity calculated at the member's DROP enrollment date.
<i>DROP Enrollment date</i>	A member may participate in DROP for up to 60 months. For Fiscal Year 2014, a member must stay in in DROP for at least one year. In Fiscal Year 2015 DROP was change to no minimum length of time a member must stay in DROP. A member who elects a DROP must stay in the DROP for at least two years to be eligible for a retroactive cost-of-living increase at the time of the actual retirement.
<i>Contributions</i>	Member and employer contributions continue during the DROP period but are not credited to the member's DROP account.

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

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

- A total or partial distribution of their DROP balance made directly to the member or via a rollover to a qualified plan or IRA

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

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

**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 retirement eligible earnings 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 2014. Eligible 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 eligible earnings 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, 2014, valuation shows that the unfunded accrued actuarial liability of the Plan increased by approximately \$81,567 from the valuation prepared as of January 1, 2013. The funded ratio of the Plan did not change from 63.9%, with a funding period of 49.3 years. This is a 13.3-year increase in the effective period, from 36.0 last year. Although investment and demographic experience combined with the plan changes decreased the period by about five years, the COLA election had a significant impact, increasing the period by about 18 years. 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>
1/1/2014	\$1,995,113	\$3,124,080	\$1,128,967	63.9%	\$397,886	283.7%

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

**Actuarial Methods and Assumptions**

The following are the significant actuarial assumptions used for the January 1, 2014, actuarial valuation:

<b>Valuation date</b>	January 1, 2014
<b>Actuarial cost method</b>	Entry age normal cost method
<b>Amortization method</b>	Level percent of covered payroll, open
<b>Remaining amortization period</b>	30 years remaining as of January 1, 2014
<b>Asset valuation method</b>	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.
<b>Actuarial assumptions:</b>	
Investment rate of return	8.00%
Inflation rate	3.00%
Projected salary increases	3.50% - 18.00%
Cost-of-living adjustments	2.00%*
Payroll growth rate	3.25% per annum, used to amortize unfunded actuarial accrued liabilities

\*2% cost-of-living adjustment (COLA) is assumed for members receiving the guaranteed COLA and for benefits accrued on or after October 1, 2013, by Municipal employees hired prior to July 1, 2011, and Police employees hired prior to January 1, 2013. No future COLAs are assumed for members participating in the ad-hoc COLA program.

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

	<b>September 30, 2012</b>	<b>September 30, 2013</b>	<b>September 30, 2014</b>
Annual Required Contribution	\$ 67,652	\$ 79,485	\$ 80,547
Interest on Net Pension Obligation	5,807	5,112	4,975
Adjustment to Annual Required Contribution	<u>(4,284)</u>	<u>(3,675)</u>	<u>(3,689)</u>
Annual Pension Cost	69,175	80,922	81,833
Contributions Made	<u>77,265</u>	<u>77,567</u>	<u>77,993</u>
Increase (Decrease) in Net Pension Obligation	(8,090)	3,355	3,840
Net Pension Obligation, Beginning of Year	<u>67,955</u>	<u>59,865</u>	<u>63,220</u>
Net Pension Obligation, End of Year	<u>\$ 59,865</u>	<u>\$ 63,220</u>	<u>\$ 67,060</u>
Percentage of Annual Pension Cost			
Contributed	111.7%	95.9%	95.3%
Percentage of Annual Required Contribution			
Contributed	114.2%	97.6%	96.8%

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

The net pension obligation as of September 30, 2014, is reported in the Governmental Activities and Business-Type Activities statement of net position as \$58,053 and \$9,007 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 2,742 (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. Effective January 1, 2014, the City terminated the self-insured indemnity-type plan for Medicare Retirees and the fully-insured MAPD and replaced them with a fully-insured Medicare Advantage (MA) PPO Plan.

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 Budget 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, 2014, 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 2014, 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 73 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 2014, the cost for health care benefits for retirees, dependents, and surviving spouses was \$26,560. For fiscal year 2014, death benefit payments totaled \$483.

**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, 2012, September 30, 2013, and September 30, 2014, and the related information for each plan, are as shown on the following page (dollar amounts in thousands):

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

Funding Policy and Annual OPEB Cost	Healthcare			Death Benefit		
	9/30/2012	9/30/2013	9/30/2014	9/30/2012	9/30/2013	9/30/2014
Contribution Rates						
City		33% - 100% *			100%	
Plan Members		0% - 67% *			N/A	
Annual Required Contribution	\$ 105,502	\$ 98,334	\$ 88,405	\$ 1,435	\$ 943	\$ 916
Interest on Net OPEB Obligation	13,546	16,249	18,545	137	164	192
Adjustment to Annual Required Contribution	(19,339)	(23,198)	(25,433)	(195)	(234)	(264)
Annual OPEB Cost (Expense)	99,709	91,385	81,517	1,377	873	844
Contributions Made	(29,420)	(35,433)	(40,595)	(225)	(370)	(608)
Increase in Net OPEB Obligation	70,289	55,952	40,922	1,152	503	236
Net OPEB Obligation, Beginning of Year	324,619	394,908	450,860	4,301	5,453	5,956
Net OPEB Obligation, End of Year	\$ 394,908	\$ 450,860	\$ 491,782	\$ 5,453	\$ 5,956	\$ 6,192
Percentage of Annual OPEB Cost Contributed	29.5%	38.8%	49.8%	16.3%	42.4%	72.0%
Percentage of Annual Required Contribution Contributed	27.9%	36.0%	45.9%	15.7%	39.2%	66.4%

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

At September 30, 2014, the total liability of \$497,974 for net OPEB obligation was \$430,774 for governmental activities and \$67,200 for business-type activities. The employer's required contribution rate as a percentage of payroll for fiscal year 2014 was 22.6%.

**Funded Status and Funding Progress**

The funded status of the plan as of January 1, 2014, was as follows:

	Healthcare	Death Benefit
Actuarial Accrued Liability (a)	\$ 932,667	\$ 10,252
Actuarial Value of Plan Assets (b)	38,977	-
Unfunded Actuarial Accrued Liability (a) – (b)	\$ 893,690	\$ 10,252
Funded Ratio (b) / (a)	4.2%	0.0%
Covered Payroll (c)	\$ 397,886	\$ 397,886
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll ((a) – (b)) / (c))	225%	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.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

**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	1/1/2014	1/1/2014
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit
Amortization Method	Open, Level Percentage of Projected Payroll	Open, Level Percentage of Projected Payroll
Remaining Amortization Period	30	30
Asset Valuation Method	Market Value	Market Value
Actuarial Assumptions:		
Discount Rate	4.1%	4.1%
Healthcare Cost Trend Rate	9.0% Initial, 5% Ultimate (in 2021)	N/A
Healthcare Inflation Rate	3%	N/A

The discount rate of 4.1% is based on a weighted average of the estimated return on plan assets of 6% and the estimated return on the City's general investments of 4%.

**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 income based upon guidelines published by the Internal Revenue Service. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

**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 2014 payments to the District under the agreement were \$71,508. 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, 2014, the City has recorded a pollution remediation liability of \$3,131 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 will not have a material impact on the financial statement.

The City has significant construction commitments of \$261,867 at September 30, 2014.

Various other claims and lawsuits are pending against the City. After consultation with legal counsel, the City had potential losses from pending litigation that are reasonably possible totaling \$2,926 as of September 30, 2014.

On December 9, 2014, the City adopted a resolution committing an amount not to exceed \$225,000 for the construction of a multipurpose arena at the intersection of Harley Avenue and Gendy Street, See Note N.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
(\$000's omitted)  
(continued)

**NOTE M: SEGMENT FINANCIAL INFORMATION**

Segment financial information for the City's Municipal Parking funds is presented below:

<b>Municipal Parking Fund</b>	
<b>Condensed Schedule of Net Position</b>	
Assets	
Current Assets	\$ 1,557
Other Assets	3,010
Capital Assets	51,185
Total Assets	<u>55,752</u>
Liabilities	
Due to Other Funds	-
Other Current Liabilities	2,355
Advances from Other Funds	-
Other Noncurrent Liabilities	45,304
Total Liabilities	<u>47,659</u>
Net Position	
Net Investment in Capital Assets	5,599
Restricted	342
Unrestricted	2,152
Total Net Position	<u>\$ 8,093</u>
<b>Condensed Schedule of Revenues, Expenses, and Changes in Net Position</b>	
Operating Revenues	\$ 7,083
Depreciation Expense	1,498
Other Operating Expenses	2,703
Operating Income (Loss)	<u>2,882</u>
Nonoperating Revenues (Expenses):	
Investment Income	44
Interest and Service Charges	(2,448)
Gas Leases and Royalties	-
Other Nonoperating Revenues (Expenses)	-
Capital Contributions	-
Transfers In	-
Transfers Out	(99)
Change in Net Position	379
Restatement (Note A.16)	(840)
Beginning Net Position	8,554
Ending Net Position (Deficit)	<u>\$ 8,093</u>
<b>Condensed Schedule of Cash Flows</b>	
Net Cash Provided (Used) by:	
Operating Activities	\$ 4,545
Noncapital Financing Activities	(99)
Capital and Related Financing Activities	(4,698)
Investing Activities	38
Net Increase (Decrease)	<u>(214)</u>
Beginning Cash and Cash Equivalents	4,616
Ending Cash and Cash Equivalents	<u>\$ 4,402</u>

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

**NOTE N: SUBSEQUENT EVENTS**

On November 5, 2014, the City made a cash defeasance for General Purpose Refunding Bonds, Series 2004 in the amount of \$9,600 plus accrued interest and transaction costs. An estimated savings of future debt service of costs of \$1,300 was realized.

On October 28, 2014, the City issued General Purpose Refunding Bonds, Series 2014, for the amount of \$35,480 to be used for the defeasance of the Series 2011 Tax Bonds and to pay associated issuance costs. On November 21, 2014 the Texas Water Development Board (TWDB) approved the City's financial assistance request for \$39,000. The TWDB estimated loan closing date is February 26, 2015. On February 26, 2015 the City issued General Purpose Refunding Bonds, Series 2015, for the amount of \$8,420 to be used for the defeasance of the Series 2005A Certificates of Obligations and to pay associated issuance costs.

During October 2014 the City Council passed an amendment to the retirement ordinance that reduced the benefit accruals for firefighters. These changes bring the firefighter benefit structure closer to those of the police officers and general employees. The benefit changes were effective January 10, 2015 and impact only future service accruals for the firefighters. The major changes reduced the multiplier for service accrued on or after January 10, 2015 to 2.50%, removes non-scheduled overtime from the final average pay calculation, changes the final average salary calculation from high three years to high five years and changes the COLA to a guaranteed simple 2% COLA. Firefighters covered under the collective bargaining agreement who had elected the Ad-Hoc COLA were also given the opportunity to switch from the Ad-Hoc COLA to the simple 2% COLA for service time accrued prior to January 10, 2015.

During Fiscal Year 2015, litigation was brought against the City alleging damages when the City amended its retirement ordinance, reducing benefits to current fire department employees for future service.

On December 9, 2014, the City adopted a resolution committing to funding up to 50% of the cost, not to exceed \$225,000, for a multipurpose arena. The arena will be located at the intersection of Harley Avenue and Gendy Street. Funding for the project will come from various revenues including an admissions tax, a livestock facility tax, a parking tax, and state and local taxes derived in accordance with Chapter 351 of Texas tax code and any other revenue the City determines appropriate.

On January 27, 2015, the City approved acceptance ownership of the former American Airlines Maintenance Facility and assignment of all property-related contracts for the property and maintenance facility from Alliance Airport Authority, Inc. Alliance Airport Authority, Inc. had obtained the property and contracts following the rejection and termination of its lease with American Airlines, Inc.

**NOTE O: NEW ACCOUNTING STANDARDS**

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.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**  
**(\$000's omitted)**  
(continued)

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 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.

In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses the accounting and financial reporting issues related to fair value measurements, and will provide guidance for determining and applying fair value measurements to certain investments and disclosures. This Statement is effective for the City's financial periods beginning October 1, 2015.

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, 2014  
(in 000's)**

	<b>Budgeted Amounts</b>		<b>Budgetary Basis Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues and Other Financing Sources:</b>				
Revenues:				
General Property Taxes	\$ 293,302	\$ 293,302	\$ 290,663	\$ (2,639)
Sales Taxes	120,934	120,934	125,547	4,613
Other Local Taxes	8,666	8,666	9,165	499
Charges for Services	25,158	25,158	26,321	1,163
Licenses and Permits	45,557	45,557	49,824	4,267
Fines and Forfeitures	18,630	18,630	15,924	(2,706)
Revenue from Use of Money and Property	4,380	4,386	4,752	366
Intergovernmental	1,129	1,782	1,262	(520)
Other	430	1,702	2,470	768
<b>Total Revenue</b>	<b>518,186</b>	<b>520,117</b>	<b>525,928</b>	<b>5,811</b>
Other Financing Sources:				
Transfers In - Other Funds	47,011	48,630	57,615	8,985
Intrafund Transfer In - Other General	-	-	833	833
<b>Total Other Financing Sources</b>	<b>47,011</b>	<b>48,630</b>	<b>58,448</b>	<b>9,818</b>
<b>Total Revenue and Other Financing Sources</b>	<b>565,197</b>	<b>568,747</b>	<b>584,376</b>	<b>15,629</b>
<b>Expenditures:</b>				
Departmental:				
City Manager	5,897	6,584	6,584	-
Internal Audit	2,526	2,624	2,435	189
City Secretary	1,110	1,110	1,006	104
Legal	6,012	6,027	5,691	336
Financial Management Services	8,231	8,231	8,140	91
Human Resources	4,472	4,968	4,286	682
Code Compliance	17,013	17,534	16,725	809
Nondepartmental	65,938	76,587	75,024	1,563
Police	204,226	209,398	209,398	-
Fire	119,744	121,084	121,080	4
Municipal Court	16,909	16,982	15,973	1,009
Transportation and Public Works	44,493	50,058	45,290	4,768
Parks and Community Services	41,986	43,184	42,134	1,050
Public Library	19,012	19,313	18,720	593
Planning and Development	11,392	12,162	11,159	1,003
Housing and Economic Development	4,957	4,957	4,915	42
<b>Total Expenditures</b>	<b>573,918</b>	<b>600,803</b>	<b>588,560</b>	<b>12,243</b>
<b>Source / (Use) of Fund Balance</b>	<b>\$ (8,721)</b>	<b>\$ (32,056)</b>	<b>\$ (4,184)</b>	<b>\$ 27,872</b>

(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, 2014  
 (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>	\$ (4,184)
Differences - Budgetary to GAAP	
Current year non-budgeted transfers treated as other financing uses for financial reporting purposes but not as a budgetary outflows.	<u>(71,109)</u>
<b>Net Change in Fund Balance (GAAP Basis)</b>	<u>\$ (75,293)</u> (concluded)

See accompanying notes to the required supplementary information.

**CITY OF FORT WORTH, TEXAS**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**SEPTEMBER 30, 2014**  
**(000's omitted)**

**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 except for 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 \$26,885 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 (CCPD) 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 be approved and legally enacted by the City Council prior to September 30. Prior to action taken by City Council, the Crime Control and Prevention District Board of Directors must approve the original budget for the CCPD Fund. In addition, the Crime Control and Prevention District Board as well as the City Council must also 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  
SEPTEMBER 30, 2014  
(000's omitted)**

<u>Valuation Date</u>	<u>Actuarial Value of Assets (AVA)</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as % of Payroll</u>
			(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>
1/1/2009	\$ 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%
1/1/2014	1,995,113	3,124,080	1,128,967	63.9%	397,886	283.7%

**REQUIRED SUPPLEMENTARY INFORMATION  
CITY OF FORT WORTH, TEXAS  
EMPLOYEES' RETIREMENT FUND  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
SEPTEMBER 30, 2014  
(000's omitted)**

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
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
9/30/2014	80,547	97%	67,060

**REQUIRED SUPPLEMENTARY INFORMATION  
CITY OF FORT WORTH, TEXAS  
OTHER POSTEMPLOYMENT BENEFITS  
SCHEDULE OF FUNDING PROGRESS  
SEPTEMBER 30, 2014  
(000's omitted)**

<u>Valuation Date</u>	<u>Actuarial Assets (AVA)</u> (a)	<u>Actuarial Liability (AAL)</u> (b)	<u>Unfunded Actuarial Accrued Liability (UAAL)</u> (b - a)	<u>Funded Ratio</u> (a / b)	<u>Annual Covered Payroll</u> (c)	<u>UAAL as % of Payroll</u> ((b - a) / c)
<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%
1/1/2014	38,977	932,667	893,690	4%	397,886	225%
<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%
1/1/2014	-	10,252	10,252	0%	397,886	3%

**REQUIRED SUPPLEMENTARY INFORMATION  
CITY OF FORT WORTH, TEXAS  
OTHER POSTEMPLOYMENT BENEFITS  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
SEPTEMBER 30, 2014  
(000's omitted)**

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
<b>Healthcare</b>			
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
9/30/2014	88,405	46%	491,782
<b>Death Benefit</b>			
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
9/30/2014	916	66%	6,192

# 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.

*Public Improvement Districts (PIDs)* were created by resolution of the City Council pursuant to Chapter 372 of the Local Government Code. PIDs provide a development tool that allocates costs according to the benefits received. In time of declining city revenues, a PID can provide a means to fund supplemental services and improvements to meet community needs which could not otherwise be constructed or provided and be paid by those who most benefit from them.

*Taxing Increment Reinvestment Zones (TIRZs)* are special zones created by City Council under the Texas Tax Code Chapter 311(Tax Increment Financing Act). A TIRZ is used to finance public improvements within a defined area. These improvements are intended to promote development or redevelopment in the defined area and surrounding areas. Taxes attributable to new improvements (tax increments) are set aside in a special revenue fund to finance public improvements within the boundaries of the zone.



**CITY OF FORT WORTH, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2014**  
**(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>ASSETS</b>					
Cash, Cash Equivalents, & Investments	\$ 20,944	\$ 7,707	\$ 10,586	\$ 2,370	\$ 227
Cash, Cash Equivalents, & Investments Held by	-	-	-	-	4,028
Receivables, Net of Allowance for Uncollectibles:					
Grants and Other Governments	10,189	-	-	-	-
Loans	-	-	18	-	-
Interest	54	26	22	3	2
Accounts and Other	-	348	-	420	-
Inventories (at Cost)	-	-	2,124	344	-
Prepays, Deposits, and Other	1	-	-	6	-
Long-Term Loans Receivable	-	-	-	-	68
Total Assets	<u>\$ 31,188</u>	<u>\$ 8,081</u>	<u>\$ 12,750</u>	<u>\$ 3,143</u>	<u>\$ 4,325</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	\$ 1,914	\$ 198	\$ -	\$ 3	\$ -
Construction Payable	-	43	1	-	244
Escrow Accounts	-	-	-	-	-
Accrued Payroll	545	37	2	-	-
Accrued Interest	-	20	-	-	-
Unearned Revenue	-	-	18	-	-
Total Liabilities	<u>2,459</u>	<u>298</u>	<u>21</u>	<u>3</u>	<u>244</u>
Deferred Inflows of Resources					
Unavailable Revenue	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit):					
Nonspendable	1	-	2,124	350	68
Restricted	23,039	5,416	-	-	-
Committed	5,214	630	-	-	-
Assigned	475	1,737	10,605	2,790	4,013
Unassigned	-	-	-	-	-
Total Fund Balances	<u>28,729</u>	<u>7,783</u>	<u>12,729</u>	<u>3,140</u>	<u>4,081</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 31,188</u>	<u>\$ 8,081</u>	<u>\$ 12,750</u>	<u>\$ 3,143</u>	<u>\$ 4,325</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>Public Improvement Districts</b>	<b>Taxing Increment Reinvestment Zones</b>	<b>Total Nonmajor Governmental Funds</b>
\$ 24,416	\$ 13,157	\$ 12,041	\$ 3,080	\$ 6,683	\$ 320	\$ 2,261	\$ 33,303	\$ 137,095
2,738	-	833	-	-	23,596	-	-	31,195
-	-	19,843	-	-	-	-	-	30,032
-	-	7,029	-	-	-	-	-	7,047
52	65	27	-	23	55	4	88	421
360	2,159	-	391	-	490	9	87	4,264
-	-	-	-	-	-	-	-	2,468
-	387	-	-	-	-	-	-	394
-	-	11,375	-	-	-	-	-	11,443
<b>\$ 27,566</b>	<b>\$ 15,768</b>	<b>\$ 51,148</b>	<b>\$ 3,471</b>	<b>\$ 6,706</b>	<b>\$ 24,461</b>	<b>\$ 2,274</b>	<b>\$ 33,478</b>	<b>\$ 224,359</b>
\$ 746	\$ 2,293	\$ 29	\$ 84	\$ 3,368	\$ -	\$ 639	\$ 170	\$ 9,444
690	-	3,648	-	-	-	-	-	4,626
478	450	75	-	1	-	-	-	1,004
16	179	227	-	41	-	-	-	1,047
-	-	-	463	-	-	-	-	483
-	1,213	29,088	-	-	-	-	-	30,319
<b>1,930</b>	<b>4,135</b>	<b>33,067</b>	<b>547</b>	<b>3,410</b>	<b>-</b>	<b>639</b>	<b>170</b>	<b>46,923</b>
-	-	11,639	-	-	-	-	-	11,639
-	-	11,639	-	-	-	-	-	11,639
-	387	-	-	-	-	-	-	2,930
16,747	-	7,987	-	2,196	-	1,635	33,308	90,328
1,596	248	75	-	-	22,477	-	-	30,240
7,293	10,998	-	2,924	1,100	1,984	-	-	43,919
-	-	(1,620)	-	-	-	-	-	(1,620)
<b>25,636</b>	<b>11,633</b>	<b>6,442</b>	<b>2,924</b>	<b>3,296</b>	<b>24,461</b>	<b>1,635</b>	<b>33,308</b>	<b>165,797</b>
<b>\$ 27,566</b>	<b>\$ 15,768</b>	<b>\$ 51,148</b>	<b>\$ 3,471</b>	<b>\$ 6,706</b>	<b>\$ 24,461</b>	<b>\$ 2,274</b>	<b>\$ 33,478</b>	<b>\$ 224,359</b>

**CITY OF FORT WORTH, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**  
**(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>					
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	58,167	-	-	-	-
Other Local Taxes	-	-	-	-	-
Charges for Services	-	4,126	-	-	-
Licenses and Permits	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Revenue from Use of Money and Property	-	-	546	-	-
Investment Income	181	57	103	10	9
Intergovernmental	4,244	-	53	-	-
Gas Leases and Royalties	-	-	82	235	-
Other Revenue	206	21	540	727	-
Contributions	-	-	-	-	-
Total Revenue	<u>62,798</u>	<u>4,204</u>	<u>1,324</u>	<u>972</u>	<u>9</u>
<b>Expenditures:</b>					
Current:					
General Administration	-	-	-	-	-
Public Safety	37,421	-	-	-	-
Transportation and Public Works	-	3,655	-	-	-
Parks and Community Services	1,588	-	-	-	-
Public Library	-	-	-	-	-
Public Events and Facilities	-	-	-	-	-
Planning and Development	-	-	-	-	-
Housing	-	-	975	572	-
Capital Outlay	8,166	63	-	280	940
Debt Service:					
Principal Retirement	58	276	-	2,576	778
Interest and Service Charges	60	16	-	30	235
Total Expenditures	<u>47,293</u>	<u>4,010</u>	<u>975</u>	<u>3,458</u>	<u>1,953</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>15,505</u>	<u>194</u>	<u>349</u>	<u>(2,486)</u>	<u>(1,944)</u>
<b>Other Financing Sources (Uses):</b>					
Proceeds from Loans	-	-	-	2,689	-
Proceeds from Disposal of Property	152	-	-	-	-
Transfers In	1,234	373	21	-	736
Transfers Out	(18,561)	(598)	(1)	(21)	-
Total Other Financing Sources (Uses)	<u>(17,175)</u>	<u>(225)</u>	<u>20</u>	<u>2,668</u>	<u>736</u>
Net Change in Fund Balances	<u>(1,670)</u>	<u>(31)</u>	<u>369</u>	<u>182</u>	<u>(1,208)</u>
Fund Balances, Beginning of Year, as restated (Note A.16)	30,399	7,814	12,360	2,958	5,289
Fund Balances, End of Year	<u>\$ 28,729</u>	<u>\$ 7,783</u>	<u>\$ 12,729</u>	<u>\$ 3,140</u>	<u>\$ 4,081</u>

**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>Public Improvement Districts</b>	<b>Taxing Increment Reinvestment Zones</b>	<b>Total Nonmajor Governmental Funds</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,183	\$ 22,183
-	-	-	-	-	-	-	-	58,167
-	29,308	-	-	-	-	-	-	29,308
2,031	-	-	-	-	-	-	-	6,157
-	15	-	-	-	-	-	-	15
803	-	-	-	10,237	-	-	-	11,040
220	11,406	944	70	-	-	-	-	13,186
158	150	150	4	40	1,006	34	310	2,212
2,303	-	50,167	262	-	-	-	-	57,029
745	-	-	1,804	-	4,023	-	-	6,889
1,742	28	3	3	94	-	5,263	-	8,627
2,158	-	24	774	-	-	-	-	2,956
<u>10,160</u>	<u>40,907</u>	<u>51,288</u>	<u>2,917</u>	<u>10,371</u>	<u>5,029</u>	<u>5,297</u>	<u>22,493</u>	<u>217,769</u>
61	-	1,786	1	-	-	4,997	57,732	64,577
1,125	-	5,710	-	-	-	-	-	44,256
7,457	-	340	-	9,866	-	-	-	21,318
553	-	11,555	-	-	38	-	-	13,734
50	-	75	-	-	-	-	-	125
-	28,083	241	-	-	-	-	-	28,324
-	-	255	331	-	60	-	-	646
264	-	10,047	789	-	-	-	-	12,647
4,451	777	24,537	-	-	-	-	-	39,214
-	-	-	20,845	-	-	-	3,111	27,644
-	-	-	914	-	-	-	-	1,255
<u>13,961</u>	<u>28,860</u>	<u>54,546</u>	<u>22,880</u>	<u>9,866</u>	<u>98</u>	<u>4,997</u>	<u>60,843</u>	<u>253,740</u>
<u>(3,801)</u>	<u>12,047</u>	<u>(3,258)</u>	<u>(19,963)</u>	<u>505</u>	<u>4,931</u>	<u>300</u>	<u>(38,350)</u>	<u>(35,971)</u>
-	-	-	-	-	-	-	44,176	46,865
-	733	-	-	-	-	-	-	885
2,146	-	9,151	19,423	1	-	-	21	33,106
<u>(6,403)</u>	<u>(13,932)</u>	<u>(777)</u>	<u>-</u>	<u>(619)</u>	<u>(107)</u>	<u>-</u>	<u>(247)</u>	<u>(41,266)</u>
<u>(4,257)</u>	<u>(13,199)</u>	<u>8,374</u>	<u>19,423</u>	<u>(618)</u>	<u>(107)</u>	<u>-</u>	<u>43,950</u>	<u>39,590</u>
<u>(8,058)</u>	<u>(1,152)</u>	<u>5,116</u>	<u>(540)</u>	<u>(113)</u>	<u>4,824</u>	<u>300</u>	<u>5,600</u>	<u>3,619</u>
33,694	12,785	1,326	3,464	3,409	19,637	1,335	27,708	162,178
<u>\$ 25,636</u>	<u>\$ 11,633</u>	<u>\$ 6,442</u>	<u>\$ 2,924</u>	<u>\$ 3,296</u>	<u>\$ 24,461</u>	<u>\$ 1,635</u>	<u>\$ 33,308</u>	<u>\$ 165,797</u>

**CITY OF FORT WORTH, TEXAS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS - OTHER BLENDED COMPONENT UNITS  
 SEPTEMBER 30, 2014  
 (in 000's)**

	<b>Special Revenue Funds</b>					<b>Total Other Blended Component Units</b>
	<b>Service Center Relocation, Inc. (James Street)</b>	<b>Fort Worth Sports Authority</b>	<b>Lone Star Local Development Corporation</b>	<b>Central City Local Government Corporation</b>	<b>Alliance Airport Authority</b>	
<b>ASSETS</b>						
Cash, Cash Equivalents & Investments	\$ -	\$ 116	\$ 464	\$ 46	\$ 2,454	\$ 3,080
Receivables:						
Interest	-	-	-	-	-	-
Accounts and Other	-	391	-	-	-	391
Total Assets	<u>\$ -</u>	<u>\$ 507</u>	<u>\$ 464</u>	<u>\$ 46</u>	<u>\$ 2,454</u>	<u>\$ 3,471</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts Payable	\$ -	\$ -	\$ -	\$ 30	\$ 54	\$ 84
Accrued Interest	-	-	463	-	-	463
Total Liabilities	<u>-</u>	<u>-</u>	<u>463</u>	<u>30</u>	<u>54</u>	<u>547</u>
Fund Balances:						
Assigned	-	507	1	16	2,400	2,924
Total Fund Balance	<u>-</u>	<u>507</u>	<u>1</u>	<u>16</u>	<u>2,400</u>	<u>2,924</u>
Total Liabilities and Fund Balance	<u>\$ -</u>	<u>\$ 507</u>	<u>\$ 464</u>	<u>\$ 46</u>	<u>\$ 2,454</u>	<u>\$ 3,471</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, 2014  
(in 000's)**

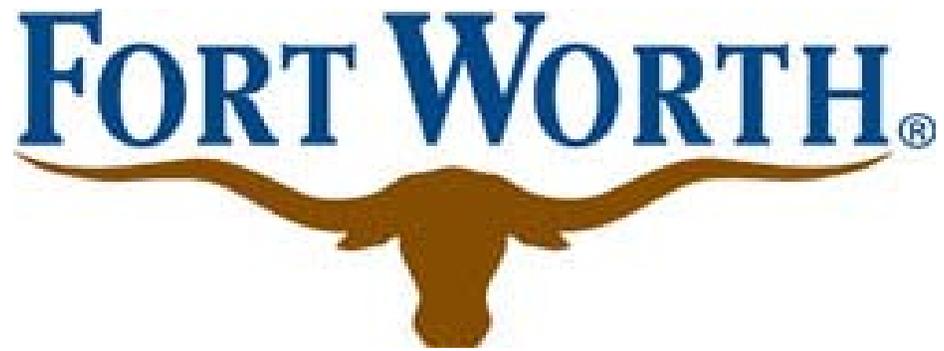
	Special Revenue Funds					Total Other Blended Component Units
	Service Center Relocation, Inc. (James Street)	Fort Worth Sports Authority	Lone Star Local Government Corporation	Central City Local Government Corporation	Alliance Airport Authority	
<b>Revenues:</b>						
Revenue from Use of Money and Property	\$ -	\$ 70	\$ -	\$ -	\$ -	\$ 70
Investment Income	-	1	-	1	2	4
Intergovernmental	-	262	-	-	-	262
Gas Leases and Royalties	-	1,428	-	1	375	1,804
Other Revenue	-	-	-	3	-	3
Contributions	-	129	463	182	-	774
Total Revenue	-	1,890	463	187	377	2,917
<b>Expenditures:</b>						
Current:						
General Administration	-	-	1	-	-	1
Planning and Development	-	-	-	-	331	331
Housing	-	342	-	447	-	789
Debt Service:						
Principal Retirement	18,980	1,518	-	347	-	20,845
Interest and Service Charges	443	-	462	9	-	914
Total Expenditures	19,423	1,860	463	803	331	22,880
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,423)	30	-	(616)	46	(19,963)
<b>Other Financing Sources (Uses):</b>						
Transfers In	19,423	-	-	-	-	19,423
Total Other Financing Sources (Uses)	19,423	-	-	-	-	19,423
Net Change in Fund Balances	-	30	-	(616)	46	(540)
Fund Balance, Beginning of Year	-	477	1	632	2,354	3,464
Fund Balance, End of Year	\$ -	\$ 507	\$ 1	\$ 16	\$ 2,400	\$ 2,924

**CITY OF FORT WORTH, TEXAS  
 BUDGETARY COMPARISON SCHEDULE  
 CRIME CONTROL AND PREVENTION DISTRICT FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014  
 (in 000's)**

	Budgeted Amounts		Actual	Variance with Final Budget-- Positive (Negative)
	Original	Final		
<b>Revenues and Other Financing Sources:</b>				
Revenues:				
Sales Taxes	\$ 54,716	\$ 54,716	\$ 58,167	\$ 3,451
Use of Money and Property	136	136	333	197
Intergovernmental	4,243	4,243	4,244	1
Other	284	400	206	(194)
Total Revenue	<u>59,379</u>	<u>59,495</u>	<u>62,950</u>	<u>3,455</u>
Other Financing Sources:				
Transfers in	-	-	1,234	1,234
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>1,234</u>	<u>1,234</u>
<b>Total Revenues and Other Financing Sources</b>	<u>59,379</u>	<u>59,495</u>	<u>64,184</u>	<u>4,689</u>
<b>Expenditures:</b>				
Department:				
Police	60,659	67,598	64,266	3,332
Parks and Community Services	1,661	1,661	1,588	73
Total Expenditures	<u>62,320</u>	<u>69,259</u>	<u>65,854</u>	<u>3,405</u>
<b>Source / (Use) of Fund Balance</b>	<u>\$ (2,941)</u>	<u>\$ (9,764)</u>	<u>\$ (1,670)</u>	<u>\$ 8,094</u>

**CITY OF FORT WORTH, TEXAS  
 BUDGETARY COMPARISON SCHEDULE  
 CULTURE AND TOURISM FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014  
 (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	\$ 26,181	\$ 26,886	\$ 29,308	\$ 2,422
Revenue from Use of Money and Property	9,256	9,256	12,304	3,048
Other	-	-	28	28
<b>Total Revenues</b>	<b>35,437</b>	<b>36,142</b>	<b>41,640</b>	<b>5,498</b>
<b>Expenditures:</b>				
Department:				
Public Events and Facilities	35,437	43,755	42,792	963
<b>Total Expenditures</b>	<b>35,437</b>	<b>43,755</b>	<b>42,792</b>	<b>963</b>
<b>Source / (Use) of Fund Balance</b>	<b>\$ -</b>	<b>\$ (7,613)</b>	<b>\$ (1,152)</b>	<b>\$ 6,461</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 Will Rogers 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. In 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, 2014**  
**(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>ASSETS</b>					
Current Assets:					
Cash, Cash Equivalents, & Investments	\$ 2,418	\$ 1,050	\$ 494	\$ 31,530	\$ 35,492
Interest Receivable	13	2	1	103	119
Accounts and Other Receivables, Net of Allowance for Uncollectibles	2,118	145	61	5,976	8,300
Inventories (at Cost)	-	-	103	-	103
Prepays, Deposits, and Other	-	-	5	-	5
Restricted Assets:					
Cash & Cash Equivalents	79,201	360	19	871	80,451
Total Current Assets	<u>83,750</u>	<u>1,557</u>	<u>683</u>	<u>38,480</u>	<u>124,470</u>
Noncurrent Assets:					
Restricted Assets:					
Cash & Cash Equivalents	21,385	2,992	1,914	2,015	28,306
Cash, Cash Equivalents, & Investments Held by Trustees	22,611	-	-	3,448	26,059
Grants Receivable	2,164	-	-	-	2,164
Interest Receivable	292	18	6	3	319
Total Restricted Assets	<u>46,452</u>	<u>3,010</u>	<u>1,920</u>	<u>5,466</u>	<u>56,848</u>
Advances to Other Funds	7,483	-	-	10,523	18,006
Capital Assets (at Cost)					
Land	57,425	1,561	356	5,695	65,037
Buildings	12,125	49,291	1,523	2,777	65,716
Improvements Other than Buildings	209,562	7,325	11,314	17,260	245,461
Machinery and Equipment	3,923	975	2,071	3,513	10,482
Construction in Progress	44,348	440	42	50	44,880
Accumulated Depreciation	(147,750)	(8,407)	(10,753)	(12,225)	(179,135)
Net Capital Assets	<u>179,633</u>	<u>51,185</u>	<u>4,553</u>	<u>17,070</u>	<u>252,441</u>
Total Noncurrent Assets	<u>233,568</u>	<u>54,195</u>	<u>6,473</u>	<u>33,059</u>	<u>327,295</u>
Total Assets	<u>317,318</u>	<u>55,752</u>	<u>7,156</u>	<u>71,539</u>	<u>451,765</u>

(continued)

**CITY OF FORT WORTH, TEXAS**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**SEPTEMBER 30, 2014**  
**(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	\$ 431	\$ 385	\$ 136	\$ 6,865	\$ 7,817
Accrued Payroll	35	17	54	111	217
Due to Other Funds	-	-	134	-	134
Unearned Revenue	236	-	-	-	236
Current Portion of Long-Term Liabilities	86	1,593	281	771	2,731
Payable from Restricted Assets:					
Construction Payable	1,863	152	13	-	2,028
Customer Deposits	31	-	-	855	886
Accrued Interest Payable	-	208	6	16	230
Unearned Revenue	77,307	-	-	-	77,307
Total Current Liabilities	<u>79,989</u>	<u>2,355</u>	<u>624</u>	<u>8,618</u>	<u>91,586</u>
Long-Term Liabilities:					
Long-Term Liabilities Due in More					
Than One Year	1,687	45,304	4,763	13,985	65,739
Total Long-Term Liabilities	<u>1,687</u>	<u>45,304</u>	<u>4,763</u>	<u>13,985</u>	<u>65,739</u>
Total Liabilities	<u>81,676</u>	<u>47,659</u>	<u>5,387</u>	<u>22,603</u>	<u>157,325</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Inflows of Resources	-	-	-	4,088	4,088
<b>NET POSITION (DEFICIT)</b>					
Net Investment in Capital Assets	177,770	5,751	2,493	12,285	198,299
Restricted for:					
Debt Service	13	342	598	415	1,368
Unrestricted	57,859	2,000	(1,322)	32,148	90,685
Total Net Position (Deficit)	<u>\$ 235,642</u>	<u>\$ 8,093</u>	<u>\$ 1,769</u>	<u>\$ 44,848</u>	<u>\$ 290,352</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, 2014  
(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	\$ 5,074	\$ 7,082	\$ 3,621	\$ 50,338	\$ 66,115
Other	343	1	30	5,238	5,612
Total Operating Revenues	<u>5,417</u>	<u>7,083</u>	<u>3,651</u>	<u>55,576</u>	<u>71,727</u>
<b>OPERATING EXPENSES</b>					
Personnel Services	1,847	699	2,733	5,820	11,099
Supplies and Materials	231	59	818	587	1,695
Contractual Services	13,808	1,945	1,267	40,441	57,461
Landfill Closure and Postclosure Cost	-	-	-	280	280
Depreciation	7,204	1,498	492	1,085	10,279
Total Operating Expenses	<u>23,090</u>	<u>4,201</u>	<u>5,310</u>	<u>48,213</u>	<u>80,814</u>
Operating Income (Loss)	<u>(17,673)</u>	<u>2,882</u>	<u>(1,659)</u>	<u>7,363</u>	<u>(9,087)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment Income	2,170	44	32	243	2,489
Gain (Loss) on Sale of Equipment	1	-	-	-	1
Interest and Service Charges	-	(2,448)	(86)	(207)	(2,741)
Gas Leases and Royalties	8,499	-	451	-	8,950
Total Nonoperating Revenues (Expenses)	<u>10,670</u>	<u>(2,404)</u>	<u>397</u>	<u>36</u>	<u>8,699</u>
Income (Loss) Before Transfers and Contributions	(7,003)	478	(1,262)	7,399	(388)
Transfers In	188	-	9,389	-	9,577
Transfers Out	(481)	(99)	(12)	(5,764)	(6,356)
Capital Contributions	21,667	-	-	-	21,667
Change in Net Position (Deficit)	<u>14,371</u>	<u>379</u>	<u>8,115</u>	<u>1,635</u>	<u>24,500</u>
Total Net Position, Beginning of Year, as restated (Note A.16)	<u>221,271</u>	<u>7,714</u>	<u>(6,346)</u>	<u>43,213</u>	<u>265,852</u>
Total Net Position (Deficit), End of Year	<u>\$ 235,642</u>	<u>\$ 8,093</u>	<u>\$ 1,769</u>	<u>\$ 44,848</u>	<u>\$ 290,352</u>

**CITY OF FORT WORTH, TEXAS  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014  
(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	\$ 4,969	\$ 7,072	\$ 3,591	\$ 50,310	\$ 65,942
Receipts from Other Operating Sources	343	1	30	5,238	5,612
Payments to Employees	(1,518)	(579)	(2,231)	(4,742)	(9,070)
Payments to Vendors	(13,441)	(1,765)	(1,794)	(40,189)	(57,189)
Payments to Other Funds	(524)	(184)	(598)	(1,334)	(2,640)
Net Cash Provided by (Used for) Operating Activities	<u>(10,171)</u>	<u>4,545</u>	<u>(1,002)</u>	<u>9,283</u>	<u>2,655</u>
<b>Cash Flows from Noncapital Financing Activities:</b>					
Transfers In from Other Funds	188	-	9,389	-	9,577
Receipts from (Repayments to) Other Funds	9,986	-	(8,062)	-	1,924
Transfers Out to Other Funds	(481)	(99)	(12)	(5,764)	(6,356)
Advances to Other Funds	(7,483)	-	-	-	(7,483)
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>2,210</u>	<u>(99)</u>	<u>1,315</u>	<u>(5,764)</u>	<u>(2,338)</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Proceeds from Sale of Machinery and Equipment	1	-	-	-	1
Contributions	14,855	-	-	-	14,855
Acquisition and Construction of Property, Plant, and Equipment	(12,486)	(642)	(184)	(52)	(13,364)
Principal Paid on Long-Term Debt	-	(1,495)	(150)	(435)	(2,080)
Interest Paid on Long-Term Obligations	-	(2,561)	(87)	(209)	(2,857)
Net Cash Used for Capital and Related Financing Activities	<u>2,370</u>	<u>(4,698)</u>	<u>(421)</u>	<u>(696)</u>	<u>(3,445)</u>
<b>Cash Flows from Investing Activities:</b>					
Receipts from Gas Leases and Royalties	8,499	-	451	-	8,950
Purchases of Investments	(10,906)	-	-	-	(10,906)
Sales of Investments	1,479	-	-	-	1,479
Investment Income Received	1,625	38	28	183	1,874
Net Cash Provided by Investing Activities	<u>697</u>	<u>38</u>	<u>479</u>	<u>183</u>	<u>1,397</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	(4,894)	(214)	371	3,006	(1,731)
Cash and Cash Equivalents, Beginning of Year	110,167	4,616	2,056	34,858	151,697
Cash and Cash Equivalents, End of Year	<u>\$ 105,273</u>	<u>\$ 4,402</u>	<u>\$ 2,427</u>	<u>\$ 37,864</u>	<u>\$ 149,966</u>

(continued)

**CITY OF FORT WORTH, TEXAS  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014  
(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)	\$ (17,673)	\$ 2,882	\$ (1,659)	\$ 7,363	\$ (9,087)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Depreciation	7,204	1,498	492	1,085	10,279
Change in Assets and Liabilities:					
Accounts and Other Receivables	(103)	(10)	(29)	439	297
Inventories	-	-	17	-	17
Prepays, Deposits, and Other Assets	-	-	(1)	-	(1)
Accounts Payable	257	134	11	241	643
Accrued Compensation	146	41	167	342	696
Customer Deposits	(2)	-	-	14	12
Unearned Revenue	-	-	-	(481)	(481)
Landfill Closure Costs	-	-	-	280	280
Total Adjustments	7,502	1,663	657	1,920	11,742
Net Cash Provided by (Used for) Operating Activities	<u>\$ (10,171)</u>	<u>\$ 4,545</u>	<u>\$ (1,002)</u>	<u>\$ 9,283</u>	<u>\$ 2,655</u>

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

Current - Cash, Cash Equivalents & Investments	\$ 2,418	\$ 1,050	\$ 494	\$ 31,530	\$ 35,492
Current Restricted - Cash & Cash Equivalents	79,201	360	19	871	80,451
Noncurrent Restricted - Cash & Cash Equivalents	21,385	2,992	1,914	2,015	28,306
Noncurrent Restricted - Cash, Cash Equivalents, & Investments Held by Trustees	22,611	-	-	3,448	26,059
Less Gas Well Investments Held by Trustees	(20,342)	-	-	-	(20,342)
<b>Total Cash and Cash Equivalents</b>	<u>\$ 105,273</u>	<u>\$ 4,402</u>	<u>\$ 2,427</u>	<u>\$ 37,864</u>	<u>\$ 149,966</u>

(concluded)

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

Capitalized Interest	\$ -	\$ 41	\$ -	\$ -	\$ 41
Amortization of Bond Premium	-	66	-	-	66



## **INTERNAL SERVICE FUNDS**

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

### **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. This Fund was dissolved in Fiscal Year 2014.

### **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.

### **Risk Management**

The Risk Management Fund is comprised of the City's commercial insurance program, self-insured programs, claims, litigation management, and subrogation programs. The goal of risk management is to protect City resources and to minimize the financial impact when losses do occur.

### **Workers' Compensation Fund**

The Workers Compensation Fund is self-insured by the City. Claims are handled by a third-party administrator or contractor.

### **Group Health and Life Insurance**

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

### **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.

**CITY OF FORT WORTH, TEXAS**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**SEPTEMBER 30, 2014**  
**(in 000's)**

	<u>Office Services</u>	<u>Equipment Services</u>	<u>Temporary Labor</u>	<u>Information Systems</u>	<u>Capital Project Services</u>
<b>ASSETS</b>					
Current Assets:					
Cash, Cash Equivalents, & Investments	\$ -	\$ 2	\$ -	\$ 6,760	\$ 2
Interest Receivable	1	-	-	22	-
Accounts and Other Receivables	-	-	-	161	-
Inventories (at Cost)	29	751	-	88	-
Total Current Assets	<u>30</u>	<u>753</u>	<u>-</u>	<u>7,031</u>	<u>2</u>
Noncurrent Assets:					
Restricted Assets:					
Cash and Cash Equivalents	-	-	-	10	-
Cash Held by Trustee	-	-	-	-	-
Total Restricted Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>10</u>	<u>-</u>
Capital Assets (at Cost):					
Land	-	1,119	-	-	4
Buildings	-	4,656	-	594	-
Improvements Other than Buildings	-	948	-	-	91
Machinery and Equipment	181	2,370	-	13,129	2,296
Accumulated Depreciation	(181)	(6,119)	-	(12,193)	(2,006)
Net Capital Assets	<u>-</u>	<u>2,974</u>	<u>-</u>	<u>1,530</u>	<u>385</u>
Total Noncurrent Assets	<u>-</u>	<u>2,974</u>	<u>-</u>	<u>1,540</u>	<u>385</u>
Total Assets	<u>30</u>	<u>3,727</u>	<u>-</u>	<u>8,571</u>	<u>387</u>
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts Payable	51	1,270	-	962	68
Accrued Payroll	8	146	-	241	208
Construction Payable	-	-	-	1	-
Current Portion of Long-Term Liabilities	25	370	-	1,016	666
Total Current Liabilities	<u>84</u>	<u>1,786</u>	<u>-</u>	<u>2,220</u>	<u>942</u>
Long-Term Liabilities:					
Advances from Other Funds	211	1,449	-	-	1,444
Long-Term Liabilities Due in More Than One Year	30	438	-	379	874
Total Long-Term Liabilities	<u>241</u>	<u>1,887</u>	<u>-</u>	<u>379</u>	<u>2,318</u>
Total Liabilities	<u>325</u>	<u>3,673</u>	<u>-</u>	<u>2,599</u>	<u>3,260</u>
<b>NET POSITION (DEFICIT)</b>					
Net Investment in Capital Assets	-	2,974	-	1,530	385
Restricted	-	-	-	-	-
Unrestricted	(295)	(2,920)	-	4,442	(3,258)
Total Net Position (Deficit)	<u>\$ (295)</u>	<u>\$ 54</u>	<u>\$ -</u>	<u>\$ 5,972</u>	<u>\$ (2,873)</u>

<u>Risk Management</u>	<u>Workers Comp Insurance</u>	<u>Group Health Insurance</u>	<u>Unemployment Compensation</u>	<u>Total</u>
\$ 12,410	\$ 5,824	\$ 48,395	\$ 705	\$ 74,098
48	16	137	2	226
-	-	-	-	161
-	-	-	-	868
<u>12,458</u>	<u>5,840</u>	<u>48,532</u>	<u>707</u>	<u>75,353</u>
-	-	-	-	10
-	870	-	-	870
	<u>870</u>			<u>880</u>
-	-	-	-	1,123
-	-	-	-	5,250
-	-	-	-	1,039
-	-	-	-	17,976
-	-	-	-	(20,499)
-	-	-	-	4,889
-	870	-	-	5,769
<u>12,458</u>	<u>6,710</u>	<u>48,532</u>	<u>707</u>	<u>81,122</u>
175	329	2,303	-	5,158
15	16	19	-	653
-	-	-	-	1
<u>2,691</u>	<u>4,791</u>	<u>9,101</u>		<u>18,660</u>
<u>2,881</u>	<u>5,136</u>	<u>11,423</u>	<u>-</u>	<u>24,472</u>
-	-	-	-	3,104
<u>3,754</u>	<u>18,768</u>	<u>83</u>	<u>-</u>	<u>24,326</u>
<u>3,754</u>	<u>18,768</u>	<u>83</u>	<u>-</u>	<u>27,430</u>
<u>6,635</u>	<u>23,904</u>	<u>11,506</u>	<u>-</u>	<u>51,902</u>
-	-	-	-	4,889
-	-	-	-	-
5,823	(17,194)	37,026	707	24,331
<u>\$ 5,823</u>	<u>\$ (17,194)</u>	<u>\$ 37,026</u>	<u>\$ 707</u>	<u>\$ 29,220</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, 2014  
(in 000's)**

	<b>Office Services</b>	<b>Equipment Services</b>	<b>Temporary Labor</b>	<b>Information Systems</b>	<b>Capital Project Services</b>
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 1,667	\$ 26,097	\$ -	\$ 25,434	\$ 10,354
Other	-	40	-	-	-
Total Operating Revenues	<u>1,667</u>	<u>26,137</u>	<u>-</u>	<u>25,434</u>	<u>10,354</u>
<b>OPERATING EXPENSES</b>					
Personnel Services	453	7,943	-	11,254	9,838
Supplies and Materials	178	13,391	-	521	320
Contractual Services	613	5,266	-	14,051	1,543
Depreciation	-	228	-	509	193
Total Operating Expenses	<u>1,244</u>	<u>26,828</u>	<u>-</u>	<u>26,335</u>	<u>11,894</u>
Operating Income (Loss)	<u>423</u>	<u>(691)</u>	<u>-</u>	<u>(901)</u>	<u>(1,540)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment Income (Loss)	(4)	(2)	-	52	(1)
Gain (Loss) on Sale of Equipment	-	15	-	1	20
Total Nonoperating Revenues (Expenses)	<u>(4)</u>	<u>13</u>	<u>-</u>	<u>53</u>	<u>19</u>
Income (Loss) Before Transfers and Contributions	419	(678)	-	(848)	(1,521)
Transfers In	-	-	-	6	-
Transfers Out	-	-	(584)	(5)	(131)
Change in Net Position (Deficit)	<u>419</u>	<u>(678)</u>	<u>(584)</u>	<u>(847)</u>	<u>(1,652)</u>
Total Net Position (Deficit), Beginning of Year, as restated (Note A.16)	(714)	732	584	6,819	(1,221)
Total Net Position (Deficit), End of Year	<u>\$ (295)</u>	<u>\$ 54</u>	<u>\$ -</u>	<u>\$ 5,972</u>	<u>\$ (2,873)</u>

<b>Risk Management</b>	<b>Workers Comp Insurance</b>	<b>Group Health Insurance</b>	<b>Unemployment Compensation</b>	<b>Total</b>
\$ -	\$ 11,876	\$ 69,278	\$ 500	\$ 145,206
1,017	1,478	88	-	2,623
<u>1,017</u>	<u>13,354</u>	<u>69,366</u>	<u>500</u>	<u>147,829</u>
653	701	818	18	31,678
9	18	26	-	14,463
4,857	10,671	60,522	261	97,784
	-	-	-	930
<u>5,519</u>	<u>11,390</u>	<u>61,366</u>	<u>279</u>	<u>144,855</u>
<u>(4,502)</u>	<u>1,964</u>	<u>8,000</u>	<u>221</u>	<u>2,974</u>
117	41	217	6	426
1	-			37
<u>118</u>	<u>41</u>	<u>217</u>	<u>6</u>	<u>463</u>
(4,384)	2,005	8,217	227	3,437
19,718	5,655	37,970	730	64,079
(3,000)	(500)	-	(250)	(4,470)
<u>12,334</u>	<u>7,160</u>	<u>46,187</u>	<u>707</u>	<u>63,046</u>
(6,511)	(24,354)	(9,161)	-	(33,826)
<u>\$ 5,823</u>	<u>\$ (17,194)</u>	<u>\$ 37,026</u>	<u>\$ 707</u>	<u>\$ 29,220</u>

**CITY OF FORT WORTH, TEXAS  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014  
(in 000's)**

	<b>Office Services</b>	<b>Equipment Services</b>	<b>Temporary Labor</b>	<b>Information Systems</b>	<b>Capital Project Services</b>
<b>Cash Flows from Operating Activities:</b>					
Receipts from Other Funds	\$ 1,667	\$ 26,097	\$ -	\$ 25,947	\$ 10,354
Receipts from Other Operating Sources	-	40	-	-	-
Payments to Employees	(453)	(7,933)	(31)	(11,352)	(9,860)
Payments to Vendors	(694)	(18,969)	(6)	(14,447)	(2,012)
Payments for Benefits	-	-	-	-	-
Net Cash Provided by (Used for) Operating Activities	<u>520</u>	<u>(765)</u>	<u>(37)</u>	<u>148</u>	<u>(1,518)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>					
Transfers In from Other Funds	-	-	-	6	-
Advances from Other Funds	(515)	989	-	-	1,444
Transfers Out to Other Funds	-	-	(584)	(5)	(131)
Net Cash Used for Noncapital Financing Activities	<u>(515)</u>	<u>989</u>	<u>(584)</u>	<u>1</u>	<u>1,313</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Proceeds from Sale of Machinery and Equipment	-	15	-	1	20
Acquisition of Property, Plant, and Equipment	-	(236)	-	(221)	(84)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>-</u>	<u>(221)</u>	<u>-</u>	<u>(220)</u>	<u>(64)</u>
<b>Cash Flows from Investing Activities:</b>					
Investment Income Received	(5)	(2)	2	41	2
Net Cash Provided by Investing Activities	<u>(5)</u>	<u>(2)</u>	<u>2</u>	<u>41</u>	<u>2</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>					
Cash and Cash Equivalents, Beginning of Year	-	1	(619)	(30)	(267)
Cash and Cash Equivalents, End of Year	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 619</u>	<u>\$ 6,800</u>	<u>\$ 269</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>					
Operating Income (Loss)	\$ 423	\$ (691)	\$ -	\$ (901)	\$ (1,540)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Depreciation	-	228	-	509	193
Change in Assets and Liabilities:					
Accounts and Other Receivables	-	-	-	(148)	-
Inventories	129	(45)	-	(8)	-
Prepays, Deposits and Other	-	-	-	661	-
Accounts Payable	(32)	(267)	(6)	133	(149)
Accrued Payroll	-	10	(31)	(98)	(22)
Total Adjustments	<u>97</u>	<u>(74)</u>	<u>(37)</u>	<u>1,049</u>	<u>22</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 520</u>	<u>\$ (765)</u>	<u>\$ (37)</u>	<u>\$ 148</u>	<u>\$ (1,518)</u>
<b>The Cash and Cash Equivalents are reported in the Statement of Net Position as follows:</b>					
Current - Cash, Cash Equivalents, & Investments	\$ -	\$ 2	\$ -	\$ 6,760	\$ 2
Noncurrent Restricted -					
Cash & Cash Equivalents	-	-	-	10	-
Cash Held by Trustees	-	-	-	-	-
<b>Total Cash and Cash Equivalents</b>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 6,770</u>	<u>\$ 2</u>

<u>Risk Management</u>	<u>Workers Comp Insurance</u>	<u>Group Health Insurance</u>	<u>Unemployment Compensation</u>	<u>Total</u>
\$ -	\$ 11,876	\$ 69,278	\$ 500	\$ 145,719
1,017	1,478	88	-	2,623
(704)	(1,480)	(776)	(18)	(32,607)
(9)	(18)	(26)	-	(36,181)
<u>(4,682)</u>	<u>(10,342)</u>	<u>(58,219)</u>	<u>(261)</u>	<u>(73,504)</u>
<u>(4,378)</u>	<u>1,514</u>	<u>10,345</u>	<u>221</u>	<u>6,050</u>
19,718	5,655	37,970	730	64,079
-	-	-	-	1,918
<u>(3,000)</u>	<u>(500)</u>	<u>-</u>	<u>(250)</u>	<u>(4,470)</u>
<u>16,718</u>	<u>5,155</u>	<u>37,970</u>	<u>480</u>	<u>61,527</u>
1	-	-	-	37
-	-	-	-	(541)
<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(504)</u>
69	25	80	4	216
<u>69</u>	<u>25</u>	<u>80</u>	<u>4</u>	<u>216</u>
12,410	6,694	48,395	705	67,289
-	-	-	-	7,689
<u>\$ 12,410</u>	<u>\$ 6,694</u>	<u>\$ 48,395</u>	<u>\$ 705</u>	<u>\$ 74,978</u>
<u>\$ (4,502)</u>	<u>\$ 1,964</u>	<u>\$ 8,000</u>	<u>\$ 221</u>	<u>\$ 2,974</u>
-	-	-	-	930
-	-	-	-	(148)
-	-	-	-	76
-	-	-	-	661
175	329	2,303	-	2,486
(51)	(779)	42	-	(929)
<u>124</u>	<u>(450)</u>	<u>2,345</u>	<u>-</u>	<u>3,076</u>
<u>\$ (4,378)</u>	<u>\$ 1,514</u>	<u>\$ 10,345</u>	<u>\$ 221</u>	<u>\$ 6,050</u>
\$ 12,410	\$ 5,824	\$ 48,395	\$ 705	\$ 74,098
-	-	-	-	10
-	870	-	-	870
<u>\$ 12,410</u>	<u>\$ 6,694</u>	<u>\$ 48,395</u>	<u>\$ 705</u>	<u>\$ 74,978</u>



## **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 postemployment healthcare benefit.

**CITY OF FORT WORTH, TEXAS**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS**  
**SEPTEMBER 30, 2014**  
**(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	\$ 242	\$ 1,429	\$ 1,671
Cash & Investments Held by Trustees:			
Asset and Mortgage Backed Obligations	35,778	-	35,778
Corporate Obligations	95,620	-	95,620
Government Agency Obligations	61,744	-	61,744
International Obligations	62,613	-	62,613
Securities Lending Collateral	198,173	-	198,173
U.S. Treasuries	74,508	-	74,508
Short-Term Mutual Fund Investments	106,124	54,196	160,320
Corporate Stock	675,486	-	675,486
Alternative Investments	594,300	-	594,300
Commingled Funds	385,520	-	385,520
Less: Investments in Non-City Funded Staff Plan	(3,046)	-	(3,046)
Total Cash & Investments Held by Trustees	<u>2,286,820</u>	<u>54,196</u>	<u>2,341,016</u>
Prepaid Expenses	12	-	12
Other Receivables	8,223	-	8,223
Due from Broker Securities Sold	58,233	-	58,233
Total Current Assets	<u>2,353,530</u>	<u>55,625</u>	<u>2,409,155</u>
Capital Assets (at Cost):			
Land	405	-	405
Buildings	3,450	-	3,450
Machinery and Equipment	319	-	319
Accumulated Depreciation	(736)	-	(736)
Net Capital Assets	<u>3,438</u>	<u>-</u>	<u>3,438</u>
Total Assets	<u>2,356,968</u>	<u>55,625</u>	<u>2,412,593</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accrued Payable	68	-	68
Obligations Under Securities Lending	197,914	-	197,914
Due to Broker Securities Purchased	77,411	-	77,411
Total Current Liabilities	<u>275,393</u>	<u>-</u>	<u>275,393</u>
<b>NET POSITION</b>			
Net Position Held in Trust for Pension and Other Employee Benefits:			
Benefit Pension Plans	2,081,575	-	2,081,575
Postemployment Healthcare Plans	-	55,625	55,625
Total Net Position	<u>\$ 2,081,575</u>	<u>\$ 55,625</u>	<u>\$ 2,137,200</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, 2014**  
(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	\$ 28,316	\$ 3,034	\$ 31,350
Less: Investment Management Fees and Interest Expense	(8,320)	(180)	(8,500)
Net Gain (Loss) in Fair Value of Investments	128,444	-	128,444
Other Income	11,554	-	11,554
Employer Contributions	78,165	40,596	118,761
Employee/Retiree Contributions	31,930	6,784	38,714
Total Additions	<u>270,089</u>	<u>50,234</u>	<u>320,323</u>
<b>DEDUCTIONS</b>			
Benefit Payments	156,067	26,560	182,627
Refunds	5,092	-	5,092
Administrative Expenses	3,870	7,026	10,896
Total Deductions	<u>165,029</u>	<u>33,586</u>	<u>198,615</u>
Change in Net Position	105,060	16,648	121,708
Net Position, Beginning of the Year	1,976,515	38,977	2,015,492
Net Position, End of the Year	<u>\$ 2,081,575</u>	<u>\$ 55,625</u>	<u>\$ 2,137,200</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.	5-12
<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.	13-18
<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.	19-28
<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.	29-31

**Sources:** Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year.

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental Activities:						
Net Investment in Capital Assets	\$ 709,290	\$ 891,173	\$ 967,070	\$ 986,163	\$ 979,581	\$ 943,984
Restricted for Capital Projects	9,539	-	-	-	-	8,393
Restricted for Debt Service	36,055	45,988	7,376	15,974	15,613	16,437
Restricted for Other	15,560	-	-	-	-	-
Unrestricted (Deficit)	8,572	32,168	55,154	28,762	19,795	32,197
<b>Total Governmental Activities</b>						
Net Position	<u>\$ 779,016</u>	<u>\$ 969,329</u>	<u>\$ 1,029,600</u>	<u>\$ 1,030,899</u>	<u>\$ 1,014,989</u>	<u>\$ 1,001,011</u>
Business-type Activities:						
Net Investment in Capital Assets	\$ 1,129,489	\$ 1,272,031	\$ 1,416,439	\$ 1,459,733	\$ 1,560,269	\$ 1,594,876
Restricted for Capital Projects	-	-	-	-	-	67,661
Restricted for Debt Service	88	225	29,668	35,859	41,532	37,739
Unrestricted	191,719	219,651	189,885	258,686	232,086	224,958
<b>Total Business-type Activities</b>						
Net Position	<u>\$ 1,321,296</u>	<u>\$ 1,491,907</u>	<u>\$ 1,635,992</u>	<u>\$ 1,754,278</u>	<u>\$ 1,833,887</u>	<u>\$ 1,925,234</u>
Primary Government:						
Net Investment in Capital Assets	\$ 1,838,779	\$ 2,163,204	\$ 2,383,509	\$ 2,445,896	\$ 2,539,850	\$ 2,538,860
Restricted for Capital Projects	9,539	-	-	-	-	76,054
Restricted for Debt Service	36,143	46,213	37,044	51,833	57,145	54,176
Restricted for Other	15,560	-	-	-	-	-
Unrestricted	200,291	251,819	245,039	287,448	251,881	257,155
<b>Total Primary Government</b>						
Net Position	<u>\$ 2,100,312</u>	<u>\$ 2,461,236</u>	<u>\$ 2,665,592</u>	<u>\$ 2,785,177</u>	<u>\$ 2,848,876</u>	<u>\$ 2,926,245</u>

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

**TABLE 1**

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 1,015,491	\$ 1,005,900	\$ 1,053,547	\$ 1,092,890
12,818	17,350	23,512	33,367
5,478	9,047	1,660	2,616
-	-	-	-
<u>(32,846)</u>	<u>(53,101)</u>	<u>(128,038)</u>	<u>(214,634)</u>
<u>\$ 1,000,941</u>	<u>\$ 979,196</u>	<u>\$ 950,681</u>	<u>\$ 914,239</u>
\$ 1,569,470	\$ 1,715,508	\$ 1,850,152	\$ 1,864,396
47,464	39,715	35,852	33,276
42,407	29,919	34,513	27,641
<u>327,535</u>	<u>261,406</u>	<u>216,989</u>	<u>290,454</u>
<u>\$ 1,986,876</u>	<u>\$ 2,046,548</u>	<u>\$ 2,137,506</u>	<u>\$ 2,215,767</u>
\$ 2,584,961	\$ 2,721,408	\$ 2,903,699	\$ 2,957,286
60,282	57,065	59,364	66,643
47,885	38,966	36,173	30,257
-	-	-	-
<u>294,689</u>	<u>208,305</u>	<u>88,951</u>	<u>75,820</u>
<u>\$ 2,987,817</u>	<u>\$ 3,025,744</u>	<u>\$ 3,088,187</u>	<u>\$ 3,130,006</u>

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Expenses</b>				
Governmental Activities:				
General Administration	\$ 87,687	\$ 94,239	\$ 110,802	\$ 161,180
Public Safety	263,491	292,220	319,561	359,813
Transportation and Public Works	75,631	100,626	106,543	100,276
Parks and Community Services	35,898	41,291	44,533	51,145
Public Library	16,440	17,843	19,493	18,633
Public Health	11,532	10,791	11,707	11,077
Public Events and Facilities	22,445	23,937	28,167	27,453
Planning and Development	9,126	11,303	13,106	11,751
Finance	4,519	-	-	-
Housing and Economic Development	10,192	10,613	15,437	14,733
Interest on Long-term Debt	15,150	15,793	22,216	20,689
Total Governmental Activities	<u>552,111</u>	<u>618,656</u>	<u>691,565</u>	<u>776,750</u>
Business-type activities:				
Water and Sewer	177,071	237,405	221,774	240,960
Municipal Airports	10,197	11,942	10,623	12,480
Solid Waste	35,173	36,647	39,389	41,478
Municipal Parking	410	314	1,035	586
Municipal Golf	4,614	5,437	5,119	6,174
Stormwater Utility	-	483	4,735	11,339
Total Business-type Activities	<u>227,465</u>	<u>292,228</u>	<u>282,675</u>	<u>313,017</u>
Total Primary Government Expenses	<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	\$ 12,425	\$ 16,384	\$ 16,133	\$ 17,549
Public Safety	23,301	18,667	21,252	21,374
Transportation and Public Works	2,266	3,022	3,140	4,415
Parks and Community Services	2,253	763	1,047	1,392
Public Library	527	629	644	724
Public Health	2,715	3,077	3,284	3,300
Public Events and Facilities	7,359	6,833	5,772	6,861
Planning and Development	9,268	9,128	10,422	11,659
Finance	749	-	-	-
Housing and Economic Development	883	2,275	2,244	1,608
Operating Grants and Contributions	44,766	52,702	47,334	34,014
Capital Grants and Contributions	103,477	86,145	90,172	63,088
Total Governmental Activities	<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	247,255	293,792	257,989	298,118
Municipal Airports	3,432	3,003	2,948	3,157
Solid Waste	35,581	37,259	40,632	44,095
Municipal Parking	625	3,645	3,683	4,099
Municipal Golf	3,630	4,542	4,337	5,169
Stormwater Utility	-	3,670	15,165	17,753
Capital Grants and Contributions	78,833	118,749	87,818	44,127
Total Business-type Activities	<u>369,356</u>	<u>464,660</u>	<u>412,572</u>	<u>416,518</u>
Total Primary Government Program Revenues	<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>	<b>2014</b>
\$	111,114	\$ 112,638	\$ 118,104	\$ 108,632	\$ 114,575	\$ 173,634
	379,865	391,755	407,601	422,626	431,362	424,289
	117,540	108,481	128,611	133,691	129,820	147,429
	55,110	55,022	57,815	60,089	62,626	62,167
	20,200	20,531	22,348	22,102	21,736	20,842
	1,292	-	-	-	-	-
	32,204	28,020	32,844	33,152	35,545	32,876
	14,654	12,520	13,534	13,156	14,145	12,382
	-	-	-	-	-	-
	27,558	37,944	35,699	24,382	20,388	18,402
	26,910	29,220	31,472	31,130	34,366	31,522
	<u>786,447</u>	<u>796,131</u>	<u>848,028</u>	<u>848,960</u>	<u>864,563</u>	<u>923,543</u>
	260,544	269,723	288,452	306,476	302,447	317,526
	12,238	12,656	13,356	14,912	18,768	23,089
	44,296	39,241	44,247	46,415	48,903	48,420
	2,067	3,552	5,851	6,580	6,621	6,649
	6,126	5,949	5,864	7,723	5,614	5,396
	14,265	19,961	18,972	20,773	22,531	23,745
	<u>339,536</u>	<u>351,082</u>	<u>376,742</u>	<u>402,879</u>	<u>404,884</u>	<u>424,825</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>	<u>1,348,368</u>
\$	19,213	\$ 16,903	\$ 14,701	\$ 5,436	\$ 5,933	\$ 6,575
	22,506	18,306	19,925	22,722	25,339	23,023
	4,381	6,469	10,627	14,738	14,984	14,683
	1,826	1,988	2,750	3,165	2,990	4,021
	668	601	666	670	629	608
	312	-	-	-	-	-
	8,515	8,838	9,749	8,822	10,814	11,421
	10,262	10,776	11,673	10,336	11,497	11,308
	-	-	-	-	-	-
	2,334	1,979	3,028	2,683	4,845	1,998
	35,532	56,798	56,825	47,644	45,173	43,700
	40,063	35,987	54,686	55,075	52,682	69,149
	<u>145,612</u>	<u>158,645</u>	<u>184,630</u>	<u>171,291</u>	<u>174,886</u>	<u>186,486</u>
	303,111	304,831	348,650	345,373	352,005	361,853
	3,406	3,987	4,800	4,755	4,662	5,074
	45,465	46,710	48,314	48,502	50,344	50,338
	4,533	6,394	7,635	7,725	7,105	7,082
	5,072	4,374	4,260	4,388	3,859	3,621
	20,803	26,530	29,397	32,615	34,973	35,409
	54,827	31,186	18,846	27,578	35,910	42,682
	<u>437,217</u>	<u>424,012</u>	<u>461,902</u>	<u>470,936</u>	<u>488,858</u>	<u>506,059</u>
\$	<u>582,829</u>	<u>582,657</u>	<u>646,532</u>	<u>642,227</u>	<u>663,744</u>	<u>692,545</u>

(continued)

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Net (Expense) Revenue</b>				
Governmental Activities	\$ (419,031)	\$ (490,121)	\$ (610,766)	\$ (640,835)
Business-type Activities	172,432	129,897	103,501	97,681
Total Primary Government Net Expense	<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	\$ 235,874	\$ 256,630	\$ 288,725	\$ 317,517
Other Local Taxes	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	426	1	868	30
Investment Income	8,939	12,191	19,974	18,615
Change in Fair Value of Investments	(2,342)	-	-	-
Other	100	6,384	8,376	6,896
Gain (Loss) on Disposal of Capital Assets	(20)	1,227	63	401
Transfers	16,776	19,420	14,295	19,340
Total Governmental Activities	<u>437,008</u>	<u>497,836</u>	<u>550,392</u>	<u>612,065</u>
Business-type Activities:				
Investment Income	3,858	9,279	14,638	18,647
Gas Lease and Royalties	-	4,197	8,542	21,424
Other	4,078	5,185	6,582	7,857
Gain (Loss) on Disposal of Capital Assets	3	(1,062)	(1,279)	(13,803)
Transfers	(16,776)	(19,420)	(14,295)	(19,340)
Total Business-type Activities	<u>(8,837)</u>	<u>(1,821)</u>	<u>14,188</u>	<u>14,785</u>
Total Primary Government	<u>\$ 428,171</u>	<u>\$ 496,015</u>	<u>\$ 564,580</u>	<u>\$ 626,850</u>
<b>Change in Net Position</b>				
Governmental Activities	\$ 17,977	\$ 7,715	\$ (60,374)	\$ (28,770)
Business-type Activities	163,595	128,076	117,689	112,466
Total Primary Government	<u>\$ 181,572</u>	<u>\$ 135,791</u>	<u>\$ 57,315</u>	<u>\$ 83,696</u>
<b>Implementation of New Accounting Standard and Change in Accounting</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**TABLE 2**

<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
\$ (637,486)	\$ (637,486)	\$ (663,398)	\$ (677,669)	\$ (689,677)	\$ (737,057)
72,930	72,930	85,160	68,057	83,974	81,234
<u>\$ (564,556)</u>	<u>\$ (564,556)</u>	<u>\$ (578,238)</u>	<u>\$ (609,612)</u>	<u>\$ (605,703)</u>	<u>\$ (655,823)</u>

\$ 344,172	\$ 354,815	\$ 341,820	\$ 351,277	\$ 361,568	\$ 389,118
173,559	174,092	179,802	188,884	203,417	217,799
34,717	35,148	45,178	47,190	49,489	51,205
13,866	13,963	23,506	15,758	10,834	16,500
13	11	-	-	-	-
15,746	11,572	8,601	7,795	3,149	8,622
-	-	-	-	-	-
14,465	14,688	13,744	16,593	16,069	20,582
430	352	3,508	-	1,316	-
27,957	18,867	47,169	28,427	29,282	21,913
<u>624,925</u>	<u>623,508</u>	<u>663,328</u>	<u>655,924</u>	<u>675,124</u>	<u>725,739</u>

9,605	7,687	5,283	6,666	1,661	6,077
5,540	23,708	11,298	7,440	12,377	12,989
4,202	5,889	7,070	5,936	22,228	5,861
(237)	-	-	-	-	-
(27,957)	(18,867)	(47,169)	(28,427)	(29,282)	(21,913)
(8,847)	18,417	(23,518)	(8,385)	6,984	3,014
<u>\$ 616,078</u>	<u>\$ 641,925</u>	<u>\$ 639,810</u>	<u>\$ 647,539</u>	<u>\$ 682,108</u>	<u>\$ 728,753</u>

\$ (12,561)	\$ (13,978)	\$ (70)	\$ (21,745)	\$ (14,553)	\$ (11,318)
64,083	91,347	61,642	59,672	90,958	84,248
<u>\$ 51,522</u>	<u>\$ 77,369</u>	<u>\$ 61,572</u>	<u>\$ 37,927</u>	<u>\$ 76,405</u>	<u>\$ 72,930</u>

<u>\$ (9,225)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,962)</u>	<u>\$ (31,111)</u>
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(concluded)

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund					
Reserved	\$ 16,827	\$ 29,859	\$ 16,755	\$ 16,384	\$ 15,885
Unreserved	82,886	74,002	85,271	106,271	127,656
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total General Fund	<u>99,713</u>	<u>103,861</u>	<u>102,026</u>	<u>122,655</u>	<u>143,541</u>
All Other Governmental Funds					
Reserved	51,558	73,133	24,086	37,620	44,371
Unreserved, designated for authorized expenditures	122,491	113,271	286,250	252,744	443,043
Unreserved, undesignated special revenue funds	-	(29,445)	2,155	16,695	33,296
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>174,049</u>	<u>156,959</u>	<u>312,491</u>	<u>307,059</u>	<u>520,710</u>
Total all Governmental Funds	<u>\$ 273,762</u>	<u>\$ 260,820</u>	<u>\$ 414,517</u>	<u>\$ 429,714</u>	<u>\$ 664,251</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>2010</b>	<b>2011*</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
\$ 23,114	\$ -	\$ -	\$ -	\$ -
139,779	-	-	-	-
-	10,194	10,910	11,723	5,180
-	646	2,735	9,047	3,045
-	54,183	60,231	74,177	11,768
-	45,447	38,789	8,005	8,755
-	53,137	55,760	58,383	57,294
<u>162,893</u>	<u>163,607</u>	<u>168,425</u>	<u>161,335</u>	<u>86,042</u>
51,485	-	-	-	-
422,310	-	-	-	-
17,156	-	-	-	-
-	11,119	2,854	1,671	2,930
-	12,422	314	802	752
-	10,599	16,890	9,701	8,263
-	44,663	45,153	59,590	90,328
-	189,432	336,582	323,970	211,029
-	6,393	6,106	7,694	11,436
-	19,974	20,674	34,609	30,240
-	127,787	126,653	130,655	126,850
-	478	92	24	107
-	51,999	48,497	41,060	43,919
-	36,163	36,107	36,781	35,414
-	(465)	-	(3,795)	(1,620)
<u>490,951</u>	<u>510,564</u>	<u>639,922</u>	<u>642,762</u>	<u>559,648</u>
<u>\$ 653,844</u>	<u>\$ 674,171</u>	<u>\$ 808,347</u>	<u>\$ 804,097</u>	<u>\$ 645,690</u>

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>REVENUES:</b>					
General Property Tax	\$ 235,643	\$ 259,483	\$ 289,177	\$ 317,920	\$ 343,973
Other Local Taxes	145,514	162,076	172,621	183,833	173,559
Franchise Fees	-	-	-	-	-
Assessments	426	1	868	30	13
Charges for Services	22,765	19,546	20,231	22,323	20,494
Licenses and Permits	38,026	49,642	49,552	52,475	49,870
Fines and Forfeitures	14,099	11,690	12,512	15,513	18,738
Revenue from Use of Money and Property	13,805	16,088	14,784	14,319	15,821
Investment Income	7,488	12,108	19,902	18,449	15,364
Change in Fair Value Investments	(2,342)	51,167	-	-	-
Intergovernmental	53,845	5,142	53,854	32,204	46,691
Gas Leases and Royalties	-	-	12,150	28,658	13,866
Other	7,015	6,233	8,040	6,815	12,592
Contributions	23,356	25,436	24,513	12,213	12,263
Total Revenues	<u>559,640</u>	<u>618,612</u>	<u>678,204</u>	<u>704,752</u>	<u>723,244</u>
<b>EXPENDITURES:</b>					
Current					
General Administration	77,883	86,908	104,662	105,942	103,235
Public Safety	244,857	265,353	281,149	308,374	320,527
Transportation and Public Works	32,181	36,039	35,284	35,420	46,083
Parks and Community Services	30,886	36,690	38,090	41,507	46,195
Public Library	14,725	15,849	17,369	17,626	17,151
Public Health	11,180	10,164	10,837	10,706	1,199
Public Events and Facilities	16,466	17,764	19,529	22,806	26,116
Planning and Development	8,762	10,765	12,151	11,768	12,926
Finance	4,343	-	-	-	-
Housing and Economic Development	9,694	9,981	14,497	14,461	26,282
Capital Outlay	149,894	115,783	111,127	103,778	114,595
Debt Service:					
Principal Retirement	31,466	36,954	85,409	38,368	46,160
Interest and Service Charges	15,063	16,477	20,329	24,542	25,301
Total Expenditures	<u>647,400</u>	<u>658,727</u>	<u>750,433</u>	<u>735,298</u>	<u>785,770</u>
Excess (deficiency) of revenues over expenditures	<u>(87,760)</u>	<u>(40,115)</u>	<u>(72,229)</u>	<u>(30,546)</u>	<u>(62,526)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Long-Term Debt Issued	99,237	3,574	200,910	-	253,565
Capital Leases Issued	615	1,781	6,409	26,241	9,066
Proceeds from Loans	-	-	-	-	-
Proceeds from Owner Advance	279	-	1,923	-	-
Proceeds from Disposal of Property	-	1,350	-	336	1,049
Refunding Bonds Issued	46,230	-	-	-	-
Premium on Issuance of Bonds	4,460	-	2,239	-	9,792
Refunded Bonds Redeemed	-	-	-	-	-
Payment to Bond Escrow Agent	(50,209)	-	-	-	-
Transfers In	92,413	113,815	120,646	117,591	87,407
Transfers Out	(74,220)	(93,347)	(106,201)	(98,425)	(63,816)
Total Other Financing Sources (Uses)	<u>118,805</u>	<u>27,173</u>	<u>225,926</u>	<u>45,743</u>	<u>297,063</u>
Net Change in Fund Balances	<u>\$ 31,045</u>	<u>\$ (12,942)</u>	<u>\$ 153,697</u>	<u>\$ 15,197</u>	<u>\$ 234,537</u>
Debt service as a percentage of noncapital expenditures	9.43%	9.87%	16.54%	9.96%	10.64%

Source: Comprehensive Annual Financial Report for the respective years.

**TABLE 4**

<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
\$ 353,606	\$ 343,954	\$ 351,540	\$ 357,673	\$ 389,490
174,092	179,802	188,884	203,417	217,153
-	45,178	47,190	49,489	51,205
11	-	-	-	-
13,313	14,390	15,975	16,693	18,284
52,429	18,447	12,011	12,179	12,771
19,652	24,705	25,598	28,246	26,968
15,612	15,577	14,988	19,915	15,614
11,385	8,502	7,695	3,129	8,200
-	-	-	-	-
65,753	70,276	53,354	59,111	79,239
13,963	23,506	15,758	10,834	16,500
14,610	13,696	16,554	16,069	22,315
12,594	12,154	12,633	17,208	9,840
<u>747,020</u>	<u>770,187</u>	<u>762,180</u>	<u>793,963</u>	<u>867,579</u>
105,557	109,265	99,112	106,907	163,945
331,529	348,165	368,224	381,513	389,058
36,414	46,853	53,822	47,598	71,106
46,115	48,544	51,036	53,883	54,711
17,593	19,355	19,209	18,991	18,763
-	-	-	-	-
22,033	26,692	28,058	30,528	28,324
10,871	12,074	11,865	12,875	11,656
-	-	-	-	-
36,445	34,073	23,158	19,259	17,536
129,407	137,100	107,625	170,502	206,450
46,397	47,351	53,925	75,611	88,923
29,169	31,451	30,277	37,517	35,044
<u>811,530</u>	<u>860,923</u>	<u>846,311</u>	<u>955,184</u>	<u>1,085,516</u>
<u>(64,510)</u>	<u>(90,736)</u>	<u>(84,131)</u>	<u>(161,221)</u>	<u>(217,937)</u>
34,685	101,665	170,970	68,570	19,270
-	4,419	-	-	344
-	-	-	18,443	46,865
-	-	-	-	-
386	4,444	286	9,090	1,340
-	46,680	50,305	25,795	-
-	12,554	32,956	5,150	364
-	(9,146)	-	-	-
-	(54,299)	(60,437)	(27,286)	-
86,864	161,129	470,463	109,939	143,754
(67,832)	(156,383)	(446,236)	(52,730)	(181,450)
<u>54,103</u>	<u>111,063</u>	<u>218,307</u>	<u>156,971</u>	<u>30,487</u>
<u>\$ (10,407)</u>	<u>\$ 20,327</u>	<u>\$ 134,176</u>	<u>\$ (4,250)</u>	<u>\$ (187,450)</u>
11.10%	10.80%	11.38%	14.41%	14.16%

**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>	
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
2014	34,792,449	7,628,240	42,420,689	0.8550

(a) The Assessed Value is 100%. Valuation shown for 2004 to 2007 include Tarrant County only, for 2008 to 2014 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 <sup>(b)</sup>			Overlapping Rates <sup>(b)</sup>			
	Operating General Rates	General Obligation Debt Service	Total Direct	Fort Worth ISD <sup>(b)</sup>	Tarrant County District <sup>(a)</sup>	Hospital District	Junior College District
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
2014	0.6759	0.1791	0.8550	1.3220	0.2640	0.2279	0.1495

(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)**

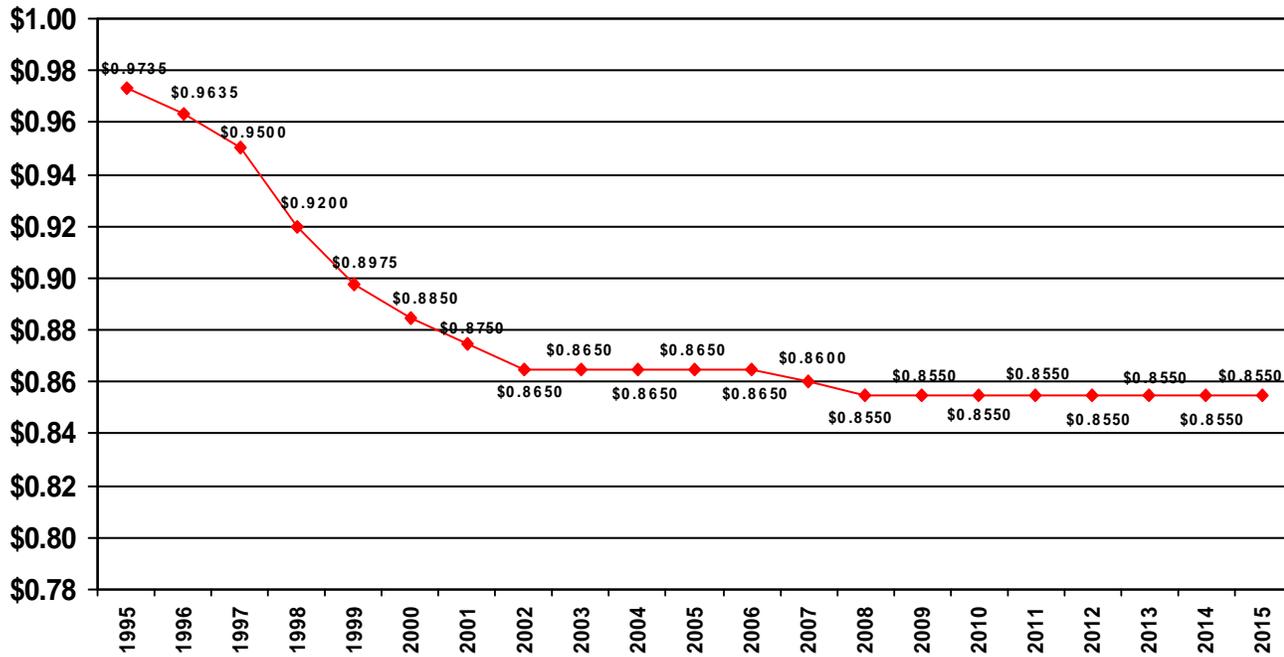
**TABLE 7**

<b>Fiscal Year</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collection Within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Current tax collections</b>	<b>Percentage of Levy</b>		<b>Total Tax Collections</b>	<b>Percentage of Levy</b>
2005	\$ 235,296	\$ 230,241	97.85%	\$ 3,740	\$ 233,981	99.44%
2006	257,957	253,028	98.09%	3,261	256,289	99.35%
2007	292,466	286,805	98.06%	3,136	289,941	99.14%
2008	320,668	315,147	98.28%	3,895	319,042	99.49%
2009	350,946	343,530	97.89%	4,768	348,298	99.25%
2010	362,551	354,605	97.81%	3,182	357,787	98.69%
2011	350,050	343,622	98.16%	3,268	346,890	99.10%
2012	358,954	352,784	98.28%	2,903	355,687	99.09%
2013	366,361	359,890	98.23%	1,395	361,285	98.61%
2014	377,584	370,904	98.23%	-	370,904	98.23%

Source: Tarrant County Tax Office

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

**TABLE 8**



Source: Budget and Research Division, FMS, City of Fort Worth  
Tax rate per \$100 of Assessed Value

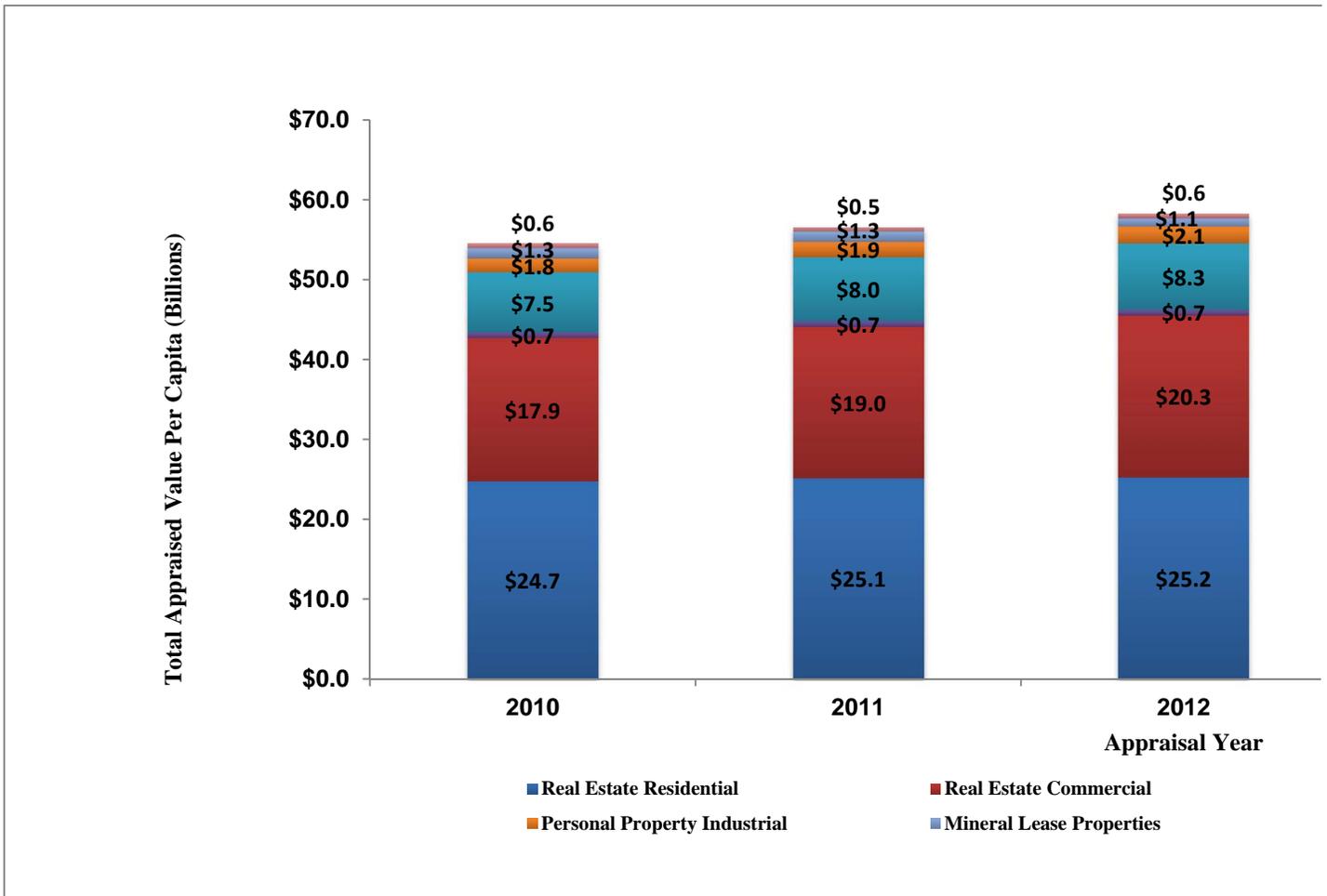
# CITY OF FORT WORTH, TEXAS

## APPRAISED VALUES BY TYPE

(Inflation Adjusted)

Appraisal Year	2010	2011	2012
<b>TAD Value By Type</b>			
Real Estate Residential	\$24,715,049,451	\$25,105,043,170	\$25,200,933,865
Real Estate Commercial	17,940,317,601	18,969,306,102	20,331,035,444
Real Estate Industrial	702,720,996	690,832,781	659,448,355
Personal Property Commercial	7,464,495,749	8,026,046,789	8,313,984,468
Personal Property Industrial	1,810,487,500	1,917,936,931	2,101,203,472
Mineral Lease Properties	1,269,562,020	1,334,980,630	1,099,569,440
Agricultural Properties	579,155,139	546,963,451	550,817,835
<b>Total TAD Value</b>	<b>\$54,481,788,456</b>	<b>\$56,591,109,854</b>	<b>\$58,256,992,879</b>

<b>Total CFW Value</b>	<b>\$55,981,893,897</b>	<b>\$58,048,593,856</b>	<b>\$59,832,365,308</b>
<b>% of CFW Value</b>	<b>97.3%</b>	<b>97.5%</b>	<b>97.4%</b>

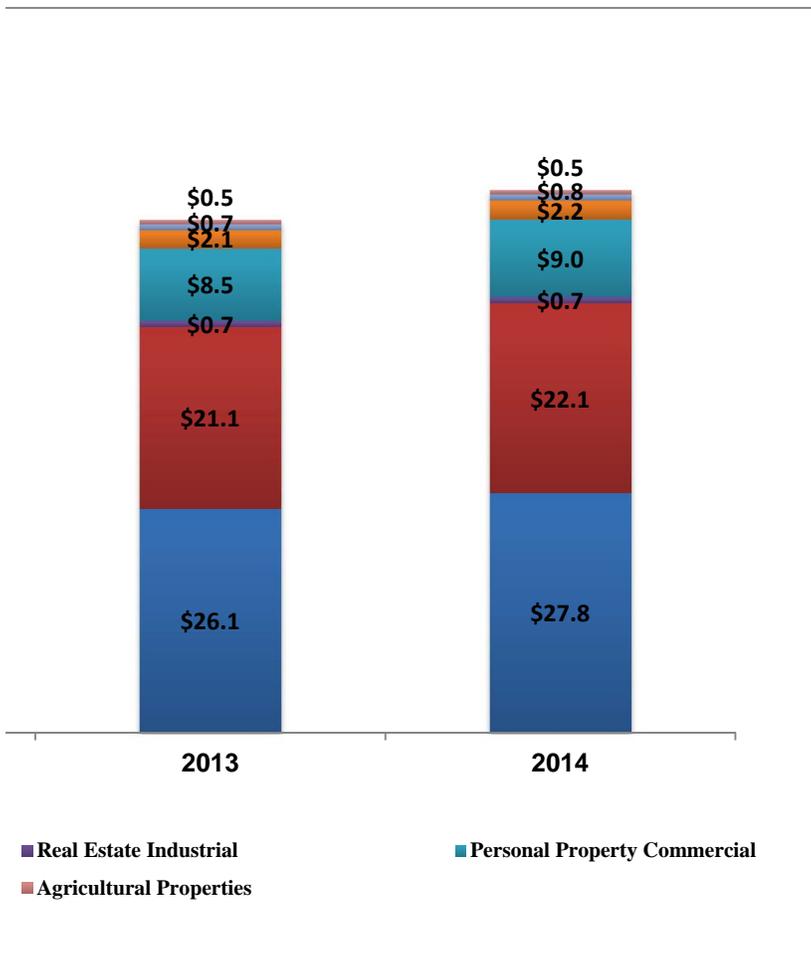


Source: Tarrant Appraisal District Certified Tax Report

**TABLE 9**

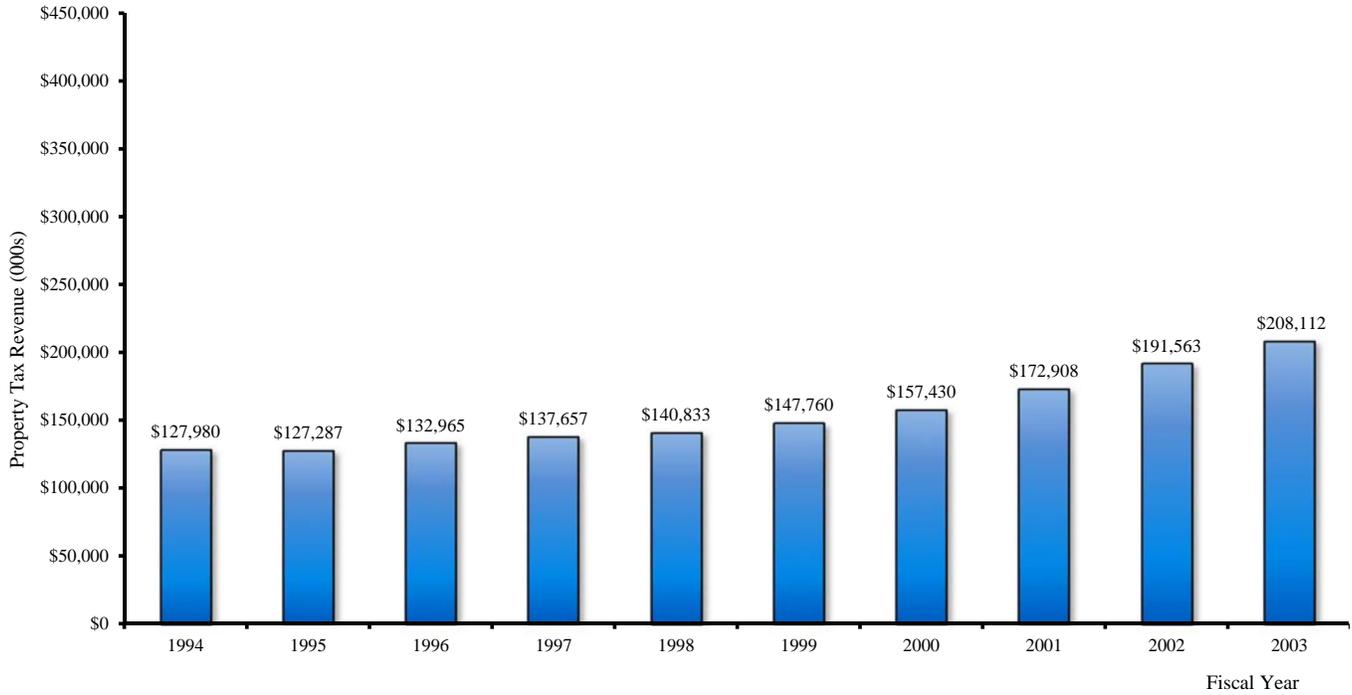
2013	2014
\$26,088,463,777	\$27,838,438,625
21,136,215,188	22,125,666,464
661,971,949	685,102,871
8,499,074,603	9,012,689,484
2,073,079,041	2,204,318,829
717,615,030	780,730,910
519,392,178	496,920,328
<b>\$59,695,811,766</b>	<b>\$63,143,867,511</b>

<b>\$61,219,914,707</b>	<b>\$64,934,531,075</b>
<b>97.5%</b>	<b>97.2%</b>



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

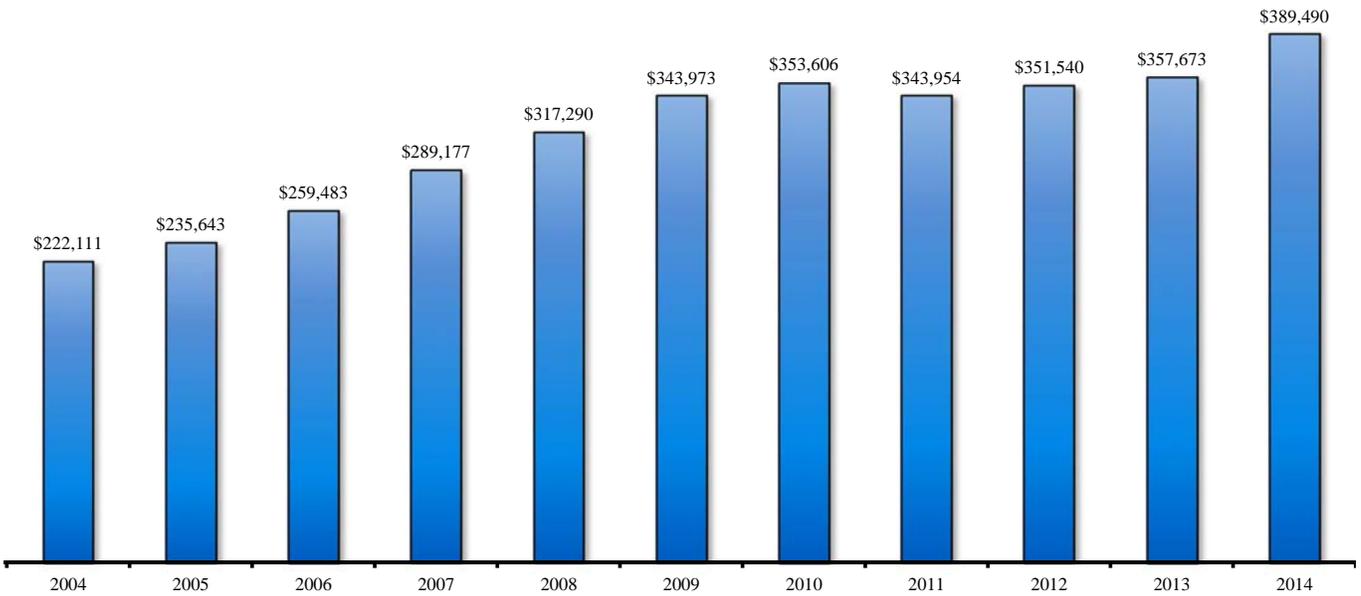
Fiscal Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Value (000s)	\$127,980	\$127,287	\$132,965	\$137,657	\$140,833	\$147,760	\$157,430	\$172,908	\$191,563	\$208,112
Percent Change		(0.54%)	4.46%	3.53%	2.31%	4.92%	6.54%	9.83%	10.79%	8.64%



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

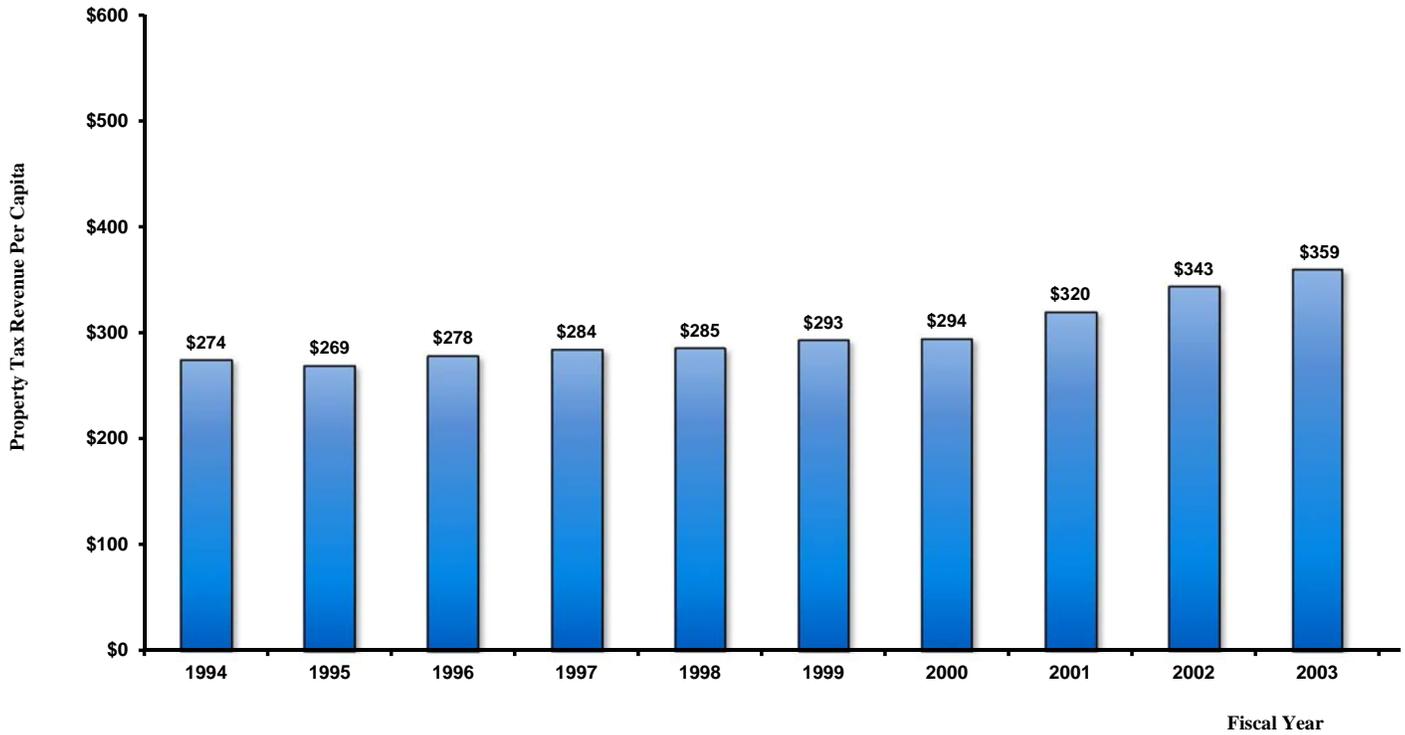
**TABLE 10**

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
\$222,111	\$235,643	\$259,483	\$289,177	\$317,290	\$343,973	\$353,606	\$343,954	\$351,540	\$357,673	\$389,490
6.73%	6.09%	10.12%	11.44%	9.72%	8.41%	2.80%	(2.73%)	2.21%	1.74%	8.90%



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

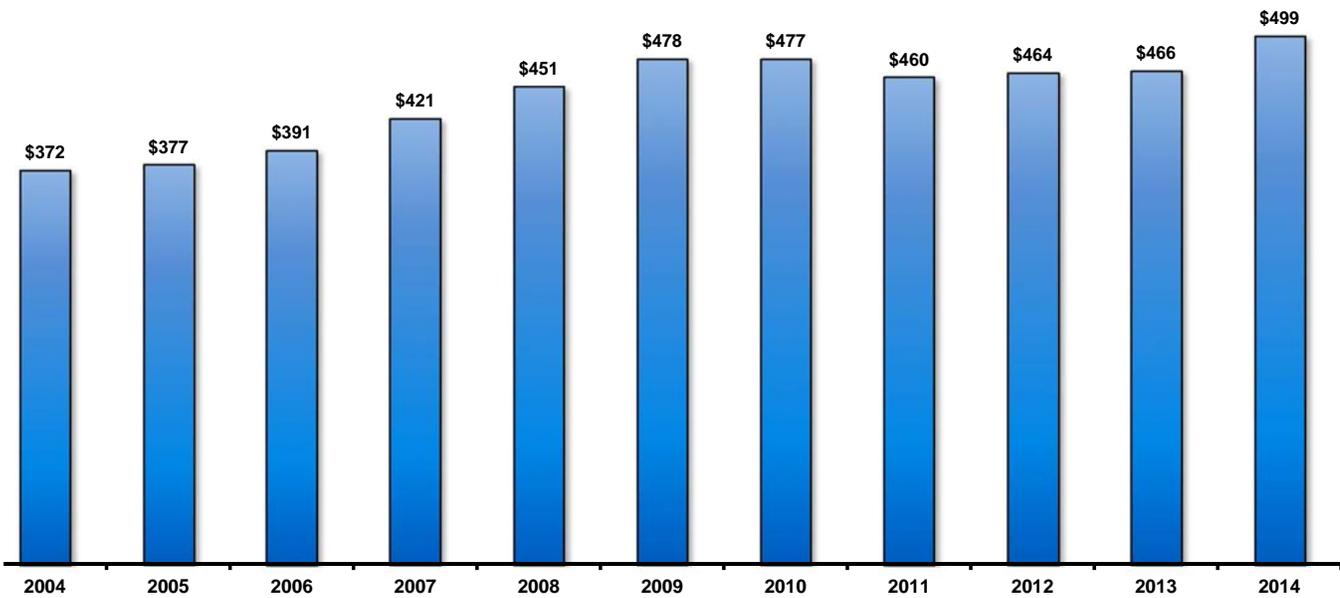
Fiscal Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Value (000s)	\$127,980	\$127,287	\$132,965	\$137,657	\$140,833	\$147,760	\$157,430	\$172,908	\$191,563	\$208,112
Population	467,100	473,600	477,850	484,200	494,150	504,850	534,694	540,950	557,750	579,250
Value Per Capita	\$274	\$269	\$278	\$284	\$285	\$293	\$294	\$320	\$343	\$359
Percent Change		(1.91%)	3.53%	2.17%	0.25%	2.69%	0.60%	8.56%	7.45%	4.61%



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

**TABLE 11**

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
\$222,111	\$235,643	\$259,483	\$289,177	\$317,290	\$343,973	\$353,606	\$343,954	\$351,540	\$357,673	\$389,490
597,150	624,850	664,100	686,850	702,850	720,250	741,206	748,450	757,810	767,560	781,100
\$372	\$377	\$391	\$421	\$451	\$478	\$477	\$460	\$464	\$466	\$499
3.53%	1.39%	3.61%	7.75%	7.22%	5.79%	(0.11%)	(3.67%)	0.94%	0.45%	7.01%



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

**TABLE 12**

Name of Taxpayer	Nature of Property	2014 <sup>(a)</sup>		2005 <sup>(b)</sup>		Percentage of Total Taxable Assessed	Percentage of Total Taxable Assessed
		2013 Taxable Assessed Valuation	Rank	2004 Taxable Assessed Valuation	Rank		
TU Elect./Oncor Elect. Deliv. Co, LLC	Electric Utility	\$ 365,328	1	0.86%	\$ 321,798	1	1.20%
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	0.48%
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	0.84%
AMR Corp/American Airlines, Inc.	Airline	172,481	7	0.41%	247,984	2	0.92%
Wal-Mart Real Estate Bus. Trust/Stores	Retailer	151,345	8	0.36%			
Mercantile Partners Lp	Land Subdividers and Devel.	141,525	9	0.33%			
Behringer Harvard Burnett PLZ	Investment Company	137,904	10	0.33%			
Southwestern Bell	Telephone Utility				190,860	4	0.71%
City Center Development	Developer				129,111	6	0.48%
Sprint Communications Co.	Telephone Utility				102,424	10	0.38%
Burlington Northern Santa Fe	Railroad Transportation				107,168	9	0.40%
Miller Brewing	Beer Brewing				119,323	7	0.44%
Albertson, Inc.	Grocery Retailer				110,437	8	0.41%
		<u>\$ 1,967,928</u>		<u>4.64%</u>	<u>\$ 1,685,431</u>		<u>6.27%</u>

(a) Source: Tarrant Appraisal District Supplemental Certification Report  
(b) Source: Comprehensive Annual Financial Report for the respective year



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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Governmental:</b>					
General Obligation Bonds	\$ 235,486	\$ 212,909	\$ 322,296	\$ 295,925	\$ 406,006
Certificates of Obligation	69,960	62,610	67,605	60,230	166,215
Installment Obligation	7,605	7,135	6,645	6,130	5,585
Equipment Notes Payable	7,150	5,030	3,160	26,600	22,634
HUD Installment Obligation	15,560	14,656	9,449	8,808	8,147
Service Center Obligation	22,725	22,315	21,890	21,450	20,995
Helicopter Installment Obligation	706	512	312	105	-
Fort Worth Housing Corp Obligation	9,588	9,528	9,464	9,395	9,322
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	15,903
Lone Star Local Govt Corp Obligation	31,617	31,617	31,617	31,617	31,617
Central City Local Govt Corp Obligation	-	3,074	2,933	2,596	2,219
State Obligations	-	-	-	-	-
TRWD Obligation	-	-	-	-	-
State Energy Conservation Loan Phase I & II	-	3,200	4,610	4,433	3,730
State Energy Conservation Loan Phase III	-	-	3,794	5,000	4,397
ESPC Phase IV	-	-	-	-	9,066
ESPC Phase VII	-	-	-	-	-
Wells Fargo Loan	-	306	296	269	245
Beechwood Bridge Obligation	-	-	1,449	1,287	1,127
Capital Leases	-	-	-	-	-
Southwest Bank Loan (LDC SW Building)	-	-	-	-	-
<b>Business-type:</b>					
General Obligation Bonds	1,448	706	284	140	65
Revenue Bonds	658,528	653,690	737,480	757,885	710,675
Certificates of Obligation	3,800	10,940	31,165	30,905	57,240
Municipal Golf Capital Lease	-	246	187	132	69
Equipment Notes Payable	16,650	8,081	6,875	5,730	4,545
Trinity River Authority	14,800	14,150	8,895	8,490	8,065
ESPC Phase V	-	-	-	-	-
Total Primary Government	<u>\$ 1,105,782</u>	<u>\$ 1,068,782</u>	<u>\$ 1,287,765</u>	<u>\$ 1,294,030</u>	<u>\$ 1,487,867</u>
Personal Income (a)	\$ 11,834,034	\$ 12,577,390	\$ 13,008,252	\$ 13,311,276	\$ 13,640,815
Debt as a Percentage of Personal Income	9%	8%	10%	10%	11%
Population (b)	625	664	687	703	720
Debt Per Capita	\$ 1,769	\$ 1,610	\$ 1,875	\$ 1,841	\$ 2,066

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

(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 13**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$	380,125	\$ 371,760	\$ 458,800	\$ 463,488	\$ 440,617
	188,655	202,880	247,600	302,985	299,441
	5,010	4,405	3,770	3,080	2,370
	18,852	58,005	54,450	46,860	39,145
	7,465	6,761	6,034	5,282	4,504
	20,520	20,030	19,515	18,980	-
	-	-	-	-	-
	9,244	9,161	9,073	-	-
	-	-	-	-	-
	-	-	-	-	-
	15,442	15,337	8,476	8,386	6,868
	31,617	31,617	31,617	31,617	31,617
	1,809	1,376	872	347	-
	-	-	-	-	10,930
	-	-	-	-	91,998
	3,216	2,580	1,925	1,249	553
	4,080	3,598	3,102	2,590	2,064
	8,795	8,352	7,820	-	-
	-	-	-	18,443	18,064
	196	144	78	-	-
	724	333	-	-	-
	-	4,319	4,096	3,816	1,482
	-	-	-	-	2,545
	-	-	-	-	-
	745,155	855,310	884,010	858,985	950,107
	54,195	57,560	56,035	55,238	53,092
	5	-	-	-	-
	3,319	2,049	750	-	-
	7,620	7,150	6,656	6,100	5,500
	15,365	15,365	15,365	14,691	13,355
	<u>\$ 1,521,409</u>	<u>\$ 1,678,092</u>	<u>\$ 1,820,044</u>	<u>\$ 1,842,137</u>	<u>\$ 1,974,252</u>
\$	17,334,565	\$ 20,399,090	\$ 18,827,032	\$ 18,934,769	\$ 19,128,358
	9%	8%	10%	10%	10%
	736	748	758	768	781
\$	2,067	\$ 2,249	\$ 2,313	\$ 2,399	\$ 2,528

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

**TABLE 14**

<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>				
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
2014	440,617	299,441	740,058	42,420,689	1.74%	781	0.948

(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, 2014 (Unaudited)  
(in Millions)**

	<u>2005*</u>	<u>2006*</u>	<u>2007*</u>	<u>2008*</u>	<u>2009*</u>
Total Assessed Valuation	\$ 26,873	\$ 29,266	\$ 33,656	\$ 37,471	\$ 38,357
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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund	\$ 0.711	\$ 0.711	\$ 0.726	\$ 0.721	\$ 0.711
Debt Service Fund	0.154	0.154	0.134	0.134	0.144
Total City Tax Rate	<u>\$ 0.865</u>	<u>\$ 0.865</u>	<u>\$ 0.860</u>	<u>\$ 0.855</u>	<u>\$ 0.855</u>

Source: Tarrant Appraisal District

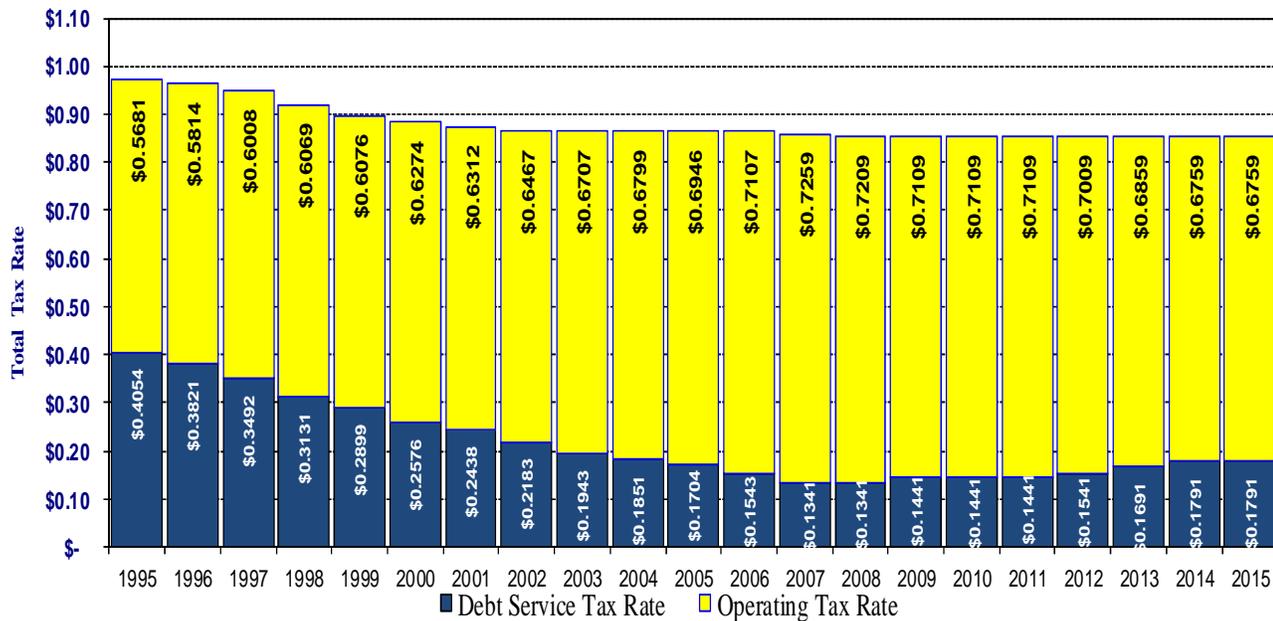
**TABLE 15**

<b>2010*</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
\$ 39,725	\$ 39,836	\$ 41,986	\$ 43,698	\$ 42,421
	3,984	4,199	4,370	4,242
	575	706	727	695
	<u>\$ 3,409</u>	<u>\$ 3,493</u>	<u>\$ 3,643</u>	<u>\$ 3,547</u>
	86%	83%	83%	84%

<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
\$ 0.711	\$ 0.711	\$ 0.701	\$ 0.686	\$ 0.676
0.144	0.144	0.154	0.169	0.179
<u>\$ 0.855</u>				

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

**TABLE 16**



Source: Budget and Research Division, FMS, City of Fort Worth

**CITY OF FORT WORTH, TEXAS**  
**DIRECT AND OVERLAPPING GOVERNMENTAL**  
**ACTIVITIES DEBT**  
**YEAR ENDED SEPTEMBER 30, 2014**  
**(in 000's)**  
**(Unaudited)**

**TABLE 17**

<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	\$ 140,931	1.35%	\$ 1,903
Arlington Independent School District	579,645	0.04%	232
Azle Independent School District	36,775	2.39%	879
Birdville Independent School District	188,860	5.97%	11,275
Burleson Independent School District	304,396	15.10%	45,964
Castleberry Independent School District	46,910	42.15%	19,773
Crowley Independent School District	306,970	73.62%	225,991
Denton County	614,975	2.16%	13,283
Eagle Mountain-Saginaw Independent School District	563,050	62.12%	349,767
Everman Independent School District	86,525	64.76%	56,034
Fort Worth Independent School District	747,640	86.05%	643,344
Hurst-Eules-Bedford Independent School District	290,688	27.16%	78,951
Keller Independent School District	654,308	45.73%	299,215
Kennedale Independent School District	43,366	0.48%	208
Lake Worth Independent School District	74,660	48.01%	35,844
Mansfield Independent School District	719,518	0.01%	72
Northwest Independent School District	737,438	38.59%	284,577
Parker County	93,014	0.36%	335
Tarrant County	317,820	37.74%	119,945
Tarrant County College District	7,935	37.74%	2,995
Tarrant County Hospital District	24,425	37.74%	9,218
White Settlement Independent School District	166,988	51.62%	86,199
Subtotal, overlapping debt			<u>2,286,004</u>
City of Fort Worth Net Direct Debt	952,199	100.00 %	<u>952,199</u>
Total direct and overlapping debt			<u><u>\$ 3,238,203</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 includes all long-term debt instruments of the governmental activities, which currently includes General Obligation Bonds, Certificates of Obligation, Notes, Loans, and Capital Leases.

<sup>(b)</sup> The estimated percentage is based on a formula using assessed values of property.

Source: Municipal Advisory Council of Texas

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

**TABLE 18**

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>							
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	59,725	31,162	90,887	1.56
2014	364,660	226,719	137,941	61,800	29,551	91,351	1.51
<b>Municipal Parking<sup>(e)</sup></b>							
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
2014	7,127	2,703	4,424	1,495	2,561	4,056	1.09
<b>Solid Waste<sup>(f)</sup></b>							
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	235	1,420	6.10
2014	55,819	47,128	8,691	435	207	642	13.54
<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	35,208	17,446	17,762	3,715	5,663	9,378	1.89
2014	36,439	17,141	19,298	3,825	5,522	9,347	2.06

<sup>(a)</sup> Exclusive of other expenses and contributions, gas lease revenue, 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 19**

<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>
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%
2014	781,100	19,128,357,900	24,489 <sup>(f)</sup>	31.5 <sup>(f)</sup>	18,699	5.0%

(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

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

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

**TABLE 20**

Name of Employers	2014			2005		
	Employees	Rank	Percentage of Total Employment <sup>(f)</sup>	Employees <sup>(g)</sup>	Rank	Percentage of Total Employment <sup>(h)</sup>
AMR Corp./American Airlines	22.2 <sup>(a)</sup>	1	0.64%	11.5	2	0.23%
Lockheed Martin Tactical Aircraft Systems	13.7 <sup>(b)</sup>	2	0.40%	16.8	1	0.33%
NAS Fort Worth Joint Reserve Base	11.4 <sup>(a)</sup>	3	0.33%	3.9	7	0.08%
Fort Worth Independent School District	9.8 <sup>(c)</sup>	4	0.28%	10.4	3	0.21%
City of Fort Worth	7.0 <sup>(d)</sup>	5	0.20%	6.0	5	0.12%
JPS Health Network/John Peter Smith Hospital	5.6 <sup>(e)</sup>	6	0.16%	3.4	10	0.07%
Cook Children's Health Care System	4.8 <sup>(a)</sup>	7	0.14%	3.8	8	0.08%
Tarrant County Government	4.2 <sup>(a)</sup>	8	0.12%	4.3	6	0.09%
Texas Health Harris Methodist	4.0 <sup>(a)</sup>	9	0.12%	7.8	4	0.15%
Bell Helicopter-Textron, Inc.	3.8 <sup>(a)</sup>	10	0.11%	3.3	11	0.07%
JP Morgan Chase				3.7	9	0.07%
	<u>86.5</u>		<u>2.50%</u>	<u>74.9</u>		<u>1.50%</u>

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

<sup>(b)</sup> Source: Lockheed Martin Tactical Aircraft Systems

<sup>(c)</sup> Source: Fort Worth ISD Profile

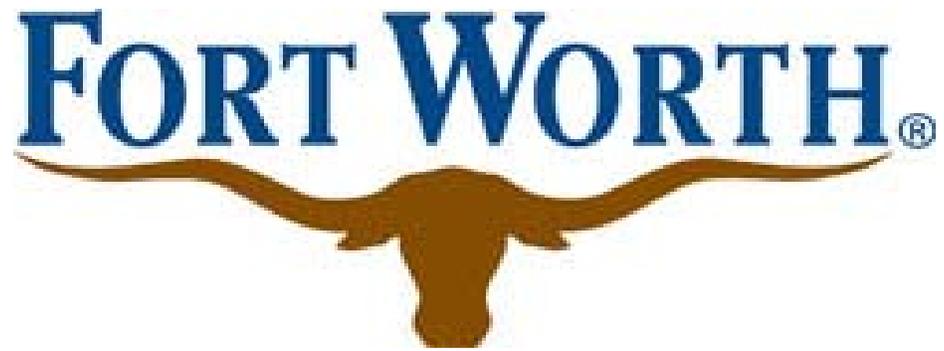
<sup>(d)</sup> Source: City of Fort Worth Human Resources Department

<sup>(e)</sup> Source: JPS Health Network

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

<sup>(g)</sup> Source: City of Fort Worth, Texas CAFR For the Fiscal Year Ended September 30, 2005.

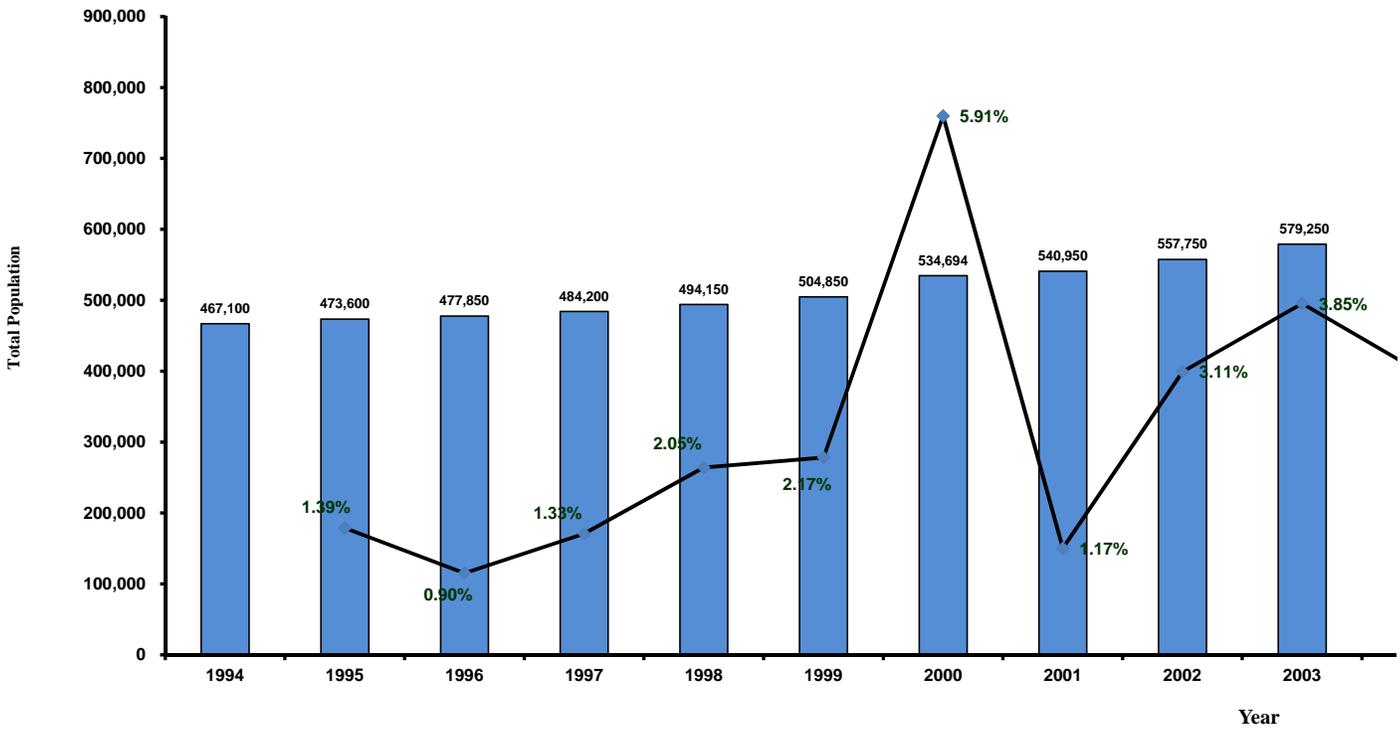
<sup>(h)</sup> Total employment in the year 2005 equals 504,441 per North Central Texas Council of Governments



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

Year	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
Population	404,619	413,607	401,750	384,300	385,850	384,400	389,300	385,164	397,450	396,850
% Change		2.22%	(2.87%)	(4.34%)	0.40%	(0.38%)	1.27%	(1.06%)	3.19%	(0.15%)

Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Population	467,100	473,600	477,850	484,200	494,150	504,850	534,694	540,950	557,750	579,250
% Change		1.39%	0.90%	1.33%	2.05%	2.17%	5.91%	1.17%	3.11%	3.85%

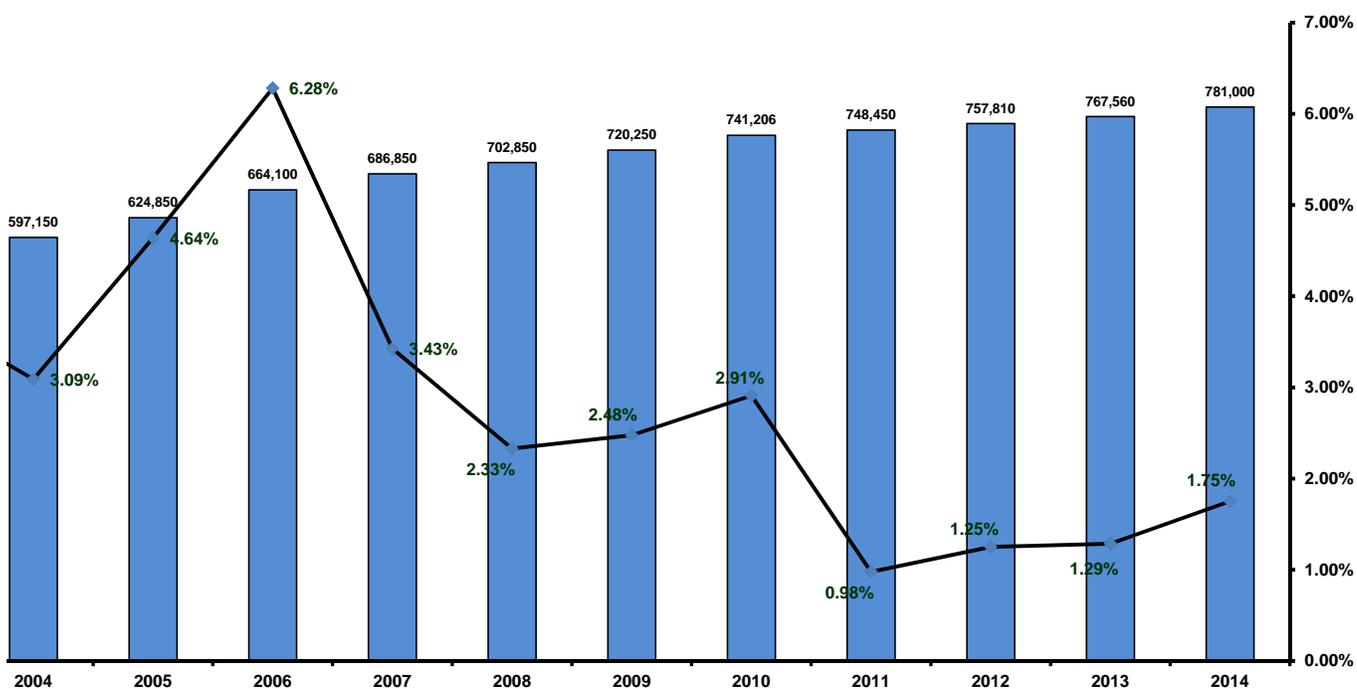


Source: North Central Texas Council of Governments (NCTCOG)

TABLE 21

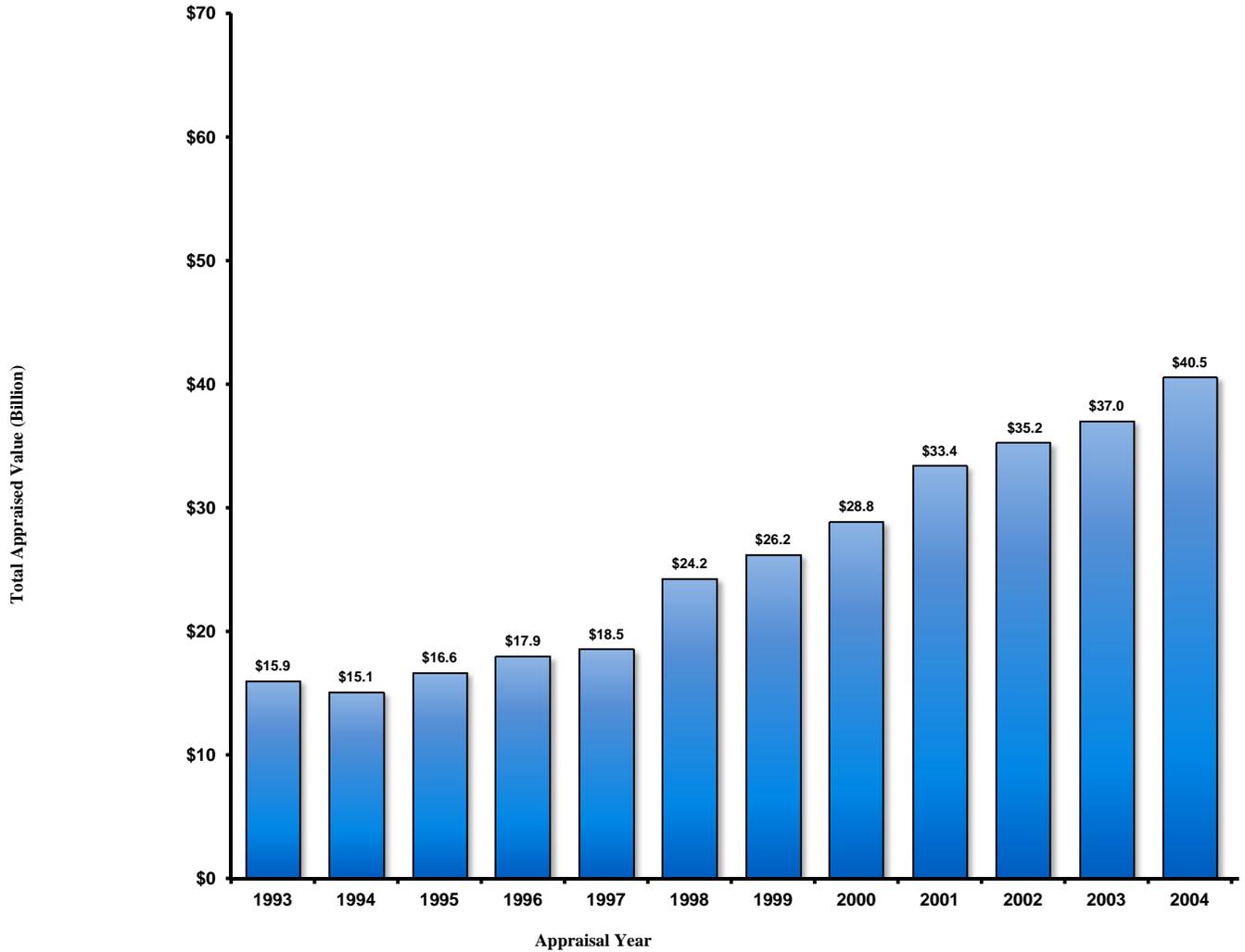
1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
403,200	422,250	415,550	424,800	439,000	446,300	450,100	447,619	448,547	450,250	462,800
1.60%	4.72%	(1.59%)	2.23%	3.34%	1.66%	0.85%	(0.55%)	0.21%	0.38%	2.79%

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
597,150	624,850	664,100	686,850	702,850	720,250	741,206	748,450	757,810	767,560	781,000
3.09%	4.64%	6.28%	3.43%	2.33%	2.48%	2.91%	0.98%	1.25%	1.29%	1.75%
										67.20%



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

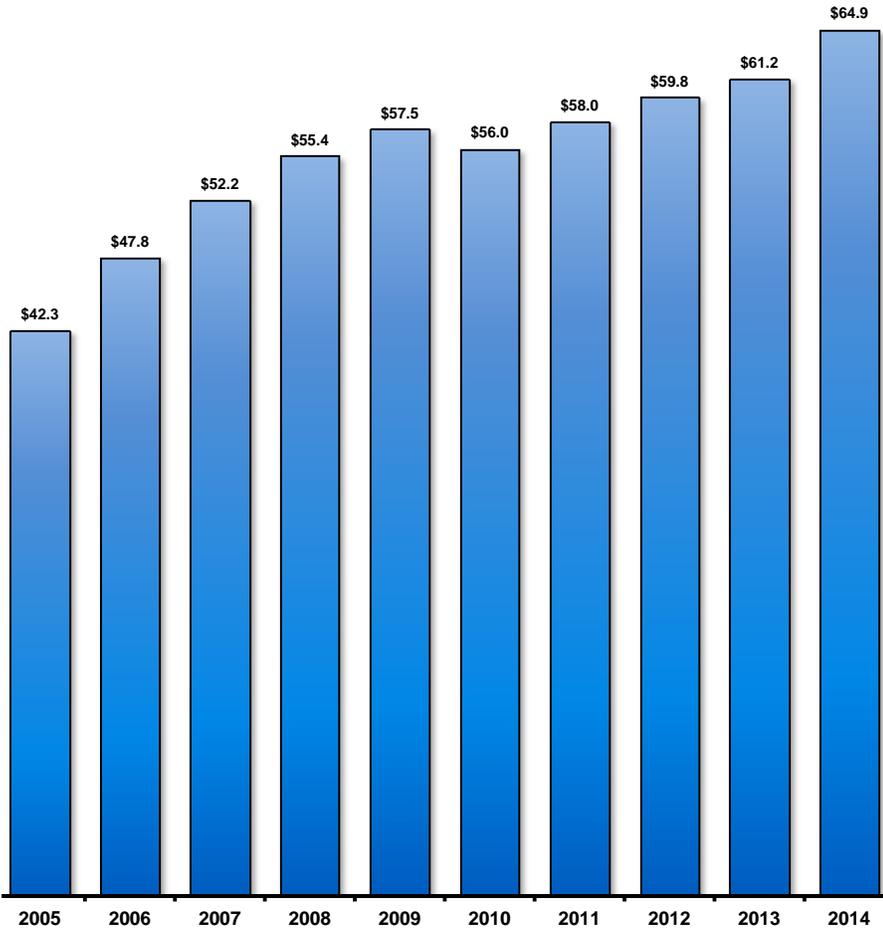
Appraisal Year	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Value (Billions)	\$15.9	\$15.1	\$16.6	\$17.9	\$18.5	\$24.2	\$26.2	\$28.8	\$33.4	\$35.2	\$37.0	\$40.5
Percent Change		(5.42%)	10.03%	8.04%	3.25%	30.99%	7.91%	10.15%	15.75%	5.62%	5.03%	9.43%



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

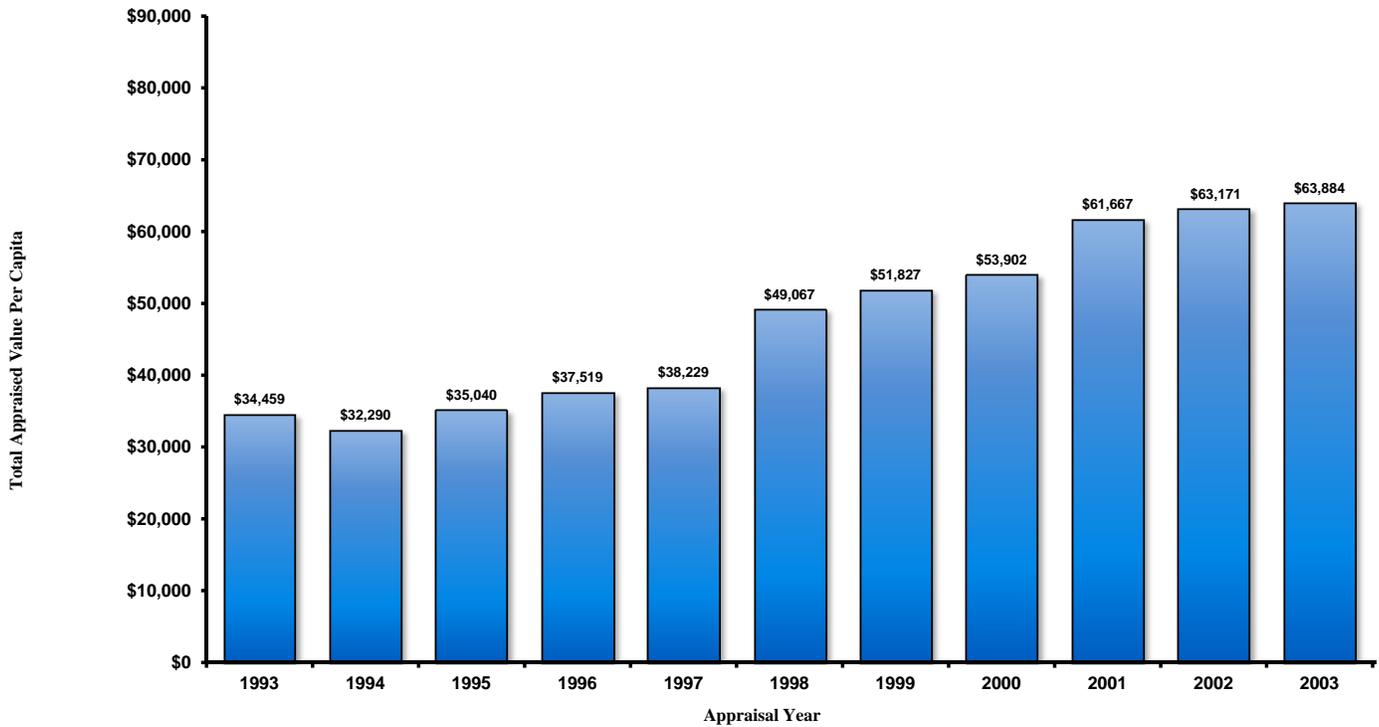
TABLE 22

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
\$42.3	\$47.8	\$52.2	\$55.4	\$57.5	\$56.0	\$58.0	\$59.8	\$61.2	\$64.9
4.52%	12.97%	9.07%	6.29%	3.64%	(2.56%)	3.69%	3.07%	2.32%	6.07%



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

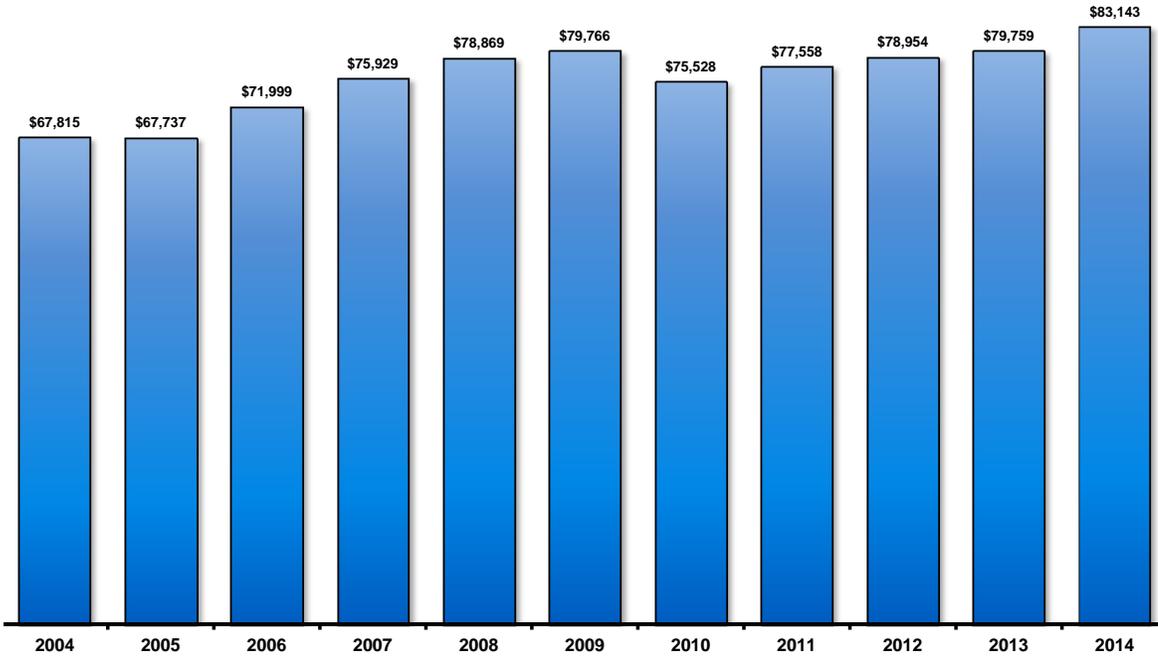
Appraisal Year	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Value (Billions)	\$15.9	\$15.1	\$16.6	\$17.9	\$18.5	\$24.2	\$26.2	\$28.8	\$33.4	\$35.2	\$37.0
Population	462,800	467,100	473,600	477,850	484,200	494,150	504,850	534,694	540,950	557,750	579,250
Value Per Capita	\$34,459	\$32,290	\$35,040	\$37,519	\$38,229	\$49,067	\$51,827	\$53,902	\$61,667	\$63,171	\$63,884
Percent Change		(6.29%)	8.52%	7.07%	1.89%	28.35%	5.63%	4.00%	14.41%	2.44%	1.13%



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

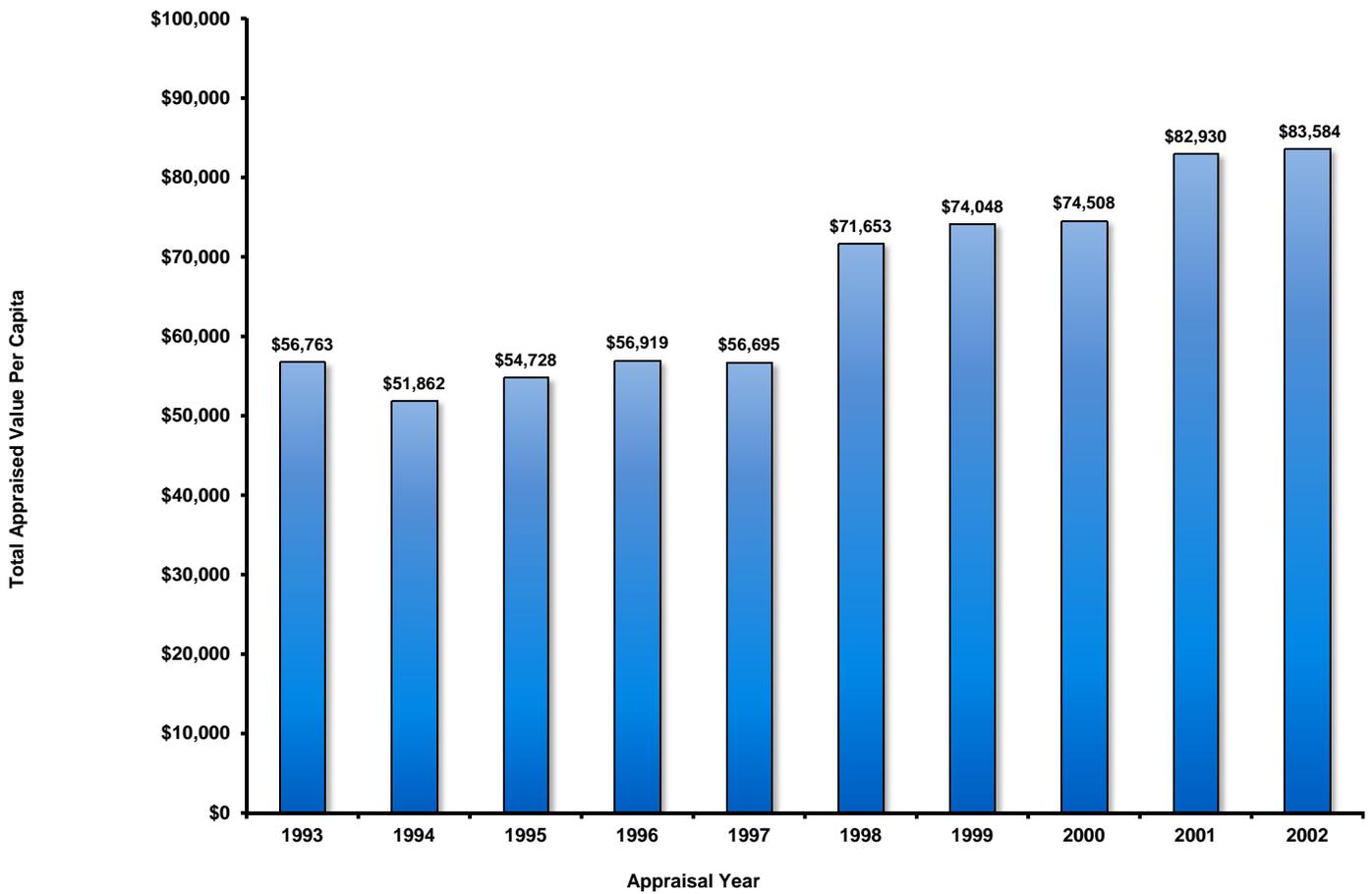
TABLE 23

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
\$40.5	\$42.3	\$47.8	\$52.2	\$55.4	\$57.5	\$56.0	\$58.0	\$59.8	\$61.2	\$64.9
597,150	624,850	664,100	686,850	702,850	720,250	741,206	748,450	757,810	767,560	781,000
\$67,815	\$67,737	\$71,999	\$75,929	\$78,869	\$79,766	\$75,528	\$77,558	\$78,954	\$79,759	\$83,143
6.15%	(0.12%)	6.29%	5.46%	3.87%	1.14%	(5.31%)	2.69%	1.80%	1.02%	4.24%



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

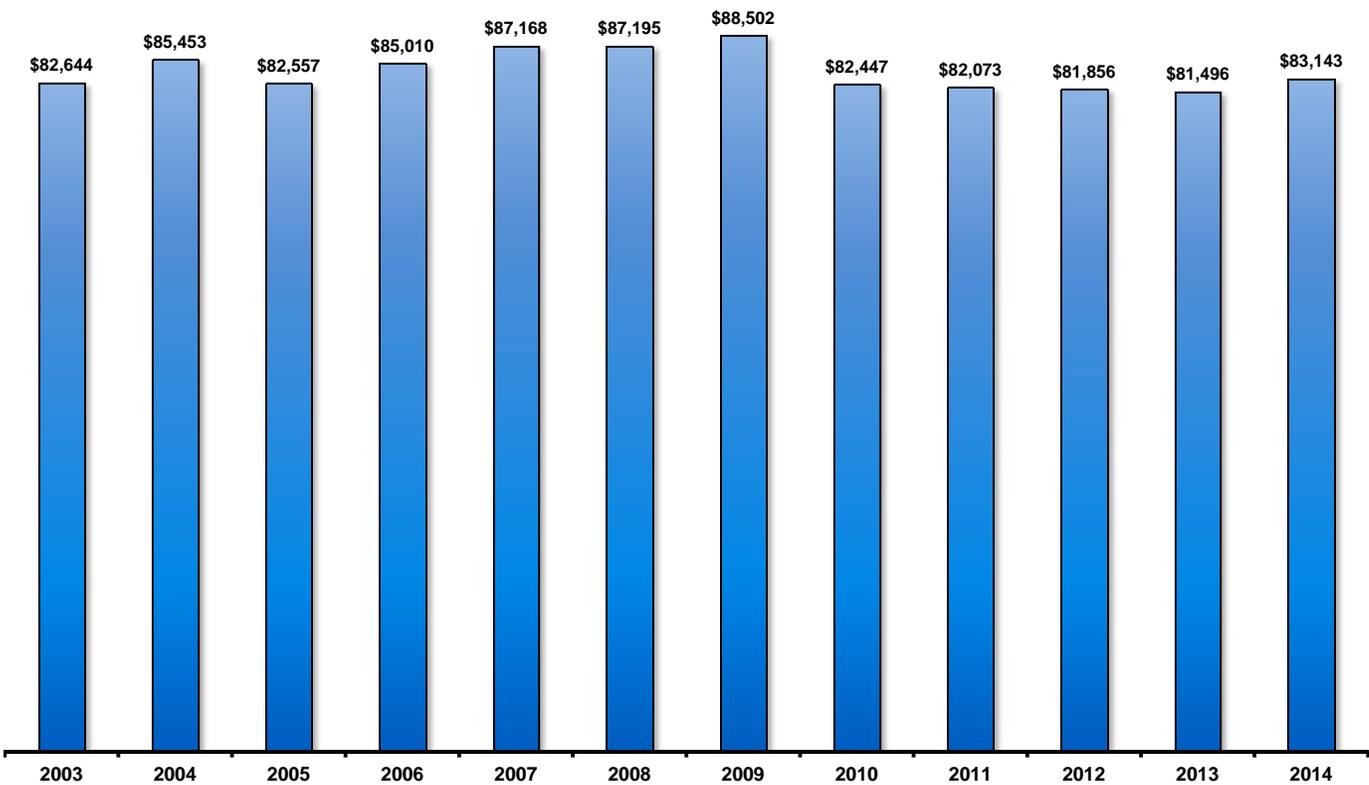
Appraisal Year	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Value	\$15,948	\$15,083	\$16,595	\$17,928	\$18,510	\$24,246	\$26,165	\$28,821	\$33,359	\$35,234
Adj Value (Billions)	\$26.3	\$24.2	\$25.9	\$27.2	\$27.5	\$35.4	\$37.4	\$39.8	\$44.9	\$46.6
Population	462,800	467,100	473,600	477,850	484,200	494,150	504,850	534,694	540,950	557,750
Value Per Capita	56,763	51,862	54,728	56,919	56,695	71,653	74,048	74,508	82,930	83,584
Percent Change		(8.63%)	5.53%	4.00%	(0.39%)	26.38%	3.34%	0.62%	11.30%	0.79%



Source: Tarrant, Denton, Wise, Parker Appraisal District Certified Tax Report  
 Appraisal values adjusted for inflation based on CPI data published on 10/22/14 available at <http://www.usinflationcalculator.com>

**TABLE 24**

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
\$37,005	\$40,496	\$42,325	\$47,815	\$52,152	\$55,433	\$57,452	\$55,982	\$58,049	\$59,832	\$61,220	\$64,935
\$47.9	\$51.0	\$51.6	\$56.5	\$59.9	\$61.3	\$63.7	\$61.1	\$61.4	\$62.0	\$62.6	\$64.9
579,250	597,150	624,850	664,100	686,850	702,850	720,250	741,206	748,450	757,810	767,560	781,000
82,644	85,453	82,557	85,010	87,168	87,195	88,502	82,447	82,073	81,856	81,496	83,143
(1.12%)	3.40%	(3.39%)	2.97%	2.54%	0.03%	1.50%	(6.84%)	(0.45%)	(0.26%)	(0.44%)	2.02%



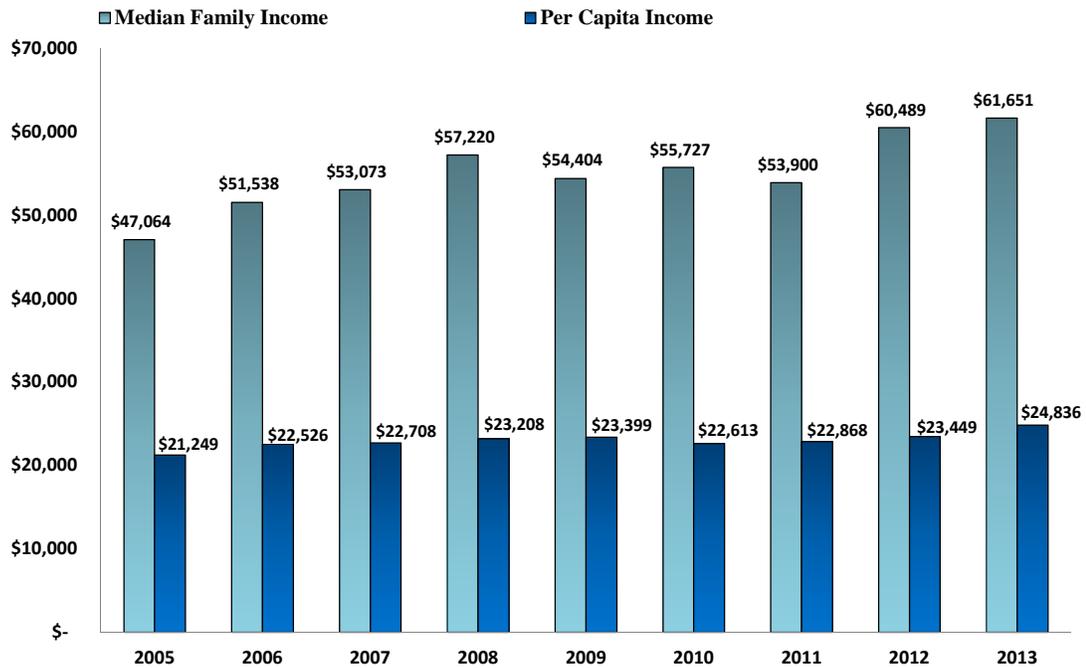
**CITY OF FORT WORTH, TEXAS**  
**MEDIAN FAMILY AND PER CAPITA INCOME**  
(unadjusted for inflation)

**TABLE 25**

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013
Median Family Income	\$ 47,064	\$ 51,538	\$ 53,073	\$ 57,220	\$ 54,404	\$ 55,727	\$ 53,900	\$ 60,489	\$ 61,651
% Change		9.51%	2.98%	7.81%	(4.92%)	2.43%	(3.28%)	12.22%	1.92%

**Fort Worth Per Capita Income (Unadjusted for inflation)**

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013
Per Capita Income	\$ 21,249	\$ 22,526	\$ 22,708	\$ 23,208	\$ 23,399	\$ 22,613	\$ 22,868	\$ 23,449	\$ 24,836
% Change		6.01%	0.81%	2.20%	0.82%	(3.36%)	1.13%	2.54%	5.91%



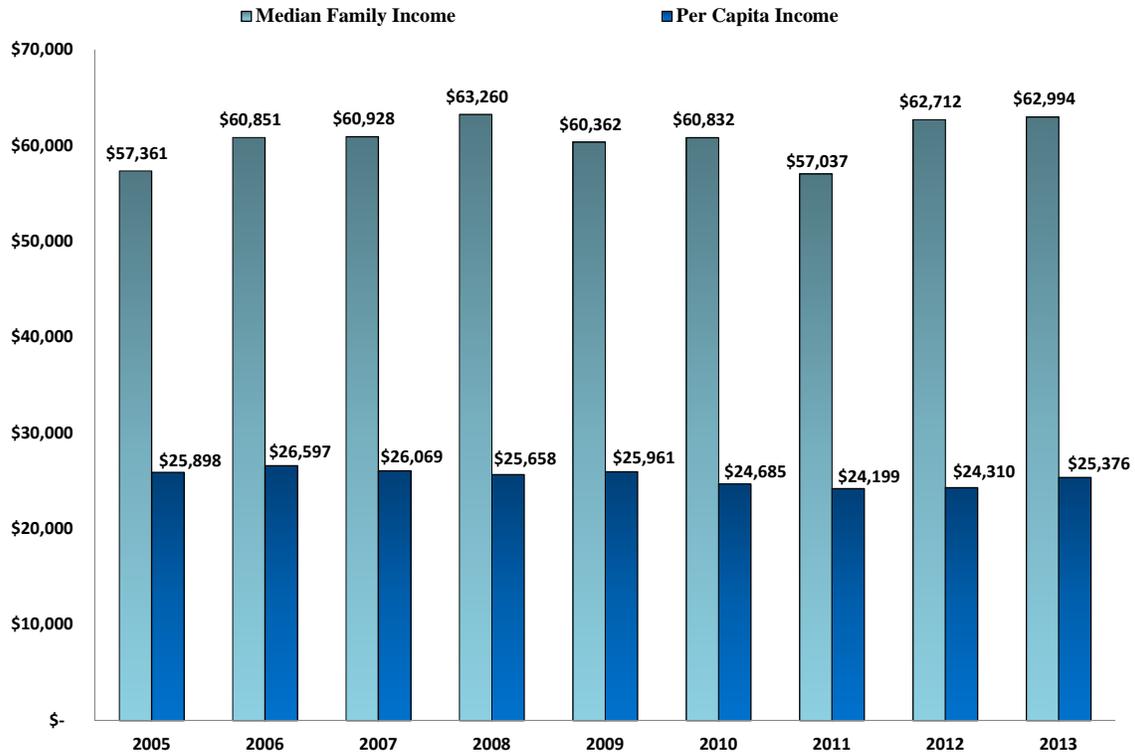
Source: U.S. Census Bureau, American Community Survey  
<http://factfinder2.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=#none>

**CITY OF FORT WORTH, TEXAS  
 MEDIAN FAMILY AND PER CAPITA INCOME  
 (adjusted for inflation)**

**TABLE 26**

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013
Median Family Income	\$ 57,361	\$ 60,851	\$ 60,928	\$ 63,260	\$ 60,362	\$ 60,832	\$ 57,037	\$ 62,712	\$ 62,994
% Change		6.08%	0.13%	3.83%	(4.58%)	0.78%	(6.24%)	9.95%	0.45%

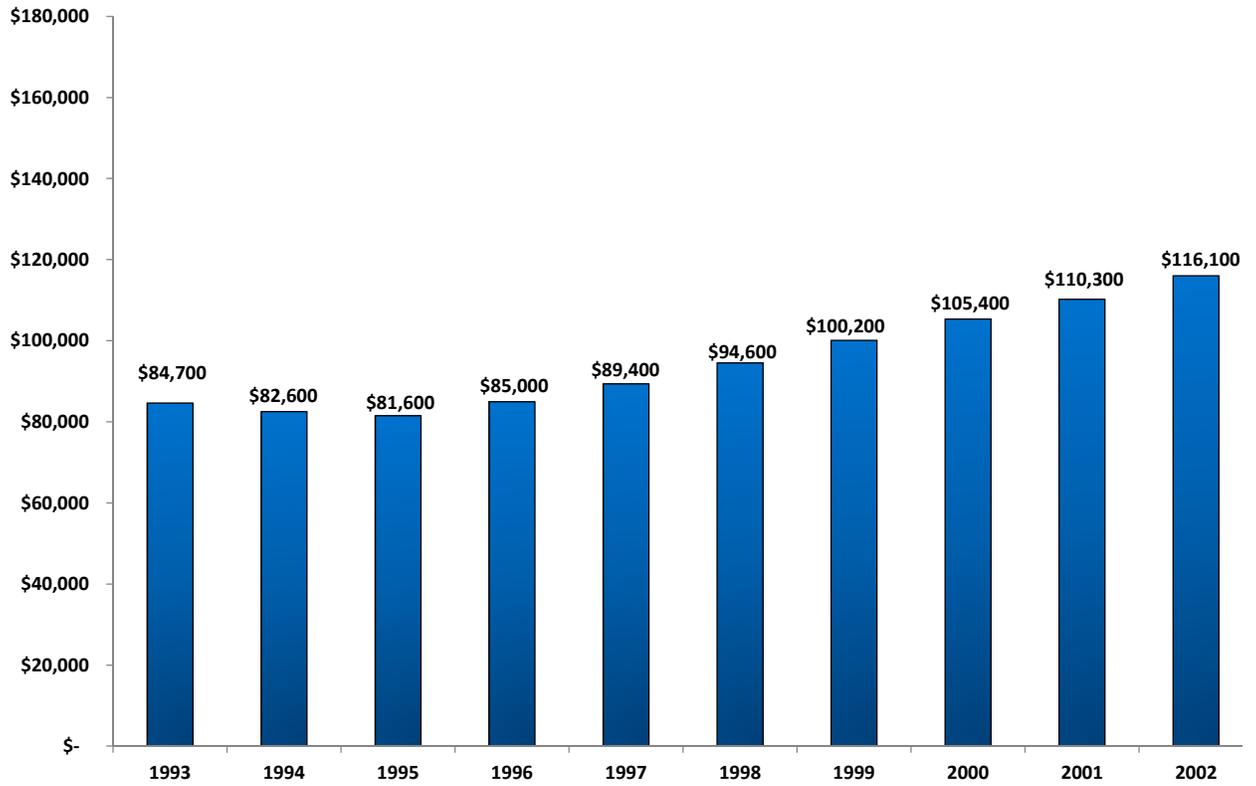
Fort Worth Per Capita Income (Adjusted for inflation)									
Year	2005	2006	2007	2008	2009	2010	2011	2012	2013
Per Capita Income	\$ 25,898	\$ 26,597	\$ 26,069	\$ 25,658	\$ 25,961	\$ 24,685	\$ 24,199	\$ 24,310	\$ 25,376
% Change		2.70%	(1.99%)	(1.58%)	1.18%	(4.92%)	(1.97%)	0.46%	4.39%



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

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

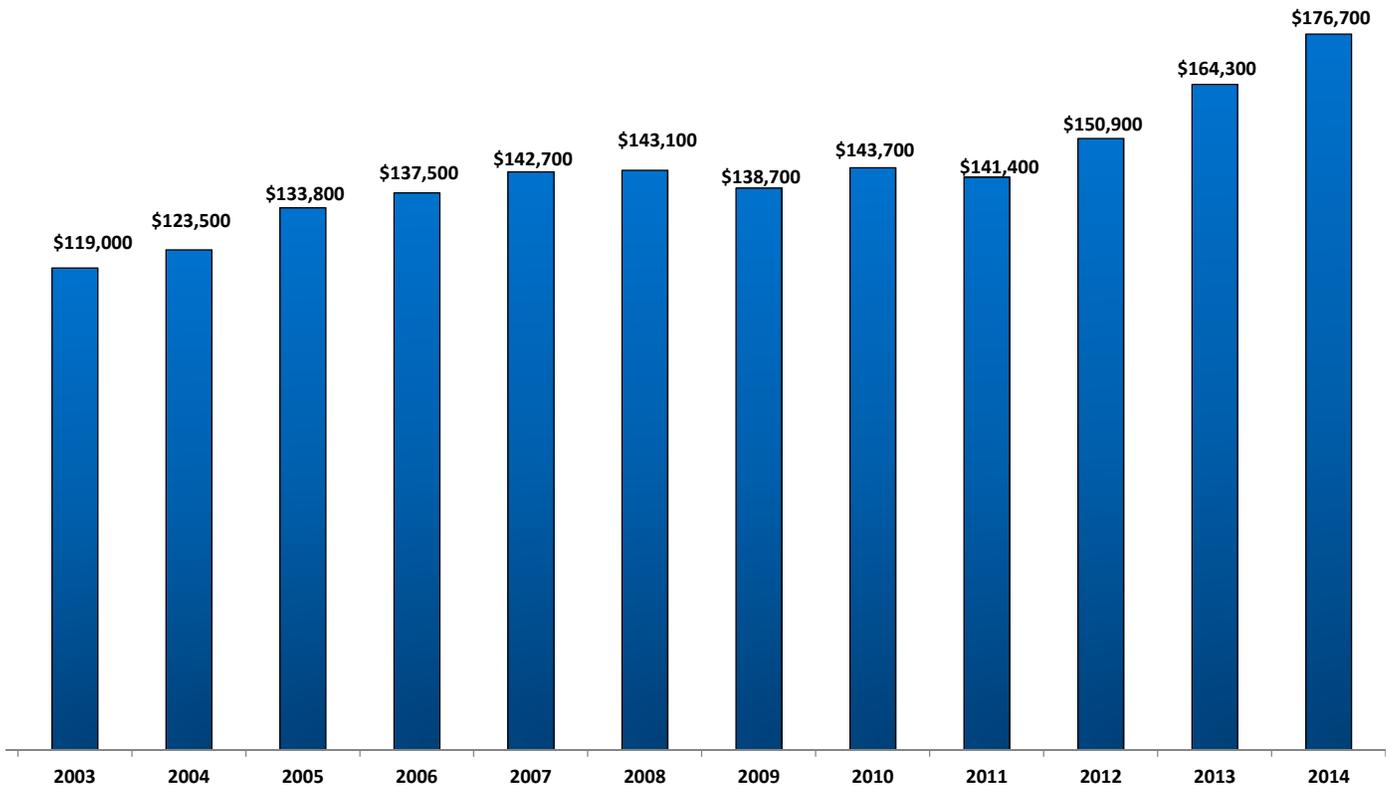
Year	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Average Home Value	\$ 84,700	\$ 82,600	\$ 81,600	\$ 85,000	\$ 89,400	\$ 94,600	\$ 100,200	\$ 105,400	\$ 110,300	\$ 116,100
% Change		(2.48%)	(1.21%)	4.17%	5.18%	5.82%	5.92%	5.19%	4.65%	5.26%



Source: Texas A&M University, Real Estate Center <http://recenter.tamu.edu/data/hs/hs240.asp>

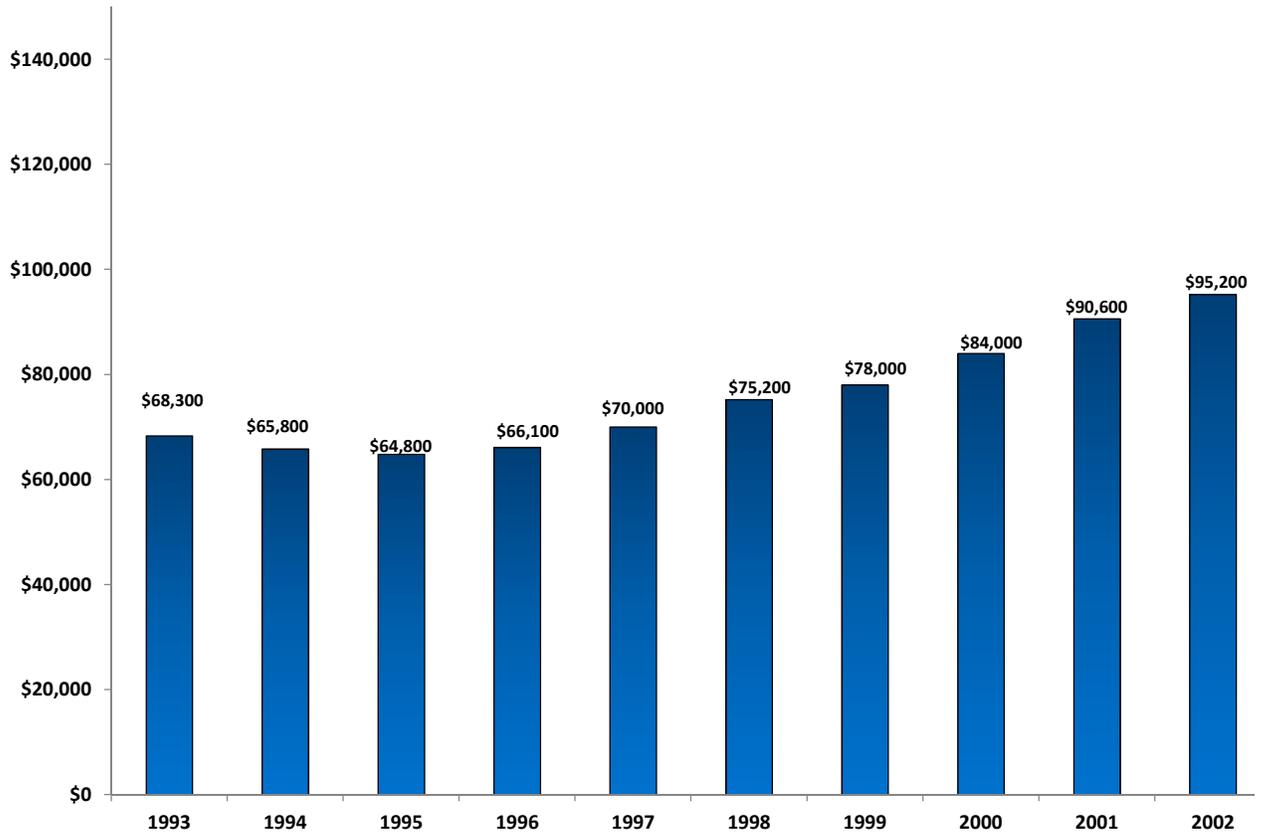
**TABLE 27**

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
\$ 119,000	\$ 123,500	\$ 133,800	\$ 137,500	\$ 142,700	\$ 143,100	\$ 138,700	\$ 143,700	\$ 141,400	\$ 150,900	\$ 164,300	\$ 176,700
2.50%	3.78%	8.34%	2.77%	3.78%	0.28%	(3.07%)	3.60%	(1.60%)	6.72%	8.88%	7.55%



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

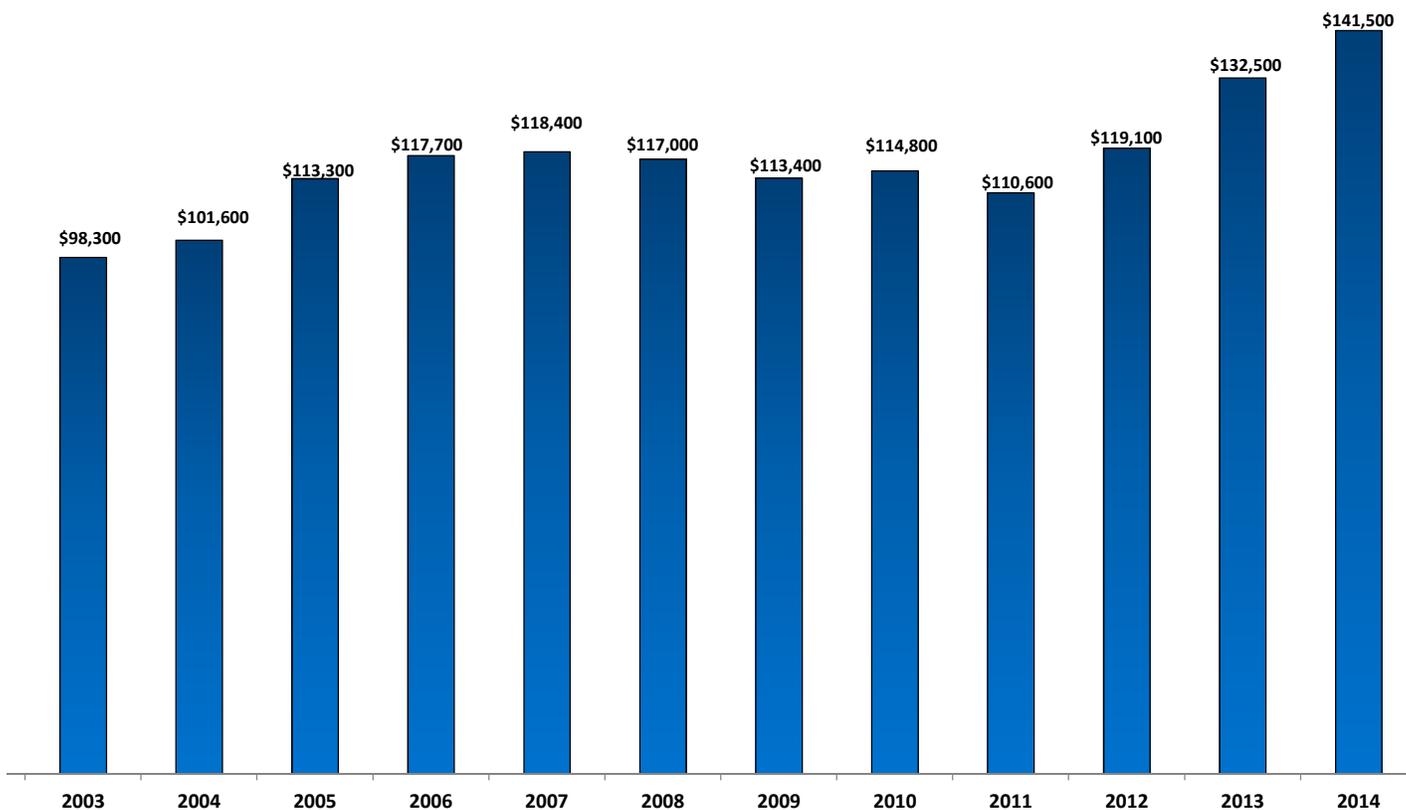
Year	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Median Home Value	\$ 68,300	\$ 65,800	\$ 64,800	\$ 66,100	\$ 70,000	\$ 75,200	\$ 78,000	\$ 84,000	\$ 90,600	\$ 95,200
% Change		(3.66%)	(1.52%)	2.01%	5.90%	7.43%	3.72%	7.69%	7.86%	5.08%



Source: Texas A&M University, Real Estate Center. <http://recenter.tamu.edu/data/hs/hs240.asp>

TABLE 28

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
\$ 98,300	\$ 101,600	\$ 113,300	\$ 117,700	\$ 118,400	\$ 117,000	\$ 113,400	\$ 114,800	\$ 110,600	\$ 119,100	\$ 132,500	\$ 141,500
3.26%	3.36%	11.52%	3.88%	0.59%	(1.18%)	(3.08%)	1.23%	(3.66%)	7.69%	11.25%	6.79%



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

<b>Function/Program</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>General Government</b>						
Mayor and Council <sup>(a)</sup>	25	29	28	28	26	26
City Manager	111	111	106	103	41	52
Budget and Management Services <sup>(b)</sup>	21	19	16	17	9	8
Housing and Community Development <sup>(c)</sup>	47	50	49	50	83	85
Development	89	119	151	136	140	137
Community Relations	24	24	35	29	72	45
Internal Audit	14	16	16	16	14	14
City Secretary	7	8	7	8	11	12
Legal	42	44	46	46	51	52
Finance	63	60	68	67	70	71
Human Resources	162	166	143	101	126	103
Economic and Community Development <sup>(c)</sup>	30	29	35	38	-	-
Transportation and Public Works <sup>(d)</sup>	400	400	443	426	559	550
Planning	21	22	-	-	-	-
Code Compliance <sup>(e)</sup>	110	103	110	116	173	173
Public Events	135	132	135	126	132	127
Municipal Court	167	166	173	174	180	177
Public Health	137	144	149	130	-	-
Environmental Management <sup>(e)</sup>	113	124	123	115	107	113
Parks and Community Services	846	860	714	809	756	705
Zoo (Contract) <sup>(f)</sup>	3	2	-	-	-	-
Library	258	273	283	259	260	275
Retirement <sup>(g)</sup>	7	8	-	-	-	-
<b>Subtotal</b>	<b>2,832</b>	<b>2,909</b>	<b>2,830</b>	<b>2,794</b>	<b>2,810</b>	<b>2,725</b>
<b>Enterprise Fund</b>						
Water/Wastewater	807	805	833	812	880	891
Aviation	34	33	28	27	24	22
<b>Subtotal</b>	<b>841</b>	<b>838</b>	<b>861</b>	<b>839</b>	<b>904</b>	<b>913</b>
<b>Internal Service Fund</b>						
IT Solutions	115	114	123	118	99	90
Equipment Services	116	121	126	120	119	104
Engineering	168	170	161	171	-	-
<b>Subtotal</b>	<b>399</b>	<b>405</b>	<b>410</b>	<b>409</b>	<b>218</b>	<b>194</b>
<b>Public Safety</b>						
Police-Uniform	1,381	1,399	1,470	1,521	1,538	1,524
Police-Civilian	625	653	647	658	675	660
Fire-Uniform	799	828	892	923	891	869
Fire-Civilian	52	45	49	48	57	55
<b>Subtotal</b>	<b>2,857</b>	<b>2,925</b>	<b>3,058</b>	<b>3,150</b>	<b>3,161</b>	<b>3,108</b>
<b>Total</b>	<b>6,929</b>	<b>7,077</b>	<b>7,159</b>	<b>7,192</b>	<b>7,093</b>	<b>6,940</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 and 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 2004-2014

**TABLE 29**

<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
-	-	-	-
90	89	58	53
-	-	-	-
75	57	71	68
135	147	155	146
-	-	-	-
14	16	15	15
10	11	12	11
46	51	53	53
72	90	88	101
104	107	52	51
-	-	-	-
588	564	617	589
-	-	-	-
272	284	289	286
127	123	132	133
191	195	198	191
-	-	-	-
-	-	-	-
727	690	396	392
-	-	-	-
286	271	220	220
-	-	-	-
<u>2,737</u>	<u>2,695</u>	<u>2,356</u>	<u>2,309</u>
892	901	934	940
24	21	24	24
<u>916</u>	<u>922</u>	<u>958</u>	<u>964</u>
100	111	127	133
97	96	106	106
-	-	-	-
<u>197</u>	<u>207</u>	<u>233</u>	<u>239</u>
1,534	1,539	1,594	1,549
647	677	448	445
894	897	908	884
44	60	47	47
<u>3,119</u>	<u>3,173</u>	<u>2,997</u>	<u>2,925</u>
<u>6,969</u>	<u>6,997</u>	<u>6,544</u>	<u>6,437</u>

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

Function/Program	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Public Safety</b>					
<b>Fire</b>					
Calls for Service - Fire	3,825	2,906	2,287	3,486	2,776
Calls for Service - EMS	37,725	37,819	49,892	51,401	52,566
<b>Police</b>					
Calls for Service	310,056	317,446	314,132	312,219	314,942
<b>Municipal Courts</b>					
Citations Entered	382,280	404,393	439,393	447,949	451,938
Warrants Issued	244,714	55,030	177,729	198,000	273,951
Jail Cases Prepared	74,220	44,647	43,124	62,405	73,566
<b>Transportation and Public Works</b>					
Streets - Linear Miles Maintained Annually	6,830	7,000	7,173	7,218	7,291
Lane Miles - Resurfaced	274	219	152	177	208
<b>Library</b>					
Books and audio/visual materials (millions)	2.3	1.1 <sup>(a)</sup>	1.1 <sup>(a)</sup>	1.1 <sup>(a)</sup>	1.1 <sup>(a)</sup>
Average Monthly Circulation	302,096	311,050	320,791	337,768	349,247
<b>Building Permits</b>					
Permits issued (in thousands)	13.8	17.0	12.0	12.0	9.7
Estimated Value (in thousands)	\$ 1,809,740	\$ 2,444,399	\$ 2,216,067	\$ 2,186,348	\$ 1,487,296
<b>Aviation</b>					
Airport Operations (Takeoffs and Landings)	223,873	230,068	257,983	312,799	263,077
Total Fuel Flowage, gallons	N/A	8,156,853	7,917,256	7,674,724	7,099,019
Total Fuel Flowage, revenue	N/A	\$ 716,424	\$ 715,791	\$ 728,683	\$ 632,715
<b>Water &amp; Sewer</b>					
Number of Water Accounts (in thousands)	176	186	212	216	220
Peak Day Water Consumption (million gallons)	304	344	271	335	323
Average Daily Water Consumption (million gallons)	174	208	172	183	178
Water System Storage Capacity (million gallons)	75	75	75	88	92
Actual Annual Water Pumpage (million gallons)	63,593	75,723	62,749	66,914	64,984
Infrastructure Leakage Index <sup>(b)</sup>	N/A	N/A	N/A	N/A	N/A
Number of Sewer Accounts (in thousands)	189	197	204	208	210
Average daily sewage treatment (million gallons)	109	94	122	107	106
<b>Municipal Parking</b>					
Parking tickets issued	55,103	40,287	56,368	61,130	64,061

N/A = Information not available

<sup>(a)</sup> Number does not include approximately 1 million governmental documents.

<sup>(b)</sup> Number based on calendar year per state requirements

Source: Respective City of Fort Worth departments.

**TABLE 30**

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
2,281	12,392	10,111	10,158	10,439
53,837	65,190	58,770	71,511	76,438
312,061	299,750	299,793	266,169	296,561
415,008	327,779	277,672	246,378	232,596
274,833	318,720	219,478	167,764	115,840
81,522	136,312	152,874	141,888	126,739
7,317	7,325	7,341	7,382	7,420
164	177	169	143	110
1.1 <sup>(a)</sup>	1.1	1.1	1.1	1.2
342,697	375,965	369,450	355,877	339,860
10.0	9.8	10.0	10.10	10.84
\$ 1,678,179	\$ 1,352,438	\$ 1,454,917	\$ 1,214,680	\$ 2,143,490
229,845	260,059	248,650	252,989	257,944
6,656,640	7,828,177	7,742,014	8,260,693	7,457,850
\$ 770,510	\$ 910,116	\$ 908,212	\$ 926,437	\$ 893,647
221	223	225	228	234
313	368	346	324	297
170	205	265	186	179
93	93	93	90	89
62,131	74,997	69,469	67,929	65,485
4.52	4.59	4.12	3.67	5.21
212	214	216	219	225
135	105	110	95	95
61,715	52,261	47,211	60,354	44,932

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

<b>Function/Program</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</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	227	231	236	243	249
Parks Acres	10,715	10,762	10,832	10,929	11,094
Miles of Trails (Jogging, Hiking & Biking) (paved trails)	59	60	58	60	63
Swimming Pools	7	7	7	7	7
Athletic Fields (Soccer, Football, Baseball & Rugby)	175	178	184	181	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	106	107	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	10	11
Police Stations Leased	10	10	10	11	10
Fire Stations	40	41	40	40	42
<u>Public Works</u>					
Streets - Linear Miles	6,830	7,000	7,173	7,218	7,291
Traffic Signals	653	696	603 (a)	588 (a)	620
Street Lights	56,592	58,565	60,026	60,950	61,593
<u>Stormwater</u>					
Miles of Channels - Improved	236	281	327	326	333
Miles of Storm Pipes	700	750	680	700	714
<u>Water</u>					
Water Mains (Miles)	2,837	3,177	3,292	3,395	3,449
Fire Hydrants	14,803	16,929	17,040	17,580	17,947
<u>Wastewater</u>					
Miles of Sanitary Sewers	2,804	3,218	3,315	3,380	3,421

(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.

(c) The City also maintains 118 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 31**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
	13	14	14	14	14
	2	2	2	2	2
	253	257	260	260	263
	11,292	11,609	11,663	11,663	11,722
	64	66	66	71	71
	7	7	7	7	2
	181	181	184	188	186
	1	1	1	1	1
	16	16	16	16	16
	82	82	82	87	87
	107	107	107	107	107
	5	5	5	4	4
	21	21	21	21	22
	11	10	12	12	14
	9	8	11	11	10
	42	42	42	42	42
	7,317	7,325	7,341	7,382	7,420
(a)	635 (a)	644 (a)	649 (a)	667 (b)	649 (c)
	62,075	63,007	64,175	64,721	65,489
	327	330	212	212	212
	800	900	930	1,163	943
	3,469	3,480	3,513	3,553	3,596
	18,275	18,388	18,616	18,879	19,136
	3,454	3,527	3,569	3,610	3,643