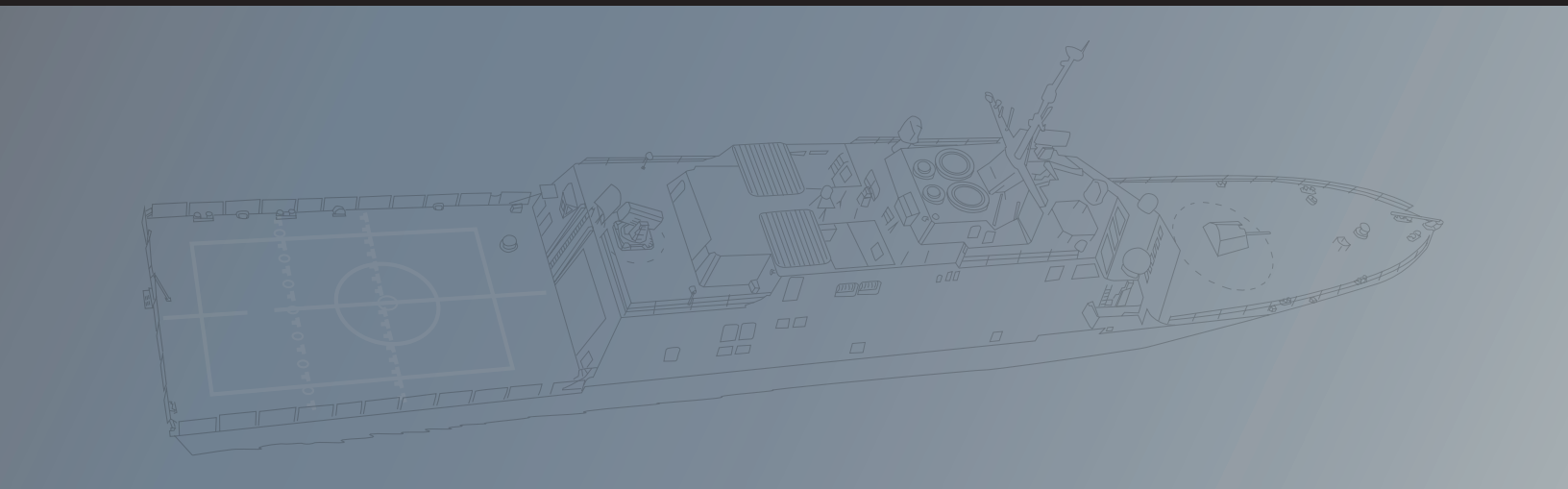
# COMPREHENSIVE ANNUAL FINANCIAL REPORT

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

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# CITY OF FORT WORTH, TEXAS

## COMPREHENSIVE ANNUAL FINANCIAL REPORT
## YEAR ENDED SEPTEMBER 30, 2014
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# 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.

**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

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Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## City of Fort Worth

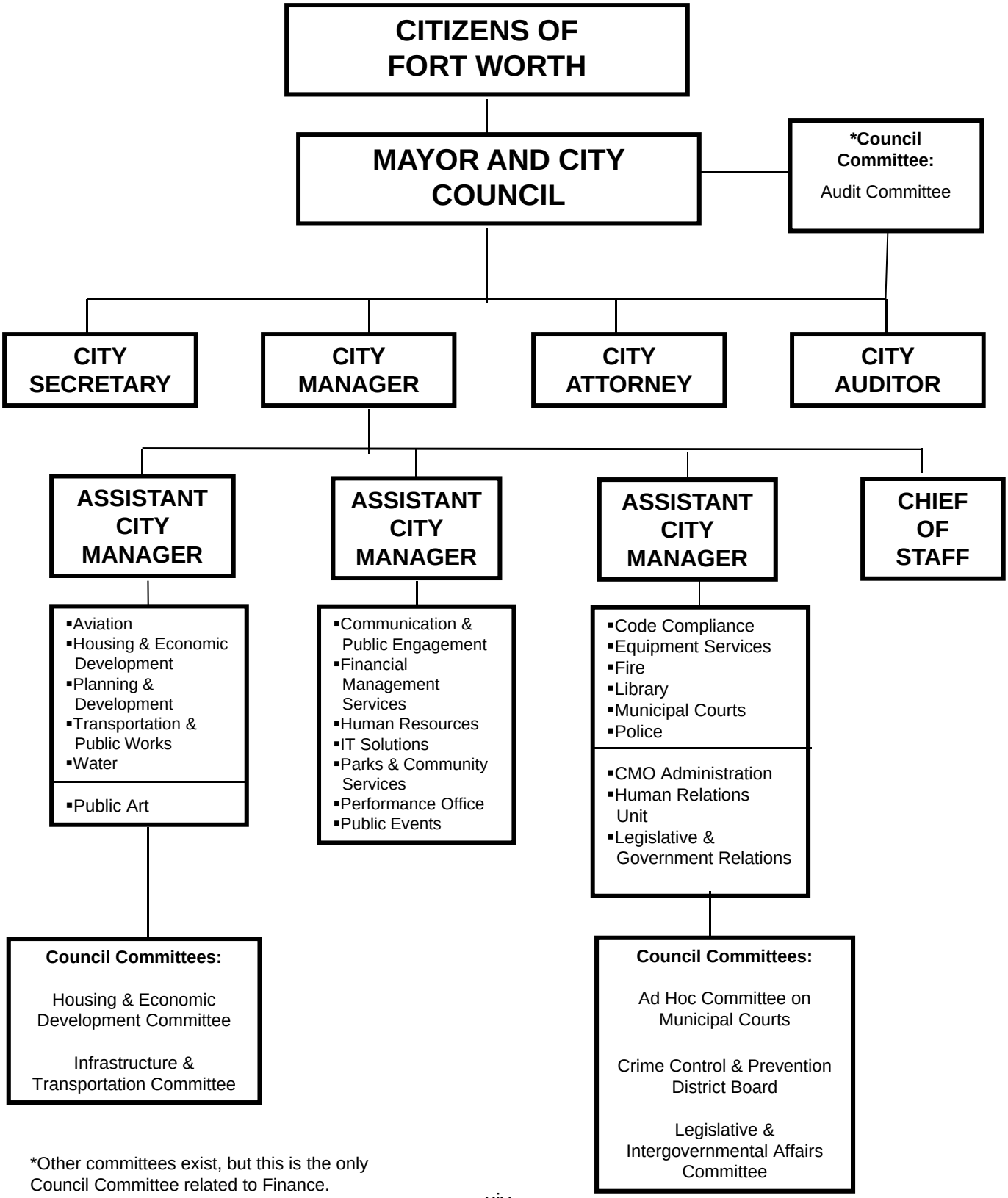
## Texas

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**

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# FINANCIAL SECTION

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## INDEPENENT 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



Member of
Deloitte Touche Tohmatsu

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

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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

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.

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

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 | 1,663,699 | 1,791,941 | 2,694,725 | 2,764,213 | 4,358,424 | 4,556,154 |
| Total assets | 2,599,802 | 2,620,514 | 3,314,071 | 3,463,068 | 5,913,873 | 6,083,582 |
| 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 | 121,081 | 117,168 | 148,784 | 136,240 | 269,865 | 253,408 |
| Total liabilities | 1,635,934 | 1,717,813 | 1,171,996 | 1,252,674 | 2,807,930 | 2,970,487 |
| Deferred inflows | 13,187 | - | 4,569 | 4,088 | 17,756 | 4,088 |
| 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 | (128,038) | (214,634) | 216,989 | 290,454 | 88,951 | 75,820 |
| Total net position | $ 950,681 | $ 914,239 | $2,137,506 | $2,215,767 | $3,088,187 | $3,130,006 |

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.

## Condensed Schedule of Changes in Net Position

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 |
| **Revenues:** | | | | | | |
| 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 |
| *Total revenues* | 820,728 | 890,312 | 525,124 | 530,986 | 1,345,852 | 1,421,298 |
| **Expenses:** | | | | | | |
| 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 |
| *Total expenses* | 864,563 | 923,543 | 404,884 | 424,825 | 1,269,447 | 1,348,368 |
| Excess (Deficiency) of Revenues Over | | | | | | |
| (Under) Expenditures | (43,835) | (33,231) | - 120,240 | 106,161 | 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 | 979,196 | 950,681 | 2,046,548 | 2,137,506 | 3,025,744 | 3,088,187 |
| Net position - End of Year | $ 950,681 | $ 914,239 | $ 2,137,506 | $ 2,215,767 | $ 3,088,187 | $ 3,130,006 |

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 postion 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 reivestment 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.

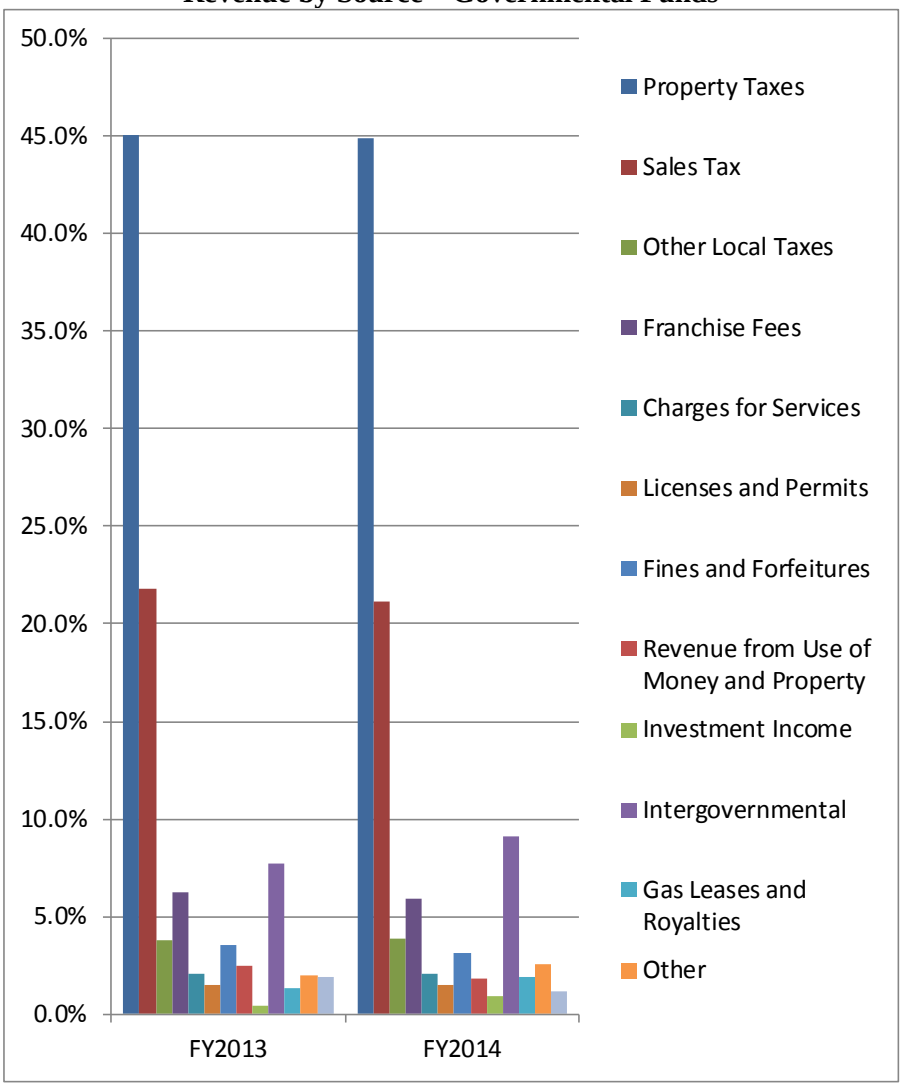
The nonmajor governmental fund balance of $165,797 is 25.7 percent of total governmental fund balance and includes nonspendable fund balance of $2,930, restricted fund balance of $90,328, committed fund balance of $30,240, assigned fund balance of $43,919, and an unassigned deficit of $1,620. The Debt 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

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

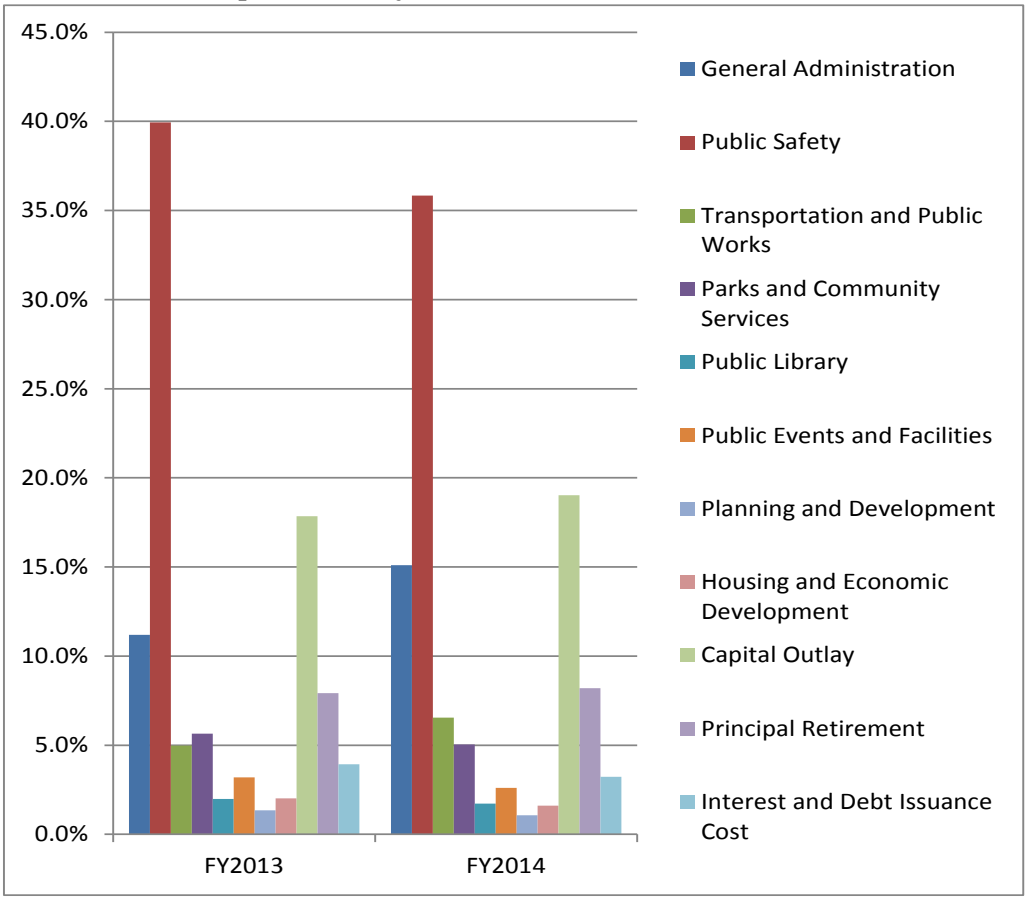
As shown in the following charts for governmental funds for fiscal years 2013 and 2014, property taxes and sales tax were the primary sources of revenue for both years, while public safety and capital outlay were the largest expenditures by function. The General Fund is the primary operating fund of 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

**Revenue by Source – Governmental Funds**



**Expenditures by Function - Governmental Funds**




## 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.

## 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.

### 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 |
| **Total** | $ 1,663,699 | $ 1,791,941 | $ 2,694,725 | $ 2,764,213 | $ 4,358,424 | $ 4,556,154 |

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 PhaseVII | 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 Absenses | 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 |
| Total | $ 1,514,853 | $ 1,600,645 | $ 1,023,212 | $ 1,116,434 | $ 2,538,065 | $ 2,717,079 |

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:

- 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)

| | Primary Government | | |
|---|---|---|---|
| | Governmental Activities | Business-Type Activities | Total |
| **ASSETS AND DEFERRED OUTFLOWS OF RESOURCES** | | | |
| **Assets** | | | |
| 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 |
| Prepaids, 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 | 2,620,514 | 3,463,068 | 6,083,582 |
| **Deferred Outflows of Resources** | 11,538 | 9,461 | 20,999 |
| **Total Assets and Deferred Outflows of Resources** | 2,632,052 | 3,472,529 | 6,104,581 |
| **LIABILITIES, DEFERRED INFLOWS OF RESOURCES** | | | |
| **Liabilities** | | | |
| 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 | 1,717,813 | 1,252,674 | 2,970,487 |
| **Deferred Inflows of Resources** | | | |
| Deferred Inflows of Resources | - | 4,088 | 4,088 |
| **NET POSITION** | | | |
| 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 | $ 914,239 | $ 2,215,767 | $ 3,130,006 |

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)

| | | Program Revenues | | |
|---|---|---|---|---|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| **Function/Program Activities** | | | | |
| **Primary Government:** | | | | |
| 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 | - | - | - |
| Total Governmental Activities | 923,543 | 73,637 | 43,700 | 69,149 |
| 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 | - | - |
| Total Business-Type Activities | 424,825 | 463,377 | - | 42,682 |
| **Total Primary Government** | $ 1,348,368 | $ 537,014 | $ 43,700 | $ 111,831 |

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 | | |
| Governmental Activities | Business-Type Activities | Total |
| $ (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) |
| (737,057) | | (737,057) |
| | $ 65,342 | 65,342 |
| | 3,652 | 3,652 |
| | 1,918 | 1,918 |
| | 433 | 433 |
| | (1,775) | (1,775) |
| | 11,664 | 11,664 |
| | 81,234 | 81,234 |
| (737,057) | 81,234 | (655,823) |
| 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) | - |
| 725,739 | 3,014 | 728,753 |
| (11,318) | 84,248 | 72,930 |
| 925,557 | 2,131,519 | 3,057,076 |
| $ 914,239 | $ 2,215,767 | $ 3,130,006 |

# CITY OF FORT WORTH, TEXAS
# BALANCE SHEET
# GOVERNMENTAL FUNDS
# SEPTEMBER 30, 2014
# (in 000's)

| | General | Debt Service | Capital Projects | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| 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 |
| Prepaids, Deposits, and Other | 129 | - | 752 | 394 | 1,275 |
| Long-Term Loans Receivable | - | - | - | 11,443 | 11,443 |
| Total Assets | $ 118,992 | $ 21,432 | $408,645 | $ 224,359 | $ 773,428 |
| **Liabilities, Deferred Inflows of Resources, and Fund Balances** | | | | | |
| **Liabilities** | | | | | |
| 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 | 28,749 | 409 | 34,600 | 46,923 | 110,681 |
| **Deferred Inflows of Resources** | | | | | |
| Unavailable Revenue | 4,201 | 1,217 | - | 11,639 | 17,057 |
| Total Deferred Inflows of Resources | 4,201 | 1,217 | - | 11,639 | 17,057 |
| **Fund Balances (Deficits):** | | | | | |
| 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 | 86,042 | 19,806 | 374,045 | 165,797 | 645,690 |
| **Total Liabilities, Deferred Inflows of Resources, and Fund Balances** | $ 118,992 | $ 21,432 | $408,645 | $ 224,359 | $ 773,428 |

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 | (1,943,600) | |
| Total capital assets | 1,791,941 | 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 | (958,173) | |
| Total long-term liabilities | (1,578,942) | (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)**

| | General | Debt Service | Capital Projects | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|
| **Revenues:** | | | | | |
| 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 | 518,037 | 80,516 | 51,257 | 217,769 | 867,579 |
| **Expenditures:** | | | | | |
| 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 | 553,598 | 92,837 | 185,341 | 253,740 | 1,085,516 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (35,561) | (12,321) | (134,084) | (35,971) | (217,937) |
| **Other Financing Sources (Uses):** | | | | | |
| 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) | (39,732) | 14,708 | 15,921 | 39,590 | 30,487 |
| 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 | $ 86,042 | $ 19,806 | $ 374,045 | $ 165,797 | $ 645,690 |

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 | 131,045 | 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 | 28,850 | 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 | (39,614) | (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 | | | | Governmental Activities |
|---|---|---|---|---|---|
| | Water and Sewer | Stormwater Utility | Nonmajor Enterprise Funds | Total | Internal Service Funds |
| **ASSETS AND DEFERRED OUTFLOWS OF RESOURCES** | | | | | |
| **Assets** | | | | | |
| Current Assets: | | | | | |
| Cash, Cash Equivalents, & Investments | $ 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 |
| Prepaids, Deposits, and Other | - | | 5 | 5 | - |
| Restricted Assets: | | | | | |
| Cash & Cash Equivalents | 33,462 | 3,977 | 80,451 | 117,890 | - |
| Total Current Assets | 149,042 | 36,531 | 124,470 | 310,043 | 75,353 |
| 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 | 256,714 | 56,859 | 56,848 | 370,421 | 880 |
| 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 | 2,382,996 | 128,776 | 252,441 | 2,764,213 | 4,889 |
| Total Noncurrent Assets | 2,640,251 | 185,635 | 327,295 | 3,153,181 | 5,769 |
| Total Assets | 2,789,293 | 222,166 | 451,765 | 3,463,224 | 81,122 |
| **Deferred Outflows of Resources** | | | | | |
| Deferred Outflows of Resources | 9,461 | - | - | 9,461 | - |
| **Total Assets and Deferred Outflows of Resources** | $ 2,798,754 | $ 222,166 | $ 451,765 | $3,472,685 | $ 81,122 |

(continued)

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

| | Business-type Activities--Enterprise Funds | | | | Governmental Activities |
|---|---|---|---|---|---|
| | Water and Sewer | Stormwater Utility | Nonmajor Enterprise Funds | Total | Internal Service Funds |
| **LIABILITIES AND DEFERRED INFLOWS OF RESOURCES** | | | | | |
| **Liabilities** | | | | | |
| 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 | 113,288 | 9,397 | 91,586 | 214,271 | 24,472 |
| 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 | 835,260 | 139,030 | 65,739 | 1,040,029 | 27,430 |
| Total Liabilities | 948,548 | 148,427 | 157,325 | 1,254,300 | 51,902 |
| **Deferred Inflows of Resources** | | | | | |
| Deferred Service Concession Arrangement | - | - | 4,088 | 4,088 | - |
| Deferred inflows of Resources | - | - | 4,088 | 4,088 | - |
| **NET POSITION** | | | | | |
| 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 | $ 1,850,206 | $ 73,739 | $ 290,352 | $2,214,297 | $ 29,220 |
| Adjustment to Reflect the Consolidation of Internal Service Funds Activities Related to Enterprise Funds | | | | 1,470 | |
| Net Position of Business-Type Activities | | | | $2,215,767 | |

(concluded)

See accompanying notes to the basic financial statements.

FORT WORTH®

# 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 | | | | Governmental Activities |
|---|---|---|---|---|---|
| | Water and Sewer | Stormwater Utility | Nonmajor Enterprise Funds | Total | Internal Service Funds |
| **OPERATING REVENUES** | | | | | |
| 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 | 361,979 | 35,532 | 71,727 | 469,238 | 147,829 |
| **OPERATING EXPENSES** | | | | | |
| 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 | 293,973 | 20,916 | 80,814 | 395,703 | 144,855 |
| Operating Income (Loss) | 68,006 | 14,616 | (9,087) | 73,535 | 2,974 |
| **NONOPERATING REVENUES (EXPENSES)** | | | | | |
| 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) | (17,654) | (1,922) | 8,699 | (10,877) | 463 |
| Income Before Transfers and Contributions | 50,352 | 12,694 | (388) | 62,658 | 3,437 |
| 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 | 49,924 | 9,003 | 24,500 | 83,427 | 63,046 |
| Total Net Position, Beginning of Year, as restated (Note A.16) | 1,800,282 | 64,736 | 265,852 | 2,130,870 | (33,826) |
| Total Net Position, Ending of Year | $ 1,850,206 | $ 73,739 | $ 290,352 | $ 2,214,297 | $ 29,220 |

| | |
|---|---|
| Adjustment to Reflect the Consolidation of Internal Service Funds Activities Related to Enterprise Funds | 821 |
| Change in Net Position of Business-Type Activities | $ 84,248 |

**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 | | | | Governmental Activities |
|---|---|---|---|---|---|
| | Water and Sewer | Stormwater Utility | Nonmajor Enterprise Funds | Total | Internal Service Funds |
| **Cash Flows from Operating Activities:** | | | | | |
| 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 | 138,497 | 18,358 | 2,655 | 159,510 | 6,050 |
| **Cash Flows from Noncapital Financing Activities:** | | | | | |
| 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 | (21,443) | (4,389) | (2,338) | (28,170) | 61,527 |
| **Cash Flows from Capital and Related Financing Activities:** | | | | | |
| 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 | (31,141) | (37,385) | (3,445) | (71,971) | (504) |
| **Cash Flows from Investing Activities:** | | | | | |
| 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 | 4,464 | 752 | 1,397 | 6,613 | 216 |
| **Net Increase (Decrease) in Cash and Cash Equivalents** | 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 | $ 346,936 | $ 89,685 | $ 149,966 | $ 586,587 | $ 74,978 |

(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 | | | | Governmental Activities |
|---|---|---|---|---|---|
| | Water and Sewer | Stormwater Utility | Nonmajor Enterprise Funds | Total | Internal Service Funds |
| **Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:** | | | | | |
| Operating Income (Loss) | $ 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 |
| Prepaids, 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 | 70,491 | 3,742 | 11,742 | 85,975 | 3,076 |
| **Net Cash Provided by Operating Activities** | $ 138,497 | $ 18,358 | $ 2,655 | $ 159,510 | $ 6,050 |
| **The Cash and Cash Equivalents are reported in the Statement of Net Position as follows:** | | | | | |
| 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) | - |
| **Total Cash and Cash Equivalents** | $ 346,936 | $ 89,685 | $ 149,966 | $ 586,587 | $ 74,978 |
| **Noncash Investing, Capital, and Financing Activities:** | | | | | |
| 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)**

| | Pension and Other Employee Benefits Trust Funds |
|---|---|
| **ASSETS** | |
| 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 | 2,341,016 |
| Prepaids | 12 |
| Other Receivables | 8,223 |
| Due from Broker Securities Sold | 58,233 |
| Total Current Assets | 2,409,155 |
| Capital Assets (at Cost): | |
| Land | 405 |
| Buildings | 3,450 |
| Machinery and Equipment | 319 |
| Accumulated Depreciation | (736) |
| Net Capital Assets | 3,438 |
| Total Assets | 2,412,593 |
| **LIABILITIES** | |
| Current Liabilities: | |
| Accrued Payable | 68 |
| Obligations under Securities Lending | 197,914 |
| Due to Broker Securities Purchased | 77,411 |
| Total Current Liabilities | 275,393 |
| **NET POSITION** | |
| 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 | $ 2,137,200 |

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)**

| | Pension and Other Employee Benefits Trust Funds |
|---|---|
| **ADDITIONS** | |
| 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 | 320,323 |
| **DEDUCTIONS** | |
| Benefit Payments | 182,627 |
| Refunds | 5,092 |
| Administrative Expenses | 10,896 |
| Total Deductions | 198,615 |
| **CHANGE IN NET POSITION** | |
| Benefit Pension Plans | 105,060 |
| Postemployment Healthcare Plans | 16,648 |
| Total Change in Net Position | 121,708 |
| **NET POSITION - BEGINNING OF YEAR** | |
| Benefit Pension Plans | 1,976,515 |
| Postemployment Healthcare Plans | 38,977 |
| Total Beginning Net Position | 2,015,492 |
| **NET POSITION - END OF YEAR** | |
| Benefit Pension Plans | 2,081,575 |
| Postemployment Healthcare Plans | 55,625 |
| Total Ending Net Position | $ 2,137,200 |

See accompanying notes to the basic financial statements.

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

## 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

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 Statues, which authorizes the Sports Authority to jointly assist and act on behalf of the City and to engage in activities in furtherance of the purposes for its creation. The Sports Authority is organized for the purpose of aiding, assisting, and acting on

behalf of the City in the performance of its governmental functions to promote the common good and general welfare of the City and in the construction of projects on behalf of the City. The Sports Authority financed the purchase of the Texas Motor Speedway (Speedway) and the infrastructure in and around that property; however, it does not operate the Speedway. Although, it is legally separate from the City, the 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 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. 13th 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.

**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.

**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

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

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.

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 contacts. 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

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.

## 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.

### 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

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.

- 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.

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.

**Fund Balance Categories and Classification**

| Fund Balance | General Fund | Debt Service | Capital Projects | Nonmajor Governmental Funds | Total Fund Balance |
|---|---|---|---|---|---|
| Nonspendable | | | | | |
| 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 |
| Restricted | | | | | |
| 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 |
| Committed | | | | | |
| 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)

| Fund Balance Categories and Classification | | | | | |
|---|---|---|---|---|---|
| **Fund Balance** | **General Fund** | **Debt Service** | **Capital Projects** | **Nonmajor Governmental Funds** | **Total Fund Balance** |
| 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.

## 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.

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 | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Governmental Activities | Business-Type Activities | Nonmajor Governmental Funds | Water and Sewer | Stormwater | Nonmajor Enterprise Funds | Internal Services Funds | Discretely Presented Component Units |
| Net Position/Fund Balance, September 30, 2013 as orginally 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. | $ 925,557 | $ 2,131,519 | $ 162,178 | $ 1,800,282 | $ 64,736 | $ 265,852 | $ (33,826) | $ - |

* 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.

**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.

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.

| Maturity | Cash to 1 year | 1 - 2 years | 2 - 3 years | 3 - 4 years | 4 - 5 years |
|---|---|---|---|---|---|
| **Targeted Portfolio %** | 40.00 | 15.00 | 15.00 | 15.00 | 15.00 |
| **Actual %** | 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.

**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.

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:

| Fixed Income Securities | Less than 1 Year | 1 - 5 Years | 6 - 10 Years | More Than 10 Years | Total |
|---|---|---|---|---|---|
| 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 |
| Total Fixed Income | $ 5,207 | $ 8,535 | $ 716 | $ 1,589 | $ 16,047 |

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

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

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

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

| **Pooled Cash, Cash Equivalents and Investments Managed by the City** | **Fair Value** | **Weighted Average Maturity by Days** | **Moody's Credit Rating** |
|---|---|---|---|
| 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 | | |
| **Cash, Cash Equivalents and Investments Held by Trustees for the City** | | | |
| 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 Reveue- 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 | | |
| **Total Cash, Cash Equivalents and Investments - Governmental and Business-Type Activities** | $ 1,352,629 | | |
| **Cash and Cash Equivalents Managed by the Employees' Retirement Fund** | | | |
| Cash in Bank | $ 242 | N/A | N/A |
| **Investments Managed by the Employees' Retirement Fund** | | | |
| Investments | 2,286,820 | see Note B.5 | |
| **Total Cash, Cash Equivalents and Investments - Employees' Retirement Fund** | 2,287,062 | | |
| **Cash and Cash Equivalents Managed by the Retiree Healthcare Fund** | | | |
| Cash in Bank | 1,429 | N/A | N/A |
| **Investments Managed by the Retiree Healthcare Fund** | | | |
| Investments | 54,196 | see Note B.4 | |
| **Total Cash, Cash Equivalents and Investments - Retiree Healthcare Fund** | 55,625 | | |
| Total Cash, Cash Equivalents, and Investments - Fiduciary Funds | 2,342,687 | | |
| **Total Cash, Cash Equivalents, and Investments - Primary Government** | $ 3,695,316 | | |

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

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

| | | |
|---|---|---|
| **Cash, Cash Equivalents, and Investments, per note** | | |
| Governmental and Business Type Activities | $ | 1,352,629 |
| Employees' Retirement Fund | | 2,287,062 |
| Retiree Healthcare Fund | | 55,625 |
| Total, per note | $ | 3,695,316 |
| **Cash, Cash Equivalents, and Investments, per Basic Financial Statements** | | |
| 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 |
| **Total, per Basic Financial Statements** | $ | 3,695,316 |

## 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:

| Investment Type | Rating | Fair Value |
|---|---|---|
| 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 | | 37,539 |
| 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 | | 16,657 |
| Total Investments | | $ 54,196 |

**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.

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

| Investment Type | S&P Rating | Fair Value |
|---|---|---|
| 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 | | 35,778 |
| 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 | | 95,620 |
| 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 | | 61,744 |

(continued)

| Investment Type | S&P Rating | Fair Value |
|---|---|---|
| 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 | | 62,613 |
| 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 | | 198,173 |
| 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 | | (3,046) |
| Total Investments | | $ 2,286,820 |
| | | (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:

| Investment Type | Less Than 1 Year | 1 - 5 Years | 6 - 10 Years | More Than 10 Years | Total Fair Value |
|---|---|---|---|---|---|
| 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 | 198,173 | - | - | - | 198,173 |
| Total Interest Rate Risk Debt Securities | $ 217,298 | $ 87,562 | $ 51,568 | $ 97,500 | $ 453,928 |

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

risk as it is considered an intrinsic risk associated with the investment strategy. The Plan's exposure to foreign currency risk at September 30, 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 | $ 86,129 | $ 228,399 | $ 314,528 |

## 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

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.

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:

| | Changes in Fair Value | | Fair Value | |
|---|---|---|---|---|
| Derivative Type | Classification | Amount | Amount | Notional |
| Fidiciary 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

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.

## 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:

| Receivables | 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 |
| Total Gross Receivables | 103,923 | 10,242 | 3,283 | 53,298 | 1,577 | 172,323 |
| 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) |
| Total Allowance | (62,758) | (7,636) | (2,082) | (91) | (1,190) | (73,757) |
| Total Receivables, Net | $ 41,165 | $ 2,606 | $ 1,201 | $ 53,207 | $ 387 | $ 98,566 |

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:

| Receivables | 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 |
| Total Gross Receivables | 52,119 | 4,350 | 11,227 | 67,696 |
| Less Allowance for Doubtful Accounts: | | | | |
| Accounts and Other | (1,180) | (645) | (325) | (2,150) |
| Total Allowance | (1,180) | (645) | (325) | (2,150) |
| Total Receivables, Net | $ 50,939 | $ 3,705 | $ 10,902 | $ 65,546 |

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

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

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

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

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

## C.2. INTERFUND RECEIVABLES AND PAYABLES

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

| Receivable Fund | Payable Fund | Total |
|---|---|---|
| General Fund | Nonmajor Enterprise | $ 134 |

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.

## C.3. ADVANCES

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

| Receivable Fund | Payable Fund | Total |
|---|---|---|
| General | Internal Service | 3,104 |
| Nonmajor Enterprise | Stormwater Utility | 1,492 |
| Nonmajor Enterprise | Capital Projects | 5,991 |
| Nonmajor Enterprise | Capital Projects | 10,523 |
| Total: | | $ 21,110 |

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:

| | Transfers In: | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | General Fund | Debt Service | Capital Projects | Nonmajor Gov't | Water and Sewer | Stormwater Utility | Nonmajor Enterprise | Internal Service | Total |
| **Transfers Out:** | | | | | | | | | |
| 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 |
| Total | $ 57,713 | $ 14,497 | $ 38,438 | $ 33,106 | $ 5,157 | $ 96 | $ 9,577 | $ 64,079 | $ 222,663 |

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

Significant transfers included the following:

The General Fund transferred $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.

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.

## 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 |
|---|---|---|---|---|---|
| Debt Service: | | | | | |
| 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 |
| | 28,680 | 1,735 | 1,556 | - | 31,971 |
| Capital Improvements: | | | | | |
| 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 |
| | 241,315 | 59,101 | 130,094 | 10 | 430,520 |
| Customer Deposits: | | | | | |
| Cash and Cash Equivalents | 13,968 | - | 887 | - | 14,855 |
| | 13,968 | - | 887 | - | 14,855 |
| Other Restrictions: | | | | | |
| 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 |
| | 6,213 | - | 4,762 | 870 | 11,845 |
| Total | $ 290,176 | $ 60,836 | $ 137,299 | $ 880 | $ 489,191 |

## NOTE F: CAPITAL ASSETS

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

| | Beginning Balance October 1, 2013 | Additions/ Transfers In | Decreases/ Transfers Out | Ending Balance September 30, 2014 |
|---|---|---|---|---|
| **Total Governmental Activities** | | | | |
| 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 |
| Total Capital Assets, Not Being Depreciated | 467,358 | 219,495 | (99,728) | 587,125 |
| 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 |
| Total Capital Assets, Being Depreciated | 3,044,828 | 117,715 | (14,127) | 3,148,416 |
| 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 |
| Total Accumulated Depreciation | 1,848,487 | 104,498 | (9,385) | 1,943,600 |
| Total Capital Assets, Being Depreciated, Net | 1,196,341 | 13,217 | (4,742) | 1,204,816 |
| **Governmental Activities Capital Assets, Net** | $ 1,663,699 | $ 232,712 | $ (104,470) | $ 1,791,941 |

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

| | Beginning Balance October 1, 2013 | Additions/ Transfers In | Decreases/ Transfers Out | Ending Balance September 30, 2014 |
|---|---|---|---|---|
| **Business-Type Activities** | | | | |
| 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 |
| Total Capital Assets, Not Being Depreciated | 509,709 | 155,237 | (214,734) | 450,212 |
| 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 |
| Total Capital Assets, Being Depreciated | 3,251,184 | 235,838 | (30,798) | 3,456,224 |
| 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 |
| Total Accumulated Depreciation | 1,066,167 | 81,308 | (5,252) | 1,142,223 |
| Total Capital Assets, Being Depreciated, Net | 2,185,017 | 154,530 | (25,546) | 2,314,001 |
| **Business-Type Activities Capital Assets, Net** | $ 2,694,726 | $ 309,767 | $ (240,280) | $ 2,764,213 |

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

| | Depreciation Expense |
|---|---|
| **Governmental Activities** | |
| 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 |
| Total Governmental Depreciation | 104,498 |
| **Major Business-Type Activities** | |
| Water | 67,254 |
| Stormwater Utility | 3,775 |
| **Nonmajor Business-Type Activities** | |
| Municipal Airports | 7,204 |
| Municipal Golf | 492 |
| Municipal Parking | 1,498 |
| Solid Waste | 1,085 |
| Total Business-Type Depreciation | 81,308 |
| **Total Depreciation** | $ 185,806 |

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.

## 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 October 1, 2013, as restated | Increases | Decreases | Balance at September 30, 2014 | Due Within One Year |
|---|---|---|---|---|---|
| **Governmental Activities:** | | | | | |
| 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)

| | Balance at October 1, 2013 | Increases | Decreases | Balance at September 30, 2014 | Due Within One Year |
|---|---|---|---|---|---|
| **Business-Type Activities:** | | | | | |
| 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 | 1,033,895 | 204,324 | 121,785 | 1,116,434 | 77,897 |
| **Total Long-Term Liabilities** | $ 2,612,087 | $ 461,390 | $ 356,398 | $ 2,717,079 | $ 196,149 |

(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.

Governmental Activities long-term debt is summarized as follows:

| | Interest Rate % | Year of Issue | Year of Maturity | Original Amount | Amount Outstanding |
|---|---|---|---|---|---|
| General Obligation Bonds: | | | | | |
| Series 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 | | | | | 408,965 |
| Certificates of Obligation: | | | | | |
| 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 | | | | | 285,545 |
| Convention Center Installment Obligation: | | | | | |
| Series 1997 | 5.0-5.8 | 1997 | 2017 | 10,000 | 2,370 |
| HUD Installment Obligation: | | | | | |
| 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 | | | | | 4,504 |
| Equipment Notes: | | | | | |
| Series 2008 | 2.66 | 2008 | 2015 | 25,000 | 3,925 |
| Series 2011 | 2.24 | 2011 | 2018 | 43,050 | 35,220 |
| Total Equipment Notes | | | | | 39,145 |
| 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 |
| State Energy Conservation Loans: | | | | | |
| 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 | | | | | 2,617 |

(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 |
| Total Governmental Activities Long-Term Debt | | | | | $ 1,600,645 |

(concluded)

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

Business-Type long-term debt is summarized as follows:

| | Interest Rate % | Year of Issue | Year of Maturity | Original Amount | Amount Outstanding |
|---|---|---|---|---|---|
| Water and Sewer: | | | | | |
| Revenue Bonds: | | | | | |
| Series 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 |
| Total Revenue Bonds | | | | | 766,115 |
| Trinity River Authority Obligations: | | | | | |
| Series 2002 | 4.0-5.0 | 2011 | 2022 | 6,795 | 5,500 |
| ESPC Phase V | 3.68 | 2010 | 2018 | 15,365 | 13,355 |
| Total Water and Sewer | | | | | 784,970 |
| Solid Waste: | | | | | |
| Certificate of Obligation, Series 2005A | 4.5 | 2005 | 2025 | 7,400 | 4,785 |

* Texas Water Development Board

(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).

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$^{th}$ $40; November 21$^{st}$ $20; January 13$^{th}$ $695; February 27$^{th}$ $595; and April 16$^{th}$ $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 $2,340. Interest is payable on February 15$^{th}$ and August 15$^{th}$ 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.

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:

| Fund | 2014 Net Pledged Revenues | 2014 Debt Service | Purpose of Debt |
|---|---|---|---|
| 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 |
| Total | $ 161,663 | $ 104,754 | |

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 Enviromental 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.

## 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:

**Governmental Activities:**

| Year Ending September 30, | General Obligations | | Certificates of Obligation | | Convention Center Installment Obligation | | Equipment Notes | |
|---|---|---|---|---|---|---|---|---|
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| 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 | - | - | - | - |
| | $ 408,965 | $ 136,858 | $ 285,545 | $ 100,116 | $ 2,370 | $ 282 | $ 39,145 | $ 2,300 |

(continued)

**Governmental Activities:**

| Year Ending September 30, | HUD Installment Obligations | | State Energy Conservation Loan Phase I & II | | State Energy Conservation Loan Phase III | | State Obligation - City | |
|---|---|---|---|---|---|---|---|---|
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| 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 | - |
| | $ 4,504 | $ 752 | $ 553 | $ 6 | $ 2,064 | $ 172 | $ 7,873 | $ - |

(continued)

**Governmental Activities:**

| Year Ending September 30, | State Obligation - CCPD | | ESPC Phase VII | | Total Governmental Activities | |
|---|---|---|---|---|---|---|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 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 |
| | - | - | | | | |
| | $ 3,058 | $ - | $ 18,064 | $ 2,823 | $ 772,141 | $ 243,309 |

(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:

**Major Business-Type Activities:**

| Year Ending September 30, | Water and Sewer Revenue | | Water and Sewer TRA | | Water and Sewer ESPC V Loan | | Stormwater Utility Revenue | | Total Major Business-Type | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| 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 |
| | $ 766,115 | $ 230,670 | $ 5,500 | $ 647 | $ 13,355 | $ 1,413 | $ 132,755 | $ 67,197 | $ 917,725 | $ 299,927 |

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

| Nonmajor Business-Type Activities: | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Year Ending September 30, | Municipal Parking CO | | Solid Waste CO | | Municipal Golf CO | | Total Nonmajor Business-Type | |
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| 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 |
| | $ 45,530 | $ 28,480 | $ 4,785 | $ 1,087 | $ 2,060 | $ 506 | $ 52,375 | $ 30,073 |

## 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 | | 2,678 |
| Capital Lease Obligations, September 30, 2014 | $ | 1,482 |

Future minimum lease payments for these leases are as follows:

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

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 | $ 1,164 |

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 September 30, | |
|---|---|
| 2015 | $ 1,666 |
| 2016 | 1,406 |
| 2017 | 1,112 |
| 2018 | 602 |
| 2019 | 64 |
| Total Minimum Payments Required | $ 4,850 |

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

$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<br>*Service Center Series 2005, and 2008* | $ 55,400 |
| Water and Sewer System Revenue Bonds<br>*Series 2005* | 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.

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 15th. 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 | $ | 700,952 |
| 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 | $ | (248,758) |

The Cities have executed covenants individually, by ordinance, to levy a maintenance tax if necessary to assure that the Airport will be efficiently operated and maintained. The amount of such tax is limited for each city in its respective ratio to the lesser of 5 cents per one hundred dollars of assessed valuation of the property in each city or the amount of the maintenance tax required. The Airport Board has entered into agreements with air carriers and other parties utilizing the Airport which provide for adjustments to rentals, fees and other charges which

management believes preclude the need for a maintenance tax. To date, no maintenance tax has been levied by the Cities.

Financial statements of the Airport are not included in the City's financial statements because the Airport is not under the sole control of the Fort Worth City Council, but they are available at the City's Financial Management Services Department. Separate audited financial statements, which are publicly available, can be obtained by contacting the Airport at 3200 East Airfield Drive, P.O. Box 619428, DFW Airport, Texas 75261.

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

### Plan Description

The Employees' Retirement 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):

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

**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.

| | |
|---|---|
| **Plan Year:**<br>**Fiscal Year:**<br>**Plan Status:** | January 1 through December 31<br>October 1 through September 30<br>Ongoing |
| **Categories of Employees:**<br>*Group I*<br>*Group II*<br>*Group III*<br>*Group IV*<br>*Firefighters* | <br>Municipal Employees hired prior to July 1, 2011<br>Municipal Employees hired on or after July 1, 2011<br>Police Officers hired prior to January 1, 2013<br>Police Officers hired on or after January 1, 2013<br>All Firefighters, regardless of hire date |
| **Normal Retirement:**<br>*Age and Service Requirements* | <br>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.<br><br>Groups III and IV (Police Officers) are also eligible with 25 years of Credited Service. |
| *Amount* | Groups I and III: 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<br><br>Groups II and IV: 2.50% of the Compensation Base multiplied by years of Credited Service<br><br>Firefighters: 3.00% of the Compensation Base multiplied by total years of Credited Service |
| *Compensation Base* | Firefighters, and Groups I and III for service prior to October 1, 2013: Average of member's highest three calendar years' earnings, including overtime<br><br>Groups II and IV, and Groups I and III for service on or after October |

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

| | |
|---|---|
| | years of Credited Service<br><br>Firefighters: 2.75% of the Compensation Base multiplied by total years of Credited Service |
| *Minimum* | None |
| **Vesting:**<br>*Age Requirement* | None |
| *Service Requirement* | Five years of credited service |
| *Amount* | Normal pension accrued, based on Credited Service at termination |
| *Normal Retirement Age* | Age 65, or age plus years of Credited Service projected to Normal Retirement date equal to 80 points |
| **Termination Benefits:**<br>*Age & Service Requirement* | None |
| *Amount* | 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. |
| **Spouse's Pre-Retirement Death Benefit (death in the line of duty):**<br>*Age & Service Requirement* | None |
| *Amount* | Groups I and III, and Firefighters: 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.<br><br>Groups II and IV: 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. |
| *Minimum* | $250 per month |
| *Child Benefits* | Each dependent child under 18 receives $100 per month; if there is no surviving spouse, the children share equally in the 75% survivor |

| | |
|---|---|
| | amount. |
| **Spouse's Pre-Retirement Death Benefit (death not in the line of duty):**<br>*Age & Service Requirement* | Five years of credited service |
| *Amount* | Groups I and III: 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<br><br>Groups II and IV: 75% of the accrued benefit at death, calculated as 2.25% of the Compensation Base multiplied by years of Credited Service<br><br>Firefighters: 75% of the accrued benefit at death, calculated as 2.75% of the Compensation Base multiplied by total years of Credited Service |
| *Minimum* | $150 per month |
| *Child Benefits* | Each dependent child under 18 receives $100 per month; if there is no surviving spouse, the children share equally in the 75% survivor amount. |
| **Post-Retirement Death Benefit:** | 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.<br><br>For Groups II and IV the retirement benefit is a voluntary benefit and retirement is actuarially reduced to reflect the joint and survivor coverage. |
| **Contributions:**<br>*Member contributions* | 8.25% for Municipal Employees and Firefighters<br>8.73% for Police Officers |
| *City contributions:* | 19.74% for Municipal Employees and Firefighters<br>20.46% for Police Officers |
| **Overtime Contribution Account:** | 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 |

| | |
|---|---|
| | 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. |
| **Cost-of-Living Adjustments (COLA)**<br>*Ad-Hoc COLA Program* | The Ad Hoc COLA is applicable to the following:<br>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<br>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;<br>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;<br>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.<br><br>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:<br><br>Tier — Funding Period — COLA Percentage Increase<br>#2 — 24.1 to 28.0 — 2.0%<br>#3 — 18.1 to 24.0 — 3.0%<br>#4 — 18.0 or less — 4.0%<br><br>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 |

| | |
|---|---|
| | 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. |
| *2.0% Guaranteed COLA* | 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. |
| *None* | Groups II and IV are not eligible for a COLA. |
| **Deferred Retirement Option Program (DROP):** *Eligibility* | Participants eligible for Normal Retirement may elect to enroll in DROP. |
| *Amount* | 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. |
| *DROP Enrollment date* | 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. |
| *Contributions* | 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

- 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.

| Valuation Date | Actuarial Value of Assets (AVA) | Actuarial Accrued Liability (AAL) | Unfunded Actuarial Accrued Liability (UAAL) | Funded Ratio | Annual Covered Payroll | UAAL as % of Payroll |
|---|---|---|---|---|---|---|
| | | | (3)–(2) | (2)/(3) | | (4)/(6) |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| 1/1/2014 | $1,995,113 | $3,124,080 | $1,128,967 | 63.9% | $397,886 | 283.7% |

**Actuarial Methods and Assumptions**

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

| | |
|---|---|
| **Valuation date** | January 1, 2014 |
| **Actuarial cost method** | Entry age normal cost method |
| **Amortization method** | Level percent of covered payroll, open |
| **Remaining amortization period** | 30 years remaining as of January 1, 2014 |
| **Asset valuation method** | 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. |
| **Actuarial assumptions:** | |
| 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:

| | September 30, 2012 | September 30, 2013 | September 30, 2014 |
|---|---|---|---|
| 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 | (4,284) | (3,675) | (3,689) |
| Annual Pension Cost | 69,175 | 80,922 | 81,833 |
| Contributions Made | 77,265 | 77,567 | 77,993 |
| Increase (Decrease) in Net Pension Obligation | (8,090) | 3,355 | 3,840 |
| Net Pension Obligation, Beginning of Year | 67,955 | 59,865 | 63,220 |
| Net Pension Obligation, End of Year | $ 59,865 | $ 63,220 | $ 67,060 |
| Percentage of Annual Pension Cost Contributed | 111.7% | 95.9% | 95.3% |
| Percentage of Annual Required Contribution Contributed | 114.2% | 97.6% | 96.8% |

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):

Funding Policy and Annual OPEB Cost

| | Healthcare | | | Death Benefit | | |
|---|---|---|---|---|---|---|
| Contribution Rates | | | | | | |
| City | 33% - 100% * | | | 100% | | |
| Plan Members | 0% - 67% * | | | N/A | | |
| | **9/30/2012** | **9/30/2013** | **9/30/2014** | **9/30/2012** | **9/30/2013** | **9/30/2014** |
| 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.

**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:

| | Healthcare | Death Benefit |
|---|---|---|
| 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, | N/A |
| | 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.

## 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.

## NOTE M: SEGMENT FINANCIAL INFORMATION

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

| Municipal Parking Fund | |
|---|---|
| **Condensed Schedule of Net Position** | |
| Assets | |
| Current Assets | $ 1,557 |
| Other Assets | 3,010 |
| Capital Assets | 51,185 |
| Total Assets | 55,752 |
| Liabilities | |
| Due to Other Funds | - |
| Other Current Liabilities | 2,355 |
| Advances from Other Funds | - |
| Other Noncurrent Liabilities | 45,304 |
| Total Liabilities | 47,659 |
| Net Position | |
| Net Investment in Capital Assets | 5,599 |
| Restricted | 342 |
| Unrestricted | 2,152 |
| Total Net Position | $ 8,093 |
| **Condensed Schedule of Revenues, Expenses, and Changes in Net Position** | |
| Operating Revenues | $ 7,083 |
| Depreciation Expense | 1,498 |
| Other Operating Expenses | 2,703 |
| Operating Income (Loss) | 2,882 |
| 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) | $ 8,093 |
| **Condensed Schedule of Cash Flows** | |
| 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) | (214) |
| Beginning Cash and Cash Equivalents | 4,616 |
| Ending Cash and Cash Equivalents | $ 4,402 |

## 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.

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 determing 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)

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**CITY OF FORT WORTH, TEXAS**
**REQUIRED SUPPLEMENTARY INFORMATION**
**GENERAL FUND - BUDGETARY COMPARISON SCHEDULE**
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**
**(in 000's)**

| | Budgeted Amounts | | Budgetary Basis | Variance with Final Budget - Positive |
|---|---|---|---|---|
| | Original | Final | Actual | (Negative) |
| **Revenues and Other Financing Sources:** | | | | |
| 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 |
| Total Revenue | 518,186 | 520,117 | 525,928 | 5,811 |
| Other Financing Sources: | | | | |
| Transfers In - Other Funds | 47,011 | 48,630 | 57,615 | 8,985 |
| Intrafund Transfer In - Other General | - | - | 833 | 833 |
| Total Other Financing Sources | 47,011 | 48,630 | 58,448 | 9,818 |
| **Total Revenue and Other Financing Sources** | 565,197 | 568,747 | 584,376 | 15,629 |
| **Expenditures:** | | | | |
| 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 |
| **Total Expenditures** | 573,918 | 600,803 | 588,560 | 12,243 |
| **Source / (Use) of Fund Balance** | $ (8,721) | $ (32,056) | $ (4,184) | $ 27,872 |

(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**

| | |
|---|---|
| **Source / (Use) of Fund Balance (Budgetary Basis)** | $ (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. | (71,109) |
| **Net Change in Fund Balance (GAAP Basis)** | $ (75,293) |

(concluded)

See accompanying notes to the required supplementary information.

## 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 a 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)**

| Valuation Date | Actuarial Value of Assets (AVA) | Actuarial Accrued Liability (AAL) | Unfunded Actuarial Accrued Liability (UAAL) | Funded Ratio | Annual Covered Payroll | UAAL as % of Payroll |
|---|---|---|---|---|---|---|
| | | | (3)–(2) | (2)/(3) | | (4)/(6) |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| 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)**

| Year Ended | Annual Required Contribution | Percentage Contributed | Net Pension Obligation |
|---|---|---|---|
| 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)**

| Valuation Date | Actuarial Assets (AVA) (a) | Actuarial Liability (AAL) (b) | Unfunded Actuarial Accrued Liability (UAAL) (b – a) | Funded Ratio (a / b) | Annual Covered Payroll (c) | UAAL as % of Payroll ((b – a) / c) |
|---|---|---|---|---|---|---|
| Healthcare | | | | | | |
| 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% |
| Death Benefit | | | | | | |
| 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)**

| Year Ended | Annual Required Contribution | Percentage Contributed | Net OPEB Obligation |
|---|---|---|---|
| Healthcare | | | |
| 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 |
| Death Benefit | | | |
| 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.

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# 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 |
| **ASSETS** | | | | | |
| 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 | - |
| Prepaids, Deposits, and Other | 1 | - | - | 6 | - |
| Long-Term Loans Receivable | - | - | - | - | 68 |
| Total Assets | $ 31,188 | $ 8,081 | $ 12,750 | $ 3,143 | $ 4,325 |
| **LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES** | | | | | |
| 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 | 2,459 | 298 | 21 | 3 | 244 |
| Deferred Inflows of Resources | | | | | |
| Unavailable Revenue | - | - | - | - | - |
| Total Deferred Inflows of Resources | - | - | - | - | - |
| 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 | 28,729 | 7,783 | 12,729 | 3,140 | 4,081 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | $ 31,188 | $ 8,081 | $ 12,750 | $ 3,143 | $ 4,325 |

| Special Revenue Funds | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Special Projects | Culture and Tourism | Grants | Other Blended Component Units | Other Special Revenue | The Fort Worth Fund | Public Improvement Districts | Taxing Increment Reinvestment Zones | Total Nonmajor Governmental Funds |
| $ 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 |
| $ 27,566 | $ 15,768 | $ 51,148 | $ 3,471 | $ 6,706 | $ 24,461 | $ 2,274 | $ 33,478 | $ 224,359 |
| | | | | | | | | |
| $ 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 |
| 1,930 | 4,135 | 33,067 | 547 | 3,410 | - | 639 | 170 | 46,923 |
| - | - | 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) |
| 25,636 | 11,633 | 6,442 | 2,924 | 3,296 | 24,461 | 1,635 | 33,308 | 165,797 |
| $ 27,566 | $ 15,768 | $ 51,148 | $ 3,471 | $ 6,706 | $ 24,461 | $ 2,274 | $ 33,478 | $ 224,359 |

# 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 |
| **Revenues:** | | | | | |
| 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 | 62,798 | 4,204 | 1,324 | 972 | 9 |
| **Expenditures:** | | | | | |
| 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 | 47,293 | 4,010 | 975 | 3,458 | 1,953 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 15,505 | 194 | 349 | (2,486) | (1,944) |
| **Other Financing Sources (Uses):** | | | | | |
| 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) | (17,175) | (225) | 20 | 2,668 | 736 |
| Net Change in Fund Balances | (1,670) | (31) | 369 | 182 | (1,208) |
| 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 | $ 28,729 | $ 7,783 | $ 12,729 | $ 3,140 | $ 4,081 |

| Special Revenue Funds | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Special Projects | Culture & Tourism | Grants | Other Blended Component Units | Other Special Revenue | The Fort Worth Fund | Public Improvement Districts | Taxing Increment Reinvestment Zones | Total Nonmajor Governmental Funds |
| $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 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 |
| 10,160 | 40,907 | 51,288 | 2,917 | 10,371 | 5,029 | 5,297 | 22,493 | 217,769 |
| 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 |
| 13,961 | 28,860 | 54,546 | 22,880 | 9,866 | 98 | 4,997 | 60,843 | 253,740 |
| (3,801) | 12,047 | (3,258) | (19,963) | 505 | 4,931 | 300 | (38,350) | (35,971) |
| - | - | - | - | - | - | - | 44,176 | 46,865 |
| - | 733 | - | - | - | - | - | - | 885 |
| 2,146 | - | 9,151 | 19,423 | 1 | - | - | 21 | 33,106 |
| (6,403) | (13,932) | (777) | - | (619) | (107) | - | (247) | (41,266) |
| (4,257) | (13,199) | 8,374 | 19,423 | (618) | (107) | - | 43,950 | 39,590 |
| (8,058) | (1,152) | 5,116 | (540) | (113) | 4,824 | 300 | 5,600 | 3,619 |
| 33,694 | 12,785 | 1,326 | 3,464 | 3,409 | 19,637 | 1,335 | 27,708 | 162,178 |
| $ 25,636 | $ 11,633 | $ 6,442 | $ 2,924 | $ 3,296 | $ 24,461 | $ 1,635 | $ 33,308 | $ 165,797 |

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

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

**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 | | | | | |
|---|---|---|---|---|---|---|
| | **Service Center Relocation, Inc. (James Street)** | **Fort Worth Sports Authority** | **Lone Star Local Government Corporation** | **Central City Local Government Corporation** | **Alliance Airport Authority** | **Total Other Blended Component Units** |
| **Revenues:** | | | | | | |
| 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 |
| **Expenditures:** | | | | | | |
| 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) |
| **Other Financing Sources (Uses):** | | | | | | |
| 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 | | | Variance with Final Budget-- |
|---|---|---|---|---|
| | Original | Final | Actual | Positive (Negative) |
| **Revenues and Other Financing Sources:** | | | | |
| 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 | 59,379 | 59,495 | 62,950 | 3,455 |
| Other Financing Sources: | | | | |
| Transfers in | - | - | 1,234 | 1,234 |
| Total Other Financing Sources | - | - | 1,234 | 1,234 |
| **Total Revenues and Other Financing Sources** | 59,379 | 59,495 | 64,184 | 4,689 |
| **Expenditures:** | | | | |
| Department: | | | | |
| Police | 60,659 | 67,598 | 64,266 | 3,332 |
| Parks and Community Services | 1,661 | 1,661 | 1,588 | 73 |
| **Total Expenditures** | 62,320 | 69,259 | 65,854 | 3,405 |
| **Source / (Use) of Fund Balance** | $ (2,941) | $ (9,764) | $ (1,670) | $ 8,094 |

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

| | Budgeted Amounts | | | Variance with Final Budget-- |
|---|---|---|---|---|
| | Original | Final | Actual | Positive (Negative) |
| **Revenues:** | | | | |
| 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 |
| **Total Revenues** | 35,437 | 36,142 | 41,640 | 5,498 |
| **Expenditures:** | | | | |
| Department: | | | | |
| Public Events and Facilities | 35,437 | 43,755 | 42,792 | 963 |
| **Total Expenditures** | 35,437 | 43,755 | 42,792 | 963 |
| **Source / (Use) of Fund Balance** | $ - | $ (7,613) | $ (1,152) | $ 6,461 |

FORT WORTH®

# 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)**

| | Municipal Airports | Municipal Parking | Municipal Golf | Solid Waste | Total Nonmajor Enterprise Funds |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| 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 |
| Prepaids, Deposits, and Other | - | - | 5 | - | 5 |
| Restricted Assets: | | | | | |
| Cash & Cash Equivalents | 79,201 | 360 | 19 | 871 | 80,451 |
| Total Current Assets | 83,750 | 1,557 | 683 | 38,480 | 124,470 |
| 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 | 46,452 | 3,010 | 1,920 | 5,466 | 56,848 |
| 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 | 179,633 | 51,185 | 4,553 | 17,070 | 252,441 |
| Total Noncurrent Assets | 233,568 | 54,195 | 6,473 | 33,059 | 327,295 |
| Total Assets | 317,318 | 55,752 | 7,156 | 71,539 | 451,765 |

(continued)

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

| | Municipal Airports | Municipal Parking | Municipal Golf | Solid Waste | Total Nonmajor Enterprise Funds |
|---|---|---|---|---|---|
| **LIABILITIES** | | | | | |
| 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 | 79,989 | 2,355 | 624 | 8,618 | 91,586 |
| 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 | 1,687 | 45,304 | 4,763 | 13,985 | 65,739 |
| Total Liabilities | 81,676 | 47,659 | 5,387 | 22,603 | 157,325 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | |
| Deferred Inflows of Resources | - | - | - | 4,088 | 4,088 |
| **NET POSITION (DEFICIT)** | | | | | |
| 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) | $ 235,642 | $ 8,093 | $ 1,769 | $ 44,848 | $ 290,352 |

(concluded)

FORT WORTH®

**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)**

| | Municipal Airports | Municipal Parking | Municipal Golf | Solid Waste | Total Nonmajor Enterprise Funds |
|---|---|---|---|---|---|
| **OPERATING REVENUES** | | | | | |
| Charges for Services | $ 5,074 | $ 7,082 | $ 3,621 | $ 50,338 | $ 66,115 |
| Other | 343 | 1 | 30 | 5,238 | 5,612 |
| Total Operating Revenues | 5,417 | 7,083 | 3,651 | 55,576 | 71,727 |
| **OPERATING EXPENSES** | | | | | |
| 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 | 23,090 | 4,201 | 5,310 | 48,213 | 80,814 |
| Operating Income (Loss) | (17,673) | 2,882 | (1,659) | 7,363 | (9,087) |
| **NONOPERATING REVENUES (EXPENSES)** | | | | | |
| 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) | 10,670 | (2,404) | 397 | 36 | 8,699 |
| 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) | 14,371 | 379 | 8,115 | 1,635 | 24,500 |
| Total Net Position, Beginning of Year, as restated (Note A.16) | 221,271 | 7,714 | (6,346) | 43,213 | 265,852 |
| Total Net Position (Deficit), End of Year | $ 235,642 | $ 8,093 | $ 1,769 | $ 44,848 | $ 290,352 |

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

| | Municipal Airports | Municipal Parking | Municipal Golf | Solid Waste | Total Nonmajor Enterprise Funds |
|---|---|---|---|---|---|
| **Cash Flows from Operating Activities:** | | | | | |
| 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 | (10,171) | 4,545 | (1,002) | 9,283 | 2,655 |
| **Cash Flows from Noncapital Financing Activities:** | | | | | |
| 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 | 2,210 | (99) | 1,315 | (5,764) | (2,338) |
| **Cash Flows from Capital and Related Financing Activities:** | | | | | |
| 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 | 2,370 | (4,698) | (421) | (696) | (3,445) |
| **Cash Flows from Investing Activities:** | | | | | |
| 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 | 697 | 38 | 479 | 183 | 1,397 |
| **Net Decrease in Cash and Cash Equivalents** | (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 | $ 105,273 | $ 4,402 | $ 2,427 | $ 37,864 | $ 149,966 |

(continued)

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

| | Municipal Airports | Municipal Parking | Municipal Golf | Solid Waste | Total Nonmajor Enterprise Funds |
|---|---|---|---|---|---|
| **Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:** | | | | | |
| 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 |
| Prepaids, 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 | $ (10,171) | $ 4,545 | $ (1,002) | $ 9,283 | $ 2,655 |
| **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) |
| **Total Cash and Cash Equivalents** | $ 105,273 | $ 4,402 | $ 2,427 | $ 37,864 | $ 149,966 |
| | | | | | (concluded) |
| **Noncash Investing, Capital, and Financing Activities:** | | | | | |
| Capitalized Interest | $ - | $ 41 | $ - | $ - | $ 41 |
| Amortization of Bond Premium | - | 66 | - | - | 66 |

FORT WORTH®

# 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)

| | Office Services | Equipment Services | Temporary Labor | Information Systems | Capital Project Services |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| 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 | 30 | 753 | - | 7,031 | 2 |
| Noncurrent Assets: | | | | | |
| Restricted Assets: | | | | | |
| Cash and Cash Equivalents | - | - | - | 10 | - |
| Cash Held by Trustee | - | - | - | - | - |
| Total Restricted Assets | | | | 10 | |
| 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 | - | 2,974 | - | 1,530 | 385 |
| Total Noncurrent Assets | - | 2,974 | - | 1,540 | 385 |
| Total Assets | 30 | 3,727 | - | 8,571 | 387 |
| **LIABILITIES** | | | | | |
| 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 | 84 | 1,786 | - | 2,220 | 942 |
| 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 | 241 | 1,887 | - | 379 | 2,318 |
| Total Liabilities | 325 | 3,673 | - | 2,599 | 3,260 |
| **NET POSITION (DEFICIT)** | | | | | |
| Net Investment in Capital Assets | - | 2,974 | - | 1,530 | 385 |
| Restricted | - | - | - | - | - |
| Unrestricted | (295) | (2,920) | - | 4,442 | (3,258) |
| Total Net Position (Deficit) | $ (295) | $ 54 | $ - | $ 5,972 | $ (2,873) |

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

**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)**

| | Office Services | Equipment Services | Temporary Labor | Information Systems | Capital Project Services |
|---|---|---|---|---|---|
| **OPERATING REVENUES** | | | | | |
| Charges for Services | $ 1,667 | $ 26,097 | $ - | $ 25,434 | $ 10,354 |
| Other | - | 40 | - | - | - |
| Total Operating Revenues | 1,667 | 26,137 | - | 25,434 | 10,354 |
| **OPERATING EXPENSES** | | | | | |
| 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 | 1,244 | 26,828 | - | 26,335 | 11,894 |
| Operating Income (Loss) | 423 | (691) | - | (901) | (1,540) |
| **NONOPERATING REVENUES (EXPENSES)** | | | | | |
| Investment Income (Loss) | (4) | (2) | - | 52 | (1) |
| Gain (Loss) on Sale of Equipment | - | 15 | - | 1 | 20 |
| Total Nonoperating Revenues (Expenses) | (4) | 13 | - | 53 | 19 |
| Income (Loss) Before Transfers and Contributions | 419 | (678) | - | (848) | (1,521) |
| Transfers In | - | - | - | 6 | - |
| Transfers Out | - | - | (584) | (5) | (131) |
| Change in Net Position (Deficit) | 419 | (678) | (584) | (847) | (1,652) |
| 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 | $ (295) | $ 54 | $ - | $ 5,972 | $ (2,873) |

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

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

| | Office Services | Equipment Services | Temporary Labor | Information Systems | Capital Project Services |
|---|---|---|---|---|---|
| **Cash Flows from Operating Activities:** | | | | | |
| 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 | 520 | (765) | (37) | 148 | (1,518) |
| **Cash Flows from Noncapital Financing Activities:** | | | | | |
| 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 | (515) | 989 | (584) | 1 | 1,313 |
| **Cash Flows from Capital and Related Financing Activities:** | | | | | |
| 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 | - | (221) | - | (220) | (64) |
| **Cash Flows from Investing Activities:** | | | | | |
| Investment Income Received | (5) | (2) | 2 | 41 | 2 |
| Net Cash Provided by Investing Activities | (5) | (2) | 2 | 41 | 2 |
| **Net Increase (Decrease) in Cash and Cash Equivalents** | - | 1 | (619) | (30) | (267) |
| Cash and Cash Equivalents, Beginning of Year | - | 1 | 619 | 6,800 | 269 |
| Cash and Cash Equivalents, End of Year | $ - | $ 2 | $ - | $ 6,770 | $ 2 |
| **Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:** | | | | | |
| 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) | - |
| Prepaids, Deposits and Other | - | - | - | 661 | - |
| Accounts Payable | (32) | (267) | (6) | 133 | (149) |
| Accrued Payroll | - | 10 | (31) | (98) | (22) |
| Total Adjustments | 97 | (74) | (37) | 1,049 | 22 |
| Net Cash Provided by (Used for) Operating Activities | $ 520 | $ (765) | $ (37) | $ 148 | $ (1,518) |
| **The Cash and Cash Equivalents are reported in the Statement of Net Position as follows:** | | | | | |
| Current - Cash, Cash Equivalents, & Investments | $ - | $ 2 | $ - | $ 6,760 | $ 2 |
| Noncurrent Restricted - | | | | | |
| Cash & Cash Equivalents | - | - | - | 10 | - |
| Cash Held by Trustees | - | - | - | - | - |
| **Total Cash and Cash Equivalents** | $ - | $ 2 | $ - | $ 6,770 | $ 2 |

| Risk Management | Workers Comp Insurance | Group Health Insurance | Unemployment Compensation | Total |
|---|---|---|---|---|
| $ - | $ 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) |
| (4,682) | (10,342) | (58,219) | (261) | (73,504) |
| (4,378) | 1,514 | 10,345 | 221 | 6,050 |
| 19,718 | 5,655 | 37,970 | 730 | 64,079 |
| - | - | - | - | 1,918 |
| (3,000) | (500) | - | (250) | (4,470) |
| 16,718 | 5,155 | 37,970 | 480 | 61,527 |
| 1 | - | - | - | 37 |
| - | - | - | - | (541) |
| 1 | - | - | - | (504) |
| 69 | 25 | 80 | 4 | 216 |
| 69 | 25 | 80 | 4 | 216 |
| 12,410 | 6,694 | 48,395 | 705 | 67,289 |
| - | - | - | - | 7,689 |
| $ 12,410 | $ 6,694 | $ 48,395 | $ 705 | $ 74,978 |
| $ (4,502) | $ 1,964 | $ 8,000 | $ 221 | $ 2,974 |
| - | - | - | - | 930 |
| - | - | - | - | (148) |
| - | - | - | - | 76 |
| - | - | - | - | 661 |
| 175 | 329 | 2,303 | - | 2,486 |
| (51) | (779) | 42 | - | (929) |
| 124 | (450) | 2,345 | - | 3,076 |
| $ (4,378) | $ 1,514 | $ 10,345 | $ 221 | $ 6,050 |
| $ 12,410 | $ 5,824 | $ 48,395 | $ 705 | $ 74,098 |
| - | - | - | - | 10 |
| - | 870 | - | - | 870 |
| $ 12,410 | $ 6,694 | $ 48,395 | $ 705 | $ 74,978 |

FORT WORTH®

# 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)**

| | Employees' Retirement Pension Trust Fund | Retiree Healthcare Trust Fund | Total |
|---|---|---|---|
| **ASSETS** | | | |
| 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 | 2,286,820 | 54,196 | 2,341,016 |
| Prepaid Expenses | 12 | - | 12 |
| Other Receivables | 8,223 | - | 8,223 |
| Due from Broker Securities Sold | 58,233 | - | 58,233 |
| Total Current Assets | 2,353,530 | 55,625 | 2,409,155 |
| Capital Assets (at Cost): | | | |
| Land | 405 | - | 405 |
| Buildings | 3,450 | - | 3,450 |
| Machinery and Equipment | 319 | - | 319 |
| Accumulated Depreciation | (736) | - | (736) |
| Net Capital Assets | 3,438 | - | 3,438 |
| Total Assets | 2,356,968 | 55,625 | 2,412,593 |
| **LIABILITIES** | | | |
| 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 | 275,393 | - | 275,393 |
| **NET POSITION** | | | |
| 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 | $ 2,081,575 | $ 55,625 | $ 2,137,200 |

**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)**

| | Employees' Retirement Pension Trust Fund | Retiree Healthcare Trust Fund | Total |
|---|---|---|---|
| **ADDITIONS** | | | |
| 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 | 270,089 | 50,234 | 320,323 |
| **DEDUCTIONS** | | | |
| Benefit Payments | 156,067 | 26,560 | 182,627 |
| Refunds | 5,092 | - | 5,092 |
| Administrative Expenses | 3,870 | 7,026 | 10,896 |
| Total Deductions | 165,029 | 33,586 | 198,615 |
| 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 | $ 2,081,575 | $ 55,625 | $ 2,137,200 |

FORT WORTH®

# 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.

| | | Tables |
|---|---|---|
| **Financial Trends** | These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. | 1-4 |
| **Revenue Capacity** | These schedules present information to help the reader assess the City's most significant local revenue source, the property tax. | 5-12 |
| **Debt Capacity** | These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. | 13-18 |
| **Demographic & Economic Information** | These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. | 19-28 |
| **Operating information** | These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. | 29-31 |

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

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

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|
| 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 |
| Total Governmental Activities Net Position | $ 779,016 | $ 969,329 | $ 1,029,600 | $ 1,030,899 | $ 1,014,989 | $ 1,001,011 |
| 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 |
| Total Business-type Activities Net Position | $ 1,321,296 | $ 1,491,907 | $ 1,635,992 | $ 1,754,278 | $ 1,833,887 | $ 1,925,234 |
| 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 |
| Total Primary Government Net Position | $ 2,100,312 | $ 2,461,236 | $ 2,665,592 | $ 2,785,177 | $ 2,848,876 | $ 2,926,245 |

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

## TABLE 1

| 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|
| $ 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 |
| - | - | - | - |
| (32,846) | (53,101) | (128,038) | (214,634) |
| $ 1,000,941 | $ 979,196 | $ 950,681 | $ 914,239 |
| $ 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 |
| 327,535 | 261,406 | 216,989 | 290,454 |
| $ 1,986,876 | $ 2,046,548 | $ 2,137,506 | $ 2,215,767 |
| $ 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 |
| - | - | - | - |
| 294,689 | 208,305 | 88,951 | 75,820 |
| $ 2,987,817 | $ 3,025,744 | $ 3,088,187 | $ 3,130,006 |

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

| | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|
| **Expenses** | | | | |
| 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 | 552,111 | 618,656 | 691,565 | 776,750 |
| 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 | 227,465 | 292,228 | 282,675 | 313,017 |
| Total Primary Government Expenses | $ 779,576 | $ 910,884 | $ 974,240 | $ 1,089,767 |
| **Program Revenues** | | | | |
| 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 | 209,989 | 199,625 | 201,444 | 165,984 |
| 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 | 369,356 | 464,660 | 412,572 | 416,518 |
| Total Primary Government Program Revenues | $ 579,345 | $ 664,285 | $ 614,016 | $ 582,502 |

**TABLE 2**

| 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|
| $ 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 |
| 786,447 | 796,131 | 848,028 | 848,960 | 864,563 | 923,543 |
| 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 |
| 339,536 | 351,082 | 376,742 | 402,879 | 404,884 | 424,825 |
| $ 1,125,983 | $ 1,147,213 | $ 1,224,770 | $ 1,251,839 | $ 1,269,447 | $ 1,348,368 |
| $ 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 |
| 145,612 | 158,645 | 184,630 | 171,291 | 174,886 | 186,486 |
| 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 |
| 437,217 | 424,012 | 461,902 | 470,936 | 488,858 | 506,059 |
| $ 582,829 | $ 582,657 | $ 646,532 | $ 642,227 | $ 663,744 | $ 692,545 |

(continued)

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

| | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|
| **Net (Expense) Revenue** | | | | |
| 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 | $ (246,599) | $ (360,224) | $ (507,265) | $ (543,154) |
| | | | | |
| **General Revenues and Other Changes in Net Position** | | | | |
| 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 | 437,008 | 497,836 | 550,392 | 612,065 |
| | | | | |
| 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 | (8,837) | (1,821) | 14,188 | 14,785 |
| Total Primary Government | $ 428,171 | $ 496,015 | $ 564,580 | $ 626,850 |
| | | | | |
| **Change in Net Position** | | | | |
| Governmental Activities | $ 17,977 | $ 7,715 | $ (60,374) | $ (28,770) |
| Business-type Activities | 163,595 | 128,076 | 117,689 | 112,466 |
| Total Primary Government | $ 181,572 | $ 135,791 | $ 57,315 | $ 83,696 |
| **Implementation of New Accounting Standard and Change in Accounting** | $ - | $ - | $ - | $ - |

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

**TABLE 2**

| 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|
| $ (637,486) | $ (637,486) | $ (663,398) | $ (677,669) | $ (689,677) | $ (737,057) |
| 72,930 | 72,930 | 85,160 | 68,057 | 83,974 | 81,234 |
| $ (564,556) | $ (564,556) | $ (578,238) | $ (609,612) | $ (605,703) | $ (655,823) |
| | | | | | |
| $ 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 |
| 624,925 | 623,508 | 663,328 | 655,924 | 675,124 | 725,739 |
| | | | | | |
| 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 |
| $ 616,078 | $ 641,925 | $ 639,810 | $ 647,539 | $ 682,108 | $ 728,753 |
| | | | | | |
| $ (12,561) | $ (13,978) | $ (70) | $ (21,745) | $ (14,553) | $ (11,318) |
| 64,083 | 91,347 | 61,642 | 59,672 | 90,958 | 84,248 |
| $ 51,522 | $ 77,369 | $ 61,572 | $ 37,927 | $ 76,405 | $ 72,930 |
| | | | | | |
| $ (9,225) | $ - | $ - | $ - | $ (13,962) | $ (31,111) |

(concluded)

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

| | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|---|---|---|---|---|
| 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 | 99,713 | 103,861 | 102,026 | 122,655 | 143,541 |
| 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 | 174,049 | 156,959 | 312,491 | 307,059 | 520,710 |
| Total all Governmental Funds | $ 273,762 | $ 260,820 | $ 414,517 | $ 429,714 | $ 664,251 |

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

| 2010 | 2011* | 2012 | 2013 | 2014 |
|---|---|---|---|---|
| $ 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 |
| 162,893 | 163,607 | 168,425 | 161,335 | 86,042 |
| | | | | |
| 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) |
| 490,951 | 510,564 | 639,922 | 642,762 | 559,648 |
| | | | | |
| $ 653,844 | $ 674,171 | $ 808,347 | $ 804,097 | $ 645,690 |

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

| | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|---|---|---|---|---|
| **REVENUES:** | | | | | |
| 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 | 559,640 | 618,612 | 678,204 | 704,752 | 723,244 |
| **EXPENDITURES:** | | | | | |
| 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 | 647,400 | 658,727 | 750,433 | 735,298 | 785,770 |
| Excess (deficiency) of revenues over expenditures | (87,760) | (40,115) | (72,229) | (30,546) | (62,526) |
| **OTHER FINANCING SOURCES (USES):** | | | | | |
| 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) | 118,805 | 27,173 | 225,926 | 45,743 | 297,063 |
| Net Change in Fund Balances | $ 31,045 | $ (12,942) | $ 153,697 | $ 15,197 | $ 234,537 |
| 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

| 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|
| $ 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 |
| 747,020 | 770,187 | 762,180 | 793,963 | 867,579 |
| | | | | |
| 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 |
| 811,530 | 860,923 | 846,311 | 955,184 | 1,085,516 |
| | | | | |
| (64,510) | (90,736) | (84,131) | (161,221) | (217,937) |
| | | | | |
| 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) |
| 54,103 | 111,063 | 218,307 | 156,971 | 30,487 |
| $ (10,407) | $ 20,327 | $ 134,176 | $ (4,250) | $ (187,450) |
| | | | | |
| 11.10% | 10.80% | 11.38% | 14.41% | 14.16% |

**CITY OF FORT WORTH, TEXAS** **TABLE 5**
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE**
**OF TAXABLE PROPERTY**
**LAST TEN FISCAL YEARS (Unaudited)**
**(in 000's)**

| Fiscal Year | Net Assessed Valuation [a] | | | Total Direct Tax Rate [d] |
|---|---|---|---|---|
| | Real [b] | Personal [c] | Total Taxable | |
| 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** **TABLE 6**

**PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING TAX RATES**
**(PER $100 OF ASSESSED VALUE)**
**LAST TEN FISCAL YEARS (Unaudited)**

| | City Direct Rates[b] | | | Overlapping Rates [b] | | | |
|---|---|---|---|---|---|---|---|
| Fiscal Year Ended Sept. 30 | Operating General Rates | General Obligation Debt Service | Total Direct | Fort Worth ISD [b] | Tarrant County District [a] | 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).

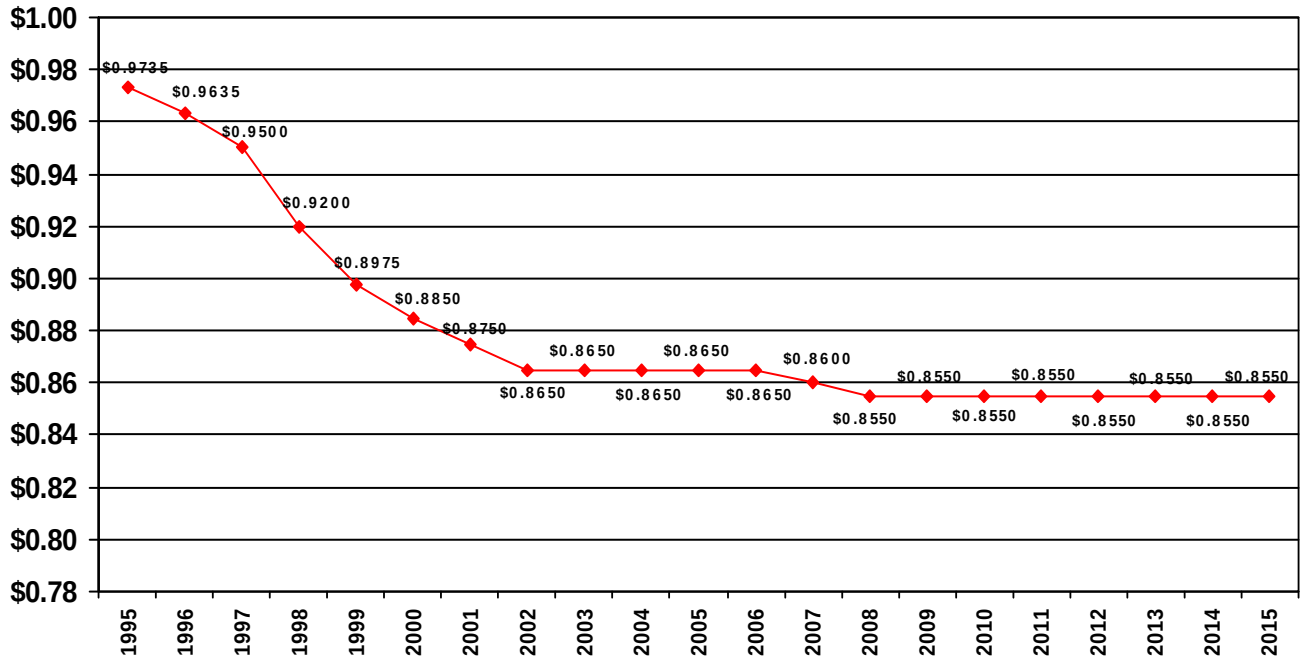
(b) Source - Tarrant County Appraisal District.

**CITY OF FORT WORTH, TEXAS** **TABLE 7**
**PROPERTY TAX LEVIES AND COLLECTIONS**
**LAST TEN FISCAL YEARS (Unaudited)**
**(in 000's)**

| Fiscal Year | Taxes Levied for the Fiscal Year | Collection Within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|---|---|---|---|---|---|---|
| | | Current tax collections | Percentage of Levy | | Total Tax Collections | Percentage of Levy |
| 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** **TABLE 8**
**PROPERTY TAX RATE TREND**
**LAST TWENTY FISCAL YEARS (Unaudited)**

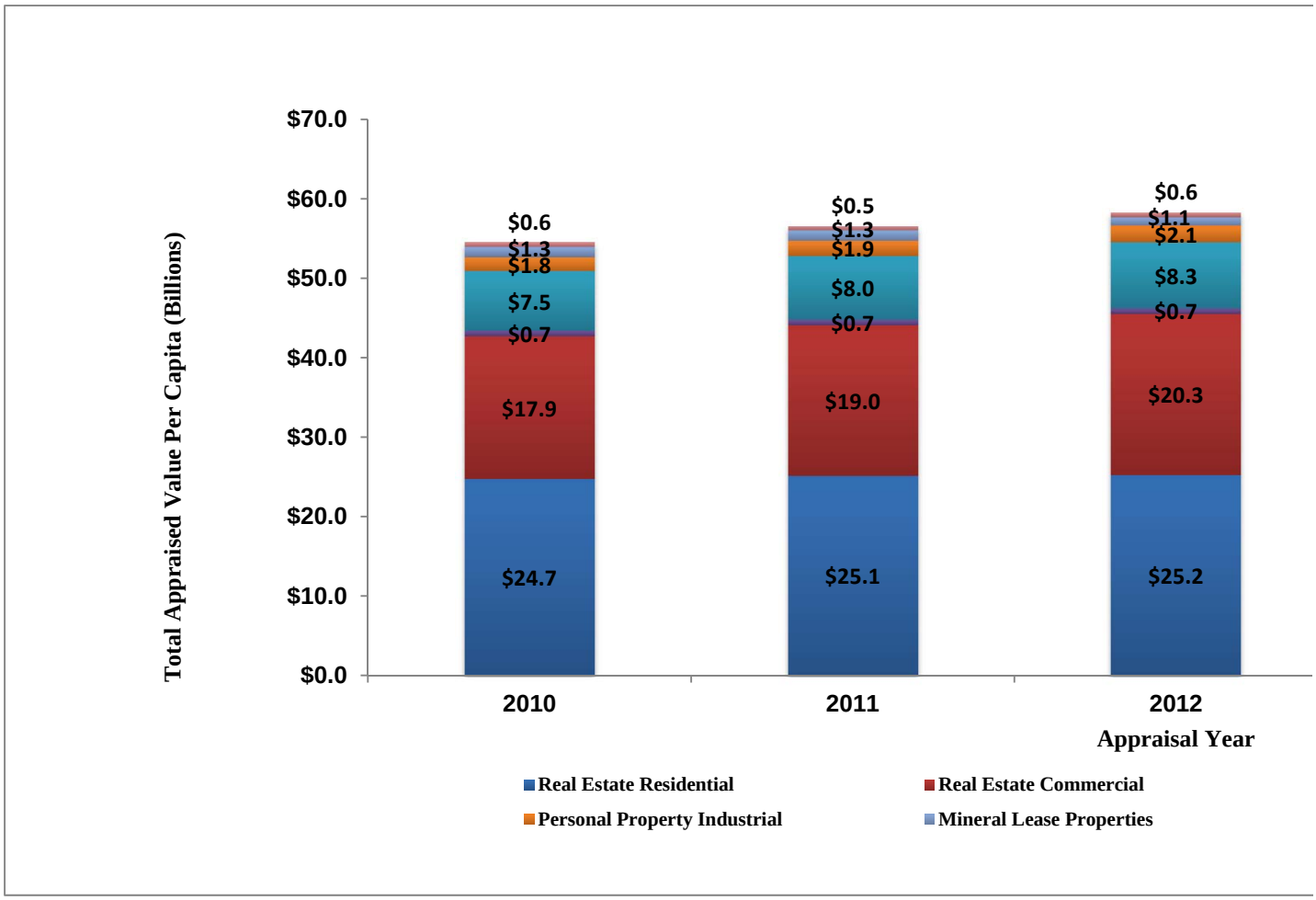



Source: Budget and Research Division, FMS, City of Fort Worth

Tax rate per $100 of Assessed Value

# CITY OF FORT WORTH, TEXAS
# APPRAISED VALUES BY TYPE
# (Inflation Adjusted)

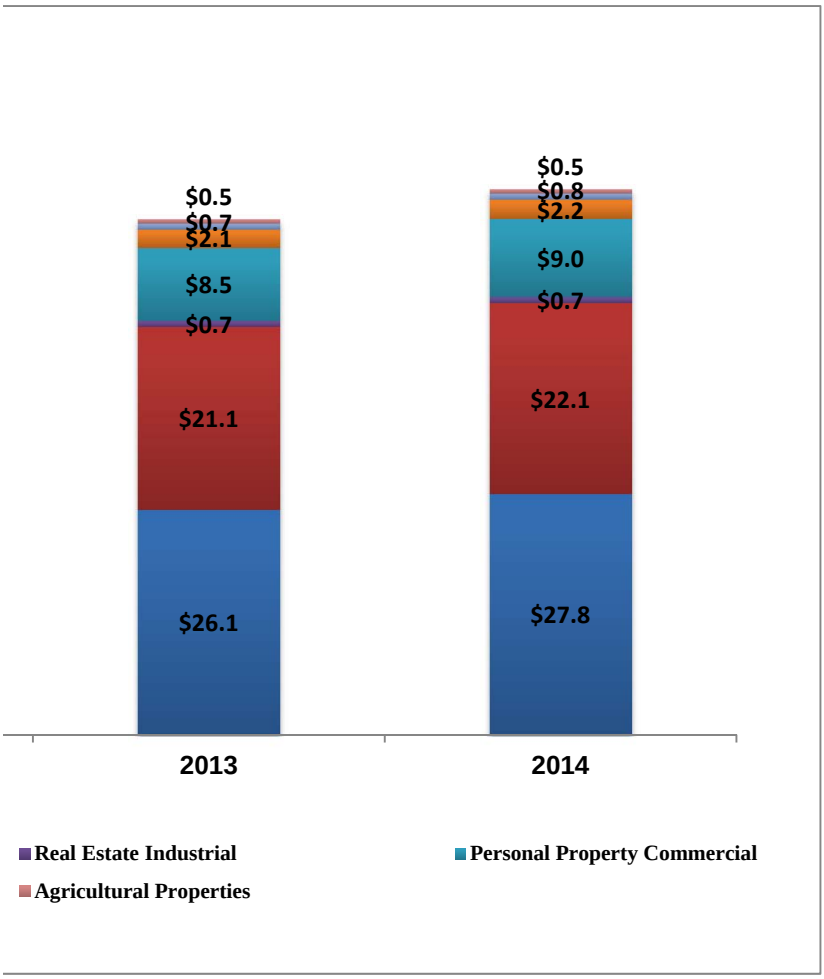
| Appraisal Year | 2010 | 2011 | 2012 |
|---|---|---|---|
| **TAD Value By Type** | | | |
| Real Estate Residential | $24,715,049,451 | $25,105,043,170 | $25,200,933,865 |
| Real Estate Commercial | 17,940,317,601 | 18,969,306,102 | 20,331,035,444 |
| Real Estate Industrial | 702,720,996 | 690,832,781 | 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 |
| **Total TAD Value** | **$54,481,788,456** | **$56,591,109,854** | **$58,256,992,879** |
| **Total CFW Value** | **$55,981,893,897** | **$58,048,593,856** | **$59,832,365,308** |
| **% of CFW Value** | **97.3%** | **97.5%** | **97.4%** |




Source: Tarrant Appraisal District Certified Tax Report

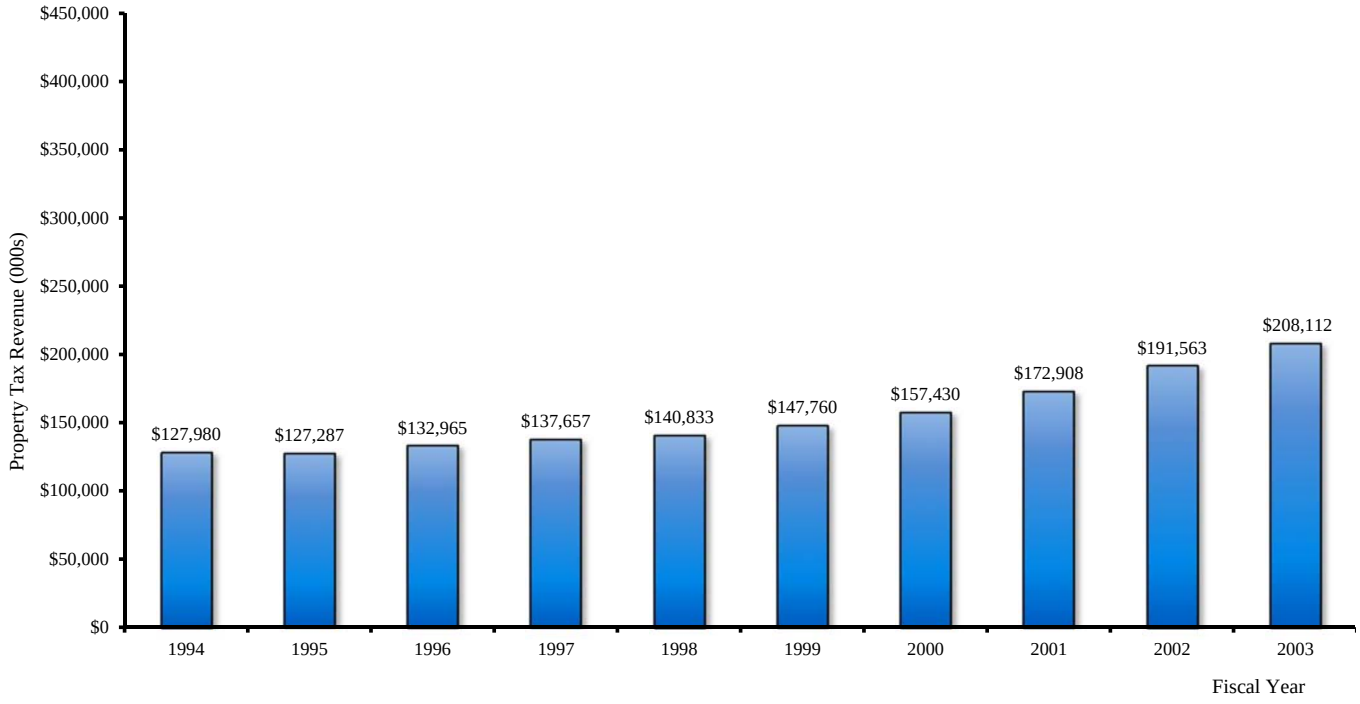
# TABLE 9

| 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 |
| **$59,695,811,766** | **$63,143,867,511** |
| | |
| **$61,219,914,707** | **$64,934,531,075** |
| **97.5%** | **97.2%** |



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

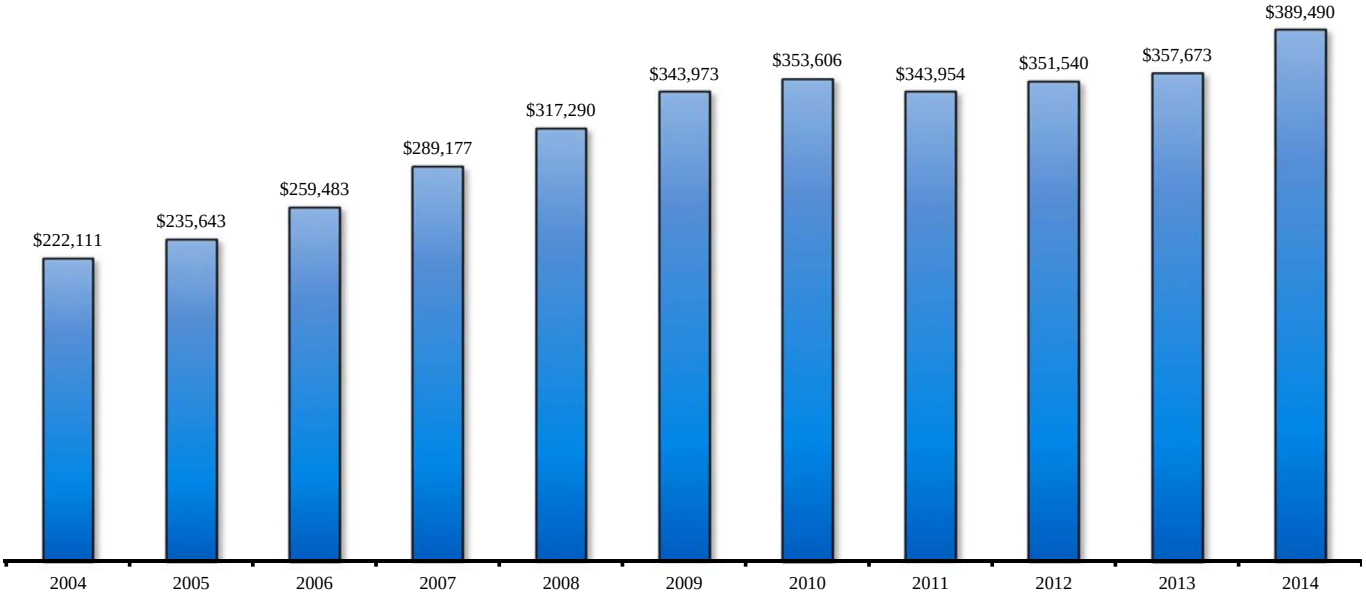
| Fiscal Year | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 |
|---|---|---|---|---|---|---|---|---|---|---|
| Value (000s) | $127,980 | $127,287 | $132,965 | $137,657 | $140,833 | $147,760 | $157,430 | $172,908 | $191,563 | $208,112 |
| Percent Change | | (0.54%) | 4.46% | 3.53%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




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

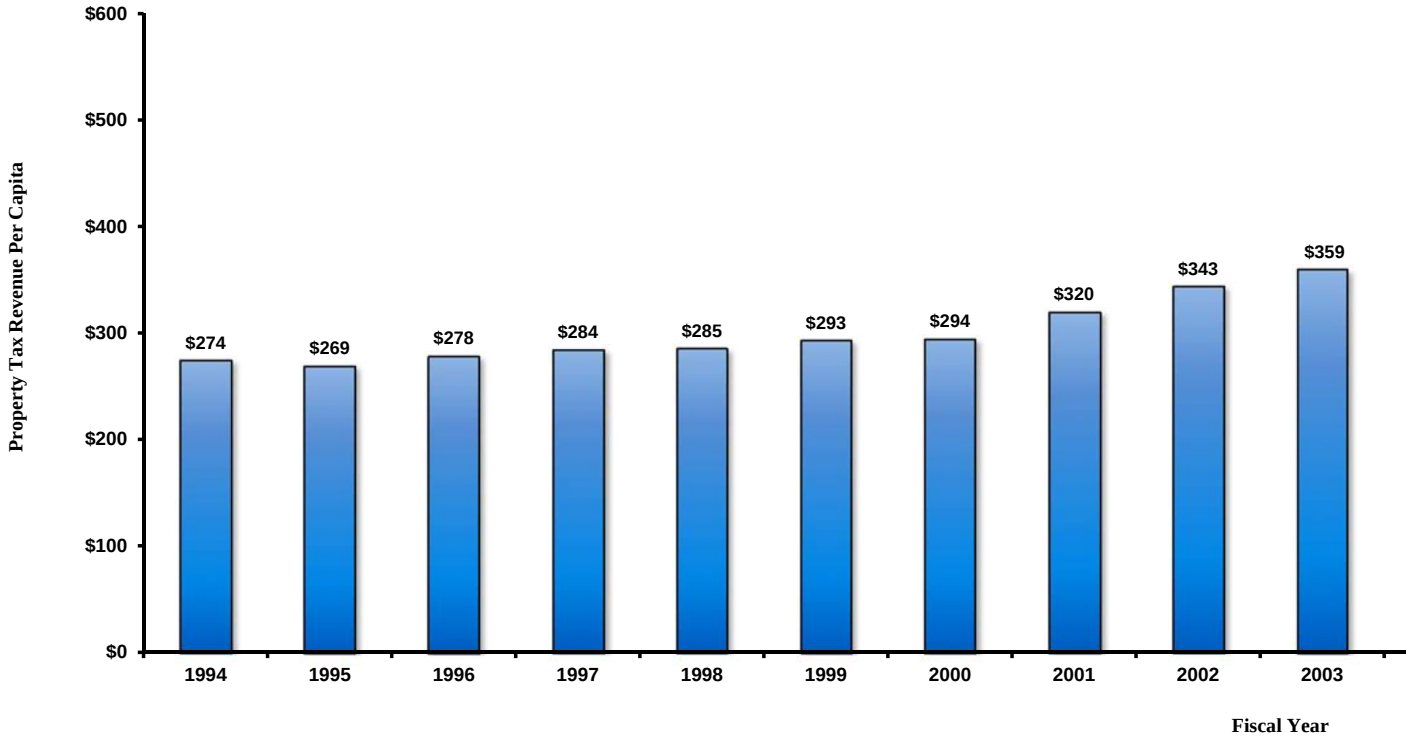
**TABLE 10**

| 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)**

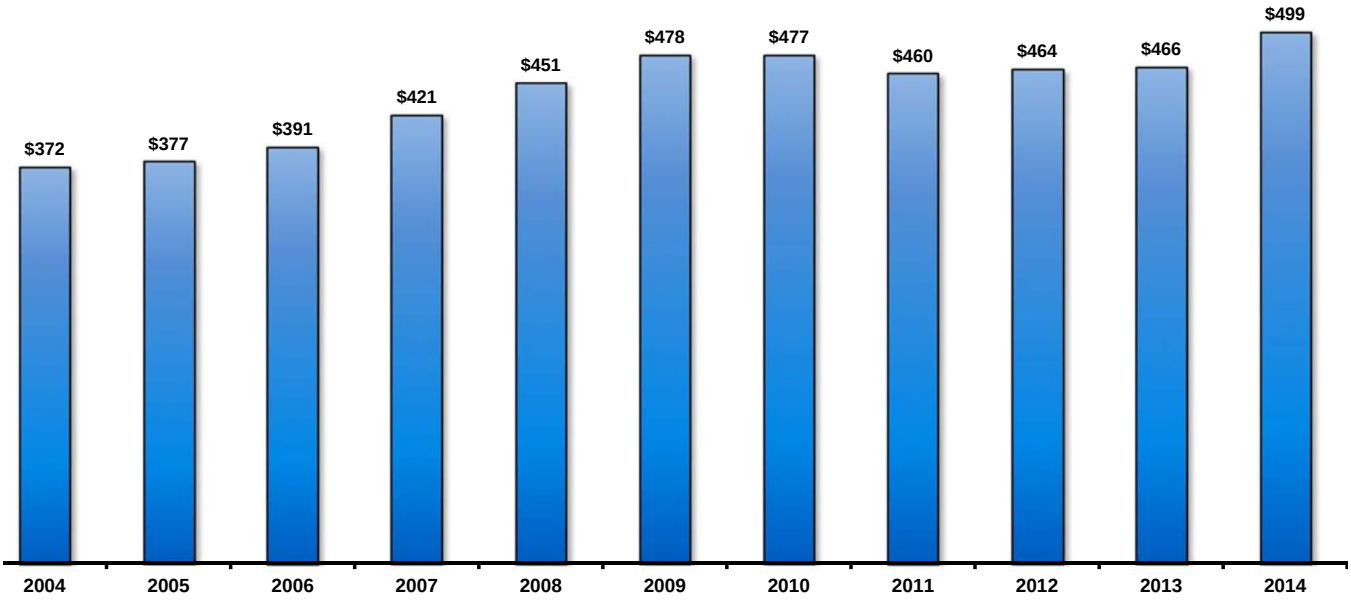
| Fiscal Year | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 |
|---|---|---|---|---|---|---|---|---|---|---|
| Value (000s) | $127,980 | $127,287 | $132,965 | $137,657 | $140,833 | $147,760 | $157,430 | $172,908 | $191,563 | $208,112 |
| Population | 467,100 | 473,600 | 477,850 | 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** **TABLE 12**

**PRINCIPAL PROPERTY TAXPAYERS**

**CURRENT YEAR AND NINE YEARS AGO (Unaudited)**

**(in 000's)**

| | | 2014[a] | | | 2005[b] | | |
|---|---|---|---|---|---|---|---|
| **Name of Taxpayer** | **Nature of Property** | **2013 Taxable Assessed Valuation** | **Rank** | **Percentage of Total Taxable Assessed Valuation** | **2004 Taxable Assessed Valuation** | **Rank** | **Percentage of Total Taxable Assessed Valuation** |
| 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% |
| | | $ 1,967,928 | | 4.64% | $ 1,685,431 | | 6.27% |

(a) Source: Tarrant Appraisal District Supplemental Certification Report

(b) Source: Comprehensive Annual Financial Report for the respective year

FORT WORTH®

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

| | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|---|---|---|---|---|
| **Governmental:** | | | | | |
| 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) | - | - | - | - | - |
| **Business-type:** | | | | | |
| 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 | $ 1,105,782 | $ 1,068,782 | $ 1,287,765 | $ 1,294,030 | $ 1,487,867 |
| | | | | | |
| 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**

| 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|
| $ 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 |
| $ 1,521,409 | $ 1,678,092 | $ 1,820,044 | $ 1,842,137 | $ 1,974,252 |
| | | | | |
| $ 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** **TABLE 14**

**PERCENT OF TOTAL GENERAL DEBT OUTSTANDING TO ASSESSED VALUE AND TOTAL GENERAL DEBT OUTSTANDING PER CAPITA**

**LAST TEN FISCAL YEARS (Unaudited)**

**(in 000's)**

| | General Bonded Debt Outstanding | | | | | | |
|---|---|---|---|---|---|---|---|
| Fiscal Year | General Obligation Bonds [a] | Certificates of Obligation [a] | Total | Assessed Value [b] | Percent Outstanding General Debt to Assessed Value | Estimated Population [c] | Outstanding General Debt Per Capita |
| 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.

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## CITY OF FORT WORTH, TEXAS
## LEGAL DEBT MARGIN INFORMATION
## SEPTEMBER 30, 2014 (Unaudited)
## (in Millions)

| | 2005* | 2006* | 2007* | 2008* | 2009* |
|---|---|---|---|---|---|
| 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)

| | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|---|---|---|---|---|
| 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 | $ 0.865 | $ 0.865 | $ 0.860 | $ 0.855 | $ 0.855 |

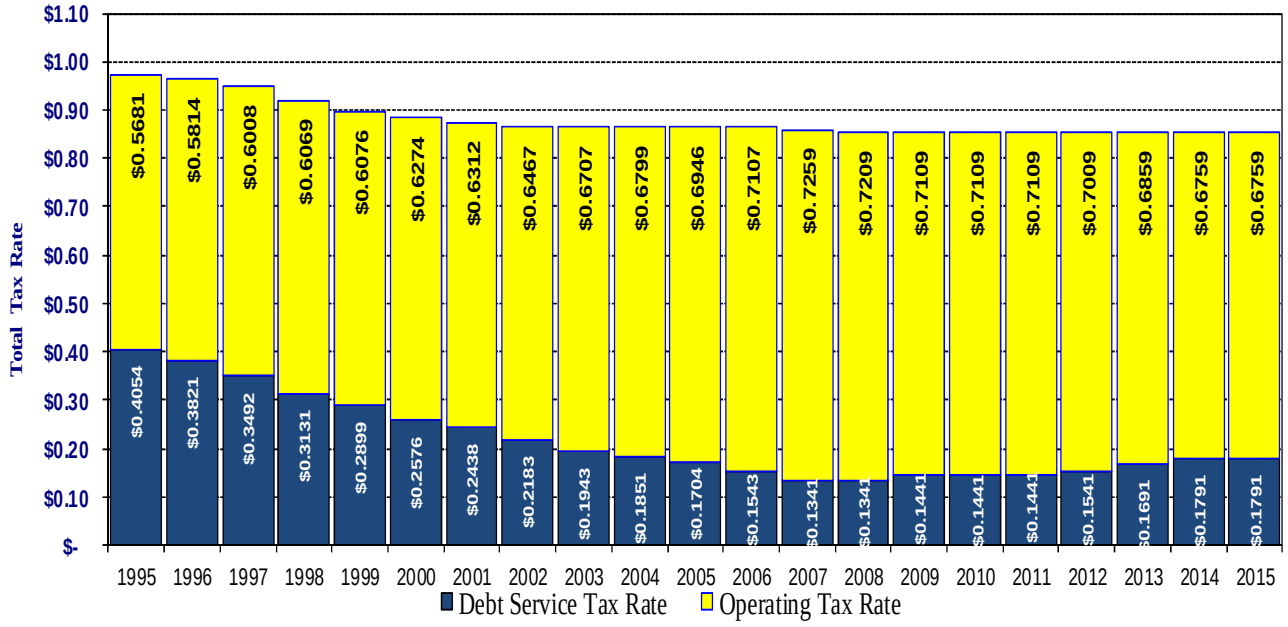
Source: Tarrant Appraisal District

**TABLE 15**

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

| 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|
| $ 0.711 | $ 0.711 | $ 0.701 | $ 0.686 | $ 0.676 |
| 0.144 | 0.144 | 0.154 | 0.169 | 0.179 |
| $ 0.855 | $ 0.855 | $ 0.855 | $ 0.855 | $ 0.855 |

**CITY OF FORT WORTH, TEXAS** **TABLE 16**
**TAX RATE ALLOCATION**
**LAST TWENTY FISCAL YEARS (Unaudited)**




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

**CITY OF FORT WORTH, TEXAS** **TABLE 17**
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**
**YEAR ENDED SEPTEMBER 30, 2014**
**(in 000's)**
**(Unaudited)**

| Governmental Unit | Debt Outstanding | Estimated Percentage Applicable [b] | Estimated Share of Overlapping Debt |
|---|---|---|---|
| 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-Euless-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 | | | 2,286,004 |
| City of Fort Worth Net Direct Debt | 952,199 | 100.00 % | 952,199 |
| Total direct and overlapping debt | | | $ 3,238,203 |

[a] 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 intruments of the governmental activities, which currently includes General Obligation Bonds, Certificates of Obligation, Notes, Loans, and Capital Leases.
[b] The estimated percentage is based on a formula using assessed values of property.

Source: Municipal Advisory Council of Texas

**CITY OF FORT WORTH, TEXAS** **TABLE 18**

**PLEDGED-REVENUE COVERAGE**

**LAST TEN FISCAL YEARS (Unaudited)**

**(in 000's)**

| | Revenues | | | Debt Service Requirements | | | |
|---|---|---|---|---|---|---|---|
| Fiscal Year | Total Revenues [a] | Less: Operating Expense [b] | Net Revenue | Principal | Interest | Annual Requirement | Bond Coverage [c] |
| **Water and Sewer [d]** | | | | | | | |
| 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 |
| **Municipal Parking [e]** | | | | | | | |
| 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 |
| **Solid Waste [f]** | | | | | | | |
| 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 |
| **Stormwater [g]** | | | | | | | |
| 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 |

[a] Exclusive of other expenses and contributions, gas lease revenue, and includes interest income.

[b] Exclusive of depreciation charges.

[c] Bond Coverage is computed by dividing Net Revenue by Annual Requirements.

[d] Secured by revenues of the City's Water and Sewer System.

[e] Secured by revenues of the City's Will Rogers Memorial Center Parking Facilities.

[f] Secured by revenues of the City's Solid Waste Services Program.

[g] Secured by revenue collected to maintain the stormwater system.

**CITY OF FORT WORTH, TEXAS** **TABLE 19**
**DEMOGRAPHIC AND ECONOMIC STATISTICS**
**LAST TEN FISCAL YEARS (Unaudited)**

| Fiscal Year | Population [a] | Personal Income | Per Capita Personal Income | Median Age | Unemployment [b] | Unemployment Rate [b] |
|---|---|---|---|---|---|---|
| 2005 | 624,850 | $ 11,834,034,150 | $ 18,939 [c] | 31.2 [c] | 16,065 | 5.4% |
| 2006 | 664,100 | 12,577,389,900 | 18,939 [c] | 31.2 [c] | 15,061 | 4.9% |
| 2007 | 686,850 | 13,008,252,150 | 18,939 [c] | 31.2 [c] | 14,485 | 4.6% |
| 2008 | 702,850 | 13,311,276,150 | 18,939 [c] | 31.2 [c] | 17,154 | 5.3% |
| 2009 | 720,250 | 13,640,814,750 | 18,939 [c] | 31.2 [c] | 26,982 | 8.1% |
| 2010 | 741,206 | 18,414,521,864 | 24,844 [d] | 31.1 [d] | 28,044 | 8.3% |
| 2011 | 748,450 | 18,594,491,800 | 24,844 [d] | 31.1 [d] | 29,813 | 8.7% |
| 2012 | 757,810 | 18,827,031,640 | 24,844 [d] | 31.1 [d] | 22,632 | 6.4% |
| 2013 | 767,560 | 17,998,514,440 | 23,449 [e] | 31.9 [e] | 22,566 | 6.1% |
| 2014 | 781,100 | 19,128,357,900 | 24,489 [f] | 31.5 [f] | 18,699 | 5.0% |

(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** **TABLE 20**
**PRINCIPAL EMPLOYERS**
**FORT WORTH METROPOLITAN AREA**
**CURRENT YEAR AND NINE YEARS AGO (Unaudited)**
**(in 000's)**

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

[a] Source: Fort Worth Chamber of Commerce
[b] Source: Lockheed Martin Tactical Aircraft Systems
[c] Source: Fort Worth ISD Profile
[d] Source: City of Fort Worth Human Resources Department
[e] Source: JPS Health Network
[f] Estimated total employment of 344,972 for 2013 per U.S. Bureau of Labor Statistics
[g] Source: City of Fort Worth, Texas CAFR For the Fiscal Year Ended September 30, 2005.
[h] Total employment in the year 2005 equals 504,441 per North Central Texas Council of Governments

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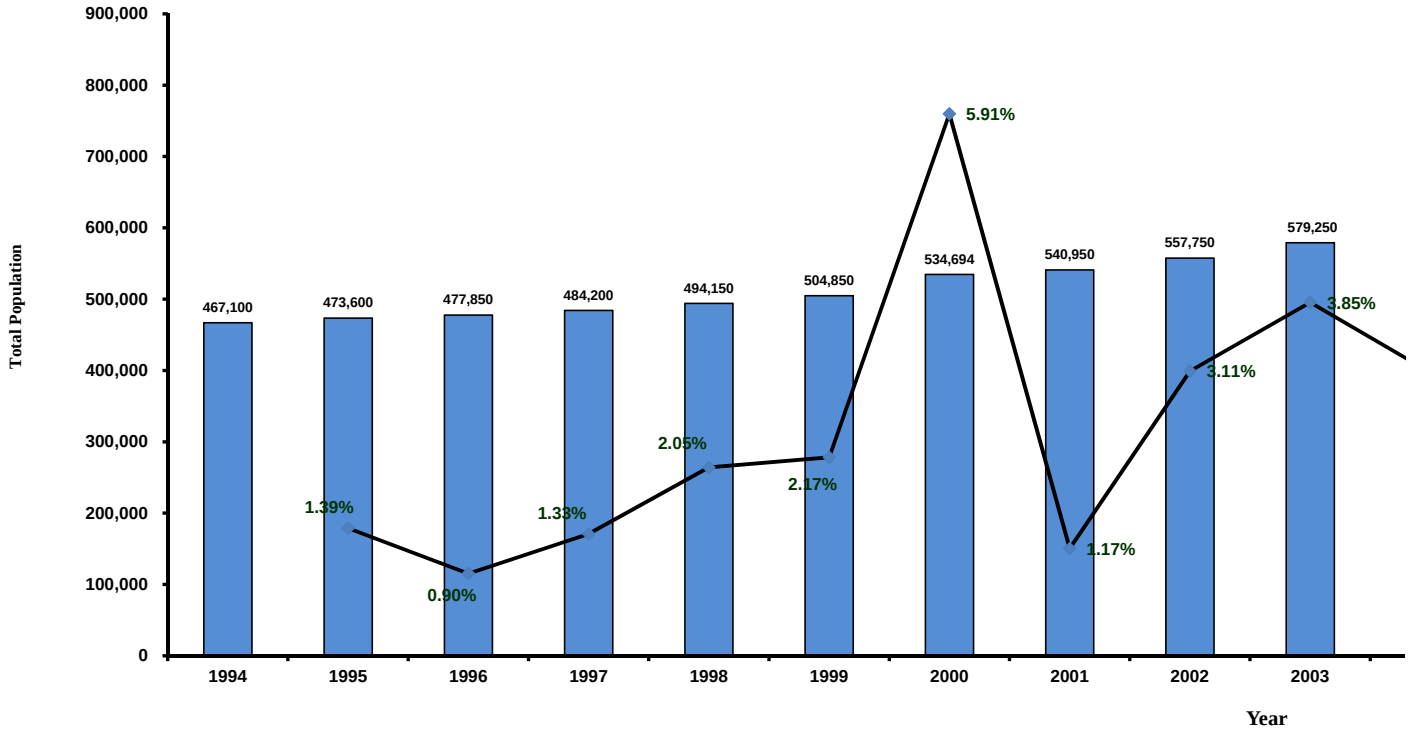
# CITY OF FORT WORTH, TEXAS
# POPULATION GROWTH
# LAST TWENTY FISCAL YEARS (Unaudited)

| 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%) |

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

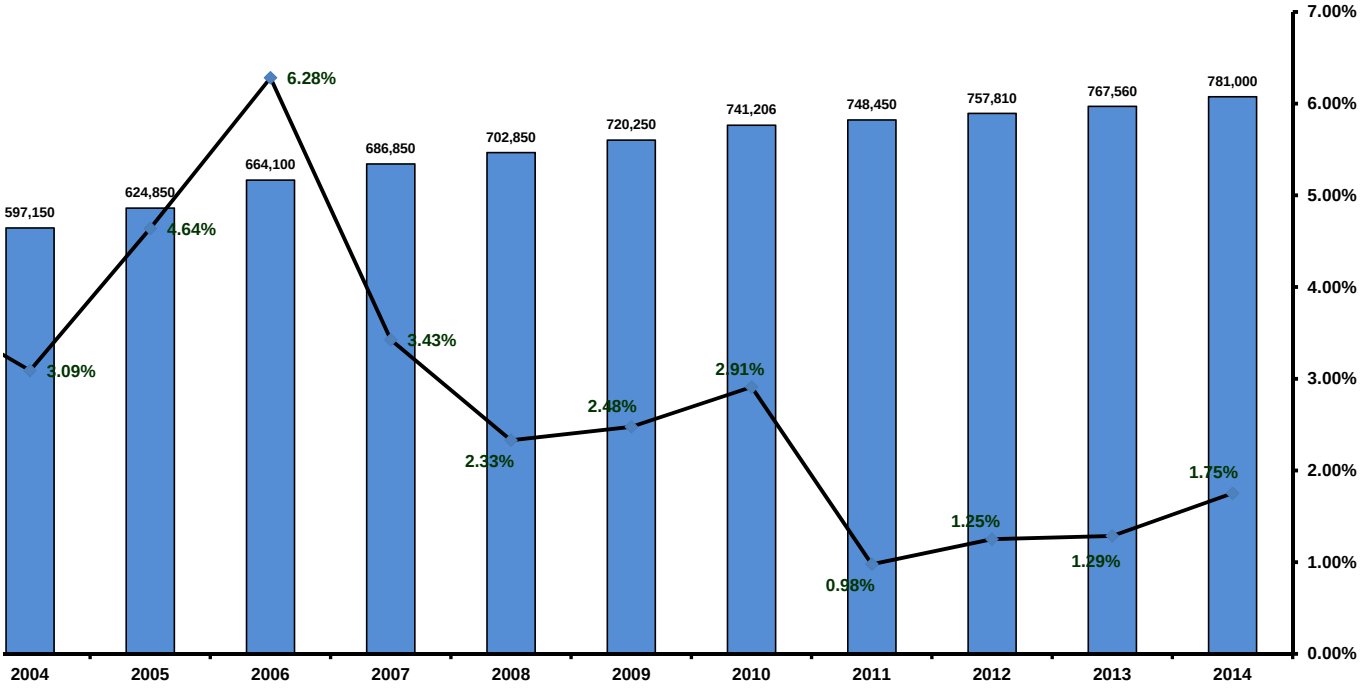



Source: North Central Texas Council of Governments (NCTCOG)

# TABLE 21

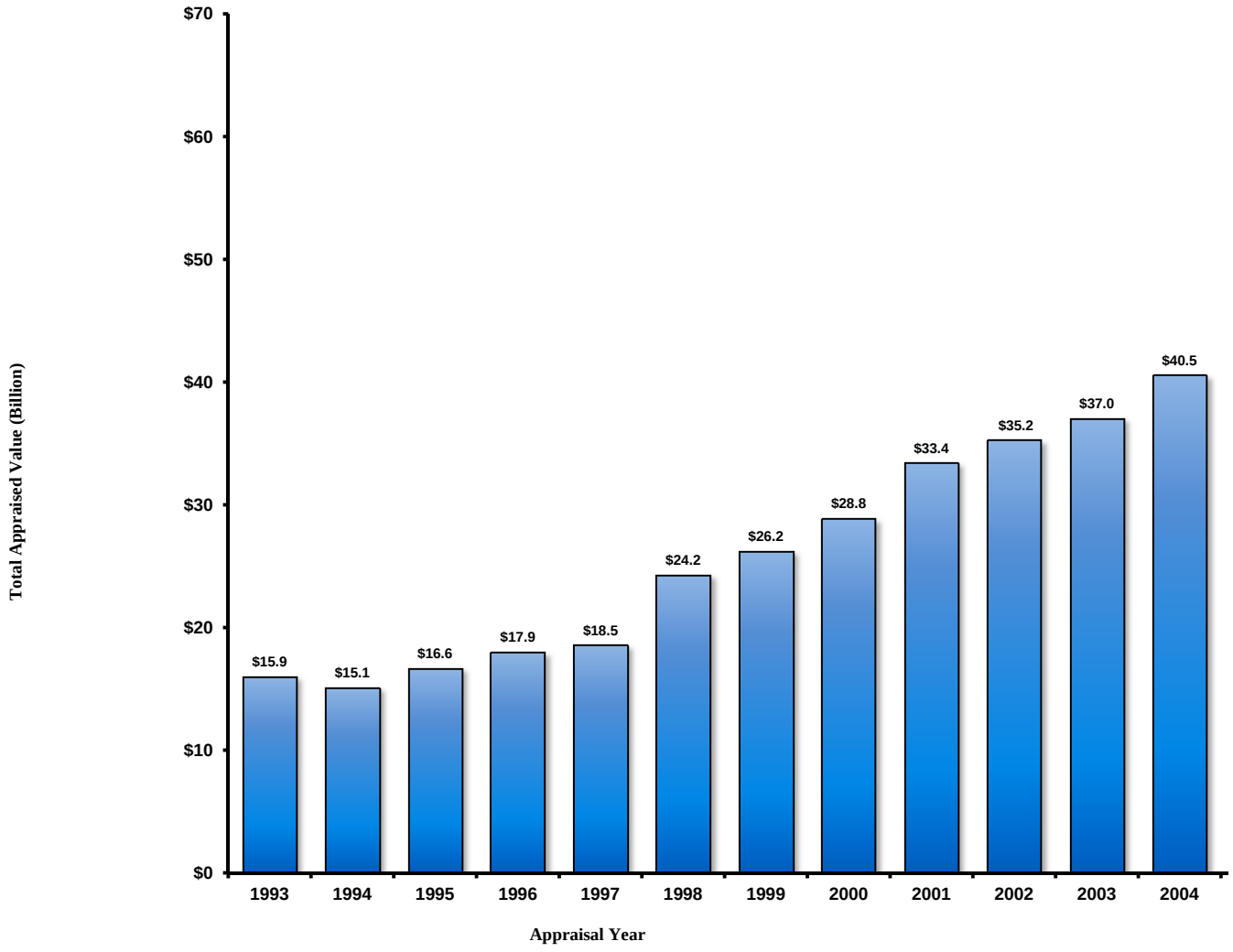
| 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 |
|---|---|---|---|---|---|---|---|---|---|---|
| 403,200 | 422,250 | 415,550 | 424,800 | 439,000 | 446,300 | 450,100 | 447,619 | 448,547 | 450,250 | 462,800 |
| 1.60% | 4.72% | (1.59%) | 2.23% | 3.34% | 1.66% | 0.85% | (0.55%)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

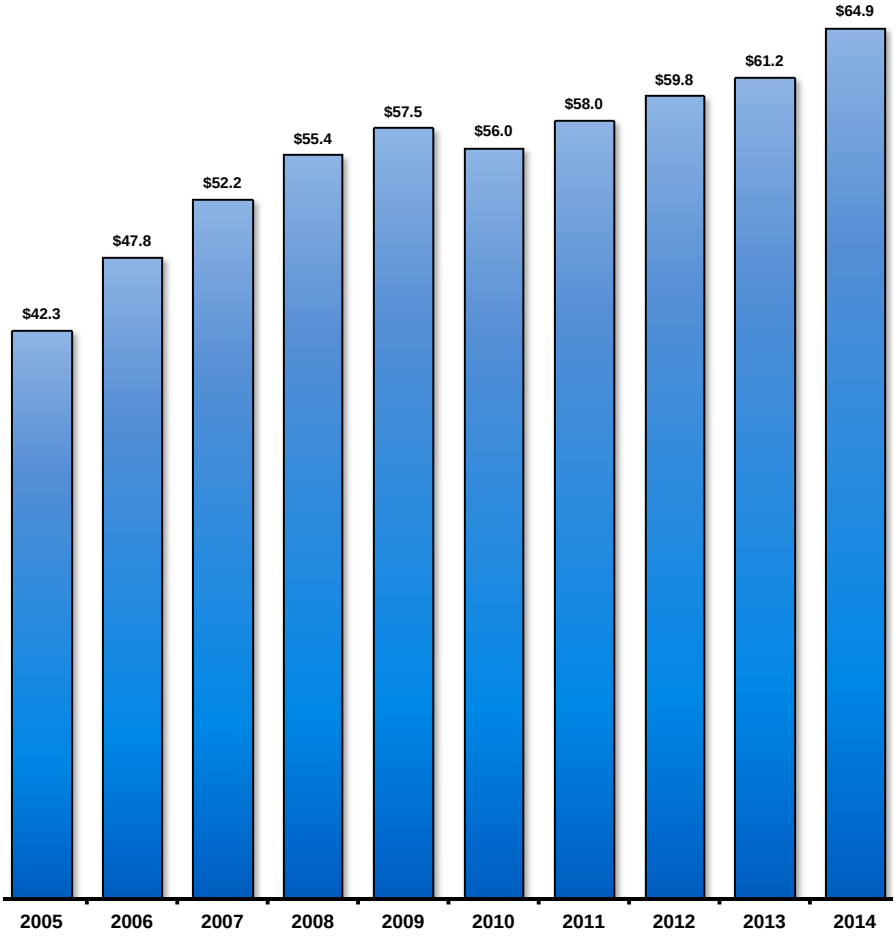
| Appraisal Year | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Value (Billions) | $15.9 | $15.1 | $16.6 | $17.9 | $18.5 | $24.2 | $26.2 | $28.8 | $33.4 | $35.2 | $37.0 | $40.5 |
| Percent Change | | (5.42%) | 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

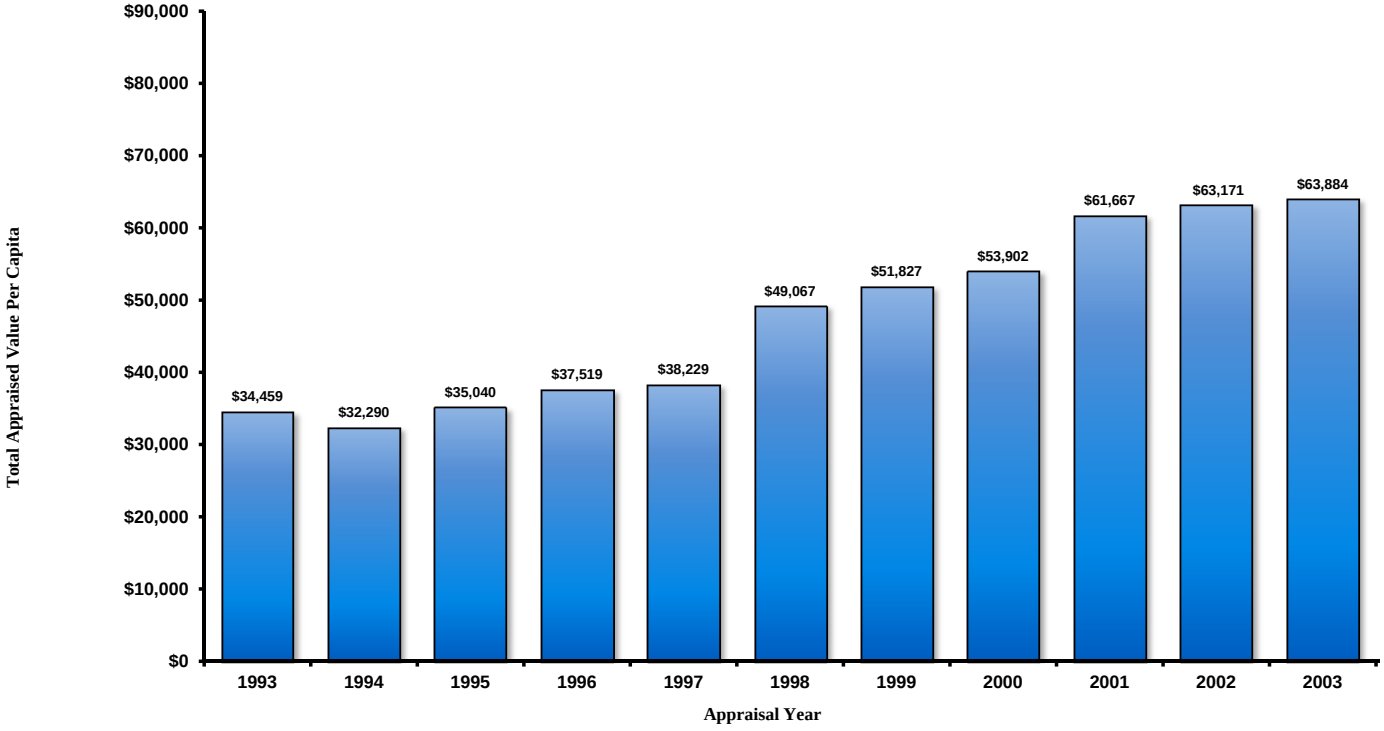
**TABLE 22**

| 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)**

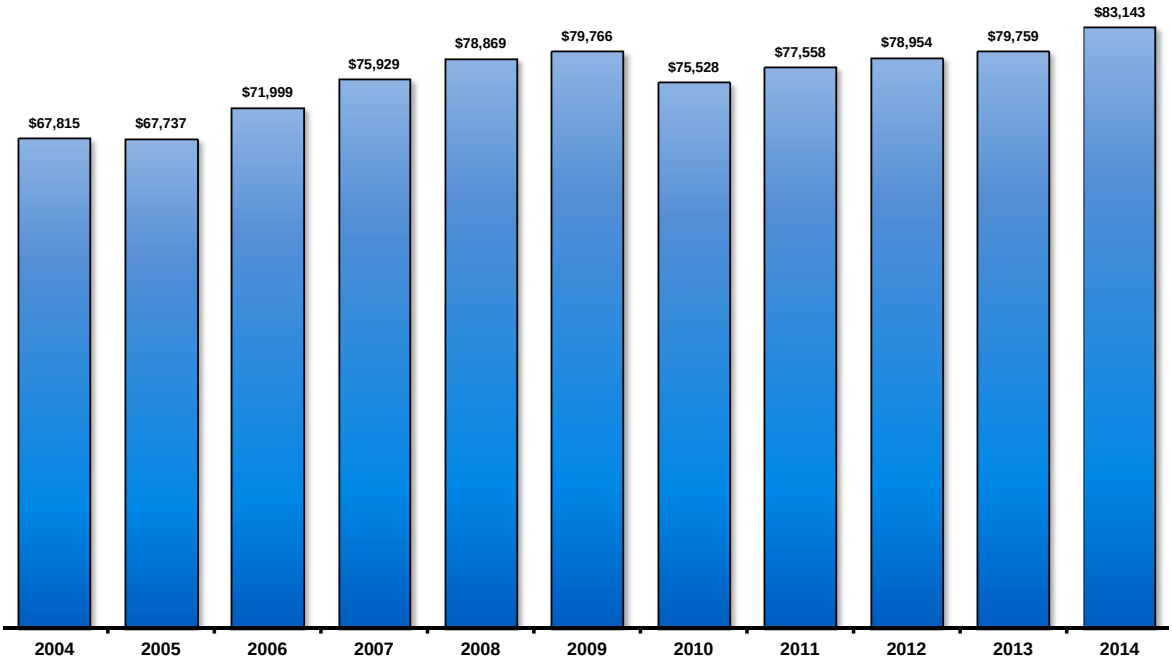
| Appraisal Year | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Value (Billions) | $15.9 | $15.1 | $16.6 | $17.9 | $18.5 | $24.2 | $26.2 | $28.8 | $33.4 | $35.2 | $37.0 |
| Population | 462,800 | 467,100 | 473,600 | 477,850 | 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

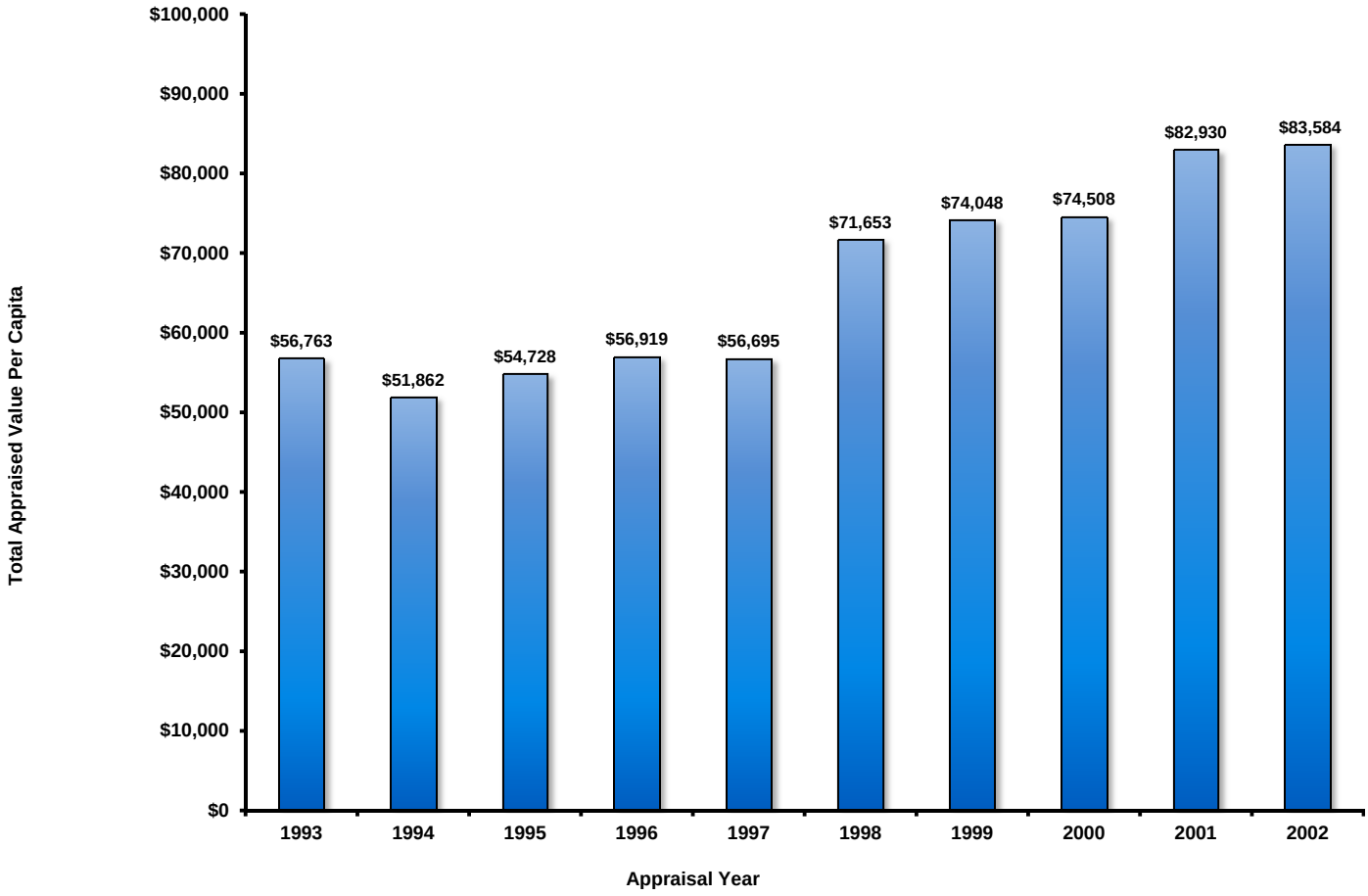
**TABLE 23**

| 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)

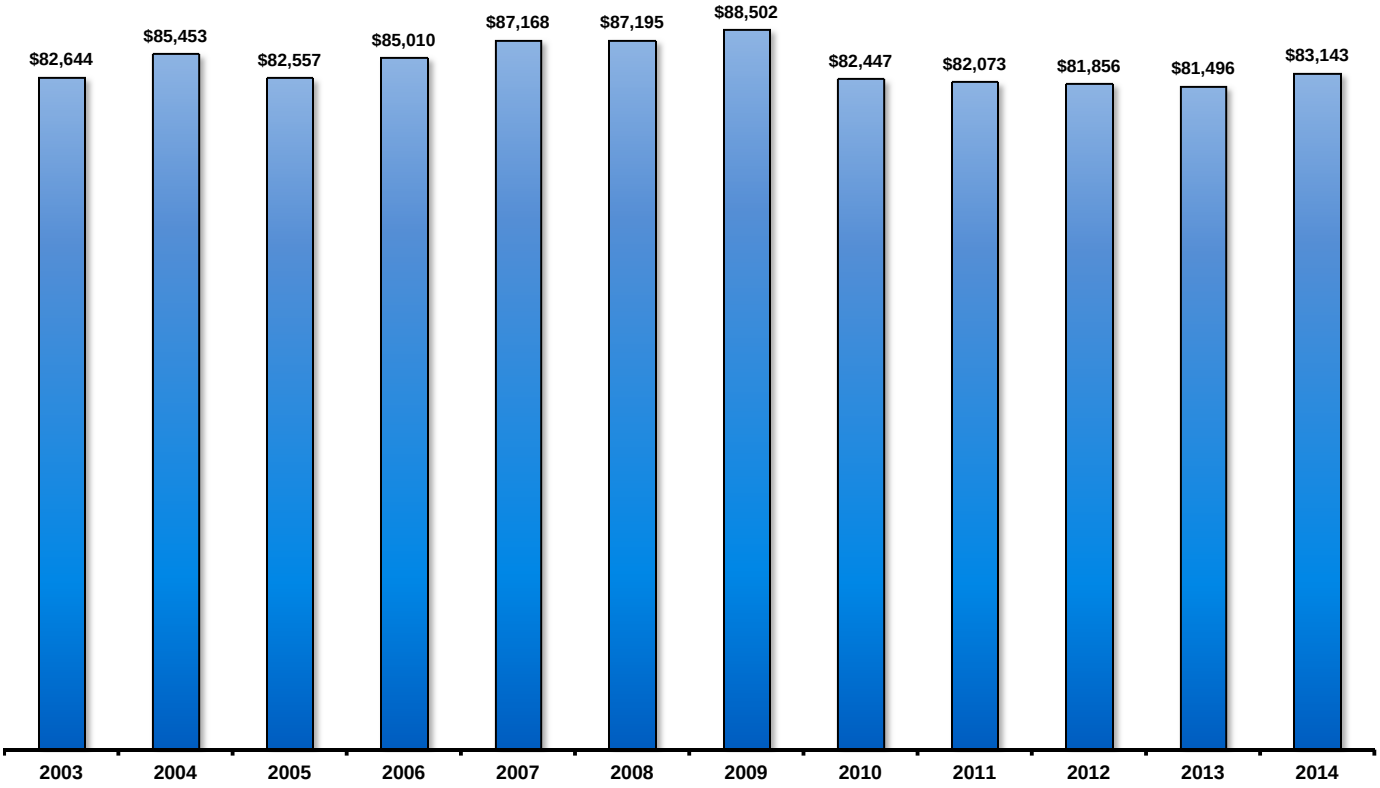
| Appraisal Year | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|---|---|---|---|---|---|---|---|---|---|---|
| Value | $15,948 | $15,083 | $16,595 | $17,928 | $18,510 | $24,246 | $26,165 | $28,821 | $33,359 | $35,234 |
| Adj Value (Billions) | $26.3 | $24.2 | $25.9 | $27.2 | $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% |

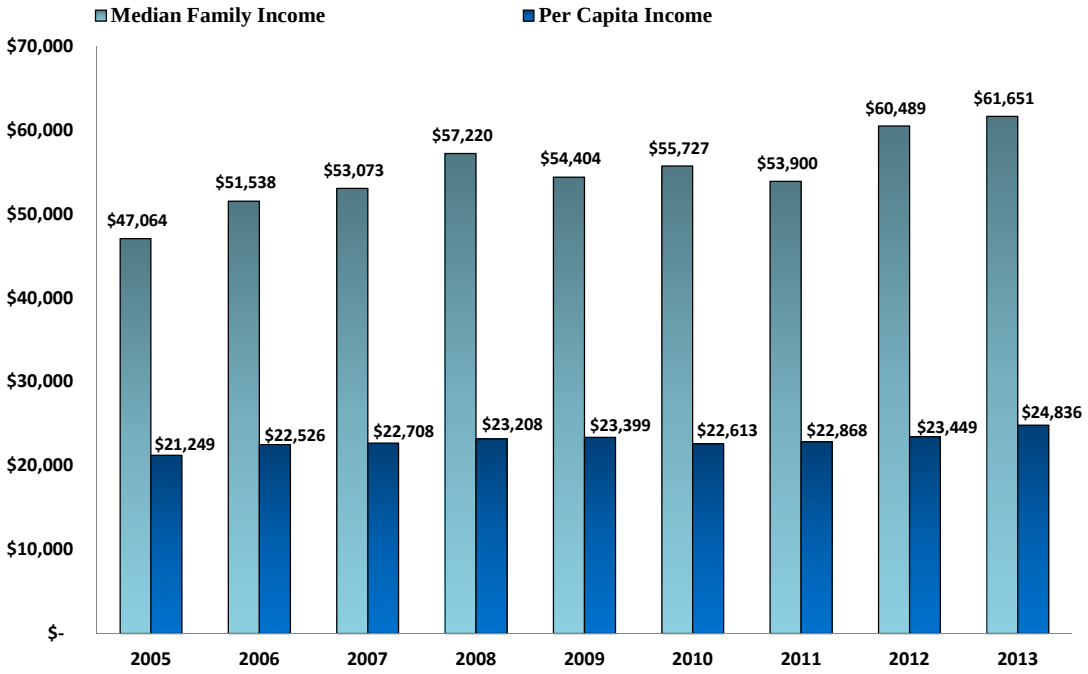


**CITY OF FORT WORTH, TEXAS** **TABLE 25**
**MEDIAN FAMILY AND PER CAPITA INCOME**
**(unadjusted for inflation)**

| 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% |



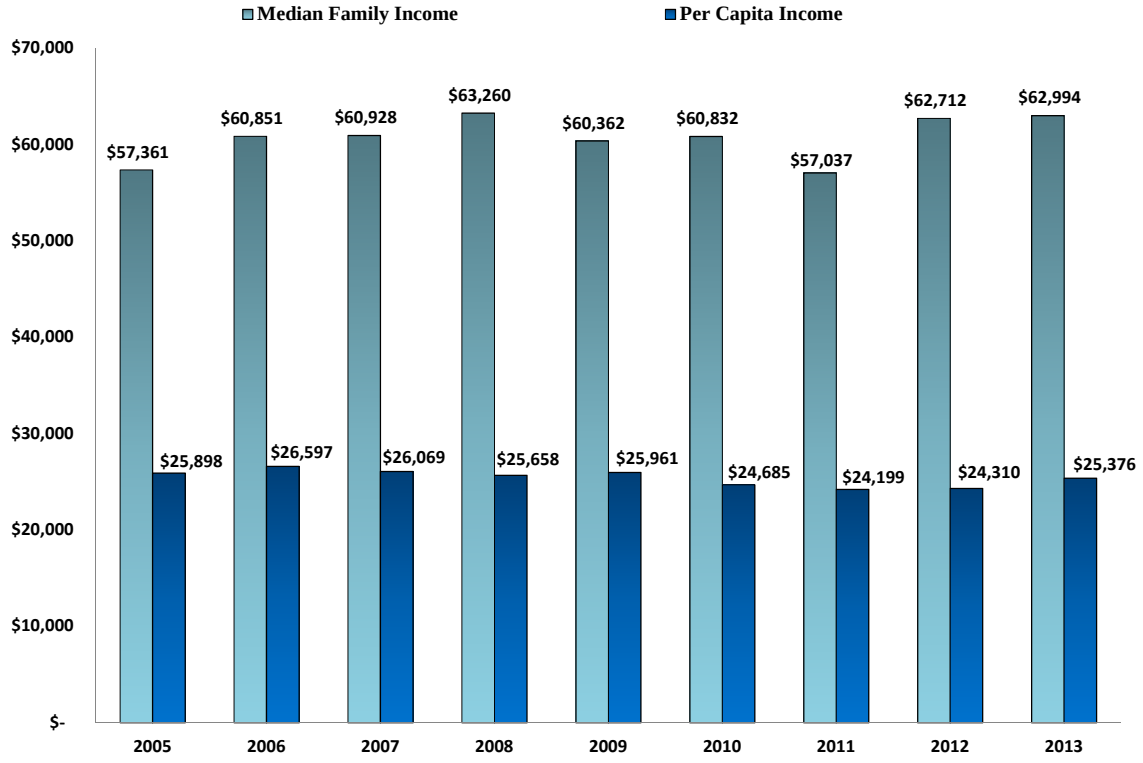

Source: U.S. Census Bureau, American Community Survey
http://factfinder2.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t#none

**CITY OF FORT WORTH, TEXAS** **TABLE 26**
**MEDIAN FAMILY AND PER CAPITA INCOME**
**(adjusted for inflation)**

| 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)**

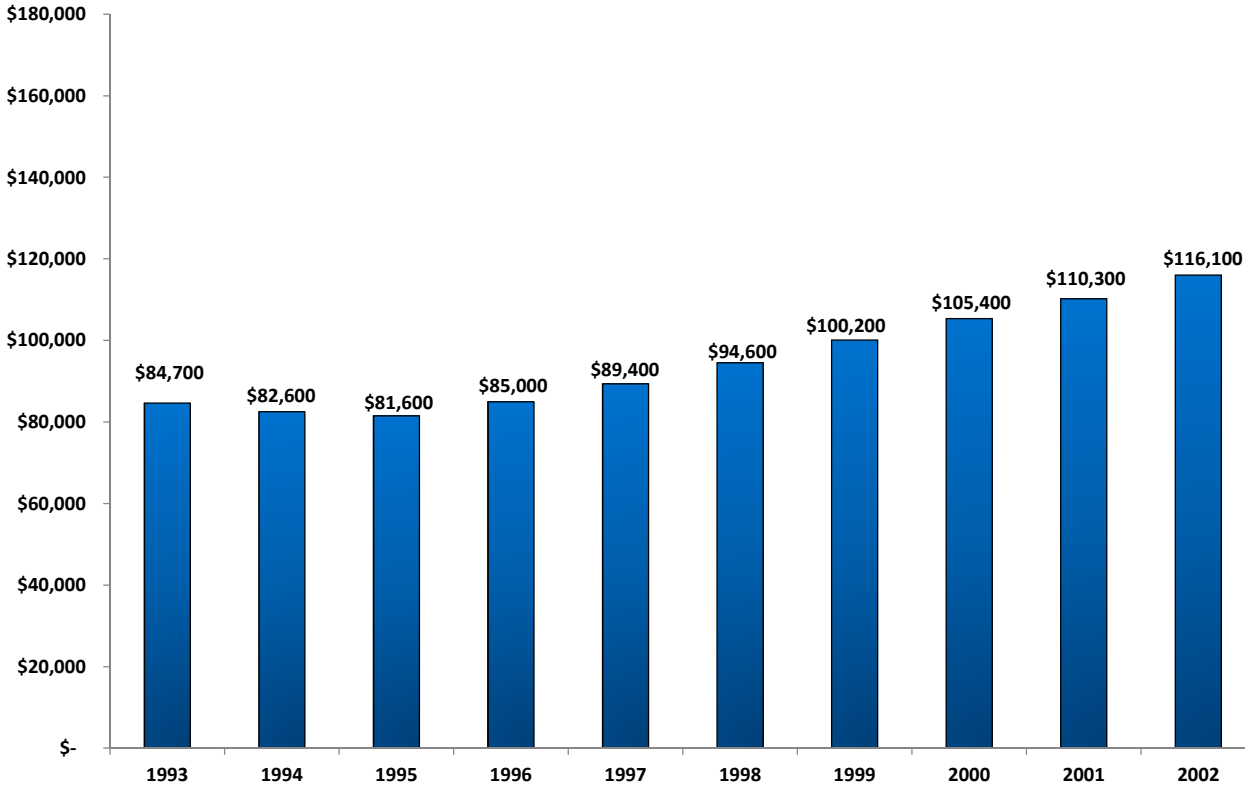
| Year | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|
| Per Capita Income | $ 25,898 | $ 26,597 | $ 26,069 | $ 25,658 | $ 25,961 | $ 24,685 | $ 24,199 | $ 24,310 | $ 25,376 |
| % Change | | 2.70% | (1.99%) | (1.58%) | 1.18% | (4.92%) | (1.97%) | 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)

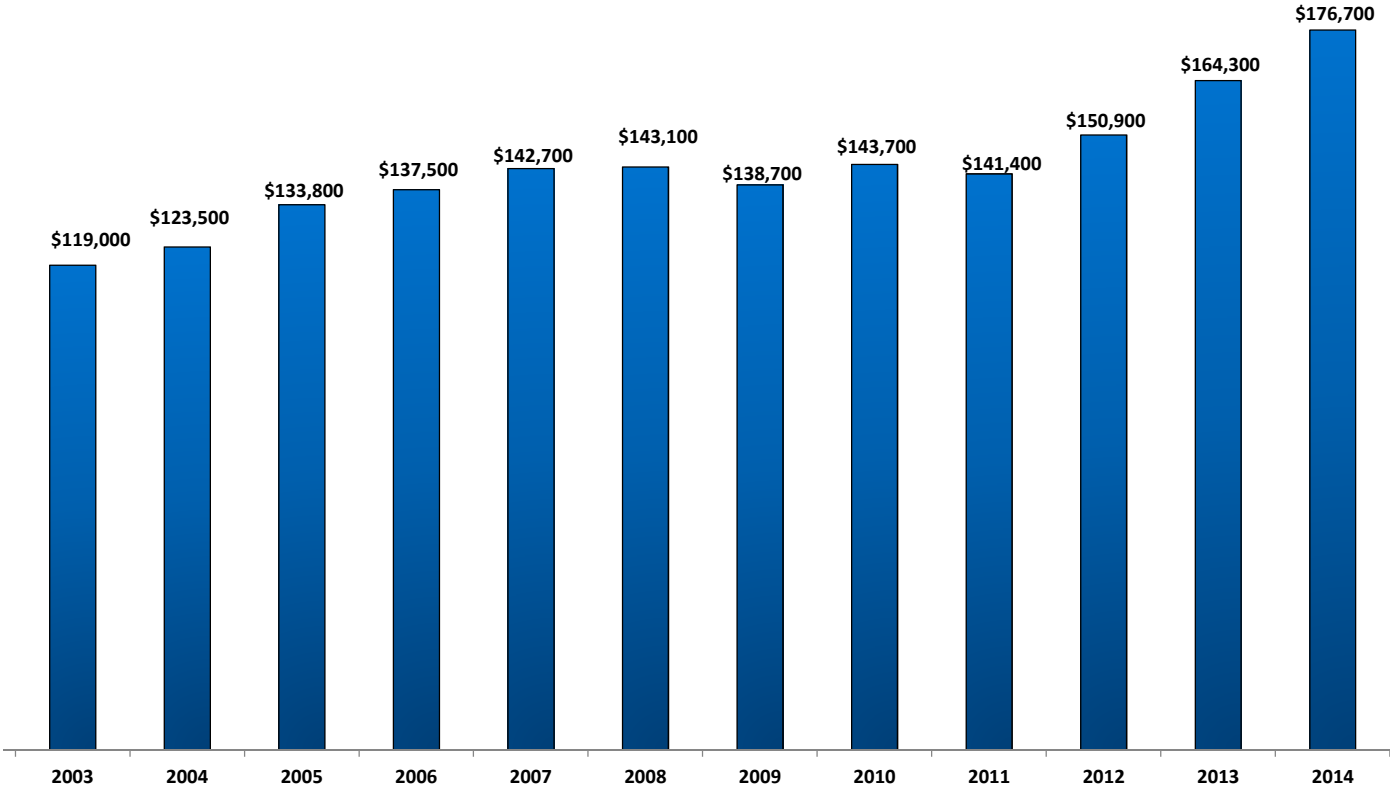
| Year | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|---|---|---|---|---|---|---|---|---|---|---|
| Average Home Value | $ 84,700 | $ 82,600 | $ 81,600 | $ 85,000 | $ 89,400 | $ 94,600 | $ 100,200 | $ 105,400 | $ 110,300 | $ 116,100 |
| % Change | | (2.48%) | (1.21%) | 4.17%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

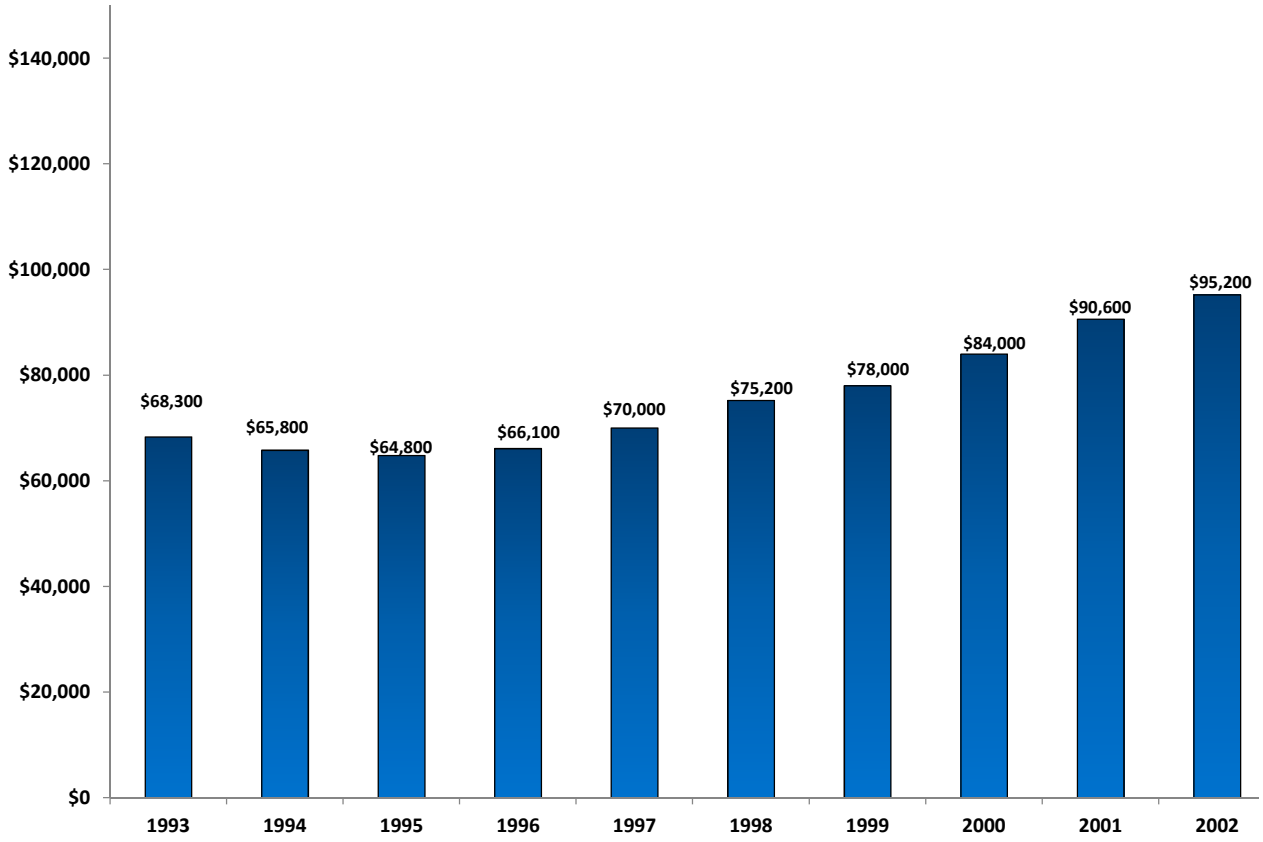
**TABLE 27**

| 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)**

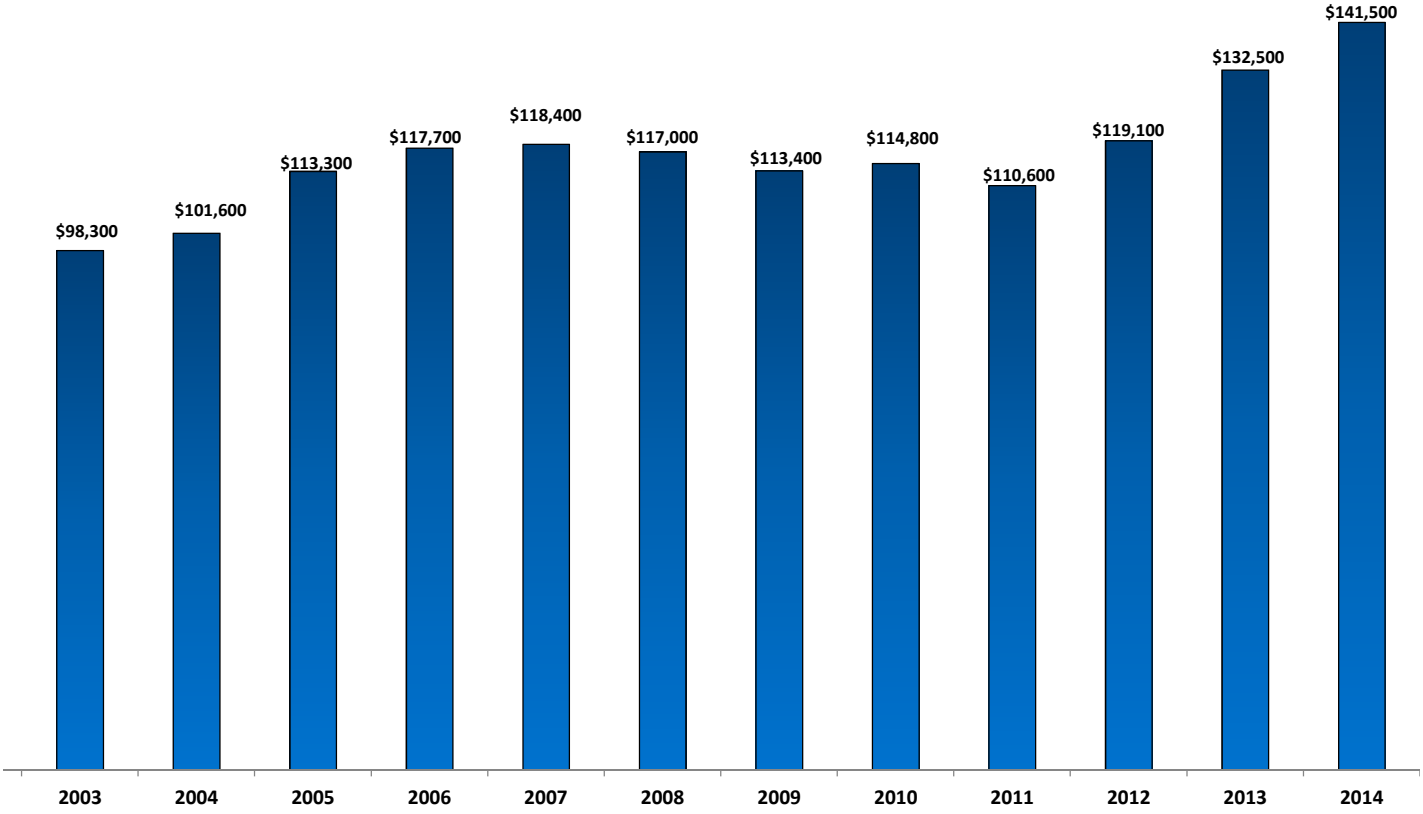
| Year | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|---|---|---|---|---|---|---|---|---|---|---|
| Median Home Value | $ 68,300 | $ 65,800 | $ 64,800 | $ 66,100 | $ 70,000 | $ 75,200 | $ 78,000 | $ 84,000 | $ 90,600 | $ 95,200 |
| % Change | | (3.66%) | (1.52%) | 2.01% | 5.90%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

| Function/Program | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|
| General Government | | | | | | |
| Mayor and Council[a] | 25 | 29 | 28 | 28 | 26 | 26 |
| City Manager | 111 | 111 | 106 | 103 | 41 | 52 |
| Budget and Management Services[b] | 21 | 19 | 16 | 17 | 9 | 8 |
| Housing and Community Development[c] | 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[c] | 30 | 29 | 35 | 38 | - | - |
| Transportation and Public Works[d] | 400 | 400 | 443 | 426 | 559 | 550 |
| Planning | 21 | 22 | - | - | - | - |
| Code Compliance[e] | 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[e] | 113 | 124 | 123 | 115 | 107 | 113 |
| Parks and Community Services | 846 | 860 | 714 | 809 | 756 | 705 |
| Zoo (Contract)[f] | 3 | 2 | - | - | - | - |
| Library | 258 | 273 | 283 | 259 | 260 | 275 |
| Retirement[g] | 7 | 8 | - | - | - | - |
| Subtotal | 2,832 | 2,909 | 2,830 | 2,794 | 2,810 | 2,725 |
| Enterprise Fund | | | | | | |
| Water/Wastewater | 807 | 805 | 833 | 812 | 880 | 891 |
| Aviation | 34 | 33 | 28 | 27 | 24 | 22 |
| Subtotal | 841 | 838 | 861 | 839 | 904 | 913 |
| Internal Service Fund | | | | | | |
| IT Solutions | 115 | 114 | 123 | 118 | 99 | 90 |
| Equipment Services | 116 | 121 | 126 | 120 | 119 | 104 |
| Engineering | 168 | 170 | 161 | 171 | - | - |
| Subtotal | 399 | 405 | 410 | 409 | 218 | 194 |
| Public Safety | | | | | | |
| Police-Uniform | 1,381 | 1,399 | 1,470 | 1521 | 1538 | 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 |
| Subtotal | 2,857 | 2,925 | 3,058 | 3,150 | 3,161 | 3,108 |
| Total | 6,929 | 7,077 | 7,159 | 7,192 | 7,093 | 6,940 |

[a] Mayor and Council Office is included in City Manager's Office since 2011.

[b] Budget and Management Services estbalished in FY05, previously a division of City Manager office. In FY09 merged into Financial management Services. In FY11 moved to City Manager's office.

[c] Economic and Community Development was combined with Housing in 2009.

[d] Street services is a division of Transportation and Public Works Department.

[e] Environmental Management is combined with Code Compliance since 2011.

[f] Fort Worth Zoo management is contracted out to Fort Worth Zoo Association since 2007.

[g] Employee for Retirement Department is transferred to Fort Worth Retirement Systems (separate entity) since 2007.

Source: Approved Budgets 2004-2014

## TABLE 29

| 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|
| - | - | - | - |
| 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 |
| - | - | - | - |
| 2,737 | 2,695 | 2,356 | 2,309 |
| | | | |
| 892 | 901 | 934 | 940 |
| 24 | 21 | 24 | 24 |
| 916 | 922 | 958 | 964 |
| | | | |
| 100 | 111 | 127 | 133 |
| 97 | 96 | 106 | 106 |
| - | - | - | - |
| 197 | 207 | 233 | 239 |
| | | | |
| 1,534 | 1,539 | 1,594 | 1,549 |
| 647 | 677 | 448 | 445 |
| 894 | 897 | 908 | 884 |
| 44 | 60 | 47 | 47 |
| 3,119 | 3,173 | 2,997 | 2,925 |
| 6,969 | 6,997 | 6,544 | 6,437 |

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

| Function/Program | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|---|---|---|---|---|
| Public Safety | | | | | |
| Fire | | | | | |
| 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 |
| Police | | | | | |
| Calls for Service | 310,056 | 317,446 | 314,132 | 312,219 | 314,942 |
| Municipal Courts | | | | | |
| 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 |
| Transportation and Public Works | | | | | |
| Streets - Linear Miles Maintained Annually | 6,830 | 7,000 | 7,173 | 7,218 | 7,291 |
| Lane Miles - Resurfaced | 274 | 219 | 152 | 177 | 208 |
| Library | | | | | |
| Books and audio/visual materials (millions) | 2.3 | 1.1 [(a)] | 1.1 [(a)] | 1.1 [(a)] | 1.1 [(a)] |
| Average Monthly Circulation | 302,096 | 311,050 | 320,791 | 337,768 | 349,247 |
| Building Permits | | | | | |
| 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 |
| Aviation | | | | | |
| 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 |
| Water & Sewer | | | | | |
| 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 [(b)] | 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 |
| Municipal Parking | | | | | |
| Parking tickets issued | 55,103 | 40,287 | 56,368 | 61,130 | 64,061 |

N/A = Information not available

[(a)] Number does not include approximately 1 million governmental documents.

[(b)] Number based on calendar year per state requirements

Source: Respective City of Fort Worth departments.

## TABLE 30

| 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|
| 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 | [(a)] 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)

| Function/Program | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|---|---|---|---|---|
| Library | | | | | |
| Library Facilities Owned | 13 | 13 | 13 | 13 | 13 |
| Library Facilities Leased | 2 | 2 | 2 | 2 | 2 |
| Parks and Recreation | | | | | |
| 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 |
| Public Safety | | | | | |
| Police Stations Owned | 9 | 9 | 9 | 10 | 11 |
| Police Stations Leased | 10 | 10 | 10 | 11 | 10 |
| Fire Stations | 40 | 41 | 40 | 40 | 42 |
| Public Works | | | | | |
| 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 |
| Stormwater | | | | | |
| Miles of Channels - Improved | 236 | 281 | 327 | 326 | 333 |
| Miles of Storm Pipes | 700 | 750 | 680 | 700 | 714 |
| Water | | | | | |
| 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 |
| Wastewater | | | | | |
| 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

| 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|
| 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 | (b) 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 |