

**APPLICATION FOR FINANCIAL ASSISTANCE
FOR WATER AND WASTEWATER INFRASTRUCTURE PROJECTS**

This application is comprehensive, covering all loan and grant assistance applications for water and wastewater infrastructure financing through the various Texas Water Development Board (TWDB) programs. The format of the application is intended to expedite the review process for both the applicant and TWDB staff. This application can be used by political subdivisions, including water supply corporations.

Please submit one double-sided original and one indexed, electronic copy, via electronic storage media such as CD or flash drive using MS Word, Excel and/or Adobe Acrobat.

Please submit your application to:

Texas Water Development Board
Water Supply and Infrastructure-Regional Water Planning and Development
P O Box 13231
1700 N. Congress Avenue, 5th Floor
Austin, Texas 78711-3231
(78701 for courier deliveries)

A complete application consists of all of the applicable information and forms requested in this document. When preparing this application please review the Application and all Guidance and Forms, listed at the end.

For more information, please contact your Regional Project Implementation Team at:

http://www.twdb.texas.gov/financial/programs/swift/regional_project_teams.asp

Thank you.

TWDB Use Only

Name of Applicant: _____

Date application received: _____

Date administratively complete: _____

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Contents

Part A: General Information	3
Part B: Legal Information	7
Part C: Financial Information	10
Part D: Project Information	18
Part E: State Water Implementation Fund for Texas (SWIFT) Applicants Only:.....	24
Part F: Economically Distressed Programs (EDAP) Applicants Only:	25
Part G: CWSRF/DWSRF Applicants Only	26
Part H: Documentation of "Green" Projects and Project Components.....	29
Part I: Summary of attachments to application	30
Part J: Guidance and Forms.....	32

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Part A: General Information

1. The legal authority under which the applicant was created and operates.
 - a) TYPE A GENERAL-LAW MUNICIPALITY (Texas Local Gov't Code Sec. 5.001)
 - b) TYPE B GENERAL-LAW MUNICIPALITY (Texas Local Gov't Code Sec. 5.002)
 - c) TYPE C GENERAL-LAW MUNICIPALITY (Texas Local Gov't Code Sec. 5.003)
 - d) HOME-RULE MUNICIPALITY (Texas Local Gov't Code Sec. 5.004)
 - e) SPECIAL-LAW MUNICIPALITY (Texas Local Gov't Code Sec. 5.005)
 - f) NONPROFIT ORGANIZATION (Business Organization Code Chapter 22)
 - g) NONPROFIT WATER SUPPLY OR SEWER SERVICE CORP. (Texas Water Code Chapter 67)
 - h) ALL DISTRICTS (Texas Water Code Chapter 49)
 - i) OTHER (attach)

2. Applicant Name and Contact Information:

Name:	City of Fort Worth
County:	Tarrant, Johnson, Parker, Denton, and Wise
Physical Address:	1000 Throckmorton Street Fort Worth, Texas 76102
Mailing Address:	1000 Throckmorton Street Fort Worth, Texas 76102
Phone:	817-392-8203
Fax:	817-392-8195
Website:	www.fortworthtexas.gov/water

3. Brief description of the project:

The City of Fort Worth is seeking funding to develop and implement an Advanced Metering Infrastructure (AMI) system comprised of state-of-the-art electronic/digital hardware and software, which combines interval data measurement with continuously available remote communications and leak detection capability.

4. Applicant's Officers and Members:

<u>Name</u>	<u>Office Held</u>
Betsy Price	Mayor, Place 1
Salvador Espino	Councilmember, Place 2
W.B. 'Zim' Zimmerman	Councilmember, Place 3
Cary Moon	Councilmember, Place 4
Gyna Bivens	Councilmember, Place 5
Jungus Jordan	Councilmember, Place 6
Dennis Shingleton	Councilmember, Place 7
Kelly Allen Gray	Councilmember, Place 8
Ann Zadeh	Councilmember, Place 9

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

5. Applicant's **primary contact person** for day-to-day project implementation.

Name:	Ms. Stacy Walters
Title:	Regulatory-Environmental Coordinator
Address:	Fort Worth Water Department 1000 Throckmorton, Fort Worth, Texas 76102
Phone:	817-392-8203
Fax:	817-392-8195
Email:	stacy.walters@fortworthtexas.gov

6. Applicant's Consultants (Attach copies of all draft and/or executed contracts for consultant services to be used by the Applicant in applying for financial assistance or constructing the proposed project.):

a) Applicant Engineer N/A

Firm Name:	To Be Determined	
Contact:		
Address:		
Phone:		
Fax:		
Email:		

b) Bond Counsel N/A

Firm Name:	Kelly Hart & Hallman LLP	
Contact:	Mr. Dan Settle	
Address:	201 Main Street, Suite 2500 Fort Worth, Texas 76102	
Phone:	817-878-3536	
Fax:	817-878-9736	
Email:	dan.settle@kellyhart.com	

c) Co-Financial Advisors N/A

Firm Name:	First Southwest Company	First Southwest Company
Contact:	Mr. W. Boyd London, Jr.	Ms. Laura Alexander
Address:	325 North St. Paul, Suite 800 Dallas, Texas 75201	777 Main Street, Suite 1200 Fort Worth, Texas 76102
Phone:	214-953-4000	817-332-9710
Fax:	214-953-4050	817-336-5572
Email:	boyd.london@firstsw.com	laura.alexander@firstsw.com

Firm Name:	Estrada Hinojosa & Company, Inc.
Contact:	Mr. U.S. Williams
Address:	1717 Main Street, Suite 4740 Lockbox 47 Dallas, Texas 75201

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Phone:	214-658-1670
Fax:	214-658-1671
Email:	uswilliams@ehmuni.com

d) Certified Public Accountant (or other appropriate rep) N/A

Firm Name:	City of Fort Worth Financial Management Services Department
Contact:	Mr. Aaron Bovos
Address:	1000 Throckmorton, Fort Worth, Texas 76102
Phone:	817-392-8517
Fax:	817-392-8502
Email:	aaron.bovos@fortworthtexas.gov

e) Legal Counsel (if other than Bond Counsel) N/A

Firm Name:	City of Fort Worth City Attorney's Office
Contact:	Ms. Sarah J. Fullenwider
Address:	1000 Throckmorton, Fort Worth, Texas 76102
Phone:	817-392-7600
Fax:	817-392-8359
Email:	sarah.fullenwider@fortworthtexas.gov

f) Any other consultant representing the Applicant before the Board N/A

Firm Name:	Freese & Nichols, Inc.
Contact:	Ms. Amy D. Kaarlela, P.H.
Address:	4055 International Plaza, Suite 200, Fort Worth, Texas 76109
Phone:	817-735-7438
Fax:	817-735-7491
Email:	adk@freese.com

7. List the counties within the Applicant's service area. Tarrant, Denton, Johnson, Parker, and Wise Counties
8. Identify the Applicant's total service area population: 1,185,739
9. Applicant is requesting funding from which programs? Check all that apply.

	PROGRAM	AMOUNT REQUESTED
a) <input type="checkbox"/>	Drinking Water State Revolving Fund (DWSRF)	\$ _____
b) <input type="checkbox"/>	Clean Water State Revolving Fund (CWSRF)	\$ _____
c) <input type="checkbox"/>	Texas Water Development Fund (DFund)	\$ _____
d) <input type="checkbox"/>	State Participation	\$ _____
e) <input type="checkbox"/>	Rural Water Assistance Fund (RWAF)	\$ _____
f) <input checked="" type="checkbox"/>	State Water Implementation Fund for Texas (SWIFT)	\$ <u>76,000,000.00</u>
g) <input type="checkbox"/>	Economically Distressed Areas Program (EDAP)	\$ _____
h) <input type="checkbox"/>	If other please explain: _____	\$ _____

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

10. Other Funding Sources: Provide a list of any other funding source(s) being utilized to complete the project, including Applicant's local contribution, if any, or commitments applied for and/or received from any other funding agency for this project or any aspect of this project. **Provide commitment letters if available. Additional funding sources must be included within the Project Budget (TWDB-1201).**

Funding Source	Type of Funds (Loan/Grant)	Amount (\$)	Date Applied for Funding	Anticipated or Funding Secured Date
N/A				
Total Funding from All Sources		\$		

Comments: _____

11. Applicant is requesting funding for which phase(s)? Check all that apply.

- Planning
- Acquisition
- Design
- Construction

12. Is Applicant requesting funding to refinance existing debt?

- Yes If yes, attach a copy of the document securing the debt to be refinanced.
- Attached document**
- No

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Part B: Legal Information

13. Cite the legal authority under which the Applicant can issue the proposed debt including the authority to make a proposed pledge of revenues.
Chapter 1502, Texas Government Code
14. What type of pledge will be used to repay the proposed debt?
 Systems Revenue
 Taxes
 Combination of systems revenues and taxes
 Other (Contract Revenue, etc.)
15. Provide the full legal name of the security for the proposed debt issue(s).
City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2015B
16. Describe the pledge being offered and any existing rate covenants.
Net Revenues of Water and Sewer System (the "System"). The Master Ordinance, Section 3, contains the rate covenant: the City will fix such rates, charges and fees for the use and availability of the System at all times to produce Gross Revenues and other Pledged Revenues sufficient (1) to pay all current Operating Expenses, (2) to produce Net Revenues for each Fiscal Year at least equal to the Annual Debt Service Requirements during such Fiscal Year of the then Outstanding Parity Obligations and (3) to pay all other financial obligations of the System reasonably anticipated to be paid from Gross Revenues.
17. Attach the resolution from the governing body requesting financial assistance.
TWDB-0201A (<http://www.twdb.texas.gov/financial/instructions/>)
 Attached Resolution
18. Attach the Application Affidavit
TWDB-0201 (<http://www.twdb.texas.gov/financial/instructions/>)
 Attached Applicant Affidavit
19. Attach the Certificate of Secretary
TWDB-201B (<http://www.twdb.texas.gov/financial/instructions/>)
 Attached Certificate of Secretary
20. Is the applicant a Water Supply Corporation (WSC)?
 Yes If yes, attach each of the following:
 Articles of Incorporation
 Certificate of Incorporation from the Texas Secretary of State evidencing that the current Articles of Incorporation are on file with the Secretary
 By-laws and any amendments
 Certificate of Status from the Texas Secretary of State (i.e. Certificate of Existence)
 Certificate of Account Status from the Texas Comptroller of Public Accounts (certifies that the WSC is exempt from the franchise tax and that the WSC is in good standing).
 No

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

21. Is the applicant proposing to issue revenue bonds?
 Yes If yes, attach copies of the most recent resolution/ordinance(s) authorizing any outstanding parity debt. This is essential to insure outstanding bond covenants are consistent with covenants that might be required for TWDB financing.
 Attached resolution/ordinance(s)
Attached are the City's Master Ordinance; the most recent supplement, the Twenty-Fifth Supplemental Ordinance; and the draft Twenty-Sixth Supplemental Ordinance scheduled to be considered for action by the Fort Worth City Council on June 16, 2015 with bonds scheduled to be issued in August 2015.
 No
22. Does the applicant possess a Certificate of Convenience and Necessity (CCN)?
 Yes If yes, attach a copy of the CCN and service area map showing the areas the applicant is allowed to provide water or wastewater services.
 Attached CCN and service area map
 No If no, indicate the status of the CCN. _____
 N/A
23. Has the applicant been the subject of any enforcement action by the Texas Commission on Environmental Quality (TCEQ), the Environmental Protection Agency (EPA), or any other entity within the past three years?
 Yes If yes, attach a brief description of every enforcement action within the past three years and action(s) to address requirements.
 Attached
 No
24. Are any facilities to be constructed or the area to be served within the service area of a municipality or other public utility?
 Yes If yes, has the applicant obtained an affidavit stating that the utility does not object to the construction and operation of the services and facilities in its service area?
 If yes, attach a copy of the affidavit.
 Attached affidavit
 If no, provide an explanation as to why not. _____
 No
25. If the assistance requested is more than \$500,000 a Water Conservation Plan (WCP) is required. The WCP cannot be more than **FIVE** years old and must have been adopted by the applicant. Has the applicant adopted a Board-approved WCP? (Check one and attach requested information, if any.)
 Yes Enter date of Applicant's WCP adoption: April 8, 2014
 No If no, attach a copy of a draft Water Conservation Plan and Drought Contingency Plan prepared in accordance with the TWDB WCP Checklist (<http://www.twdb.state.tx.us/financial/instructions/doc/TWDB-1968.pdf>)
 Attached Draft WCP and Drought Contingency Plan

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

- Attached Utility Profile TWDB-1965**
<http://www.twdb.state.tx.us/financial/instructions/doc/TWDB-1965.pdf>
 N/A (Request is \$500,000 or less per Water Code §§ 15.106(c), 17.125(c), 17.277(c), and 17.857(c))

Note: If the applicant will utilize the project financed by the TWDB to furnish services to another entity that in turn will furnish services to the ultimate consumer, the requirements for the WCP may be met through contractual agreements between the applicant and the other entity providing for establishment of a water conservation plan. The provision requiring a WCP shall be included in the contract at the earliest of: the original execution, renewal or substantial amendment of that contract, or by other appropriate measures.

26. Does the applicant provide retail water services?
 Yes If yes, has the applicant already submitted to the TWDB the annual water use survey of groundwater and surface water for the last **THREE** years?
 Yes
 No If no, please download survey forms and attach a copy of the completed water use surveys to the application.
<http://www.twdb.texas.gov/waterplanning/waterusesurvey/index.asp>
 Attached Water Use Survey
 No
27. Is the applicant a retail public utility that provides potable water?
 Yes If yes, has the applicant already submitted the most recently required water loss audit to the TWDB?
 Yes
 No If no, and if applying for a water supply project, please complete the online TWDB Water Audit worksheet found at <http://www.twdb.texas.gov/conservation/resources/waterloss-resources.asp> and attach a copy to the application.
 Attached TWDB Water Audit worksheet
 No
28. Does the Applicant provide wastewater services?
 Yes
 No

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Part C: Financial Information

Regional or wholesale providers, complete questions 29-31.

Retail providers, complete questions 32-34.

29. List top **TEN** customers of the system by annual usage in gallons and percentage of total usage, including whether any are in bankruptcy.

a. WATER

Customer Name	Annual Usage (gal)	Percent of Usage (Wholesale)	Bankruptcy (Y/N)
City of Southlake	3,220,075,479	15%	N
City of Keller	2,843,484,142	13%	N
City of North Richland Hills	2,299,574,610	11%	N
City of Hurst	1,930,431,260	9%	N
City of Haltom City	1,713,020,790	8%	N
City of Burleson	1,585,732,714	7%	N
City of Saginaw	1,083,711,550	5%	N
Bethesda Water Supply Corp.	891,715,528	4%	N
City of Grand Prairie	840,424,546	4%	N
Trophy Club MUD #1	797,442,425	4%	N

Comments: _____

b. Wastewater

Customer Name	Annual Usage (gal)	Percent of Usage (Wholesale)	Bankruptcy (Y/N)
Trinity River Authority	1,623,548,000	15%	N
City of Haltom City	1,355,011,300	13%	N
City of Burleson	1,146,598,100	11%	N
City of Hurst	916,654,000	9%	N
City of Benbrook	812,951,050	8%	N
City of Saginaw	739,594,157	7%	N
City of Watauga	594,831,000	6%	N
City of Forest Hill	582,008,500	5%	N
City of White Settlement	519,431,238	5%	N
City of North Richland Hills	486,294,000	4%	N

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

30. List the top TEN customers of the system by gross revenues and percent of total revenues, including whether any are in bankruptcy

a. WATER

Customer Name	Annual Revenue(\$)	Percent of Revenue (Wholesale)	Bankruptcy (Y/N)
City of Southlake	\$8,280,631	16%	N
City of Keller	\$7,373,114	14%	N
City of North Richland Hills	\$5,476,689	10%	N
City of Hurst	\$4,197,414	8%	N
City of Haltom City	\$4,016,743	8%	N
City of Burleson	\$3,766,918	7%	N
City of Saginaw	\$2,460,288	5%	N
Bethesda Water Supply Corp.	\$2,392,697	5%	N
Trophy Club MUD #1	\$2,004,114	4%	N
City of Grand Prairie	\$1,636,480	3%	N

b. WASTEWATER

Customer Name	Annual Revenue(\$)	Percent of Revenue (Wholesale)	Bankruptcy (Y/N)
Trinity River Authority	\$3,630,963	15%	N
City of Haltom City	\$2,927,306	12%	N
City of Burleson	\$2,516,120	10%	N
City of Saginaw	\$2,151,532	9%	N
City of Hurst	\$2,027,373	8%	N
City of Benbrook	\$1,698,697	7%	N
City of Watauga	\$1,346,192	6%	N
City of North Richland Hills	\$1,341,271	6%	N
City of Forest Hill	\$1,288,903	5%	N
City of White Settlement	\$1,017,424	4%	N

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

31. Provide a summary of the wholesale contracts with customers

Contract Type	Minimum annual amount	Usage fee per 1,000 gallons	Annual Operations and Maintenance	Annual Capital Costs	Annual Debt Service	Return on Rate Base & Depreciation Other
Uniform Water	N/A	\$2.1001	\$16,052,965	Not in Cost Basis	Not in Cost Basis	\$17,297,557
Uniform Wastewater	N/A	\$1.1495	\$14,393,877	Not in Cost Basis	Not in Cost Basis	\$8,923,957
Uniform Reclaimed	N/A	\$1.50	\$259,173.00	N/A	\$810,000	

32. List top **TEN** customers of the water and/or wastewater system by annual revenue with corresponding usage and percentage of total use, including whether any are in bankruptcy.

a. **WATER**

Customer Name	Annual Usage (gal)	Percent of Total Water Revenue (Retail)	Bankruptcy (Y/N)
Miller Brewing Company	735,273,750	1.22%	N
Fort Worth ISD	267,673,103	0.83%	N
Alcon Laboratories	341,050,038	0.81%	N
Chesapeake Energy	169,465,672	0.68%	N
Tarrant County	234,354,820	0.56%	N
Texas Christian University	184,997,649	0.55%	N
Texas Health Resources	202,055,227	0.52%	N
American Airlines	170,910,103	0.41%	N
Lockheed Martin Tactical A/S	227,686,928	0.39%	N
Kettle Cooked Foods	158,870,331	0.33%	N

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

b. **WASTEWATER**

Customer Name	Annual Usage (gal)	Percent of Total Wastewater Revenue (Retail)	Bankruptcy (Y/N)
Miller Brewing Company	466,599,545	3.21%	N
Tarrant County	197,426,921	0.85%	N
Alcon Laboratories	255,495,167	0.83%	N
Fort Worth ISD	172,188,206	0.75%	N
Dannon Company Inc.	101,243,306	0.65%	N
Texas Health Resources	132,142,215	0.57%	N
Texas Christian University	123,852,294	0.53%	N
Kroger Food Stores	78,755,629	0.47%	N
Lockheed Martin Tactical A/S	131,706,671	0.45%	N
Federal Correctional Institute	84,628,064	0.43%	N

33. Current Average Residential Usage and Rate Information

Service	Date of Last Rate Increase	Avg. Monthly Usage (gallons)	Avg. Monthly Bill (\$)	Avg. Monthly Increase Per Customer (\$)	Projected Monthly Increase Necessary (\$)
Water	01/01/2015	7,435.64	\$32.30	\$2.11	\$2.11
Wastewater	01/01/2015	4,630.44	\$24.87	\$1.20	\$1.20

34. Provide the number of customers for each of the past five years.

Year	Number of Customers
2010	220,652
2011	222,585
2012	225,411
2013	228,374
2014	234,376

All applicants complete questions 35-51 of the financial section, as applicable.

35. Disclose all issues that may affect the project or the applicant's ability to issue and/or repay debt (such as anticipated lawsuits, judgments, bankruptcies, major customer closings, etc.).

None

36. Has the applicant ever defaulted on any debt?

Yes If yes, disclose all circumstances surrounding prior default(s). _____
 No

37. Does the applicant have taxing authority?

Yes
 No

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

38. Provide the last five-years of data showing total taxable assessed valuation including net ad valorem taxes levied, corresponding tax rate (detailing debt service and general purposes), and tax collection rate.

Fiscal Year Ending	Net Taxable Assessed Value	Tax Rate	General Fund	Interest & Sinking Fund	Tax Levy (\$000s)	Percentage Current Collections	Percentage Total Collections
2010	\$41,851,014,698	0.8550	\$0.7109	\$0.1441	\$362,551	97.81%	98.69%
2011	\$41,022,067,413	0.8550	\$0.7109	\$0.1441	\$350,050	98.16%	99.10%
2012	\$41,986,043,329	0.8550	\$0.7009	\$0.1541	\$358,954	98.28%	99.09%
2013	\$43,496,924,717	0.8550	\$0.6859	\$0.1691	\$366,361	98.23%	98.61%
2014	\$44,265,767,682	0.8550	\$0.6759	\$0.1791	\$377,584	98.23%	98.23%

Comments: _____

39. Attach the last five-years of tax assessed values delineated by Classification (Residential, Commercial and Industrial). **If applicant does not have taxing authority, provide the assessed values of the county.**

- a) **2014 attached**
- b) **2013 attached**
- c) **2012 attached**
- d) **2011 attached**
- e) **2010 attached**

40. Attach the direct and overlapping tax rate table:
 Attached tax rate table

41. Provide the current top **TEN** taxpayers showing percentage of ownership to total assessed valuation. State if any are in bankruptcy and explain anticipated prospective impacts in the Comments blank, below. If any of these have changed in the past three years, please provide information on the changes to the top ten. **Top 10 taxpayers from 2011 attached.**

Taxpayer Name	Assessed Value (\$000s)	Percent of Total	Bankruptcy (Y/N)
TU Elect./Oncor Elect Deliv. Co, LLC	\$365,328	0.86%	N
DDR/DTC City Investments, LP	\$217,491	0.51%	N
Bell Helicopter Inc.	\$210,091	0.50%	N
XTO Energy Inc	\$199,124	0.47%	N
Chesapeake Operating (WI)	\$196,646	0.46%	N
Alcon Laboratories, Inc.	\$175,993	0.41%	N
AAL/American Airlines Inc.	\$172,481	0.41%	N
Wal-Mart Real Estate Bus. Trust/Stores	\$151,345	0.36%	N
Mercantile Partners LP	\$141,525	0.33%	N
Behringer Harvard Burnet PLZ	\$137,904	0.33%	N

Comments: American Airlines emerged from bankruptcy through a merger with US Airways.

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

42. Provide the maximum tax rate permitted by law per \$100 of property value. \$1.90 (City Home Rule Charter)

43. Does the applicant collect sales tax?

Yes Provide the sales tax collection history for the past five years.

Fiscal Year Ending	Total Collections
2010	143,073,123
2011	153,035,951
2012	161,246,768
2013	173,219,936
2014	183,713,579

No

44. Indicate the tax status of the proposed loan?

Tax-Exempt

Taxable

45. Proforma (**Select one of the four listed below**) Please be sure the proforma reflects the schedule requested, including multi-phased funding options.

a. System revenues are anticipated to be used to repay the proposed debt. Attach a proforma indicating the following information for each year the debt is outstanding:

- projected gross revenues
- operating and maintenance expenditures
- outstanding and proposed debt service requirements
- net revenues available for debt service and coverage of current and proposed debt paid from revenues

b. Taxes are anticipated to be used to repay the proposed debt. Attach a pro forma indicating the following information for each year the debt is outstanding:

- outstanding and proposed debt service requirements
- the tax rate necessary to repay current and proposed debt paid from taxes
- list the assumed collection rate and tax base used to prepare the schedule

c. Combination of system revenues and taxes to be used to repay the proposed debt. Attach a pro forma indicating the following information for each year the debt is outstanding:

- projected gross revenues, operating and maintenance expenditures, net revenues available for debt service
- outstanding and proposed debt service requirements
- the tax rate necessary to pay the current and proposed debt
- list the assumed collection rate and tax base used to prepare the schedule

d. Another type of pledge will be used to repay the proposed debt. Attach a pro forma with information for each year the debt is outstanding, which includes projected revenues, annual expenditures, outstanding debt requirements, and revenues available for debt service.

Attached

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

46. Attach a **FIVE** year comparative system operating statement (not condensed) including audited prior years and an unaudited year-to-date statement. Unaudited year-to-date statement must reflect the financial status for a period not exceeding the latest six months.

Attached Operating Statement.

47. Attach **ONE** copy of an annual audit of financial statements, including the management letter, for the preceding fiscal year prepared by a certified public accountant or firm of accountants and, if the last annual audit was more than 6 months ago, then, provide interim financial information.

Attached Annual Audit

Attached Management Letter

If applicable, attached interim financial information

48. Does the applicant have any outstanding debt? (Check all that apply)

Yes, General obligation debt

Yes, Revenue debt

Yes, Authorized but unissued debt

No

49. Attach a listing of total outstanding debt and identify the debt holder. Segregate by type (General Obligation or Revenue) and present a consolidated schedule for each, showing total annual requirements. Note any authorized but unissued debt.

a. General Obligation Debt:

Yes

Attached schedule. The schedule should also identify the debt holder.

No

b. Revenue:

Yes

Attached schedule. The schedule should also identify the debt holder.

No

c. Authorized but Unissued Debt:

Yes

Attached schedule. The schedule should also identify the debt holder.

No

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

50. List the ten largest employers of the Applicant's service area:

Name	Number of Employees
AAL/American Airlines	22,169
Lockheed Martin	14,988
NAS Fort Worth Joint Reserve Base	11,350
Fort Worth Independent School District	11,000
City of Fort Worth	6,195
JPS Health Network	4,872
Cook Children's Health Care System	4,826
Tarrant County	4,173
Texas Health Harris Methodist Hospital	3,968
Bell Helicopter-Textron, Inc.	3,820

Comments (example, any anticipated changes to the tax base, employers etc.) _____

51. Provide any current bond ratings with date received.

	Standard & Poor's	Date Received	Moody's	Date Received	Fitch	Date Received
G.O.	AA+	8/2011	Aa1	9/2013	AA+	9/2013
Drainage Revenue	AA+	10/2011	NR	N/A	AA+	10/2011
Water & Sewer Revenue	AA	3/2015	Aa1	2/2014	AA	2/2014

52. Is the project intended to allow the applicant to provide or receive water or sewer services to or from another entity?

Yes. If yes, the applicant must attach, at a minimum, the proposed agreement, contract, or other documentation establishing the service relationship, with the final and binding agreements provided prior to loan closing.

Attached

No.

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Part D: Project Information

53. Description of Project Need (for example, is the project needed to address a current compliance issue, avoid potential compliance issues, extend service, expand capacity, etc.):

In an effort to enhance the City of Fort Worth's water conservation efforts and to provide a higher level of customer service, the City is pursuing implementation of a full scale Advanced Metering Infrastructure (AMI) project along with an automated leak detection system. During 2015, the City is completing a preliminary assessment that will identify opportunities to reduce water loss and increase revenue through the implementation of AMI. The City of Fort Worth Water Department (FWWD) is addressing complex business challenges with technology to improve operational efficiencies and empower decision making. The FWWD completed its Information Technology (IT) Strategic Plan in 2010, which laid out a five-year program comprising projects for implementation. Projects related to customer service management include developing and implementing a phased approach to AMI and customer information system (CIS) integrations to enable real-time information interchange between customer service representatives and field service technicians. The Business Services Division (Division) of the FWWD identified improvements in meter management and service order management as its most immediate objectives. The Division's strategic goals include adopting best practices in the following areas:

- 1) Develop and implement strategies for implementing AMI technology to improve customer management and utility operations efficiencies.
- 2) Update meter specifications to include requirements for future migration to AMI with minimum cost.
- 3) Develop and implement a meter testing program to verify that meter accuracies are within specified American Water Works Association (AWWA) limits.
- 4) Implement a new Mobile Workforce Management (MWM) technology or expand the use of Maximo to automate the work order management process.
- 5) Build interfaces amongst CIS, GIS, and CMMS for information sharing to facilitate work order management and transparency.
- 6) Develop management reports to manage operations and analyze trends for process improvements.

54. Description of Project, including a bulleted list of project elements/components, and alternatives considered (including existing facilities):

Full implementation of an Advanced Metering Infrastructure system includes the following elements:

- 1) Implementation of a fixed-base AMI system
- 2) Replacement of older, inaccurate water meters
- 3) Retrofitting of remaining water meters
- 4) Right typing/sizing of large water meters
- 5) Automatic leak detection system
- 6) Meter Data Management system
- 7) District area metering/distribution system leak monitoring to further reduce water loss percentages

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

A complete preliminary engineering feasibility data must include:

- a. A description and purpose of the project, including existing facilities.
 - Note: CWSRF and DWSRF must address issues scored in Intended Use Plan submittal

Attached

- b. If project is for **Construction only**, then attach the appropriate **Engineering Feasibility Report**:

- a) **Water** (TWDB-0555

- at <http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0555.pdf>

- Attached (Westin Engineering Feasibility Report Attached)**

- b) **Wastewater** (TWDB-0556

- at <http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0556.pdf>

- Attached**

- c. DWSRF applicants must complete a Projected Draw Schedule (TWDB-1202 at <http://www.twdb.texas.gov/financial/instructions/doc/TWDB-1202.xls>)

55. Water Made Available (For projects requesting a construction component):

a. New supply N/A (acre-feet/year) N/A (\$) capital cost

- The **increase** in the total annual volume of water supply that will be made available to the recipient(s) by the proposed project.
- Water Plan project examples: new groundwater wells, reservoir development, pipelines to sources.

b. New Conservation savings 9,450 (acre-feet/year) \$76,000,000.00 (\$) capital cost

- Annual volume of anticipated water savings resulting from implementation of the proposed conservation project (including water loss) and other conservation activities,
- Water Plan project examples: municipal conservation, advanced Water Conservation, on-farm conservation, brush control, irrigation conservation.

c. New Reuse supply N/A (acre-feet/year) N/A (\$) capital cost

- Increase in the annual volume of (direct or indirect) reuse water supply that will be made available to the recipient(s) by the proposed project.
- Water Plan project examples: direct reuse, non-potable reuse, recycled water programs.

d. Maintenance of Current Supply N/A (acre-feet/year) N/A (\$) capital cost

- Volume of recipients' current supplies that will be maintained by implementing the proposed project
- Water Plan project examples: treatment rehabilitation, system storage facilities, system upgrades.

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

56. Project Location: **City of Fort Worth City Limits**

Attach a map of the service area and drawings as necessary to locate and describe the project. The map should show the project footprint and major project components.

Attached

57. Attach the Census tract numbers in which the applicant's service area is within. The Census tracts within your area may be found at: <http://factfinder2.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t>.

Please follow these steps:

- Select Advanced Search.
- Select the Geographies button located below Topics (left side of page).
- On the top of the window select the Name tab.
- In the text box, type "All Census Tracts within____" (Fill in the blank with the name of a County Subdivision or a Place.) Select "Go".
- If your town is a County Subdivision, select the geography labeled "All Census Tracts (or parts) within City, County, State" from the Geography Results. If your town is a place select the geography labeled "All Census Tracts (or parts) full-or-partially within City, State" from the Geography Results.
- Close the Geographies Search window.
- Use the Topics on the left side of the page to further refine your search or to select a table(s) from your search results.

Attached Census tracts

58. Project Schedule:

- a) Requested loan closing date.
November 2015
- b) Estimated date to submit environmental planning documents.
Not Applicable
- c) Estimated date to submit engineering planning documents.
Not Applicable
- d) Estimated date for completion of design.
December 2016
- e) Estimated Construction start date for first contract.
January – February 2017
- f) Estimated Construction end date for last contract.
December 2020

59. **Attach** a copy of current and future populations and projected water use or wastewater flows. Include entities to be served.

Attached

60. Attach the most current itemized project cost estimate (include all costs and funding sources). Utilize the budget format provided (TWDB-1201 at <http://www.twdb.texas.gov/financial/instructions/>). If applying for pre-construction costs only (i.e., P, A, D) then itemize only the relevant portions in the attached budget template

Attached

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

61. Attach the appropriate Project Information Form:
- Wastewater:** Attached a completed Wastewater Project Information Form WRD-253a <http://www.twdb.texas.gov/financial/instructions/index.asp>
 - Water:** Attached a completed Water Project Information Form WRD-253d <http://www.twdb.texas.gov/financial/instructions/index.asp>
62. If the project is for Construction only, wastewater projects that involve the construction of a new plant or the expansion of an existing plant and/or associated facilities, attach evidence that an application for a new Texas Pollution Discharge Elimination System Permit or amendment to an existing permit related to the proposed project has been filed with the Texas Commission on Environmental Quality (TCEQ). Final permit authorization must be obtained from the TCEQ before funds can be released for construction activities.
- Attached**
 - Not Applicable. Provide explanation: Permits are not required or necessary for this AMI project. We will not be constructing any new facilities or expanding other facilities. Also, no TPDES permit or amendment to an existing permit is required to be filed or obtained from the TCEQ.
63. If this project will result in: (a) an increase by the applicant in the use of groundwater, (b) drilling a new water well, or (c) an increase by the applicant in use of surface water, then the applicant must demonstrate that it has acquired – by contract, ownership or lease – the necessary property rights, groundwater permits, and/or surface water rights sufficient for the project before funds can be released for construction.
- a) Does the applicant currently own all the property rights, groundwater permits and surface water rights needed for this project?
- Yes If yes, please attach the completed, appropriate form.
 1. WRD 208A (<http://www.twdb.texas.gov/financial/instructions/index.asp>) (Surface Water)
 - Attached**
 2. WRD 208B (<http://www.twdb.texas.gov/financial/instructions/index.asp>) (Groundwater)
 - Attached**
 - No
 - Not Applicable. This AMI project will not result in an increased use of groundwater or new well water, and will not increase the City's use of surface water. This project does not require the acquisition of any additional water rights.
- b) If all property rights, groundwater permits, and surface water rights, needed for this project have not yet been acquired, identify the rights and/or permits that will need to be acquired and provide the anticipated date by which the applicant expects to have acquired such rights and/or permits.
- Not Applicable: For this AMI project, it will not be necessary nor will the City acquire any such rights and/or permits.

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Type of Permit Water Right	Entity from which the permit or right must be acquired	Acquired by lease or full ownership	Expected acquisition date	Permit / Water Right ID No.
N/A				

c) List any major permits not identified elsewhere that are necessary for completion of project. Also, list any more necessary minor permits that may involve particular difficulty due to the nature of the proposed project.

Permit	Issuing Entity	Permit Acquired (Y/N)
N/A		

64. Has the applicant obtained all necessary land and easements for the project?

- Yes. If yes, attach the site certificate (ED-101 at <http://www.twdb.texas.gov/financial/instructions/index.asp>)
- NOT APPLICABLE**
- No. If no, **fill out the table below** and describe the land or easements that will need to be acquired, provide the anticipated date by which the applicant expects to have the land or easements, and indicate if funding from TWDB is to be used for the acquisition.

Description of Land or Easement Permit	Entity from which the permit or right must be acquired	Acquired by lease or full ownership	Expected acquisition date	To Be Funded by TWDB (Yes/No)
N/A	N/A	N/A	N/A	N/A

65. Has a Categorical Exclusion (CE), Determination of No Effect (DNE), Finding of No Significant Impact (FONSI), Record of Decision (ROD), or any other environmental determination been issued for this project?

- Yes
- Attach a copy of the finding.
- Not Applicable to this AMI project. No environmental impacts will result from designing or implementing this project.

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

66. Is the project potentially eligible for a Categorical Exclusion (CE)/ Determination of No Effect (DNE) because it involves only minor rehabilitation or the functional replacement of existing equipment?

Yes
 No

This fixed-base AMI project with automated leak detection system involves only minor/functional replacement of existing water meters throughout the city.

67. Are there potentially adverse environmental or social impacts that may require mitigation or extensive regulatory agency or public coordination (e.g. known impacts to properties eligible for listing on the National Register of Historic Places; potentially significant public controversy; need for an individual permit from the U.S. Army Corps of Engineers)?

Yes
 If yes, attach additional information
 No

The AMI project does not include potential adverse environmental or social impacts. This area is entirely urban and the project will not affect any area that is not currently developed. No wetlands or agricultural lands are impacted.

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Part E: State Water Implementation Fund for Texas (SWIFT) Applicants Only:

68. Identify the type of SWIFT funding (If more than one funding option is being requested indicate the amount of funding for each):

- | | | |
|-------------------------------------|---------------------|-------------------------|
| <input type="checkbox"/> | Deferred | \$ |
| <input checked="" type="checkbox"/> | Low Interest Loan | \$ <u>76,000,000.00</u> |
| <input type="checkbox"/> | Board Participation | \$ |

69. For multi-year funding request or phased commitments, provide a schedule reflecting the closing dates for each loan requested.

Attached

70. **Notice to SWIFT Applicants:** Texas Water Code Sec. 15.435(h) requires all recipients of financial assistance from the SWIFT to acknowledge any applicable legal obligations in federal law, related to contracting with disadvantaged business enterprises, and state law, related to contracting with historically underutilized businesses. Checking the boxes below serves as this acknowledgement.

As an applicant for financial assistance from SWIFT, I acknowledge that this project must comply with any applicable legal obligations in federal law related to contracting with disadvantaged business enterprises.

As an applicant for financial assistance from SWIFT, I acknowledge that this project must comply with applicable legal obligations in state law (Texas Government Code Chapter 2161 and Texas Administrative Code Chapter 20, Subchapter B) related to contracting with historically underutilized businesses.

71. Provide drafts of the following documents:

a. Proposed Bond Ordinance

Attached

b. Private Placement Memorandum

Attached

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Part F: Economically Distressed Programs (EDAP) Applicants Only:

In accordance with TWDB Rules (31 TAC Chapter 363), an application for EDAP will **not** be considered until the County has adopted and is enforcing the Model Subdivision Rules (MSRs) Texas Water Code § 16.343. If the proposed project is within a municipality or its extraterritorial jurisdiction (ETJ), or if the applicant is a municipality, the municipality must also have adopted and be enforcing MSRs.

72. Describe procedures for collecting monthly customer bills (include procedures for collection of delinquent accounts)

73. Is financing being requested for a **wastewater** project?
 Yes If yes, does the applicant have the required resolution/ordinance establishing a mandatory hookup policy?
 Yes. If yes, attach a copy of the resolution/ordinance.
 Attached
 No. If no, explain _____
 No
74. Required documentation for the project area for Preliminary EDAP Eligibility (31 TAC Chapter 363)
 Attached documentation of inadequacy of water and/or wastewater services.
 Attached documentation regarding the financial resources of the residential users in the EDAP area. Census data or documentation regarding median household income should be provided.
 Attached documentation demonstrating existence of a residence in the project area prior to **June 1, 2005**. This could include tax records of residence, dated aerial maps, or, other documentation demonstrating existence of a residence.
75. Has the Department of State Health Services issued a determination stating a public health nuisance exists in the project area?
 Yes If yes, attach a copy of the determination.
 Attached
 No If no determination exists, attach documentation demonstrating a public health nuisance exists in the project area. (*Photographs may be submitted, but they **must** be labeled with location and date when taken. If the soil types are mentioned in the project area as an issue, include soil profile maps*) This documentation will be used by TWDB staff to request a determination from the Department of State Health Services
 Attached
76. Is this project providing new service?
 Yes If yes, attach plats of the affected subdivisions.
 Attached
 No
77. Attach an EDAP Facility Engineering Plan/Scope of Services report that complies with the requirements of WRD-023A. <http://www.twdb.texas.gov/financial/instructions/index.asp>
 Attached

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Part G: CWSRF/DWSRF Applicants Only

Only applicants applying for funding from the CWSRF and DWSRF Programs must complete this section.

Pursuant to Federal Funding Accountability and Transparency Act (FFATA) the applicant is required to obtain a DUNS number that will represent a universal identifier for all federal funding assistance. DUNS numbers can be obtained from Dun and Bradstreet at <http://fedgov.dnb.com/webform/>

78. Applicant's Data Universal Number System (DUNS) Number:
DUNS _____

Pursuant to Federal Funding Accountability and Transparency Act (FFATA) the applicant is required to register with System for Award Management (SAM) and maintain current registration at all times during which the Board loan agreement is active or under consideration by the Board. Register at: <https://sam.gov>.

79. The applicant has registered and will maintain current SAM registration at all times during which a federal subaward is active or under consideration by the Board.
 Yes
 No

80. Federal Awards information:
 1. Did applicant receive over 80% of their revenue from Federal Awards last year?
 Yes
 No
 2. Did applicant receive over \$25 million in Federal Awards last year?
 Yes
 No
 3. Public does not have access to executive compensation information via SEC or IRS reports?
 Yes
 No

81. If applicant checked **YES** to **ALL** three boxes in 3 above, applicant is required to disclose the name and compensation of the five most highly compensated officers.

Officer's Name	Officer's Compensation (\$)

82. Complete form WRD 213 (<http://www.twdb.texas.gov/financial/instructions/index.asp>) - Certification Regarding Lobbying
Attached Yes
 No
 N/A

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

83. If applying for CWSRF Equivalency or DWSRF, **attach** the Certification Regarding Debarment, Suspension and Other Responsibility. SRF-404
(<http://www.twdb.texas.gov/financial/instructions/doc/SRF-404.pdf>)

Attached Yes
 No
 N/A

84. If applying for CWSRF Equivalency or DWSRF, **attach** the Assurances – Construction Programs. EPA-424D (<http://www.twdb.texas.gov/financial/doc/EPA-424D.pdf>)

Attached Yes
 No
 N/A

85. The applicant must comply with the Davis-Bacon Act regarding prevailing wage rates. The applicant acknowledges that they are aware of, and will abide by, the Davis-Bacon Act requirements.

Yes
 No

Further information on the Davis-Bacon requirement is available through the TWDB Guidance document, DB-0156 (<http://www.twdb.texas.gov/financial/instructions/index.asp>)

All project costs funded by the TWDB through CWSRF Equivalency or DWSRF must comply with the federal Disadvantaged Business Enterprise (DBE) program rules and requirements. The federal DBE program requires a good faith effort to contract with DBE's for all procurements including: professional and non-professional consulting services, equipment, supplies and construction to be funded by federal equivalency dollars. Guidance and forms are found at:

TWDB-0210 (<http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0210.pdf>)

86. **At a minimum, you must complete and attach** the Applicant Affirmative Steps Certification and Goals. This form is required to obtain a financial assistance commitment.

TWDB-0215 (<http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0215.pdf>)

Attached Yes
 No

87. If you have already solicited contractors, complete and attach the Affirmative Steps Solicitation Report. This form is required prior to loan closing and release of any funds; therefore, if this question is not applicable at this time, select N/A.

TWDB-216 (<http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0216.pdf>)

Attached Yes
 No
 N/A

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

88. If you have awarded contracts to contractors, complete and attach the Loan/Grant Participation Summary. This form must be submitted for review prior to loan closing and release of funds. This form is required prior to loan closing and release of any funds; therefore, if this question is not applicable at this time, select N/A.

TWDB-0373 (<http://www.twdb.texas.gov/financial/doc/TWDB-0373.pdf>)

Attached Yes
 No
 N/A

89. All Contractors that have been awarded will need to complete and attach the Prime Contractor Affirmative Steps Certification and Goals This form is required prior to loan closing and release of any funds; therefore, if this question is not applicable at this time, select N/A.

TWDB-217 (<http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0217.pdf>)

Attached Yes
 No
 N/A

90. **All CWSRF applicants** must be a Designated Management Agency (DMA) for wastewater collection and treatment. Please complete and attach DMA resolutions. WRD-210 (<http://www.twdb.texas.gov/financial/doc/WRD-210.pdf>) is an example of this type of resolution.

 Attached
 N/A

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Part H: Documentation of "Green" Projects and Project Components

CWSRF and DWSRF Applicants Only

All SRF applicants must complete this section if green benefits are all or part of the project (**more than an incidental benefit**). Project is defined as the entire project or a stand-alone component of the project. This section is required so that the TWDB may determine whether the project qualifies as "green" pursuant to Environmental Protection Agency (EPA) Guidance.

A project (or project component) is "green" if the primary purpose qualifies under EPA Guidance as one of the following:

- a. Green Infrastructure,
- b. Water Efficiency-related,
- c. Energy Efficiency-related, or
- d. Environmentally Innovative.

You must use the Green Project Reserve guidance to complete this section. Current guidance may be found at: **Green Project Reserve: Guidance for determining project eligibility**

TWDB-0161 (<http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0161.pdf>)

91. Does your project or a component of your project qualify as Green, per EPA guidance?

- Yes
 No

If Yes, Please complete the remainder of Section G.

92. Type of Green Project

- Water Efficiency Energy Efficiency Green Infrastructure Environmentally Innovative

93. The correct worksheets must be completed.

Green Project Reserve: CWSRF Green Project Worksheets

TWDB-0162 (<http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0162.pdf>)

- Attached** Yes
 No
 N/A

Green Project Reserve: DWSRF Green Project Worksheets

TWDB-0163 (<http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0163.pdf>)

- Attached** Yes
 No
 N/A

TWDB will make the final determination whether your project (or project component) meets federal criteria as "green". You may be required to submit a **business case, utilizing the Green guidance**

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Part I: Summary of attachments to application

Following is a list of the documents that may be necessary in order to process this application. While not all of the listed information below may be required for all projects, an applicant should review the application carefully because incomplete applications will not be processed until all of this information has been provided. In addition, please make sure your entity system name appears on every attachment. **Label each attachment with the number of the pertinent application section (i.e. "Part B5").**

Check list for your convenience

Part A

- No. 6
- No. 12

General Information

Draft or executed consulting contracts (engineering, financial advisor, bond counsel)
Existing security document for refinancing

Part B

- No. 17
- No. 18
- No. 19
- No. 20

Legal

Resolution (TWDB-0201A)
Application Affidavit (TWDB-0201)
Certificate of Secretary (TWDB-201B)
Water Supply Corporations

- Articles of Incorporation
- Certificate of incorporation from the Texas Secretary of State
- By-laws and any amendments
- Certificate of status from the Texas Secretary of State
- Certificate of account status from Texas Comptroller

- No. 21
- No. 22
- No. 23
- No. 24
- No. 25
- No. 26

Resolution/ordinance authorizing the issuance of parity debt
Certificate of Convenience & Necessity
Enforcement Actions
Affidavit of No Objection
Two copies of the Water Conservation Plan (TWDB-1968 and TWDB-1965)
Water use surveys

- No. 27

Water Loss Audit
<http://www.twdb.texas.gov/waterplanning/waterusesurvey/index.asp>
<http://www.twdb.texas.gov/conservation/resources/waterloss-resources.asp>

Part C

- No. 39
- No. 40
- No. 45
- No. 46
- No. 47
- No. 49
- No. 52

Financial

Assessed Values by Classifications
Direct and Overlapping Tax Table
Proforma for each year of debt outstanding
Five year comparative system operating statement.
Annual audit and management letter
Outstanding debt schedule
Service provider contracts

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Part D

Project Information

- No. 54a Preliminary Engineering Feasibility Data (PEFD) **TWBD-0555 (Not a fillable form)**
- No. 54b Engineering Feasibility Report (**Westin Engineering Feasibility Report**)
 - Water (TWDB-0555)
 - Wastewater (TWDB-0556)
- No. 54c Project Draw Schedule (TWDB-1202) (**Same as 54a) (See Question 60)**
- No. 56 Project Map
- No. 57 Census Tract(s)
- No. 59 Current and future populations and projected water use or wastewater flows
- No. 60 Project Cost Estimate Budget (TWDB-1201)
- No. 61 Wastewater Project Information Form (WRD-253a)
Water Project Information Form (WRD-253d)
- No. 62 Texas Pollution Discharge Elimination System Permit (**Not Applicable**)
- No. 63 If applicant has property rights and permits (**Not Applicable**)
 - a. WRD-208A (Surface Water)
 - b. WRD-208B (Groundwater)
- No. 63c Additional Permits (**Not Applicable**)
- No. 64 Site certificate, evidencing land ownership for the project. (ED-101) (**Looking for Guidance from TWDB**)
- No. 65 Categorical Exclusion (CE), Finding of No Significant Impact (FONSI), Record of Decision or any other supporting document (**Not Applicable**)
- No. 67 Social or environmental issues (**Not Applicable**)

Part E

State Water Implementation Fund for Texas

- No. 69 Multi-year/phased commitment schedule
- No. 71a Draft Bond Ordinance
- No. 71b Private Placement Memorandum

Part F

Economically Distressed Areas Program

- No. 73 Resolution/ordinance establishing a mandatory hookup policy
- No. 74 EDAP applicants
 - Inadequacy documentation
 - Financial resources documentation
 - Existence of residences prior to 06/01/2005
- No. 75 Public health nuisance
- No. 76 Plats
- No. 77 EDAP Planning Phase – Facility Engineering Plan/Scope of Services (WRD-023A)

Part G

CWSRF/DWSRF Applicants Only

- No. 82 Lobbying Activities (WRD-213)
- No. 83 Certification Regarding Debarment, Suspension and Other Responsibility Requirements. (SRF-404)
- No. 84 Assurances – Construction Programs (EPA-424D)
Disadvantaged Business Requirements Guidance (TWDB-0210)
- No. 86 Affirmative Steps Certification and Goals (TWDB-0215)
- No. 87 Affirmative Steps Solicitation Report (TWDB-216)
- No. 88 Loan/ Grant Participation Summary (TWDB-0373)
- No. 89 Prime Contractor Affirmative Steps Certification and Goals (TWDB-217)
- No. 90 Designated Management Agency (WRD-210)

Part H

Green Projects

- No. 93 Guidance (TWDB-0161)
CWSRF Green Project Worksheets (TWDB-0162)
DWSRF Green Project Worksheets (TWDB-0163)

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Part J: Guidance and Forms

Part A

General Information

CWSRF – 31 TAC 375

DWSRF – 31 TAC 371

EDAP and SWIFT - 31 TAC 363

For more information visit, <http://www.twdb.texas.gov/about/rules/index.asp>.

Part D

Project Information

[State Programs - 31 TAC 363](#)

[Drinking Water State Revolving Fund - 31 TAC 371](#)

[Clean Water State Revolving Fund / Equivalency - 31 TAC 375](#)

[Clean Water State Revolving Fund / Non-Equivalency - 31 TAC 375](#)

Guidelines for Environmental Assessment, Clean Water Non-Equivalency (ED-001A)

Clean Water EID Instructions (SRF-099)

Guidelines for Environmental Assessment, State Participation, DFund, RWF and WIF,
(ED-001B)

Guidelines for Environmental Assessment, EDAP (ED-001C)

Drinking Water EID Instructions (DW-001)

Part H

Green Projects and Project Components

Green Project Reserve: Guidance for determining project eligibility
(TWDB-0161)

PROFESSIONAL SERVICES AGREEMENT

This **PROFESSIONAL SERVICES AGREEMENT** ("Agreement") is made and entered into by and between the **CITY OF FORT WORTH** (the "City"), a home rule municipal corporation situated in portions of Tarrant, Denton and Wise Counties, Texas, acting by and through Fernando Costa, its duly authorized Assistant City Manager, and **SL-serco Inc.** ("Contractor"), a Minnesota Corporation chartered under to laws of the State of Minnesota and acting by and through Laurie Allen, CFO, its duly authorized Project Principal each individually referred to as a "party" and collectively referred to as the "parties."

The City owns and maintains approximately 240,000 water meters, which are currently read manually. Residential meters are read by a third party service provider, and commercial and industrial meters are read in-house by City staff through a combination of meter reading systems. The City desires to outsource the residential and commercial meter reading services through the use of Advanced Metering Infrastructure (AMI). To achieve this, the City will be required to specify, select, and implement the new AMI. The City has also identified a number of significant business process improvements and operational cost savings that can be realized through the adoption of the AMI technology. The Contractor will provide the City with professional services for the development of an AMI Request for Qualifications (RFQ) document.

1. SCOPE OF SERVICES.

Contractor hereby agrees to provide the City with professional services of creating a Request for Qualifications document, acceptable and in compliance with the City's standard policies and procedures, for the creation of an AMI infrastructure program for the City of Fort Worth Water Department. Contractor shall also evaluate and make recommendations to support the project.

Contractor will work closely with City staff to perform the following activities:

- Contractor shall walk the City through the creation of an advanced metering Request for Qualifications from interested parties who shall provide the four items below. Secondly, the Contractor will remain with the City to score the responses. Specifically, Fort Worth has listed the four goals below:
 - 1) Detailed audit to create / expand revenue streams and reduce water loss
 - 2) Guide City's Advanced Metering Infrastructure effort
 - 3) Cost effective program management from design through installation
 - 4) Performance based contract preferred
- Assemble City stakeholders and conduct a kick-off meeting. During the kick-off meeting, the Contractor shall review the project objectives, approach, and the RFQ schedule, which must be approved by the City.
- Following the kick-off meeting, the Contractor shall schedule interviews with City stakeholders and subject matter experts. The purpose of the interviews will be to gather relevant information about the City's current status and future needs of the City relative to meter reading and AMI. The Contractor will also work to understand the procurement and contractual requirements of the City. The interviews will be a combination of in-person and phone interviews.

- Using information gathered during the interview process, the Contractor shall develop the system requirements for the new AMI. The requirements will consider the following aspects of the system: functional (what the system should be able to do), technical (how the system is designed), and integration (how the system interacts with other systems).
- Develop a draft RFQ document for the Advanced Metering Systems Integrator and provide the draft to the City for review and acceptance. While the system requirements form the core of the RFQ, there are a number of other items that should be put to the respondents.
 - Firm qualifications
 - Personnel
 - Experience
 - Overview of the technical architecture of the proposed solution
 - Approach that will be used to implement the proposed solution
 - Software licensing model
 - Warranties
 - Terms and Conditions
- Conduct a requirements and RFQ review workshop with City staff. During this workshop, the Contractor will present the draft functional and technical requirements, and will walk through the draft RFQ to gather feedback, edits and acceptance by the City.
- After receipt of comments and edits from the City, the Contractor will finalize the RFQ and provide the finalized RFQ to City.
- SL-serco shall perform these services following a 12 week or longer process in order to complete Fort Worth's Request for Qualifications.
- Gather data on meter database, performance information, service and functional requirements. Then with that data build a project charter. The project charter will outline tasks, people involved, schedule and tools used to complete the project. Have a phone introduction with key project stakeholders and staff.
 - Kickoff meeting which will include a 1 day process share review
 - Phone meeting to create the long list of options
 - Meet onsite to further understand costs and utility processes
 - Evaluate data and build Case Studies
 - Survey similar utilities for lessons and process changes
 - Present Case Studies onsite
 - Define project risks
 - Start building RFQ with Procurement Department
 - Continue Draft RFQ
 - Decision to publish
 - Completed RFQ Document

Basic Assumptions

Contractor further agrees to the following:

- The kick-off meeting and interviews shall be conducted over the course of a twelve (12) week continuous Period.
- Project meetings will be a combination of on-site at the City's offices, telephone conference calls, and Web meetings.
- The City will provide appropriate access to their information systems, including access to system

Documentation, as required to perform the scope of work.

- The City will provide a dedicated AMI Program Manager and IT subject matter expert as part of the City's team to work closely with the Contractor's IT subject matter expert.

City's Responsibilities

- Provide feedback as needed throughout the project as well as at the end
- Tracking and payment of invoices within 30 day terms
- Assist in communication between SL-Serco and other vendors as needed

Deliverables and Acceptance Criteria

Deliverables	Acceptance Criteria
Draft RFQ Document	Draft RFQ document is submitted to the City for review.
Final RFQ Document	The City's RFQ review comments have been addressed and the final RFP document submitted to the City.

2. TERM.

This Agreement shall commence upon the date it is completely executed ("Effective Date") and shall expire on the last day of the twelfth week from the Effective Date, unless additional time is required for the Contractor to complete the final RFQ document or terminated earlier in accordance with the provisions of this Agreement.

3. COMPENSATION.

The City shall pay Contractor an amount not to exceed \$48,500.00 in accordance with the provisions of this Agreement. The Contractor will invoice the City on a lump-sum basis, with 50% of the fee due upon delivery of the draft RFQ Document, and the remaining 50% due upon delivery and acceptance of the Final RFQ Document including scoring the responses. Contractor shall not perform any additional services for the City not specified by this Agreement unless the City requests and approves in writing the additional costs for such services. The City shall not be liable for any additional expenses of Contractor not specified by this Agreement unless the City first approves such expenses in writing. Contractor agrees that it can provide the services described in Section 1 for the not to exceed amount.

4. TERMINATION.

4.1. Written Notice.

The City or Contractor may terminate this Agreement at any time and for any reason by providing the other party with fifteen (15) days written notice of termination. The City may also issue notice of termination for Contractor's failure to perform in accordance with Section 1. Contractor shall respond and correct any failure to perform five (5) business days of such notice of termination, otherwise the Agreement shall be terminated at the end of the 5th business day.

4.2 Non-appropriation of Funds.

In the event no funds or insufficient funds are appropriated by the City period for any Professional Services Agreement – SL-serco, Inc.

payments due hereunder, City will notify Contractor of such occurrence and this Agreement shall terminate on the last day for which appropriations were received without penalty or expense to the City of any kind whatsoever, except as to the portions of the payments herein agreed upon for which funds shall have been appropriated.

4.3 Duties and Obligations of the Parties.

In the event that this Agreement is terminated prior to the Expiration Date, the City shall pay Contractor for services actually rendered up to the effective date of termination and Contractor shall continue to provide the City with services requested by the City and in accordance with this Agreement up to the effective date of termination.

5. **DISCLOSURE OF CONFLICTS AND CONFIDENTIAL INFORMATION.**

Contractor hereby warrants to the City that Contractor has made full disclosure in writing of any existing or potential conflicts of interest related to Contractor's services under this Agreement. In the event that any conflicts of interest arise after the Effective Date of this Agreement, Contractor hereby agrees immediately to make full disclosure to the City in writing. Contractor, for itself and its officers, agents and employees, further agrees that it shall treat all information provided to it by the City as confidential and shall not disclose any such information to a third party without the prior written approval of the City. Contractor shall store and maintain City Information in a secure manner and shall not allow unauthorized users to access, modify, delete or otherwise corrupt City Information in any way. Contractor shall notify the City immediately if the security or integrity of any City information has been compromised or is believed to have been compromised.

6. **RIGHT TO AUDIT.**

Contractor agrees that the City shall, until the expiration of three (3) years after final payment under this contract, have access to and the right to examine at reasonable times any directly pertinent books, documents, papers and records of the Contractor involving transactions relating to this Contract at no additional cost to the City. Contractor agrees that the City shall have access during normal working hours to all necessary Contractor facilities and shall be provided adequate and appropriate work space in order to conduct audits in compliance with the provisions of this section. The City shall give Contractor reasonable advance notice of intended audits.

Contractor further agrees to include in all its subcontractor agreements hereunder a provision to the effect that the subcontractor agrees that the City shall, until expiration of three (3) years after final payment of the subcontract, have access to and the right to examine at reasonable times any directly pertinent books, documents, papers and records of such subcontractor involving transactions related to the subcontract, and further that City shall have access during normal working hours to all subcontractor facilities and shall be provided adequate and appropriate work space in order to conduct audits in compliance with the provisions of this paragraph. City shall give subcontractor reasonable notice of intended audits.

7. **INDEPENDENT CONTRACTOR.**

It is expressly understood and agreed that Contractor shall operate as an independent contractor as to all rights and privileges granted herein, and not as agent, representative or employee of the City. Subject to and in accordance with the conditions and provisions of this Agreement, Contractor shall have the exclusive right to control the details of its operations and activities and be solely responsible

for the acts and omissions of its officers, agents, servants, employees, contractors and subcontractors. Contractor acknowledges that the doctrine of *respondeat superior* shall not apply as between the City, its officers, agents, servants and employees, and Contractor, its officers, agents, employees, servants, contractors and subcontractors. Contractor further agrees that nothing herein shall be construed as the creation of a partnership or joint enterprise between City and Contractor.

8. LIABILITY AND INDEMNIFICATION.

CONTRACTOR SHALL BE LIABLE AND RESPONSIBLE FOR ANY AND ALL PROPERTY LOSS, PROPERTY DAMAGE AND/OR PERSONAL INJURY, INCLUDING DEATH, TO ANY AND ALL PERSONS, OF ANY KIND OR CHARACTER, WHETHER REAL OR ASSERTED, TO THE EXTENT CAUSED BY THE NEGLIGENT ACT(S) OR OMISSION(S), MALFEASANCE OR INTENTIONAL MISCONDUCT OF CONTRACTOR, ITS OFFICERS, AGENTS, SERVANTS OR EMPLOYEES.

CONTRACTOR COVENANTS AND AGREES TO, AND DOES HEREBY, INDEMNIFY, HOLD HARMLESS AND DEFEND THE CITY, ITS OFFICERS, AGENTS, SERVANTS AND EMPLOYEES, FROM AND AGAINST ANY AND ALL CLAIMS OR LAWSUITS FOR EITHER PROPERTY DAMAGE OR LOSS (INCLUDING ALLEGED DAMAGE OR LOSS TO CONTRACTOR'S BUSINESS AND ANY RESULTING LOST PROFITS) AND/OR PERSONAL INJURY, INCLUDING DEATH, TO ANY AND ALL PERSONS, OF ANY KIND OR CHARACTER, WHETHER REAL OR ASSERTED, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, TO THE EXTENT CAUSED BY THE NEGLIGENT ACTS OR OMISSIONS OR MALFEASANCE OF CONTRACTOR, ITS OFFICERS, AGENTS, SERVANTS OR EMPLOYEES.

9. ASSIGNMENT AND SUBCONTRACTING.

Contractor shall not assign or subcontract any of its duties, obligations or rights under this Agreement without the prior written consent of the City. If the City grants consent to an assignment, the assignee shall execute a written agreement with the City and the Contractor under which the assignee agrees to be bound by the duties and obligations of Contractor under this Agreement. The Contractor and Assignee shall be jointly liable for all obligations under this Agreement prior to the assignment. If the City grants consent to a subcontract, the subcontractor shall execute a written agreement with the Contractor referencing this Agreement under which the subcontractor shall agree to be bound by the duties and obligations of the Contractor under this Agreement as such duties and obligations may apply. The Contractor shall provide the City with a fully executed copy of any such subcontract.

10. INSURANCE.

Contractor shall provide the City with certificate(s) of insurance documenting policies of the following minimum coverage limits that are to be in effect prior to commencement of any work pursuant to this Agreement:

10.1 Coverage and Limits

- (a) Commercial General Liability
\$1,000,000 Each Occurrence
\$2,000,000 Aggregate
- (b) Automobile Liability
\$1,000,000 Each accident on a combined single limit basis or
\$250,000 Bodily injury per person

Professional Services Agreement – SL-serco, Inc.

\$500,000	Bodily injury per occurrence
\$100,000	Property damage

Coverage shall be on any vehicle used by the Contractor, its employees, agents, representatives in the course of the providing services under this Agreement. "Any vehicle" shall be any vehicle owned, hired and non-owned

- (c) Worker's Compensation
Statutory limits Employer's liability
- | | |
|-----------|-----------------------------|
| \$100,000 | Each accident/occurrence |
| \$100,000 | Disease - per each employee |
| \$500,000 | Disease - policy limit |

This coverage may be written as follows:

Workers' Compensation and Employers' Liability coverage with limits consistent with statutory benefits outlined in the Texas workers' Compensation Act (Art. 8308 – 1.01 et seq. Tex. Rev. Civ. Stat.) and minimum policy limits for Employers' Liability of \$100,000 each accident/occurrence, \$500,000 bodily injury disease policy limit and \$100,000 per disease per employee

- (d) Professional Liability (Errors & Omissions)
\$1,000,000 Each Claim Limit
\$1,000,000 Aggregate Limit

Professional Liability coverage may be provided through an endorsement to the Commercial General Liability (CGL) policy, or a separate policy specific to Professional E&O. Either is acceptable if coverage meets all other requirements. Coverage shall be claims-made, and maintained for the duration of the contractual agreement and for two (2) years following completion of services provided. An annual certificate of insurance shall be submitted to the City to evidence coverage.

10.2 Certificates.

Certificates of Insurance evidencing that the Contractor has obtained all required insurance shall be delivered to the City prior to Contractor proceeding with any work pursuant to this Agreement. All policies except Workers' Compensation and Professional Liability shall be endorsed to name the City as an additional insured thereon, as its interests may appear. All policies shall contain a Waiver of Subrogation for the benefit of the City of Fort Worth. The term City shall include its employees, officers, officials, agent, and volunteers in respect to the contracted services. Any failure on the part of the City to request required insurance documentation shall not constitute a waiver of the insurance requirement. A minimum of thirty (30) days' notice of cancellation or reduction in limits of coverage shall be provided to the City. Ten (10) days' notice shall be acceptable in the event of non-payment of premium. Such terms shall be endorsed onto Contractor's insurance policies. Notice shall be sent to the Risk Manager, City of Fort Worth, 1000 Throckmorton, Fort Worth, Texas 76102, with copies to the City Attorney at the same address.

11. COMPLIANCE WITH LAWS, ORDINANCES, RULES AND REGULATIONS.

Contractor agrees to comply with all applicable federal, state and local laws, ordinances, rules and regulations. If the City notifies Contractor of any violation of such laws, ordinances, rules or regulations, Contractor shall immediately desist from and correct the violation.

12. NON-DISCRIMINATION COVENANT.

Contractor, for itself, its personal representatives, assigns, subcontractors and successors in interest, as part of the consideration herein, agrees that in the performance of Contractor's duties and obligations hereunder, it shall not discriminate in the treatment or employment of any individual or group of individuals on any basis prohibited by law including Chapter 17, Article III of the Code of the City of Fort Worth. If any claim arises from an alleged violation of this non-discrimination covenant by Contractor, its personal representatives, assigns, subcontractors or successors in interest, Contractor agrees to assume such liability and to indemnify and defend the City and hold the City harmless from such claim.

13. NOTICES.

Notices required pursuant to the provisions of this Agreement shall be conclusively determined to have been delivered when (1) hand-delivered to the other party, its agents, employees, servants or representatives, (2) delivered by facsimile with electronic confirmation of the transmission, or (3) received by the other party by United States Mail, registered, return receipt requested, addressed as follows:

To CITY:
City of Fort Worth
Attn: Fernando Costa
1000 Throckmorton Street
Fort Worth, TX 76102-6311
Facsimile: (817) 392-8654

To CONTRACTOR:
SL-serco, Inc.
Attn: Laurie Allen
2817 Anthony Lane S
Suite # 104
St. Anthony, MN 55418
Phone: 612-709-6107 or 912-618-4747
Fax: 612-782-9782

14. SOLICITATION OF EMPLOYEES.

Neither the City nor Contractor shall, during the term of this agreement and additionally for a period of one year after its termination, solicit for employment or employ, whether as employee or independent contractor, any person who is or has been employed by the other during the term of this agreement, without the prior written consent of the person's employer.

15. GOVERNMENTAL POWERS.

It is understood and agreed that by execution of this Agreement, the City does not waive or surrender any of its governmental powers.

16. NO WAIVER.

The failure of the City or Contractor to insist upon the performance of any term or provision of

this Agreement or to exercise any right granted herein shall not constitute a waiver of the City's or Contractor's respective right to insist upon appropriate performance or to assert any such right on any future occasion.

17. GOVERNING LAW / VENUE.

This Agreement shall be construed in accordance with the internal laws of the State of Texas. If any action, whether real or asserted, at law or in equity, is brought on the basis of this Agreement, venue for such action shall lie in state courts located in Tarrant County, Texas or the United States District Court for the Northern District of Texas, Fort Worth Division.

18. SEVERABILITY.

If any provision of this Agreement is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.

19. FORCE MAJEURE.

The City and Contractor shall exercise their best efforts to meet their respective duties and obligations as set forth in this Agreement, but shall not be held liable for any delay or omission in performance due to force majeure or other causes beyond their reasonable control (force majeure), including, but not limited to, compliance with any government law, ordinance or regulation, acts of God, acts of the public enemy, fires, strikes, lockouts, natural disasters, wars, riots, material or labor restrictions by any governmental authority, transportation problems and/or any other similar causes.

20. HEADINGS NOT CONTROLLING.

Headings and titles used in this Agreement are for reference purposes only and shall not be deemed a part of this Agreement.

21. AMENDMENTS / MODIFICATIONS / EXTENSIONS.

No extension, modification or amendment of this Agreement shall be binding upon a party hereto unless such extension, modification, or amendment is set forth in a written instrument, which is executed by an authorized representative and delivered on behalf of such party.

22. ENTIRETY OF AGREEMENT.

This Agreement, including the schedule of exhibits attached hereto and any documents incorporated herein by reference, contains the entire understanding and agreement between the City and Contractor, their assigns and successors in interest, as to the matters contained herein. Any prior or contemporaneous oral or written agreement is hereby declared null and void to the extent in conflict with any provision of this Agreement.

24. SIGNATURE AUTHORITY.

The person signing this agreement hereby warrants that he/she has the legal authority to execute this agreement on behalf of the respective party, and that such binding authority has been granted by proper order, resolution, ordinance or other authorization of the entity. The other party is fully entitled to

rely on this warranty and representation in entering into this Agreement.

[SIGNATURE PAGE FOLLOWS]

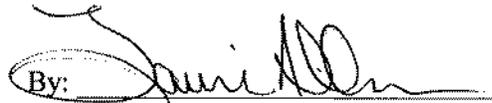
IN WITNESS WHEREOF, the parties hereto have executed this Agreement in multiples this 30th day of April, 2015.

ACCEPTED AND AGREED:

CITY OF FORT WORTH:

SL-serco, Inc.

By: 
Fernando Costa
Assistant City Manager

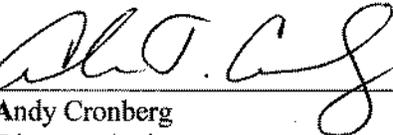
By: 
Laurie Allen, CFO

Date: 3/26/15

Date: March 20, 2015

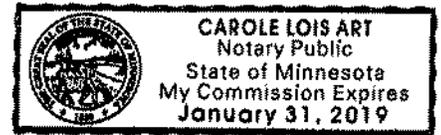
APPROVAL RECOMMENDED:

WITNESS:

By: 
Andy Cronberg
Director, Acting

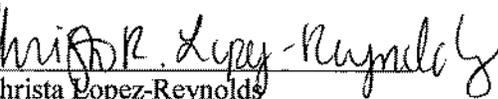
By: 
Name: Carole L. Art
Title: Notary Public

Date: 3-26-15



By: 
Kara Shuror
Assistant Water Director
Business Services

APPROVED AS TO FORM AND LEGALITY:

By: 
Christa Lopez-Reynolds
Senior Assistant City Attorney

Date: 3.26.15

ATTEST:

By: 
Mary Kayser
City Secretary



Date: 4/13/15

M&C: Not Required

A Resolution

NO. 4217-07-2013

AUTHORIZING EMPLOYMENT OF THE FIRMS OF MCCALL, PARKHURST & HORTON L.L.P. AND KELLY HART & HALLMAN LLP TO SERVE AS BOND CO-COUNSEL AND REPRESENT THE CITY IN MATTERS RELATED TO THE ISSUANCE OF BONDS AND OTHER DEBT INSTRUMENTS

WHEREAS, the issuance of municipal bonds and other debt instruments requires highly specialized knowledge of complex legal issues related to government debt obligations and associated financial matters, including, but not limited to, federal tax laws and regulations, the Texas constitution, and federal and state statutory and regulatory law; and

WHEREAS, the firms of McCall, Parkhurst & Horton L.L.P. and Kelly Hart & Hallman LLP have the requisite knowledge, expertise, and experience to effectively represent the City in connection with the issuance of bonds and other municipal debt instruments and have satisfactorily performed such services for the City in connection with multiple debt issuances for a number of years; and

WHEREAS, given the firms' expertise, familiarity with City operations, and successful past performance, the City Manager's Office recommends that the firms continue as bond co-counsel.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FORT WORTH, TEXAS, THAT:

1.

In accordance with Chapter VI, Section 3 of the Charter of the City of Fort Worth, the City Attorney is authorized to employ the firms of McCall, Parkhurst & Horton L.L.P. and Kelly Hart & Hallman LLP to represent the City as bond co-counsel in matters related to the issuance of bonds and other debt instruments and to enter into any agreements related thereto consistent with the terms of this Resolution.

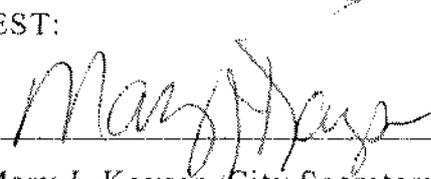
2.

Payment of fees and reimbursement for expenses to the firms of McCall, Parkhurst & Horton L.L.P. and Kelly Hart & Hallman LLP in connection with the issuance of bonds or other municipal debt instruments shall be paid from the proceeds of the debt issue and shall be included as costs of issuance in ordinances authorizing debt issuance. No fees or expenses for debt issuance will be incurred or paid if debt does not issue.

ADOPTED this 9th day of July, 2013.

ATTEST:

By:


Mary J. Kayser, City Secretary




FORT WORTH

City of Fort Worth, Texas
Mayor and Council Communication

COUNCIL ACTION: Approved on 7/9/2013 - Resolution No. 4217-07-2013

DATE: Tuesday, July 09, 2013

REFERENCE NO.: **C-26308

LOG NAME: 12BOND

SUBJECT:

Adopt Resolution Authorizing Employment of McCall, Parkhurst & Horton L.L.P. and Kelly Hart & Hallman LLP, to Represent the City in Matters Related to the Issuance of Bonds and Other Debt Instruments (ALL COUNCIL DISTRICTS)

RECOMMENDATION:

It is recommended that the City Council adopt the attached resolution authorizing employment of McCall, Parkhurst & Horton L.L.P. and Kelly Hart & Hallman LLP, to represent the City in matters related to the issuance of municipal bonds and other debt instruments.

DISCUSSION:

McCall, Parkhurst & Horton L.L.P. and Kelly Hart & Hallman LLP, have served the City as bond co-counsel since 1991 (M&C C-12784, April 2, 1991, M&C C-15245, January 23, 1996, M&C C-16321, September 23, 1997 and M&C C-19295, October 15, 2002).

Issuance of City debt instruments requires highly specialized legal services, including providing opinions that bonds and other debt are being issued in accordance with the Constitution and laws of the State of Texas, that the bonds constitute valid and legally binding obligations of the City, and that the interest on the bonds is exempt from federal income taxes under existing statutes, regulations, rulings and court decisions.

The two firms have performed satisfactorily and cooperatively throughout the term of their retention by the City. Given the two firms' subject matter expertise, familiarity with City operations, and successful past performance, the City Manager's Office recommends that the City Attorney continue to engage the two firms to serve as co-counsel for issues related to bonds and other debt instruments.

The proposed Agreement would have a three-year initial term with two, one-year renewal options. Fees in connection with bond issuance are based on a percentage of the dollar amount of debt being issued and would not be incurred unless bonds are actually sold. Payment for these services would come from the bond proceeds and would be approved on a case-by-case basis as part of the approval for each debt issuance.

In an effort to engage minority law firms in the debt-issuance process, the proposed Agreement includes a requirement for the two firms to make on-going, good faith efforts to identify smaller, discrete issues that are suitable for subcontracting and to select and engage qualified minority bond counsel to handle these issues.

FISCAL INFORMATION / CERTIFICATION:

The Financial Management Services Director certifies that funds required to pay legal fees related to debt

issuances will be available from the proceeds of bond sales and/or appropriate debt service funds.

FUND CENTERS:

TO Fund/Account/Centers

FROM Fund/Account/Centers

CERTIFICATIONS:

Submitted for City Manager's Office by:

ALL ACMs (6222)

Originating Department Head:

Sarah Fullenwider (7623)

Additional Information Contact:

Sarah Fullenwider (7623)

FINANCIAL ADVISORY AGREEMENT

CITY SECRETARY
CONTRACT NO. 45144

This Financial Advisory Agreement (the "Agreement") is made and entered into by and between City of Fort Worth, a home-rule municipal corporation of the State of Texas ("Issuer") and First Southwest Company, a Delaware corporation ("FSC") effective as of August 1, 2013.

WITNESSETH:

WHEREAS, the Issuer will have under consideration from time to time the authorization and issuance of indebtedness in amounts and forms which cannot presently be determined and, in connection with the authorization, sale, issuance and delivery of such indebtedness, Issuer desires to retain an independent financial advisor; and

WHEREAS, the Issuer desires to obtain the professional services of FSC to advise the Issuer regarding the issuance and sale of certain evidences of indebtedness or debt obligations that may be authorized and issued or otherwise created or assumed by the Issuer (hereinafter referred to collectively as the "Debt Instruments") from time to time during the period in which this Agreement shall be effective; and

WHEREAS, FSC is willing to provide its professional services and its facilities as financial advisor in connection with all programs of financing as may be considered and authorized by Issuer during the period in which this Agreement shall be effective.

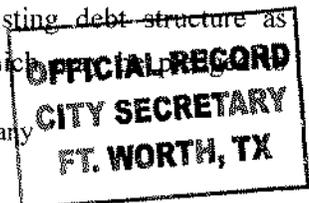
NOW, THEREFORE, the Issuer and FSC, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, do hereby agree as follows:

SECTION I
DESCRIPTION OF SERVICES

Upon the request of an authorized representative of the Issuer, FSC agrees to perform the financial advisory services stated in the following provisions of this Section I; and for having rendered such services, the Issuer agrees to pay to FSC the compensation as provided in Section IV hereof.

A. Financial Planning. At the direction of Issuer, FSC shall:

1. Survey and Analysis. Conduct a survey of the financial resources of the Issuer to determine the extent of its capacity to authorize, issue and service any Debt Instruments contemplated. This survey will include an analysis of any existing debt structure as compared with the existing and projected sources of revenues which



secure payment of debt service and, where appropriate, will include a study of the trend of the assessed valuation, taxing power and present and future taxing requirements of the Issuer. In the event revenues of existing or projected facilities operated by the Issuer are to be pledged to repayment of the Debt Instruments then under consideration, the survey will take into account any outstanding indebtedness payable from the revenues thereof, additional revenues to be available from any proposed rate increases and additional revenues, as projected by consulting engineers employed by the Issuer, resulting from improvements to be financed by the Debt Instruments under consideration.

2. Future Financings. Consider and analyze future financing needs as projected by the Issuer's staff and consulting engineers or other experts, if any, employed by the Issuer.

3. Recommendations for Debt Instruments. On the basis of the information developed by the survey described above, and other information and experience available, submit to the Issuer recommendations regarding the Debt Instruments under consideration, including such elements as the date of issue, interest payment dates, schedule of principal maturities, options of prior payment, security provisions, and such other provisions as may be appropriate in order to make the issue attractive to investors while achieving the objectives of the Issuer. All recommendations will be consistent with the goal of designing the Debt Instruments to be sold on terms which are advantageous to the Issuer, including the lowest interest cost consistent with all other considerations.

4. Market Information. Advise the Issuer of FSC's interpretation of current bond market conditions, other related forthcoming bond issues and general information, with economic data, which might normally be expected to influence interest rates or bidding conditions so that the date of sale of the Debt Instruments may be set at a favorable time.

5. Elections. In the event it is necessary to hold an election to authorize the Debt Instruments then under consideration, FSC will assist in coordinating the assembly of such data as may be required for the preparation of necessary petitions, orders, resolutions, ordinances, notices and certificates in connection with the election, including assistance in the transmission of such data to a firm of municipal bond attorneys ("Bond Counsel") retained by the Issuer.

B. Debt Management and Financial Implementation. At the direction of Issuer, FSC shall:

1. Method of Sale. Evaluate the particular financing being contemplated, giving consideration to the complexity, market acceptance, rating, size and structure in order to make a recommendation as to an appropriate method of sale, and:

- a. If the Debt Instruments are to be sold by an advertised competitive sale, FSC will:
 - (1) Supervise the sale of the Debt Instruments;
 - (2) Disseminate information to prospective bidders, organize such informational meetings as may be necessary, and facilitate prospective bidders' efforts in making timely submission of proper bids;
 - (3) Assist the staff of the Issuer in coordinating the receipt of bids, the safekeeping of good faith checks and the tabulation and comparison of submitted bids; and
 - (4) Advise the Issuer regarding the best bid and provide advice regarding acceptance or rejection of the bids.
 - b. If the Debt Instruments are to be sold by negotiated sale, FSC will:
 - (1) Recommend for Issuer's final approval and acceptance one or more investment banking firms as managers of an underwriting syndicate for the purpose of negotiating the purchase of the Debt Instruments.
 - (2) Cooperate with and assist any selected managing underwriter and their counsel in connection with their efforts to prepare any Official Statement or Offering Memorandum. FSC will cooperate with and assist the underwriters in the preparation of a bond purchase contract, an underwriters agreement and other related documents. The costs incurred in such efforts, including the printing of the documents, will be paid in accordance with the terms of the Issuer's agreement with the underwriters, but shall not be or become an obligation of FSC, except to the extent specifically provided otherwise in this Agreement or assumed in writing by FSC.
 - (3) Assist the staff of the Issuer in the safekeeping of any good faith checks, to the extent there are any such, and provide a cost comparison, for both expenses and interest which are suggested by the underwriters, to the then current market.
 - (4) Advise the Issuer as to the fairness of the price offered by the underwriters.
2. Offering Documents. Coordinate the preparation of the notice of sale and bidding instructions, official statement, official bid form and such other documents as may be

required and submit all such documents to the Issuer for examination, approval and certification. After such examination, approval and certification, FSC shall provide the Issuer with a supply of all such documents sufficient to its needs and distribute by mail or, where appropriate, by electronic delivery, sets of the same to prospective purchasers of the Debt Instruments. Also, FSC shall provide copies of the final Official Statement to the purchaser of the Debt Instruments in accordance with the Notice of Sale and Bidding Instructions.

3. Credit Ratings. Make recommendations to the Issuer as to the advisability of obtaining a credit rating, or ratings, for the Debt Instruments and, when directed by the Issuer, coordinate the preparation of such information as may be appropriate for submission to the rating agency, or agencies. In those cases where the advisability of personal presentation of information to the rating agency, or agencies, may be indicated, FSC will arrange for such personal presentations, utilizing such composition of representatives from the Issuer as may be finally approved or directed by the Issuer.

4. Trustee, Paying Agent, Registrar. Upon request, counsel with the Issuer in the selection of a Trustee and/or Paying Agent/Registrar for the Debt Instruments, and assist in the negotiation of agreements pertinent to these services and the fees incident thereto.

5. Financial Publications. When appropriate, advise financial publications of the forthcoming sale of the Debt Instruments and provide them with all pertinent information.

6. Consultants. After consulting with and receiving directions from the Issuer, arrange for such reports and opinions of recognized independent consultants as may be appropriate for the successful marketing of the Debt Instruments.

7. Auditors. In the event formal verification by an independent auditor of any calculations incident to the Debt Instruments is required, make arrangements for such services.

8. Issuer Meetings. Attend meetings of the governing body of the Issuer, its staff, representatives or committees as requested at all times when FSC may be of assistance or service and the subject of financing is to be discussed.

9. Printing. To the extent authorized by the Issuer, coordinate all work incident to printing of the offering documents and the Debt Instruments.

10. Bond Counsel. Maintain liaison with Bond Counsel in the preparation of all legal documents pertaining to the authorization, sale and issuance of the Debt Instruments.

11. Changes in Laws. Provide to the Issuer copies of proposed or enacted changes in federal and state laws, rules and regulations having, or expected to have, a significant effect on the municipal bond market of which FSC becomes aware in the ordinary course of its business, it being understood that FSC does not and may not act as an attorney for, or provide legal advice or services to, the Issuer.

12. Delivery of Debt Instruments. As soon as a bid for the Debt Instruments is accepted by the Issuer, coordinate the efforts of all concerned to the end that the Debt Instruments may be delivered and paid for as expeditiously as possible and assist the Issuer in the preparation or verification of final closing figures incident to the delivery of the Debt Instruments.

13. Debt Service Schedule; Authorizing Resolution. After the closing of the sale and delivery of the Debt Instruments, deliver to the Issuer a schedule of annual debt service requirements for the Debt Instruments and, in coordination with Bond Counsel, ensure that the paying agent/registrar and/or trustee has been provided with a copy of the authorizing ordinance, order or resolution.

SECTION II TERM OF AGREEMENT

This Agreement shall become effective on August 1, 2013, and, unless terminated by either party pursuant to Section III of this Agreement, shall remain in effect until July 31, 2014. Unless FSC or Issuer shall notify the other party in writing at least thirty (30) days in advance of the applicable anniversary date that this Agreement will not be renewed, this Agreement will be automatically renewed beginning August 1, 2014 for two additional one (1) year periods.

SECTION III TERMINATION

This Agreement may be terminated with or without cause by the Issuer or FSC upon the giving of at least thirty (30) days' prior written notice to the other party of its intention to terminate, specifying in such notice the effective date of such termination. In the event of such termination, it is understood and agreed that only the amounts due FSC for services provided and expenses incurred to the date of termination will be due and payable. No penalty will be assessed for termination of this Agreement.

SECTION IV
COMPENSATION AND EXPENSE REIMBURSEMENT

The fees due to FSC for the services set forth and described in Section I of this Agreement with respect to each issuance of Debt Instruments during the term of this Agreement shall be calculated in accordance with the schedule set forth on Appendix A attached hereto. Unless specifically provided otherwise on Appendix A or in a separate written agreement between Issuer and FSC, such fees, together with any other fees as may have been mutually agreed upon and all expenses for which FSC is entitled to reimbursement under the terms of Exhibit A, shall become due and payable concurrently with the delivery of the Debt Instruments to the purchaser.

SECTION V
MISCELLANEOUS

1. Choice of Law. This Agreement shall be construed and given effect in accordance with the laws of the State of Texas.
2. Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the Issuer and FSC, their respective successors and assigns; provided however, neither party hereto may assign or transfer any of its rights or obligations hereunder without the prior written consent of the other party.
3. Entire Agreement. This instrument (including all exhibits attached hereto) contains the entire agreement between the parties relating to the rights herein granted and obligations herein assumed. Any oral or written representations or modifications concerning this Agreement shall be of no force or effect except for a subsequent modification in writing signed by all parties hereto.

FIRST SOUTHWEST COMPANY

By: _____

David K. Medanich
Vice Chairman

By: _____

Laura B. Alexander
Managing Director

CITY OF FORT WORTH, TEXAS

By: [Signature]
Title: Asst. City Manager
Date: 11/25/13

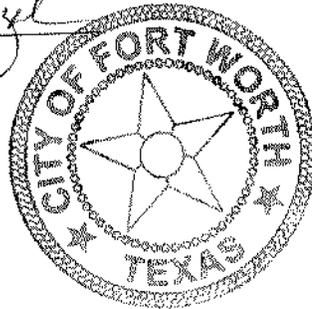
ATTEST:

APPROVED AS TO
FORM AND LEGALITY:

[Signature]
ASSISTANT CITY ATTORNEY

M+C C-26350

[Signature]
Asst Secretary



OFFICIAL RECORD
CITY SECRETARY
FT. WORTH, TX

APPENDIX A

Base Fee Per Issue	\$35,000
Plus	\$0.75 per 1,000 Bonds

As co-financial advisor, FSC is entitled to 65% of the above charges.

The charges for ancillary services, including official statement printing and preparation, shall be levied only for those services which are reasonably necessary in completing the transaction and which are reasonable in amount, unless such charges were incurred at the specific direction of the Issuer.

The payment of charges for financial advisory services described in Section 1 of the foregoing Agreement shall be contingent upon the delivery of bonds and shall be due at the time that bonds are delivered. The payment of charges for services described below under "Hourly Compensation Rates" shall be due and payable in accordance with the mutual agreement therefore between FSC and Issuer.

The Issuer shall be responsible for the following expenses, if and when applicable, whether they are charged to the Issuer directly as expenses or charged to the Issuer by FSC as reimbursable expenses:

Bond counsel
Publication of notices
Bond ratings
Credit enhancement
CPA fees
Official statement preparation and printing
Paying agent/registrar/trustee
Travel expenses
Underwriter and underwriters counsel
Miscellaneous expenses, including copy, delivery, and phone charges

The payment of reimbursable expenses that FSC has assumed on behalf of the Issuer shall NOT be contingent upon the delivery of bonds and shall be due at the time that services are rendered and payable upon receipt of an invoice therefor submitted by FSC.

HOURLY COMPENSATION RATES

For related assignments not associated with the issuance of Debt Instruments, the Issuer may request FSC and/or its co-financial advisor to provide additional services, to be mutually agreed upon. With respect to such additional services, the following hourly rates would apply:

Managing Director/Executive Vice President/Senior Vice President	\$250
Vice President	200
Assistant Vice President/Associate	150
Administrative Assistant	75

The hourly rate structure will be implemented only with prior approval of the Issuer and only at the point when the actual services going forward can be clearly identified.

City of Fort Worth, Texas
Mayor and Council Communication

COUNCIL ACTION: Approved on 7/23/2013

DATE: Tuesday, July 23, 2013

REFERENCE NO.: **C-26350

LOG NAME: 1313 FA CONTRACT

SUBJECT:

Authorize Necessary and Related Agreements with First Southwest Company, First Southwest Asset Management, Inc., and Estrada Hinojosa & Company, Inc., for the Provision of Financial Advisory, Arbitrage Rebate and Continuing Disclosure Services (ALL COUNCIL DISTRICTS)

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize the execution of necessary and related Agreements with First Southwest Company, First Southwest Asset Management, Inc., and Estrada Hinojosa & Company, Inc., for the provision of financial advisory, arbitrage rebate and continuing disclosure services; and
2. Authorize a commencement date of August 1, 2013 and expiration date of July 31, 2014 with two one-year renewal options for each Agreement.

DISCUSSION:

First Southwest Company and Estrada Hinojosa & Company, Inc. (Estrada Hinojosa), have satisfactorily served as the City's co-financial advisors for over a decade. During this same period, First Southwest Asset Management, Inc., and First Southwest Company's FSC Disclosure Services Division have provided arbitrage rebate compliance services and continuing disclosure services to the City.

Staff is recommending that the City continue these relationships with First Southwest Company serving as lead financial advisor and Estrada Hinojosa, a minority-owned firm, acting as co-financial advisor. Approval of the Agreements will ensure continuity as the City enters its traditional debt-issuance season.

The fee structure for financial advisory services will be a base fee in the amount of \$35,000.00 plus \$0.75 per \$1,000.00 denomination for each series of bond issues. As in the current contract, the fee will be split 65/35 between the two firms, respectively.

First Southwest Company, the lead financial advisor, and Estrada Hinojosa, a certified minority-owned firm and the co-financial advisor, are in compliance with the City's BDE Ordinance by committing to the work fees on bond transactions being split 65/35 between the two firms respectively on this project.

Typically, no charges for financial advisory services related to bond transactions are incurred unless bonds are actually sold. The Agreements will also provide for the financial advisors to provide special financial consulting work not directly related to a bond sale with compensation paid based on an hourly rate ranging from the amount of \$75.00 for work performed by administrative assistants to the amount of \$250.00 per hour for work performed by managing directors, executive vice presidents or senior vice presidents. An individual engagement letter will be executed for each special project compensated on an hourly basis.

Arbitrage rebate compliance services will be provided by First Southwest Asset Management, Inc., and FSC Disclosure Services, a Division of First Southwest Company, will provide continuing disclosure services. Disclosure services will be compensated at a rate of \$2,500.00 per year for assistance in

preparation and distribution of each annual report and the amount of \$3,500.00 per year for distribution of audited financial statements. Arbitrage rebate compliance services will be compensated at a rate of \$1,400.00 per computation year. Additional fees would apply for specialized arbitrage-related services, if needed, in connection with an IRS refund request of commercial paper calculations. The costs for those services are reflected in the fee schedule, which is attached.

FISCAL INFORMATION / CERTIFICATION:

The Financial Management Services Director certifies that funds required to pay financial advisory fees will be available from proceeds of bond sales, appropriate debt service funds, and/or appropriate operating funds.

FUND CENTERS:

<u>TO Fund/Account/Centers</u>	<u>FROM Fund/Account/Centers</u>	
	PE47 554010 0132000	<u>\$0.00</u>
	GD06 554010 0132000	<u>\$0.00</u>

CERTIFICATIONS:

<u>Submitted for City Manager's Office by:</u>	Susan Alanis (8180)
<u>Originating Department Head:</u>	Jay Chapa (8517)
<u>Additional Information Contact:</u>	Lisa Parks (6630)

ATTACHMENTS

1. CFW 2013 Fee Schedule.pdf (Public)
2. example.pdf (CFW Internal)

CITY SECRETARY
CONTRACT NO. 45274

FINANCIAL ADVISORY AGREEMENT

This Financial Advisory Agreement (the "Agreement") is made and entered into by and between City of Fort Worth, a home-rule municipal corporation of the State of Texas ("Issuer") and Estrada Hinojosa & Company, Inc. a Texas corporation ("EH") effective as of August 1, 2013.

WITNESSETH:

WHEREAS, the Issuer will have under consideration from time to time the authorization and issuance of indebtedness in amounts and forms which cannot presently be determined and, in connection with the authorization, sale, issuance and delivery of such indebtedness, Issuer desires to retain an independent financial advisor; and

WHEREAS, the Issuer desires to obtain the professional services of EH to advise the Issuer regarding the issuance and sale of certain evidences of indebtedness or debt obligations that may be authorized and issued or otherwise created or assumed by the Issuer (hereinafter referred to collectively as the "Debt Instruments") from time to time during the period in which this Agreement shall be effective; and

WHEREAS, EH is willing to provide its professional services and its facilities as financial advisor in connection with all programs of financing as may be considered and authorized by Issuer during the period in which this Agreement shall be effective.

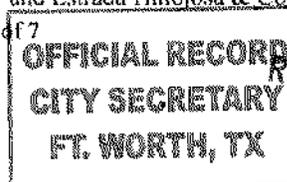
NOW, THEREFORE, the Issuer and EH, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, do hereby agree as follows:

SECTION I
DESCRIPTION OF SERVICES

Upon the request of an authorized representative of the Issuer, EH agrees to perform the financial advisory services stated in the following provisions of this Section I; and for having rendered such services, the Issuer agrees to pay to EH the compensation as provided in Appendix A hereof.

A. Financial Planning. At the direction of Issuer, EH shall:

1. Survey and Analysis. Conduct a survey of the financial resources of the Issuer to determine the extent of its capacity to authorize, issue and service any Debt Instruments contemplated. This survey will include an analysis of any existing debt structure as compared with the existing and projected sources of revenues which may be pledged to



RECEIVED JAN 08 2014

secure payment of debt service and, where appropriate, will include a study of the trend of the assessed valuation, taxing power and present and future taxing requirements of the Issuer. In the event revenues of existing or projected facilities operated by the Issuer are to be pledged to repayment of the Debt Instruments then under consideration, the survey will take into account any outstanding indebtedness payable from the revenues thereof, additional revenues to be available from any proposed rate increases and additional revenues, as projected by consulting engineers employed by the Issuer, resulting from improvements to be financed by the Debt Instruments under consideration.

2. Future Financings. Consider and analyze future financing needs as projected by the Issuer's staff and consulting engineers or other experts, if any, employed by the Issuer.

3. Recommendations for Debt Instruments. On the basis of the information developed by the survey described above, and other information and experience available, submit to the Issuer recommendations regarding the Debt Instruments under consideration, including such elements as the date of issue, interest payment dates, schedule of principal maturities, options of prior payment, security provisions, and such other provisions as may be appropriate in order to make the issue attractive to investors while achieving the objectives of the Issuer. All recommendations will be consistent with the goal of designing the Debt Instruments to be sold on terms which are advantageous to the Issuer, including the lowest interest cost consistent with all other considerations.

4. Market Information. Advise the Issuer of EH's interpretation of current bond market conditions, other related forthcoming bond issues and general information, with economic data, which might normally be expected to influence interest rates or bidding conditions so that the date of sale of the Debt Instruments may be set at a favorable time.

5. Elections. In the event it is necessary to hold an election to authorize the Debt Instruments then under consideration, EH will assist in coordinating the assembly of such data as may be required for the preparation of necessary petitions, orders, resolutions, ordinances, notices and certificates in connection with the election, including assistance in the transmission of such data to a firm of municipal bond attorneys ("Bond Counsel") retained by the Issuer.

B. Debt Management and Financial Implementation. At the direction of Issuer, EH shall:

1. Method of Sale. Evaluate the particular financing being contemplated, giving consideration to the complexity, market acceptance, rating, size and structure in order to make a recommendation as to an appropriate method of sale, and:

- a. If the Debt Instruments are to be sold by an advertised competitive sale, EH will:
 - (1) Supervise the sale of the Debt Instruments;
 - (2) Disseminate information to prospective bidders, organize such informational meetings as may be necessary, and facilitate prospective bidders' efforts in making timely submission of proper bids;
 - (3) Assist the staff of the Issuer in coordinating the receipt of bids, the safekeeping of good faith checks and the tabulation and comparison of submitted bids; and
 - (4) Advise the Issuer regarding the best bid and provide advice regarding acceptance or rejection of the bids.

 - b. If the Debt Instruments are to be sold by negotiated sale, EH will:
 - (1) Recommend for Issuer's final approval and acceptance one or more investment banking firms as managers of an underwriting syndicate for the purpose of negotiating the purchase of the Debt Instruments.
 - (2) Cooperate with and assist any selected managing underwriter and their counsel in connection with their efforts to prepare any Official Statement or Offering Memorandum. EH will cooperate with and assist the underwriters in the preparation of a bond purchase contract, an underwriters agreement and other related documents. The costs incurred in such efforts, including the printing of the documents, will be paid in accordance with the terms of the Issuer's agreement with the underwriters, but shall not be or become an obligation of EH, except to the extent specifically provided otherwise in this Agreement or assumed in writing by EH.
 - (3) Assist the staff of the Issuer in the safekeeping of any good faith checks, to the extent there are any such, and provide a cost comparison, for both expenses and interest which are suggested by the underwriters, to the then current market.
 - (4) Advise the Issuer as to the fairness of the price offered by the underwriters.
2. Offering Documents. Coordinate the preparation of the notice of sale and bidding instructions, official statement, official bid form and such other documents as may be

required and submit all such documents to the Issuer for examination, approval and certification. After such examination, approval and certification, EH shall provide the Issuer with a supply of all such documents sufficient to its needs and distribute by mail or, where appropriate, by electronic delivery, sets of the same to prospective purchasers of the Debt Instruments. Also, EH shall provide copies of the final Official Statement to the purchaser of the Debt Instruments in accordance with the Notice of Sale and Bidding Instructions.

3. Credit Ratings. Make recommendations to the Issuer as to the advisability of obtaining a credit rating, or ratings, for the Debt Instruments and, when directed by the Issuer, coordinate the preparation of such information as may be appropriate for submission to the rating agency, or agencies. In those cases where the advisability of personal presentation of information to the rating agency, or agencies, may be indicated, EH will arrange for such personal presentations, utilizing such composition of representatives from the Issuer as may be finally approved or directed by the Issuer.

4. Trustee, Paying Agent, Registrar. Upon request, counsel with the Issuer in the selection of a Trustee and/or Paying Agent/Registrar for the Debt Instruments, and assist in the negotiation of agreements pertinent to these services and the fees incident thereto.

5. Financial Publications. When appropriate, advise financial publications of the forthcoming sale of the Debt Instruments and provide them with all pertinent information.

6. Consultants. After consulting with and receiving directions from the Issuer, arrange for such reports and opinions of recognized independent consultants as may be appropriate for the successful marketing of the Debt Instruments.

7. Auditors. In the event formal verification by an independent auditor of any calculations incident to the Debt Instruments is required, make arrangements for such services.

8. Issuer Meetings. Attend meetings of the governing body of the Issuer, its staff, representatives or committees as requested at all times when EH may be of assistance or service and the subject of financing is to be discussed.

9. Printing. To the extent authorized by the Issuer, coordinate all work incident to printing of the offering documents and the Debt Instruments.

10. Bond Counsel. Maintain liaison with Bond Counsel in the preparation of all legal documents pertaining to the authorization, sale and issuance of the Debt Instruments.

11. Changes in Laws. Provide to the Issuer copies of proposed or enacted changes in federal and state laws, rules and regulations having, or expected to have, a significant effect on the municipal bond market of which EH becomes aware in the ordinary course of its business, it being understood that EH does not and may not act as an attorney for, or provide legal advice or services to, the Issuer.

12. Delivery of Debt Instruments. As soon as a bid for the Debt Instruments is accepted by the Issuer, coordinate the efforts of all concerned to the end that the Debt Instruments may be delivered and paid for as expeditiously as possible and assist the Issuer in the preparation or verification of final closing figures incident to the delivery of the Debt Instruments.

13. Debt Service Schedule; Authorizing Resolution. After the closing of the sale and delivery of the Debt Instruments, deliver to the Issuer a schedule of annual debt service requirements for the Debt Instruments and, in coordination with Bond Counsel, ensure that the paying agent/registrars and/or trustee has been provided with a copy of the authorizing ordinance, order or resolution.

SECTION II TERM OF AGREEMENT

This Agreement shall become effective on August 1, 2013, and, unless terminated by either party pursuant to Section III of this Agreement, shall remain in effect until July 31, 2014. Unless EH or Issuer shall notify the other party in writing at least thirty (30) days in advance of the applicable anniversary date that this Agreement will not be renewed, this Agreement will be automatically renewed beginning August 1, 2014 for two additional one (1) year periods.

SECTION III TERMINATION

This Agreement may be terminated with or without cause by the Issuer or EH upon the giving of at least thirty (30) days' prior written notice to the other party of its intention to terminate, specifying in such notice the effective date of such termination. In the event of such termination, it is understood and agreed that only the amounts due EH for services provided and expenses incurred to the date of termination will be due and payable. No penalty will be assessed for termination of this Agreement.

**SECTION IV
COMPENSATION AND EXPENSE REIMBURSEMENT**

The fees due to EH for the services set forth and described in Section I of this Agreement with respect to each issuance of Debt Instruments during the term of this Agreement shall be calculated in accordance with the schedule set forth on Appendix A attached hereto. Unless specifically provided otherwise on Appendix A or in a separate written agreement between Issuer and EH, such fees, together with any other fees as may have been mutually agreed upon and all expenses for which EH is entitled to reimbursement under the terms of Exhibit A, shall become due and payable concurrently with the delivery of the Debt Instruments to the purchaser.

**SECTION V
MISCELLANEOUS**

1. Choice of Law. This Agreement shall be construed and given effect in accordance with the laws of the State of Texas.

2. Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the Issuer and EH, their respective successors and assigns; provided however, neither party hereto may assign or transfer any of its rights or obligations hereunder without the prior written consent of the other party.

3. Entire Agreement. This instrument (including all exhibits attached hereto) contains the entire agreement between the parties relating to the rights herein granted and obligations herein assumed. Any oral or written representations or modifications concerning this Agreement shall be of no force or effect except for a subsequent modification in writing signed by all parties hereto.

ESTRADA HINOJOSA & COMPANY, INC.

By: 
Robert A. Estrada
Senior Managing Director

By: 
U.S. Williams, Jr.
Executive Vice President

CITY OF FORT WORTH, TEXAS

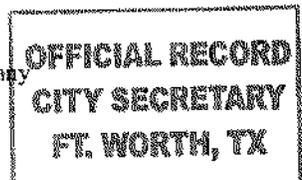
By: *[Signature]*
Title: Asst. City Manager
Date: 1/5/14

ATTEST:

[Signature]
Secretary

**APPROVED AS TO
FORM AND LEGALITY:**

[Signature]
ASSISTANT CITY ATTORNEY
MFC C-26350



APPENDIX A

Base Fee Per Issue	\$35,000
Plus	\$0.75 per 1,000 Bonds

As co-financial advisor, EH is entitled to 35% of the above charges.

The charges for ancillary services, including official statement printing and preparation, shall be levied only for those services which are reasonably necessary in completing the transaction and which are reasonable in amount, unless such charges were incurred at the specific direction of the Issuer.

The payment of charges for financial advisory services described in Section 1 of the foregoing Agreement shall be contingent upon the delivery of bonds and shall be due at the time that bonds are delivered. The payment of charges for services described below under "Hourly Compensation Rates" shall be due and payable in accordance with the mutual agreement therefore between EH and Issuer.

The Issuer shall be responsible for the following expenses, if and when applicable, whether they are charged to the Issuer directly as expenses or charged to the Issuer by EH as reimbursable expenses:

- Bond counsel
- Publication of notices
- Bond ratings
- Credit enhancement
- CPA fees
- Official statement preparation and printing
- Paying agent/registrar/trustee
- Travel expenses
- Underwriter and underwriters counsel
- Miscellaneous expenses, including copy, delivery, and phone charges

The payment of reimbursable expenses that EH has assumed on behalf of the Issuer shall NOT be contingent upon the delivery of bonds and shall be due at the time that services are rendered and payable upon receipt of an invoice therefor submitted by EH.

HOURLY COMPENSATION RATES

For related assignments not associated with the issuance of Debt Instruments, the Issuer may request EH and/or its co-financial advisor to provide additional services, to be mutually agreed upon. With respect to such additional services, the following hourly rates would apply:

Managing Director/Executive Vice President/Senior Vice President	\$250
Vice President	200
Assistant Vice President/Associate	150
Administrative Assistant	75

The hourly rate structure will be implemented only with prior approval of the Issuer and only at the point when the actual services going forward can be clearly identified.

City of Fort Worth, Texas
Mayor and Council Communication

COUNCIL ACTION: Approved on 7/23/2013

DATE: Tuesday, July 23, 2013

REFERENCE NO.: **C-26350

LOG NAME: 1313 FA CONTRACT

SUBJECT:

Authorize Necessary and Related Agreements with First Southwest Company, First Southwest Asset Management, Inc., and Estrada Hinojosa & Company, Inc., for the Provision of Financial Advisory, Arbitrage Rebate and Continuing Disclosure Services (ALL COUNCIL DISTRICTS)

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize the execution of necessary and related Agreements with First Southwest Company, First Southwest Asset Management, Inc., and Estrada Hinojosa & Company, Inc., for the provision of financial advisory, arbitrage rebate and continuing disclosure services; and
2. Authorize a commencement date of August 1, 2013 and expiration date of July 31, 2014 with two one-year renewal options for each Agreement.

DISCUSSION:

First Southwest Company and Estrada Hinojosa & Company, Inc. (Estrada Hinojosa), have satisfactorily served as the City's co-financial advisors for over a decade. During this same period, First Southwest Asset Management, Inc., and First Southwest Company's FSC Disclosure Services Division have provided arbitrage rebate compliance services and continuing disclosure services to the City.

Staff is recommending that the City continue these relationships with First Southwest Company serving as lead financial advisor and Estrada Hinojosa, a minority-owned firm, acting as co-financial advisor. Approval of the Agreements will ensure continuity as the City enters its traditional debt-issuance season.

The fee structure for financial advisory services will be a base fee in the amount of \$35,000.00 plus \$0.75 per \$1,000.00 denomination for each series of bond issues. As in the current contract, the fee will be split 65/35 between the two firms, respectively.

First Southwest Company, the lead financial advisor, and Estrada Hinojosa, a certified minority-owned firm and the co-financial advisor, are in compliance with the City's BDE Ordinance by committing to the work fees on bond transactions being split 65/35 between the two firms respectively on this project.

Typically, no charges for financial advisory services related to bond transactions are incurred unless bonds are actually sold. The Agreements will also provide for the financial advisors to provide special financial consulting work not directly related to a bond sale with compensation paid based on an hourly rate ranging from the amount of \$75.00 for work performed by administrative assistants to the amount of \$250.00 per hour for work performed by managing directors, executive vice presidents or senior vice presidents. An individual engagement letter will be executed for each special project compensated on an hourly basis.

Arbitrage rebate compliance services will be provided by First Southwest Asset Management, Inc., and FSC Disclosure Services, a Division of First Southwest Company, will provide continuing disclosure services. Disclosure services will be compensated at a rate of \$2,500.00 per year for assistance in

preparation and distribution of each annual report and the amount of \$3,500.00 per year for distribution of audited financial statements. Arbitrage rebate compliance services will be compensated at a rate of \$1,400.00 per computation year. Additional fees would apply for specialized arbitrage-related services, if needed, in connection with an IRS refund request of commercial paper calculations. The costs for those services are reflected in the fee schedule, which is attached.

FISCAL INFORMATION / CERTIFICATION:

The Financial Management Services Director certifies that funds required to pay financial advisory fees will be available from proceeds of bond sales, appropriate debt service funds, and/or appropriate operating funds.

FUND CENTERS:

<u>TO Fund/Account/Centers</u>	<u>FROM Fund/Account/Centers</u>	
	PE47 554010 0132000	<u>\$0.00</u>
	GD06 554010 0132000	<u>\$0.00</u>

CERTIFICATIONS:

<u>Submitted for City Manager's Office by:</u>	Susan Alanis (8180)
<u>Originating Department Head:</u>	Jay Chapa (8517)
<u>Additional Information Contact:</u>	Lisa Parks (6630)

ATTACHMENTS

1. [CFW 2013 Fee Schedule.pdf](#) (Public)
2. [example.pdf](#) (CFW Internal)

**Task Order to an Agreement
by and between the City of Fort Worth, Texas (City)
and Freese and Nichols, Inc. (Consultant)
to perform On-Call Professional Consulting Services
Five Year Water Conservation Plan (Project)**

**TASK ORDER NUMBER 2015-001
Amendment to 2011 Region C Water Plan**

THIS TASK ORDER is made pursuant to the terms and conditions of the Professional Services Agreement (the "Agreement"), City Secretary Contract No. 45279, dated January 9, 2014, entered into by and between the City of Fort Worth, Texas (City) and Freese and Nichols, Inc. (Consultant).

- I. **ARTICLE 1.** Consultant will perform the on-call professional consulting services in accordance with the Agreement and the Scope of Services / Compensation Schedule / Budget Summary attached hereto as Exhibit "A" and incorporated herein by reference for all purposes.
- II. **ARTICLE 2.** Compensation for this Task Order shall be on a not to exceed fee of **eighteen thousand one hundred thirty two and 00/100 Dollars (\$18,132)**, and shall be paid in accordance with Article 3 of the Agreement and the Scope of Services / Compensation Schedule / Budget Summary as set forth in Exhibit "A" of the Task Order. Consultant shall not exceed the amount specified in this Task Order without the issuance of a supplemental Task Order issued by City in writing to Consultant.
- III. **ARTICLE 3.** This Task Order shall become effective on the latest date as reflected by the signatures below and shall terminate on unless extended by a supplemental Task Order issued by City in writing to Consultant.
- IV. **ARTICLE 4.** The City Project number and the Project Account Code are the following:

City CIP Number: N/A
City Project Account Code: N/A
- V. **ARTICLE 5.** Upon execution of this Task Order, the funds available under the Agreement are revised to the following:

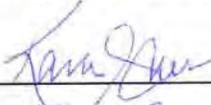
Current Project Budget (As Revised by Approved Task Orders): \$ 87,512
Currently unused budget after all original scope items were completed: \$ 29,127
Approved Work by this Task Order: \$ 18,132

- VI. **ARTICLE 6.** The following exhibits are attached below and made a part of this Task Order:
A. Exhibit "A," Scope of Services / Compensation Schedule / Budget Summary.
- VII. **ARTICLE 7.** This Task Order does not waive the parties' responsibilities and obligations provided under the Agreement.

IN WITNESS WHEREOF, the parties have executed this Task Order and caused this Task Order to be effective on the latest day as reflected by the signatures below.

CITY

The City of Fort Worth, Texas

By: 
Name: Kara Sullivan
Title: Assistant Director
Date: 3-31-15

CONSULTANT

Freese and Nichols, Inc.

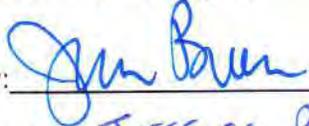
By: 
Name: Jessica Brown
Title: Vice President
Date: 3-26-15

EXHIBIT "A"
SCOPE OF SERVICES / COMPENSATION SCHEDULE

**Task Order to an Agreement
by and between the City of Fort Worth, Texas (City)
and Freese and Nichols, Inc. (Consultant)
to perform On-Call Professional Consultant Services
Amendment to 2011 Region C Water Plan (Project)**

I. Scope of Services

1. Assist City of Fort Worth in coordination with TWDB and the Region C Water Planning Group to pursue and secure an amendment to the *2011 Region C Water Plan*. This Amendment entails adding a capital cost and description of Fort Worth's meter replacement program (AMI) to the existing conservation water management strategy shown in the 2011 Plan.
2. Meet with City of Fort Worth Water Department to gather detailed information on the Advanced Meter Infrastructure system, including but not limited to descriptions, cost estimates, and phasing schedule.
3. Meet with City of Fort Worth Field Operations to capture Fort Worth's projections of water savings from phased meter change out program.
4. Prepare Amendment materials to be submitted to TWDB, including:
 - a. a cover letter requesting a determination on the minor amendment and stating the need for the minor amendment;
 - b. a summary of the RWPG action taken;
 - c. evidence that the WMS for the minor amendment meets the criteria listed in 31 TAC Ch. 357.51(c)(2)
 - d. information to demonstrate that the WMS has been fully evaluated in accordance with statute, rule, and contractual technical guidelines; and,
 - e. all relevant data for the regional water planning database that would require updating in the Source module, WMS module, WUG module, or WWP module, such as source availability, water supplies (for a WUG or a WWP) or WMS (for a WUG or a WWP). Data requirements vary on a case-by-case basis. (The project manager shall coordinate with applicant and region to work with the Water Supply and Strategy Analysis Team (WSSA). The project manager should submit data to the WSSA Team Lead via email to initiate amendment analysis and allow at least 2 weeks for the internal analysis to occur.)
5. Make up to 2 presentations to the Region C Water Planning Group on behalf of Fort Worth. Anticipated presentations include: 1) initial presentation on March 2 for the RCWPG to consider support of Fort Worth's Minor Amendment, and 2) Presentation on April 3 for the RCWPG to consider adoption of Fort Worth's Minor Amendment.
6. Prepare Addendum to the *2011 Region C Water Plan* with Fort Worth's revised, adopted conservation water management strategy.

II. Compensation Schedule

The City shall pay Consultant a lump sum amount of **\$18,132.00** in accordance with the provisions of this Agreement and the Payment Schedule attached as Exhibit "B," which is incorporated for all purposes herein. Consultant shall not perform any additional services for the City not specified by this Agreement unless the City requests and approves in writing the additional costs for such services. The City shall not be liable for any additional expenses of Consultant not specified by this Agreement unless the City first approves such expenses in writing.

III. Schedule

Freese and Nichols is authorized to commence work on the Project upon execution of this Agreement and agrees to complete the services in accordance with the following schedule: Complete evaluation and technical memorandum six months from Notice to Proceed. Task Item 4 is anticipated to be complete and submitted to TWDB on or before March 10, 2015.

If Freese and Nichols' services are delayed through no fault of Freese and Nichols, Freese and Nichols shall be entitled to equitable adjustment of compensation and Freese and Nichols shall be entitled to adjust contract schedule consistent with the number of days of delay.

EXHIBIT "B"
On-Call Professional Services for Amendment to 2011 Region C Water Plan
COMPENSATION

Lump Sum: Compensation to FNI shall be the lump sum of Eighteen Thousand One Hundred Thirty Two Dollars (\$18,132). If FNI sees the Scope of Services changing so that additional services are needed, including but not limited to those services described as Additional Services in Attachment SC, FNI will notify CITY for CITY'S approval before proceeding. Additional Services shall be computed based on the Schedule of Charges.

Schedule of Charges:

<u>Position</u>	<u>Rate</u>
Professional - 1	121
Professional - 2	145
Professional - 3	165
Professional - 4	190
Professional - 5	221
Professional - 6	225
Construction Manager - 1	96
Construction Manager - 2	125
Construction Manager - 3	146
Construction Manager - 4	184
CAD Technician/Designer - 1	103
CAD Technician/Designer - 2	133
CAD Technician/Designer - 3	164
Corporate Project Support - 1	98
Corporate Project Support - 2	117
Corporate Project Support - 3	157
Intern/ Coop	60

Rates for In-House Services

Technology Charge

\$8.50 per hour

Travel

Standard IRS Rates

Bulk Printing and Reproduction

Black and White	\$0.10 per copy
Color	\$0.25 per copy
Plot - Bond	\$2.50 per plot
Plot - Color	\$5.75 per plot
Plot - Other	\$5.00 per plot
Binding	\$0.25 per binding

These rates will be adjusted annually.

OTHER DIRECT EXPENSES

Other direct expenses are reimbursed at actual cost times a multiplier of 1.10. They include outside printing and reproduction expense, communication expense, travel, transportation and subsistence away from the FNI office and other miscellaneous expenses directly related to the work, including costs of laboratory analysis, test, and other work required to be done by independent persons other than staff members. For Resident Representative services performed by non-FNI employees and CAD services performed in-house by non-FNI employees where FNI provides workspace and equipment to perform such services, these services will be billed at cost times a multiplier of 2.0. This markup approximates the cost to FNI if an FNI employee was performing the same or similar services.

Response to Question 6, City of Fort Worth's SWIFT Application (Project 51014)

Question 6a: Applicant Engineer

The City of Fort Worth (City) started the process of developing a Request for Qualifications (RFQ) in April 2015. The City contracted with a consultant, SL-serco, to assist and lead the City in developing a fixed-base Advanced Metering Infrastructure (AMI) system including system components, evaluation of available systems, advanced functionality, network communications, leak detection, IT integration, customer relations, billing integration requirements, and field deployment of the AMI system. A copy of that consulting contract with SL-serco is attached to this response. The first draft review of the RFQ for the City's AMI implementation was completed on June 2, 2015. SL-serco and the City are currently revising the RFQ based on the June 2, 2015 joint meeting. SL-serco is jointly coordinating with the City's Purchasing Department and the Fort Worth Water Department (FWWD) to finalize the RFQ, which is slated to be delivered in final form to the City no later than June 30.

The planned RFQ schedule for the AMI program is as follows:

- June 4 – June 29 Revise and approve a final AMI RFQ with SL-serco, FWWD AMI Program Team and Purchasing Department
- June 30 – August 3 Coordinate the AMI RFQ with City Purchasing, Legal and FWWD AMI Program Team for release of RFQ
- Wednesday, August 5, 2015 Release RFQ
- Wednesday, August 12, 2015 Pre-Proposal Conference
- Wednesday, August 19, 2015 Deadline for proposers' questions
- Thursday, September 3, 2015 RFQ submittals due
- Sept. 4 – Sept. 26, 2015 Evaluate submittals and select a short list of potential providers/integrators for oral presentations
- Sept 28 – Oct. 26 Select a provider/integrator; negotiate and finalize AMI contract
- Nov. 17, 2015 Present contract to Fort Worth City Council for approval
- Nov. 18, 2015 Award contract with an effective start date of January 3, 2016

Question 6b: Bond Counsel

The resolution and City Council action items approving use of bond counsel (Kelly Hart & Hallman) are attached.

Question 6c: Co-Financial Advisors

Current contracts with First Southwest Company and Estrada Hinojosa & Company are attached.

Question 6f: Other Consultant

Freese & Nichols, Inc., is not providing engineering services in applying for financial assistance under this application. However, Freese & Nichols, Inc. did provide consulting services before the Texas Water Development Board and Region C in processing the City's amendment to the 2011 Region C Water Plan. A copy of that task order contract is also included in this response.

Response to Question 6, City of Fort Worth's SWIFT Application (Project 51014)

Question 6a: Applicant Engineer

The City of Fort Worth (City) started the process of developing a Request for Qualifications (RFQ) in April 2015. The City contracted with a consultant, SL-serco, to assist and lead the City in developing a fixed-base Advanced Metering Infrastructure (AMI) system including system components, evaluation of available systems, advanced functionality, network communications, leak detection, IT integration, customer relations, billing integration requirements, and field deployment of the AMI system. A copy of that consulting contract with SL-serco is attached to this response. The first draft review of the RFQ for the City's AMI implementation was completed on June 2, 2015. SL-serco and the City are currently revising the RFQ based on the June 2, 2015 joint meeting. SL-serco is jointly coordinating with the City's Purchasing Department and the Fort Worth Water Department (FWWD) to finalize the RFQ, which is slated to be delivered in final form to the City no later than June 30.

The planned RFQ schedule for the AMI program is as follows:

- June 4 – June 29 Revise and approve a final AMI RFQ with SL-serco, FWWD AMI Program Team and Purchasing Department
- June 30 – August 3 Coordinate the AMI RFQ with City Purchasing, Legal and FWWD AMI Program Team for release of RFQ
- Wednesday, August 5, 2015 Release RFQ
- Wednesday, August 12, 2015 Pre-Proposal Conference
- Wednesday, August 19, 2015 Deadline for proposers' questions
- Thursday, September 3, 2015 RFQ submittals due
- Sept. 4 – Sept. 26, 2015 Evaluate submittals and select a short list of potential providers/integrators for oral presentations
- Sept 28 – Oct. 26 Select a provider/integrator; negotiate and finalize AMI contract
- Nov. 17, 2015 Present contract to Fort Worth City Council for approval
- Nov. 18, 2015 Award contract with an effective start date of January 3, 2016

Question 6b: Bond Counsel

The resolution and City Council action items approving use of bond counsel (Kelly Hart & Hallman) are attached.

Question 6c: Co-Financial Advisors

Current contracts with First Southwest Company and Estrada Hinojosa & Company are attached.

Question 6f: Other Consultant

Freese & Nichols, Inc., is not providing engineering services in applying for financial assistance under this application. However, Freese & Nichols, Inc. did provide consulting services before the Texas Water Development Board and Region C in processing the City's amendment to the 2011 Region C Water Plan. A copy of that task order contract is also included in this response.

PROFESSIONAL SERVICES AGREEMENT

This **PROFESSIONAL SERVICES AGREEMENT** ("Agreement") is made and entered into by and between the **CITY OF FORT WORTH** (the "City"), a home rule municipal corporation situated in portions of Tarrant, Denton and Wise Counties, Texas, acting by and through Fernando Costa, its duly authorized Assistant City Manager, and **SL-serco Inc.** ("Contractor"), a Minnesota Corporation chartered under to laws of the State of Minnesota and acting by and through Laurie Allen, CFO, its duly authorized Project Principal each individually referred to as a "party" and collectively referred to as the "parties."

The City owns and maintains approximately 240,000 water meters, which are currently read manually. Residential meters are read by a third party service provider, and commercial and industrial meters are read in-house by City staff through a combination of meter reading systems. The City desires to outsource the residential and commercial meter reading services through the use of Advanced Metering Infrastructure (AMI). To achieve this, the City will be required to specify, select, and implement the new AMI. The City has also identified a number of significant business process improvements and operational cost savings that can be realized through the adoption of the AMI technology. The Contractor will provide the City with professional services for the development of an AMI Request for Qualifications (RFQ) document.

1. SCOPE OF SERVICES.

Contractor hereby agrees to provide the City with professional services of creating a Request for Qualifications document, acceptable and in compliance with the City's standard policies and procedures, for the creation of an AMI infrastructure program for the City of Fort Worth Water Department. Contractor shall also evaluate and make recommendations to support the project.

Contractor will work closely with City staff to perform the following activities:

- Contractor shall walk the City through the creation of an advanced metering Request for Qualifications from interested parties who shall provide the four items below. Secondly, the Contractor will remain with the City to score the responses. Specifically, Fort Worth has listed the four goals below:
 - 1) Detailed audit to create / expand revenue streams and reduce water loss
 - 2) Guide City's Advanced Metering Infrastructure effort
 - 3) Cost effective program management from design through installation
 - 4) Performance based contract preferred
- Assemble City stakeholders and conduct a kick-off meeting. During the kick-off meeting, the Contractor shall review the project objectives, approach, and the RFQ schedule, which must be approved by the City.
- Following the kick-off meeting, the Contractor shall schedule interviews with City stakeholders and subject matter experts. The purpose of the interviews will be to gather relevant information about the City's current status and future needs of the City relative to meter reading and AMI. The Contractor will also work to understand the procurement and contractual requirements of the City. The interviews will be a combination of in-person and phone interviews.

- Using information gathered during the interview process, the Contractor shall develop the system requirements for the new AMI. The requirements will consider the following aspects of the system: functional (what the system should be able to do), technical (how the system is designed), and integration (how the system interacts with other systems).
- Develop a draft RFQ document for the Advanced Metering Systems Integrator and provide the draft to the City for review and acceptance. While the system requirements form the core of the RFQ, there are a number of other items that should be put to the respondents.
 - Firm qualifications
 - Personnel
 - Experience
 - Overview of the technical architecture of the proposed solution
 - Approach that will be used to implement the proposed solution
 - Software licensing model
 - Warranties
 - Terms and Conditions
- Conduct a requirements and RFQ review workshop with City staff. During this workshop, the Contractor will present the draft functional and technical requirements, and will walk through the draft RFQ to gather feedback, edits and acceptance by the City.
- After receipt of comments and edits from the City, the Contractor will finalize the RFQ and provide the finalized RFQ to City.
- SL-serco shall perform these services following a 12 week or longer process in order to complete Fort Worth's Request for Qualifications.
- Gather data on meter database, performance information, service and functional requirements. Then with that data build a project charter. The project charter will outline tasks, people involved, schedule and tools used to complete the project. Have a phone introduction with key project stakeholders and staff.
 - Kickoff meeting which will include a 1 day process share review
 - Phone meeting to create the long list of options
 - Meet onsite to further understand costs and utility processes
 - Evaluate data and build Case Studies
 - Survey similar utilities for lessons and process changes
 - Present Case Studies onsite
 - Define project risks
 - Start building RFQ with Procurement Department
 - Continue Draft RFQ
 - Decision to publish
 - Completed RFQ Document

Basic Assumptions

Contractor further agrees to the following:

- The kick-off meeting and interviews shall be conducted over the course of a twelve (12) week continuous Period.
- Project meetings will be a combination of on-site at the City's offices, telephone conference calls, and Web meetings.
- The City will provide appropriate access to their information systems, including access to system

Documentation, as required to perform the scope of work.

- The City will provide a dedicated AMI Program Manager and IT subject matter expert as part of the City's team to work closely with the Contractor's IT subject matter expert.

City's Responsibilities

- Provide feedback as needed throughout the project as well as at the end
- Tracking and payment of invoices within 30 day terms
- Assist in communication between SL-Serco and other vendors as needed

Deliverables and Acceptance Criteria

Deliverables	Acceptance Criteria
Draft RFQ Document	Draft RFQ document is submitted to the City for review.
Final RFQ Document	The City's RFQ review comments have been addressed and the final RFP document submitted to the City.

2. TERM.

This Agreement shall commence upon the date it is completely executed ("Effective Date") and shall expire on the last day of the twelfth week from the Effective Date, unless additional time is required for the Contractor to complete the final RFQ document or terminated earlier in accordance with the provisions of this Agreement.

3. COMPENSATION.

The City shall pay Contractor an amount not to exceed \$48,500.00 in accordance with the provisions of this Agreement. The Contractor will invoice the City on a lump-sum basis, with 50% of the fee due upon delivery of the draft RFQ Document, and the remaining 50% due upon delivery and acceptance of the Final RFQ Document including scoring the responses. Contractor shall not perform any additional services for the City not specified by this Agreement unless the City requests and approves in writing the additional costs for such services. The City shall not be liable for any additional expenses of Contractor not specified by this Agreement unless the City first approves such expenses in writing. Contractor agrees that it can provide the services described in Section 1 for the not to exceed amount.

4. TERMINATION.

4.1. Written Notice.

The City or Contractor may terminate this Agreement at any time and for any reason by providing the other party with fifteen (15) days written notice of termination. The City may also issue notice of termination for Contractor's failure to perform in accordance with Section 1. Contractor shall respond and correct any failure to perform five (5) business days of such notice of termination, otherwise the Agreement shall be terminated at the end of the 5th business day.

4.2 Non-appropriation of Funds.

In the event no funds or insufficient funds are appropriated by the City period for any Professional Services Agreement – SL-serco, Inc.

payments due hereunder, City will notify Contractor of such occurrence and this Agreement shall terminate on the last day for which appropriations were received without penalty or expense to the City of any kind whatsoever, except as to the portions of the payments herein agreed upon for which funds shall have been appropriated.

4.3 Duties and Obligations of the Parties.

In the event that this Agreement is terminated prior to the Expiration Date, the City shall pay Contractor for services actually rendered up to the effective date of termination and Contractor shall continue to provide the City with services requested by the City and in accordance with this Agreement up to the effective date of termination.

5. **DISCLOSURE OF CONFLICTS AND CONFIDENTIAL INFORMATION.**

Contractor hereby warrants to the City that Contractor has made full disclosure in writing of any existing or potential conflicts of interest related to Contractor's services under this Agreement. In the event that any conflicts of interest arise after the Effective Date of this Agreement, Contractor hereby agrees immediately to make full disclosure to the City in writing. Contractor, for itself and its officers, agents and employees, further agrees that it shall treat all information provided to it by the City as confidential and shall not disclose any such information to a third party without the prior written approval of the City. Contractor shall store and maintain City Information in a secure manner and shall not allow unauthorized users to access, modify, delete or otherwise corrupt City Information in any way. Contractor shall notify the City immediately if the security or integrity of any City information has been compromised or is believed to have been compromised.

6. **RIGHT TO AUDIT.**

Contractor agrees that the City shall, until the expiration of three (3) years after final payment under this contract, have access to and the right to examine at reasonable times any directly pertinent books, documents, papers and records of the Contractor involving transactions relating to this Contract at no additional cost to the City. Contractor agrees that the City shall have access during normal working hours to all necessary Contractor facilities and shall be provided adequate and appropriate work space in order to conduct audits in compliance with the provisions of this section. The City shall give Contractor reasonable advance notice of intended audits.

Contractor further agrees to include in all its subcontractor agreements hereunder a provision to the effect that the subcontractor agrees that the City shall, until expiration of three (3) years after final payment of the subcontract, have access to and the right to examine at reasonable times any directly pertinent books, documents, papers and records of such subcontractor involving transactions related to the subcontract, and further that City shall have access during normal working hours to all subcontractor facilities and shall be provided adequate and appropriate work space in order to conduct audits in compliance with the provisions of this paragraph. City shall give subcontractor reasonable notice of intended audits.

7. **INDEPENDENT CONTRACTOR.**

It is expressly understood and agreed that Contractor shall operate as an independent contractor as to all rights and privileges granted herein, and not as agent, representative or employee of the City. Subject to and in accordance with the conditions and provisions of this Agreement, Contractor shall have the exclusive right to control the details of its operations and activities and be solely responsible

for the acts and omissions of its officers, agents, servants, employees, contractors and subcontractors. Contractor acknowledges that the doctrine of *respondeat superior* shall not apply as between the City, its officers, agents, servants and employees, and Contractor, its officers, agents, employees, servants, contractors and subcontractors. Contractor further agrees that nothing herein shall be construed as the creation of a partnership or joint enterprise between City and Contractor.

8. LIABILITY AND INDEMNIFICATION.

CONTRACTOR SHALL BE LIABLE AND RESPONSIBLE FOR ANY AND ALL PROPERTY LOSS, PROPERTY DAMAGE AND/OR PERSONAL INJURY, INCLUDING DEATH, TO ANY AND ALL PERSONS, OF ANY KIND OR CHARACTER, WHETHER REAL OR ASSERTED, TO THE EXTENT CAUSED BY THE NEGLIGENT ACT(S) OR OMISSION(S), MALFEASANCE OR INTENTIONAL MISCONDUCT OF CONTRACTOR, ITS OFFICERS, AGENTS, SERVANTS OR EMPLOYEES.

CONTRACTOR COVENANTS AND AGREES TO, AND DOES HEREBY, INDEMNIFY, HOLD HARMLESS AND DEFEND THE CITY, ITS OFFICERS, AGENTS, SERVANTS AND EMPLOYEES, FROM AND AGAINST ANY AND ALL CLAIMS OR LAWSUITS FOR EITHER PROPERTY DAMAGE OR LOSS (INCLUDING ALLEGED DAMAGE OR LOSS TO CONTRACTOR'S BUSINESS AND ANY RESULTING LOST PROFITS) AND/OR PERSONAL INJURY, INCLUDING DEATH, TO ANY AND ALL PERSONS, OF ANY KIND OR CHARACTER, WHETHER REAL OR ASSERTED, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, TO THE EXTENT CAUSED BY THE NEGLIGENT ACTS OR OMISSIONS OR MALFEASANCE OF CONTRACTOR, ITS OFFICERS, AGENTS, SERVANTS OR EMPLOYEES.

9. ASSIGNMENT AND SUBCONTRACTING.

Contractor shall not assign or subcontract any of its duties, obligations or rights under this Agreement without the prior written consent of the City. If the City grants consent to an assignment, the assignee shall execute a written agreement with the City and the Contractor under which the assignee agrees to be bound by the duties and obligations of Contractor under this Agreement. The Contractor and Assignee shall be jointly liable for all obligations under this Agreement prior to the assignment. If the City grants consent to a subcontract, the subcontractor shall execute a written agreement with the Contractor referencing this Agreement under which the subcontractor shall agree to be bound by the duties and obligations of the Contractor under this Agreement as such duties and obligations may apply. The Contractor shall provide the City with a fully executed copy of any such subcontract.

10. INSURANCE.

Contractor shall provide the City with certificate(s) of insurance documenting policies of the following minimum coverage limits that are to be in effect prior to commencement of any work pursuant to this Agreement:

10.1 Coverage and Limits

- (a) Commercial General Liability
\$1,000,000 Each Occurrence
\$2,000,000 Aggregate

- (b) Automobile Liability
\$1,000,000 Each accident on a combined single limit basis or
\$250,000 Bodily injury per person

Professional Services Agreement – SL-serco, Inc.

\$500,000	Bodily injury per occurrence
\$100,000	Property damage

Coverage shall be on any vehicle used by the Contractor, its employees, agents, representatives in the course of the providing services under this Agreement. "Any vehicle" shall be any vehicle owned, hired and non-owned

- (c) Worker's Compensation
Statutory limits Employer's liability
- | | |
|-----------|-----------------------------|
| \$100,000 | Each accident/occurrence |
| \$100,000 | Disease - per each employee |
| \$500,000 | Disease - policy limit |

This coverage may be written as follows:

Workers' Compensation and Employers' Liability coverage with limits consistent with statutory benefits outlined in the Texas workers' Compensation Act (Art. 8308 – 1.01 et seq. Tex. Rev. Civ. Stat.) and minimum policy limits for Employers' Liability of \$100,000 each accident/occurrence, \$500,000 bodily injury disease policy limit and \$100,000 per disease per employee

- (d) Professional Liability (Errors & Omissions)
\$1,000,000 Each Claim Limit
\$1,000,000 Aggregate Limit

Professional Liability coverage may be provided through an endorsement to the Commercial General Liability (CGL) policy, or a separate policy specific to Professional E&O. Either is acceptable if coverage meets all other requirements. Coverage shall be claims-made, and maintained for the duration of the contractual agreement and for two (2) years following completion of services provided. An annual certificate of insurance shall be submitted to the City to evidence coverage.

10.2 Certificates.

Certificates of Insurance evidencing that the Contractor has obtained all required insurance shall be delivered to the City prior to Contractor proceeding with any work pursuant to this Agreement. All policies except Workers' Compensation and Professional Liability shall be endorsed to name the City as an additional insured thereon, as its interests may appear. All policies shall contain a Waiver of Subrogation for the benefit of the City of Fort Worth. The term City shall include its employees, officers, officials, agent, and volunteers in respect to the contracted services. Any failure on the part of the City to request required insurance documentation shall not constitute a waiver of the insurance requirement. A minimum of thirty (30) days' notice of cancellation or reduction in limits of coverage shall be provided to the City. Ten (10) days' notice shall be acceptable in the event of non-payment of premium. Such terms shall be endorsed onto Contractor's insurance policies. Notice shall be sent to the Risk Manager, City of Fort Worth, 1000 Throckmorton, Fort Worth, Texas 76102, with copies to the City Attorney at the same address.

11. COMPLIANCE WITH LAWS, ORDINANCES, RULES AND REGULATIONS.

Contractor agrees to comply with all applicable federal, state and local laws, ordinances, rules and regulations. If the City notifies Contractor of any violation of such laws, ordinances, rules or regulations, Contractor shall immediately desist from and correct the violation.

12. NON-DISCRIMINATION COVENANT.

Contractor, for itself, its personal representatives, assigns, subcontractors and successors in interest, as part of the consideration herein, agrees that in the performance of Contractor's duties and obligations hereunder, it shall not discriminate in the treatment or employment of any individual or group of individuals on any basis prohibited by law including Chapter 17, Article III of the Code of the City of Fort Worth. If any claim arises from an alleged violation of this non-discrimination covenant by Contractor, its personal representatives, assigns, subcontractors or successors in interest, Contractor agrees to assume such liability and to indemnify and defend the City and hold the City harmless from such claim.

13. NOTICES.

Notices required pursuant to the provisions of this Agreement shall be conclusively determined to have been delivered when (1) hand-delivered to the other party, its agents, employees, servants or representatives, (2) delivered by facsimile with electronic confirmation of the transmission, or (3) received by the other party by United States Mail, registered, return receipt requested, addressed as follows:

To CITY:
City of Fort Worth
Attn: Fernando Costa
1000 Throckmorton Street
Fort Worth, TX 76102-6311
Facsimile: (817) 392-8654

To CONTRACTOR:
SL-serco, Inc.
Attn: Laurie Allen
2817 Anthony Lane S
Suite # 104
St. Anthony, MN 55418
Phone: 612-709-6107 or 912-618-4747
Fax: 612-782-9782

14. SOLICITATION OF EMPLOYEES.

Neither the City nor Contractor shall, during the term of this agreement and additionally for a period of one year after its termination, solicit for employment or employ, whether as employee or independent contractor, any person who is or has been employed by the other during the term of this agreement, without the prior written consent of the person's employer.

15. GOVERNMENTAL POWERS.

It is understood and agreed that by execution of this Agreement, the City does not waive or surrender any of its governmental powers.

16. NO WAIVER.

The failure of the City or Contractor to insist upon the performance of any term or provision of

this Agreement or to exercise any right granted herein shall not constitute a waiver of the City's or Contractor's respective right to insist upon appropriate performance or to assert any such right on any future occasion.

17. GOVERNING LAW / VENUE.

This Agreement shall be construed in accordance with the internal laws of the State of Texas. If any action, whether real or asserted, at law or in equity, is brought on the basis of this Agreement, venue for such action shall lie in state courts located in Tarrant County, Texas or the United States District Court for the Northern District of Texas, Fort Worth Division.

18. SEVERABILITY.

If any provision of this Agreement is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.

19. FORCE MAJEURE.

The City and Contractor shall exercise their best efforts to meet their respective duties and obligations as set forth in this Agreement, but shall not be held liable for any delay or omission in performance due to force majeure or other causes beyond their reasonable control (force majeure), including, but not limited to, compliance with any government law, ordinance or regulation, acts of God, acts of the public enemy, fires, strikes, lockouts, natural disasters, wars, riots, material or labor restrictions by any governmental authority, transportation problems and/or any other similar causes.

20. HEADINGS NOT CONTROLLING.

Headings and titles used in this Agreement are for reference purposes only and shall not be deemed a part of this Agreement.

21. AMENDMENTS / MODIFICATIONS / EXTENSIONS.

No extension, modification or amendment of this Agreement shall be binding upon a party hereto unless such extension, modification, or amendment is set forth in a written instrument, which is executed by an authorized representative and delivered on behalf of such party.

22. ENTIRETY OF AGREEMENT.

This Agreement, including the schedule of exhibits attached hereto and any documents incorporated herein by reference, contains the entire understanding and agreement between the City and Contractor, their assigns and successors in interest, as to the matters contained herein. Any prior or contemporaneous oral or written agreement is hereby declared null and void to the extent in conflict with any provision of this Agreement.

24. SIGNATURE AUTHORITY.

The person signing this agreement hereby warrants that he/she has the legal authority to execute this agreement on behalf of the respective party, and that such binding authority has been granted by proper order, resolution, ordinance or other authorization of the entity. The other party is fully entitled to

rely on this warranty and representation in entering into this Agreement.

[SIGNATURE PAGE FOLLOWS]

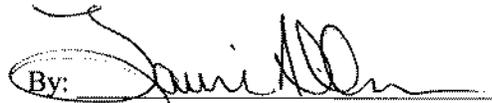
IN WITNESS WHEREOF, the parties hereto have executed this Agreement in multiples this 30th day of April, 2015.

ACCEPTED AND AGREED:

CITY OF FORT WORTH:

SL-serco, Inc.

By: 
Fernando Costa
Assistant City Manager

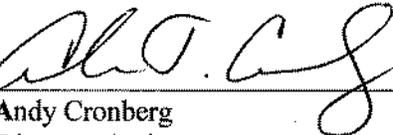
By: 
Laurie Allen, CFO

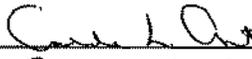
Date: 3/26/15

Date: March 20, 2015

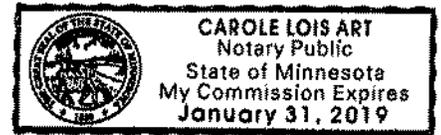
APPROVAL RECOMMENDED:

WITNESS:

By: 
Andy Cronberg
Director, Acting

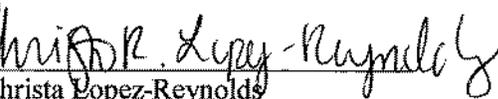
By: 
Name: Carole L. Art
Title: Notary Public

Date: 3-26-15



By: 
Kara Shuror
Assistant Water Director
Business Services

APPROVED AS TO FORM AND LEGALITY:

By: 
Christa Lopez-Reynolds
Senior Assistant City Attorney

Date: 3.26.15

ATTEST:

By: 
Mary Kayser
City Secretary



Date: 4/13/15

M&C: Not Required

A Resolution

NO. 4217-07-2013

AUTHORIZING EMPLOYMENT OF THE FIRMS OF MCCALL, PARKHURST & HORTON L.L.P. AND KELLY HART & HALLMAN LLP TO SERVE AS BOND CO-COUNSEL AND REPRESENT THE CITY IN MATTERS RELATED TO THE ISSUANCE OF BONDS AND OTHER DEBT INSTRUMENTS

WHEREAS, the issuance of municipal bonds and other debt instruments requires highly specialized knowledge of complex legal issues related to government debt obligations and associated financial matters, including, but not limited to, federal tax laws and regulations, the Texas constitution, and federal and state statutory and regulatory law; and

WHEREAS, the firms of McCall, Parkhurst & Horton L.L.P. and Kelly Hart & Hallman LLP have the requisite knowledge, expertise, and experience to effectively represent the City in connection with the issuance of bonds and other municipal debt instruments and have satisfactorily performed such services for the City in connection with multiple debt issuances for a number of years; and

WHEREAS, given the firms' expertise, familiarity with City operations, and successful past performance, the City Manager's Office recommends that the firms continue as bond co-counsel.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FORT WORTH, TEXAS, THAT:

1.

In accordance with Chapter VI, Section 3 of the Charter of the City of Fort Worth, the City Attorney is authorized to employ the firms of McCall, Parkhurst & Horton L.L.P. and Kelly Hart & Hallman LLP to represent the City as bond co-counsel in matters related to the issuance of bonds and other debt instruments and to enter into any agreements related thereto consistent with the terms of this Resolution.

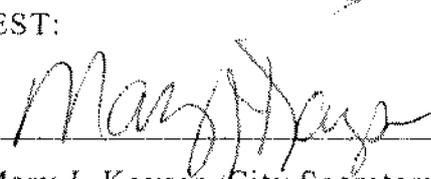
2.

Payment of fees and reimbursement for expenses to the firms of McCall, Parkhurst & Horton L.L.P. and Kelly Hart & Hallman LLP in connection with the issuance of bonds or other municipal debt instruments shall be paid from the proceeds of the debt issue and shall be included as costs of issuance in ordinances authorizing debt issuance. No fees or expenses for debt issuance will be incurred or paid if debt does not issue.

ADOPTED this 9th day of July, 2013.

ATTEST:

By:


Mary J. Kayser, City Secretary




FORT WORTH

City of Fort Worth, Texas
Mayor and Council Communication

COUNCIL ACTION: Approved on 7/9/2013 - Resolution No. 4217-07-2013

DATE: Tuesday, July 09, 2013

REFERENCE NO.: **C-26308

LOG NAME: 12BOND

SUBJECT:

Adopt Resolution Authorizing Employment of McCall, Parkhurst & Horton L.L.P. and Kelly Hart & Hallman LLP, to Represent the City in Matters Related to the Issuance of Bonds and Other Debt Instruments (ALL COUNCIL DISTRICTS)

RECOMMENDATION:

It is recommended that the City Council adopt the attached resolution authorizing employment of McCall, Parkhurst & Horton L.L.P. and Kelly Hart & Hallman LLP, to represent the City in matters related to the issuance of municipal bonds and other debt instruments.

DISCUSSION:

McCall, Parkhurst & Horton L.L.P. and Kelly Hart & Hallman LLP, have served the City as bond co-counsel since 1991 (M&C C-12784, April 2, 1991, M&C C-15245, January 23, 1996, M&C C-16321, September 23, 1997 and M&C C-19295, October 15, 2002).

Issuance of City debt instruments requires highly specialized legal services, including providing opinions that bonds and other debt are being issued in accordance with the Constitution and laws of the State of Texas, that the bonds constitute valid and legally binding obligations of the City, and that the interest on the bonds is exempt from federal income taxes under existing statutes, regulations, rulings and court decisions.

The two firms have performed satisfactorily and cooperatively throughout the term of their retention by the City. Given the two firms' subject matter expertise, familiarity with City operations, and successful past performance, the City Manager's Office recommends that the City Attorney continue to engage the two firms to serve as co-counsel for issues related to bonds and other debt instruments.

The proposed Agreement would have a three-year initial term with two, one-year renewal options. Fees in connection with bond issuance are based on a percentage of the dollar amount of debt being issued and would not be incurred unless bonds are actually sold. Payment for these services would come from the bond proceeds and would be approved on a case-by-case basis as part of the approval for each debt issuance.

In an effort to engage minority law firms in the debt-issuance process, the proposed Agreement includes a requirement for the two firms to make on-going, good faith efforts to identify smaller, discrete issues that are suitable for subcontracting and to select and engage qualified minority bond counsel to handle these issues.

FISCAL INFORMATION / CERTIFICATION:

The Financial Management Services Director certifies that funds required to pay legal fees related to debt

issuances will be available from the proceeds of bond sales and/or appropriate debt service funds.

FUND CENTERS:

TO Fund/Account/Centers

FROM Fund/Account/Centers

CERTIFICATIONS:

Submitted for City Manager's Office by:

ALL ACMs (6222)

Originating Department Head:

Sarah Fullenwider (7623)

Additional Information Contact:

Sarah Fullenwider (7623)

FINANCIAL ADVISORY AGREEMENT

CITY SECRETARY
CONTRACT NO. 45144

This Financial Advisory Agreement (the "Agreement") is made and entered into by and between City of Fort Worth, a home-rule municipal corporation of the State of Texas ("Issuer") and First Southwest Company, a Delaware corporation ("FSC") effective as of August 1, 2013.

WITNESSETH:

WHEREAS, the Issuer will have under consideration from time to time the authorization and issuance of indebtedness in amounts and forms which cannot presently be determined and, in connection with the authorization, sale, issuance and delivery of such indebtedness, Issuer desires to retain an independent financial advisor; and

WHEREAS, the Issuer desires to obtain the professional services of FSC to advise the Issuer regarding the issuance and sale of certain evidences of indebtedness or debt obligations that may be authorized and issued or otherwise created or assumed by the Issuer (hereinafter referred to collectively as the "Debt Instruments") from time to time during the period in which this Agreement shall be effective; and

WHEREAS, FSC is willing to provide its professional services and its facilities as financial advisor in connection with all programs of financing as may be considered and authorized by Issuer during the period in which this Agreement shall be effective.

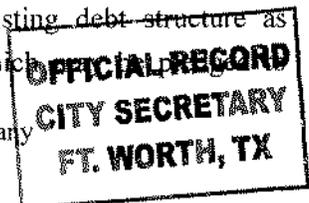
NOW, THEREFORE, the Issuer and FSC, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, do hereby agree as follows:

SECTION I
DESCRIPTION OF SERVICES

Upon the request of an authorized representative of the Issuer, FSC agrees to perform the financial advisory services stated in the following provisions of this Section I; and for having rendered such services, the Issuer agrees to pay to FSC the compensation as provided in Section IV hereof.

A. Financial Planning. At the direction of Issuer, FSC shall:

1. Survey and Analysis. Conduct a survey of the financial resources of the Issuer to determine the extent of its capacity to authorize, issue and service any Debt Instruments contemplated. This survey will include an analysis of any existing debt structure as compared with the existing and projected sources of revenues which



secure payment of debt service and, where appropriate, will include a study of the trend of the assessed valuation, taxing power and present and future taxing requirements of the Issuer. In the event revenues of existing or projected facilities operated by the Issuer are to be pledged to repayment of the Debt Instruments then under consideration, the survey will take into account any outstanding indebtedness payable from the revenues thereof, additional revenues to be available from any proposed rate increases and additional revenues, as projected by consulting engineers employed by the Issuer, resulting from improvements to be financed by the Debt Instruments under consideration.

2. Future Financings. Consider and analyze future financing needs as projected by the Issuer's staff and consulting engineers or other experts, if any, employed by the Issuer.

3. Recommendations for Debt Instruments. On the basis of the information developed by the survey described above, and other information and experience available, submit to the Issuer recommendations regarding the Debt Instruments under consideration, including such elements as the date of issue, interest payment dates, schedule of principal maturities, options of prior payment, security provisions, and such other provisions as may be appropriate in order to make the issue attractive to investors while achieving the objectives of the Issuer. All recommendations will be consistent with the goal of designing the Debt Instruments to be sold on terms which are advantageous to the Issuer, including the lowest interest cost consistent with all other considerations.

4. Market Information. Advise the Issuer of FSC's interpretation of current bond market conditions, other related forthcoming bond issues and general information, with economic data, which might normally be expected to influence interest rates or bidding conditions so that the date of sale of the Debt Instruments may be set at a favorable time.

5. Elections. In the event it is necessary to hold an election to authorize the Debt Instruments then under consideration, FSC will assist in coordinating the assembly of such data as may be required for the preparation of necessary petitions, orders, resolutions, ordinances, notices and certificates in connection with the election, including assistance in the transmission of such data to a firm of municipal bond attorneys ("Bond Counsel") retained by the Issuer.

B. Debt Management and Financial Implementation. At the direction of Issuer, FSC shall:

1. Method of Sale. Evaluate the particular financing being contemplated, giving consideration to the complexity, market acceptance, rating, size and structure in order to make a recommendation as to an appropriate method of sale, and:

- a. If the Debt Instruments are to be sold by an advertised competitive sale, FSC will:
 - (1) Supervise the sale of the Debt Instruments;
 - (2) Disseminate information to prospective bidders, organize such informational meetings as may be necessary, and facilitate prospective bidders' efforts in making timely submission of proper bids;
 - (3) Assist the staff of the Issuer in coordinating the receipt of bids, the safekeeping of good faith checks and the tabulation and comparison of submitted bids; and
 - (4) Advise the Issuer regarding the best bid and provide advice regarding acceptance or rejection of the bids.
 - b. If the Debt Instruments are to be sold by negotiated sale, FSC will:
 - (1) Recommend for Issuer's final approval and acceptance one or more investment banking firms as managers of an underwriting syndicate for the purpose of negotiating the purchase of the Debt Instruments.
 - (2) Cooperate with and assist any selected managing underwriter and their counsel in connection with their efforts to prepare any Official Statement or Offering Memorandum. FSC will cooperate with and assist the underwriters in the preparation of a bond purchase contract, an underwriters agreement and other related documents. The costs incurred in such efforts, including the printing of the documents, will be paid in accordance with the terms of the Issuer's agreement with the underwriters, but shall not be or become an obligation of FSC, except to the extent specifically provided otherwise in this Agreement or assumed in writing by FSC.
 - (3) Assist the staff of the Issuer in the safekeeping of any good faith checks, to the extent there are any such, and provide a cost comparison, for both expenses and interest which are suggested by the underwriters, to the then current market.
 - (4) Advise the Issuer as to the fairness of the price offered by the underwriters.
2. Offering Documents. Coordinate the preparation of the notice of sale and bidding instructions, official statement, official bid form and such other documents as may be

required and submit all such documents to the Issuer for examination, approval and certification. After such examination, approval and certification, FSC shall provide the Issuer with a supply of all such documents sufficient to its needs and distribute by mail or, where appropriate, by electronic delivery, sets of the same to prospective purchasers of the Debt Instruments. Also, FSC shall provide copies of the final Official Statement to the purchaser of the Debt Instruments in accordance with the Notice of Sale and Bidding Instructions.

3. Credit Ratings. Make recommendations to the Issuer as to the advisability of obtaining a credit rating, or ratings, for the Debt Instruments and, when directed by the Issuer, coordinate the preparation of such information as may be appropriate for submission to the rating agency, or agencies. In those cases where the advisability of personal presentation of information to the rating agency, or agencies, may be indicated, FSC will arrange for such personal presentations, utilizing such composition of representatives from the Issuer as may be finally approved or directed by the Issuer.

4. Trustee, Paying Agent, Registrar. Upon request, counsel with the Issuer in the selection of a Trustee and/or Paying Agent/Registrar for the Debt Instruments, and assist in the negotiation of agreements pertinent to these services and the fees incident thereto.

5. Financial Publications. When appropriate, advise financial publications of the forthcoming sale of the Debt Instruments and provide them with all pertinent information.

6. Consultants. After consulting with and receiving directions from the Issuer, arrange for such reports and opinions of recognized independent consultants as may be appropriate for the successful marketing of the Debt Instruments.

7. Auditors. In the event formal verification by an independent auditor of any calculations incident to the Debt Instruments is required, make arrangements for such services.

8. Issuer Meetings. Attend meetings of the governing body of the Issuer, its staff, representatives or committees as requested at all times when FSC may be of assistance or service and the subject of financing is to be discussed.

9. Printing. To the extent authorized by the Issuer, coordinate all work incident to printing of the offering documents and the Debt Instruments.

10. Bond Counsel. Maintain liaison with Bond Counsel in the preparation of all legal documents pertaining to the authorization, sale and issuance of the Debt Instruments.

11. Changes in Laws. Provide to the Issuer copies of proposed or enacted changes in federal and state laws, rules and regulations having, or expected to have, a significant effect on the municipal bond market of which FSC becomes aware in the ordinary course of its business, it being understood that FSC does not and may not act as an attorney for, or provide legal advice or services to, the Issuer.

12. Delivery of Debt Instruments. As soon as a bid for the Debt Instruments is accepted by the Issuer, coordinate the efforts of all concerned to the end that the Debt Instruments may be delivered and paid for as expeditiously as possible and assist the Issuer in the preparation or verification of final closing figures incident to the delivery of the Debt Instruments.

13. Debt Service Schedule; Authorizing Resolution. After the closing of the sale and delivery of the Debt Instruments, deliver to the Issuer a schedule of annual debt service requirements for the Debt Instruments and, in coordination with Bond Counsel, ensure that the paying agent/registrars and/or trustee has been provided with a copy of the authorizing ordinance, order or resolution.

SECTION II TERM OF AGREEMENT

This Agreement shall become effective on August 1, 2013, and, unless terminated by either party pursuant to Section III of this Agreement, shall remain in effect until July 31, 2014. Unless FSC or Issuer shall notify the other party in writing at least thirty (30) days in advance of the applicable anniversary date that this Agreement will not be renewed, this Agreement will be automatically renewed beginning August 1, 2014 for two additional one (1) year periods.

SECTION III TERMINATION

This Agreement may be terminated with or without cause by the Issuer or FSC upon the giving of at least thirty (30) days' prior written notice to the other party of its intention to terminate, specifying in such notice the effective date of such termination. In the event of such termination, it is understood and agreed that only the amounts due FSC for services provided and expenses incurred to the date of termination will be due and payable. No penalty will be assessed for termination of this Agreement.

SECTION IV
COMPENSATION AND EXPENSE REIMBURSEMENT

The fees due to FSC for the services set forth and described in Section I of this Agreement with respect to each issuance of Debt Instruments during the term of this Agreement shall be calculated in accordance with the schedule set forth on Appendix A attached hereto. Unless specifically provided otherwise on Appendix A or in a separate written agreement between Issuer and FSC, such fees, together with any other fees as may have been mutually agreed upon and all expenses for which FSC is entitled to reimbursement under the terms of Exhibit A, shall become due and payable concurrently with the delivery of the Debt Instruments to the purchaser.

SECTION V
MISCELLANEOUS

1. Choice of Law. This Agreement shall be construed and given effect in accordance with the laws of the State of Texas.
2. Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the Issuer and FSC, their respective successors and assigns; provided however, neither party hereto may assign or transfer any of its rights or obligations hereunder without the prior written consent of the other party.
3. Entire Agreement. This instrument (including all exhibits attached hereto) contains the entire agreement between the parties relating to the rights herein granted and obligations herein assumed. Any oral or written representations or modifications concerning this Agreement shall be of no force or effect except for a subsequent modification in writing signed by all parties hereto.

FIRST SOUTHWEST COMPANY

By: _____

David K. Medanich
Vice Chairman

By: _____

Laura B. Alexander
Managing Director

CITY OF FORT WORTH, TEXAS

By: [Signature]
Title: Asst. City Manager
Date: 11/25/13

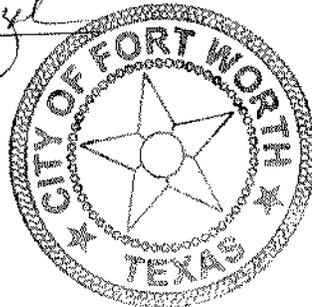
ATTEST:

APPROVED AS TO
FORM AND LEGALITY:

[Signature]
ASSISTANT CITY ATTORNEY

M+C C-26350

[Signature]
Asst Secretary



OFFICIAL RECORD
CITY SECRETARY
FT. WORTH, TX

APPENDIX A

Base Fee Per Issue	\$35,000
Plus	\$0.75 per 1,000 Bonds

As co-financial advisor, FSC is entitled to 65% of the above charges.

The charges for ancillary services, including official statement printing and preparation, shall be levied only for those services which are reasonably necessary in completing the transaction and which are reasonable in amount, unless such charges were incurred at the specific direction of the Issuer.

The payment of charges for financial advisory services described in Section 1 of the foregoing Agreement shall be contingent upon the delivery of bonds and shall be due at the time that bonds are delivered. The payment of charges for services described below under "Hourly Compensation Rates" shall be due and payable in accordance with the mutual agreement therefore between FSC and Issuer.

The Issuer shall be responsible for the following expenses, if and when applicable, whether they are charged to the Issuer directly as expenses or charged to the Issuer by FSC as reimbursable expenses:

- Bond counsel
- Publication of notices
- Bond ratings
- Credit enhancement
- CPA fees
- Official statement preparation and printing
- Paying agent/registrar/trustee
- Travel expenses
- Underwriter and underwriters counsel
- Miscellaneous expenses, including copy, delivery, and phone charges

The payment of reimbursable expenses that FSC has assumed on behalf of the Issuer shall NOT be contingent upon the delivery of bonds and shall be due at the time that services are rendered and payable upon receipt of an invoice therefor submitted by FSC.

HOURLY COMPENSATION RATES

For related assignments not associated with the issuance of Debt Instruments, the Issuer may request FSC and/or its co-financial advisor to provide additional services, to be mutually agreed upon. With respect to such additional services, the following hourly rates would apply:

Managing Director/Executive Vice President/Senior Vice President	\$250
Vice President	200
Assistant Vice President/Associate	150
Administrative Assistant	75

The hourly rate structure will be implemented only with prior approval of the Issuer and only at the point when the actual services going forward can be clearly identified.

City of Fort Worth, Texas
Mayor and Council Communication

COUNCIL ACTION: Approved on 7/23/2013

DATE: Tuesday, July 23, 2013

REFERENCE NO.: **C-26350

LOG NAME: 1313 FA CONTRACT

SUBJECT:

Authorize Necessary and Related Agreements with First Southwest Company, First Southwest Asset Management, Inc., and Estrada Hinojosa & Company, Inc., for the Provision of Financial Advisory, Arbitrage Rebate and Continuing Disclosure Services (ALL COUNCIL DISTRICTS)

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize the execution of necessary and related Agreements with First Southwest Company, First Southwest Asset Management, Inc., and Estrada Hinojosa & Company, Inc., for the provision of financial advisory, arbitrage rebate and continuing disclosure services; and
2. Authorize a commencement date of August 1, 2013 and expiration date of July 31, 2014 with two one-year renewal options for each Agreement.

DISCUSSION:

First Southwest Company and Estrada Hinojosa & Company, Inc. (Estrada Hinojosa), have satisfactorily served as the City's co-financial advisors for over a decade. During this same period, First Southwest Asset Management, Inc., and First Southwest Company's FSC Disclosure Services Division have provided arbitrage rebate compliance services and continuing disclosure services to the City.

Staff is recommending that the City continue these relationships with First Southwest Company serving as lead financial advisor and Estrada Hinojosa, a minority-owned firm, acting as co-financial advisor. Approval of the Agreements will ensure continuity as the City enters its traditional debt-issuance season.

The fee structure for financial advisory services will be a base fee in the amount of \$35,000.00 plus \$0.75 per \$1,000.00 denomination for each series of bond issues. As in the current contract, the fee will be split 65/35 between the two firms, respectively.

First Southwest Company, the lead financial advisor, and Estrada Hinojosa, a certified minority-owned firm and the co-financial advisor, are in compliance with the City's BDE Ordinance by committing to the work fees on bond transactions being split 65/35 between the two firms respectively on this project.

Typically, no charges for financial advisory services related to bond transactions are incurred unless bonds are actually sold. The Agreements will also provide for the financial advisors to provide special financial consulting work not directly related to a bond sale with compensation paid based on an hourly rate ranging from the amount of \$75.00 for work performed by administrative assistants to the amount of \$250.00 per hour for work performed by managing directors, executive vice presidents or senior vice presidents. An individual engagement letter will be executed for each special project compensated on an hourly basis.

Arbitrage rebate compliance services will be provided by First Southwest Asset Management, Inc., and FSC Disclosure Services, a Division of First Southwest Company, will provide continuing disclosure services. Disclosure services will be compensated at a rate of \$2,500.00 per year for assistance in

preparation and distribution of each annual report and the amount of \$3,500.00 per year for distribution of audited financial statements. Arbitrage rebate compliance services will be compensated at a rate of \$1,400.00 per computation year. Additional fees would apply for specialized arbitrage-related services, if needed, in connection with an IRS refund request of commercial paper calculations. The costs for those services are reflected in the fee schedule, which is attached.

FISCAL INFORMATION / CERTIFICATION:

The Financial Management Services Director certifies that funds required to pay financial advisory fees will be available from proceeds of bond sales, appropriate debt service funds, and/or appropriate operating funds.

FUND CENTERS:

<u>TO Fund/Account/Centers</u>	<u>FROM Fund/Account/Centers</u>	
	PE47 554010 0132000	<u>\$0.00</u>
	GD06 554010 0132000	<u>\$0.00</u>

CERTIFICATIONS:

<u>Submitted for City Manager's Office by:</u>	Susan Alanis (8180)
<u>Originating Department Head:</u>	Jay Chapa (8517)
<u>Additional Information Contact:</u>	Lisa Parks (6630)

ATTACHMENTS

1. CFW 2013 Fee Schedule.pdf (Public)
2. example.pdf (CFW Internal)

CITY SECRETARY
CONTRACT NO. 45274

FINANCIAL ADVISORY AGREEMENT

This Financial Advisory Agreement (the "Agreement") is made and entered into by and between City of Fort Worth, a home-rule municipal corporation of the State of Texas ("Issuer") and Estrada Hinojosa & Company, Inc. a Texas corporation ("EH") effective as of August 1, 2013.

WITNESSETH:

WHEREAS, the Issuer will have under consideration from time to time the authorization and issuance of indebtedness in amounts and forms which cannot presently be determined and, in connection with the authorization, sale, issuance and delivery of such indebtedness, Issuer desires to retain an independent financial advisor; and

WHEREAS, the Issuer desires to obtain the professional services of EH to advise the Issuer regarding the issuance and sale of certain evidences of indebtedness or debt obligations that may be authorized and issued or otherwise created or assumed by the Issuer (hereinafter referred to collectively as the "Debt Instruments") from time to time during the period in which this Agreement shall be effective; and

WHEREAS, EH is willing to provide its professional services and its facilities as financial advisor in connection with all programs of financing as may be considered and authorized by Issuer during the period in which this Agreement shall be effective.

NOW, THEREFORE, the Issuer and EH, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, do hereby agree as follows:

SECTION I
DESCRIPTION OF SERVICES

Upon the request of an authorized representative of the Issuer, EH agrees to perform the financial advisory services stated in the following provisions of this Section I; and for having rendered such services, the Issuer agrees to pay to EH the compensation as provided in Appendix A hereof.

A. Financial Planning. At the direction of Issuer, EH shall:

1. Survey and Analysis. Conduct a survey of the financial resources of the Issuer to determine the extent of its capacity to authorize, issue and service any Debt Instruments contemplated. This survey will include an analysis of any existing debt structure as compared with the existing and projected sources of revenues which may be pledged to

OFFICIAL RECORD
CITY SECRETARY
FT. WORTH, TX

RECEIVED JAN 08 2014

secure payment of debt service and, where appropriate, will include a study of the trend of the assessed valuation, taxing power and present and future taxing requirements of the Issuer. In the event revenues of existing or projected facilities operated by the Issuer are to be pledged to repayment of the Debt Instruments then under consideration, the survey will take into account any outstanding indebtedness payable from the revenues thereof, additional revenues to be available from any proposed rate increases and additional revenues, as projected by consulting engineers employed by the Issuer, resulting from improvements to be financed by the Debt Instruments under consideration.

2. Future Financings. Consider and analyze future financing needs as projected by the Issuer's staff and consulting engineers or other experts, if any, employed by the Issuer.

3. Recommendations for Debt Instruments. On the basis of the information developed by the survey described above, and other information and experience available, submit to the Issuer recommendations regarding the Debt Instruments under consideration, including such elements as the date of issue, interest payment dates, schedule of principal maturities, options of prior payment, security provisions, and such other provisions as may be appropriate in order to make the issue attractive to investors while achieving the objectives of the Issuer. All recommendations will be consistent with the goal of designing the Debt Instruments to be sold on terms which are advantageous to the Issuer, including the lowest interest cost consistent with all other considerations.

4. Market Information. Advise the Issuer of EH's interpretation of current bond market conditions, other related forthcoming bond issues and general information, with economic data, which might normally be expected to influence interest rates or bidding conditions so that the date of sale of the Debt Instruments may be set at a favorable time.

5. Elections. In the event it is necessary to hold an election to authorize the Debt Instruments then under consideration, EH will assist in coordinating the assembly of such data as may be required for the preparation of necessary petitions, orders, resolutions, ordinances, notices and certificates in connection with the election, including assistance in the transmission of such data to a firm of municipal bond attorneys ("Bond Counsel") retained by the Issuer.

B. Debt Management and Financial Implementation. At the direction of Issuer, EH shall:

1. Method of Sale. Evaluate the particular financing being contemplated, giving consideration to the complexity, market acceptance, rating, size and structure in order to make a recommendation as to an appropriate method of sale, and:

- a. If the Debt Instruments are to be sold by an advertised competitive sale, EH will:
 - (1) Supervise the sale of the Debt Instruments;
 - (2) Disseminate information to prospective bidders, organize such informational meetings as may be necessary, and facilitate prospective bidders' efforts in making timely submission of proper bids;
 - (3) Assist the staff of the Issuer in coordinating the receipt of bids, the safekeeping of good faith checks and the tabulation and comparison of submitted bids; and
 - (4) Advise the Issuer regarding the best bid and provide advice regarding acceptance or rejection of the bids.

 - b. If the Debt Instruments are to be sold by negotiated sale, EH will:
 - (1) Recommend for Issuer's final approval and acceptance one or more investment banking firms as managers of an underwriting syndicate for the purpose of negotiating the purchase of the Debt Instruments.
 - (2) Cooperate with and assist any selected managing underwriter and their counsel in connection with their efforts to prepare any Official Statement or Offering Memorandum. EH will cooperate with and assist the underwriters in the preparation of a bond purchase contract, an underwriters agreement and other related documents. The costs incurred in such efforts, including the printing of the documents, will be paid in accordance with the terms of the Issuer's agreement with the underwriters, but shall not be or become an obligation of EH, except to the extent specifically provided otherwise in this Agreement or assumed in writing by EH.
 - (3) Assist the staff of the Issuer in the safekeeping of any good faith checks, to the extent there are any such, and provide a cost comparison, for both expenses and interest which are suggested by the underwriters, to the then current market.
 - (4) Advise the Issuer as to the fairness of the price offered by the underwriters.
2. Offering Documents. Coordinate the preparation of the notice of sale and bidding instructions, official statement, official bid form and such other documents as may be

required and submit all such documents to the Issuer for examination, approval and certification. After such examination, approval and certification, EH shall provide the Issuer with a supply of all such documents sufficient to its needs and distribute by mail or, where appropriate, by electronic delivery, sets of the same to prospective purchasers of the Debt Instruments. Also, EH shall provide copies of the final Official Statement to the purchaser of the Debt Instruments in accordance with the Notice of Sale and Bidding Instructions.

3. Credit Ratings. Make recommendations to the Issuer as to the advisability of obtaining a credit rating, or ratings, for the Debt Instruments and, when directed by the Issuer, coordinate the preparation of such information as may be appropriate for submission to the rating agency, or agencies. In those cases where the advisability of personal presentation of information to the rating agency, or agencies, may be indicated, EH will arrange for such personal presentations, utilizing such composition of representatives from the Issuer as may be finally approved or directed by the Issuer.

4. Trustee, Paying Agent, Registrar. Upon request, counsel with the Issuer in the selection of a Trustee and/or Paying Agent/Registrar for the Debt Instruments, and assist in the negotiation of agreements pertinent to these services and the fees incident thereto.

5. Financial Publications. When appropriate, advise financial publications of the forthcoming sale of the Debt Instruments and provide them with all pertinent information.

6. Consultants. After consulting with and receiving directions from the Issuer, arrange for such reports and opinions of recognized independent consultants as may be appropriate for the successful marketing of the Debt Instruments.

7. Auditors. In the event formal verification by an independent auditor of any calculations incident to the Debt Instruments is required, make arrangements for such services.

8. Issuer Meetings. Attend meetings of the governing body of the Issuer, its staff, representatives or committees as requested at all times when EH may be of assistance or service and the subject of financing is to be discussed.

9. Printing. To the extent authorized by the Issuer, coordinate all work incident to printing of the offering documents and the Debt Instruments.

10. Bond Counsel. Maintain liaison with Bond Counsel in the preparation of all legal documents pertaining to the authorization, sale and issuance of the Debt Instruments.

11. Changes in Laws. Provide to the Issuer copies of proposed or enacted changes in federal and state laws, rules and regulations having, or expected to have, a significant effect on the municipal bond market of which EH becomes aware in the ordinary course of its business, it being understood that EH does not and may not act as an attorney for, or provide legal advice or services to, the Issuer.

12. Delivery of Debt Instruments. As soon as a bid for the Debt Instruments is accepted by the Issuer, coordinate the efforts of all concerned to the end that the Debt Instruments may be delivered and paid for as expeditiously as possible and assist the Issuer in the preparation or verification of final closing figures incident to the delivery of the Debt Instruments.

13. Debt Service Schedule; Authorizing Resolution. After the closing of the sale and delivery of the Debt Instruments, deliver to the Issuer a schedule of annual debt service requirements for the Debt Instruments and, in coordination with Bond Counsel, ensure that the paying agent/registrar and/or trustee has been provided with a copy of the authorizing ordinance, order or resolution.

SECTION II TERM OF AGREEMENT

This Agreement shall become effective on August 1, 2013, and, unless terminated by either party pursuant to Section III of this Agreement, shall remain in effect until July 31, 2014. Unless EH or Issuer shall notify the other party in writing at least thirty (30) days in advance of the applicable anniversary date that this Agreement will not be renewed, this Agreement will be automatically renewed beginning August 1, 2014 for two additional one (1) year periods.

SECTION III TERMINATION

This Agreement may be terminated with or without cause by the Issuer or EH upon the giving of at least thirty (30) days' prior written notice to the other party of its intention to terminate, specifying in such notice the effective date of such termination. In the event of such termination, it is understood and agreed that only the amounts due EH for services provided and expenses incurred to the date of termination will be due and payable. No penalty will be assessed for termination of this Agreement.

**SECTION IV
COMPENSATION AND EXPENSE REIMBURSEMENT**

The fees due to EH for the services set forth and described in Section I of this Agreement with respect to each issuance of Debt Instruments during the term of this Agreement shall be calculated in accordance with the schedule set forth on Appendix A attached hereto. Unless specifically provided otherwise on Appendix A or in a separate written agreement between Issuer and EH, such fees, together with any other fees as may have been mutually agreed upon and all expenses for which EH is entitled to reimbursement under the terms of Exhibit A, shall become due and payable concurrently with the delivery of the Debt Instruments to the purchaser.

**SECTION V
MISCELLANEOUS**

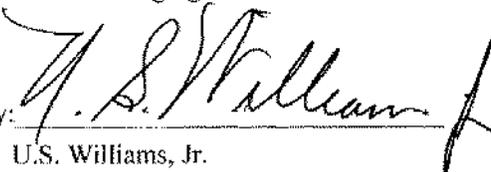
1. Choice of Law. This Agreement shall be construed and given effect in accordance with the laws of the State of Texas.

2. Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the Issuer and EH, their respective successors and assigns; provided however, neither party hereto may assign or transfer any of its rights or obligations hereunder without the prior written consent of the other party.

3. Entire Agreement. This instrument (including all exhibits attached hereto) contains the entire agreement between the parties relating to the rights herein granted and obligations herein assumed. Any oral or written representations or modifications concerning this Agreement shall be of no force or effect except for a subsequent modification in writing signed by all parties hereto.

ESTRADA HINOJOSA & COMPANY, INC.

By: 
Robert A. Estrada
Senior Managing Director

By: 
U.S. Williams, Jr.
Executive Vice President

CITY OF FORT WORTH, TEXAS

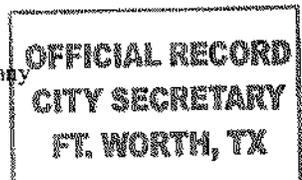
By: *[Signature]*
Title: Asst. City Manager
Date: 1/5/14

ATTEST:

[Signature]
Secretary

**APPROVED AS TO
FORM AND LEGALITY:**

[Signature]
ASSISTANT CITY ATTORNEY
MFC C-26350



APPENDIX A

Base Fee Per Issue	\$35,000
Plus	\$0.75 per 1,000 Bonds

As co-financial advisor, EH is entitled to 35% of the above charges.

The charges for ancillary services, including official statement printing and preparation, shall be levied only for those services which are reasonably necessary in completing the transaction and which are reasonable in amount, unless such charges were incurred at the specific direction of the Issuer.

The payment of charges for financial advisory services described in Section 1 of the foregoing Agreement shall be contingent upon the delivery of bonds and shall be due at the time that bonds are delivered. The payment of charges for services described below under "Hourly Compensation Rates" shall be due and payable in accordance with the mutual agreement therefore between EH and Issuer.

The Issuer shall be responsible for the following expenses, if and when applicable, whether they are charged to the Issuer directly as expenses or charged to the Issuer by EH as reimbursable expenses:

- Bond counsel
- Publication of notices
- Bond ratings
- Credit enhancement
- CPA fees
- Official statement preparation and printing
- Paying agent/registrat/trustee
- Travel expenses
- Underwriter and underwriters counsel
- Miscellaneous expenses, including copy, delivery, and phone charges

The payment of reimbursable expenses that EH has assumed on behalf of the Issuer shall NOT be contingent upon the delivery of bonds and shall be due at the time that services are rendered and payable upon receipt of an invoice therefor submitted by EH.

HOURLY COMPENSATION RATES

For related assignments not associated with the issuance of Debt Instruments, the Issuer may request EH and/or its co-financial advisor to provide additional services, to be mutually agreed upon. With respect to such additional services, the following hourly rates would apply:

Managing Director/Executive Vice President/Senior Vice President	\$250
Vice President	200
Assistant Vice President/Associate	150
Administrative Assistant	75

The hourly rate structure will be implemented only with prior approval of the Issuer and only at the point when the actual services going forward can be clearly identified.

City of Fort Worth, Texas
Mayor and Council Communication

COUNCIL ACTION: Approved on 7/23/2013

DATE: Tuesday, July 23, 2013

REFERENCE NO.: **C-26350

LOG NAME: 1313 FA CONTRACT

SUBJECT:

Authorize Necessary and Related Agreements with First Southwest Company, First Southwest Asset Management, Inc., and Estrada Hinojosa & Company, Inc., for the Provision of Financial Advisory, Arbitrage Rebate and Continuing Disclosure Services (ALL COUNCIL DISTRICTS)

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize the execution of necessary and related Agreements with First Southwest Company, First Southwest Asset Management, Inc., and Estrada Hinojosa & Company, Inc., for the provision of financial advisory, arbitrage rebate and continuing disclosure services; and
2. Authorize a commencement date of August 1, 2013 and expiration date of July 31, 2014 with two one-year renewal options for each Agreement.

DISCUSSION:

First Southwest Company and Estrada Hinojosa & Company, Inc. (Estrada Hinojosa), have satisfactorily served as the City's co-financial advisors for over a decade. During this same period, First Southwest Asset Management, Inc., and First Southwest Company's FSC Disclosure Services Division have provided arbitrage rebate compliance services and continuing disclosure services to the City.

Staff is recommending that the City continue these relationships with First Southwest Company serving as lead financial advisor and Estrada Hinojosa, a minority-owned firm, acting as co-financial advisor. Approval of the Agreements will ensure continuity as the City enters its traditional debt-issuance season.

The fee structure for financial advisory services will be a base fee in the amount of \$35,000.00 plus \$0.75 per \$1,000.00 denomination for each series of bond issues. As in the current contract, the fee will be split 65/35 between the two firms, respectively.

First Southwest Company, the lead financial advisor, and Estrada Hinojosa, a certified minority-owned firm and the co-financial advisor, are in compliance with the City's BDE Ordinance by committing to the work fees on bond transactions being split 65/35 between the two firms respectively on this project.

Typically, no charges for financial advisory services related to bond transactions are incurred unless bonds are actually sold. The Agreements will also provide for the financial advisors to provide special financial consulting work not directly related to a bond sale with compensation paid based on an hourly rate ranging from the amount of \$75.00 for work performed by administrative assistants to the amount of \$250.00 per hour for work performed by managing directors, executive vice presidents or senior vice presidents. An individual engagement letter will be executed for each special project compensated on an hourly basis.

Arbitrage rebate compliance services will be provided by First Southwest Asset Management, Inc., and FSC Disclosure Services, a Division of First Southwest Company, will provide continuing disclosure services. Disclosure services will be compensated at a rate of \$2,500.00 per year for assistance in

preparation and distribution of each annual report and the amount of \$3,500.00 per year for distribution of audited financial statements. Arbitrage rebate compliance services will be compensated at a rate of \$1,400.00 per computation year. Additional fees would apply for specialized arbitrage-related services, if needed, in connection with an IRS refund request of commercial paper calculations. The costs for those services are reflected in the fee schedule, which is attached.

FISCAL INFORMATION / CERTIFICATION:

The Financial Management Services Director certifies that funds required to pay financial advisory fees will be available from proceeds of bond sales, appropriate debt service funds, and/or appropriate operating funds.

FUND CENTERS:

TO Fund/Account/Centers

FROM Fund/Account/Centers

	<u>PE47 554010 0132000</u>	<u>\$0.00</u>
	<u>GD06 554010 0132000</u>	<u>\$0.00</u>

CERTIFICATIONS:

Submitted for City Manager's Office by:

Susan Alanis (8180)

Originating Department Head:

Jay Chapa (8517)

Additional Information Contact:

Lisa Parks (6630)

ATTACHMENTS

1. CFW 2013 Fee Schedule.pdf (Public)
2. example.pdf (CFW Internal)

**Task Order to an Agreement
by and between the City of Fort Worth, Texas (City)
and Freese and Nichols, Inc. (Consultant)
to perform On-Call Professional Consulting Services
Five Year Water Conservation Plan (Project)**

**TASK ORDER NUMBER 2015-001
Amendment to 2011 Region C Water Plan**

THIS TASK ORDER is made pursuant to the terms and conditions of the Professional Services Agreement (the "Agreement"), City Secretary Contract No. 45279, dated January 9, 2014, entered into by and between the City of Fort Worth, Texas (City) and Freese and Nichols, Inc. (Consultant).

- I. **ARTICLE 1.** Consultant will perform the on-call professional consulting services in accordance with the Agreement and the Scope of Services / Compensation Schedule / Budget Summary attached hereto as Exhibit "A" and incorporated herein by reference for all purposes.
- II. **ARTICLE 2.** Compensation for this Task Order shall be on a not to exceed fee of **eighteen thousand one hundred thirty two and 00/100 Dollars (\$18,132)**, and shall be paid in accordance with Article 3 of the Agreement and the Scope of Services / Compensation Schedule / Budget Summary as set forth in Exhibit "A" of the Task Order. Consultant shall not exceed the amount specified in this Task Order without the issuance of a supplemental Task Order issued by City in writing to Consultant.
- III. **ARTICLE 3.** This Task Order shall become effective on the latest date as reflected by the signatures below and shall terminate on unless extended by a supplemental Task Order issued by City in writing to Consultant.
- IV. **ARTICLE 4.** The City Project number and the Project Account Code are the following:

City CIP Number: N/A
City Project Account Code: N/A
- V. **ARTICLE 5.** Upon execution of this Task Order, the funds available under the Agreement are revised to the following:

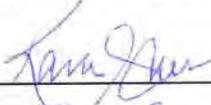
Current Project Budget (As Revised by Approved Task Orders): \$ 87,512
Currently unused budget after all original scope items were completed: \$ 29,127
Approved Work by this Task Order: \$ 18,132

- VI. **ARTICLE 6.** The following exhibits are attached below and made a part of this Task Order:
A. Exhibit "A," Scope of Services / Compensation Schedule / Budget Summary.
- VII. **ARTICLE 7.** This Task Order does not waive the parties' responsibilities and obligations provided under the Agreement.

IN WITNESS WHEREOF, the parties have executed this Task Order and caused this Task Order to be effective on the latest day as reflected by the signatures below.

CITY

The City of Fort Worth, Texas

By: 
Name: Kara Sullivan
Title: Assistant Director
Date: 3-31-15

CONSULTANT

Freese and Nichols, Inc.

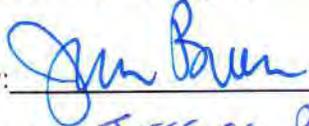
By: 
Name: Jessica Brown
Title: Vice President
Date: 3-26-15

EXHIBIT "A"
SCOPE OF SERVICES / COMPENSATION SCHEDULE

**Task Order to an Agreement
by and between the City of Fort Worth, Texas (City)
and Freese and Nichols, Inc. (Consultant)
to perform On-Call Professional Consultant Services
Amendment to 2011 Region C Water Plan (Project)**

I. Scope of Services

1. Assist City of Fort Worth in coordination with TWDB and the Region C Water Planning Group to pursue and secure an amendment to the *2011 Region C Water Plan*. This Amendment entails adding a capital cost and description of Fort Worth's meter replacement program (AMI) to the existing conservation water management strategy shown in the 2011 Plan.
2. Meet with City of Fort Worth Water Department to gather detailed information on the Advanced Meter Infrastructure system, including but not limited to descriptions, cost estimates, and phasing schedule.
3. Meet with City of Fort Worth Field Operations to capture Fort Worth's projections of water savings from phased meter change out program.
4. Prepare Amendment materials to be submitted to TWDB, including:
 - a. a cover letter requesting a determination on the minor amendment and stating the need for the minor amendment;
 - b. a summary of the RWPG action taken;
 - c. evidence that the WMS for the minor amendment meets the criteria listed in 31 TAC Ch. 357.51(c)(2)
 - d. information to demonstrate that the WMS has been fully evaluated in accordance with statute, rule, and contractual technical guidelines; and,
 - e. all relevant data for the regional water planning database that would require updating in the Source module, WMS module, WUG module, or WWP module, such as source availability, water supplies (for a WUG or a WWP) or WMS (for a WUG or a WWP). Data requirements vary on a case-by-case basis. (The project manager shall coordinate with applicant and region to work with the Water Supply and Strategy Analysis Team (WSSA). The project manager should submit data to the WSSA Team Lead via email to initiate amendment analysis and allow at least 2 weeks for the internal analysis to occur.)
5. Make up to 2 presentations to the Region C Water Planning Group on behalf of Fort Worth. Anticipated presentations include: 1) initial presentation on March 2 for the RCWPG to consider support of Fort Worth's Minor Amendment, and 2) Presentation on April 3 for the RCWPG to consider adoption of Fort Worth's Minor Amendment.
6. Prepare Addendum to the *2011 Region C Water Plan* with Fort Worth's revised, adopted conservation water management strategy.

II. Compensation Schedule

The City shall pay Consultant a lump sum amount of **\$18,132.00** in accordance with the provisions of this Agreement and the Payment Schedule attached as Exhibit "B," which is incorporated for all purposes herein. Consultant shall not perform any additional services for the City not specified by this Agreement unless the City requests and approves in writing the additional costs for such services. The City shall not be liable for any additional expenses of Consultant not specified by this Agreement unless the City first approves such expenses in writing.

III. Schedule

Freese and Nichols is authorized to commence work on the Project upon execution of this Agreement and agrees to complete the services in accordance with the following schedule: Complete evaluation and technical memorandum six months from Notice to Proceed. Task Item 4 is anticipated to be complete and submitted to TWDB on or before March 10, 2015.

If Freese and Nichols' services are delayed through no fault of Freese and Nichols, Freese and Nichols shall be entitled to equitable adjustment of compensation and Freese and Nichols shall be entitled to adjust contract schedule consistent with the number of days of delay.

EXHIBIT "B"
**On-Call Professional Services for Amendment to 2011 Region C Water Plan
COMPENSATION**

Lump Sum: Compensation to FNI shall be the lump sum of Eighteen Thousand One Hundred Thirty Two Dollars (\$18,132). If FNI sees the Scope of Services changing so that additional services are needed, including but not limited to those services described as Additional Services in Attachment SC, FNI will notify CITY for CITY'S approval before proceeding. Additional Services shall be computed based on the Schedule of Charges.

Schedule of Charges:

<u>Position</u>	<u>Rate</u>
Professional - 1	121
Professional - 2	145
Professional - 3	165
Professional - 4	190
Professional - 5	221
Professional - 6	225
Construction Manager - 1	96
Construction Manager - 2	125
Construction Manager - 3	146
Construction Manager - 4	184
CAD Technician/Designer - 1	103
CAD Technician/Designer - 2	133
CAD Technician/Designer - 3	164
Corporate Project Support - 1	98
Corporate Project Support - 2	117
Corporate Project Support - 3	157
Intern/ Coop	60

Rates for In-House Services

Technology Charge

\$8.50 per hour

Travel

Standard IRS Rates

Bulk Printing and Reproduction

Black and White	\$0.10 per copy
Color	\$0.25 per copy
Plot - Bond	\$2.50 per plot
Plot - Color	\$5.75 per plot
Plot - Other	\$5.00 per plot
Binding	\$0.25 per binding

These rates will be adjusted annually.

OTHER DIRECT EXPENSES

Other direct expenses are reimbursed at actual cost times a multiplier of 1.10. They include outside printing and reproduction expense, communication expense, travel, transportation and subsistence away from the FNI office and other miscellaneous expenses directly related to the work, including costs of laboratory analysis, test, and other work required to be done by independent persons other than staff members. For Resident Representative services performed by non-FNI employees and CAD services performed in-house by non-FNI employees where FNI provides workspace and equipment to perform such services, these services will be billed at cost times a multiplier of 2.0. This markup approximates the cost to FNI if an FNI employee was performing the same or similar services.

A Resolution

NO. 4462-06-2015

REQUESTING FINANCIAL ASSISTANCE FROM THE TEXAS WATER DEVELOPMENT BOARD IN THE AMOUNT OF \$76,000,000.00 FROM THE STATE WATER IMPLEMENTATION FUND FOR TEXAS (SWIFT) FOR THE WATER DEPARTMENT

WHEREAS, the Texas Water Development Board's mission is to provide leadership, technical services, and financial assistance to support planning, conservation and responsible development of water for Texas; and

WHEREAS, the State Water Implementation Fund for Texas provides low interest loans to help communities develop and optimize water supplies at cost effective rates for projects in the State Water Plan; and

WHEREAS, the City of Fort Worth, Texas (the "City") may apply to the Texas Water Development Board for financial assistance in an amount not to exceed \$76,000,000.00 for the planning, design, acquisition, and implementation of full-scale Advanced Metering Infrastructure including an automated leak detection system; and

WHEREAS, in accordance with the rules and regulations for making such application to the Texas Water Development Board, the City Council is required to adopt a resolution to accompany such application; and

WHEREAS, consideration of this Resolution is occurring in a meeting open to the public, and public notice of the time, place and purpose of the meeting was given as required by Chapter 551, Texas Government Code.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FORT WORTH, TEXAS:

1.

That the Texas Water Development Board is hereby requested to grant financial assistance in an amount not to exceed \$76,000,000.00 to the City for the planning, design, acquisition, and implementation of full-scale Advanced Metering Infrastructure.



2.

That the City Manager is hereby authorized to execute and submit to the Texas Water Development Board an application for such financial assistance; and the City Manager, together with the City Attorney's Office, City's Bond Counsel, Financial Advisor, and Consulting Engineers named in such application, are hereby authorized to appear before the Texas Water Development Board in support of such application and project.

3.

That the City Manager is further specifically authorized to make the required assurances to the Texas Water Development Board in accordance with the rules, regulations and policies of the Texas Water Development Board.

4.

That it is hereby found and determined that the City cannot reasonably finance the proposed project without financial assistance in the amount requested, and that the nature of the improvements proposed to be financed necessitate an immediate and urgent consideration of this application.

5.

That a certified copy of this Resolution shall be attached to the application for financial assistance herein authorized to be prepared and submitted to the Texas Water Development Board.

Adopted this 2nd day of June, 2015.

ATTEST:

By:



Mary Kayser, City Secretary



Application Affidavit (WRD-201)

THE STATE OF TEXAS §
COUNTY OF Tarrant §
APPLICANT City of Fort Worth §

BEFORE ME, the undersigned, a Notary Public in and for the State of Texas, on this day personally appeared Fernando Costa as the Authorized Representative of the City of Fort Worth, who being by me duly sworn, upon oath says that:

1. the decision by the City Council, City of Fort Worth (authority, city, county, corporation, district) to request financial assistance from the Texas Water Development Board ("Board") was made in a public meeting held in accordance with the Open Meetings Act (Government Code, §551.001, et seq.) and after providing all such notice as required by such Act as is applicable to the City of Fort Worth (authority, city, county, corporation, district) ;

2. the information submitted in the application is true and correct according to my best knowledge and belief;

3. the City of Fort Worth (authority, city, county, corporation, district) has no pending, threatened, or outstanding judgments, orders, fines, penalties, taxes, assessment or other enforcement or compliance issue of any kind or nature by the Environmental Protection Agency, Texas Commission on Environmental Quality, Texas Comptroller, Texas Secretary of State, or any other federal, state or local government, except for the following (if no such outstanding compliance issues, write in "none"):

"none".

4. the City of Fort Worth (authority, city, county, corporation, district) warrants compliance with the representations made in the application in the event that the Board provides the financial assistance; and

5. the City of Fort Worth (authority, city, county, corporation, district) will comply with all applicable federal laws, rules, and regulations as well as the laws of this state and the rules and regulations of the Board.

Official Representative

Title: Assistant City Manager

SWORN TO AND SUBSCRIBED BEFORE ME, by _____,
this _____ day of _____, 20____.

(NOTARY'S SEAL)

Notary Public, State of Texas

ORDINANCE NO. ____-0_-2015

TWENTY-SIXTH SUPPLEMENTAL ORDINANCE AUTHORIZING THE
ISSUANCE AND SALE OF CITY OF FORT WORTH, TEXAS
WATER AND SEWER SYSTEM REVENUE REFUNDING AND IMPROVEMENT BONDS,
SERIES 2015A, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED
\$145,000,000; ESTABLISHING PARAMETERS WITH RESPECT TO THE SALE OF THE
BONDS; DELEGATING TO THE DESIGNATED CITY OFFICIALS
THE AUTHORITY TO EFFECT THE SALE OF THE BONDS; ENACTING OTHER
PROVISIONS RELATING TO THE SUBJECT;
AND DECLARING AN IMMEDIATE EFFECTIVE DATE

THE STATE OF TEXAS :
COUNTIES OF TARRANT, DENTON, WISE, PARKER AND JOHNSON :
CITY OF FORT WORTH :

WHEREAS, the City of Fort Worth, Texas (the "City" or the "Issuer"), a "home-rule" city operating under a home-rule charter adopted pursuant to Section 5 of Article XI of the Texas Constitution, with a population according to the latest federal decennial census of in excess of 50,000, has established and currently owns and operates a combined waterworks and sanitary sewer system (the "System"); and

WHEREAS, the City heretofore has established the City of Fort Worth, Texas Water and Sewer System Revenue Financing Program for the purpose of providing a financing structure for revenue supported indebtedness of the System; and

WHEREAS, said Program was established pursuant to the terms of a "Master Ordinance Establishing the City of Fort Worth, Texas Water and Sewer System Revenue Financing Program" (the "Master Ordinance"); and

WHEREAS, unless otherwise defined herein, terms used herein shall have the meaning given in the Master Ordinance; and

WHEREAS, the Master Ordinance authorizes revenue supported indebtedness to be issued, incurred or assumed pursuant to the terms of supplemental ordinances (any such ordinance being a "Supplement"); and

WHEREAS, pursuant to the terms of the Master Ordinance, the City has adopted twenty-five Supplements (designated as the "First Supplement", "Second Supplement", "Third Supplement", "Fourth Supplement", "Fifth Supplement", "Sixth Supplement", "Seventh Supplement", "Eighth Supplement", "Ninth Supplement", "Tenth Supplement", "Eleventh Supplement", "Twelfth Supplement", "Thirteenth Supplement", "Fourteenth Supplement", "Fifteenth Supplement", "Sixteenth Supplement", "Seventeenth Supplement", "Eighteenth Supplement", "Nineteenth Supplement", "Twentieth Supplement", "Twenty-First Supplement",

"Twenty-Second Supplement", "Twenty-Third Supplement", "Twenty-Fourth Supplement" and "Twenty-Fifth Supplement", respectively, and the "Prior Supplements", collectively) pursuant to which (i) the City of Fort Worth, Texas Water and Sewer System Revenue Refunding Bonds, Series 1991A and Series 1991B, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding Bonds, Series 1993, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 1996, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 1997, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 1998, the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2000, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2000B, the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2001, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2003, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding Bonds, Series 2003A, the City of Fort Worth, Texas Water and Sewer System Auction Rate Revenue Bonds, Series 2004, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2005, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding Bonds, Series 2005A, the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2007, the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2008, the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2009, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding Bonds, Series 2010, the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2010A, the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2010B, the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2010C, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2011, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding Bonds, Series 2012, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2014 and the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2015 were issued, and (ii) the City entered into two respective ISDA Master Agreements (referred to herein as the "Swap Agreements"), one with Lehman Brothers Special Financing Inc., and the other with GBDP, L.P.; and

WHEREAS, the aforesaid Series 1991A Bonds, Series 1991B Bonds, Series 1993 Bonds, Series 1996 Bonds, Series 1997 Bonds, Series 1998 Bonds, Series 2000 Bonds, Series 2000B Bonds, Series 2001 Bonds, Series 2003 Bonds, Series 2003A Bonds, Series 2004 Bonds and Series 2005 Bonds are no longer outstanding, and the aforesaid Series 2005A Bonds, Series 2007 Bonds, Series 2008 Bonds, Series 2009 Bonds, Series 2010 Bonds, Series 2010A Bonds, Series 2010B Bonds, Series 2010C Bonds, Series 2011 Bonds, Series 2012 Bonds, Series 2014 Bonds and Series 2015 Bonds are hereinafter referred to as the "Previously Issued Parity Bonds"; and

WHEREAS, the Swap Agreements entered into pursuant to the terms of the Fourth Supplement by their respective terms have expired, and the City has no further obligations thereunder; and

WHEREAS, the Previously Issued Parity Bonds are secured by a first lien on and pledge of the Pledged Revenues of the System; and

WHEREAS, the City Council finds that the outstanding obligations described in Schedule I attached to this Twenty-Sixth Supplement are eligible to be refunded to achieve a debt service savings; and

WHEREAS, the City Council finds that the issuance of the bonds authorized by this Twenty-Sixth Supplement for the purpose of refunding all or a portion of the outstanding obligations described in Schedule I attached to this Twenty-Sixth Supplement to realize a debt service savings is a public purpose; and

WHEREAS, the bonds authorized by this Twenty-Sixth Supplement are to be issued in part for the purpose of extending and improving the City's combined water and sewer system, as further described in this Twenty-Sixth Supplement; and

WHEREAS, because of fluctuating conditions in the municipal bond market, the City Council delegates to the City Manager and the Chief Financial Officer of the City (each, an "Authorized Representative") the authority to effect the sale of the bonds authorized by this Twenty-Sixth Supplement, subject to the parameters described in this Twenty-Sixth Supplement.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FORT WORTH, TEXAS:

Section 1. DEFINITIONS. That in addition to the definitions set forth in the preamble of this Twenty-Sixth Supplement, the terms used in this Twenty-Sixth Supplement (except in the FORM OF BOND) and not otherwise defined shall have the meanings given in the Master Ordinance, the Prior Supplements or in Exhibit A to this Twenty-Sixth Supplement. Any references in this Twenty-Sixth Supplement to the "FORM OF BOND" shall be to the form of the Bonds as set forth in Exhibit B to this Twenty-Sixth Supplement.

Section 2. BONDS AUTHORIZED. That there shall be authorized to be issued, sold, and delivered hereunder the Bonds, payable to the respective initial registered owners thereof, or to the registered assignee or assignees of the Bonds or any portion or portions thereof, in an Authorized Denomination. The Bonds are hereby authorized to be issued in an aggregate principal amount not to exceed \$145,000,000 for the purpose of (i) extending and improving the System, (ii) refunding the Refunded Obligations and (iii) paying the costs of issuance of the Bonds. The Bonds shall be designated as the "**City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2015A**". The Bonds are authorized pursuant to Chapter 1207, Chapter 1371, Chapter 1502 and other applicable laws of the State of Texas. The City Council hereby finds that it is in the best interests of the City for the Bonds to be sold through a competitive sale, in the manner provided in this Twenty-Sixth Supplement.

Section 3. DELEGATION OF SALE OF BONDS; PARAMETERS. (a) Maximum Maturity of Bonds. That the Bonds shall be sold as fully registered bonds, without interest coupons, numbered consecutively from R-1 upward, payable to the respective initial registered owners of the Bonds, or to the registered assignee or assignees of the Bonds, in any Authorized

Denomination, maturing not later than February 15, 2035, payable serially or otherwise on the dates, in the years and in the principal amounts, and dated, all as set forth in the bidding instructions prepared in connection with the sale of the Bonds (the "Bidding Instructions") and the bid form to be submitted by bidders seeking to purchase the Bonds (the "Official Bid Form").

(b) Delegation of Authority. The Authorized Representative, acting for and on behalf of the City, is hereby authorized to seek competitive bids for the sale of the Bonds authorized to be sold by this Twenty-Sixth Supplement, and is hereby authorized to prepare and distribute the Bidding Instructions and the Official Bid Form with respect to seeking competitive bids for the sale of the Bonds. The Bidding Instructions shall contain the terms and conditions relating to the sale of the Bonds, including the date bids for the purchase of the Bonds are to be received, the date of the Bonds, any additional designation or title by which the Bonds shall be known, the aggregate principal amount of the Bonds to be sold, the price at which the Bonds will be sold, the years in which the Bonds will mature, the principal amount to mature in each of such years, the principal amount of the Bonds, if any, to be sold for the purpose of funding the construction of the improvements described in clause (i) of Section 2 of this Twenty-Sixth Supplement, the principal amount of the Bonds, if any, to be sold for the purpose of refunding the Refunded Obligations, the rate or rates of interest to be borne by each such maturity, the interest payment periods, the dates, price, and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the City, as well as any mandatory sinking fund redemption provisions, and all other matters relating to the issuance, sale and delivery of the Bonds so sold including, without limitation, the use of municipal bond insurance for the Bonds. The Authorized Representative, acting for and on behalf of the City, is hereby authorized to receive and accept bids for the sale of Bonds in accordance with the Bidding Instructions on such date as determined by the Authorized Representative. The Bonds so sold shall be sold at such price as the Authorized Representative of the City shall determine to be the most advantageous to the Issuer, which determination shall be evidenced by the execution thereby of the Official Bid Form submitted by the best and winning bidder. As a condition to executing the Official Bid Form, the Bonds must bear a rating at a level such that the Bonds satisfy the requirements of Chapter 1371 to constitute "obligations", as such term is defined in Chapter 1371. One Bond in the principal amount maturing on each maturity date as set forth in the Official Bid Form shall be delivered to the Purchasers, and the Purchasers shall have the right to exchange such bonds as provided in Section 5 hereof without cost. The FORM OF BOND shall be revised to reflect the terms of the sale of the Bonds as reflected in the Official Bid Form accepted as the best bid for the Bonds. The Bonds shall initially be registered in the name as set forth in the Official Bid Form. In case any officer whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery. The authority of an Authorized Representative to execute the Official Bid Form accepting the best bid for the Bonds shall expire at 5:00 p.m. on Thursday, December 31, 2015. Any finding or determination made by an Authorized Representative relating to the issuance and sale of the Bonds shall have the same force and effect as a finding or determination made by the City Council.

(c) Requirement of Savings. The Bonds shall not be sold for the purpose of refunding the Refunded Obligations unless the refunding of the Refunded Obligations exceeds the maximum net present value savings set forth in subsection (d) of this Section. The amount of the

savings to be realized from the refunding of the Refunded Obligations, on both a gross and a present value basis, shall be set forth in a certificate (further described in subsection (d) of this Section) to be executed by the Chief Financial Officer of the City.

(d) Savings Threshold. As a condition to the issuance of the Bonds for the purpose of refunding the Refunded Obligations, the refunding of the aggregate principal amount of the Refunded Obligations must produce a net present value savings, calculated in accordance with GASB Statement No. 7, of at least 3.50%. The principal amount of Bonds issued to refund Refunded Obligations, and the Refunded Obligations to be refunded, shall be specifically identified in the certificate described below. An Authorized Representative may elect not to refund any or all of the obligations listed in Schedule I, but in no event shall the Bonds be issued for the purpose of refunding the Refunded Obligations if the refunding of the aggregate principal amount of the obligations selected for refunding does not exceed the minimum net present value savings established above. On the date the Official Bid Form is executed by the Authorized Representative, the Chief Financial Officer of the City shall execute and deliver to the City Council a certificate identifying the Refunded Obligations to be refunded from proceeds of the Bonds and stating that the net present value savings resulting from the refunding of the Refunded Obligations is no less than the minimum savings threshold established above. The certificate shall specifically state the net present value savings realized by the City as a result of refunding the Refunded Obligations. The determination of the Authorized Representative relating to the issuance and sale of Bonds to refund all or any of the Refunded Obligations shall have the same force and effect as a determination made by the City Council.

(e) General. The City Council authorizes the City Manager, any Assistant City Manager and the Chief Financial Officer of the City to provide for and oversee the preparation of a preliminary official statement and the final official statement (the "Official Statement") in connection with the issuance of the Bonds, and to approve the preliminary official statement and the Official Statement and deem the preliminary official statement final, and to provide the Official Statement to the Purchasers, in compliance with the Rule. The Official Statement in the form and content approved by an Authorized Representative shall be deemed approved by the City Council and constitute the Official Statement authorized for distribution and use by the initial purchasers of the Bonds.

Section 4. REDEMPTION. (a) Optional Redemption. That the Bonds may be subject to redemption prior to their scheduled maturities at the option of the City, on the dates and in the manner provided in the Bidding Instructions. Should the Bonds be subject to redemption prior to their scheduled maturities, if less than all of the Bonds are to be redeemed by the City, the City shall determine the maturity or maturities and the amounts to be redeemed and shall direct the Paying Agent/Registrar to call by lot Bonds, or portions of Bonds, within a maturity and in the principal amounts for redemption; provided, that during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds shall be selected in accordance with the arrangements between the City and the securities depository. The FORM OF BOND shall be revised to reflect any optional redemption of the Bonds, to the extent provided in the Bidding Instructions and incorporated by reference into the Official Bid Form accepted by the Authorized Representative as the best bid on the

Bonds. The redemption of Bonds at the option of the City may be made conditional upon the occurrence of certain events, as may be provided for in the FORM OF BOND.

(b) Mandatory Redemption. Should the Official Bid Form provide for the mandatory sinking fund redemption of the Bonds, the terms and conditions governing any mandatory sinking fund redemption and the payment of mandatory sinking fund payments shall be set forth therein, and the FORM OF BOND shall be revised to reflect any mandatory sinking fund redemption of the Bonds, to the extent provided in the Official Bid Form accepted by the Authorized Representative as the best bid for the Bonds.

(c) General Notice. Notice of any redemption of Bonds shall be given in the following manner, to-wit, a written notice of such redemption shall be given to the registered owner of each Bond or a portion thereof being called for redemption at least thirty (30) days prior to the date fixed for such redemption by depositing such notice in the United States mail, first-class postage prepaid, addressed to each such registered owner at the address shown on the Registration Books of the Paying Agent/Registrar. By the date fixed for any such redemption due provision shall be made by the City with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or the portions thereof which are to be so redeemed. If such notice of redemption is given, and if due provision for such payment is made, all as provided above, the Bonds, or the portions thereof which are to be so redeemed, thereby automatically shall be redeemed prior to their scheduled maturities, and shall not be regarded as being outstanding except for the right of the owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. The Paying Agent/Registrar shall record in the Registration Books all such redemptions of principal of the Bonds or any portion thereof. If a portion of any Bond shall be redeemed, a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any Authorized Denomination at the written request of the owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the owner upon the surrender thereof for cancellation, at the expense of the City, all as provided in this Twenty-Sixth Supplement. The maturities of Bonds to be called for redemption shall be determined by the City. The Bonds or portions to be redeemed within each such maturity shall be selected by lot or other customary random method selected by the Paying Agent/Registrar (provided that a portion of a Bond may be redeemed only in an Authorized Denomination). The City shall give written notice to the Paying Agent/Registrar of any such redemption of Bonds at least sixty (60) calendar days (or such shorter period as is acceptable to the Paying Agent/Registrar) prior to such redemption.

(d) Additional Notice. (i) In addition to the manner of providing notice of redemption of Bonds as set forth above, the Paying Agent/Registrar shall give notice of redemption of Bonds by United States mail, first-class postage prepaid, at least thirty (30) days prior to a redemption date to the MSRB and to any national information service that disseminates redemption notices. In addition, in the event of a redemption caused by an advance refunding of the Bonds, the Paying Agent/Registrar shall send a second notice of redemption to the persons specified in the immediately preceding sentence at least thirty (30) days but not more than ninety (90) days prior to the actual redemption date. Any notice sent to the MSRB or such national information services shall be sent so that they are received at least two (2) days prior to the general mailing or publication date of such notice. The Paying Agent/Registrar shall also send a notice of

prepayment or redemption to the owner of any Bond who has not sent the Bonds in for redemption sixty (60) days after the redemption date.

(ii) Each redemption notice, whether required in the FORM OF BOND or otherwise by this Twenty-Sixth Supplement, shall contain a description of the Bonds to be redeemed including the complete name of the Bonds, the series, the date of issue, the interest rate, the maturity date, the CUSIP number, if any, the amounts called for redemption, the publication and mailing date for the notice, the date of redemption, the redemption price, the name of the Paying Agent/Registrar and the address at which the Bond may be redeemed including a contact person and telephone number.

(iii) All redemption payments made by the Paying Agent/Registrar to the registered owners of the Bonds shall include a CUSIP number relating to each amount paid to such registered owner.

Section 5. CHARACTERISTICS OF THE BONDS. (a) Registration, Transfer, Conversion and Exchange; Authentication. That the City shall keep or cause to be kept at the designated corporate trust office of BOKF, NA, dba Bank of Texas (the "Paying Agent/Registrar"), books or records for the registration of the transfer, conversion and exchange of the Bonds (the "Registration Books"), and the City hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the City and the Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of each owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The City shall have the right to inspect at the Designated Trust Office the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. Except as otherwise provided in the FORM OF BOND, the owner of each Bond requesting a conversion, transfer, exchange and delivery of such Bond shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Bond or Bonds. Registration of assignments, transfers, conversions and exchanges of Bonds shall be made in the manner provided and with the effect stated in the in the FORM OF BOND. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond. An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign the "Paying Agent/Registrar's Authentication Certificate" in the form set forth in the FORM OF BOND (the "Authentication Certificate"), and, except as provided below, no such Bond shall be deemed to be issued or Outstanding unless the Authentication Certificate is so executed; however, the foregoing notwithstanding, the Authentication Certificate need not be executed if any such Bond is accompanied by an executed "Comptroller's Registration Certificate" in the form set forth in the FORM OF BOND. The Paying Agent/Registrar promptly shall cancel all paid Bonds and Bonds surrendered for

conversion and exchange. No additional ordinances, orders, or resolutions need be passed or adopted by the governing body of the City or any other body or person so as to accomplish the foregoing conversion and exchange of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bonds in the manner prescribed herein. Pursuant to Chapter 1206, the duty of conversion and exchange of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the Authentication Certificate, the converted and exchanged Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which initially were issued and delivered pursuant to this Twenty-Sixth Supplement, approved by the Attorney General, and registered by the Comptroller of Public Accounts. As of the date this Twenty-Sixth Supplement is approved by the City, the Designated Trust Office of the Paying Agent/Registrar is its Austin, Texas corporate trust office.

(b) Payment of Bonds and Interest. The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of, premium, if any, and interest on the Bonds, all as provided in this Twenty-Sixth Supplement. The Paying Agent/Registrar shall keep proper records of all payments made by the City and the Paying Agent/Registrar with respect to the Bonds.

(c) In General. The Bonds (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the registered owners thereof, (ii) may be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be converted and exchanged for other Bonds, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Bonds shall be payable, and (viii) shall be administered and the Paying Agent/Registrar and the City shall have certain duties and responsibilities with respect to the Bonds, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF BOND. The Bonds initially issued and delivered pursuant to this Twenty-Sixth Supplement are not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Bond issued in conversion of and exchange for any Bond or Bonds issued under this Twenty-Sixth Supplement the Paying Agent/Registrar shall execute the Authentication Certificate.

(d) Substitute Paying Agent/Registrar. The City covenants with the owners of the Bonds that at all times while the Bonds are Outstanding a competent and legally qualified entity shall act as and perform the services of Paying Agent/Registrar for the Bonds under this Twenty-Sixth Supplement, and that the Paying Agent/Registrar will be one entity. Such entity may be the City, to the extent permitted by law, or a bank, trust company, financial institution, or other agency, as selected by the City. The City reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than one hundred and twenty (120) days written notice to the Paying Agent/Registrar, to be effective not later than sixty (60) days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the City covenants that promptly it will appoint a competent and legally qualified entity to act as Paying Agent/Registrar under this Twenty-Sixth Supplement. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly

shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the City. Upon any change in the Paying Agent/Registrar, the City promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Twenty-Sixth Supplement, and a certified copy of this Twenty-Sixth Supplement shall be delivered to each Paying Agent/Registrar.

Section 6. FORM OF BONDS. (a) Form of Bonds. That the form of all Bonds, including the form of the Authentication Certificate, the form of Assignment, and the form of the Comptroller's Registration Certificate to be attached only to the Bonds initially issued and delivered pursuant to this Twenty-Sixth Supplement, shall be, respectively, substantially as set forth in Exhibit B, with such appropriate variations, omissions, or insertions as are permitted or required by this Twenty-Sixth Supplement.

(b) Printing Bond Counsel Opinion and Statement of Insurance. The printer of the Bonds is hereby authorized to print on the Bonds the form of bond counsel's opinion relating to the Bonds, and is hereby authorized to print on the Bonds an appropriate statement of insurance furnished by a municipal bond insurance company providing municipal bond insurance, if any, covering all or any part of the Bonds.

Section 7. ESTABLISHMENT OF FINANCING PROGRAM AND ISSUANCE OF PARITY OBLIGATIONS. That by adoption of the Master Ordinance the City has established the City of Fort Worth, Texas Water and Sewer System Revenue Financing Program for the purpose of providing a financing structure for revenue supported indebtedness of the System. The Master Ordinance is intended to establish a master plan under which revenue supported debt of the System can be incurred. This Twenty-Sixth Supplement provides for the authorization, issuance, sale, delivery, form, characteristics, provisions of payment and redemption, and security of the Bonds, which are a series of Parity Obligations. The Master Ordinance is incorporated herein by reference and as such made a part hereof for all purposes, except to the extent modified and supplemented hereby, and the Bonds are hereby declared to be Parity Obligations under the Master Ordinance. The City hereby determines that it will have sufficient funds to meet the financial obligations of the System, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the System and to meet all financial obligations of the City relating to the System.

Section 8. PLEDGE. (a) Pledge of Pledged Revenues. That the Bonds are and shall be secured by and payable from a first lien on and pledge of the Pledged Revenues; and the Pledged Revenues are further pledged to the establishment and maintenance of the Debt Service Fund, and to the Reserve Fund to the extent hereinafter provided. The Bonds are and will be secured by and payable only from the Pledged Revenues, and are not secured by or payable from a mortgage or deed of trust on any properties, whether real, personal, or mixed, constituting the System.

(b) Perfection of Lien. Chapter 1208 applies to the issuance of the Bonds and the pledge of the Pledged Revenues granted by the City under subsection (a) of this Section, and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while the Bonds are outstanding and unpaid such that the pledge of the Pledged Revenues granted by the City is to be subject to the filing requirements of Chapter 9, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9 and enable a filing to perfect the security interest in said pledge to occur.

Section 9. DEBT SERVICE FUND ACCOUNTS. That with respect to the Bonds no special account need be established to facilitate the payment of debt service on the Bonds.

Section 10. RESERVE FUND. That no deposits shall be made to the credit of the Reserve Fund, as provided in Section 12(b) of this Twenty-Sixth Supplement.

Section 11. INVESTMENTS. That to the extent a reserve fund for the Bonds is created after their delivery, money in the Reserve Fund created under this Twenty-Sixth Supplement shall not be invested in securities with an average aggregate weighted maturity of greater than seven years. The value of the Reserve Fund, in addition to the annual determination described in the Master Ordinance, shall be established at the time or times withdrawals are made therefrom. Investments shall be sold promptly when necessary to prevent any default in connection with the Bonds. Earnings derived from the investment of moneys on deposit in the various Funds and Accounts shall be credited to the Fund or Account from which moneys used to acquire such investment shall have come.

Section 12. FLOW OF FUNDS. That all monies in the System Fund not required for paying Operating Expenses during each month shall be applied by the City, on or before the 10th day of the following month, commencing during the months and in the order of priority with respect to the Funds and Accounts that such applications are hereinafter set forth in this Section.

(a) Debt Service Fund - To the credit of the Debt Service Fund, in the following order of priority, to-wit:

(1) such amounts, deposited in approximately equal monthly installments, commencing during the month in which the Bonds are delivered, or the month thereafter if delivery is made after the 10th day thereof, as will be sufficient, together with other amounts, if any, in the Debt Service Fund available for such purpose, to pay the interest scheduled to come due on the Bonds on the next succeeding interest payment date; and

(2) such amounts, deposited in approximately equal monthly installments, commencing during the month which shall be the later to occur of, (i) the twelfth month before the first maturity date of the Bonds, or (ii) the month in which the Bonds are delivered, or the month thereafter if delivery is made after the 10th day thereof, as will be sufficient, together with other amounts, if any, in the Debt Service Fund available for such purpose, to pay the principal (including mandatory sinking fund redemption

payments, if any) scheduled to mature or come due on the Bonds on the next succeeding principal payment date or mandatory sinking fund redemption date, as the case may be.

(b) Reserve Fund. Acting in accordance with the provisions of the Master Ordinance, specifically, without limitation, Section 7 thereof, it is not necessary for the Bonds to be secured by the Reserve Fund established for the benefit of the owners of Parity Obligations, and therefore the City may, but shall not be required to, make deposits to the credit of the Reserve Fund with respect to the Bonds.

Section 13. PAYMENT OF BONDS. That on or before the first scheduled interest payment date, and on or before each interest payment date and principal payment date thereafter while any Bond is Outstanding and unpaid, the City shall make available to the Paying Agent/Registrar, out of the Debt Service Fund (and the Reserve Fund, if necessary) monies sufficient to pay such interest on and such principal amount of the Bonds, as shall become due on such dates, respectively, at maturity or by redemption prior to maturity. The Paying Agent/Registrar shall destroy all paid Bonds and furnish the City with an appropriate certificate of cancellation or destruction.

Section 14. COVENANTS REGARDING TAX-EXEMPTION. That the Issuer covenants to refrain from any action which would adversely affect, or to take such action as to ensure, the treatment of the Bonds as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

(a) to take any action to assure that no more than ten percent (10%) of the proceeds of the Bonds or the projects financed or refinanced therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use", as defined in section 141(b)(6) of the Code or, if more than ten percent (10%) of the proceeds are so used, that amounts, whether or not received by the Issuer, with respect to such private business use, do not, under the terms of this Twenty-Sixth Supplement or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than ten percent (10%) of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(b) to take any action to assure that in the event that the "private business use" described in subsection (a) hereof exceeds five percent (5%) of the proceeds of the Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of five percent (5%) is used for a "private business use" which is "related" and not "disproportionate", within the meaning of section 141(b)(3) of the Code, to the governmental use;

(c) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or five percent (5%) of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(d) to refrain from taking any action which would otherwise result in the Bonds being treated as "specified private activity bonds" within the meaning of section 141(b) of the Code;

(e) to refrain from taking any action that would result in the Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(f) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Bonds, other than investment property acquired with --

(1) proceeds of the Bonds invested for a reasonable temporary period until such proceeds are needed for the purpose for which the Bonds are issued,

(2) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(3) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed ten percent of the proceeds of the Bonds;

(g) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings); and

(h) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to ninety percent (90%) of the "Excess Earnings", within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than sixty (60) days after the Bonds have been paid in full, one hundred percent (100%) of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

For purposes of the foregoing clauses (a) and (b) above, the Issuer understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of a refunding bond, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of the issuance of the Bonds. It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the Issuer will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally-recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or

rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally-recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of the foregoing, the Mayor, the City Manager, any Assistant City Manager and the Chief Financial Officer of the City may execute any certificates or other reports required by the Code and to make such elections, on behalf of the City, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds. In order to facilitate compliance with the above clause (h), a "Rebate Fund" is hereby established by the City for the sole benefit of the United States of America, and the Rebate Fund shall not be subject to the claim of any other person, including without limitation the registered owners of the Bonds. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

Section 15. **ADDITIONAL FEDERAL INCOME TAX COVENANTS; WRITTEN PROCEDURES.** (a) Allocation of, and Limitation on, Expenditures for the Project. That the City covenants to account for on its books and records the expenditure of proceeds from the sale of the Bonds and any investment earnings thereon to be used for the improvement and extension of the System (referred to herein as a "Project") by allocating proceeds to expenditures within eighteen (18) months of the later of the date that (a) the expenditure on a Project is made or (b) each such Project is completed. The foregoing notwithstanding, the City shall not expend such proceeds or investment earnings more than sixty (60) days after the later of (a) the fifth anniversary of the date of delivery of the Bonds or (b) the date the Bonds are retired, unless the City obtains an opinion of nationally-recognized bond counsel substantially to the effect that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes of this Section, the City shall not be obligated to comply with this covenant if it obtains an opinion of nationally-recognized bond counsel to the effect that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(b) Disposition of Project. The City covenants that the property financed or refinanced with the proceeds of the Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless the City obtains an opinion of nationally-recognized bond counsel substantially to the effect that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of this Section, the portion of the property comprising personal property and disposed of in the ordinary course of business shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes of this Section, the City shall not be obligated to comply with this covenant if it obtains an opinion of nationally-recognized bond counsel to the effect that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(c) Written Procedures. Until superseded by another action of the City, the written procedures to ensure compliance with the covenants contained herein regarding private business use, remedial actions, arbitrage and rebate approved by the City in the Twenty-Third Supplement apply to the issuance of the Bonds. A copy of the approved written procedures is attached to this Twenty-Sixth Supplement as Exhibit D.

Section 16. AMENDMENT OF TWENTY-SIXTH SUPPLEMENT. (a) Approval of Bondholders Required. That the owners of a majority in Outstanding Principal Amount of the Bonds shall have the right from time to time to approve any amendment to this Twenty-Sixth Supplement which may be deemed necessary or desirable by the City, provided, however, that nothing herein contained shall permit or be construed to permit the amendment of the terms and conditions in this Twenty-Sixth Supplement or in the Bonds so as to:

- (1) Make any change in the maturity of any of the Outstanding Bonds;
- (2) Reduce the rate of interest borne by any of the Outstanding Bonds;
- (3) Reduce the amount of the principal payable on the Outstanding Bonds;
- (4) Modify the terms of payment of principal of, premium, if any, or interest on the Outstanding Bonds or impose any conditions with respect to such payment;
- (5) Affect the rights of the owners of less than all of the Bonds then Outstanding;
- (6) Amend this clause (a) of this Section; or
- (7) Change the minimum percentage of the principal amount of Bonds necessary for consent to any amendment;

unless such amendment or amendments shall be approved by the owners of all of the Bonds then Outstanding.

(b) Notice of Amendment. That if at any time the City shall desire to amend the Twenty-Sixth Supplement under this Section, the City shall cause notice of the proposed amendment to be published in a financial newspaper or journal published in the City of New York, New York, and a newspaper of general circulation in the City, once during each calendar week for at least two (2) successive calendar weeks. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of the Paying Agent/Registrar for inspection by all owners of the Bonds. Such publication is not required, however, if notice in writing is given to each owner of the Bonds.

(c) Effectiveness of Consent and Approval. That whenever at any time not less than thirty (30) days, and within one (1) year, from the date of the first publication of said notice or other service of written notice the City shall receive an instrument or instruments executed by the owners of at least a majority in Outstanding Principal Amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed amendment described in said notice and which specifically consent to and approve such amendment in substantially the form of the copy thereof on file with the Paying Agent/Registrar, the City Council of the City may pass such amendment in substantially the same form.

(d) Amendment Effective. That upon the passage of any such amendment pursuant to the provisions of this Section, this Twenty-Sixth Supplement shall be deemed to be amended in accordance with such amendment, and the respective rights, duties and obligations under this Twenty-Sixth Supplement of the City and all the owners of then Outstanding Bonds shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such amendment.

(e) Revocation of Consent. That any consent given by the owners of a Bond pursuant to the provisions of this Section shall be irrevocable for a period of six (6) months from the date of the first publication of the notice provided for in this Section, and shall be conclusive and binding upon all future owners of the same Bond during such period. Such consent may be revoked at any time after six (6) months from the date of the first publication of such notice by the owner who gave such consent, or by a successor in title, by filing written notice thereof with the Paying Agent/Registrar and the City, but such revocation shall not be effective if the owners of at least a majority in Outstanding Principal Amount of the Bonds have, prior to the attempted revocation, consented to and approved the amendment.

(f) Amendments Not Requiring Bondholder Consent. The foregoing provisions of this Section notwithstanding, the City by action of the City Council may amend this Twenty-Sixth Supplement without the consent of any owner of the Bonds or any other Parity Obligations, solely for any one or more of the following purposes:

(1) To add to the covenants and agreements of the City in this Twenty-Sixth Supplement contained, other covenants and agreements thereafter to be observed, grant additional rights or remedies to the owners of the Bonds or to surrender, restrict or limit any right or power herein reserved to or conferred upon the City;

(2) To make such provisions for the purpose of curing any ambiguity, or curing, correcting or supplementing any defective provision contained in this Twenty-Sixth Supplement, or in regard to clarifying matters or questions arising under this Twenty-Sixth Supplement, as are necessary or desirable and not contrary to or inconsistent with this Twenty-Sixth Supplement and which shall not adversely affect the interests of the owners of the Bonds then Outstanding;

(3) To modify any of the provisions of this Twenty-Sixth Supplement in any other respect whatever, provided that such modification shall be, and be expressed to be, effective only after the Bonds Outstanding at the date of the adoption of such modification shall cease to be Outstanding;

(4) To make such amendments to this Twenty-Sixth Supplement as may be required, in the opinion of Bond Counsel, to ensure compliance with sections 103 and 141 through 150 of the Code and the regulations promulgated thereunder and applicable thereto;

(5) To make such changes, modifications or amendments as may be necessary or desirable in order to allow the owners of the Bonds to thereafter avail themselves of a book-entry system for payments, transfers and other matters relating to the Bonds, which changes, modifications or amendments are not contrary to or inconsistent with other provisions of this Twenty-Sixth Supplement and which shall not adversely affect the interests of the owners of the Bonds;

(6) To make such changes, modifications or amendments as are permitted by Section 18(c)(vi) of this Twenty-Sixth Supplement;

(7) To make such changes, modifications or amendments as may be necessary or desirable in order to obtain or maintain the granting of a rating on the Bonds by a Rating Agency or to obtain or maintain a Credit Agreement or a Credit Facility issued in support of the Bonds; and

(8) To make such changes, modifications or amendments as may be necessary or desirable, which shall not adversely affect the interests of the owners of the Bonds, in order, to the extent permitted by law, to facilitate the economic and practical utilization of interest rate swap agreements, foreign currency exchange agreements, or similar type of agreements with respect to the Bonds.

Notice of any such amendment may be published by the City in the manner described in clause (b) of this Section; provided, however, that the publication of such notice shall not constitute a condition precedent to the adoption of such amendatory ordinance and the failure to publish such notice shall not adversely affect the implementation of such amendment as adopted pursuant to such amendatory ordinance.

(g) Eligibility to Approval Amendment. Ownership of the Bonds shall be established by the Registration Books maintained by the Paying Agent/Registrar, in its capacity as registrar and transfer agent for the Bonds.

Section 17. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS.

(a) Delivery of Substitute Bonds. That in the event any Outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new Bond of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

(b) Application. Application for replacement of damaged, mutilated, lost, stolen, or destroyed Bonds shall be made to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the applicant for a replacement bond shall furnish to the City and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Bond, the applicant shall furnish to the City and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Bond, as the case may be. In every case of damage or mutilation of a Bond, the applicant shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

(c) Payment Without Replacement Bond. Notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of, premium, if any, or interest on the Bond, the City may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a replacement Bond, provided security or indemnity is furnished as above provided in this Section.

(d) Costs of Replacement Bond. Prior to the issuance of any replacement bond, the Paying Agent/Registrar shall charge the owner of such Bond with all legal, printing, and other expenses in connection therewith. Every replacement bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the City whether the lost, stolen, or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Twenty-Sixth Supplement equally and proportionately with any and all other Bonds duly issued under this Twenty-Sixth Supplement.

(e) Statutory Authority. In accordance with Chapter 1206, this Section of this Twenty-Sixth Supplement shall constitute authority for the issuance of any such replacement bond without necessity of further action by the City Council of the City or any other body or person, and the duty of the replacement of such bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such bonds in the form and manner and with the effect, as provided in Section 5(a) of this Twenty-Sixth Supplement for Bonds issued in exchange for other Bonds.

Section 18. CONTINUING DISCLOSURE UNDERTAKING. (a) Annual Reports. (i) That the City shall provide annually to the MSRB, within six months after the end of each Fiscal Year ending in or after 2015, financial information and operating data with respect to the City of the general type described in Exhibit C hereto. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in Exhibit C hereto, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the City shall provide notice that the audited financial statements are not available, shall provide unaudited financial information containing the information described in the tables referenced in Exhibit C hereto under the heading "*Annual Financial Statements and Operating Data*" by the required time, and shall provide audited financial statements for the applicable Fiscal Year to the MSRB, when and if the audit report on such statements becomes available.

(ii) If the City changes its Fiscal Year, it will notify the MSRB of the change (and of the date of the new Fiscal Year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section. The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB or filed with the SEC. Filings shall be made electronically, in such format as is prescribed by the MSRB.

(b) Disclosure Event Notices. The City shall notify the MSRB of any of the following events with respect to the Bonds, in a timely manner not in excess of ten Business Days after the occurrence of the event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of holders of the Bonds, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the City;
13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material.

The City shall notify the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by subsection (a). As used in clause 12 above, the phrase "bankruptcy, insolvency, receivership or similar event" means the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if jurisdiction has been assumed by leaving the City Council and official or officers of the City in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

(c) Limitations, Disclaimers, and Amendments. (i) The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the City in any event will give notice of any deposit made in accordance with this Twenty-Sixth Supplement or applicable law that causes Bonds no longer to be outstanding.

(ii) The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City's financial results, condition, or prospects or to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

(iii) UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(iv) No default by the City in observing or performing its obligations under this Section shall comprise a breach of or default under this Twenty-Sixth Supplement for purposes of any other provision of this Twenty-Sixth Supplement. Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

(v) Should the Rule be amended to obligate the City to make filings with or provide notices to entities other than the MSRB, the City agrees to undertake such obligation in accordance with the Rule as amended.

(vi) The provisions of this Section may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Twenty-Sixth Supplement that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the holders and beneficial owners of the Bonds. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (a) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided.

Section 19. **TWENTY-SIXTH SUPPLEMENT TO CONSTITUTE A CONTRACT; EQUAL SECURITY.** That in consideration of the acceptance of the Bonds, the issuance of which is authorized hereunder, by those who shall hold the same from time to time, this Twenty-Sixth Supplement shall be deemed to be and shall constitute a contract between the City and the Holders from time to time of the Bonds and the pledge made in this Twenty-Sixth Supplement by the City and the covenants and agreements set forth in this Twenty-Sixth Supplement to be performed by the City shall be for the equal and proportionate benefit, security, and protection of all Holders, without preference, priority, or distinction as to security or otherwise of any of the Bonds authorized hereunder over any of the others by reason of time of issuance, sale, or maturity thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by this Twenty-Sixth Supplement.

Section 20. **SEVERABILITY OF INVALID PROVISIONS.** That if any one or more of the covenants, agreements, or provisions herein contained shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements, or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements, or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Bonds issued hereunder.

Section 21. **PAYMENT AND PERFORMANCE ON BUSINESS DAYS.** That, except as provided to the contrary in the FORM OF BOND, whenever under the terms of this Twenty-Sixth Supplement or the Bonds, the performance date of any provision hereof or thereof, including the payment of principal of or interest on the Bonds, shall occur on a day other than a Business Day, then the performance thereof, including the payment of principal of and interest on the Bonds, need not be made on such day but may be performed or paid, as the case may be, on the next succeeding Business Day with the same force and effect as if made on the date of performance or payment.

Section 22. **LIMITATION OF BENEFITS WITH RESPECT TO THE TWENTY-SIXTH SUPPLEMENT.** That with the exception of the rights or benefits herein expressly conferred, nothing expressed or contained herein or implied from the provisions of this Twenty-Sixth Supplement or the Bonds is intended or should be construed to confer upon or give to any person other than the City, the Holders, and the Paying Agent/Registrar, any legal or equitable right, remedy, or claim under or by reason of or in respect to this Twenty-Sixth Supplement or any covenant, condition, stipulation, promise, agreement, or provision herein contained. This Twenty-Sixth Supplement and all of the covenants, conditions, stipulations, promises, agreements, and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the City, the Holders, and the Paying Agent/Registrar as herein and therein provided.

Section 23. **ESCROW AGREEMENT.** That if Bonds are issued to refund Refunded Obligations in the manner provided for in this Twenty-Sixth Supplement, concurrently with the delivery of the Bonds the City shall cause to be deposited with the Escrow Agent, from the proceeds from the sale of the Bonds and other available moneys of the City, all as described in the letter of instructions referred to in Section 29 of this Twenty-Sixth Supplement, an amount

sufficient, together with investment earnings on securities held by the Escrow Agent pursuant to the Escrow Agreement to provide for the refunding of the Refunded Obligations in accordance with Chapter 1207. For this purpose, the City Council authorizes the City Manager or any Assistant City Manager and the City Secretary to execute the Escrow Agreement, in substantially the form and substance attached to this Twenty-Sixth Supplement.

Section 24. REDEMPTION OF REFUNDED OBLIGATIONS. That the City Council determines that, subject to the delivery of Bonds for the purpose of refunding Refunded Obligations, the Refunded Obligations to be refunded shall be called for redemption at the redemption price of par plus accrued interest to the date fixed for redemption, on the redemption date set forth in the Official Statement, all in accordance with the applicable provisions of the proceedings authorizing the issuance of the Refunded Obligations. The City Manager or his designee shall take such actions necessary to cause the required notice of redemption to be given in accordance with the terms of the proceedings for the Refunded Obligations called for redemption.

Section 25. FURTHER PROCEDURES. That the Mayor, the City Manager, any Assistant City Manager, the Chief Financial Officer of the City, the City Secretary or any Assistant City Secretary, and all other officers, employees, and agents of the City, and each of them, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the City all such instruments, whether herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Twenty-Sixth Supplement and the Bonds, including, but not limited to, conforming documents to receive the approval of the Texas Attorney General and to receive ratings from municipal bond rating agencies. The City Council authorizes the payment of the fee of the Office of the Attorney General of the State of Texas for the examination of the proceedings relating to the issuance of the Bonds, in the amount determined in accordance with the provisions of Section 1202.004, Texas Government Code.

Section 26. APPROVAL AND REGISTRATION OF BONDS. That the City Manager of the City is hereby authorized to have control of the Bonds and all necessary records and proceedings pertaining to the Bonds pending their delivery and their investigation, examination and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Bonds, said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate accompanying the Bonds, and the seal of said Comptroller shall be impressed, or placed in facsimile, on each such certificate.

Section 27. DTC REGISTRATION. That the Bonds initially shall be issued and delivered in such manner that no physical distribution of the Bonds will be made to the public, and The Depository Trust Company ("DTC"), New York, New York, initially will act as depository for the Bonds. DTC has represented that it is a limited purpose trust company incorporated under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered under Section 17A of the Securities Exchange Act of 1934, as amended, and the City accepts, but in no way verifies, such representations. The Bonds initially

authorized by this Twenty-Sixth Supplement shall be delivered to and registered in the name of CEDE & CO., the nominee of DTC. So long as each Bond is registered in the name of CEDE & CO., the Paying Agent/Registrar shall treat and deal with DTC the same in all respects as if it were the actual and beneficial owner thereof. It is expected that DTC will maintain a book-entry system which will identify ownership of the Bonds in integral amounts of \$5,000, with transfers of ownership being effected on the records of DTC and its participants pursuant to rules and regulations established by them, and that the Bonds initially deposited with DTC shall be immobilized and not be further exchanged for substitute Bonds except as hereinafter provided. The City is not responsible or liable for any functions of DTC, will not be responsible for paying any fees or charges with respect to its services, will not be responsible or liable for maintaining, supervising, or reviewing the records of DTC or its participants, or protecting any interests or rights of the beneficial owners of the Bonds. It shall be the duty of the DTC Participants, as defined in the Official Statement herein approved, to make all arrangements with DTC to establish this book-entry system, the beneficial ownership of the Bonds, and the method of paying the fees and charges of DTC. The City does not represent nor covenant that the initial book-entry system established with DTC will be maintained in the future. Notwithstanding the initial establishment of the foregoing book-entry system with DTC, if for any reason any of the originally delivered Bonds is duly filed with the Paying Agent/Registrar with proper request for transfer and substitution, as provided for in this Twenty-Sixth Supplement, substitute Bonds will be duly delivered as provided in this Twenty-Sixth Supplement, and there will be no assurance or representation that any book-entry system will be maintained for such Bonds. To effect the establishment of the foregoing book-entry system, the City has executed and filed with DTC the "Blanket DTC Letter of Representations" in the form provided by DTC to evidence the City's intent to establish said book-entry system.

Section 28. DEFAULT AND REMEDIES. (a) Events of Default. That each of the following occurrences or events for the purpose of this Twenty-Sixth Supplement is hereby declared to be an Event of Default:

(i) the failure to make payment of the principal of any Bond when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the City, the failure to perform which materially, adversely affects the rights of the registered owners of the Bonds, including, but not limited to, their prospect or ability to be repaid in accordance with this Twenty-Sixth Supplement, and the continuation thereof for a period of sixty (60) days after notice of such default is given by any registered owner to the City.

(b) Remedies for Default.

(i) Upon the happening of any Event of Default, then and in every case, any registered owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the City, or any official, officer or employee of the City in their official capacity, for the purpose of protecting and enforcing the rights of the registered owners under this Twenty-Sixth Supplement, by mandamus or

other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the registered owners hereunder or any combination of such remedies.

(ii) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all registered owners of Bonds then Outstanding.

(c) Remedies Not Exclusive.

(i) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Twenty-Sixth Supplement, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Twenty-Sixth Supplement.

(ii) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

(iii) By accepting the delivery of a Bond authorized under this Twenty-Sixth Supplement, such registered owner agrees that the certifications required to effectuate any covenants or representations contained in this Twenty-Sixth Supplement do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or members of the City or the City Council.

(iv) None of the members of the City Council, nor any other official or officer, agent, or employee of the City, shall be charged personally by the registered owners with any liability, or be held personally liable to the registered owners under any term or provision of this Twenty-Sixth Supplement, or because of any Event of Default or alleged Event of Default under this Twenty-Sixth Supplement.

Section 29. USE OF BOND PROCEEDS. That the proceeds from the sale of the Bonds shall be used in the manner described in a letter of instructions executed by or on behalf of the City, *provided*, that proceeds representing accrued interest on the Bonds shall be deposited to the credit of the Debt Service Fund and proceeds representing premium on the Bonds shall be used in a manner consistent with the provisions of Section 1201.042(d), Texas Government Code.

Section 30. DEFEASANCE OF OUTSTANDING BONDS. That the City Council hereby authorizes the use of water and sewer system revenues for the purpose of effecting the defeasance of all or a portion of (a) the Series 2005A Bonds maturing on February 15 in each of the years 2018 through 2020, aggregating \$15,765,000 in principal amount, (b) the City of Fort Worth, Texas Water and Sewer System Subordinate Lien Revenue Bonds, Series 2005 Bonds maturing on March 1 in each of the years 2017 through 2025, aggregating \$3,505,000 in

principal amount, and (c) the City of Fort Worth, Texas Water and Sewer System Subordinate Lien Revenue Bonds, Series 2005A maturing on March 1 in each of the years 2016 through 2023, aggregating \$4,685,000 in principal amount (collectively, the "Defeased Obligations"). The City Manager and the Chief Financial Officer of the City are hereby directed: to fund the defeasance of the Defeased Obligations from available water and sewer system revenues in an amount not to exceed the principal amount of the Defeased Obligations of each series described above to be redeemed, plus accrued interest on the Defeased Obligations to the date fixed for their redemption; to cause the Defeased Obligations to be redeemed prior to their scheduled maturities; and to determine the date the Defeased Obligations are to be redeemed. The City Manager and the Chief Financial Officer of the City, and each of them, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the City all such instruments, whether herein mentioned, as may be necessary or desirable in order to carry out the defeasance of the Defeased Obligations.

Section 31. PREAMBLE. That the preamble to this Twenty-Sixth Supplement is hereby incorporated by reference, and is to be considered a part of the operative text of this Twenty-Sixth Supplement.

Section 32. RULES OF CONSTRUCTION. That for all purposes of this Twenty-Sixth Supplement, unless the context requires otherwise, all references to designated Sections and other subdivisions are to the Sections and other subdivisions of this Twenty-Sixth Supplement. The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Twenty-Sixth Supplement as a whole and not to any particular Section or other subdivision. Except where the context otherwise requires, terms defined in this Twenty-Sixth Supplement to impart the singular number shall be considered to include the plural number and vice versa. References to any named person means that party and its successors and assigns. References to any constitutional, statutory or regulatory provision means such provision as it exists on the date this Twenty-Sixth Supplement is adopted by the City and any future amendments thereto or successor provisions thereof. All ordinances and resolutions or parts thereof in conflict herewith are hereby repealed.

[The remainder of this page left blank intentionally]

Section 33. IMMEDIATE EFFECT. That this Twenty-Sixth Supplement shall be effective immediately from and after its passage in accordance with the provisions of Section 1201.028, Texas Government Code, and it is accordingly so ordained.

ADOPTED AND EFFECTIVE _____, 2015.

Mayor,
City of Fort Worth, Texas

City Secretary

(SEAL)

APPROVED AS TO FORM AND LEGALITY:

City Attorney

*Signature Page – Ordinance Authorizing Issuance of Series 2015A
Water & Sewer System Revenue Refunding and Improvement Bonds*

SCHEDULE I

CITY OF FORT WORTH, TEXAS WATER AND SEWER SYSTEM REVENUE REFUNDING BONDS, SERIES 2005A, dated March 15, 2005, bonds maturing on February 15 in each of the years 2016 through 2020, in the aggregate principal amount of \$42,885,000. Redemption Price: par plus accrued interest to the date of redemption; Redemption Date: _____, 2015.

CITY OF FORT WORTH, TEXAS WATER AND SEWER SYSTEM SUBORDINATE LIEN REVENUE BONDS, SERIES 2005A, dated October 15, 2005, bonds maturing on March 1 in each of the years 2016 through 2023, in the aggregate principal amount of \$4,685,000. Redemption Price: par plus accrued interest to the date of redemption; Redemption Date: _____, 2015.

CITY OF FORT WORTH, TEXAS WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2007, dated August 1, 2007, bonds maturing on February 15 in each of the years 2018 through 2022, and on February 15, 2027, in the aggregate principal amount of \$62,365,000. Redemption Price: par plus accrued interest to the date of redemption; Redemption Date: February 15, 2017.

EXHIBIT A

That, as used in this Twenty-Sixth Supplement, the following terms shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

"Authentication Certificate" shall have the meaning given said term in Section 5(a) of the Twenty-Sixth Supplement.

"Authorized Denomination" means Bonds in a denomination of \$5,000 or any integral multiple thereof.

"Authorized Representative" means the City Manager and the Chief Financial Officer of the City, acting individually but not collectively.

"Bidding Instructions" shall have the meaning given said term in Section 3(a) of the Twenty-Sixth Supplement.

"Bonds" means the Series 2015A Bonds.

"Business Day" means a day other than a Sunday, Saturday, a legal holiday, or a day on which banking institutions in the city where the Designated Trust Office of the Paying Agent/Registrar is located are authorized by law or executive order to close.

"Chapter 9" means Chapter 9, Texas Business & Commerce Code.

"Chapter 1206" means Chapter 1206, Texas Government Code.

"Chapter 1207" means Chapter 1207, Texas Government Code.

"Chapter 1208" means Chapter 1208, Texas Government Code.

"Chapter 1371" means Chapter 1371, Texas Government Code.

"Chapter 1502" means Chapter 1502, Texas Government Code.

"Designated Trust Office" means the city so designated in Section 5(a) of the Twenty-Sixth Supplement.

"DTC" shall have the meaning given said term in Section 27 of the Twenty-Sixth Supplement.

"Eighteenth Supplement" means the ordinance authorizing the issuance of the Series 2010 Bonds.

"Escrow Agent" means the financial institution acting as the depository of funds under the terms of the Escrow Agreement.

"Escrow Agreement" means the escrow agreement between the City and the Escrow Agent, in respect to the refunding of the Refunded Obligations.

"Fifteenth Supplement" means the ordinance authorizing the issuance of the Series 2007 Bonds.

"Fourteenth Supplement" means the ordinance authorizing the issuance of the Series 2005A Bonds.

"Master Ordinance" means the "Master Ordinance establishing the City of Fort Worth Texas Water and Sewer System Revenue Financing Program", passed by the City on December 10, 1991.

"MSRB" means the Municipal Securities Rulemaking Board.

"Nineteenth Supplement" means the ordinance authorizing the issuance of the Series 2010A Bonds.

"Official Bid Form" shall have the meaning given said term in Section 3(a) of the Twenty-Sixth Supplement.

"Official Statement" shall have the meaning given said term in Section 3(e) of the Twenty-Sixth Supplement.

"Paying Agent/Registrar" means the financial institution specified in Section 5(a) of the Twenty-Sixth Supplement.

"Previously Issued Parity Bonds" means the Series 2005A Bonds, the Series 2007 Bonds, the Series 2008 Bonds, the Series 2009 Bonds, the Series 2010 Bonds, the Series 2010A Bonds, the Series 2010B Bonds, the Series 2010C Bonds, the Series 2011 Bonds, the Series 2012 Bonds, the Series 2014 Bonds and the Series 2015 Bonds.

"Purchasers" means the entity or entities listed in the Official Bid Form accepted by the City as the best bid for the Bonds.

"Refunded Obligations" means those obligations listed in Schedule I to the Twenty-Sixth Supplement to be refunded with the proceeds of the Bonds in accordance with the provisions of the Bidding Instructions.

"Registration Books" shall have the meaning given said term in Section 5(a) of the Twenty-Sixth Supplement.

"Rule" means SEC Rule 15c2-12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

"Series 2005A Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Refunding Bonds, Series 2005A, authorized by the Fourteenth Supplement.

"Series 2007 Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2007, authorized by the Fifteenth Supplement.

"Series 2008 Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Refunding Bonds, Series 2008, authorized by the Sixteenth Supplement.

"Series 2009 Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2009, authorized by the Seventeenth Supplement.

"Series 2010 Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Refunding Bonds, Series 2010, authorized by the Eighteenth Supplement.

"Series 2010A Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2010A, authorized by the Nineteenth Supplement.

"Series 2010B Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2010B, authorized by the Twentieth Supplement.

"Series 2010C Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2010C, authorized by the Twenty-First Supplement.

"Series 2011 Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2011, authorized by the Twenty-Second Supplement.

"Series 2012 Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Refunding Bonds, Series 2012, authorized by the Twenty-Third Supplement.

"Series 2014 Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2014, authorized by the Twenty-Fourth Supplement.

"Series 2015 Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2015, authorized by the Twenty-Fifth Supplement.

"Seventeenth Supplement" means the ordinance authorizing the issuance of the Series 2009 Bonds.

"Sixteenth Supplement" means the ordinance authorizing the issuance of the Series 2008 Bonds.

"Term Bonds" means those Bonds, if any, identified in the Twenty-Fourth Supplement as "term bonds".

"Treasury Regulations" means all applicable temporary, proposed and final regulations and procedures promulgated under the Code or promulgated under the Internal Revenue Code of 1954, to the extent applicable to the Code.

"Twentieth Supplement" means the ordinance authorizing the issuance of the Series 2010B Bonds.

"Twenty-First Supplement" means the ordinance authorizing the issuance of the Series 2010C Bonds.

"Twenty-Second Supplement" means the ordinance authorizing the issuance of the Series 2011 Bonds.

"Twenty-Third Supplement" means the ordinance authorizing the issuance of the Series 2012 Bonds.

"Twenty-Fourth Supplement" means the ordinance authorizing the issuance of the Series 2014 Bonds.

"Twenty-Fifth Supplement" means the ordinance authorizing the issuance of the Series 2015 Bonds.

"Twenty-Sixth Supplement" means the ordinance authorizing the issuance of the Bonds.

Designated Trust Office of the Paying Agent/Registrar. The Issuer has covenanted in the Bond Ordinance that on or before each principal payment date, interest payment date, and accrued interest payment date for this Bond it will make available to the Paying Agent/Registrar, from the "Debt Service Fund" created by the ordinance establishing the City of Fort Worth, Texas Water and Sewer System Revenue Financing Program (the "Master Ordinance"), the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

IN THE EVENT of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest ("Special Payment Date", which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each registered owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Trust Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, any payment to the securities depository, or its nominee or registered assigns, shall be made in accordance with existing arrangements between the Board and the securities depository.

THIS BOND is one of a series of bonds of like tenor and effect except as to number, principal amount, interest rate, maturity, and right of prior redemption, dated _____, 2015, aggregating \$_____ (herein sometimes called the "Bonds"), issued for the purpose of (i) extending and improving the System (as defined in the Bond Ordinance), (ii) refunding the Refunded Obligations (as defined in the Bond Ordinance), and (iii) paying the costs of issuance associated with the Bonds. The Bonds shall be issued in any denomination or denominations in any integral multiple of \$5,000 (an "Authorized Denomination"). All capitalized terms not defined herein shall have the same meaning as given said terms in the Master Ordinance or the Bond Ordinance.

THE OUTSTANDING BONDS maturing on and after February 15, 2026 may be redeemed prior to their scheduled maturities, at the option of the Issuer, in whole, or in part, on February 15, 2025, or on any date thereafter, at the redemption price of the principal amount of the Bonds called for redemption, and without premium; provided, that during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate

are to be redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the Issuer and the securities depository.

[Insert Mandatory Redemption Provisions, if applicable]

NOTICE OF any such redemption of Bonds shall be given in the following manner, to-wit, a written notice of such redemption shall be given to the registered owner of each Bond or a portion thereof being called for redemption not more than 60 days nor less than 30 days prior to the date fixed for such redemption by depositing such notice in the United States mail, first-class postage prepaid, addressed to each such registered owner at his address shown on the Registration Books of the Paying Agent/Registrar. Any notice so mailed shall be conclusively presumed to have been duly given notwithstanding whether one or more registered owners may have failed to have received such notice. By the date fixed for any such redemption due provision shall be made by the Issuer with the Paying Agent/Registrar for the payment of the required redemption price for this Bond or the portion hereof which is to be so redeemed. If such notice of redemption is given, and if due provision for such payment is made, all as provided above, this Bond or the portion hereof which is to be so redeemed, thereby automatically shall be redeemed prior to its scheduled maturity, and shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. The Paying Agent/Registrar shall record in the Registration Books all such redemptions of principal amount of this Bond or any portion hereof. If a portion of any Bond shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any Authorized Denomination at the written request of the registered owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Bond Ordinance. The years of maturity of the Bonds called for such redemption shall be selected by the Issuer. The Bonds or portions thereof redeemed within a maturity shall be selected by lot or other customary random method selected by the Paying Agent/Registrar (provided that a portion of a Bond may be redeemed only in an Authorized Denomination).

THE FOREGOING PARAGRAPH NOTWITHSTANDING, with respect to any optional redemption of the Bonds, unless certain prerequisites to such optional redemption required by the Bond Ordinance have been met and money sufficient to pay the principal of, premium, if any, and interest on the Bonds to be redeemed will have been received by the Paying Agent/Registrar prior to giving such notice, such notice may state that the optional redemption will, at the option of the Issuer, be conditional upon the satisfaction of such prerequisites and receipt of such money by the Paying Agent/Registrar on or prior to the date fixed for such redemption or upon any prerequisite set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not satisfied, such notice will be of no force and effect, the Issuer will not redeem such Bonds and the Paying Agent/Registrar will give notice in the manner in which the notice of redemption was given, to the effect that such Bonds will not be redeemed.

ALL BONDS OF THIS SERIES are issuable solely as fully registered bonds, without interest coupons, in the denomination of any Authorized Denomination. As provided in the Bond Ordinance, this Bond may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate amount of fully registered Bonds, without interest coupons, payable to the appropriate registered owner, assignee or assignees, as the case may be, having any authorized denomination or denominations as requested in writing by the appropriate registered owner, assignee or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Ordinance. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar at the Designated Trust Office, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any authorized denomination to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Bond may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the registered owner. The one requesting such conversion and exchange shall pay the Paying Agent/Registrar's reasonable standard or customary fees and charges for converting and exchanging any Bond or portion thereof. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The foregoing notwithstanding, in the case of the conversion and exchange of an assigned and transferred Bond or Bonds or any portion or portions thereof, such fees and charges of the Paying Agent/Registrar will be paid by the Issuer. The Paying Agent/Registrar shall not be required (i) to make any such transfer, conversion or exchange during the period beginning at the opening of business 30 days before the day of the first mailing of a notice of redemption and ending at the close of business on the day of such mailing, or (ii) to transfer, convert or exchange any Bonds so selected for redemption when such redemption is scheduled to occur within 30 calendar days; provided, however, such limitation of transfer shall not be applicable to an exchange by the registered owner of an unredeemed balance of a Bond called for redemption in part.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Bond Ordinance that it promptly will appoint a competent and legally qualified substitute therefor, whose qualifications are substantially similar to the previous Paying Agent/Registrar it is replacing, and promptly will cause written notice thereof to be mailed to the registered owners of the Bonds.

WHENEVER the beneficial ownership of this Bond is determined by a book entry at a securities depository for the Bonds, the foregoing requirements of holding, delivering or transferring this Bond shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book entry to produce the same effect.

BY BECOMING the registered owner of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Master Ordinance and the Bond Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Master Ordinance and the Bond Ordinance are duly recorded and available for inspection in the official minutes and records of the Issuer, and agrees that the terms and provisions of this Bond, the Master Ordinance and the Bond Ordinance constitute a contract between each registered owner hereof and the Issuer.

THE BONDS are special obligations of the Issuer payable solely from and equally secured by a first lien on and pledge of the Pledged Revenues of the System. The Issuer has reserved the right, subject to the restrictions stated, and adopted by reference, in the Master Ordinance, to issue additional parity revenue obligations which also may be made payable from, and secured by a first lien on and pledge of, the Pledged Revenues. For a more complete description and identification of the revenues and funds pledged to the payment of the Bonds, and other obligations of the Issuer secured by and payable from the same source or sources as the Bonds, reference is hereby made to the Master Ordinance and the Bond Ordinance.

THE ISSUER has reserved the right, subject to the restrictions stated, and adopted by reference, in the Bond Ordinance, to amend the Bond Ordinance; and under some (but not all) circumstances amendments must be approved by the owners of a majority in Outstanding Principal Amount of the Bonds.

THE REGISTERED OWNER HEREOF shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation.

IT IS HEREBY certified and covenanted that this Bond has been duly and validly authorized, issued and delivered; and that all acts, conditions and things required or proper to be performed, exist and be done precedent to or in the authorization, issuance and delivery of this Bond have been performed, existed and been done in accordance with law.

IN WITNESS WHEREOF, this Bond has been signed with the imprinted or lithographed manual or facsimile signature of the Mayor, attested by the imprinted or lithographed facsimile signature of the City Secretary, and approved as to form and legality by the imprinted or lithographed facsimile signature of the City Attorney, and the official seal of the Issuer has been duly affixed to, printed, lithographed or impressed on this Bond.

CITY OF FORT WORTH, TEXAS

By xxxxx
Mayor, City of Fort Worth, Texas

ATTEST:

xxxx
City Secretary, City of Fort Worth, Texas

APPROVED AS TO FORM AND LEGALITY:

(SEAL)

xxxx
City Attorney, City of Fort Worth, Texas

OFFICE OF COMPTROLLER :

REGISTER NO. _____

STATE OF TEXAS :

I hereby certify that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas and that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this _____.

Comptroller of Public Accounts of the
State of Texas

(SEAL)

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

(To be executed if this Bond is not accompanied by an executed
Registration Certificate of the Comptroller of Public Accounts of the State of Texas)

It is hereby certified that this Bond has been issued under the provisions of the proceedings adopted by the Issuer as described in the text of this Bond; and that this Bond has been issued in exchange for or replacement of a bond, bonds, or a portion of a bond or bonds of an issue which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated _____

BOKF, NA, dba Bank of Texas,
Paying Agent/Registrar

By _____
Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Please insert Social Security or Taxpayer Identification Number of Transferee

/ _____ /

(Please print or typewrite name and address, including zip code of Transferee)

the within Bond and all rights thereunder, and hereby

irrevocably constitutes and appoints _____

attorney to register the transfer of the within Bond on the books kept for registration thereof,
with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by
a member firm of the New York Stock
Exchange or a commercial bank or trust
company.

NOTICE: The signature(s) above must
correspond with the name of the Registered
Owner as it appears upon the front of this Bond
in every particular, without alteration or
enlargement or any change whatsoever.

**Exhibit C
to Twenty-Sixth
Supplemental Ordinance**

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 18 of this Twenty-Sixth Supplement.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the City to be provided annually in accordance with such Section are as specified (and included in the Appendix or under the headings of the Official Statement referred to) below:

Tables 1 through 15 contained in the Official Statement; and

"Excerpts from the Annual Financial Report", as set forth in Appendix B to the Official Statement

Accounting Principles

The accounting principles referred to in such Section are the accounting principles described in the notes to the financial statements referred to above.

EXHIBIT D

WRITTEN PROCEDURES
RELATING TO CONTINUING COMPLIANCE
WITH FEDERAL TAX COVENANTS

These procedures, together with any federal tax certifications, provisions included in the authorizing document (the "Ordinance") with respect to the issuance and sale of Obligations (as defined below), letters of instructions and/or memoranda from bond counsel and any attachments thereto (the "Closing Documents"), are intended to assist the Issuer in complying with federal guidelines related to the issuance of any tax-exempt debt such as the Bonds (the "Obligations").

A. Arbitrage Compliance. Federal income tax laws generally restrict the ability to earn arbitrage in connection with the Obligations. The Responsible Person (as defined below) will review the Closing Documents periodically (at least once a fiscal year) to ascertain if an exception to arbitrage compliance applies.

Procedures applicable to Obligations issued for construction and acquisition purposes. With respect to the investment and expenditure of the proceeds of the Obligations that are issued to finance public improvements or to acquire land or personal property, the Issuer's Chief Financial Officer and City Treasurer (such officers, together with other employees of the Issuer who report to such officers, are, collectively, the "Responsible Person") will:

1. Instruct the appropriate person who is primarily responsible for the construction, renovation or acquisition of the facilities financed or refinanced with the Obligations (the "Project") that (i) binding contracts for the expenditure of at least 5% of the proceeds of the Obligations are entered into within six months of the date of closing of the Obligations (the "Issue Date") and that (ii) the Project must proceed with due diligence;
2. Monitor that at least 85% of the proceeds of the Obligations to be used for the construction, renovation or acquisition of the Project are expended within three years of the Issue Date;
3. Monitor the yield on the investments purchased with proceeds of the Obligations and restrict the yield of such investments to the yield on the Obligations after three years of the Issue Date;
4. Monitor all amounts deposited into a sinking fund or funds pledged (directly or indirectly) to the payment of the Obligations, such as the interest and sinking fund or debt service fund, to assure that the maximum amount invested within such applicable fund at a yield higher than the yield on the Obligations does not exceed an amount equal to the debt service on the Obligations in the succeeding twelve-month period plus a carryover amount equal to one-twelfth of the principal and interest payable on the Obligations for the immediately preceding twelve-month period; and
5. Ensure that no more than 50% of the proceeds of the Obligations are invested in an investment with a guaranteed yield for four years or more.

Procedures applicable to Obligations with a debt service reserve fund. In addition to the foregoing, if the Issuer issues Obligations that are secured by a debt service reserve fund, the Responsible Person will assure that the maximum amount of any reserve fund for the Obligations invested at a yield higher than the yield on the Obligations will not exceed the lesser of (1) 10% of the principal amount of the Obligations, (2) 125% of the average annual debt service on the Obligations measured as of the Issue Date, or (3) 100% of the maximum annual debt service on the Obligations as of the Issue Date.

Procedures applicable to Escrow Accounts for Refunding Issues. In addition to the foregoing, if the Issuer issues Obligations and proceeds are deposited to an escrow fund to be administered pursuant to the terms of an escrow agreement, the Responsible Person will:

1. Monitor the actions of the escrow agent to ensure compliance with the applicable provisions of the escrow agreement, including with respect to reinvestment of cash balances;

2. Contact the escrow agent on the date of redemption of obligations being refunded to ensure that they were redeemed; and
3. Monitor any unspent proceeds of the refunded obligations to ensure that the yield on any investments applicable to such proceeds are invested at the yield on the applicable obligations or otherwise applied.

Procedures applicable to all Tax-Exempt Obligations. For all issuances of Obligations, the Responsible Person will:

1. Maintain any official action of the Issuer (such as a reimbursement resolution) stating the Issuer's intent to reimburse with the proceeds of the Obligations any amount expended prior to the Issue Date for the acquisition, renovation or construction of the facilities;
2. Ensure that the applicable information return (e.g., Form 8038-G, 8038-GC, or any successor forms) is timely filed with the Internal Revenue Service (the "IRS"); and
3. Assure that, unless excepted from rebate and yield restriction under section 148(f) of the Code, excess investment earnings are computed and paid to the U.S. government at such time and in such manner as directed by the IRS (i) at least every five years after the Issue Date and (ii) within 30 days after the date the Obligations are retired.

B. Private Business Use. Generally, to be tax-exempt, only an insignificant amount of the proceeds of each issue of Obligations can benefit (directly or indirectly) private businesses. The Responsible Person will review the Closing Documents periodically (at least once a fiscal year) for the purpose of determining that the use of the Project does not violate provisions of federal tax law that pertain to private business use. In addition, the Responsible Persons will:

1. Develop procedures or a "tracking system" to identify all property financed with tax-exempt debt;
2. Monitor and record the date on which the Project is substantially complete and available to be used for the purpose intended;
3. Monitor and record whether, at any time the Obligations are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public, has any contractual right (such as a lease, purchase, management or other service agreement) with respect to any portion of the Project;
4. Monitor and record whether, at any time the Obligations are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public, has a right to use the output of the Project (e.g., water, gas, electricity);
5. Monitor and record whether, at any time the Obligations are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public, has a right to use the Project to conduct or to direct the conduct of research;
6. Monitor and record whether, at any time the Obligations are outstanding, any person, other than the Issuer, has a naming right for the Project or any other contractual right granting an intangible benefit;
7. Monitor and record whether, at any time the Obligations are outstanding, the Project is sold or otherwise disposed of; and
8. Take such action as is necessary to remediate any failure to maintain compliance with the covenants contained in the Ordinance related to the public use of the Project.

C. Record Retention. The Responsible Person will maintain or cause to be maintained all records relating to the investment and expenditure of the proceeds of the Obligations and the use of the facilities financed or refinanced thereby for a period ending three years after the complete extinguishment of the Obligations. If any portion of the Obligations is refunded with the proceeds of another series of tax-exempt Obligations, such records shall be maintained until the three years after the refunding Obligations are completely extinguished. Such records can be maintained in paper or electronic format.

D. Responsible Persons. Each Responsible Person shall receive appropriate training regarding the Issuer's accounting system, contract intake system, facilities management and other systems necessary to track the investment and expenditure of the proceeds and the use of the Project financed or refinanced with the proceeds of the Obligations. The foregoing notwithstanding, each Responsible Person shall report to the City Council whenever experienced advisors and agents may be necessary to carry out the purposes of these instructions for the purpose of seeking City Council approval to engage or utilize existing advisors and agents for such purposes.

THE STATE OF TEXAS :
COUNTIES OF TARRANT, DENTON, WISE, PARKER AND JOHNSON :
CITY OF FORT WORTH :

I, Mary Kayser, City Secretary of the City of Fort Worth, in the State of Texas, do hereby certify that I have compared the attached and foregoing excerpt from the minutes of the regular, open, public meeting of the City Council of the City of Fort Worth, Texas held on _____, 2015, and of the ordinance authorizing the issuance of Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2015A, which was duly passed at said meeting, and that said copy is a true and correct copy of said excerpt and the whole of said ordinance. Said meeting was open to the public, and public notice of the time, place, and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code, as amended.

In testimony whereof, I have set my hand and have hereunto affixed the seal of said City of Fort Worth, this ____ day of _____, 2015.

City Secretary of the
City of Fort Worth, Texas

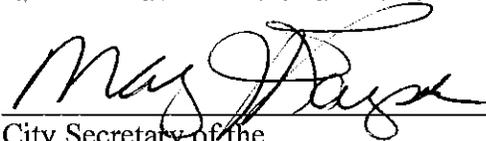
(SEAL)

THE STATE OF TEXAS
COUNTIES OF TARRANT, DENTON, PARKER, JOHNSON AND WISE
CITY OF FORT WORTH

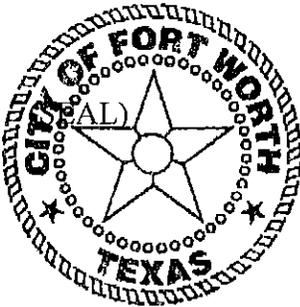
:
:
:

I, Mary Kayser, City Secretary of the City of Fort Worth, in the State of Texas, do hereby certify that I have compared the attached and foregoing excerpt from the minutes of the regular, open, public meeting of the City Council of the City of Fort Worth, Texas held on May 19, 2015, and of the ordinance authorizing the issuance of Water and Sewer System Revenue Bonds, Series 2015, which was duly passed at said meeting, and that said copy is a true and correct copy of said excerpt and the whole of said ordinance. Said meeting was open to the public, and public notice of the time, place, and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code, as amended.

In testimony whereof, I have set my hand and have hereunto affixed the seal of said City of Fort Worth, this 21st day of May, 2015.



City Secretary of the
City of Fort Worth, Texas



ORDINANCE NO. 21754-05-2015

TWENTY-FIFTH SUPPLEMENTAL ORDINANCE AUTHORIZING THE
ISSUANCE AND SALE OF CITY OF FORT WORTH, TEXAS
WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2015,
IN THE AGGREGATE PRINCIPAL AMOUNT OF \$39,000,000;
APPROVING THE SALE OF THE BONDS TO THE TEXAS WATER DEVELOPMENT
BOARD; REPEALING ALL ORDINANCES IN CONFLICT HEREWITH; AND PROVIDING
THAT THIS ORDINANCE SHALL BE IN FORCE AND EFFECT FROM AND AFTER THE
DATE OF ITS PASSAGE

THE STATE OF TEXAS :
COUNTIES OF TARRANT, DENTON, PARKER, JOHNSON AND WISE :
CITY OF FORT WORTH :

WHEREAS, the City of Fort Worth, Texas (the "City" or the "Issuer"), a "home-rule" city operating under a home-rule charter adopted pursuant to Section 5 of Article XI of the Texas Constitution, with a population according to the latest federal decennial census of in excess of 50,000, has established and currently owns and operates a combined waterworks and sanitary sewer system (the "System"); and

WHEREAS, the City heretofore has established the City of Fort Worth, Texas Water and Sewer System Revenue Financing Program for the purpose of providing a financing structure for revenue supported indebtedness of the System; and

WHEREAS, said Program was established pursuant to the terms of a "Master Ordinance Establishing the City of Fort Worth, Texas Water and Sewer System Revenue Financing Program" (the "Master Ordinance"); and

WHEREAS, unless otherwise defined herein, terms used herein shall have the meaning given in the Master Ordinance; and

WHEREAS, the Master Ordinance authorizes revenue supported indebtedness to be issued, incurred or assumed pursuant to the terms of supplemental ordinances (any such ordinance being a "Supplement"); and

WHEREAS, pursuant to the terms of the Master Ordinance, the City has adopted twenty-four Supplements (designated as the "First Supplement", "Second Supplement", "Third Supplement", "Fourth Supplement", "Fifth Supplement", "Sixth Supplement", "Seventh Supplement", "Eighth Supplement", "Ninth Supplement", "Tenth Supplement", "Eleventh Supplement", "Twelfth Supplement", "Thirteenth Supplement", "Fourteenth Supplement", "Fifteenth Supplement", "Sixteenth Supplement", "Seventeenth Supplement", "Eighteenth

Supplement", "Nineteenth Supplement", "Twentieth Supplement", "Twenty-First Supplement", "Twenty-Second Supplement", "Twenty-Third Supplement", and "Twenty-Fourth Supplement", respectively, and the "Prior Supplements", collectively) pursuant to which (i) the City of Fort Worth, Texas Water and Sewer System Revenue Refunding Bonds, Series 1991A and Series 1991B, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding Bonds, Series 1993, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 1996, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 1997, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 1998, the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2000, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2000B, the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2001, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2003, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding Bonds, Series 2003A, the City of Fort Worth, Texas Water and Sewer System Auction Rate Revenue Bonds, Series 2004, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2005, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding Bonds, Series 2005A, the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2007, the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2008, the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2009, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding Bonds, Series 2010, the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2010A, the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2010B, the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2010C, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2011, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding Bonds, Series 2012 and the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2014 were issued, and (ii) the City entered into two respective ISDA Master Agreements (referred to herein as the "Swap Agreements"), one with Lehman Brothers Special Financing Inc., and the other with GBDP, L.P.; and

WHEREAS, the aforesaid Series 1991A Bonds, Series 1991B Bonds, Series 1993 Bonds, Series 1996 Bonds, Series 1997 Bonds, Series 1998 Bonds, Series 2000 Bonds, Series 2000B Bonds, Series 2001 Bonds, Series 2003 Bonds, Series 2003A Bonds, Series 2004 Bonds and Series 2005 Bonds no longer are outstanding, and the aforesaid Series 2005A Bonds, Series 2007 Bonds, Series 2008 Bonds, Series 2009 Bonds, Series 2010 Bonds, Series 2010A Bonds, Series 2010B Bonds, Series 2010C Bonds, Series 2011 Bonds, Series 2012 Bonds and Series 2014 Bonds are hereinafter referred to as the "Previously Issued Parity Bonds"; and

WHEREAS, the Swap Agreements entered into pursuant to the terms of the Fourth Supplement by their respective terms have expired, and the City has no further obligations thereunder; and

WHEREAS, the Previously Issued Parity Bonds are secured by a first lien on and pledge of the Pledged Revenues of the System; and

WHEREAS, the bonds hereinafter authorized are to be issued and delivered pursuant to Chapter 1502, Texas Government Code, and other applicable laws, for the purpose of extending and improving the City's combined water and sewer system, to-wit, extending and improving the sewer system, as further described in this Twenty-Fifth Supplement; and

WHEREAS, the Texas Water Development Board ("TWDB" or the "Board"), has committed to purchase the bonds hereinafter authorized pursuant to Subchapter J of Chapter 15, Texas Water Code.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FORT WORTH, TEXAS:

SECTION 1. DEFINITIONS. That in addition to the definitions set forth in the preamble of this Twenty-Fifth Supplement, the terms used in this Twenty-Fifth Supplement (except in the FORM OF BOND) and not otherwise defined shall have the meanings given in the Master Ordinance, the Prior Supplements or in Exhibit A to this Twenty-Fifth Supplement. Any references in this Twenty-Fifth Supplement to the "FORM OF BOND" shall be to the form of the Bonds as set forth in Exhibit B to this Twenty-Fifth Supplement.

Section 2. BONDS AUTHORIZED. That there shall be authorized to be issued, sold, and delivered hereunder the Bonds, payable to the respective initial registered owners thereof, or to the registered assignee or assignees of the Bonds or any portion or portions thereof, in an "Authorized Denomination". The Bonds are hereby authorized to be issued in the aggregate principal amount of \$39,000,000 for the purpose of (i) extending and improving the City's combined water and sewer system, to-wit, extending and improving the sewer system, (ii) funding a reserve fund for the Bonds, and (iii) paying the costs of issuance of the Bonds. The Bonds shall be designated as the **"City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2015"**.

Section 3. DATES AND MATURITIES; INTEREST RATES. That the Bonds shall be dated June 1, 2015, shall be in any Authorized Denomination, shall be numbered consecutively from R-1 upward, shall bear interest from their date of delivery in the manner described in the FORM OF BOND at the rates per annum, payable on August 15, 2015, and on each February 15 and August 15 thereafter until maturity or prior redemption, and shall mature on February 15 in each of the years and in the amounts, respectively, as set forth in the following schedule:

<u>YEARS</u>	<u>PRINCIPAL AMOUNTS (\$)</u>	<u>INTEREST RATES (%)</u>
2016	1,835,000	0.00
2017	1,835,000	0.00
2018	1,835,000	0.00
2019	1,835,000	0.14
2020	1,840,000	0.36
2021	1,845,000	0.58
2022	1,855,000	0.79
2023	1,865,000	0.98
2024	1,880,000	1.15
2025	1,900,000	1.27
2026	1,920,000	1.41
2027	1,940,000	1.53
2028	1,965,000	1.64
2029	1,995,000	1.72
2030	2,025,000	1.80
2031	2,055,000	1.86
2032	2,090,000	1.92
2033	2,125,000	1.96
2034	2,160,000	2.00
2035	2,200,000	2.04

Interest on the Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. The principal of and interest on the Bonds shall be payable to the registered owner of any such Bond in the manner provided and on the dates stated in the FORM OF BOND.

Section 4. REDEMPTION. (a) Optional Redemption. That the City reserves the right to redeem the Bonds maturing on and after February 15, 2026, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, and if in part, in inverse order of maturity, on August 15, 2025, or on any date thereafter, at the redemption price of par. If less than all of the Bonds are to be redeemed by the City, the City shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot Bonds, or portions thereof, within such maturity or maturities and in such principal amounts, for redemption.

(b) General Notice. Notice of any redemption of Bonds shall be given in the following manner, to-wit, (i) a written notice of such redemption shall be given to the registered owner of each Bond or a portion thereof being called for redemption not more than sixty (60) days nor less than thirty (30) days prior to the date fixed for such redemption by depositing such notice in the United States mail, first-class postage prepaid, addressed to each such registered owner at the address shown on the Registration Books of the Paying Agent/Registrar and (ii) at least thirty (30) days prior to the date fixed for such redemption, a notice of such redemption shall either be published one time or posted electronically on the website of a financial journal or publication of general circulation in the United States of America or the State of Texas which carries as a regular feature notices of redemption of municipal bonds; provided, however, that the failure to

send, mail, or receive such notice described in clause (i) above, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond, as publication or posting of notice as described in clause (ii) above shall be the only notice actually required in connection with or as a prerequisite to the redemption of any Bonds. By the date fixed for any such redemption due provision shall be made by the City with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or the portions thereof which are to be so redeemed. If such notice of redemption is given, and if due provision for such payment is made, all as provided above, the Bonds, or the portions thereof which are to be so redeemed, thereby automatically shall be redeemed prior to their scheduled maturities, and shall not be regarded as being outstanding except for the right of the owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. The Paying Agent/Registrar shall record in the Registration Books all such redemptions of principal of the Bonds or any portion thereof. If a portion of any Bond shall be redeemed, a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any Authorized Denomination at the written request of the owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the owner upon the surrender thereof for cancellation, at the expense of the City, all as provided in this Twenty-Fifth Supplement. The maturities of Bonds to be called for redemption shall be determined by the City. The Bonds or portions to be redeemed within each such maturity shall be selected by lot or other customary random method selected by the Paying Agent/Registrar (provided that a portion of a Bond may be redeemed only in an Authorized Denomination). The City shall give written notice to the Paying Agent/Registrar of any such redemption of Bonds at least sixty (60) calendar days (or such shorter period as is acceptable to the Paying Agent/Registrar) prior to such redemption.

(c) Additional Notice. (i) In addition to the manner of providing notice of redemption of Bonds as set forth above, the Paying Agent/Registrar shall give notice of redemption of Bonds by United States mail, first-class postage prepaid, at least thirty (30) days prior to a redemption date to the MSRB and to any national information service that disseminates redemption notices. In addition, in the event of a redemption caused by an advance refunding of the Bonds, the Paying Agent/Registrar shall send a second notice of redemption to the persons specified in the immediately preceding sentence at least thirty (30) days but not more than ninety (90) days prior to the actual redemption date. Any notice sent to the MSRB or such national information services shall be sent so that they are received at least two (2) days prior to the general mailing or publication date of such notice. The Paying Agent/Registrar shall also send a notice of prepayment or redemption to the owner of any Bond who has not sent the Bonds in for redemption sixty (60) days after the redemption date.

(ii) Each redemption notice, whether required in the FORM OF BOND or otherwise by this Twenty-Fifth Supplement, shall contain a description of the Bonds to be redeemed including the complete name of the Bonds, the series, the date of issue, the interest rate, the maturity date, the CUSIP number, if any, the amounts called for redemption, the publication and mailing date for the notice, the date of redemption, the redemption price, the name of the Paying Agent/Registrar and the address at which the Bond may be redeemed including a contact person and telephone number.

(iii) All redemption payments made by the Paying Agent/Registrar to the registered owners of the Bonds shall include a CUSIP number relating to each amount paid to such registered owner.

Section 5. CHARACTERISTICS OF THE BONDS. (a) Registration, Transfer, Conversion and Exchange; Authentication. That the City shall keep or cause to be kept at the designated corporate trust office of BOKF, NA dba Bank of Texas (the "Paying Agent/Registrar"), books or records for the registration of the transfer, conversion and exchange of the Bonds (the "Registration Books"), and the City hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the City and the Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of each owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The City shall have the right to inspect at the Designated Trust Office the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. Except as otherwise provided in the FORM OF BOND, the owner of each Bond requesting a conversion, transfer, exchange and delivery of such Bond shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Bond or Bonds. Registration of assignments, transfers, conversions and exchanges of Bonds shall be made in the manner provided and with the effect stated in the FORM OF BOND. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond. An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign the "Paying Agent/Registrar's Authentication Certificate" in the form set forth in the FORM OF BOND (the "Authentication Certificate"), and, except as provided below, no such Bond shall be deemed to be issued or Outstanding unless the Authentication Certificate is so executed; the foregoing notwithstanding, the Authentication Certificate need not be executed if any such Bond is accompanied by an executed "Comptroller's Registration Certificate" in the form set forth in the FORM OF BOND. The Paying Agent/Registrar promptly shall cancel all paid Bonds and Bonds surrendered for conversion and exchange. No additional ordinances, orders, or resolutions need be passed or adopted by the governing body of the City or any other body or person so as to accomplish the foregoing conversion and exchange of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bonds in the manner prescribed herein. Pursuant to Chapter 1206, the duty of conversion and exchange of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the Authentication Certificate, the converted and exchanged Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which initially were issued and delivered pursuant to this Twenty-Fifth Supplement, approved by the Attorney General, and registered by the Comptroller of Public Accounts. As of the date this Twenty-Fifth Supplement is approved

by the City, the Designated Trust Office is the Austin, Texas corporate trust office of BOKF, NA dba Bank of Texas.

(b) Payment of Bonds and Interest. The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of, premium, if any, and interest on the Bonds, all as provided in this Twenty-Fifth Supplement. The Paying Agent/Registrar shall keep proper records of all payments made by the City and the Paying Agent/Registrar with respect to the Bonds.

(c) In General. The Bonds (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the registered owners thereof, (ii) may be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be converted and exchanged for other Bonds, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Bonds shall be payable, and (viii) shall be administered and the Paying Agent/Registrar and the City shall have certain duties and responsibilities with respect to the Bonds, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF BOND. The Bonds initially issued and delivered pursuant to this Twenty-Fifth Supplement are not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Bond issued in conversion of and exchange for any Bond or Bonds issued under this Twenty-Fifth Supplement the Paying Agent/Registrar shall execute the Authentication Certificate.

(d) Substitute Paying Agent/Registrar. The City covenants with the owners of the Bonds that at all times while the Bonds are Outstanding a competent and legally qualified entity shall act as and perform the services of Paying Agent/Registrar for the Bonds under this Twenty-Fifth Supplement, and that the Paying Agent/Registrar will be one entity. Such entity may be the City, to the extent permitted by law, or a bank, trust company, financial institution, or other agency, as selected by the City. The City reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than one hundred and twenty (120) days written notice to the Paying Agent/Registrar, to be effective not later than sixty (60) days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the City covenants that promptly it will appoint a competent and legally qualified entity to act as Paying Agent/Registrar under this Twenty-Fifth Supplement. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the City. Upon any change in the Paying Agent/Registrar, the City promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Twenty-Fifth Supplement, and a certified copy of this Twenty-Fifth Supplement shall be delivered to each Paying Agent/Registrar.

(e) Delivery Procedures. (1) The Paying Agent/Registrar for the Bonds shall act as the closing agent for the delivery of the Bonds to the TWDB, and in connection therewith, the Paying Agent/Registrar understands the Bonds are to be delivered to the TWDB using the book-entry only system provided by DTC.

(2) The City agrees to cause to be delivered to the Paying Agent/Registrar one (1) initial Bond for each maturity numbered R-1 through R-20 (the "Initial Bonds") and registered to the TWDB following the approval by the Attorney General of the State of Texas and the registration by the Comptroller of Public Accounts. Proceeds from the Bonds will be held in escrow and disbursed to the City in accordance with procedures approved by the TWDB.

Section 6. FORM OF BONDS. (a) Form of Bonds. That the form of all Bonds, including the form of the Authentication Certificate, the form of Assignment, and the form of the Comptroller's Registration Certificate to be attached only to the Bonds initially issued and delivered pursuant to this Twenty-Fifth Supplement, shall be, respectively, substantially as set forth in Exhibit B, with such appropriate variations, omissions, or insertions as are permitted or required by this Twenty-Fifth Supplement.

(b) Printing Bond Counsel Opinion and Statement of Insurance. The printer of the Bonds is hereby authorized to print on the Bonds the form of bond counsel's opinion relating to the Bonds, and is hereby authorized to print on the Bonds an appropriate statement of insurance furnished by a municipal bond insurance company providing municipal bond insurance, if any, covering all or any part of the Bonds.

Section 7. ESTABLISHMENT OF FINANCING PROGRAM AND ISSUANCE OF PARITY OBLIGATIONS. That by adoption of the Master Ordinance the City has established the City of Fort Worth, Texas Water and Sewer System Revenue Financing Program for the purpose of providing a financing structure for revenue supported indebtedness of the System. The Master Ordinance is intended to establish a master plan under which revenue supported debt of the System can be incurred. This Twenty-Fifth Supplement provides for the authorization, issuance, sale, delivery, form, characteristics, provisions of payment and redemption, and security of the Bonds, which are a series of Parity Obligations. The Master Ordinance is incorporated herein by reference and as such made a part hereof for all purposes, except to the extent modified and supplemented hereby, and the Bonds are hereby declared to be Parity Obligations under the Master Ordinance. The City hereby determines that it will have sufficient funds to meet the financial obligations of the System, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the System and to meet all financial obligations of the City relating to the System.

Section 8. PLEDGE. (a) That the Bonds are and shall be secured by and payable from a first lien on and pledge of the Pledged Revenues; and the Pledged Revenues are further pledged to the establishment and maintenance of the Debt Service Fund, and to the Reserve Fund to the extent hereinafter provided. The Bonds are and will be secured by and payable only from the Pledged Revenues, and are not secured by or payable from a mortgage or deed of trust on any properties, whether real, personal, or mixed, constituting the System.

(b) Chapter 1208 applies to the issuance of the Bonds and the pledge of the Pledged Revenues granted by the City under subsection (a) of this Section, and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while the Bonds are outstanding and unpaid such that the pledge of the Pledged Revenues granted by the City is to be subject to the filing requirements of Chapter 9, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9 and enable a filing to perfect the security interest in said pledge to occur.

Section 9. DEBT SERVICE FUND ACCOUNTS. That with respect to the Bonds no special account need be established to facilitate the payment of debt service on the Bonds.

Section 10. RESERVE FUND. That the Reserve Fund shall be funded with proceeds of the Bonds, in the amount described in the letter of instructions executed in accordance with the provisions of Section 23(c) of this Twenty-Fifth Supplement.

Section 11. INVESTMENTS. That money in the Reserve Fund created under this Twenty-Fifth Supplement shall not be invested in securities with an average aggregate weighted maturity of greater than seven years. The value of the Reserve Fund, in addition to the annual determination described in the Master Ordinance, shall be established at the time or times withdrawals are made therefrom. Investments shall be sold promptly when necessary to prevent any default in connection with the Bonds. Earnings derived from the investment of moneys on deposit in the various Funds and Accounts shall be credited to the Fund or Account from which moneys used to acquire such investment shall have come.

Section 12. FLOW OF FUNDS. That all monies in the System Fund not required for paying Operating Expenses during each month shall be applied by the City, on or before the 10th day of the following month, commencing during the months and in the order of priority with respect to the Funds and Accounts that such applications are hereinafter set forth in this Section.

(a) Debt Service Fund - To the credit of the Debt Service Fund, in the following order of priority, to-wit:

(1) such amounts, deposited in approximately equal monthly installments, commencing during the month in which the Bonds are delivered, or the month thereafter if delivery is made after the 10th day thereof, as will be sufficient, together with other amounts, if any, in the Debt Service Fund available for such purpose, to pay the interest scheduled to come due on the Bonds on the next succeeding interest payment date; and

(2) such amounts, deposited in approximately equal monthly installments, commencing during the month which shall be the later to occur of, (i) the twelfth month before the first maturity date of the Bonds, or (ii) the month in which the Bonds are delivered, or the month thereafter if delivery is made after the 10th day thereof, as will be sufficient, together with other amounts, if any, in the Debt Service Fund available for such purpose, to pay the principal (including mandatory sinking fund redemption

payments, if any) scheduled to mature or come due on the Bonds on the next succeeding principal payment date or mandatory sinking fund redemption date, as the case may be.

(b) Reserve Fund. On the date of delivery of the Bonds to the purchasers thereof, the City shall deposit to the credit of the Reserve Fund the amount described in the letter of instructions executed in accordance with the provisions of Section 23(c) of this Twenty-Fifth Supplement. Thereafter, when and so long as the Reserve Fund Obligations in the Reserve Fund are not less than the Required Reserve Amount, no deposits need be made to the credit of the Reserve Fund. When and if the Reserve Fund at any time contains less than the Required Reserve Amount due to any other cause or condition then, subject and subordinate to making the required deposits to the credit of the Debt Service Fund, commencing with the month during which such deficiency occurs, such deficiency shall be made up from the next available Pledged Revenues or from any other sources available for such purpose, in monthly installments of not less than 1/12 of the Required Reserve Amount, in the manner provided in the Master Ordinance.

Section 13. PAYMENT OF BONDS. That on or before the first scheduled interest payment date, and on or before each interest payment date and principal payment date thereafter while any Bond is Outstanding and unpaid, the City shall make available to the Paying Agent/Registrar, out of the Debt Service Fund (and the Reserve Fund, if necessary) monies sufficient to pay such interest on and such principal amount of the Bonds, as shall become due on such dates, respectively, at maturity or by redemption prior to maturity. The Paying Agent/Registrar shall destroy all paid Bonds and furnish the City with an appropriate certificate of cancellation or destruction.

Section 14. COVENANTS REGARDING TAX-EXEMPTION. That the Issuer covenants to refrain from any action which would adversely affect, or to take such action as to ensure, the treatment of the Bonds as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

(a) to take any action to assure that no more than ten percent (10%) of the proceeds of the Bonds or the projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use", as defined in section 141(b)(6) of the Code or, if more than ten percent (10%) of the proceeds are so used, that amounts, whether or not received by the Issuer, with respect to such private business use, do not, under the terms of this Twenty-Fifth Supplement or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than ten percent (10%) of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(b) to take any action to assure that in the event that the "private business use" described in subsection (a) hereof exceeds five percent (5%) of the proceeds of the Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of five percent (5%) is used for a "private business use" which

is "related" and not "disproportionate", within the meaning of section 141(b)(3) of the Code, to the governmental use;

(c) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or five percent (5%) of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(d) to refrain from taking any action which would otherwise result in the Bonds being treated as "specified private activity bonds" within the meaning of section 141(b) of the Code;

(e) to refrain from taking any action that would result in the Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(f) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Bonds, other than investment property acquired with --

(1) proceeds of the Bonds invested for a reasonable temporary period until such proceeds are needed for the purpose for which the Bonds are issued,

(2) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(3) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed ten percent of the proceeds of the Bonds;

(g) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings); and

(h) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to ninety percent (90%) of the "Excess Earnings", within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than sixty (60) days after the Bonds have been paid in full, one hundred percent (100%) of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

For purposes of the foregoing clauses (a) and (b) above, the Issuer understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of a refunding bond, transferred proceeds (if any) and proceeds of the refunded bonds

expended prior to the date of the issuance of the Bonds. It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the Issuer will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally-recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally-recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of the foregoing, the Mayor, the City Manager, any Assistant City Manager, and the Chief Financial Officer of the City may execute any certificates or other reports required by the Code and to make such elections, on behalf of the City, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds. In order to facilitate compliance with the above clause (h), a "Rebate Fund" is hereby established by the City for the sole benefit of the United States of America, and the Rebate Fund shall not be subject to the claim of any other person, including, without limitation, the registered owners of the Bonds. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

Section 15. ALLOCATION OF, AND LIMITATION ON, EXPENDITURES FOR THE PROJECT; DISPOSITION OF PROJECT; WRITTEN PROCEDURES. (a) That the City covenants to account for on its books and records the expenditure of proceeds from the sale of the Bonds and any investment earnings thereon to be used for the improvement and extension of the System (referred to in this Section as a "Project") by allocating proceeds to expenditures within eighteen (18) months of the later of the date that (a) the expenditure on a Project is made or (b) each such Project is completed. The foregoing notwithstanding, the City shall not expend such proceeds or investment earnings more than sixty (60) days after the later of (a) the fifth anniversary of the date of delivery of the Bonds or (b) the date the Bonds are retired, unless the City obtains an opinion of nationally-recognized bond counsel substantially to the effect that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes of this Section, the City shall not be obligated to comply with this covenant if it obtains an opinion of nationally-recognized bond counsel to the effect that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(b) The City covenants that the property constituting a Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless the City obtains an opinion of nationally-recognized bond counsel substantially to the effect that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of this Section, the portion of the property comprising personal property and disposed of in the ordinary course of business shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes of this Section, the City shall not be obligated to comply with this covenant if it obtains an opinion of nationally-recognized bond counsel to the effect that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(c) Until superseded by another action of the City, the written procedures to ensure compliance with the covenants contained herein regarding private business use, remedial actions, arbitrage and rebate approved by the City in the Twenty-Third Supplement, apply to the issuance of the Bonds. The written procedures are attached to this Twenty-Fifth Supplement as Exhibit D.

Section 16. AMENDMENT OF TWENTY-FIFTH SUPPLEMENT. (a) That the owners of a majority in Outstanding Principal Amount of the Bonds shall have the right from time to time to approve any amendment to this Twenty-Fifth Supplement which may be deemed necessary or desirable by the City, provided, however, that nothing herein contained shall permit or be construed to permit the amendment of the terms and conditions in this Twenty-Fifth Supplement or in the Bonds so as to:

- (1) Make any change in the maturity of any of the Outstanding Bonds;
- (2) Reduce the rate of interest borne by any of the Outstanding Bonds;
- (3) Reduce the amount of the principal payable on the Outstanding Bonds;
- (4) Modify the terms of payment of principal of, premium, if any, or interest on the Outstanding Bonds or impose any conditions with respect to such payment;
- (5) Affect the rights of the owners of less than all of the Bonds then Outstanding;
- (6) Amend this clause (a) of this Section; or
- (7) Change the minimum percentage of the principal amount of Bonds necessary for consent to any amendment;

unless such amendment or amendments shall be approved by the owners of all of the Bonds then Outstanding.

(b) That if at any time the City shall desire to amend the Twenty-Fifth Supplement under this Section, the City shall cause notice of the proposed amendment to be published in a financial newspaper or journal published in the City of New York, New York, and a newspaper of general circulation in the City, once during each calendar week for at least two (2) successive calendar weeks. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of the Paying Agent/Registrar for inspection by all owners of the Bonds. Such publication is not required, however, if notice in writing is given to each owner of the Bonds.

(c) That whenever at any time not less than thirty (30) days, and within one year, from the date of the first publication of said notice or other service of written notice the City shall receive an instrument or instruments executed by the owners of at least a majority in Outstanding Principal Amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed amendment described in said notice and which specifically consent to and approve such amendment in substantially the form of the copy thereof on file with the Paying Agent/Registrar, the City Council of the City may pass such amendment in substantially the same form.

(d) That upon the passage of any such amendment pursuant to the provisions of this Section, this Twenty-Fifth Supplement shall be deemed to be amended in accordance with such amendment, and the respective rights, duties and obligations under this Twenty-Fifth Supplement of the City and all the owners of then Outstanding Bonds shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such amendment.

(e) That any consent given by the owners of a Bond pursuant to the provisions of this Section shall be irrevocable for a period of six (6) months from the date of the first publication of the notice provided for in this Section, and shall be conclusive and binding upon all future owners of the same Bond during such period. Such consent may be revoked at any time after six (6) months from the date of the first publication of such notice by the owner who gave such consent, or by a successor in title, by filing written notice thereof with the Paying Agent/Registrar and the City, but such revocation shall not be effective if the owners of at least a majority in Outstanding Principal Amount of the Bonds have, prior to the attempted revocation, consented to and approved the amendment.

(f) The foregoing provisions of this Section notwithstanding, the City by action of the City Council may amend this Twenty-Fifth Supplement without the consent of any owner of the Bonds or any other Parity Obligations, solely for any one or more of the following purposes:

(1) To add to the covenants and agreements of the City in this Twenty-Fifth Supplement contained, other covenants and agreements thereafter to be observed, grant additional rights or remedies to the owners of the Bonds or to surrender, restrict or limit any right or power herein reserved to or conferred upon the City;

(2) To make such provisions for the purpose of curing any ambiguity, or curing, correcting or supplementing any defective provision contained in this Twenty-Fifth Supplement, or in regard to clarifying matters or questions arising under this Twenty-Fifth Supplement, as are necessary or desirable and not contrary to or inconsistent with this Twenty-Fifth Supplement and which shall not adversely affect the interests of the owners of the Bonds then Outstanding;

(3) To modify any of the provisions of this Twenty-Fifth Supplement in any other respect whatever, provided that such modification shall be, and be expressed to be, effective only after the Bonds Outstanding at the date of the adoption of such modification shall cease to be Outstanding;

(4) To make such amendments to this Twenty-Fifth Supplement as may be required, in the opinion of Bond Counsel, to ensure compliance with sections 103 and 141 through 150 of the Code and the regulations promulgated thereunder and applicable thereto;

(5) To make such changes, modifications or amendments as may be necessary or desirable in order to allow the owners of the Bonds to thereafter avail themselves of a book-entry system for payments, transfers and other matters relating to the Bonds, which changes, modifications or amendments are not contrary to or inconsistent with other

provisions of this Twenty-Fifth Supplement and which shall not adversely affect the interests of the owners of the Bonds;

(6) To make such changes, modifications or amendments as are permitted by Section 18(c)(vi) of this Twenty-Fifth Supplement;

(7) To make such changes, modifications or amendments as may be necessary or desirable in order to obtain or maintain the granting of a rating on the Bonds by a Rating Agency or to obtain or maintain a Credit Agreement or a Credit Facility issued in support of the Bonds; and

(8) To make such changes, modifications or amendments as may be necessary or desirable, which shall not adversely affect the interests of the owners of the Bonds, in order, to the extent permitted by law, to facilitate the economic and practical utilization of interest rate swap agreements, foreign currency exchange agreements, or similar type of agreements with respect to the Bonds.

Notice of any such amendment may be published by the City in the manner described in clause (b) of this Section; provided, however, that the publication of such notice shall not constitute a condition precedent to the adoption of such amendatory ordinance and the failure to publish such notice shall not adversely affect the implementation of such amendment as adopted pursuant to such amendatory ordinance.

(g) Ownership of the Bonds shall be established by the Registration Books maintained by the Paying Agent/Registrar, in its capacity as registrar and transfer agent for the Bonds.

Section 17. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS.

(a) That in the event any Outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new bond of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

(b) Application for replacement of damaged, mutilated, lost, stolen, or destroyed Bonds shall be made to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the applicant for a replacement bond shall furnish to the City and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Bond, the applicant shall furnish to the City and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Bond, as the case may be. In every case of damage or mutilation of a Bond, the applicant shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

(c) Notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of, premium, if any, or interest on the Bond, the City may authorize the payment of the

same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a replacement Bond, provided security or indemnity is furnished as above provided in this Section.

(d) Prior to the issuance of any replacement bond, the Paying Agent/Registrar shall charge the owner of such Bond with all legal, printing, and other expenses in connection therewith. Every replacement bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the City whether the lost, stolen, or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Twenty-Fifth Supplement equally and proportionately with any and all other Bonds duly issued under this Twenty-Fifth Supplement.

(e) In accordance with Chapter 1206, this Section of this Twenty-Fifth Supplement shall constitute authority for the issuance of any such replacement bond without necessity of further action by the City Council of the City or any other body or person, and the duty of the replacement of such bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such bonds in the form and manner and with the effect, as provided in Section 5(a) of this Twenty-Fifth Supplement for Bonds issued in exchange for other Bonds.

Section 18. CONTINUING DISCLOSURE UNDERTAKING. (a) Annual Reports. (i) That the City shall provide annually to the MSRB, within six months after the end of each Fiscal Year ending in or after 2015, financial information and operating data with respect to the City of the general type described in Exhibit C hereto. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in Exhibit C hereto, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the City shall provide unaudited financial statements within such period and shall provide audited financial statements for the applicable Fiscal Year to the MSRB, when and if the audit report on such statements becomes available.

(ii) If the City changes its Fiscal Year, it will notify the MSRB of the change (and of the date of the new Fiscal Year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section. The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB or filed with the SEC. Filings shall be made electronically, in such format as is prescribed by the MSRB.

(b) Disclosure Event Notices. The City shall notify the MSRB of any of the following events with respect to the Bonds, in a timely manner not in excess of ten Business Days after the occurrence of the event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of holders of the Bonds, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the City;
13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material.

The City shall notify the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by subsection (a). As used in clause 12 above, the phrase "bankruptcy, insolvency, receivership or similar event" means the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if jurisdiction has been assumed by leaving the City Council and official or officers of the City in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

(c) Limitations, Disclaimers, and Amendments. (i) The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the City in any event will give notice of any deposit made in accordance with this Twenty-Fifth Supplement or applicable law that causes Bonds no longer to be outstanding.

(ii) The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City's financial results, condition, or prospects or to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

(iii) UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(iv) No default by the City in observing or performing its obligations under this Section shall comprise a breach of or default under this Twenty-Fifth Supplement for purposes of any other provision of this Twenty-Fifth Supplement. Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

(v) Should the Rule be amended to obligate the City to make filings with or provide notices to entities other than the MSRB, the City agrees to undertake such obligation in accordance with the Rule as amended.

(vi) The provisions of this Section may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Twenty-Fifth Supplement that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the holders and beneficial owners of the Bonds. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (a) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided.

Section 19. TWENTY-FIFTH SUPPLEMENT TO CONSTITUTE A CONTRACT; EQUAL SECURITY. That in consideration of the acceptance of the Bonds, the issuance of which is authorized hereunder, by those who shall hold the same from time to time, this Twenty-Fifth Supplement shall be deemed to be and shall constitute a contract between the City and the Holders from time to time of the Bonds and the pledge made in this Twenty-Fifth Supplement by the City and the covenants and agreements set forth in this Twenty-Fifth Supplement to be performed by the City shall be for the equal and proportionate benefit, security, and protection of all Holders, without preference, priority, or distinction as to security or otherwise of any of the Bonds authorized hereunder over any of the others by reason of time of issuance, sale, or maturity thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by this Twenty-Fifth Supplement.

Section 20. SEVERABILITY OF INVALID PROVISIONS. That if any one or more of the covenants, agreements, or provisions herein contained shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements, or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements, or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Bonds issued hereunder.

Section 21. PAYMENT AND PERFORMANCE ON BUSINESS DAYS. That, except as provided to the contrary in the FORM OF BOND, whenever under the terms of this Twenty-Fifth Supplement or the Bonds, the performance date of any provision hereof or thereof, including the payment of principal of or interest on the Bonds, shall occur on a day other than a Business Day, then the performance thereof, including the payment of principal of and interest on the Bonds, need not be made on such day but may be performed or paid, as the case may be, on the next succeeding Business Day with the same force and effect as if made on the date of performance or payment.

Section 22. LIMITATION OF BENEFITS WITH RESPECT TO THE TWENTY-FIFTH SUPPLEMENT. That with the exception of the rights or benefits herein expressly conferred, nothing expressed or contained herein or implied from the provisions of this Twenty-Fifth Supplement or the Bonds is intended or should be construed to confer upon or give to any person other than the City, the Holders, and the Paying Agent/Registrar, any legal or equitable right, remedy, or claim under or by reason of or in respect to this Twenty-Fifth Supplement or any covenant, condition, stipulation, promise, agreement, or provision herein contained. This Twenty-Fifth Supplement and all of the covenants, conditions, stipulations, promises, agreements, and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the City, the Holders, and the Paying Agent/Registrar as herein and therein provided.

Section 23. SALE OF BONDS; USE OF PROCEEDS. (a) Sale to TWDB. That the Bonds are hereby sold to TWDB for the price of par, less an origination fee of 1.85% of the principal amount of the Bonds. The Bonds have been purchased by the TWDB pursuant to its Resolution No. 14-106, adopted on November 20, 2014 ("TWDB Resolution No. 14-106"). The Bonds initially delivered shall be registered in the name of the Texas Water Development Board.

The Private Placement Memorandum prepared in connection with the sale of the Bonds to the TWDB in substantially the form attached to this Twenty-Fifth Supplement is approved. The City has determined, based upon the advice provided by its financial advisors, that acceptance of the purchase price for the Bonds is on terms advantageous to, and in the best interests of, the City.

(b) Notice from TWDB of Sale of Bonds. It is the intent of the parties to the sale of the Bonds that if TWDB ever determines to sell all or a part of the Bonds, it shall notify the City at least 60 days prior to the sale of the Bonds of the decision to so sell the Bonds.

(c) Proceeds. The proceeds from the sale of the Bonds shall be used in the manner described in the letter of instructions executed by the City, or on behalf of the City by its financial advisor.

(d) Payment by Wire Transfer. Payment of amounts due and owing on the Bonds to the TWDB shall be made by wire transfer, at no expense to the TWDB, as provided in the FORM OF BOND.

(e) Escrow Fund. By agreeing to the purchase the Bonds, the TWDB agrees that the bond proceeds shall be deposited into the escrow fund established in the Escrow Agreement between the City and BOKF, NA dba Bank of Texas, and that the procedures set forth in Section 5(e) of this Twenty-Fifth Supplement satisfy TWDB Resolution 14-106.

(f) Investment of Bond Proceeds. Proceeds from the sale of the Bonds shall be held at a designated state depository or other properly chartered and authorized institution in accordance with Chapter 2256, Texas Government Code, and Chapter 2257, Texas Government Code.

Section 24. PROJECT FUND. (a) Project Fund Created. That there is hereby created, established and maintained on the books of the City, a separate fund to be entitled the "City of Fort Worth, Texas Water and Sewer System Series 2015 Revenue Bonds Project Fund" (hereinafter called the "Project Fund"). Monies in the Project Fund shall be maintained at an official depository bank of the City.

(b) Use of Funds. Except as otherwise may be provided in Section 12 hereof, the proceeds of the Bonds shall be deposited into the Project Fund and used by the City for payment of the costs of extending and improving the System, and the payment of costs associated therewith, including any costs for engineering, financing, financial consultation, administrative, auditing and legal expenses. Amounts in the Project Fund shall be timely and expeditiously used to pay such costs, in compliance with applicable federal and State law.

(c) Surplus Proceeds. Any surplus proceeds, including the investment earnings derived from the investment of monies on deposit in the Project Fund, from the Bonds remaining on deposit in the Project Fund after completing the improvements and extensions to the System and upon the completion of the final accounting as described in Section 25(c) hereof, shall be transferred to the Debt Service Fund to redeem, in inverse order of maturity, the Bonds owned by

TWDB, unless the Executive Administrator of TWDB approves the use of such surplus proceeds to pay eligible costs of improving or extending the sewer system component of the System.

Section 25. **ADDITIONAL COVENANTS.** That in connection with the sale of the Bonds to the TWDB, the City covenants as follows:

(a) Compliance with the Texas Water Development Board's Rules and Regulations. The City covenants to comply with the rules and regulations of the TWDB, and to maintain insurance on the System in such amount as may be required by TWDB, as further addressed in subsection (h) of this Section.

(b) Audits. For so long as the State of Texas owns any of the Bonds, the City shall mail a copy of the audit required by the Master Ordinance to the TWDB. In addition, monthly operating statements for the System shall be maintained by the City and made available, on request, to the TWDB as long as the State of Texas owns any of the Bonds, and the monthly operating statement shall be in such detail as requested by the Development Fund Manager of the TWDB until this requirement is waived thereby.

(c) Final Accounting. The City shall render a final accounting to the TWDB in reference to the total cost incurred by the City for improvements and extensions to the System which were financed by the issuance of the Bonds, together with a copy of "as built" plans of such improvements and extensions upon completion.

(d) Defeasance. That should the City exercise its right under the Master Ordinance to effect the defeasance of the Bonds, the City agrees that it will provide the TWDB with written notice of any such defeasance.

(e) Segregation of Funds. The City covenants that proceeds of the Bonds shall remain separate and distinct from other sources of funding from the date of the TWDB commitment through costing and final disbursement.

(f) Environmental Indemnity. Proceeds from the Bonds shall not be used by the City when sampling, testing, removing, or disposing of contaminated soils and/or media at the project site. To the extent permitted by law, the City agrees to indemnify, hold harmless, and protect the TWDB from any and all claims, causes of action, or damages to the person or property of third parties arising from the sampling, analysis, transport, storage, treatment, and disposition of any contaminated sewage sludge, contaminated sediments, and/or contaminated media that may be generated by the City, its contractors, consultants, agents, officials, and employees as a result of activities relating to the project funded with proceeds of the Bonds.

(g) Environmental Determination. In connection with the project financed with the Bonds, the City agrees to implement any environmental determination issued by the Executive Administrator of TWDB to satisfy the environmental review requirements set forth in 31 Texas Administrative Code 371.

(h) Insurance. The City agrees that it will maintain insurance on the System in an amount sufficient to protect TWDB's interest in the project financed with the proceeds of the Bonds. The City may self-insure in respect to satisfying this covenant.

(i) Water Conservation Program. The City has implemented or will implement an approved water conservation program in compliance with 31 Texas Administrative Code 371.71(a)(2)(F).

(j) No Purchase of TWDB Bonds. The City agrees that it, nor any related party to the City, will not purchase, as an investment or otherwise, bonds issued by TWDB including, without limitation, bonds issued by TWDB, the proceeds of which were used by TWDB to purchase the Bonds.

(k) Compliance with Federal Contracting Law. The City agrees that all laborers and mechanics employed by the contractors and subcontractors for projects financed with the proceeds of the Bonds shall be paid wages at rates not less than those prevailing on projects of a similar characters in the City in accordance with the Davis-Bacon Act, and the U.S. Department of Labor's implementing regulations. The City, all contractors and all subcontractors shall ensure that all contracts for the projects financed with the proceeds of the Bonds mandate compliance with the Davis-Bacon Act. All contracts and subcontracts carried out in whole or in part for the construction of projects financed with the proceeds of the Bonds shall insert in full in any contract in excess of \$2,000 the contract clauses as provided by the TWDB.

(l) Compliance with Federal Funding Accountability and Transparency Act of 2006. The City agrees to provide to the TWDB all information required to be reported in accordance with the Federal Funding Accountability and Transparency Act of 2006, Pub. L. 109-282, as amended by Pub. L. 110-252. The City shall obtain a Data Universal Numbering System (DUNS) Number and shall register with System for Award Management (SAM), and maintain current registration at all times while the Bonds are outstanding.

(m) Compliance with 2014 Federal Appropriations Act. The City agrees that it will abide by all applicable construction contract requirements related to the use of iron and steel products produced in the United States, as required by the 2014 Federal Appropriations Act and related State Revolving Fund Policy Guidelines.

Section 26. FURTHER PROCEDURES. That the Mayor, the City Manager, any Assistant City Manager, the Chief Financial Officer of the City, the City Secretary or any Assistant City Secretary, and all other officers, employees, and agents of the City, and each of them, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the City all such instruments, whether herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Twenty-Fifth Supplement and the Bonds, including, but not limited to, conforming documents to receive the approval of the Texas Attorney General and to receive ratings from municipal bond rating agencies.

Section 27. APPROVAL AND REGISTRATION OF BONDS. That the City Manager of the City is hereby authorized to have control of the Bonds and all necessary records and proceedings pertaining to the Bonds pending their delivery and their investigation, examination and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Bonds, said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate accompanying the Bonds, and the seal of said Comptroller shall be impressed, or placed in facsimile, on each such certificate.

Section 28. DTC REGISTRATION. That the Bonds initially shall be issued and delivered in such manner that no physical distribution of the Bonds will be made to the public, and The Depository Trust Company ("DTC"), New York, New York, initially will act as depository for the Bonds. DTC has represented that it is a limited purpose trust company incorporated under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered under Section 17A of the Securities Exchange Act of 1934, as amended, and the City accepts, but in no way verifies, such representations. The Bonds initially authorized by this Twenty-Fifth Supplement shall be delivered to and registered in the name of CEDE & CO., the nominee of DTC. It is expected that DTC will hold the Bonds on behalf of the TWDB. So long as each Bond is registered in the name of CEDE & CO., the Paying Agent/Registrar shall treat and deal with DTC the same in all respects as if it were the actual and beneficial owner thereof. It is expected that DTC will maintain a book-entry system which will identify ownership of the Bonds in integral amounts of \$5,000, with transfers of ownership being effected on the records of DTC and its participants pursuant to rules and regulations established by them, and that the Bonds initially deposited with DTC shall be immobilized and not be further exchanged for substitute Bonds except as hereinafter provided. The City is not responsible or liable for any functions of DTC, will not be responsible for paying any fees or charges with respect to its services, will not be responsible or liable for maintaining, supervising, or reviewing the records of DTC or its participants, or protecting any interests or rights of the beneficial owners of the Bonds. It shall be the duty of the DTC Participants, as defined in the Official Statement herein approved, to make all arrangements with DTC to establish this book-entry system, the beneficial ownership of the Bonds, and the method of paying the fees and charges of DTC. The City does not represent nor does it in any way covenant that the initial book-entry system established with DTC will be maintained in the future. Notwithstanding the initial establishment of the foregoing book-entry system with DTC, if for any reason any of the originally delivered Bonds is duly filed with the Paying Agent/Registrar with proper request for transfer and substitution, as provided for in this Twenty-Fifth Supplement, substitute Bonds will be duly delivered as provided in this Twenty-Fifth Supplement, and there will be no assurance or representation that any book-entry system will be maintained for such Bonds. To effect the establishment of the foregoing book-entry system, the City has executed and filed with DTC the "Blanket DTC Letter of Representations" in the form provided by DTC to evidence the City's intent to establish said book-entry system.

Section 29. DEFAULT AND REMEDIES. (a) Events of Default. That each of the following occurrences or events for the purpose of this Twenty-Fifth Supplement is hereby declared to be an Event of Default:

(i) the failure to make payment of the principal of any of the Bonds when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the City, the failure to perform which materially, adversely affects the rights of the registered owners of the Bonds, including, but not limited to, their prospect or ability to be repaid in accordance with this Twenty-Fifth Supplement, and the continuation thereof for a period of sixty (60) days after notice of such default is given by any registered owner to the City.

(b) Remedies for Default.

(i) Upon the happening of any Event of Default, then and in every case, any registered owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the City, or any official, officer or employee of the City in their official capacity, for the purpose of protecting and enforcing the rights of the registered owners under this Twenty-Fifth Supplement, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the registered owners hereunder or any combination of such remedies.

(ii) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all registered owners of Bonds then Outstanding.

(c) Remedies Not Exclusive.

(i) For so long as TWDB owns any of the Bonds, it may exercise all remedies available to it in law or equity, and no remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Twenty-Fifth Supplement, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Twenty-Fifth Supplement.

(ii) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

(iii) By accepting the delivery of a Bond authorized under this Twenty-Fifth Supplement, such registered owner agrees that the certifications required to effectuate any covenants or representations contained in this Twenty-Fifth Supplement do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or members of the City or the City Council.

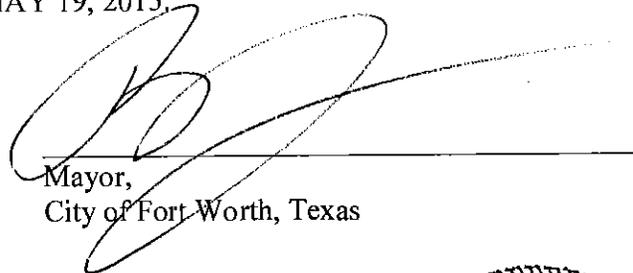
(iv) None of the members of the City Council, nor any other official or officer, agent, or employee of the City, shall be charged personally by the registered owners with any liability, or be held personally liable to the registered owners under any term or provision of this Twenty-Fifth Supplement, or because of any Event of Default or alleged Event of Default under this Twenty-Fifth Supplement.

Section 30. PREAMBLE. That the preamble to this Twenty-Fifth Supplement is hereby incorporated by reference, and is to be considered a part of the operative text of this Twenty-Fifth Supplement.

Section 31. RULES OF CONSTRUCTION. That for all purposes of this Twenty-Fifth Supplement, unless the context requires otherwise, all references to designated Sections and other subdivisions are to the Sections and other subdivisions of this Twenty-Fifth Supplement. The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Twenty-Fifth Supplement as a whole and not to any particular Section or other subdivision. Except where the context otherwise requires, terms defined in this Twenty-Fifth Supplement to impart the singular number shall be considered to include the plural number and vice versa. References to any named person means that party and its successors and assigns. References to any constitutional, statutory or regulatory provision means such provision as it exists on the date this Twenty-Fifth Supplement is adopted by the City and any future amendments thereto or successor provisions thereof. All ordinances and resolutions or parts thereof in conflict herewith are hereby repealed.

Section 32. IMMEDIATE EFFECT. That this Twenty-Fifth Supplement shall be effective immediately from and after its passage in accordance with the provisions of Section 1201.028, Texas Government Code, and it is accordingly so ordained.

ADOPTED AND EFFECTIVE MAY 19, 2015.



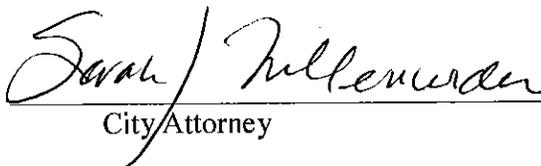
Mayor,
City of Fort Worth, Texas



City Secretary



APPROVED AS TO FORM AND LEGALITY:



City Attorney

EXHIBIT A

That, as used in this Twenty-Fifth Supplement, the following terms shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

"Authentication Certificate" shall have the meaning given said term in Section 5(a) of the Twenty-Fifth Supplement.

"Authorized Denomination" means Bonds in a denomination of \$5,000 or any integral multiple thereof.

"Bonds" means the Series 2015 Bonds.

"Business Day" means a day other than a Sunday, Saturday, a legal holiday, or a day on which banking institutions in the city where the Designated Trust Office of the Paying Agent/Registrar is located are authorized by law or executive order to close.

"Chapter 9" means Chapter 9, Texas Business & Commerce Code.

"Chapter 1206" means Chapter 1206, Texas Government Code.

"Chapter 1208" means Chapter 1208, Texas Government Code.

"Designated Trust Office" means the city so designated in Section 5(a) of the Twenty-Fifth Supplement.

"DTC" shall have the meaning given said term in Section 28 of the Twenty-Fifth Supplement.

"Eighteenth Supplement" means the ordinance authorizing the issuance of the Series 2010 Bonds.

"Fifteenth Supplement" means the ordinance authorizing the issuance of the Series 2007 Bonds.

"Fourteenth Supplement" means the ordinance authorizing the issuance of the Series 2005A Bonds.

"Master Ordinance" means the "Master Ordinance establishing the City of Fort Worth Texas Water and Sewer System Revenue Financing Program", passed by the City on December 10, 1991.

"MSRB" means the Municipal Securities Rulemaking Board.

"Nineteenth Supplement" means the ordinance authorizing the issuance of the Series 2010A Bonds.

"No Litigation Certificate" means a certificate executed by a Designated Financial Officer certifying that no litigation has been filed or, to the best knowledge of the Designated Financial Officer, threatened, pertaining to, affecting or contesting the issuance, delivery, payment, security or validity of any proposed delivery of the Bonds.

"Paying Agent/Registrar" means the financial institution specified in Section 5(a) of the Twenty-Fifth Supplement.

"Previously Issued Parity Bonds" means the Series 2005A Bonds, the Series 2007 Bonds, the Series 2008 Bonds, the Series 2009 Bonds, the Series 2010 Bonds, the Series 2010A Bonds, the Series 2010B Bonds, the Series 2010C Bonds, the Series 2011 Bonds, the Series 2012 Bonds and the Series 2014 Bonds.

"Registration Books" shall have the meaning given said term in Section 5(a) of the Twenty-Fifth Supplement.

"Rule" means SEC Rule 15c2-12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

"Series 2005A Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Refunding Bonds, Series 2005A, authorized by the Fourteenth Supplement.

"Series 2007 Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2007, authorized by the Fifteenth Supplement.

"Series 2008 Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Refunding Bonds, Series 2008, authorized by the Sixteenth Supplement.

"Series 2009 Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2009, authorized by the Seventeenth Supplement.

"Series 2010 Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Refunding Bonds, Series 2010, authorized by the Eighteenth Supplement.

"Series 2010A Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2010A, authorized by the Nineteenth Supplement.

"Series 2010B Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2010B, authorized by the Twentieth Supplement.

"Series 2010C Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2010C, authorized by the Twenty-First Supplement.

"Series 2011 Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2011, authorized by the Twenty-Second Supplement.

"Series 2012 Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Refunding Bonds, Series 2012, authorized by the Twenty-Third Supplement.

"Series 2014 Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2014, authorized by the Twenty-Fourth Supplement.

"Series 2015 Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2015, authorized by the Twenty-Fifth Supplement.

"Seventeenth Supplement" means the ordinance authorizing the issuance of the Series 2009 Bonds.

"Sixteenth Supplement" means the ordinance authorizing the issuance of the Series 2008 Bonds.

"State" means the State of Texas.

"Term Bonds" means those Bonds, if any, identified in the Twenty-Fifth Supplement as "term bonds".

"Treasury Regulations" means all applicable temporary, proposed and final regulations and procedures promulgated under the Code or promulgated under the Internal Revenue Code of 1954, to the extent applicable to the Code.

"Twentieth Supplement" means the ordinance authorizing the issuance of the Series 2010B Bonds.

"Twenty-First Supplement" means the ordinance authorizing the issuance of the Series 2010C Bonds.

"Twenty-Second Supplement" means the ordinance authorizing the issuance of the Series 2011 Bonds.

"Twenty-Third Supplement" means the ordinance authorizing the issuance of the Series 2012 Bonds.

"Twenty-Fourth Supplement" means the ordinance authorizing the issuance of the Series 2014 Bonds.

"Twenty-Fifth Supplement" means the ordinance authorizing the issuance of the Bonds.

EXHIBIT B

FORM OF BOND:

NO. _____

\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTIES OF TARRANT, DENTON, PARKER, JOHNSON AND WISE
CITY OF FORT WORTH, TEXAS
WATER AND SEWER SYSTEM
REVENUE BOND, SERIES 2015

MATURITY DATE

INTEREST RATE

DATE OF DELIVERY

CUSIP

ON THE MATURITY DATE SPECIFIED ABOVE, THE CITY OF FORT WORTH, IN TARRANT, DENTON, PARKER, JOHNSON AND WISE COUNTIES, TEXAS (the "Issuer"), hereby promises to pay to _____, or to the registered assignee hereof (either being hereinafter called the "registered owner") the principal amount of

_____ and to pay interest thereon from the date of delivery specified above, on August 15, 2015 and semiannually on each February 15 and August 15 thereafter to the maturity date specified above, or to the date of redemption prior to maturity, at the interest rate per annum specified above; except that if the Paying Agent/Registrar's Authentication Certificate appearing on the face of this Bond is dated later than August 15, 2015, such interest is payable semiannually on each February 15 and August 15 following such date.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity, or at redemption prior to maturity, at the designated corporate trust office in Austin, Texas (the "Designated Trust Office"), of BOKF, NA dba Bank of Texas, which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the ordinance authorizing the issuance of this Bond (the "Bond Ordinance") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at its address as it appeared on the last Business Day of the month next preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. Any accrued interest due at maturity or upon

the redemption of this Bond prior to maturity as provided herein shall be paid to the registered owner upon presentation and surrender of this Bond for redemption and payment at the Designated Trust Office of the Paying Agent/Registrar. The foregoing notwithstanding, so long as the Texas Water Development Board ("TWDB") is the registered owner of 100% in aggregate principal amount of the Bonds then outstanding, payment of principal of the Bonds shall be made thereto by wire transfer, at no expense to the TWDB. The Issuer has covenanted in the Bond Ordinance that on or before each principal payment date, interest payment date, and accrued interest payment date for this Bond it will make available to the Paying Agent/Registrar, from the "Debt Service Fund" created by the ordinance establishing the City of Fort Worth, Texas Water and Sewer System Revenue Financing Program (the "Master Ordinance"), the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

IN THE EVENT of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest ("Special Payment Date", which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each registered owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the City where the Designated Trust Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, any payment to the securities depository, or its nominee or registered assigns, shall be made in accordance with existing arrangements between the Board and the securities depository.

THIS BOND is one of a series of bonds of like tenor and effect except as to number, principal amount, interest rate, maturity, and right of prior redemption, dated as of June 1, 2015, aggregating \$39,000,000 (herein sometimes called the "Bonds"), issued for the purpose of (i) extending and improving the City's combined water and sewer system, to-wit, extending and improving the sewer system, (ii) funding a reserve fund for the Bonds, and (iii) paying the costs of issuance associated with the Bonds. The Bonds shall be issued in any denomination or denominations in any integral multiple of \$5,000 (an "Authorized Denomination"). All capitalized terms not defined herein shall have the same meaning as given said terms in the Master Ordinance or the Bond Ordinance.

THE OUTSTANDING BONDS maturing on and after February 15, 2026 may be redeemed prior to their scheduled maturities, at the option of the Issuer, in whole, or in part, and if in part, in inverse order of maturity, on August 15, 2025, or on any date thereafter, at the

redemption price of the principal amount of the Bonds called for redemption, and without premium; provided, that during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the Board and the securities depository.

NOTICE OF any such redemption of Bonds shall be given in the following manner, to-wit, (i) a written notice of such redemption shall be given to the registered owner of each Bond or a portion thereof being called for redemption not more than 60 days nor less than 30 days prior to the date fixed for such redemption by depositing such notice in the United States mail, first-class postage prepaid, addressed to each such registered owner at his address shown on the Registration Books of the Paying Agent/Registrar and (ii) at least 30 days prior to the date fixed for such redemption, a notice of such redemption shall either be published one time or posted electronically on the website of a financial journal or publication of general circulation in the United States of America or the State of Texas which carries as a regular feature notices of redemption of municipal bonds; provided, however, that the failure to send, mail, or receive such notice described in clause (i) above, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond, as publication or posting of notice as described in clause (ii) above shall be the only notice actually required in connection with or as a prerequisite to the redemption of any Bonds. By the date fixed for any such redemption due provision shall be made by the Issuer with the Paying Agent/Registrar for the payment of the required redemption price for this Bond or the portion hereof which is to be so redeemed. If such notice of redemption is given, and if due provision for such payment is made, all as provided above, this Bond or the portion hereof which is to be so redeemed, thereby automatically shall be redeemed prior to its scheduled maturity, and shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. The Paying Agent/Registrar shall record in the Registration Books all such redemptions of principal amount of this Bond or any portion hereof. If a portion of any Bond shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any Authorized Denomination at the written request of the registered owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Bond Ordinance. The years of maturity of the Bonds called for such redemption shall be selected by the Issuer. The Bonds or portions thereof redeemed within a maturity shall be selected by lot or other customary random method selected by the Paying Agent/Registrar (provided that a portion of a Bond may be redeemed only in an Authorized Denomination).

ALL BONDS OF THIS SERIES are issuable solely as fully registered bonds, without interest coupons, in the denomination of any Authorized Denomination. As provided in the Bond Ordinance, this Bond may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate amount of fully registered Bonds, without interest coupons, payable to the appropriate registered owner, assignee or assignees, as the case may be, having any authorized denomination or denominations as requested in writing by the appropriate registered owner, assignee or assignees, as the case

may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Ordinance. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar at the Designated Trust Office, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any authorized denomination to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Bond may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the registered owner. The one requesting such conversion and exchange shall pay the Paying Agent/Registrar's reasonable standard or customary fees and charges for converting and exchanging any Bond or portion thereof. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The foregoing notwithstanding, in the case of the conversion and exchange of an assigned and transferred Bond or Bonds or any portion or portions thereof, such fees and charges of the Paying Agent/Registrar will be paid by the Issuer. The Paying Agent/Registrar shall not be required (i) to make any such transfer, conversion or exchange during the period beginning at the opening of business 30 days before the day of the first mailing of a notice of redemption and ending at the close of business on the day of such mailing, or (ii) to transfer, convert or exchange any Bonds so selected for redemption when such redemption is scheduled to occur within 30 calendar days; provided, however, such limitation of transfer shall not be applicable to an exchange by the registered owner of an unredeemed balance of a Bond called for redemption in part.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Bond Ordinance that it promptly will appoint a competent and legally qualified substitute therefor, whose qualifications are substantially similar to the previous Paying Agent/Registrar it is replacing, and promptly will cause written notice thereof to be mailed to the registered owners of the Bonds.

WHENEVER the beneficial ownership of this Bond is determined by a book entry at a securities depository for the Bonds, the foregoing requirements of holding, delivering or transferring this Bond shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book entry to produce the same effect.

BY BECOMING the registered owner of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Master Ordinance and the Bond Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Master Ordinance and the Bond Ordinance are duly recorded and available for inspection in the official minutes and records of the Issuer, and agrees that the terms and provisions of this Bond, the Master Ordinance and the Bond Ordinance constitute a contract between each registered owner hereof and the Issuer.

THE BONDS are special obligations of the Issuer payable solely from and equally secured by a first lien on and pledge of the Pledged Revenues of the System. The Issuer has reserved the right, subject to the restrictions stated, and adopted by reference, in the Master Ordinance, to issue additional parity revenue obligations which also may be made payable from, and secured by a first lien on and pledge of, the Pledged Revenues. For a more complete description and identification of the revenues and funds pledged to the payment of the Bonds, and other obligations of the Issuer secured by and payable from the same source or sources as the Bonds, reference is hereby made to the Master Ordinance and the Bond Ordinance.

THE ISSUER has reserved the right, subject to the restrictions stated, and adopted by reference, in the Bond Ordinance, to amend the Bond Ordinance; and under some (but not all) circumstances amendments must be approved by the owners of a majority in Outstanding Principal Amount of the Bonds.

THE REGISTERED OWNER HEREOF shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation.

IT IS HEREBY certified and covenanted that this Bond has been duly and validly authorized, issued and delivered; and that all acts, conditions and things required or proper to be performed, exist and be done precedent to or in the authorization, issuance and delivery of this Bond have been performed, existed and been done in accordance with law.

IN WITNESS WHEREOF, this Bond has been signed with the imprinted or lithographed manual or facsimile signature of the Mayor of the Issuer, attested by the imprinted or lithographed facsimile signature of the City Secretary, and approved as to form and legality by the imprinted or lithographed facsimile signature of the City Attorney, and the official seal of the Issuer has been duly affixed to, printed, lithographed or impressed on this Bond.

CITY OF FORT WORTH, TEXAS

(SEAL)

By _____
Mayor, City of Fort Worth, Texas

ATTEST:

City Secretary, City of Fort Worth, Texas

APPROVED AS TO FORM AND LEGALITY:

City Attorney, City of Fort Worth, Texas

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE:

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

(To be executed if this Bond is not accompanied by an executed
Registration Certificate of the Comptroller of Public Accounts
of the State of Texas)

It is hereby certified that this Bond has been issued under the provisions of the proceedings adopted by the Issuer as described in the text of this Bond; and that this Bond has been issued in exchange for or replacement of a bond, bonds, or a portion of a bond or bonds of an issue which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated _____

BOKF, NA dba BANK OF TEXAS,
Paying Agent/Registrar

By _____
Authorized Signatory

FORM OF COMPTROLLER'S REGISTRATION CERTIFICATE:

OFFICE OF COMPTROLLER :

REGISTER NO. _____

STATE OF TEXAS :

I hereby certify that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas and that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this _____.

Comptroller of Public Accounts of the
State of Texas

(SEAL)

FORM OF ASSIGNMENT:

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Please insert Social Security or Taxpayer Identification Number of Transferee

(Please print or typewrite name and address, including zip code of Transferee)

the within Bond and all rights thereunder, and hereby

irrevocably constitutes and appoints _____

attorney to register the transfer of the within Bond on the

books kept for registration thereof, with full power of

substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

NOTICE: The signature(s) above must correspond with the name of the Registered Owner as it appears upon the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.

FORM OF PRINCIPAL ADVANCEMENT LEDGER
(To appear on Initial Bonds only)

PRINCIPAL ADVANCEMENT LEDGER

<u>Principal Amount Advanced</u>	<u>Date Advanced</u>	<u>Principal Amount Remaining</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

**Exhibit C
to Twenty-Fifth
Supplemental Ordinance**

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 18 of this Twenty-Fifth Supplement.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the City to be provided annually in accordance with such Section are as specified (and included in the Appendix or under the headings of the Official Statement referred to) below:

Tables 1 through 15 contained in the Official Statement relating to the sale of the Series 2014 Bonds; and

"Excerpts from the Annual Financial Report", as set forth in Appendix B to the Official Statement

Accounting Principles

The accounting principles referred to in such Section are the accounting principles described in the notes to the financial statements referred to in paragraph 1 above.

EXHIBIT D

WRITTEN PROCEDURES RELATING TO CONTINUING COMPLIANCE WITH FEDERAL TAX COVENANTS

These procedures, together with any federal tax certifications, provisions included in the authorizing document (the "Ordinance") with respect to the issuance and sale of Obligations (as defined below), letters of instructions and/or memoranda from bond counsel and any attachments thereto (the "Closing Documents"), are intended to assist the Issuer in complying with federal guidelines related to the issuance of any tax-exempt debt such as the Bonds (the "Obligations").

A. Arbitrage Compliance. Federal income tax laws generally restrict the ability to earn arbitrage in connection with the Obligations. The Responsible Person (as defined below) will review the Closing Documents periodically (at least once a fiscal year) to ascertain if an exception to arbitrage compliance applies.

Procedures applicable to Obligations issued for construction and acquisition purposes. With respect to the investment and expenditure of the proceeds of the Obligations that are issued to finance public improvements or to acquire land or personal property, the Issuer's Chief Financial Officer and City Treasurer (such officers, together with other employees of the Issuer who report to such officers, are, collectively, the "Responsible Person") will:

1. Instruct the appropriate person who is primarily responsible for the construction, renovation or acquisition of the facilities financed or refinanced with the Obligations (the "Project") that (i) binding contracts for the expenditure of at least 5% of the proceeds of the Obligations are entered into within six months of the date of closing of the Obligations (the "Issue Date") and that (ii) the Project must proceed with due diligence;
2. Monitor that at least 85% of the proceeds of the Obligations to be used for the construction, renovation or acquisition of the Project are expended within three years of the Issue Date;
3. Monitor the yield on the investments purchased with proceeds of the Obligations and restrict the yield of such investments to the yield on the Obligations after three years of the Issue Date;
4. Monitor all amounts deposited into a sinking fund or funds pledged (directly or indirectly) to the payment of the Obligations, such as the interest and sinking fund or debt service fund, to assure that the maximum amount invested within such applicable fund at a yield higher than the yield on the Obligations does not exceed an amount equal to the debt service on the Obligations in the succeeding twelve-month period plus a carryover amount equal to one-twelfth of the principal and

interest payable on the Obligations for the immediately preceding twelve-month period; and

5. Ensure that no more than 50% of the proceeds of the Obligations are invested in an investment with a guaranteed yield for four years or more.

Procedures applicable to Obligations with a debt service reserve fund. In addition to the foregoing, if the Issuer issues Obligations that are secured by a debt service reserve fund, the Responsible Person will assure that the maximum amount of any reserve fund for the Obligations invested at a yield higher than the yield on the Obligations will not exceed the lesser of (1) 10% of the principal amount of the Obligations, (2) 125% of the average annual debt service on the Obligations measured as of the Issue Date, or (3) 100% of the maximum annual debt service on the Obligations as of the Issue Date.

Procedures applicable to Escrow Accounts for Refunding Issues. In addition to the foregoing, if the Issuer issues Obligations and proceeds are deposited to an escrow fund to be administered pursuant to the terms of an escrow agreement, the Responsible Person will:

1. Monitor the actions of the escrow agent to ensure compliance with the applicable provisions of the escrow agreement, including with respect to reinvestment of cash balances;
2. Contact the escrow agent on the date of redemption of obligations being refunded to ensure that they were redeemed; and
3. Monitor any unspent proceeds of the refunded obligations to ensure that the yield on any investments applicable to such proceeds are invested at the yield on the applicable obligations or otherwise applied.

Procedures applicable to all Tax-Exempt Obligations. For all issuances of Obligations, the Responsible Person will:

1. Maintain any official action of the Issuer (such as a reimbursement resolution) stating the Issuer's intent to reimburse with the proceeds of the Obligations any amount expended prior to the Issue Date for the acquisition, renovation or construction of the facilities;
2. Ensure that the applicable information return (e.g., Form 8038-G, 8038-GC, or any successor forms) is timely filed with the Internal Revenue Service (the "IRS"); and
3. Assure that, unless excepted from rebate and yield restriction under section 148(f) of the Code, excess investment earnings are computed and paid to the U.S. government at such time and in such manner as directed by the IRS (i) at least every five years after the Issue Date and (ii) within 30 days after the date the Obligations are retired.

B. Private Business Use. Generally, to be tax-exempt, only an insignificant amount of the proceeds of each issue of Obligations can benefit (directly or indirectly) private businesses. The Responsible Person will review the Closing Documents periodically (at least once a fiscal year) for the purpose of determining that the use of the Project does not violate provisions of federal tax law that pertain to private business use. In addition, the Responsible Persons will:

1. Develop procedures or a "tracking system" to identify all property financed with tax-exempt debt;
2. Monitor and record the date on which the Project is substantially complete and available to be used for the purpose intended;
3. Monitor and record whether, at any time the Obligations are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public, has any contractual right (such as a lease, purchase, management or other service agreement) with respect to any portion of the Project;
4. Monitor and record whether, at any time the Obligations are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public, has a right to use the output of the Project (e.g., water, gas, electricity);
5. Monitor and record whether, at any time the Obligations are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public, has a right to use the Project to conduct or to direct the conduct of research;
6. Monitor and record whether, at any time the Obligations are outstanding, any person, other than the Issuer, has a naming right for the Project or any other contractual right granting an intangible benefit;
7. Monitor and record whether, at any time the Obligations are outstanding, the Project is sold or otherwise disposed of; and
8. Take such action as is necessary to remediate any failure to maintain compliance with the covenants contained in the Ordinance related to the public use of the Project.

C. Record Retention. The Responsible Person will maintain or cause to be maintained all records relating to the investment and expenditure of the proceeds of the Obligations and the use of the facilities financed or refinanced thereby for a period ending three years after the complete extinguishment of the Obligations. If any portion of the Obligations is refunded with the proceeds of another series of tax-exempt Obligations, such records shall be maintained until the three years after the refunding Obligations are completely extinguished. Such records can be maintained in paper or electronic format.

D. Responsible Persons. Each Responsible Person shall receive appropriate training regarding the Issuer's accounting system, contract intake system, facilities management and other systems necessary to track the investment and expenditure of the proceeds and the use of the Project financed or refinanced with the proceeds of the Obligations. The foregoing notwithstanding, each Responsible Person shall report to the City Council whenever experienced advisors and agents may be necessary to carry out the purposes of these instructions for the purpose of seeking City Council approval to engage or utilize existing advisors and agents for such purposes.

PRIVATE PLACEMENT MEMORANDUM DATED MAY 19, 2015

NEW ISSUE BOOK-ENTRY-ONLY

On the date of initial delivery of the Bonds (defined below), Co-Bond Counsel (defined on page 2) will render its opinion substantially in the form attached in APPENDIX C - FORM OF OPINION OF CO-BOND COUNSEL.

\$39,000,000

CITY OF FORT WORTH, TEXAS

WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2015 (the "Bonds")

Dated: June 1, 2015

Due: February 15

Interest Date: Interest on the Bonds will be payable on August 15, 2015, and on each August 15 and February 15 each year thereafter until maturity or prior redemption (each an "Interest Payment Date"). The Bonds will bear interest at the rates per annum set forth in "APPENDIX A - MATURITY SCHEDULE."

Record Date: The close of business on the last business day of the calendar month immediately preceding the applicable Interest Payment Date.

Date Interest Accrues: Each Bond shall bear interest from the Delivery Date thereof or the most recent Interest Payment Date to which interest has been paid or provided for at the rate set forth for such maturity.

Redemption: The Bonds are subject to redemption prior to maturity as provided herein. See "THE BONDS - Redemption Provisions" herein.

Authorized Denominations: The Bonds are being issued as fully registered obligations in denominations of \$5,000, or any integral multiple thereof within a maturity.

Paying Agent/Registrar/Registrar: The paying agent ("Paying Agent/Registrar/Registrar") for the Bonds is BOKF, NA, d/b/a Bank of Texas, Austin, Texas.

Book-Entry-Only System Upon initial issuance, the ownership of the Bonds will be registered in the registration books of the City of Fort Worth, Texas (the "Issuer") kept by the Paying Agent/Registrar, in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC") to which principal, redemption premium, if any, and interest payments on the Bonds will be made. The purchasers of the Bonds will not receive physical delivery of bond certificates. Principal of, interest, and premium if any, on the Bonds will be payable at the designated office of the Paying Agent/Registrar in Austin, Texas as the same become due and payable.

Issuer: City of Fort Worth, Texas

Official Action: Twenty-Fifth Supplemental Ordinance, adopted May 19, 2015. See "APPENDIX B".

Purpose: The Bonds are being issued for the purpose of (i) extending and improving the City's combined water and sewer system, to-wit, extending and improving the sewer system, (ii) funding a debt service reserve fund, and (iii) paying the costs of issuance of the Bonds.

Security for the Bonds: See "SECTION 8. PLEDGE" OF "APPENDIX B - FORM OF OFFICIAL ACTION."

Ratings: See "OTHER INFORMATION - Ratings"

Delivery Date: June 18, 2015.

See "APPENDIX A - MATURITY SCHEDULE" for Principal Amounts,
Maturities, Interest Rates, Prices or Yields, and CUSIP Numbers

CITY OF FORT WORTH, TEXAS

ELECTED OFFICIALS

<u>City Council</u>	<u>Term Expires</u>	<u>Occupation</u>
Betsy Price Mayor, Place 1	May 2015	Mayor
Salvador Espino Councilmember, Place 2	May 2015	Attorney
W.B. 'Zim' Zimmerman Councilmember, Place 3	May 2015	Aircraft Industry Consultant
Danny Scarth Councilmember, Place 4	May 2015	Executive Director of Hope Media
Gyna Bivens Councilmember, Place 5	May 2015	President and Executive Director of North Texas LEAD
Jungus Jordan Councilmember, Place 6	May 2015	Retired Air Force/Economist/Cook Children's
Dennis Shingleton Councilmember, Place 7	May 2015	Sr. Associate Dean of Finance and Administration at UNTHSC
Kelly Allen Gray Councilmember, Place 8	May 2015	Councilmember
Ann Zadeh Councilmember, Place 9	May 2015	Councilmember

SELECTED ADMINISTRATIVE STAFF

<u>Name</u>	<u>Position</u>	<u>Length of Service in Present Position</u>	<u>Length of Service With City</u>
David Cooke	City Manager	8 Months	8 Months
Susan Alanis	Assistant City Manager	4 Years	15 Years
Fernando Costa	Assistant City Manager	6 Years	15 Years
Rudy Jackson	Acting Assistant City Manager	2 1/2 Months	33 Years
Aaron J. Bovos	Chief Financial Officer	1 Year	1 Year
Sarah Fullenwider	City Attorney	4 Years	17 Years
Mary J. Kayser	City Secretary	3 Years	3 Years
John Carman	Director of Water Department	1 Month	1 Month

CONSULTANTS AND ADVISORS

Co-Bond Counsel..... McCall, Parkhurst & Horton L.L.P.
Dallas, Texas

Kelly Hart & Hallman LLP
Fort Worth, Texas

Co-Financial Advisors..... First Southwest Company LLC
Fort Worth, Texas

Estrada Hinojosa & Company, Inc.
Dallas, Texas

TABLE OF CONTENTS

	Page
INTRODUCTION.....	I
THE BONDS.....	1
General Description.....	1
Purpose.....	1
Authority for Issuance.....	1
Security for the Bonds.....	1
Redemption Provisions.....	1
Notice of Redemption; Selection of Bonds to Be Redeemed.....	2
Book-Entry-Only System.....	2
TAX MATTERS.....	4
Opinion.....	4
OTHER INFORMATION.....	4
Forward-Looking Statements.....	4
Ratings.....	4
LITIGATION.....	4
CONTINUING DISCLOSURE OF INFORMATION.....	4
Compliance with Prior Undertakings.....	4
MISCELLANEOUS.....	5
ADDITIONAL INFORMATION.....	5
APPENDIX A MATURITY SCHEDULE	
APPENDIX B FORM OF OFFICIAL ACTION	
APPENDIX C FORM OF OPINION OF CO-BOND COUNSEL	

**Private Placement Memorandum
relating to**

\$39,000,000

**CITY OF FORT WORTH, TEXAS
WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2015
(the "Bonds")**

INTRODUCTION

This Private Placement Memorandum, including the cover page and appendices, contains brief descriptions of the Issuer, provides certain information with respect to the issuance by the Issuer, and summaries of certain provisions of the Bonds pursuant to the Official Action. Except as otherwise set forth herein, capitalized terms used but not defined in this Private Placement Memorandum have the meanings assigned to them in the Official Action. See "APPENDIX B – FORM OF OFFICIAL ACTION" attached hereto.

APPENDIX A contains the maturity schedule for the Bonds. APPENDIX B contains the Official Action and a description of the purpose for the proceeds of the Bonds. APPENDIX C contains a copy of the proposed opinion of Co-Bond Counsel with respect to the Bonds. The summaries of the documents contained in the body of this Private Placement Memorandum are not complete or definitive, and every statement made in this Private Placement Memorandum concerning any provision of any document is qualified by reference to such document in its entirety.

THE BONDS

General Description

The Bonds are being issued in the aggregate principal amount set forth in APPENDIX A of this Private Placement Memorandum and will mature and be subject to redemption prior to maturity as described in APPENDIX A. The Bonds are being issued as fully registered bonds in denominations of \$5,000, or any integral multiple thereof within a maturity. The Bonds will be dated June 1, 2015 and will mature on the dates referenced thereon, and will bear interest at the rates per annum set forth in "APPENDIX A - MATURITY SCHEDULE."

Interest on the Bonds is payable semiannually on each Interest Payment Date, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Principal of and the redemption price with respect to the Bonds will be payable to the Owners upon presentation and surrender at the designated office of the Paying Agent/Registrar; provided, however, that so long as Cede & Co. (or other DTC nominee) is the registered owner of the Bonds, all payments will be made as described under "THE BONDS - Book-Entry-Only System" herein.

Purpose

See "APPENDIX B - FORM OF OFFICIAL ACTION."

Authority for Issuance

The Bonds are issued pursuant to the Constitution and general laws of the State of Texas, particularly Chapter 1502, Texas Government Code, and the terms of the Master Ordinance and the Twenty-Fifth Supplemental Ordinance (collectively, the "Ordinance").

Security for the Bonds

See "APPENDIX B - FORM OF OFFICIAL ACTION."

Redemption Provisions

On August 15, 2025, or on any date thereafter, the Bonds maturing on and after February 15, 2026 may be redeemed prior to their scheduled maturities, upon the written direction of the Issuer, with funds provided by the

Issuer, at par plus accrued interest to the date fixed for redemption as a whole, or in part in inverse order of maturity, and if less than all of the Bonds of a stated maturity are to be redeemed the Paying Agent/Registrar will determine by lot the Bonds, or portions thereof within such maturity to be redeemed (provided that a portion of a Bond may be redeemed only in Authorized Denominations).

Notice of Redemption; Selection of Bonds to Be Redeemed

See "APPENDIX B - FORM OF OFFICIAL ACTION."

The Paying Agent/Registrar, so long as a Book-Entry-Only System is used for the Bonds, will send any notice of redemption of the Bonds, notice of any proposed amendment to the Official Action or other notices with respect to the Bonds only to DTC. Any failure by DTC to advise any DTC Participant (defined below), or of any DTC participant to notify the beneficial owner, shall not affect the validity of the redemption of the Bonds called for redemption or any other action premised on any such notice. Redemption of portions of the Bonds by the Issuer will reduce the outstanding principal amount of such Bonds held by DTC.

Book-Entry-Only System

The information in this caption concerning The Depository Trust Company, New York, New York ("DTC") and DTC's book entry system has been obtained from DTC and the Issuer makes no representation or warranty nor takes any responsibility for the accuracy or completeness of such information.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds and deposited with DTC. See APPENDIX B - "FORM OF OFFICIAL ACTION."

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument (from over 100 countries) that DTC's participants (the "Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions, in deposited securities, through electronic computerized book entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearance Corporation, and Fixed Income Clearance Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). Direct Participants and Indirect Participants are referred to herein collectively as "Participants". DTC has a Standard & Poor's rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Participant through which the Beneficial Owner entered into the transaction.

Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Bonds representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Money Market Instrument Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

All payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. All payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) are the responsibility of the Issuer or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bonds are required to be printed and delivered.

With the consent of the Texas Water Development Board, the Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bonds will be printed and delivered to DTC or successor securities depository.

TAX MATTERS

Opinion

Co-Bond Counsel will deliver its opinion on the date of delivery of the Bonds substantially in the form as attached in "APPENDIX C - FORM OF OPINION OF CO-BOND COUNSEL."

OTHER INFORMATION

Forward-Looking Statements

The statements contained in this Private Placement Memorandum, including the cover page, appendices, and any other information or documents provided by the Issuer, that are not purely historical, are forward-looking statements, including statements regarding the Issuer's assumptions, expectations, hopes, intentions, or strategies regarding the future. Any of such assumptions, expectations or hopes could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included herein will prove to be accurate. Holders of the Bonds should not place undue reliance on forward-looking statements. All forward-looking statements included in this Private Placement Memorandum are based on information available to the Issuer on the date hereof, and the Issuer assumes no obligation to update any such forward-looking statements. It is important to note that the Issuer's actual results could differ materially from those in such forward-looking statements.

Ratings

The existing outstanding water and sewer senior lien revenue bonds of the City are rated "AA" by Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, "AA" by Fitch Ratings and "Aa1" by Moody's Investors Service, Inc. An explanation of the significance of such ratings may be obtained from the company furnishing the rating. The ratings reflect only the respective views of such rating companies, and the City makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time, or that they will not be revised downward or withdrawn entirely by either or both of such rating companies, if in the judgment of either or both companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings, by either of them, may have an adverse effect on the market price of the Bonds. **No application has been made to any rating agency or municipal bond insurance company for qualification of the Bonds for ratings or municipal bond insurance, respectively.**

LITIGATION

There is no litigation, proceeding, inquiry, or investigation pending by or before any court or other governmental authority or entity (or, to the best knowledge of the Issuer, threatened) that adversely affects the power, authority or obligation of the Issuer to deliver the Bonds, the security for, or the validity of, the Bonds or the financial condition of the Issuer. On the date of initial delivery of Bonds, the Issuer will execute and deliver a certificate of like effect to the purchaser of the Bonds.

CONTINUING DISCLOSURE OF INFORMATION

In the Official Action, the Issuer has made a continuing disclosure agreement for the benefit of the holders of the Bonds. The Issuer is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the Issuer will be obligated to provide certain updated financial information and operating data, and timely notice of certain specified events, to the Municipal Securities Rulemaking Board as further described in the Official Action attached hereto as APPENDIX B.

Compliance with Prior Undertakings

During the last five years, the Issuer has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule. During the time when the City was unable to timely prepare its audited financial statements, in order to comply with the Rule, the City filed unaudited financial information for the fiscal years in question, and promptly filed audited financial statements once available.

MISCELLANEOUS

Any statements made in this Private Placement Memorandum involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Private Placement Memorandum nor any statement that may have been made orally or in writing is to be construed as a contract with the owners of the Bonds.

The information contained above is neither guaranteed as to accuracy or completeness nor shall be construed as a representation by the Issuer. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Private Placement Memorandum nor any sale made hereunder shall create, under any circumstances, any implication that there has been no change in the affairs of the Issuer or the Issuer from the date hereof.

The Private Placement Memorandum is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

ADDITIONAL INFORMATION

The Private Placement Memorandum speaks only as of its date and the information contained herein is subject to change. Descriptions of the Bonds and the Official Action and any other agreements and documents contained herein constitute summaries of certain provisions thereof and do not purport to be complete.

[THE FOLLOWING APPENDICES ARE OMITTED

APPENDIX A MATURITY SCHEDULE

APPENDIX B FORM OF OFFICIAL ACTION

APPENDIX C FORM OF OPINION OF CO-BOND COUNSEL]

THE STATE OF TEXAS :
COUNTIES OF TARRANT AND DENTON :
CITY OF FORT WORTH :

On the 10th day of December, 1991, the City Council of the City of Fort Worth, Texas met in regular, open, public maating in the City Council Chamber in tha City Hall with tha following members presant, to-wit:

Kay Granger	:	Mayor,
Virginia Nell Webber,	:	Mayor Pro-Tem,
Carlos Puente,	:	
Chuck Silcox,	:	
Morris Matson,	:	
Eugene McCray,	:	Councilmembers,
Jewel Woods,	:	
Bill Meadows,	:	
David Chappell,	:	
David Ivory,	:	City Manager,
Wada Adkins,	:	City Attorney,
Gloria Peareon,	:	Aseistant City Secratary,

with more than a quorum present; and after tha City Council had transacted certain business, the following business was transacted, to-wit:

Councilmember Morris Matson introducad an ordinance and moved its passage. The motion was seconded by Councilmember Jawel Woods. Councilmember Carlos Puente was absent from the maating, and Councilmember Bill Meadows was absant at the time of voting. The ordinance was read by tha Assistant City Sactetary. Tha motion, carrying with it the passaga of the ordinance prevailed unaniamously. The ordinance as passed is as follows:

ORDINANCE NO. 10968

MASTER ORDINANCE ESTABLISHING THE
CITY OF FORT WORTH, TEXAS WATER AND SEWER SYSTEM
REVENUE FINANCING PROGRAM

THE STATE OF TEXAS :
COUNTIES OF TARRANT AND DENTON :
CITY OF FORT WORTH :

WHEREAS, the City of Fort Worth, Texas (the "City" or the "Issuer"), a "home-rule" city operating under a home-rule charter adopted pursuant to Section 5 of Article XI of the Texas Constitution, with a population according to the latest federal decennial census in excess of 90,000, has heretofore issued and has outstanding its City of Fort Worth, Texas Water and Sewer System Revenue Refunding Bonds, Series 1984, City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 1984A, City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 1985, City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 1986, City of Fort Worth, Texas Water and Sewer System Revenue Refunding Bonds, Series 1986-A, City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 1987 and City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 1988 (together, the "Previously Issued Parity Bonds"); and

WHEREAS, in the ordinances authorizing the issuance of the Previously Issued Parity Bonds (together, the "Prior Lien Bond Ordinance"), the Previously Issued Parity Bonds were secured by a first lien on and pledge of the "Pledged Revenue" of the "System" (each as defined in the Prior Lien Bond Ordinance); and

WHEREAS, the City reserved the right in the Prior Lien Bond Ordinance to issue obligations payable from a subordinate lien on the Pledged Revenues to that granted to the Previously Issued Parity Bonds; end

WHEREAS, on March 8, 1990, the City adopted an ordinance authorizing the establishment of a commercial paper program and the issuances of commercial paper notes in a principal amount at any time outstanding not to exceed \$75,000,000 (the "Series A Notes"); and

WHEREAS, the Series A Notes are secured in part by a line of credit with The Mitsui Teiyo Kobe Bank, Limited (the "Bank"); and

WHEREAS, the City has pledged to the Bank as security for said line of credit a lien on and pledge of the Pledged Revenues subordinate to that securing the Previously Issued Parity Bonds; and

WHEREAS, in order to reduce costs, increase borrowing capacity, provide additional security to the credit markets, and provide the City with greater financial flexibility to meet the financing needs of the System, the City deems it necessary and desirable to establish a revised financing structure for revenue supported indebtedness of the System; and

WHEREAS, the terms used in this Ordinance and not otherwise defined shall have the meaning given Exhibit A to this Ordinance attached hereto and made a part hereof;

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FORT WORTH, TEXAS THAT:

Section 1. ESTABLISHMENT OF REVENUE FINANCING PROGRAM AND ISSUANCE OF PARITY OBLIGATIONS. There is hereby established the City of Fort Worth, Texas Water and Sewer System Revenue Financing Program for the purpose of providing a financing structure for revenue supported indebtedness of the System. This Ordinance is intended to establish a master program under which revenue supported indebtedness attributable to the System and payable from Pledged Revenues can be incurred. It is hereby authorized that revenue supported indebtedness may be issued, incurred or assumed pursuant to the terms of a Supplement. Each Supplement shall provide for the authorization, issuance, sale, delivery, form, characteristics, provisions of payment and redemption, and security of such issue or series of Parity Obligations and any other matters related to Parity Obligations not inconsistent with the Constitution and laws of the State of Texas or the provisions of this Ordinance.

Section 2. PLEDGE. The Parity Obligations are and shall be secured by and payable from a first lien on and pledge of the Pledged Revenues, including such revenues within the System Fund created by this Ordinance, in accordance with the terms of this Ordinance and any Supplement; and the Pledged Revenues are further pledged to the establishment and maintenance of the Debt Service Fund as provided in accordance with the terms of this Ordinance and the Funds and Accounts as provided in accordance with the terms of any Supplement. The Parity Obligations are and will be secured by and payable only from the Pledged Revenues, and are not secured by

or payable from a mortgage or deed of trust on any properties, whether real, personal, or mixed, constituting the System. The owners of the Parity Obligations shall never have the right to demand payment out of funds raised or to be raised by taxation, or from any source other than specified in this Ordinance or any Supplement.

Section 3. RATE COVENANT. The City will fix, establish, maintain and collect such rates, charges and fees for the use and availability of the System at all times as are necessary to produce Gross Revenues and other Pledged Revenues sufficient (1) to pay all current Operating Expenses, (2) to produce Net Revenues for each Fiscal Year at least equal to the Annual Debt Service Requirements during such Fiscal Year of the then Outstanding Parity Obligations, and (3) to pay all other financial obligations of the System reasonably anticipated to be paid from Gross Revenues.

Section 4. GENERAL COVENANTS. While any of the Parity Obligations is Outstanding, the City further covenants and agrees that in accordance with and to the extent required or permitted by law:

(a) PERFORMANCE. It will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Ordinance and any Supplement; it will promptly pay or cause to be paid the principal amount of and interest on every Parity Obligation, on the dates and in the places and manner prescribed in a Supplement and such Parity Obligations; and it will, at the time and in the manner prescribed, deposit or cause to

be deposited the amounts required to be deposited into the Funds and Accounts as provided in accordance with this Ordinance and any Supplement; and any owner of any Parity Obligation may require the City, its officials and employees to carry out, respect or enforce the covenants and obligations of this Ordinance, or any Supplement, by all legal and equitable means, including specifically, but without limitation, the use and filing of mandamus proceedings, in any court of competent jurisdiction, against the City, its officials and employees.

(b) CITY'S LEGAL AUTHORITY. It is a duly created and existing home rule city of the State of Texas, and is duly authorized under the laws of the State of Texas to issue the Parity Obligations; that all action on its part for the issuance of the Parity Obligations has been duly and effectively taken, and that the Parity Obligations in the hands of the owners thereof here and will be valid and enforceable special obligations of the City in accordance with their terms.

(c) OPERATION AND MAINTENANCE. It shall at all times use its best efforts to operate or cause to be operated the System properly and in an efficient manner, consistent with Prudent Utility Practice, and shall use its best efforts to maintain, preserve, reconstruct and keep the same or cause the same to be so maintained, preserved, reconstructed and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make, or use its best efforts to cause to be made, all necessary and proper

repairs, replacements and renewals so that at all times the operation of the System may be properly and advantageously conducted.

(d) TITLE. It has or will obtain lawful title, whether such title is in fee or lesser interest, to the lands, buildings, structures and facilities constituting the System, that it warrants that it will defend the title to all the aforesaid lands, buildings, structures and facilities, and every part thereof, for the benefit of the owners of the Parity Obligations, against the claims and demands of all persons whomsoever, that it is lawfully qualified to pledge the Pledged Revenues to the payment of the Parity Obligations in the manner prescribed herein, and has lawfully exercised such rights.

(e) LIENS. It will from time to time and before the same become delinquent pay and discharge all taxes, assessments and governmental charges, if any, which shall be lawfully imposed upon it, or the System; it will pay all lawful claims for rents, royalties, labor, materials and supplies which if unpaid might by law become a lien or charge thereon, the lien of which would be prior to or interfere with the liens hereof, so that the priority of the liens granted hereunder shall be fully preserved in the manner provided herein, and it will not create or suffer to be created any mechanic's, laborer's, materialman's or other lien or charge which might or could be prior to the liens hereof, or do or suffer any matter or thing whereby the liens hereof might or could be impaired; provided however, that no such tax, assessment or

charge, and that no such claims which might be used as the basis of a mechanic's, laborer's, materialman's or other lien or charge, shall be required to be paid so long as the validity of the same shall be contested in good faith by the City.

(f) NO-FREE SERVICE. No free service of the System shall be allowed, and should the City or any of its agencies or instrumentalities make use of the services and facilities of the System, payment of the reasonable value shall be made by the City out of funds from sources other than the revenues of the System, unless made from surplus or excess Pledged Revenues as permitted in Section 10(b) hereof.

(g) FURTHER ENCUMBRANCE. It will not additionally encumber the Pledged Revenues in any manner, except as permitted in this Ordinance and any Supplement in connection with Parity Obligations, unless said encumbrance is made junior and subordinate in all respects to the liens, pledges, covenants and agreements of this Ordinance and any Supplement; but the right of the City to issue Subordinated Debt payable in whole or in part from a subordinate lien on the Pledged Revenues is specifically recognized and retained.

(h) SALE, LEASE OR DISPOSAL OF PROPERTY. No part of the System shall be sold, leased, mortgaged, demolished, removed or otherwise disposed of, except as follows:

(1) To the extent permitted by law, the City may sell or exchange at any time and from time to time any property or facilities constituting part of the System only if (A) it

shall determine such property or facilities are not useful in the operation of the System, or (B) the proceeds of such sale are \$250,000, or less, or it shall have received a certificate executed by a Designated Financial Officer stating, in the opinion thereof, that the fair market value of the property or facilities exchanged is \$250,000 or less, or (C) if such proceeds or fair market value exceeds \$250,000 it shall have received a certificate executed by a Designated Financial Officer stating, in the opinion thereof, that the sale or exchange of such property or facilities will not impair the ability of the City to comply during the current or any future Fiscal Year with the covenant of the City set forth in Section 3 of this Ordinance. The proceeds of any such sale or exchange not used to acquire other property necessary or desirable for the safe or efficient operation of the System shall forthwith, at the option of the City, (i) be used to redeem or purchase Parity Obligations, (ii) otherwise be used to provide for the payment of Parity Obligations or (iii) be used for any other lawful purpose.

(2) To the extent permitted by law, the City may lease or make contracts or grant licenses for the operation of, or make arrangements for the use of, or grant easements or other rights with respect to, any part of the System, provided that any such lease, contract, license, arrangement, easement or right (A) does not impede the operation of the System by the City and (B) does not in any manner impair or adversely affect

the rights or security of the owners of the Parity Obligations under this Ordinance and any Supplement; and provided, further, that if the depreciated cost of the property to be covered by any such lease, contract, license, arrangement, easement or other right is in excess of \$500,000, the City shall have received a certificate executed by a Designated Financial Officer that the action of the City with respect thereto does not result in a breach of the conditions under this clause (2). Any payments received by the City under or in connection with any such lease, contract, license, arrangement, easement or right in respect of the System or any part thereof shall constitute Gross Revenues.

(i) BOOKS, RECORDS AND ACCOUNTS. It shall keep proper books, records and accounts separate and apart from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to the System and the City shall cause said books and accounts to be audited annually as of the close of each Fiscal Year by the Accountant.

(j) INSURANCE. (1) Except as otherwise permitted in clause (2) below, it shall cause to be insured each part of the System as would usually be insured by corporations operating like properties, with a responsible insurance company or companies, against risks, accidents or casualties against which and to the extent insurance is usually carried by corporations operating like properties, including, to the extent reasonably obtainable, fire and extended coverage insurance, insurance against damage by floods, and use and

occupancy insurance. Public liability and property damage insurance shall also be carried unless the City Attorney gives a written opinion to the effect that the City is not liable for claims which would be protected by such insurance. At any time while any contractor engaged in construction work shall be fully responsible therefor, the City shall not be required to carry insurance on the work being constructed if the contractor is required to carry appropriate insurance. All such policies shall be open to the inspection of the Holders and their representatives at all reasonable times during regular business hours. Upon the happening of any loss or damage covered by insurance from one or more of said causes, the City shall make due proof of loss and shall do all things necessary or desirable to cause the insuring companies to make payment in full directly to the City. The proceeds of insurance covering such property, together with any other funds necessary and available for such purpose, shall be used forthwith by the City for repairing the property damaged or replacing the property destroyed; provided, however, that if said insurance proceeds and other funds are insufficient for such purpose, then said insurance proceeds pertaining to the System shall be used promptly as follows:

(i) for the redemption prior to maturity of the Parity Obligations, ratably in the proportion that the Outstanding Principal Amount of each series of Parity Obligations bears to the total Outstanding Principal Amount of all Parity Obligations, provided that if on any such occasion the

principal of any such series is not subject to redemption, it shall not be regarded as outstanding in making the foregoing computation; or

(ii) if none of the outstanding Parity Obligations is subject to redemption, then for the purchase on the open market and retirement of said Parity Obligations in the same proportion as prescribed in the foregoing clause (i), to the extent practicable; provided that the purchase price for any Parity Obligation shall not exceed the redemption price of such Parity Obligation on the first date upon which it becomes subject to redemption; or

(iii) to the extent that the foregoing clauses (i) and (ii) cannot be complied with at the time, the insurance proceeds, or the remainder thereof, shall be deposited in a special and separate trust fund, at an official depository of the City, to be designated the Insurance Account. The Insurance Account shall be held until such time as the foregoing clauses (i) and/or (ii) can be complied with, or until other funds become available which, together with the Insurance Account, will be sufficient to make the repairs or replacements originally required, whichever of said events occurs first.

(2) In lieu of obtaining policies for insurance as provided above, the City may self-insure against risks, accidents, claims or casualties described in clause (1) above.

(3) The annual audit hereinafter required shall contain a section commenting on whether or not the City has complied with the requirements of this Section with respect to the maintenance of insurance, and listing the areas of insurance for which the City is self-insuring, all policies carried, and whether or not all insurance premiums upon the insurance policies to which reference is hereinbefore made have been paid.

(k) AUDITS. After the close of each Fiscal Year while any of the Parity Obligations is Outstanding, an audit will be made by the Accountant of the books and accounts relating to the System and the Pladged Revenues. As soon as practicable after the close of each such Fiscal Year, and when said audit has been completed and made available to the City, a copy of such audit for the preceding Fiscal Year shall be mailed to the Municipal Advisory Council of Texas and to any owner of the then Outstanding Parity Obligations who shall so request in writing. Such annual audit reports shall be open to the inspection of the owners of the Parity Obligations and their agents and representatives at all reasonable times during regular business hours.

(l) GOVERNMENTAL AGENCIES. It will comply with all of the terms and conditions of any and all franchises, permits and authorizations applicable to or necessary with respect to the System, and which have been obtained from any governmental agency; and the City has or will obtain and keep in full force and effect all franchises, permits, authorization and other requirements

applicable to or necessary with respect to the acquisition, construction, equipment, operation and maintenance of the System.

(m) NO COMPETITION. To the extent it legally may, it will not grant any franchise or permit for the acquisition, construction or operation of any competing facilities which might be used as a material substitute for the System's facilities, and, to the extent that it legally may, the City will prohibit any such competing facilities.

(n) RIGHTS OF INSPECTION. The owner of \$100,000 in Outstanding Principal Amount of Parity Obligations shall have the right at all reasonable times during regular business hours to inspect the System and all records, accounts and data of the City relating thereto, and upon request the City shall furnish to such owner, at the cost of such owner, such financial statements, reports and other information relating to the City and the System as such owner may from time to time reasonably request.

Section 5. SYSTEM FUND. There is hereby created and there shall be established and maintained on the books of the City, and accounted for separate and apart from all other funds of the City, a separate fund designated as the System Fund. All Gross Revenues shall be credited to the System Fund immediately upon receipt. All Operating Expenses shall be paid from the Gross Revenues credited to the System Fund as a first charge against same.

Section 6. DEBT SERVICE FUND. (a) For the sole purpose of paying the principal amount of, premium, if any, and interest on, and other payments (other than Operating Expenses) incurred in

connection with Parity Obligations, there is hereby created and there shall be established and maintained on the books of the City, and accounts for separate and apart from all other funds of the City, a separate fund designated as the Debt Service Fund. Money in the Debt Service Fund shall be deposited and maintained in an official depository bank of the City.

(b) The terms and conditions with respect to the deposit of moneys into the Debt Service Fund, and the amounts to be deposited from time to time to the credit of the Debt Service Fund, shall be contained in the Supplement. In addition, the City reserves the right in any Supplement to establish within the Debt Service Fund various Accounts to facilitate the timely payment of Parity Obligations as the same become due and owing.

Section 7. RESERVE FUND. (a) There is hereby created and there shall be established and maintained on the books of the City a separate fund designated as the Reserve Fund. Except as provided in subsection (g) below, the Reserve Fund shall be maintained for the benefit of the owners of the Parity Obligations. There shall be deposited into the Reserve Fund any Reserve Fund Obligations so designated by the City. Reserve Fund Obligations in the Reserve Fund shall be deposited and maintained in an official depository bank of the City. Reserve Fund Obligations in the Reserve Fund shall be used for the purpose of retiring the least of the Parity Obligations as they become due or paying principal of and interest on the Parity Obligations when and to the extent the amounts in the Debt Service Fund are insufficient for such purpose. The Reserve

Fund shall be maintained in an amount equal to the Required Reserve Amount. The City may, ~~at its option,~~ withdraw and transfer to the System Fund all surplus in the Reserve Fund over the Required Reserve Amount.

(b) The City may replace or substitute a Credit Facility for cash or Eligible Investments on deposit in the Reserve Fund or in substitution for or replacement of any existing Credit Facility. Upon such replacement or substitution, cash or Eligible Investments on deposit in the Reserve Fund which, taken together with the face amount of any existing Credit Facilities, are in excess of the Required Reserve Amount may be withdrawn by the City, at its option, and transferred to the System Fund; provided that the face amount of any Credit Facility may be reduced at the option of the City in lieu of such transfer.

(c) If the City is required to make a withdrawal from the Reserve Fund for any of the purposes described in this Section, the City shall promptly notify the issuer of such Credit Facility of the necessity for a withdrawal from the Reserve Fund for any such purposes, and shall make such withdrawal FIRST from available moneys or Eligible Investments then on deposit in the Reserve Fund, and NEXT from a drawing under any Credit Facility to the extent of such deficiency.

(d) In the event of a deficiency in the Reserve Fund, or in the event that on the date of termination or expiration of any Credit Facility there is not on deposit in the Reserve Fund sufficient Reserve Fund Obligations, all in an aggregate amount at

least equal to the Required Reserve Amount, then the City shall, after making required deposits to the Debt Service Fund in accordance with the terms of this Ordinance and any Supplement, satisfy the Required Reserve Amount by depositing Reserve Fund Obligations into the Reserve Fund in monthly installments of not less than 1/12 of the Required Reserve Amount on or before the 10th day of each month following such deficiency, termination or expiration.

(e) In the event of the redemption or defeasance of any of the Parity Obligations, any Reserve Fund Obligations on deposit in the Reserve Fund in excess of the Required Reserve Amount may be withdrawn and transferred, at the option of the City, to the System Fund, as a result of (i) the redemption of the Parity Obligations, or (ii) funds for the payment of the Parity Obligations having been deposited irrevocably with the paying agent or place of payment therefor in the manner described in this Ordinance and any Supplement, the result of such deposit being that such Parity Obligations no longer are deemed to be Outstanding under the terms of this Ordinance.

(f) In the event there is a draw upon the Credit Facility, the City shall reimburse the issuer of such Credit Facility for such draw, in accordance with the terms of any agreement pursuant to which the Credit Facility is issued, from Pledged Revenues, however, such reimbursement from Pledged Revenues shall be subject to the provisions of Section 7(d) hereof and shall be subordinate

end junior in right of payment to the payment of principal of and premium, if any, and interest on the Parity Obligations.

(g) For the purpose of this Section, the Reserve Fund shall not secure Parity Obligations issued in the form of commercial paper, or any Credit Agreement issued in support of such Parity Obligations issued in the form of commercial paper, except as otherwise may be provided in any Supplement.

Section 8. ISSUANCE OF ADDITIONAL OBLIGATIONS. (a) Parity Obligations. The City reserves and shall have the right and power to issue or incur Parity Obligations for any purpose authorized by law pursuant to the provisions of this Ordinance and a Supplement (other than the Supplement adopted concurrently with this Ordinance) to be hereafter authorized. The City may issue, incur, or otherwise become liable in respect of any Parity Obligations if (i) a Designated Financial officer shall deliver to the City a certificate stating that, to the best of his or her knowledge, the City is in compliance with all covenants contained in this Ordinance and any Supplement, is not in default in the performance and observance of any of the terms, provisions and conditions hereof and thereof, and the Funds and Accounts securing the Parity Obligations then Outstanding as established in accordance with the terms of this Ordinance and any Supplement contain the amount then required to be therein; and (ii) an Accountant signs a written certificate to the effect that, in the opinion thereof, during either the next preceding Fiscal Year, or any twelve consecutive calendar month period ending not more than ninety days prior to the

dete of the then proposed Parity Obligations, the Net Revenues were at least equal to (A) 1.25 times the average Annual Debt Service Requirements of the Parity Obligations to be Outstanding and (B) 1.10 times the Annual Debt Service Requirements of the Parity Obligations to be Outstanding in the Fiscal Year during which such Annual Debt Service Requirements are scheduled to be the greatest, after the issuance of the then proposed Parity Obligations. For purposee of this subsection (e), if Parity Obligations are issued to refund less than all of the Parity Obligations then Outstanding, the Accountant's certificate required by clause (ii) above shall give effect to the iesuance of the proposed refunding Parity Obligations (and shall not give effect to the Parity Obligations being refunded following their cancellation or provision being made for thair payment).

(b) Short-Term Parity Obligations. The City may not issue or incur Parity Obligations issued in the form of commercial paper in en amount in excess of the greeter of (i) 25% of the Outstanding Funded Debt secured by the Pledged Revenues of the System or (ii) \$75,000,000. For purposes of this subsection, the term "Outstanding Funded Debt" ehell include Subordinated Debt that matures by its terms, or that is renewable et the option of the City to e dete, more then one year after the original creetion thereof by the City. The terms end conditions pertaining to the issuance of Parity Obligations in the form of commerciell paper, including, without limitation, the eecurity end reserves which may be necessary to support such issuance, shell be set forth in the

Supplement authorizing the issuance of Parity Obligations in the form of commercial paper.

(c) Special Facilities Debt and Subordinated Debt. Special Facilities Debt and Subordinated Debt may be incurred by the City without limitation.

(d) Credit Agreements. Payments to be made under a Credit Agreement may be treated as Parity Obligations if the governing body of the City makes a finding in the Supplement authorizing the treatment of the obligations of the City incurred under a Credit Agreement as a Parity Obligation that, based upon the findings contained in a certificate executed and delivered by a Designated Financial Officer, the City will have sufficient funds to meet the financial obligations of the System, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the System and the financial obligations of the City relating to the System after giving effect to the treatment of the Credit Agreement as a Parity Obligation.

(e) Determination of Net Revenues. In making a determination of Net Revenues for any of the purposes described in this Section, the Accountant may take into consideration a change in the rates and charges for services and facilities afforded by the System that became effective at least 30 days prior to the last day of the period for which Net Revenues are determined and, for purposes of satisfying the Net Revenues test described above, make a pro forma determination of the Net Revenues of the System for the period of time covered by the Accountant's certification or opinion based on

such change in rates and charges being in effect for the entire period covered by the Accountant's certificate or opinion.

Section 9. FINAL DEPOSITS; GOVERNMENT OBLIGATIONS. (a) Any Parity Obligation shall be deemed to be paid, retired and no longer outstanding within the meaning of this Ordinance, and the Supplement pursuant to which it was issued, when payment of the principal amount of, redemption premium, if any, on such Parity Obligation, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, upon redemption, or otherwise) either shall have been (i) made in accordance with the terms thereof or (ii) provided for by irrevocably depositing with, or making available to, a Paying Agent (or escrow agent) therefor, in trust and irrevocably set aside exclusively for such payment, in accordance with the terms and conditions of an agreement between the City and said Paying Agent (or escrow agent), (1) money sufficient to make such payment or (2) Government Obligations, certified by an independent public accounting firm of national reputation, to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation, and expenses of such Paying Agent pertaining to the Parity Obligation with respect to which such deposit is made shall have been paid or the payment thereof provided for (and irrevocable instructions shall have been given by the City to such Paying Agent to give notice of such redemption in the manner required by the Supplement authorizing the

issuance of such Parity Obligation) to the satisfaction of such Paying Agent. Such Paying Agent shall give notice to each owner of any Parity Obligation that such deposit as described above has been made, in the same manner as required with respect to the redemption of such Parity Obligation, all in accordance with the terms of the Supplement pursuant to which such Parity Obligation was issued. In addition, in connection with the defeasance, such Paying Agent shall give notice of redemption, if necessary, to the owners of any Parity Obligation in the manner described in such Parity Obligation and as directed in the redemption instructions delivered by the City to such Paying Agent. At such time as the Parity Obligation shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefit of this Ordinance or the Supplement pursuant to which it was issued or a lien on and pledge of the Pledged Revenues, and shall be entitled to payment solely from such money or Government Obligations.

(b) That any moneys so deposited with a Paying Agent (or escrow agent) may, at the direction of the City, also be invested in Government Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from all Government Obligations in the hands of the Paying Agent pursuant to this Section which is not required for the payment of the principal of the Parity Obligations, the redemption premium, if any, and interest thereon, with respect to which such money has been so deposited, shall be remitted to the City for deposit to the credit of the System Fund.

(c) Except as provided in clause (b) of this Section, all money or Government Obligations set aside and held in trust pursuant to the provisions of this Section for the payment of Parity Obligations, the redemption premium, if any, and interest thereon, shall be applied solely to and used solely for the payment of such Parity Obligations, the redemption premium, if any, and interest thereon.

Section 10. AMENDMENT OF ORDINANCE. (a) The owners of a majority in Outstanding Principal Amount of the Parity Obligations shall have the right from time to time to approve any amendment to this Ordinance which may be deemed necessary or desirable by the City, provided, however, that nothing herein contained shall permit or be construed to permit the amendment of the terms and conditions in this Ordinance or in the Parity Obligations so as to:

- (1) Make any change in the maturity of any of the Outstanding Parity Obligations;
- (2) Reduce the rate of interest borne by any of the Outstanding Parity Obligations;
- (3) Reduce the amount of the principal payable on the Outstanding Parity Obligations;
- (4) Modify the terms of payment of principal of, premium, if any, or interest on the Outstanding Parity Obligations or impose any conditions with respect to such payment;
- (5) Affect the rights of the owners of less than all of the Parity Obligations then Outstanding;
- (6) Amend this subsection (e) of this Section; or

- (7) Change the minimum percentage of the principal amount of Parity Obligations necessary for consent to any amendment;

unless such amendment or amendments be approved by the owners of all of the Parity Obligations then Outstanding.

(b) That if at any time the City shall desire to amend the Ordinance under this Section, the City shall cause notice of the proposed amendment to be published in a financial newspaper or journal published in The City of New York, New York, and a newspaper of general circulation in the City, once during each calendar week for at least two successive calendar weeks. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of each Paying Agent or Registrar, as the case may be, for the Parity Obligations for inspection by all Holders of Parity Obligations. Such publication is not required, however, if notice in writing is given to each owner of Parity Obligations.

(c) That whenever at any time not less than 30 days, and within one year, from the date of the first publication of said notice or other service of written notice the City shall receive an instrument or instruments executed by the owners of at least a majority in Outstanding Principal Amount of the Parity Obligations then Outstanding, which instrument or instruments shall refer to the proposed amendment described in said notice and which specifically consent to and approve such amendment in substantially the form of the copy thereof on file with each Paying Agent or Reg-

istrar, as the case may be, for the Parity Obligations, the governing body of the City may pass the amendatory ordinance in substantially the same form.

(d) That upon the passage of any amendatory ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be amended in accordance with such amendatory ordinance, and the respective rights, duties and obligations under this Ordinance of the City and all the owners of then Outstanding Parity Obligations and all future Parity Obligations shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such amendments.

(e) That any consent given by the owner of a Parity Obligation pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the first publication of the notice provided for in this Section, and shall be conclusive and binding upon all future owners of the same Parity Obligation during such period. Such consent may be revoked at any time after six months from the date of the first publication of such notice by the owner who gave such consent, or by a successor in title, by filing written notice thereof with the Paying Agent or Registrar, as the case may be, for such Parity Obligation and the City, but such revocation shall not be effective if the owners of at least a majority in Outstanding Principal Amount of the then Outstanding Parity Obligations as determined in accordance with this Section have, prior to the attempted revocation, consented to and approved the amendment.

(f) The foregoing provisions of this Section notwithstanding, the City by action of its governing body may amend this Ordinance for any one or more of the following purposes:

(1) To add to the covenants and agreements of the City in this Ordinance contained, other covenants and agreements thereafter to be observed, grant additional rights or remedies to the owners of the Parity Obligations or to surrender, restrict or limit any right or power herein reserved to or conferred upon the City;

(2) To make such provisions for the purpose of curing any ambiguity, or curing, correcting or supplementing any defective provision contained in this Ordinance, or in regard to clarifying matters or questions arising under this Ordinance, as are necessary or desirable and not contrary to or inconsistent with this Ordinance and which shall not adversely affect the interests of the owners of the Parity Obligations then outstanding;

(3) To modify any of the provisions of this Ordinance in any other respect whatever, provided that (i) such modification shall be, and be expressed to be, effective only after all Parity Obligations outstanding at the date of the adoption of such modification shall cease to be outstanding, and (ii) such modification shall be specifically referred to in the text of all Parity Obligations issued after the date of the adoption of such modification;

(4) To make such amendments to this Ordinance as may be required, in the opinion of Bond Counsel, to ensure compliance with sections 103 and 141 through 150 of the Code and the regulations promulgated thereunder and applicable thereto;

(5) To make such changes, modifications or amendments as may be necessary or desirable in order to allow the owners of the Parity Obligations to thereafter avail themselves of a book-entry system for payments, transfers and other matters relating to the Parity Obligations, which changes, modifications or amendments are not contrary to or inconsistent with other provisions of this Ordinance and which shall not adversely affect the interests of the owners of the Parity Obligations;

(6) To make such changes, modifications or amendments as may be necessary or desirable in order to obtain or maintain the granting of a rating on the Parity Obligations by a Rating Agency or to obtain or maintain a Credit Agreement or a Credit Facility; and

(7) To make such changes, modifications or amendments as may be necessary or desirable, which shall not adversely affect the interests of the owners of the Parity Obligations, in order, to the extent permitted by law, to facilitate the economic and practical utilization of interest rate swap agreements, foreign currency exchange agreements, or similar types of agreements with respect to the Parity Obligations.

Notice of any such amendment may be published by the City in the manner described in clause (b) of this Section; provided, however, that the publication of such notice shall not constitute a condition precedent to the adoption of such amendatory ordinance and the failure to publish such notice shall not adversely affect the implementation of such amendment as adopted pursuant to such amendatory ordinance.

(g) Ownership. For the purpose of this Section, the ownership and other matters relating to all Parity Obligations shall be determined as provided in each Supplement.

(h) Amendments of Supplements. Each Supplement shall contain provisions governing the ability of the City to amend such Supplement; provided, however, that no amendment may be made to any Supplement for the purpose of granting to the owners of Outstanding Parity Obligations under such Supplement a priority over the owners of any other Outstanding Parity Obligations.

Section 11. DEFICIENCIES; EXCESS PLEDGED REVENUES. (a) If on any occasion there shall not be sufficient Pledged Revenues to make the required deposits into the Funds and Accounts established in accordance with this Ordinance and any Supplement, then such deficiency shall be made up as soon as possible from the next available Pledged Revenues, or from any other source available for such purpose.

(b) Subject to making the required deposits to the credit of the Funds and Accounts established in accordance with this Ordinance and any Supplement, when and as required by this

Ordinance and any Supplement, the excess Pledged Revenues may be used by the City for any lawful purpose.

Section 12. FUNDS SECURED. Moneys in all Funds and Accounts created in accordance with this Ordinance and any Supplement shall be secured in the manner prescribed by law for securing funds of the City.

Section 13. INVESTMENTS. Moneys in any Fund or Account established pursuant to this Ordinance and any Supplement may, at the option of the City, be placed or invested in Eligible Investments. The value of any such Fund or Account shall be established by adding any money therein to the Value of Investment Securities. The value of each such Fund or Account shall be established not less frequently than annually during the last month of each Fiscal Year. Earnings derived from the investment of moneys on deposit in the various Funds and Accounts shall be credited to the Fund or Account from which moneys used to acquire such investment shall have come.

Section 14. IMMEDIATE EFFECT. This Ordinance shall be effective immediately from and after its passage in accordance with the provisions of Section 2 of Chapter 25 of the Charter of the City, and it is accordingly so ordained.

ADOPTED this 11th day of December, 1991.

Kay Granger
Mayor

ATTEST:

Gloria J. Pearson
City Secretary

APPROVED AS TO FORM AND LEGALITY:

Steve Adams
City Attorney

(SEAL)

EXHIBIT "A"

DEFINITIONS

As used in the Ordinance, the following terms and expressions shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

"Account" means any account created, established and maintained under the terms of any Supplement.

"Accountant" means a nationally recognized independent certified public accountant, or an independent firm of certified public accountants.

"Annual Debt Service Requirements" means, for any Fiscal Year, the principal of and interest on all Parity Obligations coming due at Maturity or Stated Maturity (or that could come due on demand of the owner thereof other than by acceleration or other demand conditioned upon default by the City on such Debt, or be payable in respect of any required purchase of such Debt by the City) in such Fiscal Year, and, for such purposes, any one or more of the following rules shall apply at the election of the City:

(1) Committed Take Out. If the City has entered into a Credit Agreement constituting a binding commitment within normal commercial practice, from any bank, savings and loan association, insurance company, or similar institution to discharge any of its Funded Debt at its Stated Maturity (or, if due on demand, at any date on which demand may be made) or to purchase any of its Funded Debt at any date on which such Debt is subject to required purchase, all under arrangements whereby the City's obligation to repay the amounts advanced for such discharge or purchase constitutes Funded Debt, then the portion of the Funded Debt committed to be discharged or purchased shall be excluded from such calculation and the principal of and interest on the Funded Debt incurred for such discharging or purchase that would be due in the Fiscal Year for which the calculation is being made, if incurred at the Stated Maturity or purchase date of the Funded Debt to be discharged or purchased, shall be added;

(2) Balloon Debt. If the principal (including the accretion of interest resulting from original issue discount or compounding of interest) of any series or issue of Funded Debt due (or payable in respect of any required purchase of such Funded Debt by the City) in any Fiscal Year either is equal to at least 25% of the total principal (including the accretion of interest resulting from original issue discount or compounding of interest) of such Funded Debt or exceeds by more than 50% the greatest amount of principal of such series or issue of Funded Debt due in any preceding or succeeding

Fiscal Year (such principal due in such Fiscal Year for such series or issue of Funded Debt being referred to herein and throughout this Exhibit A as "Balloon Debt"), the amount of principal of such Balloon Debt taken into account during any Fiscal Year shall be equal to the debt service calculated using the original principal amount of such Balloon Debt amortized over the Term of Issue on a level debt service basis at an assumed interest rate equal to the rate borne by such Balloon Debt on the date of calculation;

(3) Consent Sinking Fund. In the case of Balloon Debt, if a Designated Financial Officer shall deliver to the City a certificate providing for the retirement of (and the instrument creating such Balloon Debt shall permit the retirement of), or for the accumulation of a sinking fund for (and the instrument creating such Balloon Debt shall permit the accumulation of a sinking fund for), such Balloon Debt according to a fixed schedule stated in such certificate ending on or before the Fiscal Year in which such principal (and premium, if any) is due, then the principal of (and, in the case of retirement, or to the extent provided for by the sinking fund accumulation, the premium, if any, and interest and other debt service charges on) such Balloon Debt shall be computed as if the same were due in accordance with such schedule, provided that this clause (3) shall apply only to Balloon Debt for which the installments previously scheduled have been paid or deposited to the sinking fund established with respect to such Debt on or before the times required by such schedule; and provided further that this clause (3) shall not apply where the City has elected to apply the rule set forth in clause (2) above;

(4) Prepaid Debt. Principal of and interest on Parity Obligations, or portions thereof, shall not be included in the computation of the Annual Debt Service Requirements for any Fiscal Year for which such principal or interest rate payable from funds on deposit or set aside in trust for the payment thereof at the time of such calculations (including without limitation capitalized interest and accrued interest so deposited or set aside in trust) with a financial institution acting as fiduciary with respect to the payment of such Debt;

(5) Variable Rate. As to any Parity Obligation that bears interest at a variable interest rate which cannot be ascertained at the time of calculation of the Annual Debt Service Requirement then, at the option of the City, either (1) an interest rate equal to the average rate borne by such Parity Obligations (or by comparable debt in the event that such Parity Obligations has not been outstanding during the preceding 24 months) for any 24 month period ending within 30 days prior to the date of calculation, or (2) an interest rate equal to the 30-year Tsx-Exempt Revenue Bond Index (as most

recently published in The Bond Buyer), shall be presumed to apply for all future dates, unless such index is no longer published in The Bond Buyer, in which case an index of tax-exempt revenue bonds with maturities of at least 20 years which is published in a financial newspaper or journal with national circulation may be used for this purpose;

(6) Commercial Paper. With respect to any Parity Obligations issued in the form of commercial paper, the interest on such Parity Obligations shall be calculated in the manner provided in clause (5) of this definition and the maturity schedule shall be calculated in the manner provided in clause (2) of this definition; end

(7) Credit Agreement Payments. If the City has entered into a Credit Agreement in connection with an issue of Debt, payments due under the Credit Agreement, from either the City or the Credit Provider, shall be included in such calculation except to the extent that the payments are already taken into account under (1) through (6) above and any payments otherwise included above under (1) through (6) which are to be replaced by payments under a Credit Agreement, from either the City or the Credit Provider, shall be excluded from such calculation. With respect to any calculation of historic data, only those payments actually made in the subject period shall be taken into account in making such calculation and, with respect to prospective calculations, only those payments reasonably expected to be made in the subject period shall be taken into account in making the calculation.

"Bond Counsel" means Messrs. McCall, Parkhurst & Horton and Messrs. Kelly, Hart & Hallman.

"City" and "Issuer" mean the City of Fort Worth, Texas.

"Code" means the Internal Revenue Code of 1986, as amended.

"Credit Agreement" means, collectively, a loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitments to purchase Parity Obligations, purchase or sale agreements, interest rate swap agreements, or commitments or other contracts or agreements authorized, recognized and approved by the City as a Credit Agreement in connection with the authorization, issuance, security, or payment of Parity Obligations and on a parity therewith.

"Credit Facility" means (1) a policy of insurance or a surety bond, issued by an issuer of policies of insurance insuring the timely payment of debt service on governmental obligations, provided that a Rating Agency having an outstanding rating on Parity Obligations would rate the Parity Obligations fully insured

by a standard policy issued by the issuer in its highest generic rating category for such obligations; and (ii) a letter or line of credit issued by any financial institution, provided that a Rating Agency having an outstanding rating on the Parity Obligations would rate the Parity Obligations in its two highest generic rating categories for such obligations if the letter or line of credit proposed to be issued by such financial institution secured the timely payment of the entire principal amount of the Parity Obligations and the interest thereon.

"Credit Provider" means any bank, financial institution, insurance company, surety bond provider, or other institution which provides, executes, issues, or otherwise is a party to or provider of a Credit Agreement.

"Debt" of the City payable from Pledged Revenues means all:

(1) indebtedness incurred or assumed by the City for borrowed money (including indebtedness arising under Credit Agreements) and all other financing obligations of the System that, in accordance with generally accepted accounting principles, are shown on the liability side of a balance sheet; and

(2) all other indebtedness (other than indebtedness otherwise treated as Debt hereunder) for borrowed money or for the acquisition, construction, or improvement of property or capitalized lease obligations that is guaranteed, directly or indirectly, in any manner by the City, or that is in effect guaranteed, directly or indirectly, by the City through an agreement, contingent or otherwise, to purchase any such indebtedness or to advance or supply funds for the payment or purchase of any such indebtedness or to purchase property or services primarily for the purpose of enabling the debtor or seller to make payment of such indebtedness, or to assure the owner of the indebtedness against loss, or to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether or not such property is delivered or such services are rendered), or otherwise.

For the purpose of determining the "Debt" payable from the Pledged Revenues of the System, there shall be excluded any particular Debt if, upon or prior to the Maturity thereof, there shall have been deposited with the proper depository (a) in trust the necessary funds (or investments that will provide sufficient funds, if permitted by the instrument creating such Debt) for the payment, redemption, or satisfaction of such Debt or (b) evidence of such Debt deposited for cancellation; and thereafter it shall not be considered Debt. No item shall be considered Debt unless such item constitutes indebtedness under generally accepted accounting

principles applied on a basis consistent with the financial statements of the City in prior Fiscal Years.

"Debt Service Fund" means the "City of Fort Worth, Texas Water and Sewer System Parity Obligations Debt Service Fund" established pursuant to Section 6 of the Ordinance.

"Designated Financial Officer" shall mean the City Manager, the Director of Fiscal Services, or such other financial or accounting official of the City so designated by the governing body of the City.

"Eligible Investments" means those investments in which the City is now or hereafter authorized by law, including, but not limited to, the Public Funds Investment Act of 1987 (Article 842a-2, Texas Revised Civil Statutes), as amended, to purchase, sell and invest its funds and funds under its control.

"Fiscal Year" means the fiscal year of the City which currently ends on September 30 of each calendar year.

"Fund" means any fund created, established and maintained under the terms of the Ordinance and any Supplement.

"Funded Debt" of the System means all Parity Obligations (and, for purposes of Section 8(b) of the Ordinance, all Subordinated Debt) created or assumed by the City and payable from Pledged Revenues that mature by their terms (in the absence of the exercise of any earlier right of demand), or that are renewable at the option of the City to a date, more than one year after the original creation or assumption of such Debt by the City.

"Government Obligations" means direct obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

"Gross Revenues" means all revenues, income, and receipts derived or received by the City from the operation and ownership of the System, including the interest income from the investment or deposit of money in any Fund created by the Ordinance or a Supplement or maintained by the City in connection with the System, other than those amounts subject to payment to the United States of America as rebate pursuant to section 148 of the Code. The term "Gross Revenues", however, does not include impact fees charged by the System under authority of Chapter 395, Texas Local Government Code, for the construction of capital improvements or facility expansions pursuant to a capital improvement plan prepared in accordance with the provisions of Chapter 395, Texas Local Government Code.

"Holder" or "Bondholder" or "owner" means the registered owner of any Parity Obligation registered as to ownership and the holder of any Parity Obligation payable to bearer.

"Maturity" when used with respect to any Debt means the date on which the principal of such Debt or any installment thereof becomes due and payable as therein provided, whether at the Stated Maturity thereof or by declaration of acceleration, call for redemption, or otherwise.

"Net Revenues" and "Net Revenues of the System" means all Gross Revenues less Operating Expenses.

"Operating Expenses" means the expenses of operation and maintenance of the System, including all salaries, labor, materials repairs, and extensions necessary to render efficient service, provided, however, that only such repairs and extensions, as in the judgment of the City, reasonably and fairly exercised by the passage of appropriate ordinances, are necessary to render adequate service, or such as might be necessary to meet some physical accident or condition which would otherwise impair any Parity Obligations. Operating Expenses shall include the purchase of water, sewer, and, to the extent permitted by law, drainage services as received from other entities and the expenses related thereto, and, to the extent permitted by law, Operating Expenses may include payments made on or in respect of obtaining and maintaining any Credit Agreement or Credit Facility. Depreciation shall never be considered as expenses of operation and maintenance.

"Opinion of Counsel" means a written opinion of counsel which shall be acceptable to the City.

"Ordinance" means this master ordinance establishing the Water and Sewer System Revenue Financing Program.

"Outstanding" when used with respect to Parity Obligations means, as of the date of determination, all Parity Obligations theretofore delivered under this Ordinance and any Supplement, except:

(1) Parity Obligations theretofore cancelled and delivered to the City or delivered to the Paying Agent or the Registrar for cancellation;

(2) Parity Obligations deemed paid pursuant to the provisions of Section 9 of the Ordinance or any comparable section of any Supplement;

(3) Parity Obligations upon transfer of or in exchange for and in lieu of which other Parity Obligations have been authenticated and delivered pursuant to the Ordinance and any Supplement; and

(4) Parity Obligations under which the obligations of the City have been released, discharged, or extinguished in accordance with the terms thereof;

provided, that, unless the same is acquired for purposes of cancellation, Parity Obligations owned by the City shall be deemed to be Outetending as though it was owned by any other owner.

"Outstanding Principel Amount" meens, with raspect to all Parity Obligations or to e series of Perity Obligations, the outstanding and unpaid principel amount of such Parity Obligations paying interest on e current besis and the outstanding and unpeid principal and compounded interest on such Parity Obligations paying accrued, accreted, or compounded interest only et maturity as of any Record Date established by e Registrar in connection with a proposed amendment of the Ordinance or any Supplement.

"Perity Obligetions" meane all Debt of the City which may ba issued or essumed in eaccordence with the terms of the Ordinance and e Supplement, end secured by e first lien on end pledge of the Pledged Revenues.

"Paying Agent" means each entity designated in a Supplement es the place of payment of a series or issue of Parity Obligetions.

"Pledged Revenues" meens

(1) the Net Revenues, plus

(2) any additional revenues, income, receipts, or other resources, including, without limitation, eny grents, donations, or incoma receivad or to be received from the United Stetes Government, or any other public or private source, whether pursuant to an agreement or otherwise, which hereafter are pledged to the payment of the Parity Obligations.

"Prudent Utility Practice" means any of the practicee, methods and acts, in the exercise of reasonable judgment, in the light of the facts, including but not limited to the practices, methods and acts engeged in or approved by a significant portion of the public utility industry prior thereto, known at the time the decision was made, would have been expected to accomplish the desired result et the lowest reasonable cost consistent with reliability, safety and axpedition. It is recognized that Prudent Utility Practice is not intended to be limited to the optimum practice, method or act at the exclusion of all others, but rether is e spectrum of poeeible practicee, methode or acts which could have been expected to accomplish the desired rasult et the lowest reasonable cost consistent with reliability, safety and expedition. In the cese of any facility included in the Syetem which ie owned in common with one or mora other entitias, tha term "Prudent Utility Practice", as

applied to such facility, shall have the meaning set forth in the agreement governing the operation of such facility.

"Rating Agency" means any nationally recognized securities rating agency which has assigned a rating to the Parity Obligations.

"Registrar" means each entity designated in a Supplement as the registrar of a series or issue of Parity Obligations.

"Required Reserve Amount" means an amount equal to the greater of (a) 50% of the average Annual Debt Service Requirements of the Parity Obligations then Outstanding or (b) 37½% of the Annual Debt Service Requirements of the Parity Obligations to be Outstanding in the Fiscal Year during which such Annual Debt Service Requirements are scheduled to be the greatest, to the extent such Parity Obligations are to be secured by the Reserve Fund in accordance with the terms and provisions of Section 7 of the Ordinance and any Supplement.

"Reserve Fund" means the "City of Fort Worth, Texas Water and Sewer System Parity Obligations Reserve Fund" established pursuant to Section 7 of the Ordinance.

"Reserve Fund Obligations" means cash, Eligible Investments, any Credit Facility, or any combination of the foregoing.

"Stated Maturity" when used with respect to any Debt or any installment of interest thereon means any date specified in the instrument evidencing or authorizing such Debt or such installment of interest as a fixed date on which the principal of such Debt or any installment thereof or the fixed date on which such installment of interest is due and payable.

"Subordinated Debt" means any Debt which expressly provides that all payments thereon shall be subordinated to the timely payment of all Parity Obligations then Outstanding or subsequently issued.

"Supplement" or "Supplemental Ordinance" means an ordinance supplemental to, and authorized and executed pursuant to the terms of, the Ordinance.

"System" means and includes the City's existing combined water and sewer system, together with all future extensions, improvements, enlargements, and additions thereto, including, to the extent permitted by law, storm sewer and drainage, and all replacements thereof; provided that, notwithstanding the foregoing, and to the extent now or hereafter authorized or permitted by law, the term System shall not include any water, sewer, or, if applicable, drainage facilities which are declared by the City not to be a part of the System and which are hereafter acquired or con-

structured by the City with the proceeds from the issuance of "Special Facilities Debt", which term is hereby defined as being special revenue obligations of the City which are not secured by or payable from the Pledged Revenues, but which are secured by and payable solely from special contract revenues, or payments received from the City or any other legal entity, or any combination thereof, in connection with such facilities; and such revenues or payments shall not be considered as or constitute Gross Revenues of the System, unless and to the extent otherwise provided in the ordinance or ordinances authorizing the issuance of such "Special Facilities Debt".

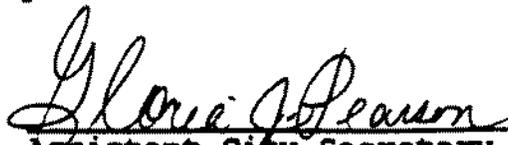
"System Fund" means the "City of Fort Worth, Texas Water and Sewer System Revenue Fund" established pursuant to Section 5 of the Ordinance.

"Term of Issue" means with respect to any Balloon Debt, a period of time equal to the greater of (i) the period of time commencing on the date of issuance of such Balloon Debt and ending on the final maturity date of such Balloon Debt or the "maximum maturity date" in the case of commercial paper ("maximum maturity date" having the meaning given to said term in any Supplement authorizing the issuance of commercial paper) or (ii) twenty-five years.

"Value of Investment Securities" and words of like import shall mean the amortized value thereof, provided, however, that all United States of America, United States Treasury Obligations--State and Local Government Series shall be valued at par and those obligations which are redeemable at the option of the holder shall be valued at the price at which such obligations are then redeemable. The computations made under this paragraph shall include accrued interest on the investment securities paid as a part of the purchase price thereof and not collected. For the purposes of this definition "amortized value", when used with respect to a security purchased at par means the purchase price of such security.

I, the undersigned, Assistant City Secretary of the City of Fort Worth, in the State of Texas, do hereby certify that I have compared the attached and foregoing excerpt from the minutes of the regular meeting of the City Council of the City of Fort Worth, Texas which was held on December 10, 1991, and of an ordinance which was duly passed at said meeting, and that said copy is a true and correct copy of said excerpt and the whole of said ordinance. Said meeting was open to the public, and public notice of the time, place and purpose of said meeting was given, all in accordance with Vernon's Annotated Civil Statutes, Article 6252-17, as amended.

In testimony whereof, I have set my hand and have hereunto affixed the seal of said City of Fort Worth, this 10th day of December, 1991.


Assistant City Secretary of the
City of Fort Worth, Texas

(SEAL)

Lake Lewisville

Grapevine Lake

Eagle Mountain Lake

Lake Worth

Burger Lake

12311

White Lake
Fosdic Lake

Lake Como

Echo Lake

Lake Arlington

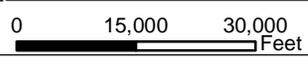
Benbrook Lake

Joe Pool Lake

Legend

- CFW City Limit
- Water CCN
- Major Streets
- NHD Waterbody

For general purpose only. Contact City of Fort Worth Transportation and Public Works at 817-392-8426 to get plan information for design or construction purposes. Maps with aerial and contour information are prohibited from reproduction and distribution without prior consent from the North Central Texas Council of Governments.



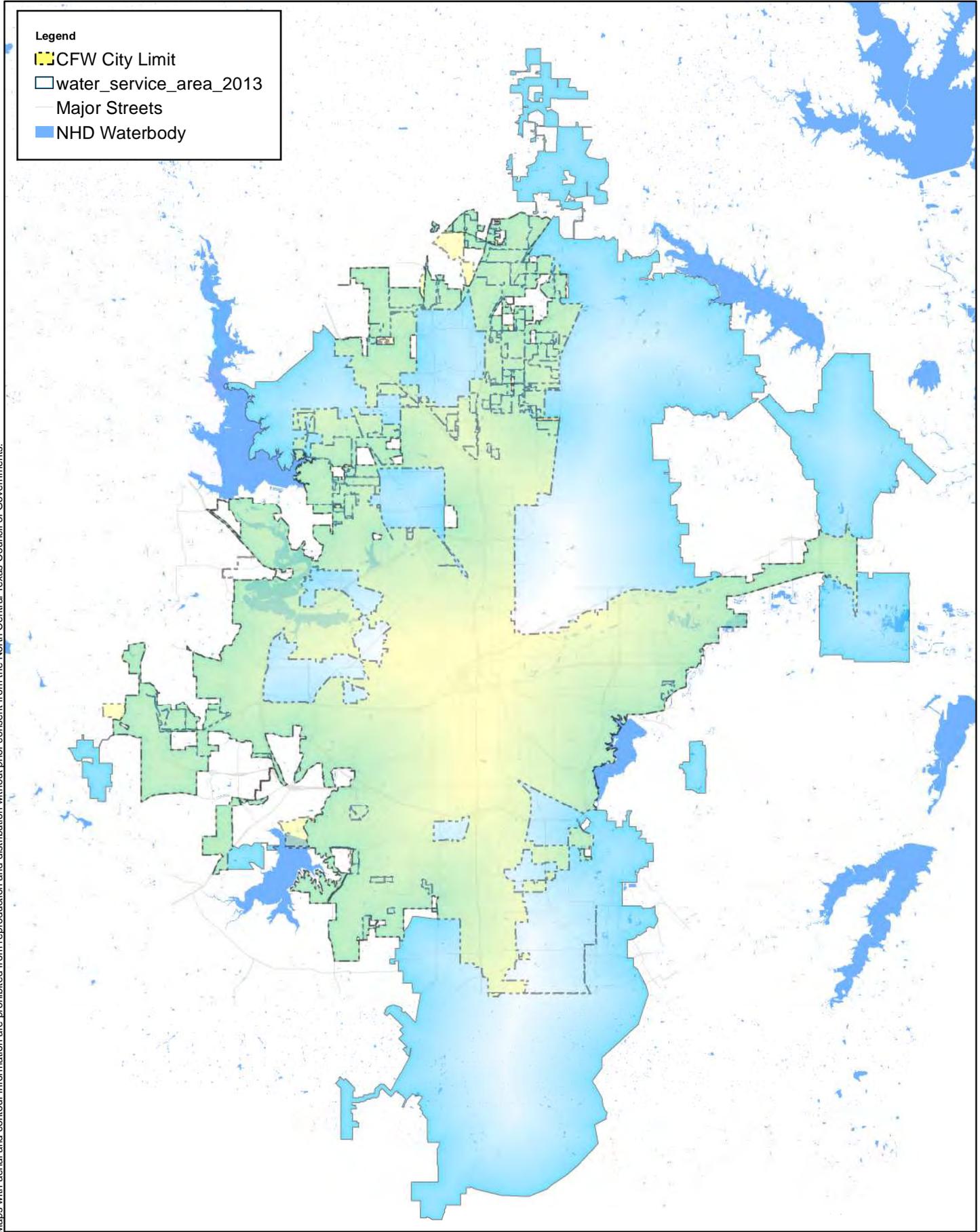
Fort Worth Water Service Area

City of Fort Worth
Part B22
UNAUTHORIZED REPRODUCTION IS A VIOLATION OF CITY OF FORT WORTH PUBLIC LAW
THIS MAP IS TO BE USED FOR A GRAPHICAL REPRESENTATION ONLY. NO LIABILITY OR ACCURACY IS NOT TO BE TAKEN / USED AS DATA PRODUCED FOR ENGINEERING PURPOSES OR BY A REGISTERED PROFESSIONAL LAND SURVEYOR. THE CITY OF FORT WORTH ASSUMES NO RESPONSIBILITY FOR THE ACCURACY OF SAID DATA.



Legend

- CFW City Limit
- water_service_area_2013
- Major Streets
- NHD Waterbody



For general purpose only. Contact City of Fort Worth Transportation and Public Works at 817-392-8426 to get plan information for design or construction purposes. Maps with aerial and contour information are prohibited from reproduction and distribution without prior consent from the North Central Texas Council of Governments.

\\wms01\Water\Public\TWD\B1\TWD8 SWFT Loan_AML_2015\Map\Service Area\Map.mxd (Indors) 05/06/2015



CITY OF FORT WORTH TIME PERIOD 1/1/2012 - PRESENT						
SUBMITTED DATE	DOCKET #	AMOUNT	STATUS	BENEFICIARY	ALLEGED VIOLATION LOCATION	ALLEGED VIOLATION
04/10/2012	19525	\$500.00	CLOSED	TEXAS RAILROAD COMMISSION	907 E HUMBOLT ST	Rule 16 T.A.C. - 18.10(b) Failure to dig with care within the specified tolerance zone.
06/11/2012	21624	\$500.00	CLOSED	TEXAS RAILROAD COMMISSION	5004 REED ST	Rule 16 T.A.C. - 18.10(b) Failure to dig with care within the specified tolerance zone.
12/17/2012	22465	\$500.00	CLOSED	TEXAS RAILROAD COMMISSION	4913 HAMPSHIRE BLVD	Rule 16 T.A.C. - 18.10(b) Failure to dig with care within the specified tolerance zone.
12/18/2012	22469	\$500.00	CLOSED	TEXAS RAILROAD COMMISSION	7800 TIMBERWOOD CT	Rule 16 T.A.C. - 18.10(b) Failure to dig with care within the specified tolerance zone.
12/18/2012	22504	\$500.00	CLOSED	TEXAS RAILROAD COMMISSION	963 W BLUFF ST	Rule 16 T.A.C. - 18.10(b) Failure to dig with care within the specified tolerance zone.
		\$2,500.00				
1/22/2013	23062	\$250.00	CLOSED	TEXAS RAILROAD COMMISSION	2728 W 6TH ST	Rule 16 T.A.C. - 18.4(a) Failure to plan an excavation in such a manner as to avoid damage and minimize interference with all underground pipelines in the vicinity of the excavation area and/or take all reasonable steps to protect underground pipelines from damage.
3/27/2013	23918	\$500.00	CLOSED	TEXAS RAILROAD COMMISSION	3800 W 5TH ST	Rule 16 T.A.C. - 18.10(b) Failure to dig with care within the specified tolerance zone.
6/4/2013	24863	\$50.00	CLOSED	TEXAS RAILROAD COMMISSION	4300 SELKIRK DR W	Rule 16 T.A.C. - 18.11(b) - The Excavator did not submit a report of the damage incident to the Commission within 10 days of the incident.
8/20/2013	25827	\$500.00	CLOSED	TEXAS RAILROAD COMMISSION	4241 BRIDGESTONE DR	Rule 16 T.A.C. - 18.4(g) - The Excavator did not protect or preserve locate markings for the duration of the excavation project.
11/7/2013	27494	\$1,250.00	CLOSED	TEXAS RAILROAD COMMISSION	2841 AVE G	Rule 16 T.A.C. - 18.10(b) Failure to dig with care within the specified tolerance zone.
12/10/2013	27811	\$1,250.00	CLOSED	TEXAS RAILROAD COMMISSION	2317 GRAYSON AV	Rule 16 T.A.C. - 18.10(b) Failure to dig with care within the specified tolerance zone.
12/24/2013	28135	\$500.00	CLOSED	TEXAS RAILROAD COMMISSION	5300 WEDGMONT CIR N	Rule 16 T.A.C. - 18.10(b) Failure to dig with care within the specified tolerance zone.
		\$4,300.00				

SUBMITTED DATE	DOCKET #	AMOUNT	STATUS	BENEFICIARY	ALLEGED VIOLATION LOCATION	ALLEGED VIOLATION
1/15/2014	28322	\$1,750.00	CLOSED	TEXAS RAILROAD COMMISSION	911 E CANNON ST	Rule 16 T.A.C - 18.10(b) - The Excavator failed to dig with care within the specified tolerance zone. 18.11(b) - The Excavator did not submit a report of the damage incident to the Commission within 10 days of the incident.
6/11/2014	31367	\$1,250.00	CLOSED	TEXAS RAILROAD COMMISSION	812 W MORPHY ST	Rule 16 T.A.C. - 18.10(b) Failure to dig with care within the specified tolerance zone.
6/19/2014	31622	\$1,250.00	CLOSED	TEXAS RAILROAD COMMISSION	4304 TRUELAND DR	Rule 16 T.A.C. - 18.10(b) Failure to dig with care within the specified tolerance zone.
6/30/2014	31817	\$1,250.00	CLOSED	TEXAS RAILROAD COMMISSION	3615 SELK AV	Rule 16 T.A.C. - 18.10(b) Failure to dig with care within the specified tolerance zone.
7/28/2014	32411	\$1,250.00	CLOSED	TEXAS RAILROAD COMMISSION	401 HAWKINS ST	Rule 16 T.A.C. - 18.3(a) - The Excavator did not notify the Notification Center for a locate prior to excavation activities. -18.11(b)- The Excavator did not submit a report of the damage incident to the Commission within 10 days of the incident.
9/29/2014	034270	\$500.00	CLOSED	TEXAS RAILROAD COMMISSION	700 TASMAN ST	Rule 16 T.A.C. - 18.11(b) The excavator did not submit a report of the damage incident to the Commission within 10 days of the incident.
10/08/2014	034612	\$500.00	CLOSED	TEXAS RAILROAD COMMISSION	1003 PARK ST	Rule 16 T.A.C. - 18.4(g) The excavator did not protect or preserve locate markings for the duration of the excavation project.
10/24/2014	034482	\$500.00	CLOSED	TEXAS RAILROAD COMMISSION	2745 HEMPHILL ST	Rule 16 T.A.C. - 18.4(c) Excavator did not confirm valid locate ticket.
		\$8,250.00				
1/06/2015	036589	\$1,250.00	CLOSED	TEXAS RAILROAD COMMISSION	2409 WEILER BLVD	Rule 16 T.A.C. - 18.10(b) The excavator failed to dig with care within the specified tolerance zone.
1/29/2015	034206	\$1,250.00	CLOSED	TEXAS RAILROAD COMMISSION	3520 BRYAN AVE	Rule 16 T.A.C. - 18.10(b) The excavator failed to dig with care within the specified tolerance zone.
1/14/2015	036862	\$1,250.00	CLOSED	TEXAS RAILROAD COMMISSION	5108 FITZHUGH AVE	Rule 16 T.A.C. - 18.10(b) The excavator failed to dig with care within the specified tolerance zone.
		\$3,750.00				
All Fines 2012 - Present		\$18,800.00				

PAYMENT SUBMITTED BUT HAVE NOT RECEIVED CLOSED LETTERS FROM RAILROAD COMMISSION						
SUBMITTED DATE	DOCKET #	AMOUNT	STATUS	BENEFICIARY	ALLEGED VIOLATION LOCATION	ALLEGED VIOLATION
10/30/2014	035242	\$500.00		TEXAS RAILROAD COMMISSION	2141 BETHUNE ST	Rule 16 T.A.C. - 18.11(b) The excavator did not submit a report of the damage incident to the Commission within 10 days of the incident.
3/25/2015	039154	\$500.00		TEXAS RAILROAD COMMISSION	4601 PYLON ST	Rule 16 T.A.C. - 18.3(e) The excavation project was not completed at the time a line locate ticket expired, and the excavator did not refresh the ticket.
4/07/2015	039872	\$500.00		TEXAS RAILROAD COMMISSION	4828 CEDAR SPRINGS DR	Rule 16 T.A.C. - 18.4(g) The excavator did not protect or preserve locate markings for the duration of the excavation project.
4/20/2015	040350	\$500.00		TEXAS RAILROAD COMMISSION	2616 COLLEGE AVE	Rule 16 T.A.C. - 18.4(a) The excavator failed to plan an excavation in such a manner as to avoid damage to and minimize interference with all underground pipelines in the vicinity of the excavation area and/or take all reasonable steps to protect underground pipelines from damage.
Anticipated Fines		\$2,000.00				



March 31, 2015

Mr. Richard A. Hyde
Executive Director
Texas Commission on Environmental Quality
P. O. Box 13087
Austin, TX 78711-3087

Dear Mr. Hyde:

I am the Acting Assistant Finance Director of the City of Fort Worth, located at 1000 Throckmorton Street, Fort Worth, TX 76102. This letter is in support of this local government's use of the financial test to demonstrate financial assurance, as specified in 30 Texas Administrative Code (TAC) Chapter 37 (relating to Financial Assurance).

1. This local government is the owner or operator of the following facilities for which financial assurance for closure, post closure, or corrective action is demonstrated through the financial test specified in 30 TAC Chapter 37.271 (relating to Local Government Financial Test). The current cost estimates covered by the test are shown for each facility:

Riverside Wastewater Treatment Plant, 4600 E. First St, Fort Worth, TX (VCP No. 1462)

Total 30 Year Post-Closure Costs, 9/30/13	\$3,408,642
FY2014 Change	<u>(277,208)</u>
Total Post-Closure Costs, 9/30/14	\$3,131,434

Southeast Landfill, 6900 Dick Price Road, Fort Worth, TX (MSW No.218-C)

Total 30 Year Post-Closure Costs, 9/30/13	\$10,406,198
Adjustment for Permit Amendment and FY2013 Inflation Factor (1.4%)	<u>166,499</u>
Total Post-Closure Costs, 9/30/2014	\$10,572,698

Total Projected Future Closure Costs, 9/30/2013	\$ 4,082,174
Adjustment for Permit Amendment and FY2013 Inflation Factor (1.4%)	<u>65,315</u>
Total Future Closure Costs, 9/30/2014	\$ 4,147,489

Grand Total Post-Closure and Future Closure Costs, 9/30/2014	\$17,851,621
---	---------------------

DEPARTMENT OF FINANCE

Mr. Richard A. Hyde
March 31, 2015
Page 2

Underground storage tanks at the following facilities are assured by this financial test for taking corrective action and/or compensating third parties for bodily injury and property damage caused by sudden accidental releases and/or non-sudden accidental releases in the amount of at least \$1,000,000.00 per occurrence and **\$1,000,000.00 annual aggregate** arising from operating the underground storage tanks.

Facility ID	Address	# of Tanks	Period of Coverage
77653	5001 James Ave, Fort Worth, TX	5	Indefinitely
07523	5000 Martin Luther King Freeway, Fort Worth, TX	4	Indefinitely
07524	2201 W. Daggett Street, Fort Worth, TX	3	Indefinitely
07526	1013 Cherry Street, Fort worth, TX	2	Indefinitely
07527	4500 Wilma Lane, Fort Worth, TX	3	Indefinitely
07533	7103 Calmont, Fort Worth, TX	2	Indefinitely
07548	3209 Hemphill Street, Fort Worth, TX	2	Indefinitely
07552	2737 Meadowbrook Drive, Fort Worth, TX	2	Indefinitely
07563	3801 N. Main Street, Fort Worth, TX	2	Indefinitely
07568	4416 Southwest Blvd., Fort Worth, TX	2	Indefinitely
07569	4209 Longstraw, Fort Worth, TX	2	Indefinitely
07570	10201 White Settlement Road, Fort Worth, TX	2	Indefinitely
07802	14650 Statler Blvd., Fort Worth, TX	2	Indefinitely
12943	350 W. Belknap Street, Fort Worth, TX	1	Indefinitely
28135	4201 N. Main Street, Fort Worth, TX	2	Indefinitely
45916	3101 Forest Avenue, Fort Worth, TX	2	Indefinitely
48704	4100 Columbus Trail, Fort Worth, TX	4	Indefinitely
07525	2500 Brennan Avenue, Fort Worth, TX	0	Indefinitely

Facility ID	Address	# of Tanks	Period of Coverage
77653	5001 James Ave, Fort Worth, TX	5	Indefinitely
07523	5000 Martin Luther King Freeway, Fort Worth, TX	4	Indefinitely
07524	2201 W. Daggett Street, Fort Worth, TX	3	Indefinitely
07526	1013 Cherry Street, Fort worth, TX	2	Indefinitely
07527	4500 Wilma Lane, Fort Worth, TX	3	Indefinitely
07533	7103 Calmont, Fort Worth, TX	2	Indefinitely
07548	3209 Hemphill Street, Fort Worth, TX	2	Indefinitely
07552	2737 Meadowbrook Drive, Fort Worth, TX	2	Indefinitely
07563	3801 N. Main Street, Fort Worth, TX	2	Indefinitely
07568	4416 Southwest Blvd., Fort Worth, TX	2	Indefinitely

07569	4209 Longstraw, Fort Worth, TX	2	Indefinitel y
07570	10201 White Settlement Road, Fort Worth, TX	2	Indefinitel y
07802	14650 Statler Blvd., Fort Worth, TX	2	Indefinitel y
12943	350 W. Belknap Street, Fort Worth, TX	1	Indefinitel y
28135	4201 N. Main Street, Fort Worth, TX	2	Indefinitel y
45916	3101 Forest Avenue, Fort Worth, TX	2	Indefinitel y
48704	4100 Columbus Trail, Fort Worth, TX	4	Indefinitel y
07525	2500 Brennan Avenue, Fort Worth, TX	0	Indefinitel y

2. This local government guarantees, through the guarantee specified in 30 TAC Chapter 37.281 (relating to Local Government Guarantee), the current closure, post closure, or corrective action cost estimates of the following facilities owned or operated by the City of Fort Worth. The current cost estimates so guaranteed are shown for each facility: **NONE**

The fiscal year of this local government ends on September 30, 2014. The figures for the following items marked with an asterisk are derived from this local government's independently audited, year-end financial statements for the latest completed fiscal year, ended September 30, 2014.

Mr. Richard A. Hyde
March 31, 2015
Page 3

BOND RATING INDICATOR OF FINANCIAL STRENGTH

1. Sum of current cost estimates (total of all cost estimates shown in the paragraphs above) **\$18,851,621**
2. List the following information on all the outstanding, rated, unsecured general obligation bonds, revenue bonds, or certificates of obligation issued to the local government. Current bond rating of most recent issuance and name of rating service.

General Obligation Bonds:	<u>Issue Date</u>	<u>Maturity Date</u>
Series 2004 Refunding	11/24/2004	3/1/2021
Series 2007	1/24/2007	3/1/2027
Series 2007A	9/20/2007	3/1/2027
Series 2008	10/7/2008	3/1/2018
Series 2009	9/30/2009	3/1/2029
Series 2010	10/19/2010	3/1/2030
Series 2011 Refunding	9/20/2011	3/1/2023
Series 2012 Refunding	9/25/2012	3/1/2032
Series 2013 Refunding	9/26/2013	3/1/2033
Certificates of Obligation:	<u>Issue Date</u>	<u>Maturity Date</u>
Series 2005	5/10/2005	3/1/2025
Series 2005A	8/30/2005	3/1/2025
Series 2007	2/13/2007	3/1/2027
Series 2008	10/7/2008	3/1/2018
Series 2009	9/30/2009	3/1/2029
Series 2010	7/27/2010	3/1/2031
Series 2010A	10/19/2010	3/1/2030
Series 2012	9/12/2012	3/1/2032
Series 2013A	9/26/2013	3/1/2033
Series 2013B	9/26/2013	3/1/2033
Series 2013C	10/16/2013	3/1/2034
Solid Waste Revenue Certificates of Obligation:	<u>Issue Date</u>	<u>Maturity Date</u>
Series 2005A	8/30/2005	3/1/2025
Municipal Parking Revenue Certificates of Obligation:		
Series 2007	2/15/2007	3/1/2033
Series 2009	2/28/2009	3/1/2033
Series 2010A	10/19/2010	3/1/2020
Municipal Golf Revenue Certificates of Obligation:		
Certificates of Obligation:	<u>Issue Date</u>	<u>Maturity Date</u>
Series 2010A	10/19/2010	3/1/2025

Mr. Richard A. Hyde
March 31, 2015
Page 4

2. (continued)

Current Bond Rating for General Purpose Bonds:

Fitch AA+
Moody's Aa1

Water and Sewer Revenue Bonds:

	<u>Issue Date</u>	<u>Maturity Date</u>
Series 2005A Refunding	4/27/2005	2/15/2020
Series 2005 TWDB	3/17/2005	3/1/2025
Series 2005A TWDB	12/15/2005	3/1/2025
Series 2005B TWDB	12/15/2005	3/1/2025
Series 2007	8/27/2007	2/15/2027
Series 2007A TWDB	11/16/2007	3/1/2027
Series 2007B TWDB	11/6/2007	3/1/2017
Series 2008 Refunding	6/11/2008	2/15/2024
Series 2009 TWDB	9/24/2010	2/15/2026
Series 2010 Refunding	5/27/2010	2/15/2020
Series 2010A TWDB	6/29/2010	2/15/2016
Series 2010B	9/23/2010	2/15/2030
Series 2010C	10/19/2010	2/15/2030
Series 2011 Refunding	9/7/2011	2/15/2031
Series 2012 Refunding	9/25/2012	2/15/2025
Series 2014 Refunding	2/25/2014	2/15/2034

Drainage Utility System Revenue Bonds:

Series 2007	2/15/2008	2/15/2033
Series 2009	10/27/2009	2/15/2035
Series 2011	10/27/2011	2/15/2036

Current Bond Rating for Water and Sewer Revenue Debts:

Fitch AA
Moody's Aa1

Mr. Richard A. Hyde

March 31, 2015
Page 5

3. Environmental obligations assured by a financial test to demonstrate financial assurance in the following amounts under commission regulations and the Code of Federal regulations (CFR) or state equivalent rules:

(a) Municipal solid waste under 30 TAC Chapter 330 (relating to Municipal Solid Waste) and 40 CFR Part 258	\$ 17,851,621
(b) Hazardous waste treatment, storage and disposal facilities under 30 TAC Chapter 335 (relating to industrial Solid Waste and Municipal hazardous waste) and 40 CFR parts 264 and 265	\$ 0
(c) Petroleum underground storage tanks under 30 TAC Chapter 334 (relating to underground and Aboveground Storage Tanks) and 40 CFR Part 280	\$ 1,000,000
(d) Underground injection Control System facilities under 30 TAC Chapter 331 (relating to Underground injection Control) and 40 CFR part 144	\$ 0
(e) Polychlorinated biphenyl (PCB) commercial storage facilities Under 40 CFR Part 761	\$ 0
(f) Additional environmental obligation not shown above	\$ 0
Total (a) thru (f)	\$ 18,851,621

*4. Total Annual Revenue \$1,336,817

Indicate either "yes" or "no" to the following question:

5. Is Line 3 divided by line 4 less than or equal to 0.43? (yes)

I hereby certify that the wording of this letter is identical to the wording specified in 30 TAC §37.371 as such regulations were constituted on the date shown immediately below. I further certify the following: that the City of Fort Worth's financial statements are prepared in conformity with Generally Accepted Accounting Principles for governments, including conformance with General Accounting Standards Board Statement 18, and its financial statements have been audited by an independent Certified Public Accountant (CPA); that the City of Fort Worth has not operated at a deficit equal to 5.0% or more of total annual revenue in each of the past two fiscal years; that the City of Fort Worth is not in default on any outstanding general obligations bonds; that the City of Fort Worth does not have outstanding general obligations rated lower than Baa as issued by Moody's or BBB as issued by Standard and Poor's; and that the City of Fort Worth has not received an adverse opinion, disclaimer of opinion, or other qualified opinion from the independent CPA.



Anthony Rousseau
Acting Assistant Finance Director
March 31, 2015

**Summary Information for Penalty Pay-out from
Water Department**

Time Period 1/1/2012-Present						
Check Date	Docket	Amount	Status	Beneficiary	Alleged Violation Location	Alleged Violation
2012						
4/13/2012	2012-0151-MWD-E	\$ 15,625.00	Complete	Water and Wastewater Assistance - Tarrant County (RC&D)	Unnamed creek near 6300 Randol Mill Road fish kill (653 fish)	Failure to prevent a discharge of untreated wastewater from the collection system
2013						
		\$ -				
	Total Paid to Date	\$ 15,625.00				

Notice of Violations (NOV)				
Time Period 1/1/2009-present				
Date	Investigation #	Amount	Status	Alleged Violation
7/13/2012	1003137	\$ -	Resolved- No Penalty	Potable Water System Spill and Fish Kill, near 7500 White Settlement - failure to give 24 hour notice
1/9/2013	1052224	\$ -	Resolved- No Penalty	Potable Water System Unauthorized Discharge, just south of Martin St. at E. Loop 820

**TEXAS WATER DEVELOPMENT BOARD
WATER USE SURVEY**

WATER USE IN CALENDAR YEAR: 2012

SYSTEM NAME: GENERAL WATER DISTRIBUTION SYSTEM (FORT WORTH)
OPERATOR NAME:
MULTIPLE SURVEY ORG: CITY OF FORT WORTH
MAILING ADDRESS 1: 1000 THROCKMORTON ST
MAILING ADDRESS 2:
CITY/STATE/ZIP: FORT WORTH TX 76102-
PWS NAME: CITY OF FORT WORTH

SURVEY NUMBER: 0298900
PRIMARY USED COUNTY: TARRANT
PRIMARY USED RIVER BASIN: TRINITY
ORGANIZATION MAIN PHONE: 817-392-5902
MAIN EMAIL:
WEB:
PWS CODE: 2200012

INTAKE:

Water Type		County	Basin	Seller Name and/or Seller System		River / Reservoir	Metered or Estimated	Brackish / Saline (Y or N)	% Treated Prior to Intake	Total Volume (gallons)	
SURFACE WATER PURCHASED		TARRANT	TRINITY	TARRANT REGIONAL WD	EAGLE MOUNTAIN 08030	EAGLE MOUNTAIN LAKE/RESERVOIR	M	N	0.00	17,639,090,000	
JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
795,150,000	727,360,000	894,940,000	1,171,990,000	1,929,310,000	1,614,020,000	2,432,260,000	2,354,730,000	1,905,570,000	1,426,340,000	1,347,250,000	1,040,170,000
Water Type		County	Basin	Seller Name and/or Seller System		River / Reservoir	Metered or Estimated	Brackish / Saline (Y or N)	% Treated Prior to Intake	Total Volume (gallons)	
SURFACE WATER PURCHASED		TARRANT	TRINITY	TARRANT REGIONAL WD	EAGLE MOUNTAIN 08030	WORTH LAKE/RESERVOIR	M	N	100.00	19,875,190,000	
JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
1,214,880,000	1,105,550,000	1,299,090,000	1,271,120,000	1,288,730,000	2,154,980,000	2,325,030,000	2,446,930,000	2,168,560,000	1,787,000,000	1,490,610,000	1,322,710,000
Water Type		County	Basin	Seller Name and/or Seller System		River / Reservoir	Metered or Estimated	Brackish / Saline (Y or N)	% Treated Prior to Intake	Total Volume (gallons)	
SURFACE WATER PURCHASED		NAVARRO	TRINITY	TARRANT REGIONAL WD	RICHLAND CHAMBERS CREEK 08240	RICHLAND CHAMBERS LAKE/RESERVOIR	M	N	0.00	16,255,839,540	
JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
1,475,676,000	925,797,600	0	23,083,840	1,694,336,700	2,045,943,900	1,865,020,500	828,016,800	2,003,176,600	1,914,315,600	1,739,882,000	1,740,590,000
Water Type		County	Basin	Seller Name and/or Seller System		River / Reservoir	Metered or Estimated	Brackish / Saline (Y or N)	% Treated Prior to Intake	Total Volume (gallons)	
SURFACE WATER PURCHASED		KAUFMAN	TRINITY	TARRANT REGIONAL WD	CEDAR CREEK RESERVOIR 08190	CEDAR CREEK LAKE/RESERVOIR - TRINITY	M	N	0.00	6,993,814,640	
JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
573,874,000	428,610,000	0	23,083,840	760,722,600	811,882,500	870,342,900	379,507,700	904,660,400	872,702,700	818,768,000	549,660,000
Water Type		County	Basin	Seller Name and/or Seller System		River / Reservoir	Metered or Estimated	Brackish / Saline (Y or N)	% Treated Prior to Intake	Total Volume (gallons)	
SURFACE WATER PURCHASED		TARRANT	TRINITY	TARRANT REGIONAL WD	LAKE BENBROOK	BENBROOK LAKE/RESERVOIR	E	N	0.00	9,963,819,820	
JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
0	360,032,400	1,946,180,000	2,262,216,320	1,002,770,700	389,703,600	1,409,126,600	2,242,545,500	323,093,000	28,151,700	0	0
Water Type			County	Basin		Metered or Estimated	% Reuse for Industrial	% Reuse for Landscape	% Reuse for Agriculture	% Reuse for Other	Total Volume (gallons)
REUSE SELF SUPPLIED DIRECT			TARRANT	TRINITY		M	0.00	15.40	0.00	84.60	3,796,213,870

SALES:

Buyer	SALE TYPE (MUNICIPAL or INDUSTRIAL)	COUNTY NAME	BASIN NAME	Water Type	AQUIFER NAME (if GW)	SURFACE WATER Name (if SW)	TOTAL VOLUME (GALLONS) Part B26
NAVAL AIR STATION FORT WORTH JRB	I			SURFACE WATER			59,376,988
ASSOC WHOLESALE GROCERS INC	I			SURFACE WATER			11,268,695
AGRANA FRUIT US INC	I			SURFACE WATER			12,637,385
DAN MEEKER MANAGEMENT INC	I			SURFACE WATER			15,769,860
CINTAS CORPORATION TARRANT	I			SURFACE WATER			16,356,591
LEOS FOODS INC	I			SURFACE WATER			14,166,522
EXTEX LAPORTE LTD PARTNERSHIP	I			SURFACE WATER			42,575,412
QUICKSILVER RESOURCES INC	I			SURFACE WATER			37,827,033
FORT WORTH PLANT	I			SURFACE WATER			15,202,726
BALL METAL CONTAINER CORPORATION FORT WORTH PLANT	I			SURFACE WATER			34,718,420
FORT WORTH DIV	I			SURFACE WATER			14,215,590
UNION PACIFIC RAILROAD	I			SURFACE WATER			39,680,652
FIVE STAR FOODS	I			SURFACE WATER			79,257,930
AMERICAN AIRLINES	I			SURFACE WATER			93,985,302
AKZO NOBEL CHEMISTRY LLC	I			SURFACE WATER			23,130,180
ALCON LABORATORIES INC	I			SURFACE WATER			284,590,962
BREAD PLANT	I			SURFACE WATER			18,032,186
TEXTRON PLANT 1	I			SURFACE WATER			137,226,135
FORT WORTH PLANT	I			SURFACE WATER			28,698,740
GENERAL WATER DISTRIBUTION SYSTEM (BETHESDA WSC)	M			SURFACE WATER			986,153,771
CITY OF BURLESON	M			SURFACE WATER			1,719,969,578
FORT WORTH PLANT	I			SURFACE WATER			112,093,186
CITY OF CROWLEY	M			SURFACE WATER			603,571,584
BEST MAID PRODUCTS INC	I			SURFACE WATER			29,241,714
CITY OF DALWORTHINGTON GARDEN	M			SURFACE WATER			165,139,840
DANNON COMPANY	I			SURFACE WATER			99,057,490
TROPHY CLUB MUD 1	M			SURFACE WATER			855,352,637
TOWN OF EDGECLIFF VILLAGE	M			SURFACE WATER			140,622,463

CITY OF FOREST HILL	M			SURFACE WATER			466,117,982
AERO FORT WORTH MAIL ZONE 6489	I			SURFACE WATER		City of Fort Worth Part B26	293,116,067
DFW INTERNATIONAL AIRPORT	M			SURFACE WATER			420,598,580
CITY OF GRAND PRAIRIE	M			SURFACE WATER			810,225,740
CITY OF HALTOM CITY	M			SURFACE WATER			1,886,311,190
CITY OF HASLET	M			SURFACE WATER			164,416,955
CITY OF HURST	M			SURFACE WATER			2,159,122,320
CITY OF KELLER	M			SURFACE WATER			2,417,815,282
CITY OF KENNEDALE	M			SURFACE WATER			136,467,790
KROGER COMPANY	I			SURFACE WATER			102,400,452
CITY OF LAKE WORTH	M			SURFACE WATER			272,204,656
MILLER COORS LLC	I			SURFACE WATER			870,054,900
CITY OF NORTH RICHLAND HILLS	M			SURFACE WATER			2,930,875,910
CITY OF RICHLAND HILLS	M			SURFACE WATER			275,758,630
CITY OF ROANOKE	M			SURFACE WATER			545,392,064
CITY OF SAGINAW	M			SURFACE WATER			1,098,825,660
CITY OF SOUTHLAKE	M			SURFACE WATER			4,590,135,195
COTT INC	I			SURFACE WATER			157,336,040
U S DEPARTMENT OF TREASURY	I			SURFACE WATER			53,483,571
TOWN OF WESTOVER HILLS	M			SURFACE WATER			275,520,490
CITY OF WESTWORTH VILLAGE	M			SURFACE WATER			115,778,760
CITY OF WHITE SETTLEMENT	M			SURFACE WATER			469,936,683
TOWN OF WESTLAKE	M			SURFACE WATER			420,561,302
NORTHLAKE	M			SURFACE WATER			89,108,453
XTO ENERGY	I			SURFACE WATER			203,032,557
KETTLE FOODS	I			SURFACE WATER			148,198,173
PREMIUM WC	I			SURFACE WATER			115,631,727
SYNTHETIC PRODUCTS	I			SURFACE WATER			60,331,960
ADMIRAL LINEN & UNIFORM SERVICES	I			SURFACE WATER			60,464,580
TRIUMPH FABRICATIONS - FORT WORTH	I			SURFACE WATER			14,159,341

CITY OF RIVER OAKS	M			SURFACE WATER			23,189,730
CHESAPEAK OPERATING	I			SURFACE WATER		City of Fort Worth Part B26	120,985,933
TEXAS AMERICAN FOOD SER	I			SURFACE WATER			12,723,330
LEGEND NATURAL GAS IV	I			SURFACE WATER			26,538,068
FEDERAL CORRECTIONAL INSTITUTE TARRANT	I			SURFACE WATER			79,602,908

COUNTY CONNECTIONS:

COUNTY NAME	TOTAL CONNECTIONS
DENTON	4,146

CONNECTIONS/USAGE:

	CONNECTIONS	VOLUME (GALLONS)
Total Metered Retail	270147	45113405982
Residential - Single Family	238427	18755728760
Residential - Multi Family	3189	3769868904
Institutional	0	0
Commercial	27435	6891152162
Industrial	1096	6504555371
Agriculture	0	0
Total Unmetered	0	122253423

WATER SYSTEM INFORMATION:

Estimated full-time residential population served directly by this system	757,810
---	---------

CONTACTS:

LAST NAME	FIRST NAME	TITLE	PHONE	PHONE EXT.	EMAIL
TALLEY	RICHARD	REGULATORY/ENVIRONMENTAL COORDINATOR	817-392-8203		RICHARD.TALLEY@FORTWORTHTEXAS.GOV
Scott	Betty		817-392-2419		betty.scott@fortworthtexas.gov

**TEXAS WATER DEVELOPMENT BOARD
WATER USE SURVEY**

WATER USE IN CALENDAR YEAR: 2013

SYSTEM NAME: GENERAL WATER DISTRIBUTION SYSTEM (FORT WORTH)
OPERATOR NAME:
MULTIPLE SURVEY ORG: CITY OF FORT WORTH
MAILING ADDRESS 1: 1000 THROCKMORTON ST
MAILING ADDRESS 2:
CITY/STATE/ZIP: FORT WORTH TX 76102-
PWS NAME: CITY OF FORT WORTH

SURVEY NUMBER: 0298900
PRIMARY USED COUNTY: TARRANT
PRIMARY USED RIVER BASIN: TRINITY
ORGANIZATION MAIN PHONE: 817-392-8203
MAIN EMAIL:
WEB:
PWS CODE: 2200012

INTAKE:

Water Type		County	Basin	Seller Name and/or Seller System		River / Reservoir	Metered or Estimated	Brackish / Saline (Y or N)	% Treated Prior to Intake	Total Volume (gallons)	
SURFACE WATER PURCHASED		TARRANT	TRINITY	TARRANT REGIONAL WD	LAKE BENBROOK	BENBROOK LAKE/RESERVOIR	E	N	0.00	6,306,400,000	
JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
0	0	0	0	0	576,820,000	1,501,780,000	1,888,980,000	1,019,920,000	542,350,000	605,890,000	170,660,000
Water Type		County	Basin	Seller Name and/or Seller System		River / Reservoir	Metered or Estimated	Brackish / Saline (Y or N)	% Treated Prior to Intake	Total Volume (gallons)	
SURFACE WATER PURCHASED		KAUFMAN	TRINITY	TARRANT REGIONAL WD	CEDAR CREEK RESERVOIR 08190	CEDAR CREEK LAKE/RESERVOIR - TRINITY	M	N	0.00	9,002,630,000	
JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
24,300,000	430,870,000	603,740,000	635,390,000	766,210,000	801,640,000	968,670,000	1,057,510,000	1,245,220,000	886,910,000	692,500,000	889,670,000
Water Type		County	Basin	Seller Name and/or Seller System		River / Reservoir	Metered or Estimated	Brackish / Saline (Y or N)	% Treated Prior to Intake	Total Volume (gallons)	
SURFACE WATER PURCHASED		NAVARRO	TRINITY	TARRANT REGIONAL WD	RICHLAND CHAMBERS CREEK 08240	RICHLAND CHAMBERS LAKE/RESERVOIR	M	N	0.00	23,714,080,000	
JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
2,406,130,000	1,551,240,000	1,562,560,000	1,440,480,000	1,722,160,000	1,864,110,000	2,190,040,000	2,418,090,000	2,778,780,000	2,044,600,000	1,652,150,000	2,083,740,000
Water Type		County	Basin	Seller Name and/or Seller System		River / Reservoir	Metered or Estimated	Brackish / Saline (Y or N)	% Treated Prior to Intake	Total Volume (gallons)	
SURFACE WATER PURCHASED		TARRANT	TRINITY	TARRANT REGIONAL WD	EAGLE MOUNTAIN 08030	EAGLE MOUNTAIN LAKE/RESERVOIR	M	N	0.00	16,768,060,000	
JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
857,380,000	895,540,000	1,075,360,000	1,176,450,000	1,801,870,000	1,691,390,000	1,856,500,000	1,909,120,000	1,799,720,000	1,507,260,000	1,087,930,000	1,109,540,000
Water Type		County	Basin	Seller Name and/or Seller System		River / Reservoir	Metered or Estimated	Brackish / Saline (Y or N)	% Treated Prior to Intake	Total Volume (gallons)	
SURFACE WATER PURCHASED		TARRANT	TRINITY	TARRANT REGIONAL WD	EAGLE MOUNTAIN 08030	WORTH LAKE/RESERVOIR	M	N	0.00	11,313,590,000	
JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
1,007,580,000	851,800,000	1,343,030,000	1,428,550,000	1,444,380,000	1,542,480,000	801,360,000	902,080,000	707,110,000	803,290,000	481,930,000	0
Water Type			County	Basin		Metered or Estimated	% Reuse for Industrial	% Reuse for Landscape	% Reuse for Agriculture	% Reuse for Other	Total Volume (gallons)
REUSE SELF SUPPLIED DIRECT			TARRANT	TRINITY		M	0.00	100.00	0.00	0.00	3,009,056,600

SALES:

Buyer	SALE TYPE (MUNICIPAL or INDUSTRIAL)	COUNTY NAME	BASIN NAME	Water Type	AQUIFER NAME (if GW)	SURFACE WATER Name (if SW)	TOTAL VOLUME (GALLONS)
-------	-------------------------------------	-------------	------------	------------	----------------------	----------------------------	------------------------

FERRO CORPORATION - TARRANT	I			SURFACE WATER			City of Fort Worth Part B26	52,391,940
CARGILL MEAT SOLUTION	I			SURFACE WATER				23,511,211
RIDGLEA COUNTRY CLUB	M			SURFACE WATER				3,371,296
ASSOCIATES WHOLESALE GROCERS INC	I			SURFACE WATER				11,502,370
CITY OF GRAND PRAIRIE	M			SURFACE WATER				679,836,140
FEDERAL CORRECTIONAL INSTITUTE TARRANT	I			SURFACE WATER				81,324,056
CHESAPEAK OPERATING	I			SURFACE WATER				138,461,457
CITY OF RIVER OAKS	M			SURFACE WATER				3,030
PREMIUM WC	I			SURFACE WATER				123,225,071
KETTLE FOODS	I			SURFACE WATER				152,776,382
ADMIRAL LINEN SERVICE	I			SURFACE WATER				64,772,312
XTO ENERGY	I			SURFACE WATER				33,566,201
NORTHLAKE	M			SURFACE WATER				75,084,538
TOWN OF WESTLAKE	M			SURFACE WATER				401,472,896
CITY OF WHITE SETTLEMENT	M			SURFACE WATER				424,703,965
CITY OF WESTWORTH VILLAGE	M			SURFACE WATER				112,071,400
TOWN OF WESTOVER HILLS	M			SURFACE WATER				210,596,815
U S DEPARTMENT OF TREASURY	I			SURFACE WATER				52,781,049
COTT BEVERAGE USA	I			SURFACE WATER				128,941,960
CITY OF SOUTHLAKE	M			SURFACE WATER				3,494,336,100
CITY OF SAGINAW	M			SURFACE WATER				1,042,773,790
CITY OF ROANOKE	M			SURFACE WATER				500,499,782
CITY OF RICHLAND HILLS	M			SURFACE WATER				257,706,150
CITY OF NORTH RICHLAND HILLS	M			SURFACE WATER				2,653,643,760
MILLER COORS LLC	I			SURFACE WATER				771,590,499
CITY OF LAKE WORTH	M			SURFACE WATER				258,009,667
KROGER COMPANY	I			SURFACE WATER				77,842,490
CITY OF KENNEDALE	M			SURFACE WATER				171,798,282
CITY OF KELLER	M			SURFACE WATER				2,636,618,606
CITY OF HURST	M			SURFACE WATER				1,938,888,730

CITY OF HASLET	M			SURFACE WATER			157,880,359
CITY OF HALTOM CITY	M			SURFACE WATER		City of Fort Worth Part B26	1,766,728,740
DFW INTERNATIONAL AIRPORT	M			SURFACE WATER			400,270,120
AERO FORT WORTH MAIL ZONE 6489	I			SURFACE WATER			264,157,023
CITY OF FOREST HILL	M			SURFACE WATER			440,391,494
TOWN OF EDGECLIFF VILLAGE	M			SURFACE WATER			141,156,376
TROPHY CLUB MUD 1	M			SURFACE WATER			793,593,086
DANNON COMPANY	I			SURFACE WATER			108,523,356
CITY OF DALWORTHINGTON GARDEN	M			SURFACE WATER			159,232,500
BEST MAID PRODUCTS INC	I			SURFACE WATER			29,216,431
CITY OF CROWLEY	M			SURFACE WATER			576,552,312
FORT WORTH PLANT	I			SURFACE WATER			114,873,876
CITY OF BURLESON	M			SURFACE WATER			1,666,172,724
GENERAL WATER DISTRIBUTION SYSTEM (BETHESDA WSC)	M			SURFACE WATER			939,368,805
FORT WORTH PLANT	I			SURFACE WATER			21,147,905
TEXTRON PLANT 1	I			SURFACE WATER			144,279,252
BREAD PLANT	I			SURFACE WATER			19,188,519
ALCON LABORATORIES INC	I			SURFACE WATER			288,047,544
AKZO NOBEL CHEMISTRY LLC	I			SURFACE WATER			31,775,414
AMERICAN AIRLINES	I			SURFACE WATER			64,626,452
FIVE STAR FOODS	I			SURFACE WATER			66,217,149
UNION PACIFIC RAILROAD	I			SURFACE WATER			41,556,262
FORT WORTH DIV	I			SURFACE WATER			15,722,586
BALL METAL CONTAINER CORPORATION FORT WORTH PLANT	I			SURFACE WATER			32,224,139
FORT WORTH PLANT	I			SURFACE WATER			12,026,494
EXTEX LAPORTE LTD PARTNERSHIP	I			SURFACE WATER			27,941,540
LEOS FOODS INC	I			SURFACE WATER			26,465,437
CINTAS CORPORATION TARRANT	I			SURFACE WATER			16,353,449
AGRANA FRUIT US INC	I			SURFACE WATER			13,736,571
NAVAL AIR STATION FORT WORTH JRB	I			SURFACE WATER			42,003,716

ARLINGTON DAM 08120	M			SURFACE WATER			City of Fort Worth	3,600
EFW INC	I			SURFACE WATER			Part B26	19,959,258
CITY OF ALEDO	M			SURFACE WATER				69,584,760
CITY OF SANSOM PARK	M			SURFACE WATER				900
OTHER MANUFACTURING/INDUSTRIAL	I			GROUND WATER				241,818,452
OTHER MINING (OIL & GAS)	I			GROUND WATER				14,114,610

CITY CONNECTIONS:

CITY NAME	TOTAL CONNECTIONS
FORT WORTH	227,470

COUNTY CONNECTIONS:

COUNTY NAME	TOTAL CONNECTIONS
DENTON	3,988
TARRANT	223,482

CONNECTIONS/USAGE:

	CONNECTIONS	VOLUME (GALLONS)
Total Metered Retail	227470	36256989468
Residential - Single Family	209528	18049471902
Residential - Multi Family	2262	3834750791
Institutional	0	0
Commercial	15292	6839979769
Industrial	388	3424338614
Agriculture	0	0
Other	0	4108448391
Total Unmetered	0	65178974

WATER SYSTEM INFORMATION:

Estimated full-time residential population served directly by this system	767,560
Water loss volume for the system	1,885,261,154

CONTACTS:

LAST NAME	FIRST NAME	TITLE	PHONE	PHONE EXT.	EMAIL
TALLEY	RICHARD	REGULATORY/ENVIRONMENTAL COORDINATOR	817-392-8203		RICHARD.TALLEY@FORTWORTHTEXAS.GOV
Scott	Betty		817-392-2419		betty.scott@fortworthtexas.gov

**TEXAS WATER DEVELOPMENT BOARD
WATER USE SURVEY**

WATER USE IN CALENDAR YEAR: 2014

SYSTEM NAME: GENERAL WATER DISTRIBUTION SYSTEM (FORT WORTH)
OPERATOR NAME:
MULTIPLE SURVEY ORG: CITY OF FORT WORTH
MAILING ADDRESS 1: 1000 THROCKMORTON ST
MAILING ADDRESS 2:
CITY/STATE/ZIP: FORT WORTH TX 76102-
PWS NAME: CITY OF FORT WORTH

SURVEY NUMBER: 0298900
PRIMARY USED COUNTY: TARRANT
PRIMARY USED RIVER BASIN: TRINITY
ORGANIZATION MAIN PHONE: 817-392-5902
MAIN EMAIL:
WEB:
PWS CODE: 2200012

INTAKE:

Water Type		County	Basin	Seller Name and/or Seller System		River / Reservoir	Metered or Estimated	Brackish / Saline (Y or N)	% Treated Prior to Intake	Total Volume (gallons)	
SURFACE WATER PURCHASED		TARRANT	TRINITY	TARRANT REGIONAL WD	EAGLE MOUNTAIN 08030	EAGLE MOUNTAIN LAKE/RESERVOIR	M	N	0.00	16,159,000,000	
JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
1,186,000,000	1,105,000,000	1,364,000,000	1,193,000,000	1,200,000,000	1,405,000,000	1,775,000,000	1,769,000,000	1,408,000,000	1,445,000,000	1,148,000,000	1,161,000,000
Water Type		County	Basin	Seller Name and/or Seller System		River / Reservoir	Metered or Estimated	Brackish / Saline (Y or N)	% Treated Prior to Intake	Total Volume (gallons)	
SURFACE WATER PURCHASED		TARRANT	TRINITY	TARRANT REGIONAL WD	EAGLE MOUNTAIN 08030	WORTH LAKE/RESERVOIR	M	N	0.00	4,035,240,000	
JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
0	0	0	470,000,000	738,000,000	490,000,000	423,000,000	272,490,000	1,201,000,000	383,000,000	57,750,000	0
Water Type		County	Basin	Seller Name and/or Seller System		River / Reservoir	Metered or Estimated	Brackish / Saline (Y or N)	% Treated Prior to Intake	Total Volume (gallons)	
SURFACE WATER PURCHASED		NAVARRO	TRINITY	TARRANT REGIONAL WD	RICHLAND CHAMBERS CREEK 08240	RICHLAND CHAMBERS LAKE/RESERVOIR	M	N	0.00	22,236,000,000	
JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
515,000,000	244,000,000	2,072,000,000	1,711,000,000	2,040,000,000	1,907,000,000	2,312,000,000	2,458,000,000	2,343,000,000	2,418,000,000	2,193,000,000	2,023,000,000
Water Type		County	Basin	Seller Name and/or Seller System		River / Reservoir	Metered or Estimated	Brackish / Saline (Y or N)	% Treated Prior to Intake	Total Volume (gallons)	
SURFACE WATER PURCHASED		KAUFMAN	TRINITY	TARRANT REGIONAL WD	CEDAR CREEK RESERVOIR 08190	CEDAR CREEK LAKE/RESERVOIR - TRINITY	M	N	0.00	11,815,000,000	
JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
497,000,000	660,000,000	1,015,000,000	843,000,000	1,006,000,000	937,000,000	1,142,000,000	1,402,000,000	1,167,000,000	1,147,000,000	1,047,000,000	952,000,000
Water Type		County	Basin	Seller Name and/or Seller System		River / Reservoir	Metered or Estimated	Brackish / Saline (Y or N)	% Treated Prior to Intake	Total Volume (gallons)	
SURFACE WATER PURCHASED		TARRANT	TRINITY	TARRANT REGIONAL WD	LAKE BENBROOK	BENBROOK LAKE/RESERVOIR	E	N	0.00	13,182,000,000	
JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
2,083,000,000	1,907,000,000	254,000,000	683,000,000	1,100,000,000	1,369,000,000	1,570,000,000	1,867,000,000	930,000,000	1,024,000,000	210,000,000	185,000,000
Water Type			County	Basin		Metered or Estimated	% Reuse for Industrial	% Reuse for Landscape	% Reuse for Agriculture	% Reuse for Other	Total Volume (gallons)
REUSE SELF SUPPLIED DIRECT			TARRANT	TRINITY		M	4.00	93.00	0.00	3.00	311,000,000

SALES:

Buyer	SALE TYPE (MUNICIPAL or INDUSTRIAL)	COUNTY NAME	BASIN NAME	Water Type	AQUIFER NAME (if GW)	SURFACE WATER Name (if SW)	TOTAL VOLUME (GALLONS)
-------	-------------------------------------	-------------	------------	------------	----------------------	----------------------------	------------------------

ARLINGTON DAM 08120	M			SURFACE WATER			City of Fort Worth	3,500
CITY OF GRAND PRAIRIE	M			SURFACE WATER			Part B26	789,678,646
ASSOCIATES WHOLESALE GROCERS INC	I			SURFACE WATER				14,542,989
RIDGLEA COUNTRY CLUB	M			SURFACE WATER				4,215,228
CARGILL MEAT SOLUTION	I			SURFACE WATER				30,355,354
FERRO CORPORATION - TARRANT	I			SURFACE WATER				45,743,248
OTHER MINING (OIL & GAS)	I			SURFACE WATER				1,320,097
OTHER MANUFACTURING/INDUSTRIAL	I			SURFACE WATER				282,437,972
CITY OF SANSOM PARK	M			SURFACE WATER				1,070
CITY OF ALEDO	M			SURFACE WATER				94,287,350
NAVAL AIR STATION FORT WORTH JRB	I			SURFACE WATER				39,677,877
AGRANA FRUIT US INC	I			SURFACE WATER				15,588,459
CINTAS CORPORATION TARRANT	I			SURFACE WATER				20,888,523
FORT WORTH PLANT	I			SURFACE WATER				10,823,810
BALL METAL CONTAINER CORPORATION FORT WORTH PLANT	I			SURFACE WATER				46,359,533
FORT WORTH DIV	I			SURFACE WATER				15,305,528
UNION PACIFIC RAILROAD	I			SURFACE WATER				29,364,571
FIVE STAR FOODS	I			SURFACE WATER				91,483,204
AMERICAN AIRLINES	I			SURFACE WATER				77,182,973
AKZO NOBEL CHEMISTRY LLC	I			SURFACE WATER				31,473,315
ALCON LABORATORIES INC	I			SURFACE WATER				304,745,268
BREAD PLANT	I			SURFACE WATER				17,961,215
TEXTRON PLANT 1	I			SURFACE WATER				149,770,967
FORT WORTH PLANT	I			SURFACE WATER				20,226,679
GENERAL WATER DISTRIBUTION SYSTEM (BETHESDA WSC)	M			SURFACE WATER				929,349,625
CITY OF BURLESON	M			SURFACE WATER				1,597,351,666
FORT WORTH PLANT	I			SURFACE WATER				110,340,561
CITY OF CROWLEY	M			SURFACE WATER				540,288,742
BEST MAID PRODUCTS INC	I			SURFACE WATER				30,910,744
CITY OF DALWORTHINGTON GARDEN	M			SURFACE WATER				203,181,160

DANNON COMPANY	I			SURFACE WATER			138,657,567
TROPHY CLUB MUD 1	M			SURFACE WATER		City of Fort Worth Part B26	816,732,154
TOWN OF EDGECLIFF VILLAGE	M			SURFACE WATER			138,741,866
CITY OF FOREST HILL	M			SURFACE WATER			400,418,784
AERO FORT WORTH MAIL ZONE 6489	I			SURFACE WATER			216,816,212
DFW INTERNATIONAL AIRPORT	M			SURFACE WATER			365,377,820
CITY OF HALTOM CITY	M			SURFACE WATER			1,713,577,420
CITY OF HASLET	M			SURFACE WATER			134,584,879
CITY OF HURST	M			SURFACE WATER			1,949,802,730
CITY OF KELLER	M			SURFACE WATER			2,714,182,150
CITY OF KENNEDALE	M			SURFACE WATER			220,890,061
KROGER COMPANY	I			SURFACE WATER			87,355,039
CITY OF LAKE WORTH	M			SURFACE WATER			251,774,214
MILLER COORS LLC	I			SURFACE WATER			743,404,700
CITY OF NORTH RICHLAND HILLS	M			SURFACE WATER			2,283,539,530
CITY OF RICHLAND HILLS	M			SURFACE WATER			244,209,490
CITY OF ROANOKE	M			SURFACE WATER			509,940,027
CITY OF SAGINAW	M			SURFACE WATER			1,084,868,300
CITY OF SOUTHLAKE	M			SURFACE WATER			3,519,652,969
COTT BEVERAGE USA	I			SURFACE WATER			139,108,821
U S DEPARTMENT OF TREASURY	I			SURFACE WATER			50,498,994
TOWN OF WESTOVER HILLS	M			SURFACE WATER			182,329,567
CITY OF WESTWORTH VILLAGE	M			SURFACE WATER			112,896,540
CITY OF WHITE SETTLEMENT	M			SURFACE WATER			458,779,417
TOWN OF WESTLAKE	M			SURFACE WATER			393,066,697
NORTHLAKE	M			SURFACE WATER			67,643,083
XTO ENERGY	I			SURFACE WATER			76,622,123
KETTLE FOODS	I			SURFACE WATER			161,877,469
PREMIUM WC	I			SURFACE WATER			139,005,718
CITY OF RIVER OAKS	M			SURFACE WATER			3,534,650

CHESAPEAK OPERATING				SURFACE WATER			120,689,477
FEDERAL CORRECTIONAL INSTITUTE TARRANT				SURFACE WATER		City of Fort Worth Part B26	83,873,980
ADMIRAL LINEN & UNIFORM SERVICES				SURFACE WATER			69,047,386
FORTRESS PROPERTIES LTD				SURFACE WATER			11,481,240
EXLEON POWER EXTEX LAPORTE				SURFACE WATER			19,122,932
CTI-BEACH, LTD				SURFACE WATER			13,120,178
VICTORY TRANSLOAD				SURFACE WATER			10,713,540

CITY CONNECTIONS:

CITY NAME	TOTAL CONNECTIONS
FORT WORTH	278,795

COUNTY CONNECTIONS:

COUNTY NAME	TOTAL CONNECTIONS
DENTON	4,546
TARRANT	274,249

CONNECTIONS/USAGE:

	CONNECTIONS	VOLUME (GALLONS)
Total Metered Retail	232141	35138437128
Residential - Single Family	213938	17200297500
Residential - Multi Family	2249	3473990591
Institutional	0	0
Commercial	15517	10922687286
Industrial	437	3467898263
Agriculture	0	0
Total Unmetered	0	73563488

WATER SYSTEM INFORMATION:

Estimated full-time residential population served directly by this system	781,100
---	---------

CONTACTS:

LAST NAME	FIRST NAME	TITLE	PHONE	PHONE EXT.	EMAIL
Scott	Betty	Management Analyst/Water Department	817-392-2419		betty.scott@fortworthtexas.gov
Walters	Stacy	Regulatory/Environmental Coordinator	817-392-8203		Stacy.Walters@fortworthtexas.gov

Taxable Assessed Valuations by Classification

Category	Taxable Appraised Value for Fiscal Year Ended September 30,					
	2014		2013		2012	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real Property						
Single-Family	\$ 24,969,224,399	48.59%	\$ 24,079,275,618	47.89%	\$ 23,633,196,844	48.47%
Multi-Family	3,388,976,390	6.60%	3,120,051,114	6.21%	2,670,011,610	5.48%
Vacant	742,792,784	1.45%	735,024,695	1.46%	745,779,028	1.53%
Ranch Land	696,619,035	1.36%	746,741,047	1.49%	870,244,141	1.78%
House and Acreage	91,304,749	0.18%	108,125,717	0.22%	113,472,753	0.23%
Commercial/Industrial	10,753,662,593	20.93%	10,578,910,602	21.04%	9,818,502,905	20.14%
Utilities	1,339,216,514	2.61%	1,318,575,572	2.62%	1,220,856,921	2.50%
Mobile Homes	-	0.00%	-	0.00%	-	0.00%
Inventory	277,372,486	0.54%	298,182,958	0.59%	331,988,144	0.68%
Personal Property						
Billboards	-	0.00%	-	0.00%	-	0.00%
Oil, Gas and Minerals	606,659,310	1.18%	890,018,170	1.77%	1,487,663,883	3.05%
Utilities	923,500	0.00%	594,790	0.00%	767,550	0.00%
Commercial/Industrial	8,314,506,572	16.18%	8,173,477,995	16.26%	7,707,263,608	15.81%
Aircraft/Mobile Homes	205,611,490	0.40%	226,899,410	0.45%	156,386,723	0.32%
Miscellaneous	1,960	0.00%	-	0.00%	-	0.00%
Total Appraised Market Value	\$ 51,386,871,782	100.00%	\$ 50,275,877,688	100.00%	\$ 48,756,134,110	100.00%
Less: Total Exemptions/Reductions	(8,960,453,082)		(9,004,819,990)		(8,674,000,016)	
Total Taxable Assessed Value	\$ 42,426,418,700		\$ 41,271,057,698		\$ 40,082,134,094	
Plus: Minimum Value of Protests	1,839,348,982		2,225,867,019		1,903,909,235	
Total Net Taxable Assessed Value	\$ 44,265,767,682		\$ 43,496,924,717		\$ 41,986,043,329	

Category	Taxable Appraised Value for Fiscal Year Ended September 30,			
	2011		2010	
	Amount	% of Total	Amount	% of Total
Real Property				
Single-Family	\$ 23,024,680,506	48.31%	\$ 22,791,187,927	46.37%
Multi-Family	2,473,449,456	5.19%	2,746,088,138	5.59%
Vacant	705,605,272	1.48%	765,121,449	1.56%
Ranch Land	768,480,171	1.61%	901,379,530	1.83%
House and Acreage	125,102,678	0.26%	10,209,554	0.02%
Commercial/Industrial	9,893,820,823	20.76%	10,417,485,250	21.20%
Utilities	36,755,601	0.08%	1,280,121,302	2.60%
Mobile Homes	63,670,375	0.13%	-	0.00%
Inventory	312,094,192	0.65%	436,642,842	0.89%
Personal Property				
Billboards	3,653,009	0.01%	-	0.00%
Oil, Gas and Minerals	1,446,710,132	3.04%	1,194,175,970	2.43%
Utilities	1,038,333,807	2.18%	1,216,390	0.00%
Commercial/Industrial	7,600,728,419	15.95%	8,274,691,962	16.84%
Aircraft/Mobile Homes	165,321,607	0.35%	332,116,171	0.68%
Total Appraised Market Value	\$ 47,658,406,048	100.00%	\$ 49,150,436,485	100.00%
Less: Total Exemptions/Reductions	(8,283,411,498)		(8,671,981,388)	
Total Taxable Assessed Value	\$ 39,374,994,550		\$ 40,478,455,097	
Plus: Minimum Value of Protests	1,647,072,863		1,372,559,601	
Total Net Taxable Assessed Value	\$ 41,022,067,413		\$ 41,851,014,698	

Overlapping Debt City of Fort Worth, Texas

Taxing Jurisdiction	2014/15	2014/15	Total	Estimated %	City's	Authorized But Unissued Debt As Of 4/1/2015
	Taxable Assessed Value	Tax Rate	G.O. Tax Debt 4/1/2015		Overlapping G.O. Tax Debt 4/1/2015	
Aledo ISD	\$ 181,859,075	\$ 1.425200	\$ 150,830,843	1.35%	\$ 2,036,216	\$ 6,025,000
Arlington ISD	26,984,434,538	1.348110	539,312,485	0.04%	215,725	487,155,000
Azle ISD	1,942,600,774	1.203000	34,895,000	2.39%	833,991	-
Birdville ISD	9,155,991,497	1.435000	256,386,620	5.97%	15,306,281	-
Burleson ISD	1,498,242,749	1.540000	304,395,852	15.10%	45,963,774	-
Castleberry ISD	627,259,424	1.399700	45,935,000	42.15%	19,361,603	846,550
Crowley ISD	6,162,377,753	1.650000	306,875,433	73.84%	226,596,820	311,800,000
Eagle Mountain-Saginaw ISD	8,651,156,440	1.540000	552,653,088	62.21%	343,805,486	189,000,000
Everman ISD	1,330,373,757	1.510000	85,120,000	64.76%	55,123,712	9,500,000
Fort Worth ISD	38,278,125,092	1.322000	966,675,000	86.05%	831,823,838	354,860,000
Hurst-Euless-Bedford ISD	11,491,222,860	1.375000	278,505,489	27.16%	75,642,091	-
Keller ISD	4,950,461,433	1.540000	787,683,331	45.73%	360,207,587	-
Kennedale ISD	1,294,780,097	1.514717	41,169,449	1.08%	444,630	-
Lake Worth ISD	1,002,162,494	1.670000	72,323,977	48.01%	34,722,741	24,970,000
Mansfield ISD	11,641,393,937	1.527100	824,805,000	0.01%	82,481	48,530,000
Northwest ISD	7,106,796,314	1.452500	721,008,318	38.59%	278,237,110	175,000
White Settlement ISD	1,981,562,038	1.540000	164,220,838	51.62%	84,770,797	-
Tarrant County	136,147,249,519	0.264000	362,600,000	37.96%	137,642,960	30,600,000
Tarrant County Hosp. District	166,550,432,419	0.227897	23,440,000	37.96%	8,897,824	-
Tarrant County College Dist.	166,550,432,419	0.149500	-	37.96%	-	-
Parker County	9,833,984,617	0.335750	91,343,675	0.30%	274,031	-
Wise County	7,627,329,457	0.298900	11,770,000	0.04%	4,708	-
Denton County	63,594,441,842	0.272200	613,455,000	2.31%	14,170,811	154,871,687
Total Direct and Overlapping G. O. Tax Debt					\$ 2,536,165,215	
Ratio of Direct and Overlapping G. O. Tax Debt to Taxable Assessed Valuation					5.39%	
Per Capita Direct and Overlapping G. O. Tax Debt					\$ 3,199.32	

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

TABLE 8

Name of Taxpayer	Nature of Property	2011			2002		
		Taxable Assessed	Rank	Percentage of Total Taxable Assessed	Taxable Assessed	Rank	Percentage of Total Taxable Assessed
		Valuation		Valuation	Valuation		Valuation
TU Electric/Oncor Electric Delivery Co, LLC	Electric Utility	\$ 348,188	1	0.88%	\$ 358,921	2	1.61%
Bell Helicopter Inc.	Aircraft Manufacturing	323,958	2	0.82%	171,168	4	0.77%
XTO Energy Inc	Oil/Gas Producer	280,520	3	0.71%			
Chesapeake Operating (WI)	Natural Gas Producer	218,163	4	0.55%			
DDR/DTC City Investments, LP	Real Estate	197,509	5	0.50%			
Alcon Laboratories, Inc.	Pharmaceuticals	181,227	6	0.46%	156,238	5	0.70%
AMR Corp/American Airlines, Inc.	Air Travel	173,420	7	0.44%	397,577	1	1.79%
Mercantile Partners	Land Subdividers and Developers	154,204	8	0.39%			
Southwestern Bell	Telephone Utility	150,925	9	0.38%	215,793	3	0.97%
Quicksilver Resources, Inc.	Quicksilver Resources, Inc.	142,984	10	0.36%			
City Center Development	Developer				124,038	7	0.56%
Sprint Communications Co.	Telephone Utility				115,235	9	0.52%
Tandy Corporation	Electronics Manufacturing & Retail				131,539	6	0.59%
Miller Brewing	Beer Brewing				120,608	8	0.54%
Albertson, Inc.	Grocery Retailer				107,371	10	0.48%
		<u>\$ 2,171,098</u>		<u>5.47%</u>	<u>\$ 1,898,488</u>		<u>8.53%</u>

Source: Tarrant Appraisal District Supplemental Certification Report

Fort Worth Water & Sewer Fund Pro Forma

Expenditures	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Personnel	\$66,494,821	\$68,984,536	\$71,549,806	\$72,557,563	\$75,320,600	\$76,488,964	\$79,359,879	\$80,599,428	\$83,723,829	\$85,180,921	\$88,593,444	\$90,303,792	\$94,044,595	\$96,165,541	\$100,281,218	\$102,745,568	\$107,405,920
Supplies	\$23,586,177	\$24,293,762	\$25,022,575	\$25,773,252	\$26,546,450	\$27,342,844	\$28,163,129	\$29,008,023	\$29,878,263	\$30,774,611	\$31,697,850	\$32,648,785	\$33,628,249	\$34,637,096	\$35,676,209	\$36,746,495	\$37,848,890
Contractual	\$97,841,003	\$101,285,890	\$105,994,172	\$110,637,945	\$115,408,337	\$120,429,924	\$125,262,173	\$130,821,346	\$134,227,794	\$140,092,168	\$146,028,094	\$152,715,970	\$159,855,005	\$166,997,586	\$175,155,610	\$184,320,134	\$193,315,756
Raw Water	\$84,327,773	\$98,153,395	\$102,676,129	\$108,976,709	\$114,976,475	\$120,024,429	\$125,307,619	\$126,712,826	\$130,636,307	\$134,681,272	\$141,805,911	\$149,310,995	\$157,213,493	\$165,534,461	\$174,296,068	\$183,521,664	\$193,235,831
Capital Outlay	\$4,827,517	\$4,972,343	\$5,121,513	\$5,275,158	\$5,433,413	\$5,596,415	\$5,764,308	\$5,937,237	\$6,115,354	\$6,298,815	\$6,487,779	\$6,682,413	\$6,882,885	\$7,089,371	\$7,302,053	\$7,521,114	\$7,746,748
Cash Funded Capital Projects	\$52,853,255	\$59,471,221	\$68,471,221	\$75,471,221	\$80,471,221	\$80,471,221	\$80,471,221	\$80,471,221	\$80,471,221	\$80,471,221	\$80,471,221	\$80,471,221	\$80,471,221	\$80,471,221	\$80,471,221	\$80,471,221	\$80,471,221
Debt Service and Fees	<u>\$91,211,196</u>	<u>\$91,206,776</u>	<u>\$91,206,121</u>	<u>\$91,206,274</u>	<u>\$91,984,480</u>	<u>\$91,208,850</u>	<u>\$97,729,537</u>	<u>\$94,853,248</u>	<u>\$97,635,987</u>	<u>\$93,964,061</u>	<u>\$92,630,892</u>	<u>\$92,642,805</u>	<u>\$80,924,668</u>	<u>\$80,946,654</u>	<u>\$87,040,823</u>	<u>\$78,054,406</u>	<u>\$77,602,637</u>
Total Expenditures	\$421,141,743	\$448,367,922	\$470,041,536	\$489,898,122	\$510,140,976	\$521,562,646	\$542,057,864	\$548,403,329	\$562,688,755	\$571,463,068	\$587,715,191	\$604,775,980	\$613,020,116	\$631,841,930	\$660,223,201	\$673,380,601	\$697,627,002
Gross Revenues	\$421,141,743	\$448,367,922	\$470,041,536	\$489,898,122	\$510,140,976	\$521,562,646	\$542,057,864	\$548,403,329	\$562,688,755	\$571,463,068	\$587,715,191	\$604,775,980	\$613,020,116	\$631,841,930	\$660,223,201	\$673,380,601	\$697,627,002
Net Revenues for Debt Service																	
Total O&M Expenses	\$421,141,743	\$448,367,922	\$470,041,536	\$489,898,122	\$510,140,976	\$521,562,646	\$542,057,864	\$548,403,329	\$562,688,755	\$571,463,068	\$587,715,191	\$604,775,980	\$613,020,116	\$631,841,930	\$660,223,201	\$673,380,601	\$697,627,002
Total Expenditures	\$421,141,743	\$448,367,922	\$470,041,536	\$489,898,122	\$510,140,976	\$521,562,646	\$542,057,864	\$548,403,329	\$562,688,755	\$571,463,068	\$587,715,191	\$604,775,980	\$613,020,116	\$631,841,930	\$660,223,201	\$673,380,601	\$697,627,002
Less Capital Outlay	-\$4,827,517	-\$4,972,343	-\$5,121,513	-\$5,275,158	-\$5,433,413	-\$5,596,415	-\$5,764,308	-\$5,937,237	-\$6,115,354	-\$6,298,815	-\$6,487,779	-\$6,682,413	-\$6,882,885	-\$7,089,371	-\$7,302,053	-\$7,521,114	-\$7,746,748
Less Cash Funded Capital Project	-\$52,853,255	-\$59,471,221	-\$68,471,221	-\$75,471,221	-\$80,471,221	-\$80,471,221	-\$80,471,221	-\$80,471,221	-\$80,471,221	-\$80,471,221	-\$80,471,221	-\$80,471,221	-\$80,471,221	-\$80,471,221	-\$80,471,221	-\$80,471,221	-\$80,471,221
Less Debt Service	<u>-\$90,749,196</u>	<u>-\$90,744,776</u>	<u>-\$90,744,121</u>	<u>-\$90,744,274</u>	<u>-\$91,522,480</u>	<u>-\$90,746,850</u>	<u>-\$97,267,537</u>	<u>-\$94,391,248</u>	<u>-\$97,173,987</u>	<u>-\$93,502,061</u>	<u>-\$92,168,892</u>	<u>-\$92,180,805</u>	<u>-\$80,462,668</u>	<u>-\$80,484,654</u>	<u>-\$86,578,823</u>	<u>-\$77,592,406</u>	<u>-\$77,140,637</u>
Total O&M Expenses	\$272,711,775	\$293,179,583	\$305,704,681	\$318,407,469	\$332,713,863	\$344,748,160	\$358,554,798	\$367,603,623	\$378,928,192	\$391,190,972	\$408,587,298	\$425,441,542	\$445,203,343	\$463,796,683	\$485,871,105	\$507,795,860	\$532,268,396
Net Revenue Available for Debt Service																	
Gross Revenues	\$421,141,743	\$448,367,922	\$470,041,536	\$489,898,122	\$510,140,976	\$521,562,646	\$542,057,864	\$548,403,329	\$562,688,755	\$571,463,068	\$587,715,191	\$604,775,980	\$613,020,116	\$631,841,930	\$660,223,201	\$673,380,601	\$697,627,002
Less Total O&M Expenses	-\$272,711,775	-\$293,179,583	-\$305,704,681	-\$318,407,469	-\$332,713,863	-\$344,748,160	-\$358,554,798	-\$367,603,623	-\$378,928,192	-\$391,190,972	-\$408,587,298	-\$425,441,542	-\$445,203,343	-\$463,796,683	-\$485,871,105	-\$507,795,860	-\$532,268,396
Net Revenue for Debt Service	\$148,429,968	\$155,188,339	\$164,336,855	\$171,490,653	\$177,427,114	\$176,814,486	\$183,503,066	\$180,799,706	\$183,760,562	\$180,272,097	\$179,127,892	\$179,334,438	\$167,816,774	\$168,045,246	\$174,352,096	\$165,584,741	\$165,358,606
Existing Debt Service	\$90,749,196	\$90,744,776	\$90,744,121	\$90,744,274	\$91,522,480	\$90,746,850	\$97,267,537	\$94,391,248	\$97,173,987	\$93,502,061	\$92,168,892	\$92,180,805	\$80,462,668	\$80,484,654	\$86,578,823	\$77,592,406	\$77,140,637
Debt Service Coverage Ratio	1.64	1.71	1.81	1.89	1.94	1.95	1.89	1.92	1.89	1.93	1.94	1.95	2.09	2.09	2.01	2.13	2.14
Existing Debt Service	\$83,612,936	\$76,085,670	\$65,920,884	\$61,409,891	\$61,715,929	\$54,705,185	\$54,700,874	\$48,823,524	\$45,086,113	\$41,416,483	\$33,562,618	\$33,581,268	\$28,045,917	\$28,065,788	\$27,641,033	\$19,669,720	\$12,690,419
New Issues Debt Service	\$7,136,261	\$14,659,106	\$24,823,237	\$29,334,383	\$29,806,551	\$36,041,665	\$42,566,663	\$45,567,724	\$52,087,874	\$52,085,578	\$58,606,274	\$58,599,537	\$52,416,751	\$52,418,866	\$58,937,790	\$57,922,686	\$64,450,218

Debt Service Assumptions:
Debt Service figures include the \$39.0M
CWSRF debt, \$127.51M Rev Ref & Imp (Preliminary) and \$13M SWIFT
Additional debt issues included:
2017 - \$50M CWSRF, \$100M Rev, \$63M SWIFT
2019 - \$100M Rev
2021 through 2035 - additional \$100M
sale every odd-numbered year (2021,
2023, etc.)

Water & Sewer System Comparative Five Year Statement of Net Position

	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>
ASSETS					
Current Assets:					
Cash, Cash Equivalents and Investments	\$ 43,425	\$ 60,839	\$ 52,506	\$ 56,756	\$ 61,929
Interest Receivable	144	194	109	115	220
Accounts and Other Receivables, net of allowance for uncollectibles	45,561	48,679	47,072	49,577	49,951
Inventories, at Cost	3,690	3,251	3,196	3,269	3,480
Restricted Cash:					
Cash and Cash Equivalent	11,306	11,862	12,400	13,470	33,462
Total Current Assets	<u>104,126</u>	<u>124,825</u>	<u>115,283</u>	<u>123,187</u>	<u>149,042</u>
Noncurrent Assets:					
Restricted Assets:					
Cash and Cash Equivalents	148,556	239,389	205,677	151,875	226,792
Cash and Cash Equivalents Held by Trustees	68,425	69,087	41,933	37,150	29,154
Grants Receivables	26	7	12	62	16
Interest Receivables	535	471	348	311	752
Total Restricted Assets	<u>217,542</u>	<u>308,954</u>	<u>247,970</u>	<u>189,398</u>	<u>256,714</u>
Deferred Bond Issue Costs	9,288	9,041	8,201	7,587	-
Capitalized Prepared Insurance	-	-	-	-	541
Capital Assets (at cost):					
Land	12,365	12,850	21,388	23,222	24,528
Buildings	41,209	41,209	41,209	41,209	62,504
Improvements Other than Buildings	2,142,234	2,217,243	2,334,440	2,483,887	2,650,887
Machinery and Equipment	358,161	360,248	362,187	361,088	346,047
Construction In Progress	247,366	328,172	331,236	314,758	246,035
Accumulated Depreciation	(685,998)	(755,036)	(819,640)	(884,751)	(947,005)
Net Capital Assets	<u>2,115,337</u>	<u>2,204,686</u>	<u>2,270,820</u>	<u>2,339,413</u>	<u>2,382,996</u>
Total Noncurrent Assets	<u>2,342,167</u>	<u>2,522,681</u>	<u>2,526,991</u>	<u>2,536,398</u>	<u>2,640,251</u>
Total Assets	<u>2,446,293</u>	<u>2,647,506</u>	<u>2,642,274</u>	<u>2,659,585</u>	<u>2,789,293</u>
Deferred Outflows of Resources	-	-	-	-	9,461
Total Assets and Deferred Outflows of Resources	<u>2,446,293</u>	<u>2,647,506</u>	<u>2,642,274</u>	<u>2,659,585</u>	<u>2,798,754</u>

LIABILITIES

Current Liabilities:

Accounts Payable	4,323	6,126	5,536	5,863	4,595
Escrow Accounts Payable	1,757	3,631	2,904	2,817	3,144
Accrued Payroll	2,539	1,051	1,308	1,651	1,312
Unearned Revenue	1,516	1,388	1,365	1,422	1,312
Construction Payable	12,013	18,963	15,774	17,719	14,364
Current Portion of Long-Term Liabilites	57,634	64,977	64,088	66,642	70,775
Accrued Interest Payable	3,474	4,315	4,145	3,473	3,818
Payable from Restricted Assets:					
Customer Deposits	11,306	11,862	12,400	13,470	13,968
Total Current Liabilities	<u>94,562</u>	<u>112,313</u>	<u>107,520</u>	<u>113,057</u>	<u>113,288</u>
Long-Term Liabilites Due In More Than One Year	<u>706,650</u>	<u>836,862</u>	<u>796,340</u>	<u>741,586</u>	<u>835,260</u>
Total Liabilities	<u>801,212</u>	<u>949,175</u>	<u>903,860</u>	<u>854,643</u>	<u>948,548</u>

Net Position:

Net Investment in Capital Assets	1,408,767	1,380,400	1,495,931	1,615,321	1,620,087
Restricted for :					
Debt Service	34,958	40,107	27,727	32,041	25,220
Capital Projects	67,661	47,464	39,715	35,852	33,276
Unrestricted	133,695	230,360	175,041	121,728	171,623
Total Net Position	<u>\$ 1,645,081</u>	<u>\$ 1,698,331</u>	<u>\$ 1,738,414</u>	<u>\$ 1,804,942</u>	<u>\$ 1,850,206</u>

**Water & Sewer System Comparative Five Year Statement of Revenues, Expenses
And Changes in Fund Net Position**

	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>
Operating Revenues					
Charges for Services	\$ 304,831	\$ 348,650	\$ 345,373	\$ 352,005	\$ 361,853
Other	117	77	71	154	126
Total Operating Revenues	<u>304,948</u>	<u>348,727</u>	<u>345,444</u>	<u>352,159</u>	<u>361,979</u>
Operating Expenses					
Personnel Services	66,768	66,357	69,249	69,118	68,702
Supplies and Materials	19,143	21,089	19,989	20,234	20,711
Contractual Services	103,418	109,032	128,740	122,141	137,306
Depreciation	54,674	70,615	66,123	70,406	67,254
Total Operating Expenses	<u>244,003</u>	<u>267,093</u>	<u>284,101</u>	<u>281,899</u>	<u>293,973</u>
Operating Income	<u>60,945</u>	<u>81,634</u>	<u>61,343</u>	<u>70,260</u>	<u>68,006</u>
Nonoperating Revenues (Expenses)					
Investment Income	3,340	2,415	3,400	516	2,681
Gain (Loss) on Sale of Property and Equipment	(360)	(316)	(42)	(2,120)	(4,745)
Interest and Service Charges	(25,396)	(21,560)	(21,772)	(17,878)	(19,629)
Gas Leases and Royalties	13,078	570	268	548	4,039
Other Expense	(31)	-	-	-	-
Other Revenue	-	-	-	14,705	-
Total Nonoperating Revenues (Expenses)	<u>(9,369)</u>	<u>(18,891)</u>	<u>(18,146)</u>	<u>(4,229)</u>	<u>(17,654)</u>
Income Before Transfers and Contributions	<u>51,576</u>	<u>62,743</u>	<u>43,197</u>	<u>66,031</u>	<u>50,352</u>
Transfers In	4,010	1,095	15,363	6,706	5,157
Transfers Out	(29,932)	(24,025)	(32,448)	(25,836)	(26,600)
Capital Contributions	19,881	7,326	6,781	11,924	13,296
Capital Contributions - Impact Fees	6,831	6,111	7,190	7,703	7,719
Change in Net Position	<u>52,366</u>	<u>53,250</u>	<u>40,083</u>	<u>66,528</u>	<u>49,924</u>
Total Net Position, Beginning of Year	1,592,715	1,645,081	1,698,331	1,738,414	1,800,282
Change in Accounting Principle	-	-	-	-	-
Total Net Position, Ending of Year	<u>\$ 1,645,081</u>	<u>\$ 1,698,331</u>	<u>\$ 1,738,414</u>	<u>\$ 1,804,942</u>	<u>\$ 1,850,206</u>
Number of Customers:					
Water	220,652	222,585	225,411	228,374	234,376
Sewer	211,883	213,690	216,441	219,355	224,785

City of Fort Worth, Texas

*Financial Management Report
March 31, 2015*





May 19, 2015

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

Ladies and Gentlemen:

We are pleased to submit the Financial Management Report for the quarter ended March 31, 2015. This report contains comparisons of the original budget, revised budget, actual spending to-date, and estimates through the end of the fiscal year. For the General Fund, our revenue and expenditure assumptions are consistent with those used in the 5-year forecast. The report also includes fund balance projections through the end of the fiscal year for the City's operating funds. All projections are as of March 31, 2015 and do not include subsequent events. As a measure of fund liquidity, we have included available cash at September 30, 2014 for the Enterprise and Internal Service Funds.

Also included is the Other Funds section which consists of reports of the Capital Projects Reserve Fund, the Special Assessments Fund, the General Debt Service Fund, the Special Projects Fund, and the Retiree Healthcare Trust Fund. The Gas Lease Program Report which reflects revenue collected, as well as appropriations through the end of the quarter and the Gas Well Trust Report which provides a performance summary of investments is omitted from this report due to our ongoing effort to ensure the accuracy of the amounts presented in those reports. The Treasurer's Investment Report describes current economic trends affecting the City's investments and a summary of the City's current investment portfolio. The Trinity River Vision Report details the \$26.6 million contribution of the City toward the project. The Eye on Fort Worth's Economy provides trends that are affecting Fort Worth's economic environment.

Budget estimates are calculated by the Budget Office and all other financial data is obtained from the City's financial software (MARS) system.

If you have any questions about this information, please feel free to contact me at 817-392-8517.

Respectfully Submitted,

Aaron J. Bovos
Chief Financial Officer

FINANCIAL MANAGEMENT SERVICES DEPARTMENT

THE CITY OF FORT WORTH * 1000 THROCKMORTON STREET * FORT WORTH, TEXAS 76102
(817) 392-8185 * FAX (817) 392-8966

TABLE OF CONTENTS

Budget and Management Report (including FY Estimates)	
General Fund.....	1
Municipal Airports Fund.....	9
Municipal Parking Fund.....	10
Solid Waste Fund.....	11
Stormwater Utility Fund.....	12
Water and Sewer Fund.....	13
Capital Projects Service Fund	14
Equipment Services Fund.....	15
IT Solutions Fund.....	16
Office Services Fund.....	17
Risk Management Fund.....	18
Group Health Insurance Fund.....	19
Unemployment Compensation Fund.....	20
Workers' Compensation Fund.....	21
Crime Control and Prevention District Fund.....	22
Culture and Tourism Fund.....	23
Environmental Protection Fund.....	24
Municipal Golf Fund.....	25
Red Light Enforcement Fund.....	26
Other Funds	
Capital Projects Reserve Fund.....	27
Special Assessments Fund.....	28
General Debt Service Fund.....	29
Special Projects Fund.....	30
Retiree Healthcare Trust Fund.....	31
Gas Well Trust Report.....	32
Treasurer's Investment Report.....	37
Trinity River Vision Report.....	83
Eye on Fort Worth's Economy.....	84

THE NUMBERS PRESENTED IN THIS REPORT ARE INTENDED FOR INTERNAL USE AND ARE UNAUDITED.

Financial Report

City of Fort Worth, Texas
Financial Management Report
March 31, 2015
(in 000's)

GOVERNMENTAL FUNDS

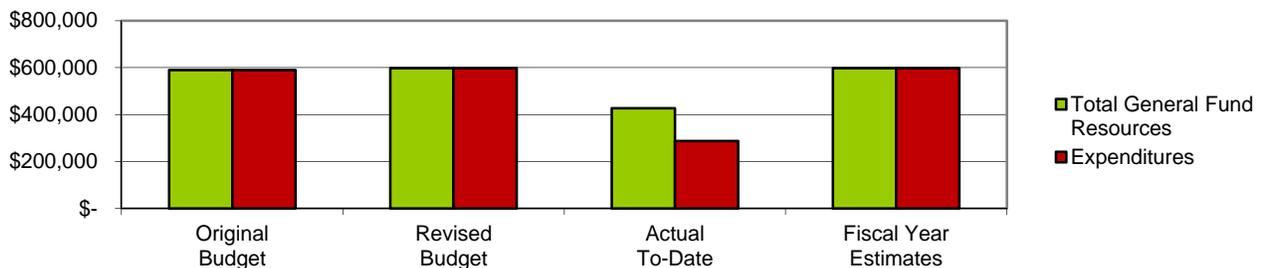
GENERAL FUND

FUND BALANCE ANALYSIS:

Comparisons of total revenues and expenditures from the original FY2015 budget, the revised budget, actual activity totals and budget estimates are presented as follows:

	Original Budget	Revised Budget	Actual To-Date	FY2015 Estimate	(Under)/over Budget	Budget %
Revenues	\$ 585,642	\$ 585,755	\$ 427,528	\$ 587,725	\$ 1,970	100.3%
Use of Fund Balance	4,108	11,364	-	9,402		
Total General Fund Resources	589,750	597,119	427,528	597,127		
Expenditures	589,750	597,119	288,073	597,127	8	100.0%
Grand Total	\$ -	\$ -	\$ 139,455	\$ -		

FY2015 Budget Comparisons



FY2014 Total Ending Fund Balance at 9/30/2014	\$ 84,442
FY2015 Projected Sources / (Uses) of Fund Balance	<u>(9,402)</u>
FY2015 Total Projected Fund Balance	75,040
Nonspendable Fund Balance:	
Inventories	1,947
Projected Advances	3,699
Committed Fund Balance:	
Accum Savings Program	100
FY2015 Total Projected Unrestricted Fund Balance (unaudited)	<u>\$ 69,294</u>
FY2015 10% Reserve as Required by the City's Financial Management Policy	\$ 58,975

As of March 31, 2015, the projected fund balance is \$10,319 over the reserve requirement.

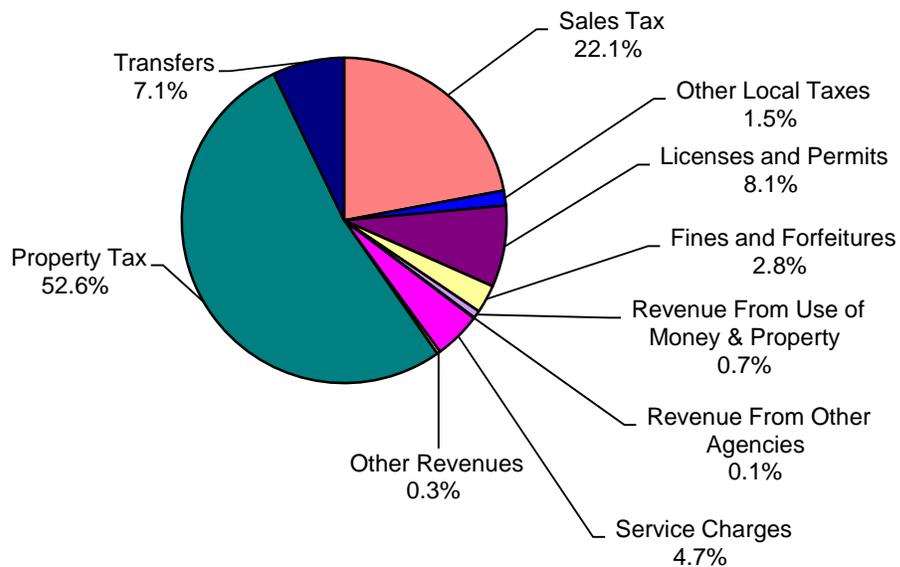
City of Fort Worth, Texas
Financial Management Report
March 31, 2015
(in 000's)

REVENUES:

Comparisons of total revenues by category from the original FY2015 budget, the revised budget, actual activity totals and budget estimates are presented as follows:

	Original Budget	Revised Budget	Actual To-Date	FY2015 Estimate	(Under) / Over Budget	
					\$	%
Property Tax	\$ 308,874	\$ 308,874	\$ 301,321	\$ 308,892	\$ 18	0.0%
Sales Tax	126,014	126,014	66,930	129,628	3,614	2.9%
Other Local Taxes	8,735	8,735	2,235	8,735	-	0.0%
Licenses and Permits	47,401	47,401	13,039	47,608	207	0.4%
Fines and Forfeitures	17,931	17,931	8,477	16,462	(1,469)	(8.2%)
Revenue From Use of Money & Property	4,548	4,548	2,090	4,406	(142)	(3.1%)
Revenue From Other Agencies	904	904	207	537	(367)	(40.6%)
Service Charges	27,466	27,516	12,729	27,459	(57)	(0.2%)
Transfers	41,846	41,909	19,821	42,022	113	0.3%
Other Revenues	1,923	1,923	679	1,976	53	2.8%
TOTAL:	\$ 585,642	\$ 585,755	\$ 427,528	\$ 587,725	\$ 1,970	0.3%
Use of Fund Balance	4,108	11,364	-	9,402		
Total General Fund Resources	\$ 589,750	\$ 597,119	\$ 427,528	\$ 597,127	\$ 8	0.0%

FY2015 General Fund Revenue Estimates



City of Fort Worth, Texas
Financial Management Report
March 31, 2015
(in 000's)

The FY2015 budget was adopted with the anticipated use of \$4.1M in fund balance. Financial reports through the end of March 2015 indicate that General Fund revenue collections for FY2015 are projected to be \$587.7M, which exceeds the revised budget by \$2.0M or 0.3%. The various categories of revenues are examined as follows:

Property Tax

Property tax revenue is projected to exceed original estimate at year end by \$18k.

Sales Tax

Sales Tax revenue is projected to exceed the original estimate at year end by \$3.6M or 2.9%, due to general improvement in the economy. The City's net sales tax collection for February 2015 was approximately 2.8% higher compared to the same month last year. While these results are encouraging, for the second quarter of FY2015 and for the remainder of the year staff will maintain a conservative revenue projection due to uncertainty with the national economy.

Other Local Taxes

Other Local Taxes include revenue from communications providers, taxes on beverage sales and bingo-game receipts. At this time, this category is projected to end the year on budget.

Licenses and Permits

Licenses and Permits are primarily made up of gas, electric, telecom and cable franchise fees and alcohol sales permits, as well as health permit fees. This revenue category is projected to exceed original estimates at year-end by \$207k or 0.4% above the original estimate. This projection is the result of better than expected collection of taxicab franchise fees, health permit fees, alcohol sales permit fees, and inspection fees.

Fines and Forfeitures

Fines and Forfeitures are mainly comprised of deferred disposition fees, penalty fees, traffic fines, general fines, court service fees and truancy court fees. The FY2015 budget for this category is \$17.9M of which 99.9% is collected by Municipal Court. In FY2013, Municipal Court budgeted revenues of \$19.7M, but only received \$18.3M; and therefore, reduced expectations in 2014. Municipal Court's experience in 2014 yielded \$2.7M less revenue than projected, as the budget was \$18.6M and actual receipts were \$15.9M. For FY2015, the budget was again reduced by four percent, to \$17.9M in estimated receipts. This source is projected to end the year \$1.5M or 8.2% under budget. Discussions with Municipal Court have indicated that the primary cause of this revenue decline is lower than anticipated collection of fees related to traffic/non-traffic citations, such as penalty fees, traffic fines and parking fines. Municipal Court's staff will continue to monitor collection activity and concentrate on enforcement/compliance efforts. The decreased revenue is partially offset by corresponding expenditure savings in external collections of \$200k.

Revenue from Use of Money & Property

Revenue from Use of Money and Property consists primarily of interest on investments, commercial exhibit building rentals, concession sales, and sales of abandoned vehicles. This category is projected to be under budget by \$142k or 3.1%. This projection is the result of lower interest on investments due to a lower rate of return.

Revenue from Other Agencies

Revenue from Other Agencies consists primarily of reimbursements for indirect costs. This revenue category is projected to be under budget by \$367k or 40.6%. This projection is the result of fewer requests for the reimbursement of direct costs on grants, pending completion of a cost allocation study to determine appropriate direct costs. When the study is completed this year, a policy is developed and enforcement begins, revenue will start to incrementally improve as annual grants are renewed.

Service Charges

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. Supplemental appropriations have increased the Service charges category revenue budget by \$50k, for the purchase which includes the purchase of additional licenses for the existing Mobile Office module of the Automation Permitting System, per M&C C-27027. There is corresponding reimbursement from third-party inspection firms for these sublicenses, resulting in no net cost to the City. Revenue collections in this category are projected to end the year with a net decrease of \$57k or 0.2% under budget. The

City of Fort Worth, Texas
Financial Management Report
March 31, 2015
(in 000's)

projection is due to a 21% reduction in revenue from athletic field site reservations due to weather conditions and decreased demand due to competition.

Transfers

The Transfers category consists of revenues that are transferred from funds, such as Solid Waste, Water and Sewer, and the Crime Control Prevention District to the General Fund. Supplemental appropriations have increased the Transfer category revenue budget by \$63k. This increase includes \$41k for fund purchases of equipment for various fire stations, per M&C G-18419, and \$22k from the Public Events Capital Project Fund as part of an ongoing effort to clean up old funds and return unused funds to the originating source, as per M&C G-18363. This revenue to be collected in this category is projected to exceed original estimates at year end by \$113k or 0.3%. This revenue projection increases mainly as the result of a \$135k transfer from the Water and Sewer Fund for Street Rental Fees. This fee transfer is based on a percentage of the Water and Sewer Fund's revenues, which are up 8% from the revised FY2015 budget due to increased water sales to wholesale customer cities. Transfers from the Solid Waste Fund are also projected to increase by \$100k based on increases in Grants of Privilege due to increases in the number of registered commercial waste haulers. This category decreases by \$94k, due to a reduction in reimbursement transfers for two attorney positions that were offset by Capital Project Services Fund and Environmental Protection Fund.

Other Revenues

The Other Revenue category is mainly made up of reimbursement of labor costs and miscellaneous revenues. This category is projected to exceed original estimates at year end by \$53k or 2.8%. A 35% increase in revenue from fire alarm system registrations was the main contributor to the overall increase for this revenue category.

Since adoption of the FY2015 budget, the City Council has authorized revisions to the General Fund revenue budget of \$113k. The detail below captures the departmental changes that make up that total:

- Fire - The Fire Department revenue budget increased by a total of \$41k to fund purchases of equipment for various fire stations, per M&C G-18419.
- Non-Departmental – The Non-Departmental revenue budget increased by a total of \$22k, which was transferred from the Public Events Capital Project Fund as part of an ongoing effort to clean up old funds and return unused funds to the originating source, as per M&C G-18363.
- Planning and Development – The Planning and Development budget increased by \$50k to fund purchases of additional licenses for the existing Mobile Office module of the Automation Permitting System, as per M&C C-27027. There is a corresponding reimbursement from third party inspection firms for these sublicenses resulting in no net cost to the City.

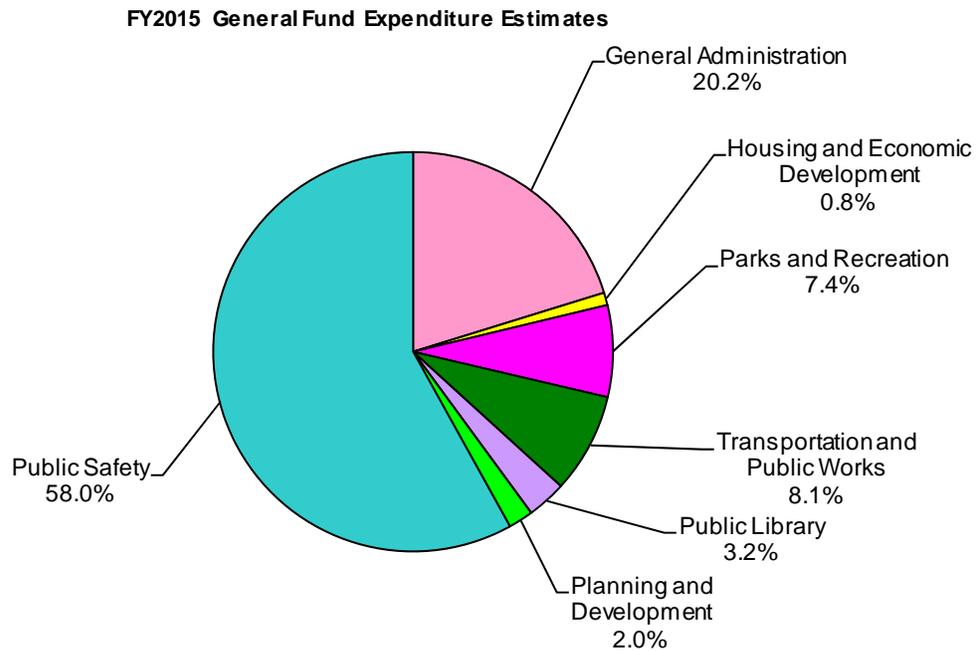
City of Fort Worth, Texas
Financial Management Report
March 31, 2015
(in 000's)

EXPENDITURES:

The following table shows each General Fund department's original FY2015 budget, the revised budget, actual activity totals, budget estimates, and the potential rollovers for the fiscal year:

	Original Budget	Revised Budget	Actual To-Date	FY2015 Estimate	(Under) / Over Budget	
					\$	%
General Administration						
City Attorney's Office	\$ 6,368	\$ 6,423	\$ 3,163	\$ 6,255	\$ (168)	(2.6%)
City Auditor's Office	1,628	1,628	656	1,591	(37)	(2.3%)
City Manager's Office	7,898	7,940	3,550	7,568	(372)	(4.7%)
City Secretary's Office	1,093	1,125	550	1,086	(39)	(3.5%)
Code Compliance	18,902	18,902	9,222	18,816	(86)	(0.5%)
Financial Management Services	9,936	9,936	4,822	9,694	(242)	(2.4%)
Human Resources	3,461	3,647	1,944	3,557	(90)	(2.5%)
Non-Departmental	72,665	72,191	22,610	72,193	2	0.0%
General Administration Total:	121,951	121,792	46,517	120,760	(1,032)	(0.8%)
Public Safety						
Fire	118,688	122,699	60,700	122,691	(8)	0.0%
Municipal Court	17,388	17,388	7,563	17,232	(156)	(0.9%)
Police	204,606	204,606	102,743	206,702	2,096	1.0%
Public Safety Total:	340,682	344,693	171,006	346,625	1,932	0.6%
Transportation and Public Works	46,257	48,550	32,081	48,346	(204)	(0.4%)
Parks and Recreation						
Parks and Community Services	44,358	44,421	20,666	44,297	(124)	(0.3%)
Public Library	19,187	19,437	8,666	19,027	(410)	(2.1%)
Planning and Development	11,553	11,968	6,110	11,990	22	0.2%
Housing and Economic Development	5,762	6,258	3,027	6,082	(176)	(2.8%)
GRAND TOTAL:	\$ 589,750	\$ 597,119	\$ 288,073	\$ 597,127	\$ 8	0.0%

City of Fort Worth, Texas
Financial Management Report
March 31, 2015
(in 000's)



The table above depicts each department's second quarter estimate for FY2015. At this time, the General Fund is expected to end the year slightly over budget by \$8k or 0.0%.

The current second quarter estimates project a potential use of fund balance in an approximate amount of \$9.4M, primarily due to supplemental appropriations. Changes in the FY2015 budget are further explained later in this report.

The following departments have at least \$100,000 or 5% in **projected overages**:

- Police – The overage of \$2.1M, or 1.0% above the revised budget, is mainly due to lower than anticipated vacancy savings and higher than expected overtime and shift differential costs, as well as higher fleet repair and maintenance charges. Overage is partially offset by lower operating supplies expenditures and reduced fuel costs, resulting from lower fuel prices.

The following departments have at least \$100,000 or 5% in **projected savings**:

- City Attorney's Office – Savings of \$168k, or 2.6% below the revised budget, are due to reduced personnel costs associated with a vacant Assistant City Attorney position, lower than anticipated supply costs and savings in outside council services.
- City Manager's Office – Savings of \$372k, or 4.7% below the revised budget, are due to the department exceeding the budgeted salary savings in personnel costs associated with vacancies; lower supply costs and lower than anticipated consultant services costs.
- Financial Management Services – Savings of \$242k, or 2.4% below the revised budget, are mainly due to reduced personnel costs associated with vacancies, which are partially offset by increased temporary labor costs and recruiting costs.

City of Fort Worth, Texas
Financial Management Report
March 31, 2015
(in 000's)

- Housing and Economic Development – Savings of \$176k, or 2.8% below the revised budget, are mainly due to reduced personnel costs associated with vacancies, which are partially offset by increased copy service expenditures.
- Library – Savings of \$410k, or 2.1% below the revised budget, are mainly due to reduced personnel costs associated with vacancies and lower than expected postage expenditures.
- Municipal Court – Savings of \$156k, or 0.9% below the revised budget, are mainly due to reduced personnel costs associated with vacancies, reduced use of temporary employees and lower than expected collection expenditures. External collection costs are paid to a third party collection agency and are offset by corresponding revenue.
- Parks and Community Services - Savings of \$124k, or 0.3% below the revised budget, are mainly due to reduced personnel costs associated with vacancies and water utilities due to the weather.
- Transportation and Public Works – Savings of \$204k, or 0.4% below the revised budget, are mainly due to reduced personnel costs associated with vacancies and reduced spending on paving and street light materials.

Since the adoption of the FY2015 budget, the City Council has authorized revisions to the General Fund budget totaling \$7.4M. The detail below captures the departmental changes that make up that total:

- City Attorney's Office - The City Attorney's Office budget increased by a total of \$55k in approved rollover funding for a case management system, per M&C G-18390. This rollover funding was subsequently transferred to a capital budget.
- City Manager's Office - The City Manager's Office budget increased by a total of \$42k in approved rollover funding for leadership training services provided by Strategic Government Resources, Inc., per M&C G-18390. This rollover funding was subsequently transferred to a capital budget.
- City Secretary's Office - The City Secretary's Office budget increased by a total of \$32k in approved rollover funding for the recodification of the City of Fort Worth's Code Book, per M&C G-18390. This rollover funding was subsequently transferred to a capital budget.
- Fire – The Fire budget increased by a total of \$4.0M. Of this amount, \$3.9M, is due to fund compensation changes for Fiscal Year 2015, resulting from the approved Collective Bargaining Agreement, per M&C G-18349. In addition, expenditures increased by \$41k, for purchases of equipment for various fire stations, per M&C G-18419. Also, the expenditure budget increased by \$12k, in approved rollover funding for equipment (a 19' Scissor Lift) not purchases in FY2014, per M&C G-18390. This rollover funding was subsequently transferred to a capital fund.
- Housing and Economic Development – The Housing and Economic Development Department budget increased by a total of \$496k, due to a transfer of funds originally appropriated in Non-Departmental for the Homelessness Program.
- Human Resources – The Human Resources Department expenditure budget increased by a total of \$186k, due to approved rollover funding to complete the classification and compensation study not expensed in FY2014, per M&C G-18390. This rollover funding was subsequently transferred to a capital fund.
- Library –The Library Department budget increased by \$250k, due to approved rollover funding to complete the purchase of a Next Generation Integrated Library System authorized in FY2014, per M&C C-26892. This rollover funding was subsequently transferred to a capital fund.

City of Fort Worth, Texas
Financial Management Report
March 31, 2015
(in 000's)

- Non-Departmental – Non-Departmental had a net decrease of \$474k. As a result of the transfer of the appropriation for the Homelessness Program to the Housing and Economic Development Department, the budget decreased by \$496k. The budget increased by \$22k due to a transfer from the Public Events Capital Project Fund as part of an ongoing effort to clean up old funds and return unused funds to the originating source, per M&C G-18363.
- Parks and Community Services –The Parks and Community Services Department expenditure budget increased by a total of \$63k, due to approved rollover funding to complete reimbursement to Fort Worth Zoo Association for utility relocations and modifications related to Kid's Wet Zone not expensed in FY2014, per M&C G-18390. This rollover funding was subsequently transferred to a capital fund.
- Planning and Development – The Planning and Development budget increased by a total of \$415k. Of that total, \$51k is for the purchase of additional licenses for the existing Mobile Office module of the Automation Permitting System, as per M&C C-27027. There is a corresponding reimbursement from third party inspection firms for these sublicenses, resulting in no net cost to the City. It also includes approved rollover funding in the amount of \$364k for electronic plan review software, GIS mapping project and Lake Worth watershed strategic plan, none of which were completed in FY2014, M&C G-18390. This rollover funding was subsequently transferred to a capital fund.
- Transportation and Public Works –The Transportation and Public Works Department expenditure budget increased by a total of \$2.3M for approved rollovers, per M&C G-18390. This rollover funding was subsequently transferred to a capital fund.

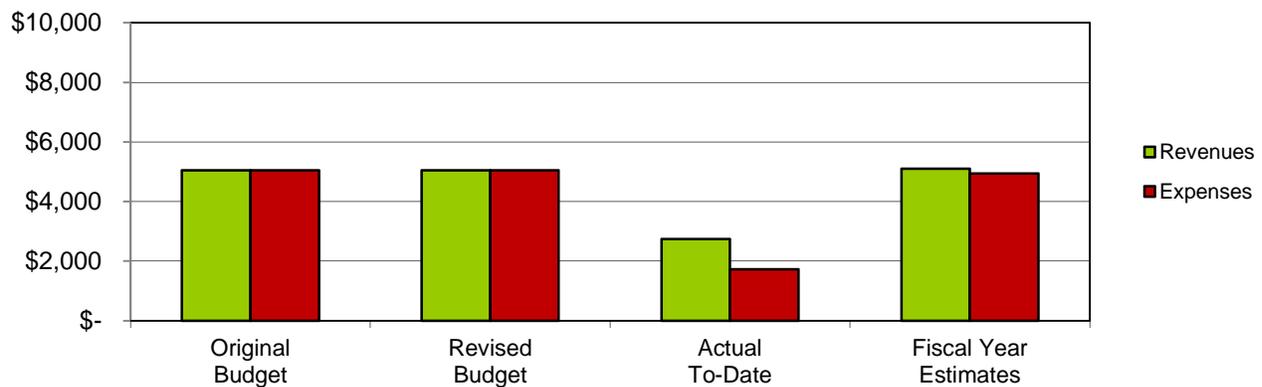
City of Fort Worth, Texas
Financial Management Report
March 31, 2015
(in 000's)

ENTERPRISE FUNDS

MUNICIPAL AIRPORTS FUND

	Original Budget	Revised Budget	Actual To-Date	FY2015 Estimate	(Under)/over Budget	Budget %
Revenues	\$ 5,047	\$ 5,047	\$ 2,737	\$ 5,106	\$ 59	101.2%
Expenses	5,047	5,047	1,731	4,941	(106)	97.9%
Sources / (Uses) of Balance	\$ -	\$ -	\$ 1,006	\$ 165		

FY2015 Budget Comparisons



FY2014 Total Ending Available Cash Balance at 9/30/2014*	\$ 1,946
FY2015 Projected Sources / (Uses) of Cash	<u>165</u>
FY2015 Projected Available Cash (unaudited)	<u><u>\$ 2,111</u></u>
FY2015 20% Reserve as Required by the City's Financial Management Policy	\$ 960

* Does not include the debt service, capital projects, gas lease investment or grant funds that are included in the CAFR.

The Municipal Airports Fund supports the Aviation Department and is responsible for maintaining, managing, operating, developing and promoting two of the three airports in the City's airport system: Fort Worth Meacham International Airport and Fort Worth Spinks Airport. Although the City owns Fort Worth Alliance Airport, that airport is currently under private contract for management. The Municipal Airports Fund anticipates ending the year with an operational surplus of \$165k. Revenues at year end are expected to exceed the revised budget by \$59k, primarily due to better than anticipated performance for leased land at Meacham Airport. Expenses are anticipated to end the year under the FY2015 revised budget by \$106k, mainly due to lower than anticipated contractual costs.

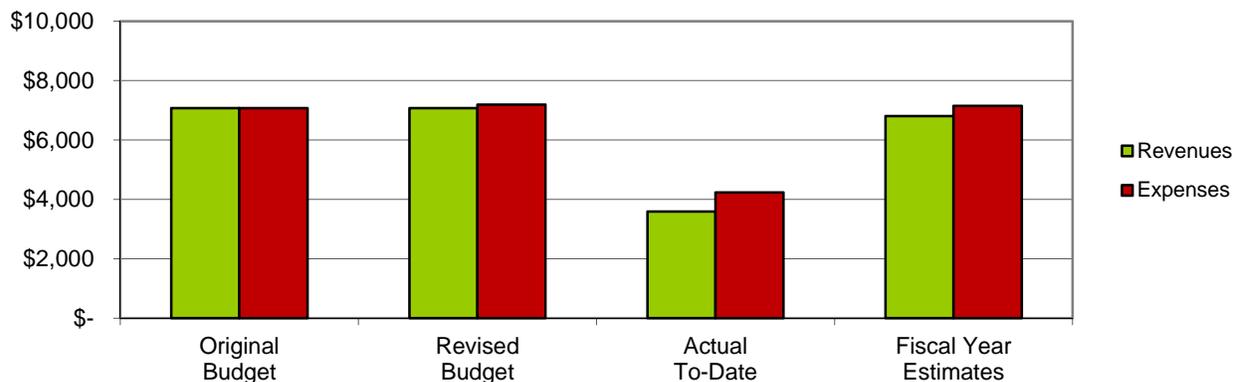
City of Fort Worth, Texas
Financial Management Report
March 31, 2015
(in 000's)

ENTERPRISE FUNDS

MUNICIPAL PARKING FUND

	Original Budget	Revised Budget	Actual To-Date	FY2015 Estimate	(Under)/over Budget	Budget %
Revenues	\$ 7,069	\$ 7,069	\$ 3,593	\$ 6,807	\$ (262)	96.3%
Expenses	7,069	7,191	4,238	7,152	(39)	99.5%
Sources / (Uses) of Balance	\$ -	\$ (122)	\$ (645)	\$ (345)		

FY2015 Budget Comparisons



FY2014 Total Ending Available Cash Balance at 9/30/2014*	\$ 808
FY2015 Projected Sources / (Uses) of Cash	<u>(345)</u>
FY2015 Projected Available Cash (unaudited)	<u>\$ 463</u>
FY2015 20% Reserve as Required by the City's Financial Management Policy	\$ 597

* Does not include the debt service or capital project funds that are included in the CAFR.

The Municipal Parking Fund manages the operations of the metered parking spaces used by the general public, City owned parking garages, surface lots, lease of office space, valet parking permits, designated mobility impaired street parking, and shares responsibility for the enforcement of parking ordinances. The program currently maintains and manages five parking garages, 22 parking lots and 2,200 metered spaces. The Municipal Parking Fund is expected to end the year with an operating deficit of \$345k. Supplemental appropriations have increased the expenditure budget by \$122k for approved rollovers, funding the Loading Zone Sign Project, per M&C G-18390. This rollover funding was subsequently transferred to a capital fund. Revenues are estimated to end the year under budget by \$262k, due to lower than anticipated daily parking revenues attributed to lower event attendance. The two largest contributors are the Gun Show attendance (12 per year), which is down as much as 50% from budgeted levels and the Cowtown Marathon, a significant portion of which was canceled due to weather conditions. Expenditures are estimated to be under budget by \$39k largely due to salary savings.

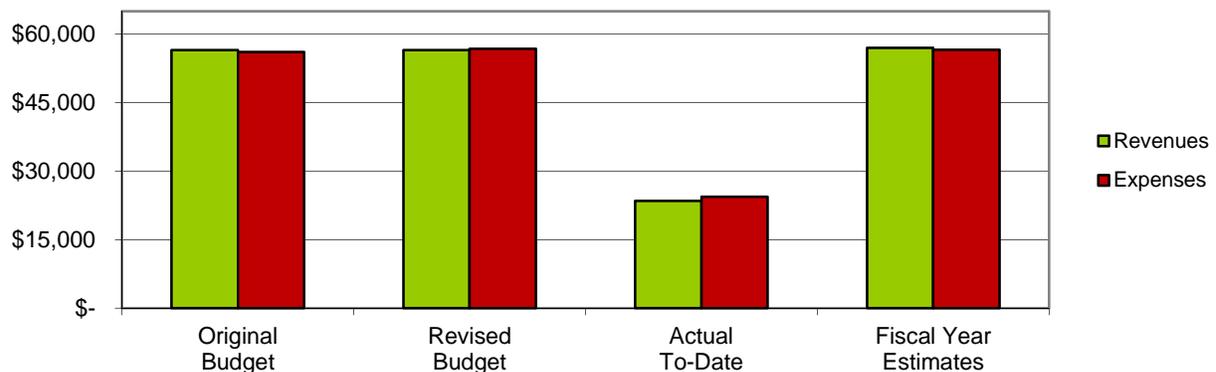
City of Fort Worth, Texas
Financial Management Report
March 31, 2015
(in 000's)

ENTERPRISE FUNDS

SOLID WASTE FUND

	Original Budget	Revised Budget	Actual To-Date	FY2015 Estimate	(Under)/over Budget	Budget %
Revenues	\$ 56,456	\$ 56,456	\$ 23,486	\$ 56,994	\$ 538	101.0%
Expenses	56,032	56,795	24,419	56,524	(271)	99.5%
Sources / (Uses) of Balance	\$ 424	\$ (339)	\$ (933)	\$ 470		

FY2015 Budget Comparisons



FY2014 Total Ending Available Cash Balance at 9/30/2014*	\$ 25,565
FY2015 Projected Sources / (Uses) of Cash	<u>470</u>
FY2015 Projected Available Cash (unaudited)	<u>\$ 26,035</u>
FY2015 20% Reserve as Required by the City's Financial Management Policy	\$ 11,019

* Does not include the debt service or capital projects funds that are included in the CAFR.

The Solid Waste Fund provides for solid waste collection and disposal, as well as other solid waste management-related services for Fort Worth residents. It fulfills those duties primarily by using and managing service contracts. Solid Waste operates as an Enterprise Fund, charging users fees to cover the costs of providing solid waste services. The Solid Waste budget was adopted with a \$424k contribution to net position. The fund is expected to end the year with an operating surplus of \$470k. Supplemental appropriations have increased the expenditure budget by \$763k. This increase includes approved rollover funding for equipment, the Comprehensive Solid Waste Management Plan and the procurement of a resource recovery plan, none of which were completed in FY2014. This rollover funding was subsequently transferred to a capital expense budget. Revenues are expected to exceed original estimates by \$538k, due to increases in revenue from the landfill variable rent and Grants of Privilege due to increases in the number of registered commercial waste haulers. Expenditures are anticipated to end the year under budget by \$271k, due to savings in minor equipment for the purchase of waste carts, mainly due to existing stock on hand and slightly lower overall costs for the carts.

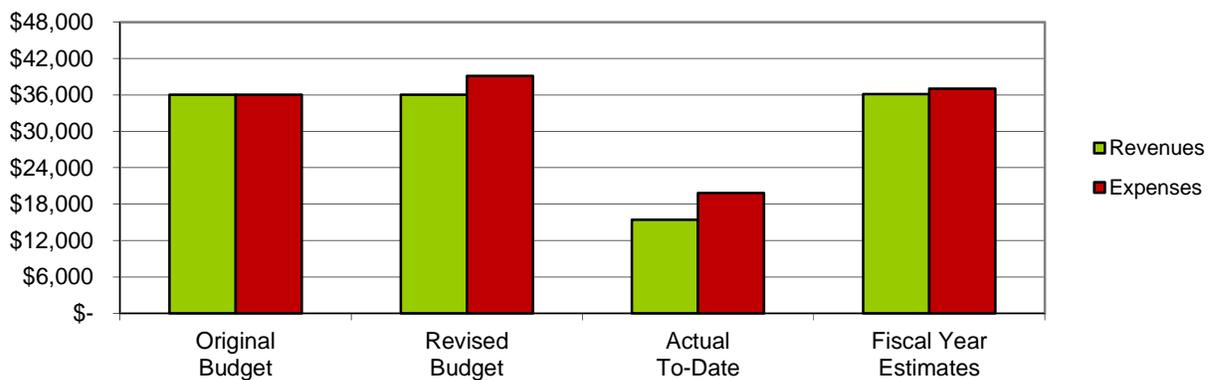
City of Fort Worth, Texas
Financial Management Report
March 31, 2015
(in 000's)

ENTERPRISE FUNDS

STORMWATER UTILITY FUND

	Original Budget	Revised Budget	Actual To-Date	FY2015 Estimate	(Under)/over Budget	Budget %
Revenues	\$ 36,012	\$ 36,012	\$ 15,418	\$ 36,127	\$ 115	100.3%
Expenses	36,012	39,145	19,844	37,016	(2,129)	94.6%
Sources / (Uses) of Balance	\$ -	\$ (3,133)	\$ (4,426)	\$ (889)		

FY2015 Budget Comparisons



FY2014 Total Ending Available Cash Balance at 9/30/2014*	\$ 28,162
FY2015 Projected Sources / (Uses) of Cash	<u>(889)</u>
FY2015 Projected Available Cash (unaudited)	<u>\$ 27,273</u>
FY2015 20% Reserve as Required by the City's Financial Management Policy	\$ 4,731

* Does not include the debt service or capital projects funds that are included in the CAFR.

The Stormwater Utility exists to protect people and property from harmful stormwater runoff. The Stormwater Utility Fund is expected to end the year with an operating deficit of \$889k. This deficit is primarily a result of supplemental appropriations that have increased the expenditure budget by \$3.1M. Supplemental appropriations include: \$400k for a professional services agreement for drainage design review services, per M&C C-27106; \$926k to fund the annual stormwater cash-funded capital program, per M&C G-18374; \$1.7M for approved rollovers, per M&C G-18390; and \$98k for ERP transfers, per M&C G-18420. This rollover funding was subsequently transferred to a capital expense budget. Revenues are expected to exceed original estimates by \$115k, due to additional revenue anticipated from utility fees attributed to newly constructed buildings. Expenses are projected to end the year under budget by \$2.1M, largely due to potential postponement of debt issuance in the amount of \$1.2M. In addition, the decrease is due to projected savings of \$629k in salary savings and \$241k in other miscellaneous supplies.

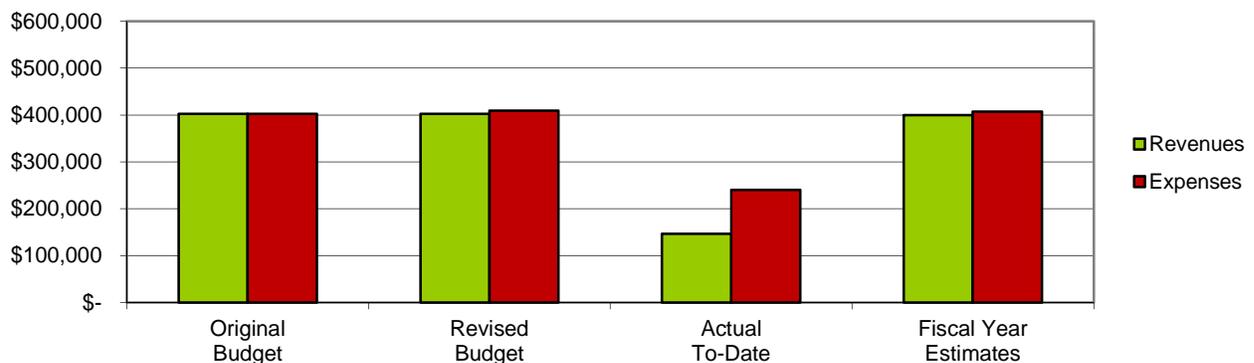
City of Fort Worth, Texas
Financial Management Report
March 31, 2015
(in 000's)

ENTERPRISE FUNDS

WATER AND SEWER FUND

	Original Budget	Revised Budget	Actual To-Date	FY2015 Estimate	(Under)/over Budget	Budget %
Revenues	\$ 402,228	\$ 402,228	\$ 146,781	\$ 399,825	\$ (2,403)	99.4%
Expenses	402,228	409,164	239,982	407,483	(1,681)	99.6%
Sources / (Uses) of Balance	\$ -	\$ (6,936)	\$ (93,201)	\$ (7,658)		

FY2015 Budget Comparisons



FY2014 Total Ending Available Cash Balance at 9/30/2014*	\$ 57,998
FY2015 Projected Sources / (Uses) of Cash	<u>(7,658)</u>
FY2015 Projected Available Cash (unaudited)	<u>\$ 50,340</u>
FY2015 20% Reserve as Required by the City's Financial Management Policy	\$ 50,559

* Does not include the debt service, capital projects, gas lease investment or grant funds that are included in the CAFR.

The Water and Sewer Fund provides water and wastewater services to residential, commercial, industrial and wholesale customers. The annual revenue budget is based on the anticipated amount of services the various customer classes will require for the year. The Water and Sewer Fund is expected to end the year with an operating deficit of \$7.7M. Supplemental appropriations have increased the expenditure budget by \$6.9M. This increase includes \$4.5M, in approved rollover funding for FY2014 equipment purchases and consultant services, which were rolled to a capital fund, per M&C G-18390. In addition, the budget increased by \$2.4M in transfers for ERP Phase II, per M&C G-18420. Revenues are projected to be under budget by \$2.4M, primarily because of lagging water sales due to continued decreases in retail consumption related to unusually wet and cold weather conditions during the winter months. Expenses are also projected to end the year under budget by \$1.7M, mainly due to reduced transfers to capital projects.

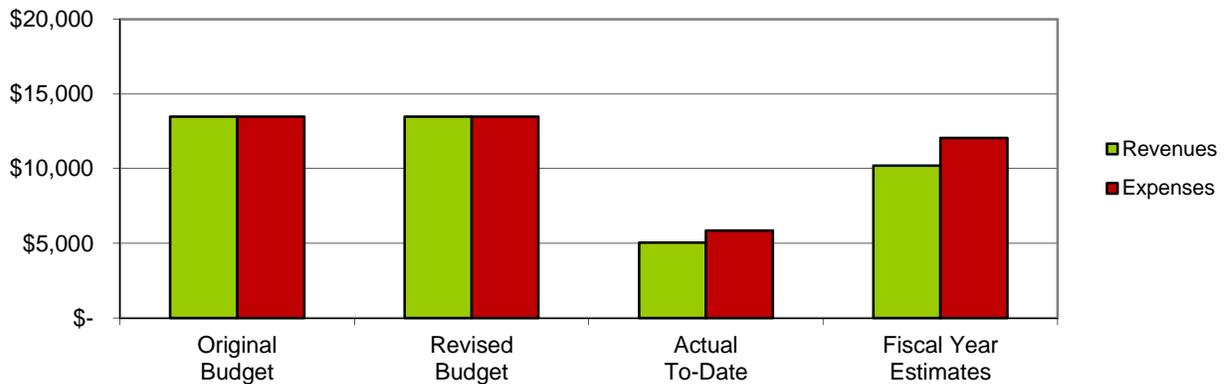
City of Fort Worth, Texas
Financial Management Report
March 31, 2015
(in 000's)

INTERNAL SERVICE FUNDS

CAPITAL PROJECTS SERVICE FUND

	Original Budget	Revised Budget	Actual To-Date	FY2015 Estimate	(Under)/over Budget	Budget %
Revenues	\$ 13,472	\$ 13,472	\$ 5,052	\$ 10,205	\$ (3,267)	75.7%
Expenses	13,472	13,472	5,866	12,055	(1,417)	89.5%
Sources / (Uses) of Balance	\$ -	\$ -	\$ (814)	\$ (1,850)		

FY2015 Budget Comparisons



FY2014 Total Ending Available Cash Balance at 9/30/2014	\$ (1,720)
FY2015 Projected Sources / (Uses) of Cash	<u>(1,850)</u>
FY2015 Projected Available Cash (unaudited)	<u><u>\$ (3,570)</u></u>

The Capital Projects Service Fund provides project-related services to General Fund departments and other funds for their capital project needs based on a fee structure. The annual revenue and expense budgets are based on the anticipated amount of services the various departments/funds will require for the year. Fund revenue collections are heavily dependent on environmental factors, such as weather and holidays in any given quarter. The Capital Projects Service Fund is anticipated to end the year with an operating deficit of \$1.9M. Revenues are projected to end the year under budget by \$3.3M, primarily due to billable positions being vacant and fewer projects in the construction phase than anticipated. Expenses are estimated to end the year under budget by \$1.4M, primarily due to lower personnel and supplies costs associated with vacancies.

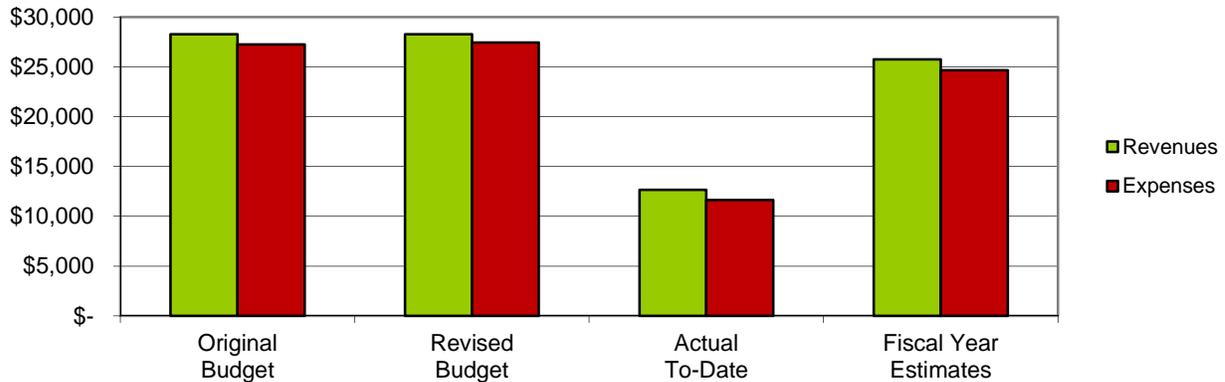
City of Fort Worth, Texas
Financial Management Report
March 31, 2015
(in 000's)

INTERNAL SERVICE FUNDS

EQUIPMENT SERVICES FUND

	Original Budget	Revised Budget	Actual To-Date	FY2015 Estimate	(Under)/over Budget	Budget %
Revenues	\$ 28,267	\$ 28,267	\$ 12,659	\$ 25,743	\$ (2,524)	91.1%
Expenses	27,240	27,420	11,627	24,654	(2,766)	89.9%
Sources / (Uses) of Balance	\$ 1,027	\$ 847	\$ 1,032	\$ 1,089		

FY2015 Budget Comparisons



FY2014 Total Ending Available Cash Balance at 9/30/2014	\$ (2,817)
FY2015 Projected Sources / (Uses) of Cash	<u>1,089</u>
FY2015 Projected Available Cash (unaudited)	<u><u>\$ (1,728)</u></u>

The Equipment Services Fund is the City's fleet management fund. The Equipment Services Department manages all fuel provided by the City, as well as the maintenance, repair and replacement of heavy duty and light duty vehicles. The Equipment Services Fund budget was adopted with a \$1.0M contribution to net position. The Equipment Services Fund is expected to end the year with an operating surplus of \$1.1M. Supplemental appropriations have increased the expense budget by \$180k, due to the approved rollover funding, the lightning protection system for the Southside Service Center, oil analysis equipment for James Avenue Service Center and the purchase a vehicle, per M&C G-18390. This rollover funding was subsequently transferred to a capital fund. Revenues are estimated to end the year under budget by \$2.5M, while expenses are estimated to end the year under budget by \$2.8M. Lower than anticipated diesel fuel prices have resulted in a decrease in estimated expenses and associated revenue billing for fuel.

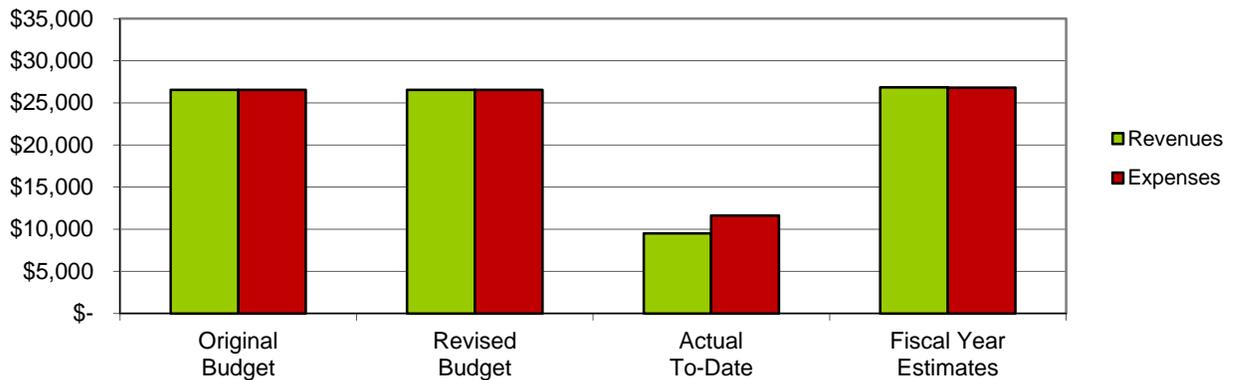
City of Fort Worth, Texas
Financial Management Report
March 31, 2015
(in 000's)

INTERNAL SERVICE FUNDS

IT SOLUTIONS FUND

	Original Budget	Revised Budget	Actual To-Date	FY2015 Estimate	(Under)/over Budget	Budget %
Revenues	\$ 26,532	\$ 26,532	\$ 9,509	\$ 26,820	\$ 288	101.1%
Expenses	26,532	26,532	11,617	26,784	252	100.9%
Sources / (Uses) of Balance	\$ -	\$ -	\$ (2,108)	\$ 36		

FY2015 Budget Comparisons



FY2014 Total Ending Available Cash Balance at 9/30/2014*	\$ 5,695
FY2015 Projected Sources / (Uses) of Cash	<u>36</u>
FY2015 Projected Available Cash (unaudited)	<u><u>\$ 5,731</u></u>

* Does not include the capital project fund that is included in the CAFR.

The Information Systems Fund provides information technology (IT) services to General Fund departments and other funds based on a fee structure. The annual revenue budget is based on the anticipated amount of service the various departments/funds will require for the year. Interdepartmental charges are primarily based on the number of radio, telephone, and computing services provided. The Information Systems Fund is expected to end the year with an operating surplus of \$36k. Revenues are expected to exceed original estimates by \$288k, due to higher than anticipated needs for computer and GIS services. Expenses are projected to end the year over budget by \$252k, due to higher than anticipated costs for contract labor.

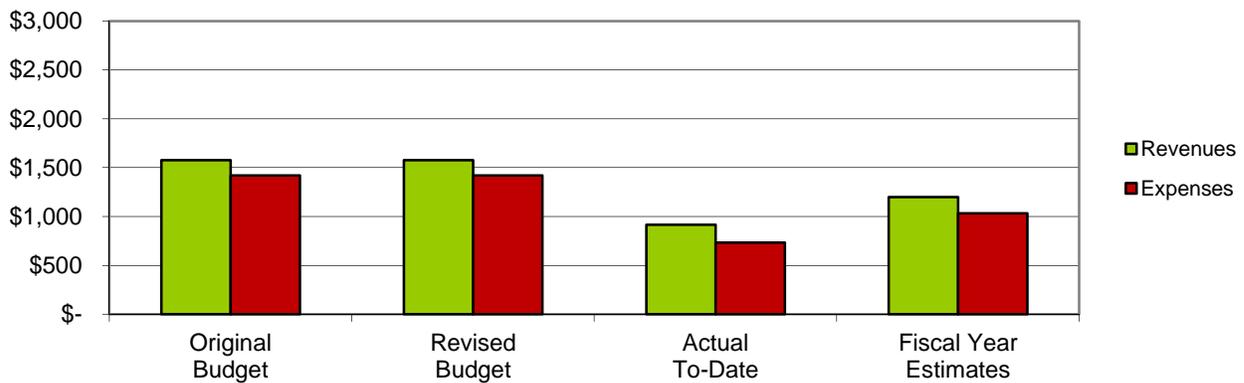
City of Fort Worth, Texas
Financial Management Report
March 31, 2015
(in 000's)

INTERNAL SERVICE FUNDS

OFFICE SERVICES FUND

	Original Budget	Revised Budget	Actual To-Date	FY2015 Estimate	(Under)/over Budget	Budget %
Revenues	\$ 1,575	\$ 1,575	\$ 917	\$ 1,199	\$ (376)	76.1%
Expenses	1,421	1,421	732	1,033	(388)	72.7%
Sources / (Uses) of Balance	\$ 154	\$ 154	\$ 185	\$ 166		

FY2015 Budget Comparisons



FY2014 Total Ending Available Cash Balance at 9/30/2014	\$ (269)
FY2015 Projected Sources / (Uses) of Cash	<u>166</u>
FY2015 Projected Available Cash (unaudited)	<u><u>\$ (103)</u></u>

The Office Services Fund provides copy, graphic and other office services to General Fund departments and other funds based on a fee structure. The annual revenue budget is based on the anticipated amount of service the various departments/funds will require for the year. Any operation or project that requires excessive printing or an overall reduction in services will affect the fund's operation. The Office Services Fund will close on July 15, 2015, with the elimination of four authorized positions and two graphics artist positions moved to the General Fund. The budget was adopted with a projected \$154k contribution to net position. The Office Services Fund is expected to end the year with an operating surplus of \$166k. Revenues are expected to end the year under budget by \$376k, while expenses are expected to end the year under budget by \$388k.

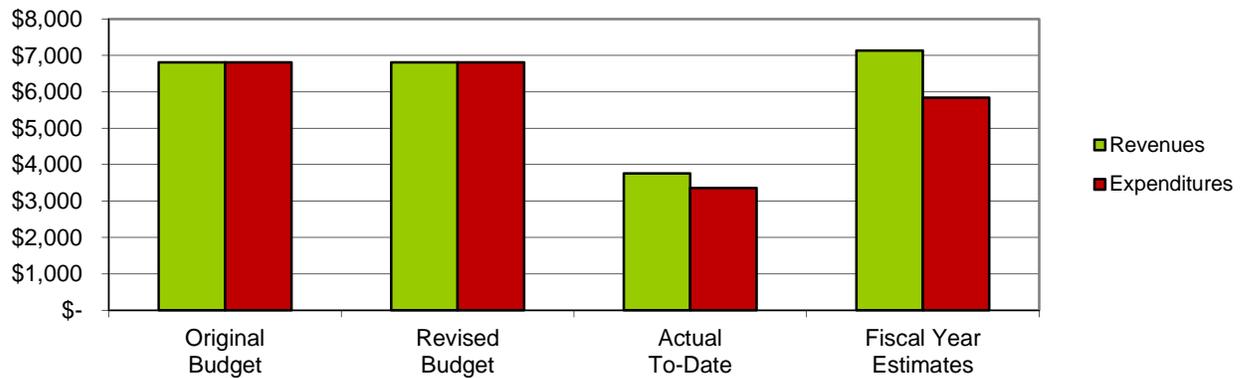
City of Fort Worth, Texas
Financial Management Report
March 31, 2015
(in 000's)

INTERNAL SERVICE FUNDS

RISK MANAGEMENT FUND

	Original Budget	Revised Budget	Actual To-Date	FY2015 Estimate	(Under)/over Budget	Budget %
Revenues	\$ 6,805	\$ 6,805	\$ 3,755	\$ 7,129	\$ 324	104.8%
Expenditures	6,805	6,805	3,355	5,841	(964)	85.8%
Sources / (Uses) of Fund Balance	\$ -	\$ -	\$ 400	\$ 1,288		

FY2015 Budget Comparisons



FY2014 Total Ending Available Cash Balance at 9/30/2014	\$ 12,241
FY2015 Projected Sources / (Uses) of Cash	<u>1,288</u>
FY2015 Projected Available Cash (unaudited)	<u><u>13,529</u></u>
FY2015 25% Reserve as Required by the City's Financial Management Policy	1,701

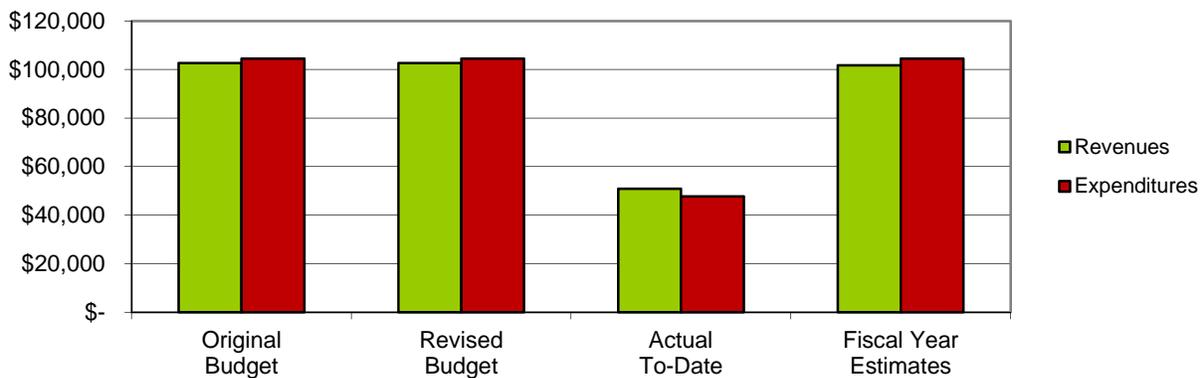
The Risk Management Fund provides property and liability insurance and claims management services to General Fund departments and other funds, as well as the coordination of loss identification, reduction, and prevention programs on behalf of the General Fund departments and other funds based on a fee structure. The Risk Management Fund is expected to end the year with an operating surplus of \$1.3M. Revenues are expected to exceed original estimates by \$324k, due primarily to increased subrogation revenue related to damage to city property, which is transferred later in the year to the affected funds and interest income. Expenses are estimated to end the year under budget by \$964k, primarily due to lower than anticipated lawsuit and claim payments.

City of Fort Worth, Texas
Financial Management Report
March 31, 2015
(in 000's)

INTERNAL SERVICE FUNDS
GROUP HEALTH INSURANCE FUND

	Original Budget	Revised Budget	Actual To-Date	FY2015 Estimate	(Under)/over Budget	Budget %
Revenues	\$ 102,669	\$ 102,669	\$ 50,882	\$ 101,774	\$ (895)	99.1%
Expenditures	104,471	104,471	47,775	104,513	42	100.0%
Sources / (Uses) of Fund Balance	\$ (1,802)	\$ (1,802)	\$ 3,107	\$ (2,739)		

FY2015 Budget Comparisons



FY2014 Total Ending Available Cash Balance at 9/30/2014	\$ 46,151
FY2015 Projected Sources / (Uses) of Cash	<u>(2,739)</u>
FY2015 Projected Available Cash (unaudited)	<u>43,412</u>
FY2015 15% Reserve as Required by the City's Financial Management Policy	15,671

The Group Health and Life Insurance Fund provides employee health benefits coverage services to General Fund departments and other funds based on a fee structure. The annual revenue budget is based on the anticipated amount of service the various departments/funds will require for the year. Expenses are dependent on the aggregate cost of annual claims. The budget was originally adopted with a \$1.8M use of net position. The Group Health and Life Insurance Fund is projected to end the year with an operating deficit of \$2.7M. Revenues are estimated to end the year under budget, mainly due to lower than expected revenue for reimbursement discounts related from pharmacy rebates. Expenses are projected to end the year slightly over budget due to personnel costs.

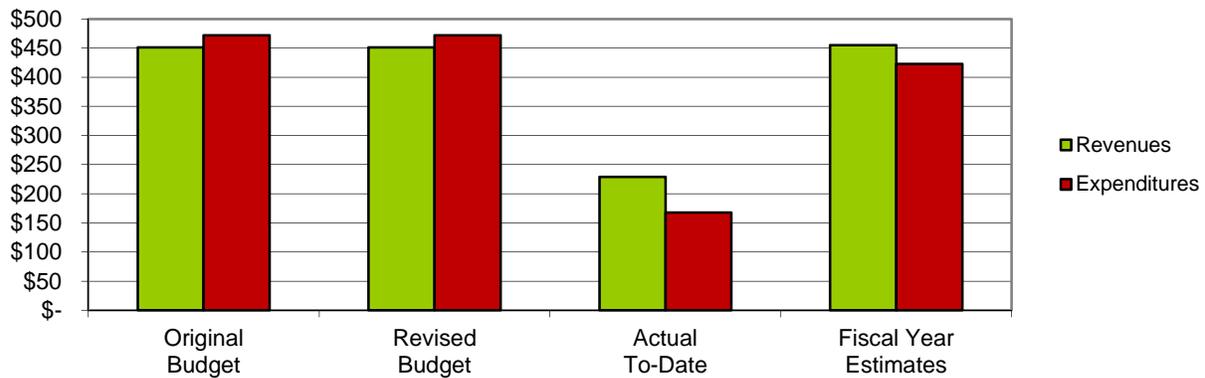
City of Fort Worth, Texas
Financial Management Report
March 31, 2015
(in 000's)

INTERNAL SERVICE FUNDS

UNEMPLOYMENT COMPENSATION FUND

	Original Budget	Revised Budget	Actual To-Date	FY2015 Estimate	(Under)/over Budget	Budget %
Revenues	\$ 451	\$ 451	\$ 229	\$ 455	\$ 4	100.9%
Expenditures	472	472	168	423	(49)	89.6%
Sources / (Uses) of Fund Balance	\$ (21)	\$ (21)	\$ 61	\$ 32		

FY2015 Budget Comparisons



FY2014 Total Ending Available Cash Balance at 9/30/2014	\$ 706
FY2015 Projected Sources / (Uses) of Cash	<u>32</u>
FY2015 Projected Available Cash (unaudited)	<u>738</u>
FY2015 25% Reserve as Required by the City's Financial Management Policy	118

The Unemployment Compensation Fund provides for reimbursement to the state-mandated unemployment insurance program for General Fund departments and other funds. The budget was originally adopted with a \$21k use of net position. The Unemployment Compensation Fund is expected to end the year with a slight operating surplus of \$32k. Revenues are estimated to end the year on budget. Expenses are projected to end the year under budget by \$49k, mainly due to lower than projected reimbursements to the Texas Workforce Commission in the first and second quarters.

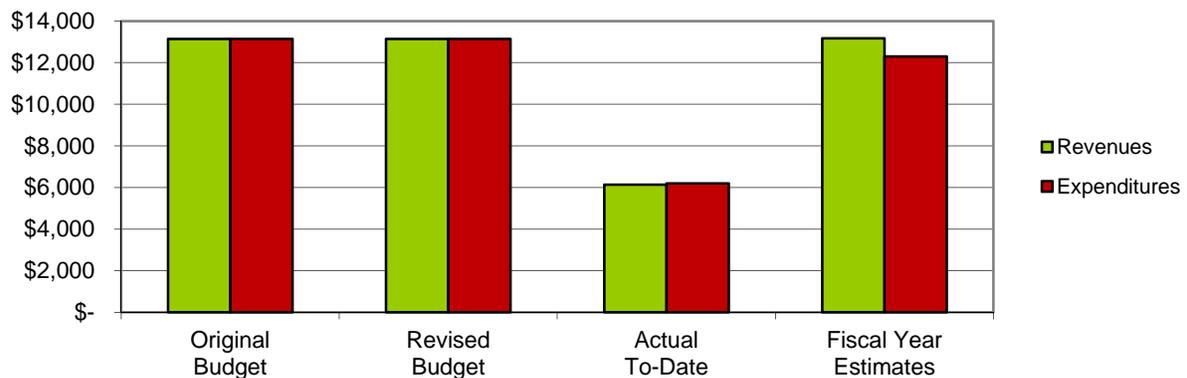
City of Fort Worth, Texas
Financial Management Report
March 31, 2015
(in 000's)

INTERNAL SERVICE FUNDS

WORKERS' COMPENSATION FUND

	Original Budget	Revised Budget	Actual To-Date	FY2015 Estimate	(Under)/over Budget	Budget %
Revenues	\$ 13,131	\$ 13,131	\$ 6,139	\$ 13,168	\$ 37	100.3%
Expenditures	13,131	13,131	6,199	12,304	(827)	93.7%
Sources / (Uses) of Fund Balance	\$ -	\$ -	\$ (60)	\$ 864		

FY2015 Budget Comparisons



FY2014 Total Ending Available Cash Balance at 9/30/2014	\$ 5,489
FY2015 Projected Sources / (Uses) of Cash	<u>864</u>
FY2015 Projected Available Cash (unaudited)	<u><u>6,353</u></u>
FY2015 25% Reserve as Required by the City's Financial Management Policy	3,283

The Workers' Compensation Fund provides for statutorily-mandated workers' compensation benefits for City employees in General Fund departments and other funds. The Workers' Compensation Fund budget is projected to end the year with an operating surplus of \$864k. Revenues are expected to exceed original estimates by \$37k, due to higher than expected Workers' Compensation subrogation revenue. Expenses are estimated to end the year under budget by \$827k, mainly due to savings from reduced personnel costs associated with vacancies and lower estimated workers' compensation claims.

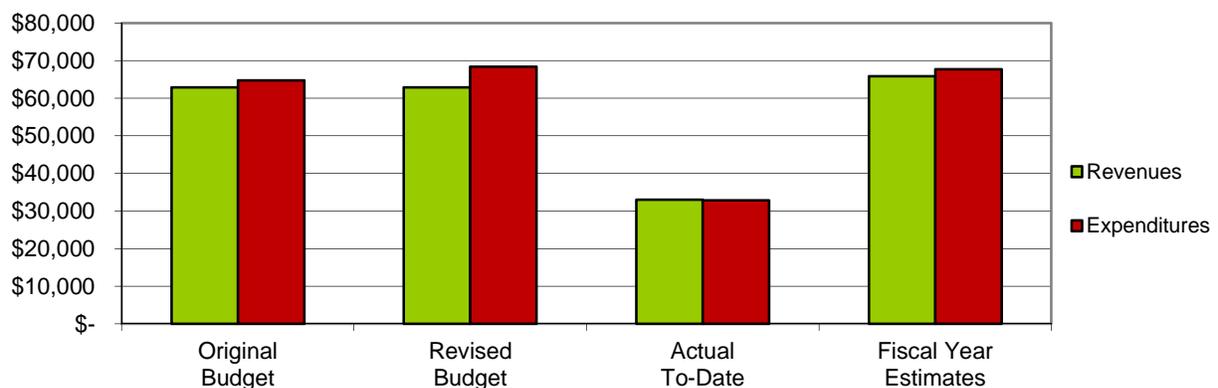
City of Fort Worth, Texas
Financial Management Report
March 31, 2015
(in 000's)

SPECIAL REVENUE FUNDS

CRIME CONTROL AND PREVENTION DISTRICT FUND

	Original Budget	Revised Budget	Actual To-Date	FY2015 Estimate	(Under)/over Budget	Budget %
Revenues	\$ 62,886	\$ 62,886	\$ 32,992	\$ 65,858	\$ 2,972	104.7%
Expenditures	64,758	68,375	32,812	67,709	(666)	99.0%
Sources / (Uses) of Fund Balance	\$ (1,872)	\$ (5,489)	\$ 180	\$ (1,851)		

FY2015 Budget Comparisons



FY2014 Total Ending Fund Balance at 9/30/2014	\$ 28,729
FY2015 Projected Sources / (Uses) of Fund Balance	<u>(1,851)</u>
FY2015 Total Projected Fund Balance	26,878
FY2015 Total Projected Unrestricted Fund Balance (unaudited)	<u><u>\$ 26,878</u></u>
FY2015 37% Reserve as required by CCPD Board Policy	\$ 23,960

The Crime Control and Prevention District (CCPD) Fund was established to pay for specific programs aimed at crime reduction using dedicated revenues from sales taxes. The budget was adopted with a projected \$1.9M use of fund balance. Supplemental appropriations increased the expenditure budget by \$3.6M. Of this amount, \$1.5M, is for the City's match requirement related to acceptance of a grant award from the United States Department of Justice for the community oriented policing services in the Fiscal Year 2014 COPS hiring program. The remaining \$2.1M, is due to approved rollover funding for motorcycles and vehicles, exercise equipment for the new PSTC facility and tactical equipment purchases that were not completed in FY2014. This rollover funding was subsequently transferred to a capital budget. The CCPD fund is estimated to end the year with an operating deficit of \$1.9M. Revenues are expected to exceed original estimates by \$3.0M, mainly due to better than expected sales tax collections. Expenditures are projected to end the year under budget by \$666k, primarily as a result of reduced minor equipment expenses, lower than expected mileage reimbursement costs, and savings from lower fuel expenses.

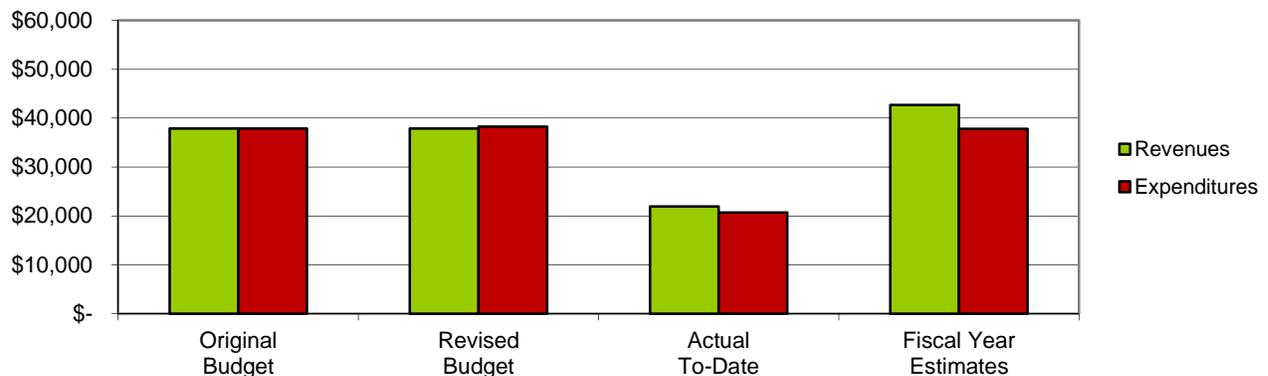
City of Fort Worth, Texas
Financial Management Report
March 31, 2015
(in 000's)

SPECIAL REVENUE FUNDS

CULTURE AND TOURISM FUND

	Original Budget	Revised Budget	Actual To-Date	FY2015 Estimate	(Under)/over Budget	Budget %
Revenues	\$ 37,853	\$ 37,853	\$ 21,955	\$ 42,722	\$ 4,869	112.9%
Expenditures	37,853	38,301	20,704	37,838	(463)	98.8%
Sources / (Uses) of Fund Balance	\$ -	\$ (448)	\$ 1,251	\$ 4,884		

FY2015 Budget Comparisons



FY2014 Total Ending Fund Balance at 9/30/2014	\$ 11,633
FY2015 Projected Sources / (Uses) of Fund Balance	<u>4,884</u>
FY2015 Total Projected Fund Balance	16,517
FY2015 Total Projected Unrestricted Fund Balance (unaudited)	<u><u>\$ 16,517</u></u>
FY2015 20% Reserve as Required by the City's Financial Management Policy	\$ 5,964

The Culture and Tourism Fund was established primarily to manage the revenue for the City's Hotel and Motel tax. Revenue received supports capital improvements and operations at the Will Rogers Memorial Center (WRMC) and the Fort Worth Convention Center (FWCC). The Culture and Tourism Fund is expected to end the year with an operating surplus of \$4.9M. Supplemental appropriations increased the expenditure budget by \$448k, including \$248k, in approved rollovers for scheduled and ongoing capital improvements. This rollover funding was subsequently transferred to a capital fund. Supplemental appropriations also include \$200k to fund appraisal and other pre-development expenses related to land acquisition for the Multipurpose Arena and support facilities. Revenues are expected to exceed original estimates by \$4.9M. Increases are due to higher revenue projections in hotel/motel tax by \$1.4M; commercial exhibit buildings by \$961k; car rental revenue sharing by \$901k; interest and unrealized gain by \$529k; Omni 380 economic incentive program by \$284k; recovery of labor and supply expenditures by \$252k; recreational vehicle parking by \$200k; revenue from vendor commissions by \$169k and other various revenue by \$135k. Expenditures are projected to end the year \$463k under budget, primarily as a result of savings in operating supplies, electricity, water, and personnel expenditures due to vacancies.

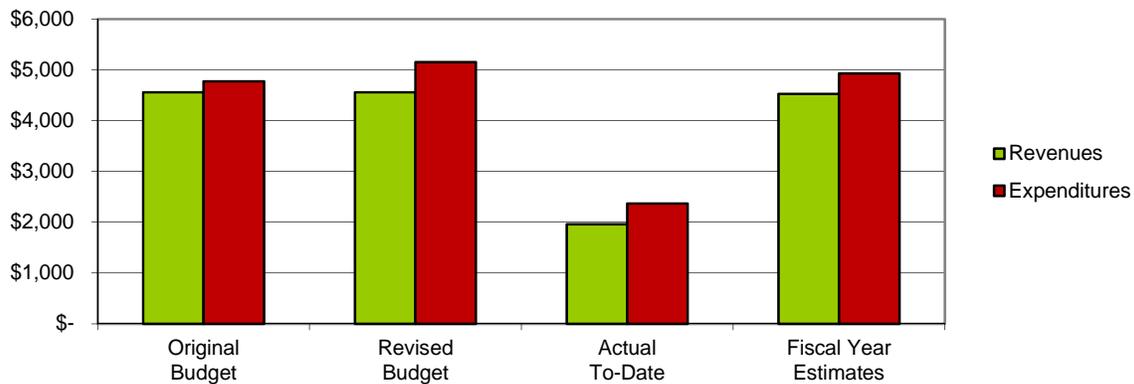
City of Fort Worth, Texas
Financial Management Report
March 31, 2015
(in 000's)

SPECIAL REVENUE FUNDS

ENVIRONMENTAL PROTECTION FUND

	Original Budget	Revised Budget	Actual To-Date	FY2015 Estimate	(Under)/over Budget	Budget %
Revenues	\$ 4,555	\$ 4,555	\$ 1,958	\$ 4,526	\$ (29)	99.4%
Expenditures	4,771	5,151	2,369	4,930	(221)	95.7%
Sources / (Uses) of Fund Balance	\$ (216)	\$ (596)	\$ (411)	\$ (404)		

FY2015 Budget Comparisons



FY2014 Total Ending Fund Balance at 9/30/2014*	\$ 7,147
FY2015 Projected Sources / (Uses) of Fund Balance	<u>(404)</u>
FY2015 Total Projected Fund Balance	6,743
FY2015 Total Projected Unrestricted Fund Balance (unaudited)	<u><u>\$ 6,743</u></u>
FY2015 20% Reserve as Required by the City's Financial Management Policy	\$ 891

* Does not include the capital project fund that is included in the CAFR.

The Environmental Protection Fund was established to ensure state and federally mandated environmental standards throughout the city are met, by providing stormwater permit compliance inspections, monitoring conditions, engaging in enforcement activities, providing for educational programs, and managing the Household Hazardous Waste Program. The Fund is primarily supported by the Environmental Protection Fee charged on residential and commercial water bills and revenue collected from other cities that use services at the Environmental Collection Center (ECC). The budget was adopted with a projected \$216k use of fund balance. The Environmental Protection Fund is projected to end the year with an operating deficit of \$404k. Supplemental appropriations have increased the expenditure budget by \$380k to fund the removal of asbestos from the general terminal building at Meacham International Airport, M&C 27139. Revenues are expected to be under budget by \$29k, due to a decrease in Environmental Collection Center disposal fees. Expenditures are expected to end the year under budget by \$221k, due to savings in personnel expenditures associated with vacancies and operating supplies.

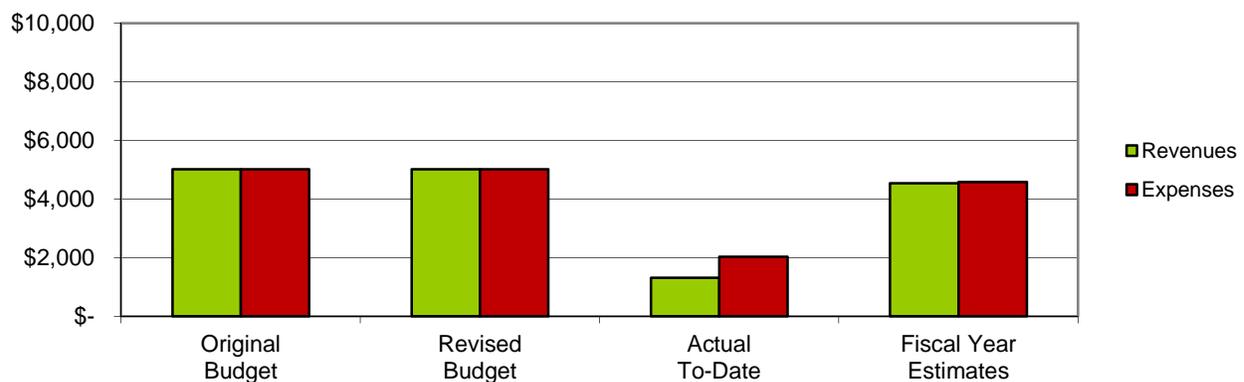
City of Fort Worth, Texas
Financial Management Report
March 31, 2015
(in 000's)

SPECIAL REVENUE FUNDS

MUNICIPAL GOLF FUND

	Original Budget	Revised Budget	Actual To-Date	FY2015 Estimate	(Under)/over Budget	Budget %
Revenues	\$ 5,020	\$ 5,020	\$ 1,310	\$ 4,539	\$ (481)	90.4%
Expenses	5,020	5,020	2,034	4,578	(442)	91.2%
Sources / (Uses) of Balance	\$ -	\$ -	\$ (724)	\$ (39)		

FY2015 Budget Comparisons



FY2014 Total Ending Fund Balance at 9/30/2014*	\$ 283
FY2015 Projected Sources / (Uses) of Fund Balance	<u>(39)</u>
FY2015 Total Projected Fund Balance	244
FY2015 Total Projected Unrestricted Fund Balance (unaudited)	<u>\$ 244</u>
FY2015 20% Reserve as Required by the City's Financial Management Policy	\$ 1,002

* Does not include the debt service or capital project funds that are included in the CAFR.

The Municipal Golf Fund supports the maintenance and operations of the City of Fort Worth's four municipal courses. The Municipal Golf Fund receives an annual subsidy of \$850k from the General Fund to ensure the stability of the fund by balancing the budget for revenues and expenses and eliminating the negative fund balance. The Municipal Golf Fund is expected to end the year with an operating deficit of \$39k. Revenues are projected to be under budget by \$481k due to decreased golf demand and increased course competition in the area. Expenses are anticipated to end the year under budget by \$442k, mainly due to reduced personnel costs associated with vacancies, agricultural and botanical supplies, irrigation maintenance, water utilities, merchandise purchases associated with reducing inventory and other contractual costs.

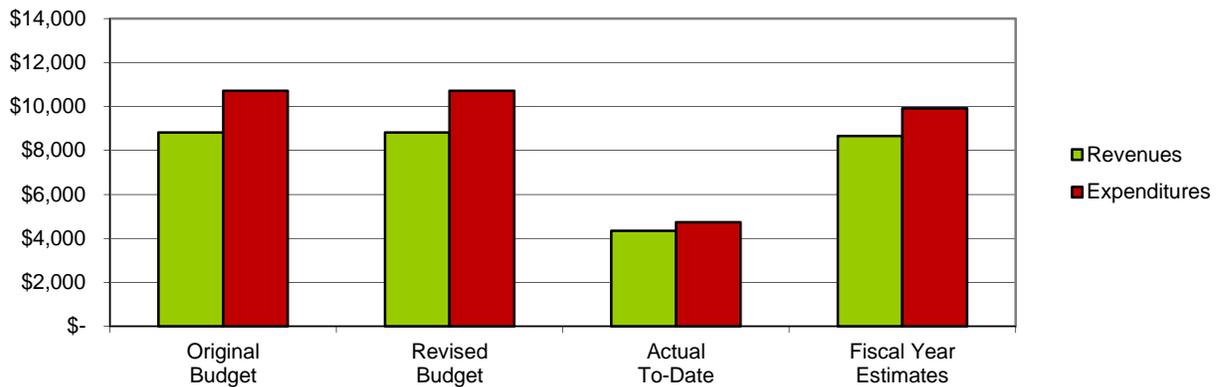
City of Fort Worth, Texas
Financial Management Report
March 31, 2015
(in 000's)

SPECIAL REVENUE FUNDS

RED LIGHT ENFORCEMENT PROGRAM FUND

	Original Budget	Revised Budget	Actual To-Date	FY2015 Estimate	(Under)/over Budget	Budget %
Revenues	\$ 8,813	\$ 8,813	\$ 4,349	\$ 8,659	\$ (154)	98.3%
Expenditures	10,712	10,712	4,736	9,924	(788)	92.6%
Sources / (Uses) of Fund Balance	\$ (1,899)	\$ (1,899)	\$ (387)	\$ (1,265)		

FY2015 Budget Comparisons



FY2014 Total Ending Fund Balance at 9/30/2014*	\$ 3,296
FY2015 Projected Sources / (Uses) of Fund Balance	<u>(1,265)</u>
FY2015 Total Projected Fund Balance	2,031
FY2015 Total Projected Unrestricted Fund Balance (unaudited)	<u>\$ 2,031</u>
FY2015 20% Reserve as Required by the City's Financial Management Policy	\$ 2,142

*Not shown separately in the CAFR

The Red Light Enforcement Fund manages the operation of the City's Red Light Camera Program, which was initiated January 1, 2008 to implement traffic safety initiatives. The goal of the program is to reduce collisions and injuries related to red light running through a combination of law and improvements to traffic signal operations throughout the city. Half of the annual enforcement revenue amount received after expenditures is sent to the State Trauma Fund Account. The remaining revenue is available for restricted use by the City on traffic safety programs. The budget was adopted with a projected \$1.9M use of fund balance. The Red Light Enforcement Fund is projected to end the year with an operating deficit of \$1.3M. Revenues are expected to end the year under budget by \$154k, due to decreased collections and fees. Expenditures are expected to end the year under budget by \$788k, due to salary savings and lower estimated payments to the State as a result of decreasing collections of fines.

Other Funds

City of Fort Worth, Texas
Financial Management Report
March 31, 2015
(in 000's)

OTHER FUNDS

CAPITAL PROJECTS RESERVE FUND

CASH BALANCE:

Cash Balance as of September 30, 2014: \$ 12,672

CENTER:

Unallocated Project Funds	\$ 63
Aviation Capital Improvement Projects 010551000	17
Sale of Tax Foreclosed Property 023001000	374
City Fee Owned Property, Sales 023002000	3,127
Maintenance Charge Real Property 030001000	158
General Unrestricted Gas Lease Revenue 060001000	<u>10,111</u>

Cash Balance at March 31, 2015 (unaudited): \$ 13,850

The Capital Projects Reserve Fund is used to account for non-bond financing held as backup funding for capital projects or other large unbudgeted expenditures. The cash balance of the Capital Projects Reserve Fund as of March 31, 2015 is \$13.9M.

City of Fort Worth, Texas
Financial Management Report
March 31, 2015
(in 000's)

OTHER FUNDS

SPECIAL ASSESSMENTS FUND

CASH BALANCE PROJECTION:

Cash Balance as of September 30, 2014:	\$ 1,118
Actual Cash Receipts:	
Actual Receipts:	
Actual Interest Earned on Investments	\$ 24
Total Actual Revenues:	<u>24</u>
Anticipated Receipts:	
Anticipated Interest Earned on Investments	20
Total Anticipated Revenues:	<u>20</u>
Total Actual and Anticipated Cash Receipts:	<u>44</u>
Total Available Cash:	1,162
Cash Balance at March 31, 2015 (unaudited):	<u><u>\$ 1,162</u></u>

* For this fund the balance is presented for the cash account

The Special Assessments Fund is used to assess homeowners for curbs, gutters and sidewalks when a street is widened or completely redone. The cash balance of the Special Assessments Fund as of March 31, 2015 is \$1.2M.

City of Fort Worth, Texas
Financial Management Report
March 31, 2015
(in 000's)

OTHER FUNDS

GENERAL DEBT SERVICE FUND

CASH BALANCE PROJECTION:

Cash Balance as of September 30, 2014:		\$ 13,957
 Actual Revenues:		
Property Tax	\$ 80,120	
Bond Proceed M&C G-18319 & G-18320	39,433	
Transfer in	9,252	
Other Revenue	820	
Total Actual Revenues:	129,625	129,625
 Anticipated Revenues:		
Property Tax	505	
Other Revenue	4,784	
Total Anticipated Revenues:	5,289	5,289
Total Available Cash:	148,871	
 Actual Expenditures:		
Debt Service Payment	66,881	
Refunding Cost	50,267	
Total Actual Expenditures:	117,148	117,148
 Anticipated Expenditures:		
Debt Service Payment	15,588	
Total Use of Cash:	132,736	132,736
 Projected Cash Balance at Fiscal Year End:		 <u>\$ 16,135</u>
 Cash Balance at March 31, 2015 (unaudited):		 <u>\$ 26,434</u>

The General 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 General Debt Service Fund is reserved to signify the amounts that are restricted exclusively for debt service expenditure.

The General Debt Service Fund is expected to end the fiscal year with a projected cash balance of \$16.1M.

City of Fort Worth, Texas
Financial Management Report
March 31, 2015
(in 000's)

OTHER FUNDS
SPECIAL PROJECTS FUND

CASH BALANCE PROJECTION:

Actual Cash Balance as of September 30, 2014:		\$13,185
Actual Revenues and Other resources:		
Actual Revenues:		
Interest Earned on Investments	\$ 90	
Other Receipts and Revenues	4,098	
Total Actual Revenues:		4,188
Total Available Cash:		17,373
Actual Expenditures		
Capital Outlay	84	
Other expenditures	1,025	
Total Actual Expenditures:		1,109
Projected Cash Balance at Fiscal Year End:		\$ 16,264
Restricted Cash:		\$ 20
Unrestricted Cash:		16,244
Cash Balance at March 31, 2015 (unaudited):		\$ 16,264

The Special Projects Fund is used to account for numerous small projects, which are varied in purpose. Financing for these projects is primarily provided by various organizations and individuals.

The Special Projects Fund has a cash balance of \$16.3M as of March 31, 2015.

City of Fort Worth, Texas
Financial Management Report
March 31, 2015
(in 000's)

OTHER FUNDS

RETIREE HEALTHCARE TRUST FUND

CASH BALANCE PROJECTION:

	Cash Balance as of September 30, 2014:	\$ 55,626
Investment Income	2,334	
Expenses	<u>96</u>	
	Cash Balance as of March 31, 2015 (unaudited):	<u>\$ 57,864</u>

Retiree Healthcare Trust Fund is a Fiduciary Fund used to account for resources held by the City's trustee. The Retiree Healthcare Trust Fund accounts for assets held for future post-employment healthcare benefits.

The City's contribution to the Retiree Healthcare Trust Fund for FY2014 (M&C G-18046, dated 10/22/13) was \$13.8M. The Retiree Healthcare Trust Fund ended the second quarter of FY2015 with a cash balance of \$57.9M as of March 31, 2015.

Gas Well Trust Report



AGG453079 FORT WORTH PERMANENT FUND - CONS

EXECUTIVE SUMMARY

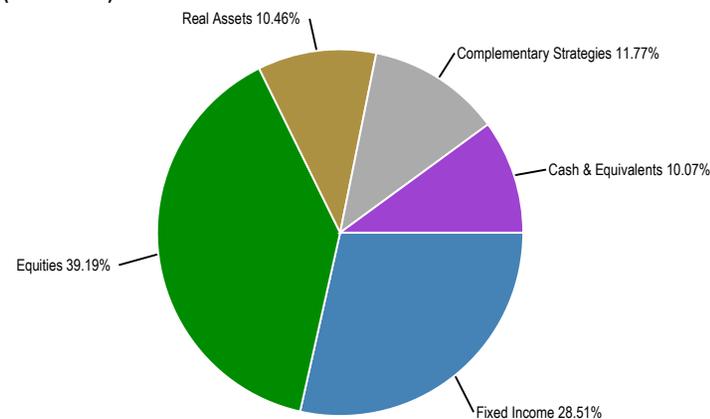
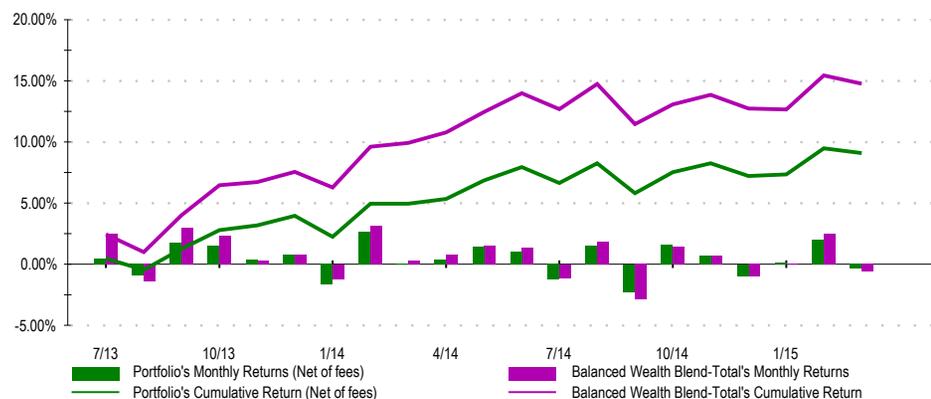
Fiscal Year End: 12/31

FOR THE PERIOD ENDING: MARCH 31, 2015

PORTFOLIO ALLOCATION & PERFORMANCE SUMMARY (CONSOLIDATED) - REPORT PERIOD: 7/1/13 TO 3/31/15 AGG453079 FORT WORTH PERMANEN

PORTFOLIO RETURNS

ALLOCATION (BY CLASS)



PORTFOLIO SUMMARY

	YEAR TO DATE	LAST 12 MONTHS	SINCE INCEPTION
Beginning Value ¹	57,078,595	46,674,479	35,832,362
Net Contributions & Withdrawals ²	680,684	10,076,703	18,904,162
Investment Gain or Loss ¹	993,288	2,001,386	4,016,044
Ending Value ¹	58,752,568	58,752,568	58,752,568

PERFORMANCE SUMMARY

	ENDING MARKET VALUE ¹	CURRENT PORTFOLIO ALLOCATION	YEAR TO DATE	LAST 12 MONTHS	SINCE INCEPTION ³
TOTAL PORTFOLIO (Net of fees)	58,752,568	100.00%	1.73%	3.95%	5.09%
<i>Balanced Wealth Blend-Total⁴</i>			1.80%	4.39%	8.19%
FIXED INCOME	16,751,677	28.51%	0.96%	1.81%	1.96%
<i>Barclays 1-5 Year Govt/Credit</i>			0.96%	1.99%	1.81%
EQUITIES	23,025,222	39.19%	2.67%	5.67%	12.80%
<i>Standard & Poor's 500 Stock Index</i>			0.95%	12.70%	17.92%
<i>MSCI EAFE Gross Index</i>			5.00%	-0.48%	10.11%
REAL ASSETS	6,146,277	10.46%	3.26%	9.98%	8.63%
<i>FTSE NAREIT All Equity REIT Index</i>			3.98%	22.68%	15.88%
<i>Bloomberg Commodity Total Return Index</i>			-5.94%	-27.04%	-12.67%

¹ Values include Accrued Income.

² As accounts are added to/removed from the composite they are displayed as a contribution/withdrawal.

³ Annualized Return

⁴ Benchmark currently consists of 100.0% Balanced Wealth Blend-Total.

PORTFOLIO ALLOCATION & PERFORMANCE SUMMARY (CONSOLIDATED) - REPORT PERIOD: 7/1/13 TO 3/31/15AGG453079 FORT WORTH PERMANEN

PERFORMANCE SUMMARY

	ENDING MARKET VALUE²	CURRENT PORTFOLIO ALLOCATION	YEAR TO DATE	LAST 12 MONTHS	SINCE INCEPTION¹
COMPLEMENTARY STRATEGIES	6,912,966	11.77%	2.52%	5.17%	4.35%³
<i>HFRX Global Hedge Fund Index</i>			2.06%	0.36%	2.81%
CASH & EQUIVALENTS	5,916,427	10.07%	0.00%	0.00%	0.01%
<i>Lipper Money Market Index</i>			0.00%	0.01%	0.01%

¹ Annualized Return

² Values include Accrued Income.

³ Historical classification changes exist.

BENCHMARK DEFINITIONS - REPORT PERIOD: 7/1/13 TO 3/31/15

AGG453079 FORT WORTH PERMANENT FUND - CONS

Blended Benchmarks:

Income Wealth Blend-Total benchmark is defined as: Barclays 1-3 Month USTreas Index - 3%; Barclays USAggregate/Barclays 1-15 Yr Muni(for TA) - 38%; Barclays USCorp HY/Barclays HY Muni(for TA) - 6%; JPMorgan GBI Global Ex US - 13%; JPMorgan EMBI Global - 5%; S&P 500 Index - 13%; Russell Midcap Index - 3%; MSCI EAFE - 5%; FTSE EPRA/NAREIT Dvlp TR USD - 4%; Bloomberg Commodity Total Return Index - 2%; HFRI Relative Value Index - 4%; HFRI Macro Index - 2%; HFRI Event Driven Index - 2%.

Bal Inc Wealth Blend-Total benchmark is defined as: Barclays 1-3 Month USTreas Index - 3%; Barclays USAggregate/Barclays 1-15 Yr Muni(for TA) - 27%; Barclays USCorp HY/Barclays HY Muni(for TA) - 6%; JPMorgan GBI Global Ex US - 10%; JPMorgan EMBI Global - 5%; S&P 500 Index - 12%; Russell Midcap Index - 5.6%; Russell 2000 Index - 2.8%; MSCI EAFE - 5%; MSCI EM - 4.6%; FTSE EPRA/NAREIT Dvlp TR USD - 7%; Bloomberg Commodity Total Return Index - 3%; HFRI Relative Value Index - 4%; HFRI Macro Index - 2%; HFRI Event Driven Index - 3%.

Balanced Wealth Blend-Total benchmark is defined as: Barclays 1-3 Month USTreas Index - 3%; Barclays USAggregate/Barclays 1-15 Yr Muni(for TA) - 19%; Barclays USCorp HY/Barclays HY Muni(for TA) - 5%; JPMorgan GBI Global Ex US - 5%; JPMorgan EMBI Global - 4%; S&P 500 Index - 16%; Russell Midcap Index - 7.6%; Russell 2000 Index - 3.8%; MSCI EAFE - 9%; MSCI EM - 6.6%; FTSE EPRA/NAREIT Dvlp TR USD - 7%; Bloomberg Commodity Total Return Index - 4%; HFRI Relative Value Index - 2%; HFRI Macro Index - 2%; HFRI Event Driven Index - 3%; HFRI Equity Hedge Index - 3%.

Bal Apprec Wealth Blend-Total benchmark is defined as: Barclays 1-3 Month USTreas Index - 3%; Barclays USAggregate/Barclays 1-15 Yr Muni(for TA) - 10%; Barclays USCorp HY/Barclays HY Muni(for TA) - 5%; JPMorgan GBI Global Ex US - 2%; JPMorgan EMBI Global - 4%; S&P 500 Index - 18%; Russell Midcap Index - 8.2%; Russell 2000 Index - 5.6%; MSCI EAFE - 11%; MSCI EM - 10.2%; FTSE EPRA/NAREIT Dvlp TR USD - 8%; Bloomberg Commodity Total Return Index - 4%; HFRI Relative Value Index - 2%; HFRI Macro Index - 2%; HFRI Event Driven Index - 4%; HFRI Equity Hedge Index - 3%.

Appreciation Wealth Blend-Total benchmark is defined as: Barclays 1-3 Month USTreas Index - 3%; Barclays USAggregate/Barclays 1-15 Yr Muni(for TA) - 2%; Barclays USCorp HY/Barclays HY Muni(for TA) - 4%; JPMorgan EMBI Global - 3%; S&P 500 Index - 19%; Russell Midcap Index - 9.5%; Russell 2000 Index - 7%; MSCI EAFE - 14%; MSCI EM - 10.5%; MSCI FM - 3%; FTSE EPRA/NAREIT Dvlp TR USD - 8%; Bloomberg Commodity Total Return Index - 5%; HFRI Relative Value Index - 2%; HFRI Event Driven Index - 5%; HFRI Equity Hedge Index - 5%.

Max Apprec Wealth Blend-Total benchmark is defined as: Barclays 1-3 Month USTreas Index - 3%; S&P 500 Index - 20%; Russell Midcap Index - 10.5%; Russell 2000 Index - 8%; MSCI EAFE - 15%; MSCI EM - 14.5%; MSCI FM - 3%; FTSE EPRA/NAREIT Dvlp TR USD - 8%; Bloomberg Commodity Total Return Index - 5%; HFRI Relative Value Index - 2%; HFRI Event Driven Index - 5%; HFRI Equity Hedge Index - 6%.

Fixed Income Wealth Blend-Total benchmark is defined as: Barclays 1-3 Month USTreas Index - 3%; Barclays USAggregate/Barclays 1-15 Yr Muni(for TA) - 56%; Barclays USCorp HY/Barclays HY Muni(for TA) - 6%; JPMorgan GBI Global Ex US - 18%; JPMorgan EMBI Global - 5%; FTSE EPRA/NAREIT Dvlp TR USD - 3%; Bloomberg Commodity Total Return Index - 2%; HFRI Relative Value Index - 5%; HFRI Macro Index - 2%.

Last updated: July 2014

Blended benchmark returns for the portfolio noted above reflect changes to the strategic asset allocation made over time.

Index benchmarks are provided for comparison purposes only and are based on the most recently published data available. Indexes are unmanaged and performance results do not reflect the deduction of any advisory fees or commissions. The inclusion of an index is intended to provide a uniform reference point for the performance of an asset class and does not imply that the index is necessarily an appropriate benchmark for, or comparable to, an investment style or strategy specified. The composition and performance of an index that is specified in this report may differ from the composition and performance of an investment style to which it is compared. Additional information on any index referenced in this report is available upon request. You cannot invest in an index.

DISCLOSURE

AGG453079 FORT WORTH PERMANENT FUND - CONS

Wells Fargo Wealth Management provides products and services through Wells Fargo Bank, N.A. ("WFB") and its various affiliates and subsidiaries.

WFB has retained a third party (Investment Scorecard, a division of Informa Investment Solutions) to provide performance information included in your performance reports. Investment Scorecard calculates monthly returns by the Modified Dietz (approximated time-weighted return) or Daily Valuation Method (time-weighted return). For all securities, Investment Scorecard calculates the total return. Total return includes market value appreciation or depreciation and any interest or dividends. Values reflected for publicly-traded assets are derived from unaffiliated financial industry sources believed to be reliable. Values for non-publicly traded assets are derived using external sources and may be based on estimates. Assets for which a current value is unavailable from an external source may be valued at the last reported price, at par, or may be shown as having nominal or no value. Reported values may not reflect the price at which an asset may be sold. Asset values are updated as they become available from external sources, and may be updated less frequently than statements are generated. Although asset values are obtained from sources deemed reliable, values should only be used for reference. Values indicated should not be used to calculate gain/loss ratios or for tax preparation purposes. Investment Scorecard displays returns for periods less than 12 months as cumulative and annualizes returns for periods greater than or equal to 12 months.

Due to the unique characteristics of private equity assets (PE), including irregular cash flows and lack of reinvestment options, performance measurement is better assessed through different methods than those typically used for more liquid asset classes (which use

time weighted metrics) as such methods may not provide representative PE performance. In practice, PE funds are typically long-lived and interim estimates of returns must be based on implicit assessments of expected future cash flows. In order to more effectively gauge performance, PE generally uses two principal cash flow based performance indicators where capital calls, capital reimbursement and profit distributions are the basis for calculation: the internal rate of return "IRR" and the presentation of investment "multiples". IRR is the estimated rate needed to convert (or discount or reduce) the sum of the future uneven cash flow to equal initial investment or down payment. Multiples are calculated as the ratio of cash paid out (distributions) to total funds supplied (drawdowns or capital calls), but do not take into account the timing of the cash flows.

This report is in addition to your account statement for assets custodied at WFB. This report may include assets not custodied at WFB and is in addition to and does not replace statements furnished to you by other service providers and custodians; WFB has not independently verified and is not responsible for the accuracy or completeness of this information. Pricing of assets not held at WFB is for informational purposes only.

Return figures shown may not reflect fees and expenses, which, if applied, would result in lower return figures than shown. Net of fees returns may be impacted based on fee payment election method. The performance of individual managers, indexes and markets for periods after any period shown may differ substantially from the period shown. Neither WFB nor Informa Investment Solutions undertake to make available updated information for any periods after those included in the report. Past performance is no guarantee and is not indicative of future results.

The value or income associated with a security may fluctuate. There is always the potential for loss as well as gain. Asset allocation does not assure or guarantee better performance and cannot eliminate the risk of investment losses. The asset allocation reflected in this report may fluctuate based on asset values, portfolio decisions, and account needs.

Market Commentary, if provided, in this report was prepared by the investment management arm within Wells Fargo Wealth Management, a part of Wells Fargo Bank, N.A. Information and opinions have been obtained or derived from information we consider reliable, but we cannot guarantee their accuracy or completeness. Opinions represent WFB's opinion as of the date of this report and are for general information purposes only. WFB does not undertake to advise you of any change in its opinions or the information contained in this report. Wells Fargo & Company affiliates may issue reports or have opinions that are inconsistent with, and reach different conclusions from, this report.

Report information is un-audited and for illustrative purposes only and should not be used for tax preparation, estate and or retirement planning purposes. Wells Fargo & Company and its affiliates do not provide tax advice. Please consult your tax advisor for advice and information concerning your particular situation.

Additional information available upon request.

Investment and Insurance products:

- * Are NOT insured by the FDIC or any other federal government agency.
- * Are NOT deposits of or guaranteed by the Bank or any Bank affiliate.
- * May Lose Value.

The information in this report is believed to be reliable but is not guaranteed. Third party data contained herein may only be used in conjunction with this report and may not be re-distributed to other parties. Such data is provided without warranty and data providers shall have no liability of any kind. Source for any FTSE Data contained herein is FTSE International Limited ("FTSE") © FTSE 2015. For important disclaimers in relation to FTSE Data, please see the relevant attribution and disclaimer requirements at http://www.ftse.com/About_Us/Legal/Attribution_Requirements.jsp.

Treasurer's Investment Report



Quarterly Investment Report
As of March 31, 2015

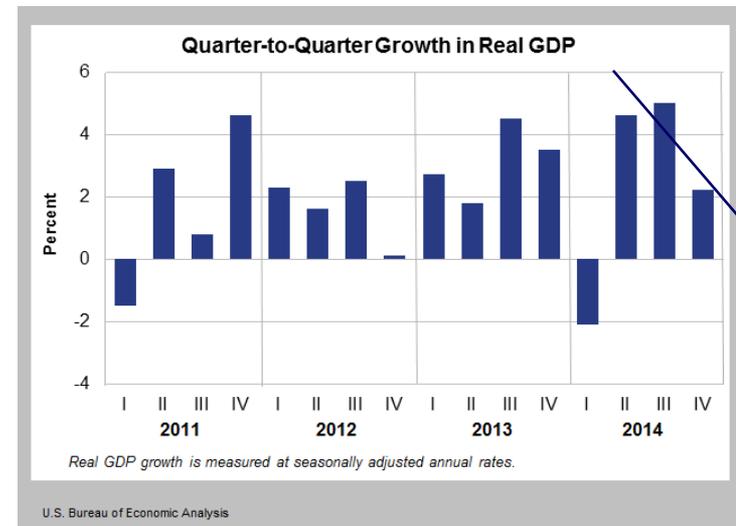
PATTERSON & ASSOCIATES



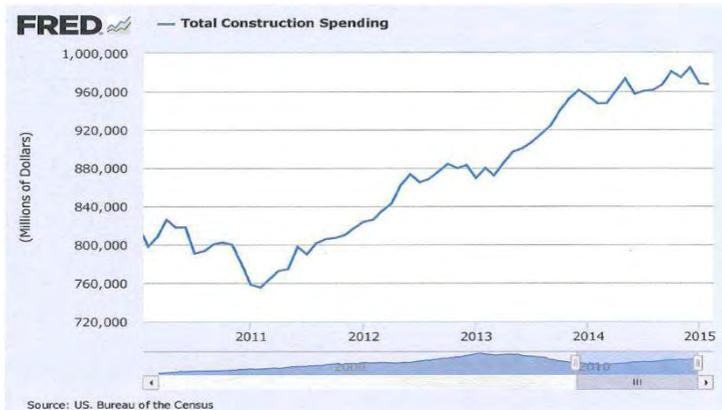
INVESTMENT PROFESSIONALS

Bottom Line: *A Sagging* First Quarter

- Frustration. Everywhere one looks things appear to be '*sagging*.' The news is not really bad, but it is certainly not encouraging. Investors are once again getting whipsawed. And markets are exhausted from all the volatility and frustrated with continuing good versus bad news.
- In the 4Q of 2014 the news everywhere was encouraging as manufacturing, trade, the dollar and consumer enthusiasm picked up. But 1Q has been slipping in almost all categories – not dismally and certainly not drastically – but just disappointingly.
- Factory activity grew the most in two years and the number of new claims for jobless benefits dropped to a five-year low, giving a strong indication of growth ahead. However, manufacturing can grow without manufacturing new jobs. Purchasing managers are pessimistic with ISM falling to the lowest level since 2013 with slower orders and employment.
- Even though personal income is up, the consumer just isn't vigorously spending. Consumers are actually saving at a two-year high and this when rates for savings are very low. Without that spending inflation also falls.
- Remaining a key issue is jobs. Jobless claims have fallen as service jobs continue to gain. Payrolls were hit in 1Q by harsh weather, major labor disputes, port slowdowns, softer global demand and a strong dollar.



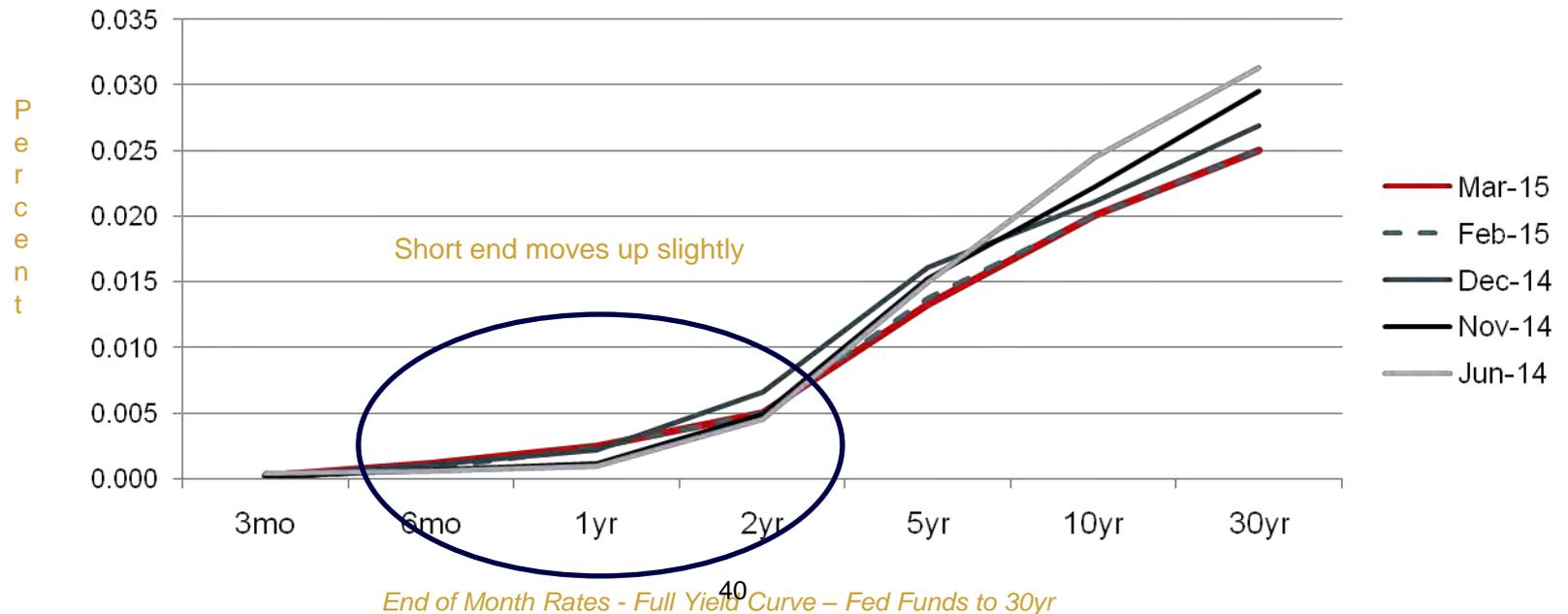
Overall Growth Remains Positive



- The impact of the 'sagging' growth will hit GDP significantly in the 1Q. GDP has dropped and is forecasted to 1.4% much like the same quarter last year. Weather can not be blamed quite as definitively this year.
- Some blame goes to oil. While oil prices kept bouncing in the 1Q, it has stayed in the \$50's and may even have hit bottom temporarily at least.
- The possibility of an Iranian nuclear deal raised market fears that Iran would come back on line with supply and send prices lower. However, the strong global demand for oil should provide support.
- Construction spending is one sector that has quietly been staying the positive course. Even with bad weather Permits are up and residential and non-residential housing has been growing. Balancing that growth is a slowing of state and local government spending.
- The FOMC gave us little direction at the meeting in March. Economists predictions waver from June to September daily on when the Fed may raise rates.

Rates Drop with Oil

- Rates have been volatile during the month but essentially remained the same because we are working with such a small window for movement.
- The Federal Reserve gave us no answers or schedule for anticipated rate hikes and as weak economic news broke through the month, the markets moved violently and moved that anticipated rate hike farther out.
- Oil prices have also been volatile during the month but stayed roughly in the \$50 trading range which decreased companies earnings' for 4Q and 1Q. Central banks are lowering their rates making US rates – with their better credit – again very attractive. Investors continue to pile back into the US Treasuries and agencies taking yields down.
- New bank regulations starting to take effect in 2015, along with serious worries from small oil company failures and loan defaults, will continue to weigh down the banks who still continue to build their balance sheets and shun new deposits and investments.
- Short end rates have moved ever so slightly giving hope to those in the short end. But change will come slowly



City of Fort Worth, Texas

December 31, 2014 – March 31, 2015 Portfolio Summary Management Report

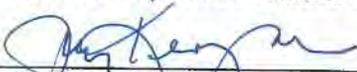
This quarterly report is in compliance with the investment policy and strategy as established by the City of Fort Worth, and the Public Funds Investment Act (Chapter 2256, Texas Government Code).

<u>Portfolio as of December 31, 2014</u>		<u>Portfolio as of March 31, 2015</u>	
Beginning Book Value ¹	\$ 1,280,175,442	Ending Book Value	\$ 1,220,519,362
Beginning Market Value	\$ 1,279,684,828	Ending Market Value	\$ 1,221,422,118
Unrealized Gain/Loss	\$ (490,614)	Total Income for the period	\$ 2,204,880
		Unrealized Gain/Loss	\$ 902,756
		Change in Unrealized Gain/Loss	\$ 1,393,370
WAM at Beginning Period Date ¹	621 days	WAM at Ending Period Date ¹	621 days
		Change in Market Value ²	\$ (58,262,710)
	Average Yield to Maturity for period		0.581%
	Average Yield 180-day T-Bill for period		0.090%
	Average Yield 1 year Treasury Note for period		0.230%

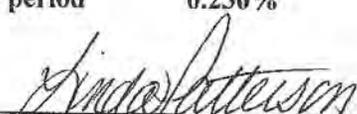
Prepared by:



City of Fort Worth
Aaron Bovos, Chief Financial Officer



City of Fort Worth
Jenny Kerzman, Investment Officer



Registered Investment Advisor
Patterson & Associates, Linda T. Patterson, President

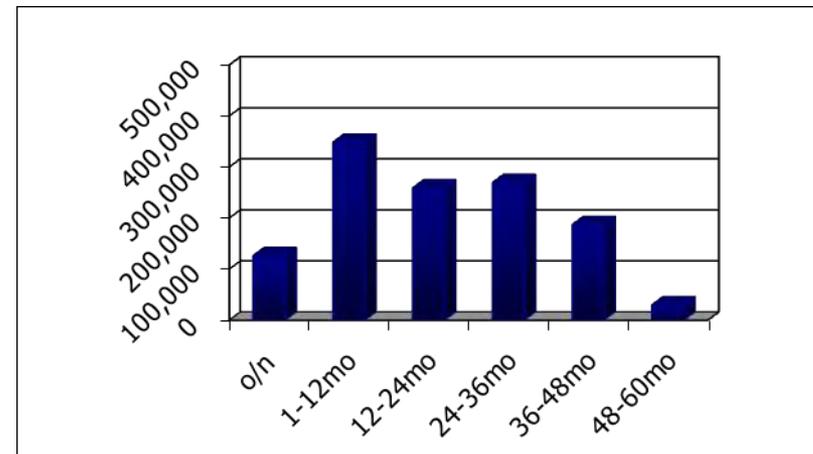
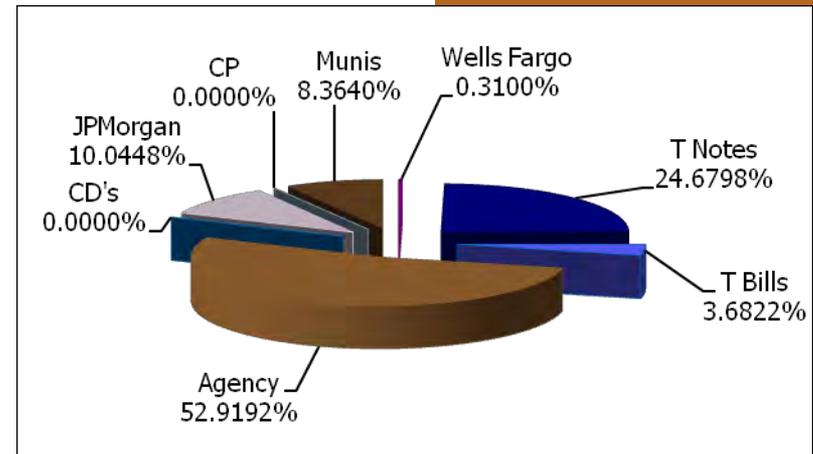
¹WAM represents weighted average maturity.

²Change in Market Value is required data, but will primarily reflect the receipt and expenditure of the City's funds from quarter to quarter.

Your Portfolio

As of March 31, 2015

- P&A constantly reviews your portfolio for optimal asset allocation and a controlled average maturity because a diversified portfolio can better adjust to volatile market conditions.
- The extremely low short-term rates make diversification difficult and they are reasonably expected to continue now at least through 2015. Longer term rates have moved lower and do not provide reward for extension risks.
- Banks remain *uninterested* in new deposits and although state and local bonds continue to add value they have been discovered and are declining in yields.
- Portfolios are cash heavy as we struggle to find value with a flat yield curve which provides little value under six months. Going too long has its risks if rates do rise quickly on news.
- Your net yield of 0.58% compared to some basic benchmarks generated additional quarterly earnings of:
 - Q 3 mo. T-Bill \$ 1,777,294.18
 - Q 6 mo. T-Bill \$ 1,555,132.04
 - Q 1 yr T-Bill \$ 1,110,807.77





City of Fort Worth, Texas
Portfolio Management
Portfolio Summary
March 31, 2015

Patterson & Associates
901 S. MoPac
Suite 195
Austin, TX 78746

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 365 Equiv.
Federal Agency Coupon Securities	645,681,000.00	646,233,583.20	645,889,216.32	52.92	1,255	903	0.815
Treasury Coupon Securities	300,000,000.00	301,708,200.00	301,221,503.39	24.68	675	357	0.457
Treasury Discounts -Amortizing	45,000,000.00	44,956,655.00	44,941,912.84	3.68	301	212	0.198
Municipal Obligations	101,590,000.00	102,141,060.65	102,084,110.50	8.36	934	561	0.783
JP Morgan High Yield Savings Acct	122,598,855.76	122,598,855.76	122,598,855.76	10.04	1	1	0.031
Wells Fargo Bank	3,783,763.43	3,783,763.43	3,783,763.43	0.31	1	1	0.010
Investments	1,218,653,619.19	1,221,422,118.04	1,220,519,362.24	100.00%	920	621	0.620
Cash and Accrued Interest							
Accrued Interest at Purchase		130,284.85	130,284.85				
Subtotal		130,284.85	130,284.85				
Total Cash and Investments	1,218,653,619.19	1,221,552,402.89	1,220,649,647.09		920	621	0.620

Total Earnings	March 31 Month Ending	Fiscal Year To Date
Current Year	604,157.96	4,521,619.31

The following reports are submitted in accordance with the Public Funds Investment Act (Texas Gov't Code 2256). The reports also offer supplemental information not required by the Act in order to fully inform the governing body of the City of the position and activity within the City's portfolio of investments. The reports include a management summary overview, a detailed inventory report for the end of the period, a transaction report, as well as graphic representations of the portfolio to provide full disclosure to the governing body.

Jenny Kerzhan, Asst. City Treasurer



City of Fort Worth, Texas
Summary by Type
March 31, 2015
Grouped by Fund

Security Type	Number of Investments	Par Value	Book Value	% of Portfolio	Average YTM 365	Average Days to Maturity
Fund: General Fund						
Citibank Sec Lending	1	0.00	0.00	0.00	0.000	0
Federal Agency Coupon Securities	44	645,681,000.00	645,889,216.32	52.92	0.815	903
Municipal Obligations	15	101,590,000.00	102,084,110.50	8.36	0.783	561
JP Morgan High Yield Savings Acct	1	122,598,855.76	122,598,855.76	10.04	0.031	1
Morgan Stanley Sec Lending Program	1	0.00	0.00	0.00	0.000	0
Treasury Discounts -Amortizing	4	45,000,000.00	44,941,912.84	3.68	0.198	212
Treasury Coupon Securities	19	300,000,000.00	301,221,503.39	24.68	0.457	357
Subtotal	85	1,214,869,855.76	1,216,735,598.81	99.68	0.622	623
Fund: SE Landfill Trust						
Wells Fargo Bank	1	3,783,763.43	3,783,763.43	0.31	0.010	1
Subtotal	1	3,783,763.43	3,783,763.43	0.31	0.010	1
Total and Average	86	1,218,653,619.19	1,220,519,362.24	100.00	0.620	621



City of Fort Worth, Texas
Fund G - General Fund
Investments by Fund
March 31, 2015

Patterson & Associates
901 S. MoPac
Suite 195
Austin, TX 78746

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Morgan Stanley Sec Lending Program											
999999994	772	Morgan Stanley Sec Lending	10/01/2014	0.00	0.00	0.00	5.000	5.000	5.069		1
Subtotal and Average				0.00	0.00	0.00		0.000	0.000		0
Citibank Sec Lending											
999999995	772A	Citibank Sec Lending	10/01/2014	0.00	0.00	0.00					1
Subtotal and Average				0.00	0.00	0.00		0.000	0.000		0
Federal Agency Coupon Securities											
3133EARQ3	1367	FFCB Note	09/26/2014	5,004,039.07	5,000,000.00	5,004,035.00	0.500	0.143	0.145	06/23/2015	83
3133EC4Y7	1256	FFCB Call Note	11/27/2012	9,376,017.65	9,381,000.00	9,378,298.27	0.930	0.937	0.950	11/27/2017	971
3133EDK84	1344	FFCB Call Note	04/25/2014	20,000,000.00	20,000,000.00	19,991,500.00	0.390	0.446	0.452	04/25/2016	390
3130A2WK8	1363	FHLB Note	08/28/2014	14,995,712.50	15,000,000.00	14,996,430.00	0.125	0.192	0.195	08/28/2015	149
3130A2QH2	1368	FHLB Note	09/26/2014	9,999,143.23	10,000,000.00	9,998,880.00	0.125	0.149	0.151	07/29/2015	119
3130A3W42	1386	FHLB Note	01/29/2015	10,000,000.00	10,000,000.00	10,000,110.00	0.350	0.345	0.350	02/29/2016	334
313382ZV8	1397	FHLB Note	03/26/2015	4,451,491.37	4,460,000.00	4,450,205.84	0.250	0.405	0.410	06/10/2016	436
313373SZ6	1398	FHLB Note	03/26/2015	12,897,384.18	12,640,000.00	12,895,985.28	2.125	0.404	0.410	06/10/2016	436
313380Z34	1245	FHLB Call Note	10/23/2012	9,997,438.89	10,000,000.00	9,982,540.00	0.900	0.897	0.910	10/23/2017	936
313380Z26	1249	FHLB Call Note	10/24/2012	9,996,481.25	10,000,000.00	9,990,730.00	0.625	0.638	0.647	10/24/2016	572
313381KQ7	1266	FHLB Call Note	12/28/2012	7,848,468.32	7,850,000.00	7,846,742.25	0.500	0.508	0.515	06/28/2016	454
313381N27	1268	FHLB Call Note	12/27/2012	25,000,000.00	25,000,000.00	25,003,975.00	0.540	0.532	0.540	07/27/2016	483
3130A3KW3	1373	FHLB Call Note	11/26/2014	20,000,000.00	20,000,000.00	20,024,840.00	0.900	0.887	0.899	06/16/2017	807
3130A3Q23	1380	FHLB Call Note	12/30/2014	20,000,000.00	20,000,000.00	20,026,480.00	0.800	0.789	0.800	12/30/2016	639
3130A4H21	1393	FHLB Call Note	03/26/2015	5,000,000.00	5,000,000.00	5,009,885.00	1.500	1.479	1.500	09/26/2018	1,274
313381LG8	1262	FHLB Step Note	01/10/2013	25,000,000.00	25,000,000.00	25,006,325.00	1.150	0.877	0.890	01/10/2018	1,015
3130A2W77	1359	FHLB Step Note	08/28/2014	10,000,000.00	10,000,000.00	10,010,970.00	0.875	1.148	1.164	08/28/2017	880
3130A3TM6	1376	FHLB Step Note	12/24/2014	20,000,000.00	20,000,000.00	20,034,760.00	1.000	0.986	1.000	10/24/2018	1,302
3130A3U51	1378	FHLB Step Note	12/30/2014	25,000,000.00	25,000,000.00	25,090,950.00	0.875	0.863	0.875	12/28/2018	1,367
3130A3U44	1379	FHLB Step Note	12/30/2014	20,000,000.00	20,000,000.00	20,051,440.00	0.750	0.739	0.750	08/30/2018	1,247
3130A4JJ2	1391	FHLB Step Note	03/24/2015	15,000,000.00	15,000,000.00	15,022,605.00	0.750	0.739	0.750	04/24/2018	1,119
3130A4L91	1395	FHLB Step Note	03/30/2015	2,625,000.00	2,625,000.00	2,628,462.38	1.000	2.613	2.649	03/30/2020	1,825
3130A4S86	1396	FHLB Step Note	03/30/2015	7,367,706.94	7,375,000.00	7,373,783.13	1.250	1.253	1.270	03/30/2020	1,825

Portfolio FORT
AP

**Fund G - General Fund
Investments by Fund
March 31, 2015**

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Federal Agency Coupon Securities											
3130A4SS2	1399	FHLB Step Note	03/30/2015	20,000,000.00	20,000,000.00	20,005,300.00	0.750	0.739	0.750	02/26/2019	1,427
3130A4ST0	1400	FHLB Step Note	03/30/2015	20,000,000.00	20,000,000.00	20,006,040.00	0.700	0.690	0.700	03/29/2018	1,093
3130A4SR4	1402	FHLB Step Note	03/30/2015	15,000,000.00	15,000,000.00	15,006,390.00	0.700	0.690	0.700	06/29/2018	1,185
3130A4SP8	1403	FHLB Step Note	03/30/2015	25,000,000.00	25,000,000.00	25,042,775.00	1.000	0.986	1.000	11/30/2018	1,339
3134G36F2	1291	FHLMC Note	05/16/2013	4,250,000.00	4,250,000.00	4,254,254.25	0.420	0.396	0.402	09/18/2015	170
3134G3L24	1369	FHLMC Note	09/26/2014	3,504,851.64	3,500,000.00	3,504,214.00	0.500	0.209	0.212	09/25/2015	177
3134G32D1	1265	FHLMC Call Note	12/20/2012	24,999,510.19	25,000,000.00	24,967,375.00	0.625	0.617	0.626	09/20/2016	538
3134G4WC8	1377	FHLMC Call Note	12/24/2014	20,000,000.00	20,000,000.00	19,991,280.00	0.500	0.527	0.535	05/27/2016	422
3134G6HM8	1390	FHLMC Call Note	03/19/2015	17,100,000.00	17,100,000.00	17,131,429.80	1.700	1.676	1.700	03/19/2019	1,448
3134G4MK1	1307	FHLMC Step Note	11/22/2013	20,000,000.00	20,000,000.00	20,022,140.00	0.950	0.866	0.878	05/22/2017	782
3134G5RT4	1371	FHLMC Step Note	11/26/2014	20,000,000.00	20,000,000.00	20,021,360.00	0.500	0.493	0.500	07/26/2017	847
3134G6HW6	1392	FHLMC Step Note	03/25/2015	5,000,000.00	5,000,000.00	5,006,785.00	1.250	1.232	1.250	09/25/2018	1,273
3134G6QL0	1394	FHLMC Step Note	03/30/2015	20,000,000.00	20,000,000.00	19,993,520.00	1.000	1.635	1.658	09/30/2019	1,643
3134G6PZ0	1401	FHLMC Step Note	03/30/2015	20,000,000.00	20,000,000.00	20,016,960.00	1.000	0.986	1.000	03/29/2019	1,458
3135G0NV1	1366	FNMA Note	09/26/2014	6,509,573.04	6,500,000.00	6,509,113.00	0.500	0.197	0.200	09/28/2015	180
3136FPDY0	1120	FNMA Call Note	09/09/2010	9,999,297.78	10,000,000.00	10,072,610.00	1.875	1.865	1.891	09/09/2015	161
3135G0QL0	1244	FNMA Call Note	10/24/2012	10,000,000.00	10,000,000.00	9,971,920.00	1.000	0.986	1.000	10/24/2017	937
3135G0RK1	1251	FNMA Call Note	11/07/2012	14,991,810.00	15,000,000.00	14,884,140.00	0.900	0.908	0.921	11/07/2017	951
3136G17H6	1264	FNMA Call Note	12/27/2012	9,996,956.94	10,000,000.00	10,010,720.00	0.650	0.658	0.667	12/27/2016	636
3136G15N5	1258	FNMA Step Note	12/18/2012	25,000,000.00	25,000,000.00	25,032,400.00	1.125	0.845	0.857	08/18/2017	870
3136G1CN7	1279	FNMA Step Note	02/21/2013	24,978,333.33	25,000,000.00	24,962,925.00	0.700	0.720	0.730	02/21/2018	1,057
Subtotal and Average				645,889,216.32	645,681,000.00	646,233,583.20		0.804	0.815		903
Treasury Coupon Securities											
912828NP1	1114	T Note	08/05/2010	10,004,464.41	10,000,000.00	10,055,470.00	1.750	1.587	1.609	07/31/2015	121
912828RF9	1298	T Note	10/28/2013	20,122,809.80	20,000,000.00	20,165,620.00	1.000	0.554	0.562	08/31/2016	518
912828VD9	1310	T Note	12/19/2013	15,000,665.84	15,000,000.00	15,001,170.00	0.250	0.219	0.222	05/31/2015	60
912828NL0	1311	T Note	12/19/2013	15,060,294.86	15,000,000.00	15,064,455.00	1.875	0.241	0.244	06/30/2015	90
912828VU1	1312	T Note	12/19/2013	15,005,889.62	15,000,000.00	15,016,410.00	0.375	0.276	0.280	08/31/2015	152
912828PJ3	1319	T Note	01/17/2014	15,100,002.00	15,000,000.00	15,116,010.00	1.375	0.363	0.368	11/30/2015	243
912828TT7	1341	T Note	03/28/2014	14,999,216.87	15,000,000.00	15,007,035.00	0.250	0.256	0.259	10/15/2015	197
912828SP6	1342	T Note	03/28/2014	15,001,350.73	15,000,000.00	15,001,170.00	0.375	0.138	0.140	04/15/2015	14

**Fund G - General Fund
Investments by Fund
March 31, 2015**

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Treasury Coupon Securities											
912828UC2	1345	T Note	04/29/2014	19,995,596.11	20,000,000.00	20,004,680.00	0.250	0.277	0.281	12/15/2015	258
912828PE4	1354	T Note	07/23/2014	10,062,268.15	10,000,000.00	10,061,720.00	1.250	0.176	0.179	10/31/2015	213
912828SM3	1356	T Note	07/25/2014	10,027,933.67	10,000,000.00	10,083,590.00	1.000	0.846	0.858	03/31/2017	730
912828SS0	1357	T Note	07/25/2014	14,994,709.16	15,000,000.00	15,085,545.00	0.875	0.879	0.892	04/30/2017	760
912828KT6	1360	T Note	08/28/2014	25,496,937.53	25,000,000.00	25,513,675.00	2.375	0.372	0.377	03/31/2016	365
912828KS8	1361	T Note	08/28/2014	10,208,512.79	10,000,000.00	10,214,060.00	2.625	0.335	0.340	02/29/2016	334
912828QP8	1362	T Note	08/28/2014	5,075,167.93	5,000,000.00	5,081,250.00	1.750	0.447	0.453	05/31/2016	426
912828D98	1384	T Note	12/31/2014	20,004,780.01	20,000,000.00	20,137,500.00	1.000	0.976	0.990	09/15/2017	898
912828WA4	1385	T Note	12/31/2014	20,006,725.44	20,000,000.00	20,053,120.00	0.625	0.594	0.602	10/15/2016	563
912828UM0	1388	T Note	02/27/2015	25,030,099.15	25,000,000.00	25,025,400.00	0.375	0.234	0.237	02/15/2016	320
912828UM0	1389	T Note	02/27/2015	20,024,079.32	20,000,000.00	20,020,320.00	0.375	0.234	0.237	02/15/2016	320
Subtotal and Average				301,221,503.39	300,000,000.00	301,708,200.00		0.451	0.457		357
Treasury Discounts -Amortizing											
912796FG9	1381	T Bill	12/29/2014	9,987,812.50	10,000,000.00	9,990,310.00		0.197	0.200	11/12/2015	225
912796EC9	1382	T Bill	12/29/2014	9,998,891.67	10,000,000.00	9,999,490.00		0.070	0.071	05/28/2015	57
912796FN4	1383	T Bill	12/29/2014	9,982,430.54	10,000,000.00	9,988,230.00		0.253	0.257	12/10/2015	253
912796FP9	1387	T Bill	01/12/2015	14,972,778.13	15,000,000.00	14,978,625.00		0.236	0.239	01/07/2016	281
Subtotal and Average				44,941,912.84	45,000,000.00	44,956,655.00		0.195	0.198		212
Municipal Obligations											
197486LS0	1292	Columbia County GA SD	06/10/2013	2,034,752.35	2,000,000.00	2,037,700.00	4.000	0.493	0.500	10/01/2015	183
194756PV8	1343	Collingswood NJ	04/25/2014	3,906,613.67	3,905,000.00	3,906,640.10	1.000	0.346	0.350	04/24/2015	23
259003CL3	1293	Douglas County GA	06/13/2013	6,089,821.87	6,000,000.00	6,093,660.00	5.000	0.473	0.480	08/01/2015	122
344496JN5	1349	Fond Du Lac WI	06/30/2014	2,500,000.00	2,500,000.00	2,500,000.00	1.250	0.197	0.200	04/01/2015	0
546415S43	1325	Louisiana State	02/20/2014	7,024,036.19	7,000,000.00	7,033,320.00	1.000	0.799	0.810	02/01/2017	672
546415S50	1326	Louisiana State	02/20/2014	15,119,945.11	15,000,000.00	15,163,950.00	1.500	1.193	1.210	02/01/2018	1,037
557412WM1	1336	Madison County TN	04/09/2014	1,363,279.91	1,345,000.00	1,365,349.85	2.000	0.621	0.630	04/01/2016	366
574193JA7	1327	Maryland State	03/18/2014	15,084,234.24	15,130,000.00	15,084,458.70	0.700	0.848	0.860	03/01/2017	700
57582RAL0	1372	Massachusetts State	11/25/2014	20,006,224.14	20,000,000.00	19,920,600.00	0.580	0.552	0.560	11/01/2016	580
564386GF1	1289	Mansfield ISD TX	05/30/2013	1,986,892.95	1,945,000.00	1,989,054.25	3.000	0.503	0.510	02/15/2016	320
564386HT0	1290	Mansfield ISD TX	05/30/2013	1,085,983.09	1,055,000.00	1,083,907.00	4.000	0.592	0.600	02/15/2016	320
64966K2L6	1296	New York NY	10/16/2013	10,019,593.88	10,045,000.00	10,101,051.10	1.500	1.590	1.612	08/01/2017	853

Portfolio FORT
AP

Fund G - General Fund
Investments by Fund
March 31, 2015

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Municipal Obligations											
708475RT7	1347	Pennsauken Township NJ	06/26/2014	1,543,221.39	1,540,000.00	1,543,403.40	1.250	0.345	0.350	06/25/2015	85
708475RS9	1348	Pennsauken Township NJ	06/26/2014	9,144,087.77	9,125,000.00	9,145,166.25	1.250	0.345	0.350	06/25/2015	85
93974CQU7	1301	Washington State	11/05/2013	5,175,423.94	5,000,000.00	5,172,800.00	3.347	0.676	0.686	08/01/2016	488
Subtotal and Average				102,084,110.50	101,590,000.00	102,141,060.65		0.773	0.783		560
JP Morgan High Yield Savings Acct											
999999992	742	JPM Chase High Yield Savings	10/01/2006	122,598,855.76	122,598,855.76	122,598,855.76	0.031	0.030	0.031		1
Subtotal and Average				122,598,855.76	122,598,855.76	122,598,855.76		0.031	0.031		1
Total Investments and Average				1,216,735,598.81	1,214,869,855.76	1,217,638,354.61		0.613	0.622		622

Fund SELANDFILL - SE Landfill Trust
Investments by Fund
March 31, 2015

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Wells Fargo Bank											
94975H270	103	WF ADV 100% Tsy MMF	04/01/2007	3,783,763.43	3,783,763.43	3,783,763.43	0.010	0.010	0.010		1
Subtotal and Average				3,783,763.43	3,783,763.43	3,783,763.43		0.010	0.010		1
Total Investments and Average				3,783,763.43	3,783,763.43	3,783,763.43		0.010	0.010		1



**City of Fort Worth, Texas
Cash Reconciliation Report
For the Period January 1, 2015 - March 31, 2015
Grouped by Fund**

Trans. Date	Investment #	Fund	Trans. Type	Security ID	Par Value	Security Description	Maturity Date	Purchases	Interest	Redemptions	Cash
General Fund											
01/05/2015	1066	G	Interest	31331JAV5	5,000,000.00	FFCB 5.0M 2.90% Mat. 01/05/2015	01/05/2015	0.00	72,500.00	0.00	72,500.00
01/05/2015	1066	G	Maturity	31331JAV5	5,000,000.00	FFCB 5.0M 2.90% Mat. 01/05/2015	01/05/2015	0.00	0.00	5,000,000.00	5,000,000.00
01/08/2015	1317	G	Maturity	912796DF3	20,000,000.00	TBILL 20.0M 0.00% Mat. 01/08/2015	01/08/2015	0.00	0.00	20,000,000.00	20,000,000.00
01/08/2015	1318	G	Maturity	912796DF3	20,000,000.00	TBILL 20.0M 0.11% Mat. 01/08/2015	01/08/2015	0.00	0.00	20,000,000.00	20,000,000.00
01/10/2015	1262	G	Interest	313381LG8	25,000,000.00	FHLBS 25.0M 0.50% Mat.	01/10/2018	0.00	62,500.00	0.00	62,500.00
01/12/2015	1387	G	Purchase	912796FP9	15,000,000.00	TBILL 15.0M 0.00% Mat. 01/07/2016	01/07/2016	-14,965,125.00	0.00	0.00	-14,965,125.00
01/20/2015	1374	G	Interest	3130A36U3	16,000,000.00	FHLBC 16.0M 1.63% Mat.	07/20/2018	0.00	65,000.00	0.00	65,000.00
01/20/2015	1374	G	Call	3130A36U3	16,000,000.00	0.0M 1.63%	07/20/2018	0.00	0.00	16,000,000.00	16,000,000.00
01/22/2015	1370	G	Interest	3130A35K6	5,000,000.00	FHLBC 5.0M 1.27% Mat. 09/26/2017	09/26/2017	0.00	20,461.11	0.00	20,461.11
01/22/2015	1370	G	Call	3130A35K6	5,000,000.00	0.0M 1.27%	09/26/2017	0.00	0.00	5,000,000.00	5,000,000.00
01/26/2015	1371	G	Interest	3134G5RT4	20,000,000.00	FHLMCS 20.0M 0.50% Mat.	07/26/2017	0.00	16,666.67	0.00	16,666.67
01/29/2015	1368	G	Interest	3130A2QH2	10,000,000.00	FHLB 10.0M 0.13% Mat. 07/29/2015	07/29/2015	0.00	6,250.00	0.00	6,250.00
01/29/2015	1386	G	Purchase	3130A3W42	10,000,000.00	FHLB 10.0M 0.35% Mat. 02/29/2016	02/29/2016	-10,000,000.00	0.00	0.00	-10,000,000.00
01/30/2015	1358	G	Interest	3130A2L79	20,000,000.00	FHLBS 20.0M 1.00% Mat.	07/30/2019	0.00	100,000.00	0.00	100,000.00
01/30/2015	1249	G	Call	313380Z26	15,000,000.00	0.0M 0.63%	10/24/2016	0.00	8,333.33	5,000,000.00	5,008,333.33
01/30/2015	1358	G	Call	3130A2L79	20,000,000.00	0.0M 1.00%	07/30/2019	0.00	0.00	20,000,000.00	20,000,000.00
01/31/2015	1114	G	Interest	912828NP1	10,000,000.00	TNOTE 10.0M 1.75% Mat.	07/31/2015	0.00	87,500.00	0.00	87,500.00
02/01/2015	1293	G	Interest	259003CL3	6,000,000.00	DCGA 6.0M 5.00% Mat. 08/01/2015	08/01/2015	0.00	150,000.00	0.00	150,000.00
02/01/2015	1296	G	Interest	64966K2L6	10,045,000.00	NYNY 10.0M 1.50% Mat. 08/01/2017	08/01/2017	0.00	75,337.50	0.00	75,337.50
02/01/2015	1301	G	Interest	93974CQU7	5,000,000.00	WASHST 5.0M 3.35% Mat.	08/01/2016	0.00	83,675.00	0.00	83,675.00
02/01/2015	1325	G	Interest	546415S43	7,000,000.00	LASTAT 7.0M 1.00% Mat.	02/01/2017	0.00	35,000.00	0.00	35,000.00
02/01/2015	1326	G	Interest	546415S50	15,000,000.00	LASTAT 15.0M 1.50% Mat.	02/01/2018	0.00	112,500.00	0.00	112,500.00
02/05/2015	1323	G	Maturity	912796DG1	20,000,000.00	TBILL 20.0M 0.00% Mat. 02/05/2015	02/05/2015	0.00	0.00	20,000,000.00	20,000,000.00
02/09/2015	1135	G	Interest	3137EACH0	15,000,000.00	FHLMC 15.0M 2.88% Mat.	02/09/2015	0.00	215,625.00	0.00	215,625.00
02/09/2015	1154	G	Interest	3137EACH0	10,000,000.00	FHLMC 10.0M 2.88% Mat.	02/09/2015	0.00	143,750.00	0.00	143,750.00
02/09/2015	1135	G	Maturity	3137EACH0	15,000,000.00	FHLMC 15.0M 2.88% Mat.	02/09/2015	0.00	0.00	15,000,000.00	15,000,000.00
02/09/2015	1154	G	Maturity	3137EACH0	10,000,000.00	FHLMC 10.0M 2.88% Mat.	02/09/2015	0.00	0.00	10,000,000.00	10,000,000.00
02/15/2015	1289	G	Interest	564386GF1	1,945,000.00	MISDXTX 1.9M 3.00% Mat.	02/15/2016	0.00	29,175.00	0.00	29,175.00
02/15/2015	1290	G	Interest	564386HT0	1,055,000.00	MISDXTX 1.1M 4.00% Mat.	02/15/2016	0.00	21,100.00	0.00	21,100.00
02/21/2015	1279	G	Interest	3136G1CN7	25,000,000.00	FNMAS 25.0M 0.70% Mat.	02/21/2018	0.00	87,500.00	0.00	87,500.00
02/27/2015	1388	G	Purchase	912828UM0	25,000,000.00	TNOTE 25.0M 0.38% Mat.	02/15/2016	-25,033,203.13	-3,107.73	0.00	-25,036,310.86
02/27/2015	1389	G	Purchase	912828UM0	20,000,000.00	TNOTE 20.0M 0.38% Mat.	02/15/2016	-20,026,562.50	-2,486.19	0.00	-20,029,048.69
02/28/2015	1298	G	Interest	912828RF9	20,000,000.00	TNOTE 20.0M 1.00% Mat.	08/31/2016	0.00	100,000.00	0.00	100,000.00
02/28/2015	1312	G	Interest	912828VU1	15,000,000.00	TNOTE 15.0M 0.38% Mat.	08/31/2015	0.00	28,125.00	0.00	28,125.00
02/28/2015	1359	G	Interest	3130A2W77	10,000,000.00	FHLBS 10.0M 0.88% Mat.	08/28/2017	0.00	43,750.00	0.00	43,750.00
02/28/2015	1361	G	Interest	912828KS8	10,000,000.00	TNOTE 10.0M 2.63% Mat.	02/29/2016	0.00	131,250.00	0.00	131,250.00
02/28/2015	1363	G	Interest	3130A2WK8	15,000,000.00	FHLB 15.0M 0.13% Mat. 08/28/2015	08/28/2015	0.00	9,375.00	0.00	9,375.00
03/01/2015	1327	G	Interest	574193JA7	15,130,000.00	MARYST 15.1M 0.70% Mat.	03/01/2017	0.00	52,955.00	0.00	52,955.00

**City of Fort Worth, Texas
Cash Reconciliation Report
For the Period January 1, 2015 - March 31, 2015**

Trans. Date	Investment #	Fund	Trans. Type	Security ID	Par Value	Security Description	Maturity Date	Purchases	Interest	Redemptions	Cash
General Fund											
03/05/2015	1330	G	Maturity	912796DP1	20,000,000.00	TBILL 20.0M 0.00% Mat. 03/05/2015	03/05/2015	0.00	0.00	20,000,000.00	20,000,000.00
03/09/2015	1120	G	Interest	3136FPDY0	10,000,000.00	FNMAC 10.0M 1.88% Mat.	09/09/2015	0.00	93,750.00	0.00	93,750.00
03/15/2015	1384	G	Interest	912828D98	20,000,000.00	TNOTE 20.0M 1.00% Mat.	09/15/2017	0.00	100,000.00	0.00	100,000.00
03/18/2015	1291	G	Interest	3134G36F2	4,250,000.00	FHLMC 4.3M 0.42% Mat. 09/18/2015	09/18/2015	0.00	8,925.00	0.00	8,925.00
03/19/2015	1365	G	Interest	3130A26D3	10,600,000.00	FHLBS 10.6M 0.50% Mat.	09/19/2017	0.00	13,250.00	0.00	13,250.00
03/19/2015	1390	G	Purchase	3134G6HM8	17,100,000.00	FHLMCC 17.1M 1.70% Mat.	03/19/2019	-17,100,000.00	0.00	0.00	-17,100,000.00
03/19/2015	1365	G	Call	3130A26D3	10,600,000.00	0.0M 0.50%	09/19/2017	0.00	0.00	10,600,000.00	10,600,000.00
03/20/2015	1265	G	Interest	3134G32D1	25,000,000.00	FHLMCC 25.0M 0.63% Mat.	09/20/2016	0.00	78,125.00	0.00	78,125.00
03/24/2015	1391	G	Purchase	3130A4JJ2	15,000,000.00	FHLBS 15.0M 0.75% Mat.	04/24/2018	-15,000,000.00	0.00	0.00	-15,000,000.00
03/25/2015	1369	G	Interest	3134G3L24	3,500,000.00	FHLMC 3.5M 0.50% Mat. 09/25/2015	09/25/2015	0.00	8,750.00	0.00	8,750.00
03/25/2015	1392	G	Purchase	3134G6HW6	5,000,000.00	FHLMCS 5.0M 1.25% Mat.	09/25/2018	-5,000,000.00	0.00	0.00	-5,000,000.00
03/26/2015	1328	G	Interest	3134G4Y44	20,000,000.00	FHLMCC 20.0M 1.95% Mat.	03/26/2019	0.00	195,000.00	0.00	195,000.00
03/26/2015	1329	G	Interest	3130A1E95	20,000,000.00	FHLBS 20.0M 1.13% Mat.	02/26/2019	0.00	112,500.00	0.00	112,500.00
03/26/2015	1393	G	Purchase	3130A4H21	5,000,000.00	FHLBC 5.0M 1.50% Mat. 09/26/2018	09/26/2018	-5,000,000.00	0.00	0.00	-5,000,000.00
03/26/2015	1397	G	Purchase	313382ZV8	4,460,000.00	FHLB 4.5M 0.25% Mat. 06/10/2016	06/10/2016	-4,451,392.20	-3,283.06	0.00	-4,454,675.26
03/26/2015	1398	G	Purchase	313373SZ6	12,640,000.00	FHLB 12.6M 2.13% Mat. 06/10/2016	06/10/2016	-12,900,384.00	-79,087.78	0.00	-12,979,471.78
03/26/2015	1328	G	Call	3134G4Y44	20,000,000.00	0.0M 1.95%	03/26/2019	0.00	0.00	20,000,000.00	20,000,000.00
03/26/2015	1329	G	Call	3130A1E95	20,000,000.00	0.0M 1.13%	02/26/2019	0.00	0.00	20,000,000.00	20,000,000.00
03/27/2015	1313	G	Interest	3134G4RM2	15,000,000.00	FHLMCS 15.0M 1.00% Mat.	06/27/2018	0.00	37,500.00	0.00	37,500.00
03/27/2015	1313	G	Call	3134G4RM2	15,000,000.00	0.0M 1.00%	06/27/2018	0.00	0.00	15,000,000.00	15,000,000.00
03/28/2015	1267	G	Interest	313381MR3	17,150,000.00	FHLBC 17.2M 0.55% Mat.	06/28/2016	0.00	23,581.25	0.00	23,581.25
03/28/2015	1366	G	Interest	3135G0NV1	6,500,000.00	FNMA 6.5M 0.50% Mat. 09/28/2015	09/28/2015	0.00	16,250.00	0.00	16,250.00
03/28/2015	1267	G	Call	313381MR3	17,150,000.00	0.0M 0.55%	06/28/2016	0.00	0.00	17,150,000.00	17,150,000.00
03/30/2015	1316	G	Interest	3136G1YL7	25,000,000.00	FNMAS 25.0M 1.00% Mat.	11/30/2018	0.00	93,750.00	0.00	93,750.00
03/30/2015	1375	G	Interest	3134G5TY1	20,000,000.00	FHLMCS 20.0M 0.75% Mat.	03/09/2018	0.00	37,500.00	0.00	37,500.00
03/30/2015	1394	G	Purchase	3134G6QL0	20,000,000.00	FHLMCS 20.0M 1.00% Mat.	09/30/2019	-20,000,000.00	0.00	0.00	-20,000,000.00
03/30/2015	1395	G	Purchase	3130A4L91	2,625,000.00	FHLBS 2.6M 1.00% Mat. 03/30/2020	03/30/2020	-2,625,000.00	0.00	0.00	-2,625,000.00
03/30/2015	1396	G	Purchase	3130A4S86	7,375,000.00	FHLBS 7.4M 1.25% Mat. 03/30/2020	03/30/2020	-7,367,625.00	0.00	0.00	-7,367,625.00
03/30/2015	1399	G	Purchase	3130A4SS2	20,000,000.00	FHLBS 20.0M 0.75% Mat.	02/26/2019	-20,000,000.00	0.00	0.00	-20,000,000.00
03/30/2015	1400	G	Purchase	3130A4ST0	20,000,000.00	FHLBS 20.0M 0.70% Mat.	03/29/2018	-20,000,000.00	0.00	0.00	-20,000,000.00
03/30/2015	1401	G	Purchase	3134G6PZ0	20,000,000.00	FHLMCS 20.0M 1.00% Mat.	03/29/2019	-20,000,000.00	0.00	0.00	-20,000,000.00
03/30/2015	1402	G	Purchase	3130A4SR4	15,000,000.00	FHLBS 15.0M 0.70% Mat.	06/29/2018	-15,000,000.00	0.00	0.00	-15,000,000.00
03/30/2015	1403	G	Purchase	3130A4SP8	25,000,000.00	FHLBS 25.0M 1.00% Mat.	11/30/2018	-25,000,000.00	0.00	0.00	-25,000,000.00
03/30/2015	1316	G	Call	3136G1YL7	25,000,000.00	0.0M 1.50%	11/30/2018	0.00	0.00	25,000,000.00	25,000,000.00
03/30/2015	1375	G	Call	3134G5TY1	20,000,000.00	0.0M 0.75%	03/09/2018	0.00	0.00	20,000,000.00	20,000,000.00
03/31/2015	1355	G	Interest	912828UT5	30,000,000.00	TNOTE 30.0M 0.25% Mat.	03/31/2015	0.00	37,500.00	0.00	37,500.00
03/31/2015	1356	G	Interest	912828SM3	10,000,000.00	TNOTE 10.0M 1.00% Mat.	03/31/2017	0.00	50,000.00	0.00	50,000.00
03/31/2015	1360	G	Interest	912828KT6	25,000,000.00	TNOTE 25.0M 2.38% Mat.	03/31/2016	0.00	296,875.00	0.00	296,875.00
03/31/2015	1355	G	Maturity	912828UT5	30,000,000.00	TNOTE 30.0M 0.25% Mat.	03/31/2015	0.00	0.00	30,000,000.00	30,000,000.00
Subtotal								-259,469,291.83	2,873,620.10	313,750,000.00	57,154,328.27
Total								-259,469,291.83	2,873,620.10	313,750,000.00	57,154,328.27



City of Fort Worth, Texas
Purchases Report
Sorted by Fund - Fund
January 1, 2015 - March 31, 2015

CUSIP	Investment #	Fund	Sec. Type Issuer	Original Par Value	Purchase Date	Payment Periods	Principal Purchased	Accrued Interest at Purchase	Rate at Purchase	Maturity Date	YTM	Ending Book Value
General Fund												
912796FP9	1387	G	ATD TBILL	15,000,000.00	01/12/2015	01/07 - At Maturity	14,965,125.00			01/07/2016	0.236	14,972,778.13
3130A3W42	1386	G	FAC FHLB	10,000,000.00	01/29/2015	07/29 - 01/29	10,000,000.00		0.350	02/29/2016	0.350	10,000,000.00
912828UM0	1388	G	TRC TNOTE	25,000,000.00	02/27/2015	08/15 - 02/15	25,033,203.13	3,107.73	0.375	02/15/2016	0.237	25,030,099.15
912828UM0	1389	G	TRC TNOTE	20,000,000.00	02/27/2015	08/15 - 02/15	20,026,562.50	2,486.19	0.375	02/15/2016	0.237	20,024,079.32
3134G6HM8	1390	G	FAC FHLMCC	17,100,000.00	03/19/2015	09/19 - 03/19	17,100,000.00		1.700	03/19/2019	1.700	17,100,000.00
3130A4JJ2	1391	G	FAC FHLBS	15,000,000.00	03/24/2015	09/24 - 03/24	15,000,000.00		0.750	04/24/2018	0.750	15,000,000.00
3134G6HW6	1392	G	FAC FHLMCS	5,000,000.00	03/25/2015	09/25 - 03/25	5,000,000.00		1.250	09/25/2018	1.250	5,000,000.00
313382ZV8	1397	G	FAC FHLB	4,460,000.00	03/26/2015	06/10 - 12/10	4,451,392.20	3,283.06	0.250	06/10/2016	0.411	4,451,491.37
313373SZ6	1398	G	FAC FHLB	12,640,000.00	03/26/2015	06/10 - 12/10	12,900,384.00	79,087.78	2.125	06/10/2016	0.410	12,897,384.18
3130A4H21	1393	G	FAC FHLBC	5,000,000.00	03/26/2015	09/26 - 03/26	5,000,000.00		1.500	09/26/2018	1.500	5,000,000.00
3130A4L91	1395	G	FAC FHLBS	2,625,000.00	03/30/2015	06/30 - Quarterly	2,625,000.00		1.000	03/30/2020	2.650	2,625,000.00
3130A4S86	1396	G	FAC FHLBS	7,375,000.00	03/30/2015	09/30 - 03/30	7,367,625.00		1.250	03/30/2020	1.271	7,367,706.94
3130A4SS2	1399	G	FAC FHLBS	20,000,000.00	03/30/2015	09/26 - 03/26	20,000,000.00		0.750	02/26/2019	0.750	20,000,000.00
3130A4ST0	1400	G	FAC FHLBS	20,000,000.00	03/30/2015	09/29 - 03/29	20,000,000.00		0.700	03/29/2018	0.700	20,000,000.00
3130A4SR4	1402	G	FAC FHLBS	15,000,000.00	03/30/2015	09/30 - 03/30	15,000,000.00		0.700	06/29/2018	0.700	15,000,000.00
3130A4SP8	1403	G	FAC FHLBS	25,000,000.00	03/30/2015	09/30 - 03/30	25,000,000.00		1.000	11/30/2018	1.000	25,000,000.00
3134G6QL0	1394	G	FAC FHLMCS	20,000,000.00	03/30/2015	09/30 - 03/30	20,000,000.00		1.000	09/30/2019	1.658	20,000,000.00
3134G6PZ0	1401	G	FAC FHLMCS	20,000,000.00	03/30/2015	09/29 - 03/29	20,000,000.00		1.000	03/29/2019	1.000	20,000,000.00
			Subtotal	259,200,000.00			259,469,291.83	87,964.76				259,468,539.09
			Total Purchases	259,200,000.00			259,469,291.83	87,964.76				259,468,539.09



City of Fort Worth, Texas
Maturity Report
Sorted by Maturity Date
Amounts due during January 1, 2015 - March 31, 2015

CUSIP	Investment #	Fund	Sec. Type	Issuer	Par Value	Maturity Date	Purchase Date	Rate at Maturity	Book Value at Maturity	Interest	Maturity Proceeds	Net Income
31331JAV5	1066	G	FAC	FFCB	5,000,000.00	01/05/2015	01/05/2010	2.900	5,000,000.00	72,500.00	5,072,500.00	72,500.00
912796DF3	1317	G	ATD	TBILL	20,000,000.00	01/08/2015	01/17/2014		20,000,000.00	0.00	20,000,000.00	0.00
912796DF3	1318	G	ATD	TBILL	20,000,000.00	01/08/2015	01/17/2014	0.110	20,000,000.00	0.00	20,000,000.00	0.00
912796DG1	1323	G	ATD	TBILL	20,000,000.00	02/05/2015	02/07/2014		20,000,000.00	0.00	20,000,000.00	0.00
3137EACH0	1135	G	FAC	FHLMC	15,000,000.00	02/09/2015	11/19/2010	2.875	15,000,000.00	215,625.00	15,215,625.00	215,625.00
3137EACH0	1154	G	FAC	FHLMC	10,000,000.00	02/09/2015	01/06/2011	2.875	10,000,000.00	143,750.00	10,143,750.00	143,750.00
912796DP1	1330	G	ATD	TBILL	20,000,000.00	03/05/2015	03/17/2014		20,000,000.00	0.00	20,000,000.00	0.00
912828UT5	1355	G	TRC	TNOTE	30,000,000.00	03/31/2015	07/23/2014	0.250	30,000,000.00	37,500.00	30,037,500.00	37,500.00
Total Maturities					140,000,000.00				140,000,000.00	469,375.00	140,469,375.00	469,375.00



**City of Fort Worth, Texas
Sales/Call Report
Sorted by Maturity Date - Fund
January 1, 2015 - March 31, 2015**

CUSIP	Investment #	Fund	Issuer Sec. Type	Purchase Date	Redem. Date Matur. Date	Par Value	Rate at Redem.	Book Value at Redem.	Redemption Principal	Redemption Interest	Total Amount	Net Income
06/28/2016												
313381MR3	1267	G	FHLBC FAC	12/28/2012	03/28/2015 06/28/2016	17,150,000.00	0.550	17,150,000.00	17,150,000.00	23,581.25	17,173,581.25 Call	23,581.25
						Subtotal		17,150,000.00	17,150,000.00	23,581.25	17,173,581.25	23,581.25
10/24/2016												
313380Z26	1249	G	FHLBC FAC	10/24/2012	01/30/2015 10/24/2016	5,000,000.00	0.625	4,998,050.00	5,000,000.00	8,333.33	5,008,333.33 Call	10,283.33
						Subtotal		4,998,050.00	5,000,000.00	8,333.33	5,008,333.33	10,283.33
09/19/2017												
3130A26D3	1365	G	FHLBS FAC	09/24/2014	03/19/2015 09/19/2017	10,600,000.00	0.500 V	10,600,000.00	10,600,000.00	13,250.00	10,613,250.00 Call	13,250.00
						Subtotal		10,600,000.00	10,600,000.00	13,250.00	10,613,250.00	13,250.00
09/26/2017												
3130A35K6	1370	G	FHLBC FAC	09/26/2014	01/22/2015 09/26/2017	5,000,000.00	1.270	5,000,000.00	5,000,000.00	20,461.11	5,020,461.11 Call	20,461.11
						Subtotal		5,000,000.00	5,000,000.00	20,461.11	5,020,461.11	20,461.11
03/09/2018												
3134G5TY1	1375	G	FHLMCS FAC	12/30/2014	03/30/2015 03/09/2018	20,000,000.00	0.750 V	20,000,000.00	20,000,000.00	37,500.00	20,037,500.00 Call	37,500.00
						Subtotal		20,000,000.00	20,000,000.00	37,500.00	20,037,500.00	37,500.00
06/27/2018												
3134G4RM2	1313	G	FHLMCS FAC	12/30/2013	03/27/2015 06/27/2018	15,000,000.00	1.000 V	15,000,000.00	15,000,000.00	37,500.00	15,037,500.00 Call	37,500.00
						Subtotal		15,000,000.00	15,000,000.00	37,500.00	15,037,500.00	37,500.00
07/20/2018												
3130A36U3	1374	G	FHLBC FAC	12/22/2014	01/20/2015 07/20/2018	16,000,000.00	1.625	16,000,000.00	16,000,000.00	65,000.00	16,065,000.00 Call	65,000.00
						Subtotal		16,000,000.00	16,000,000.00	65,000.00	16,065,000.00	65,000.00
11/30/2018												

V - Security with variable rate change.

City of Fort Worth, Texas
Sales/Call Report
January 1, 2015 - March 31, 2015

CUSIP	Investment #	Fund	Issuer Sec. Type	Purchase Date	Redem. Date Matur. Date	Par Value	Rate at Redem.	Book Value at Redem.	Redemption Principal	Redemption Interest	Total Amount	Net Income
11/30/2018												
3136G1YL7	1316	G	FNMAS FAC	12/30/2013	03/30/2015 11/30/2018	25,000,000.00	1.500 V	25,000,000.00	25,000,000.00	93,750.00	25,093,750.00 Call	93,750.00
						Subtotal		25,000,000.00	25,000,000.00	93,750.00	25,093,750.00	93,750.00
02/26/2019												
3130A1E95	1329	G	FHLBS FAC	03/26/2014	03/26/2015 02/26/2019	20,000,000.00	1.125 V	20,000,000.00	20,000,000.00	112,500.00	20,112,500.00 Call	112,500.00
						Subtotal		20,000,000.00	20,000,000.00	112,500.00	20,112,500.00	112,500.00
03/26/2019												
3134G4Y44	1328	G	FHLMCC FAC	03/26/2014	03/26/2015 03/26/2019	20,000,000.00	1.950	20,000,000.00	20,000,000.00	195,000.00	20,195,000.00 Call	195,000.00
						Subtotal		20,000,000.00	20,000,000.00	195,000.00	20,195,000.00	195,000.00
07/30/2019												
3130A2L79	1358	G	FHLBS FAC	07/30/2014	01/30/2015 07/30/2019	20,000,000.00	1.000 V	20,000,000.00	20,000,000.00	100,000.00	20,100,000.00 Call	100,000.00
						Subtotal		20,000,000.00	20,000,000.00	100,000.00	20,100,000.00	100,000.00
						Total Sales		173,750,000.00	173,748,050.00	706,875.69	174,456,875.69	708,825.69

V - Security with variable rate change.



City of Fort Worth, Texas
Interest Earnings
Sorted by Issuer - Security ID
January 1, 2015 - March 31, 2015
Yield on Average Book Value

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Average Book Value	Maturity Date	Current Annualized Rate	Yield	Adjusted Interest Earnings		
										Interest Earned	Amortization/ Accretion	Adjusted Interest Earnings
Issuer: Columbia County GA SD												
197486LS0	1292	G	MC1	2,000,000.00	2,052,128.52	2,043,337.46	10/01/2015	4.000	0.521	20,000.00	-17,376.17	2,623.83
Subtotal				2,000,000.00	2,052,128.52	2,043,337.46			0.521	20,000.00	-17,376.17	2,623.83
Issuer: Citibank Sec Lending												
999999995	772A	G	LA5	0.00	0.00	0.00				343,417.03	0.00	343,417.03
Subtotal				0.00	0.00	0.00				343,417.03	0.00	343,417.03
Issuer: Collingswood NJ												
194756PV8	1343	G	MC1	3,905,000.00	3,912,928.02	3,909,733.43	04/24/2015	1.000	0.358	9,762.50	-6,314.35	3,448.15
Subtotal				3,905,000.00	3,912,928.02	3,909,733.43			0.358	9,762.50	-6,314.35	3,448.15
Issuer: Douglas County GA												
259003CL3	1293	G	MC1	6,000,000.00	6,157,188.28	6,123,105.87	08/01/2015	5.000	0.506	75,000.00	-67,366.41	7,633.59
Subtotal				6,000,000.00	6,157,188.28	6,123,105.87			0.506	75,000.00	-67,366.41	7,633.59
Issuer: FFCB Note												
31331JAV5	1066	G	FAC	0.00	4,999,953.67	222,221.45	01/05/2015	2.900	3.025	1,611.11	46.33	1,657.44
3133EARQ3	1367	G	FAC	5,000,000.00	5,008,472.20	5,006,229.36	06/23/2015	0.500	0.147	6,250.00	-4,433.13	1,816.87
Subtotal				5,000,000.00	10,008,425.87	5,228,450.81			0.269	7,861.11	-4,386.80	3,474.31
Issuer: FFCB Call Note												
3133EC4Y7	1256	G	FAC	9,381,000.00	9,375,548.60	9,375,785.90	11/27/2017	0.930	0.964	21,810.82	469.05	22,279.87
3133EDK84	1344	G	FAC	20,000,000.00	20,000,000.00	20,000,000.00	04/25/2016	0.390	0.395	19,500.00	0.00	19,500.00
Subtotal				29,381,000.00	29,375,548.60	29,375,785.90			0.577	41,310.82	469.05	41,779.87
Issuer: FHLB Note												
3130A2QH2	1368	G	FAC	10,000,000.00	9,998,489.77	9,998,820.37	07/29/2015	0.125	0.153	3,125.00	653.46	3,778.46
3130A2WK8	1363	G	FAC	15,000,000.00	14,993,087.50	14,994,415.56	08/28/2015	0.125	0.198	4,687.50	2,625.00	7,312.50

City of Fort Worth, Texas
Interest Earnings
January 1, 2015 - March 31, 2015

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Average Book Value	Maturity Date	Current Annualized Rate	Annualized Yield	Adjusted Interest Earnings		
										Interest Earned	Amortization/ Accretion	Adjusted Interest Earnings
Issuer: FHLB Note												
3130A3W42	1386	G	FAC	10,000,000.00	0.00	6,888,888.89	02/29/2016	0.350	0.355	6,027.78	0.00	6,027.78
313373SZ6	1398	G	FAC	12,640,000.00	0.00	859,892.27	06/10/2016	2.125	0.345	3,730.55	-2,999.82	730.73
313382ZV8	1397	G	FAC	4,460,000.00	0.00	296,763.89	06/10/2016	0.250	0.347	154.86	99.17	254.03
Subtotal				52,100,000.00	24,991,577.27	33,038,780.98			0.222	17,725.69	377.81	18,103.50
Issuer: FHLB Call Note												
3130A35K6	1370	G	FAC	0.00	5,000,000.00	1,166,666.67	09/26/2017	1.270	1.288	3,704.17	0.00	3,704.17
3130A36U3	1374	G	FAC	0.00	16,005,862.86	3,378,364.06	07/20/2018	1.625	0.943	13,722.22	-5,862.86	7,859.36
3130A3KW3	1373	G	FAC	20,000,000.00	20,000,000.00	20,000,000.00	06/16/2017	0.900	0.913	45,000.00	0.00	45,000.00
3130A3Q23	1380	G	FAC	20,000,000.00	20,000,000.00	20,000,000.00	12/30/2016	0.800	0.811	40,000.00	0.00	40,000.00
3130A4H21	1393	G	FAC	5,000,000.00	0.00	333,333.33	09/26/2018	1.500	1.267	1,041.67	0.00	1,041.67
313380Z26	1249	G	FAC	10,000,000.00	14,993,878.13	11,606,672.01	10/24/2016	0.625	0.657	18,142.36	653.12	18,795.48
313380Z34	1245	G	FAC	10,000,000.00	9,997,188.89	9,997,315.37	10/23/2017	0.900	0.923	22,500.00	250.00	22,750.00
313381KQ7	1266	G	FAC	7,850,000.00	7,848,159.92	7,848,315.95	06/28/2016	0.500	0.523	9,812.50	308.40	10,120.90
313381MR3	1267	G	FAC	0.00	17,150,000.00	16,387,777.78	06/28/2016	0.550	0.564	22,795.21	0.00	22,795.21
313381N27	1268	G	FAC	25,000,000.00	25,000,000.00	25,000,000.00	07/27/2016	0.540	0.548	33,750.00	0.00	33,750.00
Subtotal				97,850,000.00	135,995,089.80	115,718,445.17			0.721	210,468.13	-4,651.34	205,816.79
Issuer: FHLB Step Note												
3130A1E95	1329	G	FAC	0.00	20,000,000.00	18,666,666.67	02/26/2019	1.375	1.154	53,125.00	0.00	53,125.00
3130A26D3	1365	G	FAC	0.00	10,600,000.00	9,068,888.89	09/19/2017	0.500	0.514	11,483.33	0.00	11,483.33
3130A2L79	1358	G	FAC	0.00	20,000,000.00	6,444,444.44	07/30/2019	1.000	1.014	16,111.11	0.00	16,111.11
3130A2W77	1359	G	FAC	10,000,000.00	10,000,000.00	10,000,000.00	08/28/2017	0.875	0.887	21,875.00	0.00	21,875.00
3130A3TM6	1376	G	FAC	20,000,000.00	20,000,000.00	20,000,000.00	10/24/2018	1.000	1.014	50,000.00	0.00	50,000.00
3130A3U44	1379	G	FAC	20,000,000.00	20,000,000.00	20,000,000.00	08/30/2018	0.750	0.760	37,500.00	0.00	37,500.00
3130A3U51	1378	G	FAC	25,000,000.00	25,000,000.00	25,000,000.00	12/28/2018	0.875	0.887	54,687.50	0.00	54,687.50
3130A4JJ2	1391	G	FAC	15,000,000.00	0.00	1,333,333.33	04/24/2018	0.750	0.665	2,187.50	0.00	2,187.50
3130A4L91	1395	G	FAC	2,625,000.00	0.00	58,333.33	03/30/2020	1.000	0.507	72.92	0.00	72.92
3130A4S86	1396	G	FAC	7,375,000.00	0.00	163,725.91	03/30/2020	1.250	0.837	256.08	81.94	338.02
3130A4SP8	1403	G	FAC	25,000,000.00	0.00	555,555.56	11/30/2018	1.000	0.507	694.44	0.00	694.44
3130A4SR4	1402	G	FAC	15,000,000.00	0.00	333,333.33	06/29/2018	0.700	0.355	291.67	0.00	291.67
3130A4SS2	1399	G	FAC	20,000,000.00	0.00	444,444.44	02/26/2019	0.750	0.380	416.67	0.00	416.67
3130A4ST0	1400	G	FAC	20,000,000.00	0.00	444,444.44	03/29/2018	0.700	0.355	388.89	0.00	388.89
313381LG8	1262	G	FAC	25,000,000.00	25,000,000.00	25,000,000.00	01/10/2018	1.150	1.100	67,812.50	0.00	67,812.50
Subtotal				205,000,000.00	150,600,000.00	137,513,170.35			0.935	316,902.61	81.94	316,984.55

City of Fort Worth, Texas
Interest Earnings
January 1, 2015 - March 31, 2015

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Average Book Value	Maturity Date	Current Annualized Rate	Annualized Yield	Adjusted Interest Earnings		
										Interest Earned	Amortization/ Accretion	Adjusted Interest Earnings
Issuer: FHLMC Note												
3134G36F2	1291	G	FAC	4,250,000.00	4,250,000.00	4,250,000.00	09/18/2015	0.420	0.426	4,462.50	0.00	4,462.50
3134G3L24	1369	G	FAC	3,500,000.00	3,507,361.11	3,506,091.51	09/25/2015	0.500	0.216	4,375.00	-2,509.47	1,865.53
3137EACH0	1135	G	FAC	0.00	15,021,202.50	6,504,407.89	02/09/2015	2.875	1.516	45,520.83	-21,202.50	24,318.33
3137EACH0	1154	G	FAC	0.00	10,009,475.49	4,335,303.24	02/09/2015	2.875	1.952	30,347.22	-9,475.49	20,871.73
Subtotal				7,750,000.00	32,788,039.10	18,595,802.63			1.124	84,705.55	-33,187.46	51,518.09
Issuer: FHLMC Call Note												
3134G32D1	1265	G	FAC	25,000,000.00	24,999,426.85	24,999,469.01	09/20/2016	0.625	0.635	39,062.50	83.34	39,145.84
3134G4WC8	1377	G	FAC	20,000,000.00	19,991,111.11	19,997,238.10	05/27/2016	0.500	0.687	25,000.00	8,888.89	33,888.89
3134G4Y44	1328	G	FAC	0.00	20,000,000.00	18,666,666.67	03/26/2019	1.950	2.001	92,083.33	0.00	92,083.33
3134G6HM8	1390	G	FAC	17,100,000.00	0.00	2,470,000.00	03/19/2019	1.700	1.591	9,690.00	0.00	9,690.00
Subtotal				62,100,000.00	64,990,537.96	66,133,373.77			1.072	165,835.83	8,972.23	174,808.06
Issuer: FHLMC Step Note												
3134G4MK1	1307	G	FAC	20,000,000.00	20,000,000.00	20,000,000.00	05/22/2017	0.950	0.963	47,500.00	0.00	47,500.00
3134G4RM2	1313	G	FAC	0.00	15,000,000.00	14,166,666.67	06/27/2018	1.000	1.026	35,833.33	0.00	35,833.33
3134G5RT4	1371	G	FAC	20,000,000.00	20,000,000.00	20,000,000.00	07/26/2017	0.500	0.507	25,000.00	0.00	25,000.00
3134G5TY1	1375	G	FAC	0.00	20,003,955.56	19,557,488.89	03/09/2018	0.750	0.687	37,083.33	-3,955.56	33,127.77
3134G6HW6	1392	G	FAC	5,000,000.00	0.00	388,888.89	09/25/2018	1.250	1.086	1,041.67	0.00	1,041.67
3134G6PZ0	1401	G	FAC	20,000,000.00	0.00	444,444.44	03/29/2019	1.000	0.507	555.56	0.00	555.56
3134G6QL0	1394	G	FAC	20,000,000.00	0.00	444,444.44	09/30/2019	1.000	0.507	555.56	0.00	555.56
Subtotal				85,000,000.00	75,003,955.56	75,001,933.33			0.777	147,569.45	-3,955.56	143,613.89
Issuer: FNMA Note												
3135G0NV1	1366	G	FAC	6,500,000.00	6,514,440.69	6,511,978.02	09/28/2015	0.500	0.203	8,125.00	-4,867.65	3,257.35
Subtotal				6,500,000.00	6,514,440.69	6,511,978.02			0.203	8,125.00	-4,867.65	3,257.35
Issuer: FNMA Call Note												
3135G0QL0	1244	G	FAC	10,000,000.00	10,000,000.00	10,000,000.00	10/24/2017	1.000	1.014	25,000.00	0.00	25,000.00
3135G0RK1	1251	G	FAC	15,000,000.00	14,991,022.50	14,991,420.92	11/07/2017	0.900	0.934	33,750.00	787.50	34,537.50
3136FPDY0	1120	G	FAC	10,000,000.00	9,998,897.78	9,999,100.15	09/09/2015	1.875	1.917	46,875.00	400.00	47,275.00
3136G17H6	1264	G	FAC	10,000,000.00	9,996,519.44	9,996,740.79	12/27/2016	0.650	0.677	16,250.00	437.50	16,687.50
Subtotal				45,000,000.00	44,986,439.72	44,987,261.85			1.113	121,875.00	1,625.00	123,500.00
Issuer: FNMA Step Note												
3136G15N5	1258	G	FAC	25,000,000.00	25,000,000.00	25,000,000.00	08/18/2017	1.125	1.141	70,312.50	0.00	70,312.50

City of Fort Worth, Texas
Interest Earnings
January 1, 2015 - March 31, 2015

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Average Book Value	Maturity Date	Current Annualized Rate	Annualized Yield	Adjusted Interest Earnings		
										Interest Earned	Amortization/ Accretion	Adjusted Interest Earnings
Issuer: FNMA Step Note												
3136G1CN7	1279	G	FAC	25,000,000.00	24,976,458.33	24,977,406.94	02/21/2018	0.700	0.741	43,750.00	1,875.00	45,625.00
3136G1YL7	1316	G	FAC	0.00	25,000,000.00	24,444,444.44	11/30/2018	1.500	1.538	92,708.33	0.00	92,708.33
			Subtotal	50,000,000.00	74,976,458.33	74,421,851.39			1.137	206,770.83	1,875.00	208,645.83
Issuer: Fond Du Lac WI												
344496JN5	1349	G	MC1	2,500,000.00	2,506,550.74	2,503,236.55	04/01/2015	1.250	0.204	7,812.50	-6,550.74	1,261.76
			Subtotal	2,500,000.00	2,506,550.74	2,503,236.55			0.204	7,812.50	-6,550.74	1,261.76
Issuer: Louisiana State												
546415S43	1325	G	MC1	7,000,000.00	7,027,313.85	7,025,655.60	02/01/2017	1.000	0.821	17,500.00	-3,277.66	14,222.34
546415S50	1326	G	MC1	15,000,000.00	15,130,528.50	15,125,174.09	02/01/2018	1.500	1.224	56,250.00	-10,583.39	45,666.61
			Subtotal	22,000,000.00	22,157,842.35	22,150,829.69			1.096	73,750.00	-13,861.05	59,888.95
Issuer: Madison County TN												
557412WM1	1336	G	MC1	1,345,000.00	1,367,849.89	1,365,537.82	04/01/2016	2.000	0.640	6,725.00	-4,569.98	2,155.02
			Subtotal	1,345,000.00	1,367,849.89	1,365,537.82			0.640	6,725.00	-4,569.98	2,155.02
Issuer: Maryland State												
574193JA7	1327	G	MC1	15,130,000.00	15,078,264.79	15,081,284.89	03/01/2017	0.700	0.873	26,477.50	5,969.45	32,446.95
			Subtotal	15,130,000.00	15,078,264.79	15,081,284.89			0.873	26,477.50	5,969.45	32,446.95
Issuer: Massachusetts State												
57582RAL0	1372	G	MC1	20,000,000.00	20,007,206.90	20,006,709.69	11/01/2016	0.580	0.568	29,000.00	-982.76	28,017.24
			Subtotal	20,000,000.00	20,007,206.90	20,006,709.69			0.568	29,000.00	-982.76	28,017.24
Issuer: Mansfield ISD TX												
564386GF1	1289	G	MC1	1,945,000.00	1,998,900.48	1,992,825.56	02/15/2016	3.000	0.525	14,587.50	-12,007.53	2,579.97
564386HT0	1290	G	MC1	1,055,000.00	1,094,863.59	1,090,370.71	02/15/2016	4.000	0.621	10,550.00	-8,880.50	1,669.50
			Subtotal	3,000,000.00	3,093,764.07	3,083,196.27			0.559	25,137.50	-20,888.03	4,249.47
Issuer: JPM Chase High Yield Savings												
999999992	742	G	RR2	122,598,855.76	127,588,894.17	134,980,943.25		0.031	0.030	9,961.59	0.00	9,961.59
			Subtotal	122,598,855.76	127,588,894.17	134,980,943.25			0.030	9,961.59	0.00	9,961.59

City of Fort Worth, Texas
Interest Earnings
January 1, 2015 - March 31, 2015

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Average Book Value	Maturity Date	Current Annualized Rate	Annualized Yield	Adjusted Interest Earnings		
										Interest Earned	Amortization/ Accretion	Adjusted Interest Earnings
Issuer: WF ADV 100% Tsy MMF												
94975H270	103	SELANDFIL	RR3	3,783,763.43	3,598,605.76	3,682,254.88		0.010		0.33	0.00	0.33
Subtotal				3,783,763.43	3,598,605.76	3,682,254.88				0.33	0.00	0.33
Issuer: New York NY												
64966K2L6	1296	G	MC1	10,045,000.00	10,016,871.79	10,018,248.97	08/01/2017	1.500	1.635	37,668.75	2,722.09	40,390.84
Subtotal				10,045,000.00	10,016,871.79	10,018,248.97			1.635	37,668.75	2,722.09	40,390.84
Issuer: Pennsauken Township NJ												
708475RS9	1348	G	MC1	9,125,000.00	9,164,538.96	9,154,192.17	06/25/2015	1.250	0.357	28,515.63	-20,451.19	8,064.44
708475RT7	1347	G	MC1	1,540,000.00	1,546,672.88	1,544,926.68	06/25/2015	1.250	0.357	4,812.50	-3,451.49	1,361.01
Subtotal				10,665,000.00	10,711,211.84	10,699,118.85			0.357	33,328.13	-23,902.68	9,425.45
Issuer: T Bill												
912796DF3	1317	G	ATD	0.00	19,999,572.22	1,555,541.30	01/08/2015		0.112	0.00	427.78	427.78
912796DF3	1318	G	ATD	0.00	19,999,572.21	1,555,541.30	01/08/2015	0.110	0.112	0.00	427.79	427.79
912796DG1	1323	G	ATD	0.00	19,997,763.89	7,777,355.40	02/05/2015		0.117	0.00	2,236.11	2,236.11
912796DP1	1330	G	ATD	0.00	19,995,800.00	13,998,553.33	03/05/2015		0.122	0.00	4,200.00	4,200.00
912796EC9	1382	G	ATD	10,000,000.00	9,997,141.66	9,998,026.39	05/28/2015		0.071	0.00	1,750.01	1,750.01
912796FG9	1381	G	ATD	10,000,000.00	9,982,937.50	9,985,402.08	11/12/2015		0.198	0.00	4,875.00	4,875.00
912796FN4	1383	G	ATD	10,000,000.00	9,976,180.53	9,979,340.26	12/10/2015		0.254	0.00	6,250.01	6,250.01
912796FP9	1387	G	ATD	15,000,000.00	0.00	13,139,455.56	01/07/2016		0.236	0.00	7,653.13	7,653.13
Subtotal				45,000,000.00	109,948,968.01	67,989,215.61			0.166	0.00	27,819.83	27,819.83
Issuer: T Note												
912828D98	1384	G	TRC	20,000,000.00	20,005,259.08	20,005,016.88	09/15/2017	1.000	0.995	49,570.62	-479.07	49,091.55
912828KS8	1361	G	TRC	10,000,000.00	10,264,698.87	10,236,293.68	02/29/2016	2.625	0.345	64,884.10	-56,186.08	8,698.02
912828KT6	1360	G	TRC	25,000,000.00	25,619,470.07	25,557,523.06	03/31/2016	2.375	0.385	146,797.41	-122,532.54	24,264.87
912828NL0	1311	G	TRC	15,000,000.00	15,120,589.72	15,090,107.32	06/30/2015	1.875	0.259	69,924.04	-60,294.86	9,629.18
912828NP1	1114	G	TRC	10,000,000.00	10,007,785.04	10,006,106.28	07/31/2015	1.750	1.619	43,271.82	-3,320.63	39,951.19
912828PE4	1354	G	TRC	10,000,000.00	10,088,578.63	10,075,277.22	10/31/2015	1.250	0.192	31,077.35	-26,310.48	4,766.87
912828PJ3	1319	G	TRC	15,000,000.00	15,137,039.78	15,118,315.13	11/30/2015	1.375	0.374	50,995.88	-37,037.78	13,958.10
912828QP8	1362	G	TRC	5,000,000.00	5,091,048.48	5,083,019.98	05/31/2016	1.750	0.459	21,634.61	-15,880.55	5,754.06
912828RF9	1298	G	TRC	20,000,000.00	20,144,147.40	20,133,360.06	08/31/2016	1.000	0.566	49,435.50	-21,337.60	28,097.90
912828SM3	1356	G	TRC	10,000,000.00	10,031,377.55	10,029,636.48	03/31/2017	1.000	0.860	24,723.77	-3,443.88	21,279.89
912828SP6	1342	G	TRC	15,000,000.00	15,010,034.02	15,005,644.14	04/15/2015	0.375	0.141	13,907.97	-8,683.29	5,224.68
912828SS0	1357	G	TRC	15,000,000.00	14,994,082.61	14,994,399.37	04/30/2017	0.875	0.900	32,631.22	626.55	33,257.77

City of Fort Worth, Texas
Interest Earnings
January 1, 2015 - March 31, 2015

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Average Book Value	Maturity Date	Current Annualized Rate	Yield	Adjusted Interest Earnings		
										Interest Earned	Amortization/ Accretion	Adjusted Interest Earnings
Issuer: T Note												
912828TT7	1341	G	TRC	15,000,000.00	14,998,859.10	14,999,039.97	10/15/2015	0.250	0.260	9,271.98	357.77	9,629.75
912828UC2	1345	G	TRC	20,000,000.00	19,994,059.87	19,994,836.53	12/15/2015	0.250	0.282	12,362.64	1,536.24	13,898.88
912828UM0	1389	G	TRC	20,000,000.00	0.00	7,342,603.87	02/15/2016	0.375	0.240	6,837.01	-2,483.18	4,353.83
912828UM0	1388	G	TRC	25,000,000.00	0.00	9,178,254.84	02/15/2016	0.375	0.240	8,546.28	-3,103.98	5,442.30
912828UT5	1355	G	TRC	0.00	30,012,465.76	29,672,761.04	03/31/2015	0.250	0.080	18,337.91	-12,465.76	5,872.15
912828VD9	1310	G	TRC	15,000,000.00	15,001,664.60	15,001,159.67	05/31/2015	0.250	0.224	9,271.98	-998.76	8,273.22
912828VU1	1312	G	TRC	15,000,000.00	15,009,376.89	15,007,613.88	08/31/2015	0.375	0.281	13,903.73	-3,487.27	10,416.46
912828WA4	1385	G	TRC	20,000,000.00	20,007,800.55	20,007,257.02	10/15/2016	0.625	0.605	30,906.60	-1,075.11	29,831.49
Subtotal				300,000,000.00	286,538,338.02	302,538,226.42			0.445	708,292.42	-376,600.26	331,692.16
Issuer: Washington State												
93974CQU7	1301	G	MC1	5,000,000.00	5,208,315.92	5,191,675.01	08/01/2016	3.347	0.699	41,837.50	-32,891.98	8,945.52
Subtotal				5,000,000.00	5,208,315.92	5,191,675.01			0.699	41,837.50	-32,891.98	8,945.52
Total				1,218,653,619.19	1,280,175,441.97	1,217,893,488.89			0.734	2,777,320.77	-572,440.82	2,204,879.95



City of Fort Worth, Texas
Received Interest
Sorted by Issuer
Received January 1, 2015 - March 31, 2015

Issuer	CUSIP	Investment #	Security Type	Par Value	Current Rate	Date Due	Date Received	Interest		Variance							
								Amount Due	Amount Received								
Douglas County GA	259003CL3	1293	MC1	6,000,000.00	5.000	02/01/2015	02/01/2015	150,000.00	150,000.00	-							
								Subtotal	150,000.00	150,000.00							
FFCB Note	31331JAV5	1066	FAC	0.00	2.900	01/05/2015	01/05/2015	72,500.00	72,500.00	-							
								Subtotal	72,500.00	72,500.00							
FHLB Note	3130A2QH2	1368	FAC	10,000,000.00	0.125	01/29/2015	01/29/2015	6,250.00	6,250.00	-							
								3130A2WK8	1363	FAC	15,000,000.00	0.125	02/28/2015	02/28/2015	9,375.00	9,375.00	-
	Subtotal	15,625.00	15,625.00														
FHLB Call Note	3130A36U3	1374	FAC	0.00	1.625	01/20/2015	01/20/2015	65,000.00	65,000.00	-							
								3130A35K6	1370	FAC	0.00	1.270	01/22/2015	01/22/2015	20,461.11	20,461.11	-
	313380Z26	1249	FAC	10,000,000.00	0.625	01/30/2015	01/30/2015								8,333.33	8,333.33	-
															313381MR3	1267	FAC
	Subtotal	117,375.69	117,375.69														
FHLB Step Note	313381LG8	1262	FAC	25,000,000.00	1.150	01/10/2015	01/10/2015	62,500.00	62,500.00	-							
								3130A2L79	1358	FAC	0.00	1.000	01/30/2015	01/30/2015	100,000.00	100,000.00	-
	3130A2W77	1359	FAC	10,000,000.00	0.875	02/28/2015	02/28/2015								43,750.00	43,750.00	-
								3130A26D3	1365	FAC	0.00	0.500	03/19/2015	03/19/2015	13,250.00	13,250.00	-
	3130A1E95	1329	FAC	0.00	1.375	03/26/2015	03/26/2015								112,500.00	112,500.00	-
	Subtotal	332,000.00	332,000.00														
FHLMC Note	3137EACH0	1135	FAC	0.00	2.875	02/09/2015	02/09/2015	215,625.00	215,625.00	-							
								3137EACH0	1154	FAC	0.00	2.875	02/09/2015	02/09/2015	143,750.00	143,750.00	-
	3134G36F2	1291	FAC	4,250,000.00	0.420	03/18/2015	03/18/2015								8,925.00	8,925.00	-
															3134G3L24	1369	FAC
	Subtotal	377,050.00	377,050.00														
FHLMC Call Note	3134G32D1	1265	FAC	25,000,000.00	0.625	03/20/2015	03/20/2015	78,125.00	78,125.00	-							
								3134G4Y44	1328	FAC	0.00	1.950	03/26/2015	03/26/2015	195,000.00	195,000.00	-
	Subtotal	273,125.00	273,125.00														

City of Fort Worth, Texas
Received Interest
Received January 1, 2015 - March 31, 2015

Issuer	CUSIP	Investment #	Security Type	Par Value	Current Rate	Interest				
						Date Due	Date Received	Amount Due	Amount Received	Variance
FHLMC Step Note	3134G5RT4	1371	FAC	20,000,000.00	0.500	01/26/2015	01/26/2015	16,666.67	16,666.67	-
	3134G4RM2	1313	FAC	0.00	1.000	03/27/2015	03/27/2015	37,500.00	37,500.00	-
	3134G5TY1	1375	FAC	0.00	0.750	03/30/2015	03/30/2015	37,500.00	37,500.00	-
							Subtotal	91,666.67	91,666.67	
FNMA Note	3135G0NV1	1366	FAC	6,500,000.00	0.500	03/28/2015	03/28/2015	16,250.00	16,250.00	-
							Subtotal	16,250.00	16,250.00	
FNMA Call Note	3136FPDY0	1120	FAC	10,000,000.00	1.875	03/09/2015	03/09/2015	93,750.00	93,750.00	-
							Subtotal	93,750.00	93,750.00	
FNMA Step Note	3136G1CN7	1279	FAC	25,000,000.00	0.700	02/21/2015	02/21/2015	87,500.00	87,500.00	-
	3136G1YL7	1316	FAC	0.00	1.500	03/30/2015	03/30/2015	93,750.00	93,750.00	-
							Subtotal	181,250.00	181,250.00	
Louisiana State	546415S43	1325	MC1	7,000,000.00	1.000	02/01/2015	02/01/2015	35,000.00	35,000.00	-
	546415S50	1326	MC1	15,000,000.00	1.500	02/01/2015	02/01/2015	112,500.00	112,500.00	-
							Subtotal	147,500.00	147,500.00	
Maryland State	574193JA7	1327	MC1	15,130,000.00	0.700	03/01/2015	03/01/2015	52,955.00	52,955.00	-
							Subtotal	52,955.00	52,955.00	
Mansfield ISD TX	564386GF1	1289	MC1	1,945,000.00	3.000	02/15/2015	02/15/2015	29,175.00	29,175.00	-
	564386HT0	1290	MC1	1,055,000.00	4.000	02/15/2015	02/15/2015	21,100.00	21,100.00	-
							Subtotal	50,275.00	50,275.00	
New York NY	64966K2L6	1296	MC1	10,045,000.00	1.500	02/01/2015	02/01/2015	75,337.50	75,337.50	-
							Subtotal	75,337.50	75,337.50	
T Note	912828NP1	1114	TRC	10,000,000.00	1.750	01/31/2015	01/31/2015	87,500.00	87,500.00	-
	912828RF9	1298	TRC	20,000,000.00	1.000	02/28/2015	02/28/2015	100,000.00	100,000.00	-
	912828VU1	1312	TRC	15,000,000.00	0.375	02/28/2015	02/28/2015	28,125.00	28,125.00	-
	912828KS8	1361	TRC	10,000,000.00	2.625	02/28/2015	02/28/2015	131,250.00	131,250.00	-
	912828D98	1384	TRC	20,000,000.00	1.000	03/15/2015	03/15/2015	100,000.00	100,000.00	-
	912828UT5	1355	TRC	30,000,000.00	0.250	03/31/2015	03/31/2015	37,500.00	37,500.00	-
	912828SM3	1356	TRC	10,000,000.00	1.000	03/31/2015	03/31/2015	50,000.00	50,000.00	-
	912828KT6	1360	TRC	25,000,000.00	2.375	03/31/2015	03/31/2015	296,875.00	296,875.00	-

City of Fort Worth, Texas
Received Interest
Received January 1, 2015 - March 31, 2015

Issuer	CUSIP	Investment #	Security Type	Par Value	Current Rate	Interest					
						Date Due	Date Received	Amount Due	Amount Received	Variance	
								Subtotal	831,250.00	831,250.00	
Washington State	93974CQU7	1301	MC1	5,000,000.00	3.347	02/01/2015	02/01/2015		83,675.00	83,675.00	-
								Subtotal	83,675.00	83,675.00	
								Total	2,961,584.86	2,961,584.86	
								Total Cash Overpayment	0.00		
								Total Cash Shortfall	0.00		

City of Fort Worth, Texas
Received Interest
Received January 1, 2015 - March 31, 2015

Issuer	CUSIP	Investment #	Security Type	Par Value	Current Rate	Date Received	Interest
							Amount Received
Cash Accounts							
Citibank Sec Lending	999999995	772A	LA5	0.00		01/15/2015	150,998.68
	999999995	772A	LA5	0.00		02/13/2015	179,884.97
	999999995	772A	LA5	0.00		03/13/2015	163,532.06
						Subtotal	494,415.71
JPM Chase High Yield Savings	999999992	742	RR2	37,595,585.55	0.027	01/30/2015	2,154.69
	999999992	742	RR2	37,595,585.55	0.031	02/27/2015	4,536.69
	999999992	742	RR2	37,595,585.55	0.031	03/31/2015	3,270.21
						Subtotal	9,961.59
WF ADV 100% Tsy MMF	94975H270	103	RR3	3,783,763.43		01/30/2015	0.11
	94975H270	103	RR3	3,783,763.43		02/27/2015	0.10
	94975H270	103	RR3	3,783,763.43	0.010	03/31/2015	0.12
						Subtotal	0.33
						Total	504,377.63



City of Fort Worth, Texas
Amortization Schedule
January 1, 2015 - March 31, 2015
Sorted By Fund - Fund

Investment #	Maturity Date	Beginning Par Value				Ending	Amounts Amortized	Amount Amortized	Amt Amortized	Amount Unamortized
Issuer	Fund	Amort. Date	Current Rate	Purchase Principal	Original Premium or Discount	Book Value	And Unamortized As of 01/01/2015	This Period	Through 03/31/2015	Through 03/31/2015
General Fund										
1292	G	10/01/2015	2,000,000.00	2,160,440.00	160,440.00	2,034,752.35	-108,311.48	-17,376.17	-125,687.65	34,752.35
Columbia County	GA SD		4.000				52,128.52			
1343	G	04/24/2015	3,905,000.00	3,930,187.25	25,187.25	3,906,613.67	-17,259.23	-6,314.35	-23,573.58	1,613.67
Collingswood NJ			1.000				7,928.02			
1293	G	08/01/2015	6,000,000.00	6,574,860.00	574,860.00	6,089,821.87	-417,671.72	-67,366.41	-485,038.13	89,821.87
Douglas County	GA		5.000				157,188.28			
1066	G	01/05/2015	5,000,000.00	4,979,150.00	-20,850.00	0.00	20,803.67	46.33	20,850.00	0.00
FFCB Note			2.900				-46.33			
1367	G	06/23/2015	5,000,000.00	5,013,151.61	13,151.61	5,004,039.07	-4,679.41	-4,433.13	-9,112.54	4,039.07
FFCB Note			0.500				8,472.20			
1256	G	11/27/2017	9,381,000.00	9,371,619.00	-9,381.00	9,376,017.65	3,929.60	469.05	4,398.65	-4,982.35
FFCB Call Note		11/27/2017	0.930				-5,451.40			
1344	G	04/25/2016	20,000,000.00	19,975,000.00	-25,000.00	20,000,000.00	25,000.00	0.00	25,000.00	0.00
FFCB Call Note		07/25/2014	0.390				0.00			
1363	G	08/28/2015	15,000,000.00	14,989,500.00	-10,500.00	14,995,712.50	3,587.50	2,625.00	6,212.50	-4,287.50
FHLB Note			0.125				-6,912.50			
1368	G	07/29/2015	10,000,000.00	9,997,800.00	-2,200.00	9,999,143.23	689.77	653.46	1,343.23	-856.77
FHLB Note			0.125				-1,510.23			
1397	G	06/10/2016	4,460,000.00	4,451,392.20	-8,607.80	4,451,491.37	0.00	99.17	99.17	-8,508.63
FHLB Note			0.250				-8,607.80			
1398	G	06/10/2016	12,640,000.00	12,900,384.00	260,384.00	12,897,384.18	0.00	-2,999.82	-2,999.82	257,384.18
FHLB Note			2.125				260,384.00			
1245	G	10/23/2017	10,000,000.00	9,995,000.00	-5,000.00	9,997,438.89	2,188.89	250.00	2,438.89	-2,561.11
FHLB Call Note		10/23/2017	0.900				-2,811.11			
1249	G	10/24/2016	15,000,000.00	14,986,500.00	-13,500.00	9,996,481.25	7,378.13	653.12	8,031.25	-3,518.75
FHLB Call Note		10/24/2016	0.625				-6,121.87			
1266	G	06/28/2016	7,850,000.00	7,845,682.50	-4,317.50	7,848,468.32	2,477.42	308.40	2,785.82	-1,531.68
FHLB Call Note		06/28/2016	0.500				-1,840.08			
1370	G	09/26/2017	5,000,000.00	4,998,500.00	-1,500.00	0.00	1,500.00	0.00	1,500.00	0.00
FHLB Call Note		12/26/2014	1.270				0.00			
1374	G	07/20/2018	16,000,000.00	16,008,640.00	8,640.00	0.00	-2,777.14	-5,862.86	-8,640.00	0.00
FHLB Call Note		01/20/2015	1.625				5,862.86			
1396	G	03/30/2020	7,375,000.00	7,367,625.00	-7,375.00	7,367,706.94	0.00	81.94	81.94	-7,293.06
FHLB Step Note		06/30/2015	1.250				-7,375.00			

City of Fort Worth, Texas
Amortization Schedule
January 1, 2015 - March 31, 2015

Investment #	Maturity Date	Beginning Par Value				Amounts Amortized				
Issuer	Fund	Amort. Date	Current Rate	Purchase Principal	Original Premium or Discount	Ending Book Value	And Unamortized As of 01/01/2015	Amount Amortized This Period	Amt Amortized Through 03/31/2015	Amount Unamortized Through 03/31/2015
General Fund										
1135 FHLMC Note	G	02/09/2015	15,000,000.00 2.875	15,848,100.00	848,100.00	0.00	-826,897.50 21,202.50	-21,202.50	-848,100.00	0.00
1154 FHLMC Note	G	02/09/2015	10,000,000.00 2.875	10,367,300.00	367,300.00	0.00	-357,824.51 9,475.49	-9,475.49	-367,300.00	0.00
1291 FHLMC Note	G	09/18/2015 09/18/2013	4,250,000.00 0.420	4,251,742.50	1,742.50	4,250,000.00	-1,742.50 0.00	0.00	-1,742.50	0.00
1369 FHLMC Note	G	09/25/2015	3,500,000.00 0.500	3,510,010.00	10,010.00	3,504,851.64	-2,648.89 7,361.11	-2,509.47	-5,158.36	4,851.64
1265 FHLMC Call Note	G	09/20/2016 09/20/2016	25,000,000.00 0.625	24,998,750.00	-1,250.00	24,999,510.19	676.85 -573.15	83.34	760.19	-489.81
1377 FHLMC Call Note	G	05/27/2016 02/27/2015	20,000,000.00 0.500	19,990,000.00	-10,000.00	20,000,000.00	1,111.11 -8,888.89	8,888.89	10,000.00	0.00
1375 FHLMC Step Note	G	03/09/2018 03/30/2015	20,000,000.00 0.750	20,004,000.00	4,000.00	0.00	-44.44 3,955.56	-3,955.56	-4,000.00	0.00
1366 FNMA Note	G	09/28/2015	6,500,000.00 0.500	6,519,578.76	19,578.76	6,509,573.04	-5,138.07 14,440.69	-4,867.65	-10,005.72	9,573.04
1120 FNMA Call Note	G	09/09/2015 09/09/2015	10,000,000.00 1.875	9,992,000.00	-8,000.00	9,999,297.78	6,897.78 -1,102.22	400.00	7,297.78	-702.22
1251 FNMA Call Note	G	11/07/2017 11/07/2017	15,000,000.00 0.900	14,984,250.00	-15,750.00	14,991,810.00	6,772.50 -8,977.50	787.50	7,560.00	-8,190.00
1264 FNMA Call Note	G	12/27/2016 12/27/2016	10,000,000.00 0.650	9,993,000.00	-7,000.00	9,996,956.94	3,519.44 -3,480.56	437.50	3,956.94	-3,043.06
1279 FNMA Step Note	G	02/21/2018 02/21/2018	25,000,000.00 0.700	24,962,500.00	-37,500.00	24,978,333.33	13,958.33 -23,541.67	1,875.00	15,833.33	-21,666.67
1349 Fond Du Lac WI	G	04/01/2015	2,500,000.00 1.250	2,519,725.00	19,725.00	2,500,000.00	-13,174.26 6,550.74	-6,550.74	-19,725.00	0.00
1325 Louisiana State	G	02/01/2017	7,000,000.00 1.000	7,038,640.00	38,640.00	7,024,036.19	-11,326.15 27,313.85	-3,277.66	-14,603.81	24,036.19
1326 Louisiana State	G	02/01/2018	15,000,000.00 1.500	15,167,100.00	167,100.00	15,119,945.11	-36,571.50 130,528.50	-10,583.39	-47,154.89	119,945.11
1336 Madison County TN	G	04/01/2016	1,345,000.00 2.000	1,381,153.60	36,153.60	1,363,279.91	-13,303.71 22,849.89	-4,569.98	-17,873.69	18,279.91
1327 Maryland State	G	03/01/2017	15,130,000.00 0.700	15,059,494.20	-70,505.80	15,084,234.24	18,770.59 -51,735.21	5,969.45	24,740.04	-45,765.76
1372 Massachusetts State	G	11/01/2016	20,000,000.00 0.580	20,007,600.00	7,600.00	20,006,224.14	-393.10 7,206.90	-982.76	-1,375.86	6,224.14
1289 Mansfield ISD TX	G	02/15/2016	1,945,000.00 3.000	2,075,081.60	130,081.60	1,986,892.95	-76,181.12 53,900.48	-12,007.53	-88,188.65	41,892.95

City of Fort Worth, Texas
Amortization Schedule
January 1, 2015 - March 31, 2015

Investment #	Maturity Date	Beginning Par Value				Amounts Amortized				
Issuer	Fund	Amort. Date	Current Rate	Purchase Principal	Original Premium or Discount	Ending Book Value	And Unamortized As of 01/01/2015	Amount Amortized This Period	Amt Amortized Through 03/31/2015	Amount Unamortized Through 03/31/2015
General Fund										
1290	G	02/15/2016	1,055,000.00	1,151,205.45	96,205.45	1,085,983.09	-56,341.86	-8,880.50	-65,222.36	30,983.09
Mansfield ISD TX			4.000				39,863.59			
1296	G	08/01/2017	10,045,000.00	10,003,715.05	-41,284.95	10,019,593.88	13,156.74	2,722.09	15,878.83	-25,406.12
New York NY			1.500				-28,128.21			
1347	G	06/25/2015	1,540,000.00	1,553,767.60	13,767.60	1,543,221.39	-7,094.72	-3,451.49	-10,546.21	3,221.39
Pennsauken Township NJ			1.250				6,672.88			
1348	G	06/25/2015	9,125,000.00	9,206,577.50	81,577.50	9,144,087.77	-42,038.54	-20,451.19	-62,489.73	19,087.77
Pennsauken Township NJ			1.250				39,538.96			
1317	G	01/08/2015	20,000,000.00	19,978,244.44	-21,755.56	0.00	21,327.78	427.78	21,755.56	0.00
T Bill							-427.78			
1318	G	01/08/2015	20,000,000.00	19,978,244.01	-21,755.99	0.00	21,328.20	427.79	21,755.99	0.00
T Bill			0.110				-427.79			
1323	G	02/05/2015	20,000,000.00	19,976,808.33	-23,191.67	0.00	20,955.56	2,236.11	23,191.67	0.00
T Bill							-2,236.11			
1330	G	03/05/2015	20,000,000.00	19,976,466.67	-23,533.33	0.00	19,333.33	4,200.00	23,533.33	0.00
T Bill							-4,200.00			
1381	G	11/12/2015	10,000,000.00	9,982,775.00	-17,225.00	9,987,812.50	162.50	4,875.00	5,037.50	-12,187.50
T Bill							-17,062.50			
1382	G	05/28/2015	10,000,000.00	9,997,083.33	-2,916.67	9,998,891.67	58.33	1,750.01	1,808.34	-1,108.33
T Bill							-2,858.34			
1383	G	12/10/2015	10,000,000.00	9,975,972.20	-24,027.80	9,982,430.54	208.33	6,250.01	6,458.34	-17,569.46
T Bill							-23,819.47			
1387	G	01/07/2016	15,000,000.00	14,965,125.00	-34,875.00	14,972,778.13	0.00	7,653.13	7,653.13	-27,221.87
T Bill							-34,875.00			
1114	G	07/31/2015	10,000,000.00	10,067,187.50	67,187.50	10,004,464.41	-59,402.46	-3,320.63	-62,723.09	4,464.41
T Note			1.750				7,785.04			
1298	G	08/31/2016	20,000,000.00	20,246,093.76	246,093.76	20,122,809.80	-101,946.36	-21,337.60	-123,283.96	122,809.80
T Note			1.000				144,147.40			
1310	G	05/31/2015	15,000,000.00	15,005,859.38	5,859.38	15,000,665.84	-4,194.78	-998.76	-5,193.54	665.84
T Note			0.250				1,664.60			
1311	G	06/30/2015	15,000,000.00	15,373,828.13	373,828.13	15,060,294.86	-253,238.41	-60,294.86	-313,533.27	60,294.86
T Note			1.875				120,589.72			
1312	G	08/31/2015	15,000,000.00	15,024,023.44	24,023.44	15,005,889.62	-14,646.55	-3,487.27	-18,133.82	5,889.62
T Note			0.375				9,376.89			
1319	G	11/30/2015	15,000,000.00	15,280,664.06	280,664.06	15,100,002.00	-143,624.28	-37,037.78	-180,662.06	100,002.00
T Note			1.375				137,039.78			
1341	G	10/15/2015	15,000,000.00	14,997,750.00	-2,250.00	14,999,216.87	1,109.10	357.77	1,466.87	-783.13
T Note			0.250				-1,140.90			

City of Fort Worth, Texas
Amortization Schedule
January 1, 2015 - March 31, 2015

Investment #	Maturity Date	Beginning Par Value				Amounts Amortized				
Issuer	Fund	Amort. Date	Current Rate	Purchase Principal	Original Premium or Discount	Ending Book Value	And Unamortized As of 01/01/2015	Amount Amortized This Period	Amt Amortized Through 03/31/2015	Amount Unamortized Through 03/31/2015
General Fund										
1342 T Note	G	04/15/2015	15,000,000.00 0.375	15,036,952.20	36,952.20	15,001,350.73	-26,918.18 10,034.02	-8,683.29	-35,601.47	1,350.73
1345 T Note	G	12/15/2015	20,000,000.00 0.250	19,989,843.75	-10,156.25	19,995,596.11	4,216.12 -5,940.13	1,536.24	5,752.36	-4,403.89
1354 T Note	G	10/31/2015	10,000,000.00 1.250	10,135,937.50	135,937.50	10,062,268.15	-47,358.87 88,578.63	-26,310.48	-73,669.35	62,268.15
1355 T Note	G	03/31/2015	30,000,000.00 0.250	30,035,156.25	35,156.25	0.00	-22,690.49 12,465.76	-12,465.76	-35,156.25	0.00
1356 T Note	G	03/31/2017	10,000,000.00 1.000	10,037,500.00	37,500.00	10,027,933.67	-6,122.45 31,377.55	-3,443.88	-9,566.33	27,933.67
1357 T Note	G	04/30/2017	15,000,000.00 0.875	14,992,968.75	-7,031.25	14,994,709.16	1,113.86 -5,917.39	626.55	1,740.41	-5,290.84
1360 T Note	G	03/31/2016	25,000,000.00 2.375	25,791,015.63	791,015.63	25,496,937.53	-171,545.56 619,470.07	-122,532.54	-294,078.10	496,937.53
1361 T Note	G	02/29/2016	10,000,000.00 2.625	10,343,359.38	343,359.38	10,208,512.79	-78,660.51 264,698.87	-56,186.08	-134,846.59	208,512.79
1362 T Note	G	05/31/2016	5,000,000.00 1.750	5,113,281.25	113,281.25	5,075,167.93	-22,232.77 91,048.48	-15,880.55	-38,113.32	75,167.93
1384 T Note	G	09/15/2017	20,000,000.00 1.000	20,005,264.40	5,264.40	20,004,780.01	-5.32 5,259.08	-479.07	-484.39	4,780.01
1385 T Note	G	10/15/2016	20,000,000.00 0.625	20,007,812.50	7,812.50	20,006,725.44	-11.95 7,800.55	-1,075.11	-1,087.06	6,725.44
1388 T Note	G	02/15/2016	25,000,000.00 0.375	25,033,203.13	33,203.13	25,030,099.15	0.00 33,203.13	-3,103.98	-3,103.98	30,099.15
1389 T Note	G	02/15/2016	20,000,000.00 0.375	20,026,562.50	26,562.50	20,024,079.32	0.00 26,562.50	-2,483.18	-2,483.18	24,079.32
1301 Washington State	G	08/01/2016	5,000,000.00 3.347	5,360,350.00	360,350.00	5,175,423.94	-152,034.08 208,315.92	-32,891.98	-184,926.06	175,423.94
Subtotal				868,866,055.31	5,320,055.31	679,411,743.05	-2,883,821.44 2,436,233.87	-572,440.82	-3,456,262.26	1,865,743.05
Total				868,866,055.31	5,320,055.31	679,411,743.05	-2,883,821.44 2,436,233.87	-572,440.82	-3,456,262.26	1,865,743.05



**City of Fort Worth, Texas
Projected Cashflow Report
Sorted by Monthly
For the Period April 1, 2015 - October 31, 2015**

Projected Trans. Date	Investment #	Fund	Security ID	Transaction Type	Issuer	Par Value	Original Cost	Principal	Interest	Total
April 2015										
04/01/2015	1292	G	197486LS0	Interest	Columbia County GA SD	0.00	0.00	0.00	40,000.00	40,000.00
04/01/2015	1336	G	557412WM1	Interest	Madison County TN	0.00	0.00	0.00	13,450.00	13,450.00
04/01/2015	1349	G	344496JN5	Maturity	Fond Du Lac WI	2,500,000.00	2,519,725.00	2,500,000.00	15,625.00	2,515,625.00
04/10/2015	1262	G	313381LG8	Call	FHLB Step Note	25,000,000.00	25,000,000.00	25,000,000.00	0.00	25,000,000.00
04/15/2015	1341	G	912828TT7	Interest	T Note	0.00	0.00	0.00	18,750.00	18,750.00
04/15/2015	1342	G	912828SP6	Maturity	T Note	15,000,000.00	15,036,952.20	15,000,000.00	28,125.00	15,028,125.00
04/15/2015	1385	G	912828WA4	Interest	T Note	0.00	0.00	0.00	62,500.00	62,500.00
04/23/2015	1245	G	313380Z34	Interest	FHLB Call Note	0.00	0.00	0.00	45,000.00	45,000.00
04/24/2015	1244	G	3135G0QL0	Interest	FNMA Call Note	0.00	0.00	0.00	50,000.00	50,000.00
04/24/2015	1244	G	3135G0QL0	Call	FNMA Call Note	10,000,000.00	10,000,000.00	10,000,000.00	0.00	10,000,000.00
04/24/2015	1249	G	313380Z26	Interest	FHLB Call Note	0.00	0.00	0.00	31,250.00	31,250.00
04/24/2015	1343	G	194756PV8	Maturity	Collingswood NJ	3,905,000.00	3,930,187.25	3,905,000.00	38,941.53	3,943,941.53
04/25/2015	1344	G	3133EDK84	Interest	FFCB Call Note	0.00	0.00	0.00	39,000.00	39,000.00
04/30/2015	1354	G	912828PE4	Interest	T Note	0.00	0.00	0.00	62,500.00	62,500.00
04/30/2015	1357	G	912828SS0	Interest	T Note	0.00	0.00	0.00	65,625.00	65,625.00
Total for April 2015						56,405,000.00	56,486,864.45	56,405,000.00	510,766.53	56,915,766.53
May 2015										
05/01/2015	1372	G	57582RAL0	Interest	Massachusetts State	0.00	0.00	0.00	58,644.44	58,644.44
05/07/2015	1251	G	3135G0RK1	Interest	FNMA Call Note	0.00	0.00	0.00	67,500.00	67,500.00
05/07/2015	1251	G	3135G0RK1	Call	FNMA Call Note	15,000,000.00	14,984,250.00	15,000,000.00	0.00	15,000,000.00
05/21/2015	1279	G	3136G1CN7	Call	FNMA Step Note	25,000,000.00	24,962,500.00	25,000,000.00	0.00	25,000,000.00
05/22/2015	1307	G	3134G4MK1	Interest	FHLMC Step Note	0.00	0.00	0.00	95,000.00	95,000.00
05/22/2015	1307	G	3134G4MK1	Call	FHLMC Step Note	20,000,000.00	20,000,000.00	20,000,000.00	0.00	20,000,000.00
05/27/2015	1256	G	3133EC4Y7	Interest	FFCB Call Note	0.00	0.00	0.00	43,621.65	43,621.65
05/27/2015	1377	G	3134G4WC8	Interest	FHLMC Call Note	0.00	0.00	0.00	50,000.00	50,000.00
05/27/2015	1377	G	3134G4WC8	Call	FHLMC Call Note	20,000,000.00	19,990,000.00	20,000,000.00	0.00	20,000,000.00
05/28/2015	1359	G	3130A2W77	Call	FHLB Step Note	10,000,000.00	10,000,000.00	10,000,000.00	0.00	10,000,000.00
05/28/2015	1382	G	912796EC9	Maturity	T Bill	10,000,000.00	9,997,083.33	10,000,000.00	0.00	10,000,000.00
05/31/2015	1310	G	912828VD9	Maturity	T Note	15,000,000.00	15,005,859.38	15,000,000.00	18,750.00	15,018,750.00
05/31/2015	1319	G	912828PJ3	Interest	T Note	0.00	0.00	0.00	103,125.00	103,125.00
05/31/2015	1362	G	912828QP8	Interest	T Note	0.00	0.00	0.00	43,750.00	43,750.00

City of Fort Worth, Texas
Projected Cashflow Report
For the Period April 1, 2015 - October 31, 2015

Projected Trans. Date	Investment #	Fund	Security ID	Transaction Type	Issuer	Par Value	Original Cost	Principal	Interest	Total
Total for May 2015						115,000,000.00	114,939,692.71	115,000,000.00	480,391.09	115,480,391.09
June 2015										
06/10/2015	1397	G	313382ZV8	Interest	FHLB Note	0.00	0.00	0.00	5,575.00	5,575.00
06/10/2015	1398	G	313373SZ6	Interest	FHLB Note	0.00	0.00	0.00	134,300.00	134,300.00
06/15/2015	1345	G	912828UC2	Interest	T Note	0.00	0.00	0.00	25,000.00	25,000.00
06/16/2015	1373	G	3130A3KW3	Interest	FHLB Call Note	0.00	0.00	0.00	100,000.00	100,000.00
06/16/2015	1373	G	3130A3KW3	Call	FHLB Call Note	20,000,000.00	20,000,000.00	20,000,000.00	0.00	20,000,000.00
06/18/2015	1258	G	3136G15N5	Interest	FNMA Step Note	0.00	0.00	0.00	140,625.00	140,625.00
06/18/2015	1258	G	3136G15N5	Call	FNMA Step Note	25,000,000.00	25,000,000.00	25,000,000.00	0.00	25,000,000.00
06/19/2015	1390	G	3134G6HM8	Call	FHLMC Call Note	17,100,000.00	17,100,000.00	17,100,000.00	0.00	17,100,000.00
06/23/2015	1367	G	3133EARQ3	Maturity	FFCB Note	5,000,000.00	5,013,151.61	5,000,000.00	12,500.00	5,012,500.00
06/24/2015	1376	G	3130A3TM6	Interest	FHLB Step Note	0.00	0.00	0.00	100,000.00	100,000.00
06/24/2015	1376	G	3130A3TM6	Call	FHLB Step Note	20,000,000.00	20,000,000.00	20,000,000.00	0.00	20,000,000.00
06/25/2015	1347	G	708475RT7	Maturity	Pennsauken Township NJ	1,540,000.00	1,553,767.60	1,540,000.00	19,196.53	1,559,196.53
06/25/2015	1348	G	708475RS9	Maturity	Pennsauken Township NJ	9,125,000.00	9,206,577.50	9,125,000.00	113,745.66	9,238,745.66
06/25/2015	1392	G	3134G6HW6	Call	FHLMC Step Note	5,000,000.00	5,000,000.00	5,000,000.00	0.00	5,000,000.00
06/26/2015	1393	G	3130A4H21	Call	FHLB Call Note	5,000,000.00	5,000,000.00	5,000,000.00	0.00	5,000,000.00
06/26/2015	1399	G	3130A4SS2	Call	FHLB Step Note	20,000,000.00	20,000,000.00	20,000,000.00	0.00	20,000,000.00
06/27/2015	1264	G	3136G17H6	Interest	FNMA Call Note	0.00	0.00	0.00	32,500.00	32,500.00
06/27/2015	1264	G	3136G17H6	Call	FNMA Call Note	10,000,000.00	9,993,000.00	10,000,000.00	0.00	10,000,000.00
06/27/2015	1268	G	313381N27	Interest	FHLB Call Note	0.00	0.00	0.00	67,500.00	67,500.00
06/27/2015	1268	G	313381N27	Call	FHLB Call Note	25,000,000.00	25,000,000.00	25,000,000.00	0.00	25,000,000.00
06/28/2015	1266	G	313381KQ7	Interest	FHLB Call Note	0.00	0.00	0.00	19,625.00	19,625.00
06/28/2015	1378	G	3130A3U51	Interest	FHLB Step Note	0.00	0.00	0.00	108,159.72	108,159.72
06/29/2015	1401	G	3134G6PZ0	Call	FHLMC Step Note	20,000,000.00	20,000,000.00	20,000,000.00	0.00	20,000,000.00
06/30/2015	1311	G	912828NL0	Maturity	T Note	15,000,000.00	15,373,828.13	15,000,000.00	140,625.00	15,140,625.00
06/30/2015	1379	G	3130A3U44	Interest	FHLB Step Note	0.00	0.00	0.00	75,000.00	75,000.00
06/30/2015	1380	G	3130A3Q23	Interest	FHLB Call Note	0.00	0.00	0.00	80,000.00	80,000.00
06/30/2015	1380	G	3130A3Q23	Call	FHLB Call Note	20,000,000.00	20,000,000.00	20,000,000.00	0.00	20,000,000.00
06/30/2015	1394	G	3134G6QL0	Call	FHLMC Step Note	20,000,000.00	20,000,000.00	20,000,000.00	0.00	20,000,000.00
06/30/2015	1395	G	3130A4L91	Interest	FHLB Step Note	0.00	0.00	0.00	6,562.50	6,562.50
06/30/2015	1395	G	3130A4L91	Call	FHLB Step Note	2,625,000.00	2,625,000.00	2,625,000.00	0.00	2,625,000.00
06/30/2015	1396	G	3130A4S86	Call	FHLB Step Note	7,375,000.00	7,367,625.00	7,375,000.00	0.00	7,375,000.00
06/30/2015	1402	G	3130A4SR4	Call	FHLB Step Note	15,000,000.00	15,000,000.00	15,000,000.00	0.00	15,000,000.00
Total for June 2015						262,765,000.00	263,232,949.84	262,765,000.00	1,180,914.41	263,945,914.41
July 2015										
07/10/2015	1262	G	313381LG8	Interest	FHLB Step Note	0.00	0.00	0.00	143,750.00	143,750.00

City of Fort Worth, Texas
Projected Cashflow Report
For the Period April 1, 2015 - October 31, 2015

Projected Trans. Date	Investment #	Fund	Security ID	Transaction Type	Issuer	Par Value	Original Cost	Principal	Interest	Total
July 2015										
07/26/2015	1371	G	3134G5RT4	Interest	FHLMC Step Note	0.00	0.00	0.00	50,000.00	50,000.00
07/26/2015	1371	G	3134G5RT4	Call	FHLMC Step Note	20,000,000.00	20,000,000.00	20,000,000.00	0.00	20,000,000.00
07/29/2015	1368	G	3130A2QH2	Maturity	FHLB Note	10,000,000.00	9,997,800.00	10,000,000.00	6,250.00	10,006,250.00
07/29/2015	1386	G	3130A3W42	Interest	FHLB Note	0.00	0.00	0.00	17,500.00	17,500.00
07/31/2015	1114	G	912828NP1	Maturity	T Note	10,000,000.00	10,067,187.50	10,000,000.00	87,500.00	10,087,500.00
Total for July 2015						40,000,000.00	40,064,987.50	40,000,000.00	305,000.00	40,305,000.00
August 2015										
08/01/2015	1293	G	259003CL3	Maturity	Douglas County GA	6,000,000.00	6,574,860.00	6,000,000.00	150,000.00	6,150,000.00
08/01/2015	1296	G	64966K2L6	Interest	New York NY	0.00	0.00	0.00	75,337.50	75,337.50
08/01/2015	1301	G	93974CQU7	Interest	Washington State	0.00	0.00	0.00	83,675.00	83,675.00
08/01/2015	1325	G	546415S43	Interest	Louisiana State	0.00	0.00	0.00	35,000.00	35,000.00
08/01/2015	1326	G	546415S50	Interest	Louisiana State	0.00	0.00	0.00	112,500.00	112,500.00
08/15/2015	1289	G	564386GF1	Interest	Mansfield ISD TX	0.00	0.00	0.00	29,175.00	29,175.00
08/15/2015	1290	G	564386HT0	Interest	Mansfield ISD TX	0.00	0.00	0.00	21,100.00	21,100.00
08/15/2015	1388	G	912828UM0	Interest	T Note	0.00	0.00	0.00	46,875.00	46,875.00
08/15/2015	1389	G	912828UM0	Interest	T Note	0.00	0.00	0.00	37,500.00	37,500.00
08/21/2015	1279	G	3136G1CN7	Interest	FNMA Step Note	0.00	0.00	0.00	87,500.00	87,500.00
08/28/2015	1359	G	3130A2W77	Interest	FHLB Step Note	0.00	0.00	0.00	43,750.00	43,750.00
08/28/2015	1363	G	3130A2WK8	Maturity	FHLB Note	15,000,000.00	14,989,500.00	15,000,000.00	9,375.00	15,009,375.00
08/31/2015	1298	G	912828RF9	Interest	T Note	0.00	0.00	0.00	100,000.00	100,000.00
08/31/2015	1312	G	912828VU1	Maturity	T Note	15,000,000.00	15,024,023.44	15,000,000.00	28,125.00	15,028,125.00
08/31/2015	1361	G	912828KS8	Interest	T Note	0.00	0.00	0.00	131,250.00	131,250.00
Total for August 2015						36,000,000.00	36,588,383.44	36,000,000.00	991,162.50	36,991,162.50
September 2015										
09/01/2015	1327	G	574193JA7	Interest	Maryland State	0.00	0.00	0.00	52,955.00	52,955.00
09/09/2015	1120	G	3136FPDY0	Maturity	FNMA Call Note	10,000,000.00	9,992,000.00	10,000,000.00	93,750.00	10,093,750.00
09/15/2015	1384	G	912828D98	Interest	T Note	0.00	0.00	0.00	100,000.00	100,000.00
09/18/2015	1291	G	3134G36F2	Maturity	FHLMC Note	4,250,000.00	4,251,742.50	4,250,000.00	8,925.00	4,258,925.00
09/19/2015	1390	G	3134G6HM8	Interest	FHLMC Call Note	0.00	0.00	0.00	145,350.00	145,350.00
09/20/2015	1265	G	3134G32D1	Interest	FHLMC Call Note	0.00	0.00	0.00	78,125.00	78,125.00
09/24/2015	1391	G	3130A4JJ2	Interest	FHLB Step Note	0.00	0.00	0.00	56,250.00	56,250.00
09/25/2015	1369	G	3134G3L24	Maturity	FHLMC Note	3,500,000.00	3,510,010.00	3,500,000.00	8,750.00	3,508,750.00
09/25/2015	1392	G	3134G6HW6	Interest	FHLMC Step Note	0.00	0.00	0.00	31,250.00	31,250.00
09/26/2015	1393	G	3130A4H21	Interest	FHLB Call Note	0.00	0.00	0.00	37,500.00	37,500.00
09/26/2015	1399	G	3130A4SS2	Interest	FHLB Step Note	0.00	0.00	0.00	73,333.33	73,333.33
09/28/2015	1366	G	3135G0NV1	Maturity	FNMA Note	6,500,000.00	6,519,578.76	6,500,000.00	16,250.00	6,516,250.00

City of Fort Worth, Texas
 Projected Cashflow Report
 For the Period April 1, 2015 - October 31, 2015

Projected Trans. Date	Investment #	Fund	Security ID	Transaction Type	Issuer	Par Value	Original Cost	Principal	Interest	Total
September 2015										
09/29/2015	1400	G	3130A4ST0	Interest	FHLB Step Note	0.00	0.00	0.00	69,611.11	69,611.11
09/29/2015	1401	G	3134G6PZ0	Interest	FHLMC Step Note	0.00	0.00	0.00	99,444.44	99,444.44
09/30/2015	1356	G	912828SM3	Interest	T Note	0.00	0.00	0.00	50,000.00	50,000.00
09/30/2015	1360	G	912828KT6	Interest	T Note	0.00	0.00	0.00	296,875.00	296,875.00
09/30/2015	1394	G	3134G6QL0	Interest	FHLMC Step Note	0.00	0.00	0.00	100,000.00	100,000.00
09/30/2015	1395	G	3130A4L91	Interest	FHLB Step Note	0.00	0.00	0.00	6,562.50	6,562.50
09/30/2015	1396	G	3130A4S86	Interest	FHLB Step Note	0.00	0.00	0.00	46,093.75	46,093.75
09/30/2015	1402	G	3130A4SR4	Interest	FHLB Step Note	0.00	0.00	0.00	52,500.00	52,500.00
09/30/2015	1403	G	3130A4SP8	Interest	FHLB Step Note	0.00	0.00	0.00	125,000.00	125,000.00
Total for September 2015						24,250,000.00	24,273,331.26	24,250,000.00	1,548,525.13	25,798,525.13
October 2015										
10/01/2015	1292	G	197486LS0	Maturity	Columbia County GA SD	2,000,000.00	2,160,440.00	2,000,000.00	40,000.00	2,040,000.00
10/01/2015	1336	G	557412WM1	Interest	Madison County TN	0.00	0.00	0.00	13,450.00	13,450.00
10/15/2015	1341	G	912828TT7	Maturity	T Note	15,000,000.00	14,997,750.00	15,000,000.00	18,750.00	15,018,750.00
10/15/2015	1385	G	912828WA4	Interest	T Note	0.00	0.00	0.00	62,500.00	62,500.00
10/23/2015	1245	G	313380Z34	Interest	FHLB Call Note	0.00	0.00	0.00	45,000.00	45,000.00
10/24/2015	1244	G	3135G0QL0	Interest	FNMA Call Note	0.00	0.00	0.00	50,000.00	50,000.00
10/24/2015	1249	G	313380Z26	Interest	FHLB Call Note	0.00	0.00	0.00	31,250.00	31,250.00
10/25/2015	1344	G	3133EDK84	Interest	FFCB Call Note	0.00	0.00	0.00	39,000.00	39,000.00
10/31/2015	1354	G	912828PE4	Maturity	T Note	10,000,000.00	10,135,937.50	10,000,000.00	62,500.00	10,062,500.00
10/31/2015	1357	G	912828SS0	Interest	T Note	0.00	0.00	0.00	65,625.00	65,625.00
Total for October 2015						27,000,000.00	27,294,127.50	27,000,000.00	428,075.00	27,428,075.00
GRAND TOTALS:						561,420,000.00	562,880,336.70	561,420,000.00	5,444,834.66	566,864,834.66



**City of Fort Worth, Texas
Texas Compliance Change in Val Report
Sorted by Fund
January 1, 2015 - March 31, 2015**

Inv #	Issuer	Fund	Purch Date	Interest Accrual	Beginning Book Value	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Book Value	Ending Market Value
Cusip	Par Value	YTM	Mat Date	Interest Received							
Fund: General Fund											
742	MOR	G	10/01/2006	9,961.59	127,588,894.17	435,009,961.59	440,000,000.00	-4,990,038.41	122,598,855.76		
999999992	122,598,855.76	0.031	/ /	9,961.59	127,588,894.17	435,009,961.59	440,000,000.00	-4,990,038.41	122,598,855.76		
772	MS	G	10/01/2014	0.00	0.00	494,415.71	0.00	0.00	0.00		0.00
999999994	0.00	5.000	/ /	0.00	0.00	494,415.71	0.00	0.00	0.00		0.00
772A	CITB	G	10/01/2014	343,417.03	0.00	494,415.71	0.00	0.00	0.00		0.00
999999995	0.00	0.000	/ /	494,415.71	0.00	494,415.71	0.00	0.00	0.00		0.00
1066	FFCB	G	01/05/2010	1,611.11	4,999,953.67	0.00	5,000,000.00	-4,999,953.67	0.00		0.00
31331JAV5	0.00	0.000	01/05/2015	72,500.00	5,001,155.00	0.00	5,000,000.00	-5,001,155.00	0.00		0.00
1317	TBILL	G	01/17/2014	0.00	19,999,572.22	0.00	20,000,000.00	-19,999,572.22	0.00		0.00
912796DF3	0.00	0.000	01/08/2015	0.00	19,999,960.00	0.00	20,000,000.00	-19,999,960.00	0.00		0.00
1318	TBILL	G	01/17/2014	0.00	19,999,572.21	0.00	20,000,000.00	-19,999,572.21	0.00		0.00
912796DF3	0.00	0.000	01/08/2015	0.00	19,999,960.00	0.00	20,000,000.00	-19,999,960.00	0.00		0.00
1323	TBILL	G	02/07/2014	0.00	19,997,763.89	0.00	20,000,000.00	-19,997,763.89	0.00		0.00
912796DG1	0.00	0.000	02/05/2015	0.00	19,999,520.00	0.00	20,000,000.00	-19,999,520.00	0.00		0.00
1135	FHLMC	G	11/19/2010	45,520.83	15,021,202.50	0.00	15,000,000.00	-15,021,202.50	0.00		0.00
3137EACH0	0.00	0.000	02/09/2015	215,625.00	15,033,150.00	0.00	15,000,000.00	-15,033,150.00	0.00		0.00
1154	FHLMC	G	01/06/2011	30,347.22	10,009,475.49	0.00	10,000,000.00	-10,009,475.49	0.00		0.00
3137EACH0	0.00	0.000	02/09/2015	143,750.00	10,022,100.00	0.00	10,000,000.00	-10,022,100.00	0.00		0.00
1330	TBILL	G	03/17/2014	0.00	19,995,800.00	0.00	20,000,000.00	-19,995,800.00	0.00		0.00
912796DP1	0.00	0.000	03/05/2015	0.00	19,999,400.00	0.00	20,000,000.00	-19,999,400.00	0.00		0.00
1355	TNOTE	G	07/23/2014	18,337.91	30,012,465.76	0.00	30,000,000.00	-30,012,465.76	0.00		0.00
912828UT5	0.00	0.000	03/31/2015	37,500.00	30,010,560.00	0.00	30,000,000.00	-30,010,560.00	0.00		0.00

City of Fort Worth, Texas
Texas Compliance Change in Val Report
January 1, 2015 - March 31, 2015

Inv #	Issuer	Fund	Purch Date	Interest Accrual	Beginning Book Value	Purchases/ Additions	Redemptions	Change in Value	Ending Book Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value				Ending Market Value
1349	FONDDU	G	06/30/2014	7,812.50	2,506,550.74	0.00	0.00	-6,550.74	2,500,000.00
344496JN5	2,500,000.00	0.200	04/01/2015	0.00	2,504,975.00	0.00	0.00	-4,975.00	2,500,000.00
1342	TNOTE	G	03/28/2014	13,907.97	15,010,034.02	0.00	0.00	-8,683.29	15,001,350.73
912828SP6	15,000,000.00	0.140	04/15/2015	0.00	15,011,715.00	0.00	0.00	-10,545.00	15,001,170.00
1343	COLLNJ	G	04/25/2014	9,762.50	3,912,928.02	0.00	0.00	-6,314.35	3,906,613.67
194756PV8	3,905,000.00	0.350	04/24/2015	0.00	3,912,146.15	0.00	0.00	-5,506.05	3,906,640.10
1382	TBILL	G	12/29/2014	0.00	9,997,141.66	0.00	0.00	1,750.01	9,998,891.67
912796EC9	10,000,000.00	0.070	05/28/2015	0.00	9,997,360.00	0.00	0.00	2,130.00	9,999,490.00
1310	TNOTE	G	12/19/2013	9,271.98	15,001,664.60	0.00	0.00	-998.76	15,000,665.84
912828VD9	15,000,000.00	0.222	05/31/2015	0.00	15,009,375.00	0.00	0.00	-8,205.00	15,001,170.00
1367	FFCB	G	09/26/2014	6,250.00	5,008,472.20	0.00	0.00	-4,433.13	5,004,039.07
3133EARQ3	5,000,000.00	0.145	06/23/2015	0.00	5,006,450.00	0.00	0.00	-2,415.00	5,004,035.00
1347	PENNTW	G	06/26/2014	4,812.50	1,546,672.88	0.00	0.00	-3,451.49	1,543,221.39
708475RT7	1,540,000.00	0.350	06/25/2015	0.00	1,546,637.40	0.00	0.00	-3,234.00	1,543,403.40
1348	PENNTW	G	06/26/2014	28,515.63	9,164,538.96	0.00	0.00	-20,451.19	9,144,087.77
708475RS9	9,125,000.00	0.350	06/25/2015	0.00	9,164,328.75	0.00	0.00	-19,162.50	9,145,166.25
1311	TNOTE	G	12/19/2013	69,924.04	15,120,589.72	0.00	0.00	-60,294.86	15,060,294.86
912828NL0	15,000,000.00	0.244	06/30/2015	0.00	15,128,910.00	0.00	0.00	-64,455.00	15,064,455.00
1368	FHLB	G	09/26/2014	3,125.00	9,998,489.77	0.00	0.00	653.46	9,999,143.23
3130A2QH2	10,000,000.00	0.151	07/29/2015	4,270.83	9,992,010.00	0.00	0.00	6,870.00	9,998,880.00
1114	TNOTE	G	08/05/2010	43,271.82	10,007,785.04	0.00	0.00	-3,320.63	10,004,464.41
912828NP1	10,000,000.00	1.609	07/31/2015	87,500.00	10,091,800.00	0.00	0.00	-36,330.00	10,055,470.00
1293	DCGA	G	06/13/2013	75,000.00	6,157,188.28	0.00	0.00	-67,366.41	6,089,821.87
259003CL3	6,000,000.00	0.480	08/01/2015	150,000.00	6,165,540.00	0.00	0.00	-71,880.00	6,093,660.00
1363	FHLB	G	08/28/2014	4,687.50	14,993,087.50	0.00	0.00	2,625.00	14,995,712.50
3130A2WK8	15,000,000.00	0.195	08/28/2015	9,375.00	14,987,970.00	0.00	0.00	8,460.00	14,996,430.00

Portfolio FORT

City of Fort Worth, Texas
Texas Compliance Change in Val Report
January 1, 2015 - March 31, 2015

Inv #	Issuer	Fund	Purch Date	Interest Accrual	Beginning Book Value				Ending Book Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Market Value
1312	TNOTE	G	12/19/2013	13,903.73	15,009,376.89	0.00	0.00	-3,487.27	15,005,889.62
912828VU1	15,000,000.00	0.280	08/31/2015	28,125.00	15,019,920.00	0.00	0.00	-3,510.00	15,016,410.00
1120	FNMAC	G	09/09/2010	46,875.00	9,998,897.78	0.00	0.00	400.00	9,999,297.78
3136FPDY0	10,000,000.00	1.891	09/09/2015	93,750.00	10,111,030.00	0.00	0.00	-38,420.00	10,072,610.00
1291	FHLMC	G	05/16/2013	4,462.50	4,250,000.00	0.00	0.00	0.00	4,250,000.00
3134G36F2	4,250,000.00	0.402	09/18/2015	8,925.00	4,253,795.25	0.00	0.00	459.00	4,254,254.25
1369	FHLMC	G	09/26/2014	4,375.00	3,507,361.11	0.00	0.00	-2,509.47	3,504,851.64
3134G3L24	3,500,000.00	0.212	09/25/2015	8,701.39	3,506,559.00	0.00	0.00	-2,345.00	3,504,214.00
1366	FNMA	G	09/26/2014	8,125.00	6,514,440.69	0.00	0.00	-4,867.65	6,509,573.04
3135G0NV1	6,500,000.00	0.200	09/28/2015	16,250.00	6,511,706.50	0.00	0.00	-2,593.50	6,509,113.00
1292	CCGASD	G	06/10/2013	20,000.00	2,052,128.52	0.00	0.00	-17,376.17	2,034,752.35
197486LS0	2,000,000.00	0.500	10/01/2015	0.00	2,056,480.00	0.00	0.00	-18,780.00	2,037,700.00
1341	TNOTE	G	03/28/2014	9,271.98	14,998,859.10	0.00	0.00	357.77	14,999,216.87
912828TT7	15,000,000.00	0.259	10/15/2015	0.00	15,001,170.00	0.00	0.00	5,865.00	15,007,035.00
1354	TNOTE	G	07/23/2014	31,077.35	10,088,578.63	0.00	0.00	-26,310.48	10,062,268.15
912828PE4	10,000,000.00	0.179	10/31/2015	0.00	10,080,468.75	0.00	0.00	-18,748.75	10,061,720.00
1381	TBILL	G	12/29/2014	0.00	9,982,937.50	0.00	0.00	4,875.00	9,987,812.50
912796FG9	10,000,000.00	0.197	11/12/2015	0.00	9,984,740.00	0.00	0.00	5,570.00	9,990,310.00
1319	TNOTE	G	01/17/2014	50,995.88	15,137,039.78	0.00	0.00	-37,037.78	15,100,002.00
912828PJ3	15,000,000.00	0.368	11/30/2015	0.00	15,150,000.00	0.00	0.00	-33,990.00	15,116,010.00
1383	TBILL	G	12/29/2014	0.00	9,976,180.53	0.00	0.00	6,250.01	9,982,430.54
912796FN4	10,000,000.00	0.253	12/10/2015	0.00	9,979,340.00	0.00	0.00	8,890.00	9,988,230.00
1345	TNOTE	G	04/29/2014	12,362.64	19,994,059.87	0.00	0.00	1,536.24	19,995,596.11
912828UC2	20,000,000.00	0.281	12/15/2015	0.00	20,001,560.00	0.00	0.00	3,120.00	20,004,680.00
1387	TBILL	G	01/12/2015	0.00	0.00	14,965,125.00	0.00	14,972,778.13	14,972,778.13
912796FP9	15,000,000.00	0.236	01/07/2016	0.00	0.00	14,965,125.00	0.00	14,978,625.00	14,978,625.00

Portfolio FORT

City of Fort Worth, Texas
Texas Compliance Change in Val Report
January 1, 2015 - March 31, 2015

Inv #	Issuer	Fund	Purch Date	Interest Accrual	Beginning Book Value	Purchases/ Additions	Redemptions	Change in Value	Ending Book Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value				Ending Market Value
1289	MISDTX	G	05/30/2013	14,587.50	1,998,900.48	0.00	0.00	-12,007.53	1,986,892.95
564386GF1	1,945,000.00	0.510	02/15/2016	29,175.00	1,995,628.35	0.00	0.00	-6,574.10	1,989,054.25
1290	MISDTX	G	05/30/2013	10,550.00	1,094,863.59	0.00	0.00	-8,880.50	1,085,983.09
564386HT0	1,055,000.00	0.600	02/15/2016	21,100.00	1,092,526.35	0.00	0.00	-8,619.35	1,083,907.00
1389	TNOTE	G	02/27/2015	6,837.01	0.00	20,026,562.50	0.00	20,024,079.32	20,024,079.32
912828UM0	20,000,000.00	0.237	02/15/2016	0.00	0.00	20,026,562.50	0.00	20,020,320.00	20,020,320.00
1388	TNOTE	G	02/27/2015	8,546.28	0.00	25,033,203.13	0.00	25,030,099.15	25,030,099.15
912828UM0	25,000,000.00	0.237	02/15/2016	0.00	0.00	25,033,203.13	0.00	25,025,400.00	25,025,400.00
1361	TNOTE	G	08/28/2014	64,884.10	10,264,698.87	0.00	0.00	-56,186.08	10,208,512.79
912828KS8	10,000,000.00	0.340	02/29/2016	131,250.00	10,260,160.00	0.00	0.00	-46,100.00	10,214,060.00
1386	FHLB	G	01/29/2015	6,027.78	0.00	10,000,000.00	0.00	10,000,000.00	10,000,000.00
3130A3W42	10,000,000.00	0.350	02/29/2016	0.00	0.00	10,000,000.00	0.00	10,000,110.00	10,000,110.00
1360	TNOTE	G	08/28/2014	146,797.41	25,619,470.07	0.00	0.00	-122,532.54	25,496,937.53
912828KT6	25,000,000.00	0.377	03/31/2016	296,875.00	25,617,200.00	0.00	0.00	-103,525.00	25,513,675.00
1336	MADICO	G	04/09/2014	6,725.00	1,367,849.89	0.00	0.00	-4,569.98	1,363,279.91
557412WM1	1,345,000.00	0.630	04/01/2016	0.00	1,364,637.00	0.00	0.00	712.85	1,365,349.85
1344	FFCBC	G	04/25/2014	19,500.00	20,000,000.00	0.00	0.00	0.00	20,000,000.00
3133EDK84	20,000,000.00	0.452	04/25/2016	0.00	19,943,000.00	0.00	0.00	48,500.00	19,991,500.00
1377	FHLMCC	G	12/24/2014	25,000.00	19,991,111.11	0.00	0.00	8,888.89	20,000,000.00
3134G4WC8	20,000,000.00	0.535	05/27/2016	0.00	20,004,260.00	0.00	0.00	-12,980.00	19,991,280.00
1362	TNOTE	G	08/28/2014	21,634.61	5,091,048.48	0.00	0.00	-15,880.55	5,075,167.93
912828QP8	5,000,000.00	0.453	05/31/2016	0.00	5,091,015.00	0.00	0.00	-9,765.00	5,081,250.00
1397	FHLB	G	03/26/2015	154.86	0.00	4,451,392.20	0.00	4,451,491.37	4,451,491.37
313382ZV8	4,460,000.00	0.410	06/10/2016	0.00	0.00	4,451,392.20	0.00	4,450,205.84	4,450,205.84
1398	FHLB	G	03/26/2015	3,730.55	0.00	12,900,384.00	0.00	12,897,384.18	12,897,384.18
313373SZ6	12,640,000.00	0.410	06/10/2016	0.00	0.00	12,900,384.00	0.00	12,895,985.28	12,895,985.28

Portfolio FORT

City of Fort Worth, Texas
Texas Compliance Change in Val Report
January 1, 2015 - March 31, 2015

Inv #	Issuer	Fund	Purch Date	Interest Accrual	Beginning Book Value	Purchases/ Additions	Redemptions	Change in Value	Ending Book Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value				Ending Market Value
1267	FHLBC	G	12/28/2012	22,795.21	17,150,000.00	0.00	17,150,000.00	-17,150,000.00	0.00
313381MR3	0.00	0.000	06/28/2016	23,581.25	17,100,796.65	0.00	17,150,000.00	-17,100,796.65	0.00
1266	FHLBC	G	12/28/2012	9,812.50	7,848,159.92	0.00	0.00	308.40	7,848,468.32
313381KQ7	7,850,000.00	0.515	06/28/2016	0.00	7,821,740.00	0.00	0.00	25,002.25	7,846,742.25
1268	FHLBC	G	12/27/2012	33,750.00	25,000,000.00	0.00	0.00	0.00	25,000,000.00
313381N27	25,000,000.00	0.540	07/27/2016	0.00	24,918,550.00	0.00	0.00	85,425.00	25,003,975.00
1301	WASHST	G	11/05/2013	41,837.50	5,208,315.92	0.00	0.00	-32,891.98	5,175,423.94
93974CQU7	5,000,000.00	0.686	08/01/2016	83,675.00	5,192,600.00	0.00	0.00	-19,800.00	5,172,800.00
1298	TNOTE	G	10/28/2013	49,435.50	20,144,147.40	0.00	0.00	-21,337.60	20,122,809.80
912828RF9	20,000,000.00	0.562	08/31/2016	100,000.00	20,150,000.00	0.00	0.00	15,620.00	20,165,620.00
1265	FHLMCC	G	12/20/2012	39,062.50	24,999,426.85	0.00	0.00	83.34	24,999,510.19
3134G32D1	25,000,000.00	0.626	09/20/2016	78,125.00	24,917,525.00	0.00	0.00	49,850.00	24,967,375.00
1385	TNOTE	G	12/31/2014	30,906.60	20,007,800.55	0.00	0.00	-1,075.11	20,006,725.44
912828WA4	20,000,000.00	0.602	10/15/2016	0.00	20,006,240.00	0.00	0.00	46,880.00	20,053,120.00
1249	FHLBC	G	10/24/2012	18,142.36	14,993,878.13	0.00	5,000,000.00	-4,997,396.88	9,996,481.25
313380Z26	10,000,000.00	0.647	10/24/2016	8,333.33	14,919,360.00	0.00	5,000,000.00	-4,928,630.00	9,990,730.00
1372	MASST	G	11/25/2014	29,000.00	20,007,206.90	0.00	0.00	-982.76	20,006,224.14
57582RAL0	20,000,000.00	0.560	11/01/2016	0.00	19,915,200.00	0.00	0.00	5,400.00	19,920,600.00
1264	FNMAC	G	12/27/2012	16,250.00	9,996,519.44	0.00	0.00	437.50	9,996,956.94
3136G17H6	10,000,000.00	0.667	12/27/2016	0.00	9,978,860.00	0.00	0.00	31,860.00	10,010,720.00
1380	FHLBC	G	12/30/2014	40,000.00	20,000,000.00	0.00	0.00	0.00	20,000,000.00
3130A3Q23	20,000,000.00	0.800	12/30/2016	0.00	19,980,940.00	0.00	0.00	45,540.00	20,026,480.00
1325	LASTAT	G	02/20/2014	17,500.00	7,027,313.85	0.00	0.00	-3,277.66	7,024,036.19
546415S43	7,000,000.00	0.810	02/01/2017	35,000.00	7,017,780.00	0.00	0.00	15,540.00	7,033,320.00
1327	MARYST	G	03/18/2014	26,477.50	15,078,264.79	0.00	0.00	5,969.45	15,084,234.24
574193JA7	15,130,000.00	0.860	03/01/2017	52,955.00	15,033,470.60	0.00	0.00	50,988.10	15,084,458.70

Portfolio FORT

City of Fort Worth, Texas
Texas Compliance Change in Val Report
January 1, 2015 - March 31, 2015

Inv #	Issuer	Fund	Purch Date	Interest Accrual	Beginning Book Value	Purchases/ Additions	Redemptions	Change in Value	Ending Book Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value				Ending Market Value
1356	TNOTE	G	07/25/2014	24,723.77	10,031,377.55	0.00	0.00	-3,443.88	10,027,933.67
912828SM3	10,000,000.00	0.858	03/31/2017	50,000.00	10,042,190.00	0.00	0.00	41,400.00	10,083,590.00
1357	TNOTE	G	07/25/2014	32,631.22	14,994,082.61	0.00	0.00	626.55	14,994,709.16
912828SS0	15,000,000.00	0.892	04/30/2017	0.00	15,017,578.13	0.00	0.00	67,966.87	15,085,545.00
1307	FHLMCS	G	11/22/2013	47,500.00	20,000,000.00	0.00	0.00	0.00	20,000,000.00
3134G4MK1	20,000,000.00	0.878	05/22/2017	0.00	20,021,860.00	0.00	0.00	280.00	20,022,140.00
1373	FHLBC	G	11/26/2014	45,000.00	20,000,000.00	0.00	0.00	0.00	20,000,000.00
3130A3KW3	20,000,000.00	0.899	06/16/2017	0.00	19,932,500.00	0.00	0.00	92,340.00	20,024,840.00
1371	FHLMCS	G	11/26/2014	25,000.00	20,000,000.00	0.00	0.00	0.00	20,000,000.00
3134G5RT4	20,000,000.00	0.500	07/26/2017	16,666.67	19,972,440.00	0.00	0.00	48,920.00	20,021,360.00
1296	NYNY	G	10/16/2013	37,668.75	10,016,871.79	0.00	0.00	2,722.09	10,019,593.88
64966K2L6	10,045,000.00	1.612	08/01/2017	75,337.50	10,071,518.80	0.00	0.00	29,532.30	10,101,051.10
1258	FNMAS	G	12/18/2012	70,312.50	25,000,000.00	0.00	0.00	0.00	25,000,000.00
3136G15N5	25,000,000.00	0.857	08/18/2017	0.00	24,960,600.00	0.00	0.00	71,800.00	25,032,400.00
1359	FHLBS	G	08/28/2014	21,875.00	10,000,000.00	0.00	0.00	0.00	10,000,000.00
3130A2W77	10,000,000.00	1.164	08/28/2017	43,750.00	10,004,780.00	0.00	0.00	6,190.00	10,010,970.00
1384	TNOTE	G	12/31/2014	49,570.62	20,005,259.08	0.00	0.00	-479.07	20,004,780.01
912828D98	20,000,000.00	0.990	09/15/2017	40,883.98	20,010,937.50	0.00	0.00	126,562.50	20,137,500.00
1365	FHLBS	G	09/24/2014	11,483.33	10,600,000.00	0.00	10,600,000.00	-10,600,000.00	0.00
3130A26D3	0.00	0.000	09/19/2017	13,250.00	10,597,403.00	0.00	10,600,000.00	-10,597,403.00	0.00
1370	FHLBC	G	09/26/2014	3,704.17	5,000,000.00	0.00	5,000,000.00	-5,000,000.00	0.00
3130A35K6	0.00	0.000	09/26/2017	20,461.11	5,000,430.00	0.00	5,000,000.00	-5,000,430.00	0.00
1245	FHLBC	G	10/23/2012	22,500.00	9,997,188.89	0.00	0.00	250.00	9,997,438.89
313380Z34	10,000,000.00	0.910	10/23/2017	0.00	9,919,380.00	0.00	0.00	63,160.00	9,982,540.00
1244	FNMAC	G	10/24/2012	25,000.00	10,000,000.00	0.00	0.00	0.00	10,000,000.00
3135G0QL0	10,000,000.00	1.000	10/24/2017	0.00	9,936,070.00	0.00	0.00	35,850.00	9,971,920.00

Portfolio FORT

City of Fort Worth, Texas
Texas Compliance Change in Val Report
January 1, 2015 - March 31, 2015

Inv #	Issuer	Fund	Purch Date	Interest Accrual	Beginning Book Value				Ending Book Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Market Value
1251	FNMAC	G	11/07/2012	33,750.00	14,991,022.50	0.00	0.00	787.50	14,991,810.00
3135G0RK1	15,000,000.00	0.921	11/07/2017	0.00	14,897,970.00	0.00	0.00	-13,830.00	14,884,140.00
1256	FFCBC	G	11/27/2012	21,810.82	9,375,548.60	0.00	0.00	469.05	9,376,017.65
3133EC4Y7	9,381,000.00	0.950	11/27/2017	0.00	9,320,464.41	0.00	0.00	57,833.86	9,378,298.27
1262	FHLBS	G	01/10/2013	67,812.50	25,000,000.00	0.00	0.00	0.00	25,000,000.00
313381LG8	25,000,000.00	0.890	01/10/2018	62,500.00	24,917,250.00	0.00	0.00	89,075.00	25,006,325.00
1326	LASTAT	G	02/20/2014	56,250.00	15,130,528.50	0.00	0.00	-10,583.39	15,119,945.11
546415S50	15,000,000.00	1.210	02/01/2018	112,500.00	15,101,250.00	0.00	0.00	62,700.00	15,163,950.00
1279	FNMAS	G	02/21/2013	43,750.00	24,976,458.33	0.00	0.00	1,875.00	24,978,333.33
3136G1CN7	25,000,000.00	0.730	02/21/2018	87,500.00	24,913,625.00	0.00	0.00	49,300.00	24,962,925.00
1375	FHLMCS	G	12/30/2014	37,083.33	20,003,955.56	0.00	20,000,000.00	-20,003,955.56	0.00
3134G5TY1	0.00	0.000	03/09/2018	37,500.00	20,010,240.00	0.00	20,000,000.00	-20,010,240.00	0.00
1400	FHLBS	G	03/30/2015	388.89	0.00	20,000,000.00	0.00	20,000,000.00	20,000,000.00
3130A4ST0	20,000,000.00	0.700	03/29/2018	0.00	0.00	20,000,000.00	0.00	20,006,040.00	20,006,040.00
1391	FHLBS	G	03/24/2015	2,187.50	0.00	15,000,000.00	0.00	15,000,000.00	15,000,000.00
3130A4JJ2	15,000,000.00	0.750	04/24/2018	0.00	0.00	15,000,000.00	0.00	15,022,605.00	15,022,605.00
1313	FHLMCS	G	12/30/2013	35,833.33	15,000,000.00	0.00	15,000,000.00	-15,000,000.00	0.00
3134G4RM2	0.00	0.000	06/27/2018	37,500.00	15,023,775.00	0.00	15,000,000.00	-15,023,775.00	0.00
1402	FHLBS	G	03/30/2015	291.67	0.00	15,000,000.00	0.00	15,000,000.00	15,000,000.00
3130A4SR4	15,000,000.00	0.700	06/29/2018	0.00	0.00	15,000,000.00	0.00	15,006,390.00	15,006,390.00
1374	FHLBC	G	12/22/2014	13,722.22	16,005,862.86	0.00	16,000,000.00	-16,005,862.86	0.00
3130A36U3	0.00	0.000	07/20/2018	20,222.22	16,010,880.00	0.00	16,000,000.00	-16,010,880.00	0.00
1379	FHLBS	G	12/30/2014	37,500.00	20,000,000.00	0.00	0.00	0.00	20,000,000.00
3130A3U44	20,000,000.00	0.750	08/30/2018	0.00	20,006,780.00	0.00	0.00	44,660.00	20,051,440.00
1392	FHLMCS	G	03/25/2015	1,041.67	0.00	5,000,000.00	0.00	5,000,000.00	5,000,000.00
3134G6HW6	5,000,000.00	1.250	09/25/2018	0.00	0.00	5,000,000.00	0.00	5,006,785.00	5,006,785.00

Portfolio FORT

City of Fort Worth, Texas
Texas Compliance Change in Val Report
January 1, 2015 - March 31, 2015

Inv #	Issuer	Fund	Purch Date	Interest Accrual	Beginning Book Value	Purchases/ Additions	Redemptions	Change in Value	Ending Book Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value				Ending Market Value
1393	FHLBC	G	03/26/2015	1,041.67	0.00	5,000,000.00	0.00	5,000,000.00	5,000,000.00
3130A4H21	5,000,000.00	1.500	09/26/2018	0.00	0.00	5,000,000.00	0.00	5,009,885.00	5,009,885.00
1376	FHLBS	G	12/24/2014	50,000.00	20,000,000.00	0.00	0.00	0.00	20,000,000.00
3130A3TM6	20,000,000.00	1.000	10/24/2018	0.00	20,021,720.00	0.00	0.00	13,040.00	20,034,760.00
1316	FNMAS	G	12/30/2013	92,708.33	25,000,000.00	0.00	25,000,000.00	-25,000,000.00	0.00
3136G1YL7	0.00	0.000	11/30/2018	93,750.00	25,071,125.00	0.00	25,000,000.00	-25,071,125.00	0.00
1403	FHLBS	G	03/30/2015	694.44	0.00	25,000,000.00	0.00	25,000,000.00	25,000,000.00
3130A4SP8	25,000,000.00	1.000	11/30/2018	0.00	0.00	25,000,000.00	0.00	25,042,775.00	25,042,775.00
1378	FHLBS	G	12/30/2014	54,687.50	25,000,000.00	0.00	0.00	0.00	25,000,000.00
3130A3U51	25,000,000.00	0.875	12/28/2018	0.00	25,041,500.00	0.00	0.00	49,450.00	25,090,950.00
1329	FHLBS	G	03/26/2014	53,125.00	20,000,000.00	0.00	20,000,000.00	-20,000,000.00	0.00
3130A1E95	0.00	0.000	02/26/2019	112,500.00	20,030,540.00	0.00	20,000,000.00	-20,030,540.00	0.00
1399	FHLBS	G	03/30/2015	416.67	0.00	20,000,000.00	0.00	20,000,000.00	20,000,000.00
3130A4SS2	20,000,000.00	0.750	02/26/2019	0.00	0.00	20,000,000.00	0.00	20,005,300.00	20,005,300.00
1390	FHLMCC	G	03/19/2015	9,690.00	0.00	17,100,000.00	0.00	17,100,000.00	17,100,000.00
3134G6HM8	17,100,000.00	1.700	03/19/2019	0.00	0.00	17,100,000.00	0.00	17,131,429.80	17,131,429.80
1328	FHLMCC	G	03/26/2014	92,083.33	20,000,000.00	0.00	20,000,000.00	-20,000,000.00	0.00
3134G4Y44	0.00	0.000	03/26/2019	195,000.00	20,064,700.00	0.00	20,000,000.00	-20,064,700.00	0.00
1401	FHLMCS	G	03/30/2015	555.56	0.00	20,000,000.00	0.00	20,000,000.00	20,000,000.00
3134G6PZ0	20,000,000.00	1.000	03/29/2019	0.00	0.00	20,000,000.00	0.00	20,016,960.00	20,016,960.00
1358	FHLBS	G	07/30/2014	16,111.11	20,000,000.00	0.00	20,000,000.00	-20,000,000.00	0.00
3130A2L79	0.00	0.000	07/30/2019	100,000.00	20,014,540.00	0.00	20,000,000.00	-20,014,540.00	0.00
1394	FHLMCS	G	03/30/2015	555.56	0.00	20,000,000.00	0.00	20,000,000.00	20,000,000.00
3134G6QL0	20,000,000.00	1.658	09/30/2019	0.00	0.00	20,000,000.00	0.00	19,993,520.00	19,993,520.00
1395	FHLBS	G	03/30/2015	72.92	0.00	2,625,000.00	0.00	2,625,000.00	2,625,000.00
3130A4L91	2,625,000.00	2.649	03/30/2020	0.00	0.00	2,625,000.00	0.00	2,628,462.38	2,628,462.38

Portfolio FORT

City of Fort Worth, Texas
Texas Compliance Change in Val Report
January 1, 2015 - March 31, 2015

Inv #	Issuer	Fund	Purch Date	Interest Accrual	Beginning Book Value	Purchases/ Additions	Redemptions	Change in Value	Ending Book Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value				Ending Market Value
1396	FHLBS	G	03/30/2015	256.08	0.00	7,367,625.00	0.00	7,367,706.94	7,367,706.94
3130A4S86	7,375,000.00	1.270	03/30/2020	0.00	0.00	7,367,625.00	0.00	7,373,783.13	7,373,783.13
Sub Totals For: Fund: General Fund				2,777,320.44	1,276,576,836.21	695,468,084.84	753,750,000.00	-59,841,237.40	1,216,735,598.81
				3,360,040.58	1,276,086,221.76	695,468,084.84	753,750,000.00	-58,447,867.15	1,217,638,354.61
Fund: SE Landfill Trust									
103	NWTXX	SELANDFIL	04/01/2007	0.33	3,598,605.76	185,158.00	0.33	185,157.67	3,783,763.43
94975H270	3,783,763.43	0.010	/ /	0.33	3,598,605.76	185,158.00	0.33	185,157.67	3,783,763.43
Sub Totals For: Fund: SE Landfill Trust				0.33	3,598,605.76	185,158.00	0.33	185,157.67	3,783,763.43
				0.33	3,598,605.76	185,158.00	0.33	185,157.67	3,783,763.43
Report Grand Totals:				2,777,320.77	1,280,175,441.97	695,653,242.84	753,750,000.33	-59,656,079.73	1,220,519,362.24
				3,360,040.91	1,279,684,827.52	695,653,242.84	753,750,000.33	-58,262,709.48	1,221,422,118.04

Trinity River Vision Report



FY2015 Second Quarter

Trinity River Vision Progress

As of March 31, 2015

City Contributions	Target	Contracted Amounts	Available
2004/2008 CIP	\$14,700,000	\$14,700,000	\$ 0
Water Revenues	<u>11,900,000</u>	<u>11,759,258</u>	<u>\$ 140,742</u>
Total City Contributions	\$26,600,000	\$26,459,258	\$ 140,742
Tarrant County Contributions	\$11,000,000	\$10,096,727	\$903,273
Tax Increment Financing	<u>\$1,000,000</u>	<u>\$1,000,000</u>	<u>\$0</u>
Total <i>Trinity River Vision</i>	\$38,600,000	\$37,555,985	\$1,044,015

Eye on Fort Worth's Economy



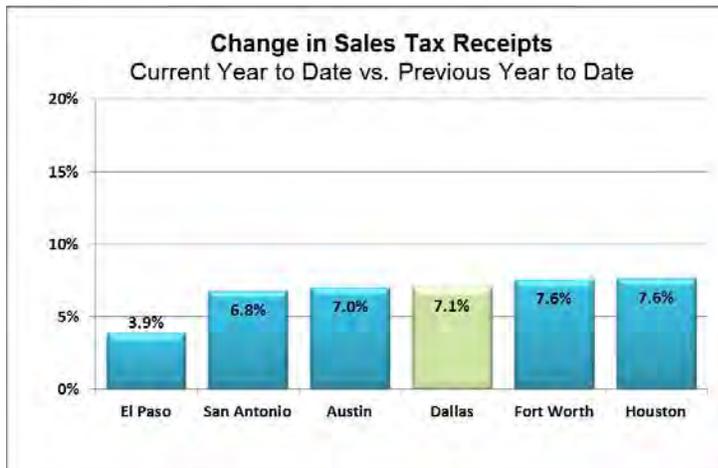
EYE ON FORT WORTH'S ECONOMY

2nd Quarter FY2015
January 2015 – March 2015

The economic outlook for Fort Worth showed signs of improvement throughout FY2014 and continues to do so through the first half of FY2015. Sales tax revenue continues to climb upward, hotel tax collections continue to be favorable and unemployment is trending downward. This year should bring many good things to Fort Worth, including considerable growth of new residents.

Sales Tax

Economic conditions in FY2015 show promising signs for the year to come. The 12-month rolling average of sales tax collections continues to show a positive trend at \$10.78 million as of February 2015. The latest collections are the highest on record for the month of February. This trend is positioned to carry through FY2015 given that the City of Fort Worth ranked as the fastest growing city in the nation according to the US Census.



Among large Texas cities, Fort Worth is continuing a positive trend with year-to-date sales tax collections up 7.6% over the same period last year. Retail sales show strength based on sales tax collections reported last year and are expected to remain strong through the end of the current fiscal year. It is important to note that March collections will be reported by the Comptroller's Office in May, so they are not reflected in current

year-to-date collections; however, the expectation is that the March collections will stay on pace with the increases in previous January and February.



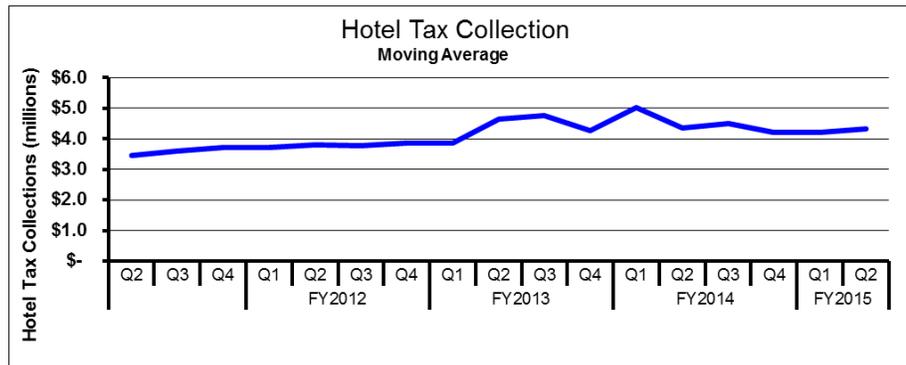
EYE ON FORT WORTH'S ECONOMY

2nd Quarter FY2015
January 2015 – March 2015

Hotel Demand

Continued strong demand resulted in strong performance for hotel revenue, which saw year-over-year increases of 9.4 percent and 4.6 percent, respectively, in February, according to data from STR Global. Room demand, average daily rate, revenue per available room and room revenue are each at all-time absolute highs for the 12-month period from February 2014 to February 2015.

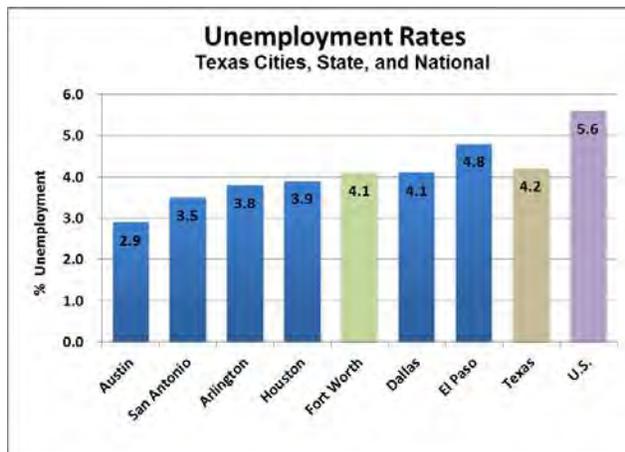
The success of the hotel industry is critical as the City uses hotel/motel occupancy taxes (HOT) to support operations at the Will Rogers Memorial



Center and Fort Worth Convention Center, in addition to funding efforts to market the City nationally and internationally. Additionally, during periods of normal economic growth, the elasticity between hotel market and economic variables approximately equals 1.2 - meaning that for every one percent increase in employment, hotel room demand increases by 1.2 percent, according to an *Econometric Forecasts of U.S. Lodging Markets report*. Based on this assumption, as Fort Worth's unemployment rate continues to fall, Fort Worth will see an increase in the demand for hotel rooms, thus increasing hotel tax collections.

Employment Growth

Job growth in Fort Worth remained strong throughout the FY2014 and has continued to do



so through the second quarter of FY2015. According to The U.S. Bureau of Labor and Statistics, Dallas-Fort Worth-Arlington ranked first in the rate of job growth and third in the number of jobs added.

Even with slight seasonal fluctuations, both national and local unemployment rates continue to decline. As of March 2015, Fort Worth's unemployment rate is 4.1% compared to 5.4% in March 2014. In comparison, the national and state unemployment rates are 5.6% for the U.S. and 4.2% for Texas.



EYE ON FORT WORTH'S ECONOMY

2nd Quarter FY2015
January 2015 – March 2015

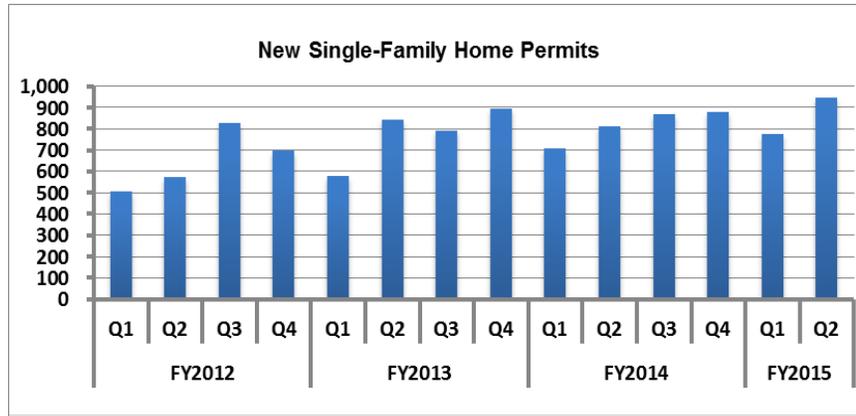
Real Estate

Building permit volume is on the rise during the second quarter; with a 16.73% increase compared to FY2014.

According to *The Dallas Morning News*, North Texas home sales remained flat in the month

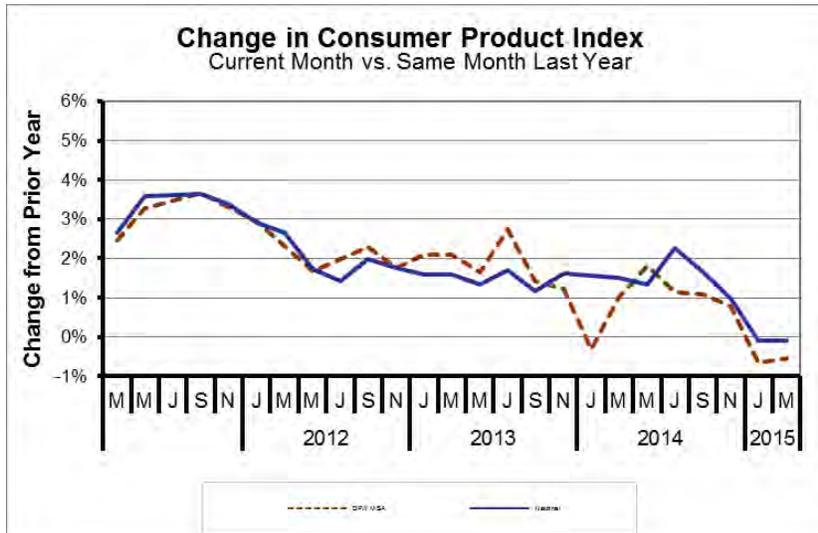
of February, but median sales prices surged ahead 9% from a year earlier.

The Metrostudy News reported that the Dallas Fort Worth market is expected to see slow new home starts in 2015 as activity in the lower price points is squeezed, while starts in the price points above \$300,000 are trending up.



Inflation

Another point of interest is the persistently low inflation rate as measured by the Consumer Price Index (CPI)¹. The most recent CPI for the DFW Metroplex (recorded in March 2015)



showed inflation decreasing by 0.65% compared to March 2014. The CPI for the nation (as of March 2015) decreased 0.09% compared to March 2014.

According to Reuters, U.S. consumer prices fell over the past year as gasoline prices continued to tumble, but the latest data suggests the move into deflation territory would be brief. In addition, gasoline prices have been

rising in recent weeks.

¹ The Consumer Price Index (CPI) indicates the average price paid by households for a representative sample of goods and services.



2nd Quarter FY2015
January 2015 – March 2015

EYE ON FORT WORTH'S ECONOMY

Population Growth

Job growth and other economic and lifestyle factors continued to make Texas, and specifically the Fort Worth area, a popular destination for new residents. The US Census Bureau recently announced that Fort Worth came in as the fastest growing metropolitan city in the country in 2014. According to the study, the city boasts a 42.34% population increase during the last 13 years.

According to recent research conducted by Vision North Texas, the 10 county North Texas region is anticipated to add 4.1 million people between the years of 2000 and 2030, “this represents an average population growth rate of 2.6% for these 30 years, a magnitude of growth never before experienced in the North Central Texas Region.”

Forecast

The overall economic outlook for Fort Worth 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 through the end of 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 revenue in the future. The increasing volume of building permits increases the overall tax base, while demand for existing homes supports the slow but steady growth in values, yielding increased property tax revenues. Property tax revenue will be slower to materialize than sales taxes, as homes built in 2015 are added to the tax roll in 2016 and actually do not begin paying taxes until 2017. 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 associated with projected growth, current economic trends continue to offer reasons for optimism.

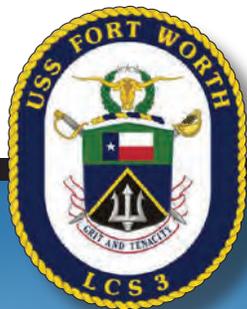


COMPREHENSIVE ANNUAL FINANCIAL REPORT

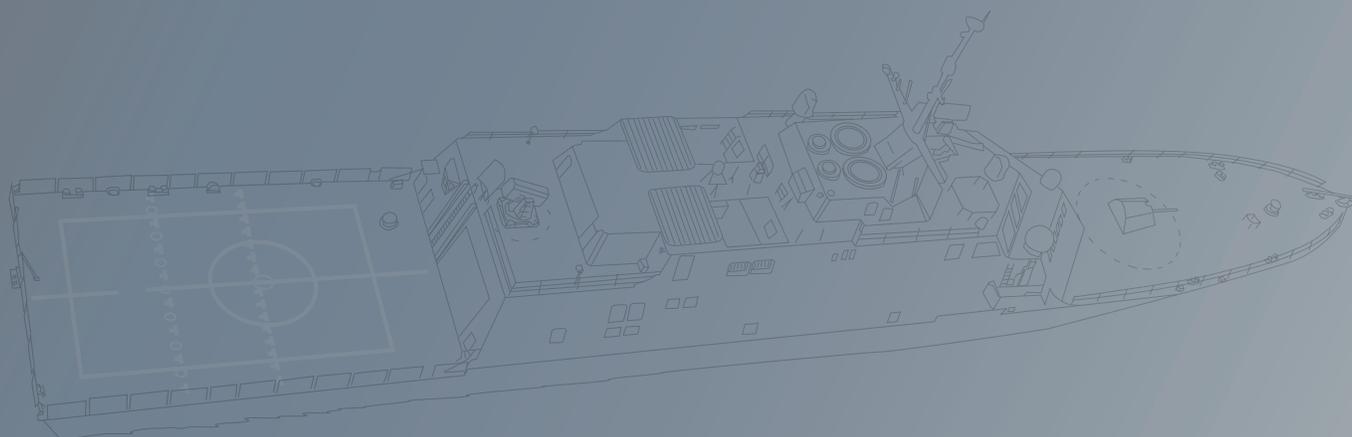
For the Fiscal Year Ended

September 30, 2014

CITY OF FORT WORTH, TEXAS



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



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended
September 30, 2014

CITY OF FORT WORTH, TEXAS

ELECTED OFFICIALS

2014 CITY COUNCIL

Betsy Price, Mayor

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

Jungus Jordan
Dennis Shingleton
Kelly Allen Gray
Ann Zadeh

CITY MANAGER

David Cooke

CHIEF FINANCIAL OFFICER

Aaron J. Bovos

INDEPENDENT AUDITORS

Deloitte & Touche LLP

Prepared by the Department of Finance



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

	Page
INTRODUCTORY SECTION:	
Transmittal Letter	vii
Certificate of Achievement for Excellence in Financial Reporting.....	xiii
Organization of City Government	xiv
Elected Officials	xv
 FINANCIAL SECTION:	
Independent Auditors' Report.....	1
Management's Discussion and Analysis	5
 Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	17
Statement of Activities	18
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	21
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	23
Statement of Net Position – Proprietary Funds	24
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	27
Statement of Cash Flows – Proprietary Funds	28
Statement of Fiduciary Net Position – Fiduciary Funds	30
Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	31
Notes to the Basic Financial Statements.....	33
 Required Supplementary Information	
Budgetary Comparison Schedule – General Fund.....	102
Notes to the Required Supplementary Information	104
Employees' Retirement Fund – Schedule of Funding Progress	105
Employees' Retirement Fund – Schedule of Employer Contributions.....	105
Other Postemployment Benefits – Schedule of Funding Progress	106
Other Postemployment Benefits – Schedule of Employer Contributions	106
 Combining and Individual Fund Financial Statements and Schedules	
Nonmajor Governmental Funds:	
Combining Balance Sheet	110
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	112
Other Blended Component Units:	
Combining Balance Sheet	114
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances ..	115
Budgetary Comparison Schedule – Crime Control and Prevention District Fund	116
Budgetary Comparison Schedule – Culture and Tourism Fund.....	117

TABLE OF CONTENTS

(continued)

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

TABLE OF CONTENTS

(continued)

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



INTRODUCTORY SECTION



March 20, 2015

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

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

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

Deloitte & Touche LLP has issued an unmodified opinion on the City's financial statements for the year ended September 30, 2014. The Independent Auditors' Report is located in the beginning of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditors' Report and provides a narrative introduction, overview, and analysis of the basic financial statements and should be read in conjunction with the basic financial statements.

City of Fort Worth Profile

Fort Worth, incorporated in 1873, is a political subdivision and municipal corporation of the State of Texas, located in Tarrant, Denton, Parker, Wise and Johnson Counties. The City covers approximately 350 square miles and serves a population of 781,000.

Fort Worth operates under a Council/Manager form of government with a City Council comprised of the Mayor and eight Council members. The Mayor is elected at large and the eight Council members are elected from single-member districts. Both the Mayor and Council members serve two-year terms. In turn, the Mayor and City Council appoint the City Manager, City Attorney, City Secretary, City Auditor, and the municipal judges.

DEPARTMENT OF FINANCE

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

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

Water and sewer services, solid waste collection, golf courses, airports, city owned parking garages, and storm water utility services are provided under an enterprise fund concept, with user charges set by the City Council to ensure adequate coverage of operating expenses and payments of outstanding debt. In addition, the City provides water and wastewater treatment for several neighboring jurisdictions. Equipment maintenance, office services, temporary labor (closed during the fiscal year (FY), information systems, and engineering services are provided through internal service funds. During FY2014, the City transferred the risk financing functions from the general fund to internal service funds.

As required by accounting principles generally accepted in the United States of America (GAAP), the financial reporting entity includes all funds of the primary government (the City), as well as the City's component units. Component units are legally separate entities for which the primary government is financially accountable. Organizations that do not meet the financial accountability criteria for inclusion as a component unit would be included based upon management's determination that it would be misleading to exclude them. During Fiscal Year 2014, there were eight blended component units.

The fiscal year of the City begins on the first day of October and ends on the last day of September. On or before the fifteenth day of August of each year, the City Manager submits to the City Council a proposed budget for the ensuing fiscal year. The budget shall provide a complete financial plan of all city funds and activities for the ensuing fiscal year. The budget is prepared by fund, organization unit or department, program, purpose or activity, and object. The City Manager may transfer resources within a department. Transfers between departments, however, require approval from the City Council.

Local Economy

Fort Worth is a Sunbelt city marked by its steady growth and diverse economy. Relocation of major firms to the greater Fort Worth area, renovation of many historical landmarks, shopping areas, and a host of public-private cooperative development ventures comprise Fort Worth's economic past. For the future, the ground has already been broken for ambitious commercial, retail, and residential developments. Fort Worth is one of two major cities in the Dallas/Fort Worth metropolitan area. The Dallas/Fort Worth metropolitan area contains a population of more than 6.9 million people.

Fort Worth continues to be a strong draw for new residents and businesses as shown by being named one of the country's fastest-growing cities according to 2013 census figures released by the United States (U.S.) Census Bureau. Fort Worth grew 48.2% to an estimated population of 792,727 residents from 2000 to 2013. Fort Worth is consistently ranked among the top places in the nation to live, work, and play. With a growing workforce, top educational facilities, low cost of doing business, high quality of life, and prime location and climate, the City is an attractive choice for companies looking to relocate or expand their operations. According to the U.S. Census Bureau, the median family income of Fort Worth was \$59,738; Texas was \$61,066, while the United States was \$64,719.

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

There are over 37,000 registered businesses in the Fort Worth-Arlington MD. Almost 50% of these entities are small to mid-size firms that employ anywhere from 1 to 249 individuals which highlights the continued importance of small business development. Large business firms with over 1,000 employees make up 28.6% of the area's workforce.

Manufacturing and professional business services remain an important part of the Fort Worth economy. Over the last year, manufacturing remained stable with over 93,000 jobs in the area, while growth in professional business services topped 8%. The City's industry clusters remain diverse with trade, transportation, and utilities making up the largest percentage of the Fort Worth-Arlington MD industry composition at 24%. Government, education & health services, professional & business services, leisure & hospitality are also large sectors, comprising 13%, 13%, 12% and 11% of the workforce, respectively. Tourism is an important contributor to the local economy with over 5.5 million visitors per year contributing \$900 million annually to the city's economy. Coordinated efforts by Sundance Square and Downtown Fort Worth, Inc. have resulted in new entertainment, housing, and retail facilities throughout downtown Fort Worth. The Alliance Texas development in north Fort Worth continued its growth with an estimated economic impact to the North Texas region of \$4.75 billion and nearly 3,000 jobs created during the year, which includes a growing workforce in the medical district at Alliance Town Center. The 18,000-acre development, started in 1989 with the opening of the industrial airport, has had a total economic impact of \$55.3 billion over the life of the development.

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

Long-term Financial Planning and Major Initiatives

Each year, the Fort Worth City Council participates in financial planning activities designed to proactively deal with the many opportunities and challenges facing the community. This planning helps guide the activities of council and staff for the next five years and is referred to as "Fort Worth Strategic Goals."

The Mayor and Council strategic goals include:

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

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

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

As expressed in the City's 2014 Comprehensive Plan, the City Council envisions that, *"By the year 2020, Fort Worth will be commonly recognized as the most livable city in Texas. Residents will be able to enjoy Fort Worth's friendly atmosphere and the opportunities that are associated with a growing economy and diverse community. Fort Worth's public schools will produce well-rounded citizens and a skilled workforce to fill high-paying jobs in local businesses. Fort Worth's environmental quality will also be superior, meeting the highest national standards."* Several values were also identified that refine the City vision. These values are preserved as part of the 2014 Comprehensive Plan: *Preservation of western heritage, a friendly small town atmosphere, quality and ethnic diversity of cultural life, the arts, neighborhood vitality, preservation of historic buildings and districts, efficiency and equity in delivery of quality public services, educational and economic opportunity, aviation history and technology, can-do attitude, promotion of free enterprise, protection of property rights, mobility, children and youth, conservation of natural resources, and inclusiveness and cooperation: 'The Fort Worth Way.'*"

In developing the 2014 Comprehensive Plan to reflect these common values and to help the City realize its vision, five major themes emerged: promoting economic growth, meeting the needs of an expanding population, revitalizing the central city, developing multiple growth centers, and celebrating the Trinity River. These five themes, which influence various elements of the Plan, can guide the City in its decisions about the future.

Relevant Financial Policies

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended September 30, 2013. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized CAFR that satisfied both U.S. GAAP and applicable program requirements.

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

The City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning October 1, 2014. To qualify for the Distinguished Budget Presentation Award, the City's budget document had to be judged proficient as a policy document, a financial plan, operations guide, and a communications device.

Acknowledgements

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

Sincerely,



David Cooke
City Manager



Aaron J. Bovos
Chief Financial Officer





Government Finance Officers Association

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

Presented to

**City of Fort Worth
Texas**

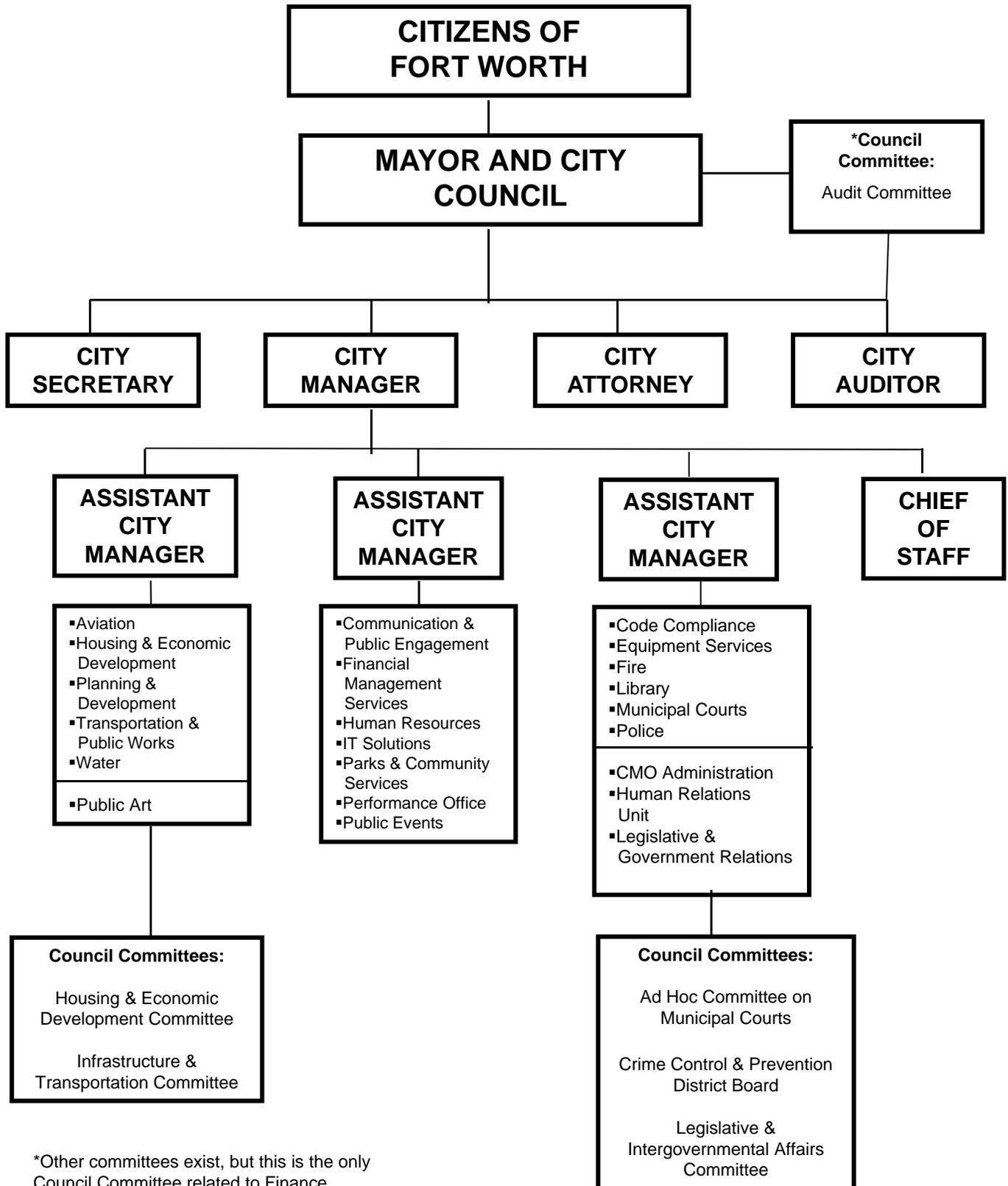
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013

A handwritten signature in black ink, reading "Jeffrey R. Emer". The signature is written in a cursive, flowing style.

Executive Director/CEO

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



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

Elected Officials

City of Fort Worth, Texas

Mayor and Council Members for Fiscal Year 2014



Betsy Price
Mayor



Salvador Espino
Council District 2



W.B. Zimmerman
Council District 3



Danny Scarth
Council District 4



Gyna Bivens
Council District 5



Jungus Jordan
Council District 6



Dennis Shingleton
Council District 7



Kelly Allen Gray
Council District 8



Ann Zadeh
Council District 9



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fort Worth, Texas (the "City"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Employees' Retirement Fund of the City of Fort Worth, which represents 98 percent, 97 percent, and 85 percent, respectively, of the assets, net position, and additions to net position of the fiduciary trust funds of the City. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Employees' Retirement Fund of the City of Fort Worth, is based solely on the report of the other auditors. The financial statements of the Employees' Retirement Fund of the City of Fort Worth were not audited in accordance with Government Auditing Standards. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fort Worth, Texas, as of September 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management discussion and analysis, the budgetary comparison schedule for the General Fund, the schedule of funding progress and employer contributions for the Employees' Retirement Fund of the City of Fort Worth and the schedules of funding progress and employer contributions for other postemployment benefits be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with

management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Deloitte & Touche LLP

March 20, 2015



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

Management's discussion and analysis (MD&A) provides a narrative overview of the financial activities and changes in the financial position of the City of Fort Worth, Texas (City), for the fiscal year ended September 30, 2014. The MD&A is offered here by the management of the City to the readers of its financial statements. Readers should use the information presented here in conjunction with additional information furnished in our letter of transmittal, which can be found in the Introductory Section of this Comprehensive Annual Financial Report (CAFR).

Financial Highlights

The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at September 30, 2014, by \$3,130,006 (net position). Of this amount, \$75,820 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

The City's total net position increased by \$72,930 in comparison with Fiscal Year 2013, as restated. This increase can be attributed to increases in property tax revenue, gas lease revenue, investment income, and grants and contributions for both governmental activities and business-type activities.

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

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

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The reporting focus of this document is on the City as a whole and on individual major funds. It is intended to present a more comprehensive view of the City's financial activities.

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

Government-wide Financial Statements

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

The Statement of Net Position presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, including capital assets and long-term obligations. The difference between the two is reported as net position. Over time, the increases or decreases in net position may serve as a

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

At September 30, 2014, the City of Fort Worth is able to report positive balances in net position, both for the government as a whole, as well as for its separate governmental and business-type activities. There was an increase in restricted net position reported in the City's governmental activities of \$10,811, which resulted from the reallocation of one cent of the property tax rate (\$0.8550 per \$100 of assessed valuation) from the General Fund to debt service per the City Council's previous commitment to build capacity for future capital projects. The governmental activities' unrestricted net position balance decreased by \$86,596, mostly due to increase in other postemployment benefit and pension liabilities and the increase in the liability to Trinity River Water District.

Condensed Schedule of Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>
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
<i>Total revenues</i>	<u>820,728</u>	<u>890,312</u>	<u>525,124</u>	<u>530,986</u>	<u>1,345,852</u>	<u>1,421,298</u>
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
<i>Total expenses</i>	<u>864,563</u>	<u>923,543</u>	<u>404,884</u>	<u>424,825</u>	<u>1,269,447</u>	<u>1,348,368</u>
Excess (Deficiency) of Revenues Over						
(Under) Expenditures	(43,835)	(33,231)	-	120,240	76,405	72,930
Transfers	29,282	21,913	(29,282)	(21,913)	-	-
Change in net position	(14,553)	(11,318)	90,958	84,248	76,405	72,930
Restatements	(13,962)	(25,124)	-	(5,987)	(13,962)	(31,111)
Net position - Beginning of Year	<u>979,196</u>	<u>950,681</u>	<u>2,046,548</u>	<u>2,137,506</u>	<u>3,025,744</u>	<u>3,088,187</u>
Net position - End of Year	<u>\$ 950,681</u>	<u>\$ 914,239</u>	<u>\$ 2,137,506</u>	<u>\$ 2,215,767</u>	<u>\$ 3,088,187</u>	<u>\$ 3,130,006</u>

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

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

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

Financial Analysis of the Government's Funds

Governmental Funds – The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

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

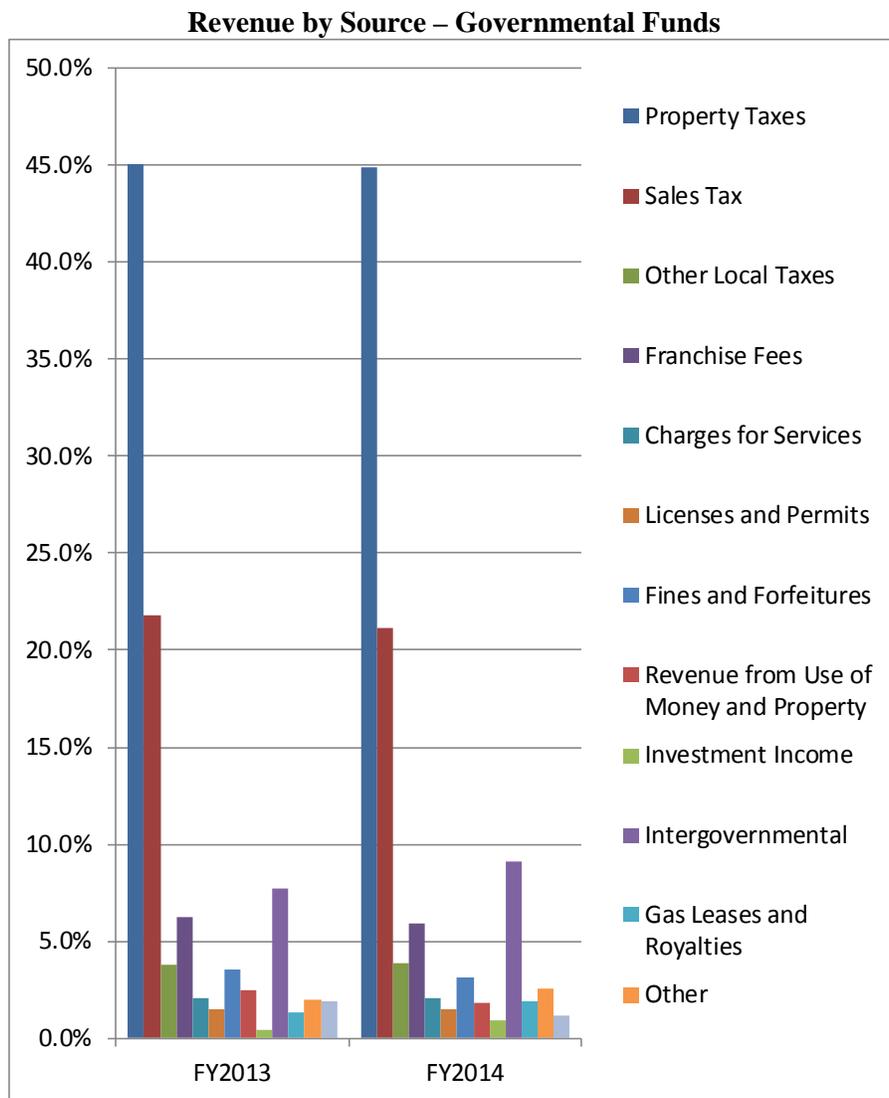
As of the end of the current fiscal year, the City's governmental funds reported total fund balances of \$645,690. Approximately 13.3 percent or \$86,042 constitutes the General Fund's fund balance. As of September 30, 2014, the General Fund's nonspendable fund balance includes \$3,104 for advances to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

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

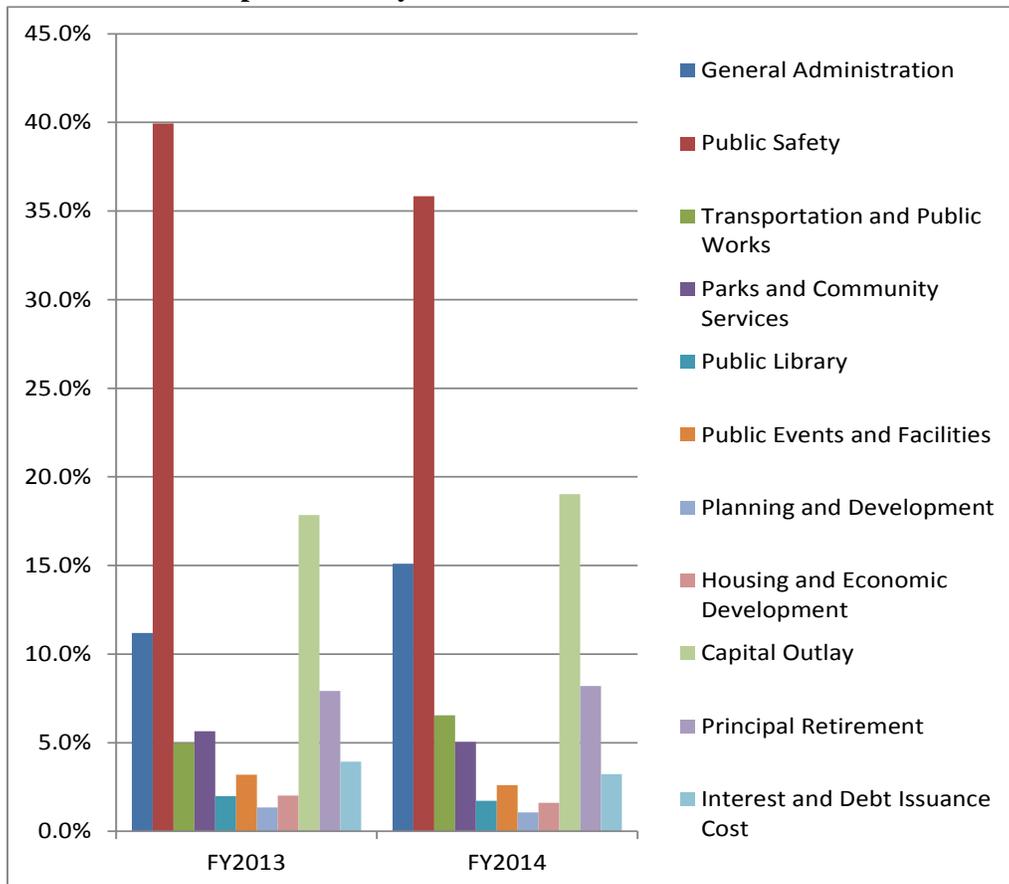
balance, \$211,029 is restricted fund balance, \$126,850 is committed fund balance and \$35,414 is assigned fund balance.

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



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		Business-type		Total	
	activities		activities			
	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		Business-type		Total	
	Activities		Activities			
	2013	2014	2013	2014	2013	2014
General Obligation Bonds	\$ 439,080	\$ 408,965	\$ -	\$ -	\$ 439,080	\$ 408,965
Revenue Bonds	-	-	830,920	898,870	830,920	898,870
Certificates of Obligation	287,630	285,545	54,455	52,375	342,085	337,920
Installment Obligation	3,080	2,370	-	-	3,080	2,370
HUD Installment Obligation	5,282	4,504	-	-	5,282	4,504
Equipment Notes Payable	46,860	39,145	-	-	46,860	39,145
Service Center	18,980	-	-	-	18,980	-
TRWD Obligation	-	91,998	-	-	-	91,998
Fort Worth Sports Authority	8,386	6,868	-	-	8,386	6,868
Lone Star Local Govt Corp	31,617	31,617	-	-	31,617	31,617
Central City Local Govt Corp	347	-	-	-	347	-
State Energy Conserv Loan I & II	1,249	553	-	-	1,249	553
State Energy Conserv Loan III	2,590	2,064	-	-	2,590	2,064
State Obligation - City	-	7,873	-	-	-	7,873
State Obligation - CCPD	-	3,058	-	-	-	3,058
ESPC Phase VII	18,443	18,064	-	-	18,443	18,064
Southwest Bank Loan (LDC SW Bldg.)	-	2,545	-	-	-	2,545
Capital Leases	3,816	1,482	-	-	3,816	1,482
Trinity River Authority	-	-	6,100	5,500	6,100	5,500
ESPC Phase V	-	-	14,691	13,355	14,691	13,355
Unamort. Bond Discounts, Premiums, net	39,763	45,548	28,848	51,954	68,611	97,502
Retainage Payable	3,519	5,974	-	-	3,519	5,974
Compensated Absences	114,813	114,752	9,962	10,280	124,775	125,032
Claims Payable	39,707	38,893	-	-	39,707	38,893
Arbitrage	-	-	-	-	-	-
Landfill Postclosure Cost	-	-	4,482	4,762	4,482	4,762
Pollution Remediation Liability	-	-	3,409	3,131	3,409	3,131
Other Postemployment Benefits Obligation	395,144	430,774	61,672	67,200	456,816	497,974
Net Pension Obligation	54,547	58,053	8,673	9,007	63,220	67,060
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
Prepays, Deposits, and Other	1,275	5	1,280
Long-Term Loans Receivable	11,443	-	11,443
Restricted Assets:			
Cash, Cash Equivalents, & Investments	10	429,565	429,575
Cash, Cash Equivalents, & Investments Held by Trustees	32,065	55,213	87,278
Grants Receivable	-	2,180	2,180
Interest Receivable	-	1,353	1,353
Capitalized Bond Prepaid Insurance	-	541	541
Capital Assets, Net of Accumulated Depreciation:			
Non-Depreciable	587,125	450,212	1,037,337
Depreciable	1,204,816	2,314,001	3,518,817
Total Assets	<u>2,620,514</u>	<u>3,463,068</u>	<u>6,083,582</u>
Deferred Outflows of Resources	<u>11,538</u>	<u>9,461</u>	<u>20,999</u>
Total Assets and Deferred Outflows of Resources	<u>2,632,052</u>	<u>3,472,529</u>	<u>6,104,581</u>
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	<u>1,717,813</u>	<u>1,252,674</u>	<u>2,970,487</u>
Deferred Inflows of Resources	<u>-</u>	<u>4,088</u>	<u>4,088</u>
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	<u>\$ 914,239</u>	<u>\$ 2,215,767</u>	<u>\$ 3,130,006</u>

See accompanying notes to the basic financial statements.

CITY OF FORT WORTH, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2014
(in 000's)

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

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

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

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

See accompanying notes to the basic financial statements.

CITY OF FORT WORTH, TEXAS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2014
(in 000's)

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

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets (including internal service fund assets of \$4,889) consist of:

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

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

17,057

Internal service funds are used by management to charge the costs of certain activities, such as office services, equipment services, risk management, information systems, and capital project services, to individual funds. A portion of the net position of the internal service funds is included in governmental activities in the statement of net position.

26,955

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

11,538

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

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

Net position of governmental activities

\$ 914,239

See accompanying notes to the basic financial statements.

CITY OF FORT WORTH, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014
(in 000's)

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
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	<u>518,037</u>	<u>80,516</u>	<u>51,257</u>	<u>217,769</u>	<u>867,579</u>
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	<u>553,598</u>	<u>92,837</u>	<u>185,341</u>	<u>253,740</u>	<u>1,085,516</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(35,561)</u>	<u>(12,321)</u>	<u>(134,084)</u>	<u>(35,971)</u>	<u>(217,937)</u>
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)	<u>(39,732)</u>	<u>14,708</u>	<u>15,921</u>	<u>39,590</u>	<u>30,487</u>
Net Change in Fund Balance	(75,293)	2,387	(118,163)	3,619	(187,450)
Fund Balance, Beginning of Year, as restated (Note A.16)	161,335	17,419	492,208	162,178	833,140
Fund Balance, End of Year	<u>\$ 86,042</u>	<u>\$ 19,806</u>	<u>\$ 374,045</u>	<u>\$ 165,797</u>	<u>\$ 645,690</u>

See accompanying notes to the basic financial statements.

CITY OF FORT WORTH, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2014
(in 000's)

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

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

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

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

In the statement of activities, the gain on sale of capital assets is reported. In the governmental funds, the proceeds from the disposal of assets were reported as an other financing source. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets. (4,720)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This adjustment is to recognize the net change in "unavailable" revenues. Under the modified accrual basis of accounting, revenues are not recognized unless they are deemed "available" to finance the expenditures of the current period; accrual-basis recognition is not limited by availability, so certain revenues need to be reduced by the amounts that were unavailable at the beginning of the year and increased by the amounts that were unavailable at the end of the year. (1,103)

The issuance of long-term debt (e.g., bonds, certificates of obligation) provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and

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

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

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

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

Internal service funds are used by management to charge the costs of certain activities, such as office services, equipment services, risk management, information systems, and capital project services, to individual funds. A portion of the net revenue (expense) of the internal service funds is reported with governmental activities. 62,225

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

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

See accompanying notes to the basic financial statements.

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

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

(continued)

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

	Business-type Activities-- Enterprise Funds			Total	Governmental Activities
	Water and Sewer	Stormwater Utility	Nonmajor Enterprise Funds		Internal Service Funds
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	<u>113,288</u>	<u>9,397</u>	<u>91,586</u>	<u>214,271</u>	<u>24,472</u>
Long-Term Liabilities:					
Advances from Other Funds	-	1,492	-	1,492	3,104
Long-Term Liabilities Due in More Than One Year	835,260	137,538	65,739	1,038,537	24,326
Total Long-Term Liabilities	<u>835,260</u>	<u>139,030</u>	<u>65,739</u>	<u>1,040,029</u>	<u>27,430</u>
Total Liabilities	<u>948,548</u>	<u>148,427</u>	<u>157,325</u>	<u>1,254,300</u>	<u>51,902</u>
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	<u>\$ 1,850,206</u>	<u>\$ 73,739</u>	<u>\$ 290,352</u>	<u>\$2,214,297</u>	<u>\$ 29,220</u>
Adjustment to Reflect the Consolidation of Internal Service Funds Activities Related to Enterprise Funds				1,470	
Net Position of Business-Type Activities				<u>\$2,215,767</u>	

(concluded)

See accompanying notes to the basic financial statements.



CITY OF FORT WORTH, TEXAS
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014
(in 000's)

	Business-type Activities-- Enterprise Funds			Total	Governmental Activities
	Water and Sewer	Stormwater Utility	Nonmajor Enterprise Funds		Internal Service Funds
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	<u>361,979</u>	<u>35,532</u>	<u>71,727</u>	<u>469,238</u>	<u>147,829</u>
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	<u>293,973</u>	<u>20,916</u>	<u>80,814</u>	<u>395,703</u>	<u>144,855</u>
Operating Income (Loss)	<u>68,006</u>	<u>14,616</u>	<u>(9,087)</u>	<u>73,535</u>	<u>2,974</u>
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)	<u>(17,654)</u>	<u>(1,922)</u>	<u>8,699</u>	<u>(10,877)</u>	<u>463</u>
Income Before Transfers and Contributions	<u>50,352</u>	<u>12,694</u>	<u>(388)</u>	<u>62,658</u>	<u>3,437</u>
Transfers In	5,157	96	9,577	14,830	64,079
Transfers Out	(26,600)	(3,787)	(6,356)	(36,743)	(4,470)
Capital Contributions	13,296	-	21,667	34,963	-
Capital Contributions - Impact Fees	7,719	-	-	7,719	-
Change in Net Position	<u>49,924</u>	<u>9,003</u>	<u>24,500</u>	<u>83,427</u>	<u>63,046</u>
Total Net Position, Beginning of Year, as restated (Note A.16)	<u>1,800,282</u>	<u>64,736</u>	<u>265,852</u>	<u>2,130,870</u>	<u>(33,826)</u>
Total Net Position, Ending of Year	<u>\$ 1,850,206</u>	<u>\$ 73,739</u>	<u>\$ 290,352</u>	<u>\$ 2,214,297</u>	<u>\$ 29,220</u>
Adjustment to Reflect the Consolidation of Internal Service Funds Activities Related to Enterprise Funds				821	
Change in Net Position of Business-Type Activities				<u>\$ 84,248</u>	

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

	Business-type Activities-- Enterprise Funds			Total	Governmental
	Water and Sewer	Stormwater Utility	Nonmajor Enterprise Funds		Internal Service Funds
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	<u>138,497</u>	<u>18,358</u>	<u>2,655</u>	<u>159,510</u>	<u>6,050</u>
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	<u>(21,443)</u>	<u>(4,389)</u>	<u>(2,338)</u>	<u>(28,170)</u>	<u>61,527</u>
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	<u>(31,141)</u>	<u>(37,385)</u>	<u>(3,445)</u>	<u>(71,971)</u>	<u>(504)</u>
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	<u>4,464</u>	<u>752</u>	<u>1,397</u>	<u>6,613</u>	<u>216</u>
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	<u>\$ 346,936</u>	<u>\$ 89,685</u>	<u>\$ 149,966</u>	<u>\$ 586,587</u>	<u>\$ 74,978</u>

(continued)

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

	Business-type Activities-- Enterprise Funds			Total	Governmental
	Water and Sewer	Stormwater Utility	Nonmajor Enterprise Funds		Internal Service Funds
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
Prepays, Deposits, and Other Assets	-	-	(1)	(1)	661
Accounts Payable	(1,268)	(582)	643	(1,207)	2,486
Escrow Accounts Payable	327	-	-	327	-
Accrued Payroll	4,543	530	696	5,769	(929)
Customer Deposits	498	-	12	510	-
Unearned Revenue	-	-	(481)	(481)	-
Landfill Closure Costs	-	-	280	280	-
Pollution Remediation Costs	(278)	-	-	(278)	-
Total Adjustments	<u>70,491</u>	<u>3,742</u>	<u>11,742</u>	<u>85,975</u>	<u>3,076</u>
Net Cash Provided by Operating Activities	<u>\$ 138,497</u>	<u>\$ 18,358</u>	<u>\$ 2,655</u>	<u>\$ 159,510</u>	<u>\$ 6,050</u>
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	<u>\$ 346,936</u>	<u>\$ 89,685</u>	<u>\$ 149,966</u>	<u>\$ 586,587</u>	<u>\$ 74,978</u>
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	<u>2,341,016</u>
Prepays	12
Other Receivables	8,223
Due from Broker Securities Sold	58,233
Total Current Assets	<u><u>2,409,155</u></u>

Capital Assets (at Cost):

Land	405
Buildings	3,450
Machinery and Equipment	319
Accumulated Depreciation	(736)
Net Capital Assets	<u>3,438</u>
Total Assets	<u><u>2,412,593</u></u>

LIABILITIES

Current Liabilities:

Accrued Payable	68
Obligations under Securities Lending	197,914
Due to Broker Securities Purchased	77,411
Total Current Liabilities	<u><u>275,393</u></u>

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	<u><u>\$ 2,137,200</u></u>

See accompanying notes to the basic financial statements.

CITY OF FORT WORTH, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 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	<u>320,323</u>
DEDUCTIONS	
Benefit Payments	182,627
Refunds	5,092
Administrative Expenses	10,896
Total Deductions	<u>198,615</u>
CHANGE IN NET POSITION	
Benefit Pension Plans	105,060
Postemployment Healthcare Plans	16,648
Total Change in Net Position	<u>121,708</u>
NET POSITION - BEGINNING OF YEAR	
Benefit Pension Plans	1,976,515
Postemployment Healthcare Plans	38,977
Total Beginning Net Position	<u>2,015,492</u>
NET POSITION - END OF YEAR	
Benefit Pension Plans	2,081,575
Postemployment Healthcare Plans	55,625
Total Ending Net Position	<u>\$ 2,137,200</u>

See accompanying notes to the basic financial statements.

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

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

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

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Fort Worth, Texas (City) as reflected in the accompanying financial statements for the year ended September 30, 2014, conform to accounting principles generally accepted in the United States of America (GAAP) for local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. A summary of the City's significant accounting policies applied in the preparation of the accompanying financial statements follows.

A. 1. FINANCIAL REPORTING ENTITY

In evaluating the City's financial reporting entity, management has considered all potential component units. The decision to include a potential component unit in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14, *The Financial Reporting Entity*, GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *Financial Reporting Entity-Omnibus*. Organizations are included if the City is financially accountable for them, or the nature and significance of their relationship with the City are such that exclusion would cause the financial statements to be misleading. Inclusion is determined on the basis of the City's ability to exercise significant influence. Significant influence or accountability is based primarily on its operational or financial relationship with the City (as distinct from a legal relationship).

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

Blended Component Units

Blended component units, although legally separate entities, are reported as part of the primary government because they meet the criteria above, and are so intertwined with the City that they are, in substance, the same as the City. The following blended component units are reported as part of the primary government:

Crime Control and Prevention District—The Crime Control and Prevention District (CCPD) was created in March 1995 by a vote of local residents, and renewed in 2000, 2005, 2010 and 2014. The CCPD is funded from sales tax which serves a role in providing the necessary resources to effectively implement crime control strategies. Although it is legally separate from the City, the members of the board of the CCPD and members of the City Council are substantially the same. Therefore, the CCPD has been blended in the City's basic financial statements as a Nonmajor Special Revenue Fund.

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

Race Street Lofts GP, LLC— Race Streets Lofts GP, LLC (the Company), a Texas limited liability company, acting pursuant to Article 3.09 of the Texas Limited Liability Company Act, was created by the

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

FWHFC to be the general partner in the development of multifamily affordable housing. The Company was created for the purpose of (i) owning, developing, managing, and

otherwise dealing with affordable housing apartment projects located in Tarrant County, Texas, under the low-income housing tax credit program of the Texas Department of Housing and Community Affairs (TDHCA); and (ii) becoming a partner or member of a partnership or limited liability company formed for such purposes. The resolution also authorizes a development agreement with NRP Holdings, LLC to act as a co-developer of the properties. The development was awarded tax credits by TDHCA. The Company has a December 31 year-end. Separate financial statements can be obtained by contacting Novogradac & Company, LLP at 1110 Superior Avenue, Suite 900, Cleveland, Ohio 44114.

Fort Worth Local Development Corporation—The Fort Worth Local Development Corporation (FWLDC) is a 501 (c) (3) organization and a Texas nonprofit corporation formed in 1987 by the City Council. The original purpose of the FWLDC was to administer a proposed low-interest rate program for business development in and around the Stockyards area in accordance with the Economic Development Administration Block Grant Program. However, the articles of incorporation are broad enough to allow involvement in almost any kind of city-wide economic development activities. Although it is a legally separate entity from the City, the members of the Board of the FWLDC and members of the City Council are substantively the same. Therefore, the FWLDC has been blended in the City's basic financial statements as a Nonmajor Special Revenue Fund. Included in FWLDC is its component unit: Lancaster Corridor Redevelopment, LLC:

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

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

Service Center Relocation, Inc.—The Service Center Relocation, Inc. was established under the provision of Chapter 431, Texas Transportation Code, and the general laws of the State of Texas, to aid, assist, and act on behalf of the City in the performance of the City's governmental functions and to provide a means of financing certain project costs in connection with the undertaking of certain public improvements within specified geographical areas of the City in furtherance of the promotion, development, encouragement and maintenance of employment, commerce, economic development and public facility development in the City. Although it is legally separate from the City, the members of the board of the Service Center and the members of the City Council are substantively the same. Therefore, the Service Center has been blended in the City's basic financial statements as a Nonmajor Special Revenue Fund (reported with the Other Blended Component Units).

Fort Worth Sports Authority, Inc.—The Fort Worth Sports Authority, Inc. (Sports Authority) was created pursuant to the provisions of Section 4B, Article 5190.6, Vernon's Texas Civil Statutes, which authorizes the Sports Authority to jointly assist and act on behalf of the City and to engage in activities in furtherance of the purposes for its creation. The Sports Authority is organized for the purpose of aiding, assisting, and acting on

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

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

Lone Star Local Government Corporation—The Lone Star Local Government Corporation was created pursuant to the provisions of Subchapter D, Chapter 431 of the Texas Transportation Code, and Chapter 394 of the Texas Local Government Code. The Lone Star Local Government Corporation is organized for the purpose of aiding, assisting, and acting on behalf of the City in the performance of its governmental functions to promote the common good and general welfare of the City and in undertaking and completing of projects on behalf of the City. Although it is legally separate from the City, the members of the board of the Lone Star Local Government Corporation and the members of the City Council are substantively the same. Therefore, the Lone Star Local Government Corporation has been blended in the City's basic financial statements as a Nonmajor Special Revenue Fund (reported with the Other Blended Component Units).

Fort Worth Central City Local Government Corporation—The Fort Worth Central City Local Government Corporation (FWCCLGC) was created pursuant to the provisions of Subchapter D, Chapter 431 of the Texas Transportation Code. The FWCCLGC is organized for the purpose of aiding, assisting and acting on behalf of the City in the implementation of project plans for the Magnolia Green Development, including the construction of a parking garage to support the development of the area. Although it is legally separate from the City, the members of the board of the FWCCLGC and the members of the City Council are substantively the same. Therefore, the FWCCLGC has been blended in the City's basic financial statements as a Nonmajor Special Revenue Fund (reported with the Other Blended Component Units).

Pension and Retiree Healthcare Trust Funds

Employees' Retirement Pension Trust Fund of the City of Fort Worth—The multi-employer defined benefit retirement system providing benefits for City of Fort Worth employees and employees of the Employees' Retirement Fund was established under legal authority of the City Charter and is administered by the Retirement Fund Board of Directors. The authority to define or amend employer and employee contribution rates or benefits is given to the Fort Worth City Council. As disclosed in Note J, this fiduciary fund of the City issues separate audited financial statements which are publicly available and can be obtained by contacting the Employees' Retirement Fund at 3801 Hulen Street, Suite 101, Fort Worth, Texas 76107.

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

Related Entities

The following related entities are the more significant of those that do not meet the criteria for component units and are not included in the City's financial statements: Area Metropolitan Ambulance Authority, Fort Worth Zoological Association, Fort Worth Botanical Society, Inc., Friends of the Fort Worth Public Library, certain Fort Worth library trusts, the Business Assistance Center Foundation, Inc., Fort Worth South, Inc., and the Trinity River Vision Project.

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

City officials are also responsible for appointing members to the boards of the following organizations, but the City's accountability for these organizations do not extend beyond making appointments.

Dallas/Fort Worth International Airport—Dallas/Fort Worth International Airport (DFW Airport) was created by the contract and Agreement between the City of Fort Worth and the City of Dallas for the purpose of developing and operating an airport as joint venture between the two Cities. DFW Airport is governed by a 12-member board comprised of seven members representing the City of Dallas, four members representing the City of Fort Worth, and on an annual basis, one non-voting member from each of the neighboring cities of Irving, Grapevine, Euless, and Coppell. The audited financial statement for the DFW Airport can be obtained by contacting: the Office of the Executive Vice President and Chief Financial Officer, 3200 East Airfield Drive, P. O. Box 619428, DFW Airport, Texas 75261. Refer to further information in Note I.

Fort Worth Housing Authority—The Fort Worth Housing Authority (Housing Authority) is an independent organization, which has a scope of public service within the geographic boundaries of the City. Under Texas State Statutes, the responsibility for the administration and operations of the Housing Authority is vested solely with the Housing Authority's Board of Commissioners. The Housing Authority is dependent on Federal funds from the Department of Housing and Urban Development (HUD) and, as a result, is not financially dependent on the City. In addition, the City is not responsible for any deficits incurred and has no fiscal management control. The audited financial statement for the Housing Authority can be obtained by contacting: Riza Nolasco, Vice President and Chief Financial Officer, 1201 E. 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.

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

Fund Financial Statements

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

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

The City's fiduciary funds are presented in the fund financial statements. Since by definition these assets are being held for the benefit of a third party (pension and retiree healthcare plan participants) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

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

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

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses, and balance of financial resources while the modified accrual is used for the basis of accounting. The City reports the following major governmental funds:

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

Debt Service Fund accounts for the accumulation of financial resources for the payment of principal, interest and related costs on long-term obligations paid primarily from taxes levied by the City. The fund balance of the Debt Service Fund is reserved to signify the amounts that are restricted exclusively for debt service expenditures.

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

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

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

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

Proprietary Funds

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

Enterprise Funds:

The City reports the following major enterprise funds:

Stormwater Utility Fund accounts for the operation of the Stormwater Utility and provides funding for storm drainage capital improvements and enhanced maintenance of the storm drainage system in order to reduce stormwater related pollutants from entering the City's waterways. The fund also accounts for the accumulation of resources for and the payment of long-term principal and interest for the stormwater debt.

Water and Sewer Fund accounts for the provision of water and sewer services to the residents of the City. Activities of the funds include administration, billing and collection activities, and the operations, maintenance, and construction of the systems. The fund also accounts for the accumulation of resources for and the payment of long-term principal and interest for water and sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure the integrity of the system.

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

Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department to other departments within the City, on a cost-reimbursement basis. The City has nine internal service funds, which include: Office Services Fund, Equipment Services Fund, Temporary Labor Fund (Closed in Fiscal Year 2014), Information Systems Fund, Capital Projects Fund, Risk Management, Workers Compensation Insurance, Group Health Insurance and Unemployment Compensation.

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

Fiduciary Funds

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

Pension and Other Employee Benefit Trust Funds—For accounting measurement purposes, Pension and Other Employee Benefit Trust Funds are accounted for in essentially the same manner as proprietary funds. The Pension and Other Employee Benefit Trust Funds account for the assets of the City's retirement and postemployment

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

healthcare benefit plans. The Fort Worth Employees' Retirement Fund issues separately audited financial statements. Those statements can be obtained by contacting the Fort Worth Employee's Retirement Fund, 3801 Hulen Street, Suite 101, Fort Worth, Texas, 76107.

The fiduciary funds are not included in the government-wide financial statements.

Reconciliation of Government-Wide and Fund Financial Statements

A summary reconciliation of the difference between total fund balances as reflected on the governmental funds balance sheet and total net position for governmental activities as shown on the government-wide statement of net position is presented in an accompanying schedule to the governmental funds balance sheet. The asset, deferred outflows of resources, liability and deferred inflows of resources elements which comprise the reconciliation difference stem from governmental funds using the current financial resources measurement focus and the modified accrual basis of accounting while the government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting. A summary reconciliation of the difference between net changes in fund balances as reflected on the governmental funds statement of revenues, expenditures, and changes in fund balances and change in net position for governmental activities as shown on the government-wide statement of activities is presented in an accompanying schedule to the governmental funds statement of revenues, expenditures, and changes in fund balances. The revenue and expense elements which comprise the reconciliation difference stem from governmental funds using the current financial resources measurement focus and the modified accrual basis of accounting while the government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting.

A. 3. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

The government-wide statement of net position and statement of activities, all proprietary funds, and the fiduciary funds are reported and accounted for on the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of these activities are included on the statement of net position. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of the related cash flows. Nonexchange transactions, in which the City either gives or receives value without directly receiving or giving equal value in exchange include, sales taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from sales taxes are recognized when the underlying exchange transaction takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been met. Contributions from members are recorded when the employer makes payroll deductions from Plan members. Employer contributions are recognized when due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

The governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. This focus is on the determination of and changes in financial position. Revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current fiscal period. Revenues from taxes are generally considered available if received within 60 days after the fiscal year-end. Revenue from categorical and other grants are recognized when applicable eligibility requirements, including time requirements, are met and are generally considered available if received within 60 days after the fiscal year-end. Program revenues such as fines, licenses and permits, gas leases and royalties and other charges for services are generally considered to be measurable and available when the cash is received. Expenditures are recorded when the related liability is incurred and payment is due, except for principal and interest on long-term debt and certain estimated liabilities which are recorded only when the obligation has matured and is due and payable shortly after year-end as

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

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

A. 4. PROPERTY TAXES

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

Property taxes levied for 2014 have been recorded as receivables, net of allowance for refunds and uncollectible amount. The net receivables collected during 2014 and those considered "available" at September 30, 2014, (i.e., property taxes collected within 60 days of year-end) have been recognized as revenues in 2014. The remaining receivables have been reflected as Unavailable Revenue. In the government-wide financial statements, tax revenue is recognized in the year in which taxes are levied.

The State Constitution limits the tax rate to \$2.50 per \$100 of assessed valuation including debt service. However, the City Charter further limits the tax rate to \$1.90 per \$100 or \$19.00 per \$1,000 of assessed valuation including debt service (amounts are not in thousands). The property tax rate currently levied by the City is \$0.8550 per \$100 of valuation.

A. 5. A. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

Unrestricted Investments purchased with pooled cash are classified as cash, cash equivalents, and investments in the accompanying balance sheet and statement of net position. The relationship of an individual fund to the pooled cash and investment account is essentially that of a demand deposit account. Individual funds can withdraw cash from the account as needed and therefore all equity that the fund has in the pooled cash and investment account is highly liquid. For the purposes of the accompanying statement of cash flows, the City has chosen to reconcile "cash, cash equivalents and investments," because all investments are regarded as cash equivalents.

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

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

Valuation of Investments—Investments are stated at fair value. Quoted market prices are used to value investments. Investments that do not have quoted market prices are priced from information received from the external manager. This information includes audited financial statements, quarterly valuation statements, adjustments for cash receipts, cash disbursements and securities distributions through September 30, 2014. Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on an accrual basis. Dividends are recorded on the ex-dividend date.

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

The Plan's investment in limited partnerships are valued at estimated fair value based on the Plan's proportionate share of the partnerships' fair value as recorded in the partnerships' audited financial statements. The limited partnerships allocate gains, losses and expenses to the partners based on the ownership percentage as described in the partnership agreements.

There are certain market risks, credit risks, foreign exchange currency risks, or events that may subject the Plan's investment portfolio to economic changes occurring in certain industries, sectors, or geographies. Net investment income includes net appreciation (depreciation) in the fair value of investments, interest income, dividend income, securities lending income, and investment expense. Investment expense includes custodian and management fees, securities lending expense and all other significant investment-related costs.

Due to/from Broker—The balance due to broker securities purchased and due from broker securities sold in 2014 represents trades pending settlement and amounts due to foreign currency contracts.

Foreign Currency Transactions—The Plan is a party to financial instruments with off-balance-sheet risk, primarily forward contracts. Forward transactions are contracts or agreements for delayed delivery of commodities, securities, or money market instruments in which the seller agrees to make delivery at a specified future date of a specified commodity or instrument, at a specified price or yield. Entering into these investments involves not only the risk of dealing with counterparties and their ability to meet the terms of the contracts, but also the risk associated with market fluctuations. Notional, face, or contract amounts often are used to express the volume of these transactions, but the amounts potentially subject to credit risk are smaller.

Gains and losses resulting from foreign exchange contracts (transactions denominated in a currency other than the Plan's functional currency—U.S. dollars) are recorded by the Plan based on changes in market values and are combined with similar transactions in the accompanying statements of changes in plan net position and are included in net investment income. The Plan structures its foreign exchange contracts and enters into certain transactions to substantially mitigate the Plan's exposure to fluctuations in foreign exchange rates.

Investments and broker accounts denominated in foreign currencies outstanding at September 30, 2014 were converted to the Plan's functional currency at the foreign exchange rates quoted at September 30, 2014. These foreign exchange gains and losses are included in net appreciation in fair value of investments in the accompanying statements of changes in net position.

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

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

A. 6. INVENTORIES

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

A. 7. CAPITAL ASSETS

Capital assets, which include land, buildings, infrastructure, vehicles, machinery and equipment, and construction in progress, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Capital assets are recorded at

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

original cost or estimated fair market value as of the date of acquisition or donation for contributed assets. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has been capitalized during the construction period for proprietary capital assets.

The capitalization threshold below is determined by the asset class except for water and sewer capital assets which are considered to be one system and will be capitalized at their cost.

- a) Land is capitalized regardless of the value or cost;
- b) Buildings, infrastructure and intangible assets must be capitalized when the useful life is at least 3 years and the cost is \$100 or more;
- c) Vehicles, Machinery and Equipment must be capitalized when the useful life is at least 2 years and the cost is \$5 or more.

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

Water and Sewer Meters and Equipment	5-30 years
Water and Sewer Infrastructure	25-75 years
Buildings (Includes portable structures)	10-60 years
Vehicles, Machinery and Equipment	2-20 years
Runways and Taxiways	20-30 years
Infrastructure	10-40 years

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

A. 8. INTERFUND TRANSACTIONS

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

A. 9. COMPENSATED ABSENCES

City employees earn personal leave, which may either be taken or accumulated until paid upon termination or retirement. Unused sick leave, accrued holidays, and compensated time may be accumulated to a specific maximum amount and is paid upon termination, retirement or death for Civil Service employees. All other employees are paid up to an established limit for personal leave upon retirement or death. Accumulated vacation and sick leave is accrued when incurred in the government-wide statement of net position and the proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund statements, only if they have matured as a result of employee resignation or retirements in accordance with GASB Interpretation No. 6. For accrued amounts that are paid through proprietary funds, an expense and liability for the total future liability is recorded.

The amount of current year compensated absences related to both governmental and proprietary funds is budgeted annually as an expenditure or expense, as appropriate. Compensated absences related to the governmental funds are liquidated in the respective funds of the employees.

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

A. 10. A. RISK MANAGEMENT

The Risk Financing Internal Services Funds accounts for the administration of risk management activities and programs in accordance with GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*. These are as follows: third party liability claims and coordination with the Department of Law on litigation, property and casualty insurance, workers' compensation, group health and life insurance plan, unemployment compensation insurance and retired employees' group death benefits for certain retirees.

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

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

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

Provisions under each type of insurance are presented below:

A. 10. B. LIABILITY INSURANCE

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

A. 10. C. PROPERTY AND CASUALTY INSURANCE

An "all risk" property policy is provided by multiple commercial insurance companies for losses in excess of \$250 per occurrence for all covered perils. The City self-insures most property losses less than \$250. Boiler and machinery insurance, and crime insurance are also maintained on a commercial insurance basis. There were no significant changes in coverage limits for property and casualty insurance.

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

A. 10. D. WORKERS' COMPENSATION

The City largely self-funds the risk for workers' compensation claims. Catastrophic loss protection for workers' compensation is provided by a commercial insurer on a policy with a self-insured retention limit of \$2,500 per occurrence for police officers and fire fighters and \$1,750 for any single occurrence for all other employees. Coverage limits for workers' compensation are the statutory limits required by the Texas Workers' Compensation Act.

A. 10. E. GROUP HEALTH AND LIFE INSURANCE

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

The group life insurance and Accidental Death and Dismemberment insurance (AD&D) plans only cover active employees for \$10 and is provided by a commercial carrier. Effective April 1, 2014, the specific stop loss insurance was increased to \$1,000; the specific stop loss insurance assumes the risk for claims on any individual in excess of \$1,000 paid during a calendar year.

A. 10. F. UNEMPLOYMENT COMPENSATION

The City is a reimbursing agency for Unemployment Compensation. The Texas Workforce Commission (TWC) sends quarterly reports to the City concerning claims paid on behalf of the City to eligible former employees. A third party administrator reviews the claims and files reports to TWC accordingly. There were no significant changes in coverage levels for unemployment compensation.

A. 11. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position presents a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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

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

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

in its Business-Type Activities in the Statement of Net Position. This amount represents the service concession arrangement (SCA) for the Southeast landfill. The City's SCA is briefly described below:

In 2003, the City entered into an agreement with Allied Waste Systems (D/B/A Trinity Waste Services) to operate the City's Southeast Landfill. As part of this agreement, Allied Waste Systems is compensated by third party users of the landfill. The City owns the land for the landfill and retains ownership (residual interest) in the land at the end of the 20 year agreement. In 2003, Allied Waste Systems made an initial payment of \$9,600 to the City. This upfront payment is being amortized over the 20 year contract term. As of September 30, 2014, the City recognized a Deferred Inflow of Resources in the amount of \$4,088.

A. 12. FUND BALANCE/NET POSITION

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

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

- a) **Nonspendable fund balance** (inherently nonspendable) include the:
 - Portion of net resources that cannot be spent because of their form.
 - Portion of net resources that cannot be spent because they must be maintained intact.
 - The nonspendable fund balance of \$8,862 is classified as such because it cannot be spent because of its form.
- b) **Restricted fund balance** (externally enforceable limitations on use) include amounts subject to:
 - Limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments.
 - Limitations imposed by law through constitutional provision or enabling legislation.
- c) **Committed fund balance** (self-imposed limitations set in place prior to the end of the period):
 - Limitation imposed at the highest level of decision making that requires formal action (passage of City Ordinance) at the same level to remove. For the City, the City Council is the highest level of decision making.
- d) **Assigned fund balance** (limitation resulting from intended use) consists of amounts where the:
 - Intended use is established by the body designated for that purpose (City Council).
 - Intended use is established by official designated for that purpose. For the City, the City Manager is the designated official.
- e) **Unassigned fund balance** (residual net resources) is the:
 - Total fund balance in the General Fund in excess of nonspendable, restricted, committed, and assigned fund balance.

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

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

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

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

A. General Fund Unassigned Fund Balance

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

B. Net Position of Enterprise Operating Funds

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

C. Use of Fund Balance/Net Position

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

D. Culture and Tourism Fund Assigned Fund Balance

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

E. Debt Service Funds

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

F. Net Position of Internal Service Funds Other than Benefit and Insurance Funds

The City shall not regularly maintain positive net position in excess of 20 percent of the current year's operation and maintenance expense in the following Internal Services Funds: Office Services, Equipment Services, Information Systems and Capital Project Services Funds. Normally, when any of the internal service fund's net position exceeds 20 percent, the City shall reduce the charges for services provided by the internal service fund to other City operating funds.

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

G. Benefit and Insurance Internal Service Funds

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

1. Risk Management Fund—25 percent of projected annual operating expenditures.
2. Workers Compensation Fund—25 percent of projected annual operating expenditures.
3. Group Health and Life Insurance Fund—20 percent of projected annual operating expenditures.
4. Unemployment Compensation Fund—25 percent of projected annual operating expenditures.

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

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)

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

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

A. 14. USE OF ESTIMATES

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

A.15. IMPLEMENTATION OF NEW GASB STATEMENTS

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

In March 2012, GASB issued Statement No. 66, *Technical Corrections-2012*. This statement improves financial reporting by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The requirements of this statement were effective for financial statements for periods beginning after December 15, 2012. The City has implemented GASB Statement No. 66 in fiscal year 2014; however, the implementation of this standard did not have an impact on the City's financial statements.

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

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

A.16. RESTATEMENT

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

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

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

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

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

Implementation of GASB Statement No. 65

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

Change in Reporting Entity for the Classifications of Component Units

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

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

Change in Reporting Risk Management Activities

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

NOTE B: CASH, CASH EQUIVALENTS, AND INVESTMENTS

B. 1. POOLED CASH AND INVESTMENTS

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

Pooled Portfolio

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

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

The City, as authorized by the City Council, engages in securities lending through a contract with Citibank whereby all of the U.S. Treasury securities and agency securities are available to be lent to an authorized primary dealer. All securities loaned can be terminated on demand by either party. The State law indirectly addresses reinvestment of collateral through the reverse repurchase agreement requirements. The law requires that funds received "must mature not later than the expiration date" of the loan (Section 2256.011d of the Public Funds Investment Act). The City receives defined collateral of at least 102 percent of fair value. At no time is ownership on the underlying securities transferred to the primary dealer. The City does not have the ability to pledge or sell collateral securities outside of borrower default. Therefore, in accordance with GASB Statement No. 28, *Accounting and Financial Reporting for Securities Lending Transactions*, securities on loan are not presented on the City's financial statements. As of September 30, 2014, the carrying and fair value of securities on loan was \$850,938 and the fair value of collateral held against the loaned securities was \$868,180.

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

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

As of September 30, 2014, the City's investment portfolios (excluding bank deposits, local government investment pools, money market mutual funds, and amounts held by Trustees) were held by the City's custodians in the City's name under written agreements. The City's custodians are Citibank (securities lending) and JP Morgan Chase.

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

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

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

<u>Maturity</u>	<u>Cash to 1 year</u>	<u>1 - 2 years</u>	<u>2 - 3 years</u>	<u>3 - 4 years</u>	<u>4 - 5 years</u>
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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Gas Lease Portfolio

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

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

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.

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

B.3. CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

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 Revenue - Fixed Income - Domestic and International Mutual Fund	4,725	943	See Note B.1
Gas Lease Revenue - Equities Funds	19,583	N/A	N/A
Gas Lease Revenue - Real Assets Funds	5,357	N/A	N/A
Gas Lease Revenue - Complementary Strategies Funds	5,679	N/A	N/A
Workers Compensation / Other Cash	1,615	N/A	N/A
Department of Justice Grant - Cash	833	N/A	N/A
Energy Savings Performance Contract - Phase 7 - Cash	1,993	N/A	N/A
Water and Sewer Reserve Fund - Money Market Mutual Funds	14,802	N/A	Aaa
2010B City of Fort Worth Escrow - Money Market Mutual Funds	9,466	N/A	Aaa
Fort Worth Local Development Corp - Money Market Mutual Funds	4,028	N/A	Aaa
SE Landfill - Money Market Mutual Funds	3,448	N/A	Aaa
Total Cash and Cash Equivalents Held by Trustees for the City	87,278		
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

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

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

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	<u>\$ 3,695,316</u>
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	<u><u>\$ 3,695,316</u></u>

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

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

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

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

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		<u>37,539</u>
Equity Mutual Funds:		
MSCI Eafe Idx	N/A	2,929
Vanguard Emerg Mkt	N/A	1,152
TR Russell MCP GR	N/A	945
TR Russell MCP VL	N/A	943
S&P SMLCP Growth	N/A	773
S&P SMLCP Value	N/A	773
Spdr Euro	N/A	887
S&P 500 Index	N/A	3,402
S&P 500 Value	N/A	2,392
S&P 500 Growth	N/A	2,461
Total Equity Mutual Funds		<u>16,657</u>
Total Investments		<u><u>\$ 54,196</u></u>

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

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

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

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

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

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

Custodial Credit Risk—Custodial credit risk is the risk that in the event of failure of the counterparty, the Plan would not be able to recover the value of its investments. The Plan does not have a formal policy for custodial credit risk. As of September 30, 2014, all investments are registered in the name of the Employees' Retirement Fund of the City of Fort Worth or in the name of the Plan's custodian established through a master trust custodial agreement, with the exception of investments in Alternative Investments and Commingled Funds.

Credit Risk of Debt Securities—Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Plan's investment policy requires that fixed income securities have a weighted average of no less than Investment Grade, as rated by Moody's or Standard & Poor's (S&P). However, the policy does provide for high yield fixed income managers to invest in securities with S&P ratings between BB+ and CCC. The policy limits 25% of a manager's portfolio to be rated CCC or lower. Unrated securities should be limited to no more than 20% of a manager's portfolio. GASB Statement No. 40 does not require disclosure of U.S. government obligations explicitly guaranteed.

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

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

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

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

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

Concentration of Credit Risk—Concentration of credit risk is the risk of loss attributed to the magnitude of the Plan’s investment in a single issuer. The Plan’s investment policy addresses concentration limits on a manager basis. As of September 30, 2014, the Plan did not have any investments, where the underlying assets were registered in the Fund’s name that totaled more than 5% of assets of the Fund.

Interest Rate Risk—Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The Plan does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates.

The maturities of investments subject to interest rate risk are as follows:

<u>Investment Type</u>	<u>Less Than 1 Year</u>	<u>1 - 5 Years</u>	<u>6 - 10 Years</u>	<u>More Than 10 Years</u>	<u>Total Fair Value</u>
Asset & Mortgage Backed Obligations	\$ 29	\$ 10,633	\$ 727	\$ 24,389	\$ 35,778
Corporate Obligations	10,437	28,780	29,786	26,617	95,620
Government Agency Obligations	1,023	26,646	5,063	29,012	61,744
International Obligations	7,636	21,503	15,992	17,482	62,613
Securities Lending Collateral	<u>198,173</u>	-	-	-	<u>198,173</u>
Total Interest Rate Risk Debt Securities	<u>\$ 217,298</u>	<u>\$ 87,562</u>	<u>\$ 51,568</u>	<u>\$ 97,500</u>	<u>\$ 453,928</u>

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

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

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

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

FOREIGN CURRENCY EXCHANGE TRANSACTIONS

To manage the foreign currency exchange risks associated with foreign investments, the Plan enters into forward currency contracts. The plan had a net foreign currency contracts with fair value of approximately \$878 at September 30, 2014, which contractually obligates the plan to deliver currencies at a specified date. The plan could be exposed to risk of loss if the counterparty is unable to meet the terms of a contract or if the value of currency changes unfavorably. At September 30, 2014, the fair value of these contracts is included in due to/from broker.

DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

Rights and Warrants - A right is a special type of option that has a short market life, usually existing for no more than a few weeks. Essentially, rights originate when corporations raise money by issuing new shares of common stock. From an investor's perspective, a right enables a stockholder to buy shares of the new issue at a specified price, over a specified, fairly short time period. Rights not executed by their expiration date cease to exist and become worthless. A warrant is a long-term option that gives the holder the right to buy a certain number of shares of stock in a certain company for a certain period of time. Like most options, warrants are found in the corporate sector of the market. Occasionally, warrants can be used to purchase preferred stock or even bonds, but common stock is the leading redemption vehicle. Warrants, like rights, cease to exist and become worthless if they are not executed by their expiration date.

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

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

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

Credit Risk—The Plan is exposed to credit risk on investment derivatives that are traded over the counter and reported in asset positions. Derivatives exposed to credit risk include currency forward contracts, rights and warrants, and swap agreements. To minimize credit risk exposure the Plan’s managers monitor the credit ratings of the counterparties. Should there be a counterparty failure, the Plan would be exposed to the loss of the fair value of derivatives that are in the asset positions and any collateral provided to the counterparty, net of the effect of applicable netting arrangements. Netting arrangements provide the Plan with a right of 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	<u>788</u>	<u>(119)</u>	<u>402</u>	<u>284</u>
Total	<u>\$ 788</u>	<u>\$ (119)</u>	<u>\$ 1,294</u>	<u>\$ 1,176</u>

Interest Rate Risk—The interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Interest rate swaps are an example of an investment that has a fair value that is highly sensitive to interest rate changes. These investments, as of September 30, 2014, are disclosed in the following table:

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

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

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

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

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

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

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

SECURITIES LENDING

The Plan is authorized to contractually lend securities to borrowers in accordance with policy established by the Board of Trustees. The Plan is currently contracted with Northern Trust to establish, manage and administer a securities lending program. Northern Trust facilitates lending the Plan's domestic and international equity and fixed income securities in return for collateral consisting of cash, U.S. government securities and irrevocable letters of credit issued by banks independent of the borrower. At a loan's inception, the value of collateral obtained is equal to 102% for securities of United States issuers, and 105% in the case of securities of non-United States issuers, of the market value of any securities to be loaned, plus any accrued interest.

Cash collateral is to be invested in government securities, bank and corporate notes, bank certificates of deposit, time deposits, bankers' acceptances, repurchase agreements, commercial paper and asset backed securities. The contract with Northern Trust specifies guidelines for allowable investments, maturities, and diversification. The Plan does not have the ability to pledge or sell collateral securities without borrower default. The amount of collateral held exceeds the value of the assets on loan at September 30, 2014.

The Plan earns income from fees paid by the borrowers and interest earned from investing the cash collateral. The contract requires the custodian bank to purchase any loaned securities with collateral provided, however, if the collateral is insufficient to cover the loss, the Plan is liable for the loss. The cash collateral received on each loan was invested in the collateral pool at Northern Trust. Because the loans are terminable at will, their duration generally did not match the duration of the investments made with cash collateral. In addition, the Plan had no credit risk exposure to borrowers. As of September 30, 2014, the value of the collateral held was \$198,173 and the value of securities on loan at September 30, 2014, was \$192,524. The Plan earned \$900 on its securities lending activity for the fiscal year ended September 30, 2014.

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

NOTE C: RECEIVABLES AND INTERFUND BALANCES

C.1. RECEIVABLES

Receivables at September 30, 2014 for governmental activities of the City's individual major funds and nonmajor and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, consist of the following:

<u>Receivables</u>	General	Debt Service	Capital Projects	Nonmajor Governmental	Internal Service	Total Governmental Activities
Taxes	\$ 30,785	\$ 8,959	\$ -	\$ -	\$ -	\$ 39,744
Grants and Other Governments	23,105	-	-	30,032	-	53,137
Levied, Unbilled Assessments	-	-	2,082	-	-	2,082
Loans	-	-	-	7,047	-	7,047
Long-Term Loans	-	-	-	11,443	-	11,443
Interest	349	1,283	278	421	226	2,557
Accounts and Other	49,684	-	923	4,355	1,351	56,313
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:

<u>Receivables</u>	Water and Sewer	Stormwater Utility	Nonmajor Enterprise	Total Business-type Activities
Interest	\$ 220	\$ 92	\$ 119	\$ 431
Accounts and Other	51,131	3,976	8,625	63,732
Grants - Restricted	16	-	2,164	2,180
Interest - Restricted	752	282	319	1,353
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.

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

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

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

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

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

C.2. INTERFUND RECEIVABLES AND PAYABLES

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

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

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

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

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

C.3. ADVANCES

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

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:		<u>\$ 21,110</u>

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

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

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

C. 4. TRANSFERS

Transfers made during the year are as follows:

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

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

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

Significant transfers included the following:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NOTE D: FUND EQUITY

D.1 FUND DEFICITS

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

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

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

D.2. UNASSIGNED FUND BALANCE

In nonmajor funds, the Grants Fund has a deficit \$1,620 in unassigned fund balance because revenues were unavailable (collectible during the current period or soon after) to be used to pay liabilities of the current period.

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

NOTE E: RESTRICTED ASSETS

Restricted assets in certain funds are held for specific purposes in accordance with bond ordinances or other legal restrictions as follows:

	Water and Sewer	Storm Water Utility	Nonmajor Enterprise Funds	Internal Service Funds	Total
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
	<u>28,680</u>	<u>1,735</u>	<u>1,556</u>	<u>-</u>	<u>31,971</u>
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
	<u>241,315</u>	<u>59,101</u>	<u>130,094</u>	<u>10</u>	<u>430,520</u>
Customer Deposits:					
Cash and Cash Equivalents	13,968	-	887	-	14,855
	<u>13,968</u>	<u>-</u>	<u>887</u>	<u>-</u>	<u>14,855</u>
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
	<u>6,213</u>	<u>-</u>	<u>4,762</u>	<u>870</u>	<u>11,845</u>
Total	<u>\$ 290,176</u>	<u>\$ 60,836</u>	<u>\$ 137,299</u>	<u>\$ 880</u>	<u>\$ 489,191</u>

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

NOTE F: CAPITAL ASSETS

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

	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

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

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

	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.

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

NOTE G: DEBT OBLIGATIONS

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

The following is a summary of changes in long-term obligations for the year ended September 30, 2014:

	Balance at			Balance at	Due Within
	October 1, 2013, as restated	Increases	Decreases	September 30, 2014	
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)

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

	Balance at October 1, 2013	Increases	Decreases	Balance at September 30, 2014	Due Within One Year
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	<u>1,033,895</u>	<u>204,324</u>	<u>121,785</u>	<u>1,116,434</u>	<u>77,897</u>
Total Long-Term Liabilities	<u>\$ 2,612,087</u>	<u>\$ 461,390</u>	<u>\$ 356,398</u>	<u>\$ 2,717,079</u>	<u>\$ 196,149</u>

(concluded)

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

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

Governmental Activities long-term debt is summarized as follows:					
	Interest Rate %	Year of Issue	Year of Maturity	Original Amount	Amount Outstanding
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					<u>408,965</u>
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					<u>285,545</u>
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					<u>4,504</u>
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					<u>39,145</u>
Fort Worth Sports Authority Obligation	0.0	1997	2026	20,000	6,868
Lone Star Local Gov't Corp. Obligation	4.75	2006	2024	31,617	31,617
State Obligation - City	0.0	2014	2031	8,338	7,873
State Obligation - CCPD	0.0	2014	2031	3,239	3,058
TRWD Obligation	0.0	2014	2031	50,933	91,998
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					<u>2,617</u>

(continued)

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

Governmental Activities long-term debt is summarized as follows:					
	Interest Rate %	Year of Issue	Year of Maturity	Original Amount	Amount Outstanding
ESPC VII	2.236	2013	2026	\$ 18,443	\$ 18,064
Capital Leases	9.675-11.0	2011	2017		1,482
Southwest Bank Loan (LDC SW Building)	2.93	2014	2021	2,689	2,545
Net Unamortized Bond Premium/Discount				n/a	45,548
Retainage Payable	n/a	n/a	n/a	n/a	5,974
Compensated Absences	n/a	n/a	n/a	n/a	114,752
Estimated Claims Payable	n/a	n/a	n/a	n/a	38,893
Other Postemployment Benefits Obligation	n/a	n/a	n/a	n/a	430,774
Net Pension Obligation	n/a	n/a	n/a	n/a	58,053
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)

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

Business-Type long-term debt is summarized as follows:					
	Interest Rate %	Year of Issue	Year of Maturity	Original Amount	Amount Outstanding
Municipal Parking:					
Certificates of Obligation:					
Series 2007	5.0-5.25	2007	2033	\$ 20,935	\$ 18,465
Series 2009	5.0-5.25	2009	2033	27,135	25,800
Series 2010A	3.0-5.0	2010	2020	1,955	1,265
Total Municipal Parking					45,530
Municipal Golf:					
Certificates of Obligation:					
Series 2010A	3.0-5.0	2010	2025	2,615	2,060
Stormwater Utility:					
Revenue Bonds:					
Series 2007	4.25-5.0	2008	2033	24,430	20,620
Series 2009	2.0-4.3	2009	2035	45,190	40,210
Series 2011	2.0-5.0	2011	2036	78,325	71,925
Total Stormwater Utility					132,755
Net Unamortized Bond Premium/Discount and Loss on Refunding				n/a	51,954
Compensated Absences	n/a	n/a	n/a	n/a	10,280
Landfill Closure and Postclosure Liability	n/a	n/a	n/a	n/a	4,762
Pollution Remediation Liability	n/a	n/a	n/a	n/a	3,131
Other Postemployment Benefits Obligation	n/a	n/a	n/a	n/a	67,200
Net Pension Obligation	n/a	n/a	n/a	n/a	9,007
Total Business-Type long-term debt					\$ 1,116,434

(concluded)

G. 2. GOVERNMENTAL ACTIVITIES' DEBT

Long-term liabilities consist of General Obligation Bonds and Certificates of Obligation, as well as other long-term liabilities. Principal and interest payments on debt obligations are secured solely or in part by ad valorem taxes levied on all taxable property within the City.

General Obligation Bonds and Certificates of Obligation indentures require the City to levy the tax required to fund interest and principal at maturity or at least 2 percent of the principal, whichever is greater. At September 30, 2014, \$18,826 of cash and investments is available in the Debt Service Fund to service General Obligation Bonds and Certificates of Obligation for governmental activities.

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

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

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

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

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

G. 3. DIRECT PURCHASE NOTES

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

G. 4. ENTERPRISE DEBT

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

In accordance with the revenue bond ordinances, a reserve for debt service is maintained. At September 30, 2014, \$31,943 of cash and investments was available for payments of principal and interest on all Enterprise Fund debt. The Water and Sewer Fund has substituted surety bonds in the amount of \$2,489 that are also held in reserve to provide for payment of debt service obligations in the event there are insufficient amounts on deposit to make debt service payments.

During 2014 the City withdrew 5 installments of Water and Sewer Revenue Bonds, Series 2010A, as follows: October 25th \$40; November 21st \$20; January 13th \$695; February 27th \$595; and April 16th \$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 15th and August 15th of each year, commencing in February 2014 with an interest rate of 2.62 percent. The City has pledged future water and sewer customer revenues to repay the revenue bonds.

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

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

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

Net revenues of some of the City's enterprise funds—defined as net operating income, plus depreciation expense, plus investment income—have been pledged for repayment of long-term bonded debt incurred by these funds. The amount pledged is equal to the remaining outstanding debt service requirements for these bonds. The pledge continues for the life of the bonds.

For the year ended September 30, 2014, net pledged revenue by fund was as follows:

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 Environmental Management Fund (nonmajor governmental). The City is required to report the estimated liability for pollution remediation activities in accordance with GASB Statement No. 49, *Reporting for Pollution Remediation Obligations*. As of September 30, 2014, the City's liability was \$3,131 for the Water and Sewer Fund. The City's estimated outlays for the cleanup were generated using the expected cash flows technique. The amount of the estimated pollution remediation liability assumes that there will be no major increases in the cost of providing these cleanup services. These estimates are subject to changes as a result of price increases, changes in technology, and new laws and regulations.

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

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

The annual requirements to amortize all bonded and contractual debt outstanding as of September 30, 2014, is disclosed by Governmental type as shown on the following pages:

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

(continued)

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

(continued)

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

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

(concluded)

The City has two blended component units whose long-term debt is paid through revenues transferred from Tax Increment Reinvestment Zones (TIRZs). TIRZ #2A makes debt service payments on Fort Worth Sports Authority's outstanding debt obligation of \$6,868. TIRZ #10 makes debt service payments on Lone Star Local Government Corp's outstanding debt obligation of \$31,617. Debt payments by these TIRZs are determined based on the revenue that each TIRZ receives during the year. Therefore, no definitive payment schedule has been determined.

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

Major Business-Type Activities:										
Year							Total			
Ending	Water and Sewer		Water and Sewer		Water and Sewer		Stormwater		Major	
September	Revenue		TRA		ESPC V Loan		Utility Revenue		Business-Type	
30,	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 65,055	\$ 30,154	\$ 615	\$ 136	\$ 1,418	\$ 300	\$ 3,960	\$ 5,381	\$ 71,048	\$ 35,971
2016	64,750	27,879	635	124	1,475	266	4,130	5,221	70,990	33,490
2017	63,965	25,346	650	111	1,508	232	4,300	5,072	70,423	30,761
2018	66,720	22,593	670	98	1,544	196	4,460	4,925	73,394	27,812
2019	59,645	19,919	690	77	1,580	160	4,640	4,745	66,555	24,901
2020-2024	231,320	68,494	2,240	101	5,830	259	26,590	20,317	265,980	89,171
2025-2029	148,000	29,491	-	-	-	-	32,835	14,369	180,835	43,860
2030-2034	66,660	6,794	-	-	-	-	39,185	6,711	105,845	13,505
2035-2039	-	-	-	-	-	-	12,655	456	12,655	456
	<u>\$ 766,115</u>	<u>\$ 230,670</u>	<u>\$ 5,500</u>	<u>\$ 647</u>	<u>\$ 13,355</u>	<u>\$ 1,413</u>	<u>\$ 132,755</u>	<u>\$ 67,197</u>	<u>\$ 917,725</u>	<u>\$ 299,927</u>

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

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

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

G.6. ARBITRAGE

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

G. 7. LEASES

The City is also committed under capital leases for the acquisition of one municipal building, the Armory Building, and heavy equipment. In Fiscal Year 2014 the Southwest Municipal Court Building was sold and is no longer under a capital lease. These leases are recorded as capital leases in the government-wide reporting. Amortization of the leased assets is included in depreciation expenditures in the government-wide reporting. The leased buildings had an original cost totaling \$4,419.

The following is a summary of capital lease transactions of the City for the year ended September 30, 2014:

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

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

Future minimum lease payments for these leases are as follows:

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

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

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

The City entered into operating lease agreements for the utilization of computers and related equipment, office space, vehicles, and golf carts. The lease terms range from 12 to 180 months. The following is a schedule by years of future minimum rental payments required under the operating leases as of September 30, 2014:

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

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

The Fort Worth Sports Authority (a blended component unit) entered into a purchase contract to purchase the Texas Motor Speedway. Annual payments consist of a percentage of the tax increment revenues from Tax Increment Reinvestment Zone #2A and an additional percentage of tax increment revenues conditional upon the Texas Motor Speedway's contribution to economic development. The Fort Worth Sports Authority is obligated for tax increment revenues collected through 2026, with the total purchase price not to exceed \$20,000. The original contract was payable solely from the incremental taxes. Incremental taxes were projected to produce 100 percent of the debt service requirements over the life of the contract. Total principal remaining on the contract is

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

(continued)

\$6,868, payable through 2026. In fiscal year 2009, the City entered into an agreement with Texas Motor Speedway Corp. concerning gas bonus and lease revenues related to the racetrack. The agreement stated that upon the corporation initiating a gas lease agreement, the corporation would use this revenue to offset the amount the City owed for the racetrack. The gas lease agreement was entered into during fiscal year 2012 and in accordance with this agreement, Tax Increment Reinvestment Zone #2A debt payments are reduced to \$90 per year until the purchase contract is complete. The Texas Motor Speedway also has an agreement with Fort Worth Sports Authority to lease back the facility for \$50 to \$100 annually over the 30 year lease. The lease term extends to 2026 with renewal options for an additional 10 years. The lease is accounted for by the City as an operating lease.

The Lone Star Local Government Corporation (a blended component unit) entered into an agreement with Cabela's to finance a museum inside Cabela's Fort Worth facility. Annual payments consist of property tax increment revenues from Tax Increment Reinvestment Zone #10. Lone Star Local Government Corporation is obligated for tax increment revenues collected through 2024, with the total principal payment price not to exceed \$31,617. The contract is payable solely from the incremental taxes. Incremental taxes were projected to produce 100 percent of the debt service requirements over the life of the contract. Total principal and interest remaining on the contract is \$31,617, payable through 2024. The interest rate for this agreement is 4.75 percent.

G. 8. DEFEASANCE OF PRIOR DEBT

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

At September 30, 2014, the following outstanding bonds are considered defeased:

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

G. 9. CONDUIT DEBT

On May 12, 2006, the Alliance Airport Authority, Inc., issued Special Facilities Revenue Refunding Bonds, Series 2006, in the amount of \$245,150 to defease the Special Facilities Revenue Bonds, Series 1996. As of September 30, 2014, \$245,150 is outstanding. The bonds do not constitute a debt of the Authority or of the City.

NOTE H: LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

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

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

The City reported \$4,762 as landfill closure and postclosure care liability in the Solid Waste Fund at September 30, 2014. This represents the cumulative amount reported to date based on the use of 32.3 percent of the estimated current permitted capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$9,958 as the remaining estimated capacity is filled. The City expects to close the landfill in 46 years from the end of the current fiscal year, or the year 2058. The total cost of closure and postclosure is an estimate and is subject to changes resulting from inflation, deflation, technology changes, or changes in applicable laws and regulations.

Furthermore, at September 30, 2014, the City reported cash and cash equivalents of \$1,314 as restricted assets for closure and postclosure care and has \$3,448 in a trust instrument for these costs provided from its contractor (Allied Waste, Inc.). The City expects that future closure and postclosure care costs and inflation costs will be completely covered by the trust instrument, in accordance with the contractual agreement with Allied Waste, Inc. Allied will operate and close the landfill once it has reached capacity, and maintain and monitor the landfill during the postclosure care period.

NOTE I: D/FW INTERNATIONAL AIRPORT

The Dallas/Fort Worth International Airport (Airport) is a local government entity located between the cities of Fort Worth and Dallas (Cities). The Airport's Board of Directors (the Board) comprises 12 members, 11 of whom are appointed by the city councils of the Airport's owner cities. Seven represent the City of Dallas and four represent the City of Fort Worth, in accordance with each city's ownership interest in the Airport. In order to facilitate communication between and among the Airport and its neighbors, a 12th, non-voting board position representing one of the Airport's four neighboring cities—Irving, Grapevine, Euless and Coppell—is filled on an annual, rotating basis. The Board must submit an expenditure budget for each fiscal year to the City Manager of each city by July 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	<u>\$ 700,952</u>
Operating Revenues	\$ 624,662
Operating Expenses	667,660
Non-Operating Revenues (Expenses)	(91,907)
Capital Contributions	15,984
Special Item	(12,281)
Change in Accounting Principle	(117,556)
Change in Net Position	<u>\$ (248,758)</u>

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

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

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

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

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

Plan Description

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

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

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

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

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

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

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

	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
	<u>4,116</u>	<u>3,983</u>
Active members	6,199	6,278
Total	<u>10,315</u>	<u>10,261</u>

Summary of Plan Provisions

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

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

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

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

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

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

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

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

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

	<p>Account. Upon retirement, the member is entitled to a refund of this account with 5.25% interest, compounded annually. The Plan will match 100% of the balance of the account. Upon termination the member is only entitled to a refund of the employee contribution in this account with 5.25% interest, compounded annually.</p>												
<p>Cost-of-Living Adjustments (COLA) <i>Ad-Hoc COLA Program</i></p>	<p>The Ad Hoc COLA is applicable to the following:</p> <ol style="list-style-type: none"> 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 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; 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; 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. <p>Participants in the program who retire prior to September 30 of the preceding year may receive a compound COLA on pension benefits. The amount of the COLA percentage is determined by selecting the appropriate percentage from the following table based on the Plan's Funding Period:</p> <table border="1" data-bbox="609 1543 1429 1774"> <thead> <tr> <th><u>Tier</u></th> <th><u>Funding Period</u></th> <th><u>COLA Percentage Increase</u></th> </tr> </thead> <tbody> <tr> <td><u>#2</u></td> <td><u>24.1 to 28.0</u></td> <td><u>2.0%</u></td> </tr> <tr> <td><u>#3</u></td> <td><u>18.1 to 24.0</u></td> <td><u>3.0%</u></td> </tr> <tr> <td><u>#4</u></td> <td><u>18.0 or less</u></td> <td><u>4.0%</u></td> </tr> </tbody> </table> <p>Next, the initial COLA percentage is applied to the benefits of the participants of the program to determine the increase in the liability. Using the new liability, the Funding Period is recalculated. If the tier of the Funding Period does not change, then the initial COLA</p>	<u>Tier</u>	<u>Funding Period</u>	<u>COLA Percentage Increase</u>	<u>#2</u>	<u>24.1 to 28.0</u>	<u>2.0%</u>	<u>#3</u>	<u>18.1 to 24.0</u>	<u>3.0%</u>	<u>#4</u>	<u>18.0 or less</u>	<u>4.0%</u>
<u>Tier</u>	<u>Funding Period</u>	<u>COLA Percentage Increase</u>											
<u>#2</u>	<u>24.1 to 28.0</u>	<u>2.0%</u>											
<u>#3</u>	<u>18.1 to 24.0</u>	<u>3.0%</u>											
<u>#4</u>	<u>18.0 or less</u>	<u>4.0%</u>											

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

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

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

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

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

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

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

Obligation to Contribute to the Plan

The City contributes to the Plan an amount equal to 19.74% (20.46% for sworn police officers) of the retirement eligible earnings of members. The City Council, through its budget appropriation, has the right to contribute an additional amount over and above the members' contributions, in accordance with state law, plus the cost of administration of the Plan. No additional contributions were made during 2014. Eligible Employees of the City, as a condition of employment, commencing on the effective date of their membership in the Plan, shall contribute 8.25% (8.73% for sworn police officers) of their eligible earnings to the Plan until the date of their actual retirement or earlier termination of employment. The employer and employee contribution rates are not used when the actuary determines the annual required contributions to the Plan.

Funding Status

The Plan's actuary conducts an annual valuation for each plan to determine the adequacy of the current employer contribution rates, to describe the current financial condition of the plans, and to analyze changes in the Plan's condition. The January 1, 2014, valuation shows that the unfunded accrued actuarial liability of the Plan increased by approximately \$81,567 from the valuation prepared as of January 1, 2013. The funded ratio of the Plan did not change from 63.9%, with a funding period of 49.3 years. This is a 13.3-year increase in the effective period, from 36.0 last year. Although investment and demographic experience combined with the plan changes decreased the period by about five years, the COLA election had a significant impact, increasing the period by about 18 years. The table below represents the most recent actuarially determined funding progress of the Plan (all amounts presented in 000's except percentages). A historical schedule of funding progress, which can be used to determine trend information about the funding status of the Plan, follows the financial statement notes in the required supplementary information.

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)
<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>(4)</u>	<u>(5)</u>	<u>(6)</u>	<u>(7)</u>
1/1/2014	\$1,995,113	\$3,124,080	\$1,128,967	63.9%	\$397,886	283.7%

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

Actuarial Methods and Assumptions

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

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

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

The net pension obligation as of September 30, 2014, is reported in the Governmental Activities and Business-Type Activities statement of net position as \$58,053 and \$9,007 respectively.

NOTE K: EMPLOYEE BENEFITS

K. 1. POSTEMPLOYMENT BENEFITS

Plan Descriptions

In addition to the pension benefits described in Note J, the City of Fort Worth provides postemployment health care benefits, established under legal authority of the City Charter and administered by the City. The single-employer plan coverage is offered to all employees who retire from the City in accordance with criteria listed in Note J. However, some retirees elect not to continue the health coverage during their retirement. Currently 2,742 (not in thousands) retirees and beneficiaries meet those eligibility requirements. The City also provides a \$5 lump sum death benefit single-employer plan for beneficiaries of retired employees who retired on or after January 1, 1970. Neither of these plans issue stand-alone financial statements. Effective January 1, 2014, the City terminated the self-insured indemnity-type plan for Medicare Retirees and the fully-insured MAPD and replaced them with a fully-insured Medicare Advantage (MA) PPO Plan.

For those employees who terminate and are vested in the City's retirement plan, health care benefits may continue, until the employee retires, by paying the full cost of coverage. For all other employees who terminate without retirement, health care benefits continue for 30 days after termination. At that time the former employee has continuation rights to health insurance coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985. In accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the City will perform actuarial studies once every two years. The actuarial information presented in the notes and in the required supplementary section represent the January 1, 2014, actuarial valuation.

Funding Policies

For the health care benefits and the death benefit, contractual requirements for the City are established and may be amended by the City Council. During fiscal year 2014, retirees' health insurance was provided with separate plan designs depending on whether the retiree was eligible for Medicare. The City paid for a major portion or all of the total health insurance cost for retirees depending on the retiree's date of employment or length of service and on the retiree's coverage election. The City paid for approximately 73 percent of the cost for coverage for dependents and surviving spouses eligible to participate in the group plan. The remainder of the premium was paid by the retirees for their dependents or by the surviving spouse. Expenditures for postemployment health care are recognized as claims or premiums when paid. During fiscal year 2014, the cost for health care benefits for retirees, dependents, and surviving spouses was \$26,560. For fiscal year 2014, death benefit payments totaled \$483.

Annual OPEB Costs

The City's annual other postemployment benefit (OPEB) cost (expense) for each plan is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The City's annual OPEB cost for fiscal years ended September 30, 2012, September 30, 2013, and September 30, 2014, and the related information for each plan, are as shown on the following page (dollar amounts in thousands):

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

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

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

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

Funded Status and Funding Progress

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

	Healthcare	Death Benefit
Actuarial Accrued Liability (a)	\$ 932,667	\$ 10,252
Actuarial Value of Plan Assets (b)	38,977	-
Unfunded Actuarial Accrued Liability (a) – (b)	\$ 893,690	\$ 10,252
Funded Ratio (b) / (a)	4.2%	0.0%
Covered Payroll (c)	\$ 397,886	\$ 397,886
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll ((a) – (b)) / (c)	225%	3%

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

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

Actuarial Methods and Assumptions

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

Significant methods and assumptions were as follows:

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

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

K. 2. DEFERRED COMPENSATION PLAN

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

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

NOTE L: COMMITMENTS AND CONTINGENCIES

The City has executed a long-term supply agreement with Tarrant Regional Water District (District) for all of its raw water needs whereby the City makes monthly payments to fund its water purchases. The fiscal year 2014 payments to the District under the agreement were \$71,508. Future payments will be a direct result of future water usage.

The City is subject to extensive and rapidly changing Federal and State environmental regulations governing wastewater discharges, solid and hazardous waste management, and site remediation and restoration activities. The City's policy is to accrue environmental and related remediation costs when it is probable that a liability has been incurred and the amount can be reasonably estimated. As discussed in Note G.4., as of September 30, 2014, the City has recorded a pollution remediation liability of \$3,131 in accordance with GASB Statement No. 49, *Reporting for Pollution Remediation Obligations*. No other liabilities have been specifically identified and no such costs have been accrued other than those disclosed.

The City has received Federal and State financial assistance in the form of grants and entitlements that are subject to review and audit by the grantor agencies. Such audits could result in requests for reimbursement by the grantor agency for expenditures disallowed under terms and conditions specified in the grant agreements. In the opinion of City management, such disallowances will not have a material impact on the financial statement.

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

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

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

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

NOTE M: SEGMENT FINANCIAL INFORMATION

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

Municipal Parking Fund	
Condensed Schedule of Net Position	
Assets	
Current Assets	\$ 1,557
Other Assets	3,010
Capital Assets	51,185
Total Assets	<u>55,752</u>
Liabilities	
Due to Other Funds	-
Other Current Liabilities	2,355
Advances from Other Funds	-
Other Noncurrent Liabilities	45,304
Total Liabilities	<u>47,659</u>
Net Position	
Net Investment in Capital Assets	5,599
Restricted	342
Unrestricted	2,152
Total Net Position	<u>\$ 8,093</u>
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)	<u>2,882</u>
Nonoperating Revenues (Expenses):	
Investment Income	44
Interest and Service Charges	(2,448)
Gas Leases and Royalties	-
Other Nonoperating Revenues (Expenses)	-
Capital Contributions	-
Transfers In	-
Transfers Out	(99)
Change in Net Position	379
Restatement (Note A.16)	(840)
Beginning Net Position	8,554
Ending Net Position (Deficit)	<u>\$ 8,093</u>
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)	<u>(214)</u>
Beginning Cash and Cash Equivalents	4,616
Ending Cash and Cash Equivalents	<u>\$ 4,402</u>

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

NOTE N: SUBSEQUENT EVENTS

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

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

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

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

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

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

NOTE O: NEW ACCOUNTING STANDARDS

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

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

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

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

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

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)



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

	Budgeted Amounts		Budgetary Basis Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
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.	<u>(71,109)</u>
Net Change in Fund Balance (GAAP Basis)	<u>\$ (75,293)</u> (concluded)

See accompanying notes to the required supplementary information.

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

ADOPTED BUDGET

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

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

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

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

The City Council must approve any transfer of appropriation balances or portions thereof from one department to another. The City Manager has the authority, without City Council approval, to transfer appropriation balances from one expenditure account to another within a single department of the City. Supplemental appropriations of \$26,885 were approved by the City Council. The reported budgetary data includes amendments made during the year. At the close of each fiscal year, any appropriated balance in the General Fund lapses to fund balance.

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

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

<u>Valuation Date</u>	<u>Actuarial Value of Assets (AVA)</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as % of Payroll</u>
			(3)-(2)	(2)/(3)		(4)/(6)
<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>(4)</u>	<u>(5)</u>	<u>(6)</u>	<u>(7)</u>
1/1/2009	\$ 1,596,300	\$ 2,192,100	\$ 595,800	72.8%	\$ 372,900	159.8%
1/1/2010	1,868,800	2,300,500	431,700	81.2%	368,300	117.2%
1/1/2011	1,894,700	2,473,700	579,000	76.6%	367,600	157.5%
1/1/2012	1,869,700	2,617,900	748,200	71.4%	383,800	194.9%
1/1/2013	1,854,900	2,902,300	1,047,400	63.9%	376,300	278.3%
1/1/2014	1,995,113	3,124,080	1,128,967	63.9%	397,886	283.7%

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

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
9/30/2009	\$ 50,266	118%	\$ 73,160
9/30/2010	71,154	92%	80,555
9/30/2011	60,042	124%	67,955
9/30/2012	67,652	114%	59,865
9/30/2013	79,485	98%	63,220
9/30/2014	80,547	97%	67,060

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

<u>Valuation Date</u>	<u>Actuarial Assets (AVA)</u> (a)	<u>Actuarial Liability (AAL)</u> (b)	<u>Unfunded Actuarial Accrued Liability (UAAL)</u> (b - a)	<u>Funded Ratio</u> (a / b)	<u>Annual Covered Payroll</u> (c)	<u>UAAL as % of Payroll</u> ((b - a) / c)
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)**

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
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.



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	-
Prepays, Deposits, and Other	1	-	-	6	-
Long-Term Loans Receivable	-	-	-	-	68
Total Assets	<u>\$ 31,188</u>	<u>\$ 8,081</u>	<u>\$ 12,750</u>	<u>\$ 3,143</u>	<u>\$ 4,325</u>
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	<u>2,459</u>	<u>298</u>	<u>21</u>	<u>3</u>	<u>244</u>
Deferred Inflows of Resources					
Unavailable Revenue	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit):					
Nonspendable	1	-	2,124	350	68
Restricted	23,039	5,416	-	-	-
Committed	5,214	630	-	-	-
Assigned	475	1,737	10,605	2,790	4,013
Unassigned	-	-	-	-	-
Total Fund Balances	<u>28,729</u>	<u>7,783</u>	<u>12,729</u>	<u>3,140</u>	<u>4,081</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 31,188</u>	<u>\$ 8,081</u>	<u>\$ 12,750</u>	<u>\$ 3,143</u>	<u>\$ 4,325</u>

Special Revenue Funds

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
<u>\$ 27,566</u>	<u>\$ 15,768</u>	<u>\$ 51,148</u>	<u>\$ 3,471</u>	<u>\$ 6,706</u>	<u>\$ 24,461</u>	<u>\$ 2,274</u>	<u>\$ 33,478</u>	<u>\$ 224,359</u>
\$ 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
<u>1,930</u>	<u>4,135</u>	<u>33,067</u>	<u>547</u>	<u>3,410</u>	<u>-</u>	<u>639</u>	<u>170</u>	<u>46,923</u>
-	-	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)
<u>25,636</u>	<u>11,633</u>	<u>6,442</u>	<u>2,924</u>	<u>3,296</u>	<u>24,461</u>	<u>1,635</u>	<u>33,308</u>	<u>165,797</u>
<u>\$ 27,566</u>	<u>\$ 15,768</u>	<u>\$ 51,148</u>	<u>\$ 3,471</u>	<u>\$ 6,706</u>	<u>\$ 24,461</u>	<u>\$ 2,274</u>	<u>\$ 33,478</u>	<u>\$ 224,359</u>

CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 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	<u>62,798</u>	<u>4,204</u>	<u>1,324</u>	<u>972</u>	<u>9</u>
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	<u>47,293</u>	<u>4,010</u>	<u>975</u>	<u>3,458</u>	<u>1,953</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>15,505</u>	<u>194</u>	<u>349</u>	<u>(2,486)</u>	<u>(1,944)</u>
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)	<u>(17,175)</u>	<u>(225)</u>	<u>20</u>	<u>2,668</u>	<u>736</u>
Net Change in Fund Balances	<u>(1,670)</u>	<u>(31)</u>	<u>369</u>	<u>182</u>	<u>(1,208)</u>
Fund Balances, Beginning of Year, as restated (Note A.16)	30,399	7,814	12,360	2,958	5,289
Fund Balances, End of Year	<u>\$ 28,729</u>	<u>\$ 7,783</u>	<u>\$ 12,729</u>	<u>\$ 3,140</u>	<u>\$ 4,081</u>

Special Revenue Funds

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
<u>10,160</u>	<u>40,907</u>	<u>51,288</u>	<u>2,917</u>	<u>10,371</u>	<u>5,029</u>	<u>5,297</u>	<u>22,493</u>	<u>217,769</u>
61	-	1,786	1	-	-	4,997	57,732	64,577
1,125	-	5,710	-	-	-	-	-	44,256
7,457	-	340	-	9,866	-	-	-	21,318
553	-	11,555	-	-	38	-	-	13,734
50	-	75	-	-	-	-	-	125
-	28,083	241	-	-	-	-	-	28,324
-	-	255	331	-	60	-	-	646
264	-	10,047	789	-	-	-	-	12,647
4,451	777	24,537	-	-	-	-	-	39,214
-	-	-	20,845	-	-	-	3,111	27,644
-	-	-	914	-	-	-	-	1,255
<u>13,961</u>	<u>28,860</u>	<u>54,546</u>	<u>22,880</u>	<u>9,866</u>	<u>98</u>	<u>4,997</u>	<u>60,843</u>	<u>253,740</u>
<u>(3,801)</u>	<u>12,047</u>	<u>(3,258)</u>	<u>(19,963)</u>	<u>505</u>	<u>4,931</u>	<u>300</u>	<u>(38,350)</u>	<u>(35,971)</u>
-	-	-	-	-	-	-	44,176	46,865
-	733	-	-	-	-	-	-	885
2,146	-	9,151	19,423	1	-	-	21	33,106
<u>(6,403)</u>	<u>(13,932)</u>	<u>(777)</u>	<u>-</u>	<u>(619)</u>	<u>(107)</u>	<u>-</u>	<u>(247)</u>	<u>(41,266)</u>
<u>(4,257)</u>	<u>(13,199)</u>	<u>8,374</u>	<u>19,423</u>	<u>(618)</u>	<u>(107)</u>	<u>-</u>	<u>43,950</u>	<u>39,590</u>
<u>(8,058)</u>	<u>(1,152)</u>	<u>5,116</u>	<u>(540)</u>	<u>(113)</u>	<u>4,824</u>	<u>300</u>	<u>5,600</u>	<u>3,619</u>
33,694	12,785	1,326	3,464	3,409	19,637	1,335	27,708	162,178
<u>\$ 25,636</u>	<u>\$ 11,633</u>	<u>\$ 6,442</u>	<u>\$ 2,924</u>	<u>\$ 3,296</u>	<u>\$ 24,461</u>	<u>\$ 1,635</u>	<u>\$ 33,308</u>	<u>\$ 165,797</u>

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

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	<u>\$ -</u>	<u>\$ 507</u>	<u>\$ 464</u>	<u>\$ 46</u>	<u>\$ 2,454</u>	<u>\$ 3,471</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ -	\$ -	\$ -	\$ 30	\$ 54	\$ 84
Accrued Interest	-	-	463	-	-	463
Total Liabilities	<u>-</u>	<u>-</u>	<u>463</u>	<u>30</u>	<u>54</u>	<u>547</u>
Fund Balances:						
Assigned	-	507	1	16	2,400	2,924
Total Fund Balance	<u>-</u>	<u>507</u>	<u>1</u>	<u>16</u>	<u>2,400</u>	<u>2,924</u>
Total Liabilities and Fund Balance	<u>\$ -</u>	<u>\$ 507</u>	<u>\$ 464</u>	<u>\$ 46</u>	<u>\$ 2,454</u>	<u>\$ 3,471</u>

CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - OTHER BLENDED COMPONENT UNITS
FOR THE YEAR ENDED SEPTEMBER 30, 2014
(in 000's)

	Special Revenue Funds					Total Other Blended Component Units
	Service Center Relocation, Inc. (James Street)	Fort Worth Sports Authority	Lone Star Local Government Corporation	Central City Local Government Corporation	Alliance Airport Authority	
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	<u>-</u>	<u>1,890</u>	<u>463</u>	<u>187</u>	<u>377</u>	<u>2,917</u>
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	<u>19,423</u>	<u>1,860</u>	<u>463</u>	<u>803</u>	<u>331</u>	<u>22,880</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(19,423)</u>	<u>30</u>	<u>-</u>	<u>(616)</u>	<u>46</u>	<u>(19,963)</u>
Other Financing Sources (Uses):						
Transfers In	19,423	-	-	-	-	19,423
Total Other Financing Sources (Uses)	<u>19,423</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,423</u>
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	<u>\$ -</u>	<u>\$ 507</u>	<u>\$ 1</u>	<u>\$ 16</u>	<u>\$ 2,400</u>	<u>\$ 2,924</u>

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

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



Nonmajor Enterprise Funds

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

Municipal Airports Fund

The Municipal Airports Fund is used to account for the Meacham, Spinks (South Fort Worth) and Alliance (North Fort Worth) Airport operations, 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
Prepays, Deposits, and Other	-	-	5	-	5
Restricted Assets:					
Cash & Cash Equivalents	79,201	360	19	871	80,451
Total Current Assets	<u>83,750</u>	<u>1,557</u>	<u>683</u>	<u>38,480</u>	<u>124,470</u>
Noncurrent Assets:					
Restricted Assets:					
Cash & Cash Equivalents	21,385	2,992	1,914	2,015	28,306
Cash, Cash Equivalents, & Investments Held by Trustees	22,611	-	-	3,448	26,059
Grants Receivable	2,164	-	-	-	2,164
Interest Receivable	292	18	6	3	319
Total Restricted Assets	<u>46,452</u>	<u>3,010</u>	<u>1,920</u>	<u>5,466</u>	<u>56,848</u>
Advances to Other Funds	7,483	-	-	10,523	18,006
Capital Assets (at Cost)					
Land	57,425	1,561	356	5,695	65,037
Buildings	12,125	49,291	1,523	2,777	65,716
Improvements Other than Buildings	209,562	7,325	11,314	17,260	245,461
Machinery and Equipment	3,923	975	2,071	3,513	10,482
Construction in Progress	44,348	440	42	50	44,880
Accumulated Depreciation	(147,750)	(8,407)	(10,753)	(12,225)	(179,135)
Net Capital Assets	<u>179,633</u>	<u>51,185</u>	<u>4,553</u>	<u>17,070</u>	<u>252,441</u>
Total Noncurrent Assets	<u>233,568</u>	<u>54,195</u>	<u>6,473</u>	<u>33,059</u>	<u>327,295</u>
Total Assets	<u>317,318</u>	<u>55,752</u>	<u>7,156</u>	<u>71,539</u>	<u>451,765</u>

(continued)

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

	<u>Municipal Airports</u>	<u>Municipal Parking</u>	<u>Municipal Golf</u>	<u>Solid Waste</u>	<u>Total Nonmajor Enterprise Funds</u>
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	<u>79,989</u>	<u>2,355</u>	<u>624</u>	<u>8,618</u>	<u>91,586</u>
Long-Term Liabilities:					
Long-Term Liabilities Due in More					
Than One Year	1,687	45,304	4,763	13,985	65,739
Total Long-Term Liabilities	<u>1,687</u>	<u>45,304</u>	<u>4,763</u>	<u>13,985</u>	<u>65,739</u>
Total Liabilities	<u>81,676</u>	<u>47,659</u>	<u>5,387</u>	<u>22,603</u>	<u>157,325</u>
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)	<u>\$ 235,642</u>	<u>\$ 8,093</u>	<u>\$ 1,769</u>	<u>\$ 44,848</u>	<u>\$ 290,352</u>
					(concluded)



CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014
(in 000's)

	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	<u>5,417</u>	<u>7,083</u>	<u>3,651</u>	<u>55,576</u>	<u>71,727</u>
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	<u>23,090</u>	<u>4,201</u>	<u>5,310</u>	<u>48,213</u>	<u>80,814</u>
Operating Income (Loss)	<u>(17,673)</u>	<u>2,882</u>	<u>(1,659)</u>	<u>7,363</u>	<u>(9,087)</u>
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)	<u>10,670</u>	<u>(2,404)</u>	<u>397</u>	<u>36</u>	<u>8,699</u>
Income (Loss) Before Transfers and Contributions	(7,003)	478	(1,262)	7,399	(388)
Transfers In	188	-	9,389	-	9,577
Transfers Out	(481)	(99)	(12)	(5,764)	(6,356)
Capital Contributions	21,667	-	-	-	21,667
Change in Net Position (Deficit)	<u>14,371</u>	<u>379</u>	<u>8,115</u>	<u>1,635</u>	<u>24,500</u>
Total Net Position, Beginning of Year, as restated (Note A.16)	<u>221,271</u>	<u>7,714</u>	<u>(6,346)</u>	<u>43,213</u>	<u>265,852</u>
Total Net Position (Deficit), End of Year	<u>\$ 235,642</u>	<u>\$ 8,093</u>	<u>\$ 1,769</u>	<u>\$ 44,848</u>	<u>\$ 290,352</u>

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

	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
Prepays, Deposits, and Other Assets	-	-	(1)	-	(1)
Accounts Payable	257	134	11	241	643
Accrued Compensation	146	41	167	342	696
Customer Deposits	(2)	-	-	14	12
Unearned Revenue	-	-	-	(481)	(481)
Landfill Closure Costs	-	-	-	280	280
Total Adjustments	7,502	1,663	657	1,920	11,742
Net Cash Provided by (Used for) Operating Activities	\$ (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



INTERNAL SERVICE FUNDS

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

Office Services Fund

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

Equipment Services Fund

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

Temporary Labor Fund

The Temporary Labor Fund is used to account for in-house temporary labor services. This Fund was dissolved in Fiscal Year 2014.

Information Systems Fund

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

Capital Project Services Fund

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

Risk Management

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

Workers' Compensation Fund

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

Group Health and Life Insurance

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

Unemployment Compensation

The City is a reimbursing agency for unemployment compensation. The Texas Workforce Commission (TWC) sends quarterly reports to the City concerning claims paid on behalf of the City to eligible former employees.

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

	<u>Office Services</u>	<u>Equipment Services</u>	<u>Temporary Labor</u>	<u>Information Systems</u>	<u>Capital Project Services</u>
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	<u>30</u>	<u>753</u>	<u>-</u>	<u>7,031</u>	<u>2</u>
Noncurrent Assets:					
Restricted Assets:					
Cash and Cash Equivalents	-	-	-	10	-
Cash Held by Trustee	-	-	-	-	-
Total Restricted Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>10</u>	<u>-</u>
Capital Assets (at Cost):					
Land	-	1,119	-	-	4
Buildings	-	4,656	-	594	-
Improvements Other than Buildings	-	948	-	-	91
Machinery and Equipment	181	2,370	-	13,129	2,296
Accumulated Depreciation	(181)	(6,119)	-	(12,193)	(2,006)
Net Capital Assets	<u>-</u>	<u>2,974</u>	<u>-</u>	<u>1,530</u>	<u>385</u>
Total Noncurrent Assets	<u>-</u>	<u>2,974</u>	<u>-</u>	<u>1,540</u>	<u>385</u>
Total Assets	<u>30</u>	<u>3,727</u>	<u>-</u>	<u>8,571</u>	<u>387</u>
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	<u>84</u>	<u>1,786</u>	<u>-</u>	<u>2,220</u>	<u>942</u>
Long-Term Liabilities:					
Advances from Other Funds	211	1,449	-	-	1,444
Long-Term Liabilities Due in More Than One Year	30	438	-	379	874
Total Long-Term Liabilities	<u>241</u>	<u>1,887</u>	<u>-</u>	<u>379</u>	<u>2,318</u>
Total Liabilities	<u>325</u>	<u>3,673</u>	<u>-</u>	<u>2,599</u>	<u>3,260</u>
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)	<u>\$ (295)</u>	<u>\$ 54</u>	<u>\$ -</u>	<u>\$ 5,972</u>	<u>\$ (2,873)</u>

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

CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014
(in 000's)

	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	<u>1,667</u>	<u>26,137</u>	<u>-</u>	<u>25,434</u>	<u>10,354</u>
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	<u>1,244</u>	<u>26,828</u>	<u>-</u>	<u>26,335</u>	<u>11,894</u>
Operating Income (Loss)	<u>423</u>	<u>(691)</u>	<u>-</u>	<u>(901)</u>	<u>(1,540)</u>
NONOPERATING REVENUES (EXPENSES)					
Investment Income (Loss)	(4)	(2)	-	52	(1)
Gain (Loss) on Sale of Equipment	-	15	-	1	20
Total Nonoperating Revenues (Expenses)	<u>(4)</u>	<u>13</u>	<u>-</u>	<u>53</u>	<u>19</u>
Income (Loss) Before Transfers and Contributions	419	(678)	-	(848)	(1,521)
Transfers In	-	-	-	6	-
Transfers Out	-	-	(584)	(5)	(131)
Change in Net Position (Deficit)	<u>419</u>	<u>(678)</u>	<u>(584)</u>	<u>(847)</u>	<u>(1,652)</u>
Total Net Position (Deficit), Beginning of Year, as restated (Note A.16)	(714)	732	584	6,819	(1,221)
Total Net Position (Deficit), End of Year	<u>\$ (295)</u>	<u>\$ 54</u>	<u>\$ -</u>	<u>\$ 5,972</u>	<u>\$ (2,873)</u>

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

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

	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	<u>520</u>	<u>(765)</u>	<u>(37)</u>	<u>148</u>	<u>(1,518)</u>
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	<u>(515)</u>	<u>989</u>	<u>(584)</u>	<u>1</u>	<u>1,313</u>
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	<u>-</u>	<u>(221)</u>	<u>-</u>	<u>(220)</u>	<u>(64)</u>
Cash Flows from Investing Activities:					
Investment Income Received	(5)	(2)	2	41	2
Net Cash Provided by Investing Activities	<u>(5)</u>	<u>(2)</u>	<u>2</u>	<u>41</u>	<u>2</u>
Net Increase (Decrease) in Cash and Cash Equivalents					
Cash and Cash Equivalents, Beginning of Year	-	1	(619)	(30)	(267)
Cash and Cash Equivalents, End of Year	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 619</u>	<u>\$ 6,800</u>	<u>\$ 269</u>
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)	-
Prepays, Deposits and Other	-	-	-	661	-
Accounts Payable	(32)	(267)	(6)	133	(149)
Accrued Payroll	-	10	(31)	(98)	(22)
Total Adjustments	<u>97</u>	<u>(74)</u>	<u>(37)</u>	<u>1,049</u>	<u>22</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 520</u>	<u>\$ (765)</u>	<u>\$ (37)</u>	<u>\$ 148</u>	<u>\$ (1,518)</u>
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	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 6,770</u>	<u>\$ 2</u>

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



FIDUCIARY FUNDS

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

Employees' Retirement Pension Trust Fund

For accounting measurement purposes, the Employees' Retirement Pension Fund is accounted for in essentially the same manner as proprietary funds. The Employees' Retirement Pension Fund accounts for the assets of the City's retirement plan and issues separately audited financial statements. Those statements can be obtained by contacting the Employee's Retirement Plan of the City of Fort Worth, 3801 Hulen St., Suite 101, Fort Worth, Texas, 76107.

Retiree Healthcare Trust Fund

For accounting measurement purposes, the Retiree Healthcare Trust Fund is accounted for in essentially the same manner as proprietary funds. The Retiree Healthcare Trust Fund accounts for the assets of the City's postemployment healthcare benefit.

CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
SEPTEMBER 30, 2014
(in 000's)

	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	<u>2,286,820</u>	<u>54,196</u>	<u>2,341,016</u>
Prepaid Expenses	12	-	12
Other Receivables	8,223	-	8,223
Due from Broker Securities Sold	58,233	-	58,233
Total Current Assets	<u>2,353,530</u>	<u>55,625</u>	<u>2,409,155</u>
Capital Assets (at Cost):			
Land	405	-	405
Buildings	3,450	-	3,450
Machinery and Equipment	319	-	319
Accumulated Depreciation	(736)	-	(736)
Net Capital Assets	<u>3,438</u>	<u>-</u>	<u>3,438</u>
Total Assets	<u>2,356,968</u>	<u>55,625</u>	<u>2,412,593</u>
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	<u>275,393</u>	<u>-</u>	<u>275,393</u>
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	<u>\$ 2,081,575</u>	<u>\$ 55,625</u>	<u>\$ 2,137,200</u>

CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014
(in 000's)

	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	<u>270,089</u>	<u>50,234</u>	<u>320,323</u>
DEDUCTIONS			
Benefit Payments	156,067	26,560	182,627
Refunds	5,092	-	5,092
Administrative Expenses	3,870	7,026	10,896
Total Deductions	<u>165,029</u>	<u>33,586</u>	<u>198,615</u>
Change in Net Position	105,060	16,648	121,708
Net Position, Beginning of the Year	1,976,515	38,977	2,015,492
Net Position, End of the Year	<u>\$ 2,081,575</u>	<u>\$ 55,625</u>	<u>\$ 2,137,200</u>



STATISTICAL SECTION (UNAUDITED)

STATISTICAL SECTION (Unaudited)

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

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

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

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

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

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

TABLE 1

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

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
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	<u>552,111</u>	<u>618,656</u>	<u>691,565</u>	<u>776,750</u>
Business-type activities:				
Water and Sewer	177,071	237,405	221,774	240,960
Municipal Airports	10,197	11,942	10,623	12,480
Solid Waste	35,173	36,647	39,389	41,478
Municipal Parking	410	314	1,035	586
Municipal Golf	4,614	5,437	5,119	6,174
Stormwater Utility	-	483	4,735	11,339
Total Business-type Activities	<u>227,465</u>	<u>292,228</u>	<u>282,675</u>	<u>313,017</u>
Total Primary Government Expenses	<u>\$ 779,576</u>	<u>\$ 910,884</u>	<u>\$ 974,240</u>	<u>\$ 1,089,767</u>
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	<u>209,989</u>	<u>199,625</u>	<u>201,444</u>	<u>165,984</u>
Business-type Activities:				
Charges for Services:				
Water and Sewer	247,255	293,792	257,989	298,118
Municipal Airports	3,432	3,003	2,948	3,157
Solid Waste	35,581	37,259	40,632	44,095
Municipal Parking	625	3,645	3,683	4,099
Municipal Golf	3,630	4,542	4,337	5,169
Stormwater Utility	-	3,670	15,165	17,753
Capital Grants and Contributions	78,833	118,749	87,818	44,127
Total Business-type Activities	<u>369,356</u>	<u>464,660</u>	<u>412,572</u>	<u>416,518</u>
Total Primary Government Program Revenues	<u>\$ 579,345</u>	<u>\$ 664,285</u>	<u>\$ 614,016</u>	<u>\$ 582,502</u>

TABLE 2

	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
	<u>786,447</u>	<u>796,131</u>	<u>848,028</u>	<u>848,960</u>	<u>864,563</u>	<u>923,543</u>
	260,544	269,723	288,452	306,476	302,447	317,526
	12,238	12,656	13,356	14,912	18,768	23,089
	44,296	39,241	44,247	46,415	48,903	48,420
	2,067	3,552	5,851	6,580	6,621	6,649
	6,126	5,949	5,864	7,723	5,614	5,396
	14,265	19,961	18,972	20,773	22,531	23,745
	<u>339,536</u>	<u>351,082</u>	<u>376,742</u>	<u>402,879</u>	<u>404,884</u>	<u>424,825</u>
\$	<u>1,125,983</u>	<u>1,147,213</u>	<u>1,224,770</u>	<u>1,251,839</u>	<u>1,269,447</u>	<u>1,348,368</u>
\$	19,213	\$ 16,903	\$ 14,701	\$ 5,436	\$ 5,933	\$ 6,575
	22,506	18,306	19,925	22,722	25,339	23,023
	4,381	6,469	10,627	14,738	14,984	14,683
	1,826	1,988	2,750	3,165	2,990	4,021
	668	601	666	670	629	608
	312	-	-	-	-	-
	8,515	8,838	9,749	8,822	10,814	11,421
	10,262	10,776	11,673	10,336	11,497	11,308
	-	-	-	-	-	-
	2,334	1,979	3,028	2,683	4,845	1,998
	35,532	56,798	56,825	47,644	45,173	43,700
	40,063	35,987	54,686	55,075	52,682	69,149
	<u>145,612</u>	<u>158,645</u>	<u>184,630</u>	<u>171,291</u>	<u>174,886</u>	<u>186,486</u>
	303,111	304,831	348,650	345,373	352,005	361,853
	3,406	3,987	4,800	4,755	4,662	5,074
	45,465	46,710	48,314	48,502	50,344	50,338
	4,533	6,394	7,635	7,725	7,105	7,082
	5,072	4,374	4,260	4,388	3,859	3,621
	20,803	26,530	29,397	32,615	34,973	35,409
	54,827	31,186	18,846	27,578	35,910	42,682
	<u>437,217</u>	<u>424,012</u>	<u>461,902</u>	<u>470,936</u>	<u>488,858</u>	<u>506,059</u>
\$	<u>582,829</u>	<u>582,657</u>	<u>646,532</u>	<u>642,227</u>	<u>663,744</u>	<u>692,545</u>

(continued)

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
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	<u>\$ (246,599)</u>	<u>\$ (360,224)</u>	<u>\$ (507,265)</u>	<u>\$ (543,154)</u>
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	<u>437,008</u>	<u>497,836</u>	<u>550,392</u>	<u>612,065</u>
Business-type Activities:				
Investment Income	3,858	9,279	14,638	18,647
Gas Lease and Royalties	-	4,197	8,542	21,424
Other	4,078	5,185	6,582	7,857
Gain (Loss) on Disposal of Capital Assets	3	(1,062)	(1,279)	(13,803)
Transfers	(16,776)	(19,420)	(14,295)	(19,340)
Total Business-type Activities	<u>(8,837)</u>	<u>(1,821)</u>	<u>14,188</u>	<u>14,785</u>
Total Primary Government	<u>\$ 428,171</u>	<u>\$ 496,015</u>	<u>\$ 564,580</u>	<u>\$ 626,850</u>
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	<u>\$ 181,572</u>	<u>\$ 135,791</u>	<u>\$ 57,315</u>	<u>\$ 83,696</u>
Implementation of New Accounting Standard and Change in Accounting				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*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
<u>\$ (564,556)</u>	<u>\$ (564,556)</u>	<u>\$ (578,238)</u>	<u>\$ (609,612)</u>	<u>\$ (605,703)</u>	<u>\$ (655,823)</u>
\$ 344,172	\$ 354,815	\$ 341,820	\$ 351,277	\$ 361,568	\$ 389,118
173,559	174,092	179,802	188,884	203,417	217,799
34,717	35,148	45,178	47,190	49,489	51,205
13,866	13,963	23,506	15,758	10,834	16,500
13	11	-	-	-	-
15,746	11,572	8,601	7,795	3,149	8,622
-	-	-	-	-	-
14,465	14,688	13,744	16,593	16,069	20,582
430	352	3,508	-	1,316	-
27,957	18,867	47,169	28,427	29,282	21,913
<u>624,925</u>	<u>623,508</u>	<u>663,328</u>	<u>655,924</u>	<u>675,124</u>	<u>725,739</u>
9,605	7,687	5,283	6,666	1,661	6,077
5,540	23,708	11,298	7,440	12,377	12,989
4,202	5,889	7,070	5,936	22,228	5,861
(237)	-	-	-	-	-
(27,957)	(18,867)	(47,169)	(28,427)	(29,282)	(21,913)
(8,847)	18,417	(23,518)	(8,385)	6,984	3,014
<u>\$ 616,078</u>	<u>\$ 641,925</u>	<u>\$ 639,810</u>	<u>\$ 647,539</u>	<u>\$ 682,108</u>	<u>\$ 728,753</u>
\$ (12,561)	\$ (13,978)	\$ (70)	\$ (21,745)	\$ (14,553)	\$ (11,318)
64,083	91,347	61,642	59,672	90,958	84,248
<u>\$ 51,522</u>	<u>\$ 77,369</u>	<u>\$ 61,572</u>	<u>\$ 37,927</u>	<u>\$ 76,405</u>	<u>\$ 72,930</u>
<u>\$ (9,225)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,962)</u>	<u>\$ (31,111)</u>

(concluded)

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund					
Reserved	\$ 16,827	\$ 29,859	\$ 16,755	\$ 16,384	\$ 15,885
Unreserved	82,886	74,002	85,271	106,271	127,656
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total General Fund	<u>99,713</u>	<u>103,861</u>	<u>102,026</u>	<u>122,655</u>	<u>143,541</u>
All Other Governmental Funds					
Reserved	51,558	73,133	24,086	37,620	44,371
Unreserved, designated for authorized expenditures	122,491	113,271	286,250	252,744	443,043
Unreserved, undesignated special revenue funds	-	(29,445)	2,155	16,695	33,296
Nonspendable, reported in:					
Special Revenue	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted, reported in:					
Debt service	-	-	-	-	-
Special Revenue	-	-	-	-	-
Capital projects	-	-	-	-	-
Committed, reported in:					
Debt service	-	-	-	-	-
Special Revenue	-	-	-	-	-
Capital projects	-	-	-	-	-
Assigned, reported in:					
Debt service	-	-	-	-	-
Special Revenue	-	-	-	-	-
Capital projects	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all Other Governmental Funds	<u>174,049</u>	<u>156,959</u>	<u>312,491</u>	<u>307,059</u>	<u>520,710</u>
Total all Governmental Funds	<u>\$ 273,762</u>	<u>\$ 260,820</u>	<u>\$ 414,517</u>	<u>\$ 429,714</u>	<u>\$ 664,251</u>

Source: Comprehensive Annual Financial Report for the respective years.

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

TABLE 3

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
<u>162,893</u>	<u>163,607</u>	<u>168,425</u>	<u>161,335</u>	<u>86,042</u>
51,485	-	-	-	-
422,310	-	-	-	-
17,156	-	-	-	-
-	11,119	2,854	1,671	2,930
-	12,422	314	802	752
-	10,599	16,890	9,701	8,263
-	44,663	45,153	59,590	90,328
-	189,432	336,582	323,970	211,029
-	6,393	6,106	7,694	11,436
-	19,974	20,674	34,609	30,240
-	127,787	126,653	130,655	126,850
-	478	92	24	107
-	51,999	48,497	41,060	43,919
-	36,163	36,107	36,781	35,414
-	(465)	-	(3,795)	(1,620)
<u>490,951</u>	<u>510,564</u>	<u>639,922</u>	<u>642,762</u>	<u>559,648</u>
<u>\$ 653,844</u>	<u>\$ 674,171</u>	<u>\$ 808,347</u>	<u>\$ 804,097</u>	<u>\$ 645,690</u>

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
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	<u>559,640</u>	<u>618,612</u>	<u>678,204</u>	<u>704,752</u>	<u>723,244</u>
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	<u>647,400</u>	<u>658,727</u>	<u>750,433</u>	<u>735,298</u>	<u>785,770</u>
Excess (deficiency) of revenues over expenditures	<u>(87,760)</u>	<u>(40,115)</u>	<u>(72,229)</u>	<u>(30,546)</u>	<u>(62,526)</u>
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)	<u>118,805</u>	<u>27,173</u>	<u>225,926</u>	<u>45,743</u>	<u>297,063</u>
Net Change in Fund Balances	<u>\$ 31,045</u>	<u>\$ (12,942)</u>	<u>\$ 153,697</u>	<u>\$ 15,197</u>	<u>\$ 234,537</u>
Debt service as a percentage of noncapital expenditures	9.43%	9.87%	16.54%	9.96%	10.64%

Source: Comprehensive Annual Financial Report for the respective years.

TABLE 4

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

TABLE 5

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

Fiscal Year Ended Sept. 30	City Direct Rates ^(b)			Overlapping Rates ^(b)			
	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.

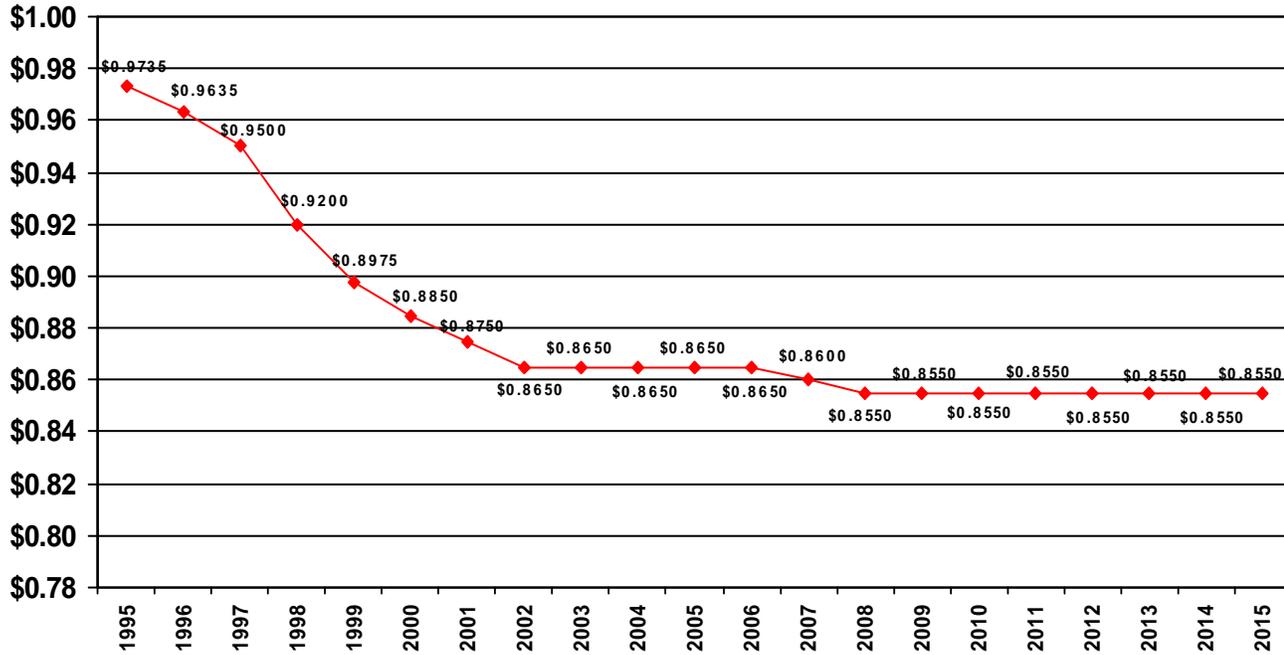
TABLE 7

CITY OF FORT WORTH, TEXAS
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
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

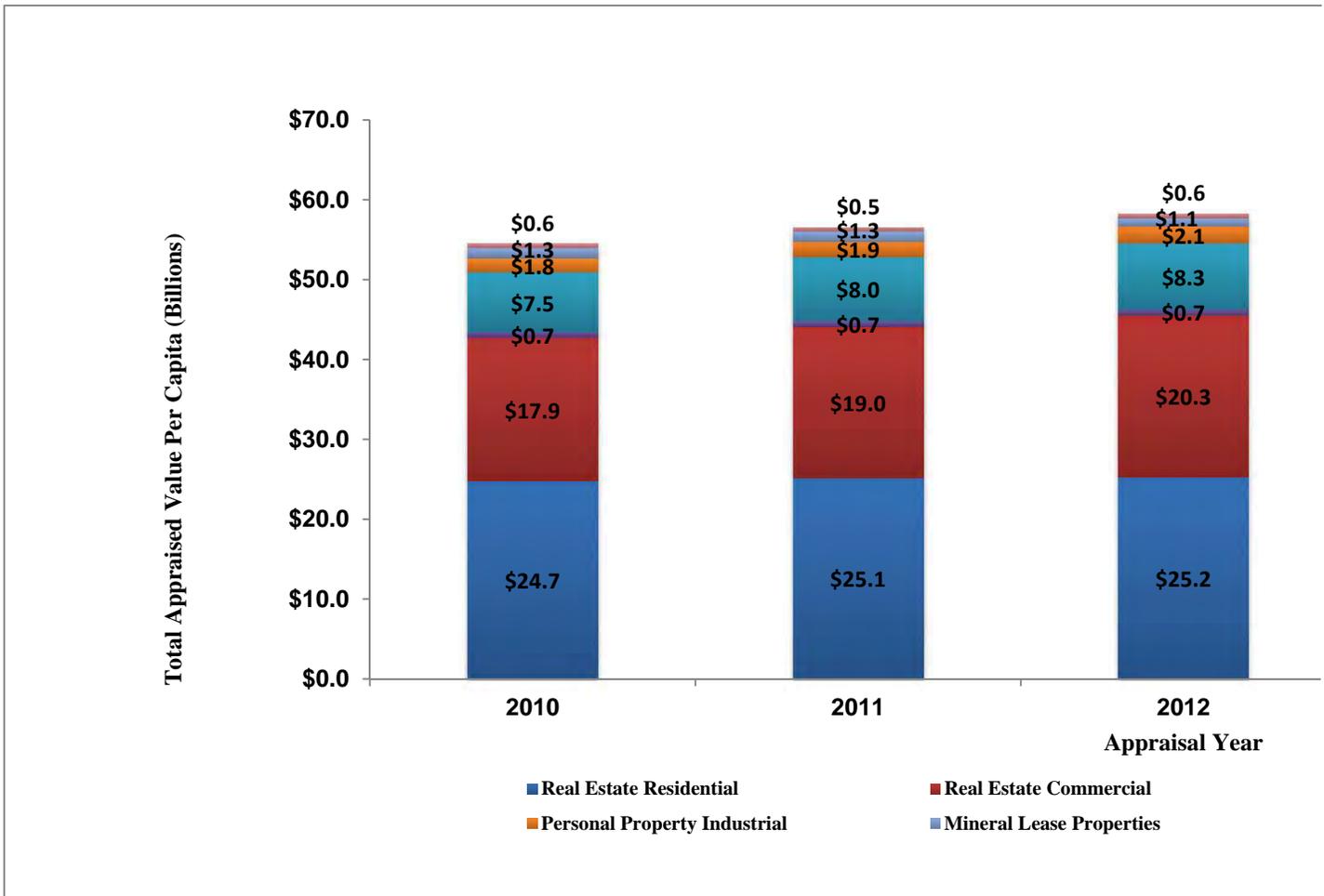
CITY OF FORT WORTH, TEXAS

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%

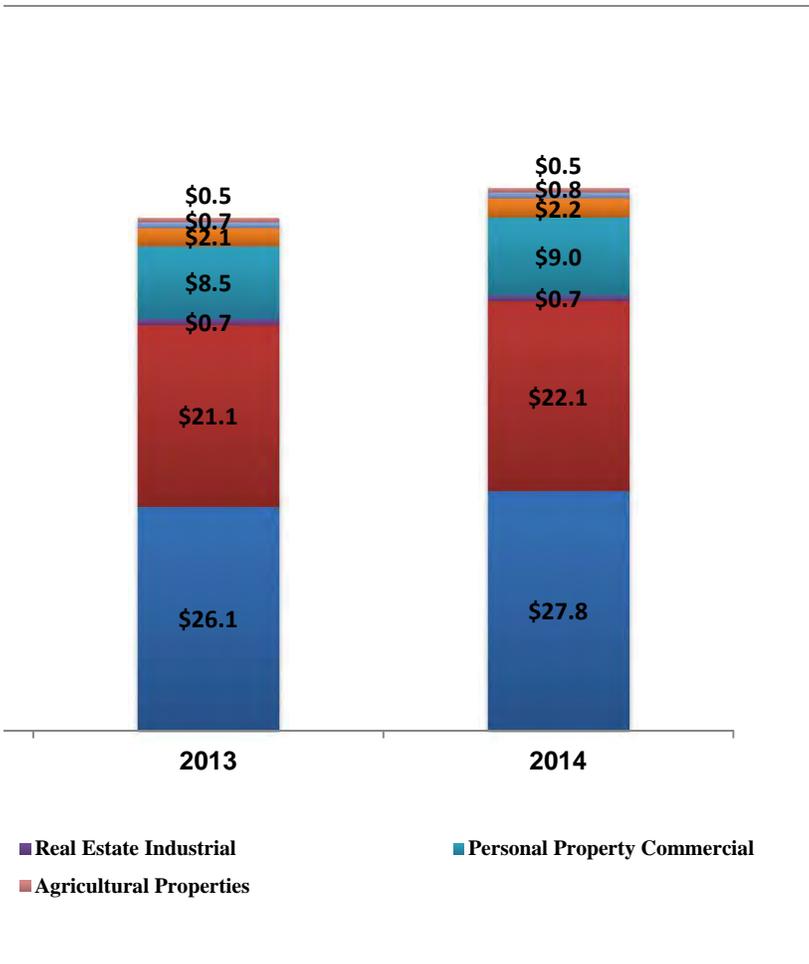


Source: Tarrant Appraisal District Certified Tax Report

TABLE 9

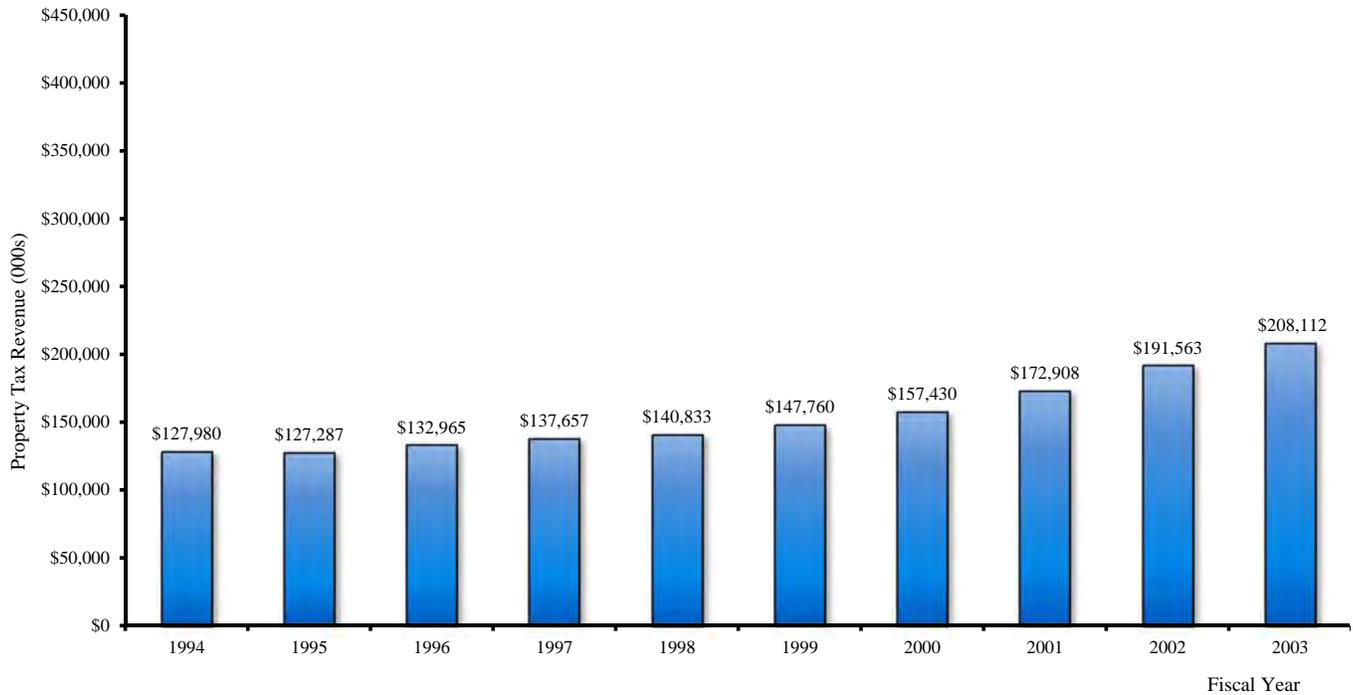
2013	2014
\$26,088,463,777	\$27,838,438,625
21,136,215,188	22,125,666,464
661,971,949	685,102,871
8,499,074,603	9,012,689,484
2,073,079,041	2,204,318,829
717,615,030	780,730,910
519,392,178	496,920,328
\$59,695,811,766	\$63,143,867,511

\$61,219,914,707 97.5%	\$64,934,531,075 97.2%
----------------------------------	----------------------------------



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

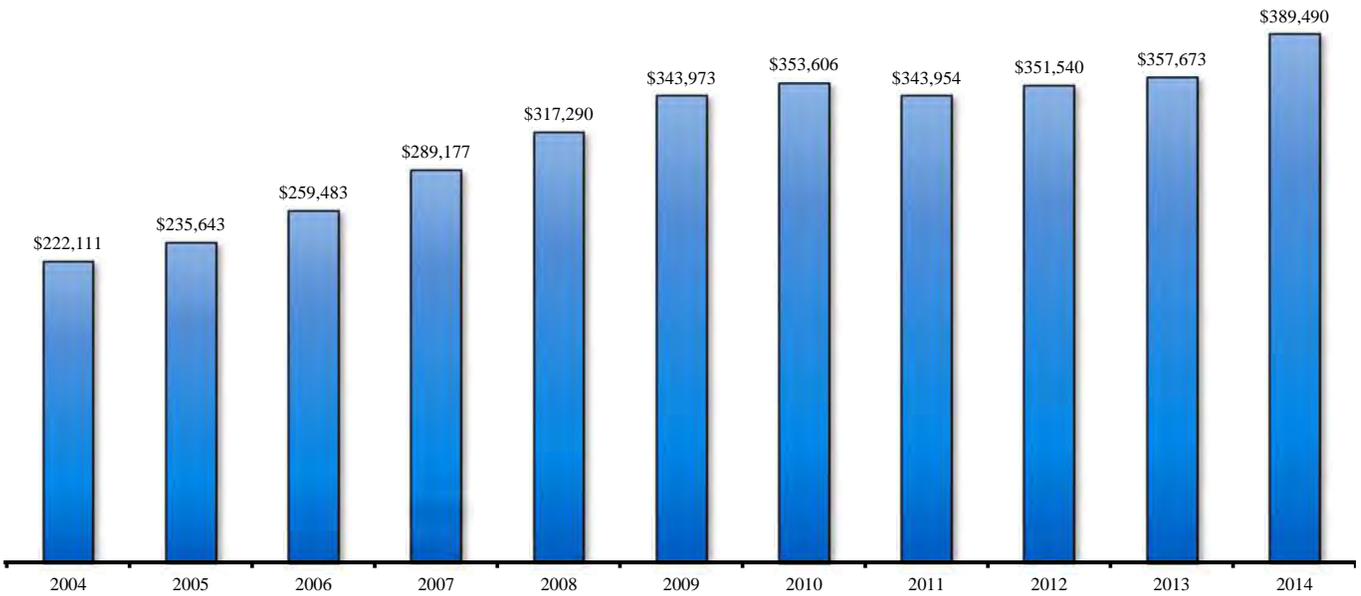
Fiscal Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Value (000s)	\$127,980	\$127,287	\$132,965	\$137,657	\$140,833	\$147,760	\$157,430	\$172,908	\$191,563	\$208,112
Percent Change		(0.54%)	4.46%	3.53%	2.31%	4.92%	6.54%	9.83%	10.79%	8.64%



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

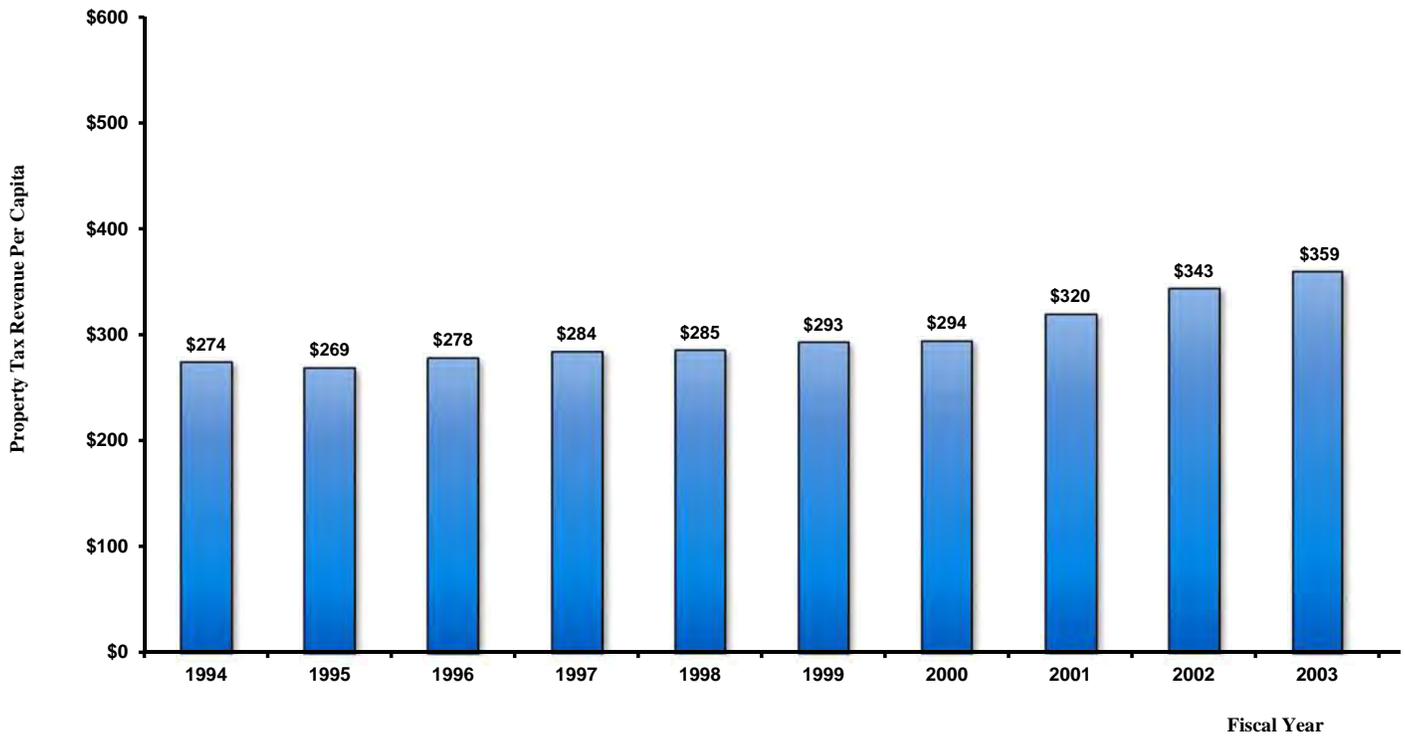
TABLE 10

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)

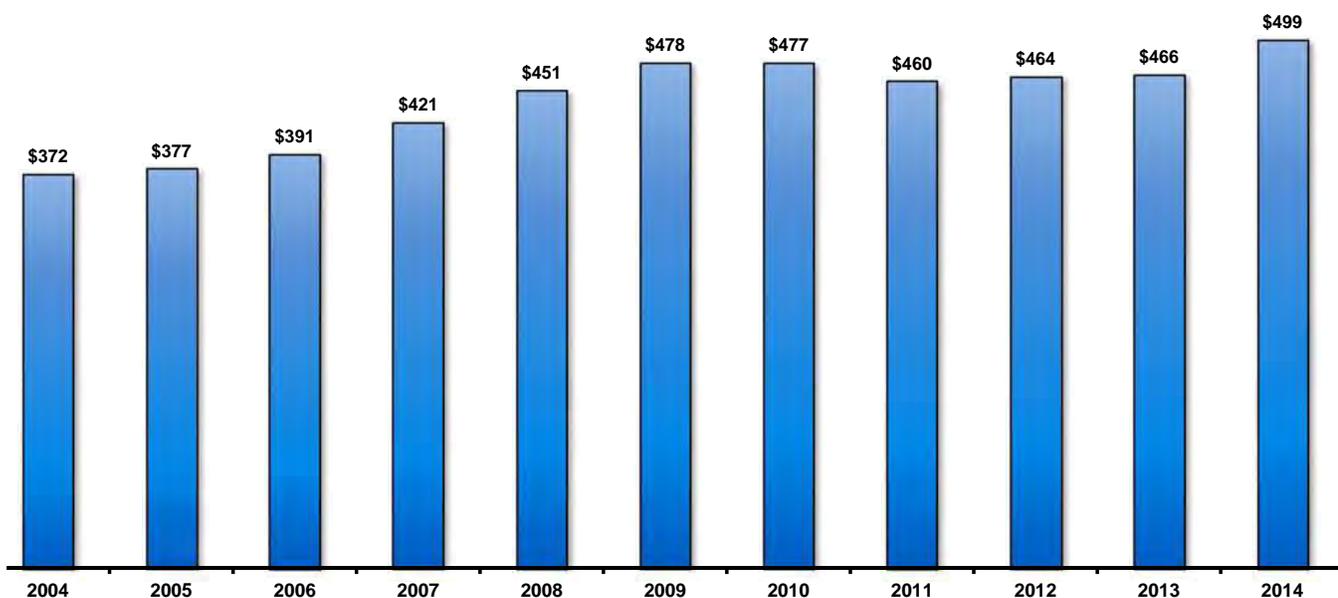
Fiscal Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Value (000s)	\$127,980	\$127,287	\$132,965	\$137,657	\$140,833	\$147,760	\$157,430	\$172,908	\$191,563	\$208,112
Population	467,100	473,600	477,850	484,200	494,150	504,850	534,694	540,950	557,750	579,250
Value Per Capita	\$274	\$269	\$278	\$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
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO (Unaudited)
(in 000's)

Name of Taxpayer	Nature of Property	2014 ^(a)		2005 ^(b)		Percentage of Total Taxable Assessed	Percentage of Total Taxable Assessed
		2013 Taxable Assessed Valuation	Rank	2004 Taxable Assessed Valuation	Rank		
TU Elect./Oncor Elect. Deliv. Co, LLC	Electric Utility	\$ 365,328	1	0.86%	\$ 321,798	1	1.20%
DDR/DTC City Investments, LP	Real Estate	217,491	2	0.51%			
Bell Helicopter Inc.	Aircraft Manufacturing	210,091	3	0.50%	129,854	5	0.48%
XTO Energy Inc	Oil/Gas Producer	199,124	4	0.47%			
Chesapeake Operating (WI)	Natural Gas Producer	196,646	5	0.46%			
Alcon Laboratories, Inc.	Pharmaceuticals	175,993	6	0.41%	226,472	3	0.84%
AMR Corp/American Airlines, Inc.	Airline	172,481	7	0.41%	247,984	2	0.92%
Wal-Mart Real Estate Bus. Trust/Stores	Retailer	151,345	8	0.36%			
Mercantile Partners Lp	Land Subdividers and Devel.	141,525	9	0.33%			
Behringer Harvard Burnett PLZ	Investment Company	137,904	10	0.33%			
Southwestern Bell	Telephone Utility				190,860	4	0.71%
City Center Development	Developer				129,111	6	0.48%
Sprint Communications Co.	Telephone Utility				102,424	10	0.38%
Burlington Northern Santa Fe	Railroad Transportation				107,168	9	0.40%
Miller Brewing	Beer Brewing				119,323	7	0.44%
Albertson, Inc.	Grocery Retailer				110,437	8	0.41%
		<u>\$ 1,967,928</u>		<u>4.64%</u>	<u>\$ 1,685,431</u>		<u>6.27%</u>

(a) Source: Tarrant Appraisal District Supplemental Certification Report

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



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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
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	<u>\$ 1,105,782</u>	<u>\$ 1,068,782</u>	<u>\$ 1,287,765</u>	<u>\$ 1,294,030</u>	<u>\$ 1,487,867</u>
Personal Income (a)	\$ 11,834,034	\$ 12,577,390	\$ 13,008,252	\$ 13,311,276	\$ 13,640,815
Debt as a Percentage of Personal Income	9%	8%	10%	10%	11%
Population (b)	625	664	687	703	720
Debt Per Capita	\$ 1,769	\$ 1,610	\$ 1,875	\$ 1,841	\$ 2,066

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

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

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

TABLE 13

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

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

Fiscal Year	<u>General Bonded Debt Outstanding</u>			Assessed Value ^(b)	Percent Outstanding General Debt to Assessed Value	Estimated Population ^(c)	Outstanding General Debt Per Capita
	General Obligation Bonds ^(a)	Certificates of Obligation ^(a)	Total				
2005	\$ 235,486	\$ 69,960	\$ 305,446	\$ 26,873,437	1.14%	625	\$ 0.489
2006	212,909	62,610	275,519	29,265,921	0.94%	664	0.415
2007	322,296	67,605	389,901	33,656,388	1.16%	687	0.568
2008	295,925	60,230	356,155	37,632,410	0.95%	687	0.518
2009	406,006	166,215	572,221	40,870,603	1.40%	702	0.815
2010	380,125	188,655	568,780	41,851,015	1.36%	741	0.768
2011	371,760	202,880	574,640	41,022,067	1.40%	748	0.768
2012	458,800	247,600	706,400	41,986,043	1.68%	758	0.932
2013	463,488	302,985	766,473	43,697,663	1.75%	768	0.998
2014	440,617	299,441	740,058	42,420,689	1.74%	781	0.948

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

(b) Assessed value is 100%

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



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

	<u>2005*</u>	<u>2006*</u>	<u>2007*</u>	<u>2008*</u>	<u>2009*</u>
Total Assessed Valuation	\$ 26,873	\$ 29,266	\$ 33,656	\$ 37,471	\$ 38,357
Overall Debt Limitation - 10% of Assessed Valuation					
Net Debt Subject to Limitation					
Legal Debt Margin Within 10% Limitation					
Legal Debt Margin as a Percentage of the Debt Limit					

Notes:

*Article 835p of the State of Texas Civil Statutes limits cities with a population of six hundred thousand or more according to the last federal census to incur a total bonded indebtedness by the issuance of tax-supported bonds in an amount not exceeding ten (10%) percent of the total assessed valuation of property shown by the last assessment roll of the city. According to the 2000 Federal Census, the City of Fort Worth had a population of over 516 thousand; therefore the 10% limitation does not apply for 2010 and before. According to the 2010 Federal Census, the City of Fort Worth had a population of over 758 thousand; therefore, the 10% limitation does apply after 2010.

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund	\$ 0.711	\$ 0.711	\$ 0.726	\$ 0.721	\$ 0.711
Debt Service Fund	0.154	0.154	0.134	0.134	0.144
Total City Tax Rate	<u>\$ 0.865</u>	<u>\$ 0.865</u>	<u>\$ 0.860</u>	<u>\$ 0.855</u>	<u>\$ 0.855</u>

Source: Tarrant Appraisal District

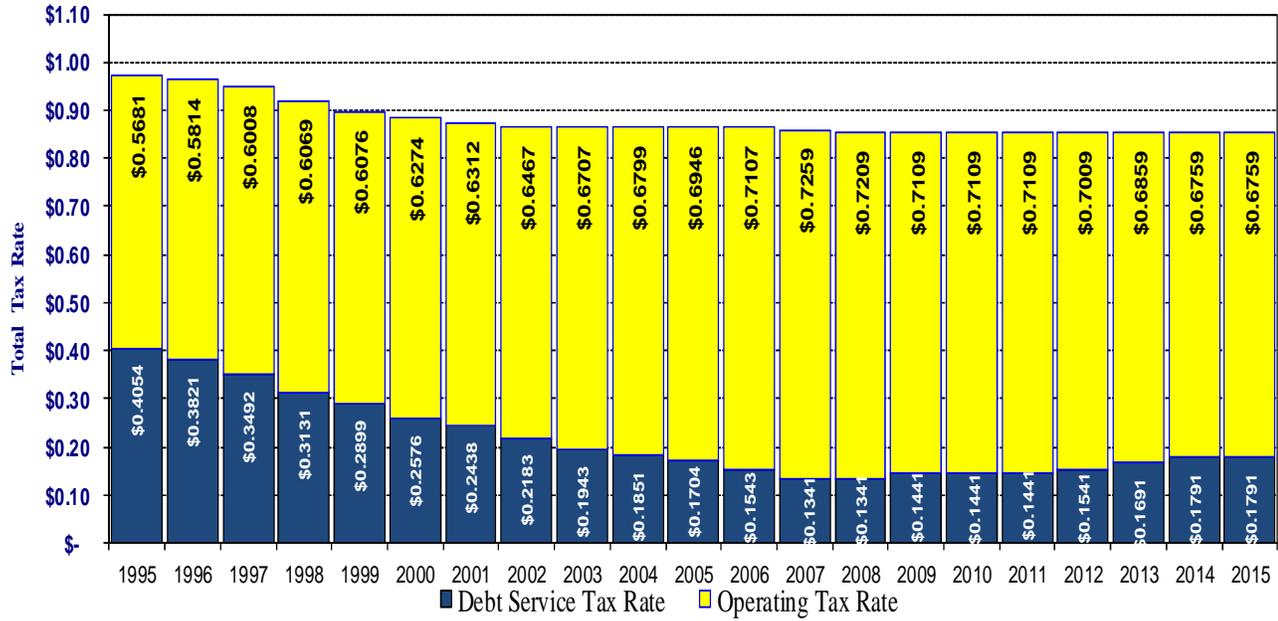
TABLE 15

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
	<u>\$ 3,409</u>	<u>\$ 3,493</u>	<u>\$ 3,643</u>	<u>\$ 3,547</u>
	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
<u>\$ 0.855</u>				

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

TABLE 16



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

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

TABLE 17

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			<u>2,286,004</u>
City of Fort Worth Net Direct Debt	952,199	100.00 %	<u>952,199</u>
Total direct and overlapping debt			<u><u>\$ 3,238,203</u></u>

^(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 instruments 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
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS (Unaudited)
(in 000's)

TABLE 18

Fiscal Year	Revenues			Debt Service Requirements			Bond Coverage ^(c)
	Total Revenues ^(a)	Less: Operating Expense ^(b)	Net Revenue	Principal	Interest	Annual Requirement	
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
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
PRINCIPAL EMPLOYERS
FORT WORTH METROPOLITAN AREA
CURRENT YEAR AND NINE YEARS AGO (Unaudited)
(in 000's)**

Name of Employers	2014			2005		
	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%
	<u>86.5</u>		<u>2.50%</u>	<u>74.9</u>		<u>1.50%</u>

^(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.

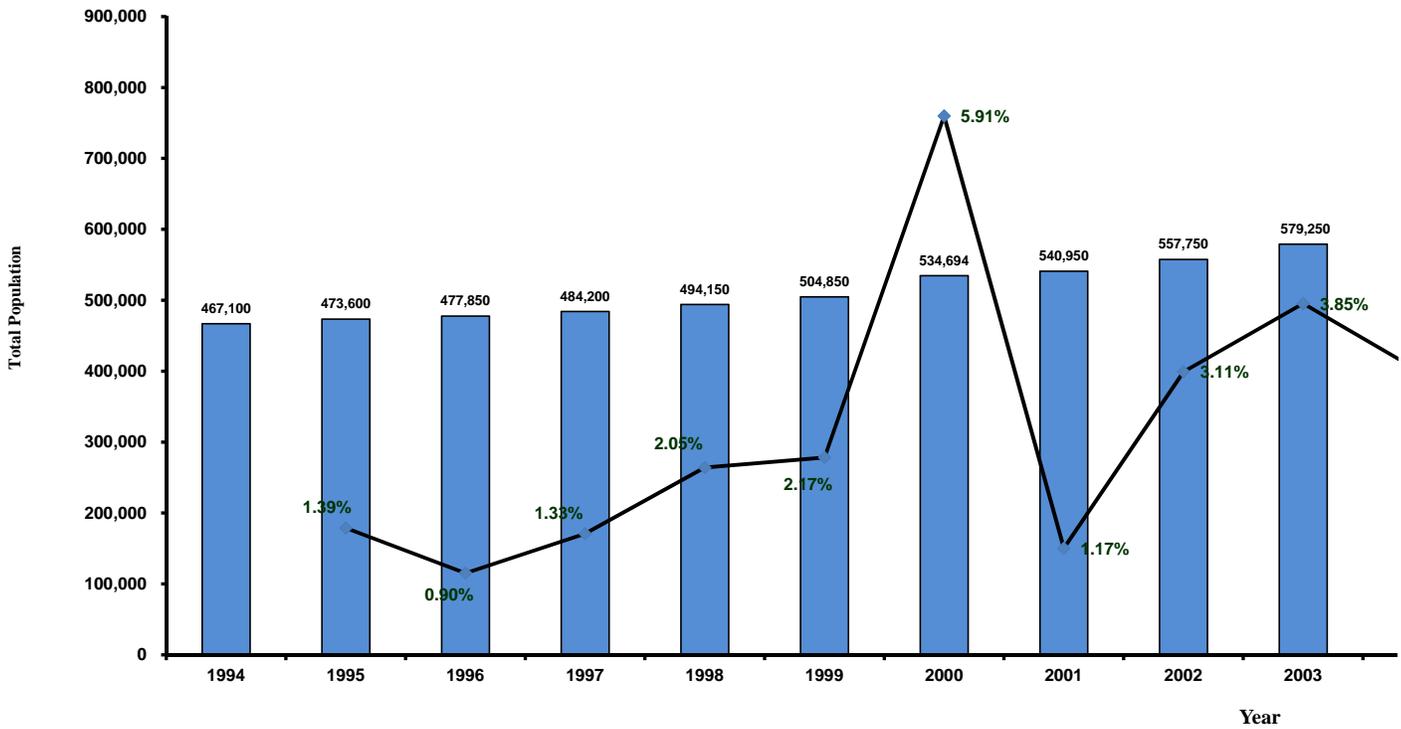
^(h) Total employment in the year 2005 equals 504,441 per North Central Texas Council of Governments



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

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

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

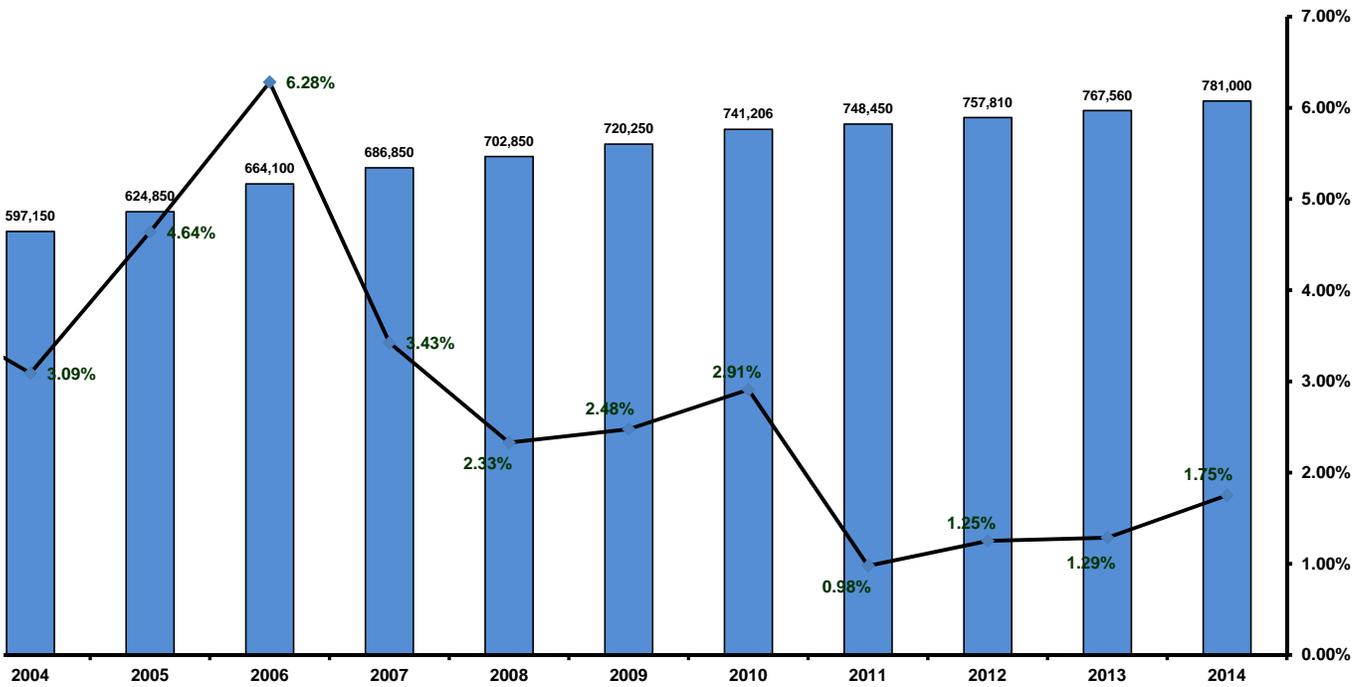


Source: North Central Texas Council of Governments (NCTCOG)

TABLE 21

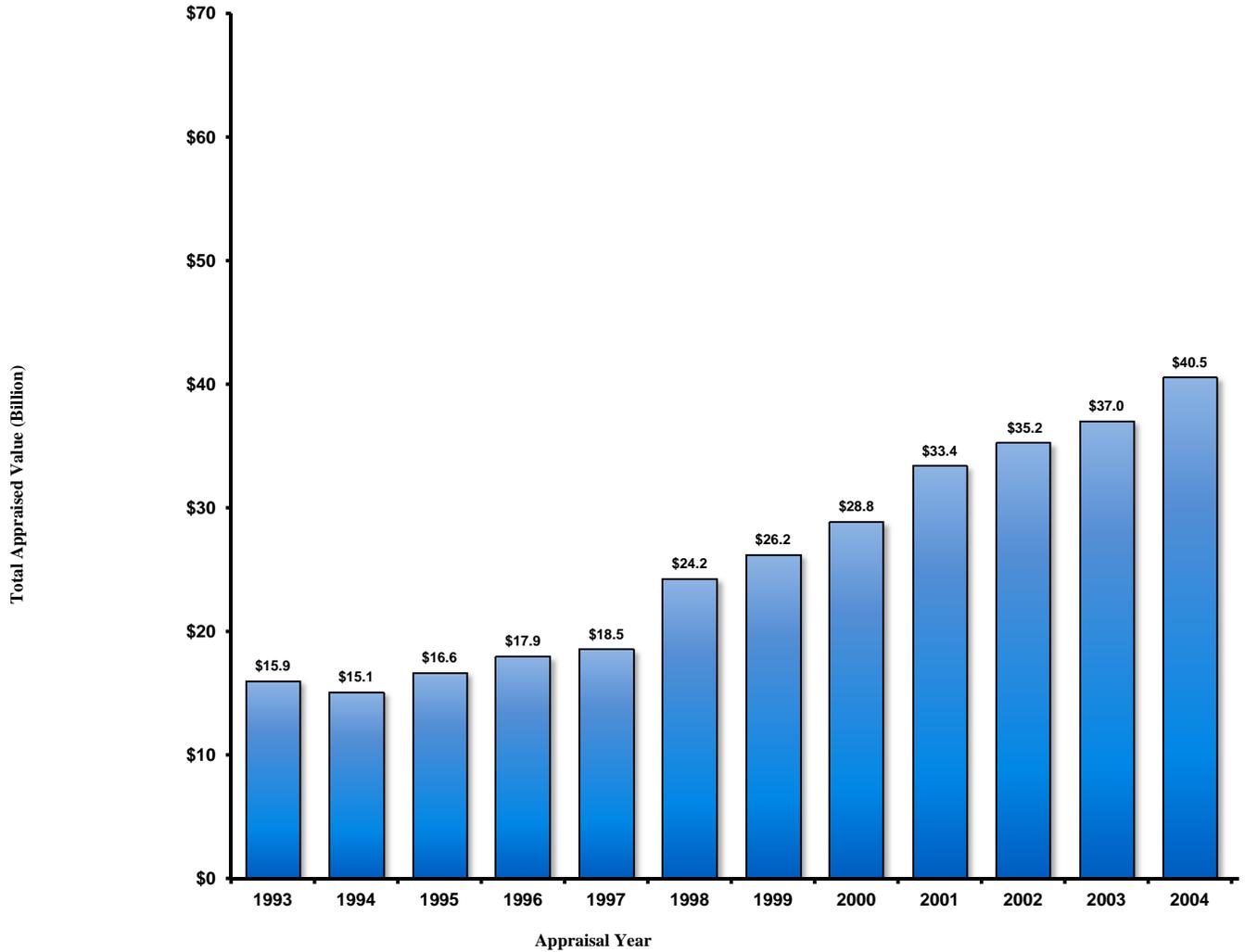
1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
403,200	422,250	415,550	424,800	439,000	446,300	450,100	447,619	448,547	450,250	462,800
1.60%	4.72%	(1.59%)	2.23%	3.34%	1.66%	0.85%	(0.55%)	0.21%	0.38%	2.79%

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



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

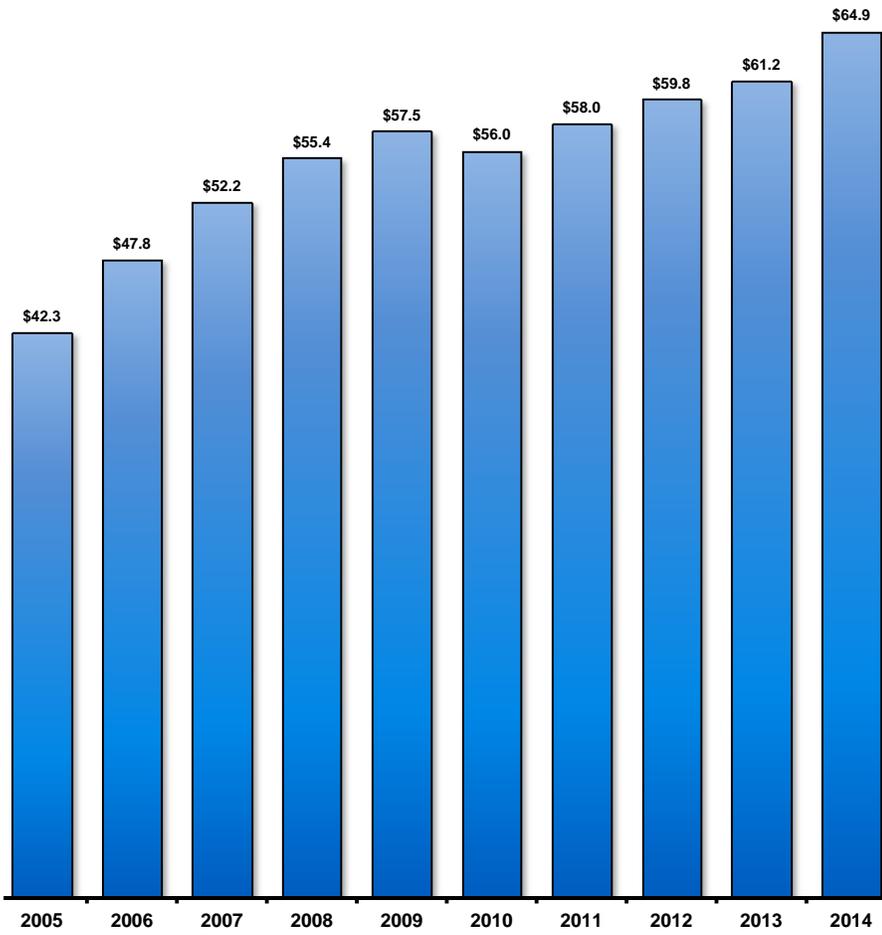
Appraisal Year	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Value (Billions)	\$15.9	\$15.1	\$16.6	\$17.9	\$18.5	\$24.2	\$26.2	\$28.8	\$33.4	\$35.2	\$37.0	\$40.5
Percent Change		(5.42%)	10.03%	8.04%	3.25%	30.99%	7.91%	10.15%	15.75%	5.62%	5.03%	9.43%



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

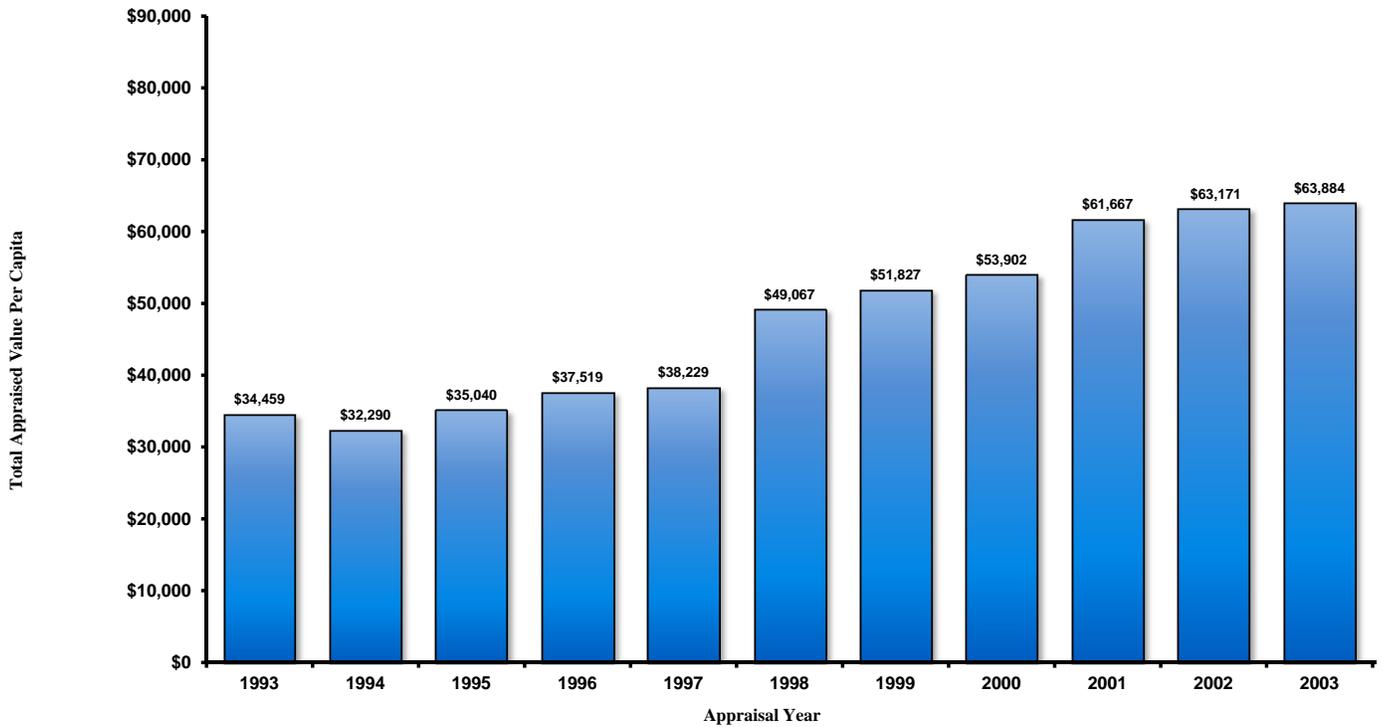
TABLE 22

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



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

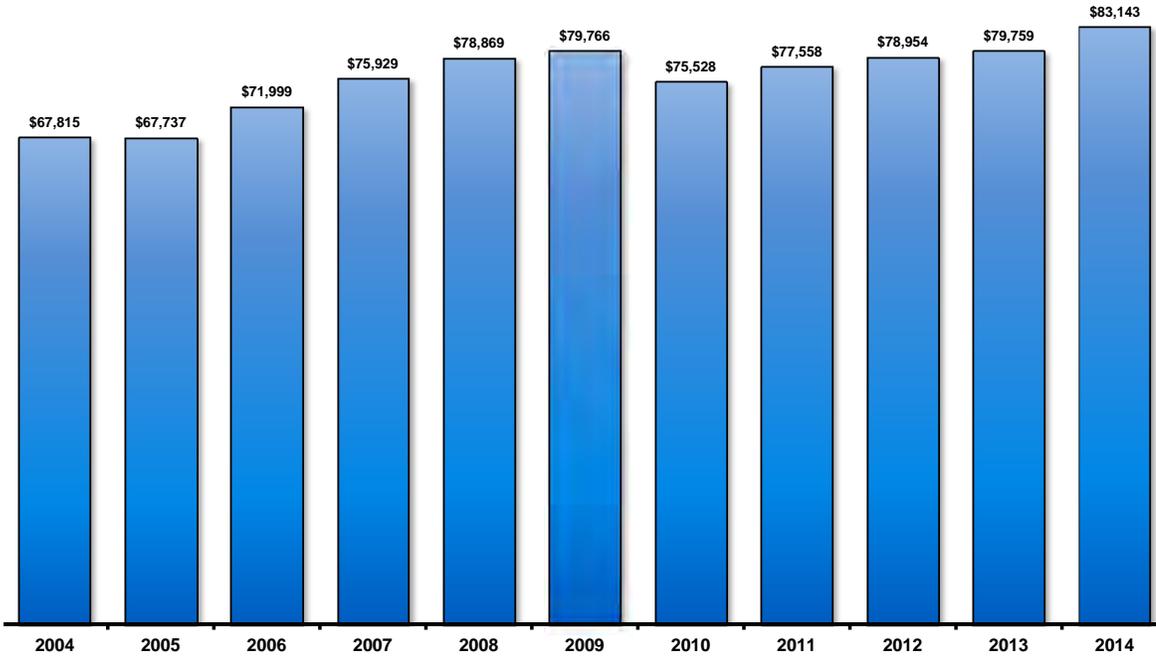
Appraisal Year	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Value (Billions)	\$15.9	\$15.1	\$16.6	\$17.9	\$18.5	\$24.2	\$26.2	\$28.8	\$33.4	\$35.2	\$37.0
Population	462,800	467,100	473,600	477,850	484,200	494,150	504,850	534,694	540,950	557,750	579,250
Value Per Capita	\$34,459	\$32,290	\$35,040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



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

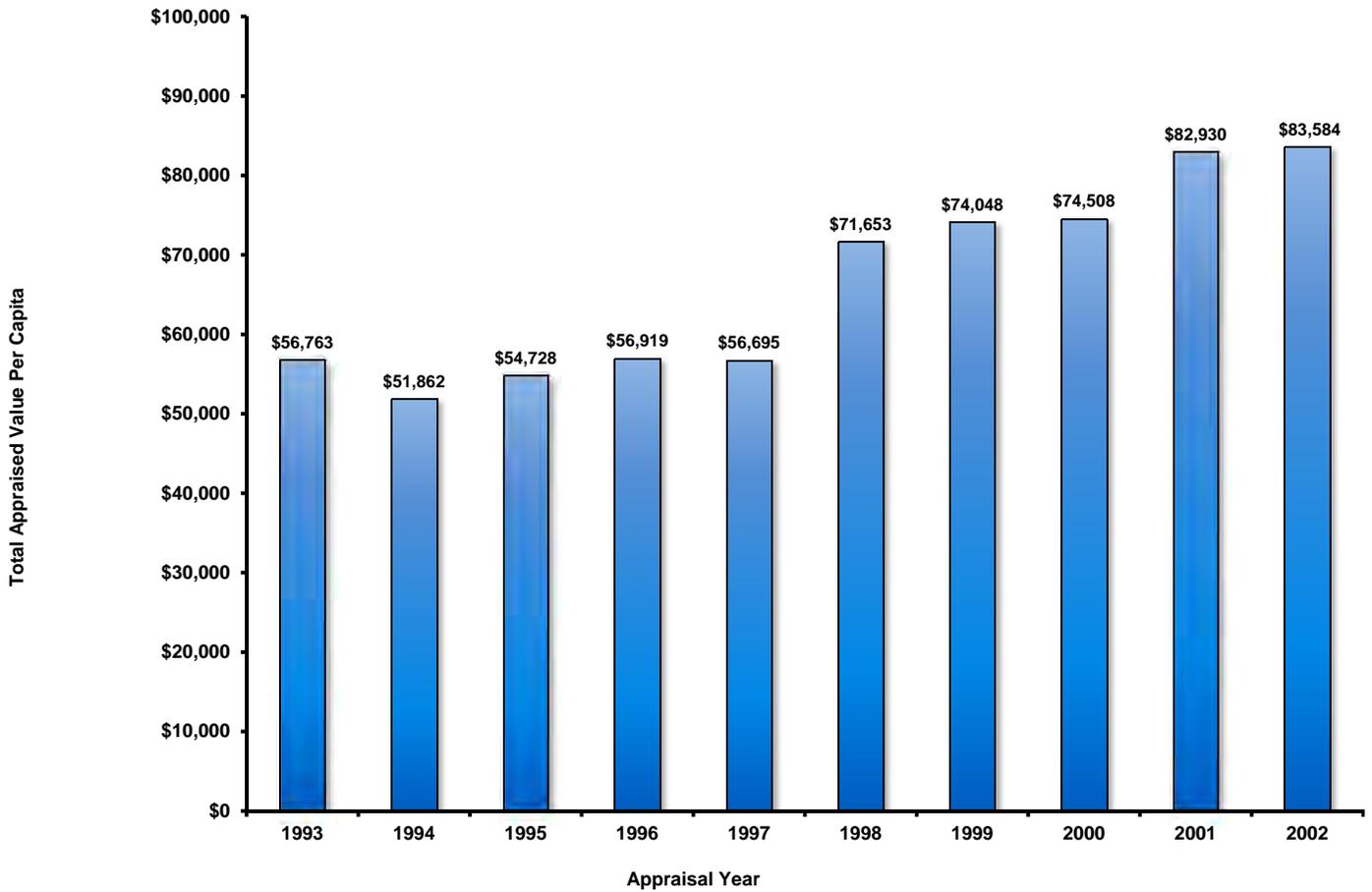
TABLE 23

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



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

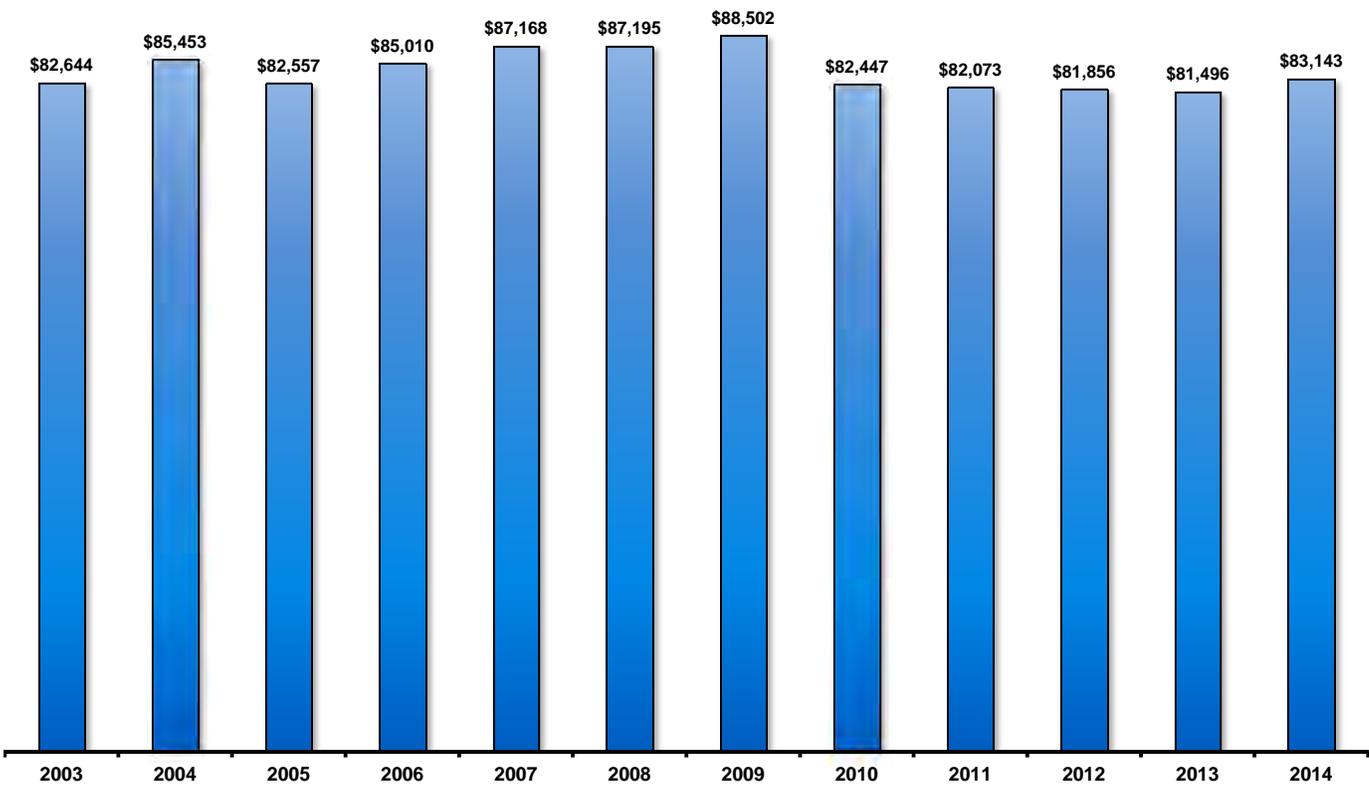
Appraisal Year	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Value	\$15,948	\$15,083	\$16,595	\$17,928	\$18,510	\$24,246	\$26,165	\$28,821	\$33,359	\$35,234
Adj Value (Billions)	\$26.3	\$24.2	\$25.9	\$27.2	\$27.5	\$35.4	\$37.4	\$39.8	\$44.9	\$46.6
Population	462,800	467,100	473,600	477,850	484,200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



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

TABLE 24

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

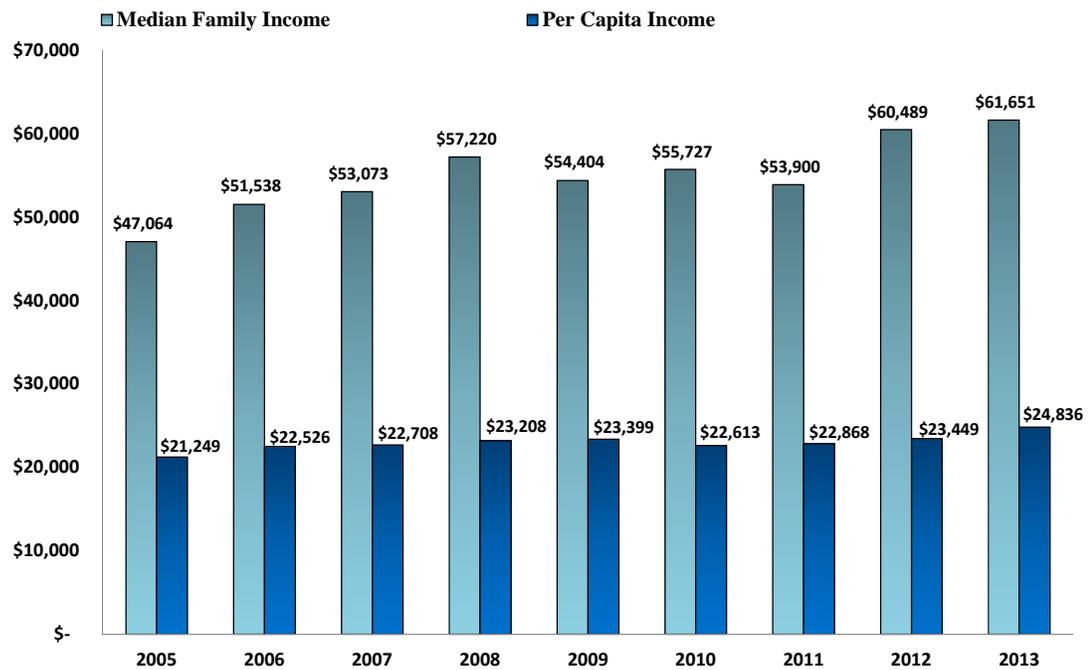


CITY OF FORT WORTH, TEXAS
MEDIAN FAMILY AND PER CAPITA INCOME
(unadjusted for inflation)

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

Fort Worth Per Capita Income (Unadjusted for inflation)

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



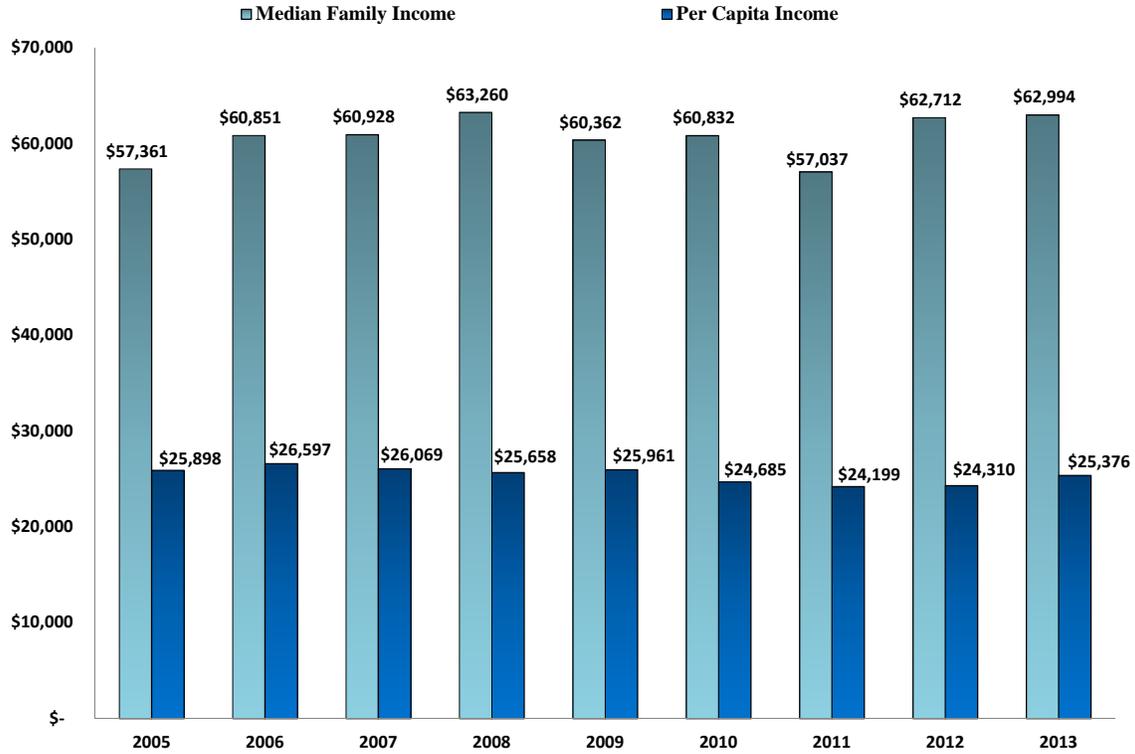
Source: U.S. Census Bureau, American Community Survey
<http://factfinder2.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=#none>

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

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)

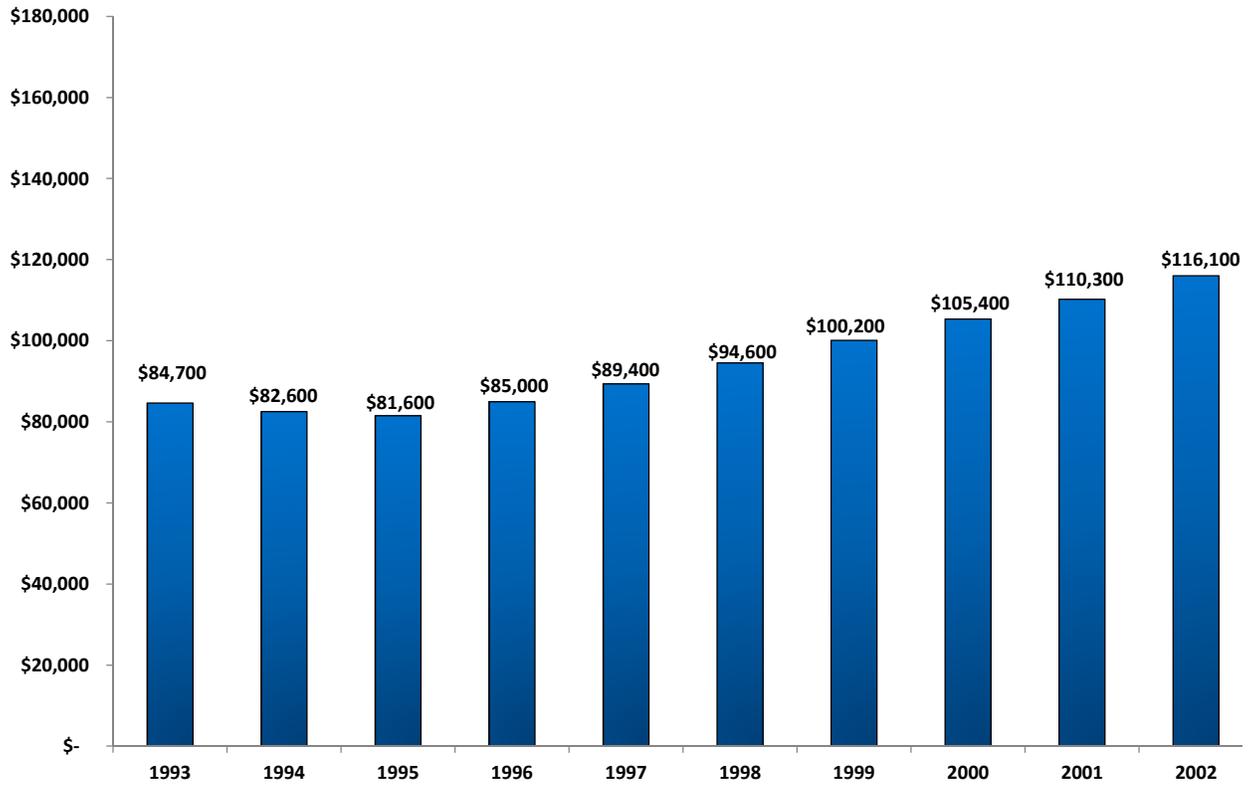
Year	2005	2006	2007	2008	2009	2010	2011	2012	2013
Per Capita Income	\$ 25,898	\$ 26,597	\$ 26,069	\$ 25,658	\$ 25,961	\$ 24,685	\$ 24,199	\$ 24,310	\$ 25,376
% Change		2.70%	(1.99%)	(1.58%)	1.18%	(4.92%)	(1.97%)	0.46%	4.39%



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

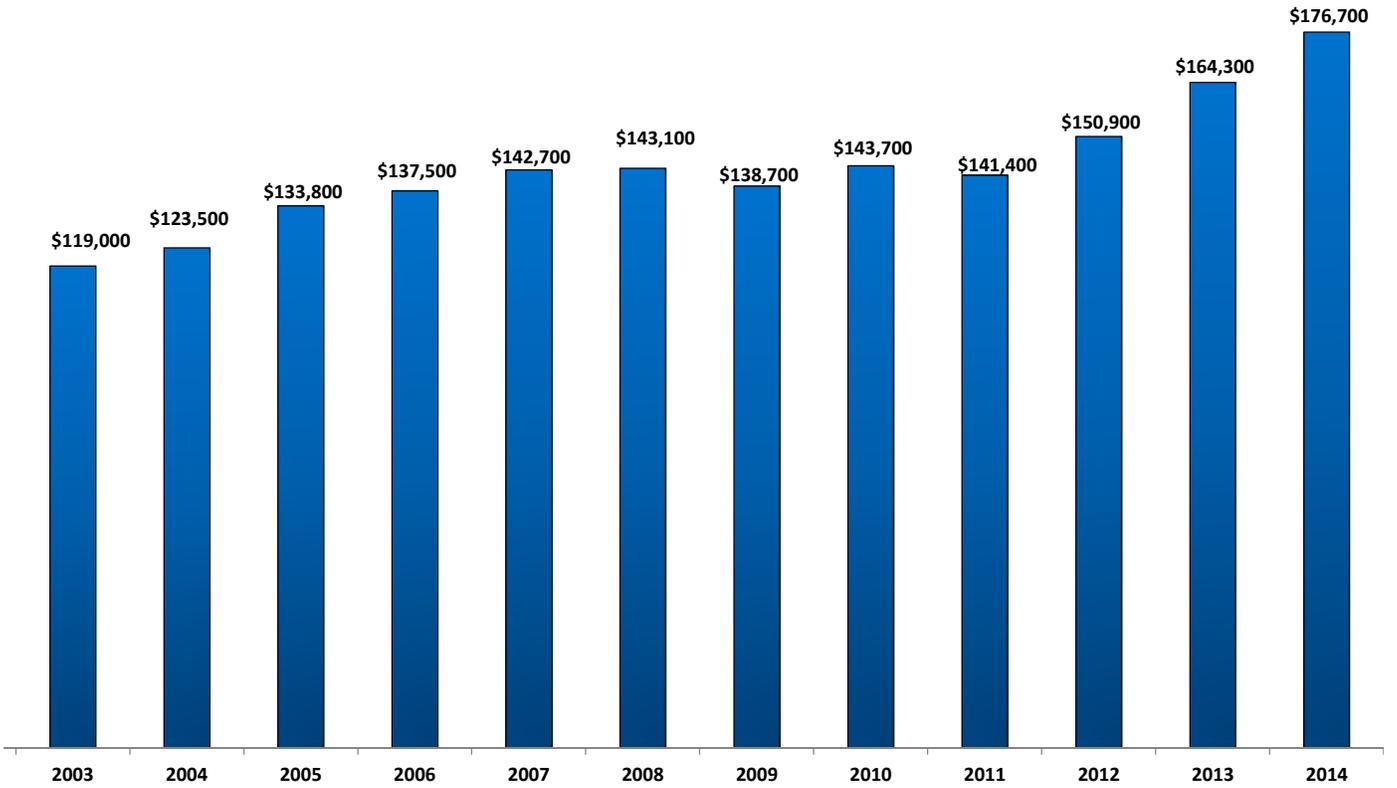
**CITY OF FORT WORTH, TEXAS
AVERAGE HOME VALUE
LAST TWENTY FISCAL YEARS (Unaudited)**

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%



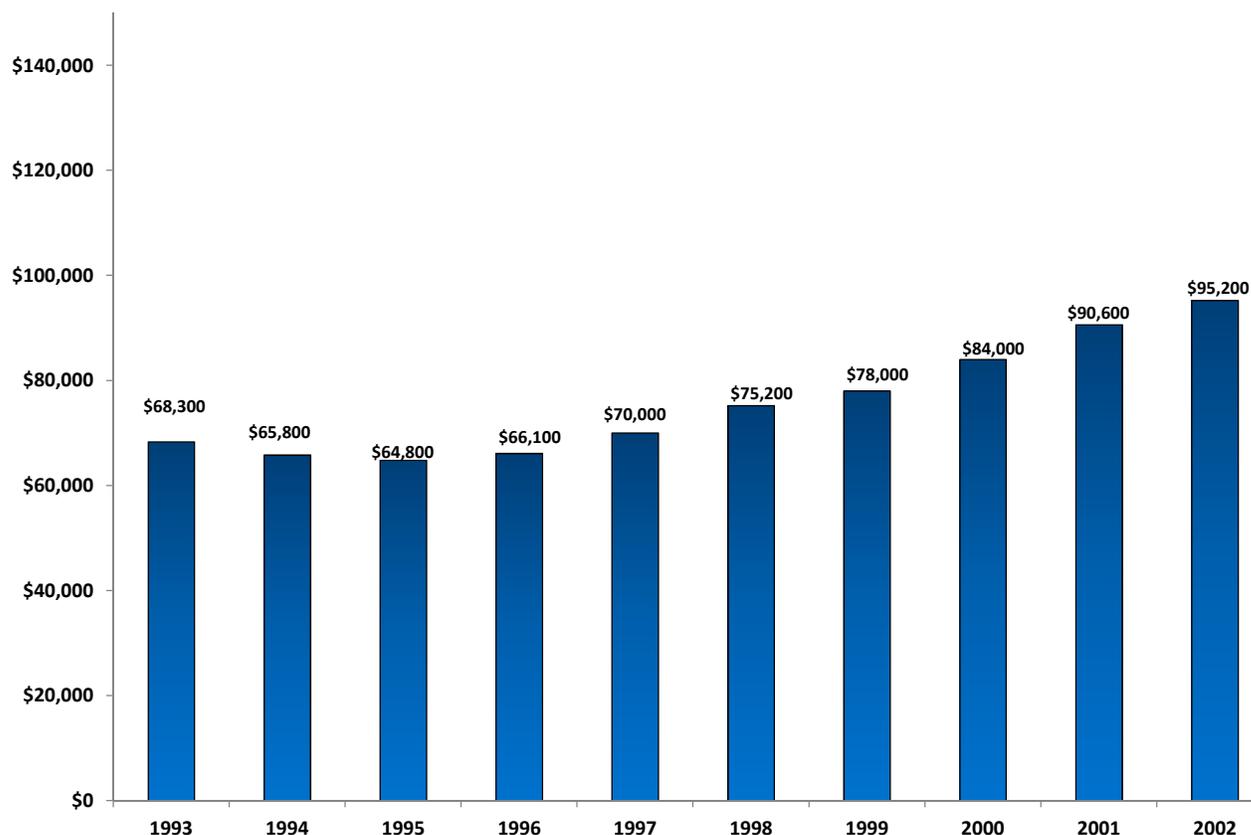
Source: Texas A&M University, Real Estate Center <http://recenter.tamu.edu/data/hs/hs240.asp>

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)

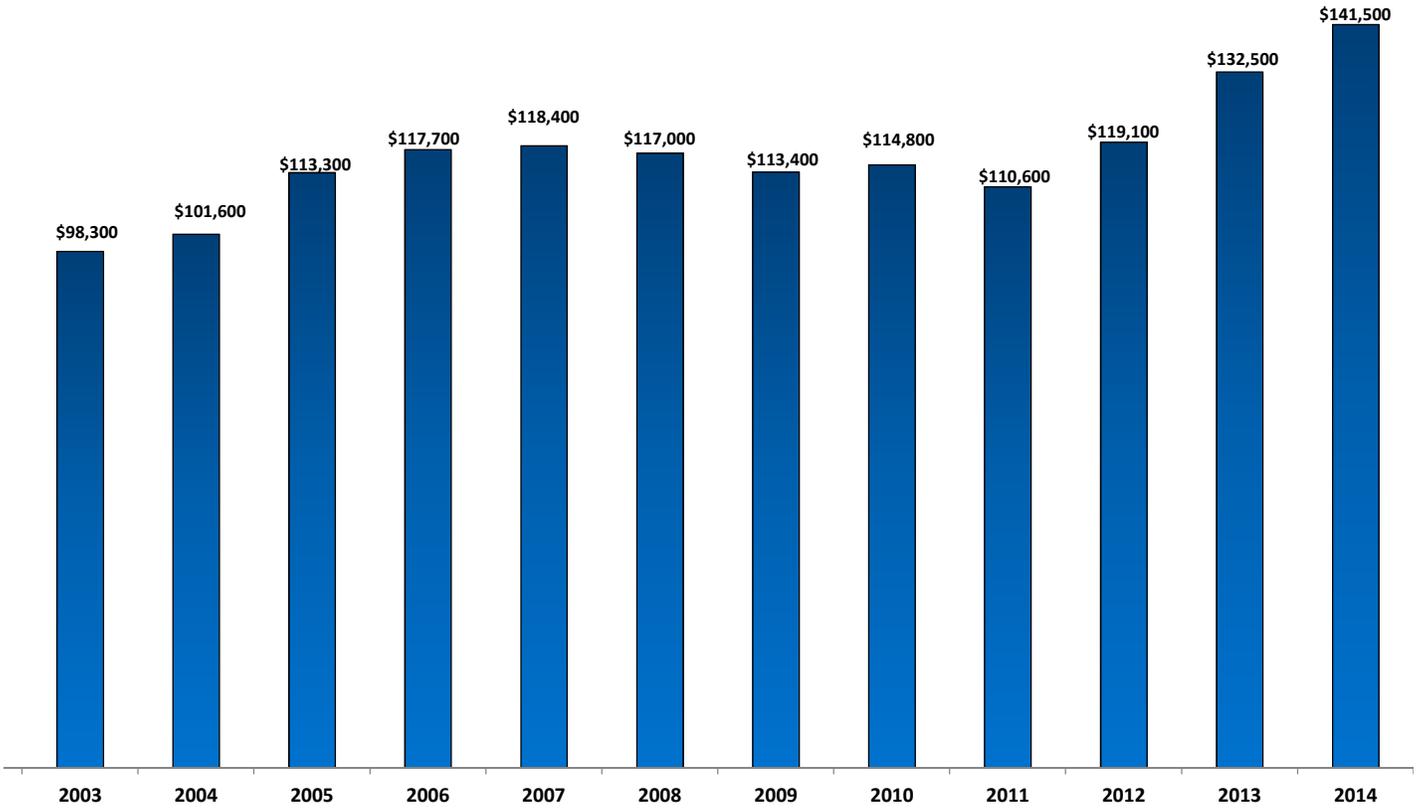
Year	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Median Home Value	\$ 68,300	\$ 65,800	\$ 64,800	\$ 66,100	\$ 70,000	\$ 75,200	\$ 78,000	\$ 84,000	\$ 90,600	\$ 95,200
% Change		(3.66%)	(1.52%)	2.01%	5.90%	7.43%	3.72%	7.69%	7.86%	5.08%



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	1,521	1,538	1,524
Police-Civilian	625	653	647	658	675	660
Fire-Uniform	799	828	892	923	891	869
Fire-Civilian	52	45	49	48	57	55
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 established in FY05, previously a division of City Manager office. In FY09 merged into Financial management Services. In FY11 moved to City Manager's office.

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

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

Function/Program	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
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

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
2,281	12,392	10,111	10,158	10,439
53,837	65,190	58,770	71,511	76,438
312,061	299,750	299,793	266,169	296,561
415,008	327,779	277,672	246,378	232,596
274,833	318,720	219,478	167,764	115,840
81,522	136,312	152,874	141,888	126,739
7,317	7,325	7,341	7,382	7,420
164	177	169	143	110
1.1 ^(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
<u>Library</u>					
Library Facilities Owned	13	13	13	13	13
Library Facilities Leased	2	2	2	2	2
<u>Parks and Recreation</u>					
Parks and Public Spaces	227	231	236	243	249
Parks Acres	10,715	10,762	10,832	10,929	11,094
Miles of Trails (Jogging, Hiking & Biking) (paved trails)	59	60	58	60	63
Swimming Pools	7	7	7	7	7
Athletic Fields (Soccer, Football, Baseball & Rugby)	175	178	184	181	181
Tennis Centers	1	1	1	1	1
Number of Tennis Courts	16	16	16	16	16
Neighborhood Tennis Courts	82	82	82	82	82
Multi-use Courts	105	105	106	107	107
Golf Courses	5	5	5	5	5
Community and C.A.P. Centers	21	21	21	21	21
<u>Public Safety</u>					
Police Stations Owned	9	9	9	10	11
Police Stations Leased	10	10	10	11	10
Fire Stations	40	41	40	40	42
<u>Public Works</u>					
Streets - Linear Miles	6,830	7,000	7,173	7,218	7,291
Traffic Signals	653	696	603 (a)	588 (a)	620
Street Lights	56,592	58,565	60,026	60,950	61,593
<u>Stormwater</u>					
Miles of Channels - Improved	236	281	327	326	333
Miles of Storm Pipes	700	750	680	700	714
<u>Water</u>					
Water Mains (Miles)	2,837	3,177	3,292	3,395	3,449
Fire Hydrants	14,803	16,929	17,040	17,580	17,947
<u>Wastewater</u>					
Miles of Sanitary Sewers	2,804	3,218	3,315	3,380	3,421

(a) The City also maintains 97 Traffic Signals owned by TXDOT not included in the number noted above.

(b) The City also maintains 100 Traffic Signals owned by TXDOT not included in the number noted above.

(c) The City also maintains 118 Traffic Signals owned by TXDOT not included in the number noted above.

N/A= Information not available

Source: Respective City of Fort Worth departments.

TABLE 31

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

Authorized but Unissued G.O. Debt

Purpose	Date Authorized	Amount Authorized	Amount	Unissued
			Previously Issued	Balance
Transportation	5/10/2014	\$ 219,740,000	\$ -	\$ 219,740,000
Park & Community Service	5/10/2014	31,440,000	-	31,440,000
Library	5/10/2014	12,650,000	-	12,650,000
Fire Station	5/10/2014	9,280,000	-	9,280,000
Courthouse Improvements	5/10/2014	1,530,000	-	1,530,000
Facilities Improvements	5/10/2014	15,080,000	-	15,080,000
Animal Care & Control	5/10/2014	2,350,000	-	2,350,000
		<u>\$ 292,070,000</u>	<u>\$ -</u>	<u>\$ 292,070,000</u>

City of Fort Worth
General Obligation Debt
Consolidated Outstanding Debt Service

FY	Principal	Interest	Debt Service	Less: Self Supported Debt Service	Total Tax Supported Debt Service
2015	62,095,000	32,567,107	94,662,107	15,858,756	78,803,351
2016	56,545,000	30,427,073	86,972,073	15,986,072	70,986,001
2017	55,680,000	28,201,617	83,881,617	15,915,957	67,965,660
2018	55,375,000	25,920,000	81,295,000	15,870,137	65,424,863
2019	55,680,000	23,535,917	79,215,917	15,792,571	63,423,346
2020	55,595,000	21,123,164	76,718,164	15,720,502	60,997,662
2021	55,375,000	18,681,745	74,056,745	15,409,901	58,646,844
2022	52,865,000	16,267,525	69,132,525	12,508,699	56,623,826
2023	49,690,000	13,984,302	63,674,302	10,534,445	53,139,857
2024	42,035,000	11,885,377	53,920,377	7,857,775	46,062,602
2025	42,395,000	9,927,520	52,322,520	7,838,559	44,483,961
2026	38,815,000	8,052,822	46,867,822	7,186,801	39,681,021
2027	39,060,000	6,252,316	45,312,316	7,182,054	38,130,262
2028	29,945,000	4,668,470	34,613,470	7,184,179	27,429,291
2029	25,200,000	3,451,328	28,651,328	7,184,790	21,466,538
2030	19,250,000	2,491,481	21,741,481	7,174,062	14,567,419
2031	18,445,000	1,640,428	20,085,428	7,163,347	12,922,081
2032	16,220,000	845,023	17,065,023	4,659,579	12,405,444
2033	8,115,000	254,306	8,369,306	4,658,922	3,710,384
2034	915,000	20,016	935,016		935,016
TOTAL	779,295,000	260,197,537	1,039,492,537	201,687,108	837,805,429

City of Fort Worth
General Obligation Debt
List of Bond Series and Debt Holder

#	Series	Debt Holder
1	Gen Purpose Ref Bonds, Series 2004	Publicly Sold
2	Gen Purpose Bonds, Series 2007	JPMorgan Chase Bank, N.A.
3	Combination Tax and Limited Surplus Rev COs , Series 2007	Banc of America, N.A.
4	Combination Tax and Parking Revenue COs, Series 2007	Banc of America, N.A.
5	General Obligation Bonds, Series 2007A	Bank of America, N.A.
6	Gen Purpose Bonds, Series 2008	Bank of America, N.A.
7	Combination Tax and Limited Surplus Rev COs, Series 2008	Bank of America, N.A.
8	Combination Tax & WRM Center Complex Parking Revenue COs, Series 2009	Stern Brothers & Co.
9	Gen Purpose Bonds, Series 2009	JPMorgan Chase Bank
10	Combination Tax and Limited Surplus Rev COs, Series 2009	Publicly Sold
11	Combination Tax and Revenue COs, Series 2010	Publicly Sold
12	Gen Purpose Bonds, Series 2010	Publicly Sold
13	Combination Tax & Revenue COs, Series 2010A	Publicly Sold
14	Gen Purpose Ref Bonds, Series 2011	Publicly Sold
15	Combination Tax & Revenue COs, Series 2012	Publicly Sold
16	Gen Purpose Ref and Improvement Bonds, Series 2012	Publicly Sold
17	Gen Purpose Ref and Improvement Bonds, Series 2013	Publicly Sold
18	Combination Tax and Limited Surplus Rev COs, Series 2013A	Publicly Sold
19	Combination Tax and Revenue COs, Taxable Series 2013B	Publicly Sold
20	Combination Tax and Revenue COs, Series 2013C	Publicly Sold
21	Gen Purpose Ref Bonds, Series 2014	JPMorgan Chase Bank
22	Gen Purpose Ref Bonds, Series 2015	DNT Asset Trust

City of Fort Worth
Drainage Utility System
Consolidated Outstanding Debt Service

FY	Principal	Interest	Debt Service
2015	3,960,000	5,380,493	9,340,493
2016	4,130,000	5,221,018	9,351,018
2017	4,300,000	5,071,655	9,371,655
2018	4,460,000	4,925,305	9,385,305
2019	4,640,000	4,745,324	9,385,324
2020	4,855,000	4,530,793	9,385,793
2021	5,090,000	4,295,268	9,385,268
2022	5,320,000	4,050,593	9,370,593
2023	5,545,000	3,824,093	9,369,093
2024	5,780,000	3,616,793	9,396,793
2025	6,030,000	3,396,505	9,426,505
2026	6,285,000	3,160,671	9,445,671
2027	6,555,000	2,893,749	9,448,749
2028	6,835,000	2,605,149	9,440,149
2029	7,130,000	2,312,774	9,442,774
2030	7,440,000	2,007,624	9,447,624
2031	7,770,000	1,687,452	9,457,452
2032	8,120,000	1,351,355	9,471,355
2033	8,490,000	998,211	9,488,211
2034	7,365,000	665,999	8,030,999
2035	7,685,000	356,978	8,041,978
2036	4,970,000	99,400	5,069,400
TOTAL	132,755,000	67,197,202	199,952,202

City of Fort Worth
Drainage Utility System
List of Bond Series and Debt Holder

#	Series	Debt Holder
1	Drainage Utility System Revenue Bonds, Series 2007	Publicly Sold
2	Drainage Utility System Revenue Bonds, Series 2009	Publicly Sold
3	Drainage Utility System Revenue Bonds, Series 2011	Publicly Sold

City of Fort Worth
Water and Sewer System
Consolidated Outstanding Debt Service (SR+JR Liens)

FY	Principal	Interest	Debt Service
2015	65,055,000	30,255,511	95,310,511
2016	66,585,000	28,372,826	94,957,826
2017	65,800,000	25,839,840	91,639,840
2018	68,555,000	23,086,586	91,641,586
2019	61,480,000	20,411,693	81,891,693
2020	54,810,000	18,054,030	72,864,030
2021	47,860,000	15,988,474	63,848,474
2022	49,790,000	14,052,280	63,842,280
2023	45,155,000	12,206,853	57,361,853
2024	42,990,000	10,507,081	53,497,081
2025	40,950,000	8,875,156	49,825,156
2026	34,065,000	7,431,901	41,496,901
2027	35,435,000	6,078,426	41,513,426
2028	23,150,000	4,904,825	28,054,825
2029	24,120,000	3,954,696	28,074,696
2030	25,150,000	2,955,487	28,105,487
2031	17,635,000	2,034,720	19,669,720
2032	11,315,000	1,375,419	12,690,419
2033	11,825,000	861,405	12,686,405
2034	12,360,000	321,480	12,681,480
2035	2,200,000	22,440	2,222,440
TOTAL	806,285,000	237,591,127	1,043,876,127

City of Fort Worth
Water and Sewer System
List of Bond Series and Debt Holder

#	Series	Debt Holder
1	Water and Sewer System Rev ReF Bonds, Series 2005A	Publicly Sold
2	Waste Water & Sewer System Sub Lien Rev Bonds, Series 2005	TWDB
3	Water and Sewer System Sub Lien Rev Bonds, Series 2005A	TWDB
4	Water and Sewer System Sub Lien Rev Bonds, Series 2005B	TWDB
5	Water and Sewer System Rev Bonds, Series 2007	Deutsche Bank Securities, Inc.
6	Water and Sewer System Sub Lien Rev Bonds, Series 2007B	TWDB
7	Water and Sewer System Sub Lien Rev Bonds, Series 2007A	TWDB
8	Water and Sewer System Rev ReF Bonds, Series 2008	JPMorgan Chase Bank
9	Water and Sewer System Rev Bonds, Series 2009	TWDB
10	Water and Sewer System Rev ReF Bonds, Series 2010	Publicly Sold
11	Water and Sewer System Rev Bonds, Series 2010A	TWDB
12	Water and Sewer System Rev Bonds, Series 2010B	TWDB
13	Water & Sewer Rev Bonds, Series 2010C	Wells Fargo Securities
14	Water & Sewer Rev ReF and Improvement Bonds, Series 2011	Publicly Sold
15	Water and Sewer System Rev ReF Bonds, Series 2012	Publicly Sold
16	Water and Sewer System Rev ReF and Improvement Bonds, Series 2014	Publicly Sold
17	Water & Sewer System Rev Bonds, Series 2015*	TWDB

*Transaction not closed yet



Fort Worth Water Dept, Business Services Division

Advanced Metering Infrastructure (AMI) & Mobile Workforce Management (MWM) Feasibility Assessment

Feasibility Assessment Report

Final Draft

March 29, 2013

Table of Contents

1. Executive Summary.....	3
2. Project Overview	7
2.1. Purpose	7
2.2. Project Approach.....	7
3. Needs Assessment.....	9
3.1. Business Process Analysis.....	9
3.2. Best Practices Assessment	17
4. Advanced Metering Infrastructure	32
4.1. AMI Overview.....	32
4.2. Project Requirements.....	33
4.3. Economic Evaluation.....	34
4.4. Implementation Considerations	43
5. Mobile Workforce Management (MWM).....	45
5.1. MWM Overview.....	45
5.2. MWM Benefit Types & Measures.....	45
5.3. Implementation Considerations	48
Appendix A -- As-Is Business Process Maps.....	51

1. Executive Summary

The City of Fort Worth Water Department (FWWD or Water) is addressing its complex business challenges with technology to improve operational efficiencies and empowered decision making. Westin Engineering Inc. (Westin) completed FWWD's Information Technology (IT) Strategic Plan in 2010, which laid out a 5-year program comprising projects for improvement. Projects related to customer service management include, develop and implement a phased approach to Advanced Metering Infrastructure (AMI) and customer information system (CIS) integrations to enable real-time information interchange among customer service representatives (CSR's) and field service technicians.

The Business Services Division (Division), has identified *improvements in meter management* and *service order management* as its most immediate objectives, and engaged Westin Engineering, Inc. to conduct a feasibility assessment and planning services for the acquisition and deployment of advanced metering infrastructure (AMI) and mobile workforce management (MWM) technologies. This report summarizes results of the assessment, which include business process improvements, enabling AMI and MWM technologies, and the business case for making the investments.

Westin conducted a series of workshops and interviews with cross functional teams to gain insight into the execution of work functions and how they are supported by current systems. Key business processes that can be improved with the technologies were mapped and analyzed to identify process issues such as rework, duplication of efforts, excessive manual activities, etc. In addition, a best practices assessment was conducted that compared the performance of current business practices with the industry best practices, to assess business performance gaps. There are several opportunities for improvements within the Division, including business process improvements to drive efficiencies by mitigating the impacts of issues identified, and adopting best practices that will save cost and improve staff productivity. The key recommendations include the following:

- A. Develop and implement strategies for smart metering technology to improve customer management and utility operations efficiencies:
 - o Evaluate the cost-benefit feasibility of AMI by first quantifying the cost savings from improvements in business processes and operating procedures.
 - o Expand the evaluation to include meter data management (MDM) and the broader benefits to the utility enterprise.
 - o Develop detail specifications and requirements to evaluate vendors.
- B. Update meter specifications to include:
 - o Requirements for future migration to AMI with minimum cost.
 - o Robust performance standards and requirements backed by warranty.
 - o Change purchasing policies to select vendors on "best value".
- C. Develop and implement a meter testing program with the following objectives:
 - o Verifying meter accuracies are within specified AWWA limits.
 - o Optimizing the testing schedule and time to intervention.
 - o Actively manage and take advantage of manufacturers' warranties.
- D. Implement a new MWM or expand the use of Maximo to automate the work order management process.
 - o Start with developing specific functional requirements for work order management process.
 - o Perform a confirmation-of-fit by evaluating Maximo's capability against the functional requirements.
 - o Evaluate other MWM solutions as needed.

- E. Build interfaces among CIS, GIS, and CMMS for information sharing to facilitate work order management and transparency.
- F. Develop management reports to manage operations and analyze trends for process improvements.

Based on the Division’s current challenges and performance gap, specific business benefits were targeted for quantitative analyses to determine return on investment for AMI and MWM. Both technologies were evaluated separately for tangible benefits. Specific benefits evaluated fall into six areas which are summarized below:

Opportunity Area	Advanced Metering Infrastructure	Mobile Workforce Management
Customer Service	<ul style="list-style-type: none"> ✓ Reduce customer calls ✓ Reduce credits, adjustments & write-off's 	<ul style="list-style-type: none"> ✓ Reduce customer callbacks ✓ Reduce call transfers
Meter Reading	<ul style="list-style-type: none"> ✓ Minimize cost of initial & final reads ✓ Reduce on-cycle meter reading cost ✓ Reduce no. of meter rereads ✓ Reduce meter reading fleet costs 	<ul style="list-style-type: none"> ✓ Improve process for obtaining rereads
Meter (Field) Services	<ul style="list-style-type: none"> ✓ Reduce manual order creation ✓ Minimize cost of service investigations ✓ Defer meter change-out 	<ul style="list-style-type: none"> ✓ Reduce work executed in error ✓ Minimize duplicate work orders ✓ Improve work assignment & dispatch efficiency ✓ Eliminate manual update & close of orders
Meter Management	<ul style="list-style-type: none"> ✓ Streamline condition assessments 	
Water Conservation	<ul style="list-style-type: none"> ✓ Reduce cost of conservation enforcement ✓ Reduce <u>real</u> water loss 	
Revenue & Cash Management	<ul style="list-style-type: none"> ✓ Reduce <u>apparent</u> water loss ✓ Increase margins on future new customers 	

Utilities that have implemented AMI and MWM technologies are realizing or projecting moderate to significant efficiency improvements and cost savings benefits. Benefits vary based on the extent of gaps that exist between prior business processes and practices to industry standards. Rigorous cost-benefit analyses were conducted both technologies. The targeted benefits were quantified in terms of current base costs, the amount of improvement, and annual savings.

Advanced Metering Infrastructure

A five-year deployment was selected for AMI, and the corresponding costs estimated over that period. Costs include capital, O&M, and growth of the system. Cash flow projections were made over an evaluation period of 20 years, and discounted at 5% cost of capital, to determine the financial

attractiveness of the AMI investment. An economic evaluation model was developed and applied to analyze cash flow for capital costs, O&M expenses, and the targeted benefits and savings over the evaluation period. Results of the economic evaluation are as follows:

AMI Economic Evaluation Summary

	Present Value*
Capital Costs	
Direct Project Cost	\$ 20,062,000
Shared Project Cost	33,526,100
AMI System Growth Cost	4,473,400
Total Capital Costs	\$ 58,061,500
O&M Costs	
AMI Endpoint Replacements	\$ 7,412,700
Backhaul (WAN) Operations	1,471,200
Annual License & Support	2,045,100
Additional Staff	2,604,500
Total O&M Costs	\$ 13,533,500
Benefits & Savings	
Customer Service	\$ 17,095,700
Meter Reading	37,818,900
Meter Services	4,196,900
Meter Management	1,991,400
Water Conservation	16,544,000
Revenue & Cash Management	67,389,800
Total Benefits & Savings	\$ 146,036,700
AMI ROI Summary	
Net Present Value (NPV)	\$ 106,967,800
Payback Period	6 3/4 years
Internal Rate of Return (IRR)	37.5%

* Present value based on 20 years at 5% cost of capital.

The results show that FWWD will realize tangible benefits from investing in AMI. On a discounted cash flow basis, the payback period is within seven years, or less than two years after project completion. Over the 20-year evaluation period, AMI has a net present value (NPV) of \$107 million at 5% cost of capital, and internal rate of return (IRR) of 37.5%.

Mobile Workforce Management

Typical deployment MWM is within two years and payback can begin to accrue after completion. The cost-benefit analysis for MWM was based on payback. The expected benefits (savings) benefits from MWM is summarized in the following table:

Expected Benefits from MWM

VALUE SOURCE	BASE COST	IMPROVEMENT	SAVINGS
Opportunity 1: <u>Customer Service</u>			
Reduce customer callbacks	\$ 84,710	90.0%	\$ 76,239
Reduce call transfers	338,841	90.0%	304,957
Opportunity 2: <u>Meter Reading Benefits</u>			
Improve process for obtaining rereads	\$ 498,519	90.0%	\$ 448,667
Opportunity 3: <u>Meter Services Benefits</u>			
Reduce work executed in error	\$ 338,100	90.0%	\$ 304,290
Minimize duplicate work orders	135,240	50.0%	67,620
Improve work assignment and dispatch efficiency	457,590	90.0%	411,831
Eliminate manual update & closing of orders	197,000	90.0%	177,300
Total Benefits:	\$ 2,050,000		\$ 1,790,904

The analysis shows that MWM can generate savings of over \$1.7M annually. The estimated cost of acquiring and implementing mobile workforce is \$1.6M, including mobile devices, software licenses, vendor services, and program management. Therefore payback on the investment can be realized in just over one year.

The assessment shows that FWWD anticipated investment in AMI and MWM, have very attractive return on investment (ROI). It is recommended that FWWD proceed with plans for the acquisition and implementation of both systems.

2. Project Overview

2.1. Purpose

The FWWD engaged Westin Engineering, Inc. (Westin) to conduct a feasibility assessment and planning services for the acquisition and deployment of AMI and MWM technologies. The objective of the assessment was to develop the business case for AMI and MWM by identifying specific improvements in current business processes and work practices, and conducting cost-benefits analyses of both systems.

2.2. Project Approach

During the week of August 27, 2012, Westin conducted a series of workshops and interviews with cross functional teams to document current business processes related to the Customer Relations and Meter Services business sections. The objective was to gain insight into the execution of work functions and how they are supported by current systems. The work sessions and areas of the interviews were as follows:

Session No.	Areas Interviewed	Session No.	Areas Interviewed
1	Initial Meter Set	8	CRM Process
2	Outsourced Meter Reading	9	Move-In/Move-Out
3	Dispatching		Post Date work orders (MTSH)
4	Customer Complaints Handling		Same Day work orders (MTSD)
5	Billing Processes		High Bill Concern Orders
	Payment Processes & Arrangements		After Hours
	Lake Country Drop Box	10	Violation Process (Conservation)
6	Pre-Exceptions (Datamatic Uploads)	11	Contract Metering (Construction / Gas)
	Billing Exceptions	12	Meter Testing
	Internal Meter Reading & Rereads	13	Street Re-Habs (Temporary Meters)
	Skip & Trouble Codes Handling		
7	Collections for Delinquent Accounts		
	Delinquent Turn-Off/Turn-On		
	Bankruptcy & Liens		
	Theft of Service & Inactive Usage		

The following staff members participated in this effort:

LeAnn Garza	Ernesto Castruita	Sharletha Smith
Theresa Cedillo	Greg Butler	Jim Mason
Laura Garcia	Linda Phillips	Keith Myers
Bridgett Marable	Mike Martinez	Sarah Balderas
Rhonda Threatt	Salvador Guzman	Jose Martinez
Nadine Purvey	Tony Gonzalez	Yvonne Botello
Shane Dunavin	Willie Gardner	Edgar Garcia
Carol Atterbury	Veronica Sanchez	Richard Garcia
Bea Martinez	Ricardo Camacho	David Cook
Tina Carter	Kevin Brooks	

To highlight areas with opportunities for improvements Westin completed a comprehensive assessment of the current operating environment. The scope of the assessment included analysis of the business processes, their dependencies, internal and external constraints as well as the current customer and work order management systems functionality.

Key business processes that are the focus of this assessment were mapped and analyzed to identify major business process issues such as rework, duplication of efforts, excessive manual activities, etc. In addition, a best practices assessment was conducted that compared the performance of current business practices with the industry best practices, to assess business performance gaps. The gap analysis and FWWD business goals and objectives will determine the business needs or opportunities to drive significant improvements. Results of the business process and needs analyses, including findings and initial recommendations, are documented in Sections 2 and 3 respectively of this report.

3. Needs Assessment

3.1. Business Process Analysis

This section provides an assessment of the key business processes to identify improvement opportunities that can be enhanced with business process redesign or deployment of technology. The following business processes models were documented and analyzed:

01 -- Customer Relationship Management	07 -- Work Orders & Dispatching
02 -- Customer Complaint Handling	08 -- Initial Meter Set
03 -- Meter Reading	09 -- Contract Meter Issuance
04 -- Pre-Billing Exceptions & Rereads	10 -- Meter Testing
05 -- Move-In/Move-Out	11 -- Water Violation (Conservation)
06 -- Collections & Delinquent Accounts	

The business process maps are included in Appendix A. Results of the assessment are documented in the following sections:

3.1.1. Customer Relationship Management (01)

Process Profile

The Call Center responds to a high volume of customer requests received via telephone. Their objective is to resolve as many requests as possible during the initial contact, but sometimes it is necessary to transfer calls to other persons or departments since the customer service representatives (CSR) do not have access to open Work Orders (WOs) or meter reading investigations. The process begins with receiving customer calls and ends when their issues are resolved.

As-Is Process

Here are key activities for this process:

- Call Center receives customer calls and CSR creates individual cases in PeopleSoft CRM
- CSR reviews customer accounts, resolves issues if possible, and closes CRM cases
- CSR updates CRM cases and transfers unresolved calls to Billing, Field Operations or Customer Service
- Queue CSR reviews accounts and generates WOs in CIS, if necessary
- WOs are completed and closed in CIS in addition to updating and closing CRM cases
- Follow-up calls are sometimes made to customers before closing CRM cases

Issues Summary

A summary of the issues related to the customer relationship management process are as follows:

- CSRs cannot quickly review work order status and field results to aid issue resolution and prevent having to transfer calls
- Customers may have to talk with multiple people or departments to get issues resolved
- Multiple systems including PeopleSoft CRM, Cisco/HTE and spreadsheets are used, requiring manual effort and duplicate entries to keep them updated
- Completed WOs are handed off to Meter Services Administration for manual closing in CIS at day's end

3.1.2. Customer Complaint Handling (02)

Process Profile

The Call Center responds to customer complaints received via telephone, mail, email, faxes, etc. and creates individual cases in PeopleSoft CRM. Their objective is to resolve as many complaints as possible during the initial contact. Otherwise, cases are updated and routed to a queue for further review and actions such as creation of WOs, billing adjustments, or supervisor review/approval. Receiving customer complaints begins the process and taking necessary actions to resolve complaints ends the process.

As-Is Process

Key activities for this process include:

- Call center receives customer calls, email, faxes, etc. and creates CRM cases for each one
- CSRs try to achieve first call resolution for each complaint. If they cannot, they route cases to other persons or to a queue after noting requested actions in the cases
- Queue reviewer assesses cases and takes necessary actions. These may include creation of WOs or routing to a processing queue such as Billing Adjustments or Supervisor Review/Approval
- For calls concerning activities handled by Field Operations, cases are routed there to initiate their actions taken through the Maximo system
- CRM cases are closed when complaints are resolved and/or follow-up letters sent to customers

Issues Summary

A summary of the issues related to the customer complaint handling process are as follows:

- One Call Resolution:
 - CRM cases sent to the queue sometimes lack sufficient details for the case reviewer to determine necessary actions
 - CSR's can set ticklers to follow-up with customers, but generally such actions are handled by the person or department resolving complaints
- Multiple Steps are sometimes required:
 - Complex customer issues can cause complaints to be moved to another work queue for more detailed research / evaluation, as well as an internal quality check for processing
- Multiple Systems are used:
 - Multiple systems including PeopleSoft CRM, Cisco/HTE and spreadsheets are used, requiring significant manual effort and duplicate entries to keep them updated
 - Maximo is integrated with CRM so that cases are closed when the work order closes but not with Cisco/HTE
 - Completed WOs are handed off to Meter Services Administration for manual closing in CIS at day's end

3.1.3. Meter Reading (03)

Process Profile

The purpose of this process is to obtain and process meter readings for on-cycle billings. The process starts when the cycle billing due date files are exported from CIS and sent to Meter Services, and is complete when the meter reading files are returned for import into CIS for further processing.

As-Is Process

The key activities for this process include the following:

- Download cycle billing route files from CIS
- Import route files into the Datamatic Route Management System (RMS)
- For residential and C&I meters:
 - Assign and load routes into handheld
 - Collect meter readings
 - Unload meter readings from handheld into RMS
 - Review readings for completeness, and enter skip code if missing
- WO's are created to collect contract meter readings, and readings keyed directly in CIS
- Wholesale meter readings are collected on log sheets and keyed directly in CIS

Issues Summary

A summary of the issues related to the meter reading process are as follows:

- Lack of Integration between CIS & RMS:
 - Manual handling of the meter reading files
 - CSR rename and move file to shared folder
 - Multiple file exchanges between customer service and meter services
- Residential and C&I Meters:
 - Use of load sheet is non-value added; the admin is already aware of missing reads from review of the prior day's readings
 - The handheld verification trigger is typically not effective
 - Review of missing reads is done twice – once by Bermex supervisor and the other by the admin
 - An initial meter reading review is done outside of CIS using spreadsheet, which does not catch all errors
 - This review process is duplicate of the initial review by the admin and redundant to the pre-filter function in CIS
- Contract Meters:
 - Contractors that do not bring in meters in time for billing are penalized at an escalating rate up to \$800.
- Special Meters:
 - Duplicate entry of meter readings – 1) written on paper, update WO with readings, re-key readings from WO to account for billing
- Wholesale Meters:
 - AMR meters read with touch reader that is not used for billing

3.1.4. Pre-Billing Exceptions & Rereads (04)

Process Profile

The purpose of this process is to review and take further action, meter readings that are incorrect, missing or “suspect”, prior to the actual billing process. Incorrect or missing readings are reread, and “suspect” readings are investigated to determine whether or not they require an additional reading. The process starts with the import of meter reading files into CIS to run through pre-filters and end with appropriate dispositions (e.g. reread and bill,, no-bill, etc.)

As-Is Process

The key activities for this process include the following:

- Water IT import meter reading files into CIS
- A “pre-filter” is run in CIS that generates a ready-to-bill list, and an off-cycle/recheck list with WO’s
- The billing staff reviews the off-cycle/recheck list for incorrect, missing or suspect reads
 - If readings are OK to bill, the WO is cancelled (if created) and it is moved to the bill list
 - If adjustments are required, they are made and moved to the bill list
 - If a reread is required, a WO is created (if not auto generate) and issued for a reread
- The billing file is then transmitted to the contract print firm, CSG, for printing and mailing to customers

Issues Summary

A summary of the issues related to the pre-billing exceptions and rereads process are as follows:

- The pre-filter process in CIS generates an excess number of off-cycle/recheck readings
- The meter reading process doesn’t correct missing or bad reads which is contributing to the recheck list
- Excess time is spent reviewing the off-cycle list and cancelling WO’s
- A relatively small portion of the recheck list is sent for reread and typically most readings are OK
- There is not sufficient time to allow work order requests to be returned and updated, which can cause delays in bill processing
- Some off-cycle accounts are billed after their original bill date.

3.1.5. Move-In/Move-Out (05)

Process Profile

Customers initiate this process when they contact FWWD and request a Move In or Move Out transaction because they are either moving or desiring a change in account ownership. The process ends when all field actions have been completed and accounts updated to correspond with their requests.

As-Is Process

Key activities in this process are as follows:

- Customer calls Customer Service up to 30 days before the desired Move In/Out date
- CSR creates a CRM case, captures the request in CIS, and closes the CRM case
- CIS generates WOs for processing by Meter Services
- Meter Services completes necessary field actions
- WOs are given to Meter Services Administration at day’s end to be closed and accounts are activated or inactivated as needed

Issues Summary

A summary of the issues related to the move-in/move-out process are as follows:

- WOs are sometimes not generated for all meters on multi-metered accounts and meter information is not easily identifiable
- The same day Move In/Out process may generate three open WOs: 1. Initial same day work order, 2. Next day force off order and 3. Order to final the account

- Multiple orders for a premise may unintentionally be assigned to different field technicians, since no system functionality exists to match up open orders generated a few days apart
- Cisco/HTE does not allow exchanging meters when an account is being final billed, so a second field trip is required
- Completed orders are collected at day's end and turned over to Meter Services Administration staff for closing

3.1.6. Collections & Delinquent Accounts (06)

Process Profile

FWWD expects prompt payment for services they provide. They take several actions to collect past due accounts, based on a specified number of days elapsed after billing. The process begins when late fees are first applied to accounts and ends when customer payments are received.

As-Is Process

The following Collections Schedule and process are used for past due accounts:

- Day 1 – Bills Sent
- Day 21 – Payment Due
- Day 24 – Late Fee applied
- Day 42 – Delinquency Notice
- Day 49 – Door Tag (Yellow Tag)
- Day 52 – Shut Off Eligible (Red Tag)
- Day 54 – Account Shut Off
- Day 64 – Account Finalled
- If customers pay before red tags, their accounts are no longer in delinquent status and further action on their part is not required
- If customers pay after red tags, they must speak to CSRs who will create Restore Orders and notify Dispatch.
- Dispatch will contact Meter Tech to provide same day service restoration to accounts that have been shut off. Shut-off WOs will be cancelled for accounts not yet shut off.
- If shut off accounts do not pay within 10 days, the accounts are finalled
- Utility liens may be placed on some finalled accounts

Issues Summary

A summary of the issues related to the collections & delinquent accounts process are as follows:

- Printed WOs are generated that are time consuming to assemble, organize, assign and place into efficient driving routes for completion in the field
- Completed WOs are taken to Meter Services Administration to be closed at day's end
- Restore Orders are not automatically generated when payment is received on shut off accounts
- Restore orders are called out to Meter Techs during the day and have to be matched with other WOs at the end of the shift
- Occasionally meters are not locked when accounts are finalled, so additional WOs must be generated if consumption is identified on inactive meters
- WOs are not closed and systems updated until the evening after shut offs occur

- PeopleSoft CRM and Cisco/HTE systems are not integrated, so manual effort and duplicate data entry are required to keep them synchronized
- Collection agencies are not used, and utility liens are not consistently filed, to help obtain payments on finalled accounts

3.1.7. Work Orders & Dispatching (07)

Process Profile

This process is responsible for getting requested work completed in the field. It begins when WOs are received and ends when field work is completed, orders are closed and systems updated.

As-Is Process

Here are key activities for this process:

- Large numbers of printed WOs are generated daily, either manually or through batch processes
- Orders are manually collected, organized and distributed to field technicians who use maps to organize their routes
- Dispatcher calls out emergency WOs to field technicians as they are received during the day
- Completed orders are collected at day's end and turned over to Meter Services Administration staff for closing

Issues Summary

Issues related to the work orders & dispatching process are summarized below:

- Manual processing of printed WOs is time consuming and involves several people. Each field technician uses up to thirty minutes daily to organize his WO route by referencing paper maps
- CSRs do not know the status or field results of WOs from the time they are generated until after manual closing
- Customer requested updates of orders, such as changing Move In/Out dates, are difficult for CSRs to accomplish if orders have been printed and sometimes result in field activities completed in error
- A significant number of manual activities must be performed by the Dispatcher, including calling emergency WOs to field technicians
- Completed WOs are collected and turned over to Meter Services Administration staff for closing at day's end
- Automatic Vehicle Location (AVL) is partially used to locate vehicles, but GIS is not available for determining efficient WO routes that decrease drive times

3.1.8. Initial Meter Set (08)

Process Profile

The purpose of this process is to complete the first meter install for a new service location. The process starts with a customer request for service (after fees and other pre-requisites are completed) and ends when the meter is installed and the WO is turned in.

As-Is Process

The key activities for the initial meter set process include the following:

- The customer initiate a request for service online or in person
- Water development conducts research to get parcel and other customer info to create WO
- Meters > 2" are issued to customer for installation
- Meters =/< 2" are installed by meter services
- The field services rep installs meters if the site is ready
- For sites not read, the WO is held until the customer calls
- WO is closed when work is complete

Issues Summary

A summary of the issues related to the initial meter set process are as follows:

- Customer request research activity utilize multiple systems/sources for information which is inefficient and cause delays
- The field service rep often does extra work to uncover and/or locate the meter when the site is not ready
- New meter information is manually written on WO's then keyed into CIS, which are prone to errors
- New meter installations can be delayed while waiting for customer to call back, which is unreliable

3.1.9. Contract Meter Issuance (09)

Process Profile

The purpose of the contract meter issuance process is to fulfill a customer (contractor) order for a new meter. The process starts with a customer request and verification of an installed backflow prevention device, and ends with the meter issuance and WO closing.

As-Is Process

The key activities for this process include the following:

- Contractor/customer makes in-person request for meter and shows proof of backflow device installed
- Walk-in rep take customer info, collect fees, complete paperwork, creates a CRM case, and create a WO to issue the meter
- Meter shop prepares meter, markup the WO and gives to the customer for receipt with the meter
- The meter shop rep updates and close the WO
- The system auto-generate a WO for a BFP inspection
- CSR set meter to account and close CRM case

Issues Summary

A summary of the issues related to the contract meter issuance process are as follows:

- The BFP verification is typically done from pictures which is not reliable to ensure proper installation
- Creating WO to issue meter requires duplicate data entry
- WO is marked-up up and given to customer as receipt rather than the system generating it when the WO is updated and closed
- Setting meter to account can be done by the meter shop
- Setting meter to account is manual

3.1.10. Meter Testing (10)

Process Profile

The purpose of the meter testing process is to satisfy a customer request to verify the meter accuracy when other attempts to resolve contested bill fails. The process starts with a customer's request to have their meter tested, and ends when the in-shop testing is complete and both the WO and CRM case are closed.

As-Is Process

The key activities for the meter testing process include the following:

- CSR creates a WO for a customer request meter test
- FSR swaps the meter in the field and returns it to the meter shop for testing
- The account is updated with the new meter information
- The meter is tested, and the results put in CIS, and the WO closed
- The meter is then discarded

Issues Summary

A summary of the issues related to the meter testing process are as follows:

- Meter testing is a reactive process and not proactive as in a condition assessment program
- Markup WO is hand-off to admin to close (can be done by field tech)
- Meters are discarded after testing which is costing the utility

3.1.11. Water Violation (11)

Process Profile

Enforcing water restrictions is a critical function of water conservation. The purpose of this process is to encourage citizens to comply with water restrictions using a progressive communications and ultimately resulting in penalties and service interruptions for failure to comply. The process starts with the receiving of a complaint or report of an alleged violation. The case is then logged in the CRM, and a series of notices and follow-up investigations are carried out. If a customer fails to comply, their service is turned off and a fine applied to their account.

As-Is Process Summary

The key activities for the water violation process include the following:

- A water violation discovery is reported by staff or a citizen
- A case is created in CRM and assigned to Water Conservation
- The location is reviewed to identify the customer, and researched for prior violations
- A series of up to 2 written notices are sent to the customer, with each notice followed by an inspection after 7 days
- If the violation still exist after the 2nd inspection, the service is shutoff and the customer fined

Issues Summary

A summary of the issues related to the water violation process are as follows:

- The process for issuing notices is all manual, using Microsoft Excel and Word

- Extensive time is spent setting up mail merge with Excel and Word to generate notices
- Due to the lack of integration between CRM and CIS, there are duplication data entry into both systems

3.2. Best Practices Assessment

The business needs assessment is focused on determining the status and challenges of the current processes and technologies, comparing the current performance to the industry best practices, identifying performance gaps and making improvement recommendations. Westin has analyzed key business practice areas against industry best practices for customer relations and meter services to identify gaps and develop initial recommendations for improvement that will increase performance, reduce cost and improve customer service. The results of the needs analysis, best practices, current performance, and initial recommendations, are documented in the following charts.

3.2.1. Customer Relations Assessment

The Customer Relations needs analysis was evaluated in the following practice areas:

- Billing
- Collections
- Work Orders
- Payments
- Technology
- Customer Service

3.2.1.1. Billing

The Billing practice area includes high/low readings audits, pre-billing exceptions, calculation of bills and generation of bill files for the print vendor. Results of the best practices assessment are as follows.

Best Practices	Current Performance	Category
1. Allow sufficient time between read files and billing to address problem reads	<ul style="list-style-type: none"> • Insufficient time between read files and billing date to get rechecks completed 	Process
2. Utilize Meter and Billing exception processes to ensure accurate bills	<ul style="list-style-type: none"> • Use meter exceptions (called “Billing Exceptions”) • Don’t use Billing Exceptions (financial exceptions) • System produces a large number of exceptions (called “Off Cycle List”) like zero read, hi/low, etc. 	System
3. Allow system to automate work order for exceptions	<ul style="list-style-type: none"> • Meter exceptions (“Billing Exceptions”) are reviewed manually and WOs are not generated rather changes that can be made are fixed in Datamatics • Off Cycle List does produce some automatic WOs but others do not 	System
4. Utilize system for read estimation for consistency	<ul style="list-style-type: none"> • Read estimates are not done 	Process
5. Allow for bills to be removed from cycle to continue processing batch	<ul style="list-style-type: none"> • Can remove bills from billing cycle 	System
6. Use Cancel/Rebill for larger adjustment items	<ul style="list-style-type: none"> • Cancel/Rebill process is used but only when the timeframe is not more than one month (prior to next bill) 	Process

Best Practices	Current Performance	Category
7. Utilize On-Line Billing	<ul style="list-style-type: none"> Do use e-bills 	System
8. Finals are processed upon closure or soon thereafter	<ul style="list-style-type: none"> Finals are processed along with daily bills as reads are completed. 	Process
Initial Recommendations		
<ul style="list-style-type: none"> Ensure reads are delivered in sufficient time to correct exceptions. Build in time and process to utilize meter and billing exception process to check for problem bills. Eliminate “High/Low” report and allow Cisco/HTE to process reads, issuing WO where appropriate. Examine Billing Exception parameters to ensure they make sense. Utilize system to handle manual functions – WO automation, reading estimation, and cancel/rebill. 		

3.2.1.2. Collections

The Collections practice area is comprised of late fees processing, door tagging, service shut off and account finals processes used to obtain payment of past due accounts. Results of the best practices assessment are as follows.

Best Practices	Current Performance	Category
9. Notice processing is consistent and timely	<ul style="list-style-type: none"> Notices are prepared 21 days after bill due date 	Process
10. Provide functionality to alert field staff when a delinquent account has made the full payment or brought account to current	<ul style="list-style-type: none"> Restore Order is manually created Dispatcher is told of payment by CSRs and may try to contact Meter Rep but this is not an automatic process. 	System
11. When a payment is received on the shut off/ delinquent list, the work order would then be cancelled if still open	<ul style="list-style-type: none"> Restore Order is manually created 	System
12. Have the WOs updated when the shut off has been completed	<ul style="list-style-type: none"> WOs are not completed until the evening the shut off occurs 	System
13. Shut off accounts with non-payment are finalled in a reasonable time frame	<ul style="list-style-type: none"> Accounts are finalled if payment is not received in 10 days. This notice is caused by an automatic work order (Service Not Restored) which is a WO for the CSR's not the field staff. Read from Shut off is used. Because the system doesn't automatically create a restore order upon payment the CSR must research the account for payment before finaling. 	Process/ System
14. Accounts written off in reasonable time frame	<ul style="list-style-type: none"> Write offs are done every 30 days for final on non-pay status accounts 	Process
15. Utilize all applicable collection methods, collection agency, liens, small claims, debt set off, etc.	<ul style="list-style-type: none"> No 3rd Party Collections is used, but internal collections utilize account cross-reference to transfer outstanding balances to existing active accounts No Collection agency is used 	Process

Best Practices	Current Performance	Category
	<ul style="list-style-type: none"> Utility liens are used on some accounts 	
16. Credit scores utilized to assist with customer management	<ul style="list-style-type: none"> Internal account credit ratings (non-CBR agency) are utilized to determine deposit refunds and deposit waivers for residential accounts 	Process
Initial Recommendations		
<ul style="list-style-type: none"> Utilize a mobile workforce management (MWM) system to automate tasks, pass information in near real time and eliminate paperwork. If the order has been completed and the customer has been shut off, a new work order would be generated to have the customer turned on upon payment receipt. Institute additional collection efforts for finalised accounts. 		

3.2.1.3. Work Orders

The Work Orders practice area includes order distribution, assignment, routing, completion and closing processes. Results of the best practices assessment are as follows.

Best Practices	Current Performance	Category
17. Develop WO Types for better management of WOs.	<ul style="list-style-type: none"> Additional WO types are needed to aid completion of field work 	System
18. Utilize WOs primarily for field work	<ul style="list-style-type: none"> WOs are used for both field and office work 	System
19. Prioritize WOs for completion	<ul style="list-style-type: none"> Assigned priorities need review and should be followed during field work 	Process
20. Optimize staffing and business rules for WO generation to ensure good completion rates	<ul style="list-style-type: none"> Unnecessary or duplicate WOs are sometimes generated that might be prevented if more information was available to all users 	Process
21. Utilize mobile computing and integrate with CIS for work order management	<ul style="list-style-type: none"> Printed WOs are used and require manual processing 	System
22. Automate filed work and integrate with CIS so field workers can close WOs in the filed	<ul style="list-style-type: none"> Orders are collected at day's end and taken to Meter Services Admin. for updates and closing 	System
23. Use system to generate statistical reports	<ul style="list-style-type: none"> Statistics are manually logged and reported in spreadsheets 	System
Initial Recommendations		
<ul style="list-style-type: none"> Refer to the Technology section 3.15 for initial recommendations. 		

3.2.1.4. Payments

The Payments practice area is comprised of cashiering, payment imports from various sources, initiating service restoration for shut off customers when payments are received and payment arrangements processes. Results of the best practices assessment are shown below.

Best Practices	Current Performance	Category
24. There should be a centralized cash receipts function	<ul style="list-style-type: none"> Cashiers only take Utility payments 	Process

Best Practices	Current Performance	Category
25. Imports from outside payment vendors is an automated process	<ul style="list-style-type: none"> Payment imports are integrated 	System
26. Customers can make payment via multiple sources i.e. counter, EFT, Web, IVR, mail, etc.	<ul style="list-style-type: none"> Multiple payment options are provided 	System
27. The system has alerts to identify problem customers i.e. Cash Only, Past Due	<ul style="list-style-type: none"> The system does flag problem customers 	System
28. Payment on shut off accounts should remove open/unfulfilled shut off orders	<ul style="list-style-type: none"> The HTE system does not provide workflow to remedy shut off customers upon payment. 	System
29. Payment allocation should be controlled by the system not the cashier	<ul style="list-style-type: none"> Payment allocation is controlled by the System 	System
30. Utilize suspense accounts for payment deposit on funds received where pay to is not indicated	<ul style="list-style-type: none"> Suspense accounts are utilized 	Process
31. Payment Arrangements adhere to consistent guidelines	<ul style="list-style-type: none"> Base guidelines exist for payment plan arrangements and required payments for write-off / delinquent balances, but could be further defined for consistent application 	Process
Initial Recommendations		
<ul style="list-style-type: none"> Effects of payments should be real time and remedy shut off processes i.e. cancel shut off order or create turn on order. Implement standards and guidelines for payment arrangements so that CRS have the tools they need and customers are not given inconsistent treatment. 		

3.2.1.5. Technology

The Technology practice area includes automated systems management, data security, batch and real time processing, reporting and web applications processes. Results of the best practices assessment are as follows.

Best Practices	Current Performance	Category
32. Utilize modern customer information systems (CIS) – an integrated suite of applications for customer billing, customer service, meter management, account management, credit and collection management, service address management, work order management, and rate management – to create a unified customer image.	<ul style="list-style-type: none"> Multiple systems are used but not all are integrated, so manual updates and double data entry are often required 	System
33. Modern customer information systems enable customer self-service options, electronic bill presentment and payment, flexible and extensive control of rate structures, customer	<ul style="list-style-type: none"> Additional customer self-service options are needed 	System

appointment scheduling, and water conservation program management.		
34. Web is used to extend services for customer.	<ul style="list-style-type: none"> Additional web services should be developed 	System
35. Modern customer information systems facilitate integration with automated meter reading, GIS, IVR, work order mgt, customer permitting, financials, and cashiering	<ul style="list-style-type: none"> Multiple systems are used but not all are integrated. Further capture and use of GIS data is needed 	System
36. Modern systems reduce or eliminate the need for multiple ancillary systems and repositories of information	<ul style="list-style-type: none"> Multiple systems are used but not all are integrated, so manual updates and double data entry are often required 	System
37. Modern systems allow for configuration (not customization) by IT staff for agency requirements	<ul style="list-style-type: none"> More configuration options would minimize the need for custom programming to meet business needs 	Process
38. Multiple environments are utilized to assist in operations: Production, Development, Test, Training	<ul style="list-style-type: none"> Multiple environments are used 	System
39. Vendor only has access to development environment	<ul style="list-style-type: none"> Vendor can only access development 	Process
40. Utilize attachment feature to add documents, pictures, etc	<ul style="list-style-type: none"> Adding attachments is not available 	System
41. Reporting engine is robust and user friendly	<ul style="list-style-type: none"> Better reporting capabilities are desired 	System
Initial Recommendations		
<ul style="list-style-type: none"> Implement a MWM or expand the use of Maximo to automate the work order management process. Start with developing specific functional requirements for work order management process, and then perform a confirmation-of-fit by evaluating Maximo's capability against the functional requirements. Evaluate other MWM solutions as needed. Build interfaces among CIS, GIS, and CMMS for information sharing to facilitate work order management and transparency. Develop management reports to manage operations and analyze trends for process improvements. 		

3.2.1.6. Customer Service

The Customer Service practice area includes customer calls handling, issue resolution, work order initiation and customer follow-up notification processes. Results of the best practices assessment are shown below.

Best Practices	Current Performance	Category
42. Calls routed to single point	<ul style="list-style-type: none"> Most calls are routed to main number and other departments will refer customers to call center for issues outside of their scope. 	Process
43. Customer contacts logged	<ul style="list-style-type: none"> Customer Contact details are captured in PeopleSoft by CSR in call center. 	Process
44. One Call Resolution	<ul style="list-style-type: none"> CSR attempts this. Further action is put into Case and passed to reviewer of 	Process

Best Practices	Current Performance	Category
	<p>queues.</p> <ul style="list-style-type: none"> • Sometimes the Case doesn't have enough detail for the case reviewer to understand next action. • CSR's can set ticklers to follow up with customer but generally resolution is handled by the person/dept performing the action. 	
<p>45. Processes are well defined and automated for routine CSR functions i.e. deposits, NSF's, payment arrangements, refunds</p>	<ul style="list-style-type: none"> • Many routine processes involve multiple steps. • Complex customer issues can cause complaints to be moved to another work queue for more detailed research / evaluation, as well as an internal quality check for processing (example: billing adjustments, refund checks, customer investigation, etc) • CS department has staff to send result letters to customer after work is completed. 	Process
<p>46. A well defined process utilizing one system (if possible) is used customer related data and work.</p>	<ul style="list-style-type: none"> • Multiple systems are used: PeopleSoft for Cases and HTE for WOs and actions (billing adjustments, etc.) • Automation is lacking because the systems are not integrated and therefore cause duplicate data entry. • Closing out work is a two step process: WOs in HTE and cases in PeopleSoft. • Maximo is integrated so that cases are closed when the work order closes 	System
<p>47. Ensure cases result in resolution</p>	<ul style="list-style-type: none"> • All cases within Customer Service queues are monitored to ensure they are closed / resolved; however, once a case is routed totally out of Customer Service queues to another department's queue (i.e. Field Ops), it is that department's responsibility to ensure close / resolve 	Process
<p>48. Utilize Priorities for scheduling work</p>	<ul style="list-style-type: none"> • Priority field does exist but doesn't have any effect to order of work. 	Process
<p>49. Customer System is automated to increase efficiency</p>	<ul style="list-style-type: none"> • The Water Conservation department utilizes spreadsheets to track violations and mail merge for letters. 	System
<p>Initial Recommendations</p>		
<ul style="list-style-type: none"> • Integrate PeopleSoft CRM and Cisco HTE to eliminate manual activities in Customer Relations and Meter Services. • QA/QC cases to ensure all PeopleSoft CRM cases are resolved. • Consider consistent guidelines for payment arrangements i.e. how often, under what circumstances, credit profile accounted for. 		

Best Practices	Current Performance	Category
<ul style="list-style-type: none"> Implement new process for Water Conservation so that manual processes are reduced. 		

3.2.2. Meter Services Assessment

The Meter Services needs analysis was evaluated in the following business practice areas:

- Meter Reading
- Field Services
- Meter Testing
- Meter Management
- Technology
- Data Management

3.2.2.1. Meter Reading

The meter reading practice area comprises route management, on-cycle meter reading, and the meter reading exceptions process. Results of the best practices assessment are as follows:

Best Practices	Current Performance	Category
50. Obtain accurate meter readings in an efficient, cost effective manner.	<p>Meter reading is currently performed manually.</p> <p>There are 25 commercial meters that are connected to leased telephone lines and read remotely.</p> <p>Residential meter reading is contracted to Bermex.</p> <p>All other commercial and industrial meters are read by in-house meter reading staff.</p> <p>All rereads and investigation are done by in-house staff.</p> <p>Wholesale meters use Sensus touch-reads. They are read manually (write on log sheets) and electronically by touch-reader. Only the log-sheet is turned in for billing.</p>	Process
51. Meters locations are grouped by GIS coordinates to provide efficient routing of meter reading personnel.	<p>Meters do not have GPS coordinates and are not loaded in GIS.</p> <p>Meters are grouped into approx. 506 reading routes, with 23 routes per billing cycle.</p> <p>Routes contain 250-650 meters each.</p> <p>Datamatic - RouteSTAR MVP is used for route management, with 30 handheld for meter reading.</p> <p>Meter reading routes are not optimized.</p>	System
52. Meter readings are scheduled to occur at specified intervals and to minimize time lapse before bills are generated (read-to-bill window).	<p>Billing is setup on 22 cycles.</p> <p>Read to bill times are not sufficient to allow enough time to work through reading errors and delays to get bills out.</p>	Process
53. Meter reading exception reports are utilized to identify and correct meter reading and other issues.	<p>The route management system (Datamatic) is not utilized for pre-exceptions.</p> <p>Any trouble codes entered by meter readers are not corrected before sending</p>	System

Best Practices	Current Performance	Category
	<p>reads to CIS.</p> <p>The meter services admin enters codes in Datamatic for missing reads, then wait for the load sheet from Bermex to determine which routes/meters to be reloaded for the next day.</p> <p>Some missing reads are taken by meter services.</p> <p>Meter readings are exported to Excel and a high/low failed audit report run and manually reviewed for issues. This process doesn't catch all errors before exporting files to CIS.</p> <p>Pre-billing exceptions are done after readings are imported in CIS.</p>	
<p>54. Meter reading data is analyzed to determine potentially unusual water usage or leaks and customers are promptly notified.</p>	<p>The CIS is configured with filters and high/low settings to generate pre-exceptions with reread/investigation work orders.</p> <p>The system generates excessive amounts of exceptions, i.e. off-cycle list, incl. zero reads, hi/low's, etc. The majority (approx. 70%) are canceled and allowed to be billed. The remaining is issued for rereads.</p> <p>There are no analysis of meter reading data to identify leaks and other issues.</p> <p>Typically leaks and investigations are carried out after a customer calls for inquiry.</p>	System
<p>55. All off-cycle and meter rereads are done through automated service requests.</p>	<p>CIS generate a recheck list based on pre-bill filters with some having WO's for rereads.</p> <p>Billing clerk reviews recheck list and creates additional reread orders.</p>	System
Initial Recommendations		
<ul style="list-style-type: none"> • Review and optimize all meter reading routes. Start capturing GPS data and populate in GIS. GIS mapping of meters will improve work order dispatch and management. • Start utilizing the remote reading capability of the commercial meters with Sensus AMR, for billing purposes. • Implement quality standards for Bermex to ensure more accurate reads. • Allow more time between reads and billing to review and correct problem accounts. • Build an interface between CIS and Datamatic to streamline meter reading data exchanges. • Utilize Datamatic functionality for meter reading exceptions by meter services. All routes should be completed by meter services before sending files to CIS. This will help reduce the number of off-cycle list generated. • Review CIS pre-filters and adjust as necessary to reduce the number of off-cycle list generated. • Start enforcing confiscation of contract meters for repeat offenders that do not bring in meters in time to be read for billing or use the customer deposit to pay for the contract meter. 		

Best Practices	Current Performance	Category
<ul style="list-style-type: none"> Evaluate strategies for automating meter reading with AMR and AMI technologies. 		

3.2.2.2. Field Services

The field services practice area comprises meter maintenance, correcting meter reading trouble and skip codes, and working work orders. Results of the best practices assessment are as follows:

Best Practices	Current Performance	Category
56. Meters are installed in accordance with AWWA guidelines and manufacturers' requirements (e.g. water quality, system pressure, etc.).	<ul style="list-style-type: none"> Meters are generally installed per AWWA standards. On new installations, the contractor installs the meter box and service line from main tap to the meter box. The department installs the meter and turn on service. 	Process
57. Large meter installation standards are designed to minimize customer impact during meter testing, repair, or replacement (bypass piping, etc.).	<ul style="list-style-type: none"> Large meters are installed in accordance with FWWD meter installation standard (figure 33). Most meters are installed with by-pass lines, test ports, and valve to allow testing and maintenance with minimum service impact. Some do not have bypass lines. The older installations were done with the inlet and outlet valves inside the vault, taking up room and leaving inadequate space to work. 	Process
58. Service addresses have unique (permanent) premise ID's.	<ul style="list-style-type: none"> Unique premise ID's are not used. Meter numbers are tied to customer accounts. 	System
59. Meter installations have required backflow prevention (BFP) devices to avoid contamination of the distribution system.	<ul style="list-style-type: none"> Residential meters are not required to have BFP devices. BFP devices are required and installed on commercial and industrial lines. Some are installed within a few feet after the meter, and others are installed inside mechanical rooms. 	Process
60. Backflow prevention device testing and maintenance is managed to ensure regulatory compliance.	<ul style="list-style-type: none"> Management of back flow prevention is done by a separate division. 	Process
61. All field work is captured and tied to location, meter and account in a manner providing necessary current information to Utility personnel and customers.	<ul style="list-style-type: none"> In general, all field work is done and documented on work orders. Work orders are turned in at the end of the day, for the admin to update and close the WO's in CIS. Five admin work full time handling work orders. The work order dispatching, scheduling and assignment is manual and very 	Process System

Best Practices	Current Performance	Category
	labor intensive. <ul style="list-style-type: none"> Break-in work is called in to the field by the dispatcher, and field crews fill out blue sheet and reroute work manually. 	
62. Latitude/Longitude coordinates of meter installations are recorded in GIS to aid in location, distribution analysis and routing.	<ul style="list-style-type: none"> Meter GPS locations are not populated in GIS. 	System
63. The Information Management System automatically generates meter related work orders when specified condition or comment codes are entered.	<ul style="list-style-type: none"> CIS generates some work orders for pre-bill exceptions. Trouble codes entered by meters readers do not generate work orders. The same issue repeats many times. Meter readers utilize 20 skip/trouble codes. 	System
Initial Recommendations		
<ul style="list-style-type: none"> Retrofit large meters with by-pass lines required for meter testing in the field. Rebuild large meter vaults to allow reconfiguring the lines and isolation valves that will provide adequate room to perform maintenance. Ensure that all backflow prevention (BFP) devices are being tested and properly maintained. This should include access to test records for audit purposes. Implement mobile workforce computing to automate work order assignment and routing to field crews. Populate service and meters in GIS to eliminate the use of paper maps for locating and planning work. 		

3.2.2.3. Meter Testing

The meter testing practice area comprises strategies based on AWWA and manufacturers' recommendations for, testing standards based on meter types and operation conditions, establishing testing schedules/frequencies, test or sample sizes. Results of the best practices assessment are as follows:

Best Practices	Current Performance	Category
64. Meters are tested and maintained according to AWWA standards for age, size, type and usage to ensure accuracies are within specified limits, and actively manage and take advantage of manufacturers' warranties during the active periods.	<ul style="list-style-type: none"> Meters are factory tested and certified results are provided with each new meter. Test results are not entered in CIS for future reference. Residential meters are tested when customer request. Meters are pulled and replaced, then brought back to the shop for testing. After meter is tested it is discarded, and the results are put in CIS. Meter tests are done in accordance with AWWA standards. Meter shop has started to test meters in the field for customer who want to be present for the test. Large meters are tested only when a problem is noticed, such as low 	Process

Best Practices	Current Performance	Category
	consumption, stopped, customer investigation for high bill, etc. <ul style="list-style-type: none"> • Large meters can go more than 2 years without being tested. 	
65. Have a meter condition assessment program to monitor performance & determine time to intervention (i.e. calibrate, repair, or replace), including analysis of usage, test results and repair history.	<ul style="list-style-type: none"> • This practice is not being currently performed. • Meters are tested only when requested by customers. 	Process System
66. Meters are tested with properly calibrated and certified test equipment meeting AWWA standards.	<ul style="list-style-type: none"> • The test bench in use has not been recently calibrated. • Testing facility is not adequate for an aggressive meter testing program. 	Process
67. Use separate test equipment and procedures for reclaim water meters to ensure no contamination of potable water supply.	<ul style="list-style-type: none"> • Reclaim water is a new service (started this year). • No separate testing facility exists. 	Process
68. Personnel are adequately trained and certified.	<ul style="list-style-type: none"> • There are 4 people that do meter tests. Two are seasoned veterans with no formal certifications, and two are being training by the senior techs. 	Process
69. Meters are field tested as needed to investigate and resolve customer concerns.	<ul style="list-style-type: none"> • This is currently done by appointment. 	Process
Initial Recommendations		
<ul style="list-style-type: none"> • Develop and implement a meter testing program with the following objectives: <ul style="list-style-type: none"> ○ Verifying meter accuracies are within specified AWWA limits ○ Optimizing the testing schedule and time to intervention (i.e. calibrate, repair, or replace) ○ Actively manage and take advantage of manufacturers' warranties during the active periods • Establishing effective meter testing to achieve these objectives requires defining the following: test groups, test size (sample), test standards, and test schedule • Immediately begin testing large meters on a consistent basis. Large meters, typically commercial and industrial (C&I) meters, is approximately 9% of the meter population, yet account for 35% retail sales. Therefore, small errors in meter reading accuracies can result in hundreds of thousands or millions of dollars in lost revenue. As such, the benefits of a large meter testing program will more than offset the cost of the program. • Evaluate and implement software application to enter and analyze meter testing results as part of a meter management program. <ul style="list-style-type: none"> ○ Meter testing frequency and intervention actions, should be adjusted based on test results. ○ The changes in user or consumption patterns for accounts should be monitored to determine if changes to testing frequencies are required. • Expand the use of field testing for customer requests. Field testing should be done on appointments as much as possible, and a copy of the test results provided to the customer. • The meter shop test bench should be inspected, and if required, calibrated and certified by a state certified lab or authorized vendor. Thereafter, calibration and certification should be done on an annual 		

Best Practices	Current Performance	Category
<p>basis.</p> <ul style="list-style-type: none"> As part of developing the comprehensive meter testing program, the test bench, shop size and configuration should be evaluated for adequacy for a more aggressive meter testing and condition assessment program. As FWWD expand its reclaim water program, a separate testing facility may be required to avoid cross contamination. Evaluate and the skill level of personnel. Provide training and certification in meter testing and maintenance as required. This will help to resolve customer disputes over accuracy of testing results. 		

3.2.2.4. Meter Management

The meter management practice area comprises, meter technical specifications and procurement practices, inventory management, warranty management, and meter condition assessments or performance management. Results of the best practices assessment are as follows:

Best Practices	Current Performance	Category
<p>70. Meters are furnished by manufacturers with specified unique identification number permanently stamped or inscribed on each meter body.</p>	<ul style="list-style-type: none"> Meters are purchased on master procurement contracts. Meters are typically bid every 5 years, and the low bidder is selected. The meter specification has not been updated in several years. The current meter contract is with Master Meter and Badger. All meters are furnished with unique numbers stamped on the body and the register cap. 	<p>Process</p>
<p>71. Manufacturer provides electronic file containing all identification numbers, model numbers, sizes, etc., as specified for each group of meters shipped to the Utility.</p>	<ul style="list-style-type: none"> Manufacturers provide a packing slip with meter information, including certified test results. 	<p>Process</p>
<p>72. Meters are furnished with manufacturer's barcode to facilitate accurate and consistent electronic data capture.</p>	<ul style="list-style-type: none"> The current FWWD meter specification does not have a requirement to provide barcode information. 	<p>Process System</p>
<p>73. The inventory management system tracks location and status of meters and components (e.g. registers and radio endpoints) at all times throughout their life cycle.</p>	<ul style="list-style-type: none"> Meters are ordered and stocked by the warehouse. Meter only sizes and quantities are tracked in Maximo, not meter numbers and other information. Meter services maintain a stock of meters all sizes in the meter shop. Meters issued to meter services are not tracked in Maximo. The information for meters stocked by meter services are keyed into CIS from the packing slip provided. CIS do not have information on meter in the warehouse. Trucks typically have a stock of 12 	<p>Process System</p>

Best Practices	Current Performance	Category
	meters. These meters are tracked on manual log when they are issued to trucks.	
74. Meter manufacturers' warranties are actively managed to ensure accurate measurement of usage and to determine meter test intervals and life cycles.	<ul style="list-style-type: none"> Meters are not systematically tested to assess accuracy and lifecycle. Meters are tested to resolve customer requests only. Manufacturer's warranties are not taken advantage of. 	Process System
75. Specifications for meter procurement include requirements to facilitate future migration to AMR/AMI.	<ul style="list-style-type: none"> AMR/AMI requirement is not currently part of bid specification The bid specification has not changed in 12 years 	Process
76. Meter installation standards, including meter box or pit lid composition, are designed to facilitate future upgrade to AMR/AMI.	<ul style="list-style-type: none"> This is currently being practiced by the metering section. 	Process
77. Meter types and sizes are matched to account consumption patterns (i.e. right-sized).	<ul style="list-style-type: none"> Irrigation systems generally have undersized meters. This cause the meters to under or not register at high flows and pressures. Current meter purchases are a "one-size fits all", causing some installations to not have the right type meters for the flows and pressures. Currently multi-jet meters are purchased for small meters. A number of commercial accounts have meters that are now oversized, because of reduced building occupancies. 	Process
78. Digital photographs are taken of new meters installed and old meters removed to aid in resolving customer disputes.	<ul style="list-style-type: none"> Pictures of new installations and meter swaps are done, but nothing is done with them. Pictures are not shared with the CSR's. 	Process System
Initial Recommendations		
<ul style="list-style-type: none"> Update meter specifications to include robust performance standards and requirements. Consider changing purchasing policies to evaluate vendor offerings based on "best value" and not low bid. Require vendor to provide electronic files with new meter information to facilitate import in CIS or Maximo for inventory management. Update the meter specifications to start requiring vendor to provide barcode labels with meter information. This will facilitate electronic data capture (w/barcode readers) in the field when meters are installed, eliminating errors associated with manual processes. Provide an interface between CIS and Maximo to provide visibility into meter inventory and location at all times (cradle o grave). Start applying vendor warranties for meters not meeting performance specifications. Update the meter specifications to include requirements to convert or retrofit to AMR/AMI in the future with minimum cost impact (e.g. encoded register). Initiate a project to identify and replace meters that are not properly matched to the service conditions 		

Best Practices	Current Performance	Category
(e.g. flows and pressures).		
<ul style="list-style-type: none"> Evaluate the feasibility, data management, and benefit to customer relations of attaching digital pictures of meter installations to customer accounts. This can aid CSR in resolving customer complaints. 		

3.2.2.5. Data Management

The field services practice area comprises the systems and applications used for meter services work, systems integrations to facilitate data exchanges, and the data attributes that are recorded and analyzed for meter lifecycle performance management. Results of the best practices assessment are as follows:

Best Practices	Current Performance	Category
79. Electronic meter reading and automated data collection system, such as AMR and AMI, are utilized to streamline the meter reading process, minimize costs, and minimize or eliminate meter reading errors.	<ul style="list-style-type: none"> Twenty-five commercial meters are equipped with AMR and connected to the public network via leased telephone lines for remote reading. Wholesale meters utilize Sensus AMR with touch-reads. However, the touch-read meter readings are not used for billing. All other meters are read manually. 	
80. Utilize a meter data management (MDM) system to consolidate, validate, and manage meter readings and other data from various metering systems, convert the data into useful information, and make available to other utility applications.	<ul style="list-style-type: none"> A true MDM system is not currently used. Datamatic RouteSTAR MVP is used for assigning meter reading routes to meter readers and transferring meter readings to CIS. Other functionality of the system is not utilized. Meter reading are deleted after each billing cycle is complete. 	System
81. All data for optimum lifecycle meter management (e.g. ID, physical, financial, and locational) is recorded in CIS, GIS, and CMMS.	<ul style="list-style-type: none"> Limited meter history is recorded in CIS (installation date, meter swaps, etc.). Some data are put in note/comments field in CIS, making it difficult to sort and filter. No meter data is recorded in GIS (e.g. GPS location) or CMMS (e.g. repair history). 	System
82. Data is captured once, at the source, at the time created, and shared for reuse many times.	<ul style="list-style-type: none"> Data is not captured in real-time when it is available. 	System
83. Utilize electronic data capture to efficiently manage meter information and reduce errors.	<ul style="list-style-type: none"> Electronic data capture such as bar code readers are not utilized. This is especially applicable to new meter installations and swaps, and updating and closing WO's. The Sensus AMR touch readers are not used for billing. 	System Process
84. Utilize integrated information systems	<ul style="list-style-type: none"> The CIS and CRM systems are not 	System

Best Practices	Current Performance	Category
to facilitate single-point entry and automatic data transfers.	utilized causing duplicate data entry of customer calls. <ul style="list-style-type: none"> Updating WO's is CIS do not update CRM cases. 	
85. Meter reading histories are archived to facilitate operational analysis.	<ul style="list-style-type: none"> Meter readings are deleted after each billing cycle. 	Process System
86. The meter inventory system is integrated with a work order management system to record and management meter histories.	<ul style="list-style-type: none"> There is no systems integration. Meter repair histories for large meters are entered in the notes field of CIS. 	System
Initial Recommendations		
<ul style="list-style-type: none"> Implement integrated technology, tools and processes, including mobile workforce and automatic meter reading, to automate manual tasks, streamline processes, and provide real-time or near real-time information on the status of service and work orders. Evaluate the cost-benefit feasibility of implementing new technologies by first quantifying the cost of inefficiencies in business processes and operating procedures and the level of impact (improvement) that the technologies will have. Expand the evaluation of smart metering technology to include meter data management (MDM) and the broader benefits to the utility enterprise. Implement an integrated work management system or CMMS in meter services. Start with develop specific functional requirements for meter services and customer relations, then perform a confirmation-of-fit by evaluating Maximo's capability against the functional requirements. Plan and initiate a project to capture meter GPS data (latitude and longitude) and populate in GIS. Build interfaces among CIS, GIS, and CMMS for information sharing to facilitate analysis of meter performance as part of a condition assessment program 		

4. Advanced Metering Infrastructure

This section provides an overview of AMI technology and the business opportunities that can result when implemented. These specific opportunities are focused on closing the gaps identified in Needs Assessment.

4.1. AMI Overview

Over the past twenty years, smart metering technologies have gone through several evolutions, including touchpad, telephone, and radio reading systems used in automatic meter reading or AMR. AMR systems for water utilities include, water meters equipped with transceiver modules or endpoints, capable of transmitting the consumption reading via radio frequency (RF) to be received or read by a remote receiving device.

Advances in metering technology have evolved to advanced metering infrastructure or AMI, which goes beyond just reading meters. AMI comprises a system of multifunction meters, communication technologies, data management, and analytic tools, which provide significant benefits to both customers and the utility. The AMI fixed network allows remote real time data collection and management to provide enhanced capability in resource management, distribution monitoring and control, and customer service. In addition, the 2-way communication capability allows the utility to: a) incorporate peripheral equipment for monitoring and controlling the water distribution system to enhance safety, operations, and water quality, and b) interacting with customers to provide outreach, enhanced customer service, and empowerment that enable behavior change to conserve water and reduce cost.

With manual meter reading, and to an extent AMR, only one read per month is received by the utility. With AMI, there are multiple reads an hour per customer. AMI networks and smart meters provide an unprecedented amount of useful data that typical CIS systems are not capable of handling. This data consists primarily of usage data and events that are imported from the head-end servers that manage the data collection network. Meter Data Management (MDM) is a key component of AMI that is in the process of being adopted by water utilities. The MDM system performs long term data storage and management for the vast quantities of data delivered by smart metering systems. The MDM system will typically import the data, then validate, cleanse, and process it before making it available for billing and analysis.

A comparison of traditional manual meter reading to the functional features and capabilities of smart metering technologies is provided in the following table:

	Manual Read	Mobile AMR	AMI w/MDM
Meter reading productivity	300-450 reads/person/day	3-7k reads/person/day	No meter readers
Meter reading frequency	Monthly	Monthly or bi-monthly	Up to 15 minute interval
Initial and final reads	Special visit by meter reader	Special visit by mobile driver	On-demand read available within minutes
Meter reading errors	High	Low to none	Virtually eliminated
Customer bill cycles	Inconsistent	Consistent	Flexible
Custom billing dates	No	Limited	Yes
Customer calls (high bill)	High	Moderate reduction	Significant reduction
Service investigation transaction time	High	Moderate reduction	Significant reduction
Proactive high-bill tracking and notification	No	Depends on read frequency	Highly capable

	Manual Read	Mobile AMR	AMI w/MDM
Provide consumption profiles to aid investigations and conservation	No	Capability, depending on system	Highly capable
Proactive monitoring of water violations	No	No	Highly capable
Reduce illegal usage	No	Set tamper flag for pickup on the next drive-by	Tamper detection is immediately transmitted to utility
Ability to detect leaks in customer's premises	No	Set leak flag for pickup on the next drive-by	Leak detection is immediately transmitted to utility
Support water loss analysis	No	Limited, depends on system	Provides detailed data
Support hydraulic modeling, system analysis, & planning	No	Limited	Provides detailed data

4.2. Project Requirements

The two alternative meter reading approaches were reviewed by FWWD along with their features and business benefits. FWWD selected AMI with MDM to be evaluated for further consideration. The key project goals for the AMI system include the following functions:

- Provide remotely read real-time meter data that is accurate and timely
- Capability to incorporate leak detection devices and other sensors located throughout the distribution system, that can enhance water conservation, and improve the safety and quality of water supply
- Provide customers access to their usage data to promote awareness and self conservation
- Support the development of future new customer service programs
- Provide customer options, such as flexible billing dates, pre-pay service, etc.
- Improve operational efficiency and cost-effectiveness to minimize future rate increases
- Protect and enhance revenue with proactive monitoring of unauthorized usage and malfunction meters

The scope of the AMI project is to include residential and a subset of commercial accounts up to 3-inches in meter size. Three deployment approaches were evaluated.

- **Aggressive Approach** – The aggressive approach would deploy the AMI system over a three year period. A shorter deployment may result in lower project costs, as AMI vendors may offer discounts for shorter deployment, and other costs, such as in-house support staff will be less. However, a full AMI deployment is a major transformation for the utility which can prove be an overwhelming change to be absorbed within a short period. In addition, the annual cash outlay is much greater and can pose certain challenges.
- **Extended Approach** – The extended approach would deploy AMI over an eight to ten year period. Generally, the project total installed costs (TIC) are higher for an extended deployment. Typically the cost of goods and service can be negotiated to be fixed over a certain period (approximately 5 years). However, vendors are reluctant to hold cost much longer, and cost increases will result. In addition, the expected benefits from the project are delayed, thereby incurring an opportunity cost.

- **Moderate Approach** – The moderate approach would deploy AMI over a 5 year period. This approach provides the optimum balance of change management and deployment cost. With this approach, the core AMI components and approximately 10% of the meters are implemented, during the first year. The number of meters is increased to approximately 15% in the second year, with the remaining meters approximately evenly distributed for the remaining three years. This was the option chosen by FWWD, which was then evaluated for financial feasibility.

4.3. Economic Evaluation

4.3.1. Business Opportunities

A significant portion of AMI benefits accrues to the customer management operations in the near term. This comprise the customer life cycle processes from setting up new customers to closing accounts, and include the following areas:

- Customer Service
- Meter Reading
- Meter (Field) Services
- Meter Management
- Water Conservation
- Revenue & Cash Management

An AMI system will provide numerous benefits to FWWD, some which can be quantified in terms of cost savings, and some which will improve levels of service (LOS) to customers. The specific types and sources of benefits, and how AMI drive those improvements are summarized below.

Customer Service Benefits

1. **Reduce customer calls** – A portion of customer calls received by the FWWD call center, is related to billing concerns. AMI significantly improves meter reading accuracy and bill cycles which will reduce errors and improve customer bills. CSRs will have access to detail usage reports and the capability for on-demand reads that will improve customer resolution inquiry without creating WOs for field investigations. The auto detection of leaks will facilitate prompt customer notification before high bill results. Less calls the first time, plus the ability to promptly resolve customer inquiry will result in less callbacks.

Measure – FWWD receives an average 565,391 calls annually. Industry studies indicate that calls related to bills can be as high as 30-40%. A conservative estimate of 23% is assumed at a burdened labor cost of \$1.99 per call. Annual estimated cost: \$258,980.

2. **Reduce credits, adjustments & write-off's** - AMI meters provide early or real-time detection of leaks on customer premises. Utilities take advantage of this feature to provide prompt notification to customers before high bills result. In addition, MDM has the ability to store consumption histories, up to 15-minute intervals, that can aid in analyzing consumption patterns to pinpoint and resolve high usage for customers. With early leak detection and ability to analyze consumption, the utility can improve customer inquiry resolution, and encourage customers to take responsibility for their water bills.

Measure – FWWD averaged 15,206 bill credit adjustments for FY'11-12 at an average of \$190 per bill adjusted. Average adjustment in FY'12 is \$197 per bill adjusted. Annual estimated: cost: \$2,989,055.

Meter Reading Benefits

1. **Minimize cost of initial & final reads** - The fixed network in an AMI system provides the ability for on-demand reads. CSRs will no longer create WOs for a meter reader to go out and read meters for a move-in (initial) or move-out (final) read. The CSR will simply “call” for a read which will be transmitted over the network within minutes.

Measure – A review of the work order history from 1995 thru 2012, shows that FWWD issues an average of 35,000 and 17,600 annual WOs for initial and final reads respectively. FWWD estimates an average cost per work order of \$21.00 including labor, equipment and overhead charges. Annual estimated cost: \$1,104,600.

2. **Reduce on-cycle meter reading cost** - Automating meter reading will virtually eliminate meter readers. The operations and maintenance of the system can be incorporated into field services work. AMI/MDM integrations with multiple systems will automate routine manual tasks and streamline business processes. Examples include integrations with CIS to transfer/exchange billing files, and with CMMS to auto generate WOs for problem detection by the system. Less manual meter reading will reduce the need for meter reading tools, which can be sold and eliminate any associated maintenance and support costs.

Measure – The current annual contract cost for residential meter reading is \$1,325,627. In addition FWWD utilize the equivalent of two full-time staff (or FTE's) for reading commercial, industrial and wholesale meters at a total weighted cost of \$118,764 including burdened wage, supervision and overtime. The cost of remote meter reading service for 25 commercial meters is \$7,500. Annual estimated cost: \$1,451,890.

3. **Reduce no. of meter rereads** - AMI will produce near 100% accurate meter readings and more consistent meter reading cycle times. This will virtually eliminate the non-consumption based variations in meter readings and resulting bills. Skip reads will be eliminated, because AMI can provide daily readings and as frequently as every 15 minutes, so that any issues with reading meters can be discovered and corrected before it is time for billing. As a result, the number of pre-billing exception or off-cycle list generated each month will be significantly reduced. This will save a significant amount of time reviewing the off-cycle list, creating WOs and rereading meters.

Measure – The pre-filter process in CIS currently generates an average 79,131 off-cycle/rechecks per year. Each item on the list has to be reviewed to determine, a) OK to bill, b) make adjustment, or c) do a reread. FWWD estimates that 30% or 23,740 of the off-cycle/recheck list is returned (as WOs) for rereads. Annual estimated cost: \$498,525.

4. **Reduce meter reading fleet costs** - Vehicles are used to collect readings for commercial, industrial and wholesale meters, and for meter rereads and investigations. AMI will significantly reduce or eliminate the equivalent use of vehicles required for these specific functions, resulting in savings in capital and O&M expenses. Unused vehicles can be sold for market value.

Measure – FWWD utilize the equivalent of two vehicles for meter reading including rereads from errors and missing reads. Maintenance records show annual maintenance cost average \$8,290 per vehicle. Based on age of vehicles in the fleet, it appears FWWD keep vehicles an average of 5 years. Assuming straight line depreciation and \$25,000 purchase price, capital depreciation is estimated at \$5000 per year. Salvage value is estimated at 20%. Annual estimated cost: \$26,578 plus a one-time \$10,000 opportunity cost.

Meter (Field) Services Benefits

1. **Minimize cost of service investigations** - CSRs will have access to detail usage reports and the capability for on-demand reads which will significantly improve their ability to resolve customer inquiries thus resulting in significantly less WOs for service investigations. With newer and more accurate meters plus AMI near 100% accurate meter readings will ultimately lead to fewer customer bill inquiries.

Measure - A review of the work order history from 1995 thru 2012, shows that FWWD issues an average of 18,410 WOs annually for service investigations. Service investigations are interpreted as a visit to the meter (reread, leaks, etc.) based on a customer bill inquiry. FWWD estimates an average cost per work order of \$21.00 including labor, equipment and overhead charges. Annual estimated cost: \$ \$386,610.

2. **Reduce manual order creation** – AMI technology has various detection capabilities, including leaks, backflow, reverse flow, meter tamper, no water, stopped meter, etc. Any detection can be sent as alerts back to the utility and/or automatically send a notification to maintenance personnel. Through integrations with a CMMS (e.g. Maximo), the system can be setup to auto generate WOs for investigations and corrective actions, eliminating the need to manually create WOs. Ultimately, as trust is gained with the system, the auto-generate WO can be change to auto-generate customer notifications.

Measure – Over the last 5 years, an average of 4% or 12,620 of all WOs annually are related to issues that can be detected by AMI. The average time to create a WO is assumed to be 10 minutes. Annual estimated cost: \$60,048.

3. **Defer meter change-out** - A utility engaged in a proactive age-related meter change-out program will replace an average of 5% to 10% of the meter population annually. The percentage will be higher for utilities with lagging programs. Since AMI requires replacement or retrofitting meters with radio endpoints, an annual replacement program can be deferred for years after completion. In addition, the monitoring and analysis capability from AMI data, can allow a utility to find the optimum age to replace meters, potentially saving hundreds of thousands of dollar from changing too early (wasted dollars) or waiting too long (lost revenue).

Measure – FWWD has changed approximately 50% of residential meters in the last 10 years, with plans to replace the remainder over the next 3 to 5 years. Total estimated cost: \$7,020,000.

Meter Management Benefits

1. **Streamline condition assessments** – Industry best practices recommend that small residential meters are systematically tested after five years then ten years thereafter. The tracking of meter testing results is part of a condition assessment program that is highly recommended. AMI systems can provide detail and frequent data that can be used to assess meter health and determine optimum point to intervene (i.e. repair, replace or calibrate). Some utilities are taking advantage of this feature and have stopped testing small meters entirely, thus saving the cost of testing meters. Results of the analysis can be used to adjust the meter change interval time potentially saving hundreds of thousands more dollars.

Measure – The current FWWD small meter population is 237,000. Applying a sample size of 10%, the number of meters tested annually should be 23,700 at an estimated cost of \$65 per meter. Estimated annual cost: \$202,134.

Water Conservation Benefits

1. **Reduce cost of conservation enforcement** - AMI provide real-time monitoring of leaks on the customer side of meters. It can also be used to provide detection of restriction violations, and historical analysis to assist customer in conserving water. The information can be pushed to a customer web portal that allow customers to go online to see their water use and promote awareness and customer initiatives to conserve. These features will eliminate the need for staff to patrol for water violations, saving the cost of staff and vehicle costs.

Measure – The water conservation group utilize the equivalent of 2 full-time staff and vehicles to patrol FWWD service areas for water violations. The cost of labor and vehicles are derived similarly to meter reading benefits above. Estimated annual cost: \$138,764.

2. **Reduce real water loss** – “Real” water loss includes leaks in the distribution system up to the customer meters, tank overflows, and main breaks. Reducing real loss will proportionally reduce the variable cost of producing and delivering (pumping) water to the distribution system. AMI has the capability of incorporating leak sensing devices that when strategically located through the distribution system, they can detect the presence of leaks. This information can be transmitted directly back to the utility and setup to auto-generate repair WOs. This will significantly reduce the amount of water loss each year. The same principle applies to main breaks. The detail data from AMI can be used to perform water balance and district metering to aide analysis to prioritize distribution remediation work.

Measure – FWWD total water supply (production less wholesale) was 52,965 MG. The estimated real water loss was 7,029 MG or 13%. The variable production cost is \$402/MG. Best-in-class utilities operate in the 5% range. Estimated annual cost: \$2,825,658.

Revenue & Cash Management Benefits

1. **Reduce apparent water loss** – “Apparent” water loss is water loss attributed to unauthorized consumption including theft, stopped and inaccurate meters, and accounting or data handling errors. The value of this water is the opportunity cost of the retail price. AMI provides early detection of theft and other unauthorized usages including use on inactive meters. Tamper codes will be set for meter removals, cut transponder wires, etc. More frequent readings will allow detection of malfunctioning meters. As such AMI will enable recovery of water revenue and sewer surcharge losses from under-registration and meters that are over/under-sized.

Measure - FWWD estimated apparent water loss in 2011 was estimated at 1,605 MG or 3%, with the majority coming from stopped and inaccurate meters (1,081 MG). The average sales for non-wholesale customer (i.e. residential, C&I) was \$3,827 per MG. Estimated annual cost: \$6,146,218.

2. **Increase margins on future new customers** - New meters added to the system have proportional increases in the operating cost for obtaining reads. With AMI, new meters can be added at minimal or no increase in operating (reading) costs. Therefore the incremental profit per new meter added is essentially the savings result from avoiding the corresponding cost increase of manual meter reading.

Measure - When all costs of reading meters are taken into consideration, including initial (first) reads, re-reads, meter reading equipment and fleet, the overall cost is an average of \$9 per meter

(all sizes). Over the last 5 years, FWWD added an average of 4,084 meters per year. Estimated annual profit increase: \$36,294.

Other Benefits

Other benefits that FWWD can realize from AMI, include the following:

1. **Reduce life, health and safety (LHS) risks** – Reducing personnel time in the field (e.g. meter reading, investigations, etc.) will reduce exposure to hazards. This reduction can positively impact annual workers compensation payouts.
2. **Monitor non-pay turnoffs** – Customers that are turned off for non-payment, typically have to be monitored by sending someone in the field. AMI can automatically monitor illegal usage, saving the cost of labor and vehicle expenses.
3. **Support distribution planning and improvements** - AMI can provide detail data to engineering for hydraulic modeling and calibration. The improvement in usage data will improve the reliability of the model to support master planning and water quality analysis.
4. **Improve rate design and adjustment** - Utilities typically increase rates annually to support operations, infrastructure repairs and refurbishment, and improve customer service. Rate increases are sometimes phased in over a period of up to several months. An AMI system can facilitate a more rapid change, which will improve cash flow.
5. **Improve unbilled revenue reporting** - The amount of usage from the last bills through the cut-off date for financial statements is typically estimated as unbilled revenue. With daily, hourly or on-demand meter reads from AMI, the unbilled revenue can be more accurately determined which improves financial reporting.

4.3.2. Cost-Benefit Analysis

An economic evaluation model was developed to perform a rigorous discounted cash flow analysis of AMI for FWWD, taking into consideration the system requirements, and targeted benefits described above. The model contains four key areas:

- **Capital Costs** – Including new water meters equipped with AMI endpoints, mobile and fixed data collectors, network head-end control system, meter data management (MDM), implementation services, program management, staff and other direct costs. Also included is the cost of growth. As FWWD expand its customer base, new meters will be added which will have a corresponding increase in the AMI system components.
- **Operating & Maintenance Costs** – Labor, material, and service costs related to operating, maintaining and the AMI system. This includes AMI component replacements due to failures and end-of-life, annual license and maintenance support costs, network subscription costs, and the addition permanent staff.
- **Benefits & Savings** – The amount of savings that will result from each of the targeted benefits, described above.
- **Discounted Cash Flow** – Evaluation of the timing of costs and savings over the evaluation period, and discounting the cash flows to determine present value.

The model assumes that any future inflation will be offset by corresponding rate increases. As such, cost estimates and savings are based on current year dollars projected into the future with increases from system growth. The major components of an AMI system, including meters, endpoints, communications equipment and back office systems, all have different life cycles which were evaluated for impact on the total cost of ownership over an evaluation period of 20 years. The FWWD cost of capital was applied to discount cash flows to calculate net present value (NPV). The model was also used to determine internal rate of return (IRR) and payback period for the project.

4.3.2.1. Capital and O&M Costs

The basis and key assumptions for cost estimates used in the model are discussed below.

- **Meters and AMI endpoints** – The scope of the project includes 230,325 residential and commercial meters, ranging in size from ¾-inch to 3-inch. Single port AMI endpoints are assumed; therefore one AMI endpoint is estimated for each meter. Over a 5-year period meters will be replaced starting with the oldest group. Replacement is applied as opposed to retrofit, since the meters will be converted close to the scheduled turnover cycle. Since this is a regular recurring cost to the utility, the cost of meters is shared with FWWD on-going meter replacement program. Salvage credit for old meters were not included in the model, although applying these credits will offset some project cost. Installation cost was also split, with 10% allocated to the incremental cost of adding AMI endpoints.

The model also included system growth, using an average customer growth of 2% per year. As the system grows, the added costs of AMI endpoints are also included in the model. The model assumes that new customer meters will be installed by the utility staff, so installation cost of growth meters are not included.

O&M cost costs includes endpoint failures and end-of-life replacements. It is assumed that the warranty period will begin after deployment. So any failures during deployment will be replaced by the vendor at no cost to FWWD. The model assumes a failure rate of 2% annually, and the warranty period is 2 years. Endpoints failed within the warranty period will incur installation labor cost only, and endpoints that fail outside the warranty will incur both component and installation costs. The life expectancy of endpoints primarily depends on battery life, and manufacturers' guarantee range from 15 years to 20 years. A 15 year change-out cycle was used. Endpoints installed in year 1 will be replaced in year 15; those installed in year 2 is replaced in year 16, and so on. Since endpoints are changes with the meter change-out cycle, so minimal incremental labor cost is incurred.

- **Data collectors and fixed network** – Data collectors would be deployed to cover the entire FWWD service area. Data collectors have various capacities ranging from 4,000 to over 10,000 communicating devices. Repeaters will be deployed as required to extend the range of the AMI endpoints to reach the data collectors. A 25% contingency factor was also applied. Based on the geographic area of Fort Worth and number of meters, a total of 72 collectors and 66 repeaters were estimated. One data collector will be added each year and one repeater bi-annually to accommodate growth in the number of meters installed.

Mobile data collector will serve as back-up for the fixed data collectors, and RF capable handheld units will be required to perform, setup, troubleshooting, meter reading and other O&M functions. Two mobile data collectors and six handheld units are estimated. The costs of vehicles are not included, as existing vehicles can be used as required. Since mobile collector and handhelds are

used as backups for the fixed network, their operating costs are negligible. O&M costs will be primarily annual support costs from the manufacturer.

The data collectors would communicate back to the head-end control system using public networks, such as cellular networks. As such, there is no cost to FWWD to build a wide area network infrastructure. There will be a subscription cost for each node in the network (approximately 72), and associated maintenance costs of the network equipment.

- **Head-end control system** – The wide area network (WAN) utilized throughout the FWWD service area used as data backhaul to the utility, will communicate with a head-end control system. The head-end system comprises computer hardware and software that provides management and control of the network, and passes data to the meter data management (MDM) for further uses. The head-end system monitors the network and communicates with meter endpoints to collect meter readings, events, and other information in a timely and efficient manner. The system can be located in the FWWD existing data center with minimum to negligible costs for additional infrastructure. O&M cost is primarily annual maintenance and support from the system vendor.
- **Meter data management (MDM)** – The AMI system will utilize MDM to import data from the head-end control system for long-term storage and management and make it available for billing and analysis. As with the head-end system, the MDM system will be located in the FWWD existing data center with minimum to negligible costs for additional infrastructure. O&M cost for the MDM is the annual maintenance and support from the system vendor.
- **Vendor services** – Vendor services include system design, systems installation, integrations, project management, training, startup and documentation. Installation services are included in the meter capital cost. The MDM will interface with FWWD existing CIS and GIS. An interface to the current meter reading system (Datamatic) will be required during transition. One more interface will be required for a work management and/or mobile workforce system. Vendor services will be rendered in proportion to the meter deployment over a 5-year period.
- **Staff cost** – Staff support will be required during AMI deployment. Staff support will primarily include IT and metering. Staff costs during deployment are included as capital cost. AMI will improve operational efficiency and staff productivity. However, since FWWD currently outsources meter reading, only a limited number of staff will be available for reassignment. It is assumed that reassignments will be made to other duties within the Business Services group; therefore no net staff reduction will result. This is possible because some areas of the division are understaffed and some key job functions are not adequately performed (e.g. proactive meter testing). AMI will require additional staff to operate and maintain the system; therefore the model includes the addition of one (1) IT, two (2) system operators, and two (2) maintenance technicians. Additional permanent staff is included as O&M cost, starting after project completion.
- **Other cost** – Other project costs include program management, public information, administrative and applicable overhead expenses.

4.3.2.2. Benefits & Savings

This section describes the basis of how FWWD will realize the benefits from investing in AMI. Each of the targeted benefits was assigned an “improvement potential” for determining the amount of savings. The improvement potential is based on ranges in the industry that utilities (that have implemented AMI) are realizing or projecting. The base costs represent the current operating environment, which were projected over the evaluation period. Some benefits can begin during system deployment (after the core systems

are installed and running), while others start accruing sometime after project completion. Benefits will be phased-in, meaning the amount of savings expected will gradually improve to the targeted levels over a period of up to a few years. The specific benefits used in the model are as follows:

- **Call volume reduction** – FWWD should realize customer calls related to high bills of up to 90% or about 20% overall reduction in call volume. This benefit will start in the second year after project completion and improve to the target level in four years.
- **Reduced Credits, Adjustments, Write-offs** – The target improvement in credits, adjustments and write-off's is 66%. During project deployment, CSR's can begin to improve their ability to utilize the detail information from the AMI system. The model assumes that benefits will begin in the third year after project completion and improve to the target level in three years.
- **Reduced Cost of Initial & Final Reads** – As FWWD initiative the AMI deployment, any new customer meters thereafter will be AMI meters. Move-in and move-out reads associated with AMI meters will begin to be read automatically to start reducing the cost of initial and final reads.
- **Reduced Meter Reading Costs** – This benefit will begin to accrue as existing meters are converted to AMI. AMI meters will no longer be read manually. The benefit will increase in proportion to meter conversions.
- **Reduced Meter Rereads** – Similar to initial and final reads, rereads associated with AMI meters will begin to be read automatically.
- **Reduced Cost of Service Investigations** – As AMI meters are deployed, CSR's will begin to enhance their ability to utilize the system features (analytics, detail history, alerts, on-demand reads, etc.) to resolve billing issues. Benefits will begin to accrue after the first year and improve to the target improvement over several years.
- **Reduced Manual Order Creation** – Through integrations with work management and/or mobile workforce management, the AMI system can auto generate work/service orders for problem detection. This will minimize the time require to manual create order for field service.
- **Streamlined Condition Assessments** – Proactive meter testing will be deferred after initiating AMI deployment. This benefit will begin after deployment and phased in over several years.
- **Reduce Cost of Conservation Enforcement** – This benefit will begin as large geographic areas are completed. The AMI system will be used to monitor completed areas, reducing the cost of patrolling.
- **Real Water Loss Savings** – It is assumed that FWWD will begin to utilize the AMI system to reduce water loss. This benefit will begin after the AMI project is completed and improve to the target levels over several years.
- **Apparent Water Loss Savings** – As AMI is deployed, data handling will begin to improve with the streamlining of processes and automating manual tasks. This benefit will begin to accrue midway through the project and improve to target levels over a few years.

4.3.3. Economic Summary & Recommendations

A summary of cash flow projections is show in the following table:

	Year 1	Year 3	Year 5	Year 7	Year 10	Year 15	Year 20
AMI COSTS							
Direct Project Cost	\$4,091,468	\$5,108,169	\$4,808,167	\$0	\$0	\$0	\$0
Shared Project Cost	\$3,452,856	\$8,012,726	\$8,030,563	\$477,912	\$507,164	\$559,950	\$618,230
AMI System Growth Cost	\$290,418	\$301,807	\$313,657	\$325,985	\$348,718	\$380,485	\$422,501
O&M Costs	\$10,690	\$203,271	\$283,807	\$639,694	\$726,555	\$748,597	\$4,531,863
Costs Projection	\$7,845,431	\$13,625,973	\$13,436,193	\$1,443,592	\$1,582,437	\$1,689,032	\$5,572,594
BENEFITS & SAVINGS							
Customer Service	\$0	\$0	\$0	\$14,863	\$2,521,409	\$2,783,839	\$3,073,583
Meter Reading	\$177,784	\$1,159,921	\$2,593,768	\$3,400,910	\$3,612,173	\$3,993,402	\$4,414,309
Meter Services	\$23,313	\$86,682	\$163,706	\$400,992	\$425,607	\$470,026	\$519,068
Meter Management	\$0	\$49,182	\$127,872	\$184,207	\$195,482	\$215,828	\$238,292
Water Conservation	\$0	\$0	\$51,505	\$447,301	\$2,339,989	\$2,606,378	\$2,713,523
Revenue & Cash Management	\$0	\$661,473	\$3,427,711	\$6,672,411	\$7,142,321	\$8,002,765	\$8,348,848
Benefits & Savings Projection	\$201,097	\$1,957,258	\$6,364,562	\$11,120,684	\$16,236,980	\$18,072,238	\$19,307,623
CASH FLOW							
Net Cash Flow	(\$7,644,334)	(\$11,668,715)	(\$7,071,631)	\$9,677,092	\$14,654,544	\$16,383,205	\$13,735,029
Cumulative Cash Flow	(\$7,644,334)	(\$27,435,211)	(\$44,175,854)	(\$26,515,590)	\$11,731,619	\$90,118,384	\$160,050,497

Dollars shown are held constant (i.e. not adjusted for inflation) to facilitate year-to-year comparison. The table shows that the project has negative cash flows for the entire deployment period of 5 years, then positive thereafter. Cumulative cash flow (expenditures plus savings) will turn positive in year 10.

Total capital cost over the 5-year deployment is projected at \$56.2M, with O&M cost increasing to \$283,807. Thereafter, capital cost will reduce to the cost of expanding the system while O&M costs will gradually increase to approximately \$740,000 annually. Capital renewal (end-of-life replacement) will begin in year 16 and continue through the evaluation period.

Benefits will begin to accrue in the first year, driven by meter reading savings, then improving to full potential in approximately nine years. Thereafter, benefits will increase in proportion to the number of customers served.

Because of inflation, future dollars are worth less than current year dollars. As such, discounted cash flow is applied to determine the return on investment in AMI. Results of the discounted cash flow analysis are shown in the following table:

	<u>Present Value*</u>
Capital Costs	
Direct Project Cost	\$ 20,062,000
Shared Project Cost	33,526,100
AMI System Growth Cost	<u>4,473,400</u>
Total Capital Costs	\$ 58,061,500
O&M Costs	
AMI Endpoint Replacements	\$ 7,412,700
Backhaul (WAN) Operations	1,471,200
Annual License & Support	2,045,100
Additional Staff	<u>2,604,500</u>
Total O&M Costs	\$ 13,533,500
Benefits & Savings	
Customer Service	\$ 17,095,700
Meter Reading	37,818,900
Meter Services	4,196,900
Meter Management	1,991,400
Water Conservation	16,544,000
Revenue & Cash Management	<u>67,389,800</u>
Total Benefits & Savings	\$ 146,036,700
AMI ROI Summary	
Net Present Value (NPV)	\$ 106,967,800
Payback Period	6 3/4 years
Internal Rate of Return (IRR)	37.5%

* Present value based on 20 years at 5% cost of capital.

On a discounted cash flow basis, the payback period is within seven years. This is less than two years after completion of the project. Over the 20-year evaluation period, AMI has a net present value (NPV) of \$107 million at 5% cost of capital, and internal rate of return (IRR) of 37.5%.

The analysis shows that the FWWD anticipated investment in AMI has very attractive return on investment (ROI). It is recommended that FWWD proceed with plans for the acquisition and implementation of AMI. The next phase would involve developing detail requirements, AMI systems evaluation, and selection of a best fit AMI system.

4.4. Implementation Considerations

There are many challenges associated with AMI project implementations. Some of the key ones are discussed in this section.

- **Scheduling** – The AMI project will be deployed over a period of 5 years. Meter conversion would have to be integrated with on-going operations to minimize disruptions. It is assumed that installations will be performed by an experience contractor. In general, meter conversions must be done outside of billing blackout periods. This includes all QA/QC, data exchanges, and updates to the billing system.
- **Project staffing** – FWWD should be prepared to dedicate staff to the project that is knowledgeable in business process and operations. Project team will require key staff members from IT, customer service, billing, meter reading, and meter services. Making staff available to the

project will involve a plan to backfill their positions for the period they are required on the project, which could be up to the project duration or longer. This requirement should be part of the detail planning phase of the project.

- **Stakeholder Communications** – Previous AMI installations have shown that early and regular communications with stakeholders at all levels, including public, governing body, and staff, is paramount for acceptance and successful implementation. The message must be clear about why the project is being undertaken. Examples include, enhancing customer service or service levels, reducing future rate increases, etc. It is recommended that FWWD develop a comprehensive communications plan. This will include some aspect of what the selected AMI vendor will do during the implementation phase.
- **Business process improvements** – As part of this assessment, the current business processes were mapped and analyzed to identify key issues. In subsequent phases of the project, FWWD should develop new business processes and operating procedures to take full advantage of the AMI system and enhance the business operations. The new business processes will aid in developing detail implementation specifications, guide the systems selection, configurations, data analysis, training, and change management.
- **Staff changes** – New business processes and procedures will require changes in job functions. As noted, FWWD outsources meter reading, therefore it is anticipated that changes will primarily be to job functions. It is recommended that FWWD develop a detail staffing and transition plan to migrate to the new AMI environment. This will include appropriate technical, O&M, and process training. FWWD should enlist Human Resources to facilitate changes to staff. The selected AMI vendor should be required to provide training on the system that will help ensure smooth transition to ownership of the system.

5. Mobile Workforce Management (MWM)

This section provides an overview of MWM technology and a summary of Westin’s initial recommendations for the types of benefits to be analyzed to develop the business case for MWM.

5.1. MWM Overview

For many years utilities have routinely used printed WOs to process field service requests. Though they do provide a means to get the job done, such orders are not very cost effective tools. They require lots of time to collect, sort, assign and group into routes before technicians can leave the office to begin their work. Any changes needing to be made in assigned orders must be communicated to technicians by telephone or radio during the day. At day’s end completed orders are usually collected, reviewed and handed over to office personnel to be closed.

MWM overcomes these problems and provides additional benefits. It involves sending electronic WOs over a mobile network to a field technician’s laptop, tablet or smart phone. Orders are assigned based on specific parameters such as type, priority, job duration, equipment requirements, technician skill levels and geographic location. They are grouped according to street level routing to reduce technician drive time. Technicians complete and close orders in the field and information they entered is immediately made available for other personnel to use as needed.

A comparison of the features and capabilities of printed WOs and MWM is shown below.

Item	Printed Work Orders	MWM
work order creation and assignment	Manually printed, assigned and routed	Electronically created and sent to technician’s mobile device
Customer requested changes after WOs created	Changes relayed to dispatcher to be written on orders or called/radioed to technician	Changes automatically update work order and go to mobile device if orders already assigned
Shut off orders cancelled after payment received	Dispatcher pulls orders or tells technician to not shut off service	Electronically cancels order and removes it from mobile device
Customer asks for work order status and findings	If order has not been closed, call is likely transferred to dispatcher who contacts technician	Orders closed by technician in field and information immediately available to all users
work order update and closing	Orders wait to be done by office personnel when time is available	Orders closed by technician in field
Logging work order response times	Requires manual recording	Each activity in order processing is time stamped and stored
Processing emergency orders	Dispatcher coordinates orders with technicians	Automatically sent to geographically closest qualified technician’s mobile device

5.2. MWM Benefit Types & Measures

Mobile workforce management solution will enable FWWD to deliver superior field service and customer satisfaction. It enables the Department to increase customer satisfaction and improve efficiency while reducing costs by working smarter.

Most MWM solutions provide end-to-end mobile workforce management, delivering integrated forecasting, scheduling, dispatch, and reporting. The mobile workforce field applications automate the processing of the work orders, allowing the Field Technicians to complete work on time eliminating the unnecessary paper work orders. The MWM solutions present managers with reliable and real time data on the status of the orders and visibility to their workforce progress and status.

5.2.1. Specific Benefits and Efficiency Savings

The specific types of benefits and a description of how they are provided by MWM are summarized below. The actual metrics were obtained from the various sources within FWWD.

A – Customer Relations Benefits

1. **Reduce customer callbacks** - Current work order status, scheduled date/time and in-field results would be available to answer customer inquiries, allowing more one-touch call resolutions. Lower call volumes would result in fewer abandonments.

Measure - FWWD answers an average of 522,305 calls annually, with an average of 16.3% (85,136) of those calls having to be transferred to other employees or departments for resolution. Customers who either did not receive the information they needed, or disagreed with what they were told during their first phone call, are likely to call again. A percentage of those callbacks are transferred to other departments to speak with a dispatcher or supervisor. FWWD does not track number of callbacks. Based on observation and discussions with employees during the interviews, an estimated 50% (42,568) of transferred calls result from callbacks. Fully burdened labor cost is \$1.99 per call. Annual estimated cost: \$84,710.

2. **Reduce call transfers** – As a result of the integration between MWM and HTE, more work order information and status would be available to CSRs, so fewer calls would be transferred to other employees or departments for resolution.

Measure - During the past two years, an average of 16.3% (85,136) of annual answered calls were not resolved with “one-touch”. Transferred calls are estimated to cost twice as much to resolve as one-touch calls ($\$1.99 \times 2 = \3.98). Annual estimated cost: \$338,841.

B – Meter Reading Benefits

1. **Improve process for obtaining rereads** - Reread orders could be automatically generated. Rereads could be posted to CIS accounts from the field and the orders closed automatically.

Measure - FWWD estimates an average cost per work order of \$21.00 including labor, equipment and overhead charges. Pre-bill exceptions total 79,131 annually and 30% (23,739) are estimated to result in reread WOs. Annual estimated cost: \$498,519.

C – Meter Services Benefits

1. **Reduce work executed in error** - Open shut off orders are cancelled, and turn on orders are automatically generated for closed ones, when payment is received. CSRs can update/cancel pending WOs upon customer requests such as changing Move In/Out dates.

Measure – A 17 year average shows that FWWD processes 322,000 WOs annually. It is estimated that 5% (16,100) of these orders may have been executed in error because either they had not been cancelled and removed from work assignments or technicians had not received updated information before completing them. Annual estimated cost: \$338,100.

2. **Minimize duplicate work orders** - Fewer duplicate, unnecessary WOs would be generated because information for previous orders is available to all users.

Measure – The duplicate work orders are estimated at 2% (6,440) of total orders, an Annual estimated cost: \$135,240.

3. **Improve work assignment and dispatch efficiency** - Manual efforts such as printing, sorting, assigning and routing orders are eliminated. Orders are assigned based on type, priority, task duration, skill levels and geographic location, with orders grouped into routes that minimize driving time.

Measure – The dispatchers spend most of their workday handling printed WOs, calling out new same day orders, calling order updates to technicians and responding to their requests for information not provided on orders. Supervisors spend 4 hours daily on average assigning, collecting and reviewing WOs. Technicians spend 1 hour of their day on average reviewing their orders and determining driving routes, re-sequencing orders as new ones are dispatched to them and submitting completed orders at day’s end. Fully burdened labor rates are used to calculate costs of these manual efforts. Annual estimated cost: \$457,590.

4. **Eliminate manual update & closing of orders** - WOs are automatically closed when technicians enter required information in the field. Work order results promptly become available to all users.

Measure - FWWD has six workers in Meter Services Administration who spend an estimated two-thirds of their workday closing WOs, updating systems and providing work order information needed by others. Annual estimated cost: \$197,000.

The summary of the improvement opportunities are presented in the following table. This table presents a simple cost analysis comparison developed based on the current cost of performance and conservative cost savings estimates.

VALUE SOURCE	BASE COST	IMPROVEMENT	SAVINGS
Opportunity 1: <u>Customer Service</u>			
Reduce customer callbacks	\$ 84,710	90.0%	\$ 76,239
Reduce call transfers	338,841	90.0%	304,957
Opportunity 2: <u>Meter Reading Benefits</u>			
Improve process for obtaining rereads	\$ 498,519	90.0%	\$ 448,667
Opportunity 3: <u>Meter Services Benefits</u>			
Reduce work executed in error	\$ 338,100	90.0%	\$ 304,290
Minimize duplicate work orders	135,240	50.0%	67,620
Improve work assignment and dispatch efficiency	457,590	90.0%	411,831
Eliminate manual update & closing of orders	197,000	90.0%	177,300
Total Benefits:	\$ 2,050,000		\$ 1,790,904

5.2.2. Cost Benefit Analysis

To demonstrate the Return-on-investment (ROI) for implementing the MWM solution, a simple ROI calculation was performed. This model determines the investment cost of implementing the MWM solution and calculates how long it will take to recoup the investment through the desired cost savings presented in the previous section (Section 5.2.1). The estimated cost of the MWM solution includes the following items:

- **Software Licenses:** The software licenses are estimated at 50 named licenses for the total amount of \$500,000.
- **Network Subscription:** The public network provider subscription is estimated at \$12,000 for fifty (50) laptops, smart phone, or other portable devices.

- **Mobile Device and Connectivity Hardware:** The mobile hardware and truck mount for fifty (50) vehicles are estimated at \$210,000.
- **Integration Services:** Integration services including design, installation, testing and production support is estimated at \$550,000.
- **Management and Advisory Services:** Program management, business process analysis and improvements and advisory services are estimated at \$350,000.

The total cost of the MWM solution implementation is estimated at \$1,622,000. This cost is based on high level functional requirements workshops conducted during the interviews and a fast track implementation approach of nine (9) months in duration. The cost may vary based on features and functionality preferences, availability of the vendor and FWWD resources, and hardware and network requirements.

The following table presents the estimated cost of implementing the MWM solution:

Item	Description	Project Cost
1	Software Licenses	\$500,000
	MWM licenses (50)	\$500,000
2	Network:	\$12,000
	Public Network annual subscription (50)	\$12,000
3	Hardware/Mobile devices	\$210,000
	Mobile Device	\$100,000
	Truck Mount/Antena.etc.	\$50,000
	Servers	\$60,000
4	Vendor Services:	\$550,000
	Project Mgmt, Design, Installation, Testing, Startup, Training, Documentation	\$350,000
	Systems Utility Information Management (Cisco)	\$85,000
	Systems Utility Information Management (Cisco) with CRM	\$85,000
	Expenses	\$30,000
5	Other Costs:	\$350,000
	Program Management/Consultant Services	\$350,000

Total Estimate: \$1,622,000

The MWM solutions provide some of the clearest, quickest return-on-investment (ROI) benefits. Our analysis shows that the FWWD anticipated investment in MWM has very attractive ROI. The ROI is estimated within one year post implementation. It is recommended that FWWD proceed with plans for the acquisition and implementation of MWM. The next phase would involve developing detail requirements, MWM systems selection and implementation of a best fit MWM solution.

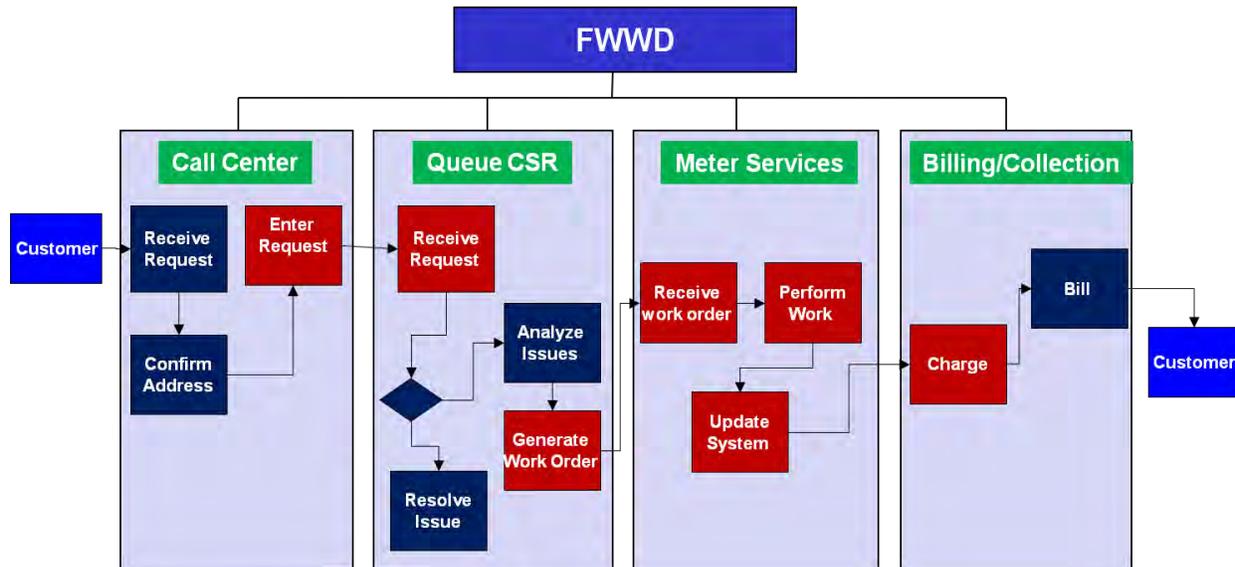
5.3. Implementation Considerations

There are many pitfalls associated with implementing a MWM solution. To avoid these pitfalls FWWD is encouraged to consider the following key success factors. Please note that these factors are not inclusive of all the elements required for a successful MWM solution implementation.

- **Business Process Focused Implementation:** The MWM solution implementation is most beneficial when the entire customer service, meter management and work order management business processes are automated and information is captured and reported in real time. This approach

requires a real time interface between the new MWM system and the Customer Information System (CIS). This integration provides a seamless view to the status of the work orders by the customer service representatives, field personnel and management.

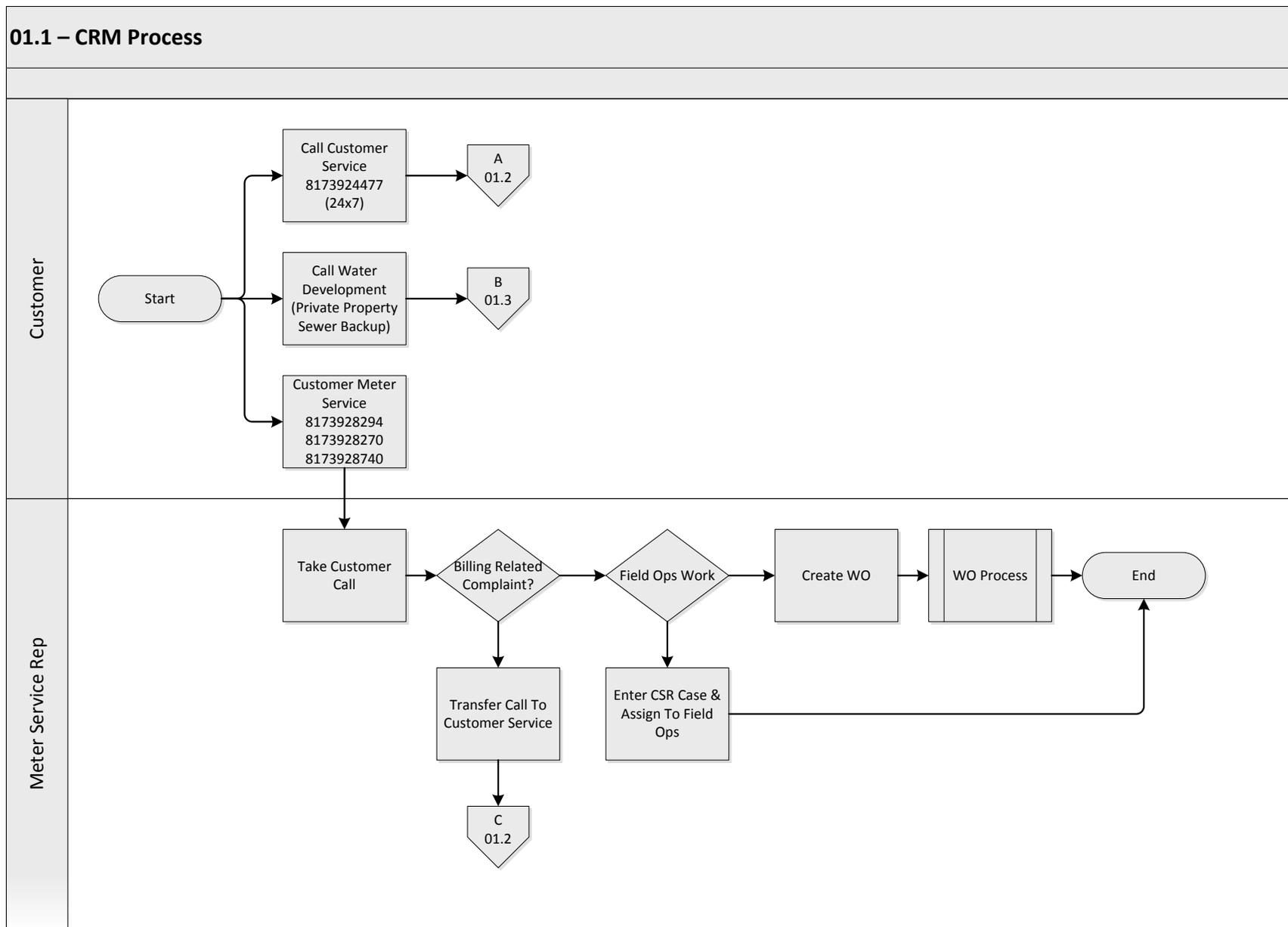
This table represents a high level view of the cross-functional customer service business process requiring automation:



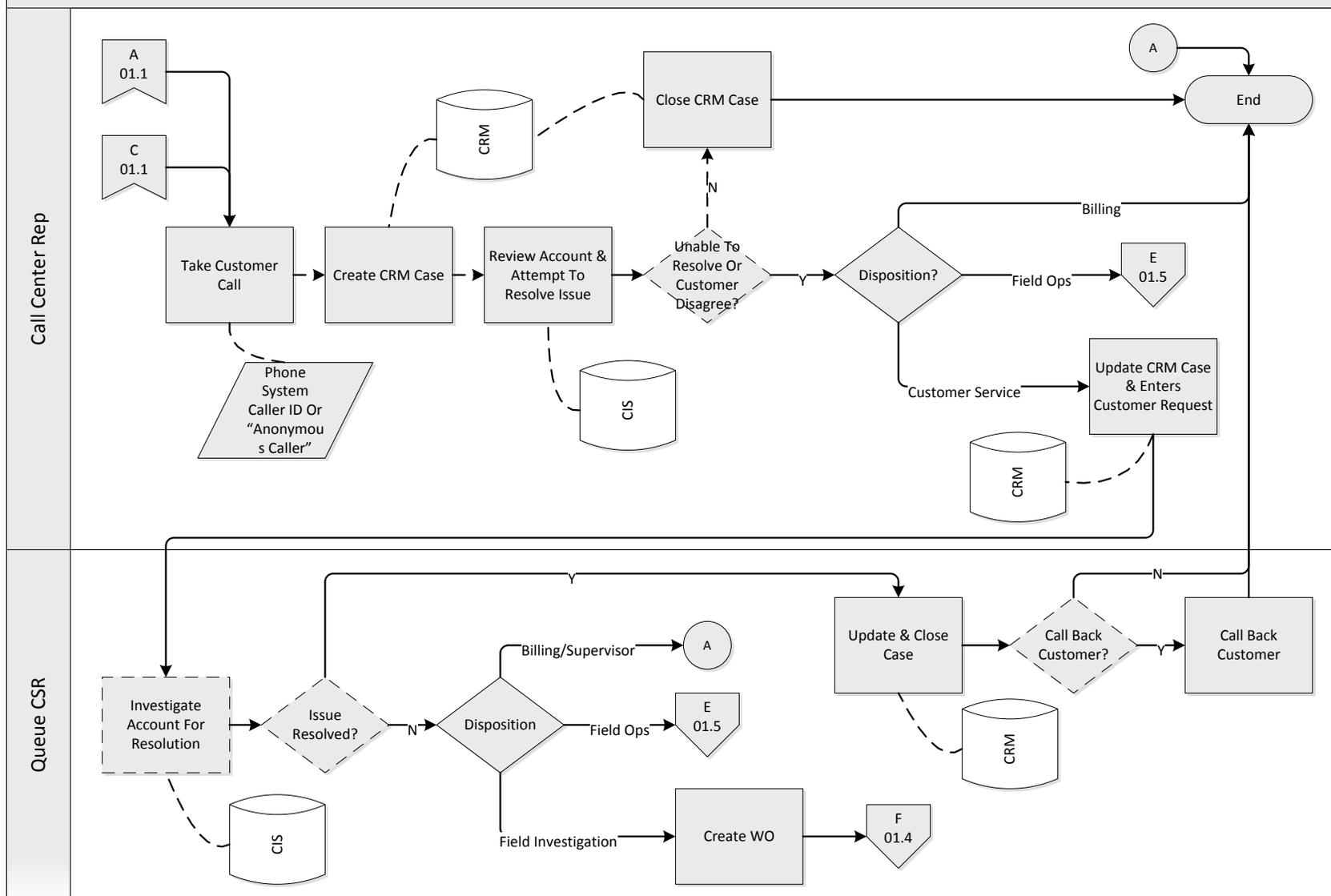
- **Business process improvements:** As part of this assessment, the current business processes were mapped and analyzed to identify key issues. In subsequent phases of the project, FWWD should develop new business processes and operating procedures to take full advantage of the MWM system and enhance the business operations. The new business processes will aid in developing detail implementation road map, guide the systems selection, configurations, data analysis, training, and change management.
- **Business Driven Requirements:** Business requirements serve as the ultimate blueprint for the MWM project success. An important aspect of the MWM implementation project is gathering and documenting the FWWD's detailed business requirements. This critical activity directs all future project work so considerable care and effort is required to ensure the documents are complete and comprehensive. The following high priority business requirements were developed during the interviews with FWWD staff.
 - Real time access to processing work orders
 - Ability to view trends analysis and analytics
 - Vehicle tracking and Automatic work order assignment
 - Route optimization and Street Level Routing
 - Provide a spatial/geographical view of work orders.
 - Ability for the dispatcher to enter new work orders and to monitor the status of work orders and mobile users using GIS
 - Provide adequate performance and capacity to support remote display of Spatial Data (GIS)
 - Utility Information System (Cisco) integration with CRM/Peoplsoft - eliminates delays and manual activities

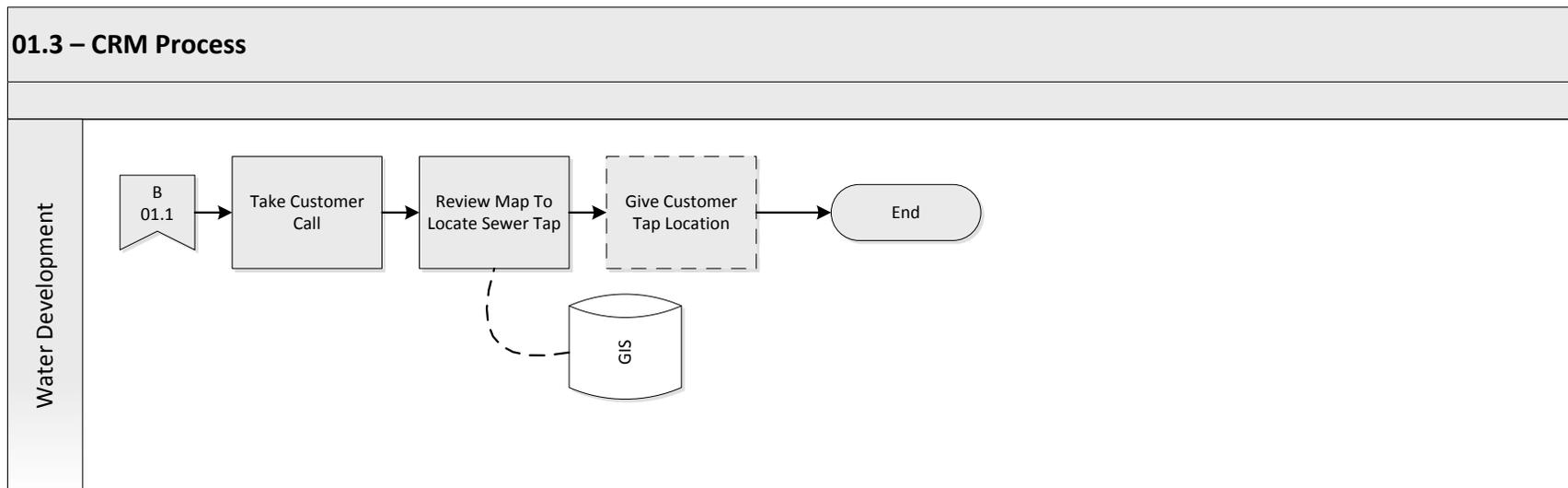
- Utility Information System (Cisco) integration with Mobile Work Force Management - enables CSRs to view work orders, enables Dispatcher and Field Techs to receive work orders in real time
 - View and process orders via wireless communication to mobile devices such as laptops or other hand held devices
 - Schedule interface processes to run based on specific criteria, such as an (application event. Completion code, etc.)
 - Configure forms, portals and fields to meet various user views
 - Integrate with ESRI ARC GIS
 - Support wireless reconnection on signal loss without requiring sign on
 - Support mobile PCs in both dockable and wireless configurations
 - Support mobile PCs in a wireless configuration (EVDO, 3G, 4G, etc.)
 - Support a lightweight virtual private network designed for a wireless environment
 - Oracle or Microsoft SQL RDBMS solution
 - Windows based mobility device solutions
 - Consider Cloud or Hosted solutions
- **Change Management:** Change management is a proactive and deliberate process that helps organizations succeed in making big changes like the MWM implementation. A successful program builds a process in which employees get the support they need so they are ready and able to embrace the new ways of doing business. As part of the MWM implementation, FWWD should consider a change management program to ensure the management goals are communicated and the staff are enabled and retooled to embrace the new ways of doing business.

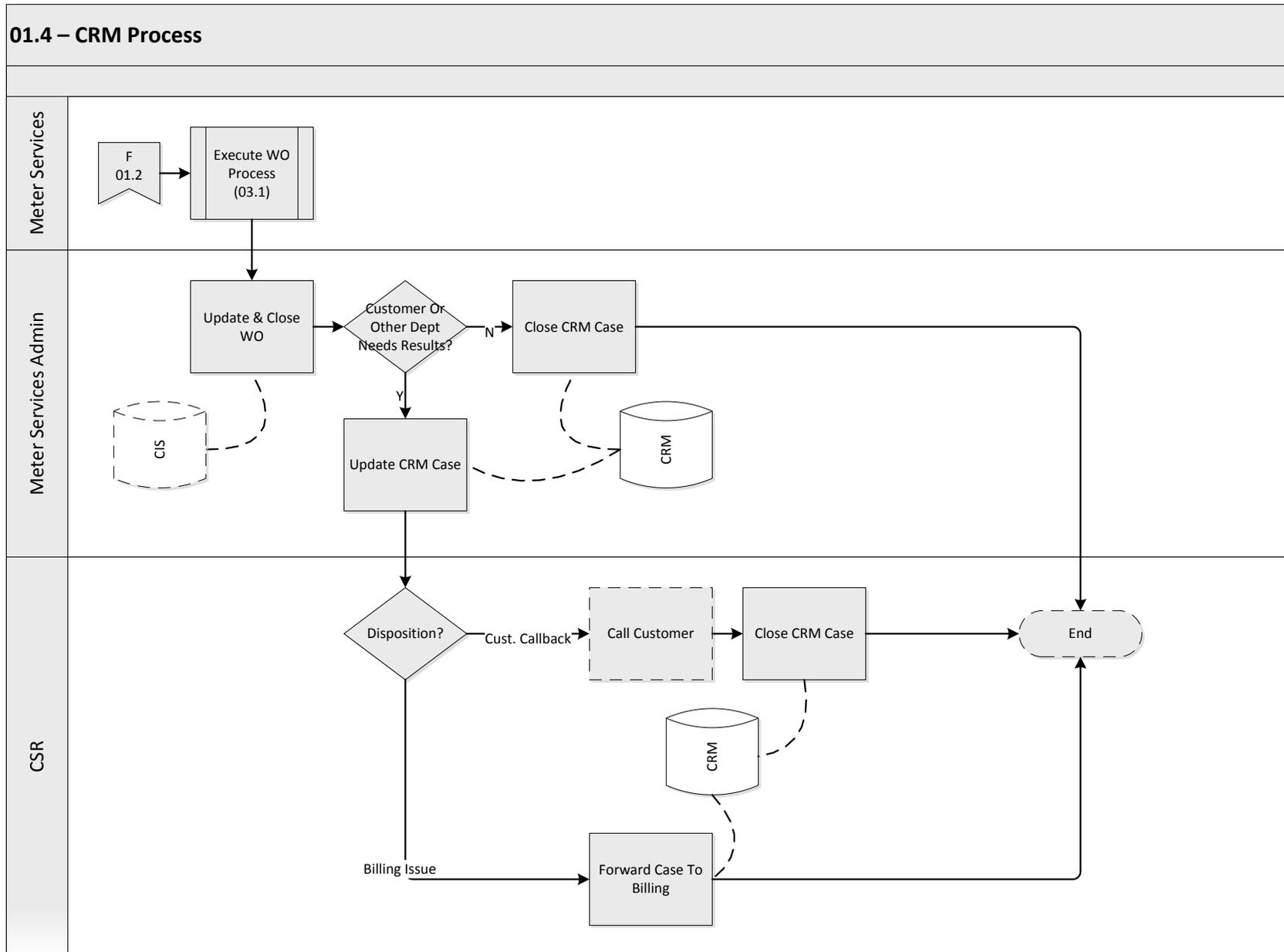
Appendix A -- As-Is Business Process Maps

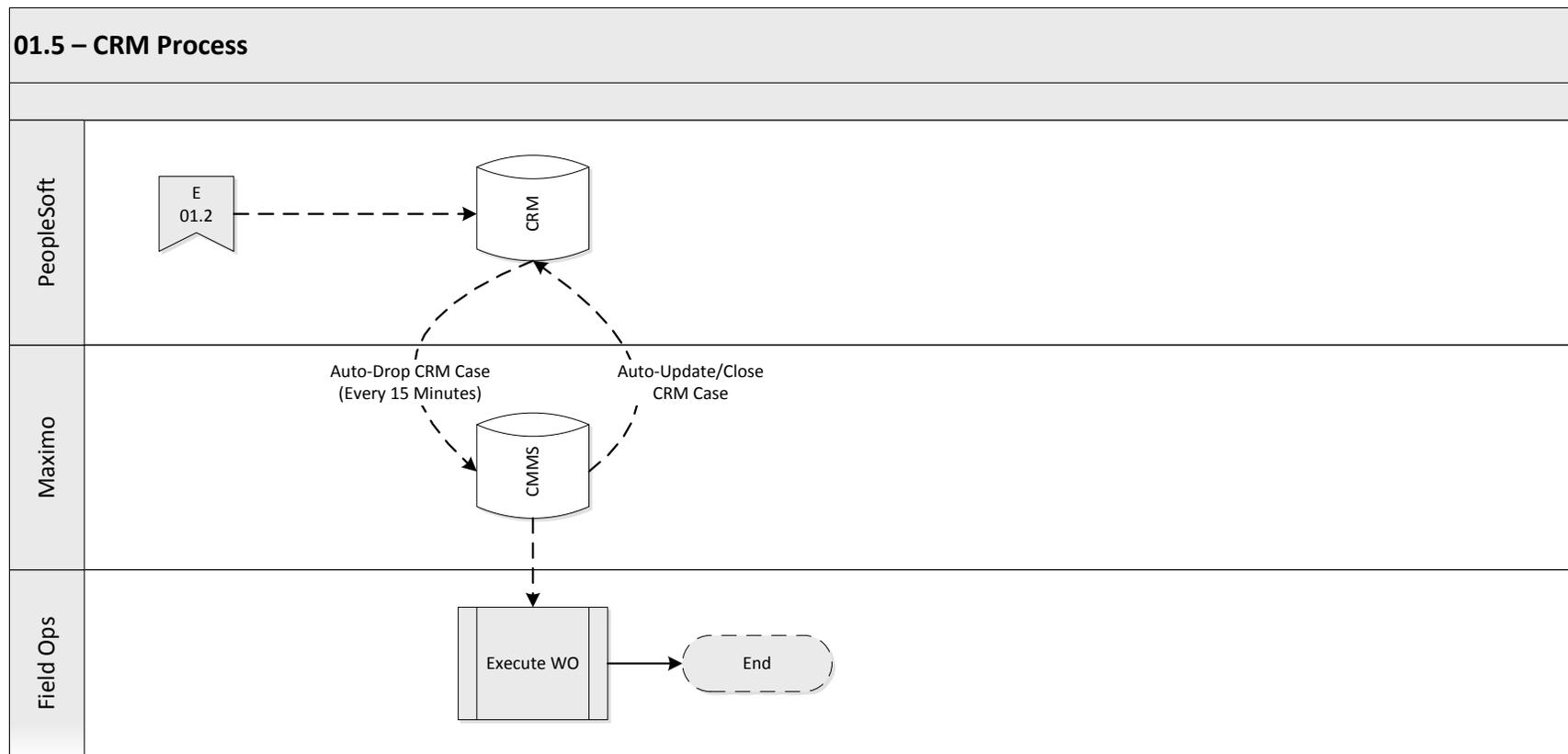


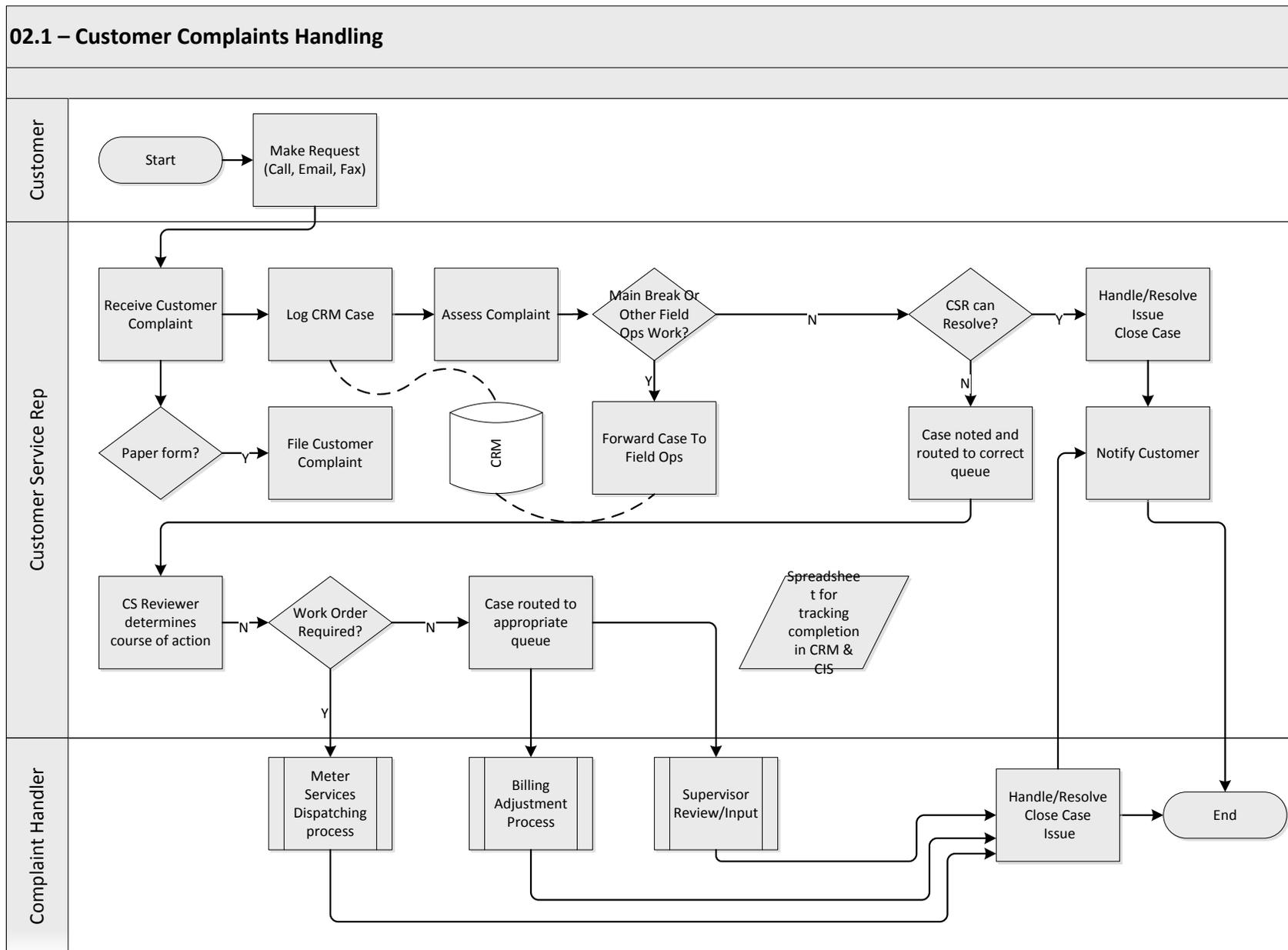
01.2 – CRM Process

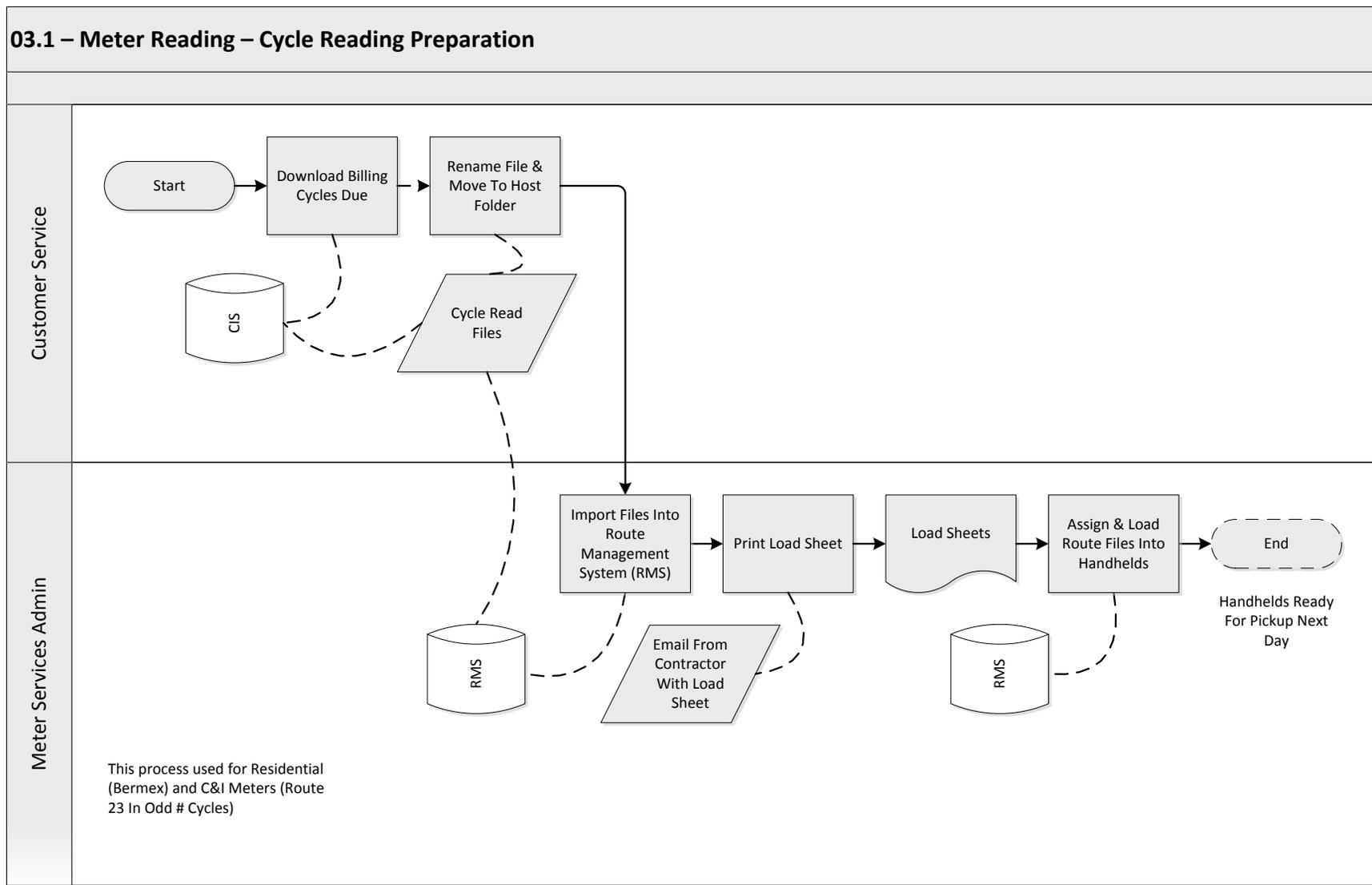




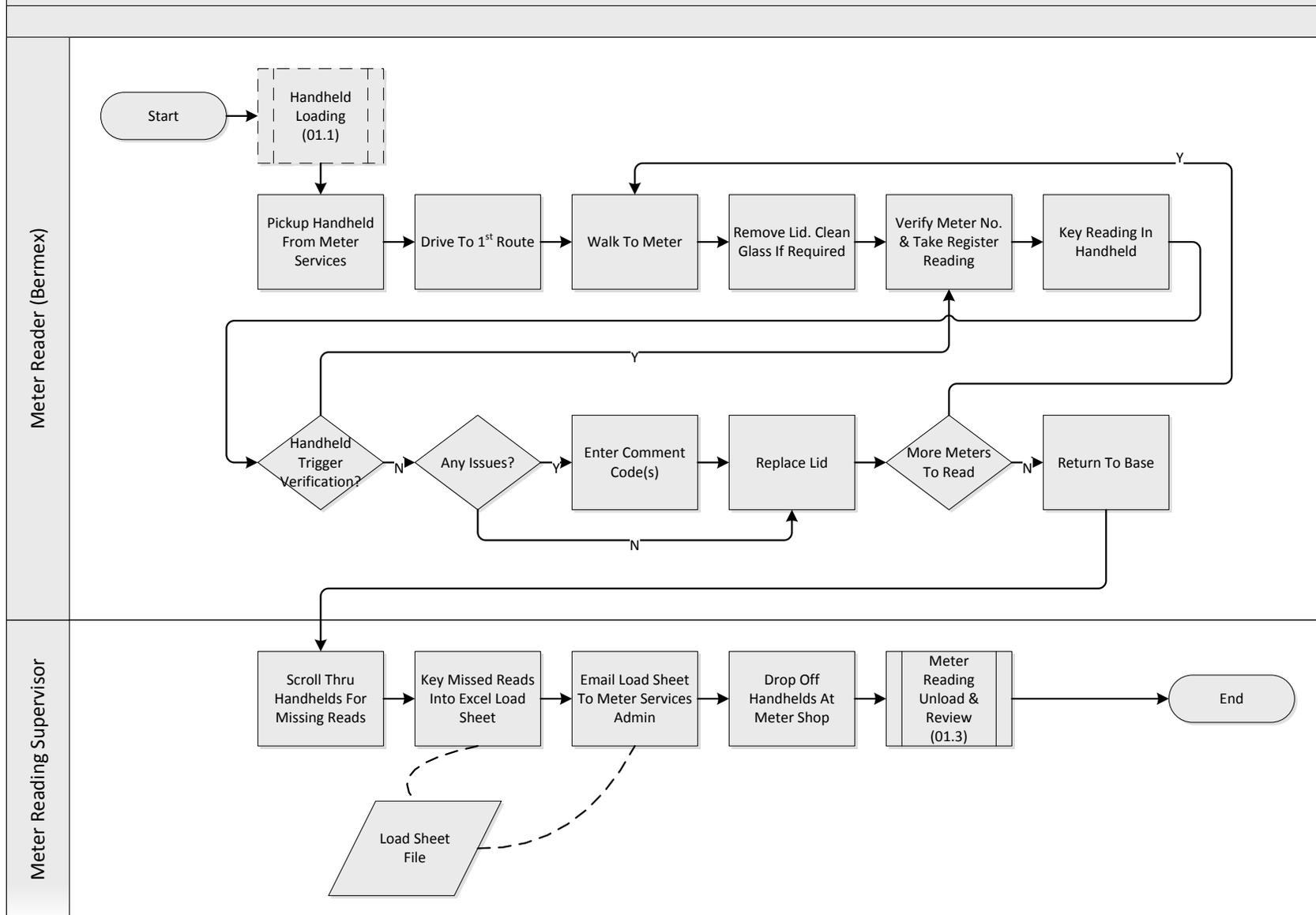




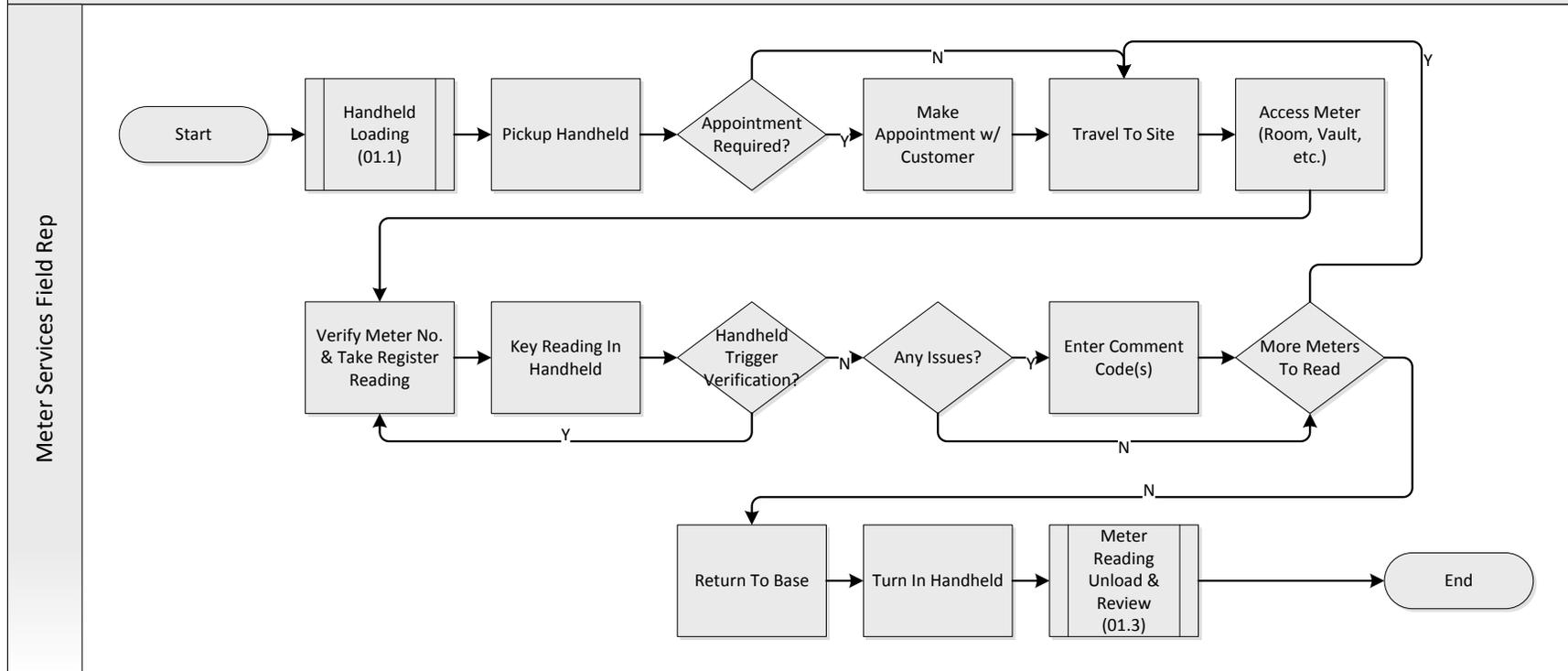


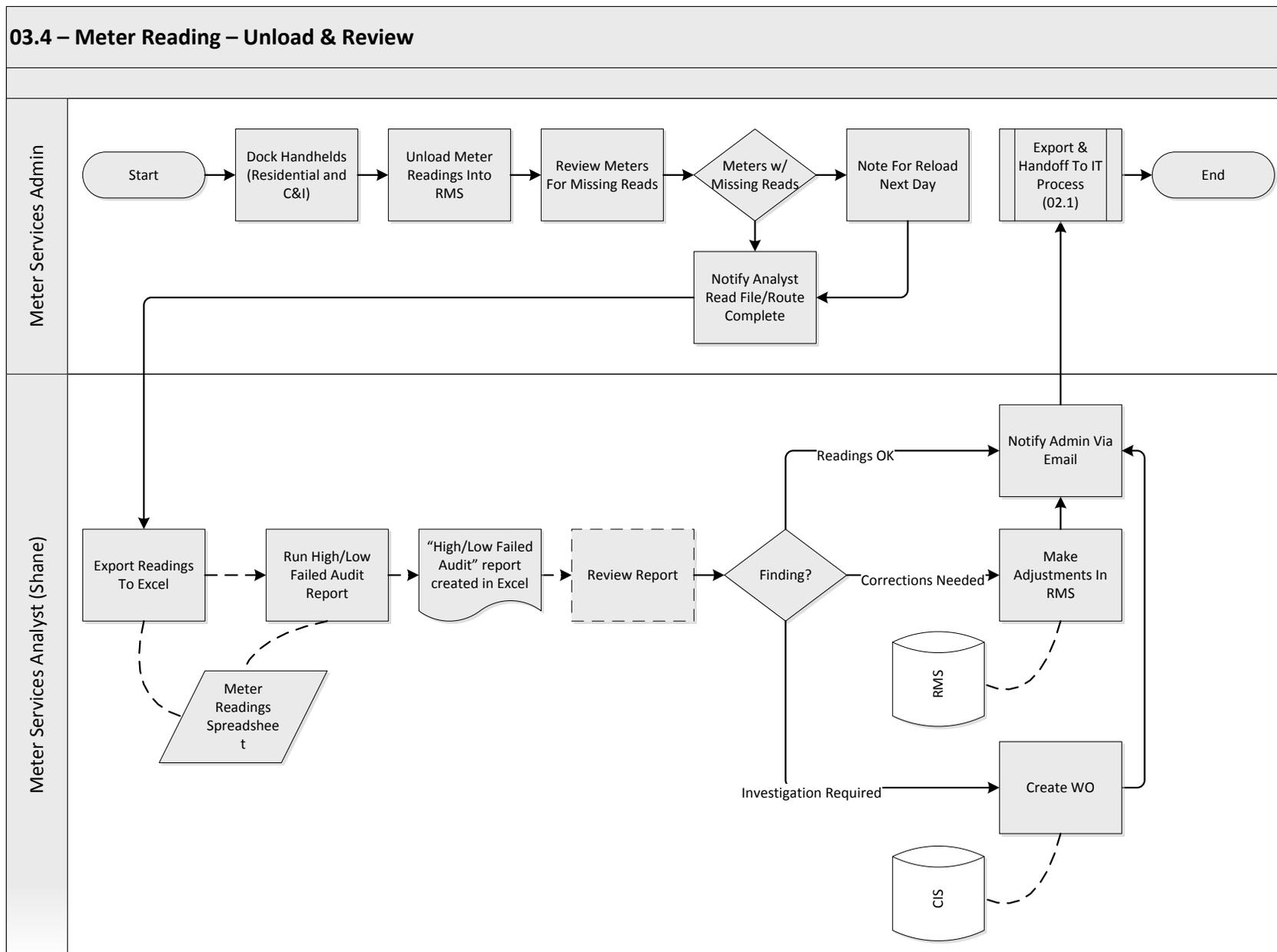


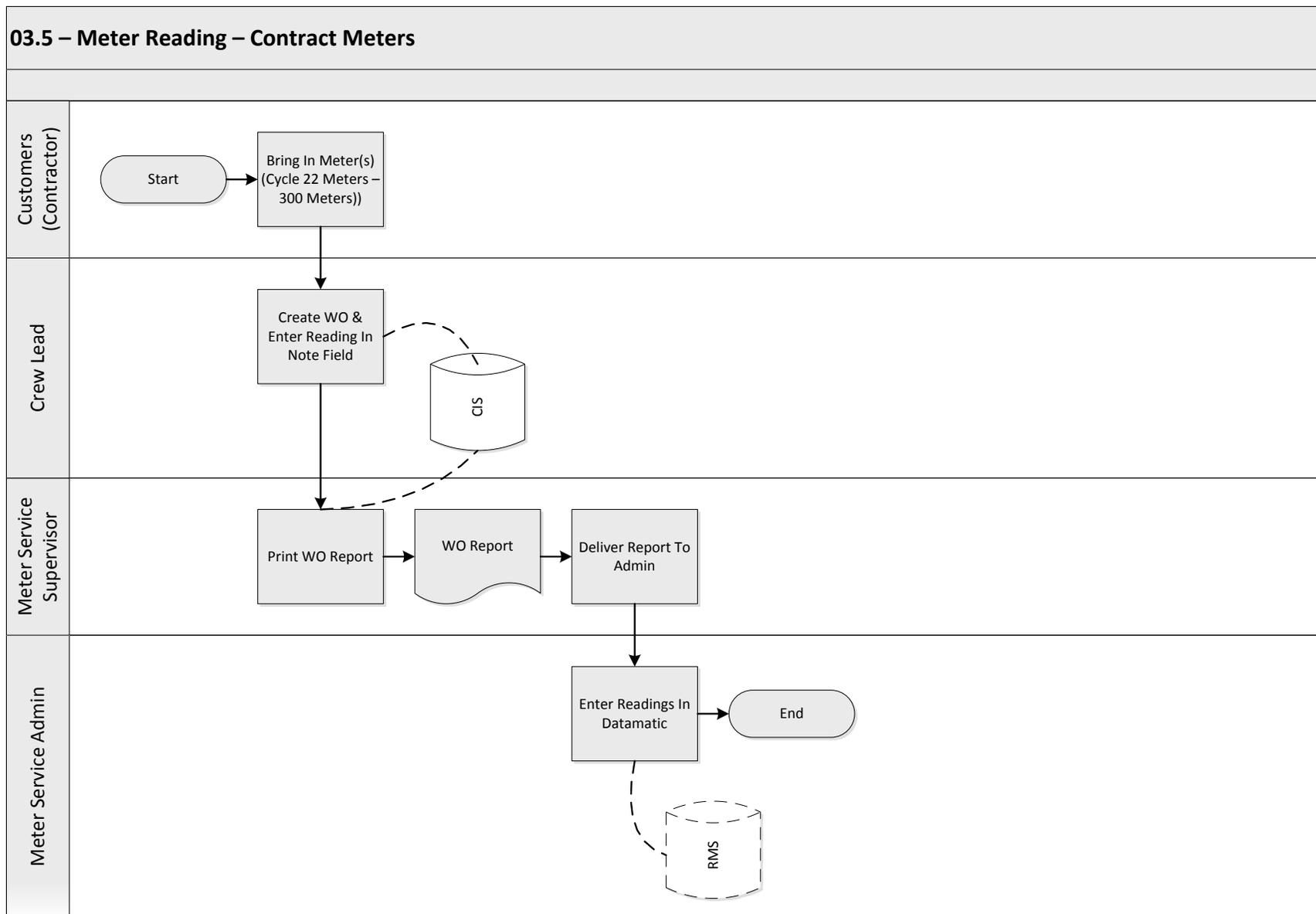
03.2 – Meter Reading – Residential Meters (Bermex)

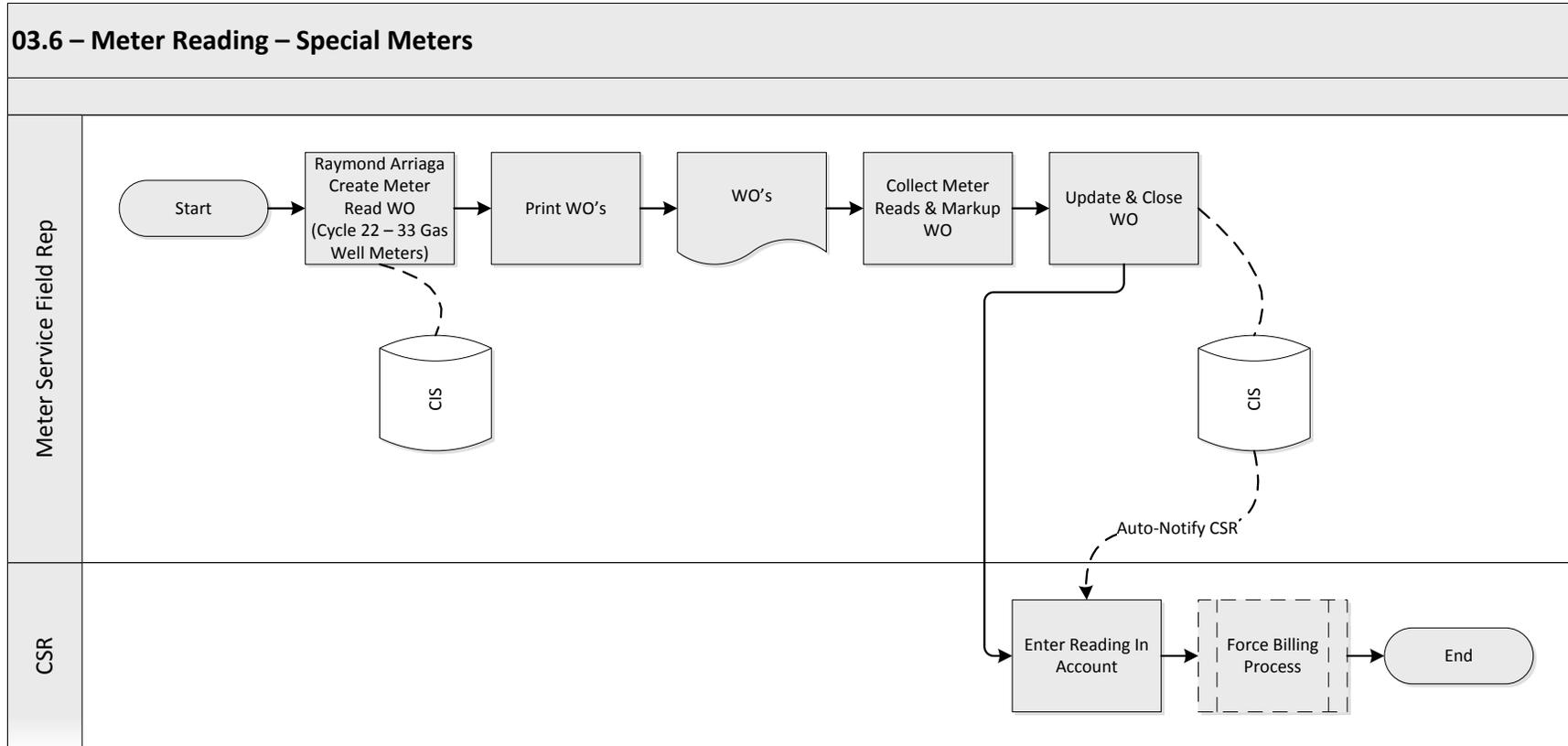


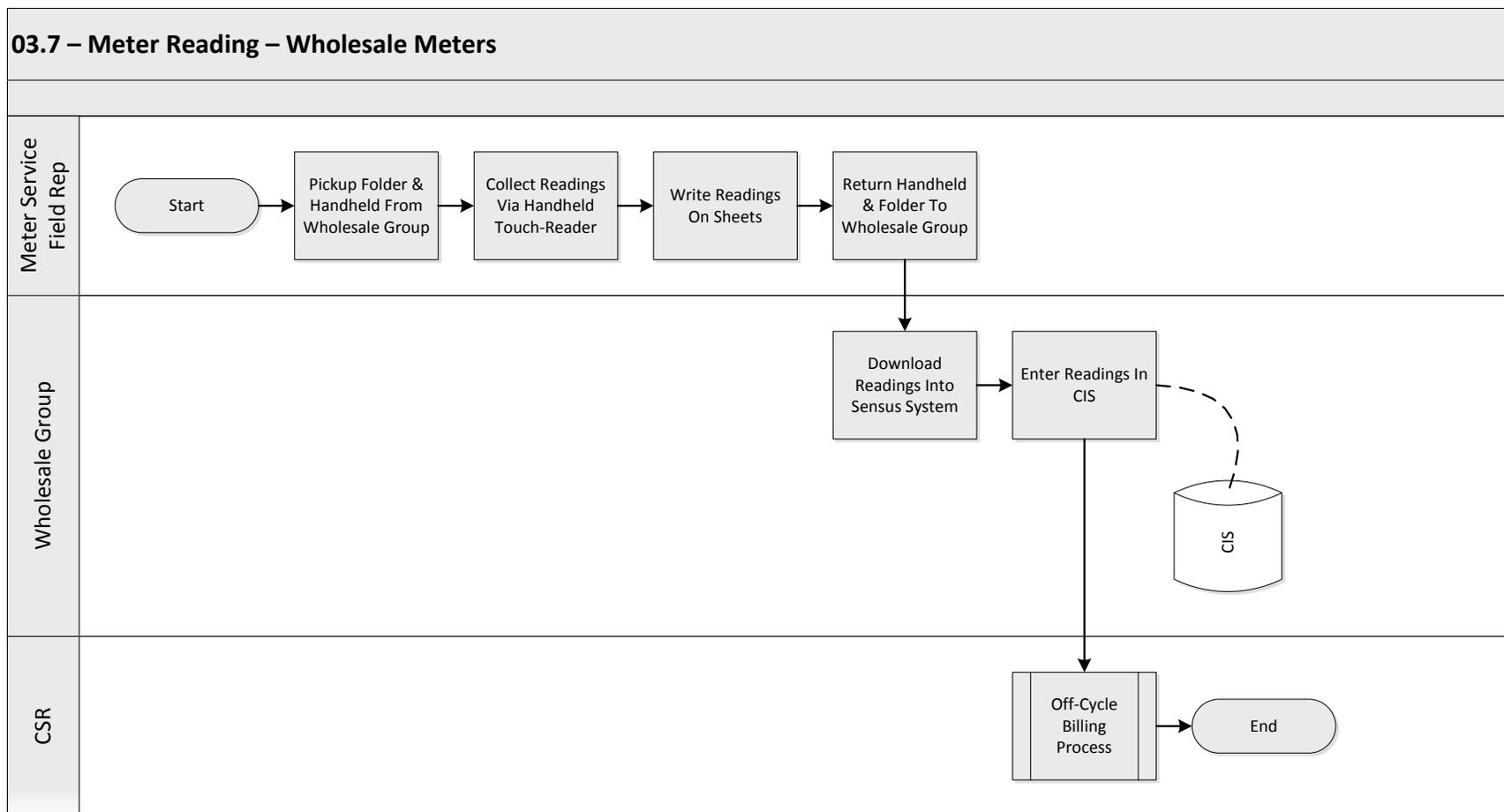
03.3 – Meter Reading – Commercial & Industrial Meters

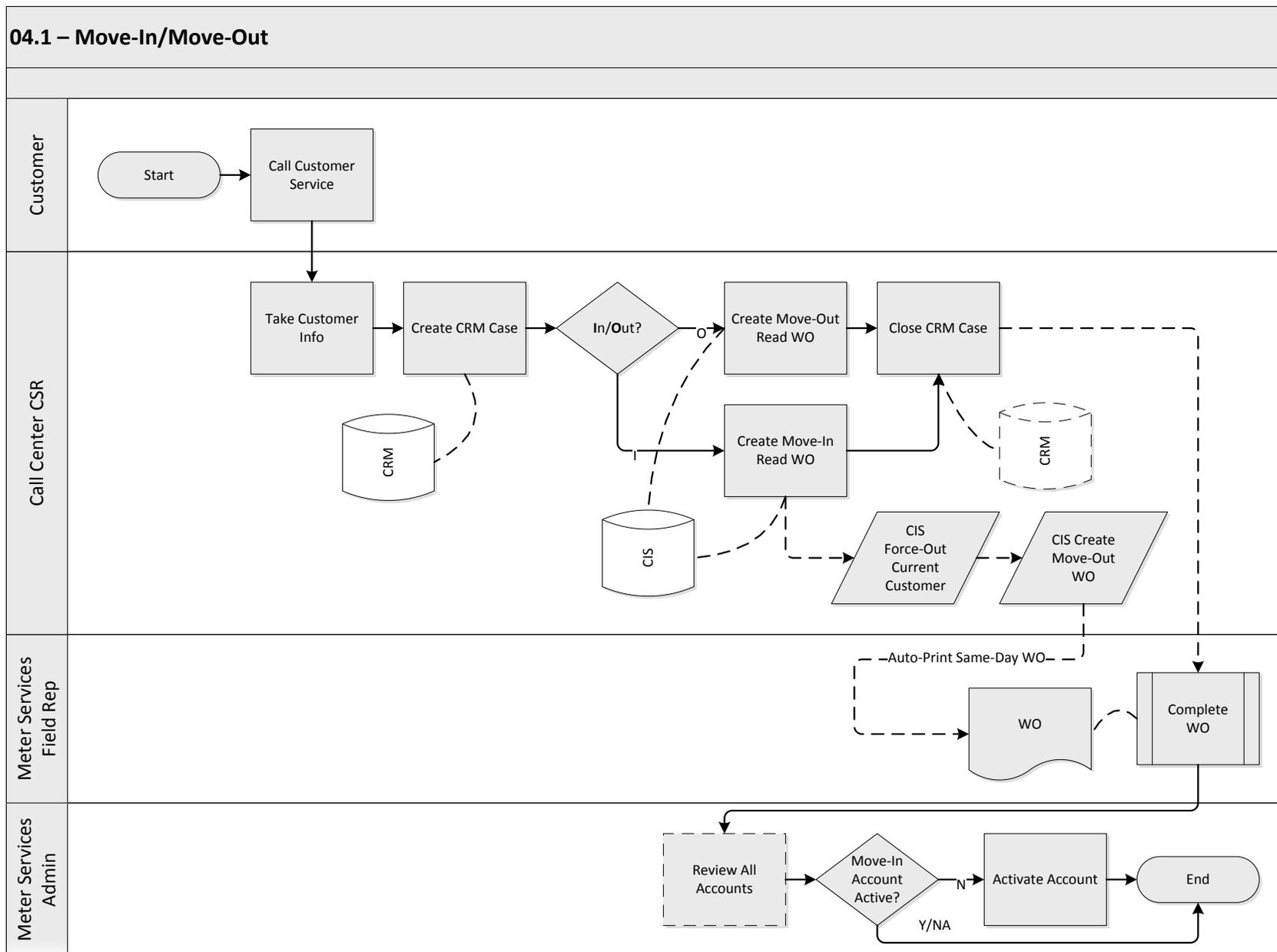


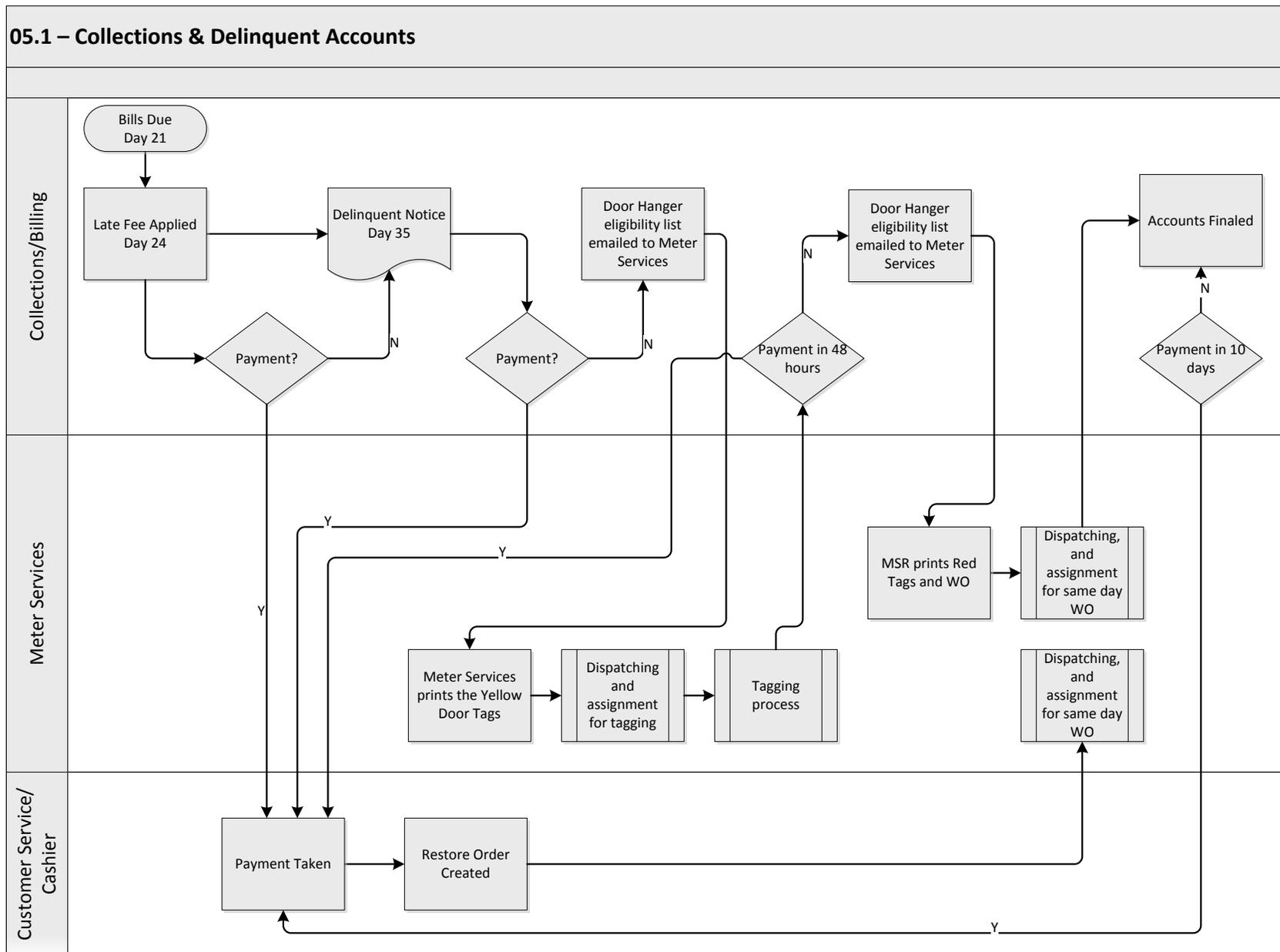


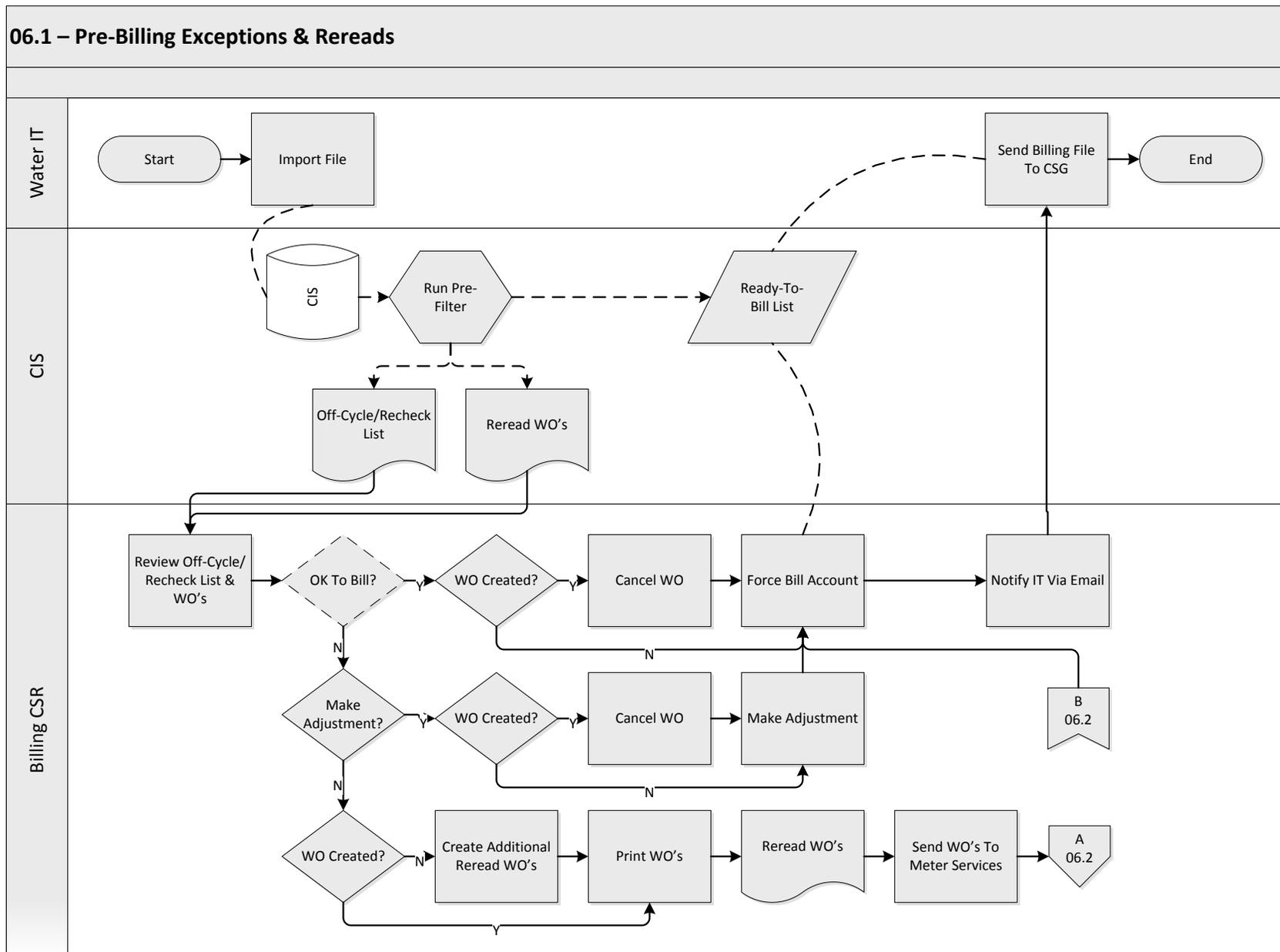


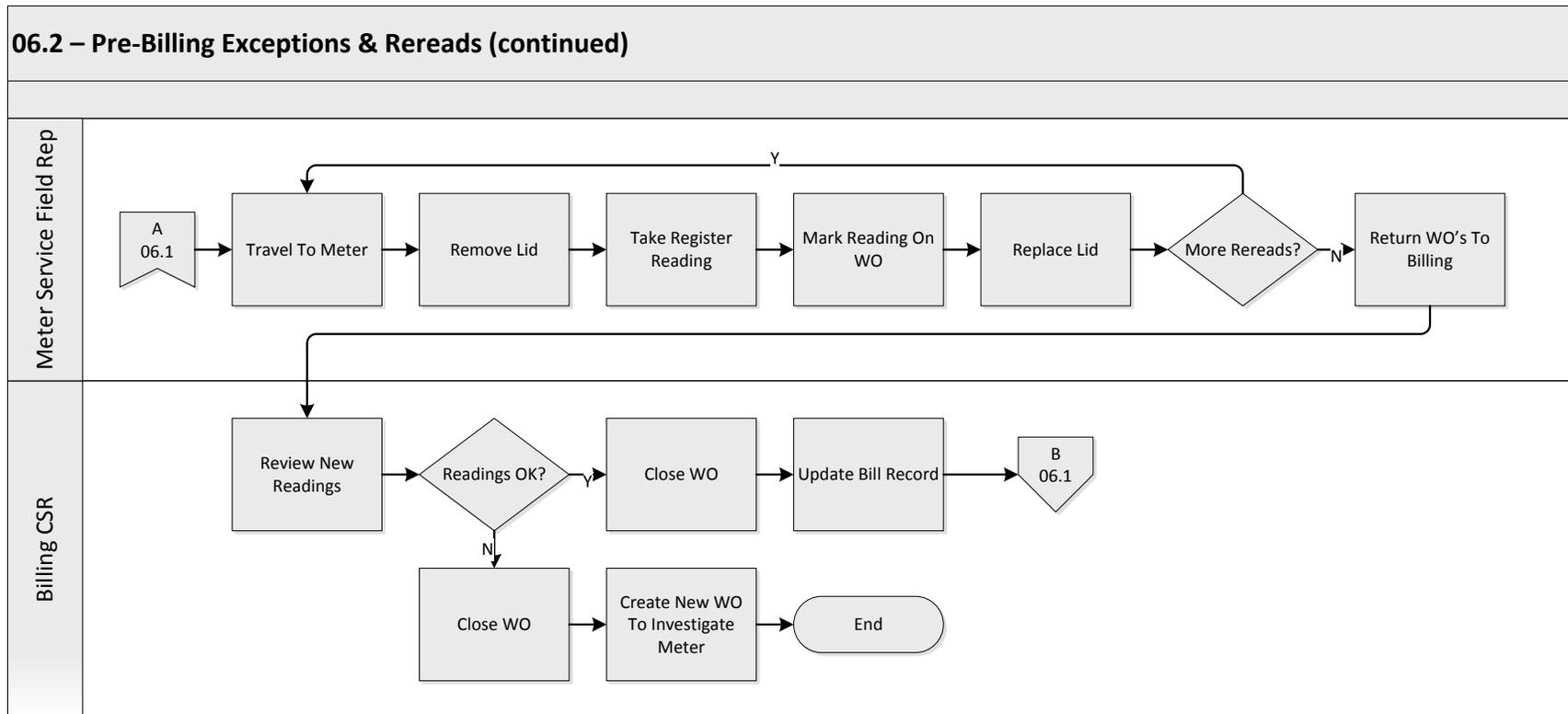


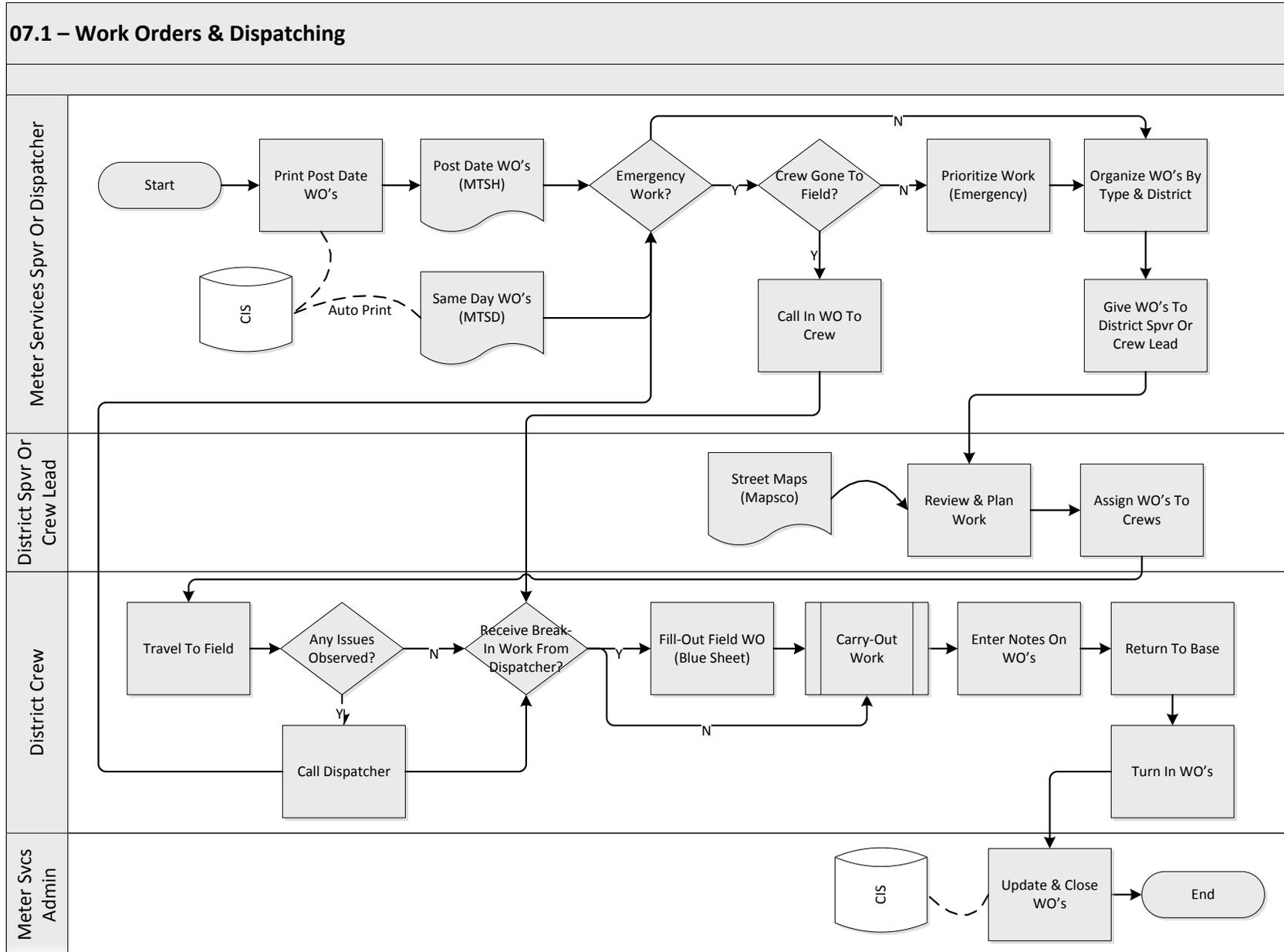




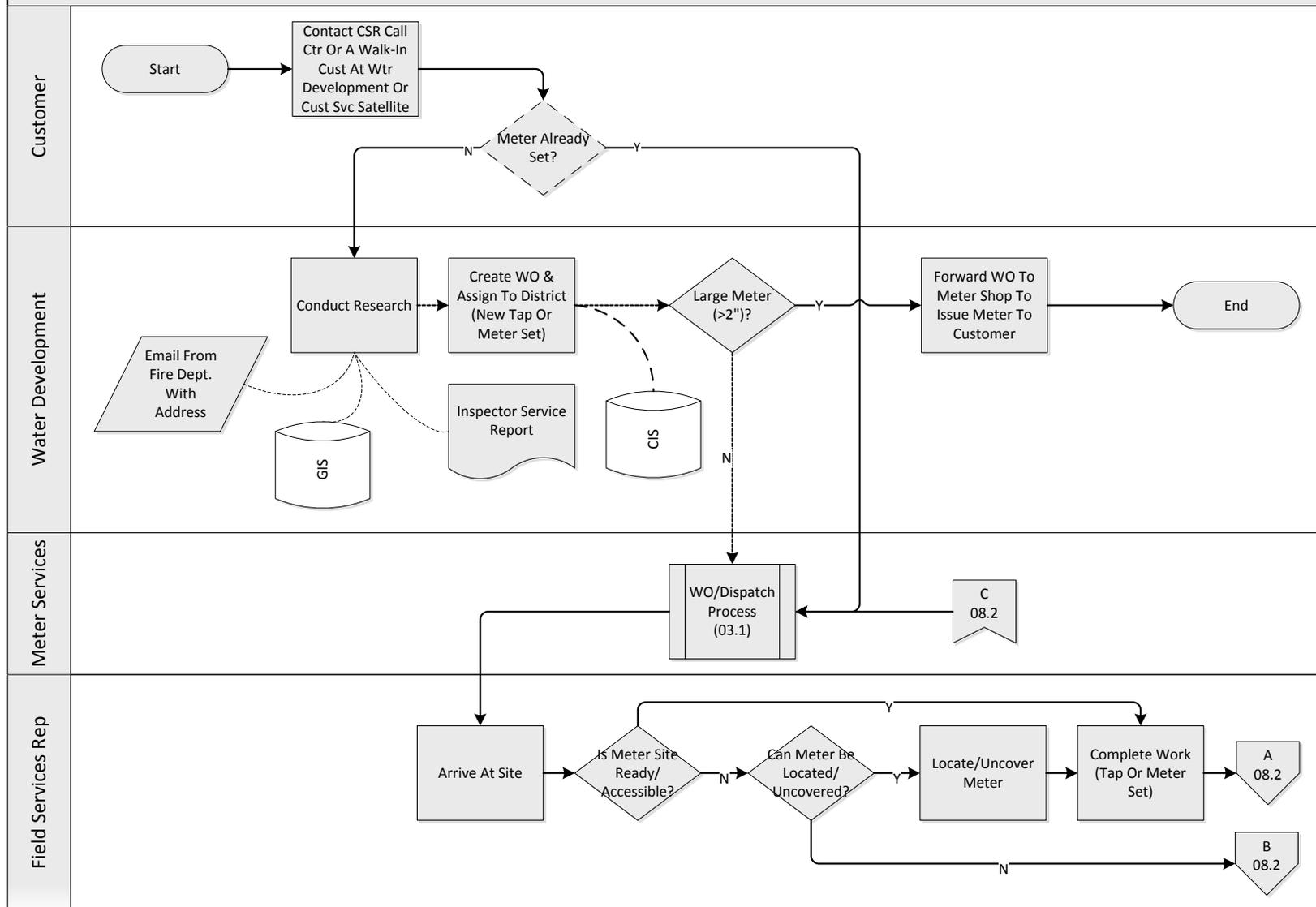


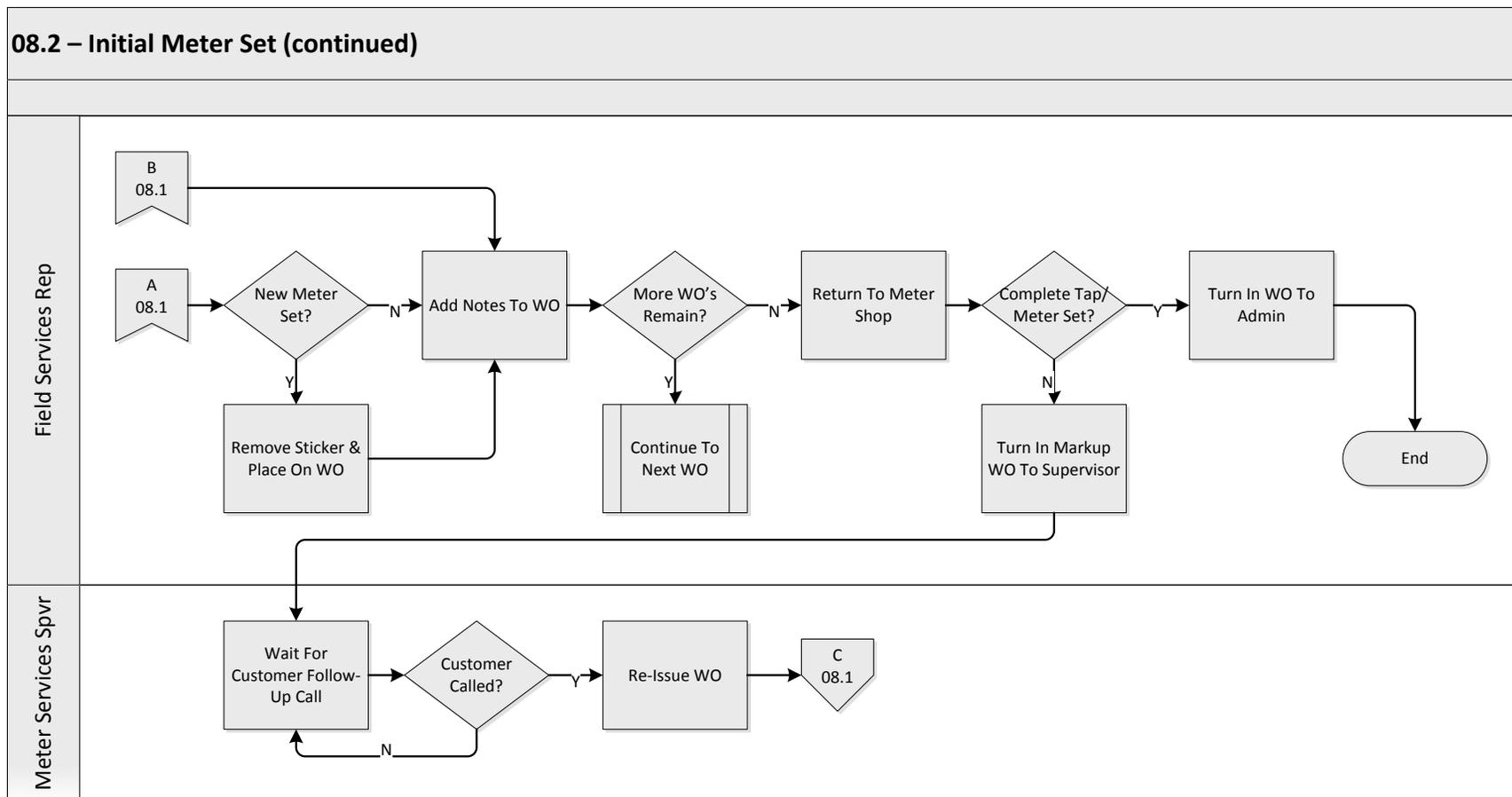


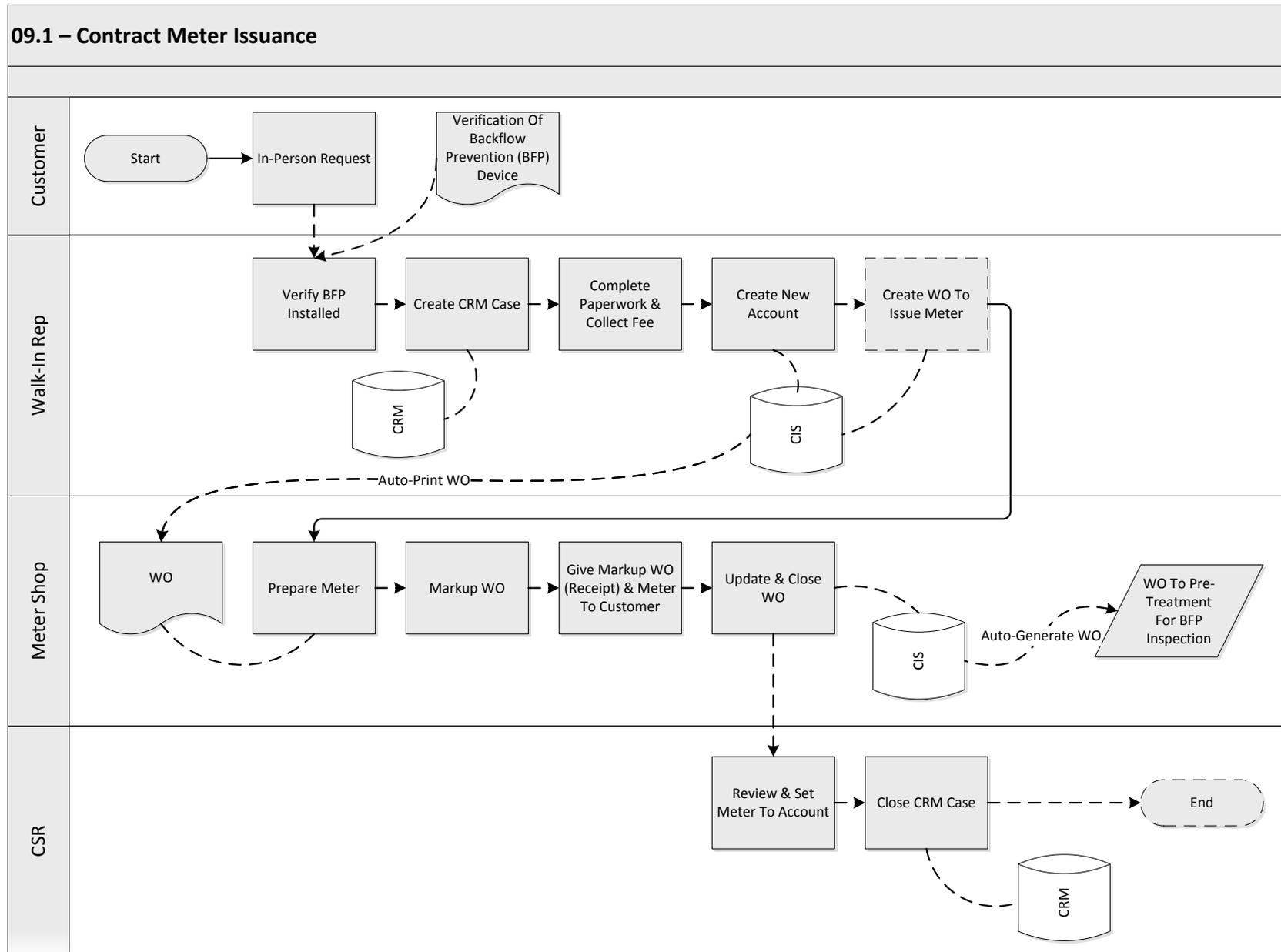


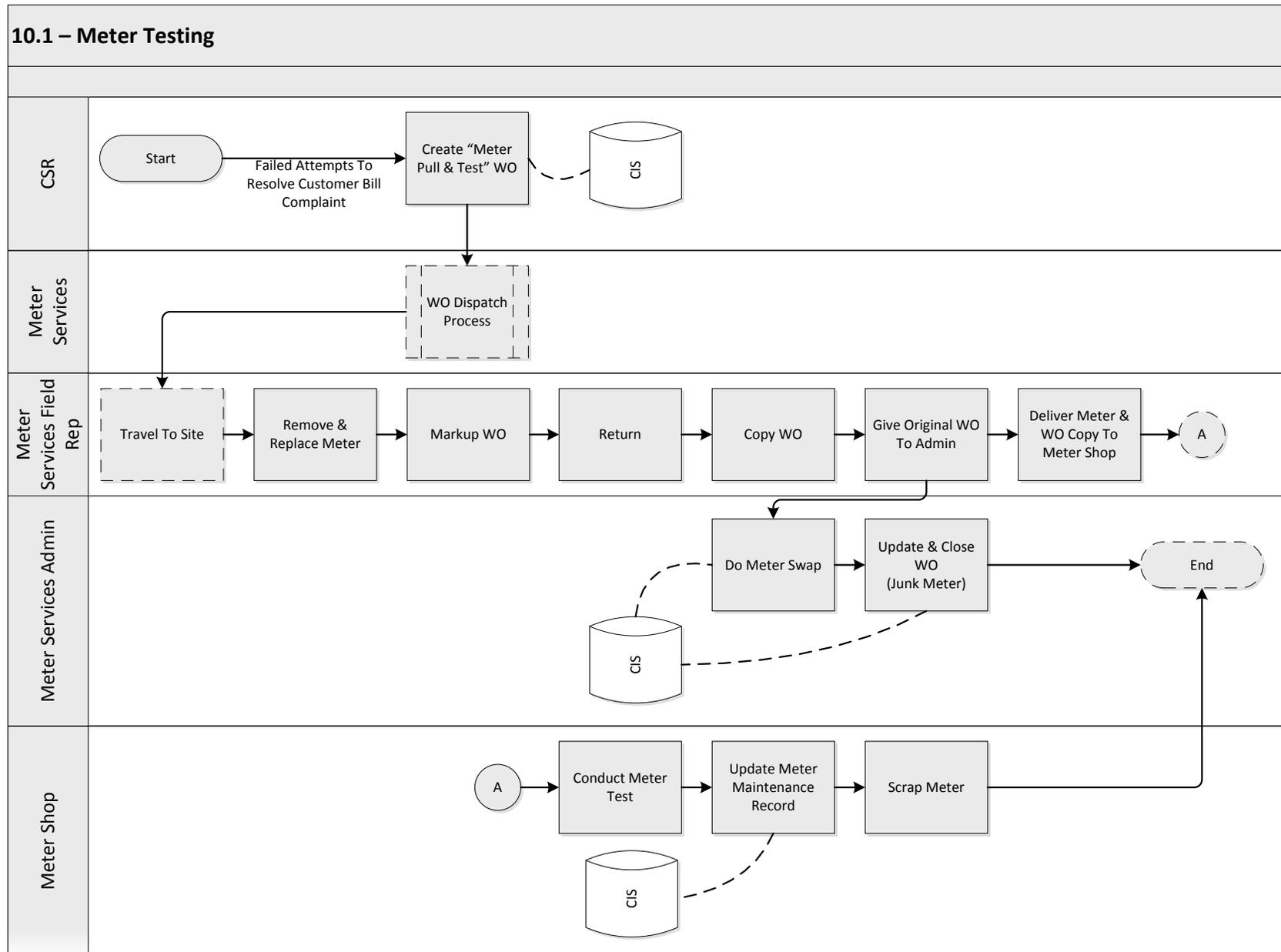


08.1 – Initial Meter Set

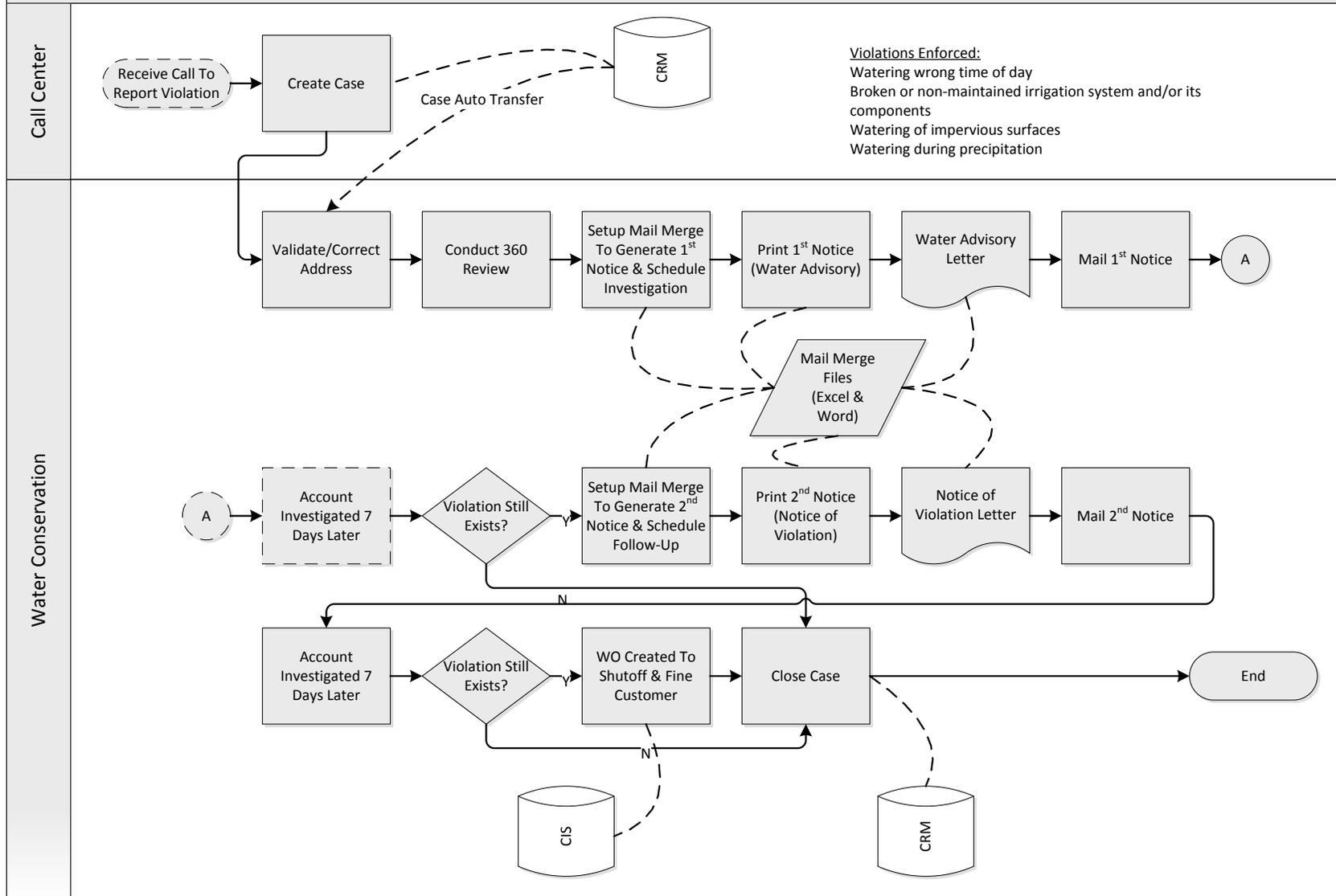








11.1 – Water Violation (Conservation)



Guidance for the Preparation of Drinking Water Project Engineering Feasibility Reports

This guidance was prepared to assist applicants in providing engineering data needed in support of the **financial assistance application** to the Texas Water Development Board for all drinking water supply projects except for Economically Distressed Areas Program (EDAP) projects. EDAP applicants must follow directives from the EDAP Facility Engineering Plan/Scope of Services.

- Applicants under the Pre-design Funding (PDF) option are required to submit a **Preliminary Engineering Feasibility Report (PEFR)** as detailed in D1 of the financial assistance application (see TWDB on-line financial assistance application TWDB-0148, http://www.twdb.state.tx.us/assistance/financial/fin_assistance/). During the planning phase of the project these applicants must provide the material in this guidance, or a report that contains similar details. Note: applicants that have already completed detailed planning can submit a complete DW-002 with the application in lieu of a PEFR.
- Applications not proceeding under the PDF option must provide the material in this guidance, or a report that contains similar details as part of the application.
- Sections II (facilities purchase) and III (reservoirs) may be required as part of the application where applicable.

This guidance is consistent with the following Texas Administrative Code (TAC) rules:

- ◆ 31 TAC 371 of the Texas Water Development Board's (TWDB) Drinking Water State Revolving Fund Rules
 - Chapter 371.13 – Pre-Design Funding Option
 - Chapter 371.60 – Engineering Feasibility Report
- ◆ 31 TAC 363 TWDB's Financial Assistance Program
 - Chapter 363.13 – Preliminary Engineering Feasibility Data
 - Chapter 363.16 – Pre-design Funding Option of the Board rules
- ◆ 31 TAC 384 TWDB's Rural Water Assistance Fund
 - Chapter 384.23 – Pre-design Funding Option
- ◆ The guidance also reflects requirements of 30 TAC 290, Rules and Regulations for Public Drinking Water.

To obtain information on these or any other rules see the TAC rules on line at: <http://www.sos.state.tx.us/tac/index.shtml> Open the link, "View the current TAC".

Use of this guidance will assist applicants to address all relevant issues concerning the planning of all projects, except EDAP projects, in the planning period. However, TWDB approval does not negate the need for permits required by the TCEQ or any other agencies. The Engineering Feasibility Report shall bear the signed and dated seal of the registered professional engineer responsible for the design.

Please submit 4 copies of the Engineering Feasibility Report with the application for financial assistance.

Table of Contents

I. ENGINEERING FEASIBILITY REPORT	3
(A) Description of the Existing System Along with Problem(s).....	3
(B) Projected Needs	3
(C) Demands	3
(D) Alternatives.....	3
(F) New Sources.....	4
(G) Site	4
(H) Treatment	4
(I) Design Data	4
(J) Adequacy	4
(K) Operations and Maintenance	4
(L) Schedule.....	5
(M) Permits Approvals, and Contracts	5
(N) Additional Information.....	5
(O) Project Budget.....	5
II. PURCHASES OF FACILITIES	5
III. WATER SUPPLY RESERVOIR PROJECTS.....	5
IV. COST OF THE PROJECT	7

I. Engineering Feasibility Report

Smaller systems proposing substantial improvements to a system should address all of the outlined issues below as applicable. Larger utilities addressing a particular portion of the system should include enough information to provide a detailed description of the need for the improvements and proposed solutions within the context of the larger system. The EFR should address the following issues:

(A) Description of the Existing System Along with Problem(s)

- a. Description of existing water supply facilities with information on type of treatment, capacity of facilities and adequacy with regard to water delivery and system pressure.
- b. Existing water source(s), with quantity and quality of water available.
- c. Distribution System – discuss the condition of the distribution system, age, pressures, leakage. If water losses in the system exceed 20%, explain specifically what the community is doing to address the issue. Explain how the project addresses water loss.
- d. A discussion of any operational problems, at the water supply, treatment, or within the transmission and distribution system.
- e. A discussion of any applicable EPA or TCEQ enforcement actions.
- f. Discussion of any violations of primary or secondary drinking water standards along with physical deficiencies of the system.
- g. Maps – provide adequate maps to locate existing facilities and service areas.

(B) Projected Needs – Present and future areas to be served, with population data and water demands.

- a. The domestic population of the area to be served (present through 20-year projection) and the design population of the project.
- b. Industrial, commercial and other water needs must be reflected in the projections (describe the method).
- c. Projections should describe existing service area, expanded service area for the future as well as any community to receive service from the system by contract or consolidation. Note: DWSRF projects cannot be primarily to fund growth for a community.
- d. Planning Horizon – The plan should describe and justify the chosen planning horizon. Typically communities plan for the 20-year needs (or match the term of the funding). Major line work can at times require greater planning horizons. High growth areas can at times require phasing of facilities to fit five or ten-year needs.
- e. Describe current per capita water use along with projected water use/needs.
- f. Historical trends in population and water use may be helpful to explain needs.
- g. TWDB projections – projections should agree with TWDB water plan projections. Where local data is different, provide an explanation of procedures, methodologies and underlying assumptions employed in the formulation for those estimates.

(C) Demands – Present and estimated future maximum and minimum water quantity demands. This should include the maximum daily needs along with average annual needs.

(D) Alternatives – Provide a description of the alternatives considered and reasons for the selection of the project proposed. In some cases the available alternatives are few. Where

major new systems are proposed, a present worth cost analysis may be warranted or required.

(E) Where a number of alternatives exist:

- a. The selection of a system must be fully described and reasons for the selection clearly outlined. The selection process should include evaluation of appropriate technologies and full consideration if their costs for the specific project and the environmental compatibility of the project. See Instruction for Preparing an Environmental Information Document SRF-099 in the TWDB website, <http://www.twdb.state.tx.us/assistance/financial/resources/index.asp>
- b. A suggested method of outlining alternative project costs is the Present Worth Method. Present worth is the sum which, if invested now at a given interest rate (DWSRF projects utilize EPA's discount rate *) would provide exactly the funds required to pay for all present and future costs. Total project cost, used to compare alternatives, is the sum of the initial capital cost, plus the present worth of operation, maintenance, and repair (OM&R) costs, minus the present worth of the salvage value at the end of the 20-year planning period. A detailed present worth analysis may be required where the project involves the construction of major new facilities.
- c. State Water Plan – In some instances the projects described in the State Water Plan involved a detailed analysis of alternatives during the creation of the Regional Water Plan. In many of these instances the EFR simply will be a restatement or update of these materials.

(F) New Sources – Where future needs exceed existing supplies, describe the source (or sources), with quantity and quality of water available. This should include a discussion of the adequacy of the supply in drought. The supply must agree with the State Water Plan.

(G) Site - Description of proposed site and surroundings for the water works facilities.

- a. Provide adequate mapping to describe the locations and layout of proposed facilities.
- b. Detail the location of any existing infrastructure that affects the ability to locate water facilities in the area.
- c. Indicate flood plain location, required buffers and easements.

(H) Treatment - Type of treatment, equipment, and capacity of facilities.

(I) Design Data - Basic design data, including pumping capacities, water storage and flexibility of system operation under normal and emergency conditions.

(J) Adequacy - Adequacy of the facilities with regard to delivery capacity and pressure throughout the system.

(K) Operations and Maintenance – Provide a discussion of the affect of the proposed project on the operation and maintenance budget for the owner.

(L) Schedule – Provide a project schedule that includes:

- a. loan closing date;
- b. date for completion of environmental review and finding;
- c. date for Start of first construction contract;
- d. date for completion of final construction contract; and
- e. # of construction contracts proposed.

(M) Permits Approvals, and Contracts – Discuss the status of any required permits, approvals and/or contract for the project.

(N) Additional Information – The applicant is encouraged to attach any additional information that provides essential information shaping the proposed project. Also, the TWDB may request additional information as procedures require.

(O) Project Budget - Current estimated cost and allocation of costs to each project element including engineering, legal and other fees.

II. Purchases of Facilities

Additional Engineering Feasibility Report information requested involving purchases of facilities:

1. inventory and current valuation of facilities to be purchased;
2. general description of the capacities and capabilities of the facilities;
3. historical operating and maintenance records;
4. information on 100-year flood plain and development in the project area; and a
5. demonstration that facilities were constructed in a manner consistent with all applicable environmental laws and regulations.

III. Water Supply Reservoir Projects

Requested additional Engineering Feasibility Report Information for water supply reservoir projects:

1. an area map showing estimated acreage to be acquired and proposed take-line'
2. project delineated on a topographic quad sheet with normal, 100-year and maximum probable design water surfaces indicated'
3. proposed conservation, sediment, flood control and other storage capacities with corresponding areas and elevations;
4. yield of the project based on efficiency, economics, environmental concerns, 10- to 30-year needs, and expected firm annual yield as proposed;
5. expected quality of water to be impounded;
6. existing water rights and purposes of use affected by the project;
7. estimated total land acquisition cost including provision for projected appraisal, title search, legal and other associated costs;
8. description of all improvements (including roads, cemeteries, railroads, and public utilities) to be relocated or protected in the project area;
9. letters, agreements, or other evidence from owners and/or responsible entities on improvements to be relocated or protected stating their position on acceptable means for such relocation or protection and the estimated cost'

10. proposed recreational development and management plan, including anticipated buildup in demand, initial facilities to be provided and proposed are to be dedicated to recreational use; and
11. geologic evaluation of the site accompanied by drilling logs showing sufficient details to indicate that a suitable development site has been selected

(*) Contact your TWDB Review Engineer for the current EPA discount rate to be utilized in a Present Worth Analysis for DWSRF projects

The Project Budget form (TWDB-1201) below is available to complete or download online at:
<http://www.twdb.state.tx.us/assistance/financial/resources/index.asp>
(Use Ctrl+F on your keyboard to find TWDB-1201)

IV. Cost of the Project (31 TAC 363.13)

1. Provide the total cost for each project or project phase in the following format:

PROJECT BUDGET (TWDB-1201)						
Uses	TWDB Funds Series 1	TWDB Funds Series 2	TWDB Funds Series 3	Total TWDB Cost	Other Funds	Total Cost
Construction						
Construction	\$1,000	\$1,000	\$1,000	\$3,000	\$1,000	\$4,000
Subtotal Construction	\$1,000	\$1,000	\$1,000	\$3,000	\$1,000	\$4,000
Basic Engineering Fees						
Planning +	\$1,000	\$1,000	\$1,000	\$3,000	\$1,000	\$4,000
Design	\$0	\$0	\$0	\$0	\$0	\$0
Construction Engineering	\$0	\$0	\$0	\$0	\$0	\$0
Basic Engineering Other **	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Basic Engineering Fees	\$1,000	\$1,000	\$1,000	\$3,000	\$1,000	\$4,000
Special Services						
Application	\$1,000	\$1,000	\$1,000	\$3,000	\$1,000	\$4,000
Environmental	\$0	\$0	\$0	\$0	\$0	\$0
Water Conservation Plan	\$0	\$0	\$0	\$0	\$0	\$0
I/I Studies/Sewer Evaluation	\$0	\$0	\$0	\$0	\$0	\$0
Surveying	\$0	\$0	\$0	\$0	\$0	\$0
Geotechnical	\$0	\$0	\$0	\$0	\$0	\$0
Testing	\$0	\$0	\$0	\$0	\$0	\$0
Permits	\$0	\$0	\$0	\$0	\$0	\$0
Inspection	\$0	\$0	\$0	\$0	\$0	\$0
O&M Manual	\$0	\$0	\$0	\$0	\$0	\$0
Project Management (by engineer)	\$0	\$0	\$0	\$0	\$0	\$0
Pilot Testing	\$0	\$0	\$0	\$0	\$0	\$0
Water Distribution Modeling	\$0	\$0	\$0	\$0	\$0	\$0
Special Services Other **	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Special Services	\$1,000	\$1,000	\$1,000	\$3,000	\$1,000	\$4,000
Other						
Administration	\$1,000	\$1,000	\$1,000	\$3,000	\$1,000	\$4,000
Land/Easements Acquisition	\$0	\$0	\$0	\$0	\$0	\$0
Water Rights Purchase (If Applicable)	\$1,000	\$1,000	\$1,000	\$3,000	\$1,000	\$4,000
Capacity Buy-In (If Applicable)	\$0	\$0	\$0	\$0	\$0	\$0
Project Legal Expenses	\$0	\$0	\$0	\$0	\$0	\$0
Other **	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Other Services	\$1,000	\$1,000	\$1,000	\$3,000	\$1,000	\$4,000

Fiscal Services						
Financial Advisor	\$1,000	\$1,000	\$1,000	\$3,000	\$1,000	\$4,000
Bond Counsel	\$0	\$0	\$0	\$0	\$0	\$0
Issuance Cost	\$0	\$0	\$0	\$0	\$0	\$0
Bond Insurance/Surety	\$0	\$0	\$0	\$0	\$0	\$0
Fiscal/Legal	\$0	\$0	\$0	\$0	\$0	\$0
Capitalized Interest	\$0	\$0	\$0	\$0	\$0	\$0
Bond Reserve Fund	\$0	\$0	\$0	\$0	\$0	\$0
Loan Origination Fee	\$0	\$0	\$0	\$0	\$0	\$0
Other **	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Fiscal Services	\$1,000	\$1,000	\$1,000	\$3,000	\$1,000	\$4,000
Contingency						
Contingency	\$20	\$20	\$20	\$20	\$20	\$20
Subtotal Contingency	\$20	\$20	\$20	\$20	\$20	\$20
TOTAL COSTS	\$5,020	\$5,020	\$5,020	\$15,020	\$5,020	\$20,020

Other ** description must be entered

+ For Planning applications under the **EDAP Program**, please break down Planning costs as follows:

Category A			0
Category B			0
Category C			0
Category D			0
Total Planning Costs			0

2. Provide a project schedule outlining projected target dates including but not limited to the following:
 - a) submit application for a Board loan commitment,
 - b) submit plans and specifications for TWDB approval,
 - c) advertise for bids on contract(s),
 - d) open bids and contingently execute contract(s), and
 - e) include time, as necessary, for unforeseen delays to obtain easements for land, buffer zones, or right-of-way easements.

3. Provide an estimate of the total cost of the project per connection, including debt retirement and operation and maintenance costs. Include a comparison of existing costs per connection to the projected cost per connection.

If the Environmental Assessment is to be included within the Engineering Feasibility Report, provide the information required in the *Guidelines for the Preparation of Environmental Assessments, ED-001*.

References

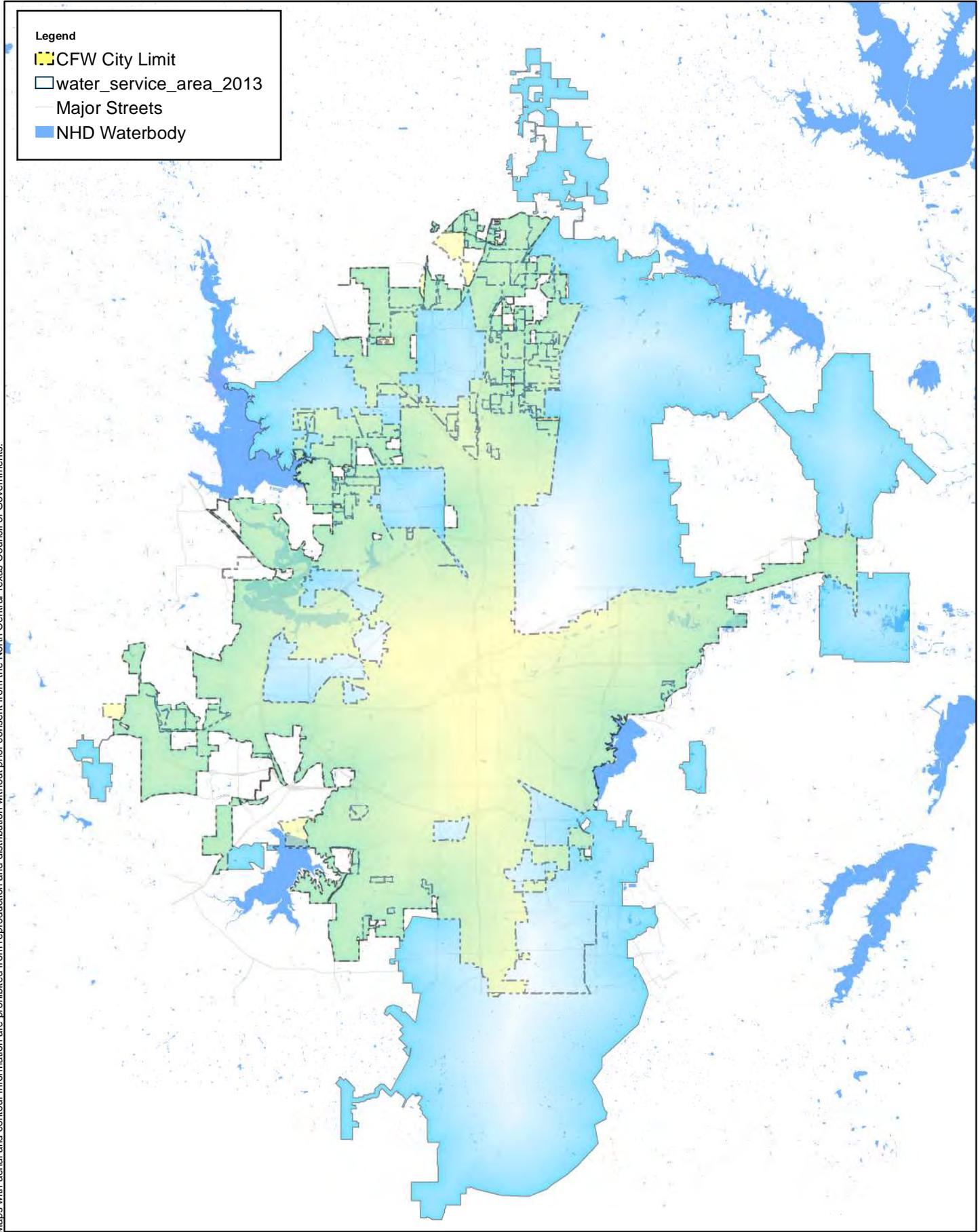
Rules as listed on page 1 of this guidance.

Guidelines for the Preparation of Environmental Assessments, ED-001.



Legend

- CFW City Limit
- water_service_area_2013
- Major Streets
- NHD Waterbody



For general purpose only. Contact City of Fort Worth Transportation and Public Works at 817-392-8426 to get plan information for design or construction purposes. Maps with aerial and contour information are prohibited from reproduction and distribution without prior consent from the North Central Texas Council of Governments.

\\wms01\Water\Public\TWD\B\TWD\B SWIFT Loan_AML_2015\Map\Service Area\Map.mxd (Indors) 05/06/2015

0 15,000 30,000 Feet

NAD 1983 StatePlane Texas North Central FIPS 4202 Feet

City of Fort Worth Service Area - Census Tract

Number

203.06	1134.07	1130.01	1110.08	1017	1115.53	1050.06
203.07	1134.08	1130.02	1113.01	1020	1135.13	1054.03
203.08	1112.02	1026.02	1002.02	1054.06	1135.14	1065.02
203.09	1036.01	1139.21	1003	1054.04	1136.07	1065.03
203.10	1036.02	1138.15	1004	1024.02	1136.10	1065.07
203.05	1216.06	1138.16	1005.01	1052.03	1136.11	1065.09
203.03	1216.09	1138.12	1005.02	1052.01	1136.29	1131.14
1302.04	1132.21	1138.13	1006.01	1052.05	1137.03	1065.18
1302.05	1132.20	1111.03	1006.02	1052.04	1137.05	1065.17
1304.05	1139.23	1141.03	1007	1139.22	1137.07	1110.16
1302.08	1139.25	1141.04	1055.11	1139.18	1136.12	1065.10
1302.07	1139.24	1132.15	1055.12	1047.01	1136.13	1065.11
1304.09	1131.02	1132.16	1055.08	1137.11	1136.19	1065.12
1304.10	1131.08	1132.17	1056	1021	1138.03	1065.13
1304.06	1037.01	1132.18	1055.10	1022.01	1138.08	1065.14
1302.14	1037.02	1133.01	1055.03	1022.02	1138.09	1065.15
1303.03	1046.01	1133.02	1234	1027	1138.10	1112.04
1302.11	1046.02	1134.03	1235	1028	1138.11	1110.18
1302.15	1046.03	1064	1236	1109.07	1139.06	1055.13
1303.04	1046.05	1110.05	1230	1110.12	1139.07	1055.14
1302.10	1060.01	1111.02	1233	1023.01	1139.08	1065.16
1302.12	1115.29	1110.13	1008	1109.06	1139.09	1066
1302.13	1139.19	1057.03	1009	1055.02	1139.10	1067
1407.03	1048.04	1110.03	1012.01	1023.02	1139.11	1101.01
1407.04	1139.27	1058	1012.02	1109.05	1139.12	1101.02
1407.06	1139.29	1114.04	1013.01	1055.07	1114.08	1115.46
1050.07	1139.28	1114.05	1013.02	1136.32	1045.04	1506.03
1139.26	1108.07	1115.32	1014.01	1136.31	1045.05	
1050.08	1108.08	1115.06	1057.04	1138.14	1046.04	
1140.08	1026.01	1115.26	1054.05	1131.13	1049	
1059.02	1132.06	1142.06	1110.11	1131.16	1139.16	
1047.02	1132.07	1108.06	1025	1035	1140.03	
1048.03	1132.10	1142.07	1024.01	1038	1140.05	
1111.04	1132.12	1106	1109.03	1042.01	1140.06	
1102.02	1132.13	1001.01	1232	1135.10	1141.02	
1102.03	1132.14	1001.02	1059.01	1135.11	1142.05	
1102.04	1060.02	1002.01	1108.09	1044	1216.01	
1103.01	1060.04	1045.03	1112.03	1107.04	1110.15	
1103.02	1061.01	1045.02	1110.17	1107.03	1108.05	
1104.01	1061.02	1048.02	1140.07	1109.01	1139.20	
1104.02	1062.01	1057.01	1014.02	1110.10	1139.17	
1105	1062.02	1043	1014.03	1055.05	1137.09	
1134.04	1063	1042.02	1015	1107.01	9800	
1134.05	1115.45	1041	1231	1115.52	1050.01	

POPULATION ESTIMATES - WATER

	(a) NCTCOG Estimate 2015 Population AS OF 1/1/15	(b) % Served	NCTCOG Estimate 2015 Population Served AS OF 1/1/15
(f) Aledo	3,210	80.0%	2,568
Benbrook	21,910	0.0%	0
(c) Bethesda	30,363	70.0%	21,254
Burleson	41,280	100.0%	41,280
Crowley	14,130	95.0%	13,424
Dalworthington Gardens	2,320	60.0%	1,392
(d) DFW Airport	0	33.0%	0
Edgecliff Village	2,870	100.0%	2,870
Everman	6,110	0.0%	0
Forest Hill	12,380	100.0%	12,380
Fort Worth	792,720	100.0%	792,720
Grand Prairie	182,610	8.0%	14,609
Haltom City	42,640	100.0%	42,640
Haslet	1,660	100.0%	1,660
Hurst	38,340	95.0%	36,423
Keller	42,890	100.0%	42,890
Kennedale	7,130	25.0%	1,783
Lake Worth	5,000	84.0%	4,200
North Richland Hills	66,300	64.0%	42,432
Northlake	2,160	76.0%	1,642
Richland Hills	7,920	100.0%	7,920
River Oaks	7,270	0.0%	0
Roanoke	7,200	100.0%	7,200
Saginaw	20,480	100.0%	20,480
Sansom Park	4,680	0.0%	0
Southlake	27,710	100.0%	27,710
TRA	0	0.0%	0
Tradition	0	0.0%	0
Trophy Club	10,690	85.0%	9,087
Watauga	23,590	100.0%	23,590
Waterchase	0	100.0%	0
Westlake	1,120	100.0%	1,120
(e) Westover Hills	690	100.0%	690
Westworth Village	2,570	100.0%	2,570
White Settlement	16,740	55.0%	9,207
Total	1,446,683		1,185,739

(a) Population Estimate is as of 1/1/14 from NCTCOG website at <http://www.nctcog.org/ris/demographics/popula>

(b) Water Service percentages were calculated from Appendix C in Exhibit A: Land Use Assumptions, Water Fac

(c) Bethesda 2013 population from Appendix C in Exhibit A: Land Use Assumptions, Water Facilities, 2013-2033

Projected Population and Water Demand

	Population			Water Demand (Average Day MGD)			Water Demand (Maximum Day MGD)		
	2015	2023	2033	2015	2023	2033	2015	2023	2033
City of Fort Worth	792,720	1,033,754	1,302,156	147	191	241	264	344	434
Wholesale Customers	393,019	450,163	521,814	73	83	97	131	150	174
TOTAL	1,185,739	1,483,917	1,823,970	219	275	337	395	494	607

Population information from NCTCOG, the Fort Worth Planning and Development Department and Wholesale Customer Surveys

Projected Population and Maximum Day Water Demand

	Population			Water Demand (Maximum Day MGD)		
	2015	2023	2033	2015	2023	2033
City of Fort Worth	792,720	1,033,754	1,302,156	264	344	434
Wholesale Customers	393,019	450,163	521,814	131	150	174
TOTAL	1,185,739	1,483,917	1,823,970	395	494	607
Annual Growth Rate*	--	2.70%	2.10%	--	2.00%	1.50%

*Annual Growth Rate is based on information from NCTCOG, the Fort Worth Planning and Development Department and Wholesale Customer Surveys

PROJECT BUDGET - Entity Name - City of Fort Worth, Texas TWDB-1201						
Uses	TWDB Funds Series 1	TWDB Funds Series 2	TWDB Funds Series 3	Total TWDB Cost	Other Funds	Total Cost
Construction						
Construction	\$57,932,000	\$0	\$0	\$57,932,000	\$0	\$57,932,000
Subtotal Construction	\$57,932,000	\$0	\$0	\$57,932,000	\$0	\$57,932,000
Basic Engineering Fees						
Planning +	\$1,000,000	\$0	\$0	\$1,000,000	\$0	\$1,000,000
Design	\$0	\$0	\$0	\$0	\$0	\$0
Construction Engineering	\$0	\$0	\$0	\$0	\$0	\$0
Basic Engineering Other **	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Basic Engineering Fees	\$1,000,000	\$0	\$0	\$1,000,000	\$0	\$1,000,000
Special Services						
Application	\$0	\$0	\$0	\$0	\$0	\$0
Environmental	\$0	\$0	\$0	\$0	\$0	\$0
Water Conservation Plan	\$0	\$0	\$0	\$0	\$0	\$0
I/I Studies/Sewer Evaluation	\$0	\$0	\$0	\$0	\$0	\$0
Surveying	\$0	\$0	\$0	\$0	\$0	\$0
Geotechnical	\$0	\$0	\$0	\$0	\$0	\$0
Testing	\$0	\$0	\$0	\$0	\$0	\$0
Permits	\$0	\$0	\$0	\$0	\$0	\$0
Inspection	\$0	\$0	\$0	\$0	\$0	\$0
O&M Manual	\$0	\$0	\$0	\$0	\$0	\$0
Project Management (by engineer)	\$48,000	\$0	\$0	\$48,000	\$0	\$48,000
Pilot Testing	\$12,000,000	\$0	\$0	\$12,000,000	\$0	\$12,000,000
Water Distribution Modeling	\$0	\$0	\$0	\$0	\$0	\$0
Special Services Other **	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Special Services	\$12,048,000	\$0	\$0	\$12,048,000	\$0	\$12,048,000
Other						
Administration	\$0	\$0	\$0	\$0	\$0	\$0
Land/Easements Acquisition	\$0	\$0	\$0	\$0	\$0	\$0
Water Rights Purchase (If Applicable)	\$0	\$0	\$0	\$0	\$0	\$0
Capacity Buy-In (If Applicable)	\$0	\$0	\$0	\$0	\$0	\$0
Project Legal Expenses	\$0	\$0	\$0	\$0	\$0	\$0
Other **	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Other Services	\$0	\$0	\$0	\$0	\$0	\$0
Fiscal Services				\$3,500,000		
Financial Advisor	\$45,000	\$0	\$0	\$0	\$0	\$0
Bond Counsel	\$42,000	\$0	\$0	\$42,000	\$0	\$42,000
Issuance Cost	\$240,000	\$0	\$0	\$240,000	\$0	\$240,000
Bond Insurance/Surety	\$0	\$0	\$0	\$0	\$0	\$0
Fiscal/Legal	\$0	\$0	\$0	\$0	\$0	\$0
Capitalized Interest	\$0	\$0	\$0	\$0	\$0	\$0
Bond Reserve Fund	\$3,173,000	\$0	\$0	\$3,173,000	\$0	\$3,173,000
Loan Origination Fee	\$0	\$0	\$0	\$0	\$0	\$0
Other **	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Fiscal Services	\$3,500,000	\$0	\$0	\$3,500,000	\$0	\$3,500,000
Contingency						
Contingency (2%)	\$1,520,000	\$0	\$0	\$1,520,000	\$0	\$1,520,000
Subtotal Contingency	\$1,520,000	\$0	\$0	\$1,520,000	\$0	\$1,520,000
TOTAL COSTS	\$76,000,000	\$0	\$0	\$76,000,000	\$0	\$76,000,000

Other ** description must be entered

+ For Planning applications under the EDAP Program, please break down Planning costs as follows:

Category A			0
Category B			0
Category C			0
Category D			0
Total Planning Costs		0	0

Texas Water Development Board Water Project Information							
A. Project Name		B. Project No.		C. County		D. Regional Planning Group (A-P)	
E. Program(s)		F. Loan <input type="checkbox"/> / Grant <input type="checkbox"/> Amount:		G. Loan Term:			
H. Water Project Description: (Multiphase project, new or expansion; plant, well, storage, pump station, distribution system, etc)							
Attach map of service area affected by Project or other documentation.							
I. Is an Inter Basin Transfer potentially involved? Yes <input type="checkbox"/> No <input type="checkbox"/>				J. Is project located in a Groundwater District (If yes, identify District by name)? Yes <input type="checkbox"/> No <input type="checkbox"/>			
K. Projected Population from application for at least a 20 year period. Attach justification and list service area populations if different from Planning Area.	Year	Reference Year	2010	2020	2030	2040	
	Population Projection						
Project Design Year				Design Population			
L. Is the proposed project included in a current Regional Water Plan? Yes <input type="checkbox"/> No <input type="checkbox"/> Don't Know <input type="checkbox"/> (If Yes, please specify on what page in the Regional Water Plan - Regional Water Plan Page Number: _____)							
M. What type of water source is associated directly with the proposed project? Surface Water <input type="checkbox"/> Groundwater <input type="checkbox"/> Reuse <input type="checkbox"/>							
N. Will the project increase the volume of water supply? Yes <input type="checkbox"/> No <input type="checkbox"/>							
O. What volume of water is the project anticipated to deliver/ treat per year? _____ Acre-Feet/Year							
P. Current Water Supply Information							
Surface Water Supply Source / Provider Names		Certificate No.		Source County		Annual Volume and Unit	
Groundwater Source Aquifer		Well Field location		Source County		Annual Volume and Unit	
Q. Proposed Water Supply Associated Directly with the Proposed Project							
Surface Water Supply Source / Provider Names		Certificate No.		Source County		Annual Volume and Unit	
Groundwater Source Aquifer		Well Field location:		Source County		Annual Volume and Unit	
R. Consulting Engineer Name			Telephone No.		E-mail address		
S. Applicant Contact Name, Title			Telephone No.		E-mail address		

E69. For multi-year funding request or phased commitments, provide a schedule reflecting the closing dates for each loan requested.

The City of Fort Worth is requesting \$76,000,000.00 for an Advanced Metering Infrastructure, AMI, program. The AMI program is a five year multi-year phased program. The program years are:

Phase I - CY 2016 - \$1,000,000.00
Phase II - CY 2017 - \$12,000,000.00
Phase III - CY 2018 - \$30,000,000.00
Phase IV - CY 2019 - \$27,000,000.00
Phase V - CY 2020 - \$6,000,000.00

Fort Worth request two separate closing dates. The first closing date request is November 2015 in the amount of \$13,000,000.00 for the first two phases of the AMI program. The second closing date will be November or December 2017 in the amount of \$ 63,000,000.00 for phases III through V.

ORDINANCE NO. ____-0_-2015

TWENTY-SEVENTH SUPPLEMENTAL ORDINANCE AUTHORIZING THE
ISSUANCE AND SALE OF CITY OF FORT WORTH, TEXAS
WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2015B,
IN THE AGGREGATE PRINCIPAL AMOUNT OF \$__,000,000;
APPROVING THE SALE OF THE BONDS TO THE TEXAS WATER DEVELOPMENT
BOARD; REPEALING ALL ORDINANCES IN CONFLICT HEREWITH; AND PROVIDING
THAT THIS ORDINANCE SHALL BE IN FORCE AND EFFECT FROM AND AFTER THE
DATE OF ITS PASSAGE

THE STATE OF TEXAS :
COUNTIES OF TARRANT, DENTON, PARKER, JOHNSON AND WISE :
CITY OF FORT WORTH :

WHEREAS, the City of Fort Worth, Texas (the "City" or the "Issuer"), a "home-rule" city operating under a home-rule charter adopted pursuant to Section 5 of Article XI of the Texas Constitution, with a population according to the latest federal decennial census of in excess of 50,000, has established and currently owns and operates a combined waterworks and sanitary sewer system (the "System"); and

WHEREAS, the City heretofore has established the City of Fort Worth, Texas Water and Sewer System Revenue Financing Program for the purpose of providing a financing structure for revenue supported indebtedness of the System; and

WHEREAS, said Program was established pursuant to the terms of a "Master Ordinance Establishing the City of Fort Worth, Texas Water and Sewer System Revenue Financing Program" (the "Master Ordinance"); and

WHEREAS, unless otherwise defined herein, terms used herein shall have the meaning given in the Master Ordinance; and

WHEREAS, the Master Ordinance authorizes revenue supported indebtedness to be issued, incurred or assumed pursuant to the terms of supplemental ordinances (any such ordinance being a "Supplement"); and

WHEREAS, pursuant to the terms of the Master Ordinance, the City has adopted twenty-six Supplements (designated as the "First Supplement", "Second Supplement", "Third Supplement", "Fourth Supplement", "Fifth Supplement", "Sixth Supplement", "Seventh Supplement", "Eighth Supplement", "Ninth Supplement", "Tenth Supplement", "Eleventh Supplement", "Twelfth Supplement", "Thirteenth Supplement", "Fourteenth Supplement", "Fifteenth Supplement", "Sixteenth Supplement", "Seventeenth Supplement", "Eighteenth

Supplement", "Nineteenth Supplement", "Twentieth Supplement", "Twenty-First Supplement", "Twenty-Second Supplement", "Twenty-Third Supplement", "Twenty-Fourth Supplement", "Twenty-Fifth Supplement" and "Twenty-Sixth Supplement", respectively, and the "Prior Supplements", collectively) pursuant to which (i) the City of Fort Worth, Texas Water and Sewer System Revenue Refunding Bonds, Series 1991A and Series 1991B, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding Bonds, Series 1993, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 1996, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 1997, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 1998, the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2000, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2000B, the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2001, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2003, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding Bonds, Series 2003A, the City of Fort Worth, Texas Water and Sewer System Auction Rate Revenue Bonds, Series 2004, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2005, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding Bonds, Series 2005A, the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2007, the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2008, the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2009, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding Bonds, Series 2010, the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2010A, the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2010B, the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2010C, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2011, the City of Fort Worth, Texas Water and Sewer System Revenue Refunding Bonds, Series 2012 and the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2014 were issued, (ii) the City entered into two respective ISDA Master Agreements (referred to herein as the "Swap Agreements"), one with Lehman Brothers Special Financing Inc., and the other with GBDP, L.P. and (iii) the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2015 and the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2015A have been authorized to be sold and are pending delivery to the purchasers thereof; and

WHEREAS, the aforesaid Series 1991A Bonds, Series 1991B Bonds, Series 1993 Bonds, Series 1996 Bonds, Series 1997 Bonds, Series 1998 Bonds, Series 2000 Bonds, Series 2000B Bonds, Series 2001 Bonds, Series 2003 Bonds, Series 2003A Bonds, Series 2004 Bonds and Series 2005 Bonds no longer are outstanding, and the aforesaid Series 2005A Bonds, Series 2007 Bonds, Series 2008 Bonds, Series 2009 Bonds, Series 2010 Bonds, Series 2010A Bonds, Series 2010B Bonds, Series 2010C Bonds, Series 2011 Bonds, Series 2012 Bonds, Series 2014 Bonds Series 2015 Bonds and Series 2015A Bonds are hereinafter referred to as the "Previously Issued Parity Bonds"; and

WHEREAS, the Swap Agreements entered into pursuant to the terms of the Fourth Supplement by their respective terms have expired, and the City has no further obligations thereunder; and

WHEREAS, the Previously Issued Parity Bonds are secured by a first lien on and pledge of the Pledged Revenues of the System; and

WHEREAS, the bonds hereinafter authorized are to be issued and delivered pursuant to Chapter 1502, Texas Government Code, and other applicable laws, for the purpose of extending and improving the City's combined water and sewer system, as further described in this Twenty-Seventh Supplement; and

WHEREAS, the Texas Water Development Board ("TWDB" or the "Board"), has committed to purchase the bonds hereinafter authorized pursuant to Subchapters G and H of Chapter 15, Texas Water Code.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FORT WORTH, TEXAS:

SECTION 1. DEFINITIONS. That in addition to the definitions set forth in the preamble of this Twenty-Seventh Supplement, the terms used in this Twenty-Seventh Supplement (except in the FORM OF BOND) and not otherwise defined shall have the meanings given in the Master Ordinance, the Prior Supplements or in Exhibit A to this Twenty-Seventh Supplement. Any references in this Twenty-Seventh Supplement to the "FORM OF BOND" shall be to the form of the Bonds as set forth in Exhibit B to this Twenty-Seventh Supplement.

Section 2. BONDS AUTHORIZED. That there shall be authorized to be issued, sold, and delivered hereunder the Bonds, payable to the respective initial registered owners thereof, or to the registered assignee or assignees of the Bonds or any portion or portions thereof, in an "Authorized Denomination". The Bonds are hereby authorized to be issued in the aggregate principal amount of \$____,000,000 for the purpose of (i) extending and improving the City's combined water and sewer system, (ii) funding a reserve fund for the Bonds, and (iii) paying the costs of issuance of the Bonds. The Bonds shall be designated as the "**City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2015B**". The extensions and improvements to the System are solely for projects that are part of the State Water Plan.

Section 3. DATES AND MATURITIES; INTEREST RATES. That the Bonds shall be dated _____ 1, 2015, shall be in any Authorized Denomination, shall be numbered consecutively from R-1 upward, shall bear interest from their date of delivery in the manner described in the FORM OF BOND at the rates per annum, payable on February 15, 2016, and on each August 15 and February 15 thereafter until maturity or prior redemption, and shall mature on February 15 in each of the years and in the amounts, respectively, as set forth in the following schedule:

YEARS

PRINCIPAL AMOUNTS (\$)

INTEREST RATES (%)

Interest on the Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. The principal of and interest on the Bonds shall be payable to the registered owner of any such Bond in the manner provided and on the dates stated in the FORM OF BOND.

Section 4. REDEMPTION. (a) Optional Redemption. That the City reserves the right to redeem the Bonds maturing on and after February 15, 2027, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, and if in part, in inverse order of maturity, on February 15, 2026, or on any date thereafter, at the redemption price of par. If less than all of the Bonds are to be redeemed by the City, the City shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot Bonds, or portions thereof, within such maturity or maturities and in such principal amounts, for redemption.

(b) General Notice. Notice of any redemption of Bonds shall be given in the following manner, to-wit, (i) a written notice of such redemption shall be given to the registered owner of each Bond or a portion thereof being called for redemption not more than sixty (60) days nor less than thirty (30) days prior to the date fixed for such redemption by depositing such notice in the United States mail, first-class postage prepaid, addressed to each such registered owner at the address shown on the Registration Books of the Paying Agent/Registrar and (ii) at least thirty (30) days prior to the date fixed for such redemption, a notice of such redemption shall either be published one time or posted electronically on the website of a financial journal or publication of general circulation in the United States of America or the State of Texas which carries as a regular feature notices of redemption of municipal bonds; provided, however, that the failure to

send, mail, or receive such notice described in clause (i) above, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond, as publication or posting of notice as described in clause (ii) above shall be the only notice actually required in connection with or as a prerequisite to the redemption of any Bonds. By the date fixed for any such redemption due provision shall be made by the City with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or the portions thereof which are to be so redeemed. If such notice of redemption is given, and if due provision for such payment is made, all as provided above, the Bonds, or the portions thereof which are to be so redeemed, thereby automatically shall be redeemed prior to their scheduled maturities, and shall not be regarded as being outstanding except for the right of the owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. The Paying Agent/Registrar shall record in the Registration Books all such redemptions of principal of the Bonds or any portion thereof. If a portion of any Bond shall be redeemed, a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any Authorized Denomination at the written request of the owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the owner upon the surrender thereof for cancellation, at the expense of the City, all as provided in this Twenty-Seventh Supplement. The maturities of Bonds to be called for redemption shall be determined by the City. The Bonds or portions to be redeemed within each such maturity shall be selected by lot or other customary random method selected by the Paying Agent/Registrar (provided that a portion of a Bond may be redeemed only in an Authorized Denomination). The City shall give written notice to the Paying Agent/Registrar of any such redemption of Bonds at least sixty (60) calendar days (or such shorter period as is acceptable to the Paying Agent/Registrar) prior to such redemption.

(c) Additional Notice. (i) In addition to the manner of providing notice of redemption of Bonds as set forth above, the Paying Agent/Registrar shall give notice of redemption of Bonds by United States mail, first-class postage prepaid, at least thirty (30) days prior to a redemption date to the MSRB and to any national information service that disseminates redemption notices. In addition, in the event of a redemption caused by an advance refunding of the Bonds, the Paying Agent/Registrar shall send a second notice of redemption to the persons specified in the immediately preceding sentence at least thirty (30) days but not more than ninety (90) days prior to the actual redemption date. Any notice sent to the MSRB or such national information services shall be sent so that they are received at least two (2) days prior to the general mailing or publication date of such notice. The Paying Agent/Registrar shall also send a notice of prepayment or redemption to the owner of any Bond who has not sent the Bonds in for redemption sixty (60) days after the redemption date.

(ii) Each redemption notice, whether required in the FORM OF BOND or otherwise by this Twenty-Seventh Supplement, shall contain a description of the Bonds to be redeemed including the complete name of the Bonds, the series, the date of issue, the interest rate, the maturity date, the CUSIP number, if any, the amounts called for redemption, the publication and mailing date for the notice, the date of redemption, the redemption price, the name of the Paying Agent/Registrar and the address at which the Bond may be redeemed including a contact person and telephone number.

(iii) All redemption payments made by the Paying Agent/Registrar to the registered owners of the Bonds shall include a CUSIP number relating to each amount paid to such registered owner.

Section 5. CHARACTERISTICS OF THE BONDS. (a) Registration, Transfer, Conversion and Exchange; Authentication. That the City shall keep or cause to be kept at the designated corporate trust office of BOKF, NA dba Bank of Texas (the "Paying Agent/Registrar"), books or records for the registration of the transfer, conversion and exchange of the Bonds (the "Registration Books"), and the City hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the City and the Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of each owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The City shall have the right to inspect at the Designated Trust Office the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. Except as otherwise provided in the FORM OF BOND, the owner of each Bond requesting a conversion, transfer, exchange and delivery of such Bond shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Bond or Bonds. Registration of assignments, transfers, conversions and exchanges of Bonds shall be made in the manner provided and with the effect stated in the FORM OF BOND. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond. An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign the "Paying Agent/Registrar's Authentication Certificate" in the form set forth in the FORM OF BOND (the "Authentication Certificate"), and, except as provided below, no such Bond shall be deemed to be issued or Outstanding unless the Authentication Certificate is so executed; the foregoing notwithstanding, the Authentication Certificate need not be executed if any such Bond is accompanied by an executed "Comptroller's Registration Certificate" in the form set forth in the FORM OF BOND. The Paying Agent/Registrar promptly shall cancel all paid Bonds and Bonds surrendered for conversion and exchange. No additional ordinances, orders, or resolutions need be passed or adopted by the governing body of the City or any other body or person so as to accomplish the foregoing conversion and exchange of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bonds in the manner prescribed herein. Pursuant to Chapter 1206, the duty of conversion and exchange of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the Authentication Certificate, the converted and exchanged Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which initially were issued and delivered pursuant to this Twenty-Seventh Supplement, approved by the Attorney General, and registered by the Comptroller of Public Accounts. As of the date this Twenty-Seventh Supplement is

approved by the City, the Designated Trust Office is the Austin, Texas corporate trust office of BOKF, NA dba Bank of Texas.

(b) Payment of Bonds and Interest. The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of, premium, if any, and interest on the Bonds, all as provided in this Twenty-Seventh Supplement. The Paying Agent/Registrar shall keep proper records of all payments made by the City and the Paying Agent/Registrar with respect to the Bonds.

(c) In General. The Bonds (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the registered owners thereof, (ii) may be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be converted and exchanged for other Bonds, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Bonds shall be payable, and (viii) shall be administered and the Paying Agent/Registrar and the City shall have certain duties and responsibilities with respect to the Bonds, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF BOND. The Bonds initially issued and delivered pursuant to this Twenty-Seventh Supplement are not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Bond issued in conversion of and exchange for any Bond or Bonds issued under this Twenty-Seventh Supplement the Paying Agent/Registrar shall execute the Authentication Certificate.

(d) Substitute Paying Agent/Registrar. The City covenants with the owners of the Bonds that at all times while the Bonds are Outstanding a competent and legally qualified entity shall act as and perform the services of Paying Agent/Registrar for the Bonds under this Twenty-Seventh Supplement, and that the Paying Agent/Registrar will be one entity. Such entity may be the City, to the extent permitted by law, or a bank, trust company, financial institution, or other agency, as selected by the City. The City reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than one hundred and twenty (120) days written notice to the Paying Agent/Registrar, to be effective not later than sixty (60) days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the City covenants that promptly it will appoint a competent and legally qualified entity to act as Paying Agent/Registrar under this Twenty-Seventh Supplement. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the City. Upon any change in the Paying Agent/Registrar, the City promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Twenty-Seventh Supplement, and a certified copy of this Twenty-Seventh Supplement shall be delivered to each Paying Agent/Registrar.

(e) Delivery Procedures. (1) The Paying Agent/Registrar for the Bonds shall act as the closing agent for the delivery of the Bonds to the TWDB, and in connection therewith, the Paying Agent/Registrar understands the Bonds are to be delivered to the TWDB using the book-entry only system provided by DTC.

(2) The City agrees to cause to be delivered to the Paying Agent/Registrar one (1) initial Bond for each maturity numbered R-1 through R-__ (the "Initial Bonds") and registered to the TWDB following the approval by the Attorney General of the State of Texas and the registration by the Comptroller of Public Accounts. Proceeds from the Bonds will be held in escrow and disbursed to the City in accordance with procedures approved by the TWDB.

Section 6. FORM OF BONDS. (a) Form of Bonds. That the form of all Bonds, including the form of the Authentication Certificate, the form of Assignment, and the form of the Comptroller's Registration Certificate to be attached only to the Bonds initially issued and delivered pursuant to this Twenty-Seventh Supplement, shall be, respectively, substantially as set forth in Exhibit B, with such appropriate variations, omissions, or insertions as are permitted or required by this Twenty-Seventh Supplement.

(b) Printing Bond Counsel Opinion and Statement of Insurance. The printer of the Bonds is hereby authorized to print on the Bonds the form of bond counsel's opinion relating to the Bonds, and is hereby authorized to print on the Bonds an appropriate statement of insurance furnished by a municipal bond insurance company providing municipal bond insurance, if any, covering all or any part of the Bonds.

Section 7. ESTABLISHMENT OF FINANCING PROGRAM AND ISSUANCE OF PARITY OBLIGATIONS. That by adoption of the Master Ordinance the City has established the City of Fort Worth, Texas Water and Sewer System Revenue Financing Program for the purpose of providing a financing structure for revenue supported indebtedness of the System. The Master Ordinance is intended to establish a master plan under which revenue supported debt of the System can be incurred. This Twenty-Seventh Supplement provides for the authorization, issuance, sale, delivery, form, characteristics, provisions of payment and redemption, and security of the Bonds, which are a series of Parity Obligations. The Master Ordinance is incorporated herein by reference and as such made a part hereof for all purposes, except to the extent modified and supplemented hereby, and the Bonds are hereby declared to be Parity Obligations under the Master Ordinance. The City hereby determines that it will have sufficient funds to meet the financial obligations of the System, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the System and to meet all financial obligations of the City relating to the System.

Section 8. PLEDGE. (a) That the Bonds are and shall be secured by and payable from a first lien on and pledge of the Pledged Revenues; and the Pledged Revenues are further pledged to the establishment and maintenance of the Debt Service Fund, and to the Reserve Fund to the extent hereinafter provided. The Bonds are and will be secured by and payable only from the Pledged Revenues, and are not secured by or payable from a mortgage or deed of trust on any properties, whether real, personal, or mixed, constituting the System.

(b) Chapter 1208 applies to the issuance of the Bonds and the pledge of the Pledged Revenues granted by the City under subsection (a) of this Section, and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while the Bonds are outstanding and unpaid such that the pledge of the Pledged Revenues granted by the City is to be subject to the filing requirements of Chapter 9, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9 and enable a filing to perfect the security interest in said pledge to occur.

Section 9. DEBT SERVICE FUND ACCOUNTS. That with respect to the Bonds no special account need be established to facilitate the payment of debt service on the Bonds.

Section 10. RESERVE FUND. That the Reserve Fund shall be funded with proceeds of the Bonds, in the amount described in the letter of instructions executed in accordance with the provisions of Section 23(c) of this Twenty-Seventh Supplement.

Section 11. INVESTMENTS. That money in the Reserve Fund created under this Twenty-Seventh Supplement shall not be invested in securities with an average aggregate weighted maturity of greater than seven years. The value of the Reserve Fund, in addition to the annual determination described in the Master Ordinance, shall be established at the time or times withdrawals are made therefrom. Investments shall be sold promptly when necessary to prevent any default in connection with the Bonds. Earnings derived from the investment of moneys on deposit in the various Funds and Accounts shall be credited to the Fund or Account from which moneys used to acquire such investment shall have come.

Section 12. FLOW OF FUNDS. That all monies in the System Fund not required for paying Operating Expenses during each month shall be applied by the City, on or before the 10th day of the following month, commencing during the months and in the order of priority with respect to the Funds and Accounts that such applications are hereinafter set forth in this Section.

(a) Debt Service Fund - To the credit of the Debt Service Fund, in the following order of priority, to-wit:

(1) such amounts, deposited in approximately equal monthly installments, commencing during the month in which the Bonds are delivered, or the month thereafter if delivery is made after the 10th day thereof, as will be sufficient, together with other amounts, if any, in the Debt Service Fund available for such purpose, to pay the interest scheduled to come due on the Bonds on the next succeeding interest payment date; and

(2) such amounts, deposited in approximately equal monthly installments, commencing during the month which shall be the later to occur of, (i) the twelfth month before the first maturity date of the Bonds, or (ii) the month in which the Bonds are delivered, or the month thereafter if delivery is made after the 10th day thereof, as will be sufficient, together with other amounts, if any, in the Debt Service Fund available for such purpose, to pay the principal (including mandatory sinking fund redemption

payments, if any) scheduled to mature or come due on the Bonds on the next succeeding principal payment date or mandatory sinking fund redemption date, as the case may be.

(b) Reserve Fund. On the date of delivery of the Bonds to the purchasers thereof, the City shall deposit to the credit of the Reserve Fund the amount described in the letter of instructions executed in accordance with the provisions of Section 23(c) of this Twenty-Seventh Supplement. Thereafter, when and so long as the Reserve Fund Obligations in the Reserve Fund are not less than the Required Reserve Amount, no deposits need be made to the credit of the Reserve Fund. When and if the Reserve Fund at any time contains less than the Required Reserve Amount due to any other cause or condition then, subject and subordinate to making the required deposits to the credit of the Debt Service Fund, commencing with the month during which such deficiency occurs, such deficiency shall be made up from the next available Pledged Revenues or from any other sources available for such purpose, in monthly installments of not less than 1/12 of the Required Reserve Amount, in the manner provided in the Master Ordinance.

Section 13. PAYMENT OF BONDS. That on or before the first scheduled interest payment date, and on or before each interest payment date and principal payment date thereafter while any Bond is Outstanding and unpaid, the City shall make available to the Paying Agent/Registrar, out of the Debt Service Fund (and the Reserve Fund, if necessary) monies sufficient to pay such interest on and such principal amount of the Bonds, as shall become due on such dates, respectively, at maturity or by redemption prior to maturity. The Paying Agent/Registrar shall destroy all paid Bonds and furnish the City with an appropriate certificate of cancellation or destruction.

Section 14. COVENANTS REGARDING TAX-EXEMPTION. That the Issuer covenants to refrain from any action which would adversely affect, or to take such action as to ensure, the treatment of the Bonds as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

(a) to take any action to assure that no more than ten percent (10%) of the proceeds of the Bonds or the projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use", as defined in section 141(b)(6) of the Code or, if more than ten percent (10%) of the proceeds are so used, that amounts, whether or not received by the Issuer, with respect to such private business use, do not, under the terms of this Twenty-Seventh Supplement or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than ten percent (10%) of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(b) to take any action to assure that in the event that the "private business use" described in subsection (a) hereof exceeds five percent (5%) of the proceeds of the Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of five percent (5%) is used for a "private business use" which

is "related" and not "disproportionate", within the meaning of section 141(b)(3) of the Code, to the governmental use;

(c) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or five percent (5%) of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(d) to refrain from taking any action which would otherwise result in the Bonds being treated as "specified private activity bonds" within the meaning of section 141(b) of the Code;

(e) to refrain from taking any action that would result in the Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(f) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Bonds, other than investment property acquired with --

(1) proceeds of the Bonds invested for a reasonable temporary period until such proceeds are needed for the purpose for which the Bonds are issued,

(2) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(3) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed ten percent of the proceeds of the Bonds;

(g) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings); and

(h) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to ninety percent (90%) of the "Excess Earnings", within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than sixty (60) days after the Bonds have been paid in full, one hundred percent (100%) of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

For purposes of the foregoing clauses (a) and (b) above, the Issuer understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of a refunding bond, transferred proceeds (if any) and proceeds of the refunded bonds

expended prior to the date of the issuance of the Bonds. It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the Issuer will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally-recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally-recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of the foregoing, the Mayor, the City Manager, any Assistant City Manager, and the Chief Financial Officer of the City may execute any certificates or other reports required by the Code and to make such elections, on behalf of the City, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds. In order to facilitate compliance with the above clause (h), a "Rebate Fund" is hereby established by the City for the sole benefit of the United States of America, and the Rebate Fund shall not be subject to the claim of any other person, including, without limitation, the registered owners of the Bonds. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

Section 15. ALLOCATION OF, AND LIMITATION ON, EXPENDITURES FOR THE PROJECT; DISPOSITION OF PROJECT; WRITTEN PROCEDURES. (a) That the City covenants to account for on its books and records the expenditure of proceeds from the sale of the Bonds and any investment earnings thereon to be used for the improvement and extension of the System (referred to in this Section as a "Project") by allocating proceeds to expenditures within eighteen (18) months of the later of the date that (a) the expenditure on a Project is made or (b) each such Project is completed. The foregoing notwithstanding, the City shall not expend such proceeds or investment earnings more than sixty (60) days after the later of (a) the fifth anniversary of the date of delivery of the Bonds or (b) the date the Bonds are retired, unless the City obtains an opinion of nationally-recognized bond counsel substantially to the effect that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes of this Section, the City shall not be obligated to comply with this covenant if it obtains an opinion of nationally-recognized bond counsel to the effect that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(b) The City covenants that the property constituting a Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless the City obtains an opinion of nationally-recognized bond counsel substantially to the effect that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of this Section, the portion of the property comprising personal property and disposed of in the ordinary course of business shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes of this Section, the City shall not be obligated to comply with this covenant if it obtains an opinion of nationally-recognized bond counsel to the effect that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(c) Until superseded by another action of the City, the written procedures to ensure compliance with the covenants contained herein regarding private business use, remedial actions, arbitrage and rebate approved by the City in the Twenty-Third Supplement, apply to the issuance of the Bonds. The written procedures are attached to this Twenty-Seventh Supplement as Exhibit D.

Section 16. AMENDMENT OF TWENTY-SEVENTH SUPPLEMENT. (a) That the owners of a majority in Outstanding Principal Amount of the Bonds shall have the right from time to time to approve any amendment to this Twenty-Seventh Supplement which may be deemed necessary or desirable by the City, provided, however, that nothing herein contained shall permit or be construed to permit the amendment of the terms and conditions in this Twenty-Seventh Supplement or in the Bonds so as to:

- (1) Make any change in the maturity of any of the Outstanding Bonds;
- (2) Reduce the rate of interest borne by any of the Outstanding Bonds;
- (3) Reduce the amount of the principal payable on the Outstanding Bonds;
- (4) Modify the terms of payment of principal of, premium, if any, or interest on the Outstanding Bonds or impose any conditions with respect to such payment;
- (5) Affect the rights of the owners of less than all of the Bonds then Outstanding;
- (6) Amend this clause (a) of this Section; or
- (7) Change the minimum percentage of the principal amount of Bonds necessary for consent to any amendment;

unless such amendment or amendments shall be approved by the owners of all of the Bonds then Outstanding.

(b) That if at any time the City shall desire to amend the Twenty-Seventh Supplement under this Section, the City shall cause notice of the proposed amendment to be published in a financial newspaper or journal published in the City of New York, New York, and a newspaper of general circulation in the City, once during each calendar week for at least two (2) successive calendar weeks. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of the Paying Agent/Registrar for inspection by all owners of the Bonds. Such publication is not required, however, if notice in writing is given to each owner of the Bonds.

(c) That whenever at any time not less than thirty (30) days, and within one year, from the date of the first publication of said notice or other service of written notice the City shall receive an instrument or instruments executed by the owners of at least a majority in Outstanding Principal Amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed amendment described in said notice and which specifically consent to and approve such amendment in substantially the form of the copy thereof on file with the Paying Agent/Registrar, the City Council of the City may pass such amendment in substantially the same form.

(d) That upon the passage of any such amendment pursuant to the provisions of this Section, this Twenty-Seventh Supplement shall be deemed to be amended in accordance with such amendment, and the respective rights, duties and obligations under this Twenty-Seventh Supplement of the City and all the owners of then Outstanding Bonds shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such amendment.

(e) That any consent given by the owners of a Bond pursuant to the provisions of this Section shall be irrevocable for a period of six (6) months from the date of the first publication of the notice provided for in this Section, and shall be conclusive and binding upon all future owners of the same Bond during such period. Such consent may be revoked at any time after six (6) months from the date of the first publication of such notice by the owner who gave such consent, or by a successor in title, by filing written notice thereof with the Paying Agent/Registrar and the City, but such revocation shall not be effective if the owners of at least a majority in Outstanding Principal Amount of the Bonds have, prior to the attempted revocation, consented to and approved the amendment.

(f) The foregoing provisions of this Section notwithstanding, the City by action of the City Council may amend this Twenty-Seventh Supplement without the consent of any owner of the Bonds or any other Parity Obligations, solely for any one or more of the following purposes:

(1) To add to the covenants and agreements of the City in this Twenty-Seventh Supplement contained, other covenants and agreements thereafter to be observed, grant additional rights or remedies to the owners of the Bonds or to surrender, restrict or limit any right or power herein reserved to or conferred upon the City;

(2) To make such provisions for the purpose of curing any ambiguity, or curing, correcting or supplementing any defective provision contained in this Twenty-Seventh Supplement, or in regard to clarifying matters or questions arising under this Twenty-Seventh Supplement, as are necessary or desirable and not contrary to or inconsistent with this Twenty-Seventh Supplement and which shall not adversely affect the interests of the owners of the Bonds then Outstanding;

(3) To modify any of the provisions of this Twenty-Seventh Supplement in any other respect whatever, provided that such modification shall be, and be expressed to be, effective only after the Bonds Outstanding at the date of the adoption of such modification shall cease to be Outstanding;

(4) To make such amendments to this Twenty-Seventh Supplement as may be required, in the opinion of Bond Counsel, to ensure compliance with sections 103 and 141 through 150 of the Code and the regulations promulgated thereunder and applicable thereto;

(5) To make such changes, modifications or amendments as may be necessary or desirable in order to allow the owners of the Bonds to thereafter avail themselves of a book-entry system for payments, transfers and other matters relating to the Bonds, which changes, modifications or amendments are not contrary to or inconsistent with other

provisions of this Twenty-Seventh Supplement and which shall not adversely affect the interests of the owners of the Bonds;

(6) To make such changes, modifications or amendments as are permitted by Section 18(c)(vi) of this Twenty-Seventh Supplement;

(7) To make such changes, modifications or amendments as may be necessary or desirable in order to obtain or maintain the granting of a rating on the Bonds by a Rating Agency or to obtain or maintain a Credit Agreement or a Credit Facility issued in support of the Bonds; and

(8) To make such changes, modifications or amendments as may be necessary or desirable, which shall not adversely affect the interests of the owners of the Bonds, in order, to the extent permitted by law, to facilitate the economic and practical utilization of interest rate swap agreements, foreign currency exchange agreements, or similar type of agreements with respect to the Bonds.

Notice of any such amendment may be published by the City in the manner described in clause (b) of this Section; provided, however, that the publication of such notice shall not constitute a condition precedent to the adoption of such amendatory ordinance and the failure to publish such notice shall not adversely affect the implementation of such amendment as adopted pursuant to such amendatory ordinance.

(g) Ownership of the Bonds shall be established by the Registration Books maintained by the Paying Agent/Registrar, in its capacity as registrar and transfer agent for the Bonds.

Section 17. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS.

(a) That in the event any Outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new bond of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

(b) Application for replacement of damaged, mutilated, lost, stolen, or destroyed Bonds shall be made to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the applicant for a replacement bond shall furnish to the City and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Bond, the applicant shall furnish to the City and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Bond, as the case may be. In every case of damage or mutilation of a Bond, the applicant shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

(c) Notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of, premium, if any, or interest on the Bond, the City may authorize the payment of the

same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a replacement Bond, provided security or indemnity is furnished as above provided in this Section.

(d) Prior to the issuance of any replacement bond, the Paying Agent/Registrar shall charge the owner of such Bond with all legal, printing, and other expenses in connection therewith. Every replacement bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the City whether the lost, stolen, or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Twenty-Seventh Supplement equally and proportionately with any and all other Bonds duly issued under this Twenty-Seventh Supplement.

(e) In accordance with Chapter 1206, this Section of this Twenty-Seventh Supplement shall constitute authority for the issuance of any such replacement bond without necessity of further action by the City Council of the City or any other body or person, and the duty of the replacement of such bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such bonds in the form and manner and with the effect, as provided in Section 5(a) of this Twenty-Seventh Supplement for Bonds issued in exchange for other Bonds.

Section 18. CONTINUING DISCLOSURE UNDERTAKING. (a) Annual Reports. (i) That the City shall provide annually to the MSRB, within six months after the end of each Fiscal Year ending in or after 2015, financial information and operating data with respect to the City of the general type described in Exhibit C hereto. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in Exhibit C hereto, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the City shall provide unaudited financial statements within such period and shall provide audited financial statements for the applicable Fiscal Year to the MSRB, when and if the audit report on such statements becomes available.

(ii) If the City changes its Fiscal Year, it will notify the MSRB of the change (and of the date of the new Fiscal Year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section. The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB or filed with the SEC. Filings shall be made electronically, in such format as is prescribed by the MSRB.

(b) Disclosure Event Notices. The City shall notify the MSRB of any of the following events with respect to the Bonds, in a timely manner not in excess of ten Business Days after the occurrence of the event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of holders of the Bonds, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the City;
13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material.

The City shall notify the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by subsection (a). As used in clause 12 above, the phrase "bankruptcy, insolvency, receivership or similar event" means the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if jurisdiction has been assumed by leaving the City Council and official or officers of the City in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

(c) Limitations, Disclaimers, and Amendments. (i) The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the City in any event will give notice of any deposit made in accordance with

this Twenty-Seventh Supplement or applicable law that causes Bonds no longer to be outstanding.

(ii) The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City's financial results, condition, or prospects or to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

(iii) UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(iv) No default by the City in observing or performing its obligations under this Section shall comprise a breach of or default under this Twenty-Seventh Supplement for purposes of any other provision of this Twenty-Seventh Supplement. Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

(v) Should the Rule be amended to obligate the City to make filings with or provide notices to entities other than the MSRB, the City agrees to undertake such obligation in accordance with the Rule as amended.

(vi) The provisions of this Section may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Twenty-Seventh Supplement that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the holders and beneficial owners of the Bonds. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (a)

of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided.

Section 19. TWENTY-SEVENTH SUPPLEMENT TO CONSTITUTE A CONTRACT; EQUAL SECURITY. That in consideration of the acceptance of the Bonds, the issuance of which is authorized hereunder, by those who shall hold the same from time to time, this Twenty-Seventh Supplement shall be deemed to be and shall constitute a contract between the City and the Holders from time to time of the Bonds and the pledge made in this Twenty-Seventh Supplement by the City and the covenants and agreements set forth in this Twenty-Seventh Supplement to be performed by the City shall be for the equal and proportionate benefit, security, and protection of all Holders, without preference, priority, or distinction as to security or otherwise of any of the Bonds authorized hereunder over any of the others by reason of time of issuance, sale, or maturity thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by this Twenty-Seventh Supplement.

Section 20. SEVERABILITY OF INVALID PROVISIONS. That if any one or more of the covenants, agreements, or provisions herein contained shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements, or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements, or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Bonds issued hereunder.

Section 21. PAYMENT AND PERFORMANCE ON BUSINESS DAYS. That, except as provided to the contrary in the FORM OF BOND, whenever under the terms of this Twenty-Seventh Supplement or the Bonds, the performance date of any provision hereof or thereof, including the payment of principal of or interest on the Bonds, shall occur on a day other than a Business Day, then the performance thereof, including the payment of principal of and interest on the Bonds, need not be made on such day but may be performed or paid, as the case may be, on the next succeeding Business Day with the same force and effect as if made on the date of performance or payment.

Section 22. LIMITATION OF BENEFITS WITH RESPECT TO THE TWENTY-SEVENTH SUPPLEMENT. That with the exception of the rights or benefits herein expressly conferred, nothing expressed or contained herein or implied from the provisions of this Twenty-Seventh Supplement or the Bonds is intended or should be construed to confer upon or give to any person other than the City, the Holders, and the Paying Agent/Registrar, any legal or equitable right, remedy, or claim under or by reason of or in respect to this Twenty-Seventh Supplement or any covenant, condition, stipulation, promise, agreement, or provision herein contained. This Twenty-Seventh Supplement and all of the covenants, conditions, stipulations, promises, agreements, and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the City, the Holders, and the Paying Agent/Registrar as herein and therein provided.

Section 23. SALE OF BONDS; USE OF PROCEEDS. (a) Sale to TWDB. That the Bonds are hereby sold to TWDB for the price of par, less an origination fee of ____% of the

principal amount of the Bonds. The Bonds have been purchased by the TWDB pursuant to its Resolution No. 15-____, adopted on _____, 2015 ("TWDB Resolution No. 15-____"). The Bonds initially delivered shall be registered in the name of the Texas Water Development Board. The Private Placement Memorandum prepared in connection with the sale of the Bonds to the TWDB in substantially the form attached to this Twenty-Seventh Supplement is approved. The City has determined, based upon the advice provided by its financial advisors, that acceptance of the purchase price for the Bonds is on terms advantageous to, and in the best interests of, the City.

(b) Notice from TWDB of Sale of Bonds. It is the intent of the parties to the sale of the Bonds that if TWDB ever determines to sell all or a part of the Bonds, it shall notify the City at least 60 days prior to the sale of the Bonds of the decision to so sell the Bonds.

(c) Proceeds. The proceeds from the sale of the Bonds shall be used in the manner described in the letter of instructions executed by the City, or on behalf of the City by its financial advisor.

(d) Payment by Wire Transfer. Payment of amounts due and owing on the Bonds to the TWDB shall be made by wire transfer, at no expense to the TWDB, as provided in the FORM OF BOND.

(e) Escrow Fund. By agreeing to the purchase the Bonds, the TWDB agrees that the bond proceeds shall be deposited into the escrow fund established in the Escrow Agreement between the City and BOKF, NA dba Bank of Texas, and that the procedures set forth in Section 5(e) of this Twenty-Seventh Supplement satisfy TWDB Resolution 15-____.

(f) Investment of Bond Proceeds. Proceeds from the sale of the Bonds shall be held at a designated state depository or other properly chartered and authorized institution in accordance with Chapter 2256, Texas Government Code, and Chapter 2257, Texas Government Code.

Section 24. PROJECT FUND. (a) Project Fund Created. That there is hereby created, established and maintained on the books of the City, a separate fund to be entitled the "City of Fort Worth, Texas Water and Sewer System Series 2015B Revenue Bonds Project Fund" (hereinafter called the "Project Fund"). Monies in the Project Fund shall be maintained at an official depository bank of the City.

(b) Use of Funds. Except as otherwise may be provided in Section 12 hereof, the proceeds of the Bonds shall be deposited into the Project Fund and used by the City for payment of the costs of extending and improving the System, and the payment of costs associated therewith, including any costs for engineering, financing, financial consultation, administrative, auditing and legal expenses. Amounts in the Project Fund shall be timely and expeditiously used to pay such costs, in compliance with applicable federal and State law.

(c) Surplus Proceeds. Any surplus proceeds, including the investment earnings derived from the investment of monies on deposit in the Project Fund, from the Bonds remaining on deposit in the Project Fund after completing the improvements and extensions to the System and

upon the completion of the final accounting as described in Section 25(c) hereof, shall be transferred to the Debt Service Fund to redeem, in inverse order of maturity, the Bonds owned by TWDB, unless the Executive Administrator of TWDB approves the use of such surplus proceeds to pay eligible costs of improving or extending the System by funding projects that are a part of the State Water Plan.

Section 25. **ADDITIONAL COVENANTS.** That in connection with the sale of the Bonds to the TWDB, the City covenants as follows:

(a) Compliance with the Texas Water Development Board's Rules and Regulations. The City covenants to comply with the rules and regulations of the TWDB, and to maintain insurance on the System in such amount as may be required by TWDB, as further addressed in subsection (h) of this Section.

(b) Audits. For so long as the State of Texas owns any of the Bonds, the City shall mail a copy of the audit required by the Master Ordinance to the TWDB. In addition, monthly operating statements for the System shall be maintained by the City and made available, on request, to the TWDB as long as the State of Texas owns any of the Bonds, and the monthly operating statement shall be in such detail as requested by the Development Fund Manager of the TWDB until this requirement is waived thereby.

(c) Final Accounting. The City shall render a final accounting to the TWDB in reference to the total cost incurred by the City for improvements and extensions to the System which were financed by the issuance of the Bonds, together with a copy of "as built" plans of such improvements and extensions upon completion.

(d) Defeasance. That should the City exercise its right under the Master Ordinance to effect the defeasance of the Bonds, the City agrees that it will provide the TWDB with written notice of any such defeasance.

(e) Segregation of Funds. The City covenants that proceeds of the Bonds shall remain separate and distinct from other sources of funding from the date of the TWDB commitment through costing and final disbursement.

(f) Environmental Indemnity. Proceeds from the Bonds shall not be used by the City when sampling, testing, removing, or disposing of contaminated soils and/or media at the project site. To the extent permitted by law, the City agrees to indemnify, hold harmless, and protect the TWDB from any and all claims, causes of action, or damages to the person or property of third parties arising from the sampling, analysis, transport, storage, treatment, and disposition of any contaminated sewage sludge, contaminated sediments, and/or contaminated media that may be generated by the City, its contractors, consultants, agents, officials, and employees as a result of activities relating to the project funded with proceeds of the Bonds.

(g) Environmental Determination. In connection with the project financed with the Bonds, the City agrees to implement any environmental determination issued by the Executive

Administrator of TWDB to satisfy the environmental review requirements set forth in 31 Texas Administrative Code 371.

(h) Insurance. The City agrees that it will maintain insurance on the System in an amount sufficient to protect TWDB's interest in the project financed with the proceeds of the Bonds. The City may self-insure in respect to satisfying this covenant.

(i) Water Conservation Program. The City has implemented or will implement an approved water conservation program in compliance with 31 Texas Administrative Code 371.71(a)(2)(F).

(j) No Purchase of TWDB Bonds. The City agrees that it, nor any related party to the City, will not purchase, as an investment or otherwise, bonds issued by TWDB including, without limitation, bonds issued by TWDB, the proceeds of which were used by TWDB to purchase the Bonds.

(k) Compliance with Federal Contracting Law. The City acknowledges that it has a legal obligation to comply with any applicable requirements of federal law relating to contracting with disadvantaged business enterprises.

(l) Compliance with State Contracting Law. The City acknowledges that it has a legal obligation to comply with any applicable requirements of State law relating to contracting with historically underutilized businesses.

Section 26. **FURTHER PROCEDURES**. That the Mayor, the City Manager, any Assistant City Manager, the Chief Financial Officer of the City, the City Secretary or any Assistant City Secretary, and all other officers, employees, and agents of the City, and each of them, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the City all such instruments, whether herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Twenty-Seventh Supplement and the Bonds, including, but not limited to, conforming documents to receive the approval of the Texas Attorney General and to receive ratings from municipal bond rating agencies.

Section 27. **APPROVAL AND REGISTRATION OF BONDS**. That the City Manager of the City is hereby authorized to have control of the Bonds and all necessary records and proceedings pertaining to the Bonds pending their delivery and their investigation, examination and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Bonds, said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate accompanying the Bonds, and the seal of said Comptroller shall be impressed, or placed in facsimile, on each such certificate.

Section 28. **DTC REGISTRATION**. That the Bonds initially shall be issued and delivered in such manner that no physical distribution of the Bonds will be made to the public,

and The Depository Trust Company ("DTC"), New York, New York, initially will act as depository for the Bonds. DTC has represented that it is a limited purpose trust company incorporated under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered under Section 17A of the Securities Exchange Act of 1934, as amended, and the City accepts, but in no way verifies, such representations. The Bonds initially authorized by this Twenty-Seventh Supplement shall be delivered to and registered in the name of CEDE & CO., the nominee of DTC. It is expected that DTC will hold the Bonds on behalf of the TWDB. So long as each Bond is registered in the name of CEDE & CO., the Paying Agent/Registrar shall treat and deal with DTC the same in all respects as if it were the actual and beneficial owner thereof. It is expected that DTC will maintain a book-entry system which will identify ownership of the Bonds in integral amounts of \$5,000, with transfers of ownership being effected on the records of DTC and its participants pursuant to rules and regulations established by them, and that the Bonds initially deposited with DTC shall be immobilized and not be further exchanged for substitute Bonds except as hereinafter provided. The City is not responsible or liable for any functions of DTC, will not be responsible for paying any fees or charges with respect to its services, will not be responsible or liable for maintaining, supervising, or reviewing the records of DTC or its participants, or protecting any interests or rights of the beneficial owners of the Bonds. It shall be the duty of the DTC Participants, as defined in the Official Statement herein approved, to make all arrangements with DTC to establish this book-entry system, the beneficial ownership of the Bonds, and the method of paying the fees and charges of DTC. The City does not represent nor does it in any way covenant that the initial book-entry system established with DTC will be maintained in the future. Notwithstanding the initial establishment of the foregoing book-entry system with DTC, if for any reason any of the originally delivered Bonds is duly filed with the Paying Agent/Registrar with proper request for transfer and substitution, as provided for in this Twenty-Seventh Supplement, substitute Bonds will be duly delivered as provided in this Twenty-Seventh Supplement, and there will be no assurance or representation that any book-entry system will be maintained for such Bonds. To effect the establishment of the foregoing book-entry system, the City has executed and filed with DTC the "Blanket DTC Letter of Representations" in the form provided by DTC to evidence the City's intent to establish said book-entry system.

Section 29. DEFAULT AND REMEDIES. (a) Events of Default. That each of the following occurrences or events for the purpose of this Twenty-Seventh Supplement is hereby declared to be an Event of Default:

(i) the failure to make payment of the principal of any of the Bonds when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the City, the failure to perform which materially, adversely affects the rights of the registered owners of the Bonds, including, but not limited to, their prospect or ability to be repaid in accordance with this Twenty-Seventh Supplement, and the continuation thereof for a period of sixty (60) days after notice of such default is given by any registered owner to the City.

(b) Remedies for Default.

(i) Upon the happening of any Event of Default, then and in every case, any registered owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the City, or any official, officer or employee of the City in their official capacity, for the purpose of protecting and enforcing the rights of the registered owners under this Twenty-Seventh Supplement, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the registered owners hereunder or any combination of such remedies.

(ii) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all registered owners of Bonds then Outstanding.

(c) Remedies Not Exclusive.

(i) For so long as TWDB owns any of the Bonds, it may exercise all remedies available to it in law or equity, and no remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Twenty-Seventh Supplement, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Twenty-Seventh Supplement.

(ii) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

(iii) By accepting the delivery of a Bond authorized under this Twenty-Seventh Supplement, such registered owner agrees that the certifications required to effectuate any covenants or representations contained in this Twenty-Seventh Supplement do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or members of the City or the City Council.

(iv) None of the members of the City Council, nor any other official or officer, agent, or employee of the City, shall be charged personally by the registered owners with any liability, or be held personally liable to the registered owners under any term or provision of this Twenty-Seventh Supplement, or because of any Event of Default or alleged Event of Default under this Twenty-Seventh Supplement.

Section 30. PREAMBLE. That the preamble to this Twenty-Seventh Supplement is hereby incorporated by reference, and is to be considered a part of the operative text of this Twenty-Seventh Supplement.

Section 31. RULES OF CONSTRUCTION. That for all purposes of this Twenty-Seventh Supplement, unless the context requires otherwise, all references to designated Sections and other subdivisions are to the Sections and other subdivisions of this Twenty-Seventh Supplement. The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Twenty-Seventh Supplement as a whole and not to any particular Section or other subdivision. Except where the context otherwise requires, terms defined in this Twenty-Seventh Supplement to impart the singular number shall be considered to include the plural number and vice versa. References to any named person means that party and its successors and assigns. References to any constitutional, statutory or regulatory provision means such provision as it exists on the date this Twenty-Seventh Supplement is adopted by the City and any future amendments thereto or successor provisions thereof. All ordinances and resolutions or parts thereof in conflict herewith are hereby repealed.

Section 32. IMMEDIATE EFFECT. That this Twenty-Seventh Supplement shall be effective immediately from and after its passage in accordance with the provisions of Section 1201.028, Texas Government Code, and it is accordingly so ordained.

ADOPTED AND EFFECTIVE _____, 2015.

Mayor,
City of Fort Worth, Texas

City Secretary

(SEAL)

APPROVED AS TO FORM AND LEGALITY:

City Attorney

EXHIBIT A

That, as used in this Twenty-Seventh Supplement, the following terms shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

"Authentication Certificate" shall have the meaning given said term in Section 5(a) of the Twenty-Seventh Supplement.

"Authorized Denomination" means Bonds in a denomination of \$5,000 or any integral multiple thereof.

"Bonds" means the Series 2015B Bonds.

"Business Day" means a day other than a Sunday, Saturday, a legal holiday, or a day on which banking institutions in the city where the Designated Trust Office of the Paying Agent/Registrar is located are authorized by law or executive order to close.

"Chapter 9" means Chapter 9, Texas Business & Commerce Code.

"Chapter 1206" means Chapter 1206, Texas Government Code.

"Chapter 1208" means Chapter 1208, Texas Government Code.

"Designated Trust Office" means the city so designated in Section 5(a) of the Twenty-Seventh Supplement.

"DTC" shall have the meaning given said term in Section 28 of the Twenty-Seventh Supplement.

"Eighteenth Supplement" means the ordinance authorizing the issuance of the Series 2010 Bonds.

"Fifteenth Supplement" means the ordinance authorizing the issuance of the Series 2007 Bonds.

"Fourteenth Supplement" means the ordinance authorizing the issuance of the Series 2005A Bonds.

"Master Ordinance" means the "Master Ordinance establishing the City of Fort Worth Texas Water and Sewer System Revenue Financing Program", passed by the City on December 10, 1991.

"MSRB" means the Municipal Securities Rulemaking Board.

"Nineteenth Supplement" means the ordinance authorizing the issuance of the Series 2010A Bonds.

"No Litigation Certificate" means a certificate executed by a Designated Financial Officer certifying that no litigation has been filed or, to the best knowledge of the Designated Financial Officer, threatened, pertaining to, affecting or contesting the issuance, delivery, payment, security or validity of any proposed delivery of the Bonds.

"Paying Agent/Registrar" means the financial institution specified in Section 5(a) of the Twenty-Seventh Supplement.

"Previously Issued Parity Bonds" means the Series 2005A Bonds, the Series 2007 Bonds, the Series 2008 Bonds, the Series 2009 Bonds, the Series 2010 Bonds, the Series 2010A Bonds, the Series 2010B Bonds, the Series 2010C Bonds, the Series 2011 Bonds, the Series 2012 Bonds, the Series 2014 Bonds, the Series 2015 Bonds and the Series 2015A Bonds.

"Registration Books" shall have the meaning given said term in Section 5(a) of the Twenty-Seventh Supplement.

"Rule" means SEC Rule 15c2-12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

"Series 2005A Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Refunding Bonds, Series 2005A, authorized by the Fourteenth Supplement.

"Series 2007 Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2007, authorized by the Fifteenth Supplement.

"Series 2008 Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Refunding Bonds, Series 2008, authorized by the Sixteenth Supplement.

"Series 2009 Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2009, authorized by the Seventeenth Supplement.

"Series 2010 Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Refunding Bonds, Series 2010, authorized by the Eighteenth Supplement.

"Series 2010A Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2010A, authorized by the Nineteenth Supplement.

"Series 2010B Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2010B, authorized by the Twentieth Supplement.

"Series 2010C Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2010C, authorized by the Twenty-First Supplement.

"Series 2011 Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2011, authorized by the Twenty-Second Supplement.

"Series 2012 Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Refunding Bonds, Series 2012, authorized by the Twenty-Third Supplement.

"Series 2014 Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2014, authorized by the Twenty-Fourth Supplement.

"Series 2015 Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2015, authorized by the Twenty-Fifth Supplement.

"Series 2015A Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2015A, authorized by the Twenty-Sixth Supplement.

"Series 2015B Bonds" means the City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2015B, authorized by the Twenty-Seventh Supplement.

"Seventeenth Supplement" means the ordinance authorizing the issuance of the Series 2009 Bonds.

"Sixteenth Supplement" means the ordinance authorizing the issuance of the Series 2008 Bonds.

"State" means the State of Texas.

"State Water Plan" means the State's comprehensive water plan prepared, developed, formulated and approved by the Texas Water Development Board pursuant to Subchapter C of Chapter 16, Texas Water Code.

"Term Bonds" means those Bonds, if any, identified in the Twenty-Seventh Supplement as "term bonds".

"Treasury Regulations" means all applicable temporary, proposed and final regulations and procedures promulgated under the Code or promulgated under the Internal Revenue Code of 1954, to the extent applicable to the Code.

"Twentieth Supplement" means the ordinance authorizing the issuance of the Series 2010B Bonds.

"Twenty-First Supplement" means the ordinance authorizing the issuance of the Series 2010C Bonds.

"Twenty-Second Supplement" means the ordinance authorizing the issuance of the Series 2011 Bonds.

"Twenty-Third Supplement" means the ordinance authorizing the issuance of the Series 2012 Bonds.

"Twenty-Fourth Supplement" means the ordinance authorizing the issuance of the Series 2014 Bonds.

"Twenty-Fifth Supplement" means the ordinance authorizing the issuance of the Series 2015 Bonds.

"Twenty-Sixth Supplement" means the ordinance authorizing the issuance of the Series 2015A Bonds.

"Twenty-Seventh Supplement" means the ordinance authorizing the issuance of the Bonds.

EXHIBIT B

FORM OF BOND:

NO. _____

\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTIES OF TARRANT, DENTON, PARKER, JOHNSON AND WISE
CITY OF FORT WORTH, TEXAS
WATER AND SEWER SYSTEM
REVENUE BOND, SERIES 2015B

MATURITY DATE	INTEREST RATE	DATE OF DELIVERY	CUSIP
---------------	---------------	------------------	-------

ON THE MATURITY DATE SPECIFIED ABOVE, THE CITY OF FORT WORTH, IN TARRANT, DENTON, PARKER, JOHNSON AND WISE COUNTIES, TEXAS (the "Issuer"), hereby promises to pay to _____, or to the registered assignee hereof (either being hereinafter called the "registered owner") the principal amount of

and to pay interest thereon from the date of delivery specified above, on February 15, 2016 and semiannually on each August 15 and February 15 thereafter to the maturity date specified above, or to the date of redemption prior to maturity, at the interest rate per annum specified above; except that if the Paying Agent/Registrar's Authentication Certificate appearing on the face of this Bond is dated later than February 15, 2016, such interest is payable semiannually on each August 15 and February 15 following such date.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity, or at redemption prior to maturity, at the designated corporate trust office in Austin, Texas (the "Designated Trust Office"), of BOKF, NA dba Bank of Texas, which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the ordinance authorizing the issuance of this Bond (the "Bond Ordinance") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at its address as it appeared on the last Business Day of the month next preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. Any accrued interest due at maturity or upon

the redemption of this Bond prior to maturity as provided herein shall be paid to the registered owner upon presentation and surrender of this Bond for redemption and payment at the Designated Trust Office of the Paying Agent/Registrar. The foregoing notwithstanding, so long as the Texas Water Development Board ("TWDB") is the registered owner of 100% in aggregate principal amount of the Bonds then outstanding, payment of principal of the Bonds shall be made thereto by wire transfer, at no expense to the TWDB. The Issuer has covenanted in the Bond Ordinance that on or before each principal payment date, interest payment date, and accrued interest payment date for this Bond it will make available to the Paying Agent/Registrar, from the "Debt Service Fund" created by the ordinance establishing the City of Fort Worth, Texas Water and Sewer System Revenue Financing Program (the "Master Ordinance"), the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

IN THE EVENT of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest ("Special Payment Date", which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each registered owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the City where the Designated Trust Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, any payment to the securities depository, or its nominee or registered assigns, shall be made in accordance with existing arrangements between the Board and the securities depository.

THIS BOND is one of a series of bonds of like tenor and effect except as to number, principal amount, interest rate, maturity, and right of prior redemption, dated as of _____, 2015, aggregating \$____,000,000 (herein sometimes called the "Bonds"), issued for the purpose of (i) extending and improving the City's combined water and sewer system through the financing of projects that are part of the State of Texas' comprehensive water plan approved pursuant to Subchapter C of Chapter 16, Texas Water Code, (ii) funding a reserve fund for the Bonds, and (iii) paying the costs of issuance associated with the Bonds. The Bonds shall be issued in any denomination or denominations in any integral multiple of \$5,000 (an "Authorized Denomination"). All capitalized terms not defined herein shall have the same meaning as given said terms in the Master Ordinance or the Bond Ordinance.

THE OUTSTANDING BONDS maturing on and after February 15, 2027 may be redeemed prior to their scheduled maturities, at the option of the Issuer, in whole, or in part, and

if in part, in inverse order of maturity, on February 15, 2026, or on any date thereafter, at the redemption price of the principal amount of the Bonds called for redemption, and without premium; provided, that during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the Board and the securities depository.

NOTICE OF any such redemption of Bonds shall be given in the following manner, to-wit, (i) a written notice of such redemption shall be given to the registered owner of each Bond or a portion thereof being called for redemption not more than 60 days nor less than 30 days prior to the date fixed for such redemption by depositing such notice in the United States mail, first-class postage prepaid, addressed to each such registered owner at his address shown on the Registration Books of the Paying Agent/Registrar and (ii) at least 30 days prior to the date fixed for such redemption, a notice of such redemption shall either be published one time or posted electronically on the website of a financial journal or publication of general circulation in the United States of America or the State of Texas which carries as a regular feature notices of redemption of municipal bonds; provided, however, that the failure to send, mail, or receive such notice described in clause (i) above, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond, as publication or posting of notice as described in clause (ii) above shall be the only notice actually required in connection with or as a prerequisite to the redemption of any Bonds. By the date fixed for any such redemption due provision shall be made by the Issuer with the Paying Agent/Registrar for the payment of the required redemption price for this Bond or the portion hereof which is to be so redeemed. If such notice of redemption is given, and if due provision for such payment is made, all as provided above, this Bond or the portion hereof which is to be so redeemed, thereby automatically shall be redeemed prior to its scheduled maturity, and shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. The Paying Agent/Registrar shall record in the Registration Books all such redemptions of principal amount of this Bond or any portion hereof. If a portion of any Bond shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any Authorized Denomination at the written request of the registered owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Bond Ordinance. The years of maturity of the Bonds called for such redemption shall be selected by the Issuer. The Bonds or portions thereof redeemed within a maturity shall be selected by lot or other customary random method selected by the Paying Agent/Registrar (provided that a portion of a Bond may be redeemed only in an Authorized Denomination).

ALL BONDS OF THIS SERIES are issuable solely as fully registered bonds, without interest coupons, in the denomination of any Authorized Denomination. As provided in the Bond Ordinance, this Bond may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate amount of fully registered Bonds, without interest coupons, payable to the appropriate registered owner, assignee or assignees, as the case may be, having any authorized denomination or denominations

as requested in writing by the appropriate registered owner, assignee or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Ordinance. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar at the Designated Trust Office, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any authorized denomination to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Bond may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the registered owner. The one requesting such conversion and exchange shall pay the Paying Agent/Registrar's reasonable standard or customary fees and charges for converting and exchanging any Bond or portion thereof. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The foregoing notwithstanding, in the case of the conversion and exchange of an assigned and transferred Bond or Bonds or any portion or portions thereof, such fees and charges of the Paying Agent/Registrar will be paid by the Issuer. The Paying Agent/Registrar shall not be required (i) to make any such transfer, conversion or exchange during the period beginning at the opening of business 30 days before the day of the first mailing of a notice of redemption and ending at the close of business on the day of such mailing, or (ii) to transfer, convert or exchange any Bonds so selected for redemption when such redemption is scheduled to occur within 30 calendar days; provided, however, such limitation of transfer shall not be applicable to an exchange by the registered owner of an unredeemed balance of a Bond called for redemption in part.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Bond Ordinance that it promptly will appoint a competent and legally qualified substitute therefor, whose qualifications are substantially similar to the previous Paying Agent/Registrar it is replacing, and promptly will cause written notice thereof to be mailed to the registered owners of the Bonds.

WHENEVER the beneficial ownership of this Bond is determined by a book entry at a securities depository for the Bonds, the foregoing requirements of holding, delivering or transferring this Bond shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book entry to produce the same effect.

BY BECOMING the registered owner of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Master Ordinance and the Bond Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Master Ordinance and the Bond Ordinance are duly recorded and available for inspection in the official minutes and records of the Issuer, and agrees that the terms and provisions of this Bond, the Master Ordinance and the Bond Ordinance constitute a contract between each registered owner hereof and the Issuer.

THE BONDS are special obligations of the Issuer payable solely from and equally secured by a first lien on and pledge of the Pledged Revenues of the System. The Issuer has reserved the right, subject to the restrictions stated, and adopted by reference, in the Master Ordinance, to issue additional parity revenue obligations which also may be made payable from, and secured by a first lien on and pledge of, the Pledged Revenues. For a more complete description and identification of the revenues and funds pledged to the payment of the Bonds, and other obligations of the Issuer secured by and payable from the same source or sources as the Bonds, reference is hereby made to the Master Ordinance and the Bond Ordinance.

THE ISSUER has reserved the right, subject to the restrictions stated, and adopted by reference, in the Bond Ordinance, to amend the Bond Ordinance; and under some (but not all) circumstances amendments must be approved by the owners of a majority in Outstanding Principal Amount of the Bonds.

THE REGISTERED OWNER HEREOF shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation.

IT IS HEREBY certified and covenanted that this Bond has been duly and validly authorized, issued and delivered; and that all acts, conditions and things required or proper to be performed, exist and be done precedent to or in the authorization, issuance and delivery of this Bond have been performed, existed and been done in accordance with law.

IN WITNESS WHEREOF, this Bond has been signed with the imprinted or lithographed manual or facsimile signature of the Mayor of the Issuer, attested by the imprinted or lithographed facsimile signature of the City Secretary, and approved as to form and legality by the imprinted or lithographed facsimile signature of the City Attorney, and the official seal of the Issuer has been duly affixed to, printed, lithographed or impressed on this Bond.

CITY OF FORT WORTH, TEXAS

(SEAL)

By _____
Mayor, City of Fort Worth, Texas

ATTEST:

City Secretary, City of Fort Worth, Texas

APPROVED AS TO FORM AND LEGALITY:

City Attorney, City of Fort Worth, Texas

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE:

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

(To be executed if this Bond is not accompanied by an executed
Registration Certificate of the Comptroller of Public Accounts
of the State of Texas)

It is hereby certified that this Bond has been issued under the provisions of the proceedings adopted by the Issuer as described in the text of this Bond; and that this Bond has been issued in exchange for or replacement of a bond, bonds, or a portion of a bond or bonds of an issue which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated _____

BOKF, NA dba BANK OF TEXAS,
Paying Agent/Registrar

By _____
Authorized Signatory

FORM OF COMPTROLLER'S REGISTRATION CERTIFICATE:

OFFICE OF COMPTROLLER :

REGISTER NO. _____

STATE OF TEXAS :

I hereby certify that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas and that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this _____.

Comptroller of Public Accounts of the
State of Texas

(SEAL)

FORM OF ASSIGNMENT:

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Please insert Social Security or Taxpayer Identification Number of Transferee

/_____/

(Please print or typewrite name and address, including zip code of Transferee)

the within Bond and all rights thereunder, and hereby

irrevocably constitutes and appoints _____

attorney to register the transfer of the within Bond on the

books kept for registration thereof, with full power of

substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

NOTICE: The signature(s) above must correspond with the name of the Registered Owner as it appears upon the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.

FORM OF PRINCIPAL ADVANCEMENT LEDGER
(To appear on Initial Bonds only)

PRINCIPAL ADVANCEMENT LEDGER

<u>Principal Amount Advanced</u>	<u>Date Advanced</u>	<u>Principal Amount Remaining</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

**Exhibit C
to Twenty-Seventh
Supplemental Ordinance**

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 18 of this Twenty-Seventh Supplement.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the City to be provided annually in accordance with such Section are as specified (and included in the Appendix or under the headings of the Official Statement referred to) below:

Tables 1 through 15 contained in the Official Statement relating to the sale of the Series [2015A] Bonds; and

"Excerpts from the Annual Financial Report", as set forth in Appendix B to the Official Statement

Accounting Principles

The accounting principles referred to in such Section are the accounting principles described in the notes to the financial statements referred to in paragraph 1 above.

EXHIBIT D

WRITTEN PROCEDURES RELATING TO CONTINUING COMPLIANCE WITH FEDERAL TAX COVENANTS

These procedures, together with any federal tax certifications, provisions included in the authorizing document (the "Ordinance") with respect to the issuance and sale of Obligations (as defined below), letters of instructions and/or memoranda from bond counsel and any attachments thereto (the "Closing Documents"), are intended to assist the Issuer in complying with federal guidelines related to the issuance of any tax-exempt debt such as the Bonds (the "Obligations").

A. Arbitrage Compliance. Federal income tax laws generally restrict the ability to earn arbitrage in connection with the Obligations. The Responsible Person (as defined below) will review the Closing Documents periodically (at least once a fiscal year) to ascertain if an exception to arbitrage compliance applies.

Procedures applicable to Obligations issued for construction and acquisition purposes. With respect to the investment and expenditure of the proceeds of the Obligations that are issued to finance public improvements or to acquire land or personal property, the Issuer's Chief Financial Officer and City Treasurer (such officers, together with other employees of the Issuer who report to such officers, are, collectively, the "Responsible Person") will:

1. Instruct the appropriate person who is primarily responsible for the construction, renovation or acquisition of the facilities financed or refinanced with the Obligations (the "Project") that (i) binding contracts for the expenditure of at least 5% of the proceeds of the Obligations are entered into within six months of the date of closing of the Obligations (the "Issue Date") and that (ii) the Project must proceed with due diligence;
2. Monitor that at least 85% of the proceeds of the Obligations to be used for the construction, renovation or acquisition of the Project are expended within three years of the Issue Date;
3. Monitor the yield on the investments purchased with proceeds of the Obligations and restrict the yield of such investments to the yield on the Obligations after three years of the Issue Date;
4. Monitor all amounts deposited into a sinking fund or funds pledged (directly or indirectly) to the payment of the Obligations, such as the interest and sinking fund or debt service fund, to assure that the maximum amount invested within such applicable fund at a yield higher than the yield on the Obligations does not exceed an amount equal to the debt service on the Obligations in the succeeding twelve-month period plus a carryover amount equal to one-twelfth of the principal and

interest payable on the Obligations for the immediately preceding twelve-month period; and

5. Ensure that no more than 50% of the proceeds of the Obligations are invested in an investment with a guaranteed yield for four years or more.

Procedures applicable to Obligations with a debt service reserve fund. In addition to the foregoing, if the Issuer issues Obligations that are secured by a debt service reserve fund, the Responsible Person will assure that the maximum amount of any reserve fund for the Obligations invested at a yield higher than the yield on the Obligations will not exceed the lesser of (1) 10% of the principal amount of the Obligations, (2) 125% of the average annual debt service on the Obligations measured as of the Issue Date, or (3) 100% of the maximum annual debt service on the Obligations as of the Issue Date.

Procedures applicable to Escrow Accounts for Refunding Issues. In addition to the foregoing, if the Issuer issues Obligations and proceeds are deposited to an escrow fund to be administered pursuant to the terms of an escrow agreement, the Responsible Person will:

1. Monitor the actions of the escrow agent to ensure compliance with the applicable provisions of the escrow agreement, including with respect to reinvestment of cash balances;
2. Contact the escrow agent on the date of redemption of obligations being refunded to ensure that they were redeemed; and
3. Monitor any unspent proceeds of the refunded obligations to ensure that the yield on any investments applicable to such proceeds are invested at the yield on the applicable obligations or otherwise applied.

Procedures applicable to all Tax-Exempt Obligations. For all issuances of Obligations, the Responsible Person will:

1. Maintain any official action of the Issuer (such as a reimbursement resolution) stating the Issuer's intent to reimburse with the proceeds of the Obligations any amount expended prior to the Issue Date for the acquisition, renovation or construction of the facilities;
2. Ensure that the applicable information return (e.g., Form 8038-G, 8038-GC, or any successor forms) is timely filed with the Internal Revenue Service (the "IRS"); and
3. Assure that, unless excepted from rebate and yield restriction under section 148(f) of the Code, excess investment earnings are computed and paid to the U.S. government at such time and in such manner as directed by the IRS (i) at least every five years after the Issue Date and (ii) within 30 days after the date the Obligations are retired.

B. Private Business Use. Generally, to be tax-exempt, only an insignificant amount of the proceeds of each issue of Obligations can benefit (directly or indirectly) private businesses. The Responsible Person will review the Closing Documents periodically (at least once a fiscal year) for the purpose of determining that the use of the Project does not violate provisions of federal tax law that pertain to private business use. In addition, the Responsible Persons will:

1. Develop procedures or a "tracking system" to identify all property financed with tax-exempt debt;
2. Monitor and record the date on which the Project is substantially complete and available to be used for the purpose intended;
3. Monitor and record whether, at any time the Obligations are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public, has any contractual right (such as a lease, purchase, management or other service agreement) with respect to any portion of the Project;
4. Monitor and record whether, at any time the Obligations are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public, has a right to use the output of the Project (e.g., water, gas, electricity);
5. Monitor and record whether, at any time the Obligations are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public, has a right to use the Project to conduct or to direct the conduct of research;
6. Monitor and record whether, at any time the Obligations are outstanding, any person, other than the Issuer, has a naming right for the Project or any other contractual right granting an intangible benefit;
7. Monitor and record whether, at any time the Obligations are outstanding, the Project is sold or otherwise disposed of; and
8. Take such action as is necessary to remediate any failure to maintain compliance with the covenants contained in the Ordinance related to the public use of the Project.

C. Record Retention. The Responsible Person will maintain or cause to be maintained all records relating to the investment and expenditure of the proceeds of the Obligations and the use of the facilities financed or refinanced thereby for a period ending three years after the complete extinguishment of the Obligations. If any portion of the Obligations is refunded with the proceeds of another series of tax-exempt Obligations, such records shall be maintained until the three years after the refunding Obligations are completely extinguished. Such records can be maintained in paper or electronic format.

D. Responsible Persons. Each Responsible Person shall receive appropriate training regarding the Issuer's accounting system, contract intake system, facilities management and other systems necessary to track the investment and expenditure of the proceeds and the use of the Project financed or refinanced with the proceeds of the Obligations. The foregoing notwithstanding, each Responsible Person shall report to the City Council whenever experienced advisors and agents may be necessary to carry out the purposes of these instructions for the purpose of seeking City Council approval to engage or utilize existing advisors and agents for such purposes.

THE STATE OF TEXAS :
COUNTIES OF TARRANT, DENTON, PARKER, JOHNSON AND WISE :
CITY OF FORT WORTH :

I, Mary Kayser, City Secretary of the City of Fort Worth, in the State of Texas, do hereby certify that I have compared the attached and foregoing excerpt from the minutes of the regular, open, public meeting of the City Council of the City of Fort Worth, Texas held on _____, 2015, and of the ordinance authorizing the issuance of Water and Sewer System Revenue Bonds, Series 2015B, which was duly passed at said meeting, and that said copy is a true and correct copy of said excerpt and the whole of said ordinance. Said meeting was open to the public, and public notice of the time, place, and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code, as amended.

In testimony whereof, I have set my hand and have hereunto affixed the seal of said City of Fort Worth, this ____ day of _____, 2015.

City Secretary of the
City of Fort Worth, Texas

(SEAL)

PRIVATE PLACEMENT MEMORANDUM DATED _____, 2015

NEW ISSUE BOOK-ENTRY-ONLY

On the date of initial delivery of the Bonds (defined below), Co-Bond Counsel (defined on page 2) will render its opinion substantially in the form attached in APPENDIX C - FORM OF OPINION OF CO-BOND COUNSEL.

\$13,000,000

CITY OF FORT WORTH, TEXAS

WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2015B (the "Bonds")

Dated: _____, 2015

Due: February 15

Interest Date: Interest on the Bonds will be payable on February 15, 2016, and on each August 15 and February 15 each year thereafter until maturity or prior redemption (each an "Interest Payment Date"). The Bonds will bear interest at the rates per annum set forth in "APPENDIX A - MATURITY SCHEDULE."

Record Date: The close of business on the last business day of the calendar month immediately preceding the applicable Interest Payment Date.

Date Interest Accrues: Each Bond shall bear interest from the Delivery Date thereof or the most recent Interest Payment Date to which interest has been paid or provided for at the rate set forth for such maturity.

Redemption: The Bonds are subject to redemption prior to maturity as provided herein. See "THE BONDS - Redemption Provisions" herein.

Authorized Denominations: The Bonds are being issued as fully registered obligations in denominations of \$5,000, or any integral multiple thereof within a maturity.

Paying Agent/Registrar/Registrar: The paying agent ("Paying Agent/Registrar/Registrar") for the Bonds is BOKF, NA, d/b/a Bank of Texas, Austin, Texas.

Book-Entry-Only System Upon initial issuance, the ownership of the Bonds will be registered in the registration books of the City of Fort Worth, Texas (the "Issuer") kept by the Paying Agent/Registrar, in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC") to which principal, redemption premium, if any, and interest payments on the Bonds will be made. The purchasers of the Bonds will not receive physical delivery of bond certificates. Principal of, interest, and premium if any, on the Bonds will be payable at the designated office of the Paying Agent/Registrar in Austin, Texas as the same become due and payable.

Issuer: City of Fort Worth, Texas

Official Action: Twenty-Seventh Supplemental Ordinance, adopted _____, 2015. See "APPENDIX B".

Purpose: The Bonds are being issued for the purpose of (i) extending and improving the City's combined water and sewer system, to-wit, the implementation of an advanced metering infrastructure system, (ii) funding a debt service reserve fund, and (iii) paying the costs of issuance of the Bonds.

Security for the Bonds: See "SECTION 8. PLEDGE" OF "APPENDIX B – FORM OF OFFICIAL ACTION."

Ratings: See "OTHER INFORMATION - Ratings"

Delivery Date: _____, 2015.

**See "APPENDIX A - MATURITY SCHEDULE" for Principal Amounts,
Maturities, Interest Rates, Prices or Yields, and CUSIP Numbers**

CITY OF FORT WORTH, TEXAS

ELECTED OFFICIALS

<u>City Council</u>	<u>Term Expires</u>	<u>Occupation</u>
Betsy Price Mayor, Place 1	May 2017	Mayor
Salvador Espino Councilmember, Place 2	May 2017	Attorney
W.B. 'Zim' Zimmerman Councilmember, Place 3	May 2017	Aircraft Industry Consultant
Cary Moon Councilmember, Place 4	May 2017	Developer
Gyna Bivens Councilmember, Place 5	May 2017	President and Executive Director of North Texas LEAD
Jungus Jordan Councilmember, Place 6	May 2017	Retired Air Force/Economist/Cook Children's
Dennis Shingleton Councilmember, Place 7	May 2017	Sr. Associate Dean of Finance and Administration at UNTHSC
Kelly Allen Gray Councilmember, Place 8	May 2017	Councilmember
Ann Zadeh Councilmember, Place 9	May 2017	Councilmember

SELECTED ADMINISTRATIVE STAFF

<u>Name</u>	<u>Position</u>	<u>Length of Service in Present Position</u>	<u>Length of Service With City</u>
David Cooke	City Manager	1 Year	1 Year
Susan Alanis	Assistant City Manager	4 Years	15 Years
Fernando Costa	Assistant City Manager	6 Years	15 Years
Rudy Jackson	Acting Assistant City Manager	2 1/2 Months	33 Years
Aaron J. Bovos	Chief Financial Officer	1 Year	1 Year
Sarah Fullenwider	City Attorney	4 Years	17 Years
Mary J. Kayser	City Secretary	3 Years	3 Years
John Carman	Director of Water Department	3 Months	3 Months

CONSULTANTS AND ADVISORS

Co-Bond Counsel..... McCall, Parkhurst & Horton L.L.P.
Dallas, Texas

Kelly Hart & Hallman LLP
Fort Worth, Texas

Co-Financial Advisors First Southwest Company LLC
Fort Worth, Texas

Estrada Hinojosa & Company, Inc.
Dallas, Texas

TABLE OF CONTENTS

	Page
INTRODUCTION	1
THE BONDS	1
General Description	1
Purpose	1
Authority for Issuance	1
Security for the Bonds	1
Redemption Provisions	1
Notice of Redemption; Selection of Bonds to Be Redeemed	2
Book-Entry-Only System.....	2
TAX MATTERS	4
Opinion	4
OTHER INFORMATION	4
Forward-Looking Statements.....	4
Ratings	4
LITIGATION	4
CONTINUING DISCLOSURE OF INFORMATION.....	4
Compliance with Prior Undertakings.....	4
MISCELLANEOUS	5
ADDITIONAL INFORMATION.....	5
APPENDIX A MATURITY SCHEDULE	
APPENDIX B FORM OF OFFICIAL ACTION	
APPENDIX C FORM OF OPINION OF CO-BOND COUNSEL	

**Private Placement Memorandum
relating to**

\$13,000,000

**CITY OF FORT WORTH, TEXAS
WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2015B
(the "Bonds")**

INTRODUCTION

This Private Placement Memorandum, including the cover page and appendices, contains brief descriptions of the Issuer, provides certain information with respect to the issuance by the Issuer, and summaries of certain provisions of the Bonds pursuant to the Official Action. Except as otherwise set forth herein, capitalized terms used but not defined in this Private Placement Memorandum have the meanings assigned to them in the Official Action. See "APPENDIX B – FORM OF OFFICIAL ACTION" attached hereto.

APPENDIX A contains the maturity schedule for the Bonds. APPENDIX B contains the Official Action and a description of the purpose for the proceeds of the Bonds. APPENDIX C contains a copy of the proposed opinion of Co-Bond Counsel with respect to the Bonds. The summaries of the documents contained in the body of this Private Placement Memorandum are not complete or definitive, and every statement made in this Private Placement Memorandum concerning any provision of any document is qualified by reference to such document in its entirety.

THE BONDS

General Description

The Bonds are being issued in the aggregate principal amount set forth in APPENDIX A of this Private Placement Memorandum and will mature and be subject to redemption prior to maturity as described in APPENDIX A. The Bonds are being issued as fully registered bonds in denominations of \$5,000, or any integral multiple thereof within a maturity. The Bonds will be dated _____, 2015 and will mature on the dates referenced thereon, and will bear interest at the rates per annum set forth in "APPENDIX A - MATURITY SCHEDULE."

Interest on the Bonds is payable semiannually on each Interest Payment Date, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Principal of and the redemption price with respect to the Bonds will be payable to the Owners upon presentation and surrender at the designated office of the Paying Agent/Registrar; provided, however, that so long as Cede & Co. (or other DTC nominee) is the registered owner of the Bonds, all payments will be made as described under "THE BONDS - Book-Entry-Only System" herein.

Purpose

See "APPENDIX B - FORM OF OFFICIAL ACTION."

Authority for Issuance

The Bonds are issued pursuant to the Constitution and general laws of the State of Texas, particularly Chapter 1502, Texas Government Code, and the terms of the Master Ordinance and the Twenty-Seventh Supplemental Ordinance (collectively, the "Ordinance").

Security for the Bonds

See "APPENDIX B - FORM OF OFFICIAL ACTION."

Redemption Provisions

On February 15, 2026, or on any date thereafter, the Bonds maturing on and after February 15, 2027 may be redeemed prior to their scheduled maturities, upon the written direction of the Issuer, with funds provided by the

Issuer, at par plus accrued interest to the date fixed for redemption as a whole, or in part in inverse order of maturity, and if less than all of the Bonds of a stated maturity are to be redeemed the Paying Agent/Registrar will determine by lot the Bonds, or portions thereof within such maturity to be redeemed (provided that a portion of a Bond may be redeemed only in Authorized Denominations).

Notice of Redemption; Selection of Bonds to Be Redeemed

See "APPENDIX B - FORM OF OFFICIAL ACTION."

The Paying Agent/Registrar, so long as a Book-Entry-Only System is used for the Bonds, will send any notice of redemption of the Bonds, notice of any proposed amendment to the Official Action or other notices with respect to the Bonds only to DTC. Any failure by DTC to advise any DTC Participant (defined below), or of any DTC participant to notify the beneficial owner, shall not affect the validity of the redemption of the Bonds called for redemption or any other action premised on any such notice. Redemption of portions of the Bonds by the Issuer will reduce the outstanding principal amount of such Bonds held by DTC.

Book-Entry-Only System

The information in this caption concerning The Depository Trust Company, New York, New York ("DTC") and DTC's book entry system has been obtained from DTC and the Issuer makes no representation or warranty nor takes any responsibility for the accuracy or completeness of such information.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds and deposited with DTC. See APPENDIX B - "FORM OF OFFICIAL ACTION."

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument (from over 100 countries) that DTC's participants (the "Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions, in deposited securities, through electronic computerized book entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearance Corporation, and Fixed Income Clearance Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). Direct Participants and Indirect Participants are referred to herein collectively as "Participants". DTC has a Standard & Poor's rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Participant through which the Beneficial Owner entered into the transaction.

Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Bonds representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Money Market Instrument Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

All payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. All payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) are the responsibility of the Issuer or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bonds are required to be printed and delivered.

With the consent of the Texas Water Development Board, the Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bonds will be printed and delivered to DTC or successor securities depository.

TAX MATTERS

Opinion

Co-Bond Counsel will deliver its opinion on the date of delivery of the Bonds substantially in the form as attached in "APPENDIX C - FORM OF OPINION OF CO-BOND COUNSEL."

OTHER INFORMATION

Forward-Looking Statements

The statements contained in this Private Placement Memorandum, including the cover page, appendices, and any other information or documents provided by the Issuer, that are not purely historical, are forward-looking statements, including statements regarding the Issuer's assumptions, expectations, hopes, intentions, or strategies regarding the future. Any of such assumptions, expectations or hopes could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included herein will prove to be accurate. Holders of the Bonds should not place undue reliance on forward-looking statements. All forward-looking statements included in this Private Placement Memorandum are based on information available to the Issuer on the date hereof, and the Issuer assumes no obligation to update any such forward-looking statements. It is important to note that the Issuer's actual results could differ materially from those in such forward-looking statements.

Ratings

The existing outstanding water and sewer senior lien revenue bonds of the City are rated "AA" by Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, "AA" by Fitch Ratings and "Aa1" by Moody's Investors Service, Inc. An explanation of the significance of such ratings may be obtained from the company furnishing the rating. The ratings reflect only the respective views of such rating companies, and the City makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time, or that they will not be revised downward or withdrawn entirely by either or both of such rating companies, if in the judgment of either or both companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings, by either of them, may have an adverse effect on the market price of the Bonds. **No application has been made to any rating agency or municipal bond insurance company for qualification of the Bonds for ratings or municipal bond insurance, respectively.**

LITIGATION

There is no litigation, proceeding, inquiry, or investigation pending by or before any court or other governmental authority or entity (or, to the best knowledge of the Issuer, threatened) that adversely affects the power, authority or obligation of the Issuer to deliver the Bonds, the security for, or the validity of, the Bonds or the financial condition of the Issuer. On the date of initial delivery of Bonds, the Issuer will execute and deliver a certificate of like effect to the purchaser of the Bonds.

CONTINUING DISCLOSURE OF INFORMATION

In the Official Action, the Issuer has made a continuing disclosure agreement for the benefit of the holders of the Bonds. The Issuer is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the Issuer will be obligated to provide certain updated financial information and operating data, and timely notice of certain specified events, to the Municipal Securities Rulemaking Board as further described in the Official Action attached hereto as APPENDIX B.

Compliance with Prior Undertakings

During the last five years, the Issuer has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule. During the time when the City was unable to timely prepare its audited financial statements, in order to comply with the Rule, the City filed unaudited financial information for the fiscal years in question, and promptly filed audited financial statements once available.

MISCELLANEOUS

Any statements made in this Private Placement Memorandum involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Private Placement Memorandum nor any statement that may have been made orally or in writing is to be construed as a contract with the owners of the Bonds.

The information contained above is neither guaranteed as to accuracy or completeness nor shall be construed as a representation by the Issuer. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Private Placement Memorandum nor any sale made hereunder shall create, under any circumstances, any implication that there has been no change in the affairs of the Issuer or the Issuer from the date hereof.

The Private Placement Memorandum is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

ADDITIONAL INFORMATION

The Private Placement Memorandum speaks only as of its date and the information contained herein is subject to change. Descriptions of the Bonds and the Official Action and any other agreements and documents contained herein constitute summaries of certain provisions thereof and do not purport to be complete.

APPENDIX A

MATURITY SCHEDULE

CUSIP Prefix ⁽¹⁾: 349515

<u>Amount</u>	<u>Maturity February 15</u>	<u>Interest Rate</u>	<u>Initial Yield</u>	<u>CUSIP Suffix ⁽¹⁾</u>	<u>Amount</u>	<u>Maturity February 15</u>	<u>Interest Rate</u>	<u>Initial Yield</u>	<u>CUSIP Suffix ⁽¹⁾</u>
\$ 535,000	2016				\$ 640,000	2026			
555,000	2017				655,000	2027			
560,000	2018				670,000	2028			
570,000	2019				685,000	2029			
575,000	2020				705,000	2030			
585,000	2021				725,000	2031			
595,000	2022				745,000	2032			
605,000	2023				765,000	2033			
615,000	2024				785,000	2034			
625,000	2025				805,000	2035			

- (1) CUSIP is a registered trademark of the American Bankers Association. CUSIP data is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP services. Neither the Issuer nor the Co-Financial Advisors take any responsibility for the accuracy of CUSIP numbers.

APPENDIX B
FORM OF OFFICIAL ACTION

APPENDIX C
FORM OF OPINION OF CO-BOND COUNSEL